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March 13, 2026

VIA ELECTRONIC CASE FILING

Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, Michigan 48917

Re: Case No. U-21973 – 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.

Dear Executive Secretary:

Enclosed for filing please find the ***Association of Businesses Advocating Tariff Equity's Direct Testimony & Exhibit of Jessica York*** and ***Proof of Service*** in the above-referenced matter.

Sincerely,

CLARK HILL PLC

Stephen A. Campbell

Digitally signed by: Stephen A. Campbell
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Date: 2026.03.13 11:24:48 -04'00'

Stephen A. Campbell

SAC/lkd
cc: Parties of Record

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 distribution and supply of natural gas, and for miscellaneous accounting authority.	)	**Case No. U-21973**

Direct Testimony and Exhibit of

Jessica A. York

On behalf of

Association of Businesses Advocating Tariff Equity

March 13, 2026

BRUBAKER & ASSOCIATES, INC.

Project 11976

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 distribution and supply of natural gas, and for miscellaneous accounting authority.	)	**Case No. U-21973**

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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 distribution and supply of natural gas, and for miscellaneous accounting authority.	)	**Case No. U-21973**

Direct Testimony of Jessica A. York

I. INTRODUCTION

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Jessica A. York. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q WHAT IS YOUR OCCUPATION?

A I am a consultant in the field of public utility regulation and a Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A This information is included in Appendix A to my testimony.

Q ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?

A I am appearing on behalf of the Association of Businesses Advocating Tariff Equity ("ABATE"). ABATE consists of large customers that purchase substantial amounts of natural gas and/or delivery service from DTE Gas Company ("DTE"

or "Company"). They primarily take service under DTE's Large Transportation ("Rate LT") and Extra Large Transportation ("Rate XLT") service tariffs.

Q PLEASE BRIEFLY SUMMARIZE ABATE'S WITNESSES IN THIS PROCEEDING AND THE ISSUES THEY ARE ADDRESSING IN DIRECT TESTIMONY.

A ABATE is providing Direct Testimony in this proceeding from three witnesses. They include myself and my colleagues Colin T. Fitzhenry and Christopher C. Walters.

I provide an overview of the Direct Testimony of ABATE's witnesses and then address: (i) DTE's proposed Class Cost of Service Study ("CCOSS"); and (ii) DTE's proposed revenue allocation.

Mr. Fitzhenry addresses DTE's proposed projected test year Operation and Maintenance ("O&M") expense levels and several of the capital expenditure amounts that DTE has projected it will incur either during its proposed projected test year or during the bridge period between the end of DTE's proposed historic year and beginning of its proposed projected test year.

Mr. Walters addresses DTE's proposed Return on Equity ("ROE") and capital structure.

Table JAY-1 summarizes ABATE's recommended minimum level of downward adjustments to DTE's proposed revenue requirement increase. Other stakeholders will likely recommend adjustments in addition to those recommended by ABATE's witnesses. The Capital Expenditure adjustments in Table JAY-1 assume the Michigan Public Service Commission ("Commission") adopts Mr. Walters' Rate of Return ("ROR") recommendations. If the Commission adopts a ROR greater than recommended by Mr. Walters, the listed downward revenue requirement adjustment

associated with projected capital expenditures would be larger. Mr. Fitzhenry details this in his Direct Testimony.

TABLE JAY-1

ABATE Revenue Requirement Adjustments
($ Millions)

Line	Description	Amount
1	DTE Claimed Revenue Deficiency	$237.5
	Adjustments:	
2	Advanced Leak Detection Expense	$9.0
3	Incentive Compensation Expense	$11.0
4	Projected Capital Expenditures[1]	$39.6
5	Return on Equity and Equity Ratio	$37.9
6	Total of ABATE Revenue Requirement Adjustments	$97.5

Notes:
[1] This assumes a ROE of 9.50% and an equity ratio of 50%. At DTE's proposed ROE of 10.25% and equity ratio of 50.75%, this adjustment would be $39.8 million.

My silence in this testimony, or that of my colleagues in their own testimony, with regard to any issue should not be construed as an endorsement of DTE's position on that issue.

Q PLEASE BRIEFLY SUMMARIZE YOUR CONCLUSIONS AND RECOMMENDATIONS IN THIS PROCEEDING.

A My conclusions and recommendations are as follows:

1. DTE in this proceeding is requesting to increase its base natural gas delivery rates (if DTE's proposed Investment Recovery Mechanism ("IRM") is approved) by $237.5 million despite it reporting a revenue sufficiency of $38 million during its historical test year in this proceeding.

2. As detailed in the Direct Testimony of ABATE witnesses Mr. Fitzhenry and Mr. Walters, at least approximately $97.5 million of DTE's proposed $237.5 million

rate increase in this proceeding is unwarranted, unsupported, or both. At a minimum, this portion of DTE's proposed rate increase should be denied.

3. The Company's proposed CCOSS relies on the Peak and Average ("P&A") method for the allocation of transmission and distribution capacity costs. The P&A method does not reflect cost-causation and should be rejected.

4. Design Day Demand is the load characteristic that drives investment in transmission and distribution capacity costs, as described in the Company's Gas Delivery Plan. Thus, a Design Day Demand allocation of these costs would produce the most accurate measure of the Company's cost of providing service to each customer class.

5. The Company's proposed revenue apportionment results in about a 2.32x the system average increase for Rate LT and 2.16x system average for Rate XLT. These proposed increases are based on the results of the flawed and inaccurate P&A CCOSS.

6. I recommend an alternative revenue apportionment in which no class receives an increase greater than 1.5x the system average increase. This approach still moves classes toward the Company's Preferred CCOSS but mitigates significantly above-system average increases in recognition that the P&A allocation method does not closely tie cost allocation to cost-causation.

II. CLASS COST OF SERVICE

Q HAVE YOU REVIEWED THE CCOSS PROVIDED BY THE COMPANY?

A Yes. The Company has provided two versions of its CCOSS in this case, which are sponsored by Mr. Habeeb J. Maroun. DTE's Preferred CCOSS relies on a P&A allocation of transmission and distribution capacity costs and forms the basis of DTE's proposed revenue allocation. The Preferred CCOSS is consistent with the allocation methods that have been previously approved by the Commission.

The Alternative CCOSS also uses the P&A method to allocate transmission and distribution capacity costs. However, the Alternative CCOSS differs from the Preferred CCOSS in that it separates the cost of distribution mains between High Pressure ("HP")

and Low Pressure ("LP") mains. It is my understanding that the Alternate CCOSS was provided pursuant to the Commission's Order in Case No. U-21291.[1]

Q PLEASE DESCRIBE THE ISSUE YOU TAKE WITH THE COMPANY'S CCOSS.

A I disagree with the use of the P&A allocator to allocate the cost of transmission and distribution main capacity across rate classes in both the Preferred and Alternate CCOSS models. The P&A allocator does not allocate the cost of capacity in line with cost-causation and distorts the accuracy of the Company's CCOSS models. The P&A cost allocation method effectively introduces rate impacts into cost allocation, and, therefore, is not a pure cost allocation method. As described in the National Association of Regulatory Utility Commissioners ("NARUC") Gas Rate Design Manual ("NARUC Manual"), the P&A method tempers the apportionment of costs between high-load factor and low-load factor customers.[2] In other words, the P&A method artificially produces smaller increases for lower-load factor customer classes than the utility's actual cost of service, relative to a purely demand-based allocation method.

I believe cost allocation and rate moderation should be separate steps. The CCOSS should accurately measure the cost of serving each class based on the load characteristics that drive investment in the system. Any concerns regarding the magnitude of class rate impacts that would result from moving to cost of service can be addressed through the revenue apportionment step of the overall rate design process.

[1]See the Direct Testimony of Habeeb Maroun at pages 21-22.
[2]NARUC Manual, June 1989, at page 28.

Q HOW DOES THE COMPANY USE THE P&A METHOD IN ITS CCOSS?

A In its CCOSS, DTE allocates a large portion of transmission and distribution mains costs using an external allocator that blends a peak-related demand measure with an annual or "average" throughput measure. Conceptually, the P&A factor treats each class's share of Design Day Demand as one component and its share of annual sales or throughput as a second component, and then uses a weighted combination of those two measures to distribute capacity-related plant and expenses among customer classes.

Q DOES THAT APPROACH ALIGN WITH HOW DTE ACTUALLY PLANS AND INCURS ITS GAS DELIVERY INFRASTRUCTURE COSTS?

A No. DTE plans and sizes its transmission, storage capacity, and high-pressure distribution mains to meet design-day requirements, maintain system reliability and safety, and resolve localized constraints,[3] not to serve each class's total annual consumption. Exhibit A-12, Schedule B5.6, which presents DTE's Gas Delivery Plan, confirms that the Company's long-term delivery investments are driven by peak-day system requirements, integrity management, and targeted renewal and capacity projects, and not by incremental annual volumes.

[3]DTE's own planning and rate case materials confirm that its gas delivery infrastructure is planned and sized around design-day requirements, system reliability, safety, and operational constraints, not around individual classes' annual throughput. See, e.g., Case No. U-21608, Proposal for Decision (Oct. 6, 2025), pages 3-6 (summarizing Direct Testimony of DTE witness Lucian Bratu) (describing the Company's design-day planning, storage plan, and use of redundant lines, reserve compression, and storage deliverability alternatives to address operational challenges and increase reliability following extreme weather events).

Q PLEASE DISCUSS THE MISALIGNMENT BETWEEN THE WAY DTE PLANS ITS GAS DELIVERY SYSTEM AND THE WAY THAT THE P&A METHOD ALLOCATES CAPACITY COSTS.

A A simple example begins with the recognition that DTE is a winter peaking utility.[4] DTE must ensure that its upstream pipeline entitlements, storage deliverability, and transmission mains can serve customers on the coldest design day conditions, as reflected in its gas delivery planning. Once those assets are in place, the cost of that capacity does not change because a customer uses more or fewer MCFs of natural gas on a mild spring day. Yet under the P&A method, every additional unit of annual throughput is treated as if it drives capacity investment by increasing the "average" portion of the allocator, even when the incremental usage occurs off-peak and does not cause DTE to invest in additional capacity.

Q WHY IS EMBEDDING AN ANNUAL THROUGHPUT COMPONENT INTO A CAPACITY ALLOCATOR PROBLEMATIC FROM A COST-CAUSATION PERSPECTIVE?

A Embedding annual throughput into a capacity allocator assumes that capacity costs vary with total annual use, which is inconsistent with how DTE's gas delivery assets actually behave. The Gas Delivery Plan shows that these investments are long-lived and largely fixed with respect to the volume of gas flowing through them in any particular year.[5] By treating annual throughput as a driver of capacity costs, the P&A method implicitly assigns peak-driven costs based on energy usage, not on the load

[4]Exhibit A-12, Schedule B5.6 at page 38.

[5]DTE's Gas Delivery Plan and related capital program reflect an ongoing, multi-year effort to modernize its natural gas distribution and transmission systems and to invest in long-term gas infrastructure across its service territory, including replacement of legacy mains with more durable materials, expansion of service to new customers, and to ensure the continued safe and reliable delivery of natural gas.

characteristics that actually determine the need for additional mains, storage deliverability, or upstream capacity.

Q HOW DOES THE P&A METHOD TREAT TRANSMISSION AND DISTRIBUTION MAINS?

A DTE's P&A allocator applies to both transmission facilities and distribution mains, effectively pushing both types of capacity-related costs through the same composite factor. This approach ignores important functional differences: many local distribution mains are installed to provide basic connectivity and minimum pressure to serve customers at all, while transmission facilities are planned to meet system-wide Design Day Demand requirements and maintain deliverability under peak demand conditions. Treating both categories of mains as if they are driven by the same combination of peak and average use dilutes the connection between actual planning criteria and allocated costs.

Q HOW DO THE LOAD CHARACTERISTICS OF TRANSPORTATION CUSTOMERS COMPARE TO OTHER CUSTOMER CLASSES ON DTE'S SYSTEM?

A Customers that take service under transportation rates are generally large industrial users with relatively flat load profiles. They use the system efficiently by maintaining a relatively stable demand across the year, so their ratio of peak day demand to annual throughput is significantly lower than that of residential and small commercial sales customers, whose usage is heavily winter-peaked.

Q HOW DOES THE P&A METHOD TREAT THOSE HIGHER LOAD FACTOR CUSTOMERS?

A Because the P&A allocator includes an annual or "average" throughput component, high load factor transportation customers score relatively high on that portion of the allocator by virtue of their large annual usage. At the same time, they still contribute to the peak day component, but in a way that reflects their relatively efficient use of capacity compared to sharply peaking sales classes. This is illustrated in Table JAY-2 below, which confirms that for the transportation classes average demand reflects a much larger portion of peak day demand than it does for the weather sensitive sales classes.

TABLE JAY-2

Ratio of Average Demand to Peak Demand By Class

Line	Rate Schedule	Average Daily Demand (1)	Peak Day Demand (2)	Average as as Percent of Peak (3)
1	GS-1/GS-2	107,283	460,804	23.3%
2	Rate A	300,941	1,349,557	22.3%
3	Rate 2A	10,132	42,088	24.1%
4	Rate S	4,200	18,388	22.8%
5	Rate ST	45,907	104,788	43.8%
6	Rate LT	51,949	95,354	54.5%
7	Rate XLT	80,457	141,157	57.0%
8	Rate XXLT	207,474	218,370	95.0%
9	Exelon	28,473	63,694	44.7%
10	Total	836,815	2,494,200	33.6%

Source:
Exhibit A-16, Schedule F1.2, page 3.

Thus, when you combine the two components, the P&A method effectively double counts transportation customers' throughput and overstates the extent to which they cause DTE to invest in capacity assets.

Q WHY DO YOU DESCRIBE THIS AS "DOUBLE COUNTING" OF THROUGHPUT?

A It is double counting because the same underlying usage characteristic (large annual volumes) is recognized twice in the allocator. First, to the extent that higher annual usage contributes to higher coincident peak day demand, it is already embedded in the peak day portion of the P&A factor. Second, the annual throughput itself is separately reflected in the "average" component, which directly increases a class's share of capacity costs regardless of whether that usage occurs on- or off-peak. As a result, large transportation customers bear a disproportionate share of peak-driven costs, even though they do not drive incremental design day investments in proportion to their annual volumes.

Q HOW DOES THIS STRUCTURAL BIAS APPEAR IN THE COMPANY'S CCOSS RESULTS FOR THE TRANSPORTATION CLASSES?

A In this case, as in prior DTE rate cases, the P&A CCOSS results show that transportation classes, particularly the larger volume classes, are allocated significant revenue increases that are materially above the system average. This occurs despite ongoing investments in system capacity being driven by peak day demand which is largely driven by weather-sensitive customers, not transportation customers who use gas at a relatively stable rate year round for process purposes. For reference, the results of DTE's prior CCOSS are presented in Table JAY-3.

TABLE JAY-3

CCOS-Indicated Increases/Decreases by Class[1]

Line	Rate Schedule	U-20642 CCOSS Result[2]	U-20642 Change vs. System Average	U-20940 CCOSS Result[3]	U-20940 Change vs. System Average	U-21291 CCOSS Result[4]	U-21291 Change vs. System Average	U-21973 CCOSS Result[5]	U-21973 Change vs. System Average
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	GS-1/GS-2	35.9%	1.33	21.5%	0.94	25.4%	0.93	19.1%	0.85
2	Rate A	22.5%	0.83	21.8%	0.95	28.2%	1.03	20.0%	0.89
3	Rate 2A	8.2%	0.30	14.1%	0.61	19.6%	0.72	11.9%	0.53
4	Rate S	59.4%	2.19	29.3%	1.27	35.4%	1.29	44.3%	1.97
5	Rate ST	22.6%	0.83	11.6%	0.50	-4.5%	(0.17)	23.4%	1.04
6	Rate LT	43.5%	1.61	32.0%	1.39	25.1%	0.92	48.0%	2.14
7	Rate XLT	83.8%	3.09	66.1%	2.88	69.0%	2.52	87.8%	3.92
8	Rate XXLT	26.4%	0.98	29.1%	1.27	23.2%	0.85	10.1%	0.45
9	Exelon	42.9%	1.58	56.5%	2.46	54.2%	1.98	48.7%	2.17
10	Total	27.1%	1.00	23.0%	1.00	27.3%	1.00	22.4%	1.00

Sources and Notes:

[1] Reflects base delivery rates only. Excludes gas cost and other surcharges.

[2] U-20642, Exhibit A-16, Schedules F1 - F3, and workpaper HJM-11.

[3] U-20940, Exhibit A-16, Schedules F1 - F3, and workpaper HJM-11.

[4] U-21291, Exhibit A-16, Schedules F1 - F3, and workpaper TJK-11.

[5] U-21973, Exhibit A-16, Schedules F1 - F3.

This pattern is exactly what one would expect from a method that structurally over-allocates capacity costs to high load factor classes by double counting their throughput.

Q HOW DOES THE GAS DELIVERY PLAN IN EXHIBIT A-12, SCHEDULE B5.6 INFORM YOUR VIEW OF TRANSPORTATION CUSTOMERS' COST RESPONSIBILITY?

A The Gas Delivery Plan identifies major pipeline, storage, and distribution projects that DTE expects to undertake over the planning horizon, and it describes the drivers of those investments. Those drivers primarily relate to system integrity, safety, and the need to maintain or increase capacity to meet design day and cold weather requirements for the system as a whole, and not to increases in annual throughput from

already high load factor transportation customers. This reinforces the conclusion that high load factor transportation customers are efficient users of existing capacity and are not the primary drivers of the new or incremental gas delivery investments reflected in Exhibit A-12, Schedule B5.6.

Q HOW DO THE P&A CCOSS RESULTS AFFECT TRANSPORTATION CUSTOMERS?

A In each rate case, the results of DTE's P&A CCOSS become the basis for an expectation that transportation customers will be required to shoulder outsized rate increases relative to other classes, regardless of their efficient use of the system and prior movements toward cost-based rates. This undermines regulatory gradualism and rate stability, makes long-term energy planning more difficult for large customers, and sends a signal that transportation customers will be asked to "catch up" to a moving cost of service target in each case that does not reflect their efficient use of system capacity, rather than being treated as having achieved a stable, cost-based rate reflecting their load characteristics.

Q ARE THERE BROADER POLICY CONCERNS THAT FLOW FROM THIS PATTERN?

A Yes. Over-allocating capacity costs to transportation customers sends inefficient price signals to large load customers that may have alternatives, such as the ability to bypass gas delivery by DTE. If transportation rates are repeatedly set above a cost-based level, these customers may seek to reduce or shift usage in ways that strand capacity on DTE's system and ultimately increase costs for remaining customers. That outcome

is inconsistent with sound ratemaking, promoting efficient use of utility infrastructure, and supporting Michigan's business and industrial economy.

Q WHAT SPECIFIC ASPECTS OF EXHIBIT A-12, SCHEDULE B5.6 SUPPORT YOUR CONCLUSION THAT CAPACITY COSTS SHOULD BE ALLOCATED BASED ON PEAK-DRIVEN COST-CAUSATION RATHER THAN THE P&A METHOD?

A Exhibit A-12, Schedule B5.6 describes DTE Gas's planned gas delivery projects, and explains the drivers for those projects in terms of safety, reliability, integrity, and the need to meet peak requirements and handle system stress events.[6] These are classic peak-related cost drivers; they relate to ensuring that the system can perform and serve weather-sensitive customers under the worst case conditions, not to serving incremental off-peak energy usage. These planning drivers are consistent with a design day or peak day demand-based allocation approach and inconsistent with an allocator that relies heavily on annual throughput as a proxy for cost responsibility.

Q HOW SHOULD THE RELATIONSHIP BETWEEN THE GAS DELIVERY PLAN AND THE P&A ALLOCATOR BE INTERPRETED?

A The Gas Delivery Plan provides a roadmap of the infrastructure in which DTE plans to invest and why it plans to do so, while the P&A allocator is a modeling method that blends peak and average use to distribute those costs. When the factual roadmap and the modeling convention diverge, as they do here, the Commission should place more weight on the actual planning criteria and adopt an allocator that tracks those criteria; i.e., that reflects DTE's cost to serve its customers. In my view, Exhibit A-12,

[6]Exhibit A-12, Schedule B5.6. DTE's gas planning objectives are discussed broadly throughout the exhibit, but some specific examples supporting the sentence above can be found at pages 3, 18, 32, 38, 54, 62, and 63.

Schedule B5.6 supports moving away from the P&A allocator toward an allocator that focuses on peak day cost-causation, such as a Design Day Demand or Average and Excess Demand method.

Q HAVE YOU CALCULATED THE RESULTS OF DTE'S CCOSS USING THE DESIGN DAY DEMAND METHOD?

A Yes. Exhibit AB-1 contains the detailed Design Day Demand CCOSS, but the results are summarized in Table JAY-4 below.

TABLE JAY-4

P&A vs. Design Day CCOSS

Line	Rate Schedule	Current Base Rate Revenues (1)	Increase / (Decrease) to Reach P&A Cost of Service Amount (2)	Percent (3)	Index (4)	Increase / (Decrease) to Reach Design Day Cost of Service Amount (5)	Percent (6)	Index (7)
1	GS-1/GS-2	$ 213,337	$ 40,726	19.1%	0.85	$ 48,304	22.6%	1.01
2	Rate A	683,743	136,499	20.0%	0.89	162,172	23.7%	1.06
3	Rate 2A	19,519	2,320	11.9%	0.53	2,925	15.0%	0.67
4	Rate S	4,683	2,072	44.3%	1.97	2,398	51.2%	2.28
5	Rate ST	37,879	8,869	23.4%	1.04	4,914	13.0%	0.58
6	Rate LT	24,969	11,977	48.0%	2.14	5,692	22.8%	1.02
7	Rate XLT	28,018	24,606	87.8%	3.92	14,364	51.3%	2.29
8	Rate XXLT	32,441	3,284	10.1%	0.45	(7,862)	-24.2%	(1.08)
9	Exelon	14,784	7,196	48.7%	2.17	4,645	31.4%	1.40
10	Total*	$1,059,373	$237,551	22.4%	1.00	$237,551	22.4%	1.00

Note:
* Excludes gas cost for bundled service customer classes, as well as IRM and EWR surcharge revenues for all classes.

As shown in the table, at the Company's claimed revenue deficiency, the Design Day Demand allocation method shows that significantly smaller increases, and in one case a decrease, would be needed to move the transportation rate schedules to cost of service, as compared to the P&A CCOSS. For the reasons described throughout

this testimony, a purely demand-based allocation method most closely aligns cost allocation with cost-causation.

Q WHAT IS YOUR RECOMMENDATION WITH RESPECT TO DTE'S USE OF THE P&A METHOD IN THIS CASE?

A I recognize the Commission's long-standing practice of relying on the P&A allocation method to inform revenue allocation and rate design. However, I would urge the Commission to carefully consider whether the P&A method truly and accurately aligns the allocation of capacity costs with the load characteristic that drives DTE's investment in transmission, distribution, and storage infrastructure, as described in its Gas Delivery Plan. For the reasons described throughout this testimony, I believe a peak day demand approach is most closely tied to cost-causation and the way DTE designs its gas delivery system.

Q HOW WOULD YOUR RECOMMENDATION AFFECT TRANSPORTATION AND OTHER CUSTOMERS?

A Moving away from P&A toward a peak day demand allocator would better align cost responsibilities with the drivers of the Company's gas delivery investments, reduce the structural methodological bias against high load factor transportation customers, and provide a more stable foundation for cost-based rates over time. This would benefit transportation customers by reducing the risk of repeated, outsized increases for transportation classes, and it would benefit other customers by promoting efficient use of the system, reducing the risk of bypass and stranded costs, and supporting the business and industrial economy in DTE's service territory.

III. REVENUE APPORTIONMENT

Q HAVE YOU REVIEWED THE COMPANY'S PROPOSED REVENUE APPORTIONMENT?

A Yes. A comparison of the Company's CCOSS results to its proposed revenue apportionment is presented in Table JAY-5 below.

TABLE JAY-5

DTE's Cost of Service vs. Proposed Revenue Apportionment*

Line	Rate Schedule	Current Base Rate Revenues (1)	Increase / (Decrease) to Reach Cost of Service Amount (2)	Percent (3)	Index (4)	DTE Proposed Increase / (Decrease) Amount (5)	Percent (6)	Index (7)
1	GS-1/GS-2	$ 213,337	$ 40,726	19.1%	0.85	$ 41,563	19.5%	0.87
2	Rate A	683,743	136,499	20.0%	0.89	134,439	19.7%	0.88
3	Rate 2A	19,519	2,320	11.9%	0.53	4,380	22.4%	1.00
4	Rate S	4,683	2,072	44.3%	1.97	1,236	26.4%	1.18
5	Rate ST	37,879	8,869	23.4%	1.04	18,849	49.8%	2.22
6	Rate LT	24,969	11,977	48.0%	2.14	12,965	51.9%	2.32
7	Rate XLT	28,018	24,606	87.8%	3.92	13,561	48.4%	2.16
8	Rate XXLT	32,441	3,284	10.1%	0.45	3,271	10.1%	0.45
9	Exelon	14,784	7,196	48.7%	2.17	7,196	48.7%	2.17
10	Total**	$1,059,373	$237,551	22.4%	1.00	$237,460	22.4%	1.00

Sources and Notes:

* Excludes gas cost for bundled service customer classes, as well as IRM and EWR surcharge revenues for all classes.

** Difference between CCOS increase and proposed increase is due to rounding.

Exhibit A-16, Schedule F1.1

Exhibt A-16, Schedule F2.

Exhibit A-16, Schedule F3.

As shown in the table, the Company's Preferred CCOSS would result in increases well-above the system average for Rate ST, Rate LT, Rate XLT, and Exelon. In addition, DTE's proposed revenue apportionment, while generally based on the results of its Preferred CCOSS, reflects certain adjustments which shift costs between the transportation rate schedules.

Q IS THE COMPANY'S PROPOSED SPREAD OF THE REVENUE DEFICIENCY REASONABLE?

A No. The Company's proposed revenue apportionment is based on the results of an inaccurate CCOSS. As discussed in greater detail earlier in this testimony, the Company's CCOSS does not allocate transmission and distribution main capacity costs in accordance with the load characteristic that drives DTE's investment in system capacity. It would be most accurate to use the Design Day Demand method of capacity cost allocation, which would align the driver of investment in capacity costs with the allocation method.

Q ARE YOU RECOMMENDING AN ALTERNATIVE REVENUE APPORTIONMENT?

A Yes. I recommend the Commission consider limiting the increase for any class to no more than 1.5x the system average increase. This cap is appropriate because the P&A CCOSS used in this case does not accurately reflect cost-causation across classes, particularly for large volume and higher load factor customers. In light of a cost allocation methodology that does not accurately reflect cost-causation, it is reasonable and prudent for the Commission to temper interclass revenue movement and avoid large, one time increases that could impose disproportionate and unjustified rate shocks on particular classes. A 1.5x cap still allows meaningful movement toward the CCOSS results presented in this case but recognizes the flaws in those results and ensures that any one class is not forced to bear an unduly large share of the overall revenue increase.

Q DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A Yes, it does.

Qualifications of Jessica A. York

Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A Jessica A. York. My business address is 16690 Swingley Ridge Road, Suite 140, Chesterfield, MO 63017.

Q PLEASE STATE YOUR OCCUPATION.

A I am a consultant in the field of public utility regulation and a Principal with the firm of Brubaker & Associates, Inc. ("BAI"), energy, economic and regulatory consultants.

Q PLEASE IDENTIFY THE JURISDICTIONS IN WHICH YOU HAVE PREVIOUSLY SPONSORED TESTIMONY.

A I have sponsored expert testimony in front of the Regulatory Commission of Alaska, Idaho Public Utilities Commission, the Illinois Commerce Commission, Indiana Utility Regulatory Commission, the Iowa Utilities Commission, the Kansas Corporation Commission, the Kentucky Public Service Commission, the Michigan Public Service Commission, the Minnesota Public Utilities Commission, the Missouri Public Service Commission, the Public Utilities Commission of Nevada, the Oklahoma Corporation Commission, the Virginia State Corporation Commission, and the Public Service Commission of Wisconsin.

Q PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL EMPLOYMENT EXPERIENCE.

A I graduated from Truman State University in 2008 where I received my Bachelor of Science Degree in Mathematics with minors in Statistics and Actuarial Science. I

earned my Master of Business Administration Degree with a concentration in Finance from the University of Missouri-St. Louis in 2014.

I joined BAI in 2011 as an analyst. Then, in March 2015, I joined the consulting team of BAI.

I have worked in various electric, natural gas and water and wastewater regulatory proceedings addressing cost of capital, sales revenue forecasts, revenue requirement assessments, class cost of service studies, rate design, and various policy issues. I have also conducted competitive power and natural gas solicitations on behalf of large electric and natural gas users, have assisted those large power and natural gas users in developing procurement plans and strategies, assisted in competitive contract negotiations, and power and natural gas contract supply administration. In the regulated arena, I have evaluated cost of service studies and rate designs proffered by other parties in cases for various utilities, including in Idaho, Illinois, Indiana, Kansas, Wisconsin, and others. I have conducted bill audits, rate forecasts and tariff rate optimization studies.

I have also provided support to clients with facilities in deregulated markets, including drafting supply requests for proposals, evaluating supply bids, and auditing competitive supply bills. I have also prepared and presented to clients reports that monitor the electric market and recommend strategic hedging transactions.

BAI was formed in April 1995. BAI and its predecessor firm have participated in more than 700 regulatory proceedings in forty states and Canada.

BAI provides consulting services in the economic, technical, accounting, and financial aspects of public utility rates and in the acquisition of utility and energy services through Requests for Proposal and negotiations, in both regulated and unregulated markets. Our clients include large industrial and institutional customers,

some utilities and, on occasion, state regulatory agencies. We also prepare special studies and reports, forecasts, surveys and siting studies, and present seminars on utility-related issues.

In general, we are engaged in energy and regulatory consulting, economic analysis, and contract negotiation.

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Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Plant In Service
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 1 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
	Plant In Service											
1	Production Plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
2	Storage Plant	673,470	134,611	385,288	12,520	5,317	21,709	21,431	32,311	46,570	13,714	4
3	Transmission Plant	1,254,774	231,820	678,931	21,173	9,250	52,716	47,970	71,013	109,857	32,043	3
4	**Distribution Plant**											
5	Distribution Plant - Other	340,559	62,918	184,269	5,747	2,511	14,308	13,020	19,274	29,816	8,697	3
6	Mains	3,354,348	679,180	1,989,113	62,034	27,102	154,447	140,542	208,052	-	93,878	3A
7	Customer Related Plant											
8	Services	2,377,219	525,083	1,768,779	40,523	6,897	26,327	6,027	2,163	569	852	5
9	Meters	411,114	92,201	310,587	7,116	1,211	-	-	-	-	-	6
10	Meter/Reg Installation	520,225	116,672	393,017	9,004	1,532	-	-	-	-	-	6
11	Large Volume Installation	71,881	-	-	-	-	52,660	12,054	4,326	1,138	1,703	7
12												
13	Subtotal - CRP	$ 3,380,439	$ 733,956	$ 2,472,382	$ 56,642	$ 9,640	$ 78,987	$ 18,081	$ 6,489	$ 1,708	$ 2,555	
14												
15	Subtotal - Dist. Plant	$ 7,075,346	$ 1,476,054	$ 4,645,764	$ 124,422	$ 39,253	$ 247,741	$ 171,643	$ 233,814	$ 31,524	$ 105,130	
16												
17	Total - Plant in Service	$ 9,003,589	$ 1,842,485	$ 5,709,983	$ 158,115	$ 53,820	$ 322,167	$ 241,044	$ 337,138	$ 187,951	$ 150,887	

Source: Col. (b): WP HJM-7 and Company Books and Records; Cols. (c) to (l) = Col. (b) * Alloc. Factor Percentage on Page 7.

Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Base O&M
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 2 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
	Base O&M											
1	O&M Production	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
2	Storage	11,638	2,326	6,658	216	92	375	370	558	805	237	4
3	Transmission	115,733	21,382	62,621	1,953	853	4,862	4,424	6,550	10,133	2,955	3
4	Distribution	151,835	31,817	100,143	2,682	846	5,340	3,700	5,040	-	2,266	12A
5	Lost & Company Use Gas	27,838	7,068	19,826	667	277	-	-	-	-	-	1
6	Customer Accounts - Supv.	1,466	324	1,091	25	4	16	4	1	0	1	5
7	Meter Reading Expenses	5,144	1,136	3,828	88	15	57	13	5	1	2	5
8	Customer Records	37,475	8,278	27,883	639	109	415	95	34	9	13	5
9	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
10	Customer Accts. - Other	60,143	4,021	55,827	262	9	19	4	1	0	0	8
11	Customer Assistance - Supv.	0	0	0	0	0	0	0	0	0	0	8
12	Customer Services	2,880	193	2,674	13	0	1	0	0	0	0	8
13	Customer Communications	0	-	0	0	-	-	-	-	-	-	10
14	Misc Customer Exp	2,416	162	2,243	11	0	1	0	0	0	0	8
15												
16	Total; Base O&M	$ 416,568	$ 76,705	$ 282,793	$ 6,556	$ 2,206	$ 11,087	$ 8,610	$ 12,189	$ 10,948	$ 5,474	

Source: Col. (b): WP HJM-3, Col. f; Cols. (c) to (l) = Col. (b) * Alloc. Factor Percentage on Page 7.

Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Rate Base
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 3 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
	Rate Base											
1	Production Plant	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
2	Storage Plant	673,470	134,611	385,288	12,520	5,317	21,709	21,431	32,311	46,570	13,714	4
3	Transmission Plant	1,254,774	231,820	678,931	21,173	9,250	52,716	47,970	71,013	109,857	32,043	3
4	Distribution Plant - Other	340,559	62,918	184,269	5,747	2,511	14,308	13,020	19,274	29,816	8,697	3
5	Mains	3,354,348	679,180	1,989,113	62,034	27,102	154,447	140,542	208,052	-	93,878	3A
6	Services	2,377,219	525,083	1,768,779	40,523	6,897	26,327	6,027	2,163	569	852	5
7	Meters	411,114	92,201	310,587	7,116	1,211	-	-	-	-	-	6
8	Meter/Reg Installation	520,225	116,672	393,017	9,004	1,532	-	-	-	-	-	6
9	Large Volume Installation	71,881	-	-	-	-	52,660	12,054	4,326	1,138	1,703	7
10	General Plant	512,939	104,967	325,301	9,008	3,066	18,354	13,732	19,207	10,708	8,596	13
11	Intangible Plant	51,597	10,559	32,722	906	308	1,846	1,381	1,932	1,077	865	13
12	Intang. Plt - MARS	64	12	35	1	0	3	2	4	6	2	3
13	Intang. Plt. - Transmission	2,507	463	1,357	42	18	105	96	142	220	64	3
14	Intang. Plt. - HPP	3,537	738	2,323	62	20	124	86	117	16	53	12
15	Plant Held FFU- Prod	-	-	-	-	-	-	-	-	-	-	13
16	Plant Held FFU- Transm	-	-	-	-	-	-	-	-	-	-	13
17	Plant Held FFU- Dist	-	-	-	-	-	-	-	-	-	-	13
18	CWIP Storage	136,901	27,363	78,321	2,545	1,081	4,413	4,356	6,568	9,467	2,788	4
19	CWIP Transmission	41,292	7,629	22,342	697	304	1,735	1,579	2,337	3,615	1,054	3
20	CWIP Distribution	163,751	34,162	107,521	2,880	908	5,734	3,972	5,411	730	2,433	12
21	CWIP Distribution - Main	147,616	30,933	97,360	2,607	823	5,192	3,597	4,900	-	2,203	12A
22	CWIP General	35,900	7,347	22,768	630	215	1,285	961	1,344	749	602	13
23	CWIP Intangible	10,669	2,183	6,766	187	64	382	286	399	223	179	13
24	Accum. Depr. - Production	-	-	-	-	-	-	-	-	-	-	1
25	Accum. Depr. - Storage	(218,052)	(43,584)	(124,746)	(4,054)	(1,721)	(7,029)	(6,939)	(10,461)	(15,078)	(4,440)	4
26	Accum. Depr. - Transmission	(401,985)	(74,267)	(217,505)	(6,783)	(2,964)	(16,888)	(15,368)	(22,750)	(35,194)	(10,265)	3
27	Accum. Depr. - Distribution	(1,070,830)	(223,396)	(703,121)	(18,831)	(5,941)	(37,495)	(25,978)	(35,387)	(4,771)	(15,911)	12
28	Accum. Depr. - Dist. Mains	(965,315)	(202,285)	(636,675)	(17,051)	(5,379)	(33,952)	(23,523)	(32,043)	-	(14,407)	12A
29	Accum. Depr. - Intangible	(46,276)	(9,470)	(29,348)	(813)	(277)	(1,656)	(1,239)	(1,733)	(966)	(776)	13
30	Accum. Depr. - General	(211,448)	(43,271)	(134,098)	(3,713)	(1,264)	(7,566)	(5,661)	(7,918)	(4,414)	(3,544)	13
31	Accum. Depr. - Future Use	-	-	-	-	-	-	-	-	-	-	13
32	WC-Taxes	824,697	168,765	523,014	14,483	4,930	29,509	22,079	30,881	17,216	13,821	13
33	WC-Rev Rec&Pay	(12,470)	(2,735)	(8,325)	(253)	(79)	(294)	(197)	(216)	(257)	(113)	15
34	WC- Sales Storage	24,941	6,332	17,763	598	248	-	-	-	-	-	1
35												
36	Total Rate Base	$ 8,033,624	$ 1,644,932	$ 5,093,755	$ 141,264	$ 48,180	$ 285,968	$ 214,268	$ 299,872	$ 171,295	$ 134,089	

Source: Col. (b): WP HJM-7 and Company Books and Records (Plant) HJM-4 (Working Capital); Cols. (c) to (l) = Col. (b) * Alloc. Factor Percentage on Page 7.

Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Operating Expense Allocation
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 4 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
	Operating Expenses											
1	O&M Production	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
2	Storage	11,638	2,326	6,658	216	92	375	370	558	805	237	4
3	Transmission	115,733	21,382	62,621	1,953	853	4,862	4,424	6,550	10,133	2,955	3
4	Distribution	151,835	31,817	100,143	2,682	846	5,340	3,700	5,040	-	2,266	12A
5	Lost & Company Use Gas	27,838	7,068	19,826	667	277	-	-	-	-	-	1
6	Customer Accounts - Supv.	1,466	324	1,091	25	4	16	4	1	0	1	5
7	Meter Reading Expenses	5,144	1,136	3,828	88	15	57	13	5	1	2	5
8	Customer Records	37,475	8,278	27,883	639	109	415	95	34	9	13	5
9	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
10	Customer Accts. - Other	60,143	4,021	55,827	262	9	19	4	1	0	0	8
11	Customer Assistance - Supv.	0	0	0	0	0	0	0	0	0	0	8
12	Customer Services	2,880	193	2,674	13	0	1	0	0	0	0	8
13	Customer Communications	0	-	0	0	-	-	-	-	-	-	10
14	Misc Customer Exp	2,416	162	2,243	11	0	1	0	0	0	0	8
15	A&G Expense	155,063	27,778	104,896	2,349	770	4,422	3,435	4,862	4,367	2,184	17
16	Depr Production	-	-	-	-	-	-	-	-	-	-	1
17	Storage	16,503	3,299	9,441	307	130	532	525	792	1,141	336	4
18	Transmission	21,990	4,063	11,899	371	162	924	841	1,245	1,925	562	3
19	Distribution	96,200	20,069	63,166	1,692	534	3,368	2,334	3,179	429	1,429	12
20	Distribution - Mains	86,721	18,173	57,197	1,532	483	3,050	2,113	2,879	-	1,294	12A
21	General	23,945	4,900	15,186	421	143	857	641	897	500	401	13
22	Amort. of Intangible Plt.	9,962	2,039	6,318	175	60	356	267	373	208	167	13
23	Amort. of Reg. Debits	(4,883)	(875)	(3,303)	(74)	(24)	(139)	(108)	(153)	(138)	(69)	17
24	Property Taxes	132,466	27,108	84,008	2,326	792	4,740	3,546	4,960	2,765	2,220	13
25	Other Taxes	5,092	1,042	3,229	89	30	182	136	191	106	85	13
26	Payroll Taxes	12,270	2,198	8,300	186	61	350	272	385	346	173	17
27	State/City Income Taxes	14,168	2,901	8,984	249	85	504	378	529	302	236	18
28												
29	Operating Expenses	$ 986,065	$ 189,399	$ 652,114	$ 16,178	$ 5,432	$ 30,234	$ 22,990	$ 32,326	$ 22,900	$ 14,493	

Source: Col. (b): WP HJM-3 and Company Books and Records; Cols. (c) to (l) = Col. (b) * Alloc. Factor Percentage on Page 7.

Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Revenue Requirement By Rate Class
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 5 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
	Revenue Requirement											
1	Operating Expenses	$ 986,065	$ 189,399	$ 652,114	$ 16,178	$ 5,432	$ 30,234	$ 22,990	$ 32,326	$ 22,900	$ 14,493	
2	Amort. Of Debt Disc.	1,885	386	1,195	33	11	67	50	70	40	31	18
3	AFUDC	(12,988)	(2,655)	(8,117)	(231)	(82)	(454)	(357)	(508)	(358)	(224)	14
4	Income Required	558,306	114,317	353,997	9,817	3,348	19,874	14,891	20,840	11,904	9,319	18
5	Federal Income Tax	38,101	9,086	21,630	984	35	2,205	1,127	306	2,251	477	22
6	TCJA Amortization	(12,424)	(2,544)	(7,878)	(218)	(75)	(442)	(331)	(464)	(265)	(207)	18
7	Subtotal - COS	$ 1,558,946	$ 307,988	$ 1,012,941	$ 26,562	$ 8,669	$ 51,483	$ 38,369	$ 52,571	$ 36,472	$ 23,889	
8	Uncollectibles	23,540	5,003	15,686	445	158	570	425	583	404	265	20
9	Total Cost of Service	$ 1,582,485	$ 312,992	$ 1,028,627	$ 27,007	$ 8,828	$ 52,053	$ 38,794	$ 53,154	$ 36,877	$ 24,154	
10												
11	Storage Revenue	$ (56,601)	$ (11,313)	$ (32,381)	$ (1,052)	$ (447)	$ (1,825)	$ (1,801)	$ (2,715)	$ (3,914)	$ (1,153)	4
12	Off System Transp. Revenue	(78,489)	(14,501)	(42,469)	(1,324)	(579)	(3,298)	(3,001)	(4,442)	(6,872)	(2,004)	3
13	Subtotal - Midstream	$ (135,090)	$ (25,814)	$ (74,850)	$ (2,377)	$ (1,025)	$ (5,122)	$ (4,802)	$ (7,158)	$ (10,786)	$ (3,157)	
14	Appliance Service Programs	$ (108,546)	$ (22,645)	$ (71,272)	$ (1,909)	$ (602)	$ (3,801)	$ (2,633)	$ (3,587)	$ (484)	$ (1,613)	12
15	Gas-in-Kind Revenue	(21,767)	(5,526)	(15,502)	(522)	(216)	-	-	-	-	-	1
16	Other Revenue	(15,785)	(3,119)	(10,256)	(269)	(88)	(521)	(389)	(532)	(369)	(242)	19
17	Blue Lake Pipeline	(1,005)	(199)	(653)	(17)	(6)	(33)	(25)	(34)	(24)	(15)	19
18	Vector Pipeline	(2,727)	(539)	(1,772)	(46)	(15)	(90)	(67)	(92)	(64)	(42)	19
19	Subtotal - Other Revenue	$ (149,830)	$ (32,027)	$ (99,456)	$ (2,763)	$ (927)	$ (4,445)	$ (3,114)	$ (4,245)	$ (940)	$ (1,912)	
20	Low Income Assist. Pilot	$ 28,776	$ 6,116	$ 19,176	$ 543	$ 194	$ 697	$ 520	$ 712	$ 494	$ 324	20
21	Low Income Assist. Credit	(28,776)		(28,776)								
22	Less: Provision for Rt Refund	1,793	381	1,195	34	12	43	32	44	31	20	20
23	Customer Discount											
24	Re Alloc Cust. Discount											
25	Standby Chgs. / Min Vol. Rev.	(2,434)	(7)	-	-	-	(434)	(770)	(125)	(1,097)	-	Direct
26	Subtotal - Other Dist. Rev.	$ (641)	$ 6,490	$ (8,406)	$ 577	$ 206	$ 306	$ (218)	$ 631	$ (572)	$ 344	
27	Revenue Requirement	$ 1,296,924	$ 261,641	$ 845,915	$ 22,444	$ 7,081	$ 42,793	$ 30,661	$ 42,382	$ 24,579	$ 19,429	

Source: Col. (b): WP HJM-3 and Company Books and Records; Cols. (c) to (l) = Col. (b) * Alloc. Factor Percentage on Page 7.

Rev Req Lockdown (As Filed)	$ 1,296,924	$ 254,063	$ 820,242	$ 21,839	$ 6,755	$ 46,748	$ 36,946	$ 52,624	$ 35,725	$ 21,980	
DD More/(Less) than P&A	-	7,577	25,673	605	325	(3,956)	(6,285)	(10,242)	(11,146)	(2,551)	

Michigan Public Service Commission
DTE Gas Company
Service Charge - Staff Method using Historical Adjusted Costs
($000)

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
Page: 6 of 7

Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Allocation Schedule
1	**Plant**						
2	Services	$ 1,940,302	$ 428,577	$ 1,443,689	$ 33,075	$ 5,629	5
3	Meters	335,554	75,255	253,503	5,808	988	6
4	Meter/Reg	424,611	95,228	320,783	7,349	1,251	6
5	Industrial Meters	71,881	-	-	-	-	7
6	Total Plant	$ 2,772,349	$ 599,060	$ 2,017,975	$ 46,232	$ 7,868	
7	Cost Rate	7.68%	7.68%	7.68%	7.68%	7.68%	
8	Annual Plant Cost	$ 212,975	$ 46,020	$ 155,023	$ 3,552	$ 604	
9	**Expense**						
10	Customer Accounts - Supv.	$ 1,353	$ 299	$ 1,007	$ 23	$ 4	5
11	Meter Reading Expenses	$ 4,750	1,049	3,535	81	14	5
12	Customer Records	$ 36,050	7,963	26,824	615	105	5
13	Merchant Fees	5,692	-	-	-	-	Direct
14	Customer Accts. - Other	52,066	3,481	48,330	227	8	8
15	Total Expenses	$ 99,912	$ 12,792	$ 79,695	$ 946	$ 130	
16	**Cost Per Customer**						
17	Total Cost	$ 312,887	$ 58,812	$ 234,718	$ 4,497	$ 735	
18	Customer Count	1,364,671	91,227	1,266,741	5,951	214	
19	Annual Cost	229.28	644.68	185.29	755.75	3,432.92	
20	Monthly Cost	$ 19.1	$ 53.7	$ 15.4	$ 63.0	$ 286.1	

Source: Col. (b): WP HJM-3 and Company Books and Records; Colc. (c) = Col. (b) * Alloc. Factor Percentage on Page 7.

Michigan Public Service Commission
DTE Gas Company
Cost of Service Study for the Projected Test Year Ending 09/30/2027
Allocation Factors

Case No: U-21973
Exhibit: A-16
Schedule: F1.1
Witness: H. J. Maroun
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Line No.	(a) Description	(b) Total Company	(c) Rate GS-1/GS-2	(d) Rate A	(e) Rate 2A	(f) Rate S	(g) Rate ST	(h) Rate LT	(i) Rate XLT	(j) Rate XXLT	(k) Exelon	(l) Allocation Schedule
1	Commodity	100.0000%	25.389%	71.219%	2.398%	0.994%	0.000%	0.000%	0.000%	0.000%	0.000%	1
2	Throughput	100.0000%	12.820%	35.963%	1.211%	0.502%	5.486%	6.208%	9.615%	24.793%	3.403%	2
3	Average & Peak	100.0000%	18.475%	54.108%	1.687%	0.737%	4.201%	3.823%	5.659%	8.755%	2.554%	3
3A	A&P no XXLT	100.0000%	20.248%	59.300%	1.849%	0.808%	4.604%	4.190%	6.202%	0.000%	2.799%	3A
4	Storage	100.0000%	19.988%	57.209%	1.859%	0.789%	3.223%	3.182%	4.798%	6.915%	2.036%	4
5	Weighted Customers - All	100.0000%	22.088%	74.405%	1.705%	0.290%	1.107%	0.254%	0.091%	0.024%	0.036%	5
6	Weighted Customers - R & C	100.0000%	22.427%	75.547%	1.731%	0.295%	0.000%	0.000%	0.000%	0.000%	0.000%	6
7	Weighted Customers - LV	100.0000%	0.000%	0.000%	0.000%	0.000%	73.259%	16.770%	6.018%	1.584%	2.369%	7
8	Customer - All	100.0000%	6.685%	92.824%	0.436%	0.016%	0.032%	0.006%	0.001%	0.000%	0.000%	8
9	Customer - R & C	100.0000%	6.688%	92.861%	0.436%	0.016%	0.000%	0.000%	0.000%	0.000%	0.000%	9
10	Customer - Res.	100.0000%	0.000%	99.532%	0.468%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	10
11	Customer Related Plant	100.0000%	21.712%	73.138%	1.676%	0.285%	2.337%	0.535%	0.192%	0.051%	0.076%	11
12	Distribution Plant	100.0000%	20.862%	65.661%	1.759%	0.555%	3.501%	2.426%	3.305%	0.446%	1.486%	12
12A	Dist Plant no XXLT	100.0000%	20.955%	65.955%	1.766%	0.557%	3.517%	2.437%	3.319%	0.000%	1.493%	12A
13	Plant in Service	100.0000%	20.464%	63.419%	1.756%	0.598%	3.578%	2.677%	3.744%	2.088%	1.676%	13
14	CWIP	100.0000%	20.446%	62.499%	1.781%	0.633%	3.495%	2.751%	3.910%	2.757%	1.727%	14
15	Revenue	100.0000%	21.932%	66.762%	2.033%	0.633%	2.356%	1.582%	1.732%	2.062%	0.909%	15
16	Revenue Less Cost of Gas	100.0000%	20.091%	64.389%	1.838%	0.441%	3.610%	2.425%	2.655%	3.159%	1.392%	16
17	O&M Expense Less Gas	100.0000%	17.914%	67.648%	1.515%	0.496%	2.852%	2.215%	3.136%	2.816%	1.408%	17
18	Rate Base	100.0000%	20.476%	63.405%	1.758%	0.600%	3.560%	2.667%	3.733%	2.132%	1.669%	18
19	COSS Allocation	100.0000%	19.756%	64.976%	1.704%	0.556%	3.302%	2.461%	3.372%	2.340%	1.532%	19
20	COSS + COG Allocation	100.0000%	21.255%	66.638%	1.889%	0.673%	2.424%	1.806%	2.475%	1.717%	1.125%	20
21	Open	0.0000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	21
22	Pre-Tax NOI	100.0000%	23.847%	56.771%	2.582%	0.092%	5.786%	2.958%	0.803%	5.908%	1.253%	22

Source: Exh. A-16, Sch. F1.2

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 distribution and supply of natural gas, and for miscellaneous accounting authority.	))))))	Case No. U-21973 ALJ Christopher S. Saunders

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF WAYNE)

Stephen A. Campbell, being first duly sworn, deposes and says that on March 13, 2026, he did cause to be served the ***Association of Businesses Advocating Tariff Equity's Direct Testimony & Exhibit of Jessica York***, as well as this ***Proof of Service***, in the above docket, via electronic mail, to the persons identified on the attached service list.

Stephen A. Campbell

Digitally signed by: Stephen A. Campbell
DN: CN = Stephen A. Campbell email = SCampbell@clarkhill.com C = US O = Clark Hill PLC
Date: 2026.03.13 11:25:06 -04'00'

Stephen A. Campbell

SERVICE LIST
MPSC Case No. U-21973

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