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July 3, 2019

Barbara Kunkel  
Acting Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Lansing, MI 48917

RE: In the matter of the application of **DTE ELECTRIC COMPANY** for authority to increase its rates, amend its rate schedules and rules governing the distribution and supply of electric energy, and for miscellaneous accounting authority MPSC Case No. U-20561

Dear Ms. Kunkel:

Attached for electronic filing in the above captioned matter is DTE Electric Company's Rate Case Summary. Also attached is the Proof of Service.

Very truly yours,

Andrea Hayden

AH/lah  
Attachments  
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Application of )  
**DTE ELECTRIC COMPANY** )  
for authority to increase its rates, amend ) Case No. U-20561  
its rate schedules and rules governing the )  
distribution and supply of electric energy, and )  
for miscellaneous accounting authority. )

**DTE ELECTRIC COMPANY’S RATE CASE SUMMARY**

In accordance with the Michigan Public Service Commission’s (“MPSC” or the “Commission”) July 31, 2017 Order in Case No. U-18238, DTE Electric Company (“DTE Electric” or the “Company”) submits its required Rate Case Summary. DTE Electric’s Rate Case Summary is being provided for informational purposes only. Modifications may be made to the Company’s upcoming rate case filing that could impact the information contained herein.

In DTE Electric’s most recent rate case, Case No. U-20162, the Company requested the Commission authorize an adjustment to retail rates for the generation and distribution of electricity to provide additional revenue in the amount of \$328 million annually. This was based on the utilization of a projected test year commencing May 1, 2019 and ending April 30, 2020. In its May 2, 2019 Order in Case No. U-20162 the Commission authorized DTE Electric to increase its retail rates for the generation and distribution of electricity by \$125 million annually, with a Return on Equity of 10%. In addition to the \$125 million rate increase, a credit related to the Tax Cut and Jobs Act (TCJA) of \$148 million also terminated with the implementation of new rates pursuant to the final order in Case No. U-20162.

DTE Electric’s upcoming rate case filing, Case No. U-20561, is being primarily driven by the Company’s continued infrastructure and generation investment. Based on the evidentiary support provided in its upcoming filing, DTE Electric requests that the Commission authorize the Company to adjust its retail rates for the generation and distribution of electricity to provide

additional revenue in the amount of \$351 million annually based on a projected 12-month test year of May 1, 2020 through April 30, 2021. The Company is requesting a Return on Equity of 10.5%, and uses an inflation factor of 3% for 2019, 2.9% for 2020, and 1% for four months of 2021.

For the projected test year, the Company's average overall rate increase will be:

		<b>Total Net</b>
		<b>Increase/(Decrease)</b>
<b>Residential</b>		<b>(%)</b>
D1/D1.6 Residential		9.1%
D1.1 Int. Air		9.6%
D1.2 TOD		4.5%
D1.7 TOD		13.1%
D1.8 Dynamic		9.2%
D1.9 Elec. Vehicle		9.4%
D2 Elec. Space Heat		9.2%
D5 Res. Water Ht.		9.8%
<b>Total Residential</b>		<b>9.1%</b>
<b>Secondary</b>		
D1.1 Int. Air		6.0%
D1.7 TOD		11.0%
D1.8 Dynamic		6.3%
D 1.9 Elec Vehicle		8.2%
D3 Gen. Serv.		5.9%
D3.1 Unmetered		6.2%
D3.2 Sec. Educ.		14.3%
D3.3 Interruptible		6.3%
D4 Lg. Gen. Serv.		11.8%
D5 Com. Wat. Ht.		10.6%
E1.1 Eng. St. Ltg.		5.9%
R7 Greenhs. Ltg.		12.1%
R8 Space Cond.		6.0%
<b>Total Secondary</b>		<b>7.3%</b>
<b>Primary</b>		
D11 Prim. Supply		2.6%
D6.2 Pri. Educ.		5.6%
D8 Int. Primary		4.0%
D10 El.Schools		1.8%
R1.1 Alt. Mtl. Melt.		9.5%
R1.2 El. Pr. Htg.		3.8%
R3 Standby		14.3%
R10 Int. Supply		2.4%

<b>Total Primary</b>		<b>2.9%</b>
<b>Other</b>		
D9 Protective Ltg.		9.0%
E1 Muni Street Ltg		5.5%
E2 Traffic Lights		3.9%
<b>Total Other</b>		<b>5.8%</b>
<b>Total All Classes</b>		<b>7.1%</b>

The key drivers associated with the Company's revenue requirement are:

<b>Key Drivers • Revenue Requirements</b>	
	Revenue Requirement Impact
a. Rate Base – working capital	\$157
b. Capital Structure	62
c. Operating Expenses	88
d. Sales Margin	43
e. Other	1
<b>f. Total Revenue Requirement Impact</b>	<b>\$351</b>

The revenue requirement associated with rate base is as follows:

<b>Key Drivers • Rate Base</b>			
	Drivers	Rate Base Impact	Revenue Requirement Impact (Return on, Return of and Property Tax)
a.	Last Rate Base Order	\$17,058,834	1,160,001
b.	Utility Plant	1,304,135	164,895
c.	Depreciation Reserve	(132,581)	(9,016)
d.	Net Nuclear Fuel and Capital Lease Property	37,235	2,532
e.	Working Capital	(16,294)	(1,108)
f.	Requested Rate Base	\$18,251,329	1,317,304
<b>g.</b>	<b>Increase from Last Rate Base Order</b>	<b>\$1,192,494</b>	<b>\$157,304</b>

With respect to rate design, the Company is proposing the following changes: 1) a new Fixed Bill pilot program for the Residential D1 rate design; and 2) proposed tariff changes to interruptible service products D3.3, D8, R1.1 & R1.2, and R10 and associated changes to the Company's Emergency Electrical Procedures.

The Company is proposing to implement a low-income renewables pilot that will better enable low income customers to participate in the Company's MIGreenPower (MIGP) program.

In Case No. U-18238, the Commission established new standard rate case filing forms and instructions based on the 10-month statutory rate case processing timeframe. The Company has included the information available related to these requirements. The Company will also be including the most recent prior Part III required rate case filing forms.

In addition to the requests described above, DTE Electric will also be seeking waivers of certain Residential Billing Rules in order to implement the Fixed Bill pilot.

DTE Electric intends to file its upcoming electric rate case by July 8, 2019, which will allow for new rates to be effective May 8, 2020.

Respectfully Submitted,

DTE ELECTRIC COMPANY

By:

\_\_\_\_\_  
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(313) 235-3813

Dated: July 3, 2019

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of )  
DTE ELECTRIC COMPANY for )  
authority to increase its rates, amend its )  
rate schedules and rules governing the )  
distribution and supply of electric energy, )  
and for miscellaneous accounting authority )

Case No. U-20561

PROOF OF SERVICE

STATE OF MICHIGAN )  
 ) ss.  
COUNTY OF WAYNE )

ESTELLA R. BRANSON, being duly sworn, deposes and says that on the 3<sup>rd</sup> day of July, 2019, she served a copy of DTE Electric Company’s Rate Case Summary, via electronic mail upon the persons referred to in the attached service list.

\_\_\_\_\_  
ESTELLA R. BRANSON

Subscribed and sworn to before  
me this 3<sup>rd</sup> day of July, 2019

\_\_\_\_\_  
Lorri A. Hanner, Notary Public  
Wayne County, Michigan  
My Commission Expires: 4-20-2020

**COMBINED SERVICE LIST**  
**MPSC Case No. U-18255 and U-20162**

**Page 1**

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**COMBINED SERVICE LIST**  
**MPSC Case No. U-18255 and U-20162**

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**COMBINED SERVICE LIST**  
**MPSC Case No. U-18255 and U-20162**

**Page 3**

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