

DTE Electric Company  
One Energy Plaza, 1635 WCB  
Detroit, MI 48226-1279



Jon P. Christinidis  
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November 10, 2021

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Lansing, MI 48917

Re: In the matter of the Application of **DTE ELECTRIC COMPANY** for approval of  
Rate Schedule D13 XL High Load Factor Rate  
MPSC Case No. U-21163

Dear Ms. Felice:

Attached for electronic filing in the above-captioned matter is DTE Electric Company's Application, Affidavit of Aaron Willis as Attachment A and the Tariff sheet as Attachment B seeking ex parte approval of the Rate Schedule D13 XL High Load Factor Rate. Also is attached is a Proof of Service.

Very truly yours,

Jon P. Christinidis

JPC/erb  
Attachments  
cc: Service List

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the application of )  
**DTE ELECTRIC COMPANY** for )  
approval of Rate Schedule D13 )  
XL High Load Factor Rate )  
 )  
 )  
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Case No. U-21163  
(Paperless e-file)

**APPLICATION**

DTE ELECTRIC COMPANY (“Applicant” “DTE Electric” or “Company”), a corporation organized and existing under and by virtue of the laws of the State of Michigan with its principal office at One Energy Plaza, Detroit, Michigan 48226, files in this Application for approval of Rate Schedule D13 XL High Load Factor Rate (described variously as “XL-HLF Rate” or the “tariff”) for the supply of retail electric service to qualifying customers pursuant to MCL 460.6 et. seq. and other law, and in support thereof, states:

1. Applicant is a Michigan corporation engaged in the supply of electric service to customers in southeastern Michigan and is subject to the jurisdiction of the Michigan Public Service Commission (“Commission”).

2. Applicant currently serves its jurisdictional retail electric customers under electric rates approved by the Commission in its Opinion and Order dated May 8, 2020 in Case No. U-20561. DTE Electric is one of the largest suppliers of electricity to the automotive industry, advanced manufacturing, large data centers, and various other industrial processes in North America.

3. These large industrial customers have experienced fierce competition from both domestic

and foreign sources as well as shifting energy needs.

4. The Company desires to respond to DTE Electric's automotive and other advanced manufacturing customers' need to become or stay competitive within their respective industries. DTE Electric also desires to help support, maintain, and expand these electric customers' presence in southeastern Michigan to help ensure that the Detroit Metropolitan area and southeastern Michigan remain the epicenter of the automobile industry, advanced manufacturing, and other high tech industrial activity.

5. Many of Applicant's large industrial customers, especially in the automotive industry, are in the process of a transformational shift toward electrification of their product lines and the resulting transformation of manufacturing processes. The shift toward electrification of automobiles brings with it the need for new advanced manufacturing facilities that are frequently large, efficient electric loads.

6. It is in this environment and under these circumstances that DTE Electric seeks to expeditiously address the changing circumstances of its automotive and other advanced manufacturing customers. Applicant is seeking to provide customers with competitively priced energy consistent with cost of service-based rates and by offering the D13 XL High Load Factor Rate. Establishment of Rate Schedule D13 XL High Load Factor Rate will also provide the Company the opportunity to optimize its load base and attract incremental contributions to DTE Electric's system fixed costs. The Rate Schedule D13 XL High Load Factor Rate will also enable the Company to increase its focus on the task of building business and creating jobs in southeastern Michigan.

7. Applicant's automotive and other advanced manufacturing customers provide products which are essential to sustaining a robust economy within Michigan and for promoting and

maintaining a high quality of life for the people of the State.

8. It is generally recognized that the ability to create and sustain industrial growth affects the future of the economic viability of an area. Industrial growth results in a positive economic impact which includes new jobs and increased personal income for the citizens of the surrounding geographic area and increased tax revenues for local and state governments. In addition, industrial growth requires other industries to service it, thus creating additional economic activity.

9. Industrial growth can be promoted by (a) favorable government policies, (b) location of a skilled work force, and (c) by the existence of competitive energy resources. The determination of the location of manufacturing facilities, as well as the shifting of production capability, may depend in some part on the implementation and continuation of innovative and flexible electric pricing.

10. Thus, Applicant has created the Rate Schedule D13 XL High Load Factor Rate. Service on this rate will be available at the discretion of the Company and will be offered only if the incremental revenue to DTE Electric is expected to be greater than the incremental variable cost to serve the new incremental load of very large and highly efficient industrial customers. Said otherwise, a customer taking service on this rate will create downward pressure on rates for all other customers. The proposed XL-HLF rate will not be considered its own power supply cost of service class or part of any other power supply cost of service class. Rather, in subsequent general rate cases filed after customer(s) begin taking services on this rate, any incremental power supply costs associated with service to customers on this rate will be allocated based on approved cost of service methodologies to existing power supply cost of service classes. Incremental power supply revenues from customers under this rate will be allocated to existing power supply cost of service classes based on power supply billed revenue. Incremental delivery, distribution, and

administrative costs will be allocated on approved cost of service methodologies for distribution cost of service classes. Incremental distribution, delivery, and administrative revenues from customers under this rate will be allocated to existing distribution cost of service classes based on distribution billed revenue. (See Affidavit of Aaron Willis p. 3)

11. The power supply rate is cost-based and will charge customers their appropriate cost of service; however the mechanism for defining the costs, and rates, is distinct from the historical approach. Unlike a traditional embedded cost of service, the power supply cost of service for this tariff is defined on a marginal cost to serve. Although embedded cost of service is most appropriate in general, XL-HLF rate customers will be unique and therefore a divergence in methodology is appropriate in this particular instance. Customers who are eligible to take service under this tariff are extremely large, highly efficient users with incremental load and therefore unique when compared to existing customers. The best analog for the aggregate of these customers is a new baseload generating asset, which on average has a generation profile similar to these large, high load factor customer usage profiles. Therefore, it is reasonable to base customer power supply rates for this marginal load on the cost of marginal baseload generation and transmission. As such, for the XL-HLF Rate, capacity costs will be set at the levelized fixed cost of capacity of a marginal, baseload, and low-cost generation asset. At the time of filing, the projected costs of the Company's Blue Water Energy Center (BWEC) provides the best proxy indication of the appropriate marginal Capacity costs, and therefore these projected costs are reflected in the proposed tariff. Non-capacity costs will be projected based on the same marginal proxy asset, and the Company will reconcile variable production costs such that customers are responsible for actual costs. A similar mechanism will be used for transmission costs; projected incremental transmission costs associated with the load being served under the XL-HLF Rate will be charged and then reconciled.

Lastly, distribution rates will be based on existing and approved rates for primary, subtransmission, and transmission voltage customers and will update with each general rate case. Thus, each element of the tariff is cost-based, and the entirety of the tariff is cost-based. (Affidavit of Aaron Willis p. 4)

12. Service under the XL-HLF Rate is limited to those new or existing customers adding 1) incremental load in the Company's service territory of 2) a large minimum size with 3) very high operational efficiency as defined by the load factor.

- a. Incremental. The contract capacity under this schedule must be incremental to the customer's existing ("baseline") capacity. For customers adding electrical load to existing sites, baseline capacity would remain eligible for service under any rate schedule or rider which DTE Electric offers and for which it qualifies. The required incremental capacity must be in service within four years (the "ramp up period") of initially taking service under this tariff.
- b. Contract capacity. The minimum contract capacity for this tariff is 50 megawatts of incremental load. The minimum capacity may be achieved across multiple customer sites as long as the aggregate of the capacity meets or exceeds 50 megawatts. The qualifying load at any individual site must be incremental.
- c. Load Factor. The minimum load factor required for service on this tariff is 75%, as measured on an annual basis. This represents a substantially more efficient customer than the average very large customer currently on the Company's system. Load factor will be reviewed over the 12 months following the agreed upon ramp up period (which will not exceed four years), and in each subsequent year over the required tariff term.

- d. Metering. Customers will be required to take service under the XL-HLF rate on a separately metered circuit(s). This requirement applies to each customers' site at which they are being served on this tariff.
- e. Term. Customers taking service under this tariff will be required to take sole supply service from DTE Electric under this tariff for a duration of no less than 15 years from the time of initially taking service under this tariff. If the customer does not achieve the requirements within four years of initially taking service under this tariff, they will no longer be eligible for the XL-HLF rate and will be transferred to another DTE Electric tariff for which the customer load qualifies. (Affidavit of Aaron Willis pp. 5-6)

13. The rate design and pricing as set forth in the XL-HLF Rate is consistent with the concepts outlined above and the provision of service to customers is cost-based and does not increase the cost of service or rates to DTE Electric customers. (Affidavit of Aaron Willis p. 6)

- a. Power Supply Capacity is set at the fixed, levelized cost of capacity of a marginal baseload generation asset. At this time the Company's BWEC provides the best proxy indication of that cost and is therefore reflected in the tariff. The power supply capacity rate would remain fixed for the duration of any customer contract. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$15.14 / MWh.
- b. Power Supply Non Capacity is set at the projected variable production cost of the same marginal baseload generation asset. In each general rate case, the power supply non-capacity charge will be updated based on updated cost forecasts, including changes in fuel costs. Each year, the Company will reconcile projections

to actuals to ensure no over or under recovery relative to actual incurred costs across customers on the tariff. The initial rate, reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, is \$23.79 / MWh.

- c. Transmission will be charged at the projected incremental transmission cost incurred by the Company associated with the load taking service on Rate Schedule No. D13 XL High Load Factor Rate. In each general rate case, the projected transmission charge will be updated. Each year, the Company will reconcile projections to actuals to ensure no over or under recovery relative to actual incurred costs across customers on the tariff. The initial rate, reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, is \$2.31 / MWh.
- d. Distribution rates will be charged consistent with existing voltage level distribution rates; however, they will be assessed volumetrically on this schedule based on an assumed 75% load factor, consistent with the minimum requirements to take service under Rate D13. Distribution rates will update concurrent with changes in the Company's distribution rates approved in DTE Electric general rates cases. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, based on presently approved distribution rates and a customer taking service on transmission voltage, is \$1.28 / MWh.
- e. Administration charges will recover expected incremental costs incurred by the Company related to project and contract management of the D13 rate. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$0.15 / MWh
- f. Surcharges are applied as approved by the Commission. Customers taking service



on this tariff are not subject to the Power Supply Cost Recovery (PSCR) factor, the Nuclear Surcharge, or the Transitional Reconciliation Mechanism.

- g. Delivery charges will be assessed consistent with approved voltage level charges and will update concurrent with changes in the Company's rates approved in DTE Electric general rates cases. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$375 per meter/month for transmission voltage customers. (Affidavit of Aaron Willis pp. 6-7)

14. Therefore, the rates, charges and requirements contained in Rate Schedule D13 XL High Load Factor Rate are reasonable and in the public interest. A full description of the pricing provisions and other terms are contained in the Affidavit of Aaron Willis and Rate Schedule D13 XL High Load Factor Rate which are included with this Application as Attachments A and B.

15. Applicant believes that all of its customers will benefit from the existence of the Rate Schedule D13 XL High Load Factor Rate because a) the price of electricity for all customers will continue to reflect the cost to serve; b) Applicant will have a new tool to attract new load and otherwise promote economic development within its service area; c) the Company's other customers will benefit because the creation of new industrial load served under the Rate Schedule D13 XL High Load Factor Rate will facilitate new contributions by these customers to meet the Company's system fixed costs; and d) the addition of these types of large customers will positively affect the business climate, availability of jobs and general quality of life in southeastern Michigan.

16. The Commission has the flexibility to approve the Rate Schedule D13 XL High Load Factor Rate. *Detroit Edison Co v Public Serv Comm*, 127 Mich App 499, 524 (1983); *In re Application of Indiana Michigan Power Company*, 329 Mich App 397, 415 (2019). The Company will serve Rate Schedule D13 XL High Load Factor Rate customers at rates above its total marginal cost to

produce energy and approval of Rate Schedule D13 XL High Load Factor Rate will not result in a change in the cost of service to other customers consistent with MCL 460.11. Thus, approval of Rate Schedule D13 XL High Load Factor Rate will not alter any existing electric rate paid by Applicant's customers and, therefore, may be authorized by the Commission without notice or hearing as provided by MCL 460.6a(3).<sup>1</sup>

17. Finally, it is important that Rate Schedule D13 XL High Load Factor Rate be approved expeditiously, but in no event later than December 31, 2021, in order to give DTE Electric the ability to attract the large industrial and data facilities that are at the heart of the transformation of the automotive and other key industries.

18. The Company's proposals set forth in this filing are intended to be a comprehensive, integrated proposal with each element of the proposal dependent upon and contingent upon the other elements. In the event that the Commission does not approve each and every element of the proposal set forth in this filing, the Company withdraws each element as well as the entire proposal and this application shall be null and void.

**WHEREFORE**, Applicant requests that the Commission expeditiously approve ex parte the attached Rate Schedule D13 XL High Load Factor Rate as requested and in its entirety.

DTE ELECTRIC COMPANY

By: \_\_\_\_\_  
Marco A. Bruzzano  
Senior Vice President  
Corporate Strategy & Regulatory Affairs

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<sup>1</sup> MCL 460.6(3) provides, in pertinent part : "...An alteration or amendment in rates or rate schedules applied for by a public utility that will not result in an increase in the cost of service to its customers may be authorized and approved without notice or hearing..."

By: \_\_\_\_\_  
Attorneys for DTE Electric Company  
Michael J. Solo, Jr. (P 57092)  
Jon P. Christinidis (P 47352)  
One Energy Plaza, 1635 WCB  
Detroit, MI 48226  
(313) 235-9512

Dated: November 10, 2021

# **Attachment A**

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the application of )  
**DTE ELECTRIC COMPANY** for )  
approval of Rate Schedule D13 )  
XL High Load Factor Rate )  
 )  
 )  
 )  
\_\_\_\_\_ )

Case No. U-21163  
(Paperless e-file)

**AFFIDAVIT OF AARON WILLIS**

STATE OF MICHIGAN )  
 )  
COUNTY OF WAYNE )

Aaron Willis, being first duly sworn, deposes and says:

1. My name is Aaron Willis. I am employed by DTE Energy Corporate Services, LLC, a subsidiary of DTE Energy Company as Manager, Regulatory Economics. I received a Bachelor of Arts in Political Science from the University of Michigan, a Master's in Environmental Management from the Yale School of Forestry and Environmental Studies, and a Master's in Business Administration from the University of Maryland.

2. In 2009 I was employed by the US Army Corps of Engineers, Institute for Water Resources as a Social Scientist. In 2015 I was employed by Booz Allen Hamilton in their commercial and Federal energy practice. I joined DTE in 2017 and have been employed in various strategy, finance, and regulatory roles during that time. In 2021 I was promoted to my current position of Manager, Regulatory Economics. My current responsibilities include the management

of regulatory activities related to DTE Electric's rate strategy, pricing, and load research.

3. DTE Electric (or "Company") is seeking the Commission's *ex parte* approval of the Company's XL High Load Factor rate ("XL-HLF rate" or the "tariff"), enclosed with this affidavit as proposed Rate Schedule No. D13. The Company seeks approval of Rate Schedule No. D13 as a means to offer very large and efficient incremental load a rate structure which is 1) consistent with the cost to provide service to the incremental load, and 2) beneficial to all other customers.

4. The XL-HLF rate is designed to serve large, efficient, and incremental load. Across the economic landscape, there are an increasing number of sectors and businesses with operations of substantial size and which operate at high efficiencies. Examples of these industries include large data centers, advanced manufacturing (e.g. electronics, automotive electrification), and various other industrial processes.

5. Service on this tariff will be available at the discretion of the Company and will be offered only if the incremental revenue to DTE Electric is expected to be greater than the incremental variable cost to serve the new incremental load of very large and highly efficient industrial customers. Said otherwise, a customer taking service on this tariff will create downward pressure on rates for all other customers. The proposed XL-HLF rate will not be considered its own power supply cost of service class or part of any other power supply cost of service class. Rather, in subsequent general rate cases filed after customer(s) begin taking services on this tariff, any incremental power supply costs associated with service to customers on this tariff will be allocated based on approved cost of service methodologies to existing power supply cost of service classes. Incremental power supply revenues from customers under this tariff will be allocated to existing power supply cost of service classes based on power supply billed revenue. Incremental

delivery, distribution, and administrative costs will be allocated on approved cost of service methodologies for distribution cost of service classes. Incremental distribution, delivery, and administrative revenues from customers under this tariff will be allocated to existing distribution cost of service classes based on distribution billed revenue. For example, consider a \$100 revenue requirement allocated to three classes: Class A receives \$50, Class B receives \$30, and Class C receives \$20. An illustrative new customer taking service under this rate drives additional costs of \$10, which are allocated as: Class A receives \$6, Class B receives \$2, and Class C receives \$2. The new large, highly efficient industrial customer also generates \$15 in incremental revenue, which is allocated to customers on a similar basis as the costs. Class A receives \$9, Class B receives \$3, and Class C receives \$3. Thus, the new overall revenue requirements are lower for the classes as the incremental revenues exceed the costs to serve the new large, highly efficient customer.

	Existing revenue requirement	New allocated costs	New allocated revenues	New revenue requirement
Class A	\$50	\$6	\$9	\$47
Class B	\$30	\$2	\$3	\$29
Class C	\$20	\$2	\$3	\$29
<b>Total</b>	<b>\$100</b>	<b>\$10</b>	<b>\$15</b>	<b>\$95</b>

This ensures that existing customers are not adversely impacted by service provided on this tariff.

6. The power supply rate is cost-based and will charge customers their appropriate cost of service; however the mechanism for defining the costs, and rates, is distinct from the historical approach. Unlike a traditional embedded cost of service, the power supply cost of service for this tariff is defined on a marginal cost to serve. Although embedded cost of service is most appropriate in general, XL-HLF rate customers will be unique and therefore a divergence in methodology is appropriate in this particular instance. Customers who are eligible to take service

under this tariff are extremely large, highly efficient users with incremental load and therefore unique compared to existing customers. The best analog for the aggregate of these customers is a new baseload generating asset, which on average has a generation profile similar to these large, high load factor customer usage profiles. Therefore, it is reasonable to base customer power supply rates for this marginal load on the cost of marginal baseload generation and transmission. As such, for the XL-HLF rate, capacity costs will be set at the levelized fixed cost of capacity of a marginal, baseload, and low-cost generation asset. At the time of filing, the projected costs of the Company's Blue Water Energy Center (BWEC) provides the best proxy indication of the appropriate marginal Capacity costs, and therefore these projected costs are reflected in the proposed tariff. Non-capacity costs will be projected based on the same marginal proxy asset, and the Company will reconcile variable production costs such that customers are responsible for actual costs. A similar mechanism will be used for transmission costs; projected incremental transmission costs associated with the load being served under the XL-HLF rate will be charged and then reconciled. Lastly, distribution rates will be based on existing and approved rates for primary, subtransmission, and transmission voltage customers and will update with each general rate case. Thus, each element of the tariff is cost-based, and the entirety of the tariff is cost-based.

7. Eligibility for service under the XL-HLF rate is limited to those new or existing customers adding 1) incremental load in the Company's service territory of 2) a large minimum size with 3) very high operational efficiency as defined by the load factor.

- a. *Incremental.* The contract capacity under this schedule must be incremental to the customer's existing ("baseline") capacity. For customers adding electrical load to existing sites, baseline capacity would remain eligible for service under any rate schedule or rider which DTE Electric offers and for which it qualifies. The required



incremental capacity must be in service within four years (the “ramp up period”) of initially taking service under this tariff.

- b. *Contract capacity.* The minimum contract capacity for this rate is 50 megawatts of incremental load. The minimum capacity may be achieved across multiple customer sites as long as the aggregate of the capacity meets or exceeds 50 megawatts. The qualifying load at any individual site must be incremental.
- c. *Load Factor.* The minimum load factor required for service on this rate is 75%, as measured on an annual basis. This represents a substantially more efficient customer than the average very large customer currently on the Company’s system. Load factor will be reviewed over the 12 months following the agreed upon ramp up period (which will not exceed four years), and in each subsequent year over the required tariff term.
- d. *Metering.* Customers will be required to take service under the XL-HLF rate on a separately metered circuit(s). This requirement applies to each customers’ site at which they are being served on this tariff.
- e. *Term.* Customers taking service under this tariff will be required to take sole supply service from DTE Electric under this tariff for a duration of no less than 15 years from the time of initially taking service under this tariff. If the customer does not achieve the requirements within four years of initially taking service under this tariff, they will no longer be eligible for the XL-HLF rate and will be transferred to another DTE Electric tariff for which the customer load qualifies.

8. The rate design and pricing set forth in the XL-HLF rate is consistent with the concepts outlined above and the provision of service to customers is cost-based and does not increase the cost of service or rates to DTE Electric customers.

- a. *Power Supply Capacity* is set at the fixed, levelized cost of capacity of a marginal baseload generation asset. At this time the Company's BWEC provides the best proxy indication of that cost and is therefore reflected in the tariff. The power supply capacity rate would remain fixed for the duration of any customer contract. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$15.14 / MWh.
- b. *Power Supply Non-Capacity* is set at the projected variable production cost of the same marginal baseload generation asset. In each general rate case, the power supply non-capacity charge will be updated based on updated cost forecasts, including changes in fuel costs. Each year, the Company will reconcile projections to actuals to ensure no over or under recovery relative to actual incurred costs across customers on the tariff. The initial rate, reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, is \$23.79 / MWh.
- c. *Transmission* will be charged at the projected incremental transmission cost incurred by the Company associated with the load taking service on Rate Schedule No. D13 XL High Load Factor Rate. In each general rate case, the projected transmission charge will be updated. Each year, the Company will reconcile projections to actuals to ensure no over or under recovery relative to actual incurred costs across customers on the tariff. The initial rate, reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, is \$2.31 / MWh.

- d. *Distribution* rates will be charged consistent with existing voltage level distribution rates; however, they will be assessed volumetrically on this schedule based on an assumed 75% load factor, consistent with the minimum requirements to take service under Rate D13. Distribution rates will update concurrent with changes in the Company's distribution rates approved in DTE Electric general rates cases. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate, based on presently approved distribution rates and a customer taking service on transmission voltage, is \$1.28 / MWh.
  - e. *Administration* charges will recover expected incremental costs incurred by the Company related to project and contract management of the D13 rate. The initial rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$0.15 / MWh
  - f. *Surcharges* are applied as approved by the Commission. Customers taking service on this rate are not subject to the Power Supply Cost Recovery (PSCR) factor, the Nuclear Surcharge, or the Transitional Reconciliation Mechanism.
  - g. *Delivery* charges will be assessed consistent with approved voltage level charges and will update concurrent with changes in the Company's rates approved in DTE Electric general rates cases. The rate reflected in the accompanying tariff Rate Schedule No. D13 XL High Load Factor Rate is \$375 per meter/month for transmission voltage customers.
9. The Company respectfully requests a Commission Order approving the Company's request in this case before December 31, 2021.

Further, Affiant sayeth not.

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Aaron Willis  
Manager - Regulatory Economics

Subscribed and sworn to before  
me this 10<sup>th</sup> day of 2021.

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Estella R. Branson, Notary Public  
Oakland County, Michigan  
My Commission Expires: 10-26-2023  
Acting in Wayne County

# **Attachment B**

**RATE SCHEDULE NO. D13**

**XL HIGH LOAD FACTOR RATE**

**AVAILABILITY OF SERVICE:** Available to customers desiring service at primary, sub-transmission, or transmission voltage who contract for a specified capacity of not less than 50,000 kilowatts, which may be located at one or more sites within the Company’s electric service territory. The customer’s load must reflect the following characteristics:

- 1) The contract capacity under this schedule must be new and incremental. Existing (“baseline”) usage will remain eligible for service under any other rate schedule or rider for which it qualifies. The required incremental contracted capacity must be in service within four years of initially taking service under this rate.
- 2) Service taken by the customer must be at a load factor of no less than 75% for the capacity contracted under this rate. The required incremental load factor must be demonstrated in the twelve months following achievement of the contracted capacity described in (1) and maintained for the duration of service on this rate.
- 3) Any customer site taking service under this rate shall require separately metered circuits for such service.
- 4) Any customer failing to meet the incremental contract capacity and load factor requirement will be removed from this rate and placed on an eligible rate of the customer’s choosing.
- 5) The rate is available at the discretion of the Company.

**HOURS OF SERVICE:** 24 hours, subject to interruption by agreement, or by advance notice.

**CURRENT, PHASE AND VOLTAGE:** Alternating current, three-phase, nominally at 4,800, 13,200, 24,000, 41,570 or 120,000 volts at the option of the Company.

**CONTRACT CAPACITY:** Customers shall contract for a specified capacity in megawatts sufficient to meet normal maximum requirements but not less than 50,000 kilowatts. The customer may not exceed the contract capacity by more than 5%. Demand in excess of 105% of contract capacity will be placed on Rate Schedule No. D11, or any other eligible rate at the election of the customer. At the Company’s discretion, it may offer to increase contract capacity on this rate without effect on the term of the contract. The contract capacity for customers served at more than one voltage level at one site shall be the sum of the contract capacities established for each voltage level.

The contract capacity, however established, shall not be decreased during the term of the contract except by mutual consent, and in no event may a decrease in contract capacity result in less than the minimum required capacity or load factor.

**RATES:**

**Power Supply Charges** for all service voltages

Capacity	\$15.14 / MWh
Non-Capacity	\$23.79 / MWh
Transmission	\$2.31 / MWh

**Delivery Charge**

Primary Service Charge	\$70 per meter/month
Subtransmission and Transmission Service Charge	\$375 per meter/month

(Continued on Sheet No. D-48.09)

Issued XXXX  
M. A. Bruzzano  
Senior Vice President  
Corporate Strategy & Regulatory Affairs  
  
Detroit, Michigan

Effective for service rendered on  
and after XXXX  
  
Issued under authority of the  
Michigan Public Service Commission  
dated XXXX  
in Case No. U-21163

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(Continued from Sheet No. D-48.08)

**RATE SCHEDULE NO. D13 (contd.)**

**XL HIGH LOAD FACTOR RATE**

**RATES (contd.):**

**Distribution Charges**

For primary service (less than 24 kV)	\$7.70 / MWh
For service at sub-transmission voltage (24 to 41.6 kV)	\$3.01 / MWh
For service at transmission voltage (120 kV and above)	\$1.28 / MWh

**Substation Credit:** Available to customers where service at sub-transmission voltage level (24 to 41.6 kV) or higher is required, who provide the on-site substation including all necessary transforming, controlling and protective equipment. A credit of \$0.55 per MWh shall be applied to the contracted load on this rate. A credit of \$0.40 per MWh shall be applied to the energy charge where the service is metered on the primary side of the transformer.

**Administration Charge**

Administration	\$0.15 / MWh
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**Surcharges and Credits:** Customers are subject to surcharges as approved by the Commission. Customers taking service on this rate are not subject to the Power Supply Cost Recovery (PSCR) factor, the Nuclear Surcharge, or the Transitional Reconciliation Mechanism. Customers taking service on this rate will be subject to an adjustment to reconcile projected and actual power supply non-capacity and transmission costs.

**Other:** The power supply capacity charge shall remain fixed for the term of the contract

**BASELINE USAGE:** Baseline usage is the Customer's existing contracted capacity at the time of taking service on D13. The Company reserves the right to define baseline usage based on exceptional circumstances as appropriate. Baseline usage may be served on any eligible rate schedule or rider, and it may in the future take service under any eligible rate or rider. No capacity or energy defined as baseline is eligible for service under this rate schedule and no capacity or energy may be moved from a baseline usage circuit to a circuit served under this rate.

**DEFINITION OF LOAD FACTOR:** For the purposes of this rate schedule Load Factor is defined on an annual basis. It is calculated as:

(Total MWh of usage in year / (incremental contract capacity in MW\*hours in year))

**POWER FACTOR CLAUSE:** The rates and charges under this tariff are based on the customer maintaining a power factor of not less than 85% lagging. Any power factor less than 70% will not be permitted and the customer will be required to install at his own expense such corrective equipment as may be necessary to improve power factor. A penalty will be applied to the total amount of the monthly billing for electric energy for power factor below 85% lagging in accordance with the table in Power Factor Determination, Section C12. The Power Factor Clause will be applied to metered quantities.

(Continued on Sheet No. D-48.10)

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Issued XXXX  
M. A. Bruzzano  
Senior Vice President  
Corporate Strategy & Regulatory Affairs  
  
Detroit, Michigan

Effective for service rendered on  
and after XXXX  
  
Issued under authority of the  
Michigan Public Service Commission  
dated XXXX  
in Case No. U-21163

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(Continued from Sheet No. D-48.09)

**RATE SCHEDULE NO. D13** (contd.)

**XL HIGH LOAD FACTOR RATE**

**MINIMUM CHARGE:** The customer will be billed monthly based on actual usage, and the minimum charge will be applied on an annual basis. The minimum annual charge is defined as:

(Contract Capacity\*75%\*Hours in Year)

**X**

(Power Supply Capacity charge + Power Supply Non-Capacity charge + Power Supply Transmission charge + Distribution charge + Administration charge)

+

Delivery charge\*12

+

Surcharges and Credits as applicable

If the total revenue collected from the customer is less than the minimum annual charge, the customer will be charged the difference in the next billing period. The customer is not due a refund or credit for usage or charges in excess of the minimum charge.

**LATE PAYMENT CHARGE:** See Section C4.8.

**SPECIAL TERMS AND CONDITIONS:** Customer-owned equipment must be operated so that voltage fluctuations on the primary distribution system of the Company shall not exceed permissible limits.

See Section C6 for construction, system upgrade, and line extension policy

**CONTRACT TERM:** The minimum term under this rate is fifteen (15) years from the date initial service is provided under this rate, extending thereafter from month-to-month until terminated by mutual consent or on twelve months' written notice by either party

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Issued XXXX  
M. A. Bruzzano  
Senior Vice President  
Corporate Strategy & Regulatory Affairs  
  
Detroit, Michigan

Effective for service rendered on  
and after XXXX  
  
Issued under authority of the  
Michigan Public Service Commission  
dated XXXX  
in Case No. U-21163



**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the application of )  
**DTE ELECTRIC COMPANY** for )  
approval of Rate Schedule D13 )  
XL High Load Factor Rate )  
 )  
 )  
 )  
\_\_\_\_\_ )

Case No. U-21163  
(Paperless e-file)

**PROOF OF SERVICE**

ESTELLA R. BRANSON states that on November 10, 2021, she served a copy of the DTE Electric Company’s DTE Electric Company’s Application, Affidavit of Aaron Willis as Attachment A and the Tariff sheet as Attachment B seeking ex parte approval of the Rate Schedule D13 XL High Load Factor Rate in the above-captioned matter, via electronic mail upon the persons listed on the attached service list.

\_\_\_\_\_  
ESTELLA R. BRANSON

**MPSC Case No. U-21163**  
**SERVICE LIST**

**MPSC STAFF**

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