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## **MPSC authorizes DTE Electric Company to increase its electric rates, approves settlement agreement increasing Michigan Gas Utilities rates**

LANSING, Mich. – The Michigan Public Service Commission today authorized DTE Electric Company to increase its electric rates by \$238.2 million annually, a figure 36 percent below what the utility initially requested.

“Customers will benefit from improvements in the reliability and safety of DTE Electric Company’s electric distribution system and the acquisition of two natural gas-fired plants to generate electricity,” MPSC Chairman John D. Quackenbush said. “The rates approved today are 36 percent below what the utility requested, and will result in a more reliable system, a cleaner environment, and rates that reflect the ongoing effort toward affordability.”

DTE Electric Company sought a rate increase of \$370 million.

As a result of today’s order (Case No. U-17767), residential customers using 500 kilowatt-hours of electricity a month will see an increase of \$8.22 on their monthly bills over rates set in the last rate case, which was in October 2011.

The new rates are effective Dec. 17.

Commercial customers will see a rate increase of 3.4 percent, and industrial customers will see a rate decrease of 2.4 percent.

The total amount approved today represents an increase of 5.3 percent over the rates set in its previous electric rate case (Case No. U-16472).

A fact sheet with details is below.

Additional MPSC actions today include:

- Case No. U-17773: The MPSC approved a settlement agreement authorizing Indiana Michigan Power Company to implement its 2016-17 energy optimization plan. Under the terms of the settlement, residential customers using 500 kilowatt-hours of electricity a month will see an increase of 5 cents on their monthly bills, beginning with the January 2016 billing month.

- Case No. U-17790: The MPSC approved a settlement agreement authorizing SEMCO Energy Gas Company to implement its 2016-17 energy optimization plan. Residential customers using 100 ccf of natural gas a month will see an increase of 16 cents on their monthly bills, effective Jan. 1, 2016.
- Case No. U-17793: The MPSC approved a request by DTE Electric Company to amend a turbine supply agreement and an engineering, procurement and construction contract for the Pinnebog Wind Park, a 50 megawatt wind farm in Huron County, and an EPC contract for solar projects totaling 50 MW in its service territory.
- Case Nos. U-17794/U-17805: The MPSC approved a settlement agreement authorizing Indiana Michigan Power Company to reconcile its 2014 renewable energy plan surcharge revenues and to amend its REP and revise surcharges. Residential customers will see an increase of 43 cents on their monthly bills, effective with the January 2016 billing cycle.
- Case No. U-17880: The MPSC approved a settlement agreement authorizing Michigan Gas Utilities Corporation to increase its base rates by \$3,400,000 annually. Residential customers using 100 ccf of natural gas will see an increase of \$1.72 on their monthly bills, effective Jan. 1, 2016.
- Case No. U-17848: The MPSC approved a settlement agreement authorizing Presque Isle Electric & Gas Co-op to revise its monthly regulatory cost charge. As a result, residential customers in the Village of Hillman and the Township of Allis will see a decrease of 80 cents on their monthly bills, effective with the January billing month.

**DTE Electric Company  
Case No. U-17767  
Commission Order Fact Sheet**

1. Revenue increase granted: \$238,172,000
2. Rate of return on common equity: 10.3 percent
3. Debt to equity ratio: 50 percent debt; 50 percent common equity
4. Overall rate of return: 5.7 percent
5. The utility will file within six months its first report on the project costs and the progress of implementation of the Customer 360 program, a new customer

service system, in this docket and will update that report every six months until the project is complete.

6. The MPSC staff will initiate a meeting within 90 days to discuss future analysis of the hazardous tree removal program.
7. The MPSC staff will initiate a workgroup within 90 days comprised of the company and other interested parties to address the appropriate method and inputs for designing rates for municipal and outdoor lighting.
8. Denied the utility's request to recover deferred costs associated with obtaining a license for a possible Fermi 3 nuclear power plant of \$101.9 million over a 20-year amortization period.
9. Denied rate recovery for the supplemental retirement plan (SRP) and executive supplemental retirement plan (ESRP).
10. Denied the utility's request to increase the monthly residential customer charge, keeping it at \$6. The customer charge is a fixed monthly charge that covers certain costs such as equipment and maintenance.
11. Approved \$49.9 million for DTE's vegetation management program (tree trimming) with an additional \$2 million for hazardous tree removal and the \$2.6 million inflation adjustment proposed by the administrative law judge; and \$11.25 million to fund an enhanced vegetation management pilot program. The utility will file its first report on the cost and reliability benefit of the enhanced vegetation management program compared to the benefit of its traditional vegetation management program, and will update report every six months thereafter in this docket until an order is issued in a subsequent rate case.
12. Approved \$49.5 million for uncollectibles.
13. Approved a reduction of \$4.8 million to the utility's nuclear surcharge.

Case Nos. U-17767; U-17773; U-17790; U-17793; U-17794/U-17805; U-17880; and U-17848

For more information about the MPSC, please visit [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).