

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
THE DETROIT EDISON COMPANY for extension)
of interruptible service R1.1 alternative metal melting) Case No. U-13230
rider and R1.2 electric process heat rider.)
_____)

At the February 25, 2002 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Laura Chappelle, Chairman
Hon. David A. Svanda, Commissioner
Hon. Robert B. Nelson, Commissioner

ORDER

On December 14, 2001, The Detroit Edison Company (Detroit Edison) filed an application for authority to extend the availability of certain existing interruptible industrial rates, the alternative metal melting rider (rider R1.1) and the electric process heat rider (rider R1.2), through December 31, 2002. The Commission first approved riders R1.1 and R1.2 in its January 21, 1994 order in Case No. U-10102. The availability of the riders was subsequently extended by various Commission orders. On October 28, 1999, the Commission issued an order extending the riders through the end of 2001.

Pursuant to riders R1.1 and R1.2, Detroit Edison currently provides interruptible electric service to over 300 manufacturing customers that use process heat in various manufacturing, electrolytic, anodizing, plating, coating, and other melting and forming production activities. Due to the potential that some customers would experience rate increases effective January 1, 2002 if

riders R1.1 and R1.2 are no longer available, Detroit Edison asserts that maintaining the availability of the riders is appropriate. Detroit Edison states that extension of riders R1.1 and R1.2 in the manner proposed is appropriate because it will assist customers in making the transition to a restructured electric industry by providing much needed price stability as well as additional time to explore alternative supply options. Detroit Edison also states that service under riders R1.1 and R1.2 is optional for customers.

Because service under the riders is optional and because all customers have been able to select their electric supplier as of January 1, 2002, the Commission believes that the proposed extension of riders R1.1 and R1.2 is reasonable. However, the Commission finds that the extension should only be approved through September 30, 2002.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1992 AACS, R 460.17101 et seq.

b. Riders R1.1 and R1.2 should be extended for service after January 1, 2002.

THEREFORE, IT IS ORDERED that:

A. The Detroit Edison Company is authorized to extend the operation of its alternative metal melting and electric process heat riders for service after January 1, 2002 through September 30, 2002.

B. The revised tariff sheets that reflect the authority granted by this order and attached as Appendix A and Appendix B are approved. The Detroit Edison Company shall file amended tariffs reflecting the changes approved by this order within 30 days.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Laura Chappelle
Chairman

(S E A L)

/s/ David A. Svanda
Commissioner

/s/ Robert B. Nelson
Commissioner

By its action of February 25, 2002.

/s/ Dorothy Wideman
Its Executive Secretary

THE DETROIT EDISON COMPANY
M.P.S.C. No. 9
(To extend termination date to September 30, 2002.)

APPENDIX A (Page 1 of 1)
Twelfth Revised Sheet No. R1.1 a
Cancels Eleventh Revised Sheet No. R1.1a

**STANDARD CONTRACT RIDER NO. R1.1
ALTERNATIVE METAL MELTING RATE—Continued**

SUBSTATION CREDIT: Available to customers where service at sub-transmission voltage (24 kV to 41.6 kV) or higher is required, who provide the on-site substation including all necessary transforming, controlling and protective equipment. A credit of 0.3¢/kWh will be applied to the energy use associated with the first 100 hours use of maximum demand.

BASE RATE REDUCTION: A credit of 3.227% applied to the base bill.

PHASE-OUT SURCHARGE: The following surcharge will be added to the energy charge under "RATE PER MONTH": 1.5¢ per kWh effective January 1, 2001

POWER SUPPLY COST RECOVERY FACTOR: The Energy Charge in the above rate is subject to the provisions of Schedule Designation B-4.6.

SURCHARGES AND CREDITS: As approved by the Commission. See Schedule Designation B-4.9.

5% SECURITIZATION REDUCTION: A credit of 5% applied to the base bill and surcharges.

LATE PAYMENT CHARGE: See Schedule Designation B-2.10.

MINIMUM CHARGE: A monthly minimum charge of \$2.10 per kW of contract capacity shall be applied to that portion of the customer's load which is served under this rider. This minimum charge will be waived if the customer over the past 12 months (including the current bill), or from the start of the contract term if less than 12 months, has averaged \$2.10 per kW per month in revenues. This minimum charge is in addition to the minimum charge under the above rates.

CONTRACT CAPACITY: Customers shall contract for a specified capacity in kilowatts sufficient to meet the normal maximum requirements of the load qualifying for service under this rider. Any single reading of the demand meter in any month that exceeds the contract capacity then in effect shall become the new contract capacity. The contract capacity for this rider shall not be included in the contract capacity established for the filed rate which is used in conjunction with this rider.

SPECIAL TERMS AND CONDITIONS: The customer is responsible for all new facilities and lines required for service under this rider. Said facilities and lines must meet all Company standards. The Company at its option may install and own said facilities under the provisions of Standard Contract Rider No. 2.

TERM: This Standard Contract Rider will terminate on September 30, 2002.

M/135b

Issued: _____
By: Robert J. Buckler
President and Chief Operating Officer
DTE Energy Distribution
2000 Second Avenue
Detroit, Michigan 48226

Effective for service rendered on
and after _____ under
authority of order of the Michigan
Public Service Commission in Case
No. U-13230 dated ____

THE DETROIT EDISON COMPANY
M.P.S.C. No. 9
(To extend termination date to September 30, 2002.)

APPENDIX B (Page 1 of 1)
Eleventh Revised Sheet No. R1.2a
Cancels *Tenth* Revised Sheet No. R1.2a

**STANDARD CONTRACT RIDER NO. R1.2
ELECTRIC PROCESS HEAT—Continued**

SUBSTATION CREDIT: Available to customers where service at sub-transmission voltage (24 kV to 41.6 kV) or higher is required, who provide the on-site substation including all necessary transforming, controlling and protective equipment. A credit of 0.3¢/kWh will be applied to the energy use associated with the first 100 hours use of maximum demand.

BASE RATE REDUCTION: A credit of 3.227% applied to the base bill.

PHASE-OUT SURCHARGE: The following surcharge added to the energy charge under "RATE PER MONTH": 1.5¢ per kWh effective January 1, 2001

POWER SUPPLY COST RECOVERY FACTOR: The Energy Charge in the above rate is subject to the provisions of Schedule Designation B-4.6.

SURCHARGES AND CREDITS: As approved by the Commission. See Schedule Designation B-4.9.

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LATE PAYMENT CHARGE: See Schedule Designation B-2.10.

MINIMUM CHARGE: A monthly minimum charge of \$2.10 per kW of contract capacity shall be applied to that portion of the customer's load which is served under this rider. This minimum charge will be waived if the customer over the past 12 months (including the current bill), or from the start of the contract term if less than 12 months, has averaged \$2.10 per kW per month in revenues. This minimum charge is in addition to the minimum charge under the above rates.

CONTRACT CAPACITY: Customers shall contract for a specified capacity in kilowatts sufficient to meet the normal maximum requirements of the load qualifying for service under this rider. Any single reading of the demand meter in any month that exceeds the contract capacity then in effect shall become the new contract capacity. The contract capacity for this rider shall not be included in the contract capacity established for the filed rate which is used in conjunction with this rider.

SPECIAL TERMS AND CONDITIONS: The customer is responsible for all new facilities and lines required for service under this rider. Said facilities and lines must meet all Company standards. The Company at its option may install and own said facilities under the provisions of Standard Contract Rider No. 2.

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