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 (e-file paperless)

MICHIGAN PUBLIC SERVICE COMMISSION STAFF'S MOTION TO STRIKE CERTAIN IMPRECISE AND IMPROPER REBUTTAL TESTIMONY OF ABATE WITNESS YORK

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Heather M.S. Durian (P67587)
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Anna B. Stirling (P84919)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
Telephone: (517) 284-8140

DATED: April 8, 2026

The Michigan Public Service Commission Staff (Staff), pursuant to MCR 2.115(B)[1], the Scheduling Order in this matter, and the Rules of Practice and Procedure Before the Michigan Public Service Commission (MPSC) moves to strike portions of the Association of Businesses Advocating Tariff Equity's (ABATE) witness Jessica York's rebuttal testimony, in part.

1. The Staff moves to strike the attached black strikethroughs (Attachment A), of Jessica York's rebuttal testimony as this proposed rebuttal testimony is improper rebuttal testimony with respect to Staff witnesses Kevin Krause's Direct Testimony regarding the Staff's alternative COS and Staff witness Nathan Blizzard's Direct Testimony, both not opining on the P&A Allocator proposed by the Company and addressed by witness York in Direct Testimony.

2. Significant portions of Ms. York's broad-sweeping testimony are offered not in an effort to contradict, explain or disprove, *specific evidence* produced by the Staff with an intention to *directly* weaken or impeach that evidence. Rather, the testimony is offered in an effort to present supplemental and/or to rehabilitate the direct testimony of Witness York, regarding the P&A Allocator. This is improper rebuttal, it is testimony which was or could have been reasonably presented in ABATE's direct case against the Company, in fact ABATE witness York admits in a footnote in her rebuttal, she is restating her direct. Because the

[1] MCR 2.115(B) allows non-conforming, immaterial and redundant pleadings to be striken.

testimony does not directly relate to Mr. Krause's or Mr. Blizzard's testimony; the testimony should be stricken.

3. Further, the questions asked of Ms. Krause are without foundation, assuming facts not in evidence and thus not properly calculated to evoke admissible or material evidence.

4. The Commission has repeatedly held that rebuttal evidence is evidence given by one party to contradict, explain or disprove evidence produced by another party intending to directly weaken or impeach that evidence. In *In Re Midland Cogeneration Venture Limited Partnership*, Case No. U-8871, the Commission defined rebuttal evidence as follows:

> [T]hat evidence given by one party to contradict, explain or disprove evidence produced by the other party and tending to directly weaken or impeach that evidence. Further, weather evidence that could have been offered in a party's case in chief may be given in rebuttal is a matter within the discretion of the trial court. [Case No. U-8871, *et al*.[2] October 13, 1988 Order, p 2, *Kirk v Ford Motor Co.*, 147 Mich App 337 (1985), app Iv den 426 Mich 866 (1986).]

In Case No. U-8771, the Commission also favorably cited the ALJ's comments relating to the appropriate scope of rebuttal testimony. The ALJ had stated, as quoted at page 96 of the Commission's Order:

[2] The Order can be found archived on the Commission's website at 22894.

> First of all, I would advise the parties to consider what rebuttal is and what it means, and if necessary, go back to the legal statements as to what rebuttal is and to confine their rebuttal to just that. It should not be for the purpose of rehabilitating someone's direct case. It should be very clear in that rebuttal testimony what is being rebutted in someone else's case so that we can easily determine that it is in the nature of rebuttal. Rebuttal should also be - in my mind should be **concise and to the point**. It should not be broad, sweeping-type testimony like we've seen in the initial phase of the case. In other words, it's for the purpose of rebutting specific facts, judgments of the other parties that could not have been reasonably done with your direct case. [Emphasis supplied.]

Thus, to be appropriate rebuttal evidence, the evidence must contradict, explain or disprove evidence produced by another party and tend to directly weaken or impeach that evidence. It should not be for the purpose of rehabilitating ABATE's direct case, nor should it be cumulative. It should also be concise and to the point and should not contain evidence which reasonably could have been presented (or was already presented) in the direct case.

5. While authority exists for the proposition that the ALJ has discretion to allow rebuttal evidence that could have been offered in a party's direct case in chief, this discretion should not be exercised in favor of the ABATE under the circumstances of this case. The Staff testimony in support of its general and

alternative COS calculations were brief: The testimony by ABATE merely supplements its direct testimony and is not proper rebuttal testimony.

6. The Scheduling Order in this case states:

> Rebuttal Proper rebuttal evidence is the evidence given by one party to contradict, explain, or disprove evidence produced by the other party and tending to directly weaken or impeach that evidence. It should not be used for the purpose of rehabilitating or supplementing a party's direct case. Rebuttal should also be concise and to the point, presented for the purpose of rebutting specific facts, judgments of the other parties that could not have been reasonably done in a party's direct case. Rebuttal testimony should explicitly identify the page and line numbers of the prefiled testimony being rebutted….

RELIEF

Therefore, Staff requests that the strikethroughs proposed on its Attachment A be adopted for the reasons above and the reasons in Staff's brief attached.

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Heather M.S. Durian (P67587)
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Anna B. Stirling (P84919)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
Telephone: (517) 284-8140

DATED: April 8, 2026

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 (e-file paperless)

MICHIGAN PUBLIC SERVICE COMMISSION STAFF'S BRIEF IN SUPPORT OF MOTION TO STRIKE PORTIONS OF THE REBUTTAL TESTIMONY OF JESSICA YORK

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Heather M.S. Durian (P67587)
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Anna B. Stirling (P84919)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
Telephone: (517) 284-8140

DATED: April 8, 2026

FACTS

Along with its Application, DTE Gas filed testimony presenting a cost of service study that contains an Average and Peak (P&A or A&P) allocator, as testified to by Habeeb J. (H.J.) Maroun, pp. 9-12. In reply to this position, Jessica York, on behalf of ABATE, filed direct testimony opposed to a such.

On March 13, 2026, Staff witnesses Kevin Krause and Nathan Blizzard filed testimony that simply assumed the use of the P&A allocator, with no specific mention of such, as that allocator has been approved to the Commission in the past. That allocator was never intended to characterize the Staff COSS in general nor the Staff alternative COSS, and it is one of many types of allocation.

On April 3, 2026, Rebuttal testimony was filed by ABATE witness York purportedly to rebut the Staff position, advocated by Krause and Blizzard. Staff does not believe the testimony offered by witness York is proper rebuttal of the Staff's testimony, the questions used are not appropriate, as they indicate matters neither Blizzard nor Krause spoke of, as they did not call out the P&A allocator, and the testimony is generally an inappropriate attempt to supplement ABATE's direct testimony. ABATE witness York's rebuttal testimony is not proper rebuttal testimony and should be stricken as shown on Attachment A.

ARGUMENT

A. ABATE's rebuttal testimony is improper by definition.

It has been established in Michigan that to constitute proper rebuttal evidence, the testimony offered must rebut specific facts or judgments of other

parties and tend to weaken or impeach the other parties' evidence. In *Kirk v Ford Motor Co*, 147 Mich App 337,345 Iv den 426 Mich 866 (1986), the Court stated:

> The rule of rebuttal evidence is stated in *People v Utter*, 217 Mich 74, 83; 185 NW 830,833-834 (1921): Rebuttal evidence is broadly defined as that given by one party to contradict, repel, explain or disprove evidence produced by the other party and tending directly to weaken or impeach the same. In paractical [sic] application the line of demarcation between rebuttal evidence and that which should properly be given in chief before the prosecution rests is frequently more or less obscure, and it is a general rule that whether evidence which could have been offered before resting may be given in rebuttal is a matter within the discretion of the trial court.

Similarly, the Court in *Gonzales v Hoffman*, 9 Mich App 522,530 (1968) defined rebuttal testimony as:

> Rebuttal evidence is that which explains, contradicts, or otherwise refutes defendant's evidence. Its purpose is to cut down defendant's case and not merely to confirm that of plaintiff.

Thus, Staff moves to strike the portions of the rebuttal testimony of ABATE witness York as outlined in the motion. The basis for this motion is that the proposed testimony does not rebut the testimony presented by Staff witness Krause. To the contrary, ABATE witness York's testimony simply attempts to provide the

substance to her direct presentation. This testimony is a mere confirmation or supplementation of her earlier testimony and should not be permitted to stand.

B. ABATE's proposed rebuttal testimony is redundant and an attempt to bolster ABATE's direct case.

One example of the redundant nature of York's proposed rebuttal testimony is below:

York stated in alleged rebuttal of Krause, at page 4:

> As explained in my Direct Testimony, the P&A method presumes that annual usage is a driver of capacity investment, despite DTE's Gas Delivery Plan showing that transmission, storage deliverability, and high-pressure mains are planned and sized to meet design day demand, ensure reliability, and address integrity and localized constraints. Once that capacity is installed, the cost does not change, regardless of the volume of natural gas flowing through the mains. Thus, the P&A method does not reflect cost-causation, whether it is used in the primary or the alternate CCOSS.

York is restating her Direct Testimony, but she is not rebutting anything that Krause stated, as he was neutral on the use of the P&A allocator, did not even mention using it in the COSS, because it was approved by the Commission in the past, as York admits at page 4 of her Direct, and presented by the Company.

York had already stated in Direct Testimony, in response to the Company use and advocacy for the P&A allocator, at page 6, nearly the same thing:

> In its COSS, 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.
>
> …….
>
> 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, 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.

In his Direct, Staff witness Krause merely used the P&A allocator as presented by the Company, not advocating for that methodology and Staff witness Blizzard continues to use the COS and alternative COS used by Krause, without calling out the P&A allocator. The proposed rebuttal ignores this Staff position and therefore does not rebut any of the Staff testimony. Instead, it is cumulative, an

improper attempt to get another bite at the apple and intended to bolster ABATE's Direct testimony.

CONCLUSION

WHEREFORE, the Michigan Public Service Commission Staff respectfully requests that the strikethroughs as proposed on Attachment A of Ms. York's rebuttal testimony be stricken as cumulative, not rebutting Staff's testimony, and assuming evidence not in the record.

Respectfully submitted,

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Heather M.S. Durian (P67587)
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Anna B. Stirling (P84919)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
Telephone: (517) 284-8140

DATED: April 8, 2026

ATTACHMENT A

Clark Hill

Stephen A. Campbell
T (313) 309-4274
F (313) 309-6882
Email:SCampbell@ClarkHill.com

Clark Hill
500 Woodward Avenue, Suite 3500
Detroit, MI 48226
T 313.965.8300
F 313.965.8252

April 3, 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 Rebuttal Testimony and Exhibits of Jessica A. York and Proof of Service in the above-referenced matter.

Sincerely,

CLARK HILL PLC

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: 2026.04.03 10:27:41 -04'00'

Stephen A. Campbell

SAC/nb

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**

Rebuttal Testimony and Exhibits of

Jessica A. York

On behalf of

Association of Businesses Advocating Tariff Equity

April 3, 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**

Table of Contents to the Rebuttal Testimony of Jessica A. York

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**

Rebuttal 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 ARE YOU THE SAME JESSICA A. YORK WHO PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A Yes. I filed Direct Testimony on behalf of the Association of Businesses Advocating Tariff Equity ("ABATE") on March 13, 2026. 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 WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A My Rebuttal Testimony will address the Michigan Public Service Commission ("MPSC" or "Commission") Staff's ("Staff") recommendations regarding the Class Cost of Service

Study ("CCOSS"), revenue apportionment, and rate design. Specifically, I will respond to the Direct Testimonies of Staff witnesses Kevin S. Krause and Nathan L. Blizzard.

My silence with regard to any issue should not be construed as an endorsement of positions taken by other parties on that issue.

II. RESPONSE TO STAFF WITNESS KRAUSE

~~**Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY TO STAFF WITNESS KRAUSE?**~~

~~A I respond to Staff witness Krause's use of the Peak and Average ("P&A") allocator in both his primary CCOSS and his alternate high- and low-pressure CCOSS. I also explain why Staff's continued reliance on the P&A method, even in the alternate CCOSS, misallocates capacity-related costs to the transportation classes and conflicts with cost-causation as reflected in DTE's Gas Delivery Plan.~~

Q HAVE YOU REVIEWED THE RESULTS OF STAFF'S CCOSS MODELS?

A Yes. Staff's CCOSS results are summarized in Table JAY-1-RT.

TABLE JAY-1-RT

Staff's CCOSS Results ($000)[1]

Line	Rate Schedule	Base Revenues at Current Rates (1)	Preferred CCOSS Increase / (Decrease) to Reach Cost of Service Amount (2)	Percent (3)	Index[2] (4)	Alternate CCOSS Increase / (Decrease) to Reach Cost of Service Amount (5)	Percent (6)	Index[2] (7)
1	GS-1/GS-2	$ 213,336	$ 29,367	13.8%	0.98	$ 32,190	15.1%	1.07
2	Rate A	705,472	76,029	10.8%	0.77	85,369	12.1%	0.86
3	Rate 2A	20,783	920	4.4%	0.31	1,254	6.0%	0.43
4	Rate S	4,683	1,751	37.4%	2.66	1,867	39.9%	2.83
5	Rate ST	37,880	6,188	16.3%	1.16	5,682	15.0%	1.07
6	Rate LT	24,969	9,673	38.7%	2.75	4,774	19.1%	1.36
7	Rate XLT	28,018	21,068	75.2%	5.34	7,219	25.8%	1.83
8	Rate XXLT	32,440	1,407	4.3%	0.31	7,836	24.2%	1.72
9	Exelon	14,784	5,928	40.1%	2.85	6,141	41.5%	2.95
10	Total**	$ 1,082,365	$ 152,331	14.1%	1.00	$ 152,331	14.1%	1.00

Sources and Notes:

[1] Base delivery revenue only. Excludes gas cost, IRM, and EWR.

[2] Ratio of class increase relative to system average increase.

[3] Difference between CCOSS increase and proposed increase may be due to rounding.
Exhibit S-6.0, Schedule F2
Exhibit S-6, Schedule F1.
Exhibit S-16, Schedule F1.

As shown in the table, Staff's CCOSS models, like the Company's, show that significantly above-system average increases are needed for the Rates ST, LT, and XLT to reach cost of service. However, the CCOSS-indicated percentage increases based on Staff's models are lower than the increases indicated in the Company's CCOSS models due to Staff's lower overall revenue requirement.

Q HOW DOES STAFF'S PRIMARY CCOSS TREAT TRANSMISSION AND DISTRIBUTION MAINS COSTS?

A Staff's primary CCOSS begins with the Company's ~~P&A~~ CCOSS model and updates it for Staff's revenue requirement and other adjustments, but it retains the P&A allocator for transmission and distribution mains, blending peak day (or design day) demand with

annual throughput.[1] Under that approach, the transportation classes are allocated capacity related plant and expenses based on both their peak day demands and their large annual throughput, even though incremental off-peak throughput does not drive additional capacity investment.

Q DOES STAFF'S ALTERNATE CCOSS RESOLVE THE CONCERNS ABOUT THE P&A METHOD THAT YOU RAISED IN YOUR DIRECT TESTIMONY?

A No. The alternate CCOSS in Exhibit S-16 separates distribution mains between high-pressure and low-pressure and excludes certain transmission-served or high-pressure volumes from specific allocators, but it continues to use P&A allocation factors to distribute transmission and distribution mains costs among classes. As a result, the alternate CCOSS still embeds annual throughput into a capacity allocator and continues to over-allocate capacity costs to the transportation classes relative to their contribution to design day system requirements.

Q WHY IS IT PROBLEMATIC TO RETAIN THE P&A ALLOCATOR IN THE ALTERNATE CCOSS?

A As explained in my Direct Testimony, the P&A method presumes that annual usage is a driver of capacity investment, despite DTE's Gas Delivery Plan showing that transmission, storage deliverability, and high-pressure mains are planned and sized to meet design day demand, ensure reliability, and address integrity and localized constraints.[2] Once that capacity is installed, the cost does not change, regardless of the volume of natural gas flowing through the mains. Thus, the P&A method does not reflect cost-causation, whether it is used in the primary or the alternate CCOSS.

[1]Direct Testimony of Kevin Krause at page 4, lines 18-22 through page 5, lines 1-11.
[2]Direct Testimony of Jessica York at page 6, lines 9-17 through page 7, lines 1-12.

Q HOW DO STAFF'S CCOSS RESULTS COMPARE TO THE DESIGN DAY DEMAND METHOD?

A The results of Staff's CCOSS models using the design day demand method are presented in Table JAY-2-RT below, and complete copies of the CCOSS results are presented in Exhibit AB-5 and Exhibit AB-6.

TABLE JAY-2-RT

Design Day Demand CCOSS with Staff's Revenue Requirement ($000)

Line	Rate Schedule	Base Revenues at Current Rates (1)	Preferred CCOSS* Increase / (Decrease) to Reach Cost of Service Amount (2)	Percent (3)	Index (4)	Alternate CCOSS* Increase / (Decrease) to Reach Cost of Service Amount (5)	Percent (6)	Index (7)
1	GS-1/GS-2	$ 213,336	$ 36,066	16.9%	1.20	$ 38,338	18.0%	1.28
2	Rate A	705,472	99,755	14.1%	1.00	107,418	15.2%	1.08
3	Rate 2A	20,783	1,492	7.2%	0.51	1,773	8.5%	0.61
4	Rate S	4,683	2,038	43.5%	3.09	2,130	45.5%	3.23
5	Rate ST	37,880	2,530	6.7%	0.47	2,151	5.7%	0.40
6	Rate LT	24,969	3,915	15.7%	1.11	206	0.8%	0.06
7	Rate XLT	28,018	11,683	41.7%	2.96	1,276	4.6%	0.32
8	Rate XXLT	32,440	(8,805)	-27.1%	(1.93)	(4,829)	-14.9%	(1.06)
9	Exelon	14,784	3,659	24.7%	1.76	3,869	26.2%	1.86
10	Total	$ 1,082,365	$ 152,331	14.1%	1.00	$ 152,331	14.1%	1.00

Sources and Notes:
* Uses Staff's CCOSS models and replaces the P&A allocator with Design Day (i.e. Peak Day) Demand.

Comparing Staff's CCOSS results from Table JAY-1-RT to my design day demand CCOSS in Table JAY-2-RT shows that materially smaller increases (and in the case of Rate XXLT, a decrease) would be required to move the transportation classes to cost of service. As explained in my Direct Testimony, the Company's Gas Delivery Plan emphasizes that design day demand is the driver of capacity investment, and a comparison of these two tables highlights the extent to which the P&A allocator

inflates transportation class cost responsibility relative to the cost-causation-based allocation method.

Q STAFF SUGGESTS THAT THE ALTERNATE CCOSS IS MORE REFLECTIVE OF THE DIFFERING COSTS AT EACH LEVEL OF SERVICE.[3] DO YOU AGREE?

A Only partially. Separating high- and low-pressure mains and recognizing that not all customers use each pressure level is a step toward aligning functional costs with service levels. ~~However, when those costs are still allocated between classes using a P&A allocator that double counts throughput, the results remain biased against higher load factor customers and do not reflect the design day, peak-driven nature of the underlying investments.~~

~~**Q FROM A COST-CAUSATION STANDPOINT, HOW SHOULD THE COMMISSION INTERPRET THE DIFFERENCE BETWEEN STAFF'S P&A CCOSS RESULTS AND YOUR DESIGN DAY DEMAND CCOSS RESULTS?**~~

~~A The difference demonstrates that large portions of the cost currently assigned to the transportation classes under the P&A method are not driven by design day requirements attributable to those classes. In other words, Staff's P&A CCOSS, like DTE's, allocates transportation classes costs which they do not cause. Because DTE's Gas Delivery Plan shows that capacity expansion projects are undertaken to meet peak day system requirements and maintain safety and integrity, a design day demand allocator is more consistent with cost-causation, and the Commission should be cautious about relying on P&A CCOSS results to justify repeated, outsized~~

~~[3]Direct Testimony of Nathan Blizzard at page 8, lines 2-6.~~

increases for non-weather sensitive, higher-load factor customers such as those in the transportation classes.

Q DO YOU FIND ANY LOGICAL INCONSISTENCY IN HOW STAFF USES THE ALTERNATE CCOSS WITHIN THIS CASE?

A Yes. Staff cites the alternate CCOSS as evidence that high-pressure and low-pressure customers impose different costs, and uses it as a guide to adjust transportation class revenue targets for rate design.[4] At the same time, Staff preserves the P&A allocator within that alternate CCOSS and then treats the P&A results of both CCOSS models as "bounds" for rate design, which effectively locks in the very methodological bias the alternate CCOSS was supposed to illuminate and mitigate. In other words, while Staff acknowledges that high-pressure and low-pressure customers impose different costs, its use of the P&A allocator still does not accurately reflect cost-causation by service level and continues to allocate large customers costs which they do not cause.

Q PLEASE SUMMARIZE YOUR RECOMMENDATIONS REGARDING COST ALLOCATION.

A I recommend the Commission give greater weight to a design day demand capacity allocator that is aligned with DTE's planning criteria and treat the P&A primary and alternate CCOSS results as secondary information rather than as binding targets for transportation class revenue responsibility. Within that framework, transportation classes should not be required to bear the level of above-system average increases implied by the P&A CCOSS results, as transportation customers are efficient, high load-factor users of existing capacity rather than primary drivers of capacity expansion.

[4] *Id.*

III. RESPONSE TO STAFF WITNESS BLIZZARD

Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY TO STAFF WITNESS BLIZZARD?

A I respond to Staff witness Blizzard's rate design for the transportation class, his reliance on ~~P&A based~~ CCOSS "bounds," and his use of breakeven targets that are not grounded in cost-causation.

Q HOW DO STAFF'S CCOSS RESULTS COMPARE TO ITS PROPOSED REVENUE ALLOCATION?

A Table JAY-3-RT, below, compares Staff's preferred and alternate CCOSS results to its proposed revenue apportionment.

TABLE JAY-3-RT

Staff's CCOSS Results vs. Proposed Revenue Apportionment ($000)*

Line	Rate Schedule	Base Revenues at Current Rates (1)	Preferred CCOSS Increase / (Decrease) to Reach Cost of Service Amount (2)	Percent (3)	Index (4)	Alternate CCOSS Increase / (Decrease) to Reach Cost of Service Amount (5)	Percent (6)	Index (7)	Staff Proposed Base Delivery Rate Increase / (Decrease) Amount (8)	Percent (9)	Index (10)
1	GS-1/GS-2	$ 213,336	$ 29,367	13.8%	0.98	$ 32,190	15.1%	1.07	$ 30,203	14.2%	1.01
2	Rate A	705,472	76,029	10.8%	0.77	85,369	12.1%	0.86	74,522	10.6%	0.75
3	Rate 2A	20,783	920	4.4%	0.31	1,254	6.0%	0.43	2,427	11.7%	0.83
4	Rate S	4,683	1,751	37.4%	2.66	1,867	39.9%	2.83	915	19.5%	1.39
5	Rate ST	37,880	6,188	16.3%	1.16	5,682	15.0%	1.07	13,251	35.0%	2.49
6	Rate LT	24,969	9,673	38.7%	2.75	4,774	19.1%	1.36	10,010	40.1%	2.85
7	Rate XLT	28,018	21,068	75.2%	5.34	7,219	25.8%	1.83	13,589	48.5%	3.45
8	Rate XXLT	32,440	1,407	4.3%	0.31	7,836	24.2%	1.72	1,393	4.3%	0.31
9	Exelon	14,784	5,928	40.1%	2.85	6,141	41.5%	2.95	5,928	40.1%	2.85
10	Total**	$ 1,082,365	$ 152,331	14.1%	1.00	$ 152,331	14.1%	1.00	$ 152,240	14.1%	1.00

Sources and Notes:
* Base delivery revenue only. Excludes gas cost, IRM, and EWR.
** Difference between CCOSS increase and proposed increase may be due to rounding.
Exhibit S-6.0, Schedule F2
Exhibit S-6, Schedule F1.
Exhibit S-16, Schedule F1.

As shown in the table, Staff's preferred and alternate CCOSS models produce widely varying results for Rates LT, XLT, and XXLT. Further, Staff's proposed

increases in base rate delivery service revenue for the Rates ST, LT, and XLT classes range from roughly 2.5 times to 3.5 times greater than the system average increase. ~~As explained in my Direct Testimony, the P&A CCOSS results become the basis for the transportation classes to continue shouldering outsized increases relative to the sales classes, and relative to the overall system average increase.[5]~~

Q ON WHAT BASIS DOES STAFF SET THE TRANSPORTATION REVENUE TARGETS FOR RATES ST, LT, XLT, AND XXLT?

A Staff used the percentage revenue shares from its primary ~~P&A~~ CCOSS and its alternate ~~P&A~~ high/low-pressure CCOSS as a lower bound and upper bound for each transportation rate schedule's share of the revenue responsibility,[6] and then adjusts class targets within those ranges to maintain desired breakeven points.[7] In other words, Staff's entire set of transportation revenue targets is anchored to ~~P&A~~ cost allocation results that I have shown do not reflect cost-causation and which are manipulated to fall within arbitrary breakeven points.

Q HOW DOES STAFF'S BREAKEVEN ANALYSIS INFLUENCE THE RESULTING TRANSPORTATION RATES?

A Staff fixes breakeven usage points of 100,000 Mcf between Rates ST and LT and 700,000 Mcf between Rates LT and XLT, and then adjusts customer and transportation charges within each rate to hit those breakeven targets.[8] Because Staff also constrains total transportation revenue to its ~~P&A-based~~ CCOSS "bounds," the breakeven requirements combined with the revenue constraints force relatively high per-Mcf

[5]Direct Testimony of Jessica York at page 12, lines 5-15.
[6]Direct Testimony of Nathan Blizzard at page 7, lines 1-9.
[7]*Id.*
[8]*Id.* at page 9, lines 13-14 and Exhibit S-6, Schedule F3, page 4.

transportation charges on LT and XLT[9] in order to both maintain the desired class relationships and collect the targeted revenue from each schedule.

Q FROM A COST-CAUSATION PERSPECTIVE, ARE THESE BREAKEVEN TARGETS APPROPRIATE FOR THE TRANSPORTATION CLASSES?

A Not necessarily. Breakeven points are a rate design tool, not a measure of cost responsibility, and they should be secondary to cost causation rather than dictating which classes are required to absorb large above-system average increases. ~~By using the P&A CCOSS outputs to set transportation revenue targets and then forcing breakeven points to remain at 100,000 Mcf and 700,000 Mcf for Rates LT and XLT, Staff effectively uses breakeven points to cement the P&A allocator's bias into the rate design rather than using rate design to moderate methodology driven distortions.~~

Q HOW DO STAFF'S RATES LT AND XLT INCREASES COMPARE TO THE MOVEMENTS INDICATED BY YOUR DESIGN DAY DEMAND CCOSS?

A As I showed in Table JAY-2-RT, under a Design Day Demand allocator at the Staff's claimed revenue deficiency, LT and XLT would require much smaller increases to reach cost of service than under the ~~P&A~~ CCOSS. Staff's rate design, however, drives Rates LT and XLT base rate revenue increases of roughly 40 and 49 percent, respectively,[10] which are: 1) substantially higher than what a design day demand cost allocation would justify, and 2) inconsistent with the reality that high load-factor transportation customers as efficient users of the system.

[9]As shown on Exhibit S-6, Schedule F3, page 4, Staff's preferred rate design increases Rate LT's $/Mcf transportation charge by 49.49% and increases Rate XLT's $/Mcf transportation charge by 53.05%, while Rate ST and Rate XXLT would see smaller increases in the $/Mcf rate.

[10]Table JAY-3-RT, lines 6-7, column 9.

Q DOES STAFF'S ALTERNATIVE TRANSPORTATION RATE DESIGN IN EXHIBIT S-15.2 ADDRESS YOUR CONCERNS?

A No. The alternative rate design in Exhibit S-15.2 continues to rely on the same ~~P&A based~~ primary and alternate CCOSS bounds, and simply reintroduces Rate XXLT into the breakeven framework. While the alternative rate design shifts more revenue onto Rate XXLT and alters the pattern of Rates LT and XLT, it does not address the underlying cost allocation problem: the total transportation revenue requirement is still anchored to ~~P&A~~ CCOSS results that overstate transportation cost responsibility.

Q DO YOU IDENTIFY ANY SPECIFIC ILLOGICAL OUTCOME IN HOW STAFF'S RATE DESIGN TREATS THE TRANSPORTATION CLASSES?

A Yes. The Company requested a base delivery revenue increase of $237.460 million, or 22.4 percent,[11] while Staff recommends $152.240 million, or 14.1 percent,[12] which is roughly 36 percent less than the Company's request. However, Staff's CCOSS and rate design result in a 48.5 percent base delivery rate increase for Rate XLT, nearly identical to the Company's proposed 48.4 percent[13] increase. Consequently, none of the benefit of Staff's lower recommended revenue requirement is given to the XLT class, while all other classes experience smaller base delivery increases as compared to the Company's proposal. Staff's proposed revenue apportionment and rate design, therefore, produces unjust and unreasonable rates for the transportation classes, particularly given that the underlying ~~P&A~~ CCOSS models do not accurately reflect cost-causation in the first instance.

[11]Exhibit A-16, Schedule F2, page 1.
[12]Exhibit S-6, Schedule F2, page 1.
[13]York Direct Testimony at Table 5, line 7.

Q HOW SHOULD THE COMMISSION VIEW THE ROLE OF BREAKEVEN POINTS IN TRANSPORTATION RATE DESIGN FOR RATES LT AND XLT?

A Breakeven points can be a tool to prevent uneconomic migration between rate schedules, but they should not override a more accurate measure of class cost responsibility. In this case, the Commission should treat my Design Day Demand CCOSS as the primary indicator of class cost responsibility, and adjust breakeven points, customer charges, and transportation rates as needed to move toward cost-based rates without imposing methodology driven, outsized increases on high-load factor transportation customers.

Q PLEASE SUMMARIZE YOUR RECOMMENDATIONS REGARDING STAFF'S PROPOSED TRANSPORTATION RATE DESIGN.

A I recommend that the Commission: (1) reject the use of ~~P&A~~ primary and alternate CCOSS results as binding bounds for transportation class revenue responsibility; (2) limit any class increase to no more than 1.5 times the system average increase, as I proposed in my Direct Testimony, in recognition of the P&A method's misalignment with cost-causation; and (3) redesign rates for Rates LT and XLT using a Design Day Demand allocator as the cost benchmark, with breakeven points adjusted as necessary to avoid uneconomic migration without forcing Rates LT and XLT to absorb inflated capacity costs driven by their annual throughput.

Q CAN YOU ILLUSTRATE YOUR PROPOSED REVENUE APPORTIONMENT AT STAFF'S RECOMMENDED REVENUE DEFICIENCY?

A Yes. My recommended revenue allocation is shown in Table JAY-4-RT.

TABLE JAY-4-RT

Proposed Revenue Apportionment ($000)[1]

Line	Rate Schedule	Base Revenues at Current Rates	Staff Proposed Base Delivery Rate Increase / (Decrease) Amount	Percent	Index[2]	ABATE Proposed Base Delivery Rate Increase / (Decrease) Amount	Percent	Index[2]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	GS-1/GS-2	$ 213,336	$ 30,203	14.2%	1.01	$ 34,684	16.3%	1.16
2	Rate A	705,472	74,522	10.6%	0.75	89,339	12.7%	0.90
3	Rate 2A	20,783	2,427	11.7%	0.83	2,864	13.8%	0.98
4	Rate S	4,683	915	19.5%	1.39	988	21.1%	1.50
5	Rate ST	37,880	13,251	35.0%	2.49	7,992	21.1%	1.50
6	Rate LT	24,969	10,010	40.1%	2.85	5,268	21.1%	1.50
7	Rate XLT	28,018	13,589	48.5%	3.45	5,911	21.1%	1.50
8	Rate XXLT	32,440	1,393	4.3%	0.31	2,075	6.4%	0.45
9	Exelon	14,784	5,928	40.1%	2.85	3,119	21.1%	1.50
10	Total	$ 1,082,365	$ 152,240	14.1%	1.00	$ 152,240	14.1%	1.00

Notes:
[1] Base delivery revenue only. Excludes gas cost, IRM, and EWR.
[2] Ratio of class increase relative to system average.

As shown in the table, my recommended revenue allocation ensures that no class receives a base delivery rate increase greater than 1.5 times the system average increase. To the extent that the Commission approves a different revenue requirement than recommended by Staff, my proposed revenue allocation can be scaled accordingly.

Q WHAT IS THE IMPACT OF YOUR RECOMMENDED REVENUE ALLOCATION ON RESIDENTIAL (RATE A) CUSTOMERS?

A At Staff's recommended revenue deficiency, my recommended revenue spread would allocate an additional $0.97 per month to each Rate A customer. If the Commission authorizes an increase less than proposed by Staff, the monthly impact per Rate A customer would be less than $0.97.

Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A Yes, it does.

567025

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
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	130,542	389,602	13,071	5,152	21,435	21,283	32,101	46,570	13,714	4
3	Transmission Plant	1,254,774	225,176	687,241	22,140	8,970	51,695	47,418	70,233	109,857	32,043	3
4	**Distribution Plant**											
5	Distribution Plant - Other	340,559	61,115	186,525	6,009	2,435	14,031	12,870	19,062	29,816	8,697	3
6	Mains	3,325,185	653,980	1,995,957	64,301	26,053	150,137	137,717	203,977	-	93,062	3A
7	Customer Related Plant											
8	Services	2,377,219	525,144	1,768,789	40,447	6,898	26,330	6,027	2,163	569	852	5
9	Meters	411,114	92,212	310,589	7,102	1,211	-	-	-	-	-	6
10	Meter/Reg Installation	520,225	116,685	393,020	8,987	1,533	-	-	-	-	-	6
11	Large Volume Installation	71,88	-	-	-	-	52,660	12,054	4,326	1,13	1,70	7
12												
13	Subtotal - CRP	$ 3,380,439	$ 734,042	$ 2,472,397	$ 56,536	$ 9,641	$ 78,990	$ 18,081	$ 6,489	$ 1,708	$ 2,555	
14												
15	Subtotal - Dist. Plant	$ 7,046,183	$ 1,449,137	$ 4,654,879	$ 126,846	$ 38,129	$ 243,158	$ 168,669	$ 229,527	$ 31,524	$ 104,314	
16												
17	Total - Plant in Service	$ 8,974,426	$ 1,804,855	$ 5,731,722	$ 162,057	$ 52,251	$ 316,288	$ 237,370	$ 331,861	$ 187,951	$ 150,071	

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
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	11,508	2,231	6,657	223	88	366	364	549	796	234	4
3	Transmission	115,077	20,651	63,028	2,030	823	4,741	4,349	6,441	10,075	2,939	3
4	Distribution	146,390	30,242	97,143	2,647	796	5,074	3,520	4,790	-	2,177	12A
5	Lost & Company Use Gas	27,838	6,845	20,029	696	268	-	-	-	-	-	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	37,082	8,192	27,591	631	108	411	94	34	9	13	5
9	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
10	Customer Accts. - Other	42,865	2,866	39,789	187	7	14	3	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	(619)	-	(616)	(3)	-	-	-	-	-	-	10
14	Misc Customer Exp	2,416	16	2,243	11	0		0	0	(	0	8
15												
16	Total; Base O&M	$ 392,047	$ 72,840	$ 263,457	$ 6,547	$ 2,109	$ 10,681	$ 8,346	$ 11,820	$ 10,882	$ 5,366	

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
Page: 3 of 7

Line No.	(a) Description	(b) Total Compan	(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	130,542	389,602	13,071	5,152	21,435	21,283	32,101	46,570	13,714	4
3	Transmission Plant	1,254,774	225,176	687,241	22,140	8,970	51,695	47,418	70,233	109,857	32,043	3
4	Distribution Plant - Other	340,559	61,115	186,525	6,009	2,435	14,031	12,870	19,062	29,816	8,697	3
5	Mains	3,325,185	653,980	1,995,957	64,301	26,053	150,137	137,717	203,977	-	93,062	3A
6	Services	2,377,219	525,144	1,768,789	40,447	6,898	26,330	6,027	2,163	569	852	5
7	Meters	411,114	92,212	310,589	7,102	1,211	-	-	-	-	-	6
8	Meter/Reg Installation	520,225	116,685	393,020	8,987	1,533	-	-	-	-	-	6
9	Large Volume Installation	71,881	-	-	-	-	52,660	12,054	4,326	1,138	1,703	7
10	General Plant	507,042	101,972	323,834	9,156	2,952	17,870	13,411	18,750	10,619	8,479	13
11	Intangible Plant	51,597	10,377	32,954	932	300	1,818	1,365	1,908	1,081	863	13
12	Intang. Plt - MARS	64	11	35	1	0	3	2	4	6	2	3
13	Intang. Plt. - Transmission	2,507	450	1,373	44	18	103	95	140	220	64	3
14	Intang. Plt. - HPP	3,537	728	2,337	64	19	122	85	115	16	52	12
15	Plant Held FFU- Prod	-	-	-	-	-	-	-	-	-	-	13
16	Plant Held FFU- Transm	-	-	-	-	-	-	-	-	-	-	13
17	Plant Held FFU- Dist	-	-	-	-	-	-	-	-	-	-	13
18	CWIP Storage	136,901	26,536	79,197	2,657	1,047	4,357	4,326	6,525	9,467	2,788	4
19	CWIP Transmission	41,292	7,410	22,616	729	295	1,701	1,560	2,311	3,615	1,054	3
20	CWIP Distribution	163,751	33,677	108,178	2,948	886	5,651	3,920	5,334	733	2,424	12
21	CWIP Distribution - Main	147,616	30,495	97,957	2,669	802	5,117	3,549	4,830	-	2,195	12A
22	CWIP General	35,900	7,220	22,929	648	209	1,265	950	1,328	752	600	13
23	CWIP Intangible	10,669	2,146	6,814	193	62	376	282	395	223	178	13
24	Accum. Depr. - Production	-	-	-	-	-	-	-	-	-	-	1
25	Accum. Depr. - Storage	(218,052)	(42,266)	(126,143)	(4,232)	(1,668)	(6,940)	(6,891)	(10,394)	(15,078)	(4,440)	4
26	Accum. Depr. - Transmission	(401,985)	(72,139)	(220,168)	(7,093)	(2,874)	(16,561)	(15,191)	(22,500)	(35,194)	(10,265)	3
27	Accum. Depr. - Distribution	(1,072,226)	(220,517)	(708,339)	(19,302)	(5,802)	(37,002)	(25,667)	(34,927)	(4,797)	(15,874)	12
28	Accum. Depr. - Dist. Mains	(966,574)	(199,682)	(641,412)	(17,479)	(5,254)	(33,506)	(23,241)	(31,627)	-	(14,374)	12A
29	Accum. Depr. - Intangible	(46,276)	(9,307)	(29,556)	(836)	(269)	(1,631)	(1,224)	(1,711)	(969)	(774)	13
30	Accum. Depr. - General	(209,996)	(42,233)	(134,119)	(3,792)	(1,223)	(7,401)	(5,554)	(7,765)	(4,398)	(3,512)	13
31	Accum. Depr. - Future Use	-	-	-	-	-	-	-	-	-	-	13
32	WC-Taxes	817,999	164,509	522,434	14,771	4,763	28,829	21,636	30,248	17,131	13,679	13
33	WC-Rev Rec&Pay	(12,700)	(2,754)	(8,518)	(263)	(79)	(296)	(199)	(218)	(259)	(114)	15
34	WC- Sales Storage	24,941	6,132	17,945	624	240	-	-	-	-	-	1
35												
36	Total Rate Base	$ 7,990,433	$ 1,607,622	$ 5,102,070	$ 144,496	$ 46,676	$ 280,164	$ 210,584	$ 294,607	$ 171,117	$ 133,097	

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
Page: 4 of 7

Line No.	(a) Description	(b) Total Compan	(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	Cost of Gas	$ 18,436	$ 4,533	$ 13,265	$ 461	$ 177	$ -	$ -	$ -	$ -	$ -	1
2	O&M Production	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
3	Storage	11,508	2,231	6,657	223	88	366	364	549	796	234	4
4	Transmission	115,077	20,651	63,028	2,030	823	4,741	4,349	6,441	10,075	2,939	3
5	Distribution	146,390	30,242	97,143	2,647	796	5,074	3,520	4,790	-	2,177	12A
6	Lost & Company Use Gas	27,838	6,845	20,029	696	268	-	-	-	-	-	1
7	Customer Accounts - Supv.	1,466	324	1,091	25	4	16	4	1	0	1	5
8	Meter Reading Expenses	5,144	1,136	3,828	88	15	57	13	5	1	2	5
9	Customer Records	37,082	8,192	27,591	631	108	411	94	34	9	13	5
10	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
11	Customer Accts. - Other	42,865	2,866	39,789	187	7	14	3	1	0	0	8
12	Customer Assistance - Supv.	0	0	0	0	0	0	0	0	0	0	8
13	Customer Services	2,880	193	2,674	13	0	1	0	0	0	0	8
14	Customer Communications	(619)	-	(616)	(3)	-	-	-	-	-	-	10
15	Misc Customer Exp	2,416	162	2,243	11	0	1	0	0	0	0	8
16	A&G Expense	133,026	24,105	88,911	2,137	672	3,901	3,048	4,317	3,974	1,960	17
17	Depr Production	-	-	-	-	-	-	-	-	-	-	1
18	Storage	16,503	3,199	9,547	320	126	525	522	787	1,141	336	4
19	Transmission	21,990	3,946	12,044	388	157	906	831	1,231	1,925	562	3
20	Distribution	95,802	19,703	63,289	1,725	518	3,306	2,293	3,121	429	1,418	12
21	Distribution - Mains	86,362	17,841	57,309	1,562	469	2,994	2,077	2,826	-	1,284	12A
22	General	22,766	4,578	14,540	411	133	802	602	842	477	381	13
23	Amort. of Intangible Plt.	9,962	2,003	6,362	180	58	351	263	368	209	167	13
24	Amort. of Reg. Debits	(4,883)	(885)	(3,264)	(78)	(25)	(143)	(112)	(158)	(146)	(72)	17
25	Property Taxes	132,141	26,575	84,395	2,386	769	4,657	3,495	4,886	2,767	2,210	13
26	Other Taxes	5,092	1,024	3,252	92	30	179	135	188	107	85	13
27	Payroll Taxes	12,270	2,223	8,201	197	62	360	281	398	367	181	17
28	State/City Income Taxes	17,807	3,583	11,370	322	104	624	469	657	381	297	18
29												
30	Operating Expenses	$ 959,321	$ 185,270	$ 632,678	$ 16,650	$ 5,361	$ 29,144	$ 22,251	$ 31,283	$ 22,513	$ 14,173	

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
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
1	**Revenue Requirement**											
2	Operating Expenses	$ 959,321	$ 185,270	$ 632,678	$ 16,650	$ 5,361	$ 29,144	$ 22,251	$ 31,283	$ 22,513	$ 14,173	
3	Amort. Of Debt Disc.	1,885	379	1,204	34	11	66	50	70	40	31	18
4	AFUDC	(12,988)	(2,604)	(8,181)	(238)	(80)	(447)	(353)	(502)	(358)	(224)	14
5	Income Required	512,464	103,104	327,220	9,267	2,994	17,968	13,506	18,895	10,975	8,536	18
6	Federal Income Tax	48,985	11,159	28,729	1,065	52	2,725	1,430	551	2,661	614	22
7	TCJA Amortization	(12,424)	(2,500)	(7,933)	(225)	(73)	(436)	(327)	(458)	(266)	(207)	18
	Subtotal - COS	$ 1,497,244	$ 294,808	$ 973,717	$ 26,553	$ 8,265	$ 49,020	$ 36,556	$ 49,838	$ 35,564	$ 22,924	
8												
9	Uncollectibles	23,540	4,958	15,765	465	157	554	413	564	402	259	20
10	Total Cost of Service	$ 1,520,783	$ 299,767	$ 989,482	$ 27,018	$ 8,422	$ 49,574	$ 36,969	$ 50,401	$ 35,966	$ 23,183	
11												
12	Storage Revenue	$ (56,601)	$ (10,971)	$ (32,743)	$ (1,099)	$ (433)	$ (1,801)	$ (1,789)	$ (2,698)	$ (3,914)	$ (1,153)	4
13	Off System Transp. Revenue	(78,489)	(14,085)	(42,989)	(1,385)	(561)	(3,234)	(2,966)	(4,393)	(6,872)	(2,004)	3
	Subtotal - Midstream	$ (135,090)	$ (25,057)	$ (75,732)	$ (2,483)	$ (994)	$ (5,035)	$ (4,755)	$ (7,091)	$ (10,786)	$ (3,157)	
14												
15	Appliance Service Programs	$ (108,546)	$ (22,324)	$ (71,708)	$ (1,954)	$ (587)	$ (3,746)	$ (2,598)	$ (3,536)	$ (486)	$ (1,607)	12
16	Gas-in-Kind Revenue	(21,767)	(5,352)	(15,661)	(544)	(209)	-	-	-	-	-	1
17	Other Revenue	(16,311)	(3,212)	(10,608)	(289)	(90)	(534)	(398)	(543)	(387)	(250)	19
18	Blue Lake Pipeline	(1,005)	(198)	(654)	(18)	(6)	(33)	(25)	(33)	(24)	(15)	19
19	Vector Pipeline	(2,727)	(537)	(1,774)	(48)	(15)	(89)	(67)	(91)	(65)	(42)	19
	Subtotal - Other Revenue	$ (150,356)	$ (31,622)	$ (100,404)	$ (2,854)	$ (908)	$ (4,402)	$ (3,088)	$ (4,203)	$ (962)	$ (1,914)	
20												
21	Low Income Assist. Pilot	$ 28,218	$ 5,944	$ 18,899	$ 558	$ 188	$ 665	$ 496	$ 676	$ 482	$ 311	20
22	Low Income Assist. Credit	(28,218)		(28,218)								
23	Less: Provision for Rt Refund	1,793	378	1,201	35	12	42	31	43	31	20	20
24	Customer Discount											
25	Re Alloc Cust. Discount											
26	Standby Chgs. / Min Vol. Rev.	(2,434)	(7)	-	-	-	(434)	(770)	(125)	(1,097)	-	Direct
	Subtotal - Other Dist. Rev.	$ (641)	$ 6,314	$ (8,119)	$ 593	$ 200	$ 272	$ (243)	$ 593	$ (584)	$ 331	
27												
	Revenue Requirement	$ 1,234,696	$ 249,402	$ 805,227	$ 22,274	$ 6,720	$ 40,410	$ 28,884	$ 39,701	$ 23,635	$ 18,443	
	Staff Preferred CCOSS	$ 1,234,696	$ 242,703	$ 781,502	$ 21,703	$ 6,434	$ 44,068	$ 34,642	$ 49,086	$ 33,847	$ 20,712	

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
Service Charge - Staff Method using Historical Adjusted Costs
($000)

Case No: U-21973
Exhibit: S-6
Schedule: F1.1
Witness: N.L.Blizzard
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							
2	Services						
3	Meters	$ 1,940,302	$ 428,626	$ 1,443,698	$ 33,013	$ 5,630	5
4	Meter/Reg	335,554	75,264	253,505	5,797	989	6
5	Industrial Meters	424,611	95,239	320,785	7,335	1,251	6
6	Total Plant	71,881	-	-	-	-	7
7	Cost Rate	$ 2,772,349	$ 599,130	$ 2,017,988	$ 46,145	$ 7,869	
		7.33%	7.33%	7.33%	7.33%	7.33%	
8	Annual Plant Cost	$ 203,260	$ 43,926	$ 147,953	$ 3,383	$ 577	
9							
10	**Expense**						
11	Customer Accounts - Supv.	$ 1,353	$ 299	$ 1,007	$ 23	$ 4	5
12	Meter Reading Expenses	$ 4,750	1,049	3,535	81	14	5
13	Customer Records	$ 36,050	7,964	26,824	613	105	5
14	Merchant Fees	5,692	-	-	-	-	Direct
	Customer Accts. - Other	52,066	3,481	48,330	227	8	8
15	Total Expenses	$ 99,912	$ 12,793	$ 79,695	$ 944	$ 130	
16	**Cost Per Customer**						
17	Total Cost	$ 303,172	$ 56,720	$ 227,648	$ 4,327	$ 707	
18	Customer Count	1,364,521	91,227	1,266,602	5,940	214	
19	Annual Cost	222.18	621.74	179.73	728.47	3,304.51	
20	Monthly Cost	$ 18.5	$ 51.8	$ 15.0	$ 60.7	$ 275.4	

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: S-6
Schedule: F1.1
Witness: N.L.Blizzard
Page: 7 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
1												
2	Commodity	100.0000%	24.587%	71.950%	2.500%	0.962%	0.000%	0.000%	0.000%	0.000%	0.000%	1
3	Throughput	100.0000%	12.613%	36.909%	1.283%	0.494%	5.397%	6.107%	9.459%	24.392%	3.347%	2
3A	Average & Peak	100.0000%	17.946%	54.770%	1.764%	0.715%	4.120%	3.779%	5.597%	8.755%	2.554%	3
4	A&P no XXLT	100.0000%	19.667%	60.025%	1.934%	0.783%	4.515%	4.142%	6.134%	0.000%	2.799%	3A
5	Storage	100.0000%	19.384%	57.850%	1.941%	0.765%	3.183%	3.160%	4.767%	6.915%	2.036%	4
6	Weighted Customers - All	100.0000%	22.091%	74.406%	1.701%	0.290%	1.108%	0.254%	0.091%	0.024%	0.036%	5
7	Weighted Customers - R & C	100.0000%	22.430%	75.548%	1.728%	0.295%	0.000%	0.000%	0.000%	0.000%	0.000%	6
8	Weighted Customers - LV	100.0000%	0.000%	0.000%	0.000%	0.000%	73.259%	16.770%	6.018%	1.584%	2.369%	7
9	Customer - All	100.0000%	6.686%	92.824%	0.435%	0.016%	0.032%	0.006%	0.001%	0.000%	0.000%	8
10	Customer - R & C	100.0000%	6.688%	92.861%	0.435%	0.016%	0.000%	0.000%	0.000%	0.000%	0.000%	9
11	Customer - Res.	100.0000%	0.000%	99.533%	0.467%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	10
12	Customer Related Plant	100.0000%	21.714%	73.138%	1.672%	0.285%	2.337%	0.535%	0.192%	0.051%	0.076%	11
12A	Distribution Plant	100.0000%	20.566%	66.062%	1.800%	0.541%	3.451%	2.394%	3.257%	0.447%	1.480%	12
13	Dist Plant no XXLT	100.0000%	20.659%	66.359%	1.808%	0.544%	3.466%	2.405%	3.272%	0.000%	1.487%	12A
14	Plant in Service	100.0000%	20.111%	63.867%	1.806%	0.582%	3.524%	2.645%	3.698%	2.094%	1.672%	13
15	CWIP	100.0000%	20.048%	62.987%	1.836%	0.616%	3.445%	2.721%	3.865%	2.759%	1.724%	14
16	Revenue	100.0000%	21.686%	67.071%	2.073%	0.626%	2.329%	1.565%	1.713%	2.039%	0.898%	15
17	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
18	O&M Expense Less Gas	100.0000%	18.120%	66.837%	1.607%	0.505%	2.933%	2.292%	3.245%	2.988%	1.473%	17
19	Rate Base	100.0000%	20.119%	63.852%	1.808%	0.584%	3.506%	2.635%	3.687%	2.142%	1.666%	18
20	COSS Allocation	100.0000%	19.690%	65.034%	1.773%	0.552%	3.274%	2.442%	3.329%	2.375%	1.531%	19
21	COSS + COG Allocation	100.0000%	21.064%	66.974%	1.977%	0.667%	2.356%	1.757%	2.395%	1.709%	1.102%	20
22	Open	0.0000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	21
	Cust. Discount	0.000%										23

Michigan Public Service Commission
DTE Gas Company
Alternate Cost of Service Study
Plant In Service
($000)

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 1 of 8

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	130,542	389,602	13,071	5,152	21,435	21,283	32,101	46,570	13,714	4
3	Transmission Plant	1,254,774	225,176	687,241	22,140	8,970	51,695	47,418	70,233	109,857	32,043	3
4	**Distribution Plant**											
5	Distribution Plant - Other	340,559	61,115	186,525	6,009	2,435	14,031	12,870	19,062	29,816	8,697	3
6	**Mains - Hi (1)**	**472,339**	**87,965**	**268,481**	**8,652**	**3,506**	**20,202**	**17,141**	**24,085**	**29,802**	**12,506**	**3T**
7	**Mains - Lo (1)**	**2,852,845**	**588,023**	**1,806,933**	**58,333**	**23,427**	**126,490**	**85,552**	**81,491**	**-**	**82,597**	**3H**
8	Customer Related Plant											
9	Services	2,377,219	525,142	1,768,783	40,455	6,898	26,330	6,027	2,163	569	852	5
10	Meters	411,114	92,212	310,588	7,104	1,211	-	-	-	-	-	6
11	Meter/Reg Installation	520,225	116,685	393,018	8,989	1,533	-	-	-	-	-	6
12	Large Volume Installation	71,88	-	-	-	-	52,660	12,054	4,326	1,13	1,70	7
13												
14	Subtotal - CRP	$ 3,380,439	$ 734,039	$ 2,472,389	$ 56,548	$ 9,641	$ 78,990	$ 18,081	$ 6,489	$ 1,708	$ 2,555	
15												
16	Subtotal - Dist. Plant	$ 7,046,183	$ 1,471,142	$ 4,734,327	$ 129,542	$ 39,009	$ 239,712	$ 133,644	$ 131,126	$ 61,326	$ 106,355	
17												
18	Total - Plant in Service	$ 8,974,426	$ 1,826,861	$ 5,811,171	$ 164,753	$ 53,131	$ 312,842	$ 202,345	$ 233,460	$ 217,752	$ 152,112	

(1) Mains Split based on percentages calculated in Wp HJM-15

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
Alternate Cost of Service Study
Base O&M
($000)

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 2 of 8

Line No.	(a) Description	(b) Total Compan	(c) Rate GS-1/GS-	(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	11,508	2,231	6,657	223	88	366	364	549	796	234	4
3	Transmission	115,077	20,651	63,028	2,030	823	4,741	4,349	6,441	10,075	2,939	3
4	**Distribution (2)**	**146,390**	**30,564**	**98,359**	**2,691**	**810**	**4,980**	**2,777**	**2,724**	**1,274**	**2,210**	**12**
5	Lost & Company Use Gas	27,838	6,845	20,029	696	268	-	-	-	-	-	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	37,082	8,192	27,591	631	108	411	94	34	9	13	5
9	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
10	Customer Accts. - Other	42,865	2,866	39,789	187	7	14	3	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	(619)	-	(616)	(3)	-	-	-	-	-	-	10
14	Misc Customer Exp	2,416	16	2,243	11	0		0	(	(	0	8
15												
16	Total; Base O&M	$ 392,047	$ 73,162	$ 264,672	$ 6,592	$ 2,123	$ 10,587	$ 7,603	$ 9,754	$ 12,156	$ 5,398	

(2) Allocator changed from 12A to 12

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
Alternate Cost of Service Study
Rate Base
($000)

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 3 of 8

Line No.	(a) Description	(b) Total Compan	(c) Rate GS-1/GS-	(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	130,542	389,602	13,071	5,152	21,435	21,283	32,101	46,570	13,714	4
3	Transmission Plant	1,254,774	225,176	687,241	22,140	8,970	51,695	47,418	70,233	109,857	32,043	3
4	Distribution Plant - Other	340,559	61,115	186,525	6,009	2,435	14,031	12,870	19,062	29,816	8,697	3
5	**Mains - Hi (1)**	**472,339**	**87,965**	**268,481**	**8,652**	**3,506**	**20,202**	**17,141**	**24,085**	**29,802**	**12,506**	**3T**
6	**Mains - Lo (1)**	**2,852,845**	**588,023**	**1,806,933**	**58,333**	**23,427**	**126,490**	**85,552**	**81,491**	**-**	**82,597**	**3H**
7	Services	2,377,219	525,142	1,768,783	40,455	6,898	26,330	6,027	2,163	569	852	5
8	Meters	411,114	92,212	310,588	7,104	1,211	-	-	-	-	-	6
9	Meter/Reg Installation	520,225	116,685	393,018	8,989	1,533	-	-	-	-	-	6
10	Large Volume Installation	71,881	-	-	-	-	52,660	12,054	4,326	1,138	1,703	7
11	General Plant	507,042	103,215	328,323	9,308	3,002	17,675	11,432	13,190	12,303	8,594	13
12	Intangible Plant	51,597	10,503	33,410	947	305	1,799	1,163	1,342	1,252	875	13
13	Intang. Plt - MARS	64	11	35	1	0	3	2	4	6	2	3
14	Intang. Plt. - Transmission	2,507	450	1,373	44	18	103	95	140	220	64	3
15	Intang. Plt. - HPP	3,537	739	2,377	65	20	120	67	66	31	53	12
16	Plant Held FFU- Prod	-	-	-	-	-	-	-	-	-	-	13
17	Plant Held FFU- Transm	-	-	-	-	-	-	-	-	-	-	13
18	Plant Held FFU- Dist	-	-	-	-	-	-	-	-	-	-	13
19	CWIP Storage	136,901	26,536	79,197	2,657	1,047	4,357	4,326	6,525	9,467	2,788	4
20	CWIP Transmission	41,292	7,410	22,616	729	295	1,701	1,560	2,311	3,615	1,054	3
21	CWIP Distribution	163,751	34,189	110,024	3,011	907	5,571	3,106	3,047	1,425	2,472	12
22	**CWIP Distribution - Main (2)**	**147,616**	**30,820**	**99,183**	**2,714**	**817**	**5,022**	**2,800**	**2,747**	**1,285**	**2,228**	**12**
23	CWIP General	35,900	7,308	23,246	659	213	1,251	809	934	871	608	13
24	CWIP Intangible	10,669	2,172	6,908	196	63	372	241	278	259	181	13
25	Accum. Depr. - Production	-	-	-	-	-	-	-	-	-	-	1
26	Accum. Depr. - Storage	(218,052)	(42,266)	(126,143)	(4,232)	(1,668)	(6,940)	(6,891)	(10,394)	(15,078)	(4,440)	4
27	Accum. Depr. - Transmission	(401,985)	(72,139)	(220,168)	(7,093)	(2,874)	(16,561)	(15,191)	(22,500)	(35,194)	(10,265)	3
28	Accum. Depr. - Distribution	(1,072,226)	(223,866)	(720,429)	(19,713)	(5,936)	(36,477)	(20,337)	(19,954)	(9,332)	(16,184)	12
29	**Accum. Depr. - Dist. Mains (2)**	**(966,574)**	**(201,807)**	**(649,441)**	**(17,770)**	**(5,351)**	**(32,883)**	**(18,333)**	**(17,988)**	**(8,412)**	**(14,589)**	**12**
30	Accum. Depr. - Intangible	(46,276)	(9,420)	(29,965)	(850)	(274)	(1,613)	(1,043)	(1,204)	(1,123)	(784)	13
31	Accum. Depr. - General	(209,996)	(42,747)	(135,978)	(3,855)	(1,243)	(7,320)	(4,735)	(5,463)	(5,095)	(3,559)	13
32	Accum. Depr. - Future Use	-	-	-	-	-	-	-	-	-	-	13
33	WC-Taxes	817,999	166,514	529,675	15,017	4,843	28,515	18,443	21,279	19,848	13,865	13
34	WC-Rev Rec&Pay	(12,700)	(2,754)	(8,518)	(263)	(79)	(296)	(199)	(218)	(259)	(114)	15
35	WC- Sales Storage	24,941	6,132	17,945	624	240	-	-	-	-	-	1
36												
37	Total Rate Base	$ 7,990,433	$ 1,627,862	$ 5,174,843	$ 146,949	$ 47,475	$ 277,240	$ 179,662	$ 207,605	$ 193,838	$ 134,958	

(1) Mains Split based on percentages calculated in Wp HJM-15
(2) Allocator changed from 12A to 12

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
Alternate Cost of Service Study
Operating Expense Allocation
($000)

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 4 of 8

Line No.	(a) Description	(b) Total Compan	(c) Rate GS-1/GS-	(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	Cost of Gas	18,436	4,533	13,265	461	177	-	-	-	-	-	1
2	O&M Production	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	1
3	Storage	11,508	2,231	6,657	223	88	366	364	549	796	234	4
4	Transmission	115,077	20,651	63,028	2,030	823	4,741	4,349	6,441	10,075	2,939	3
5	**Distribution (2)**	**146,390**	**30,564**	**98,359**	**2,691**	**810**	**4,980**	**2,777**	**2,724**	**1,274**	**2,210**	**12**
6	Lost & Company Use Gas	27,838	6,845	20,029	696	268	-	-	-	-	-	1
7	Customer Accounts - Supv.	1,466	324	1,091	25	4	16	4	1	0	1	5
8	Meter Reading Expenses	5,144	1,136	3,828	88	15	57	13	5	1	2	5
9	Customer Records	37,082	8,192	27,591	631	108	411	94	34	9	13	5
10	Merchant Fees	-	-	-	-	-	-	-	-	-	-	Direct
11	Customer Accts. - Other	42,865	2,866	39,789	187	7	14	3	1	0	0	8
12	Customer Assistance - Supv.	0	0	0	0	0	0	0	0	0	0	8
13	Customer Services	2,880	193	2,674	13	0	1	0	0	0	0	8
14	Customer Communications	(619)	-	(616)	(3)	-	-	-	-	-	-	10
15	Misc Customer Exp	2,416	162	2,243	11	0	1	0	0	0	0	8
16	A&G Expense	133,026	24,222	89,355	2,153	678	3,867	2,777	3,563	4,440	1,972	17
17	Depr Production	-	-	-	-	-	-	-	-	-	-	1
18	Storage	16,503	3,199	9,547	320	126	525	522	787	1,141	336	4
19	Transmission	21,990	3,946	12,044	388	157	906	831	1,231	1,925	562	3
20	Distribution	95,802	20,002	64,369	1,761	530	3,259	1,817	1,783	834	1,446	12
21	**Distribution - Mains (2)**	**86,362**	**18,031**	**58,027**	**1,588**	**478**	**2,938**	**1,638**	**1,607**	**752**	**1,304**	**12**
22	General	22,766	4,634	14,741	418	135	794	513	592	552	386	13
23	Amort. of Intangible Plt.	9,962	2,028	6,451	183	59	347	225	259	242	169	13
24	Amort. of Reg. Debits	(4,883)	(889)	(3,280)	(79)	(25)	(142)	(102)	(131)	(163)	(72)	17
25	Property Taxes	132,141	26,899	85,565	2,426	782	4,606	2,979	3,438	3,206	2,240	13
26	Other Taxes	5,092	1,037	3,297	93	30	178	115	132	124	86	13
27	Payroll Taxes	12,270	2,234	8,242	199	63	357	256	329	410	182	17
28	State/City Income Taxes	17,807	3,628	11,533	327	106	618	400	463	432	301	18
29												
30	Operating Expenses	$ 959,321	$ 186,666	$ 637,827	$ 16,830	$ 5,420	$ 28,839	$ 19,574	$ 23,806	$ 26,050	$ 14,308	

(2) Allocator changed from 12A to 12

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
Alternate Cost of Service Study
Revenue Requirement By Rate Class
($000)

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 5 of 8

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	$ 959,321	$ 186,666	$ 637,827	$ 16,830	$ 5,420	$ 28,839	$ 19,574	$ 23,806	$ 26,050	$ 14,308	
2	Amort. Of Debt Disc.	1,885	384	1,221	35	11	65	42	49	46	32	18
3	AFUDC	(12,988)	(2,627)	(8,265)	(241)	(81)	(443)	(311)	(384)	(410)	(226)	14
4	Income Required	512,464	104,402	331,887	9,425	3,045	17,781	11,523	13,315	12,432	8,656	18
5	Federal Income Tax	48,985	10,976	28,052	1,041	44	2,769	1,802	1,587	2,118	596	22
6	TCJA Amortization	(12,424)	(2,531)	(8,046)	(228)	(74)	(431)	(279)	(323)	(301)	(210)	18
7	Subtotal - COS	$ 1,497,244	$ 297,271	$ 982,676	$ 26,860	$ 8,366	$ 48,580	$ 32,350	$ 38,050	$ 39,934	$ 23,156	
8	Uncollectibles	23,540	4,986	15,867	469	158	550	366	430	452	262	20
9	Total Cost of Service	$ 1,520,783	$ 302,257	$ 998,542	$ 27,329	$ 8,524	$ 49,130	$ 32,716	$ 38,481	$ 40,386	$ 23,418	
10												
11	Storage Revenue	$ (56,601)	$ (10,971)	$ (32,743)	$ (1,099)	$ (433)	$ (1,801)	$ (1,789)	$ (2,698)	$ (3,914)	$ (1,153)	4
12	Off System Transp. Revenue	(78,489)	(14,085)	(42,989)	(1,385)	(561)	(3,234)	(2,966)	(4,393)	(6,872)	(2,004)	3
13	Subtotal - Midstream	$ (135,090)	$ (25,057)	$ (75,732)	$ (2,483)	$ (994)	$ (5,035)	$ (4,755)	$ (7,091)	$ (10,786)	$ (3,157)	
14	Appliance Service Programs	$ (108,546)	$ (22,663)	$ (72,932)	$ (1,996)	$ (601)	$ (3,693)	$ (2,059)	$ (2,020)	$ (945)	$ (1,638)	12
15	Gas-in-Kind Revenue	(21,767)	(5,352)	(15,661)	(544)	(209)	-	-	-	-	-	1
16	Other Revenue	(16,311)	(3,238)	(10,705)	(293)	(91)	(529)	(352)	(415)	(435)	(252)	19
17	Blue Lake Pipeline	(1,005)	(200)	(660)	(18)	(6)	(33)	(22)	(26)	(27)	(16)	19
18	Vector Pipeline	(2,727)	(541)	(1,790)	(49)	(15)	(88)	(59)	(69)	(73)	(42)	19
19	Subtotal - Other Revenue	$ (150,356)	$ (31,994)	$ (101,748)	$ (2,899)	$ (922)	$ (4,343)	$ (2,492)	$ (2,529)	$ (1,479)	$ (1,948)	
20	Low Income Assist. Pilot	$ 28,776	$ 6,095	$ 19,396	$ 573	$ 193	$ 672	$ 447	$ 526	$ 552	$ 320	20
21	Low Income Assist. Credit	(28,776)		(28,776)								
22	Less: Provision for Rt Refund	1,793	380	1,208	36	12	42	28	33	34	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)	$ 6,468	$ (8,171)	$ 609	$ 205	$ 279	$ (295)	$ 434	$ (510)	$ 340	
27	Revenue Requirement	$ 1,234,696	$ 251,674	$ 812,891	$ 22,555	$ 6,813	$ 40,031	$ 25,175	$ 29,294	$ 27,611	$ 18,653	

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

Alt Rev Req Lockdown	$ 1,296,924	$ 257,138	$ 830,582	$ 22,176	$ 6,883	$ 46,192	$ 31,589	$ 37,491	$ 42,665	$ 22,208	

Michigan Public Service Commission
DTE Gas Company
Alternate Cost of Service Study
Allocation Factors

Case No: U-21973
Exhibit: S-16
Schedule: F1
Witness: K. S. Krause
Page: 6 of 8

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%	24.587%	71.950%	2.500%	0.962%	0.000%	0.000%	0.000%	0.000%	0.000%	1
2	Throughput	100.0000%	12.613%	36.909%	1.283%	0.494%	5.397%	6.107%	9.459%	24.392%	3.347%	2
3	Average & Peak	100.0000%	17.946%	54.770%	1.764%	0.715%	4.120%	3.779%	5.597%	8.755%	2.554%	3
3T	**A&P w/o Trans Vol**	**100.0000%**	**18.623%**	**56.841%**	**1.832%**	**0.742%**	**4.277%**	**3.629%**	**5.099%**	**6.309%**	**2.648%**	**3T**
3H	**A&P w/o Trans + Hi Dist Vol**	**100.0000%**	**20.612%**	**63.338%**	**2.045%**	**0.821%**	**4.434%**	**2.999%**	**2.856%**	**0.000%**	**2.895%**	**3H**
4	Storage	100.0000%	19.384%	57.850%	1.941%	0.765%	3.183%	3.160%	4.767%	6.915%	2.036%	4
5	Weighted Customers - All	100.0000%	22.091%	74.406%	1.702%	0.290%	1.108%	0.254%	0.091%	0.024%	0.036%	5
6	Weighted Customers - R & C	100.0000%	22.430%	75.548%	1.728%	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%	6.686%	92.824%	0.435%	0.016%	0.032%	0.006%	0.001%	0.000%	0.000%	8
9	Customer - R & C	100.0000%	6.688%	92.861%	0.435%	0.016%	0.000%	0.000%	0.000%	0.000%	0.000%	9
10	Customer - Res.	100.0000%	0.000%	99.533%	0.467%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	10
11	Customer Related Plant	100.0000%	21.714%	73.138%	1.673%	0.285%	2.337%	0.535%	0.192%	0.051%	0.076%	11
12	Distribution Plant	100.0000%	20.879%	67.190%	1.838%	0.554%	3.402%	1.897%	1.861%	0.870%	1.509%	12
12A	Dist Plant no XXLT	100.0000%	21.062%	67.780%	1.855%	0.558%	3.432%	1.913%	1.877%	0.000%	1.523%	12A
13	Plant in Service	100.0000%	20.356%	64.753%	1.836%	0.592%	3.486%	2.255%	2.601%	2.426%	1.695%	13
14	CWIP	100.0000%	20.226%	63.637%	1.859%	0.623%	3.409%	2.395%	2.955%	3.156%	1.740%	14
15	Revenue	100.0000%	21.686%	67.071%	2.073%	0.626%	2.329%	1.565%	1.713%	2.039%	0.898%	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%	18.209%	67.171%	1.619%	0.509%	2.907%	2.087%	2.678%	3.338%	1.482%	17
18	Rate Base	100.0000%	20.373%	64.763%	1.839%	0.594%	3.470%	2.248%	2.598%	2.426%	1.689%	18
19	COSS Allocation	100.0000%	19.855%	65.632%	1.794%	0.559%	3.245%	2.161%	2.541%	2.667%	1.547%	19
20	COSS + COG Allocation	100.0000%	21.182%	67.405%	1.992%	0.672%	2.334%	1.555%	1.828%	1.919%	1.113%	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%	22.407%	57.266%	2.125%	0.090%	5.652%	3.679%	3.240%	4.325%	1.217%	22

Source: Exh. A-16, Sch. F1.2 and Exh. A-24, Sch. N1 pages 7 & 8

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 INGHAM)

Nicole Blomfield, being first duly sworn, deposes and says that on April 3, 2026, she did cause to be served the ***Association of Businesses Advocating Tariff Equity's Rebuttal Testimony and Exhibits of Jessica A. York***, as well as this ***Proof of Service***, in the above docket, via electronic mail, to the persons identified on the attached service list.

Nicole Blomfield

Digitally signed by: Nicole Blomfield
DN: CN = Nicole Blomfield email = nblomfield@clarkhill.com C = US O = Clark Hill PLC
Date: 2026.04.03 10:28:08 -04'00'

Nicole Blomfield

SERVICE LIST
MPSC Case No. U-21973

Administrative Law Judge Hon. Christopher S. Saunders Administrative Law Judge Michigan Public Service Commission 7109 W. Saginaw Hwy., 3rd Floor Lansing, Michigan 48917 Email: saundersc4@michigan.gov	**Counsel for MPSC Staff** Michael Orris Heather Durian Anna Stirling Adam Cozort Email: orrism@michigan.gov durianh@michigan.gov stirlinga1@michigan.gov CozortA1@michigan.gov Lori Mayabb Email: mayabbl@michigan.gov
Counsel for DTE Gas Company Carlton D. Watson John A. Janiszewski Breanne K. Reitzel Andrea E. Hayden Email: carlton.watson@dteenergy.com john.janiszewski@dteenergy.com breanne.reitzel@dteenergy.com andrea.hayden@dteenergy.com mpscfilings_account@dteenergy.com	**Counsel for Department of Attorney General** Joel King Lucas Wollenzien Email: kingj36@michigan.gov wollenzienL@michigan.gov ag-enra-spec-lit@michigan.gov Amanda Churchill Email: churchilla1@michigan.gov
Counsel for Michigan Environmental Council; and Citizens Utility Board of Michigan Christopher Bzdok Holly L. Hillyer Sean C. Clark Email: chris@tropospherelegal.com holly@trophospherelegal.com sean@tropospherelegal.com Alice Napoleon Sophie Schadler Julielyn Gibbons Rick Bunch Email: anapoleon@synapse-energy.com sschadler@synapse-energy.com jgibbons@5lakesenergy.com rbunch@5lakesenergy.com	**Counsel for We Want Green, Too; Soulardairty; and Urban Core Collective;** Amanda Urban Mark N. Templeton Alexandria C. Miskho Jacob R. Schuhardt Email: aurbanlaw@gmail.com templeton@uchicago.edu amiskho@uchicago.edu jschuhardt@uchicago.edu aelc_mpsc@lawclinic.uchicago.edu Emma Young, Legal Assistant Email: eyoung28@uchicago.edu

Counsel for Energy Michigan, Inc.; and Billerud Americas Corporation Timothy Lundgren Laura Chappelle Justin Ooms Email: tjlundgren@varnumlaw.com lachappelle@varnumlaw.com jkooms@varnumlaw.com	**Counsel for City of Ann Arbor** Valerie R. Jackson Email: vjackson@a2gov.org
Counsel for Retail Energy Supply Association Jennifer Heston Email: jheston@potomaclaw.com	**Counsel for Detroit Thermal** Arthur J. Levasseur Troy C. Otto Email: levasseur@fischerfranklin.com otto@fischerfranklin.com
Counsel for Utility Workers Union of America, Local 223 Jacob Porcarelli Richard G. Mack Jr. Email: jporcarelli@millercohen.com richardmack@millercohen.com	
Counsel for ABATE Michael J. Pattwell Stephen A. Campbell Benjamin Holwerda Email: mpattwell@clarkhill.com scampbell@clarkhill.com bholwerda@clarkhill.com Lauren Degnan Email: ldegnan@clarkhill.com	**Consultants for ABATE** James Dauphinais Email: jdauphinais@consultbai.com

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**
(e-file paperless)

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss
COUNTY OF EATON)

Erin Fielder-Attia, being first duly sworn, deposes and says that on **April 8, 2026,** she served a true copy of **Michigan Public Service Commission Staff's Motion To Strike Certain Imprecise And Improper Rebuttal Testimony Of Abate Witness York and Brief in Support** upon the following parties **via email only**:

DTE Gas Company
Carlton D. Watson
Andrea E. Hayden
Breanne K. Reitzel
John A. Janiszewski
carlton.watson@dteenergy.com
andrea.hayden@dteenergy.com
breanne.reitzel@dteenergy.com
john.janiszewski@dteenergy.com
mpscfilings_account@dteenergy.com

Administrative Law Judge
Hon. Christopher S. Saunders
saundersc4@michigan.gov

Detroit Thermal, LLC
Arthur J. LeVasseur
Troy C. Otto
levasseur@fischerfranklin.com
otto@fischerfranklin.com

Michigan Attorney General
Joel B. King
Lucas Wollenzien
KingJ38@michigan.gov
wollenzienl@michigan.gov
ag-enra-spec-lit@michigan.gov

City of Ann Arbor
Valerie Jackson
vjackson@a2gov.org

Association of Businesses Advocating Tariff Equity
Michael J. Pattwell
Stephen A. Campbell
Benjamin Holwerda
Lauren Degnan
James Dauphinais
mpattwell@clarkhill.com
scampbell@clarkhill.com
bholwerda@clarkhill.com
ldegnan@clarkhill.com
jdauphinais@consultbai.com

Urban Core Collective, Soulardarity, We Want Green, Too, Frontline Organizations
Amanda Urban
Mark N. Templeton
Alexandria C. Miskho
Emma Young
aelc_mpsc@lawclinic.uchicago.edu
aurbanlaw@gmail.com
templeton@uchicago.edu
amiskho@uchicago.edu
eyoung28@uchicago.edu
aelc_mpsc@lawclinic.uchicago.edu

Utility Workers Union of America, Local 223
Richard Mack, Jr.
Jacob S. Porcarelli
richardmack@millercohen.com
jporcarelli@millercohen.com

Retail Energy Supply Association
Jennifer U. Heston
jheston@potomaclaw.com

Michigan Environmental Council and Citizens Utility Board of Michigan
Sean C. Clark
sean@tropospherelegal.com

Energy Michigan, Inc and Billerud Americas Corporation
Laura A. Chappelle
Timothy J. Lundgren
Justin K. Ooms
Lydia M. Lubbers
lachappelle@varnumlaw.com
tjlundgren@varnumlaw.com
jkooms@varnumlaw.com
lmlubbers@varnumlaw.com

E. M. Fielder-Attia

Erin Fielder-Attia

Subscribed and sworn to before me
this **8th** day of **April, 2026**.

De Ann M Payne

De Ann M. Payne, Notary Public
State of Michigan, County of Eaton
Acting in the County of Eaton
My Commission Expires: 11-29-31