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## NEWS RELEASE

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**News media contact:** [Matt Helms](#) 517-284-8300  
**Customer Assistance:** 800-292-9555

### **MPSC authorizes \$217,380,000 in additional revenue for DTE Electric Co. investments to boost reliability, modernize aging grid**

The Michigan Public Service Commission today authorized DTE Electric Co. to increase revenue by \$217,380,000, approving a significant amount of investment aimed at upgrading aging power lines and improving reliability through increased maintenance and more frequent tree-trimming, with a major focus on Detroit and its nearest suburbs that have some of the oldest power lines on the utility's grid ([Case No. U-21534](#)).

Among the highlights of the system investments the Commission approved:

- Continued upgrades to DTE Electric's 4.8 kilovolt (kV) system, serving Detroit, suburbs including Royal Oak and Birmingham, as well as Ann Arbor and large parts of the Thumb. DTE Electric's 4.8 kV hardening program involves projects to improve safety and reliability and reduce the number of downed wires that remain energized, endangering the public. Improvements include using more durable materials to replace poles, crossarms, and insulators. In 2024 and 2025, 90% of the utility's projected investment on 4.8kV hardening will be spent in low-income and otherwise vulnerable communities. The Commission also directed DTE Electric to present a comprehensive plan for removal of all remaining arc wire on its system.
- An additional \$87 million toward DTE Electric's ongoing tree-trimming surge program, to increase the frequency of tree trimming and other vegetation management around power lines. Fallen trees, limbs and branches account for about two-thirds of DTE Electric's power outages, according to the company. DTE Electric's approved surge funding from 2019-2025 was \$409.5 million, rising to \$496.5 million with the additional funding.
- The Commission authorized DTE Electric to extend its Infrastructure Recovery Mechanism (IRM) through Dec. 31, 2026, with spending capped at levels currently approved for 2025 and for the programs approved for 2025. The Commission said it was disinclined to authorize the substantial increases in IRM spending requested without a demonstration that the company has considered and incorporated the findings and recommendations of the MPSC's recent third-party independent distribution system audit when reasonable and appropriate.
- Costs for DTE Electric's breaker replacement program. Breakers help recognize and isolate grid interruptions, allowing power to flow to as many customers as possible while minimizing equipment damage and reducing substation outage

risks, ultimately lowering repair expenses and reducing the duration of outages experienced by customers.

- DTE Electric's projections relating to its pole and pole top maintenance and modernization program, which aims to inspect and maintain overhead distribution equipment in support of improving the system reliability and resilience to weather, storms, and tree-related events.
- Costs relating to areas in and near downtown Detroit, including Highland Park, that face challenges with poor reliability because of aged equipment, lack of space for new equipment, and high failure rates. DTE Electric's upgrades include expanding substations, creating new substations and retiring old ones, and decommissioning old underground cables and rebuilding miles of cable that face safety and reliability challenges.
- Increasing DTE Electric's low-income utility bill assistance credit from \$40 to \$50 a month, for enrolled customers whose household income is at or below 150% of the federal poverty level.
- Electric vehicle investments to support charging infrastructure as more drivers opt for EVs, including \$12.5 million in capital expenses for DTE Electric's Charging Forward program in 2024 and \$5.1 million in 2025.
- Costs for the utility's portable generator program, which provides generators to the most vulnerable customers during widespread outages, helping power refrigerators and freezers, preventing the loss of food and medicine, powering critical-care medical devices, and more.

The increase approved today represents a 52% reduction from DTE Electric's initial request to raise rates by \$456.4 million. A typical residential customer using 500 kWh a month will see an increase of \$4.61, or 4.65%, in their monthly bill. The new rates will take effect Feb. 6.

Today's order maintains the current authorized rate of return on common equity (ROE) of 9.9%, but did not adopt the company's proposal to increase its ROE to 10.5%. The Commission adopted a 50/50 debt to equity capital structure.

The Commission denied a number of expenses DTE Electric sought:

- The Commission rejected DTE's request to recover through customer rates the costs of customer power outage credits caused by public interference such as vehicle crashes or contact with animals, or ice, wind, lightning or other weather, finding that it is the utility's responsibility to harden its grid to better withstand these events. The Commission directed the utility to work with MPSC Staff to develop a procedure for recovery of outage credits in limited circumstances such as those involving a transmission system operator or customer negligence.
- The Commission rejected \$258,000 in corporate jet travel the company sought to recover from ratepayers, saying the company did not demonstrate how the expense benefitted ratepayers.

The Commission also noted that there are several ongoing cases or initiatives, including the MPSC's comprehensive, [third-party utility audit](#) of the electric distribution systems of DTE Electric and Consumers Energy, that the Commission expects will inform future scrutiny and spending.

DTE Electric's last rate increase was in December 2023, when the MPSC approved a \$368 million increase, a 40% reduction from the \$622 million the utility sought.

Intervenors in this case were the Michigan Department of Attorney General; Energy Michigan; Michigan Energy Innovation Business Council; Institute for Energy Innovation; Advanced Energy United; Foundry Association of Michigan; Michigan Environmental Council; Natural Resources Defense Council; Sierra Club; Citizens Utility Board of Michigan; Michigan Cable Telecommunications Association; Association of Businesses Advocating Tariff Equity; The Kroger Co.; Utility Workers Union of America, AFL-CIO Local 223; Environmental Law and Policy Center of the Midwest; Ecology Center; Union of Concerned Scientists; Vote Solar; Michigan Municipal Association for Utility Issues; City of Ann Arbor; Walmart; Great Lakes Renewable Energy Association; Soulardarity; We Want Green, Too; International Transmission Company; Electrify America; and EVgo Services. MPSC Staff also participated.

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*To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).*

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