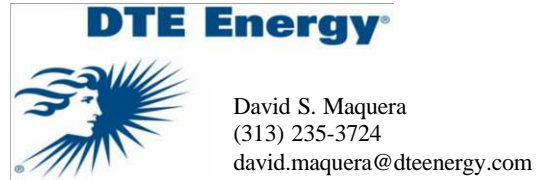


DTE Energy Company
One Energy Plaza, 688 WCB
Detroit, MI 48226-1279



January 22, 2018

Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, Michigan 48917

RE: In the matter, on the Commission's own motion, to require DTE Electric Company and DTE Gas Company to investigate and to submit a report to the Commission Staff regarding each utility's billing practices
MPSC Case No: U-18486

Dear Ms. Kale:

Attached for electronic filing is the DTE Electric Company's and DTE Gas Company's Report in compliance with Commission's Order of December 20, 2017 in the above matter.

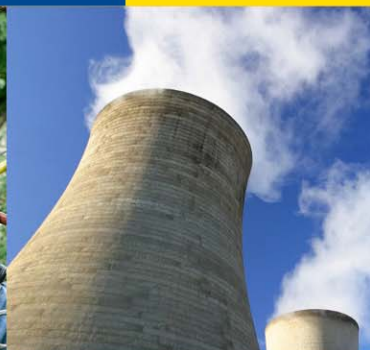
Very truly yours,

David S. Maquera

DSM/lah
Encl.



DTE Electric Company and DTE Gas Company BILLING PRACTICES REPORT U-18486



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Attachments 1 through 5

Introduction

DTE Energy (“DTE” or the “Company”)¹ lives by its seven core values, which includes: “We see our work through the eyes of those we serve... and know that our work is powerful means to serve others.” Accordingly, DTE uses the lens of its values in the decision making of the development, implementation, and processes used to serve its communities to provide safe, reliable, affordable, and sustainable electric and gas service.

In April 2017, DTE transitioned to a SAP technology platform referred to as Customer 360 (“C360”). This customer relationship and billing platform represents one of the most significant technology upgrades in the Company’s 150-year history. C360 streamlines 130 separate end-of-life software systems into one comprehensive platform.

DTE contracted hundreds of customer service representatives and spent five years planning for the transition to C360 to maintain the Company’s high standards of service.

Notwithstanding DTE’s preparations and its comparatively successful implementation, DTE recognizes that in the process of transitioning 3.4 million customers to a brand-new platform that some customers experienced billing issues. These issues have impacted the quality of customers’ service including wrongful service disconnections due to C360 billing defects. DTE is committed to making this right.

On December 20, 2017, the Michigan Public Service Commission (“MPSC” or the “Commission”) issued an Order in MPSC Case No. U-18486 requiring DTE Electric Company and DTE Gas Company to investigate and submit a report addressing concerns related to each utility’s billing practices. Specifically, the Commission required the report to:

1. Provide DTE’s performance history regarding shutoffs from January 1, 2016 through the present, highlighting the transition period for C360, provide the number of customers shut off by each month and, in the interim, continue to report weekly shut off numbers to the Staff.
2. For the time period prior to the implementation of C360, provide DTE’s typical error rate for wrongful disconnection and any information DTE has on the industry standard.
3. Provide an explanation of the verification process DTE performs prior to disconnecting a customer.
4. Provide an explanation of the impact of C360 on shutoffs since the implementation, including details on the type of defects, identifying when defects were fixed, and the number of customers impacted by month by each defect.
5. Review with the Staff a list of customers who were improperly shut off, reason for shutoff (i.e.: C360 no bill, C360 bill presentation, AMI scheduling and MPSC open informal

¹ Both DTE Electric Company and DTE Gas Company are wholly-owned subsidiaries of DTE Energy.

complaint, etc.), restoration length of time from disconnect, and any remedy provided to customer.

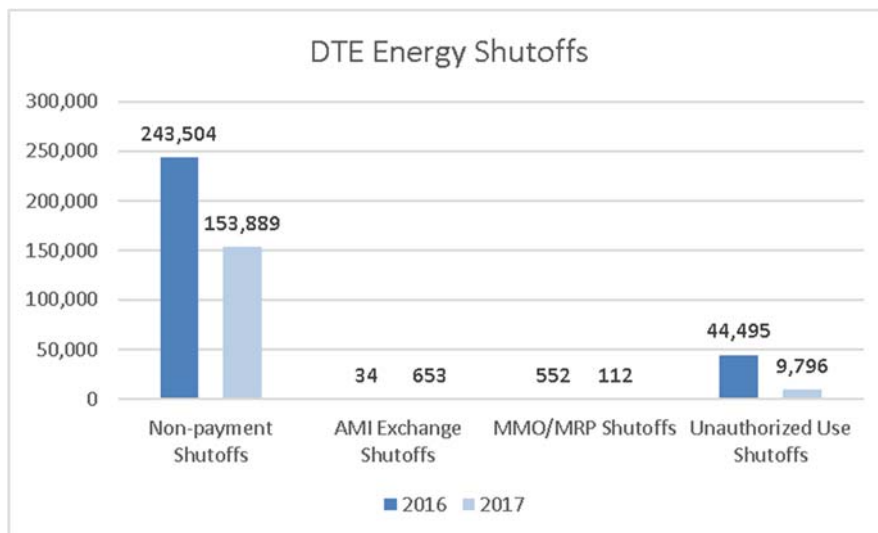
6. Outline DTE's customer communication efforts regarding shutoffs with details that include how and what information was communicated to customers who had been improperly shut off.
7. Provide an explanation of DTE's plans going forward to address all improper shutoffs.

As directed by the Commission, DTE submits this Report providing the Company's performance history related to shutoff and billing practices as well as detailing our plan and commitment to zero cuts in error.

1. Shutoffs History 2016 and 2017

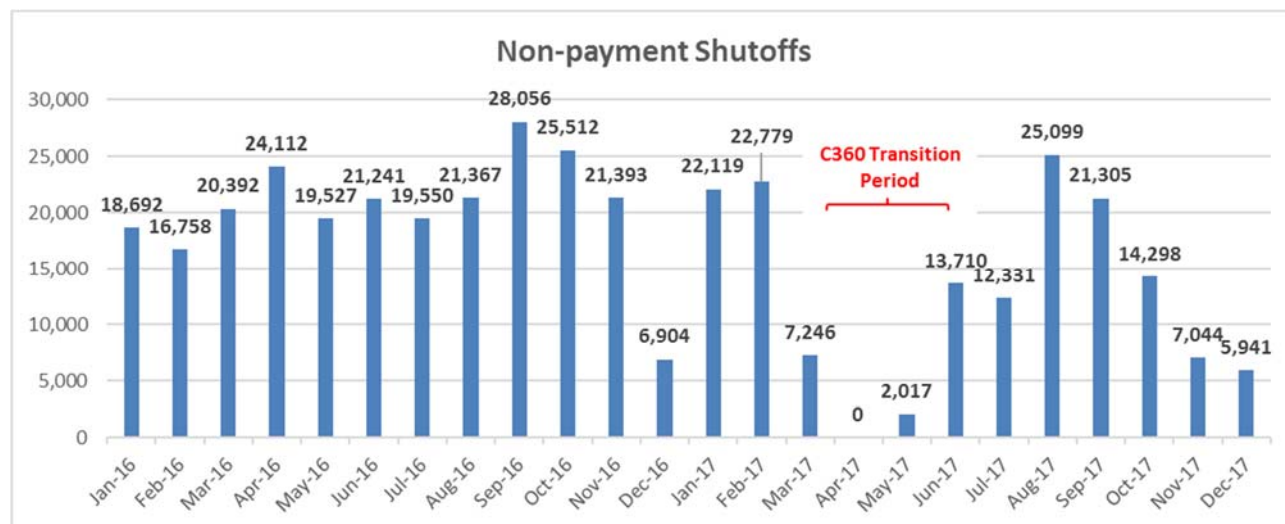
Provide DTE's performance history regarding shutoffs from January 1, 2016 through the present, highlighting the transition period for C360, provide the number of customers shut off by each month and, in the interim, continue to report weekly shut off numbers to the Staff.

There are four (4) distinct scenarios/processes where DTE would initiate a shutoff of services (discontinuance of utility service that is not requested by a customer).

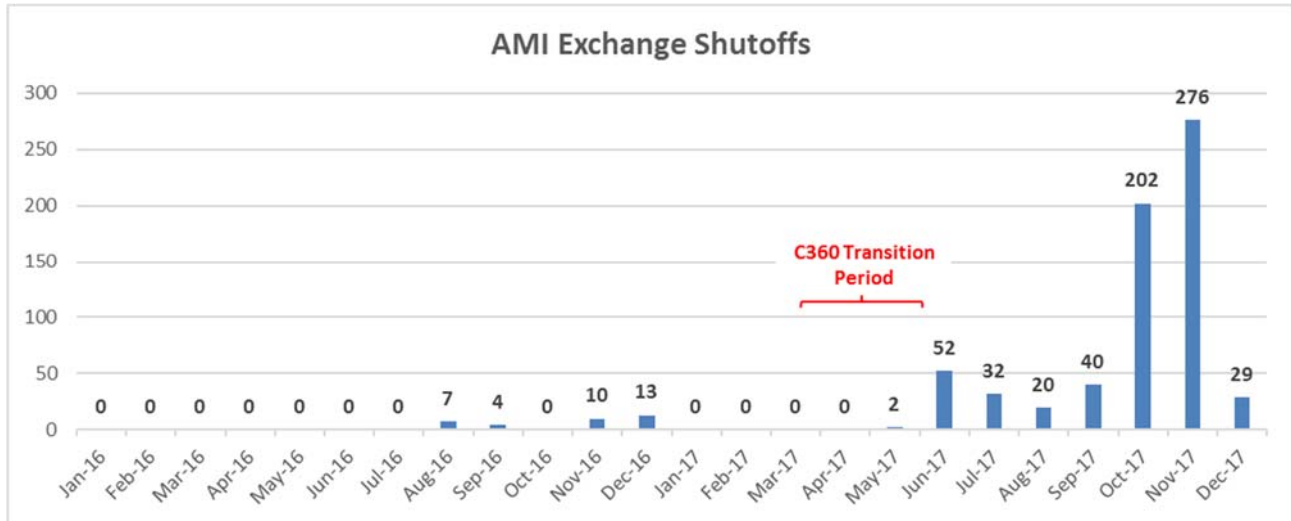


In March of 2017 we began our C360 transition and discontinued collection activities and customer shutoffs. We resumed collection activities in mid-May of 2017.

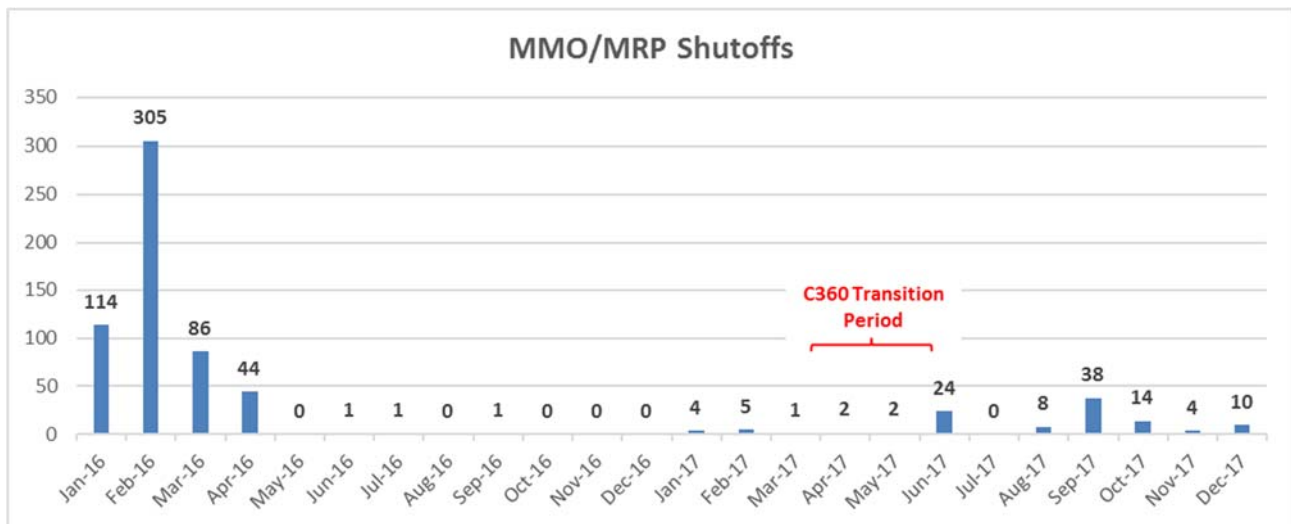
- a) Customers physically discontinued due to **non-payment**: 243,504 shutoffs in 2016 and 153,889 in 2017



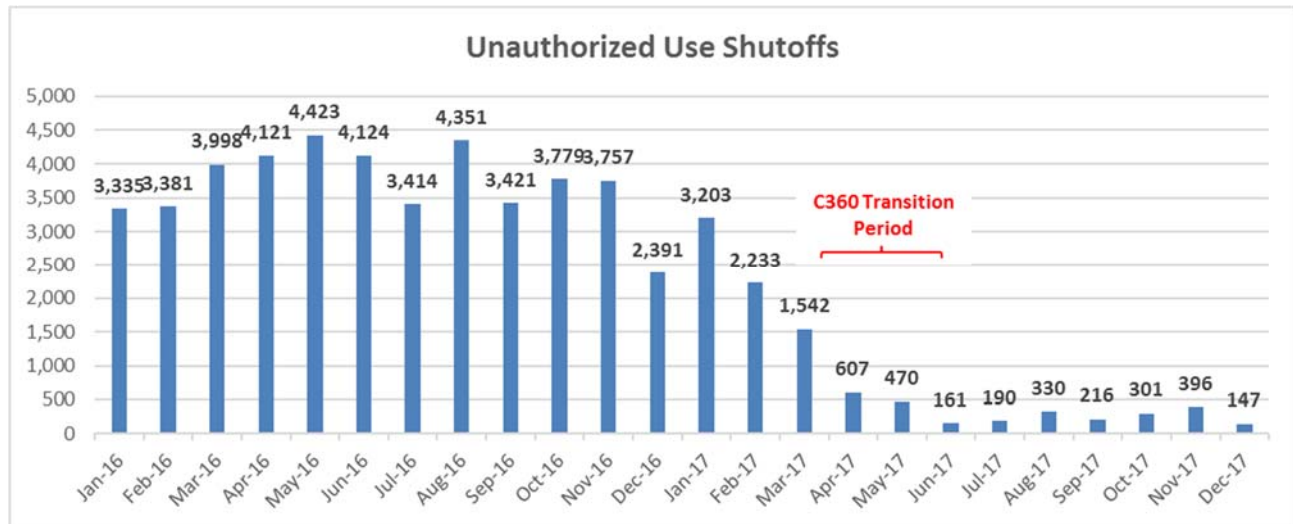
- b) Customers physically discontinued due to customer denying DTE access to the Company's equipment to switch their analog meters to **AMI (Advanced Metering Infrastructure)**: 34 shutoffs in 2016 and 653 in 2017



- c) Customers physically discontinued due to customer denying DTE access to the Company's equipment to move inside meters outside as part of the **MMO/MRP** programs (Meter Move Out/ Main Renewal Programs): 552 shutoffs in 2016 and 112 in 2017



- d) Customers physically discontinued due to **unauthorized use** of utility service: 44,495 shutoffs in 2016 and 9,796 in 2017



Going forward, we will continue to provide customer shutoff data to the MPSC Staff at our weekly check in meetings.

2. Wrongful Disconnection Error Rate

For the time period prior to the implementation of C360, provide DTE's typical error rate for wrongful disconnection and any information DTE has on the industry standard.

2016 wrongful disconnection error rate: 0.12%

DTE's typical error rate for wrongful disconnection is based on billing and noticing issues. In 2016, there were a total of 295 wrongful disconnections. Based on the total of 243,504 total customers physically discontinued due to non-payment in 2016, this represents a very small fraction of our customers (0.12% error rate).

C360 wrongful disconnection error rate: 0.26%

During the eight (8) months period following the April 2017 C360 implementation from May through December 2017, there were a total of 252 wrongful disconnections out of a total of 101,745 customers physically discontinued due to non-payment and a total of 18 wrongful disconnections out of a total of 653 customers physically discontinued due to denied access to switch the analog meter to AMI. No customers have been erroneously disconnected due the MMO/MRP project and due to the unauthorized use.

Industry standard wrongful disconnection error rate: 0.25%-0.65%

Accenture informal survey process of North America utility companies of relative size, composition and complexity as DTE show an average error rate for wrongful disconnection ranged from 0.25% to 0.65%. Due to the sensitive nature of the information requested as well as the informal data collection procedure, the participating utility companies have chosen to remain anonymous. The letter from Accenture has been included as Attachment 1.

3. Verification Process Prior to Shutoff

Provide an explanation of the verification process DTE performs prior to disconnecting a customer.

a) Customers physically discontinued due to non-payment

A process map highlighting the verification process DTE performs prior to disconnecting a customer is included as Attachment 2.

The process map that DTE follows for the Collection of Residential Accounts is included as Attachment 2. This process is designed to ensure that we strictly follow the guidelines that we have set in place for the billing, notification, collection, and disconnection of our Residential Customer Accounts. This process is robustly designed to create a set of checks and balances to provide every opportunity for our customers to avoid an interruption of their utility service. This process is also designed to give DTE an opportunity at many steps in the process to ensure that only customers who have not met the required obligations to DTE continue through to the next steps of the collection process. While we have found that a small number of errors have occurred in this process recently, the appropriate changes have been made to prevent those same errors from occurring in the future. These changes include: 1) the development of built-in rules and embedded tests that allow customers to advance through the collection flow and service orders to be sent to the field for disconnection; 2) a disconnection audit report, developed late 2017 and implemented in January 2018 that will perform additional checks and flag potential wrongful shutoffs to be manually reviewed. This process is designed to mitigate any improper service interruption for our customers and to ensure compliance with the MPSC's billing practices.

b) Customers physically discontinued due to denied DTE access to switch their analog meters to AMI

A process map highlighting the verification process DTE performs prior to disconnecting a customer is included as Attachment 3.

Given the significant impact of cuts to DTE's residential and commercial customers, the Company takes the process under which the AMI-related cuts are executed very seriously. In particular, the Company's goals with this process are that it is followed consistently in every instance and that it also eliminates any potential errors via various checks along the way. This is accomplished by the development of and adherence to a detailed process map (see Attachment 3), which was designed with clear lines of responsibility. In addition, there are a number of embedded tests built into the process with the intent to highlight any anomalies so as to avoid any AMI-related cuts in error. Where some of these cuts in error have occurred in late 2017, the process map was modified accordingly in order to prevent such instances from occurring in the future. This process map has been rolled out to the various process owners within the process and it is posted in many locations to ensure that everyone is clearly aware of the expectations.

- c) Customers physically discontinued due MMO/MRP project (Meter Move Out/ Main Renewal Program)

A process map highlighting the verification process DTE performs prior to disconnecting a customer is included as Attachment 4. No customers have been erroneously disconnected in this process during the period under review.

- d) Customers physically discontinued due to unauthorized use of utility service

A process map highlighting the verification process DTE performs prior to disconnecting a customer is included as Attachment 5. No customers have been erroneously disconnected in this process during the period under review.

4. C360 System Impact on Shutoffs

Provide an explanation of the impact of C360 on shutoffs since the implementation, including details on the type of defects, identifying when defects were fixed, and the number of customers impacted by month by each defect.

Below is a list of the C360 system defects that affected collection processes and potentially caused a wrongful disconnection, including the number of customers impacted by month:

C360 System Defect Description	Fix date	Number of customers wrongfully shutoff							Total
		Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Disconnection Workflow not cancelled on reconnection order	6/12/2017	4	0	0	0	0	0	0	4
Customer incorrectly disconnected with Flag for Red Bill in Waiting print status	6/16/2017	21	0	0	0	0	0	0	21
Payments incorrectly accepted when collection cut order is in Onsite / Enroute status	8/18/2017	5	27	7	0	0	0	0	39
Unprinted invoices not excluded from the collection process	10/6/2017	1	4	3	1	1	0	0	10
Incorrect shut off date when Subsequent Red Bill reached before Flag for Red Bill is printed	10/27/2017	5	51	21	5	1	0	0	83
Incorrect shut off date on Red Bill	12/8/2017	3	39	27	23	2	1	0	95
Total		39	121	58	29	4	1	0	252

5. Wrongful Disconnections

Review with the Staff a list of customers who were improperly shut off, reason for shutoff (i.e.: C360 no bill, C360 bill presentation, AMI scheduling and MPSC open informal complaint, etc.), restoration length of time from disconnect, and any remedy provided to customer.

DTE personnel met with Staff on Tuesday, January 16, 2018 and Friday, January 19, 2018 to review the list of customers who were improperly shut off, reason for shutoff, restoration length of time from disconnect and remedy provided to the customer.

6. Shutoff communication efforts

Outline DTE's customer communication efforts regarding shutoffs with details that include how and what information was communicated to customers who had been improperly shut off.

No communication was completed after the wrongful disconnections took place, except the restoration interactions. Once improper shutoffs were identified restore events were escalated and processed same day.

7. DTE Energy Plans Going Forward

An explanation of DTE's plans going forward to address all improper shutoffs.

The new C360 system has built-in rules and embedded tests that allow customers to advance through the collection flow and service orders to be sent to the field for disconnection. Additionally, as a double check, a disconnection audit report was developed late 2017 and implemented in January 2018. This report will perform additional checks and flag potential wrongful shutoffs, cancelling the disconnect service order. Manual reviews will also be performed to prevent wrongful shutoffs in the future.

Conclusion

Utility billing and shutoff processes are established and enforced by MPSC. DTE adheres to these billing rules and utilizes a strict internal process for recognizing non-payment, notifying customers of intent to disconnect at several junctures, and ultimately disconnecting service. Defects in the new C360 billing platform did disrupt our normal billing processes and resulted in isolated incidents of wrongful disconnections. In these cases, customers either did not receive a bill or did not get correct notification of the shutoff process, but were still disconnected. The majority of these disconnections have been restored to normal service and most were restored on the same day.

DTE recognizes the impact of the service interruptions and understands that this is a serious inconvenience for its affected customers. DTE's customer service teams are working diligently to correct any outstanding billing issues resulting from the C360 transition. The disconnect process has been error-proofed by implementing measures such as a manual process for double-checking accounts flagged for disconnect by the software. These checks will ultimately be automated to ensure defects of this type are eliminated.



Accenture LLP
140 Fountain Pkwy N
Suite 400
St. Petersburg, FL 33716
www.accenture.com

January 15, 2018

DTE Energy
1 Energy Plaza
Detroit, MI

Re: Disconnect (for NonPay) in Error

To Whom It May Concern:

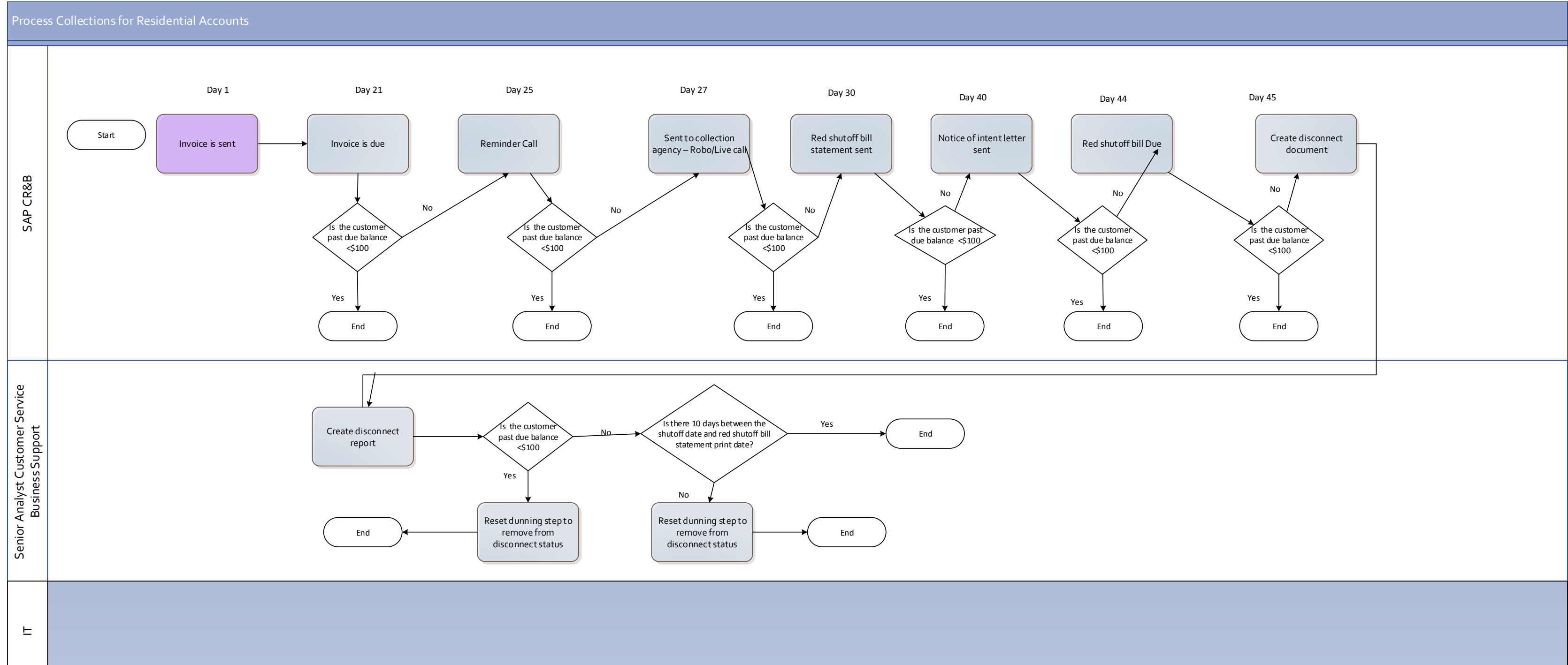
DTE Energy asked Accenture to research the industry-wide best practices benchmarking around the "Disconnect in Error" and/or "Disconnect Without Proper Notification" metric.

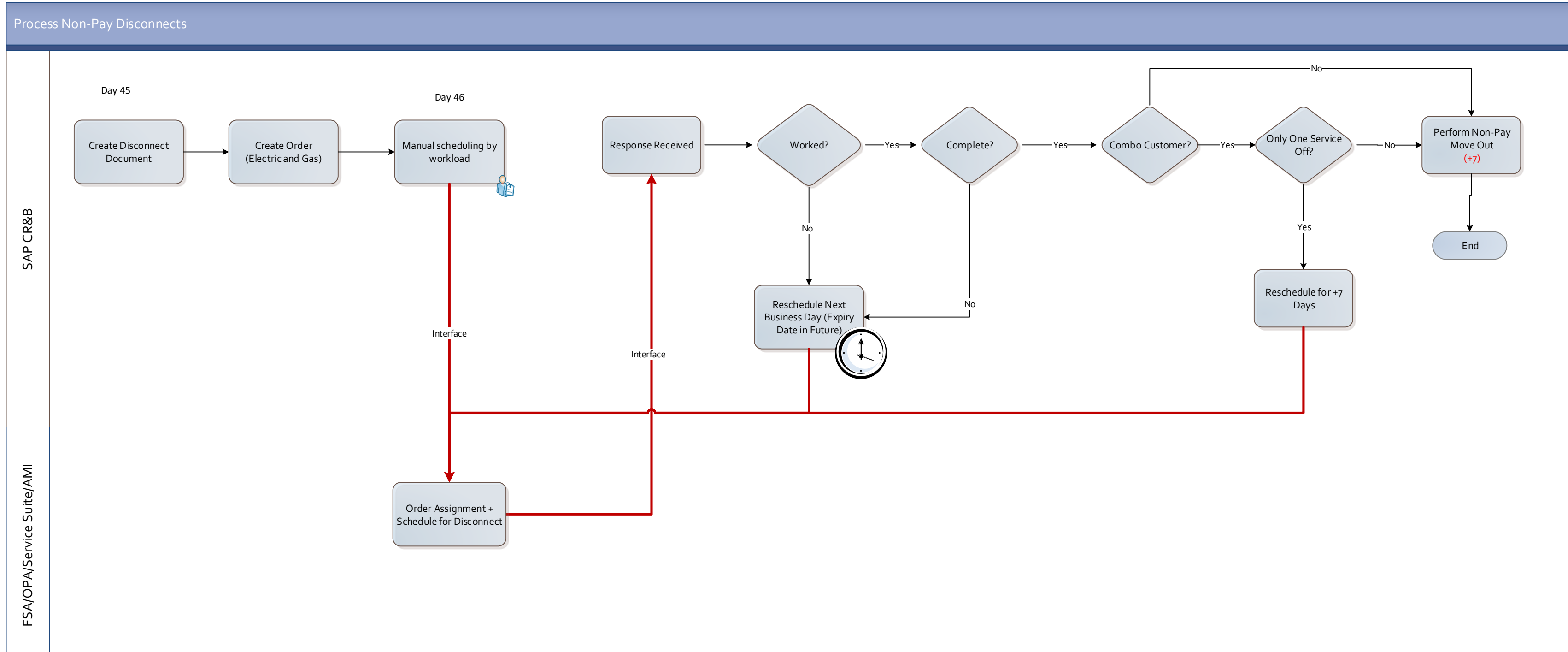
Accenture ran an informal survey process to query top North America utility companies of relative size, composition and complexity as DTE Energy. Based on this informal process, we saw that the average "Disconnect in Error" metric ranged from .25% to .65% with varying degrees of inclusions/exclusions from the rule.

Due to the sensitive nature of the information requested as well as the informal data collection procedure, the participating utility companies have chosen to remain anonymous.

Sincerely,

Dondi Schneider
Managing Director
North America Utilities SAP Lead
Accenture



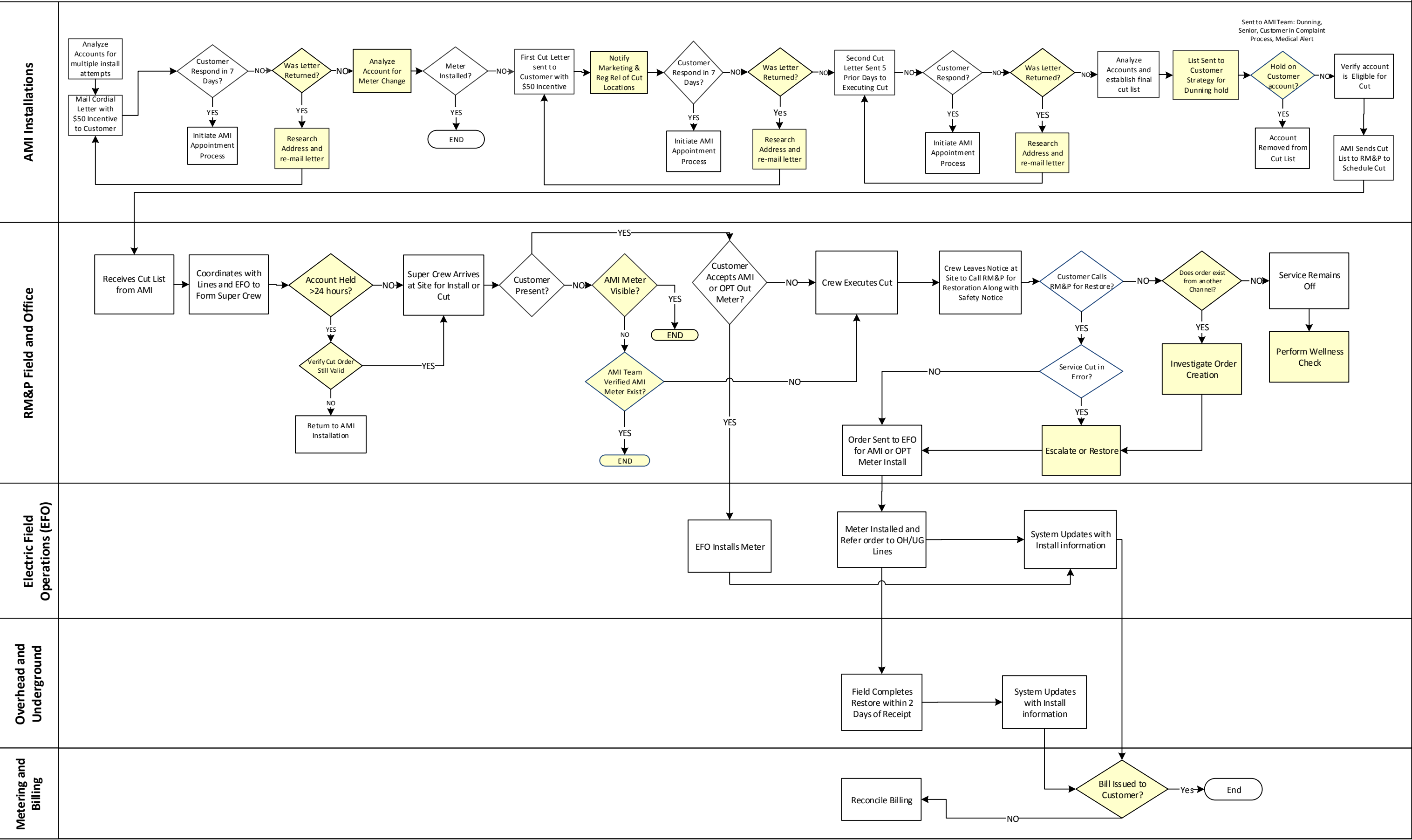


AMI Cut Process

ET – Billing Informs AMI that Orders from Completion List have been Processed in CR&B and any SO25's have been worked

All Countermeasures are Highlighted in Yellow

Updated: 1/12/18 v.6



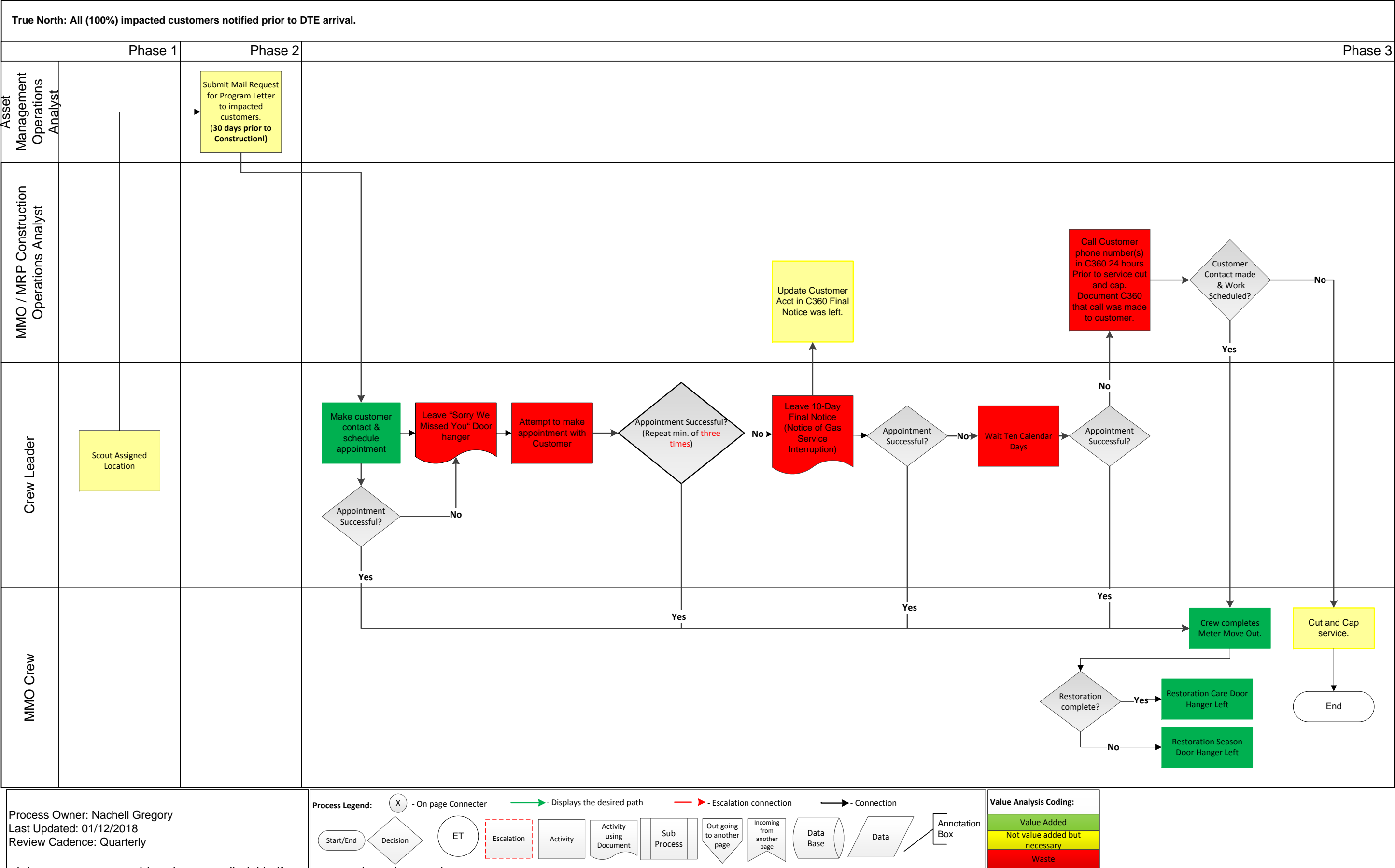
Metrics: Customers notified accordingly and timely.



TITLE: GRP Customer Communication and Letter Escalation Process Map

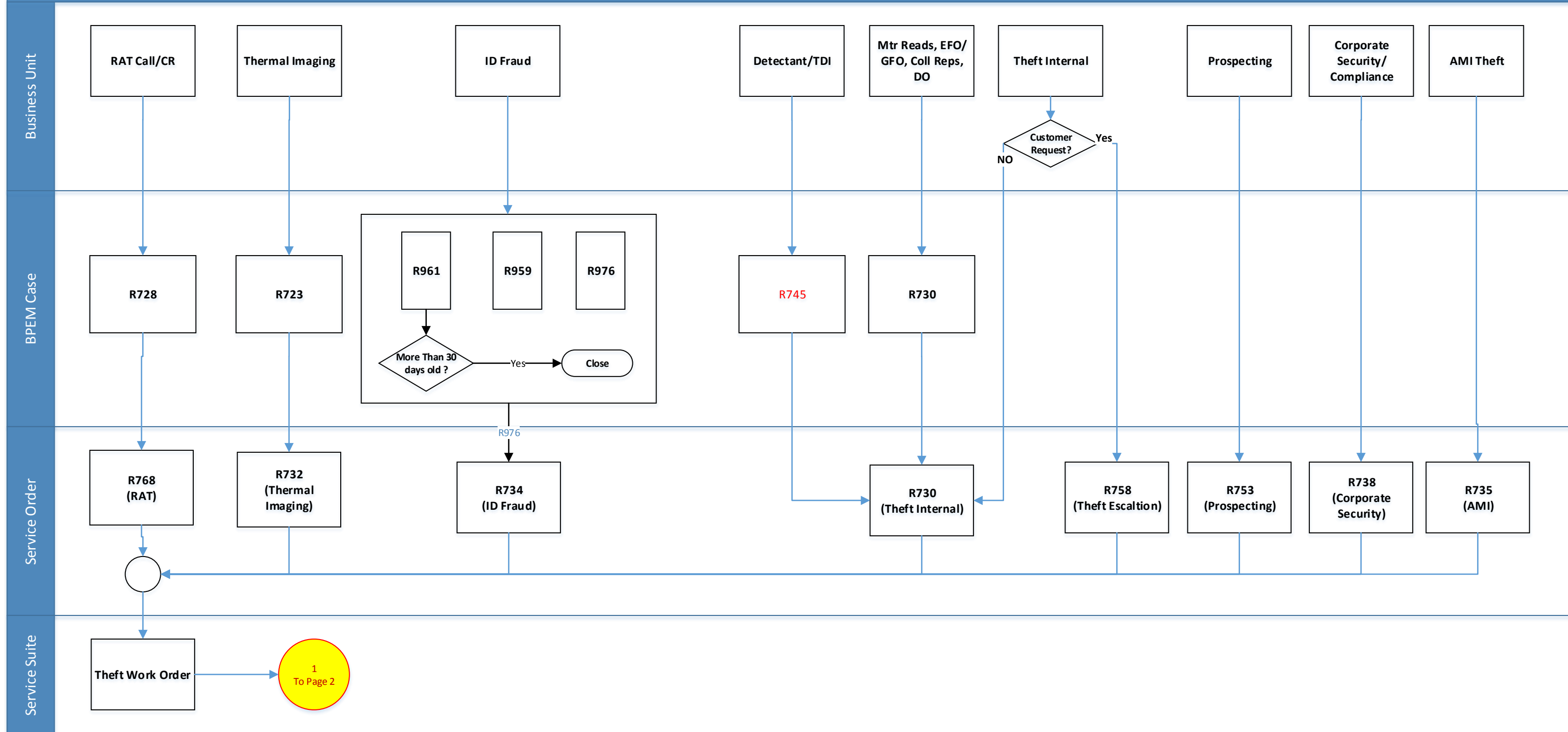
Description: This is the process and the escalation for notifying customers impacted by the Gas Renewal Program.

- Process Outputs:
- 1 Scouting Letters Mailed to Impacted Customers
 - 2 Program Letters Mailed to Impacted Customers
 - 3 Door Hangers Left with Impacted Customers



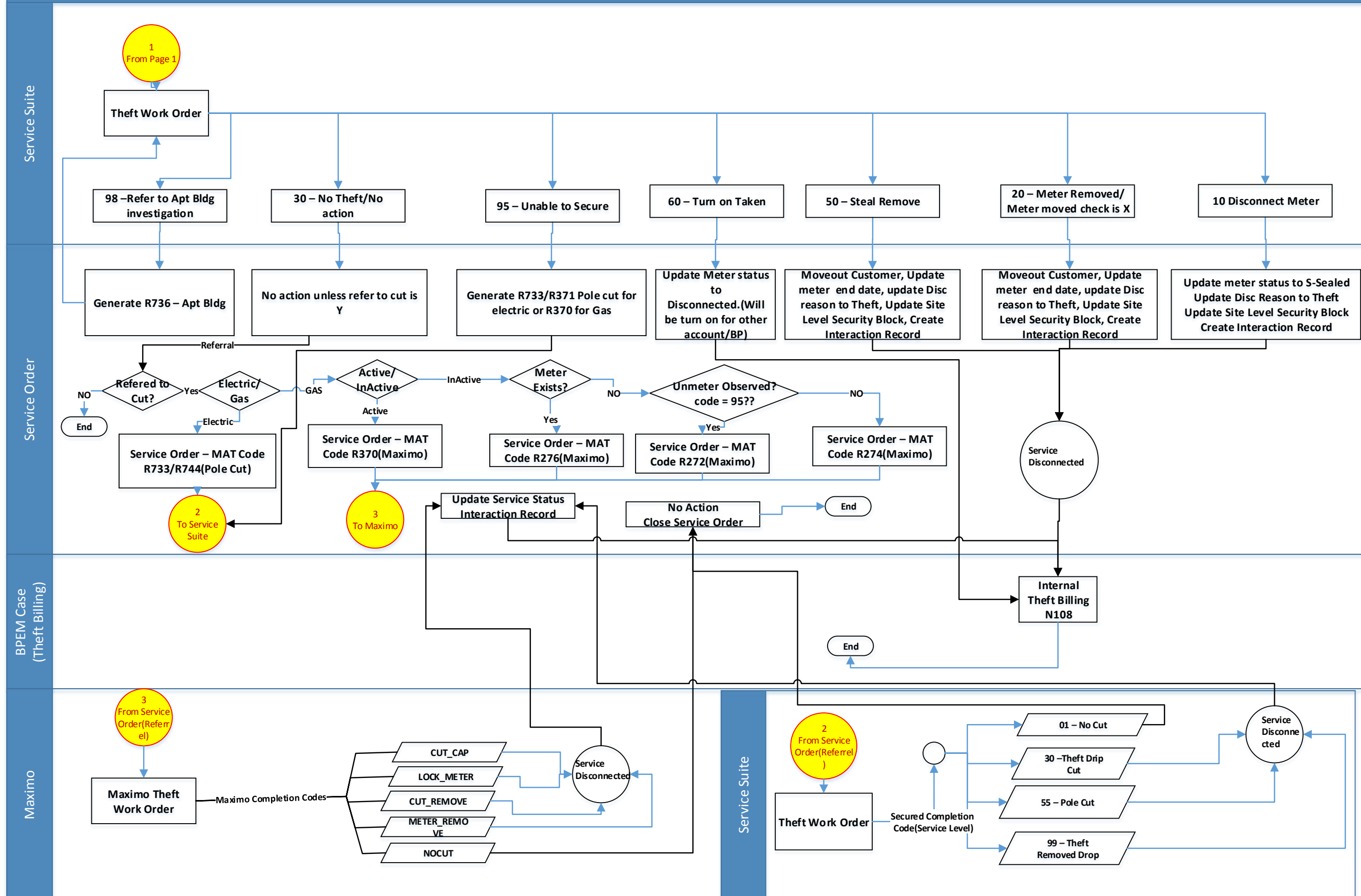
Theft Process V1

Author: Jampana



Theft Process V1

Author: Jampana



Theft Process V1

Author: Jampana

