



201 North Washington Square • Suite 910  
Lansing, Michigan 48933  
Telephone 517 / 482-6237 • Fax 517 / 482-6937 • www.varnumlaw.com

**Timothy J. Lundgren**

tjlundgren@varnumlaw.com

July 24, 2017

Ms. Kavita Kale  
Executive Secretary  
Michigan Public Service Commission  
7109 W. Saginaw Highway  
P.O. Box 30221  
Lansing, Michigan 48909

**Re: MPSC Case No. U-18248**

Dear Ms. Kale:

Attached for electronic filing in the above-referenced matter, please find the Corrected Direct Testimony and Exhibits Ralph C. Smith on behalf of Energy Michigan Inc., as well as the Proof of Service. Corrections were made to line 17 on page 12 and line 2 on page 15 of the Direct Testimony. Thank you for your assistance in this matter.

Sincerely yours,

VARNUM

Timothy J. Lundgren

TJL/kc  
Enclosures  
c. ALJ  
All parties of record.

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

\*\*\*\*\*

In the matter, on the Commission's own motion,	)	
to open a docket to implement the provisions of	)	
Section 6w of 2016 PA 341 for	)	<b>Case No. U-18248</b>
<b>DTE ELECTRIC COMPANY'S</b>	)	
service territory.	)	
_____	)	

**CORRECTED DIRECT TESTIMONY & EXHIBITS**  
**OF RALPH C. SMITH**  
**ON BEHALF OF**  
**ENERGY MICHIGAN, INC.**

**DIRECT TESTIMONY OF RALPH C. SMITH  
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**I. INTRODUCTION**

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**Q. Please state your name and business address.**

A. Ralph C. Smith. My business address is: Larkin & Associates, PLLC, 15728 Farmington Road, Livonia, Michigan 48154.

**Q. By whom are you employed and in what capacity?**

A. I am a senior regulatory consultant with Larkin & Associates, PLLC, a firm of CPAs and utility regulatory consultants.

**Q. Please describe Larkin & Associates.**

A. Larkin & Associates is a Certified Public Accounting and Regulatory Consulting firm. The firm performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin & Associates has extensive experience in the utility regulatory field as expert witnesses in over 600 regulatory proceedings including numerous telephone, water and sewer, gas, and electric matters.

**Q. Mr. Smith, please summarize your educational background.**

A. I received a Bachelor of Science degree in Business Administration (Accounting Major) with distinction from the University of Michigan - Dearborn, in April 1979. I passed all parts of the Certified Public Accountant (“CPA”) examination in my first sitting in 1979, received my CPA license in 1981, and received a certified financial planning certificate in 1983. I also have a Master of Science in Taxation from Walsh College, 1981, and a law degree (J.D.) cum laude from Wayne State University, 1986. In addition, I have

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1 attended a variety of continuing education courses in conjunction with maintaining my  
2 accountancy license. I am a licensed C.P.A. and attorney in the State of Michigan. I am  
3 also a Certified Financial Planner™ professional and a Certified Rate of Return Analyst  
4 (“CRRA”). Since 1981, I have been a member of the Michigan Association of Certified  
5 Public Accountants. I am also a member of the Michigan Bar Association and have been  
6 a member of the Society of Utility and Regulatory Financial Analysts (“SURFA”). I  
7 have also been a member of the American Bar Association (“ABA”), and the ABA  
8 sections on Public Utility Law and Taxation.

9  
10 **Q. Please summarize your professional experience.**

11 A. Subsequent to graduation from the University of Michigan, and after a short period in  
12 which I installed a computerized accounting system for a Southfield, Michigan realty  
13 management firm, I accepted a position as an auditor with the predecessor CPA firm to  
14 Larkin & Associates in July 1979. Before becoming involved in utility regulation where  
15 the majority of my time for the past 38 years has been spent, I performed audit,  
16 accounting, and tax work for a wide variety of businesses that were clients of the firm.

17  
18 During my service in the regulatory section of our firm, I have been involved in rate  
19 cases and other regulatory matters concerning numerous electric, gas, telephone, water,  
20 and sewer utility companies. My present work consists primarily of analyzing rate case  
21 and regulatory filings of public utility companies before various regulatory commissions,  
22 and, where appropriate, preparing testimony and schedules relating to the issues for  
23 presentation before these regulatory agencies.

24

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1 I have performed work in the field of utility regulation on behalf of industry, state  
2 attorneys general, consumer groups, municipalities, and public service commission staffs  
3 concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona,  
4 Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Indiana, Illinois,  
5 Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota,  
6 Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina,  
7 North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota,  
8 Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington D.C., West  
9 Virginia and Canada as well as the Federal Energy Regulatory Commission (“FERC”)  
10 and various state and federal courts of law.

11  
12 **Q. On whose behalf are you appearing?**

13 A. I am appearing on behalf of Energy Michigan, Inc. (“Energy Michigan”).  
14

15 **Q. Have you previously testified before the Michigan Public Service Commission**  
16 **(“MPSC”)?**

17 A. Yes. I testified before the MPSC in Case Nos. U-12604 and U-12613, involving Power  
18 Supply Cost Recovery Plans for the Calendar Year 2001 for Upper Peninsula Power  
19 Company and Wisconsin Public Service Corporation, respectively. I also testified on  
20 behalf of the Attorney General in Case No. U-14347, Consumer Energy Company’s  
21 request for a rate increase.  
22

23 **Q. Have you previously testified before other utility regulatory commissions?**

24 A. Yes. I have filed testimony and/or testified before the following utility regulatory

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1 commissions: Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida,  
2 Georgia, Hawaii, Indiana, Illinois, Kansas, Kentucky, Maine, Maryland, Michigan,  
3 Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North  
4 Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, South  
5 Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington D.C., and  
6 West Virginia.

7  
8 **Q. Have you presented testimony on the establishment of a charge for utility capacity**  
9 **in another proceeding?**

10 A. Yes. Along with a witness from Energy Ventures Analysis, Inc. ("EVA") I presented  
11 testimony on behalf of the Staff of the Public Utility Commission of Ohio ("PUCO") in  
12 Case No. 10-2929-EL-UNC, *In the Matter of the Commission Review of the Capacity*  
13 *Charges of Ohio Power Company and Columbus Southern Power Company*. Those  
14 utilities have been merged into Ohio Power Company and are also collectively known as  
15 American Electric Power ("AEP") Ohio.

16  
17 **Q. Have you prepared an exhibit summarizing your educational background and**  
18 **regulatory experience?**

19 A. Yes. Exhibit EM-7 (RCS-1), attached hereto, provide details concerning my experience  
20 and qualifications.

21  
22 **Q. What is the purpose of your testimony?**

23 A. Larkin & Associates, PLLC ("Larkin") and Energy Ventures Analysis, Inc. ("EVA")  
24 were engaged by Varnum LLP, counsel to Energy Michigan, to evaluate the capacity rate

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1 issues in DTE Electric Company ("DTE" or "Company") Case No. U-18248  
2 ("Application") before the Michigan Public Service Commission ("MPSC" or  
3 "Commission"). The goal of the engagement was to develop and file a State Reliability  
4 Mechanism ("SRM") capacity charge rate consistent with the provisions of MCL 460.6w  
5 Section 3 and in response to the Company's Application. The statute provides that the  
6 capacity charge include the capacity-related generation costs included in the utility's base  
7 rates, surcharges, and power supply cost recovery factors (Section 3(a)) less the non-  
8 capacity-related electric generation costs from all of the following: (i) all energy market  
9 sales; (ii) off-system energy sales, (iii) ancillary service sales, and (iv) energy sales under  
10 unit-specific bilateral contracts. (Section 3(b)). EVA's specific scope was to forecast all  
11 items included in Section 3(b), which would then be utilized by Larkin to develop the  
12 capacity charge.

13  
14 **Q. What issues are addressed in your testimony?**

15 A. On behalf of the Energy Michigan in this proceeding, I address the calculation of a State  
16 Reliability Mechanism capacity charge under MCL 460.6w(3)(a) and (b) and MCL  
17 460.11. As I discuss below, MCL 460.11 requires that rates for electric service be based  
18 on the cost of service and discusses how a specific allocation factor of 75-0-25 should be  
19 applied to the electric utility's production costs. In the current proceeding, I address the  
20 development of a State Reliability Mechanism capacity charge for DTE Electric  
21 Company. The initial State Reliability Mechanism capacity charge for DTE would apply  
22 in 2018 and would be updated annually.

23



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1 **Q. Please describe the documents reviewed for this engagement.**

2 A. Larkin reviewed applicable statutes, including MCL 460.6w and MCL 460.11, as well as  
3 DTE’s filings in the current case and in some related cases, DTE's responses to discovery  
4 requests made by parties to this proceeding, including Energy Michigan, DTE’s filings to  
5 the Securities and Exchange Commission (“SEC”), DTE’s annual Form 1 filings to the  
6 FERC, and documents produced by the Midcontinent ISO (“MISO”).

7  
8 **Q. Did DTE provide all the information that you requested?**

9 A. No. As of the date of this writing, DTE has not yet provided some of the requested  
10 information.

11  
12 **Q. What are the provisions of MCL 460.6w?**

13 A. In relevant part, MCL 460.6w states as follows:

14 460.6w Resource adequacy tariff that provides for capacity forward  
15 auction; option for state to implement prevailing state compensation  
16 mechanism for capacity; order to implement prevailing state compensation  
17 mechanism; contested case proceeding; finding; order to implement state  
18 reliability mechanism; capacity charge; establishment; determination;  
19 failure to meet requirements in subsection (8)(b); civil action for  
20 injunctive relief; definitions.

21  
22 Sec. 6w.

23  
24 (2) . . . If, by September 30, 2017, the Federal Energy Regulatory  
25 Commission does not put into effect a resource adequacy tariff that  
26 includes a capacity forward auction or a prevailing state compensation  
27 mechanism, then the commission shall establish a state reliability  
28 mechanism under subsection (8). The commission may commence a  
29 proceeding before October 1 if the commission believes orderly  
30 administration would be enabled by doing so. If the commission  
31 implements a state reliability mechanism, it shall be for a minimum of 4  
32 consecutive planning years beginning in the upcoming planning year. A  
33 state reliability charge must be established in the same manner as a  
34 capacity charge under subsection (3) and be determined consistent with

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1 subsection (8).  
2

3 (3) After the effective date of the amendatory act that added section 6t, the  
4 commission shall establish a capacity charge as provided in this section. A  
5 determination of a capacity charge must be conducted as a contested case  
6 pursuant to chapter 4 of the administrative procedures act of 1969, 1969  
7 PA 306, MCL 24.271 to 24.287, after providing interested persons with  
8 notice and a reasonable opportunity for a full and complete hearing and  
9 conclude by December 1 of each year. The commission shall allow  
10 intervention by interested persons, alternative electric suppliers, and  
11 customers of alternative electric suppliers and the utility under  
12 consideration. The commission shall provide notice to the public of the  
13 single capacity charge as determined for each territory. No new capacity  
14 charge is required to be paid before June 1, 2018. The capacity charge  
15 must be applied to alternative electric load that is not exempt as set forth  
16 under subsections (6) and (7). . . . In order to ensure that noncapacity  
17 electric generation services are not included in the capacity charge, in  
18 determining the capacity charge, the commission shall do both of the  
19 following and ensure that the resulting capacity charge does not differ for  
20 full service load and alternative electric supplier load:  
21

22 (a) For the applicable term of the capacity charge, include the capacity-  
23 related generation costs included in the utility's base rates, surcharges, and  
24 power supply cost recovery factors, regardless of whether those costs  
25 result from utility ownership of the capacity resources or the purchase or  
26 lease of the capacity resource from a third party.  
27

28 (b) For the applicable term of the capacity charge, subtract all non-  
29 capacity-related electric generation costs, including, but not limited to,  
30 costs previously set for recovery through net stranded cost recovery and  
31 securitization and the projected revenues, net of projected fuel costs, from  
32 all of the following:  
33

34 (i) All energy market sales.  
35

36 (ii) Off-system energy sales.  
37

38 (iii) Ancillary services sales.  
39

40 (iv) Energy sales under unit-specific bilateral contracts.  
41

42 **Q. What is specified in MCL 460.11 concerning the establishment of electric rates**  
43 **based on the cost of providing service?**

44 A. MCL 460.11 states as follows:

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1 Establishment of electric rates; establishment of eligible low-income  
2 customer or senior citizen customer rates; public and private schools,  
3 universities, and community colleges rate schedules.  
4

5 Sec. 11.

6 (1) Except as otherwise provided in this subsection, the commission shall  
7 ensure the establishment of electric rates equal to the cost of providing  
8 service to each customer class. In establishing cost of service rates, the  
9 commission shall ensure that each class, or sub-class, is assessed for its  
10 fair and equitable use of the electric grid. If the commission determines  
11 that the impact of imposing cost of service rates on customers of an  
12 electric utility would have a material impact on customer rates, the  
13 commission may approve an order that implements those rates over a  
14 suitable number of years. The commission shall ensure that the cost of  
15 providing service to each customer class is based on the allocation of  
16 production-related costs based on using the 75-0-25 method of cost  
17 allocation and transmission costs based on using the 100% demand  
18 method of cost allocation. The commission may modify this method if it  
19 determines that this method of cost allocation does not ensure that rates  
20 are equal to the cost of service.  
21

22 **Q. Have you prepared an exhibit in support of your testimony?**

23 A. Yes. I have prepared the following exhibits.

- 24 • Exhibit EM-8 (RCS-2) presents my calculation of the State Reliability Mechanism  
25 capacity cost rate.
- 26 • Exhibit EM-9 (RCS-3) presents selected pages from DTE's SEC Form 10-K for 2016  
27 showing capacity resources.
- 28 • Exhibit EM-10 (RCS-4) presents copies of selected documentation referenced in my  
29 testimony, including copies of some of the Company's responses to data requests.  
30

31 **Q. Were the exhibits prepared by you or under your supervision?**

32 A. Yes, they were.  
33

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**II. STATE RELIABILITY MECHANISM CAPACITY COST RATE**

**Q. Is another witness for Energy Michigan presenting a comprehensive solution for the State Reliability Mechanism ("SRM") capacity cost rate and related matters?**

A. Yes. Energy Michigan witness Alexander Zakem is presenting a comprehensive solution for the SRM capacity charge rate and related matters based on several important capacity resource concepts as utilized by MISO, which he discusses. Because Energy Michigan's SRM capacity charge proposal is presented by Mr. Zakem, the calculation that follows, which attempts to apply the formula in MCL 460.6w(3) to DTE's embedded capacity costs, is not the method advocated by Energy Michigan, nor does the resulting charge represent Energy Michigan's proposed SRM charge. Rather, my calculation addresses how the SRM charge should be calculated if the Commission decides to use a traditional, historic, embedded cost of service methodology.

**Q. Ideally, how should the cost of new capacity resources be determined?**

A. It is important to recognize that the capacity cost of a resource is not the total cost. The total cost of a generation supply resource may be much larger than the capacity cost in order to gain benefits such as lower fuel costs, reliability, to address emissions and environmental concerns, etc. MISO, with the approval of the FERC has determined that the cost of new capacity is represented by the Cost of New Entry ("CONE"). This is an annualized cost of a combustion turbine, without subtraction for sales of capacity, energy, or ancillary services. The CONE is determined by MISO by zone, and is updated every year in MISO filings with the FERC. Calculation of the CONE is governed by the MISO

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1       Tariff.<sup>1</sup> At present, CONE in MISO Zone 7, which covers the DTE Electric and  
2       Consumers service territories in lower Michigan, is \$94,900 per MW per year.<sup>2</sup> For new  
3       capacity resources, the CONE provides an objective frame of reference for the cost.

4  
5       **Q.    How is the remainder of your testimony organized?**

6       A.    The remainder of my testimony addresses the determination of the State Reliability  
7       Mechanism capacity cost rate using DTE's embedded costs and reflecting the  
8       subtractions that are required by MCL 460.6w(3)(b) which were provided to me by Mr.  
9       Jennings of EVA. My testimony concerning this is organized into the following sections:

- 10           A. Capacity Costs  
11           B. The 75-0-25 Production Cost Allocator  
12           C. Energy Market Sales, Off-System Energy Sales, and Ancillary Service  
13           Revenue  
14           D. Net Capacity Cost  
15           E. DTE's Owned and Purchased Capacity in MW  
16           F. Calculation of the State Reliability Mechanism Capacity Rate  
17

18       A.    *Capacity Costs*

19       **Q.    What does Act 341 require for the determination of capacity costs?**

20       A.    Act 341 at MCL 460.6w(3)(a) requires that:

21  
22           For the applicable term of the capacity charge, include the capacity-related  
23           generation costs included in the utility's base rates, surcharges, and power  
24           supply cost recovery factors, regardless of whether those costs result from  
25           utility ownership of the capacity resources or the purchase or lease of the  
26           capacity resource from a third party.  
27  
28

29       **Q.    What amount of capacity cost has DTE identified in the current docket?**

30       A.    In Case No. 18248 (the current proceeding), DTE has identified a capacity revenue

---

<sup>1</sup> See, e.g., MISO Tariff, Module E-1, section 69A.8, FERC Docket No. ER16-2662, filing dated September 23, 2016, Attachment B.

<sup>2</sup> Id.

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1 requirement of \$1,725,790,436 in total.<sup>3</sup>

2  
3 **Q. What amount of capacity cost did you start with for your calculations?**

4 A. As shown on Exhibit EM-8 (RCS-2), I started with the Company-identified total capacity  
5 cost amount of \$1.726 billion from DTE Exhibit \_\_A-14. This includes the capacity-  
6 related generation costs that were included in the utility's base rates, surcharges, and  
7 power supply cost recovery factors, regardless of whether those costs result from utility  
8 ownership of the capacity resources or the purchase or lease of the capacity resource from  
9 a third party.

10  
11 **B. The 75-0-25 Production Cost Allocator**

12 **Q. What is the 75-0-25 Production Cost Allocator?**

13 A. The 75-0-25 Production Cost Allocator has been utilized by the Commission for the  
14 allocation of electric utility production costs in traditional, historical, embedded cost of  
15 service studies. It has been utilized in the most recent fully litigated rate case application of  
16 DTE Electric Company, Case No. U-18014. Act 341, which was signed into law on  
17 December 20, 2016 and became effective on April 20, 2017, and creates a presumption in  
18 favor of the 75-0-25 allocation method. Under the 75-0-25 Production Cost Allocator, 75  
19 percent of the cost is treated as demand-related (i.e., as capacity cost), zero percent as on-  
20 peak energy, and 25 percent as total energy production cost.

21  
22 **Q. What does DTE witness Lacey state with respect to Company Exhibit A-13?**

23 A. DTE witness Lacey states at page 4 of his testimony that Company Exhibit A-13,

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<sup>3</sup> See, e.g., DTE Exhibit \_\_A-14.

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1 Schedule 1 contains the cost of service study (“COSS”) for production costs approved in  
2 the Commission’s January 3, 2017 order in Case No. U-18014, as prepared by the  
3 Commission Staff. Exhibit A-13, Schedule 2 is Power Supply Expenses calculation  
4 (Exhibit A10, Schedule C4 from Case No. U-18014) which underlies the production  
5 COSS approved in the Commission’s January 31, 2017 order in Case No. U-18014.  
6

7 **Q. How was the allocation of production costs addressed in DTE’s most recent rate**  
8 **case?**

9 A. In the most recent fully litigated rate case application of DTE Electric Company, Case  
10 No. U-18014, the Production Cost Allocation was addressed at pages 96-101 of the  
11 Commission's January 31, 2017 Order. At page 100 of that Order, the Commission states  
12 that:

13 [The] Commission acknowledges that new capacity will be needed to  
14 avoid future shortfalls; however, the Commission finds that a change to  
15 the production cost allocation method to 4CP 100 is not adequately refined  
16 to have a substantial impact on capacity issues.  
17

18 Additionally, the Commission reiterates that DTE Electric’s production  
19 system was not designed and built simply to meet demand. Instead, the  
20 “company developed its production plant to both deliver energy and  
21 provide capacity at the lowest overall cost to all customers who use the  
22 system.” June 15, 2015 order in Case No. U-17689, (June 15 order) pp.  
23 21-22. Because DTE Electric’s generating system still includes a mix of  
24 base load, intermediate, and peaking plants, the Commission reaffirms that  
25 the 4CP 75-0-25 production cost allocation method better recognizes the  
26 value of capacity in the company’s system.  
27

28 In DTE’s most recent electric rate case, Case No. U-18014, the Commission rejected  
29 various parties' proposals to modify the 75-0-25 method.  
30

31 **Q. Was the allocation of production costs also addressed by the Commission in its**

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1           **recent Order in the Consumers Energy Company rate case?**

2    A.    Yes. In the most recent fully litigated rate case application of Consumers Energy  
3           Company, Case No. U-17990, the Production Cost Allocation was addressed at pages  
4           125-129 of the Commission's February 28, 2017 Order. At page 128 of that Order, the  
5           Commission notes that in P.A. 341 of 2016, the Michigan Legislature revised MCL 460-  
6           11(1) to create a presumption in favor of the 75-0-25 allocation method. The Commission  
7           noted that the new law states that:

8           The commission shall ensure that the cost of providing service to each  
9           customer class is based on the allocation of production-related costs based  
10          on using the 75-0-25 method of cost allocation and transmission costs  
11          based on using the 100% demand method of cost allocation. The  
12          commission may modify this method if it determines that this method of  
13          cost allocation does not ensure that rates are equal to the cost of service.

14  
15          In Consumers' most recent electric rate case, Case No. U-17990, the Commission thus  
16          also rejected various parties' proposals to modify the 75-0-25 method.

17

18    **Q.    How should the 75-0-25 Production Cost Allocation be applied in determining the**  
19           **capacity cost rate?**

20    A.    As noted above, under a traditional historical embedded cost of service method, as used  
21           in Case No. U-18014, the allocation of the Company's production costs should be based  
22           on treating 75% of the cost as demand, zero percent as on-peak energy, and 25% as total  
23           energy production cost.

24

25    **Q.    How do the Company witnesses address what capacity costs DTE used to develop its**  
26           **proposed State Reliability Mechanism capacity charge rate?**

27    A.    DTE witness Holmes at page 5 of her Direct Testimony indicates that the Company's



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1 proposed power supply rates is the functionalized power supply COSS supported by  
2 Company witness Lacey in Company Exhibit A-14. At page 4 5, Ms. Holmes also states  
3 that this is the same method of allocation used by both the Company and the MPSC Staff  
4 in developing power rates in DTE's most recent rate case, Case No. U-18014. At pages  
5 6-7 of his Direct Testimony, Company witness Bloch states that:

6 The basis for the proposed power supply rates in this case is the same  
7 functionalized power supply cost of service study approved by the  
8 Commission and used to set final rates in Case No. U-18014. Using this  
9 cost of service study, Company Witness Mr. Lacey determined the  
10 capacity revenue requirement for each cost of service class, which is  
11 shown on line 6 in his Exhibit A-14. Capacity rates for each primary rate  
12 class were determined by calculating the non-capacity rate for each class  
13 on a \$/kWh basis and then subtracting the non-capacity rate from the  
14 current power supply energy rates to determine the capacity related energy  
15 charges. The non-capacity rate is calculated by subtracting the capacity  
16 revenue requirement on line 6 of Exhibit A-14 from the total power supply  
17 revenue requirement for the class, shown on line 1 of Exhibit A-14, to  
18 determine the non-capacity revenue requirement and then dividing the  
19 result by the power supply sales. All power supply revenue related to  
20 demand based charges are considered to be capacity related. Voltage level  
21 discounts were prorated based on the proposed capacity and non-capacity  
22 energy charges.  
23

24 **Q. For the purpose of determining the capacity charge under MCL 460.6w if using a**  
25 **traditional historical embedded cost of service approach, how should the cost of**  
26 **service requirement stated in MCL 460.11 be applied?**

27 A. Under a traditional historical embedded cost of service approach, 75% of the embedded  
28 production cost would be treated as demand related, zero percent as on-peak energy  
29 related, and 25% as total energy related. These percentages would be used to allocate  
30 embedded costs to full service customer classes.

31  
32 **Q. Does it appear that DTE has applied the 75-0-25 Production Cost Allocation in its**

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1           **presentation of capacity costs?**

2    A.    Yes, it does. By allocating production costs consistent with the Commission's final Order  
3           in Case No. U-18014, and as reflected in DTE's response to ABDE-1.2 wherein DTE  
4           provided its COSS in Excel, it appears that DTE has applied the 75-0-25 Production Cost  
5           Allocation in its presentation of capacity costs. If applied correctly, this would have  
6           effectively allocated to full service customer classes 75 percent of the Production Costs  
7           based on demand (capacity) and 25 percent based energy. Discovery has been asked by  
8           Energy Michigan of DTE concerning the application by the Company of the 75-0-25  
9           Production Cost Allocation.

10

11           **C.    Energy Market Sales Revenue, Off-System Energy Sales Revenue, and**  
12           **Ancillary Service Revenue, Net of Related Fuel Costs**

13    **Q.    What is required by Act 341 for the Energy Sales Margin and Ancillary Service**  
14           **Revenue?**

15    A.    Act 341 at MCL 460.6w(3)(b) states that:

16                   (b) For the applicable term of the capacity charge, subtract all non-  
17                   capacity-related electric generation costs, including, but not limited to,  
18                   costs previously set for recovery through net stranded cost recovery and  
19                   securitization **and the projected revenues, net of projected fuel costs,**  
20                   **from all of the following:**

21                                   **(i) All energy market sales.**

22                                   **(ii) Off-system energy sales.**

23                                   **(iii) Ancillary services sales.**

24                                   **(iv) Energy sales under unit-specific bilateral contracts.**

25

26                                   (Emphasis supplied.)

27                                   (Emphasis supplied.)

28

29    **Q.    Did you receive amounts for those projected revenues and net projected fuel costs**  
30           **from another consultant?**

**RALPH C. SMITH**  
**DIRECT TESTIMONY**

1 A. Yes. I received amounts for the following elements that are specified under MCL  
2 460.6w(3)(b) from Mr. Rupert ("Rob") Jennings of EVA. Mr. Jennings provided me  
3 with his forecasted amounts for each of these items for years 2017 through 2020: (i)  
4 energy market sales, (ii) off-system energy sales, (iii) ancillary services sales, and (iv)  
5 energy sales under unit-specific bilateral contracts.<sup>4</sup>

6  
7 In addition, Mr. Jennings provided his estimates of related projected fuel costs for the  
8 years 2017 through 2020.

9  
10 **Q. How did you utilize the amounts provided to you by Mr. Jennings in your**  
11 **calculation of the SRM capacity charge?**

12 A. For purposes of my calculation, I used the forecast amounts provided by Mr. Jennings for  
13 2018. This corresponds with when the SRM capacity charge would commence. This is  
14 shown on Exhibit EM-8 (RCS-2), lines 4 through 10.

15  
16 **D. Net Capacity Cost**

17 **Q. What amount of net capacity cost did you determine?**

18 A. As shown on Exhibit EM-8 (RCS-2), line 11, the net amount of capacity cost is \$1.186  
19 billion. From DTE's total capacity cost of \$1.726 billion, I added back the Company's  
20 estimate of projected energy sales revenue net of fuel costs. This was added back  
21 because the forecasted energy sales revenue from DTE's capacity is being provided by  
22 Energy Michigan witness Jennings. I then subtracted the 2018 net energy sales and  
23 ancillary services revenue less fuel costs provided to me by Energy Michigan witness

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<sup>4</sup> DTE did not have any bilateral energy sales.

**RALPH C. SMITH**  
**DIRECT TESTIMONY**

1 Jennings of \$584 million.

2

3 ***E. DTE's Owned and Purchased Capacity in MW***

4 **Q. What level of owned and purchased capacity has DTE reported?**

5 A. DTE's generation capacity is a measure of the maximum electric output that DTE has  
6 available to meet peak load requirements. DTE's 2016 SEC form 10-K at page 8 reports  
7 that the Company had total supply of 12,158 MW.<sup>5</sup> This consists of owned generation  
8 having capacity of 11,669 MW and purchased and interchange power having capacity of  
9 489 MW.

10

11 **Q. What plant retirements are projected by DTE for each year, 2017 through 2020?**

12 A. The Company's response to data request EMDE-2.12 indicates that DTE projects to retire  
13 River Rouge Unit 3 in 2020.

14

15 ***F. Calculation of the State Reliability Mechanism Capacity Rate***

16 **Q. Please explain how you utilized the information previously discussed to compute the**  
17 **SRM capacity rate.**

18 A. As shown on Exhibit EM-8 (RCS-2), if the SRM capacity rate were to be based on the  
19 Company's embedded costs for capacity less the revenue less fuel cost, dividing \$1.186  
20 billion of net capacity cost by the 12,158 MW of capacity produces a cost of \$97,527 per  
21 MW-Year.

22

23 As also shown on Exhibit EM-8 (RCS-2), the SRM capacity cost rate that would be

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<sup>5</sup> A copy of the cover and the cited pages of DTE's SEC Form 10-K for 2016 is included in Exhibit EM-9 (RCS-3).

**RALPH C. SMITH  
DIRECT TESTIMONY**

1 charged to Alternative Energy Suppliers is \$267.20 per MW-day.

2  
3 **Q. In order to develop an SRM capacity charge, is it necessary to have a breakout by**  
4 **rate classes as DTE is presenting?**

5 A. No. An SRM capacity charge based on embedded costs can be developed on a \$/MW-  
6 Year or \$/MW-Day basis. If need be, a rate could presumably be developed by rate class  
7 by applying applicable line loss factors. It is believed that most if not all energy choice  
8 customers would be in the Secondary and Primary rate classes. Energy Michigan has  
9 asked discovery of DTE to ascertain the loss factors applicable to those classes, and to  
10 each rate within those classes where DTE ROA sales would occur.<sup>6</sup>

11  
12 **G. Summary of Recommendation for SRM Capacity Rate**

13 **Q. Please summarize your recommendation for an SRM Capacity Rate.**

14 A. As shown on Exhibit EM-8 (RCS-2), I started with DTE's total capacity cost of \$1.726  
15 billion and added back DTE's projected energy sales revenue net of fuel cost amount of  
16 \$44 million. DTE is projected to have \$1.385 billion of energy market, off-system  
17 energy sales and ancillary service revenue. Net of related fuel costs of \$801 million, the  
18 amount of net revenue less fuel costs is \$584 million. The net capacity cost, determined  
19 by subtracting the \$584 million net revenue amount from the \$1.770 billion total capacity  
20 cost is \$1.186 million. Dividing the \$1.186 million by DTE's owned and purchased  
21 capacity of 12,158 MW produces an SRM capacity rate of \$97,527 per MW-Year as  
22 shown on Exhibit EM-8 (RCS-2), line 14. The SRM capacity rate can also be stated as  
23 \$267.20 per MW-Day, as shown on Exhibit EM-8 (RCS-2), line 15. As I previously

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<sup>6</sup> The abbreviation "ROA" refers to Retail Open Access customer load.

**RALPH C. SMITH**  
**DIRECT TESTIMONY**

1           noted, an SRM capacity rate of \$267.20 per MW-Day results from a method based on  
2           traditional historical embedded costs of service methods. DTE Electric has proposed  
3           such a method, and my analysis preceding shows how it should be calculated. Again,  
4           such an approach is not being recommended by Energy Michigan, and the reader is  
5           referred to witness Zakem's Prefiled Direct Testimony in this matter in order to find  
6           Energy Michigan's recommended methodology and rate.

7

8   **Q.    If the Commission decides that the SRM charge should be based on the historical**  
9           **embedded cost of DTE's capacity without regard to incremental resources or**  
10           **incremental costs or Energy Michigan's proposal, what is your recommendation?**

11   A.    In that situation, I would recommend that my calculation herein of \$267.20 per MW-day  
12           be used in place of DTE's proposal. As discussed, my calculation accurately represents  
13           the subtraction of various sales factors that are specified in PA 341.

14

15   **Q.    Does this complete your pre-filed direct testimony?**

16   A.    Yes, it does.

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

\*\*\*\*\*

In the matter, on the Commission's own motion,	)	
to open a docket to implement the provisions of	)	
Section 6w of 2016 PA 341 for	)	<b>Case No. U-18248</b>
<b>DTE ELECTRIC COMPANY'S</b>	)	
service territory.	)	
_____	)	

**EXHIBITS OF**  
**RALPH C. SMITH**  
**ON BEHALF OF**  
**ENERGY MICHIGAN, INC.**

## QUALIFICATIONS OF RALPH C. SMITH

### Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.



Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

### Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

### Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933*	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA	
&76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA	
& 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001	
& ER-85647001	New England Power Company (FERC)
850782-EI &	
850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU	
& 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069**	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
T E-1032-88-102	
89-0033	Illinois Bell Telephone Company (Illinois CC)
U-89-2688-T	Puget Sound Power & Light Company (Washington UTC))
R-891364	Philadelphia Electric Company (Pennsylvania PUC)
F.C. 889	Potomac Electric Power Company (District of Columbia PSC)
Case No. 88/546*	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
87-11628*	Duquesne Light Company, et al, plaintiffs, against Gulf+Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
& U-1551-89-103	
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and	Intrastate Access Charge Methodology, Pool and Rates
TC-91-040B	Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS &	General Development Utilities - Port Malabar and
911-67-WS	West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314	
& M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 &	
U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC)
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 &	Citizens Utilities Company - Gas Division
U-1032-93-193	(Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/	Sale of Assets CC&N from Contel of the West, Inc. to
E-1032-93-169	Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR*	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed Staff Investigation E-1032-95-473 E-1032-95-433	Citizens Utility Company - Arizona Telephone Operations (Arizona Corporation Commission) Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC) Citizens Utility Co. - Arizona Electric Division (Arizona CC) Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285 94-10-45 A.96-08-001 et al.	Missouri Gas Energy (Missouri PSC) Southern New England Telephone Company (Connecticut PUC) California Utilities' Applications to Identify Sunk Costs of Non- Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324 96-08-070, et al.	Bell Atlantic - Delaware, Inc. (Delaware PSC) Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12 R-00973953	Connecticut Light & Power (Connecticut PUC) Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power & Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705 E-1072-97-067 Non-Docketed Staff Investigation PU-314-97-12 97-0351 97-8001	Entergy Gulf States, Inc. (Cities Steering Committee) Southwestern Telephone Co. (Arizona Corporation Commission) Delaware - Estimate Impact of Universal Services Issues (Delaware PSC) US West Communications, Inc. Cost Studies (North Dakota PSC) Consumer Illinois Water Company (Illinois CC) Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I 9355-U 97-12-020 - Phase I U-98-56, U-98-60, U-98-65, U-98-67 (U-99-66, U-99-65, U-99-56, U-99-52) Phase II of 97-SCCC-149-GIT PU-314-97-465 Non-docketed Assistance Contract Dispute	San Diego Gas & Electric Co., Section 386 costs (California PUC) Georgia Power Company Rate Case (Georgia PUC) Pacific Gas & Electric Company (California PUC) Investigation of 1998 Intrastate Access charge filings (Alaska PUC) Investigation of 1999 Intrastate Access Charge filing (Alaska PUC) Southwestern Bell Telephone Company Cost Studies (Kansas CC) US West Universal Service Cost Model (North Dakota PSC) Bell Atlantic - Delaware, Inc., Review of New Telecomm. and Tariff Filings (Delaware PSC) City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL) Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC)
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No.	
98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No.	Post-Transition Ratemaking Mechanisms for the Electric Industry
99-01-016,	Restructuring (US Department of Navy)
Phase I	
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020	
Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT- 1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT- 607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT- 060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)



Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA,	
06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No.UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)
09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, IHnc. (Arizona CC)
E-01773A-09-0472	Arizona Electric Power Cooperative, Inc. (Arizona CC)
R-2010-2166208, R-2010-2166210, R-2010-2166212, & R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
PSC Docket No. 09-0602	Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC)
10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767	Illinois-American Water Company (Illinois CC)
PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)
11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45 <sup>^</sup>	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)

PUE-2015-00027 Docket No. 2015-0022	Virginia Electric and Power Company (Commonwealth of Virginia SCC) Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T 15-07-38 <sup>^^</sup>	West Virginia-American Water Company (West Virginia PSC) Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26 <sup>^^</sup>	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
2015-UN-0080 Docket No. 15-00042	Mississippi Power Company (Mississippi PSC) B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015-0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091, & U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097 15-1854-EL-RDR	Virginia-American Water Company (Commonwealth of Virginia SCC) Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014	PTE Pipeline LLC (Regulatory Commission of Alaska)
P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
Docket No. 40161	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
Formal Case No. 1137	Washington Gas Light Company (District of Columbia PSC)
160021-EI, et al.	Florida Power Company (Florida PSC)
R-2016-2537349	Metropolitan Edison Company (Pennsylvania PUC)
R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P (Reopening)/16-0922- G-390P	Mountaineer Gas Company (West Virginia PSC)
16-0550-W-P	West Virginia-American Water Company (West Virginia PSC)
CEPR-AP-2015-0001	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)

\* Testimony filed, examination not completed

\*\* Issues stipulated

\*\*\* Company withdrew case

<sup>^</sup> Testimony filed, case withdrawn after proposed decision issued

<sup>^^</sup> Issues stipulated before testimony was filed

(Millions of Dollars)

Line No.	Description	Total Amount (A)	Reference
1	Capacity Costs Per Company	\$ 1,726	Note A
2	Add: Projected Energy Sales Revenue Net of Fuel Cost Per Company	\$ 44	Note A
3	Adjusted DTE Capacity Costs	\$ 1,770	
	Less:		
4	Energy Market Sales	\$ (1,369)	Note B
5	Off-System Energy Sales	\$ -	Note B
6	Ancillary Service Sales	\$ (16)	Note B
7	Bilateral Energy Sales	\$ -	Note B
8	Revenue	\$ (1,385)	
9	Related Fuel Costs	\$ 801	Note B
10	Net Revenue Less Fuel Costs	\$ (584)	
11	Net Capacity Cost	\$ 1,186	L1 + L8
12	Owned and Purchased Capacity in MW	12,158	Note C
13	SRM Capacity Annual Rate \$ Million / MW-Year	\$ 0.098	
14	SRM Capacity Annual Rate, \$ / MW-Year	\$ 97,527	
15	SRM Capacity Daily Rate, \$ / MW-Day	$\frac{\$1,185,739,000}{12,158 / 365} = \$ 267.20 / \text{MW-Day}$	

Notes and Source

[A]: Company Exhibit A-14

[B]: Energy Michigan witness Jennings, 2018 amounts

[C]: Company's 2016 SEC Form 10-K, pages 8

Description	MW
16 Owned Generation	11,669
17 Long-Term Contracts for Renewable Power	489
18 Total Supply	12,158

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
 For the Fiscal Year Ended December 31, 2016

Commission File Number	Registrants, State of Incorporation, Address, and Telephone Number	I.R.S. Employer Identification No.
1-11607	<b>DTE Energy Company</b> (a Michigan corporation) One Energy Plaza Detroit, Michigan 48226-1279 313-235-4000	38-3217752
1-2198	<b>DTE Electric Company</b> (a Michigan corporation) One Energy Plaza Detroit, Michigan 48226-1279 313-235-4000	38-0478650

**Securities registered pursuant to Section 12(b) of the Act:**

Registrant	Title of Each Class	Name of Exchange on which Registered
DTE Energy Company (DTE Energy)	Common stock, without par value	New York Stock Exchange
DTE Energy	2012 Series C 5.25% Junior Subordinated Debentures due 2062	New York Stock Exchange
DTE Energy	2016 Series B 5.375% Junior Subordinated Debentures due 2076	New York Stock Exchange
DTE Energy	2016 Series F 6.00% Junior Subordinated Debentures due 2076	New York Stock Exchange
DTE Energy	6.50% Corporate Units	New York Stock Exchange
DTE Electric Company (DTE Electric)	None	None

**Securities registered pursuant to Section 12(g) of the Act:**

**DTE Energy**      **None**      **DTE Electric**      **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

**DTE Energy**      **Yes**  **No**       **DTE Electric**      **Yes**  **No**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

**DTE Energy**      **Yes**  **No**       **DTE Electric**      **Yes**  **No**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

**DTE Energy**      **Yes**  **No**       **DTE Electric**      **Yes**  **No**

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

**DTE Energy**      **Yes**  **No**       **DTE Electric**      **Yes**  **No**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

**DTE Energy**            **DTE Electric**

Weather, economic factors, competition, energy efficiency initiatives, and electricity prices affect sales levels to customers. DTE Electric's peak load and highest total system sales generally occur during the third quarter of the year, driven by air conditioning and other cooling-related demands. DTE Electric's operations are not dependent upon a limited number of customers, and the loss of any one or a few customers would not have a material adverse effect on the results of DTE Electric.

***Fuel Supply and Purchased Power***

DTE Electric's power is generated from a variety of fuels and is supplemented with purchased power. DTE Electric expects to have an adequate supply of fuel and purchased power to meet its obligation to serve customers. DTE Electric's generating capability is heavily dependent upon the availability of coal. Coal is purchased from various sources in different geographic areas under agreements that vary in both pricing and terms. DTE Electric expects to obtain the majority of its coal requirements through long-term contracts, with the balance to be obtained through short-term agreements and spot purchases. DTE Electric has long-term and short-term contracts for the purchase of approximately 28.0 million tons of low-sulfur western coal and approximately 2.3 million tons of Appalachian coal to be delivered from 2017 to 2021. All of these contracts have pricing schedules. DTE Electric has approximately 90% of the expected coal requirements for 2017 under contract. Given the geographic diversity of supply, DTE Electric believes it can meet its expected generation requirements. DTE Electric leases a fleet of rail cars and has the expected western and eastern coal rail requirements under contract through 2021. Contracts covering expected vessel transportation requirements for delivery of purchased coal to electric generating facilities are under contract through 2019.

DTE Electric participates in the energy market through MISO. DTE Electric offers its generation in the market on a day-ahead and real-time basis and bids for power in the market to serve its load. DTE Electric is a net purchaser of power that supplements its generation capability to meet customer demand during peak cycles or during major plant outages.

**Properties**

DTE Electric owns generating facilities that are located in the State of Michigan. Substantially all of DTE Electric's property is subject to the lien of a mortgage.

Generating facilities owned and in service as of December 31, 2016 are shown in the following table:

Facility	Location by Michigan County	Year in Service	Net Generation Capacity <sup>(a)</sup> (MW)
<b>Fossil-fueled Steam-Electric</b>			
Belle River <sup>(b)</sup>	St. Clair	1984 and 1985	1,034
Greenwood	St. Clair	1979	785
Monroe <sup>(c)</sup>	Monroe	1971, 1973, and 1974	3,066
River Rouge	Wayne	1958	272
St. Clair	St. Clair	1953, 1954, 1959, 1961, and 1969	1,367
Trenton Channel	Wayne	1968	520
			7,044
<b>Natural gas and Oil-fueled Peaking Units</b>	Various	1966-1971, 1981, 1999, 2002, and 2003	2,033
<b>Nuclear-fueled Steam-Electric Fermi 2<sup>(d)</sup></b>	Monroe	1988	1,141
<b>Hydroelectric Pumped Storage Ludington<sup>(e)</sup></b>	Mason	1973	985
<b>Renewables<sup>(f)</sup></b>			
<b>Wind</b>			
Brookfield Wind Park	Huron	2014	75
Echo Wind Park	Huron	2014	112
Gratiot Wind Park	Gratiot	2011 and 2012	102
Pinnebog Wind Park	Huron	2016	51
Thumb Wind Project	Huron and Sanilac	2012	110
			450
<b>Solar</b>	Various	2010-2016	16
			<b>11,669</b>

- (a) Represents summer net rating for all units with the exception of renewable facilities. The summer net rating is based on operating experience, the physical condition of units, environmental control limitations, and customer requirements for steam, which would otherwise be used for electric generation. Wind and solar facilities reflect name plate capacity.
- (b) The Belle River capability represents DTE Electric's entitlement to 81% of the capacity and energy of the plant. See Note 7 to the Consolidated Financial Statements in Item 8 of this Report, "Jointly-Owned Utility Plant."
- (c) The Monroe generating plant provided 38% of DTE Electric's total 2016 power plant generation.
- (d) In December 2016, the NRC approved the extension of the operating license of Fermi 2 which permits the power plant to continue generating electricity until 2045. The original operating license for the plant would have expired in 2025.
- (e) Represents DTE Electric's 49% interest in Ludington with a total capability of 2,010 MW. See Note 7 to the Consolidated Financial Statements in Item 8 of this Report, "Jointly-Owned Utility Plant."
- (f) In addition to the owned renewable facilities described above, DTE Electric has long-term contracts for 489 MW of renewable power generated from wind, solar, and biomass facilities.

See "Capital Investments" in Management's Discussion and Analysis in Item 7 of this Report for information regarding plant retirements and future capital expenditures.



**MPSC Case No.:** U-18248  
**Respondent:** T. A. Bloch/T. W. Lacey/  
K. A. Holmes /  
M. A. Williams  
**Requestor:** ABATE-1  
**Question No.:** ABDE-1.2  
**Page:** 1 of 1

**Question:** If not otherwise included in response to the previous question, please provide the full Company cost of service study and rate design workpapers, with all linked documents and formulae and links intact, approved in Case No. U-18014.

**Answer:** The final cost of service and rate design approved in Case No. U-18014 was performed by MPSC Staff. See attached files named U-18248 ABDE-1.2 Final U-18014 Rate Design.xlsx and U-18248 ABDE-1.2 U-18014 ORDERCOSS(FINAL).xlsx .

**MPSC Case No.:** U-18248  
**Respondent:** A. P. Wojtowicz  
**Requestor:** EM-2  
**Question No.:** EMDE-2.12  
**Page:** 1 of 1

**Question:** Identify and explain any plant retirements that are forecast for each year, 2017 through 2020.

**Answer:** The Company is currently forecasting the retirement of River Rouge unit 3 in 2020.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\*\*\*\*\*

In the matter, on the Commission's own motion, )
to open a docket to implement the provisions of )
Section 6w of 2016 PA 341for )
DTE ELECTRIC COMPANY'S )
service territory. )
\_\_\_\_\_)

Case No. U-18248

PROOF OF SERVICE

STATE OF MICHIGAN )
) ss.
COUNTY OF INGHAM )

Kimberly J. Champagne, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 24th day of July, 2017, she served a copy of the Corrected Direct Testimony and Exhibits of Ralph C. Smith on behalf of Energy Michigan Inc., as well as this Proof of Service upon those individuals listed on the attached Service List via email at their last known addresses.

\_\_\_\_\_  
Kimberly J. Champagne

**SERVICE LIST**  
**MPSC CASE NO. U-18248**

**Administrative Law Judge**

Hon. Mark D. Eyster  
Administrative Law Judge  
Michigan Public Service Comm.  
7109 W. Saginaw Hwy., 3rd Floor  
Lansing, MI 48917  
[eysterm@michigan.gov](mailto:eysterm@michigan.gov)

**Counsel for DTE Electric Company**

Jon P. Christinidis  
Andrea Hayden  
Richard P. Middleton  
DTE Electric Company  
One Detroit Plaza, 688 WCB  
Detroit, MI 48826  
[christinidisj@dteenergy.com](mailto:christinidisj@dteenergy.com)  
[andrea.hayden@dteenergy.com](mailto:andrea.hayden@dteenergy.com)  
[richard.middleton@dteenergy.com](mailto:richard.middleton@dteenergy.com)  
[mpscfilings@dteenergy.com](mailto:mpscfilings@dteenergy.com)

**Counsel for the Michigan Public Service Commission**

Lauren D. Donofrio  
Meredith R. Beidler  
Bryan A. Brandenburg  
7109 W. Saginaw Hwy., 3rd Floor  
Lansing, MI 48919  
[donofriol@michigan.gov](mailto:donofriol@michigan.gov)  
[beidlerm@michigan.gov](mailto:beidlerm@michigan.gov)  
[brandenburgb@michigan.gov](mailto:brandenburgb@michigan.gov)

**Counsel for the Sierra Club**

Christopher M. Bzdok  
Tracy Jane Andrews  
Olson, Bzdok & Howard, P.C.  
420 E. Front St.  
Traverse City, MI 49686  
[chris@envlaw.com](mailto:chris@envlaw.com)  
[tjandrews@envlaw.com](mailto:tjandrews@envlaw.com)  
[karla@envlaw.com](mailto:karla@envlaw.com)  
[kimberly@envlaw.com](mailto:kimberly@envlaw.com)

**Counsel for Residential Customer Group**

Don L. Keskey  
Brian W. Coyer  
Public Law Resource Center PLLC  
University Office Place  
333 Albert Avenue, Suite 425  
East Lansing, MI 48823  
[donkeskey@publiclawresourcecenter.com](mailto:donkeskey@publiclawresourcecenter.com)  
[bwcoyer@publiclawresourcecenter.com](mailto:bwcoyer@publiclawresourcecenter.com)

**Counsel for ABATE**

Michael J. Pattwell  
Sean P. Gallagher  
Clark Hill PLC  
212 E. Grand River Ave.  
Lansing, MI 48906  
[mpattwell@clarkhill.com](mailto:mpattwell@clarkhill.com)  
[sgallagher@clarkhill.com](mailto:sgallagher@clarkhill.com)

Stephen A. Campbell  
500 Woodward Ave.  
Detroit, MI 48226  
[scampbell@clarkhill.com](mailto:scampbell@clarkhill.com)

**Counsel for Wal-Mart Stores East, LP and Sam's East, Inc.**

Melissa M. Horne  
Higgins, Cavanagh & Cooney, LLP  
10 Dorrance St., Ste. 400  
Providence, RI 02903  
[mhorne@hcc-law.com](mailto:mhorne@hcc-law.com)

**Counsel for Spartan Renewable Energy Inc.**

Jason Hanselman  
Dykema Gossett, PLLC  
201 Townsend, Ste. 900  
Lansing, MI 48933  
[jhanselman@dykema.com](mailto:jhanselman@dykema.com)

**Counsel for Wolverine Power Marketing Cooperative, Inc.**

Richard Aaron  
Courtney Kissel  
Dykema Gossett, PLLC  
201 Townsend, Ste. 900  
Lansing, MI 48933  
[raaron@dykema.com](mailto:raaron@dykema.com)  
[ckissel@dykema.com](mailto:ckissel@dykema.com)

**Counsel for Constellation NewEnergy, Inc.**

Jennifer Utter Heston  
Fraser, Trebilcock, Davis & Dunlap, PC  
124 W. Allegan, Ste. 1000  
Lansing, MI 48933  
[jheston@fraserlawfirm.com](mailto:jheston@fraserlawfirm.com)

**Counsel for Local 223, Utility Workers Union of America (UWUA), AFL-CIO**

John R. Canzano  
Patrick J. Rorai  
McKnight, Canzano, Smith, Radtke & Brault, P.C.  
423 N. Main Street, Suite 200  
Royal Oak, MI 48067  
[jcanzano@michworkerlaw.com](mailto:jcanzano@michworkerlaw.com)  
[prorai@michworkerlaw.com](mailto:prorai@michworkerlaw.com)

**Counsel for Michigan Municipal Electric Association**

Nolan J. Moody  
Peter H. Ellsworth  
Dickinson Wright, PLLC  
215 S. Washington Square, Ste. 200  
Lansing, MI 48933  
[nmoody@dickinsonwright.com](mailto:nmoody@dickinsonwright.com)  
[pellsworth@dickinsonwright.com](mailto:pellsworth@dickinsonwright.com)

Jim B. Weeks  
Michigan Municipal Electric Association  
809 Centennial Way  
Lansing, MI 48917  
[jweeks@mpower.org](mailto:jweeks@mpower.org)

**Michigan Department of Attorney General  
Special Litigation Unit**

Michael E. Moody  
Assistant Attorney General  
G. Mennen Williams Bldg., 6th Floor  
525 W. Ottawa St.  
Lansing, MI 48909  
[moodym2@michigan.gov](mailto:moodym2@michigan.gov)  
[ag-enra-spec-lit@michigan.gov](mailto:ag-enra-spec-lit@michigan.gov)

**Counsel for The Kroger Company**

Kurt J. Boehm  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh St., Ste. 1510  
Cincinnati, Ohio 45202  
[KBoehm@BKLawfirm.com](mailto:KBoehm@BKLawfirm.com)  
[JKylerCohn@BKLawfirm.com](mailto:JKylerCohn@BKLawfirm.com)