

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter of the application of	)	
<b>DTE ELECTRIC COMPANY</b> for reconciliation	)	
of its transitional reconciliation mechanism	)	Case No. U-20987
associated with the disposition of the City of	)	
Detroit Public Lighting System for the period of	)	
January 1, 2020 through December 31, 2020.	)	
_____	)	

At the August 11, 2021 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Tremaine L. Phillips, Commissioner  
Hon. Katherine L. Peretick, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On March 29, 2021, DTE Electric Company (DTE Electric) filed its application, with testimony and exhibits, to reconcile its transitional reconciliation mechanism (TRM) associated with the City of Detroit Public Lighting Department for the year ended December 31, 2020, pursuant to the May 13, 2014 order in Case No. U-17437 (May 13 order). The May 13 order directed the utility to file its TRM proceeding on March 31 of the year after the customer conversion date occurred and annually thereafter until the transition is completed.

On May 13, 2021, a prehearing conference was held before Administrative Law Judge Martin D. Snider. The Commission Staff also participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the 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 settlement agreement, attached as Exhibit A, is approved.
- B. Prior to the effective date of the surcharge authorized in this order, DTE Electric Company shall file with the Commission tariff sheets substantially similar to those contained in Attachment 1 of the settlement agreement.
- C. DTE Electric Company is authorized to file its next reconciliation of its transitional reconciliation mechanism associated with the disposition of the City of Detroit Public Lighting System by October 1, 2022, which shall cover the time period of January 1, 2021, through August 31, 2022.

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](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto: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

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Daniel C. Scripps, Chair

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Tremaine L. Phillips, Commissioner

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Katherine L. Peretick, Commissioner

By its action of August 11, 2021.

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Lisa Felice, Executive Secretary

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the Matter of the Application of	)	
<b>DTE ELECTRIC COMPANY</b> for	)	
Reconciliation of its Transitional	)	
Reconciliation Mechanism associated with the	)	Case No. U-20987
Disposition of the City of Detroit Public	)	
Lighting System for the Period of	)	
<u>January 1, 2020 through December 31, 2020</u>	)	

**SETTLEMENT AGREEMENT**

As provided in Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and R 792.10431 (“Rule 431”) of the Michigan Public Service Commission’s (“MPSC” or “Commission”) Rules of Practice and Procedure, and supported by the Commission’s own policy encouraging settlement of contested issues, DTE Electric Company (“DTE Electric” or “the Company”) and the Commission Staff (“Staff”) (hereinafter collectively referred to as the “Parties”) have resolved through settlement discussions all issues before the Commission in the above-captioned case and agree as follows:

1. In MPSC Case No. U-17427, the Commission issued its order dated July 11, 2013 (“U-17427 Order”), authorizing DTE Electric to defer for accounting purposes the net incremental revenue requirement associated with the transition of the City of Detroit Public Lighting Department (“PLD”) electric distribution business and transfer of PLD customers to the DTE Electric distribution system.

2. In MPSC Case No. U-17437, the Commission issued its order dated May 13, 2014 (“U-17437 Order”), approving DTE Electric’s Transitional Reconciliation Mechanism (“TRM”) plan for recovery of the deferred costs that were the subject of the U-17427 Order and directing

the Company to file its first reconciliation proceeding on March 31 of the year after the customer conversion date occurs and annually thereafter until the transition is completed.

3. On March 29, 2021, DTE Electric filed its Application in this proceeding for the 2020 reconciliation of the TRM pursuant to the U-17437 Order along with supporting testimony and exhibits of Witnesses Reema A. Biel, Karen J. Sebestin, Kelly A. Holmes, Luis Salas, Kirk M. Vangilder, and Karen R. Whitman.

4. On May 12, 2021 DTE Electric filed proofs of service and affidavits of publication indicating that the Company served and published a notice of hearing pursuant to instructions issued by the Commission's Executive Secretary.

5. On May 13, 2021, Administrative Law Judge ("ALJ") Martin D. Snider conducted a prehearing conference. DTE Electric and Staff appeared by and through counsel and were granted party status in the proceeding. The ALJ approved a consensus schedule for future actions and proceedings.

6. In lieu of further contested case actions, the Parties agree to settle this case according to the following terms and conditions pursuant to MCL 24.278(2).

7. The Parties agree that for the 12-month period of January 1, 2020 through December 31, 2020, DTE Electric incurred a net revenue requirement plus carrying charges, including the under-recovery for Case No. U-20711 in the amount of \$18,220,281 for costs associated only with the transition of PLD electric distribution business and transfer of PLD customers to the DTE Electric distribution system.

8. The Parties agree that the amount of DTE Electric's proposed TRM surcharge of \$0.001794/kwh shall be applicable to all customers on a bills rendered basis. The calculation of the surcharge assumes a projected three-month recovery period from October 1, 2021 through

December 31, 2021, and is based on the net revenue requirement plus carrying charges and under-recovery for Case No. U-20711, divided by the service area sales forecast for the recovery period.

9. The Parties request that the Commission enter an order approving DTE Electric's reconciliation of its net revenue requirement plus carrying charges, including under-recovery in Case No. U-20711 in the amount of \$18,220,281.

10. The Parties further request that the Commission authorize and approve implementation of a TRM surcharge of \$0.001794/kwh (see Attachment 1 for illustrative tariff rate) to be applicable to all customers on a bills rendered basis beginning on October 1, 2021 for a three-month period. If the Commission enters an order in this case after October 1, 2021, such that the effective date (first day of the month following the issuance of the order) is November 1, 2021 or thereafter, then DTE Electric will work with the Staff to develop a like surcharge using appropriate billing determinants for the applicable three month period.

11. In addition, the Parties request that the Commission authorize DTE Electric to file its next reconciliation proceeding by October 31, 2022, which shall cover the time period of January 1, 2021, through August 31, 2022. Since the project is coming to a close during 2022, this will reduce administrative burden for the Parties.

12. The Parties agree that the TRM will remain in effect until the assets are reflected in DTE Electric's base rates, which may necessitate one final reconciliation.

13. This settlement agreement ("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 Settlement Agreement and the order approving it.

14. 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, then 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.

15. This Settlement Agreement is reasonable and in the public interest, and will reduce the time and expense of the Commission, its Staff, and the Parties.

16. 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.

17. 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.

**IN WITNESS WHEREOF**, the parties have caused this Settlement Agreement to be duly executed by their respective duly authorized officers as of the date first above written.

**DTE ELECTRIC COMPANY**

By: **David S. Maquera** Digitally signed by David S. Maquera  
Date: 2021.08.02 12:56:11 -04'00' Dated: July \_\_\_\_\_, 2021  
Its: David S. Maquera (P66228)  
Attorney

**MICHIGAN PUBLIC SERVICE COMMISSION STAFF**

By: **Michael J. Orris** Michael J. Orris  
2021.07.29  
15:50:14 -04'00' Dated: July 29\_\_\_\_\_, 2021  
Its: Michael Orris  
Attorney



# **ATTACHMENT 1**

M.P.S.C. No. 1 - Electric  
DTE Electric Company  
(Update TRM)

Thirty-Fourth Revised Sheet No. C-69.00  
Cancels Thirty-Third Revised Sheet No. C-69.00

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(Continued from Sheet No. C-68.00)

**C9 SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE (Contd.)**

**C9.7.7** HOLD FOR FUTURE USE

**C9.7.8** HOLD FOR FUTURE USE

**C9.7.9 Low Income Energy Assistance Fund (LIEAF) Factor**

On July 1, 2013, Public Act 95 of 2013 was signed into law, creating the Low Income Energy Assistance Fund (LIEAF). Money from the LIEAF will be distributed by the Department of Human Services as provided in the Michigan Energy Assistance Act, 2012 PA 615.

The Low Income Energy Assistance Fund (LIEAF) Factor is a monthly per meter charge for all customers receiving retail distribution service from a participating Michigan electric utility. DTE Electric Company is participating, and the LIEAF Factor effective beginning with the September 2020 billing month is \$0.91. For residential customers, the LIEAF Factor will only apply to one meter per site.

**C9.7.10** HOLD FOR FUTURE USE

**C9.7.11** HOLD FOR FUTURE USE

**C9.7.12** HOLD FOR FUTURE USE

**C9.7.13** HOLD FOR FUTURE USE

**C9.7.14 TRANSITIONAL RECONCILIATION MECHANISM (TRM)**

*On \_\_\_\_\_, 2021 the MPSC issued an order in Case No. U-20987 authorizing implementation of the Transitional Reconciliation Mechanism (TRM). This case is the annual reconciliation of the incremental revenues and costs associated with attaching former City of Detroit Public Lighting Department customers to DTE Electric's distribution system. The TRM surcharge of \$0.001794 per kWh will be effective on a bills rendered basis for the billing months of October 2021 through December 2021.*

Continued on Sheet No. C-70.00)

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Issued September 21, 2020  
C. Serna  
Vice President  
Regulatory Affairs  
  
Detroit, Michigan

Effective for bills rendered on  
and after October 1, 2021  
  
Issued under authority of  
the Michigan Public Service Commission  
dated \_\_\_\_\_, 2020 in Case No. U-20987

M.P.S.C. No. 1 - Electric  
DTE Electric Company  
(Update TRM)

Sixty-First Revised Sheet No. C-70.00  
Cancels Sixtieth Revised Sheet No. C-70.00

(Continued from Sheet No. C-69.00)

**C9 SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE: (Contd.)**

**SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE: (Contd.)**

**C9.8 Summary of Surcharges and Credits:** Summary of surcharges and credits, pursuant to sub-rules C9.1, C9.2, C9.6, C9.7.9, C9.7.10, C9.7.11, C9.7.12, C9.7.13 *and* **C.9.7.14**. Cents per kilowatthour or percent of base bill, unless otherwise noted.

	<u>NS</u> ¢/kWh	<u>EWRS</u> ¢/kWh	<u>TRM</u> ¢/kWh	<u>Total Delivery</u> <u>Surcharges</u> ¢/kWh	<u>LIEAF Factor</u> \$/Billing Meter
<b>Residential</b>					
D1 Residential	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	\$0.91
D1.1 Int. Space Conditioning	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	N/A
D1.2 Time of Day	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	\$0.91
D1.6 Special Low Income Pilot	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	\$0.91
D1.7 Geothermal Time-of-Day	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	N/A
D1.8 Dynamic Peak Pricing	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	\$0.91
D1.9 Electric Vehicle	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	N/A
D2 Space Heating	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	\$0.91
D5 Wtr Htg	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	N/A
D9 Outdoor Lighting	0.0842	0.5076	<i>0.1794</i>	<i>0.7712</i>	N/A
<b>Commercial</b>					
D1.1 Int. Space Conditioning	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D1.7 Geothermal Time-of-day	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D1.8 Dynamic Peak Pricing	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D1.9 Electric Vehicle	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D3 General Service	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D3.1 Unmetered	0.0842	See C9.6	<i>0.1794</i>		N/A
D3.2 Educ. Inst.	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D3.3 Interruptible	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D4 Large General Service	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D5 Wtr Htg	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D9 Outdoor Lighting	0.0842	See C9.6	<i>0.1794</i>		N/A
R3 Standby Secondary	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R7 Greenhouse Lighting	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R8 Space Conditioning	0.0842	See C9.6	<i>0.1794</i>		\$0.91
<b>Industrial</b>					
D6.2 Educ. Inst.	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D8 Interruptible Primary	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D10 Schools	0.0842	See C9.6	<i>0.1794</i>		\$0.91
D11 Primary Supply	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R1.1 Metal Melting	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R1.2 Electric Process Heating	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R3 Standby Primary	0.0842	See C9.6	<i>0.1794</i>		\$0.91
R10 Interruptible Supply	0.0842	See C9.6	<i>0.1794</i>		\$0.91

(Continued on Sheet No. C-71.00)

Issued January 6, 2021  
C. Serna  
Vice President  
Regulatory Affairs  
Detroit, Michigan

Effective for bills rendered on  
and after January 1, 2021

Issued under authority of the  
Michigan Public Service Commission  
dated \_\_\_\_\_, 2021  
in Case No. U-20987

M.P.S.C. No. 1 - Electric  
DTE Electric Company  
(Update TRM)

Sixty-First Revised Sheet No. C-71.00  
Cancels Sixtieth Revised Sheet No. C-71.00

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(Continued from Sheet No. C-70.00)

**C9 SURCHARGES AND CREDITS APPLICABLE TO DELIVERY SERVICE: (Contd.)**

**C9.8 Summary of Surcharges and Credits (Contd.):**

	<u>NS</u> ¢/kWh	<u>EWRS</u> ¢/kWh	<u>TRM</u> ¢/kWh	<u>LIEAF Factor</u> \$/Billing Meter
<b>Governmental</b>				
E1 Streetlighting Option I	<i>0.0842</i>	See C9.6	<i>0.1794</i>	N/A
E1 Streetlighting Option II & III	<i>0.0842</i>	See C9.6	<i>0.1794</i>	N/A
E1.1 Energy Only	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
E2 Traffic Lights	<i>0.0842</i>	See C9.6	<i>0.1794</i>	N/A
<b>Electric Choice</b>				
EC2 D1.1 Int. Space Conditioning	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D1.7 Geothermal Time of Day	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D1.9 Electric Service	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D3 General Service	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D3.2 Educ. Inst.	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D3.3 Interruptible	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D4 Large General Service	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D5 Water Heating	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 R7 Greenhouse Ltg	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 R8 Space Conditioning	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D6.2 Educ. Inst.	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D8 Int. Primary	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D10 Schools	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 D11 Primary Supply	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 R1.1 Metal Melting	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 R1.2 Elec. Proc. Htg	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91
EC2 R10 Int. Supply	<i>0.0842</i>	See C9.6	<i>0.1794</i>	\$0.91

(Continued on Sheet No. C-72.00)

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Issued January 6, 2021  
C. Serna  
Vice President  
Regulatory Affairs  
  
Detroit, Michigan

Effective for bills rendered on  
and after October 1, 2021  
  
Issued under authority of the  
Michigan Public Service Commission  
dated \_\_\_\_\_, 2021  
in Case No. U-209987


# PROOF OF SERVICE

STATE OF MICHIGAN )

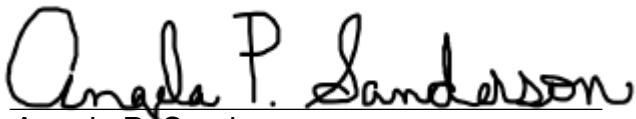
Case No. U-20987

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on August 11, 2021 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 11<sup>th</sup> day of August 2021.



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

**Service List for Case: U-20987**

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Name	Email Address
David S. Maquera	david.maquera@dteenergy.com
DTE Electric Company	mpscfilings@dteenergy.com
Martin Snider	sniderm@michigan.gov
Michael J. Orris	orrism@michigan.gov