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April 21, 2025

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

RE: 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
MPSC Case No. U-21860

Dear Ms. Felice:

Attached for electronic filing in the above captioned matter is DTE Electric Company's Rate Case Summary. Also attached is the Proof of Service.

Very truly yours,

Jon P. Christinidis

JPC/erb
Attachments
cc: Service List

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) Case No. U-21860
its rate schedules and rules governing the)
distribution and supply of electric energy, and)
for miscellaneous accounting authority.)

DTE ELECTRIC COMPANY’S RATE CASE SUMMARY

In accordance with the Michigan Public Service Commission’s (“MPSC” or the “Commission”) April 25, 2024 Order in Case No. U-18238, DTE Electric Company (“DTE Electric” or the “Company”) submits its Rate Case Summary. DTE Electric’s Rate Case Summary is being provided for informational purposes only. Modifications may be made to the Company’s upcoming rate case filing that could impact the information contained herein.

In DTE Electric’s most recent rate case, Case No. U-21534, the Company requested the Commission authorize an adjustment to retail rates for the generation and distribution of electricity to provide additional revenue in the amount of \$456 million annually.¹ This was based on the utilization of a projected test year commencing January 1, 2025 and ending December 31, 2025. In its January 23, 2025 Order in Case No. U-21534, the Commission authorized DTE Electric to increase its retail rates for the generation and distribution of electricity by \$217 million annually (a \$4.61 increase per month to the average residential customer²) with a Return on Equity of 9.9%. New rates based on the Commission Order dated January 23, 2025 in Case No. U-21534 were

¹ The Company’s revenue deficiency was voluntarily revised downward to \$441 million during the course of the proceeding.

² Based on a residential customer using 500 kwh/month

implemented on February 6, 2025.

DTE Electric's upcoming rate case filing, Case No. U-21860, is primarily driven by the Company's continued distribution infrastructure investments to improve the reliability of the grid and to sustain the reliability of its generation fleet while moving toward cleaner sources of generation. Specifically, with respect to distribution infrastructure investments, DTE Electric is focused on reducing power outages by 30% and cutting outage time in half over the next five years. The Company is upgrading aging infrastructure and using technology to create a smarter, more resilient grid that will deliver the energy our customers demand and deserve. Our commitment to the reliability of the grid can be summarized as: "*30% fewer... 50% faster... by 2029.*"

Based on the evidentiary support provided in its upcoming filing, DTE Electric requests that the Commission authorize the Company to adjust its retail rates for the generation and distribution of electricity to provide additional revenue in the amount of approximately \$574.1 million annually based on a projected 12-month test year of January 1, 2026, through December 31, 2026. In addition, the Company is proposing the extension and expansion of the Infrastructure Recovery Mechanism, which is focused on specific distribution capital expenditures that address customer safety, reliability, and the integration of increasing levels of electric vehicles and distributed energy resources, in 2027-2029. These expenditures will be recovered by means of the IRM surcharge revenue requirement of \$85.1 million for 2027, \$152.3 million for 2028, and \$258.5 million for 2029. The Company is requesting a Return on Equity of 10.75% based on a 50.75% equity / 49.25% debt capital structure, and uses inflation factors of 3.4% for 2024, 3.0% for 2025, and 3.1% for 2026. The Company is utilizing a historical test year of 2023.

The key drivers associated with the Company’s revenue requirement are:

Key Drivers • Revenue Requirements (\$000,000)	
	Revenue Requirement Impact
a. Rate Base	\$260
b. Operating Cost	241
c. Return on Equity	107
d. Sales Margin & Other	(34)
e. Total Revenue Requirement Impact	\$574

The revenue requirement associated with rate base is as follows:

Key Drivers • Rate Base (\$000)			
	Drivers	Rate Base Impact	Revenue Requirement Impact (Return on, Return of and Property Tax)
a.	Last Rate Base Order	\$21,787,037	\$1,535,331
b.	Utility Plant	1,800,050	262,118
c.	Depreciation Reserve	(168,124)	(11,848)
d.	Net Nuclear Fuel and Capital Lease Property	45,598	3,213
e.	Working Capital	95,511	6,731
f.	Requested Rate Base	\$23,560,071	\$1,795,545
g.	Increase from Last Rate Base Order	\$1,773,035	\$260,214

With respect to rate design, DTE Electric is proposing, among other things, certain changes to the Company’s tariffs, and rules and regulations, including but not limited to updated on-peak hours for primary time of use Rate Schedule D14.

For the projected test year, the Company's average overall revenue increase will be:

Residential	Total Net Increase/ (Decrease) (%)
D1 non-transmit meter	11.0%
D1.1 Int. Air	12.1%
D1.2 TOD	13.0%
D1.7 TOD	13.6%
D1.8 Dynamic	11.7%
D1.9 Elec. Vehicle	12.6%
D1.11 Time of Use	11.0%
D2 Elec. Space Heat	12.1%
D5 Res. Water Ht.	13.2%
Total Residential	11.1%
Secondary	
D1.1 Int. Air	10.5%
D1.7 TOD	13.2%
D1.8 Dynamic	10.3%
D 1.9 Elec Vehicle	12.1%
D3 Gen. Serv.	10.7%
D3.1 Unmetered	11.8%
D3.2 Sec. Educ.	13.6%
D3.3 Interruptible	12.2%
D3.5 Charging Serv.	-
D4 Lg. Gen. Serv.	10.7%
D5 Com. Wat. Ht.	12.2%
E1.1 Eng. St. Ltg.	12.3%
R7 Greenhs. Ltg.	13.3%
R8 Space Cond.	11.2%
Total Secondary	10.8%
Primary	
D11 Prim. Supply	5.6%
D12 Exp. Lrg Cust	-
D6.2 Pri. Educ.	3.6%
D8 Int. Primary	6.5%
D10 El. Schools	5.9%
R1.1 Alt. Mtl. Melt.	8.8%
R1.2 El. Pr. Htg.	8.6%
R3 Standby	0.5%
R10 Int. Supply	1.3%
Total Primary	5.4%
D13 XL	-
Other	
D9 Protective Ltg.	11.3%
E1 Muni Street Ltg	7.0%
E2 Traffic Lights	9.5%
Total Other	7.8%
Total All Classes	9.8%

In addition to the requests described above, DTE Electric is seeking Commission approval of certain accounting requests, including but not limited to, regulatory asset treatment for certain merchant fees, regulatory asset treatment for issuance costs related to the 1706 loan program (if the financing does not close), and regulatory liability treatment for any over-recovery of Midwest Energy Resources Company operating and maintenance costs.

DTE Electric intends to file its upcoming electric rate case on April 24, 2025, which will allow for new rates to be effective as early as February 24, 2026. The Company will include all available information related to the requirements in Case No. U-18238.

Respectfully Submitted,

DTE ELECTRIC COMPANY

By:

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Dated: April 21, 2025

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Case No. U-21860

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

ESTELLA R. BRANSON states that on April 21, 2025, she served a copy of DTE Electric Company's Rate Case Summary in the above captioned matter, via electronic mail upon the persons listed on the attached service list.

ESTELLA R. BRANSON

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U-21297 & U-21534 Joint Service List
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