

Schedule A

Case No.: U-14838
Exhibit No.: DE-8
Schedule: A
Witness: P. G. Horgan

The Detroit Edison Company

Revenue Requirements

Summary Exhibits

Historic Year 2005 vs Projected Year 2007

- A1 Revenue Deficiency (Sufficiency) Comparison
 - Total Electric and Jurisdictional Electric
 - Historic Year 2005 vs Forecast Year 2007

- A1-1 Known and Measurable Adjustments - Revenue Requirements Effects - Deficiency \ (Sufficiency)
 - Total Electric and Jurisdictional Electric
 - For Changes from 2005 Historical Year to 2007 Test Year

Schedule A1

Michigan Public Service Commission
The Detroit Edison Company
Revenue Deficiency (Sufficiency) Comparison
Total Electric and Jurisdictional Electric
Historic Year 2005 vs Forecast Year 2007

Case No.: U-14838
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Line No.	(a) Description	(b) 2005 Historical Exhibit A-1 Schedule A1	(c) Changes	(d) 2007 Projected Exhibit A-9 Schedule A1-2	(e) 2007 Source Reference
Total Electric Revenue Deficiency (Sufficiency)					
1					
2	Rate Base	7,455,750	616,930	8,072,680	Exh. DE-10, Sch. B1
3					
4	Adjusted Net Operating Income	491,538	80,680	572,218	Exh. DE-11, Sch. C1
5					
6	Overall Rate of Return	6.59%		7.09%	L4 ÷ L2
7					
8	Rate of Return	7.14%	0.22%	7.36%	Exh. DE-12, Sch. D1
9					
10	Income Requirements	532,341	61,808	594,149	L2 * L8
11					
12	Income Deficiency (Sufficiency)	40,803	(18,872)	21,931	L10 - L4
13					
14	Revenue Conversion Factor	1.5731	(0.0008)	1.5724	Exh. DE-11, Sch. C5
15					
16	Revenue Deficiency (Sufficiency)	64,189	(29,705)	34,484	L12 * L14
17					
18	<u>2005 vs 2007 Revenue Reconciliation for Know and Measurable Changes</u>				
19					
20	Rate Base Changes		69,261		
21	Capital Structure and Cost Rates Changes		27,925		
22	NOI Changes		(126,891)		
23					
24	Total 2005 vs 2007 Revenue Requirements Change		(29,705)		
25					
26					
27	Jursidictional Electric Revenue Deficiency (Sufficiency)				
28					
29	Rate Base	7,315,011	591,776	7,906,787	Exh. DE-10, Sch. B1
30					
31	Adjusted Net Operating Income	503,781	65,209	568,990	Exh. DE-11, Sch. C1
32					
33	Overall Rate of Return	6.89%		7.20%	L29 ÷ L31
34					
35	Rate of Return	7.14%	0.22%	7.36%	Exh. DE-12, Sch. D1
36					
37	Income Requirements	522,292	59,648	581,940	L29 * L35
38					
39	Income Deficiency (Sufficiency)	18,511	(5,561)	12,950	L37 - L31
40					
41	Revenue Conversion Factor	1.5731	(0)	1.5724	Exh. DE-11, Sch. C5
42					
43	Unadjusted Revenue Deficiency (Sufficiency)	29,120	(8,758)	20,362	L39 * L41
44					
45	<u>Adjustment to Revenue Deficiency (Sufficiency)</u>				
46	Jurisdictional Separation Adjustment	21,785	3,136	24,921	Exh. DE-13, Sch. E1
47					
48	Adjusted Revenue Deficiency (Sufficiency)	50,905	(5,622)	45,283	L43 + L46
49					
50	<u>2005 vs 2007 Revenue Reconciliation for Know and Measurable Changes</u>				
51					
52	Rate Base Changes		66,437		
53	Capital Structure and Cost Rates Changes		27,351		
54	NOI Changes		(102,545)		
55	Jurisdictional Separation Adjustment		3,136		
56					
57	Total 2005 vs 2007 Change		(5,622)		

Schedule A1-1

Michigan Public Service Commission
The Detroit Edison Company
Known and Measurable Adjustments - Revenue Requirements Effects - Deficiency \ (Sufficiency)
Total Electric and Jurisdictional Electric
Changes from 2005 Historical Year to 2007 Test Year

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Line	(a) Description	(b) Schedule Reference	(c) Change	(e) NOI Change Net of Tax Effect <i>2005 Rate of Return 7.14%</i>	(f) Revenue Requirement Factor	(g) Total Electric Revenue Requirement Impacts Deficiency \ (Sufficiency)	(h) Jurisdictional Revenue Requirement Impacts
1							
2	<u>2005 to 2007 Rate Base Known and Measurable Adjustments</u>						
3							
4	Net Utility Plant	Exh. DE-10 B1-1	844,839	60,322	1.5724	94,847	
5	Working Capital		(227,909)	(16,273)	1.5724	(25,587)	
6	Rate Base		<u>616,930</u>	<u>44,049</u>		<u>69,261</u>	<u>66,787</u>
7							
8	<u>2005 to 2007 Capitalization Known and Measurable Adjustments</u>			<i>2007 Rate Base 8,072,680</i>			
9							
10	<u>Weighted Rate of Return Percentages</u>						
11	Long-Term Debt	Exh. DE-11 WP-D1	0.03%	2,422	1.5724	3,808	
12	Preferred Stock	Exh. DE-11 WP-D1	0.00%	-	1.5724	-	
13	Common Equity	Exh. DE-11 WP-D1	0.23%	18,567	1.5724	29,194	
14	Short-Term Debt	Exh. DE-11 WP-D1	-0.01%	(807)	1.5724	(1,269)	
15	Job Development ITC - Debt	Exh. DE-11 WP-D1	-0.01%	(807)	1.5724	(1,269)	
16	Job Development ITC - Equity	Exh. DE-11 WP-D1	-0.02%	(1,615)	1.5724	(2,539)	
17	Accumulated Deferred Income Taxes	Exh. DE-11 WP-D1	<u>0.00%</u>	<u>-</u>	<u>1.5724</u>	<u>-</u>	
18	Total Electric Average Capital	Exh. DE-11 WP-D1	0.22%	17,760		<u>27,925</u>	<u>27,351</u>
19							
20	<u>2005 to 2007 NOI Known and Measurable Adjustments</u>						
21							
22	Revenues	Exh. DE-11 C1	108,081	68,709	1.5724	(108,067)	
23	Fuel and Purchased Power	Exh. DE-11 C-1	(60,670)	38,569	1.5724	(60,644)	
24	O&M	Exh. DE-11 C-1	16,540	(10,515)	1.5724	16,533	
25	Depreciation and Amortization	Exh. DE-11 C-1	64,637	(41,091)	1.5724	64,610	
26	Net Regulatory Assets	Exh. DE-11 C-1	0	(0)	1.5724	0	
27	Property and Other Taxes	Exh. DE-11 C-1	5,589	(3,676)	1.5724	5,780	
28	FIT	Exh. DE-11 C-1	(4,525)	4,525	1.5724	(7,115)	
29	Allowance for Funds Used During Construction (AFUDC)	Exh. DE-11 C-1	29,844	22,459	1.5724	(35,314)	
30	Amortization of the Loss on Reacquired Debt	Exh. DE-11 C-1	0	0	1.5724	0	
31	Income Tax Effect of Interest	Exh. DE-11 C-1	(1,911)	1,911	1.5724	(3,005)	
32	Interest Synchronization	Exh. DE-11 C-1	<u>211</u>	<u>(211)</u>	<u>1.5724</u>	<u>332</u>	
33	Total NOI Known and Measurable Adjustments		<u>157,797</u>	<u>80,680</u>		<u>(126,891)</u>	<u>(102,545)</u>
34							
35							
36							
37	Total Revenue Requirements Change					<u><u>(29,705)</u></u>	<u><u>(8,758)</u></u>
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