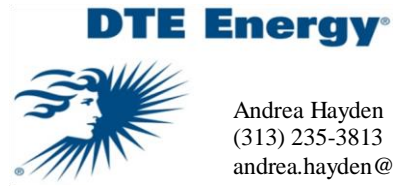


DTE Energy Company
One Energy Plaza, 1635 WCB
Detroit, MI 48226-1279



Andrea Hayden
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andrea.hayden@dteenergy.com

February 18, 2019

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 Final Report in compliance with Commission's Order of December 20, 2018 in the above matter.

Very truly yours,

Andrea Hayden

AH/lah
Encl.

DTE Electric and DTE Gas Customer Service Update to MPSC

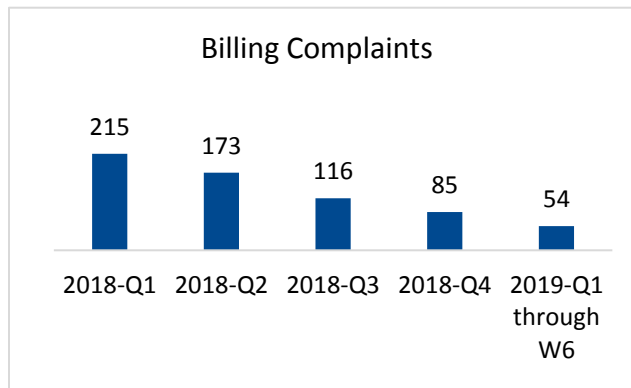
February 18, 2019

The implementation of a new SAP billing system, Customer 360 (C360), in 2017 by DTE Electric Company and DTE Gas Company (together “DTE” or the “Companies”) resulted in process changes and system defects which impacted the customers in various ways. Although necessary system improvements were gained, some customers experienced bill presentment issues, shutoffs in error and high call wait times due to the C360 implementation. These issues led to higher MPSC Complaints, higher call volumes, delayed bills and consecutive estimates.

Throughout 2018 DTE worked to resolve the backlog of customer issues through focused work initiatives while addressing root cause system defects and process issues. As a result, there was a significant reduction in customer impacted exceptions and a decrease in delayed bills with impactful improvements across all customer service metrics.

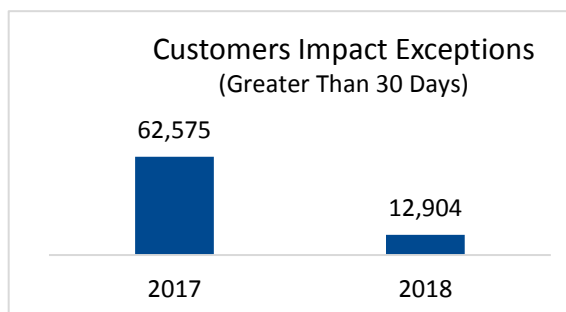
MPSC Complaints

The implementation of C360 led to an increase in complaint volumes driven by system issues that impacted our billing group. In 2018, robust efforts to both reduce the backlog of billing exceptions and improve the cycle time of exceptions resulted in a continual reduction in billing complaints over 2018. The Companies expect further reduction in 2019 as the C360 system has stabilized and exceptions are resolved more quickly.



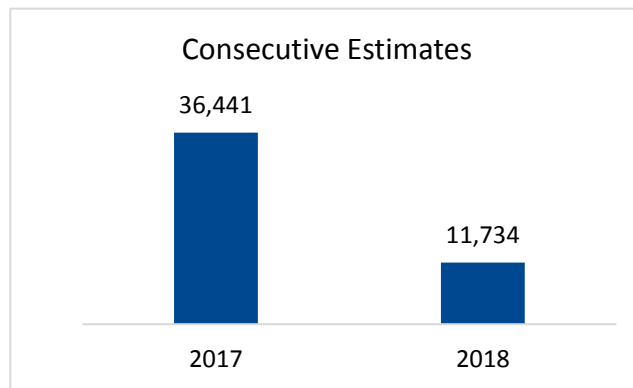
Billing & Meter Reading

In 2018, DTE added over 200 incremental resources to significantly reduce the high impact exceptions backlog. The implementation of process automations was key to managing the inflow of new exceptions by reducing the need for manual intervention and increasing productivity.



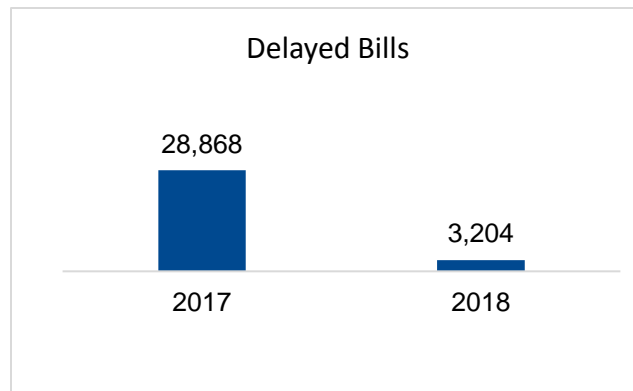
Consecutive Estimates

In 2018, the Companies executed several initiatives that resulted in a reduction in consecutive estimates (CEs). In August, we started a project to field visit all consecutive estimates associated with non-communicating AMI meters. Special readers collected meter reads that were used to provide bills based on actual consumption data and reported conditions that resulted in meter maintenance orders. This activity improved the overall AMI read rate and reduced the volume of CEs associated with AMI meters. A system issue related to the automated customer correspondence was corrected which led to an increase in outbound communication to CE customers. System generated letters are automatically sent at three consecutive estimates for AMI and non-AMI customers, and again at five months for non-AMI customers. These letters direct customers to contact Customer Care to schedule an appointment for meter reading or meter maintenance or send a picture of the meter to MYMETERREAD@DTEENERGY.COM. Finally, a process was implemented to review data synchronization issues between SAP and the AMI Meter Data Management and correct conditions identified as setup issues before customers are estimated for multiple billing periods. These initiatives remain in place in 2019 as we work to further reduce our CEs.



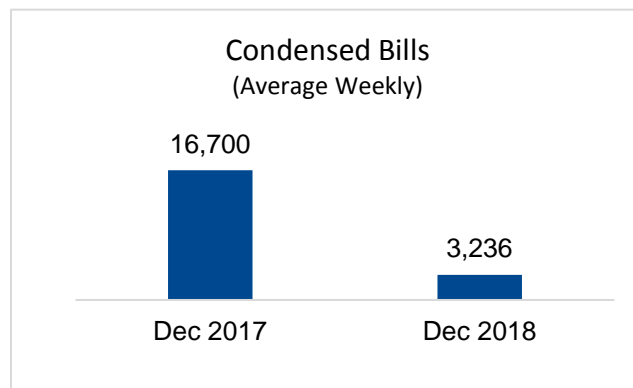
Delayed Bills

Due to processes with the new billing system, a small number of customers can experience a “delayed bill”. Delayed bills include customers who have not received bills for some number of months due to system validations that prevent the bill from being generated. In addition, delayed bills include customers who have received bills previously, but have had those bills reversed to correct a billing issue or make a billing change. Post-go live the Company established a target of 0.15% of total invoices generated monthly (4,300 accounts) would not be impacted by a delayed bill more than 30 days old. In the first few months after C360 launch this number was closer to 24,000. For most of 2018, delayed bill volumes were maintained at or better than the Companies’ target of 0.15% per month. During the months that were over that target, additional billing resources were devoted to resolving delayed bills, modified processes for resolving delayed bills to eliminate extra hand offs, and when needed, prioritized field work required to resolve delayed bills. The Companies are meeting or exceeding the target.



Condensed Bills

A condensed bill is a bill that does not show the customer all the detailed line items that they are accustomed to seeing on their bills. Several system defects were remediated to reduce condensed bills and correct bill presentment issues related to condensed bills. A large effort to fix out of sync payment plan dates and payment plan types helped to prevent a large number of condensed bills. Another critical effort involved improving the accuracy of condensed bills. These efforts involved ensuring account balances tie back to the previous bill and ensuring payments and current charges are being accurately reflected. These efforts helped facilitate an 80% drop in the volume of condensed bills.



BudgetWise Billing (BWB)

Post C360 conversion, there were many system issues with BWB. Some customers experienced bill presentment issues such as incorrect bill amounts, incorrect past due labels, settlement amounts that incorrectly rolled over into their new plans, and missed categorization of pending payments. Significant improvements have been made since that time with dozens of defects remediated. However, there are still some outstanding defects that we are in process of remediating.

Our plans for BWB in 2019 include the following:

- Correct the remaining defects associated with BWB
- Increase first contact resolution and customer satisfaction associated with BWB
- Minimize the plan variance during the plan lifecycle
- Reduce BWB related complaints
- Increase the number of BWB enrollments
- Begin mass marketing the program to customers
- Enhancing the customer overall experience on the plan
- Improve employee experience with BWB

Collective Billing

Collective invoicing provides the opportunity for customers with multiple service addresses to consolidate bills and payments but adds an inherent level of complexity which poses challenges for customers and employees. DTE has more than 57,000 collective accounts. These accounts ended up as collectives because of the conversion from the old billing system to C360 or as a part of the process for handling landlord accounts post conversion. Customers did not request to be collective accounts. These accounts have a complicated bill resolution process and have a higher propensity to be unbilled or delay billed. In addition, collective accounts cannot participate in payment plans and can be considered more confusing to some customers. Finally, they result in higher call volumes along with longer resolution times and customer complaints. We have a series of initiatives planned or implemented to assist in collective bill resolution:

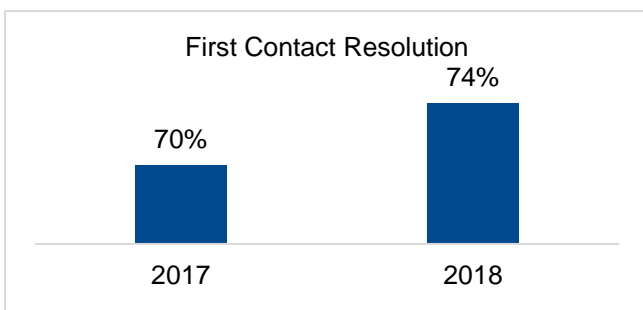
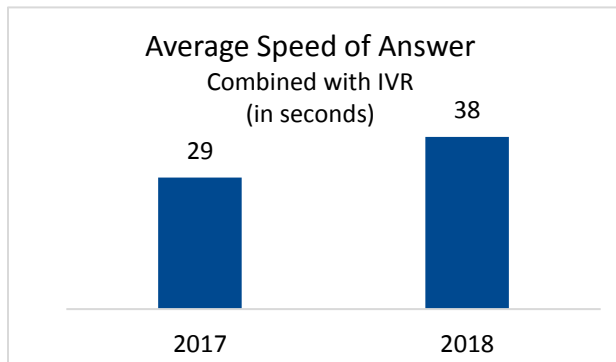
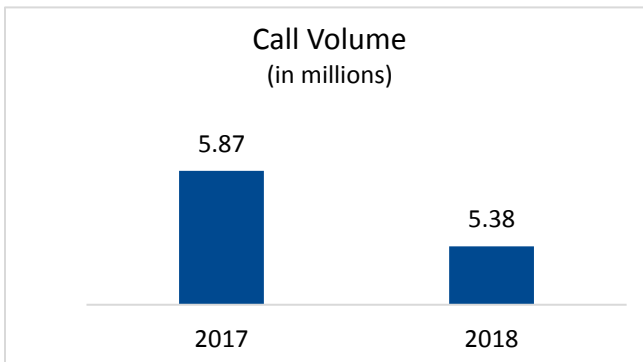
- Implemented new policy for creative of collective accounts (November 2018)
- Redesigned the landlord process ion SAP to adhere to the new policy (January 2018)
- Will reduce the volume of collective accounts (expected completion April 2019)
- Will create reporting to monitor volume of collectives and health of collective accounts (expected completion April 2019)

Service & Accessibility (Call Center & Customer Experience)

Call Volume, Average Speed of Answer, and First Contact Resolution

In 2017, DTE brought in temporary incremental resources to assist in managing the increased call volume and average handle time during go-live. In 2018, the call center was rightsized to account for the reduced call volume and improved average handle time post-C360. Though the average handle time improved in 2018, it did not return to pre-go-live levels as customer service representatives were taking calls in the new system and many calls became more complex due to customer billing issues and other defects related to C360.

In 2018, first contact resolution, across all transactions, improved 4% due to remediation of system defects, provided increased training to our customer service representatives, and implemented a more robust quality program.



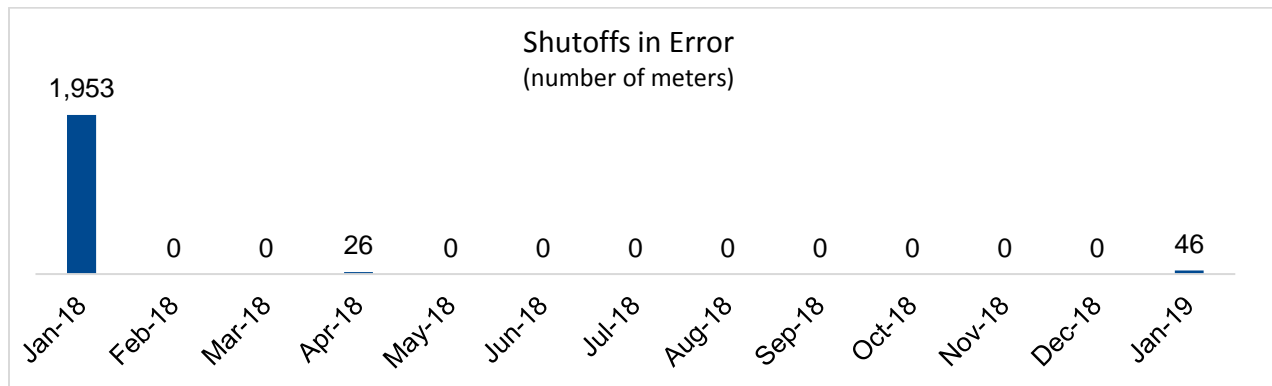
Revenue Management & Protection (RM&P)

Reconnect Fees

During an internal account-level audit, a defect was discovered resulting in duplicate reconnect fees being charged to specific gas meters. The full scope of the issue (# of accounts, \$ erroneously charged) is currently being evaluated and addressed by DTE's IT department. A system fix is scheduled to be implemented on February 22, 2019. Once the full scope and accounts are identified, all overcharged fees will be refunded to the impacted customers. As part of the account-level audits performed in relation to Case No. U-20084 in 2018, a similar issue was surfaced on electric reconnect fees. This was corrected and all fees refunded to the affected customers. While the end result of both defects is similar (duplicate reconnect fees), the root cause is different which is why it was not identified (or corrected) as part of U-20084.

Shutoffs in Error

Since the countermeasures implemented as part of Case No. U-20084 (manual and automated 9-step account validation), there have been zero shutoffs in error due to gaps/defects in the dunning process. However, there were two incidents that led to additional shutoffs in error after the filing of the initial report of 4,184 meters as detailed in U-20084. These two incidents resulted from a gap in the payment posting process. In April 2018, a bank file from an authorized pay agent was not delivered timely, resulting in 26 meters shut off in error due to payments not posting promptly. In January 2019, two weeks' worth of State Emergency Relief (SER) payments from the State of Michigan were delayed in processing. In addition, agency commitment locks were not placed on all accounts receiving assistance by the DHHS offices. This delay in SER payment posting, and lack of agency commitment locks, resulted in 46 meters shut off in error. Upon discovery of both incidents, DTE restored all customers. Refunds for fees and deposits were completed by July 2018. DTE has since engaged in a rigorous investigation of the payment posting process; including, an after-action review of the incident resulting in the implementation of numerous countermeasures and additional embedded tests throughout the process.



As the Companies continue to resolve system defects, further improvement in key customer satisfaction metrics including MPSC complaints is expected. We expect many of the aforementioned defects to be resolved by Q2 of 2019. Along with system defect resolution, DTE continues to improve processes, allowing for increased responsiveness to our customers and an overall improved customer experience.