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Reply to: Lansing Office

October 25, 2006

Clerk of the Court
Michigan Court of Appeals
925 W. Ottawa Street
Lansing, MI 48909-7522

Dear Clerk:

Re: The Detroit Edison Co. v Michigan Public Service Commission
(Court of Appeals No. _____)
(MPSC Case Nos. U-13808-R and U-14474)

Enclosed please find, on behalf of Appellant The Detroit Edison Co., the following documents:

- (a) Jurisdictional Checklist;
- (b) Claim of Appeal, with attached Exhibit A - September 26, 2006 Order;
- (c) Notice of Filing Claim of Appeal;
- (d) Statement of Attorney Concerning Transcript;
- (e) Docket Entries; and
- (f) Certificate of Service.

Please date stamp the extra copy of the Claim of Appeal and return the same with our courier. Also enclosed is our check in the amount of \$375.00 for the filing fee. Thank you for your assistance. If you have any questions, please call.

Very truly yours,

FOSTER, SWIFT, COLLINS & SMITH, P.C.

Stephen J. Rhodes

Enclosures

cc w/enc: Counsel of Record
Bruce R. Maters
Jon P. Christinidis

By Hand Delivery

OCT 27 2006

FILED

MICHIGAN PUBLIC
SERVICE COMMISSION

STATE OF MICHIGAN
JUDICIAL CIRCUIT
COUNTYJURISDICTIONAL CHECKLIST
FOR COURT OF APPEALS

CASE NO.

Trial Court/Tribunal:
MPSC Case Nos. U-13808-R and
U14474
Court of Appeals:

Plaintiff name:

The Detroit Edison Company

x Appellant

Defendant name

Michigan Public Service Commission

__ Appellant

INSTRUCTIONS: This checklist must be completed and filed with your claim of appeal.

Required Documents (All items, 1. through 6. must be filed. Check each box as you confirm each document and appropriate filing fee(s) are being filed.)

- x 1. The claim of appeal, with original signature and correct lower court number. [MCR 7.204(B)(1)]
- x 2. A filing fee of \$375.00. [MCR 7.204(B)(2)] (Where multiple lower court or tribunal numbers are involved, Court policy will dictate whether a multiple fee is required. Appellants will be advised of any insufficiency in the filing fee.)
- x 3. A copy of the order you are appealing (the order deciding the merits and not an order denying rehearing or reconsideration). [MCR 7.204(C)(1)]
- x 4. Evidence that the necessary transcript has been ordered (check only one box from a. through e. below). [MCR 7.204(C)(2)]
- x a. The complete transcript has been ordered. [MCR 7.210(B)(1)(a)] and is on file with the Michigan Public Service Commission
- b. This appeal is from a probate court proceeding which does not require a complete transcript. [MCR 7.210(B)(1)(b)]
- c. A motion has been filed in the lower court or tribunal for submission of the appeal on less than the complete transcript. [MCR 7.210(B)(1)(d)]
- d. The parties have stipulated to submission of the appeal on less than the complete transcript. [MCR 7.210(B)(1)(e)]
- e. The parties have stipulated to a statement of fact. [MCR 7.210(B)(1)(e)]
- x 5. Proof of service demonstrating that all other parties have been served. Even if a party is not an appellee, they must be served. [MCR 7.204(C)(3)]
- x 6. Docket or calendar entries from the lower court or tribunal. [MCR 7.204(C)(5)]

Finality of Order Being Appealed (Check the box that demonstrates your claim of appeal is by right. If none apply, you do not have an appeal by right.)

- The claim of appeal is from a final order which, alone or with other orders already entered, disposes of all claims as to all parties.
- The claim of appeal is from a post-judgment order which by law is designated as a final order. The statute, court rule, or case law establishing appeal by right as to this order is: (citation to MCR 7.203 alone is insufficient)
- x The claim of appeal is from an order which is designated by statute, court rule or case law as an order appealable by right to the Court of Appeals. The statute, court rule, or case law establishing appeal by right as to this order is: MCL 462.26

October 25, 2006

Date filed

Preparer's name (type or print)

Stephen J. Rhodes (P40112)
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STATE OF MICHIGAN
IN THE COURT OF APPEALS

FILED

OCT 27 2006

THE DETROIT EDISON COMPANY,

Appellant,

v

MICHIGAN PUBLIC SERVICE COMMISSION,

Appellee.

MICHIGAN PUBLIC
SERVICE COMMISSION

Court of Appeals

No. _____

MPSC Case Nos.
U-13808-R and U-14474

THE DETROIT EDISON COMPANY

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THE DETROIT EDISON COMPANY'S
CLAIM OF APPEAL

Dated: October 25, 2006

CLAIM OF APPEAL

The Detroit Edison Company ("Edison") claims an appeal from the Michigan Public Service Commission Opinion and Order entered on September 26, 2006 (Exhibit A) in Case Nos. U-13808-R and U-14474, by Chairman J. Peter Lark and Commissioners Laura Chappelle and Monica Martinez.

Respectfully submitted,

THE DETROIT EDISON COMPANY
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Dated: October 25, 2006

By:



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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
THE DETROIT EDISON COMPANY	)	
for reconciliation of its power supply cost	)	
recovery plan for the 12-month period ended	)	Case No. U-13808-R
December 31, 2004.	)	
_____	)	
	)	
In the matter of the application of	)	
THE DETROIT EDISON COMPANY to implement	)	
the Commission's final order in Case No. U-13808	)	Case No. U-14474
concerning, <i>inter alia</i> , 2004 net stranded costs	)	
and the provisions of Section 10a(16) and (17).	)	
_____	)	

At the September 26, 2006 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER

I.

HISTORY OF PROCEEDINGS

On March 31, 2005, The Detroit Edison Company (Detroit Edison) filed an application with supporting testimony and exhibits, requesting reconciliation of its power supply cost recovery (PSCR) revenues and expenses for the 12-month period ended December 31, 2004, pursuant to Section 6j of 1982 PA 304 (Act 304), as amended, MCL 460.6j (Case No. U-13808-R). On March 31, 2005, Detroit Edison also filed an application for reconciliation of its 2004 stranded

costs pursuant to 2000 PA 141 (Act 141), as amended, MCL 460.10a(16) and (17) (Case No. U-14474), which included an *ex parte* motion for entry of a temporary order maintaining the net stranded cost surcharges mandated by the November 23, 2004 order in Case No. U-13808 (the November 23 order or final order) during the pendency of the stranded cost reconciliation proceeding.

Pursuant to due notice, a prehearing conference was held on May 17, 2005 before Administrative Law Judge Daniel E. Nickerson, Jr. (ALJ). At the prehearing conference, the ALJ granted a motion to consolidate the two cases under Case No. U-13808-R. The ALJ also granted motions for intervention filed by the Michigan Environmental Council and Public Interest Research Group of Michigan (MEC/PIRGIM), Attorney General Michael A. Cox (Attorney General), the Residential Ratepayer Consortium (RRC), Energy Michigan, Constellation NewEnergy, Inc., (NewEnergy) (admitted for Case No. U-14474 only), and the Association of Businesses Advocating Tariff Equity (ABATE). The Commission Staff (Staff) also participated.

On August 16, 2005, the Commission issued an order denying Detroit Edison's motion for a temporary order maintaining the net stranded cost surcharges authorized in the November 23 order. The Commission found that Detroit Edison's request should be addressed in this order. August 16, 2005 order in Case No. U-13808-R, p. 6. The surcharges have lapsed.

An evidentiary hearing was conducted on November 7, 2005. Prefiled direct testimony and exhibits were bound into the record and cross-examination was waived. The record consists of 361 pages of transcript and 59 exhibits. On December 8, 2005, Detroit Edison, the Staff, the Attorney General, the RRC, Energy Michigan, NewEnergy, and MEC/PIRGIM filed initial briefs. On December 22, 2005, the same parties filed reply briefs.

The ALJ issued a Proposal for Decision (PFD) on April 10, 2006. On April 24, 2006, the Staff, Detroit Edison, Energy Michigan and the Attorney General filed exceptions. On May 8, 2006, the Staff, Detroit Edison, Energy Michigan, the RRC, and ABATE filed replies to exceptions.

Statutory Requirements

Subsection 6j(12) of Act 304, MCL 460.6j(12), requires that, not less than once a year and not later than three months after the end of the 12-month period covered by a utility's PSCR plan, the Commission shall commence a PSCR reconciliation proceeding as a contested case pursuant to Chapter 4 of the Administrative Procedures Act of 1969 (APA), 1969 PA 306, as amended, MCL 24.201 *et seq.* In the course of that proceeding, the Commission is directed to reconcile the revenues recorded pursuant to the PSCR factor and the allowance for cost of power supply included in the base rates established in the latest Commission order for the utility with the amounts actually expensed and included in the cost of power supply by the utility.

Subsection 6j(14) of Act 304, MCL 460.6j(14), provides that, in its PSCR reconciliation order, the Commission shall require the utility to refund to customers or credit to customers' bills any net amount determined to have been recovered, during the PSCR period, in excess of the amounts actually expensed for power supply, and to have been incurred through reasonable and prudent actions not precluded by the Commission in the course of its PSCR plan case order. Subsection 6j(16) of Act 304, MCL 460.6j(16), provides the method for issuing Commission-ordered refunds or credits pursuant to subsection 6j(14) as part of a final order in a PSCR reconciliation.

Subsection 10a(1) of Act 141, MCL 460.10a(1), states that the Commission shall issue orders that "provide for full recovery of a utility's net stranded costs and implementation costs as determined by the Commission." Subsection 10a(16) of Act 141, MCL 460.10a(16), states that

the Commission “shall, after a contested case proceeding, issue annually an order approving for each electric utility a true-up adjustment to reconcile any overcollections or undercollections of the preceding 12 months to ensure the recovery of all amounts of net stranded costs.” Subsection 10a(17)(c) of Act 141, MCL 460.10a(17)(c), provides that the Commission may apply any method for determining stranded costs that it considers appropriate.

The stranded cost calculation method adopted by the Commission compares the revenue requirement for production fixed costs with the recovery available through revenues actually collected. *See*, December 20, 2001 order in Case No. U-12639, p. 10. If there is an unmet revenue requirement, net stranded costs are costs that would have been recovered under regulation that cannot be recovered under competition, offset by mitigation and stranded benefits. *Id.* This definition of stranded costs was affirmed on appeal. *Consumers Energy Co v Public Service Comm*, unpublished opinion *per curiam* of the Court of Appeals, decided November 18, 2003 (Docket No. 241990).

II.

POSITIONS OF THE PARTIES

Detroit Edison

1. Reasonably and Prudently Incurred Costs

Detroit Edison presented evidence that its 2004 net system output was 2,315 gigawatt-hours (GWh) below the plan forecast, but its actual system generation was 709 GWh above the forecast. Detroit Edison posits that a cool summer and increased choice sales were the primary reasons for the company’s failure to reach the bundled forecast. 2 Tr 65, 114. Detroit Edison argues that it presented un rebutted testimony that its 2004 system operating costs were reasonably and prudently incurred.

2. Third Party Sales Revenues -- Deduction of O&M Expenses and Allocation of the Remainder

Detroit Edison presented evidence regarding financial setbacks in 2004 that the company ascribes to a high level of retail customer migration to choice, and the introduction by the Staff of a new method for determining stranded costs that assigned to the company a portion of production fixed costs (PFC) previously assigned to choice customers. Detroit Edison argues that this effectively required the company to dramatically increase the volume of third party wholesale power sales in an effort to mitigate stranded costs. The company argues that this led to production operation and maintenance (O&M) expenses well in excess of those recognized by the Commission in either the February 20, 2004 interim order or the November 23, 2004 final order in Case No. U-13808.

Detroit Edison presented evidence showing that the company earned approximately 5% return on common equity during 2004, PFC were undercollected by approximately \$120 million, and production O&M expenses were undercollected by approximately \$137 million, resulting in \$112 million in stranded costs. Gross third party sales revenues net of fuel costs were \$127,022,770. Detroit Edison argues that it has approximately \$73.5 million in O&M expense associated with making the increased amount of 2004 third party sales, and proposes that this amount be deducted from the \$127 million total, leaving approximately \$53.5 million in third party sales revenues for distribution between retail and choice customers. Detroit Edison argues that this amount should be allocated according to the contribution of the particular customer class to the PFC revenue requirement, which the company allocates as 76% to retail customers (as an offset to PSCR costs) and 24% to choice customers (as an offset to stranded costs). Using this allocation, the company supports a PSCR credit of \$40.5 million and a stranded cost credit of \$13 million.

3. PSCR Overrecovery - Rollover

Detroit Edison asserts that its 2004 PSCR expenses were overrecovered by \$8,942,575.¹ The company argues that this amount should be rolled into the 2005 PSCR reconciliation case as a partial offset to the 2005 PSCR underrecovery.

4. Stranded Costs Calculation

Detroit Edison argues that the Commission's stranded cost calculation method requires adjustment in this proceeding to reflect changed circumstances brought about by the reinstatement of the PSCR clause in 2004 and the fact that there were three separate time periods, covered by two different orders, in 2004. Based upon the Commission's interim and final orders, the company divides 2004 into the pre-interim period (January 1 to February 20), the interim period (February 21 to November 23), and the final order period (November 24 to December 31). The company calculates the annualized PFC for each of the three periods and compares these costs with the total annualized non-fuel revenue available in each period to derive a percentage of revenue related to PFC in each period. Detroit Edison applies these percentages to the actual revenues received from customers during each period. The company then compares these revenues with total 2004 PFC to derive its claimed stranded costs. Thus, Detroit Edison calculates its stranded costs by finding its estimated unmet revenue requirement.

¹ Detroit Edison initially contended that it had an additional overrecovery of \$417,596 resulting from deferred Midwest Independent Transmission System Operator, Inc. (MISO) expenses associated with rate-capped customers. The company proposed that this amount be credited back to those customers and collected again later via the regulatory asset recovery surcharge. The ALJ agreed with the Staff that this amount had already been collected through the PSCR mechanism and rejected Detroit Edison's proposal. Detroit Edison, in its exceptions, conceded this point and agreed with the ALJ.

Detroit Edison argues that adjustments must be made to the calculation of production revenues in order for Act 141 and Act 304 to co-exist. The company contends that the interim period relief recommendation must be adjusted for the additional relief provided for in the November 23 order through recognition of increased choice sales and removal of \$37,845,000 in imputed revenues from special manufacturing contract (SMC) customer discounts. The company argues that SMC discounts should not be imputed as revenues during the interim period because the interim period revenue deficiency calculation already included imputed revenue for these discounts, and, if they are now used to offset stranded costs, the company will be penalized twice. 2 Tr. 160-161.

Detroit Edison contends that, because the PSCR mechanism was restarted on January 1, 2004, the Commission must determine how third party sales revenues are to be utilized for the entire year. The company argues that the 2004 increase in choice sales resulted in a lower retail contribution to PFC, and therefore net stranded costs must be recalculated for the entire year. The company began with the relief provided in the February 20 order and adjusted for the additional relief provided by the November 23 order. That amount was further adjusted to account for stranded costs in the final order period. The company matched PFC revenues to the PFC allocation factor, and removed revenues from choice customers. The company compared the result to actual revenue collected from retail customers for the pre-interim, interim, and final order periods. Without applying offsets for third party sales revenues, Detroit Edison contends that its 2004 stranded costs were \$111,931,000. The company proposes to mitigate this amount with \$13 million from third party sales revenues. The company requests that net stranded costs of \$98.9 million be recovered by means of a 4.5 mills per kilowatt-hour (kWh) surcharge applied to all secondary commercial and industrial (C&I) choice customers, and a 1.5 mills per kWh surcharge applied to all primary C&I choice customers.

5. Pension Equalization Mechanism

Finally, Detroit Edison proposes that reconciliation of the 2004 pension equalization mechanism (PEM) be deferred for inclusion in the 2005 PEM reconciliation, because it was in place for only 38 days in 2004.

The Commission Staff

The Staff agrees that Detroit Edison's 2004 system operating costs were reasonably and prudently incurred. The Staff also agrees with the deferral of the PEM reconciliation.

1. Third Party Sales Revenues

The Staff agrees that the company had \$127 million in third party sales revenues in 2004. The Staff opposes the offset of this amount by \$73 million of production O&M expenses. The Staff contends that the traditional method of recovery of O&M expenses is through base rates, and that the company's 2004 underrecovery is due to weather-related factors and rate caps. However, the Staff maintains that there is merit to Detroit Edison's argument that its high level of production O&M expense in 2004 was partly driven by the company's efforts to increase third party sales revenues in response to various Staff-generated proposals and Commission directives. The Staff supports allowing Detroit Edison to keep 20% of 2004 net third party sales revenues. The Staff proposes an 80/20 sharing mechanism that was used by the Commission to encourage wheeling in the January 21, 1994 order in Case No. U-10102.

The Staff provided testimony that 2004 was a unique year with respect to third party sales activity. The Staff agrees with the company that it was reasonable for Detroit Edison to believe that it would have to be more aggressive in marketing its power, and for the company to expect that third party sales revenues would provide recovery of at least some amount of PFC. The Staff

asserts that it is equitable for the company to share in the benefit of third party sales, some of which the Staff believes would not have been made in prior years, and, but for the Staff's position in Case No. U-13808, would not have been made in 2004 either. 2 Tr 356-357.² Subtracting 20% from \$127,022,770 yields \$101,618,000 in third party sales revenues to be divided between choice and retail customers. The Staff concurs with the company's method of allocating these amounts according to each class's contribution to PFC.

2. Stranded Costs

The Staff argues that the November 23 order indicates that the transition to a competitive environment was complete as of that date. *See*, November 23 order, p. 106. The Staff calculates additional net stranded costs for 2004 of \$18,671,000. This amount includes a true-up of approximately \$4.5 million from the pre-interim period, and approximately \$14.1 million in additional stranded costs for the interim period. For the interim period, the Staff's calculation of stranded costs is based upon the fact that the revenue relief in the interim period was \$87 million less than the relief granted in the November 23 order. The Staff calculates that Detroit Edison experienced a shortfall of \$14,175,000 in recovery of PFC in utility rates during the interim period. The Staff agrees with Detroit Edison's proposed method for allocating third party sales revenues between choice and retail customers. Hence, the Staff supports using third party sales revenues to offset the total stranded cost amount by \$3,475,000, which represents the choice customers' share

²Based on the 80/20 sharing mechanism, the Staff proposes that the company retain \$25,404,554. Alternatively, beginning with Detroit Edison's \$73 million O&M figure, the Staff points out in its replies to exceptions that Detroit Edison could recover production O&M expenses for only the incremental third party sales, that is, for the amount above the average amount of sales for the period of 1999-2003. The Staff does not advocate this method, but provides a calculation. The Staff first deducts \$21 million in administrative and general (A&G) expense. The Staff then applies the production O&M expense rate of \$8.51 per megawatt hour (MWh) to the incremental amount of sales (approximately 3,400,000 MWh), resulting in \$28.8 million in incremental production O&M expense associated with the higher sales level in 2004. Exhibit S-4.

of third party sales revenues based upon that class's contribution to PFC, as calculated by the Staff (3.42% of \$101,618,000). The Staff proposes that the resulting \$15,196,000 in 2004 net stranded costs be recovered from choice customers through the re-institution of the surcharge previously imposed by the November 23 order.

The Staff contends that there can be no stranded costs after November 23, 2004 per the requirements of the final order, because, with the issuance of that order, the company was allowed recovery of all of its costs, including all of its PFC. The Staff urges the Commission to reject Detroit Edison's unmet revenue calculation. The Staff contends that the revenue requirements calculation was already made in the November 23 order, and cannot be made again in this proceeding without resulting in a double recovery. The Staff points out that a stranded cost recovery surcharge was already instituted by the February 20 order. The Staff argues that the company itself concedes that weather-related sales losses contributed to its high calculation of stranded costs, and that such losses are a normal consequence of ratemaking that are not recoverable as stranded costs. The Staff contends that if such losses become defined as stranded costs, then the company is simply being given a guaranteed return of business costs. The Staff contends that the Commission found that only significant growth in choice load might trigger additional stranded costs. *See*, November 23 order, p. 106.

3. PSCR Overrecovery

The Staff contends that there was a resulting PSCR overrecovery of \$65,763,424 for 2004. *See*, Exhibit S-1, p. 4.

The Attorney General

The Attorney General argues that production O&M expenses are already incorporated into the revenue requirement of base rates. The Attorney General does not support the Staff's proposed 80/20 sharing mechanism, arguing that it is inconsistent with PSCR reconciliation procedures. The Attorney General argues that all third party sales revenues should go to PSCR customers, and that removal of any part of third party sales from the 2004 PSCR reconciliation revenues is in conflict with the 45-day reports previously filed by Detroit Edison.

The Attorney General further argues that Detroit Edison incurred no stranded costs during 2004, and that any shortfalls result from regulatory lag and the ongoing rate caps. The Attorney General contends that Detroit Edison has failed to prove that any of its claimed stranded costs are costs that could not be recovered due to competition. The Attorney General argues that, under Detroit Edison's theory, any shortfall in recovery of revenue related to PFC would be a stranded cost. The Attorney General agrees, however, that to the extent that there were stranded costs in 2004, some of the third party sales revenues should be applied to mitigate them.

The Attorney General submits that Detroit Edison has overrecovered by \$94,193,438. The Attorney General raises other issues for the purpose of preserving them for appeal.

The RRC

The RRC agrees with the Attorney General that O&M expenses are recovered through base rates and should not be included for recovery in either the PSCR reconciliation or the stranded cost proceeding. The RRC argues that use of a PSCR reconciliation proceeding for the recovery of O&M costs is precluded by MCL 460.6j(13)(d), which does not permit recovery of capital investments to develop capability for handling fuel after its receipt.

Moreover, the RRC disagrees with Detroit Edison's proposal for third party sales revenues and the calculation of O&M expense. If any O&M expense is recognized, the RRC offers its own calculation. According to the RRC's calculation, the application of a variable O&M rate³ to the volume of third party sales revenues results in \$21,055,000 in O&M expenses incurred as a result of the additional sales in 2004. Exhibit RRC-7 Revised. This results in net third party sales revenues of \$105,966,000, which, the RRC points out, is very close to the 80% figure of \$101,618,216 proposed by the Staff.

ABATE

ABATE agrees with the Attorney General, arguing that Detroit Edison had no stranded costs in 2004, and that all third party sales revenues should be used as an offset to PSCR expenses. ABATE argues that O&M costs have been captured in Detroit Edison's base rates. ABATE agrees with the Attorney General that there are other factors at work that contributed to Detroit Edison's shortfalls in 2004. However, ABATE also argues for some allocation of net PSCR revenues to choice customers on the grounds that they are paying a portion of the generation expenses incurred by Detroit Edison customers through the securitization charges. ABATE argues that, unless choice customers are allocated some portion of the net third party sales revenues, they will be providing a subsidy to the bundled sales customers, which is contrary to the cost causation

³The RRC used inputs from Detroit Edison's dispatch and planning models regarding variable O&M expenses to calculate the average cost of variable O&M expense incurred by producing electricity in 2004. 2 Tr 319-320; Exhibit RRC-9, RRC-10. The RRC provided testimony indicating that it used generally accepted methods of functionalization of fixed and variable O&M expense. The application of the resulting variable O&M rate to the volume of third party sales yields \$21,055,000 in O&M expenses incurred by Detroit Edison in the production of energy to serve third parties in 2004. Exhibit RRC-7 Revised. The RRC's O&M rate appears to be applied to 100% of the third party sales, however, rather than the incremental amount associated with doubling sales in 2004.

principles ABATE supports. ABATE further argues that the stranded cost process must be a two-way street where equal weight is given to both stranded benefits and stranded costs.

Energy Michigan

Energy Michigan disagrees with Detroit Edison's and the Staff's proposals regarding stranded costs. Energy Michigan argues that Detroit Edison had stranded benefits in 2004 of \$124,772,000, arrived at by deducting approximately \$2.1 million in stranded costs from the third party sales revenues. Energy Michigan agrees with the other parties that O&M expenses are covered in the rates. Energy Michigan argues that all third party sales should be allocated to choice customers.

NewEnergy

NewEnergy agrees with Energy Michigan that Detroit Edison had no 2004 stranded costs. NewEnergy also renews its objection to choice customers paying any securitization or nuclear decommissioning fees.

MEC/PIRGM

MEC/PIRGM disagrees with the currently approved treatment of spent nuclear fuel fee payments.

III.

PROPOSAL FOR DECISION

The ALJ adopted the Staff's proposed treatment of third party sales. The ALJ found that traditionally third party sales have been used to offset PSCR costs, and that there is no reason to deviate from that treatment in this case. The ALJ further found that variable O&M costs are included in the rate base and that recovery of those costs in this proceeding would amount to a

double recovery. The ALJ also agreed with the RRC that use of a PSCR reconciliation proceeding for recovery of O&M costs incurred after the receipt of fuel is precluded by MCL 460.6j(13)(d). However, the ALJ recommended adoption of the Staff's 80/20 sharing proposal, finding that it is rooted in a sharing mechanism previously adopted by the Commission.

The ALJ rejected the argument that choice customers should be allocated all third party sales revenues. The ALJ noted that third party sales occurred before there were choice customers, so 100% of sales can not properly be attributed to the existence of the choice program. The ALJ recommended adoption of the Staff's proposal that remaining third party sales revenues be allocated between PSCR and choice customers on the basis of each class's contribution to PFC, finding it to be balanced, reasonable, and consistent with Act 141 and prior regulatory practices.

The ALJ found that stranded costs may not be collected indefinitely, but must be tied to the transition to a competitive market. The ALJ found that the transition was not complete until the end of 2004. The ALJ adopted the Staff's proposed calculation method, and the company's proposed timing. The ALJ found that Detroit Edison could recover net stranded costs through the end of 2004, but that the company's calculation of net stranded costs for the final order period (November 24 to December 31) must be revised to be made consistent with the Staff's method for determining stranded costs. The ALJ recommended adoption of the Staff's surcharge proposal. The ALJ recommended that Detroit Edison be given an opportunity to calculate its stranded costs for the full year in a manner consistent with the Staff's method and that the parties be afforded an opportunity to respond.

The ALJ found that the Staff's revenue deficiency approved by the Commission in the rate case did not include the \$37.8 million of imputed revenue from SMC customers. Therefore, the ALJ recommended that this amount be added to the revenue deficiency in this case.

The ALJ rejected Detroit Edison's request to roll the year-end 2004 PSCR overrecovery into the 2005 PSCR reconciliation case as a partial offset. The ALJ found that typically PSCR overrecoveries are refunded through a PSCR factor credit rather than by rolling the overrecovery into a reconciliation case.

In sum, the ALJ recommended that the Commission approve: (1) Detroit Edison's PSCR reconciliation proposal (without any rollover); (2) Detroit Edison's request for stranded costs in an amount consistent with the Staff's calculation method, but include the full year 2004 and reopen the record for Detroit Edison to submit new calculations; (3) Detroit Edison's imputation of \$37.8 million as rate relief from SMC customers; and (4) the Staff's proposed 80/20 sharing mechanism for third party sales revenues.

Exceptions and Replies to Exceptions

Detroit Edison excepts to the ALJ's recommendation that the 2004 PSCR overrecovery not be rolled into the 2005 PSCR case as an offset to what Detroit Edison characterizes as a substantial underrecovery. The company argues that this decision will exacerbate rate shock. The company posits that it is unjust to allow customers 11% interest on overrecoveries while the company accumulates 3 to 4% interest on underrecoveries. Detroit Edison argues that the Commission allows such rollovers in gas cost recovery cases, and that it should allow them in PSCR cases as well.

Detroit Edison excepts to the adoption of the 80/20 sharing mechanism for third party sales revenues. Detroit Edison argues that the record shows that the company incurred \$73 million in additional O&M costs as a result of the additional sales which, it argues, were a direct result of Commission policy. Detroit Edison points out that the base rate revenue associated with PFC disappears when a customer migrates to choice, and argues that the base rate production O&M

revenue that was previously collected from that retail customer should thereafter be collected from the third party sales proceeds. If required to adopt sharing, the company argues for a 50/50 sharing of third party sales revenues. The company argues that this would allow recovery of some of the O&M costs it considers to have been necessary to making the third party sales, and would reflect the fact that third party sales increased by 50% in 2004 over the previous five years' sales.

Detroit Edison excepts to the ALJ's adoption of the Staff's method for determining net stranded costs. The company points out that the Staff's method does not use actual revenue data for any but the pre-interim period. Detroit Edison argues that the Staff's method departs from the revenue requirements approach by disallowing any PFC not addressed in the November 23 order. Detroit Edison argues that the Commission in that order simply shifted PFC responsibility from choice customers to retail customers with capped rates, "thereby effectively stranding these costs a second time." 2 Tr 143.

Detroit Edison excepts to the ALJ's failure to calculate the amount of: (1) the PSCR overrecovery; (2) the allocation of third party sales revenues to each customer class; and (3) the net stranded costs. Detroit Edison further excepts to the ALJ's failure to make any finding regarding the reasonableness and prudence of the company's costs. Detroit Edison also excepts to the ALJ's failure to address the company's request that reconciliation of the 2004 PEM be dealt with in the 2005 PSCR reconciliation proceeding.

Detroit Edison agrees with the ALJ's recommendation to impute \$38 million as rate relief from SMC customers in determining the interim period PFC net stranded costs. Based on the ALJ's findings, the company provides new calculations of its PFC net stranded costs, PSCR overrecovery amount, and allocation of third party sales revenues for 2004 in attachments to its exceptions.

The Staff excepts to the ALJ's finding that Detroit Edison incurred stranded costs through 2004. The Staff argues that the November 23 order allowed Detroit Edison full recovery of all of its costs, including PFC. The Staff contends that the ALJ's adoption of the Staff's calculation method is inconsistent with the ALJ's finding that Detroit Edison should be allowed to compute stranded costs through the end of the year, because the methodology itself is premised on the assumption that the transition to a competitive environment was completed by November 23, 2004.

The Staff also excepts to the ALJ's addition of \$37.8 million of SMC rate relief. The Staff points out that the Commission clearly stated in the November 23 order that the revenue deficiency was \$335,812,000, and that the \$37.8 million in SMC discounts was not to be added. The Staff points out that Detroit Edison has previously argued that imputed revenue for SMC discounts should not be used to offset stranded costs and that this argument has been rejected. *See*, July 31, 2003 order in Case No. U-13350, p. 15. The Commission has stated that "to ignore this adjustment would have the effect of using the discounts to increase stranded costs." *Id.* The Staff contends that Detroit Edison is simply repeating the same argument in the guise of a technical adjustment.

The Staff argues that the Commission correctly applied all third party sales revenues to mitigation of stranded costs until Act 141 required reimplementing of the PSCR mechanism in 2004. After that, the Staff argues, MCL 460.10a(19) requires that third party sales revenues be used to offset PSCR rates (although the Staff does propose a small offset to stranded costs based on the choice class's contribution to PFC). The Staff argues that choice customers received the benefit of this offset from the rate freeze, but with the expiration of the rate freeze comes the expiration of this benefit.

Finally, the Staff agrees with Detroit Edison's request regarding the PEM reconciliation.

The Attorney General excepts to the ALJ's treatment of third party sales revenues, arguing that adoption of the 80/20 sharing mechanism constitutes retroactive ratemaking, and violates both Act 304 and prior Commission orders. The Attorney General argues that the entire \$127 million in net third party sales revenues should be applied as an offset to PSCR costs. The Attorney General cites the evidence indicating that Detroit Edison's underrecovery of production O&M expenses from 2004 resulted from factors such as cooler than normal weather and Act 141 rate caps. The Attorney General argues that it is unjust to require ratepayers to compensate Detroit Edison for O&M costs that were not fully recovered in base rates, as it violates the fundamental principle against retroactive ratemaking, and it acts as a guaranteed return of all costs for the company. The Attorney General further excepts to reopening the record to permit Detroit Edison to submit new evidence and calculations. The Attorney General argues that Detroit Edison presented no evidence that it had PFC that were not recoverable due to customer migration to choice, and the company failed to carry its burden of proof.

Energy Michigan argues that the Commission's March 23, 2006 order opening Case No. U-14838 proves that Detroit Edison has been over-earning as a result of the November 23 order. Energy Michigan excepts to the ALJ's allocation of third party sales revenues to PSCR customers, arguing that Commission precedent requires that all of this money be allocated to the mitigation of stranded costs. Energy Michigan also excepts to the use of SMC discount revenues for any purpose other than mitigation of stranded costs. Energy Michigan argues that the Staff has provided no evidence supporting the sharing approach to third party sales revenues. Energy Michigan argues that variable O&M costs are not recoverable in a stranded costs proceeding. Energy Michigan further argues that failure to offset all stranded costs violates MCL 460.10a(19),

because it results in choice customers paying large unrecovered generation costs for Detroit Edison. Energy Michigan contends, in the alternative, that because 41% of PSCR customers were isolated from PSCR increases during 2004 by rate caps, then at least 41% of third party sales revenues should be used in mitigation of stranded costs.

Energy Michigan excepts to the ALJ's finding that the transition to competition was not complete until the end of 2004. Energy Michigan further provides calculations showing that the Staff understated PFC revenues for the pre-interim period by \$4 million, and for the interim period by \$12 million, thus wiping out the net calculation of \$15 million in stranded costs. Energy Michigan also argues that almost \$18 million in pre-interim stranded benefits offsets all of the net stranded costs. Energy Michigan opposes any reopening of the record to allow Detroit Edison to provide new calculations.

In its replies to exceptions, the RRC also argues against the 50/50 sharing proposal. The RRC supports its own calculation or the Staff's 80/20 proposal. The RRC points out that Energy Michigan's argument that residential and small commercial customers with frozen rates should not be allowed to benefit from the third party sales revenues ignores the fact that the generating units used to produce that electricity have been paid for by all Detroit Edison customers, including bundled customers.

In its replies to exceptions, ABATE argues that the Staff is correct that the final order eliminated any additional generation-related revenue shortfall and there cannot be any further stranded costs. ABATE also opposes the ALJ's adoption of \$38 million in SMC rate relief. ABATE argues that if Detroit Edison saw a problem with that aspect of the final order, it should have resolved it through rehearing. ABATE also opposes the 80/20 sharing proposal, arguing that Detroit Edison has already been provided with an opportunity to earn a fair rate of return. ABATE

argues that third party sales are part of the company's normal functions and are included in the activities on which the company is already allowed a reasonable return.

ABATE supports finding that Detroit Edison's 2004 PSCR expenses were reasonably and prudently incurred. ABATE supports applying a one-month credit factor for implementation as soon as possible after the issuance of this order, to refund the PSCR overrecovery. ABATE argues against a rollover, asserting that, with respect to any 2005 underrecovery, the company is protected by the accrual and compounding of interest. With respect to O&M expenses, ABATE disputes any sharing proposal as awkward and crude, and urges the Commission to require the company to clearly identify any incremental costs. If any incremental O&M cost is recognized, ABATE supports the calculation provided by the RRC. ABATE disputes the existence of any shortfall following the final order, and, assuming that a shortfall exists, disputes the shifting of responsibility for the shortfall from the residential class to other classes, rather than to the shareholders. ABATE also contends that the Commission is precluded from considering the new calculations set out in the attachments to Detroit Edison's exceptions, because they are not evidence made part of the record in this case in accordance with the requirements of the APA.

IV.

DISCUSSION

The Commission begins by noting what it said about stranded costs in the November 23 order, pp. 93-94:

[T]he parties propose vastly different levels of historical stranded cost. . . . Both sides pick and choose various adjustments to the calculation designed to raise or lower the stranded cost level. However, the relevant question is not whether a particular calculation can be devised to result in a higher or lower stranded cost. Rather, as recognized by the ALJ, the appropriate consideration is whether the calculation properly balances the needs of the utility and its customers.

The same holds true for this reconciliation and net stranded cost proceeding, where the parties have proposed innumerable adjustments to several major cost and revenue elements.

The Commission finds that Detroit Edison's 2004 operating costs were reasonably and prudently incurred. With respect to many of the remaining issues in dispute, the Commission relies upon the findings and conclusions in the November 23 order. That order has already been the subject of rehearing petitions, and the time for rehearing has passed. *See*, June 30, 2005 orders in Case No. U-13808. The Commission sees no reason to deviate from any of the actions taken by the Commission in the final order.

In the final order the Commission stated, "[T]he Commission will not impute revenue associated with the SMC customers who will be served under the new [transitional power supply rate] TPSR tariff - \$37,845,000." November 23 order, p. 76. The Commission finds nothing in the present case that requires deviation from that decision. The findings of the November 23 order respecting the 2004 revenue deficiency stand.

Similarly, the Commission finds that the Staff is correct in its interpretation of page 106 of the final order. Detroit Edison has not (nor does it allege that it has) experienced a significant increase in choice load subsequent to the issuance of the final order that necessitates the determination of further stranded costs in a rate case. Detroit Edison has now recovered all stranded costs arising from the utility restructuring imposed by Act 141, and it is the Commission's expectation that the stranded cost process has now run its course.

With respect to Detroit Edison's 2004 net stranded costs, the Commission finds that the Staff's calculation method is just, reasonable, and in the public interest. MCL 460.10a(17)(c). The Staff's calculation for the pre-interim period is a true-up, which was clearly authorized by the final order. The Staff's method for the interim period relies upon the findings in the final order with

regard to PFC and total revenue deficiency for 2004, and recalculates the proportion of stranded costs to the total final revenue deficiency in a way that was not possible at the time of the interim order. The Commission agrees with the ALJ that this is the most appropriate method presented for determining net 2004 stranded costs, and adopts the Staff's calculation of \$18,671,000. Exhibit S-2.

Detroit Edison doubled its third party sales revenues in 2004. The more aggressive marketing undertaken by the company resulted in \$127,022,770 in proceeds available for offsetting stranded costs and PSCR expenses. The Staff supports allowing the company to retain some of the third party sales revenues for 2004 because of the unique circumstances of that year. As an equitable measure, the Staff proposes that the company keep 20% of the third party sales revenues, partly in recognition of the company's reliance on certain signals from the Staff. The Staff chose the 80/20 split because it has been applied previously by the Commission. However, that split was applied prospectively as an incentive to engage in wheeling. No amount chosen in this case will act as an incentive, as the sales have already been made.

The Commission agrees with the ALJ, the Staff, the Attorney General, and the other intervenors that O&M costs have already been included in base rates. These costs are meant to be addressed in a rate case. MCL 460.6, 460.6a. A PSCR proceeding is not the appropriate proceeding for recovery of O&M costs, whether variable or fixed. MCL 460.6j(1)(a). The Commission has found that production O&M expenses are variable costs. December 20, 2001 order in Case No. U-12639. Detroit Edison argues that, in light of this finding, the company should be allowed to retain 50% of third party sales revenues because that is "directionally closer to compensating the Company for its under-recovery of production O&M for 2004." 2 Tr 145. This evidence does not persuade the Commission that the O&M expense actually associated with

producing 100% of the third party sales revenues is equal to 50% of the third party sales revenues. Like other issues in this proceeding, production O&M costs were addressed in the final order, and the Commission is not persuaded that the higher level of third party sales requires modification of the findings in that order. *See*, November 23 order, pp. 54-55.

The Commission finds that the full amount of additional stranded costs should be offset by third party sales revenues, consistent with the Commission's practice during the rate freeze period. *See, e.g.*, December 20, 2001 order in Case No. U-12639, p. 10; July 31, 2003 order in Case No. U-13350, p. 2. Prior to that time, third party sales revenues had been used to offset only PSCR expenses. For the unique year of 2004 in which both rate caps and the PSCR mechanism were operating, the Commission finds that the most equitable solution is to provide offsets for both choice and retail customers. The Commission sees value in the Staff's proposal that the benefits of third party sales revenues be returned to the retail and choice classes on the basis of each class's contribution to PFC. However, the Commission is concerned about the current state of the choice program and finds that it is appropriate in this final stranded cost proceeding to continue the practice of offsetting stranded costs with third party sales revenues. Thus, \$127,022,770 in third party sales revenues is reduced by \$18,671,000 in stranded costs, yielding \$108,351,770 to be used as a credit to ratepayers. This amount is approximately \$10 million greater than the amount reflected on Exhibit S-1, and results in approximately \$76 million in PSCR overrecovery. Exhibit A, attached hereto, is the Staff's Exhibit S-1 Revised, which shows the recalculated interest on the PSCR overrecovery. The Commission finds that Detroit Edison overrecovered its PSCR expenses, including interest, by \$75,852,692 in 2004. The Commission authorizes Detroit Edison to roll this amount over into its 2005 reconciliation. The Commission further authorizes Detroit Edison to defer the 2004 PEM reconciliation to 2005.

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.*; 1982 PA 304, as amended, MCL 460.6h *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's 2004 PSCR costs were reasonably and prudently incurred.
- c. Detroit Edison incurred \$18,671,000 in stranded costs in 2004, subject to offset by 2004 third party sales revenues, leaving a net stranded cost balance of zero.
- d. Detroit Edison should be authorized to roll its 2004 power supply cost overrecovery of \$75,852,692, including interest, into its 2005 power supply cost recovery reconciliation.
- e. Detroit Edison should be authorized to roll the 38 days' of 2004 pension equalization mechanism expenses into its 2005 pension equalization mechanism reconciliation.

THEREFORE, IT IS ORDERED that:

- A. The Detroit Edison Company's 2004 system operating costs were reasonably and prudently incurred.
- B. The Detroit Edison Company incurred \$18,671,000 in stranded costs in 2004. This amount is offset by 2004 third party sales revenues, leaving a net stranded cost balance of zero.
- C. The Detroit Edison Company is authorized to roll its 2004 power supply cost overrecovery of \$75,852,692, inclusive of interest, into its 2005 power supply cost recovery reconciliation.
- D. The Detroit Edison Company is authorized to roll its 2004 pension equalization mechanism expenses into its 2005 pension equalization mechanism reconciliation.

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

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

/s/ J. Peter Lark
Chairman

(S E A L)

/s/ Laura Chappelle
Commissioner

/s/ Monica Martinez
Commissioner

By its action of September 26, 2006.

/s/ Mary Jo Kunkle
Its Executive Secretary

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

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



Chairman



Commissioner



Commissioner

By its action of September 26, 2006.



Its Executive Secretary

2004 PSCR Reconciliation
PSCR Cost & Over Recovery Derivation

Ln	Description	January	February	March	April	May	June	July
<u>PSCR COST (\$)</u>								
1	I. Power Cost							
2								
3	A. Elect Gen Fuel Cost & NOx Cost	56,772,133	50,025,334	49,831,453	42,005,572	44,467,981	51,617,566	56,458,260
4								
5	B. Purchased Power	14,754,299	12,656,132	13,976,333	10,207,888	13,154,851	18,224,757	15,872,358
6								
7	1. Misc. Audit Adjustments:	(417,703)	(417,703)	45,747	45,747	(222,451)	(228,912)	-
8	2. Purchased Power after Audit Adjustments	14,336,596	12,238,429	14,022,080	10,253,635	12,932,400	17,995,845	15,872,358
9								
10								
11								
12								
13	3. LESS: Third Party Whlsl Pwr Sl's PSCR Fuel & Net Proceeds Credit							
14	a. Net Proceeds Credit Derivation							
15	Revenue (excl. energy imbalance)	19,761,318	17,500,925	19,897,204	14,252,741	8,352,774	14,259,325	17,101,062
16	LESS: Fuel Cost	7,852,424	7,005,974	8,480,887	6,025,663	3,533,173	5,127,948	6,813,533
17	Sales Net Proceeds	11,908,894	10,494,951	11,416,317	8,227,078	4,819,601	9,131,377	10,287,529
18								
19	Sales Net Proceeds Credit @ 85.30%	10,158,413	8,952,305	9,738,239	7,017,785	4,111,171	7,789,161	8,775,371
20	of Line 17							
21								
22	b. PSCR Fuel & Net Proceeds Credit							
23	Thrd Prty Whlsl Pwr Sales Fuel Cost	7,852,424	7,005,974	8,480,887	6,025,663	3,533,173	5,127,948	6,813,533
24	Thrd Prty Whlsl Pwr Sl's Net Proceeds Cr.	10,158,413	8,952,305	9,738,239	7,017,785	4,111,171	7,789,161	8,775,371
25	Energy Imbalance Fuel Cost	452,817	240,377	239,706	152,888	199,820	235,536	441,790
26	Total Third Party Whlsl Adjustment	18,463,654	16,198,656	18,458,832	13,196,336	7,844,164	13,152,645	16,030,694
27								
28	4. Adjusted Purchased Power	(4,127,058)	(3,960,227)	(4,436,752)	(2,942,701)	5,088,236	4,843,200	(158,336)
29								
30								
31	C. Total Power Supply Expense	52,645,075	46,065,107	45,394,701	39,062,871	49,556,217	56,460,766	56,299,924
32	LESS: Direct Assignment Cust. Exp.	2,432,726	1,705,901	2,034,326	2,078,016	3,362,892	3,075,411	2,518,079
33	Subtotal	50,212,349	44,359,206	43,360,375	36,984,855	46,193,325	53,385,355	53,781,845
34	LESS: SMC/LCC Cogen. Adjustment	121,583	121,583	121,583	121,583	121,583	121,583	121,583
35								
36	D. Net Power Supply Expense, Adjusted	50,090,766	44,237,623	43,238,792	36,863,272	46,071,742	53,263,772	53,660,262
37	E. PSCR Allocation Factor	0.9395	0.9404	0.9433	0.9369	0.9398	0.9351	0.9474
38	F. PSCR Power Cost	47,060,275	41,601,061	40,787,152	34,537,200	43,298,223	49,806,953	50,837,732

DETROIT EDISON COMPANY

EXHIBIT A
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2004 PSCR Reconciliation
PSCR Cost & Over Recovery Derivation

Ln	Description	January	February	March	April	May	June	July
39	II. Transmission Cost							
40	A. Total Company							
41	Schedule 1							
42	Schedule 9							
43	Schedule 10							
44	Schedule 18							
45	FERC Charges							
46	Total							
47	Pro-ration @ 7 days, Nov. 24-30							
48								
49	B. PSCR Portion							
50	PSCR Transmission Allocation Fctr							
51	PSCR Transmission Expense	-	-	-	-	-	-	-
52								
53	III. Total PSCR Cost	47,060,275	41,601,061	40,787,152	34,537,200	43,298,223	49,806,953	50,837,732
OVER (UNDER) RECOVERY (\$)								
54	I. Monthly							
55	A. PSCR Revenue	62,568,570	48,421,563	53,987,747	46,550,011	49,478,336	45,401,312	56,275,628
56	B. PSCR Cost	47,060,275	41,601,061	40,787,152	34,537,200	43,298,223	49,806,953	50,837,732
57	C. Over/(Under) Recovery	15,508,295	6,820,502	13,200,595	12,012,811	6,180,113	(4,405,641)	5,437,897
58								
59	II. Cumulative Over (Under) Recovery							
60								
61	A. Recovery Beginning Balance	-	15,508,295	22,328,797	35,529,392	34,831,869	37,240,894	32,835,253
62	B. ADD: Monthly Over (Under) Recovery	15,508,295	6,820,502	13,200,595	12,012,811	6,180,113	(4,405,641)	5,437,897
63	C. U-13808 PSCR Refund, Principal				(12,710,334)	(3,771,088)		
64	D. Recovery Ending Balance	15,508,295	22,328,797	35,529,392	34,831,869	37,240,894	32,835,253	38,273,150
65	E. Interest							
66	a. Recovery Average Balance	7,754,147	18,918,546	28,929,094	35,180,630	36,036,381	35,038,074	35,554,201
67	b. Annual Interest Rate	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%	11.00%
68	c. Monthly Interest Rate	0.009167	0.009167	0.009167	0.009167	0.009167	0.009167	0.009167
69	d. Monthly Interest	71,080	173,420	265,183	322,489	330,333	321,182	325,914
70	e. U-13808 PSCR Refund, Interest				(317,384)	(117,408)		
71								
72	F. Cumulative Over (Under) Recovery	15,579,375	22,573,297	36,039,075	35,346,657	37,968,608	33,884,149	39,647,959

2004 PSCR Reconciliation
PSCR Cost & Over Recovery Derivation

Ln	Description	August	September	October	November	December	TOTAL	Source
<u>PSCR COST (\$)</u>								
1	I. Power Cost							
2								
3	A. Elect Gen Fuel Cost & NOx Cost	55,396,899	53,675,953	50,366,985	52,334,789	56,708,024	619,660,949	Exh. A-16, 2nd Rev., line 4
4								
5	B. Purchased Power	19,428,876	16,276,385	10,071,125	9,742,617	17,590,581	171,956,202	Exh. A-16, Rev., line 28
6								
7	1. Misc. Audit Adjustments:	-	-	-	-	-	(1,195,275)	
8	2. Purchased Power after Audit Adjustments	19,428,876	16,276,385	10,071,125	9,742,617	17,590,581	170,760,927	ties to Exh A-16, 2nd Rev., line 28
9								
10								
11								
12								
13	3. LESS: Third Party Whlsl Pwr Sls PSCR Fuel & Net Proceeds Credit							
14	a. Net Proceeds Credit Derivation							
15	Revenue (excl. energy imbalance)	14,305,133	16,696,302	26,445,109	18,600,451	30,464,469	217,636,813	Exh. A-16, 2nd Rev., line 32
16	LESS: Fuel Cost	5,769,543	6,979,528	12,506,733	8,342,967	12,175,670	90,614,043	Exh. A-16, 2nd Rev., line 33
17	Sales Net Proceeds	8,535,590	9,716,774	13,938,376	10,257,484	18,288,799	127,022,770	
18								
19	Sales Net Proceeds Credit @ 85.30%	7,280,949	8,288,511	11,889,583	8,749,743	15,600,540	108,351,770	85.3% = (Ttl Ln 17 - Stranded Costs of \$18,671,000) / Ttl Ln 17
20	of Line 17							
21								
22	b. PSCR Fuel & Net Proceeds Credit							
23	Thrd Prty Whlsl Pwr Sales Fuel Cost	5,769,543	6,979,528	12,506,733	8,342,967	12,175,670	90,614,043	Exh. A-16, 2nd Rev., line 33
24	Thrd Prty Whlsl Pwr Sls Net Proceeds Cr.	7,280,949	8,288,511	11,889,583	8,749,743	15,600,540	108,351,770	line 19
25	Energy Imbalance Fuel Cost	958,458	521,965	360,770	218,111	268,526	4,290,764	Exh. A-16, 2nd Rev., line 40
26	Total Third Party Whlsl Adjustment	14,008,950	15,790,004	24,757,086	17,310,821	28,044,736	203,256,577	
27								
28	4. Adjusted Purchased Power	5,419,926	486,381	(14,685,961)	(7,568,204)	(10,454,155)	(32,495,650)	lines: 8 - 26
29								
30								
31	C. Total Power Supply Expense	60,816,825	54,162,334	35,681,024	44,766,585	46,253,869	587,165,299	lines: 3 + 28
32	LESS: Direct Assignment Cust. Exp.	2,834,145	2,463,768	1,684,877	2,101,918	1,914,503	28,206,562	Exh. A-17, 2nd Rev., line 19
33	Subtotal	57,982,680	51,698,566	33,996,147	42,664,667	44,339,366	558,958,737	
34	LESS: SMC/LCC Cogen. Adjustment	121,583	121,583	121,583	121,583	121,583	1,458,996	Exh. A-17, 2nd Rev., line 22
35								
36	D. Net Power Supply Expense, Adjusted	57,861,097	51,576,983	33,874,564	42,543,084	44,217,783	557,499,741	lines: 33 - 34
37	E. PSCR Allocation Factor	0.9425	0.9455	0.9345	0.9387	0.9400		Exh. A-17, 2nd Rev., line 14
38	F. PSCR Power Cost	54,534,084	48,766,037	31,655,780	39,935,193	41,564,716	524,384,407	lines: 36 * 37

DETROIT EDISON COMPANY

2004 PSCR Reconciliation
PSCR Cost & Over Recovery Derivation

EXHIBIT A
U-13808-R/U-14474
Page 4 of 4

Ln	Description	August	September	October	November	December	TOTAL	Source
39	II. Transmission Cost							
40	A. Total Company							
41	Schedule 1				297,631	380,283	677,914	Exh. A-14
42	Schedule 9				5,519,733	7,140,423	12,660,156	Exh. A-14
43	Schedule 10				607,188	763,346	1,370,534	Exh. A-14
44	Schedule 18				83,333	83,333	166,666	Exh. A-14
45	FERC Charges				100,000	100,000	200,000	Exh. A-14
46	Total				6,607,885			
47	Pro-ration @ 7 days, Nov. 24-30				1,541,840	8,467,385	10,009,225	
48								
49	B. PSCR Portion							
50	PSCR Transmission Allocation Fctr				0.9575	0.9577		A-17, 2nd Rev., line 28
51	PSCR Transmission Expense	-	-	-	1,476,312	8,109,215	9,585,526	lines: 47 * 50
52								
53	III. Total PSCR Cost	54,534,084	48,766,037	31,655,780	41,411,505	49,673,931	533,969,933	lines: 38 + 51
<u>OVER (UNDER) RECOVERY (\$)</u>								
54	I. Monthly							
55	A. PSCR Revenue	51,332,104	51,485,785	46,828,911	53,332,396	57,012,248	622,674,611	Exh. A-17, 2nd Rev., line 42
56	B. PSCR Cost	54,534,084	48,766,037	31,655,780	41,411,505	49,673,931	533,969,933	line 53
57	C. Over/(Under) Recovery	(3,201,980)	2,719,748	15,173,131	11,920,891	7,338,317	88,704,677	
58								
59	II. Cumulative Over (Under) Recovery							
60								
61	A. Recovery Beginning Balance	38,273,150	35,071,169	37,790,917	52,964,048	64,884,938		
62	B. ADD: Monthly Over (Under) Recovery	(3,201,980)	2,719,748	15,173,131	11,920,891	7,338,317	88,704,677	line 57
63	C. U-13808 PSCR Refund, Principal						(16,481,422)	Exh A-17, 2nd Rev., line 46
64	D. Recovery Ending Balance	35,071,169	37,790,917	52,964,048	64,884,938	72,223,255		
65	E. Interest							
66	a. Recovery Average Balance	36,672,160	36,431,043	45,377,482	58,924,493	68,554,097		Avg. of lines 61 & 64
67	b. Annual Interest Rate	11.00%	11.00%	11.00%	11.00%	11.00%		Ret. on Equity, U-10102, U-13808
68	c. Monthly Interest Rate	0.009167	0.009167	0.009167	0.009167	0.009167		
69	d. Monthly Interest	336,161	333,951	415,960	540,141	628,413	4,064,228	
70	e. U-13808 PSCR Refund, Interest						(434,792)	Exh A-17, 2nd Rev., line 52
71								
72	F. Cumulative Over (Under) Recovery	36,782,140	39,835,839	55,424,930	67,885,962	75,852,692	75,852,692	

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-14474

County of Ingham)

Patricia A. Fronta being duly sworn, deposes and says that on September 26th 2006, A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

Patricia
A. Fronta

Digitally signed by Patricia
A. Fronta
DN: CN = Patricia A.
Fronta, C = US, O = Case
Management, OU = MPSC
Date: 2006.09.29 08:34:33
-04'00'

Patricia Fronta

Subscribed and sworn to before me
this 26th day of September 2006

Sharron A.
Allen

Digitally signed by Sharron A. Allen
DN: cn=Sharron A. Allen, c=US,
o=MPSC, ou=Case Management,
email=saallen@michigan.gov
Date: 2006.09.28 14:08:53 -04'00'

Sharron A. Allen
Notary Public, Ingham County, MI
My Commission Expires August 16, 2011

SERVICE LIST FOR DOCKET # U 14474 - CASE #
DATE OF PREPARATION: 08/16/2005

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STATE OF MICHIGAN
IN THE COURT OF APPEALS

FILED

OCT 27 2006

THE DETROIT EDISON COMPANY,

Appellant,

v

MICHIGAN PUBLIC SERVICE COMMISSION,

Appellee.

MICHIGAN PUBLIC
SERVICE COMMISSION

Court of Appeals
No. _____

MPSC Case Nos.
U-13808-R and U-14474

THE DETROIT EDISON COMPANY

Bruce R. Maters (P28080)
Jon P. Christinidis (P47352)
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William K. Fahey (P27745)
Stephen J. Rhodes (P40112)
FOSTER, SWIFT, COLLINS & SMITH, P.C.
Attorneys for Appellant The Detroit Edison Company
313 South Washington Square
Lansing, MI 48933-2193
(517) 371-8100

NOTICE OF FILING OF CLAIM OF APPEAL

Dated: October 25, 2006

NOTICE OF FILING OF CLAIM OF APPEAL

TO: All Persons Listed on the Attached Service List

PLEASE TAKE NOTICE that the attached Claim of Appeal has been filed in the Michigan Court of Appeals and the applicable filing fee paid on this date.

Respectfully submitted,

THE DETROIT EDISON COMPANY
Bruce R. Maters (P28080)
Jon P. Christinidis (P47352)
2000 Second Avenue, #688 WCB
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(313) 235-7706

FOSTER, SWIFT, COLLINS & SMITH, P.C.
Attorneys for Appellant The Detroit Edison Company

Dated: October 25, 2006

By:



William K. Fahey (P27745)
Stephen J. Rhodes (P40112)
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STATE OF MICHIGAN
IN THE COURT OF APPEALS

FILED

OCT 27 2006

THE DETROIT EDISON COMPANY,

Appellant,

v

MICHIGAN PUBLIC SERVICE COMMISSION,

Appellee.

MICHIGAN PUBLIC
SERVICE COMMISSION

Court of Appeals

No. _____

MPSC Case Nos.

U-13808-R and U-14474

THE DETROIT EDISON COMPANY

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STATEMENT OF ATTORNEY CONCERNING TRANSCRIPT

Dated: October 25, 2006

There is no record to be transcribed in this case. The proceedings of the Michigan Public Service Commission in Case Nos. U-13808-R and U-14474 were previously recorded, transcribed and delivered to the Michigan Public Service Commission.

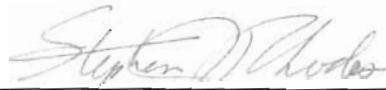
Respectfully submitted,

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Dated: October 25, 2006

By:



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Summary: PAPERLESS - In the matter of the application of The Detroit Edison Company for reconciliation of its power supply cost recovery plan for the 12-month period ending December 31, 2004.

Industry: Electric

Company(s): The Detroit Edison Company

Open Date: 3/31/2005

Order Dates: 4/28/2005

Click on the Document # to view the PDF file. A document # ending with an N, is not available in electronic form. Contact the MPSC for a paper copy.

Document No.	File Date	Filed by	On Behalf of	Type	Description
0106	9/26/2006			Press Release	
0105	9/26/2006			Order	Authorizes reconciliation
0104	7/7/2006	Christinidis	The Detroit Edison Company	Response	Lack of Relevance of A.G.I's Request to Take Official Notice of PFD in Case No. U-14526
0103	6/14/2006	Moody	Attorney General of Michigan	Response	Request to Take Official Notice of PFD Issued in Case U-14526
0102	5/12/2006	Bowers	MPSC Staff	Memorandum	Transmittal to RAD for draft order
0101	5/8/2006	Shaltz	The Residential Ratepayer Consortium	Reply to Exceptions	Reply to Exceptions and Proof of Service
0100	5/8/2006	Christinidis	The Detroit Edison Company	Reply to Exceptions	Reply to Exceptions, with POS
0099	5/8/2006	Barone	MPSC Staff	Reply to Exceptions	
0098	5/8/2006	Strong	ABATE	Reply to Exceptions	Reply to Exceptions with Proof of Service
0097	5/8/2006	Schneidewind	Energy Michigan, Inc.	Reply to Exceptions	
0096	4/24/2006	Christinidis	The Detroit	Exceptions	Exceptions to PFD, with

			Edison Company		POS
0095	4/24/2006	Schneidewind	Energy Michigan, Inc.	Exceptions	
0094	4/24/2006	Moody	Attorney General of Michigan	Exceptions	Exceptions to PFD, with POS
0093	4/24/2006	Barone	MPSC Staff	Exceptions	Exceptions to the PFD, with POS
0092	4/11/2006	Nickerson, Jr.	ALJs	PFD	Notice of PFD, with Proof of Service
0091	12/22/2005	Christinidis	The Detroit Edison Company	Reply Brief	Reply Brief with Attachments and Proof of Service
0090	12/22/2005	Shaltz	The Residential Ratepayer Consortium	Reply Brief	Reply Brief and Proof of Service
0089	12/22/2005	Dempsey	Constellation NewEnergy, Inc.	Reply Brief	Reply Brief with Proof of Service
0088	12/22/2005	Strong	ABATE	Reply Brief	Reply Brief with Proof of Service
0087	12/22/2005	Moody	Attorney General of Michigan	Reply Brief	
0086	12/22/2005	Barone	MPSC Staff	Reply Brief	
0085	12/22/2005	Schneidewind	Energy Michigan, Inc.	Reply Brief	
0084	12/15/2005	Schneidewind	Energy Michigan, Inc.	Errata	Initial Brief
0083	12/8/2005	Shaltz	The Residential Ratepayer Consortium	Brief	Initial Brief and Proof of Service
0082	12/8/2005	Christinidis	The Detroit Edison Company	Brief	Initial Brief with POS
0081	12/8/2005	Keskey	MEC and PIRGIM	Brief	Initial Brief with POS
0080	12/8/2005	Dempsey	Constellation NewEnergy, Inc.	Brief	Initial Brief with POS
0079	12/8/2005	Barone	MPSC Staff	Brief	Initial brief with POS
0078	12/8/2005	Moody	Attorney General of Michigan	Brief	Initial brief with POS
0077	12/8/2005	Schneidewind	Energy Michigan, Inc.	Brief	Initial Brief
0076	11/10/2005	Schneidewind	Energy Michigan, Inc.	Exhibits	Official Exhibits EM-1 through EM-11 admitted at hearing held 11-7-05
0075	11/10/2005	Barone	MPSC Staff	Exhibits	Exhibits S-1 through S-6 admitted 11-7-05
0074	11/9/2005	Christinidis	The Detroit Edison Company	Exhibits	Exhibits A-1 through A-39 admitted at the hearing held 11-7-05
0073	11/9/2005	Moody	Attorney General of Michigan	Letter	Exhibits AG-1 and AG-2 are identical to the pre-filed
0072	11/7/2005	Keskey	MEC and PIRGIM	Exhibits	Exhibit MEC-1 admitted at the hearing held 11-7-05

0071	11/9/2005	Schroeder	Metro Court Reporters	Transcript	Vol. 2, 11-07-2005 Cross Exam
0070	11/7/2005	Nickerson, Jr.	Administrative Law Judges	Scheduling Memo	
0069	11/7/2005	Shaltz	The Residential Ratepayer Consortium	Letter	Official Exhibits RRC-1 through RRC-10 are identical to the pre-filed
0068	11/4/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to MEC & PIGRIM's 1st Discovery Request
0067	11/1/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to RRC's 5th Discovery Request
0066	11/1/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to Energy Michigan's 7th Discovery Request
0065	10/28/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to Energy Michigan's 6th Discovery Request
0064	10/18/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	7th Discovery Request to Detroit Edison
0063	10/14/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	6th Discovery Request to Detroit Edison
0062	10/7/2005	Christinidis	The Detroit Edison Company	Testimony & Exhibits	Rebuttal of Heiser, Harvill and Sadagopan
0061	10/7/2005	Schneidewind	Energy Michigan, Inc.	Testimony & Exhibits	Rebuttal of Richard Polich
0060	10/5/2005	Shaltz	The Residential Ratepayer Consortium	Testimony & Exhibits	(Revised) Bruce W. Walter, with Proof of Service
0059	10/5/2005	Shaltz	The Residential Ratepayer Consortium	Proof of Service	Responses to the Detroit Edison Company's First Discovery Request
0058	10/3/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to Energy Michigan's 5th Discovery Request
0057	9/23/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	Response to Edison's First Discovery Request
0056	9/22/2005	Barone	MPSC Staff	Proof of Service	Answers to Detroit Edison's First Discovery Request
0055	9/19/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	Fifth Discovery Request to Detroit Edison
0054	9/14/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to EM's 3rd and 4th Discovery Requests
0053	9/13/2005	Christinidis	The Detroit Edison Company	Proof of Service	1st Discovery Request to Staff
0052	9/13/2005	Christinidis	The Detroit Edison Company	Proof of Service	1st Discovery Request to RRC
0051	9/13/2005	Christinidis	The Detroit Edison Company	Proof of Service	1st Discovery Request to E.M.
0050	9/13/2005	Christinidis	The Detroit Edison Company	Proof of Service	1st Discovery Request to A.G.
0049	9/9/2005	Ancona	Regulated Energy	Testimony &	William Aldrich, Ronald

				Exhibits	Ancona, and Alan Droz
0048	9/9/2005	Moody	Attorney General of Michigan	Testimony & Exhibits	Charles W. King
0047	9/9/2005	Schneidewind	Energy Michigan, Inc.	Testimony & Exhibits	Qualifications and Direct Testimony of Richard A. Polich
0046	9/8/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to RRC's 4th Discovery Request
0045	9/7/2005	Shaltz	The Residential Ratepayer Consortium	Testimony & Exhibits	Direct Testimony & Exhibits of Bruce W. Walter with Proof of Service
0044	9/6/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to RRC's 3rd Discovery Request
0043	9/6/2005	Christinidis	The Detroit Edison Company	Testimony & Exhibits	2nd Revised Testimony and Exhibits of Byron and O'Neill, and Revised Testimony of DiGaetano
0042	8/25/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to RRC's 2nd Discovery Request
0041	8/24/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to RRC's First Discovery Request
0040	8/22/2005	Shaltz	The Residential Ratepayer Consortium	Proof of Service	Third Discovery Request to Detroit Edison
0039	8/16/2005			Order	Denies DTE's ex parte motion for entry of a temporary order
0038	8/11/2005	Shaltz	The Residential Ratepayer Consortium	Proof of Service	Second Discovery Request to the Detroit Edison Company
0037	8/10/2005	Shaltz	The Residential Ratepayer Consortium	Proof of Service	First Discovery Request to Detroit Edison
0036	7/13/2005	Christinidis	The Detroit Edison Company	Reply Brief	EM's Unlawful Motion for Partial Summary Disposition
0035	6/14/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to Staff's 1st Discovery Request
0034	6/13/2005	Schneidewind	Energy Michigan, Inc.	Request	Partial Summary Disposition of Detroit Edison Ex Parte Motion
0033	6/2/2005	Schroeder	Metro Court Reporters	Transcript	Vol. 1, 5-17-05 Prehearing
0032	6/2/2005	Christinidis	The Detroit Edison Company	Proof of Service	Partial Response to AG's 1st Discovery Request
0031	6/2/2005	Christinidis	The Detroit Edison Company	Testimony & Exhibits	Revised of J.H. Byron and K.L. O'Neill, Revised Exhibits of E.L. Falletich and R.S. Sadagopan, Revised Workpaper of K.L. O'Neill
0030	6/1/2005	Christinidis	The Detroit Edison Company	Proof of Service	Partial Response to AG's 1st Discovery Request

0029	6/1/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to EM's 2nd Discovery Request
0028	5/31/2005	Barone	MPSC Staff	Proof of Service	1st Discovery Request to Detroit Edison
0027	5/27/2005	Christinidis	The Detroit Edison Company	Response	Opposition to Energy Michigan's Motion Seeking Temporary Order
0026	5/18/2005	Schneidewind	Energy Michigan, Inc.	Request	Hearing 6-2-05 at 9:00 a.m. on Ex Parte Motion for Entry of A Temporary Order
0025	5/17/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	Second Discovery Request to Detroit Edison
0024	5/17/2005	Nickerson, Jr.	Administrative Law Judges	Scheduling Memo	CONSOLIDATED WITH U-14474. ALL FUTURE SUBMISSIONS FOR U-14474 WILL BE FILED IN THIS CASE NO. ONLY.
0023	5/17/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to Energy Michigan's First Discovery Request
0022	5/17/2005	Christinidis	The Detroit Edison Company	Proof of Service	Response to ABATE's First Discovery Request
0021	5/17/2005	Christinidis	The Detroit Edison Company	Affidavit	Publication of Notice of Hearing in newspapers
0020	5/17/2005	Christinidis	The Detroit Edison Company	Proof of Service	Mailing of Notice of Hearing
0019	5/16/2005	Moody	Attorney General of Michigan	Appearance	Entry of Appearance
0018	5/16/2005	Christinidis	The Detroit Edison Company	Appearance	Entry of Appearance
0017	5/13/2005	Frye	Constellation NewEnergy, Inc.	Appearance	Entry of Appearance
0016	5/13/2005	Dempsey	Constellation NewEnergy, Inc.	Appearance	Entry of Appearance
0015	5/12/2005	Dempsey	Constellation NewEnergy, Inc.	Petition	Leave to Intervene, with proof of service
0014	5/10/2005	Keskey	MEC and PIRGIM	Appearance	Entry of Appearance
0013	5/10/2005	Keskey	MEC and PIRGIM	Petition	Leave to Intervene, with POS
0012	5/9/2005	Shaltz	The Residential Ratepayer Consortium	Appearance	Entry of Appearance
0011	5/9/2005	Shaltz	The Residential Ratepayer Consortium	Petition	Leave to Intervene and Proof of Service
0010	5/6/2005	Erickson	Attorney General of Michigan	Appearance	Entry of Appearance
0009	4/27/2005	Erickson	Attorney General of Michigan	Notice	Intervention, with POS
0008	4/22/2005	Jones	MPSC Staff	Notice of Hearing	Prehearing at 9:00 a.m. on May 17, 2005

0007	4/21/2005	Strong	ABATE	Petition	Leave to Intervene, with Proof of Service
0006	4/21/2005	Strong	ABATE	Appearance	Entry of Appearance
0005	4/21/2005	Schneidewind	Energy Michigan, Inc.	Appearance	Entry of Appearance
0004	4/21/2005	Schneidewind	Energy Michigan, Inc.	Petition	Leave to Intervene, with POS
0003	4/11/2005	Hughey	MPSC Staff	Appearance	Entry of Appearance, with POS
0002	3/31/2005	Christinidis	Detroit Edison Co.	Testimony & Exhibits	JH Byron, JC Dau, SM DiGaetano, TS Harvill, DH Hicks, KL O'Neill, ML Heiser, RS Sadagopan and EL Falletich
0001	3/31/2005	Christinidis	Detroit Edison Co.	Application	2004 PSCR Reconciliation, Motion for Temporary Order, Affidavit, Notice of Hearing and Proof of Service

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E-Docket**Case: 14474****Home****Help****My Account****Summary:** THIS IS A PAPERLESS CASE AS OF 5/17/05.

In the matter of the application of The Detroit Edison Company to implement Commission's final order in Case No. U-13808 concerning Inter Alia, 2004 Ne Stranded Costs and the provisions of Section 10a(16) and (17). THIS CASE CONSOLIDATED WITH U-13808-R. ALL FUTURE FILINGS WILL BE SUBMITTED ONLY IN U-13808-R AS OF 5/17/05.

- Quick Links -

**Industry:** Electric**Company(s):** The Detroit Edison Company**U-Number Search:****U-****Open Date:** 3/31/2005**Order Dates:** 8/16/2005

Click on the Document # to view the PDF file. A document # ending with an N, is not available in electronic form. Contact the MPSC for a paper copy.

Document No.	File Date	Filed by	On Behalf of	Type	Description
0023	9/26/2006			Press Release	
0022	9/26/2006			Order	Authorizes reconciliation
0021 N	5/17/2005			Other	THIS CASE CONSOLIDATED WITH U-13808-R. ALL FUTURE FILINGS WILL BE SUBMITTED ONLY IN U-13808-R AND WILL BE PAPERLESS FILINGS.
0020	5/16/2005	Christinidis	The Detroit Edison Company	Appearance	Entry of Appearance
0019	5/13/2005	Frye	Constellation NewEnergy, Inc.	Appearance	Entry of Appearance
0018	5/13/2005	Dempsey	Constellation NewEnergy, Inc.	Appearance	Entry of Appearance
0017	5/12/2005	Calabrese	ABATE	Appearance	Entry of Appearance
0016	5/12/2005	Keskey	MEC and PIRGIM	Appearance	Entry of Appearance
0015	5/10/2005	Keskey	MEC and PIRGIM	Petition	Leave to Intervene, with POS
0014	5/6/2005	Erickson	Attorney General of Michigan	Appearance	Entry of Appearance
0013	5/3/2005	Moody	Attorney General of Michigan	Appearance	Entry of Appearance

0012	4/25/2005	Barone	MPSC Staff	Appearance	Entry of Appearance, with POS
0011	4/22/2005	Jones	MPSC Staff	Notice of Hearing	Prehearing at 9:00 a.m. on May 17, 2005
0010	4/14/2005	Strong	ABATE	Proof of Service	First Discovery Request to The Detroit Edison Company
0009	4/12/2005	Dempsey	Constellation NewEnergy, Inc.	Petition	Leave to Intervene, with POS
0008	4/11/2005	Prawdzik	Administrative Law Judges	Scheduling Memo	
0007	4/6/2005	Strong	ABATE	Petition	Intervene, with POS
0006	4/6/2005	Strong	ABATE	Appearance	Entry of Appearance
0005	4/6/2005	Schneidewind	Energy Michigan, Inc.	Proof of Service	First Discovery Request to Detroit Edison
0004	4/6/2005	Schneidewind	Energy Michigan, Inc.	Petition	Intervene and Request for Hearing
0003	4/1/2005	Erickson	Attorney General of Michigan	Intervention	Request for Hearing & Intervention, with POS
0002	3/31/2005	Christinidis	Detroit Edison Co.	Testimony & Exhibits	JH Byron, JC Dau, SM DiGaetano, TS Harvill, DH Hicks, KL O'Neill, ML Heiser, RS Sadagopan and EL Falletich
0001	3/31/2005	Christinidis	Detroit Edison Co.	Application	2004 PSCR Reconciliation, Motion for Temporary Order, Affidavit, Notice and POS

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STATE OF MICHIGAN
IN THE COURT OF APPEALS

THE DETROIT EDISON COMPANY,

Appellant,

v

MICHIGAN PUBLIC SERVICE COMMISSION,

Appellee.

Court of Appeals
No. _____

MPSC Case Nos.
U-13808-R and U-14474

THE DETROIT EDISON COMPANY

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Attorneys for Appellant The Detroit Edison Company

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Lansing, MI 48933-2193

(517) 371-8100

CERTIFICATE OF SERVICE

Dated: October 25, 2006

CERTIFICATE OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Stephen J. Rhodes states that on October 25, 2006, a copy of Appellant The Detroit Edison Company's:

- (a) Jurisdictional Checklist;
- (b) Claim of Appeal, with attached Exhibit A - September 26, 2006 Order;
- (c) Notice of Filing Claim of Appeal;
- (d) Statement of Attorney Concerning Transcript;
- (e) Docket Entries; and
- (f) Certificate of Service.

was served upon those persons identified on the attached service list, by enclosing the same in sealed envelopes, with first-class postage prepaid, addressed to their respective business addresses, and depositing the same in the United States mail at Lansing, Michigan.



Stephen J. Rhodes

**SERVICE LIST
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MPSC CASE NOS. U-13808-R and U-14474**

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