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Sent: Friday, December 01, 2006 2:23 PM

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Cc: Paul G Horgan

Subject: COS Collaborative DetEd model

Attached is the current version of Detroit Edison's Excel-based Cost of Service (COS) model.

The model incorporates Staff's recommended changes as follows:

- 1- "aggregation of input cost data on the input1 tab" complete
- 2- "display aggregated functional cost data on the input1 tab" complete
- 3- "identify allocators on input1 tab" complete (Note: the description shown corresponds to the allocator used for the Prod Function)
- 4- "link allocators from input2 tab to report tabs Total, Prod, Dist" complete
- 5- "display formulas" Not completed because Edison believes the additional effort required to implement and maintain the change exceeds the value added.
- 6- "make the Total tab the arithmetic sum of the Prod and Dist tabs." complete
- 7- "show numbers with the percentages for externally generated allocation factors" Where feasible, the basis for externally generated allocation factors is displayed on the reports that display allocation schedules. For more complex calculations, the basis may be found in referenced workpapers.
- 8- "show numbers with the percentages for internally generated allocation factors" Where feasible, the basis for internally generated allocation factors is displayed on the reports that display allocation schedules. For more complex calculations, the basis may be found in referenced workpapers.
- 9- "use masks to calculate allocation factors that use some, but not all, classes" Masks have been included. In order to match the included/excluded items in the numerator to those in the denominator I used the excel function "sumproduct".

Note: The attached model is adapted from Detroit Edison's test year cost of service from MPSC Case No. U-14838 (Section B). It uses the historic base year data and incorporates known and measurable changes through year-end 2007 as separate line items.

(See attached file: DetEd UCOSB Model.xls)

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