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MPSC fines DTE Energy \$840,000 for improper billing, shutoffs

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today approved a settlement agreement fining DTE Energy Co. \$840,000 for violating the Commission's rules governing billing and shutoff practices by utilities.

"The Commission has great concern when utilities violate customer protection rules," said Sally Talberg, chairman of the MPSC. "The rules are important, fair, and common-sense protections for customers. This settlement resolves outstanding issues regarding illegal disconnections and billing mistakes, and it requires DTE Energy to be transparent and timely in meeting the significant requirements in the agreement. The MPSC will closely monitor DTE to make sure the settlement is fully implemented to provide customers the expected energy service and billing programs that are required under the law."

The agreement was reached between the Commission staff, the Department of the Attorney General and DTE ([Case No. U-20084](#)).

In addition to the \$840,000 fine, DTE must:

- Refund deposits and reconnection fees, including interest, to customers who have been improperly shut off.
- Perform five semi-annual audits of its internal shutoff procedures and its customer billing practices through 2020.
- Audit its management and organizational practices and compare them to industry best practices.
- Replace by December 2019 the meters of all electric customers who choose service under the Non-Transmitting Meter Provision with digital meters that do not transmit any radio frequency signals. No fee will be assessed to opt-out customers for meter replacement. DTE will be able to record a one-time \$750,000 credit to offset digital meter installation costs.
- Meet with the Commission Staff regarding the process to eliminate consecutive estimated bills for a three-month period.
- File semi-annual reports for two years addressing estimated meter reading.
- Provide within 60 days a status report on implementing SAP Customer 360, DTE's new billing system, including the efficacy and functionality of the system.

As a result of its internal investigation of billing and shutoff issues, DTE has implemented a disconnection verification process that lists nine criteria that must be checked before a shutoff is

approved, and a five-step advanced metering infrastructure exchange shutoff verification process.

The settlement agreement does not preclude any remedy that is available to a DTE customer who has a pending complaint before the Commission or who has yet to file one.

The Residential Customer Group opposed the settlement.

The Commission opened its investigation in December 2017 after receiving customer complaints through its Customer Assistance Division about billing and shutoff issues ([Case No. U-18486](#)). Staff had learned of cases where DTE Electric and DTE Gas disconnected utility service and possibly violated the Consumer Standards and Billing Practices for Electric and Natural Gas Service after the utility began using its new billing system in April 2017.

DTE filed a report to the Commission on Jan. 22, 2018, but later said it contained inaccurate information and would be amended. On Jan. 29, DTE filed a follow-up report that indicated a system defect caused approximately 5,000 customers, out of a total of 9,000 shutoffs, to lose service without receiving proper notification under the billing rules: customers had received a single notice when two notices are required.

On Feb. 5, citing rule violations, inaccurate reporting, misinformation, and missing information, the Commission opened a show cause hearing to examine and obtain accurate information on the extent of the shutoff and billing errors and whether they were resolved in an appropriate and timely manner.

For an Issue Brief about the show cause investigation, [click here](#).

The MPSC's Customer Assistance Division can be reached at (800) 292-9555.

To look up cases from today's meeting, access the eDockets filing system [here](#).

To watch a livestream of the MPSC's meetings, [click here](#).

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