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January 18, 2022

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 authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority
MPSC Case No. U-20836

Dear Ms. Felice:

Attached for electronic filing in the above captioned matter is DTE Electric Company's Rate Case Summary. Also attached is the 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 authority to increase its rates, amend)	Case No. U-20836
its rate schedules and rules governing the)	
distribution and supply of electric energy, and)	
<u>for miscellaneous accounting authority.</u>)	

DTE ELECTRIC COMPANY’S RATE CASE SUMMARY

In accordance with the Michigan Public Service Commission’s (“MPSC” or the “Commission”) July 31, 2017 Order in Case No. U-18238, DTE Electric Company (“DTE Electric” or the “Company”) submits its Rate Case Summary. DTE Electric’s Rate Case Summary is being provided for informational purposes only. Modifications may be made to the Company’s upcoming rate case filing that could impact the information contained herein.

In DTE Electric’s most recent rate case, Case No. U-20561, the Company requested the Commission authorize an adjustment to retail rates for the generation and distribution of electricity to provide additional revenue in the amount of \$351 million annually. This was based on the utilization of a projected test year commencing May 1, 2020 and ending April 30, 2021. In its May 8, 2020 Order in Case No. U-20561 the Commission authorized DTE Electric to increase its retail rates for the generation and distribution of electricity by \$188 million annually, with a Return on Equity of 9.9%. New rates based on the Commission Order dated May 8, 2020 in Case No. U-20561 were implemented on May 15, 2020.

DTE Electric’s upcoming rate case filing, Case No. U-20836, is being primarily driven by the Company’s continued distribution infrastructure and generation investments. Based on the evidentiary support provided in its upcoming filing, DTE Electric requests that the Commission

authorize the Company to adjust its retail rates for the generation and distribution of electricity to provide additional revenue in the amount of approximately \$388 million annually based on a projected 12-month test year of November 1, 2022 through October 31, 2023. The Company is requesting a Return on Equity of 10.25%, and uses an inflation factor of 3.1% for 2021, 2.9% for 2022, and 2.4% for 10 months of 2023.

The key drivers associated with the Company's revenue requirement are:

Key Drivers • Revenue Requirements (\$000,000)	
	Revenue Requirement Impact
a. Rate Base	\$409
b. Capital Structure – primarily Return on Equity	38
c. Operating Expenses	(26)
d. Sales Margin	(42)
e. Other	9
f. Total Revenue Requirement Impact	\$388

The revenue requirement associated with rate base is as follows:

Key Drivers • Rate Base (\$000)			
	Drivers	Rate Base Impact	Revenue Requirement Impact (Return on, Return of and Property Tax)
a.	Last Rate Base Order	\$17,885,894	\$1,216,241
b.	Utility Plant	2,706,488	362,888
c.	Depreciation Reserve	786,929	53,511
d.	Net Nuclear Fuel and Capital Lease Property	3,562	242
e.	Working Capital	(114,929)	(7,815)
f.	Requested Rate Base	\$21,267,944	\$1,625,067
g.	Increase from Last Rate Base Order	\$3,382,050	\$408,826

With respect to rate design, DTE Electric is proposing, among other things, certain changes

to the Company's tariffs, and rules and regulations, including but not limited to proposed time of use Rate Schedule D1.11, proposed Rate Schedule D1.12, proposed Rate Schedule D3.5, and proposed amendments to Rider 10, Rider 18, and the Retail Access Service Rider.

For the projected test year, the Company's average overall rate increase will be:

Rate Schedule	Total Net Increase/ (Decrease) (%)
D1/D1.6 Residential	8.70%
D1-A TOU Pilot	8.40%
D1-B TOU Pilot	8.40%
D1.1 Int. Air	10.10%
D1.2 TOD	10.10%
D1.7 TOD	12.10%
D1.8 Dynamic	9.40%
D1.9 Elec. Vehicle	10.00%
D2 Elec. Space Heat	8.30%
D5 Res. Water Ht.	11.90%
Total Residential	8.80%
Secondary	
D1.1 Int. Air	8.30%
D1.7 TOD	10.80%
D1.8 Dynamic	8.70%
D 1.9 Elec Vehicle	8.20%
D3/D3.5 Gen. Serv.	8.10%
D3.1 Unmetered	7.00%
D3.2 Sec. Educ.	14.40%
D3.3 Interruptible	9.50%
D4 Lg. Gen. Serv.	5.00%
D5 Com. Wat. Ht.	10.70%
E1.1 Eng. St. Ltg.	9.80%
R7 Greenhs. Ltg.	10.90%
R8 Space Cond.	8.70%
Total Secondary	7.70%
Primary	
D11 Prim. Supply	4.80%
D12 Exp. Lrg Cust	-
D6.2 Pri. Educ.	5.10%

D8 Int. Primary	5.70%
D10 El.Schools	5.10%
R1.1 Alt. Mtl. Melt.	3.80%
R1.2 El. Pr. Htg.	5.70%
R3 Standby	7.30%
R10 Int. Supply	-9.00%
<hr/> Total Primary	<hr/> 4.10%
 Other	
<hr/> D9 Protective Ltg.	<hr/> -6.40%
E1 Muni Street Ltg	18.00%
E2 Traffic Lights	4.70%
<hr/> Total Other	<hr/> 13.20%
 Total All Classes	 <hr/> <hr/> 7.50%

In addition to the requests described above, DTE Electric is seeking Commission approval of certain accounting requests, including but not limited to, accounting treatment of costs to expand the Company's Charging Forward program; regulatory accounting treatment for certain costs associated with the Time of Use rate offering; proposed accounting for unused Low-Income Assistance/Residential Income Assistance credits; accounting for a pension expense deferral mechanism; a COVID-19 compliance expense regulatory asset; and a customer outage credit regulatory asset.

The Company is also proposing several pilot programs in this filing, which include the following:

- Distribution Operations - Strategic Undergrounding
- Distribution Operations - Deconductoring
- Distribution Operations - Electric Vehicle Charging Demo
- Distribution Operations - Small Solar and Storage Testbed
- Distribution Operations - Non-wire Alternatives
- Generation - Green Hydrogen at Blue Water Energy Center
- Generation - Battery Energy Storage System
- Marketing - Charging Forward eFleets
- Marketing - Charging Forward Expansion

- Marketing - Residential Battery
- Demand Response - Residential Generator
- Demand Response – Battery Storage
- Demand Response – Residential Window Air-conditioning
- Demand Response – Peak Time Savings

The Company's filing also includes revenue requirements by unit/grouping study (Plant Study) in compliance with the Commission's May 8, 2020 Order in DTE Electric's last general rate case (Case No. U-20561).

In Case No. U-18238, the Commission established new standard rate case filing forms and instructions based on the 10-month statutory rate case processing timeframe. The Company has included the information available related to these requirements and will also be including the most recent prior Part III required general rate case filing forms.

DTE Electric intends to file its upcoming electric rate case by January 21, 2022, which will allow for new rates to be effective November 21, 2022.

Respectfully Submitted,

DTE ELECTRIC COMPANY

By:

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Dated: January 18, 2022

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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DTE ELECTRIC COMPANY for)
authority to increase its rates, amend its)
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and for miscellaneous accounting authority)

Case No. U-20836

PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF WAYNE)

ESTELLA R. BRANSON states that on January 18, 2022, she served a copy of DTE Electric Company's Rate Case Summary in the above captioned matter, via electronic mail upon the persons listed on the attached service list.

ESTELLA R. BRANSON

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Service List (U-20162 and U-20561 combined)
Page 1

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Service List (U-20162 and U-20561 combined)
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