

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \*

In the matter of the application of )  
**DTE ELECTRIC COMPANY** )  
for authority to increase its rates, amend )  
its rate schedules and rules governing the )  
distribution and supply of electric energy, and )  
for miscellaneous accounting authority. )

Case No. U-21534

**QUALIFICATIONS AND ~~REVISED~~ DIRECT TESTIMONY OF**  
**SHANNON RUECKERT**  
**MICHIGAN PUBLIC SERVICE COMMISSION**

~~July 26, 2024~~

July 29, 2024

**QUALIFICATIONS OF SHANNON RUECKERT**

CASE NUMBER U-21534

PART I

1 Q. Please state your name and business address.

2 A. My name is Shannon Rueckert. My business address is 7109 W. Saginaw Hwy, Lansing,  
3 MI 48917.

4 Q. By whom are you employed and in what capacity?

5 A. I am employed by the Michigan Public Service Commission (MPSC or Commission) as  
6 an auditor in the Revenue Requirements section.

7 Q. How long have you been employed by the Commission?

8 A. I have been employed since February of 2018.

9 Q. What is your educational and professional background?

10 A. I previously served in the US Air Force as a Fuels Resource Controller, responsible for  
11 controlling base wide fuels operations and accounting. My duties included daily close out  
12 and reconciliation of all fuel transactions. After serving in the Air Force, I managed a  
13 family business. While general manager of the business I performed all managerial  
14 accounting functions. In 2015, I graduated from the University of Michigan with a  
15 Bachelor of Business Administration and a concentration in accounting degree with High  
16 Honors. I was previously employed at Andrew's Hooper Pavlik, PLC as a staff  
17 accountant where I performed tax preparation and audits of municipalities, retirement  
18 plans, and banks. In April of 2019 I completed the Master of Business Administration  
19 program, with a concentration in accounting, at the University of Michigan. I have been  
20 involved in rate case audits and performed audit work in the following cases:

<u>Case No.</u>	<u>Company / Type of Case</u>
21 U-20276	Upper Peninsula Power Company Electric Rate Case
22 U-20286	Consumers Energy Company's Tax Cuts and Jobs Act (TCJA) Credit B

**QUALIFICATIONS OF SHANNON RUECKERT**

CASE NUMBER U-21534

PART I

1	U-20322	Consumer's Energy Gas Rate Case
2	U-20359	Indiana Michigan Company Electric Rate Case
3	U-20642	DTE Gas Rate Case
4	U-20650	Consumer's Energy Gas Rate Case
5	U-20697	Consumer's Energy Electric Rate case
6	U-20940	DTE Gas Rate Case
7	U-20963	Consumer's Energy Gas Rate Case
8	U-21045	Alpena Electric Company
9	U-21097	NSP Electric Company
10	U-21148	Consumer's Energy Electric Rate Case
11	U-21194	Detroit Thermal Transfer of Control Case
12	U-20836	DTE Electric Rate Case
13	U-21224	Consumer's Energy Electric Rate Case
14	U-21286	Upper Peninsula Power Company Electric Rate Case
15	U-21308	Consumer's Energy Gas Rate Case
16	U-21366	Michigan Gas Utilities
17	U-21389	Consumer's Energy Electric Rate Case
18	U-21461	Indiana Michigan Company Electric Rate Case
19	U-21490	Consumer's Energy Gas Rate Case
20	U-21291	DTE Gas Rate Case
21	U-21540	Michigan Gas Utilities
22	U-21555	Upper Peninsula Power Company Electric Rate Case
23		

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**

CASE NUMBER U-21534

PART II

1 Q. What is the purpose of your testimony?

2 A. The purpose of my testimony is to present Staff's adjustment to the Return on Tree Trim  
3 Regulatory Asset. Also, I will present Staff's Uncollectible Accounts, Injuries &  
4 Damages, Employee Savings Plan, Active Healthcare, and Other Employee Benefits  
5 expenses.

6 Q. Are you sponsoring exhibits?

7 A. Yes.

8	Exh.	Schedule	Title
9	A-11	A-1.1	Tree Trim Regulatory Asset - Return On.
10	<del>S-15.0</del> <del>S-14.0</del>	N/A	Projected Accounts 904, 925, and 926 Expenses
11			for the Projected Test-Period Ending December 31,
12			2025.
13	<del>S-15.1</del> <del>S-14.1</del>	N/A	Uncollectible Accounts Expense for the Projected
14			Test-Period Ending December 31, 2025.
15	<del>S-15.2</del> <del>S-14.2</del>	N/A	Injuries & Damages Expense Normalization.
16	<del>S-15.3</del> <del>S-14.3</del>	N/A	Employee Savings Plan, Active Healthcare,
17			and Other Benefits Expense Projections for the
18			Projected Test-Period Ending December 31, 2025.
19	<del>S-15.4</del> <del>S-14.4</del>	N/A	Employee Savings Plan, Active Healthcare
20			Expense, and Other Benefits Average Annual
21			Growth Rates (AAGR).

22 Q. Please describe Exhibit A-11, Schedule A-1.1.

23 A. Exhibit A-11, Schedule A1.1, identifies the return on the Tree Trim Regulatory Asset for  
24 the Projected Test-Period Ending December 31, 2025.

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**  
CASE NUMBER U-21534  
PART II

- 1  
2 Q. Please describe Exhibit ~~S-15.0~~ S-14.0.
- 3 A. Exhibit ~~S-15.0~~ S-14.0 presents Staff’s projections for FERC accounts 904, 925, and 926  
4 expenses for the Projected Test-Period Ending December 31, 2025. The projections were  
5 developed through the category listed in column (a.). Column (b.) presents the  
6 Company’s projection and column (d.) presents Staff’s projection, with a difference  
7 shown in column (c.). The differences in column (c.) represent Staff’s adjustments and  
8 are supported by corresponding exhibits and Commission Staff listed in column (e.).

9 **Return on Tree Trim Regulatory Asset**

- 10 Q. What rate of return did the Company use to calculate its return on the Tree Trim  
11 Regulatory Asset?
- 12 A. The Company used its Rate of Return on Permanent Capital of 9.2%. See the Direct  
13 Testimony of Kirk M. Vangilder, page 16, and Exhibit A-14, Schedule D1. This  
14 produced a return on the Tree Trim regulatory asset of \$18,786,000 shown on Company  
15 Exhibit A-11, Schedule A1.1.
- 16 Q. Has the Company been approved to use the Rate of Return on Permanent Capital?
- 17 A. No. In Order case U-21297, page 280, the Commission found that the program “should  
18 remain as it is” and use the short-term debt rate to calculate the return on the Tree Trim  
19 regulatory asset.
- 20 Q. What rate did Staff use to calculate the Return on Tree Trim Regulatory Asset?
- 21 A. Staff, consistent with the Commission’s Order in case U-21297, used the short-term debt  
22 rate of 4.96% presented on Exhibit S-4, Schedule D3, and supported by Staff witness  
23 Ufolla. This creates a return on Tree Trim regulatory asset of \$10,133,000. Staff

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**

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PART II

1 recommends the Commission continue to use the short-term debt rate authorized in Order  
2 case U-21297, page 280.

3 **Uncollectible Accounts Expense**

4 Q. Does Staff support the Company's projected uncollectible accounts expense (UCX)?

5 A. No. While the Company's methodology is consistent with Staff's direct write off method,  
6 the revenue amount used is excessive. Revenue is multiplied by the bad debt loss ratio  
7 (BDLR) to create the expense projection. See Exhibit A-13, Schedule C5.8. Staff  
8 requested the revenue categories that compose its projection. An excessive revenue  
9 amount creates an unreasonable UCX projection. The Company responded that its UCX  
10 calculation uses Total Proposed Revenue presented on Exhibit A-16, Schedule F2,  
11 column c. Also it included the addition of PSCR revenue not presented on Company  
12 exhibits. Staff disagrees with the use of the proposed revenue. Use of future revenue at  
13 proposed rates creates an iterative calculation for the Cost-of-Service study. Also, using  
14 projected revenue at the Company's proposed rates creates an excessive UCX projection.  
15 It is unlikely the Company's proposed rates will be approved without recommended  
16 adjustments. It is also Staff's position that PSCR revenue should be excluded as it is not  
17 present on the Company's exhibits and audited by Staff in this general rate case. Staff  
18 recommends the use of total current revenue projected by test year billing determinants at  
19 the current known rates, as presented on Exhibit A-16 Schedule F2, page 2, col. b., ln. 49.  
20 Projected revenue at the current known rates creates a more reasonable UCX projection  
21 which is not iterative regarding the Cost-of-Service study.

22 Q. What method did Staff use to project the Company's uncollectible accounts expense?

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PART II

1 A. Staff requested the Company update its projection to include 2023. This provides the  
2 most current information available using the direct write-off method. Staff then applied  
3 the BDLR from years 2021 through 2023 to total present revenue amount sourced from  
4 Company Exhibit A-16 F2, page 2, col. b., ln. 49. Staff projects an uncollectible expense  
5 projection of \$41,029,000 a downward adjustment of \$9,841,000 from the Company's  
6 request of \$50,870,000. See Exhibit ~~S-15.0~~ S-14.0. Staff's direct write off method, which  
7 was also used by the Company, is shown on Exhibit ~~S-15.1~~ S-14.1.

8 **Injuries & Damages Expense**

9 Q. What method did the Company use to project its Injuries & Damages expense?

10 A. The Company used the normalization method approved in Case No. U-21297 and prior  
11 cases. See the Direct Testimony of witness Uzenski, page 51. Staff requested the  
12 Company update its projection to include 2023 as it's the most recent year available. See  
13 Staff Exhibit ~~S-15.2~~ S-14.2. Updating the Company's projection to include 2023 results  
14 in an Injuries & Damages projection of \$15,577,000 a downward adjustment of  
15 \$2,863,000 from the Company's request of \$18,440,000. See Exhibit ~~S-15.0~~ S-14.0.

16  
17 **Employee Savings Plan Expense (ESP)**

18 Q. What method did the Company use to project its Employee Savings Plan Expense (ESP)  
19 expense?

20 A. The Company used "the annual increase in the Company's Employee Savings Plan costs  
21 for the years 2017 through 2020 of 7.50%." The calculation of this rate excludes years  
22 2021 and 2022. Witness Cooper cited an "abnormally high level of forfeitures arising  
23 from employee resignations in 2021" as reason for exclusion. See the direct testimony of  
24 M. S. Cooper, page 17.

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**

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PART II

1 Q. Does Staff agree with the Company's reasons for excluding 2021 and 2022 from its  
2 average annual growth rate (AAGR) calculation?

3 A. No. Staff requested that the Company provide ESP expense for year 2023. The  
4 downward trend of annual change continued in 2023. This is not indicative of a non-  
5 recurring item and reason for exclusion. See Exhibit ~~S-15.4~~ S-14.4, line 6. It is Staff's  
6 position that the consistent consecutive diminishing growth trend shows that witness  
7 Cooper's reasons for excluding 2020 and 2021 from its AAGR are not valid. ESP  
8 expense growth continues to decline for five consecutive years. Consistent annual  
9 changes the Company experiences should be reflected in expense projections of its rate  
10 cases.

11 Q. What method did Staff use to project its ESP expense?

12 A. Staff used a five-year AAGR based on the Company's historic expenses. The annual  
13 change in ESP expense from years 2019-2023 produces a 4.06% AAGR. See Staff  
14 Exhibit ~~S-15.4~~ S-14.4, line 7. The rate was applied to historic year 2023 resulting in a  
15 projection of \$29,547,000 a reduction of \$7,859,000 from the Company's projection of  
16 \$37,406,000. See Exhibit ~~S-15.3~~ S-14.3, line 1, and Exhibit ~~S-15.0~~ S-14.0, line 3.

17 **Active Healthcare**

18 Q. What method did the Company use to project its Active Healthcare expense?

19 A. The Company adjusted its historic base year with the "constant dollar" adjustment  
20 described on page 23 of witness Cooper's testimony. This method has been consistently  
21 rejected by the Commission for healthcare projections. It then projects the adjusted  
22 historic expense forward with adjusted annual increase trends provided by independent  
23 healthcare experts Willis Towers Watson (WTW). These increase trend factors are 5.1%

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PART II

1 in 2023, 5.0% in 2024, and 4.0% in 2024. See the direct testimony of M. S. Cooper, page  
2 28. Application of these factors resulted in an expense projection of \$56,083,000.

3 Q. Does Staff agree with the Company’s use of WTW’s adjusted trend factors to project the  
4 expense?

5 A. No. The Company testified that its Active Healthcare expense is volatile. See the direct  
6 testimony of M. S. Cooper page 20. Contrary to witness Cooper’s testimony, the WTW’s  
7 generalized healthcare trends are not reflective of volatility in the Company’s expense  
8 history. The Company’s AAGR for total Active Healthcare is 4.83%. See Exhibit ~~S-15.4~~  
9 ~~S-14.4~~, line 7. The Company uses a blended rate of inflation for this volatile expense and  
10 unnecessarily conflate the projection method with its “constant dollar” adjustment to the  
11 historic year to produce an excessive projection.

12 Q. What method does Staff recommend for projecting the expense forward?

13 A. Staff requested total healthcare expense and employee headcount for 2023. Then a per  
14 person AAGR of 4.83%, calculated from the Company’s own change in Active  
15 Healthcare was applied to its unadjusted historic test year total expense to project it  
16 forward. The total projected cost is multiplied by the Company’s expense percentage as a  
17 portion of it is capitalized. This is presented on Exhibit ~~S-15.3~~ ~~S-14.3~~, line 6 and results  
18 in an Active Healthcare expense projection of \$53,749,000. A reduction of \$2,334,000  
19 from the Company’s projection of \$56,083,000.

20 **Other Employee Benefits – General Benefits & Administrative Fees**

21 Q. Please describe the Company’s method for projecting General Benefits and  
22 Administrative Fees in the Other Employee Benefits category of account 926 shown on  
23 Company Exhibit A-13, Schedule C5.11, page 2.

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PART II

1 A General Benefits and Administrative Fees fee were escalated at the overall rate of  
2 inflation as measured by the Consumer Price Index through the end of the projected test  
3 year. See the Direct Testimony of Company witness Cooper, page 38.

4 Q. Are the inflation rates used by the Company reflective of the expense history in these line  
5 items of Other Benefits expense?

6 A. No. The Company has seen a steady decrease in General Benefits expense for five  
7 consecutive years. Administrative Fees has seen some volatility. However, the expense  
8 has decreased more often than not in the last five years. Both line items have a negative  
9 five-year AAGR as shown on Exhibit ~~S-15.4~~ S-14.4, lines 28 and 31. Using general  
10 inflation to increase expenses that have a negative AAGR creates an unreasonable  
11 projection and disincentives the Company from continuing to reduce the costs of these  
12 line items.

13 Q. What method does Staff recommend for projecting the expense forward?

14 A. Staff recommends using the AAGR of General Benefits and Administrative Fees based  
15 on a five-year average annual change in the expenses shown on Exhibit ~~S-15.4~~ S-14.4  
16 This method produces an AAGR of -10.24% for General Benefits, and -5.57% for  
17 Administrative Fees. Applying these rates to 2023 expenses provided to Staff by the  
18 Company projects a General Benefits expense of \$1,051,000 and Administrative Fees  
19 expense of \$4,708,000 shown on Staff Exhibit ~~S-15.3~~ S-14.3, lines 7 and 9.

20 Q. Please summarize your recommendations.

21 A. First, Staff is recommending the return on the Tree Trim regulatory asset use Staff's  
22 Short-term debt rate of 4.96% supported by witness Ufolla. This creates a return on the  
23 Tree Trim regulatory asset of \$10,133,000.

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**

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1 Second, Staff recommends an Injuries and Damages expense projection of \$15,577,000.

2 A decrease of \$2,863,000 from the Company's request of \$18,440,000.

3 Third, Staff recommends an Uncollectible Accounts expense projection of \$41,029,000  
4 for the 12-month period ending December 31<sup>st</sup>, 2025. A decrease of \$9,841,000 from the  
5 Company's request of \$50,870,000. This projection is based off a three-year average  
6 BDLR from 2021-2023 applied to the Company's present revenue projection.

7 Fourth, Staff is recommending an Employee Savings Plan projection of \$29,547,000. A  
8 decrease of \$7,859,000 from the Company's request of \$37,406,000. Staff's projection is  
9 based off the average annual growth rate from years 2019-2023 applied to a historic year  
10 2023 expense.

11 Fifth, Staff is recommending an Active Healthcare expense projection of \$53,749,000 for  
12 the 12-month period ending December 31<sup>st</sup>, 2025. A decrease of \$2,334,000 from the  
13 Company's request of \$56,083,000. Staff's projection is based off the per person average  
14 annual growth rate the Company realized and applied to the historic year 2023.

15 Sixth, Staff is recommending a General Benefits expense of \$1,051,000 for the 12-month  
16 period ending December 31<sup>st</sup>, 2025. A decrease of \$1,344,000 from the Company's  
17 request of \$2,395,000. Staff's projection is based off the negative annual growth rate the  
18 Company realized and applied to the historic year 2023.

19 Lastly, Staff is recommending an Administrative Fees expense of \$4,708,000 for the 12-  
20 month period ending December 31<sup>st</sup>, 2025. A decrease of \$2,855,000 from the  
21 Company's request of \$7,296,000. Staff's projection is based off the negative annual  
22 growth rate the Company realized and applied to the historic year 2023.

23 Q. Does this complete your testimony?

**REVISED DIRECT TESTIMONY OF SHANNON RUECKERT**

CASE NUMBER U-21534

PART II

1 | A. Yes.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \*

In the matter of the application of )  
**DTE ELECTRIC COMPANY** )  
for authority to increase its rates, amend )  
its rate schedules and rules governing the )  
distribution and supply of electric energy, and )  
for miscellaneous accounting authority. )

Case No. U-21534

**REVISED** EXHIBITS OF

**SHANNON RUECKERT**

**MICHIGAN PUBLIC SERVICE COMMISSION**

~~July 26, 2024~~

July 29, 2024

Michigan Public Service Commission  
DTE Electric Company  
Tree Trim Regulatory Asset - Return On  
Projected 12 Month Period Ending December 31, 2025  
(\$000)

Case No.: U-21534  
Exhibit: A-11  
Schedule: A1.1  
Witness: S.Rueckert  
Page: 1 of 1

(a)			(b)			(c)			
Line No.	Description			Test Period Amount			Reference		
1	<b>Return on Tree Trim Regulatory Asset</b>								
2	Average Balance Regulatory Asset			275,450	Line 16				
3	Deferred Tax Liability			(71,342)	- Line 2 x 25.9% Composite Tax Rate				
4	Average Net Rate Base			204,108					
5	Staff Rate of Return on Short-Term Debt			4.96%	Exhibit S-4, Schedule D3				
6	Return on Tree Trim			<u>10,133</u>					
		<u>2019-A</u>	<u>2020-A</u>	<u>2021-A</u>	<u>2022-A</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
7	<b>Tree Trim Regulatory Asset</b>								
8	Approved Tree Trim - Surge Funding	43,300	74,100	70,500	58,200	67,000	52,700	43,700	Exhibit A-13 C5.6.1, Line 2
9	Carrying Charges through April 30, 2020 1/		1,200						
10	Additional Funding Request	-	-	-	-	-	-	87,000	Exhibit A-13 C5.6.1, Line 3
11	Total Tree Trim Reg Asset Deferral	43,300	75,300	70,500	58,200	67,000	52,700	130,700	
12	Total Tree Trim Reg Asset Cumulative	43,300	118,600	189,100	247,300	157,400	210,100	340,800	Cumulative Line 11
13	Approved for Securitization 2/				(156,900)				Case U-21015
14	Cumulative Balance at December 31				90,400	157,400	210,100	340,800	
15	Cumulative Balance at December 31						210,100	340,800	Assumes 100% of annual spend
16	Average Balance						210,100	275,450	

1/ Interest at U-20162 authorized STD rate of 3.56% until U-20561 order was in effect.  
2/ Securitization approved per U-21015 order dated June 23, 2021 (up to \$156.9 per order page 91)

**MICHIGAN PUBLIC SERVICE COMMISSION**

DTE Electric Company

Projected Accounts 904, 925, and 926 Expenses

for the Projected Test-Period Ending December 31, 2025

(000's)

Case No: U-21534

Exhibit No: ~~S-15.0~~

S-14.0

Page: 1 of 1

Witness: S.Rueckert

	(a.)	(b.)	(c.)	(d.)	(e.)
Ln.	Description	Source	Company Projection	Adjustment	Staff Projection
1	(904) UCX	A-16 C5.8, <del>S-15.1</del> S-14.1	\$ 50,870	\$ (9,841)	\$ 41,029
2	(925) Injuries & damages	A-13 C5.10, <del>S-15.2</del> S-14.2	\$ 18,440	\$ (2,863)	\$ 15,577
3	(926) Employee Savings Plan	A-13 C5.11, <del>S-15.3</del> S-14.3	\$ 37,406	\$ (7,859)	\$ 29,547
4	(926) Active Healthcare	A-13 C5.11, <del>S-15.3</del> S-14.3	\$ 56,083	\$ (2,334)	\$ 53,749
5	(926) Other Benefits – General Benefits	A-13 C5.11, <del>S-15.3</del> S-14.3	\$ 2,395	\$ (1,344)	\$ 1,051
6	(926) Other Benefits – Admin Fees	A-13 C5.11, <del>S-15.3</del> S-14.3	\$ 7,296	\$ (2,588)	\$ 4,708

**MICHIGAN PUBLIC SERVICE COMMISSION**  
DTE Electric Company  
Uncollectible Accounts Expense  
for the Projected Test-Period Ending December 31, 2025  
(000's)

Case No.: U-21534  
Exhibit No.: ~~\$-15.1~~  
S-14.1  
Page: 1 of 1  
Witness: S.Rueckert

Ln.	(a.) Description	(b.) Source	(c.) 2023	(d.) 2022	(e.) 2021
1	Accounts Written-Off		\$ 72,461	\$ 65,303	\$ 76,776
2	(less) Collection of Accounts Written-Off		\$ (28,320)	\$ (27,645)	\$ (36,732)
3	Net Write-Offs		\$ 44,141	\$ 37,658	\$ 40,044
4	Billed Revenue		\$ 5,847,903	\$ 5,614,043	\$ 5,551,588
5	Net Write-Offs to Revenue Percentage		0.7548%	0.6708%	0.7213%
6	Charges to Direct Expense		\$ 1,095	\$ 2,744	\$ (146)
7	Projected Billed Revenue 12 month's ending 12/31/25	A-16 F2, col. b., ln. 49			\$ 5,561,302
8	3-Year Average Net Write-Offs to Revenue	avg(ln.5, col.c-e)			0.72%
9	Projected Net Write-Offs	(ln 7 x ln 8)			\$ 39,799
10	Historical 3 Year Average Charges to Direct Expense (ln 7)	avg(ln.6, col.c-e)			\$ 1,231
11	Projected Uncollectible Accounts Expense (ln 10+ ln 11)				\$ 41,029

**MICHIGAN PUBLIC SERVICE COMMISSION**  
DTE Electric Company  
Injuries & Damages Expense Normalization  
(\$000)

Case No.: U-21534  
Exhibit No.: ~~S-15.2~~  
S-14.2  
Page: 1 of 1  
Witness: S.Rueckert

	(a.)	(b.)	(c.)	(d.)	(e.)	(f.)	(g.)	(h.)
Ln.	Description	Account	2019	2020	2021	2022	2023	Average (col.c-g)
1	Injuries & Damages Expense	925	\$ 11,042	\$ 11,702	\$ 32,953	\$ 17,158	\$ 5,029	\$ 15,577

**MICHIGAN PUBLIC SERVICE COMMISSION**  
DTE Electric Company  
Employee Savings Plan, Active Healthcare Expense, and Other Benefits Projections  
for the Projected Test-Period Ending December 31, 2025  
(\$000)

Case No.: U-21534  
Exhibit No.: ~~S-15-3~~  
S-14.3  
Page: 1 of 1  
Witness: S.Rueckert

Ln.	(a.) Description	(b.) Source	(c.) 2023	(d.) 2024	(e.) 2025	(f.) Staff Projection
1	Employee Savings Plan (ESP)	<del>S-15-4S-14.4</del> In. 11, col. g.	\$ 27,286	(ln.1, col. c * ln. 2, col. d) \$ 1,108	((ln.1, col. c + col. d) * ln.2, col. e) \$ 1,153	In. 1 $\bar{2}$ (col. c. through e.) \$ 29,547
2	Average Annual Growth Rate	<del>S-15-4S-14.4</del> In. 7, col. g.		4.06%	4.06%	
3	Total Active Healthcare (AHC)	<del>S-15-4S-14.4</del> In. 20, col. g.	\$ 80,975	(ln.3, col. c * ln. 4, col. d) \$ 3,913	((ln.3, col. c + col. d) * ln.4, col. e) \$ 4,102	\$ 88,989
4	Average Annual Growth Rate	<del>S-15-4S-14.4</del> In. 24, col. g.		4.83%	4.83%	
5	Expense percentage	A-13 C5.11.3 col. (l)				60.4%
6	AHC Expense	(ln. 3, col. f.)*(ln. 4, col. f)				<u>\$ 53,749</u>
7	Other Benefits – General Benefits	<del>S-15-4S-14.4</del> In. 26, col. g.	\$ 1,305	(ln.7, col. c * ln. 8, col. d) \$ (134)	((ln.7, col. c + col. d) * ln.8, col. e) \$ (120)	\$ 1,051
8	Average Annual Growth Rate			-10.24%	-10.24%	
9	Other Benefits – Admin Fees	<del>S-15-4S-14.4</del> In. 29, col. g.	\$ 5,280	(ln.9, col. c * ln. 10, col. d) \$ (294)	((ln.9, col. c + col. d) * ln.10, col. e) \$ (278)	\$ 4,708
10	Average Annual Growth Rate			-5.57%	-5.57%	

**MICHIGAN PUBLIC SERVICE COMMISSION**  
DTE Electric Company  
Employee Savings Plan, Active Healthcare Expense, and Other Benefits  
Average Annual Growth Rates (AAGR)

Case No.: U-21534  
Exhibit No.: ~~S-15.4~~  
S-14.4  
Page: 1 of 1  
Witness: S.Rueckert

Ln.	(a.) Description	(b.) 2018	(c.) 2019	(d.) 2020	(e.) 2021	(f.) 2022	(g.) 2023
1	Employee Savings Plan						
2	Recorded Total	\$ 41,025,520	\$ 43,622,018	\$ 46,240,863	\$ 47,925,356	\$ 49,598,887	\$ 50,182,674
3	Benefits Transfer	-	-	-	-	(56,344.21)	(164,551.36)
4	Other Benefits Correction	-	-	-	-	(355,589.55)	-
5	Net of corrections	\$ 41,025,520	\$ 43,622,018	\$ 46,240,863	\$ 47,925,356	\$ 49,186,953	\$ 50,018,123
6	Annual Change		6.33%	6.00%	3.64%	2.63%	1.69%
7	5yr Average Annual Growth Rate						4.06%
8	Recorded Expense	\$ 27,721,784	\$ 29,729,511	\$ 30,838,305	\$ 31,164,447	\$ 31,509,364	\$ 30,721,622
9	Benefits Transfer	(2,112,465)	(2,259,052)	(2,359,852)	(2,085,150)	(1,973,132)	(3,435,452)
10	Other Benefits Correction					163,205	
11	Net of corrections	\$ 25,609,320	\$ 27,470,458	\$ 28,478,453	\$ 29,079,297	\$ 29,699,436	\$ 27,286,170
12	Recorded Capitalized	\$ 13,303,736	\$ 13,892,508	\$ 15,402,558	\$ 16,760,910	\$ 18,089,523	\$ 19,461,053
13	Benefits Transfer	2,112,465	2,259,052	2,359,852	2,085,150	1,916,788	3,270,901
14	Other Benefits Correction					(518,794)	
15	Net of corrections	\$ 15,416,200	\$ 16,151,560	\$ 17,762,410	\$ 18,846,060	\$ 19,487,517	\$ 22,731,953
16	Active Healthcare						
17	Medical Costs	\$ 63,824,000	\$ 65,627,000	\$ 63,551,000	\$ 78,455,000	\$ 77,234,000	\$ 74,984,000
18	Dental Costs	3,827,000	4,276,000	3,203,000	5,319,000	5,307,000	5,540,000
19	Vision Costs	526,000	516,000	448,000	510,000	457,000	451,000
20	SubTotal Active Healthcare Costs	\$ 68,177,000	\$ 70,419,000	\$ 67,202,000	\$ 84,284,000	\$ 82,998,000	\$ 80,975,000
21	Average Annual Number of Employees	6795	6896	6848	6751	6697	6547
22	Cost/Employee	\$ 10,034	\$ 10,211	\$ 9,814	\$ 12,485	\$ 12,393	\$ 12,369
23	Annual Change		1.76%	-3.89%	27.23%	-0.74%	-0.20%
24	5yr Average Annual Growth Rate						4.83%
25	Other Employee Benefits						
26	General Benefits	\$ 2,447,000	\$ 2,411,000	\$ 2,360,000	\$ 2,285,000	\$ 2,198,000	\$ 1,305,000
27	Annual Change		-1.5%	-2.1%	-3.2%	-3.8%	-40.63%
28	5yr Average Annual Growth Rate						-10.24%
29	Admin Fees	\$ 7,451,000	\$ 6,193,000	\$ 5,448,000	\$ 6,442,000	\$ 6,697,000	\$ 5,280,000
30	Annual Change		-16.9%	-12.0%	18.2%	4.0%	-21.16%
31	5yr Average Annual Growth Rate						-5.57%

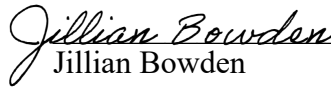
STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

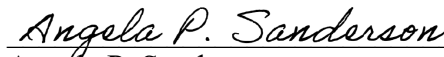
In the matter of the Application of	)	
<b>DTE ELECTRIC COMPANY</b>	)	
for authority to increase its rates, amend	)	
its rate schedules and rules governing the	)	Case No. U-21534
distribution and supply of electric energy, and	)	
<u>for miscellaneous accounting authority</u>	)	

**PROOF OF SERVICE**

Jillian Bowden, being duly sworn, deposes and says that on July 29, 2024, A.D., she emailed a copy of the attached **REVISED** MPSC Testimony and Exhibits to the persons as shown on the attached list.

  
\_\_\_\_\_  
Jillian Bowden

Subscribed and sworn to before me this  
29th day of July 2024.

  
\_\_\_\_\_  
Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
My Commission Expires May 21, 2030

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