NEWS RELEASE

Michigan Public Service Commission

Rick Snyder, Governor
Sally Talberg, Chairman
Norman J. Saari, Commissioner
Rachael Eubanks, Commissioner

Contact: Judy Palnau
517-284-8300
www.michigan.gov/mpsc

December 9, 2016

MPSC authorizes DTE Gas Company to increase its natural gas rates

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today authorized DTE Gas Company to increase its rates by $122,269,000 annually, a figure 33 percent below what the utility requested.

"The Commission expects DTE Gas will make needed infrastructure investments to provide safe delivery of natural gas to homes and businesses in its service territory," said MPSC Chairman Sally Talberg. "We have asked our staff to provide the review and oversight needed to make sure that DTE Gas continues to meet or exceed established goals for safety measures and investment in gas main replacement programs, pipeline integrity measures and relocating residential gas meters.

"We also are encouraging DTE Gas to utilize an outside expert to give them additional guidance in risk analysis as applied to its underground cast iron and steel pipes carrying natural gas. These are customer safety measures of great importance."

DTE Gas Company sought a rate increase of $182.9 million. In accordance with state law, DTE Gas self-implemented a rate increase of $103 million on Nov. 1.

As a result of today's order (Case No. U-17999), residential customers using 100 ccf of natural gas a month will see an increase of $6.65 on their monthly bills over rates set in the last rate case, which was in December 2012. The increase is 21 cents over what the utility self-implemented in November.

The new rates are effective December 16.

The amount approved today represents an increase of 9.9 percent over rates set in its previous natural gas rate case (Case No. U-16999).

A fact sheet with details follows.

DTE Gas Company
Case No. U-17999
Commission Order Fact Sheet

1. Revenue increase granted: $122,269,000
2. Rate of return on common equity: 10.10 percent
3. Debt capital structure: 52/48 equity to debt
4. Overall rate of return: 5.76 percent
5. The utility will spend $102.1 million in 2016 and $127.6 million in 2017 through 2021 on its infrastructure recovery mechanism programs and is authorized to exercise flexibility in spending between the meter move-out, pipeline integrity and main renewable programs of $3.3 million in 2016 and $4.1 million in 2017 through 2021 annually.
6. The utility will relocate or remove a minimum of 12,790 inside meters annually and shall take steps to adhere to the goal of impacting 229,750 inside meters by Jan. 1, 2022.
7. In its annual March 31 meter move-out performance report, the utility will report the cumulative total number of inside meters impacted through the meter move-out, main renewal and other routine programs and will include the planned number of inside meters to be impacted through each of those programs for the next calendar year that support meeting the 10-year plan goal of relocating or removing 229,750 inside meters.

Additional MPSC actions today include:

Case No. U-17493: The MPSC denied a request by Consumers Energy Company to make its pilot Consumers Affordable Resource for Energy program permanent, but renewed the pilot program currently in place for fiscal year 2017.

Case No. U-18141: The MPSC approved a settlement agreement authorizing Alpena Power Company to implement a power supply cost recovery factor of up to 8.80 mills per kilowatt-hour for 2017.

Case No. U-18213: The MPSC directed all eligible telecommunications carriers in Michigan to continue to use the existing Michigan Lifeline Eligibility Database and to include membership in the Veterans and Survivors Pension Benefit Program as eligible criteria for potential Lifeline customers. Today's MPSC order follows the Dec. 1 Federal Communications Commission (FCC) order that granted a temporary waiver of its rules for Michigan. The MPSC now has until Dec. 31, 2017 or until it has aligned its Lifeline eligibility criteria with the FCC's Lifeline eligibility rules and updated its eligibility database, whichever is sooner.

Case Nos. U-17999, U-17493, U-18141 and U-18213

For more information about the MPSC, please visit www.michigan.gov/mpsc or sign up for one of its listservs to keep up to date on MPSC matters.

# # #

Michigan Public Service Commission
7109 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909
www.michigan.gov/mpsc