

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
THE DETROIT EDISON COMPANY	)	Case No. U-12478
for a financing order.	)	
_____	)	

At the January 15, 2004 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chair
Hon. Robert B. Nelson, Commissioner
Hon. Laura Chappelle, Commissioner

ACCOUNTING ORDER

On November 2, 2000, the Commission issued a financing order in this docket authorizing The Detroit Edison Company (Detroit Edison) to securitize up to \$1,774 million of qualified costs pursuant to the provisions of Public Act 142 of 2000 (MCL 460.10h et seq.) On March 9, 2001, Detroit Edison securitized \$1,750 million as authorized by the order. The savings from securitization were to be applied as follows: (1) a 5% residential rate reduction, (2) a 5% rate reduction for all commercial and industrial customers, (3) the Low-Income and Energy Efficiency Fund established by MCL 460.10d(7), and (4) a reduction in transition charges.

In order to ensure that the savings from securitization have been properly applied, the Commission is hereby directing Detroit Edison to file an accounting by month for the period ended December 31, 2003, showing the savings due to securitization and the application of those savings. The accounting for the application of the savings shall show the rate reductions for each

rate class (including retail open access customers), the Low-Income and Energy Efficiency Fund, and any other uses of the savings. In addition, Detroit Edison shall include in the accounting any carrying costs that may have accrued during the reporting period.¹ The accounting filing shall include workpapers with sufficient detail to permit the Commission Staff (Staff) to review the accuracy of the information. Further, as ordering paragraphs T and U of the November 2, 2000 financing order (at p. 56) address the issue of refinancing of Detroit Edison's securitization bonds, the Commission directs the utility to include any information regarding such in its report. Thereafter, the Staff will file a report with the Commission explaining any discrepancies it has identified. Detroit Edison shall make its filing by March 15, 2004.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.
- b. Detroit Edison should file a monthly accounting for the period ended December 31, 2003, of the savings from securitization and the application of those savings.

THEREFORE, IT IS ORDERED that by March 15, 2004, The Detroit Edison Company shall file a report detailing the monthly savings from securitization and the application of those savings for the period ended December 31, 2003.

The Commission reserves jurisdiction and may issue further orders as necessary.

¹ In a separate order issued today in Case No. U-13933, Detroit Edison was directed to file a report by February 16, 2004 regarding the issue of interest on its excess securitization savings.

Any party desiring to appeal this order must do so in the appropriate court within 30 days
issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark
Chair

(S E A L)

/s/ Robert B. Nelson
Commissioner

/s/ Laura Chappelle
Commissioner

By its action of January 15, 2004.

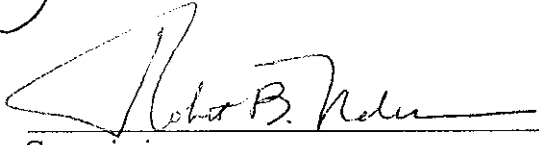
/s/ Mary Jo Kunkle
Its Executive Secretary

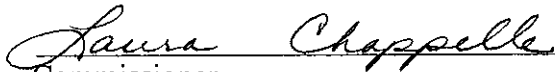
Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

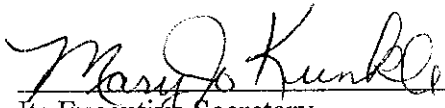



Chair


Commissioner


Commissioner

By its action of January 15, 2004.


Its Executive Secretary

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-12478

County of Ingham)

Patricia A. Fronta being duly sworn, deposes and says that on January 15, 2004, A.D. she served a copy of the attached Commission orders by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Patricia Fronta

Subscribed and sworn to before me
this 15th day of January 2004

Notary Public, Ingham, County, Michigan
My Commission expires August 16, 2004

SERVICE LIST FOR DOCKET # U – 12478 -
DATE OF PREPARATION: 01/09/2004

CASE #

MS. SUSAN BEALE
THE DETROIT EDISON COMPANY
2000 SECOND AVENUE
DETROIT MI 48226 1279

MR. STEVEN D. HUGHEY
ASSISTANT ATTORNEY GENERAL
6545 MERCANTILE WAY, 2ND FLOOR
LANSING MI 48933 **ID MAIL**

MR. ROBERT A. STRONG
CLARK HILL PLC
255 S. WOODWARD AVE., SUITE 301
BIRMINGHAM MI 48009

MR. JOHN M. DEMPSEY
DICKINSON WRIGHT PLLC
215 S. WASHINGTON AVENUE, SUITE 200
LANSING MI 48933

MR. DAVID E. MARVIN
FRASER, TREBILCOCK, DAVIS & FOSTER PC
124 WEST ALLEGAN, SUITE 1000
LANSING MI 48933 1742

MR. BRIAN W. COYER
KNAGGS, HARTER, KING & BRAKE
7521 WESTSHIRE DR., SUITE 100
LANSING MI 48910

MR. RICHARD F. VANDER VEEN III
MACKINAW POWER, LLC
1102 LINCOLN LAKE
P. O. BOX 210
LANSING MI 49331

MR. BRUCE R. MATERS
THE DETROIT EDISON COMPANY
2000 SECOND AVENUE 688 WCB
DETROIT MI 48226

MR. DONALD E. ERICKSON
ASSISTANT ATTORNEY GENERAL
SPECIAL LITIGATION DIVISION
525 W. OTTAWA; 6TH FLOOR
G. MENNEN WILLIAMS BLDG.
LANSING MI 48933 **ID MAIL**

MR. DON L. KESKEY
CLARK HILL PLC
2455 WOODLAKE CIRCLE
OKEMOS MI 48864 5941

MR. JULIO C. MAZZOLI
CMS ENTERPRISES
330 TOWN CENTER DR., SUITE 1100
DEARBORN MI 48126 2712

MR. MICHAEL S. ASHTON
FRASER, TREBILCOCK, DAVIS & FOSTER PC
124 WEST ALLEGAN, SUITE 1000
LANSING MI 48933 1742

MR. STEWART BINKE
HOWARD & HOWARD
222 WASHINGTON SQUARE, SUITE 500
LANSING MI 48933 1817

MR. RONALD BLOOMBERG
LOOMIS, EWERT PARSLEY, DAVIS &
GOTTING, P.C.
232 SOUTH CAPITOL AVENUE, SUITE 1000
LANSING MI 48933

MR. DANIEL E. NICKERSON, JR.
PSC ALJ DIVISION
6545 MERCANTILE WAY
LANSING MI 48911 **ID MAIL**

MR. ERIC J. SCHNEIDEWIND
VARNUM, RIDDERING SCHMIDT & HOWLETT
THE VICTOR CENTER
201 N. WASHINGTON SQUARE, SUITE 810
LANSING MI 48933

**SUBSCRIPTION LIST
ALL ELECTRIC ORDERS**

Database Services
Lexis Nexis
P.O. Box 933
Dayton, OH 45401

Mr. Michael Peters
Michigan Electric Cooperative
2859 W. Jolly Rd.
Okemos, MI 48864

Mr. Phillip Cross
Public Utilities Reports, Inc.
8229 Boone Blvd., Ste. 401
Vienna, VA 22182

Ms. Monica Martinez
Senate Democratic Staff
Romney Building
Lansing, MI

ID MAIL

Mr. John Pestle
Varnum, Riddering, Schmidt & Howlett
Bridgewater Place
P.O. Box 352
Grand Rapids, MI 49501-0352