

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
DTE ELECTRIC COMPANY for reconciliation	)	
of its electric investment recovery mechanism	)	Case No. U-22067
for the 12 months ended December 31, 2025.	)	
_____	)	

At the September 10, 2026 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 27, 2026, DTE Electric Company (DTE Electric) filed its application in this case, along with supporting testimony and exhibits, requesting authority to reconcile its electric investment recovery mechanism for the 12-month period ended December 31, 2025, pursuant to the December 1, 2023 order in Case No. U-21297.

On May 14, 2026, a prehearing conference was held before Administrative Law Judge Lesley C. Fairrow. DTE Electric and the Commission Staff participated in the proceeding. Subsequently, the parties filed a settlement agreement resolving all issues in this 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 the settlement agreement, attached as Exhibit A, is approved.

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 requirements 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 sheacl@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

Shaquila Myers, Commissioner

By its action of September 10, 2026.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
DTE ELECTRIC COMPANY	)	
for reconciliation of its Electric IRM for	)	Case No. U-22067
the 12 months ended December 31, 2025	)	

SETTLEMENT AGREEMENT

Pursuant to Section 78 of the Administrative Procedures Act of 1969 (“APA”), as amended (1969 PA 306, § 78; MCL 24.278), and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), R 792.10431, the undersigned Parties agree as follows:

1. This Settlement Agreement (“Settlement Agreement”) between and among DTE Electric Company (“DTE Electric” or “Company”) and the Michigan Public Service Commission Staff (“Staff”), (collectively, the “Parties”) is intended by the Parties as a full and final settlement and satisfaction of all issues before the Commission related to this proceeding by all of the Parties, consistent with the encouragement to enter into settlements found in the Rules of Practice and Procedure before the Commission. *See* R 792.10431(1).

2. This proceeding was initiated by Application of the Company on March 27, 2026. Appropriate service was accomplished by DTE Electric. A prehearing conference was held on May 14, 2026, where Administrative Law Judge Hon. Lesley C. Fairrow granted party status to Staff.

3. Staff has performed its due diligence by reviewing the testimony and exhibits of the Company’s witnesses, reviewing all discovery responses, and completing an analysis of the proposed evidence. To efficiently resolve the matter, the Parties have agreed to enter into a full settlement of this case and recommend approval by the Commission of the following items set forth in Paragraph 4.

4. For purposes of settlement, the Parties agree that DTE Electric complied with the Infrastructure Recovery Mechanism or Investment Recovery Mechanism (“IRM”) directives set

forth in the Commission's December 1, 2023 Order in Case No. U-21297. The Parties further agree that the Commission should approve DTE Electric's recovery of costs associated with 2025 capital investments of \$139,761,000 for Conversions, \$41,750,000 for Subtransmission Redesign & Rebuild, \$12,628,000 for Breaker Replacement, \$13,500,000 for Underground Residential Distribution Replacement, and \$24,375,000 for Distribution Automation, as captured in the table below:

Description	In-service Capital 12 mos. ending 12/31/2025 (\$000)
Conversions	139,761
Subtransmission Redesign & Rebuild	41,750
Breaker Replacement Program	12,628
URD Replacement Program	13,500
Distribution Automation	24,375
Total In-service Capital	232,015

In addition, the Parties agree that the Company accrued a 2025 Construction Work in Progress ("CWIP") balance of \$79,847,000. The Parties further agree that DTE Electric overcollected \$86,719 through the IRM surcharge based on the revenue requirement resulting from actual capital expenditures and in-servicing during the reconciliation period, and that DTE Electric shall return the \$86,719 overcollection to its customers through the recording of a regulatory liability to be amortized in a future general rate case proceeding filed after the conclusion of this proceeding.

5. 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. So long as the Commission approves this Settlement Agreement without modification, neither the Parties to this Settlement Agreement 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 Commission Order approving it. No Party shall appeal a Commission Order approving this Settlement Agreement without modification.

6. 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.

7. This Settlement Agreement is reasonable and in the public interest and will reduce the time and expense of the Commission and the Parties.

8. 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 the Settlement Agreement without modification.

9. 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 written below.

DTE ELECTRIC COMPANY

Dated: August 20, 2026

**Carlton D.
Watson**

Digitally signed by
Carlton D. Watson
Date: 2026.08.21
10:03:38 -04'00'

By:

Carlton D. Watson (P77857)
One Energy Plaza, 1635 WCB
Detroit, MI 48226
(313) 235-6648

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: August 20, 2026

By:



Daniel E. Sonneveldt (P58222)
Anna B. Stirling(P84919)
7109 W. Saginaw Hwy.
3rd Floor
Lansing, MI 48971
(517) 284-8140

PROOF OF SERVICE

STATE OF MICHIGAN)

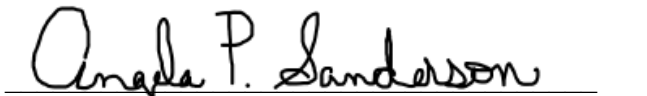
Case No. U-22067

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 10, 2026 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 10th day of September 2026.


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

Service List for Case: U-22067

Name	On Behalf Of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Carlton D. Watson	DTE Electric Company	carlton.watson@dteenergy.com
Daniel E. Sonneveldt	MPSC Staff	sonneveldtd@michigan.gov
DTE Electric Company	DTE Electric Company	mpscfilings_account@dteenergy.com
Lesley C. Fairrow	ALJs - MPSC	fairrowl1@michigan.gov