



Carlton D. Watson
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November 10, 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 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
MPSC Case No. U-21973

Dear Ms. Felice:

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

Very truly yours,

Carlton D. Watson

CDW/erb
Attachments
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of)
DTE GAS COMPANY for authority)
to increase its rates, amend its rate)
schedules and rules governing the) Case No. U-21973
distribution and supply of natural gas,)
and for miscellaneous accounting authority)
_____)

DTE GAS COMPANY’S RATE CASE SUMMARY

In accordance with the Michigan Public Service Commission’s (MPSC or the Commission) May 18, 2023 Order in Case No. U-18238, DTE Gas Company (DTE Gas or the Company) submits its required Rate Case Summary. The Company’s Rate Case Summary is being provided for informational purposes only, and in filing this summary, DTE Gas states that modifications may be made to its upcoming rate case filing that could impact the information contained herein.

The Company’s upcoming gas rate case filing, Case No. U-21973, is driven by the Company’s continued infrastructure investment and increasing operations and maintenance costs. The plan, if approved, will support DTE Gas’s increased investment in its natural gas infrastructure across the state of Michigan, including the continued modernization of its natural gas distribution and transmission systems, which will help ensure the continued safe and reliable delivery of natural gas to customers.

Based on the evidentiary support provided in its upcoming filing, DTE Gas expects a net revenue deficiency of \$162.7 million for the projected test year ending September 30, 2027. The net revenue deficiency is comprised of a total revenue deficiency of \$237.5 million, net of the IRM roll-in of \$74.8 million. DTE Gas requests that the Commission authorize the Company to adjust

its retail natural gas distribution rates to reflect the annual revenue deficiency. The key drivers associated with the Company's revenue requirement are:

Key Drivers: Revenue Requirement		
	Drivers	Revenue Requirement Impact (Millions)
a.	Rate Base	\$134
b.	Return on Equity	20
c.	Cost of Debt & Capital Structure	21
d.	Inflation	23
e.	Operations & Maintenance Expense	56
f.	Lost Gas and Company Use	(13)
g.	Sales Margin and Other	(4)
h.	Total Revenue Requirement	\$237
i.	IRM (roll in)	(\$75)
j.	Total net Revenue Requirement Impact to Customer Bills	\$163

The revenue requirement associated with rate base is as follows:

Key Drivers: Rate Base (millions)			
	Drivers	Rate Base Impact (rate base 13-month average)	Revenue Requirement Impact (Return on, Return of, and Property Tax)
a.	Last Order	\$6,889	\$494.0
b.	Utility Plant	1,336	147.6
c.	Depreciation Reserve	(171)	(12.2)
d.	Working Capital	(21)	(1.5)
e.	Requested Rate Base	\$8,034	\$628.0
f.	Increase from Last Rate Base Order	\$1,145	\$133.9

The Company is requesting a Return on Equity of 10.25%, capital structure of 49.25% debt and 50.75% equity, and application of annual inflation factors of 3.0% in 2025, 2.9% in 2026, and 2.9% (2.2% prorated) in 2027.

The Company's upcoming gas rate case filing is requesting a continuation of a Gas Revenue Decoupling Mechanism (RDM) and an Infrastructure Recovery Mechanism (IRM) – which includes the Gas Renewal, Pipeline Integrity, Regulator Station Replacement, and Cathodic Protection programs.

In addition to the requests described above, DTE Gas is seeking Commission approval of certain accounting requests. DTE Gas is specifically requesting continued deferral accounting for LIA and RIA credits above or below the base amount authorized, continuation of the Shared Asset deferral mechanism for amounts charged by DTE Electric above or below the amount included in base rates, continuation of the Incentive Compensation tracker for amounts above or below the amount authorized, continued deferral for OPEB and Pension expense, and continuation of the

LDAR deferral approved in case U-21291 for any increase in leak detection and repair costs above the amount approved in this case, and the accounting for the IRM to continue as authorized in Case No. U-21291.

For the projected test year, the Company’s average overall rate increase, including distribution charges, customer service charges, IRM, EWR and fuel for residential, general services and school customers, is:

<u>Rate Class</u>	<u>Percent</u>
<u>Residential</u> (distribution and service charges, IRM, EWR and fuel)	
Rate A	7.93%
Rate 2A	<u>8.81%</u>
Total Residential Services	7.96%
<u>General Services</u> (distribution and service charges, IRM, EWR and fuel)	
GS-1/GS-2	<u>7.12%</u>
Total General Service	7.12%
<u>School</u> (distribution and service charges, IRM, EWR and fuel)	
Rate S	6.67%
<u>Transportation</u> (distribution and service charges, IRM and EWR)	
Rate ST	37.38%
Rate LT	35.47%
Rate XLT	36.75%
Rate XXLT	<u>7.85%</u>
Total Transportation Services	31.52%
Total	<u>9.83%</u>

The Company is not proposing any changes to how it prepares its cost-of-service study. As required by the order in DTE Gas’s last rate case, DTE is including a study that splits out high-

pressure and low-pressure distribution system costs and a study that splits volumes by delivery type into low-pressure, high-pressure, and transmission categories.

U-21291 Rate Case Summary

Projected test year: October 1, 2024 – September 30, 2025

Filed for a net revenue deficiency of approximately \$160 million (a total request of \$266 million, net of the roll-in of the existing IRM of \$106 million).

Orders issued: November 7, 2024 & February 27, 2025

Rates implemented: November 21, 2024 and March 13, 2025

Final Relief: \$116 million (an effective rate increase of approximately \$10 million), 9.8% Return on Equity

DTE Gas intends to file its upcoming gas rate case by November 13, 2025, which will allow for new rates to be effective October 1, 2026.

Respectfully submitted,

DTE GAS COMPANY

By: _____
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Dated: November 10, 2025

STATE OF MICHIGAN

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_____)

Case No. U-21973

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

ESTELLA R. BRANSON states that on November 10, 2025, she served a copy of DTE Gas 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

**MPSC CASE NO. U-21973
U-20940 & U-21291 Joint Service List**

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MPSC CASE NO. U-21973
U-20940 & U-21291 Joint Service List

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**MPSC CASE NO. U-21973
U-20940 & U-21291 Joint Service List**

**SOULARDARITY; WE WANT GREEN,
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