

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
DTE GAS COMPANY for reconciliation of its)	
revenue decoupling mechanism for the period)	Case No. U-20319
November 1, 2017, through September 30, 2018.)	
_____)	

At the May 23, 2019 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. Norman J. Saari, Commissioner
Hon. Daniel C. Scripps, Commissioner

ORDER APPROVING AMENDED SETTLEMENT AGREEMENT

On January 16, 2019, DTE Gas Company (DTE Gas) filed an application, along with supporting testimony and exhibits, seeking approval of its revenue decoupling mechanism computation that resulted in a net revenue overrecovery for the period of November 1, 2017, through September 30, 2018, of approximately \$4.57 million, excluding interest.

A prehearing conference was held on March 12, 2019, before Administrative Law Judge Martin D. Snider. DTE Gas and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case. On May 14, 2019, the parties submitted an amended settlement agreement, due to a typographical error.

The Commission has reviewed the amended settlement agreement and finds that the public interest is adequately represented by the parties who entered into the amended settlement

agreement. The Commission further finds that the amended settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The amended settlement agreement, attached as Exhibit A, is approved.
- B. DTE Gas Company's revenue decoupling mechanism reconciliation for the period of November 1, 2017, through September 30, 2018, is approved.
- C. DTE Gas Company's net revenue overrecovery of \$4,568,383, excluding interest, for the period of November 1, 2017, through September 30, 2018, is approved.
- D. DTE Gas Company is authorized to implement the positive and negative surcharges effective on a bills-rendered basis during the billing months of September, October, and November 2019, as set forth in the tariff sheet included as Attachment 1 of the amended settlement agreement.
- E. Any residual decoupling balance resulting from an over- or undercollection, or over- or underrefund, shall be included as part of a subsequent revenue decoupling mechanism reconciliation with any remaining residual balance reconciled by rate schedule.
- F. Within 30 days of the date of this order, DTE Gas Company shall file a revised tariff sheet substantially similar to that in Attachment 1 of the amended settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Daniel C. Scripps, Commissioner

By its action of May 23, 2019.

Kavita Kale, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
DTE Gas Company for Reconciliation)
of its Revenue Decoupling Mechanism (RDM))
for the Period November 1, 2017 through)
September 30, 2018)

Case No. U-20319

AMENDED SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or “Commission”), the undersigned parties agree as follows:

1. This Stipulation and Settlement Agreement (“Settlement Agreement”) between DTE Gas Company (“DTE Gas”), and Michigan Public Service Commission Staff (“Staff”), (collectively, the “Parties”) is intended by the Parties as a final settlement and satisfaction of all issues before the Commission regarding the reconciliation of DTE Gas Company’s Revenue Decoupling Mechanism (“RDM”) for the period November 1, 2017 through September 30, 2018, as filed in Case No. U-20319.

2. On January 16, 2019, DTE Gas Company filed the direct testimony and exhibits of Jennifer L. Simmons seeking approval of the RDM computation that resulted in a net revenue over-recovery for the period November 1, 2017 through September 30, 2018 of approximately \$4.57 million excluding interest. On February 15, 2019, the Commission directed DTE Gas Company to mail a notice of hearing to all cities, incorporated villages, townships and counties in its natural gas service area, and cause the notice of hearing to be published in daily newspapers of general circulation in the Company’s gas service territory. A prehearing conference was

conducted on March 12, 2019, at which time a second prehearing was scheduled for April 25, 2019, and Staff appeared as a party to the case. Only Staff and the Company participated in the proceeding. No other parties wished to intervene or otherwise participate. In response to the initial filing, Staff thoroughly reviewed the Company's initial filing, including the direct testimony and exhibits of the Company's witnesses. The result of that review and the settlement discussions is this executed settlement agreement. The Parties have reached settlement of all issues in this case as set forth in the following paragraphs.

3. In its December 9, 2016 Order in Case No. U-17999 ("December 9 Order" or "U-17999 Order") the Commission reauthorized the then existing RDM that was approved in the Commission's December 20, 2012 Order ("December 20 Order" or "U-16999 Order") in Case No. U-16999.¹ The same methodology, including a simple revenue tracker, was reimplemented beginning in November 2017 (twelve months after DTE Gas' rates in Case No. U-17999 became effective) and continued until DTE Gas implemented new rates on October 1, 2018, pursuant to the Commission's order in Case No. U-18999.

4. The Parties agree that DTE Gas complied with the program approved in its U-17999 Order by using the sales forecast adopted by the Commission in that Order and the methodology set forth in the U-16999 Order. Specifically, DTE Gas's RDM reconciled distribution revenue, excluding GCR revenues, surcharges and customer charges produced by 143.7 Bcf (the 11 month sales volume used for RDM calculations) to weather normalized actual distribution revenue, excluding GCR revenue, surcharges, customer charges and GS-2 and EUT sales. Also consistent with the U-16999 Order, weather normalized revenue is calculated using the annual 15 year weather normalization based on DTE Gas's proposed 15 year weather

¹ See December 20, 2012 MPSC Order approving partial settlement in Case No. U-16999, page 3.

normalization methodology included in that case. Base rate revenues were multiplied by program year cap percentage (1.125% year one, 2.25% year two and subsequent years) on a year to date rate schedule basis. The difference in revenue, by rate schedule, was then compared to the caps by rate schedule. The absolute value of the variance between revenues from Case No. U-17999 and actual weather normalized revenues was then used to determine if an asset or liability exists. The RDM adjustment asset or liability is the lesser of the defined cap or the actual variance, compared on an absolute value basis.

5. The Parties agree that, based upon the RDM calculations set forth above, DTE Gas's net revenue over-recovery for the period November 1, 2017 through September 30, 2018 is \$4,568,383 excluding interest. The \$4,568,383 is the net of a refund of \$4,746,172 excluding interest provided to customers in rate schedules A, AS, GS-1, and S in the form of credits and \$177,789 recovery excluding interest in the form of a surcharge levied on rate schedule 2AI and 2A II. In addition, DTE Gas proposes that any residual decoupling balance resulting from an over- or under-collection, or over- or under-refund, be included as part of a subsequent RDM reconciliation with any remaining residual balance reconciled by rate schedule.

6. The Parties agree that the positive and negative surcharges as set forth on the Exhibit A-8 tariff sheet, included as Attachment 1 to this Settlement Agreement, are correct and are intended to reduce the residual balances as much as practicable and should be approved by the Commission. These positive and negative surcharges will be effective on a billing cycle basis during the billing months of September, October and November 2019.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the Parties. All offers of settlement and discussions relating to this Settlement Agreement are considered privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the Parties to this settlement nor the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the terms of the Settlement Agreement and the order approving it.

8. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, and shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation positions of any party.


9. The parties recommend the Commission find that approval of this Settlement Agreement by the Commission is reasonable and in the public interest, and will reduce the time and expense of the Commission, its Staff, and the Parties.

10. The Parties agree to waive Section 81 of 1969 PA 306 (MCL 24.281), as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

11. This Settlement Agreement may be executed in any number of counterparts, each considered an original, and all counterparts that are executed shall have the same effect as if they were the same instrument.

WHEREFORE, the undersigned parties respectfully request the Commission approve this Settlement Agreement and make it effective in accordance with its terms by final order.

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**

By: 
Michael J. Orris (P51232)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy, 3rd Flr
Lansing, Michigan 48917

Dated: May 14, 2019

DTE GAS COMPANY

By: Megan E. Irving Digitally signed by
Megan E. Irving
Date: 2019.05.14
11:25:32 -04'00'
Its Attorney
Megan E. Irving (P75232)
One Energy Plaza, 16 WCB
Detroit, Michigan 48226

Dated: MAY 14, 2019

ATTACHMENT 1

Case No.: U-20319
Exhibit: A-8
Witness: J. Simmons
Page: 1 of 1

M.P.S.C. No. 1 – Gas
DTE Gas Company
(Revised pursuant to Case No. U-20319)

Revised Sheet No. D-2.00
Cancels _____ Revised Sheet No. D-2.00

D2. SURCHARGES

	Rate Schedule No.	<i>U-20319 RDM (Credit)/ Surcharge \$/Month</i>
A & AS	Residential	<i>\$(1.05)</i>
2A	Residential Multiple Family Dwelling Class I	<i>\$2.68</i>
2A	Residential Multiple Family Dwelling Class II	<i>\$11.54</i>
GS-1	Non-Residential General Service	<i>\$(4.29)</i>
GS-2	Large Volume	
	<100,000 Mcf	
	>100,000 Mcf	
S	School	<i>\$(112.04)</i>
ST	Small Volume Transportation	
LT	Large Volume Transportation	
XL	Extra Large Volume Transportation	
XXLT	Double Extra Large Volume Transportation	
	EUT Exploratory Program	

The RDM (Credit)/Surcharge approved in Case No. U-20319 is implemented on a “bills rendered” basis and is effective for three months for bills rendered on and after September 1, 2019 and will expire November 30, 2019 for rate schedules A, AS, 2A I and II, GS-1 and S.

This is only the proposed incremental language for the RDM (Credit)/Surcharge. This language would be added to the current Sheet D-2.00 in effect at the time the surcharge is approved. Because the surcharge(s) currently in effect may change between the time this sheet is proposed and its approval, only the language and rates at issue in this case are included. DTE Gas proposes this incremental language tariff to avoid confusion at the time of final tariff issuance.

Issued _____, 201__
D. M. Stanczak
Vice President
Regulatory Affairs

Effective for bills rendered on
and after the first billing cycle of
_____, 201__

Detroit, Michigan

Issued under authority of the
Michigan Public Service Commission
Dated _____, 201__
In Case No. U-20319


PROOF OF SERVICE

STATE OF MICHIGAN)

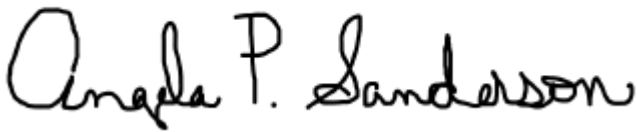
Case No. U-20319

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on May 23, 2019 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 23rd day of May 2019.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-20319

Name	Email Address
DTE Energy Company	mpscfilings@dteenergy.com
Martin Snider	sniderm@michigan.gov
Megan E. Irving	megan.irving@dteenergy.com
Michael J. Orris	orrism@michigan.gov