S T A T E   O F   M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **DTE GAS COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of natural gas, and for miscellaneous accounting authority.	)))))))	Case No. U-21291

At the February 27, 2025 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER

On January 8, 2024, DTE Gas Company (DTE Gas) filed an application in this case requesting authority to increase its retail rates by approximately $266 million, effective as early as October 1, 2024, among other forms of requested regulatory relief.

On February 8, 2024, Administrative Law Judge Jonathan F. Thoits (ALJ) conducted a prehearing conference at which the ALJ granted petitions to intervene filed by, among others, the Association of Businesses Advocating Tariff Equity (ABATE) and Michigan Power Limited Partnership (MPLP). The ALJ acknowledged the notice of intervention filed by the Michigan Department of Attorney General. DTE Gas and the Commission Staff (Staff) also participated in the proceeding.

Evidentiary hearings were held on June 20, 21, and 24, 2024, wherein testimony and exhibits were bound into the record and cross-examination took place. Timely briefs and reply briefs were filed on July 16 and 31, 2024, respectively, and the ALJ issued a Proposal for Decision (PFD) on September 4, 2024. Timely exceptions and replies to exceptions were filed on September 25 and October 7, 2024, respectively.

On November 7, 2024, the Commission issued an order in this case (November 7 order) authorizing DTE Gas to implement rates that increase its annual electric revenues by $113,788,000, effective November 21, 2024.

On December 6, 2024, DTE Gas, ABATE, and MPLP filed petitions for rehearing of the November 7 order, pursuant to Mich Admin Code, R 792.10437 (Rule 437). On December 27, 2024, the Staff filed a response to the petitions for rehearing. In their petitions for rehearing, DTE Gas, ABATE, and MPLP request that the Commission rehear and reconsider several aspects of the November 7 order, as discussed below.

Lost and Unaccounted for Gas

In its petition for rehearing, DTE Gas asserts that in the November 7 order, the Commission approved $22.151 million for Lost and Unaccounted For (LAUF) gas and $18.31 million for company-use (CU) gas, which were based on the Staff's recommendations. The company argues that the Staff's recommendations failed to include a required adjustment for gas in kind (GIK). DTE Gas requests that "the Commission . . . grant rehearing and correct the GIK credit calculation to use a projected cost of gas rate of $4.1015 per [thousand cubic feet (Mcf)], resulting in a reduced GIK revenue of $26,823 and a $1.8 million reduction in the GIK revenue credit that was omitted in the Commission's Order." DTE Gas's petition for rehearing, pp. 2-3.

The Staff agrees, stating that "[t]he Company is correct that Staff neglected to recalculate GIK based on its proposed [cost of gas], and that the omission of the recalculated amount carried through to the final order." Staff's response to petitions for rehearing, p. 14.

The Commission agrees with DTE Gas and the Staff that the GIK revenue offset was omitted from the calculation of approved rates in error. Therefore, the Commission grants DTE Gas's request for rehearing on this issue and approves a $1.8 million reduction in the GIK revenue credit consistent with its decision on the projected cost of gas, LAUF, CU, and GIK.

Uncollectibles Expense

In its petition for rehearing, DTE Gas notes that in the November 7 order, the Commission agreed with the Staff that the company's projected uncollectibles expense was inflated and, thus, adopted the Staff's proposed uncollectibles expense calculation. The company states that it "only seeks rehearing with respect to a portion of Staff's recommended changes, specifically the exclusion of test year revenues that are attributable to Energy Waste Reduction (EWR), cost of gas, the Company's Home Protection Plan (HPP), and miscellaneous revenue," which comprise $3.96 million of the Staff's proposed $5.36 million disallowance. DTE Gas's petition for rehearing, p. 3.

DTE Gas asserts that according to the Staff, EWR, cost of gas, HPP, and miscellaneous revenues should be excluded because these projected revenue amounts were not included in this general rate case, and thus were not subject to audit, and therefore should not be included in the uncollectibles projection. The company contends that these revenue amounts were included in the historical revenues used to calculate the average net write-offs to revenue but were excluded from the test year, which "resulted in an unsupported $3.96 million disallowance of uncollectible expense." *Id.*, pp. 3-4.

DTE Gas argues that if the EWR, cost of gas, HPP, and miscellaneous revenues are excluded from the uncollectibles expense calculation in a general rate case, the company will have no other forum to recover uncollectibles expense associated with these revenues. The company explains that the Commission has not authorized the recovery of uncollectibles expense associated with EWR revenues in an Energy Optimization Plan case because uncollectibles expense is an indirect expense and only direct charges may be recovered in the EWR surcharge. Similarly, DTE Gas states that "[t]he Commission has not authorized recovery of gas cost uncollectible expense in a Gas Cost Recovery (GCR) proceeding; therefore, recovery in a GCR proceeding is not currently feasible. With respect to HPP revenues, a general rate case is the only forum available to recover this portion of uncollectible expense." *Id*., p. 5.

DTE Gas requests that the Commission grant rehearing to correct the uncollectibles expense calculation approved in the November 7 order "so that historical revenue used to calculate the historical write off percentage and the projected revenue that the write off percentage is applied to are calculated on the same basis (and with the same exclusions applied)." *Id*., p. 6; *see also*, Exhibit A-33, Schedule W1. The company states that if the Commission declines to correct this error, the Commission should, at a minimum, remove the EWR, cost of gas, HPP, and miscellaneous revenues from the entire calculation, i.e., these revenues should be excluded from the historical revenues used to calculate the write-off percentage.

In response, the Staff asserts that DTE Gas simply disagrees with the method approved in the November 7 order for calculating uncollectibles expense and that the company fails to demonstrate that the Commission's decision on this issue was in error, that there is newly discovered evidence, or that the decision results in unintended consequences as required by Rule 437. The Staff contends that the Commission's decision was based on record evidence that fully supports the disallowance:

> While the Company's methodology is consistent with Staff's direct write off method, the revenue amount used is excessive. Revenue is multiplied by the bad debt loss ratio (BDLR) to create the expense projection. See Exhibit A-13, Schedule C5.7. An excessive revenue amount creates an unreasonable UCX [uncollectibles expense] projection. Staff requested the revenue categories that compose its projection. The Company's response is displayed on exhibit S-9.5, page 3. Staff disagrees with the use of the proposed revenue. Use of future revenue at proposed rates creates an iterative calculation. It is Staff's position that Energy Optimization Revenue should be excluded as it is not included in this general rate case. Staff recommends the use of total current revenue projected test year billing determinants at the current base rates, as presented on Staff Exhibit S-6, F2, p. 1, ln. 14, col. (d.) and supported by Staff witness [Madison S.] Todd.

Staff's response to petitions for rehearing, pp. 3-4 (quoting 4 Tr 1650-1651). The Staff argues that the ALJ and the Commission found the Staff's position well-supported and persuasive and the company has not demonstrated that the Commission's decision is in error.

Rule 437 of the Commission's Rules of Practice and Procedure, Mich. Admin Code, R 792.10437, provides that a petition for rehearing may be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the order. A petition for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission finds that DTE Gas's request for rehearing should be granted regarding its claim that if EWR revenues are omitted from the uncollectibles expense calculation, uncollectibles expense from EWR may not be recovered through the EWR surcharge, resulting in the unintended consequence of foreclosing the company's opportunity to recover this expense in any forum. *See*, DTE Gas's petition for rehearing, p. 4. However, the Commission agrees with the Staff that DTE Gas failed to provide the calculation of EWR revenues in this case, which prevented the Staff and intervenors from auditing the calculation. *See*, Staff's response to petitions for rehearing, p. 3 (quoting 4 Tr 1650-1651); Staff's initial brief, p. 64; Exhibit A-13, Schedule C5.7; Exhibit S-9.4, p. 3. Therefore, the Commission declines to approve the company's request to include these revenues in uncollectibles expense for the test year. Nevertheless, to avoid the unintended consequence of foreclosing the company's opportunity to recover uncollectibles expense associated with EWR, the Commission directs DTE Gas to book a regulatory asset for the uncollectibles expense associated with EWR revenues to be reviewed in the company's next general rate case. The Commission also directs the company to provide in its next general rate case detailed information regarding the calculation of EWR revenues as it relates to uncollectibles expense.

Regarding the cost of gas, HPP, and miscellaneous revenues, the Commission finds that the company failed to demonstrate that exclusion of these revenues from the uncollectibles expense calculation results in the unintended consequence of foreclosing the company's ability to recover these expenses. The Commission finds that there is insufficient evidence on the record to specifically categorize and audit these revenues, to determine that these revenues are in fact unrecoverable if not recovered in a general rate case, and to conclude that these revenues should be included in the uncollectibles expense calculation. Therefore, the Commission denies the company's request for rehearing of this issue but directs the company to present more detailed information regarding these expenses and provide auditable calculations in a future general rate case.

Transportation Service Rate Design

In its petition for rehearing, ABATE states that in the November 7 order, the Commission agreed with the ALJ and the Staff and approved the continued use of the average and peak (A&P) method for allocating functionalized transportation costs and non-customer-related distribution costs. In addition, ABATE notes that regarding the alternate cost of service study (COSS), the November 7 order adopted the findings and recommendations of the ALJ and the order stated that the "'Staff showed that the alternate COSS continues to prove useful' while acknowledging that 'Staff goes on to explain that it is not advisable to switch to the alternate COSS for all cost allocation at this time.'" ABATE's petition for rehearing, p. 4 (quoting the November 7 order, p. 235-236). ABATE contends that the November 7 order did not explicitly approve an alternate COSS or direct the Staff to use an alternate COSS when developing the final rates for this case. However, ABATE states that Attachment A to the November 7 order incorrectly reflects an alternate COSS.

ABATE asserts that use of the alternate COSS in Attachment A was an error and that it:

> results in the unintended consequence of producing a cost allocation wildly at odds with that which would properly result from the Company's proposed method. Specifically, the summary of revenue by rate class results in an increase to Transportation Rate XXLT of 26.36% (or 2.25 times the system average increase), while even Staff's initial proposed rate design would have only resulted in a Rate XXLT increase of 1.75 times the system average, and the Rate XXLT increase under the Company's primary COSS would have only been 14.73%, or 0.54 times the system average at DTE's claimed revenue deficiency.

ABATE's petition for rehearing, p. 4.[1] More specifically, ABATE contends that although the Commission approved an overall revenue increase of $133 million less than the amount requested

[1] The Commission notes that references to "DTE" in quoted material are to DTE Gas unless otherwise noted.

by DTE Gas, use of the alternate COSS results in an increase to Rate XXLT that is almost double the amount proposed by the company in its original request.

In addition, ABATE states that:

> the summary of revenue by rate class included at the Order's Attachment A is also inconsistent with any other party's filed position on the COSS and cost allocation. If the [November 7] Order had approved an alternate COSS (which it did not), the summary of revenue by rate class should have reflected a revenue increase for each transportation class which was scaled down proportionately from that filed COSS to reach the revenue requirement approved in the [November 7] Order. That is not, however, demonstrated in the [November 7] Order's summary of revenue by rate class.

Id., p. 5. According to ABATE, it appears that the COSS used in Attachment A to the November 7 order begins with the A&P method but is then modified by an unidentifiable variation on the Staff's alternate COSS. ABATE contends that the November 7 order provides no support for this method of establishing rates.

Furthermore, ABATE asserts that use of this COSS method in Attachment A to the November 7 order will result in "the unintended consequence of rate shock for these customers and may further result in their efforts to seek out bypass opportunities to avoid the Company's system (and avoid contributing associated revenues) altogether." *Id*., p. 6. Thus, ABATE requests that the Commission grant rehearing of the November 7 order to correct the error in Attachment A and remove the alternate COSS to avoid the unintended consequence of rate shock for Rate XXLT customers.

Similar to ABATE, MPLP states that "there is nothing in the November 7 Order directing the use of the Staff's disputed transportation class rate design. Absent explicit instruction from the Commission contained within a signed order to change the rate design, the default rate design should have been the one contained in DTE's application consistent with prior DTE rate orders." MPLP's petition for rehearing, p. 8.

MPLP also asserts that use of the alternate COSS will result in the unintended consequence of rate shock for Rate XXLT customers:

> Attachment A to the November 7 Order shows that Rate XXLT's overall average rate increase is 26.36%. This rate increase is in addition to the 26.14% rate increase approved for Rate XXLT in the Commission's December 9, 2021 order in [Commission] Case No. U-20940, DTE's most recent prior rate proceeding. Rate XXLT's transportation rates have increased by nearly 60% in just three years. In contrast, residential rates increased by 1.78% in 2021 and by another 0.47% in the November 7 Order, while Rate ST and LT transportation rates declined.

MPLP's petition for rehearing, pp. 9-10 (citing December 9, 2021 order in Case No. U-20940 (December 9 order), Attachment A, p. 1; November 7 order, Attachment A, p. 1). MPLP notes that in the December 9 order, the Staff stated that any overall increase in a customer's bill above 10% is a potential rate shock. *See, id.*, p. 9 (citing the December 9 order, p. 221).

Next, MPLP asserts that "[i]n 2009, DTE (then Michigan Consolidated Gas Company [(Mich Con)]), proposed Rate XXLT for its largest transportation customers. DTE explained that that [sic] Rate XXLT was needed for very large customers 'to mitigate further losses to interstate pipeline bypass or fuel switching.'" MPLP's petition for rehearing, p. 10 (quoting 5 Tr 1207 in Case No. U-15985). Specifically, MPLP cites testimony from Mich Con's witness, who explained that:

> [b]ased on my past experiences, MichCon's marketing efforts and competitiveness in retaining and attracting very large loads must be maintained to keep costs competitive for all customers. If large customers are charged rates that effectively subsidize the remainder of the transportation class, the ability to attract or maintain these loads will be diminished. These customers typically have multiple locations behind other utilities, they have alternate fuel options, and, due to their large size, they have bypass options with the interstate pipelines that require that MichCon continually assess, modify and create service distinctions to provide the Company with the opportunity to retain and attract these customers. Further, without the retention of these loads, the burden of cost recovery will fall on the remaining customers.

MPLP's petition for rehearing, p. 10 (quoting 5 Tr 1207 in Case No. U-15985). MPLP notes that Mich Con's witness also testified that after a large transportation customer's rate was doubled, the customer, who had an 18-20 billion cubic feet annual load, built a 0.5-mile direct connection to an interstate pipeline to bypass Mich Con's system. MPLP claims that "Rate XXLT was specifically proposed to create a cost-based transportation rate that could compete with bypass alternatives to interstate pipelines." MPLP's petition for rehearing, p. 11 (citing 5 Tr 1210-1211 in Case No. U-15985). MPLP states that, in this case, using the Staff's transportation rate will have the unintended consequence of increasing Rate XXLT to a level that will encourage customers to evaluate bypass alternatives. Accordingly, MPLP requests that the Commission grant rehearing and adopt the revised transportation rates utilizing DTE Gas's rate design.

In its response to ABATE's and MPLP's petitions for rehearing, the Staff states that "[b]oth parties make certain statements and[/]or claims in support of their requests that share similarities; such statements and claims will be dealt with together as appropriate." Staff's response to petitions for rehearing, p. 5.

The Staff notes that both ABATE and MPLP contend that approval of the Staff's proposed transportation service rate design in the November 7 order is inconsistent with the Commission's decision in the December 9 order. Specifically, the Staff cites ABATE's claim that in the December 9 order, the Commission approved the A&P cost allocation method but did not approve the use of an alternate COSS. Similarly, the Staff notes that MPLP asserted that the Staff's transportation service rate design has never been used for DTE Gas and that the default should have been the rate design proposed by the company in its application, which was approved in prior orders. The Staff disagrees, stating that "while the Commission approved the A&P allocation method in the previous case (and the instant case), that allocation method was used in both the alternative and primary COSs, and the Commission approved Staff's proposed use of the alternate COS to guide transportation rate design . . . ." *Id*., p. 6.

The Staff states that ABATE and MPLP are conflating two separate issues: (1) the allocation method for distribution mains in prior cases and in the instant case, and (2) how the alternate COSS was used in prior cases and in the instant case. According to the Staff:

> [b]oth parties are correct that the Company's proposed cost allocation method for distribution mains, the [A&P] method, was approved by the Commission in both the previous case and instant case. What both parties fail to recognize in their current pleadings is that the allocation method was used in both the "primary" COS and the "alternate" COS. Both parties, however, acknowledged this fact in their previous briefs on this issue. Therefore, the previous and current approval of the allocation method is not the same thing as the disposition of how the alternative COS was used to guide rate design in either case.

Id., p. 7 (citing the December 9 order, pp. 192-193 and the November 7 order, pp. 228-229; ABATE's initial brief, p. 52; MPLP's exceptions, p. 12).[2]

The Staff asserts that contrary to ABATE's and MPLP's claims, the Staff's alternate COSS that guides the distribution of revenue responsibility amongst the transportation classes was approved in the December 9 and November 7 orders. Specifically, the Staff notes that in the December 9 order, the Commission found the ALJ's analysis and recommendation on this issue to be supported in the record and, therefore, approved the ALJ's recommendation: "in the instant case, a reasonable and prudent approach is to *employ the Staff's alternate COSS* and to require DTE Gas, in its next rate case, to submit a COSS consistent with the Staff's second alternate COSS." Staff's response to petitions for rehearing, p. 8 (quoting the December 9 order, p. 210) (citing September 8, 2021 Proposal for Decision in Case No. U-20940, p. 264) (emphasis added in Staff's response to petitions for rehearing).

[2] The Commission notes that the terms "alternate" and "alternative" have been used interchangeably by the parties and the Commission in describing the alternate COSS.

In the instant case, the Staff avers that the ALJ recommended that the Commission continue to approve the Staff's proposed method of using the alternate COSS to guide the revenue responsibility spread amongst the transportation classes and that the Commission adopted the ALJ's recommendation. *See*, Staff's response to petitions for rehearing, p. 11. The Staff asserts that "a proper reading of the [November 7] Order shows the Commission did indeed direct that Staff's proposed transportation rate design method be utilized for the Commission ordered rates." *Id*., p. 9 (citing the November 7 order, pp. 235-236). Therefore, the Staff states that MPLP's claim:

> that the disputed rate design was not discussed is also incorrect, as are the claims that the Commission did not explicitly discuss the decision or reasoning for same; a review of the above-quoted parts of the [November 7] Order and PFD show the Commission relied on the support and reasoning provided by Staff, the same support and reasoning they relied on in making the same decision in the previous case.

Id., p. 12 (citing MPLP's petition for rehearing, p. 7).

The Staff also disputes ABATE's claims that the Staff improperly applied the Commission-approved COSS and rate design, that the resulting rates do not reflect any alternate COSS in the case, and that the Staff arbitrarily modified the alternate COSS to design rates. The Staff asserts that ABATE provided no support for its claims, arguing that:

> the primary COS and alternate COS associated with the order were rerun using the decisions in the order, and then the method used by Staff, approved by the Commission, and described several times above (that being to end up with transportation rate schedule increases to have a share of the total revenue requirement between the results of the two COSs) was applied in a way that maintained breakevens.

Id., p. 13.

Regarding ABATE's and MPLP's claims that the application of the Staff's transportation class rate design results in the unintended consequence of large rate increases for XXLT customers, the Staff states that these claims were considered and rejected in the November 7 order and, therefore, there is no unintended consequence. *See, id*., p. 14. The Staff requests that the Commission deny ABATE's and MPLP's requests for rehearing regarding the Staff's cost allocation method and rate design.

To begin, the Commission agrees with the Staff that DTE Gas's proposed allocation method for distribution mains, the A&P method, was approved in the December 9 and November 7 orders and that this allocation method was used in both the primary and alternate COSSs. *See*, December 9 order, pp. 192-193; November 7 order, pp. 228-229. In addition, the Commission agrees with the Staff that approval of the A&P method in the December 9 and November 7 orders "is not the same thing as the disposition of how the alternative COS was used to guide rate design in either case." Staff's response to petitions for rehearing, p. 7. Rather, the Commission finds that the Staff's use of the alternate COSS to guide transportation class rate design was approved separately from the allocation issue in the December 9 and November 7 orders, as discussed below.

In the proposal for decision issued in Case No. U-20940, Administrative Law Judge Sally L. Wallace (ALJ Wallace) stated that in the settlement agreement approved by the Commission in DTE Gas's last rate case, Case No. U-20642, the company agreed to "perform a study on splitting out high-pressure and low-pressure distribution system costs. In addition, DTE Gas will review how direct-served transmission volumes are determined and classified to all rate schedules." Proposal for decision in Case No. U-20940, filing #U-20940-0277, p. 263 (quoting the settlement agreement attached to the August 20, 2020 order in Case No. U-20642, filing #U-20642-0273, p. 7). ALJ Wallace noted that DTE Gas provided two additional COSSs in Case No. U-20940.

She stated that after the Staff reviewed DTE Gas's additional COSSs, the Staff asserted that the company's COSSs had shortcomings:

> It would be inappropriate to utilize the first alternate, as it fails to go far enough in splitting costs and allocation by relevant levels of service. In the instant case it would also be inappropriate to utilize the second alternate COSS directly, as recognizing the difference in costs in rates should be accompanied by a reexamination of the structure of rates. If the second alternate COSS were to be used directly, it may also be appropriate to set up different rates for different levels of service, as only the customers served at each of those levels are responsible for the costs allocated based on volumes at those levels. The scope of this redesign, as well as determining the best way to approach it, is too large for the context of a 10-month rate case. *Instead, as a stopgap, Staff has used the second alternate COSS, as modified for Staff's adjustments (hereafter referred to as Staff's Alternate COSS) as a guide to how revenue responsibility should be shifted between transportation schedules when adjustments must be made to maintain the current breakeven points. This better reflects the differences in cost between the current schedules and the mix of service levels on each, moving toward a more rational distribution of revenue responsibility. To effect this, [Staff witness Nicholas M. Revere] instructed Staff witness Madison S. Todd to keep each transportation schedule's share of the total transportation revenue requirement between the results of the COSS using the current methods of allocation and Staff's alternate COSS while conducting rate design. This is a reasonable interim solution, which is a step toward the current state of Consumers Gas [Company's] transportation rate design. Staff recommends the Company be required to include the second alternate COSS, updated for the Company's filing information, in future rate cases so that this method can continue to be utilized, and continue to explore the best way to modify rate design to directly utilize this alternate COSS.*

Proposal for decision in Case No. U-20940, filing #U-20940-0277, pp. 263-264 (quoting 5 Tr 2101-2102 in Case No. U-20940) (emphasis added). ALJ Wallace found that the "Staff's recommendation should be adopted, and that in its next rate case, DTE Gas should provide an alternative COSS that includes an allocation of costs by service level. As Staff points out, this is the method used by Consumers Gas for transportation rates, and should result in more accurate cost allocation." Proposal for decision in Case No. U-20940, filing #U-20940-0277, p. 264.

In the December 9 order, the Commission found that:

> a COSS, consistent with the Staff's second alternate COSS, will provide valuable information to inform the Commission's decisions in the next DTE Gas rate case

> related to the allocation of costs. *The Commission finds that the ALJ's analysis and recommendation on this matter is supported in the record and is reasonable and prudent.* Accordingly, the Commission adopts the ALJ's recommendation that DTE Gas, in its next rate case, should provide a COSS that is consistent with the Staff's second alternate COSS.

December 9 order, p. 210 (citing ABATE's exceptions in Case No. U-20940, filing #U-20940-0280, pp. 1-2; proposal for decision in Case No. U-20940, filing #U-20940-0277, pp. 263-264) (emphasis added). Thus, the Commission finds that the Staff's transportation service rate design was approved by the Commission in the December 9 order and used for DTE Gas's rates.

In this case, the Staff noted that in the December 9 order, "the Commission agreed with Staff that what was then deemed Staff's second alternate COS should be used to shape the relative increases amongst transportation rate classes, and that a similar COS should be filed in its next rate case (the instant case)." 4 Tr 1662 (citing December 9 order, p. 210). The Staff stated that the company complied with this requirement and filed a COSS in this case that "recalculates allocators to exclude transmission volumes from certain allocations, rather than the current method which excludes XXLT volumes from these allocations. In addition, [DTE Gas's] COS calculates allocators that exclude high-pressure volumes, split certain distribution costs between high- and low-pressure, then uses the appropriate allocators for the various cost categories." 4 Tr 1662. However, the Staff contended that after a review of DTE Gas's additional COSS, it would not be appropriate to directly utilize the additional COSS because:

> recognizing the difference in costs in rates should be accompanied by a reexamination of the structure of rates. If the additional COSS were to be used directly, it may also be appropriate to set up different rates for different levels of service, as only the customers served at each of those levels are responsible for the costs allocated based on volumes at those levels. The scope of this redesign, as well as determining the best way to approach it, is too large for the context of a 10-month rate case. *Instead, as a stopgap, Staff has used the additional COSS, as modified for Staff's adjustments (hereafter referred to as Staff's Alternate COSS) as a guide to how revenue responsibility should be shifted between transportation schedules when adjustments must be made to maintain the current breakeven*

> *points. This better reflects the differences in cost between the current schedules and the mix of service levels on each, moving toward a more rational distribution of revenue responsibility. To effect this, [Staff witness Nicholas M. Revere] instructed Staff witness Madison S. Todd to keep each transportation schedule's share of the total transportation revenue requirement between the results of the COSS using the current methods of allocation and Staff's alternate COSS to the extent possible while conducting rate design. This is a reasonable interim solution, which is a step toward the current state of Consumers Gas' transportation rate design. Staff recommends the Company be required to include the additional COSS, updated for the Company's filing information, in future rate cases so that this method can continue to be utilized, and continue to explore the best way to modify rate design to directly utilize this alternate COSS.*

4 Tr 1663-1664 (emphasis added).

The Staff also testified that:

> [t]he proposed customer charges for the other transportation customers are . . . designed so the economic break-even points between rate schedules can be maintained. Staff aimed for balanced increases in revenue from both the customer charge and distribution charge. Staff also considered the percentage share to be collected from each transportation schedules based on Staff's Alternate COSS conducted by Staff witness Krause, further discussed by Staff witness Revere.

4 Tr 1642.

In the PFD, the ALJ stated that "the evidence and arguments put forth by ABATE and MPLP in this case have been effectively rebutted by DTE and Staff here, and that the same or similar arguments have been consistently rejected by the Commission in the past. Thus, this PFD recommends that the Commission again adopt the allocation method utilized by DTE and Staff." PFD, pp. 360-361 (citing December 9 order, p. 210). The Commission notes that in the text of the PFD preceding the ALJ's recommendation on this issue, the ALJ described the Staff's position and included a citation to the following testimony from the Staff: "as a stopgap, Staff has used the additional COSS, as modified for Staff's adjustments (hereafter referred to as Staff's Alternate COSS) as a guide to how revenue responsibility should be shifted between transportation schedules when adjustments must be made to maintain the current breakeven points." 4 Tr 1663;

see also, PFD, p. 344. This same language, almost verbatim, was provided by the Staff in 5 Tr 2102 in Case No. U-20940, and ALJ Wallace recommended approval of the Staff's position on page 264 of the PFD in Case No. U-20940. The Commission adopted ALJ Wallace's recommendation on page 210 of the December 9 order. The Commission notes that in the ALJ's findings and recommendation in this case, he cited the portion of the Staff's testimony that explains why the use of the alternate COSS is necessary in this case, and the ALJ noted that the December 9 order cited and approved the Staff's nearly identical position regarding the alternate COSS in Case No. U-20940.

In the November 7 order, the Commission adopted the findings and recommendations of the ALJ and stated that "[t]he Staff showed that the alternate COSS continues to prove useful." November 7 order, p. 235. In addition, the Commission adopted the following finding and recommendation by the ALJ:

> This PFD agrees with Staff's recommendation that the Commission require DTE to continue filing the alternate COS in future cases. As Staff asserts, including the additional COSS, updated for DTE's filing information, in future rate cases *will allow this method to continue to be utilized* and continue to explore the best way to modify rate design to directly utilize this alternate COSS.

PFD, p. 361 (emphasis added). Therefore, the Commission finds that the Staff's alternate COSS was approved in the November 7 order to guide how revenue responsibility should be shifted between transportation schedules when adjustments must be made to maintain the current breakeven points. The Commission also finds that the Staff's alternate COSS is not unidentifiable; rather, it is clearly set forth in 4 Tr 1662-1664, was cited and recommended by the ALJ, and was approved by the Commission. *See*, PFD, p. 359, 360-361; November 7 order, p. 235.

Regarding ABATE's and MPLP's claims that employing the Staff's alternate COSS will result in the unintended consequence of rate shock for Rate XXLT customers, the Commission finds that this increase is for the *distribution portion* of the customer's bill, and that [t]he Commission has determined that an assessment of rate shock should be conducted by considering the *entirety* of a customer's bill. *See*, December 9 order, p. 221 (citing proposal for decision in Case No. U-20940, p. 269). In addition, the Commission notes that this issue was discussed on pages 223-229 of the November 7 order, wherein the Commission determined that the Staff's COSS allocates costs to customer classes on a cost-of-service basis and that the members of the Rate XXLT class share similar system usage characteristics and should be classed together. Further, as discussed above, the Commission approved the Staff's alternate COSS to guide how revenue responsibility should be shifted between transportation schedules to maintain breakeven points. Thus, the Commission finds that the approved transportation rate design does not result in unintended consequences pursuant to Rule 437.

Accordingly, the Commission finds that ABATE's and MPLP's requests for rehearing and revision of the transportation service rate design are denied.

THEREFORE, IT IS ORDERED that:

A. DTE Gas Company's petition for rehearing is granted, as set forth in this order.

B. DTE Gas Company is authorized to implement rates that increase its annual natural gas revenues by $115,610,000 on a jurisdictional basis, over the rates approved in the December 9, 2021 order in Case No. U-20940.

C. DTE Gas Company is authorized to implement rates consistent with the revenue deficiency approved by this order on a service-rendered basis for service provided on and after March 13, 2025, as reflected in Attachment A (a summary of revenue by rate class), Attachment B (tariff sheets), and Attachment C (infrastructure recovery mechanism surcharge) to this order. Within 30 days of February 27, 2025, the date of this order, DTE Gas Company shall file tariff sheets substantially similar to Attachment B. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, DTE Gas Company shall promptly file the final tariff sheets in this docket and serve all parties.

D. DTE Gas Company shall book a regulatory asset for the uncollectibles expense associated with energy waste reduction revenues to be reviewed in the company's next general rate case.

E. DTE Gas Company shall provide in its next general rate case detailed information and auditable calculations of energy waste reduction, cost of gas, Home Protection Plan, and miscellaneous revenues as they relate to uncollectibles expense.

F. The Association of Businesses Advocating Tariff Equity's and Michigan Power Limited Partnership's petitions for rehearing are denied.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheac1@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

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of February 27, 2025.

Lisa Felice, Executive Secretary

Michigan Public Service Commission
DTE Gas Company
Summary of Projected Test Year Ending 09/30/2025
Proposed Gas Revenue Increase
FOR REHEARING ORDER

Case No: U-21291
ATTACHMENT A
Page No. 1 of 4

	(a)	(b)	(c)	(d)	(e)	(f)
			Annual Operating Revenues ($000)			
Line		Test Year	Test Year		Increase / (Decrease)	
No.	Rate Class	MMcf	Current	Proposed	Revenues ($000)	Percent
Jus	**Residential**					
1	Rate A	112,464	1,125,079	1,131,098	6,019	0.54%
2	Rate 2A	4,027	35,363	36,157	795	2.25%
3	Total Residential Services	116,492	1,160,441	1,167,255	6,814	0.59%
	General Services					
4	GS-1/GS-2	40,985	355,402	353,420	(1,982)	-0.56%
5						
	School					
6	Rate S	1,600	10,575	9,724	(850)	-8.04%
7	Subtotal Gas Sales Revenues	159,077	1,526,418	1,530,400	3,981	0.26%
	Transportation					
8	Rate ST	17,061	46,063	39,091	(6,972)	-15.14%
9	Rate LT	19,248	30,967	26,322	(4,646)	-15.00%
10	Rate XLT	29,772	29,299	29,554	255	0.87%
11	Rate XXLT	87,253	31,826	40,226	8,400	26.39%
12	Exelon	12,036	13,145	18,240	5,095	38.76%
13	Total Transportation Services	165,370	151,301	153,433	2,132	1.41%
14	**Total**	324,447	1,677,719	1,683,833	6,114	0.36%
15	Less: GCR Revenues (included above)		578,996	578,996	-	
16	Less: Currently Approved IRM Surcharge Revenue (included above)		126,295	-	(126,295)	
17	Less: 2025 IRM Surcharge Revenue (included above)		-	16,796	16,796	
18	Base Revenues		972,428	1,088,040	115,612	11.89%

Line No.	(a) **Rate Class**	(b) **Current Rates ($/Mcf)**	(c) **Proposed Rates ($/Mcf)**
	Residential		
1	Rate A		
2	Customer Charge	13.50	14.50
3	Low Income Assistance Credit	(30.00)	(40.00)
4	RIA Credit	(13.50)	(14.50)
5	Distribution Charge	3.8859	4.4732
6	Rate 2A		
7	Customer Charge Meter Class 1	13.50	14.50
8	Customer Charge Meter Class 2	40.00	50.00
9	Distribution Charge	3.8859	4.4732
10	Rate S		
11	Customer Charge	225.00	270.00
12	Distribution Charge	2.7736	2.6026
	General Services		
13	GS-1		
14	Customer Charge	40.00	50.00
15	Distribution Charge	3.8069	4.0481
16	GS-2		
17	Customer Charge	750.00	925.00
18	Distribution Charge	3.1984	3.2981

Michigan Public Service Commission
DTE Gas Company
Comparison of Rates
FOR REHEARING ORDER

	(a)	(b)	(c)
Line No.	**Rate Class**	**Current Rates ($/Mcf)**	**Proposed Rates ($/Mcf)**
	Transportation Service		
1	Rate ST Small Transportation Serivce		
2	Customer Charge	2,780	2,780
3	Transportation Charge - Cost Based	1.4906	1.3986
4	Transportation Charge - Market Floor	0.2300	0.2300
5	Transportation Charge - Market Ceiling	2.7512	2.5672
6	Rate LT Large Transportation Serivce		
7	Customer Charge	6,780	4,980
8	Transportation Charge - Cost Based	0.9427	1.0647
9	Transportation Charge - Market Floor	0.2300	0.2300
10	Transportation Charge - Market Ceiling	1.6554	1.8994
11	Rate XLT Extra Large Transportation Serivce		
12	Customer Charge	17,250	14,460
13	Transportation Charge - Cost Based	0.7060	0.8418
14	Transportation Charge - Market Floor	0.1800	0.1800
15	Transportation Charge - Market Ceiling	1.2321	1.5036
16	Rate XXLT Extra Large Transportation Serivce		
17	Customer Charge	169,835	178,055
18	Transportation Charge - Cost Based	0.1933	0.2873
19	Transportation Charge - Market Floor	0.0500	0.0500
20	Transportation Charge - Market Ceiling	1.2321	1.5036

Michigan Public Service Commission
DTE Gas Company
Comparison of Present and Proposed Customer Charges
For Sales and Transportation Rate Schedules
FOR REHEARING ORDER

	(a)	(b)	(c)	(d)
Line No.	**Description**	**Current**	**Per Cost of Service Study (1)**	**Proposed**
	SALES RATE SCHEDULES			
1	Rate A (Residential Rate)	$ 13.50	$ 44.81	$ 14.50
2	* Current: $13.50 credit applicable to RIA			
3	* Current: $30 credit applicable for Low Income Assistance			
4	Rate 2A (Residential Multiple Family Dwelling)			
5	Meter Class I	$ 13.50	$ 244.85	$ 14.50
6	Meter Class II	$ 40.00		$ 50.00
7	Rate GS-1 (Non-Residential General Service)	$ 40.00		$ 50.00
8			$ 189.75	
9	Rate GS-2 (General Service Large Volume Rate)	$ 750.00		$ 925.00
10	Rate S (School Rate)	$ 225.00	$ 2,172.37	$ 270.00
	TRANSPORTATION RATE SCHEDULES			
11	Rate ST	$ 2,780.00	$ 6,587.3	$ 2,780.00
12	Rate LT	$ 6,780.00	$ 27,046.8	$ 4,980.00
13	Rate XLT	$ 17,250.00	$ 154,524.1	$ 14,460.00
14	Rate XXLT	$ 169,835.00	$ 400,408.6	$ 178,055.00

(1) Source: Exhibit A-16 Schedule F1

D2. SURCHARGES AND INFRASTRUCTURE RECOVERY MECHANISM (Contd.)

D2.2 Infrastructure Recovery Mechanism (IRM)

The IRM, approved in Case No. U-***21291***, is implemented on a bill cycle basis. The IRM is effective beginning with the first cycle of the January ***2025*** billing month and will change on a bill cycle basis thereafter each January based on the tables on Sheet No. D-2.01. The IRM is subject to an annual reconciliation of spend process and rates below any applicable cap may change based on the outcome of this process. Once implemented, the rate will be applied on the same basis as the monthly Customer Charge. The IRM will not expire until a final rate order superseding the IRM is issued in a general rate proceeding, however the rate may be lowered as a result of the annual reconciliation.

IRM for Sales Rate Schedule Customers:
$ per Month

	A	2A I/2A II	GS-1/ GS-2	S
2025	***$0.66***	***$4.11***	***$3.06***	***$46.03***
2026	***$2.26***	***$14.18***	***$10.57***	***$158.80***
2027	***$3.94***	***$23.88***	***$17.84***	***$265.78***
2028	***$5.51***	***$32.83***	***$24.52***	***$366.68***
2029 beyond	***$6.94***	***$40.86***	***$30.46***	***$460.77***

IRM for Transportation Rate Schedule Customers:
$ per Month

	ST	LT	XLT	XXLT
2025	***$151.07***	***$733.48***	***$4,258.38***	***$2,379.09***
2026	***$521.25***	***$2,530.79***	***$14,460.00***	***$7,351.62***
2027	***$871.90***	***$4,231.86***	***$14,460.00***	***$10,626.69***
2028	***$1,205.26***	***$4,980.00***	***$14,460.00***	***$13,546.21***
2029 beyond	***$1,520.25***	***$4,980.00***	***$14,460.00***	***$16,003.69***

D5. RESIDENTIAL SERVICE RATE A

Character of Service

Who May Take Service

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of the Company, service is available under this Rate Schedule to any residential customer for residential service as hereinafter defined. As used in this Rate Schedule "residential service" means service to any residential customer for any purpose, including space heating, by individual meter in a single family dwelling or building; or in an individual flat or apartment, or to not over four households served by a single meter (one customer) in a multifamily dwelling, or portion thereof. Residential premises also used regularly for professional or business purposes (such as doctor's office in a home, or where a small store is integral with the living space) are considered as residential where the residential use is half or more of the total gas volume; otherwise, these will be provided service under General Service Rate GS-1.

For purposes of rate application "residential usage" shall be usage consumed within an individual household, or reasonably appurtenant and related to, and normally with such a household, for such applications as space conditioning, cooking, water heating, refrigeration, clothes drying, incineration, lighting and other similar household applications.

Hours of Service

Twenty-four hours per day.

Rate

Customer Charge:	$14.50 per Meter per month, plus
Distribution Charge:	$0.44***732*** per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

(Continued on Sheet No. D-10.00)

(Continued from Sheet No. D-13.00)

D6. MULTIFAMILY DWELLING SERVICE RATE 2A (Contd.)

Rate

Customer Charge (One of the following charges per Customer per month will be applied).

Meter Class I:	$14.50 per Meter per month
Meter Class II:	$50.00 per Meter per month
Distribution Charge:	$0.44***732*** per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on Sheet No. D-1.00 and Surcharges shown on Sheet No. D-2.00.

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is delinquent. The due date shall be 21 days following the date the bill was sent.

Gas Cost Recovery

This rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

Customer Contract

Applications for Gas Service shall be in writing upon application forms to be supplied by Company. Existing Customers who wish to connect space heating equipment must make written application for such service on forms to be provided by Company.

Meter Classification

For application of the Monthly Customer Charge in this Rate, Company's gas meters are designated in one of the following classifications:

Meter Class 1:	Meters with a rating of 400 Cubic Feet per Hour (Cfh) or less:
Meter Class II:	Meters with a rating in excess of 400 Cubic Feet per Hour (Cfu)

(Continued on Sheet No. D-15.00)

D7. GENERAL SERVICE RATE GS-1 AND GS-2

Availability

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to any non-residential Customer, for any purpose.

Rates and Charges

Service Category	Customer Charge per Month	Distribution Charge
GS-1	$50.00 per meter	$0.40***48***1 per 100 cubic feet
GS-2	$925.00 per Customer	$0.32***98***1 per 100 cubic feet

Customer Charge for GS-2 is "per meter or Contiguous Facility."

Optional Remote Meter Charge $25.00 per Meter per Month

Customers may choose the Service Category under which they take service, consistent with the provisions of Rules C4.1, Classes of Service, C4.2, Choice of Rates and C4.3, Gas Not to be Submetered for Resale. When a Customer is selecting its initial Service Category, Company must advise them that the economic break even point between GS-1 and GS-2 is approximately 14,000 Mcf per year. After the initial selection is made, then it is Customer's responsibility to determine when it is appropriate to switch Service Categories, as permitted by Rule C4.2, Choice of Rates.

Gas Cost Recovery Charge

The gas cost recovery factors are shown on Sheet No. D-3.00. The rate is subject to adjustments for fluctuations in the cost of gas as stated in Rule C7 of the applicable Rules and Regulations of Company.

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on Sheet No. D-1.00 and Surcharges shown on Sheet No. D-2.00.

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is not paid on or before 21 calendar days from the date of mailing.

(Continued on Sheet No. D-18.00)

(Continued from Sheet No. D-18.00)

D*8*. SCHOOL SERVICE RATE S

Character of Service

Who May Take Service

Subject to limitations and restrictions contained in orders of the Commission in effect from time to time and in the Rules and Regulations of Company, service is available under this Rate Schedule to each individual school which shall make application for service and which shall by contract in writing agree that the gas supplied hereunder shall, during the term of such contract, be used only in the following buildings:

A. Buildings on property exempt from taxation under the laws of the State of Michigan which are located on the same site and used for school purposes to impart instruction to children, grades kindergarten through twelve, when provided by any public, private, denominational or parochial school, including all adjacent and appurtenant buildings owned by the same Customer which are located on the same site and which constitute an integral part of such school facilities.

B. Buildings on property exempt from taxation under the laws of the State of Michigan which are located on the same campus and used to impart instruction provided by colleges and universities when being operated under the laws of said State, including all adjacent and appurtenant buildings owned by the same Customer which are located on the same campus and which constitute an integral part of such college or university facilities.

Rate

Customer Charge:	$270.00 per Customer per month, plus
Distribution Charge:	$0.2***602***6 per 100 cubic feet
Gas Cost Recovery Charge:	As set forth on Sheet No. D-3.00

Customer Charge is “per meter or Contiguous Facility.”

Optional Remote Meter Charge	$25.00 per Meter per Month

General Terms and Surcharges

This Rate is subject to all General Terms and Conditions shown on Sheet No. D-1.00 and Surcharges shown on Sheet No. D-2.00.

Late Payment Charge and Due Date

A late payment charge of 2% of the bill, net of taxes, not compounded, may be added to any bill which is not paid on or before 21 calendar days from the date of mailing.

(Continued on Sheet No. D-20.00)

(Continued from Sheet No. E-13.00)

Applicable for End-Use Transportation Service

E14. TRANSPORTATION SERVICE RATES ST, LT, XLT, XXLT

Availability

Subject to any restrictions, service under this Rate Schedule is available to any Customer who could otherwise purchase gas under any other Company Rate Schedule.

Customer that selects transportation service under this Rate Schedule must remain on this Rate Schedule for at least 12 Months before Customer is eligible for a non-Transportation Service Rate and shall continue on this rate Year to Year after the initial term of the Transportation Contract has expired unless otherwise agreed upon between Company and Customer. Customer eligible to request a return to sales rates must provide a minimum of 12 Months written notice to Company of its election to return to sales rates***, unless otherwise agreed upon between company and customer***.

Company reserves the right to deny a return to sales rates subject to Company's Controlled Service Rule C2.

Under this Rate Schedule, Company will transport gas for Customer from the Receipt Point(s) to the Delivery Point(s).

Rates and Charges

Service Category	**ST**	**LT**
Monthly Charges		
Customer Charge	$2,780 Per Customer	$4,9***80*** Per Customer
Customer Charge is "per meter or Contiguous Facility."		
Optional Remote Meter Charge	$25.00 Per Meter	$25.00 Per Meter
Transportation Rates		
Cost Based Rate	$0.139***86*** Per Ccf	$0.1064***7*** Per Ccf
Optional Rates:		
Maximum Rate	$0.256***72*** Per Ccf	$0.189***94*** Per Ccf
Minimum Rate	$0.02300 Per Ccf	$0.02300 Per Ccf

(Continued on Sheet No. E-15.00)

(Continued from Sheet No. E-14.00)

Applicable for End-Use Transportation Service

E14. TRANSPORTATION SERVICE RATES ST, LT, XLT, XXLT (Contd.)

Rates and Charges

	Service Category	
	XLT	**XXLT**
Monthly Charges		
Customer Charge	$14,460 Per Customer	$17***8,05***5 Per Customer
Customer Charge is "per meter or Contiguous Facility."		
Remote Meter Charge	$100.00 Per Meter	$100.00 Per Meter
Transportation Rates		
Cost Based Rate	$0.0841***8*** Per Ccf	$0.02873 Per Ccf
Optional Rates:		
Maximum Rate	$0.150***36*** Per Ccf	$0.150***36*** Per Ccf
Minimum Rate	$0.01800 Per Ccf	$0.00500 Per Ccf

Annual Contract Quantity or ACQ

ACQ means an annual quantity of natural gas specified in the Contract between Customer and Company, that can be delivered to Company and is based on Customer's average 12 Month usage (determined from the last 36 Months of data), plus adjustments, approved at Company's sole discretion, for known or expected changes or special operating conditions (including Standby Service per Section C4.5). Company will utilize their best efforts to ensure that Customer's ACQ is reflective of Customer's annual consumption and allow Customer all reasonable opportunities to minimize the risk of Unauthorized Gas Usage Charges.

Maximum Daily Quantity or MDQ

MDQ means a daily quantity of natural gas specified in the Contract between Customer and Company, that can be delivered to Company and is based on Customer's highest historical Month usage (determined from the last 36 Months of data) divided by the number of days during that Month and multiplied by 110%, plus adjustments, approved at Company's sole discretion, for known or expected changes or special operating conditions (including Standby Service per Section C4.5). Provided, however, during September, October, and November, Customer's MDQ will be based on the daily average of Customer's September, October, and November, usage from the previous three years, plus 1.43% of Customer's ACQ divided by 30 days. The MDQ may be calculated and changed independently from the ACQ**.** Company and Customer may agree to use a different MDQ as part of the negotiations for an optional discount from the cost based rates set forth in the tariff. Company will utilize their best efforts to ensure that Customer's MDQ is reflective of Customer's maximum daily consumption and allow Customer all reasonable opportunities to minimize the risk of Unauthorized Gas Usage Charges.

(Continued on Sheet No. E-16.00)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
2025 Year 1
($000)
FOR REHEARING ORDER

Case No: U-21291
ATTACHMENT C

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Line No.	**Description**	**Total Company**	**Rate GS-1/GS-2**	**Rate A**	**Rate 2A**	**Rate S**	**Rate ST**	**Rate LT**	**Rate XLT**	**Rate XXLT**	**Exelon**
	Allocation Factors										
1	Average & Peak (Alloc. 3)	1.0000	0.1648	0.4648	0.0154	0.0067	0.0452	0.0443	0.0610	0.1691	0.0287
2	A&P w/o XXLT (Alloc. 3a)	1.0000	0.1984	0.5594	0.0185	0.0080	0.0544	0.0534	0.0734	-	0.0346
3	Weighted Customers - All (Alloc. 5)	1.0000	0.2248	0.7386	0.0180	0.0030	0.0112	0.0027	0.0010	0.0003	0.0004
4	Customers - All (Alloc. 8)	1.0000	0.0683	0.9265	0.0046	0.0002	0.0003	0.0001	0.0000	0.0000	0.0000
	Revenue Requirement										
5	GRP - Main Replacement (1)	12,905	2,560	7,219	239	103	701	689	948	-	446
6	GRP - Meter Move-Out (2)	2,715	610	2,006	49	8	30	7	3	1	1
7	Pipeline Integrity (3)	1,176	194	547	18	8	53	52	72	199	34
8	Cathodic Protection (4)	-	-	-	-	-	-	-	-	-	-
9	Total - Revenue Requirement	16,796	3,364	9,771	306	119	785	748	1,022	200	481
10	Customers (5)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
11	Monthly Charge $/Meter		$ 3.06	$ 0.66	$ 4.11	$ 46.03	$ 151.07	$ 733.48	$ 4,258.38	$ 2,379.09	
12	**Maximum customer charge**						**$ 2,780**	**$ 4,980**	**$ 14,460**	**$ 178,055**	
13	Adjustment for Maximum Cap	-					-	-	-	-	
14	Reallocate using Customers (Line 7)	-	-	-	-	-	-	-	-	-	-
15	Revised Rev Req (Lines 13, 22 & 24)	16,796	3,364	9,771	306	119	785	748	1,022	200	481
16	Customers (Line 14)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
17	Revised Monthly Charge $/Meter		$ 3.06	$ 0.66	$ 4.11	$ 46.03	$ 151.07	$ 733.48	$ 4,258.38	$ 2,379.09	

(1) Col. (b): Exhibit A-18, Schedule H1, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(2) Col. (b): Exhibit A-18, Schedule H2, Page 1, Line 15; Cols. (c)-(g): Col. (b) * line 3
(3) Col. (b): Exhibit A-18, Schedule H3, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 1
(4) Col. (b): Exhibit A-18, Schedule H7, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(5) Per Exhibit A-16, Schedule F1.2, Page 8, Column (b)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
2026 Year 2
($000)
FOR REHEARING ORDER

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Line No.	**Description**	**Total Company**	**Rate GS-1/GS-2**	**Rate A**	**Rate 2A**	**Rate S**	**Rate ST**	**Rate LT**	**Rate XLT**	**Rate XXLT**	**Exelon**
	Allocation Factors										
1	Average & Peak (Alloc. 3)	1.0000	0.1648	0.4648	0.0154	0.0067	0.0452	0.0443	0.0610	0.1691	0.0287
2	A&P w/o XXLT (Alloc. 3a)	1.0000	0.1984	0.5594	0.0185	0.0080	0.0544	0.0534	0.0734	-	0.0346
3	Weighted Customers - All (Alloc. 5)	1.0000	0.2248	0.7386	0.0180	0.0030	0.0112	0.0027	0.0010	0.0003	0.0004
4	Customers - All (Alloc. 8)	1.0000	0.0683	0.9265	0.0046	0.0002	0.0003	0.0001	0.0000	0.0000	0.0000
	Revenue Requirement										
5	GRP - Main Replacement (1)	44,881	8,903	25,107	830	359	2,439	2,395	3,296	-	1,551
6	GRP - Meter Move-Out (2)	9,356	2,103	6,911	169	28	105	26	9	3	3
7	Pipeline Integrity (3)	3,633	599	1,689	56	24	164	161	222	614	104
8	Cathodic Protection (4)	-	-	-	-	-	-	-	-	-	-
9	Total - Revenue Requirement	57,871	11,605	33,707	1,055	411	2,708	2,581	3,526	618	1,659
10	Customers (5)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
11	Monthly Charge $/Meter		$ 10.56	$ 2.26	$ 14.18	$ 158.80	$ 521.25	$ 2,530.79	$ 14,693.27	$ 7,351.62	
12	**Maximum customer charge**						**$ 2,780**	**$ 4,980**	**$ 14,460**	**$ 178,055**	
13	Adjustment for Maximum Cap	(56)					-	-	(56)	-	
14	Reallocate using Customers (Line 7)	56	4	52	0	0	0	0	-	0	0
15	Revised Rev Req (Lines 13, 22 & 24)	57,871	11,609	33,759	1,055	411	2,708	2,581	3,470	618	1,659
16	Customers (Line 14)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
17	Revised Monthly Charge $/Meter		$ 10.57	$ 2.26	$ 14.18	$ 158.80	$ 521.25	$ 2,530.79	$ 14,460.00	$ 7,351.62	

(1) Col. (b): Exhibit A-18, Schedule H1, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(2) Col. (b): Exhibit A-18, Schedule H2, Page 1, Line 15; Cols. (c)-(g): Col. (b) * line 3
(3) Col. (b): Exhibit A-18, Schedule H3, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 1
(4) Col. (b): Exhibit A-18, Schedule H7, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(5) Per Exhibit A-16, Schedule F1.2, Page 8, Column (b)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
2027 Year 3
($000)
FOR REHEARING ORDER

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon
	Allocation Factors										
1	Average & Peak (Alloc. 3)	1.0000	0.1648	0.4648	0.0154	0.0067	0.0452	0.0443	0.0610	0.1691	0.0287
2	A&P w/o XXLT (Alloc. 3a)	1.0000	0.1984	0.5594	0.0185	0.0080	0.0544	0.0534	0.0734	-	0.0346
3	Weighted Customers - All (Alloc. 5)	1.0000	0.2248	0.7386	0.0180	0.0030	0.0112	0.0027	0.0010	0.0003	0.0004
4	Customers - All (Alloc. 8)	1.0000	0.0683	0.9265	0.0046	0.0002	0.0003	0.0001	0.0000	0.0000	0.0000
	Revenue Requirement										
5	GRP - Main Replacement (1)	75,728	15,022	42,363	1,401	606	4,116	4,041	5,561	-	2,617
6	GRP - Meter Move-Out (2)	15,752	3,541	11,635	284	47	177	43	15	5	6
7	Pipeline Integrity (3)	5,247	865	2,439	81	35	237	233	320	887	151
8	Cathodic Protection (4)	-	-	-	-	-	-	-	-	-	-
9	Total - Revenue Requirement	96,727	19,428	56,437	1,766	688	4,530	4,316	5,896	893	2,773
10	Customers (5)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
11	Monthly Charge $/Meter		$ 17.69	$ 3.79	$ 23.73	$ 265.63	$ 871.75	$ 4,231.71	$ 24,567.23	$ 10,626.54	
12	**Maximum customer charge**						**$ 2,780**	**$ 4,980**	**$ 14,460**	**$ 178,055**	
13	Adjustment for Maximum Cap	(2,426)					-	-	(2,426)	-	
14	Reallocate using Customers (Line 7)	2,426	166	2,248	11	0	1	0	-	0	0
15	Revised Rev Req (Lines 13, 22 & 24)	96,727	19,594	58,685	1,777	688	4,530	4,316	3,470	893	2,773
16	Customers (Line 14)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
17	Revised Monthly Charge $/Meter		$ 17.84	$ 3.94	$ 23.88	$ 265.78	$ 871.90	$ 4,231.86	$ 14,460.00	$ 10,626.69	

(1) Col. (b): Exhibit A-18, Schedule H1, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(2) Col. (b): Exhibit A-18, Schedule H2, Page 1, Line 15; Cols. (c)-(g): Col. (b) * line 3
(3) Col. (b): Exhibit A-18, Schedule H3, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 1
(4) Col. (b): Exhibit A-18, Schedule H7, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(5) Per Exhibit A-16, Schedule F1.2, Page 8, Column (b)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
2028 Year 4
($000)
FOR REHEARING ORDER

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Line No.	**Description**	**Total Company**	**Rate GS-1/GS-2**	**Rate A**	**Rate 2A**	**Rate S**	**Rate ST**	**Rate LT**	**Rate XLT**	**Rate XXLT**	**Exelon**
	Allocation Factors										
1	Average & Peak (Alloc. 3)	1.0000	0.1648	0.4648	0.0154	0.0067	0.0452	0.0443	0.0610	0.1691	0.0287
2	A&P w/o XXLT (Alloc. 3a)	1.0000	0.1984	0.5594	0.0185	0.0080	0.0544	0.0534	0.0734	-	0.0346
3	Weighted Customers - All (Alloc. 5)	1.0000	0.2248	0.7386	0.0180	0.0030	0.0112	0.0027	0.0010	0.0003	0.0004
4	Customers - All (Alloc. 8)	1.0000	0.0683	0.9265	0.0046	0.0002	0.0003	0.0001	0.0000	0.0000	0.0000
	Revenue Requirement										
5	GRP - Main Replacement (1)	105,473	20,923	59,003	1,952	845	5,733	5,628	7,745	-	3,645
6	GRP - Meter Move-Out (2)	20,148	4,529	14,882	363	60	226	55	20	7	7
7	Pipeline Integrity (3)	6,688	1,102	3,109	103	45	302	297	408	1,131	192
8	Cathodic Protection (4)	-	-	-	-	-	-	-	-	-	-
9	Total - Revenue Requirement	132,309	26,554	76,994	2,417	949	6,261	5,979	8,173	1,138	3,844
10	Customers (5)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
11	Monthly Charge $/Meter		$ 24.17	$ 5.16	$ 32.49	$ 366.33	$ 1,204.91	$ 5,862.19	$ 34,052.42	$ 13,545.86	
12	**Maximum customer charge**						**$ 2,780**	**$ 4,980**	**$ 14,460**	**$ 178,055**	
13	Adjustment for Maximum Cap	(5,602)					-	(900)	(4,702)	-	
14	Reallocate using Customers (Line 7)	5,602	382	5,191	26	1	2	-	-	0	0
15	Revised Rev Req (Lines 13, 22 & 24)	132,309	26,937	82,185	2,443	950	6,263	5,080	3,470	1,138	3,844
16	Customers (Line 14)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
17	Revised Monthly Charge $/Meter		$ 24.52	$ 5.51	$ 32.83	$ 366.68	$ 1,205.26	$ 4,980.00	$ 14,460.00	$ 13,546.21	

(1) Col. (b): Exhibit A-18, Schedule H1, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(2) Col. (b): Exhibit A-18, Schedule H2, Page 1, Line 15; Cols. (c)-(g): Col. (b) * line 3
(3) Col. (b): Exhibit A-18, Schedule H3, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 1
(4) Col. (b): Exhibit A-18, Schedule H7, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(5) Per Exhibit A-16, Schedule F1.2, Page 8, Column (b)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
2029 Year 5
($000)
FOR REHEARING ORDER

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Line No.	**Description**	**Total Company**	**Rate GS-1/GS-2**	**Rate A**	**Rate 2A**	**Rate S**	**Rate ST**	**Rate LT**	**Rate XLT**	**Rate XXLT**	**Exelon**
	Allocation Factors										
1	Average & Peak (Alloc. 3)	1.0000	0.1648	0.4648	0.0154	0.0067	0.0452	0.0443	0.0610	0.1691	0.0287
2	A&P w/o XXLT (Alloc. 3a)	1.0000	0.1984	0.5594	0.0185	0.0080	0.0544	0.0534	0.0734	-	0.0346
3	Weighted Customers - All (Alloc. 5)	1.0000	0.2248	0.7386	0.0180	0.0030	0.0112	0.0027	0.0010	0.0003	0.0004
4	Customers - All (Alloc. 8)	1.0000	0.0683	0.9265	0.0046	0.0002	0.0003	0.0001	0.0000	0.0000	0.0000
	Revenue Requirement										
5	GRP - Main Replacement (1)	134,215	26,625	75,082	2,483	1,075	7,295	7,162	9,856	-	4,638
6	GRP - Meter Move-Out (2)	21,776	4,895	16,084	392	64	244	59	21	7	8
7	Pipeline Integrity (3)	7,906	1,303	3,675	122	53	357	351	482	1,337	227
8	Cathodic Protection (4)	-	-	-	-	-	-	-	-	-	-
9	Total - Revenue Requirement	163,897	32,823	94,841	2,997	1,192	7,896	7,571	10,359	1,344	4,873
10	Customers (5)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
11	Monthly Charge $/Meter		$ 29.88	$ 6.36	$ 40.28	$ 460.19	$ 1,519.67	$ 7,423.03	$ 43,162.38	$ 16,003.11	
12	**Maximum customer charge**						**$ 2,780**	**$ 4,980**	**$ 14,460**	**$ 178,055**	
13	Adjustment for Maximum Cap	(9,380)					-	(2,492)	(6,889)	-	
14	Reallocate using Customers (Line 7)	9,380	640	8,692	43	2	3	-	-	0	0
15	Revised Rev Req (Lines 13, 22 & 24)	163,897	33,463	103,533	3,041	1,193	7,899	5,080	3,470	1,344	4,873
16	Customers (Line 14)	1,340,887	91,545	1,242,379	6,201	216	433	85	20	7	1
17	Revised Monthly Charge $/Meter		$ 30.46	$ 6.94	$ 40.86	$ 460.77	$ 1,520.25	$ 4,980.00	$ 14,460.00	$ 16,003.69	

(1) Col. (b): Exhibit A-18, Schedule H1, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(2) Col. (b): Exhibit A-18, Schedule H2, Page 1, Line 15; Cols. (c)-(g): Col. (b) * line 3
(3) Col. (b): Exhibit A-18, Schedule H3, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 1
(4) Col. (b): Exhibit A-18, Schedule H7, Page 1, Line 13; Cols. (c)-(g): Col. (b) * line 2
(5) Per Exhibit A-16, Schedule F1.2, Page 8, Column (b)

Michigan Public Service Commission
DTE Gas Company
Calculation of Monthly Charges for Proposed Infrastructure Recovery Mechanism
Summary of Monthly Per Meter Charges by Year
FOR REHEARING ORDER

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Line No.	**Description**	**Rate GS-1/GS-2**	**Rate A**	**Rate 2A**	**Rate S**	**Rate ST**	**Rate LT**	**Rate XLT**	**Rate XXLT**	**Source**
1	Year									
2	2025	*$3.06*	*$0.66*	*$4.11*	*$46.03*	*$151.07*	*$733.48*	*$4,258.38*	*$2,379.0*	Page 1
3	2026	*$10.57*	*$2.26*	*$14.18*	*$158.80*	*$521.25*	*$2,530.79*	*$14,460.00*	*$7,351.62*	Page 2
4	2027	*$17.84*	*$3.94*	*$23.88*	*$265.78*	*$871.90*	*$4,231.86*	*$14,460.00*	*$10,626.69*	Page 3
5	2028	*$24.52*	*$5.51*	*$32.83*	*$366.68*	*$1,205.26*	*$4,980.00*	*$14,460.00*	*$13,546.21*	Page 4
6	2029	*$30.46*	*$6.94*	*$40.86*	*$460.77*	*$1,520.25*	*$4,980.00*	*$14,460.00*	*$16,003.69*	Page 5

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-21291

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on February 27, 2025 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 27th day of February 2025.

Angela P. Sanderson

Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21291

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Amanda Urban	We Want Green, Too	aurbanlaw@gmail.com
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