

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 authority)	
to increase its rates, amend its rate schedules and)	Case No. U-15244
rules governing the distribution and supply of)	
electric energy, and for miscellaneous accounting)	
authority.)	
_____)	

At the December 4, 2007 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

On April 13, 2007, The Detroit Edison Company (Detroit Edison) filed an application requesting authority to increase its rates and amend its rate schedules and rules governing the distribution and supply of electric energy. Detroit Edison proposed to extend its Economic Development Rider No. 9, its Experimental Load Aggregation Provision, and the Power Supply Pricing Option of Standard Contract Rider No. 3. To the extent that these tariff provisions expire before a final order will be issued in this proceeding, Detroit Edison requested authority to continue them until a final order is issued.

Detroit Edison’s Economic Development Rider No. 9 provides that customers electing service under this rider must contract for and begin taking that service on or before December 31, 2007. Detroit Edison’s Experimental Load Aggregation tariff provision for its Large General Service

Rate D4 and Primary Supply Rate D6 provides that the provision will continue until the latter of March 31, 2008 or twelve months from the date of filing the general electric rate case ordered by the Commission. Detroit Edison's Power Supply Pricing Option in Standard Contract Rider No. 3 provides that the option will continue until the latter of March 31, 2008 or twelve months from the date of filing the general electric rate case ordered by the Commission.

Based on the procedural schedule established by the administrative law judge in this proceeding, it is not likely that a final decision will be rendered until mid-2008. These provisions will expire prior to the issuance of such a final decision in this proceeding.

The Commission finds that extending these tariff provisions during this proceeding is in the public interest, will increase customer satisfaction, and will not result in an increase in the rates, charges, or cost of service to any of Detroit Edison's customers. The Commission orders that the deadlines shall be extended during this proceeding until the Commission issues a final order in this proceeding.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 106, MCL 460.551 *et seq.*; 1919 PA 419, MCL 460.51 *et seq.*; 1939 PA 3, MCL 460.1 *et seq.*; 1969 PA 306, 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, 1999 AC, R460.17101 *et seq.*

b. Detroit Edison's Economic Development Rider No. 9, Experimental Load Aggregation Provision for Large General Service Rate D4 and Primary Supply Rate D6, and the Power Supply Pricing Option in Standard Contract Rider No. 3 should be extended during the pendency of this proceeding.

THEREFORE, IT IS ORDERED, that:

A. The Detroit Edison Company is authorized to extend the operation of its Economic Development Rider No. 9, Experimental Load Aggregation Provision for Large General Service Rate D4 and Primary Supply Rate D6, and the Power Supply Pricing Option in Standard Contract Rider No. 3.

B. The revised tariff sheets that reflect the authority granted by this order, attached as Attachment A, are approved. The Detroit Edison Company shall file amended tariff sheets 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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Orjiakor N. Isiogu
Chairman

(S E A L)

/s/ Monica Martinez
Commissioner

/s/ Steven A. Transeth
Commissioner

By its action of December 4, 2007.

/s/ Mary Jo Kunkle
Its Executive Secretary

THEREFORE, IT IS ORDERED, that:

A. The Detroit Edison Company is authorized to extend the operation of its Economic Development Rider No. 9, Experimental Load Aggregation Provision for Large General Service Rate D4 and Primary Supply Rate D6, and the Power Supply Pricing Option in Standard Contract Rider No. 3.

B. The revised tariff sheets that reflect the authority granted by this order, attached as Attachment A, are approved. The Detroit Edison Company shall file amended tariff sheets 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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of December 4, 2007.

Its Executive Secretary

(Continued From [Sheet No. D4](#))

Rate Schedule No. D4 (Continued)

Large General Service Rate

EXPERIMENTAL LOAD AGGREGATION PROVISION: The provision is available to Rate Schedule No. D4 and Rate Schedule No. D6 customers with at least 7 locations who desire for power supply billing purposes, to aggregate their power supply billing demands. The minimum load per customer is 5,000 kilowatts and the maximum allowed load is 40,000 kilowatts. The total capacity served under this provision is limited to 125,000 kilowatts in total for Rates D4 and D6, available on a first-come, first-served basis. Interval Demand Meters are required for service under this provision. Meter reading will be accomplished electronically through Customer-provided telecommunication links or other electronic data methods able to provide the Company with the metering data necessary to determine the aggregated demands for billing purposes. Customers requiring the installation of an interval demand meter and/or the communication link will be responsible for the costs associated with the required metering equipment, its installation cost, and the costs associated with the communication link.

This provision will continue until the Commission issues its final order in MPSC Case No. U-15244.

CONTRACT TERM: Open order, terminable on three days' written notice by either party. Where special services are required, or where the investment to serve is out of proportion to the revenue obtainable therefrom, the term will be as specified in the applicable contract rider.

WATER HEATING SERVICE: Water heating service is available on a separate meter basis. See Options I and III, Schedule Designation No. D5.

(Continued From Sheet No. D6)

Rate Schedule No. D6 (Continued)

Primary Supply Rate

Retail Access Service Customers:

Delivery Charges:

Service Charge: \$275 per month

Distribution Charges:

For primary service (less than 24 kV) \$3.20 per kW of maximum demand.

For service at subtransmission voltage (24 to 41.6 kV) \$1.20 per kW of maximum demand.

For service at transmission voltage (120 kV and above) \$0.80 per kW of maximum demand.

Substation Credit: Available to customers where service at sub-transmission voltage level (24 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 \$.30 per kW of maximum demand shall be applied to the maximum demand charge. A credit of .040¢ per kWh shall be applied to the energy charge where the service is metered on the primary side of the transformer.

Surcharges And Credits: As approved by the Commission. See Schedule Designation B-4.9.

LATE PAYMENT CHARGE: See Schedule Designation B-2.10.

DEFINITION OF CUSTOMER VOLTAGE LEVEL: See Schedule Designation B-4.6.

MONTHLY ON-PEAK BILLING DEMAND: The monthly on-peak billing demand shall be the single highest 30-minute integrated reading of the demand meter during the on-peak hours of the billing period. The monthly on-peak billing demand will not be less than 65% of the highest monthly on-peak metered billing demand during the billing months of June, July, August, September, and October of the preceding eleven billing months, nor less than 50 kilowatts.

EXPERIMENTAL LOAD AGGREGATION PROVISION: The provision is available to Rate Schedule No. D4 and Rate Schedule No. D6 customers with at least 7 locations who desire for power supply billing purposes, to aggregate their power supply billing demands. The minimum load per customer is 5,000 kilowatts and the maximum allowed load is 40,000 kilowatts. The total capacity served under this provision is limited to 125,000 kilowatts in total for Rates D4 and D6, available on a first-come, first-served basis. Interval Demand Meters are required for service under this provision. Meter reading will be accomplished electronically through Customer-provided telecommunication links or other electronic data methods able to provide the Company with the metering data necessary to determine the aggregated demands for billing purposes. Customers requiring the installation of an interval demand meter and/or the communication link will be responsible for the costs associated with the required metering equipment, its installation cost, and the costs associated with the communication link.

This provision will continue until the Commission issues its final order in MPSC Case No. U-15244.

MAXIMUM DEMAND: The maximum demand shall be the highest 30-minute demand created during the previous 12 billing months, including the current month but not less than 50% of contract capacity. This clause is applicable to each voltage level served.

MINIMUM CHARGE: All applicable demand charges plus the service charge.

SCHEDULE OF ON-PEAK HOURS: See Schedule Designation B-4.4.

(Continued on Sheet No. D6b)

(Continued From [Sheet No. R3b](#))

Standard Contract Rider No. 3 (Cont'd) Parallel Operation and Standby Service

Energy Charge:

An energy charge for back-up and maintenance power will be charged based on standby contract capacity less the output of the customer's generator, but not less than zero. For customers served on supplemental rate schedules D4, D6, D6.1, D7 and D8, the energy charge will be the D6 on-peak energy charge, 2.364¢ per kWh, plus appropriate credits and surcharges, including but not limited to off-peak credit, voltage level credit, and substation credit. For customers served on supplemental rate schedules D3, D3.3, and E5, the energy charge will be the applicable energy charge plus surcharges less a credit per kWh equal to the non-generation fixed charge per kW, \$3.80, divided by 500, applied to the first 500 hours use of standby contract capacity per month for back-up or maintenance power. The energy as stated herein, is also subject to the provision of schedule designation B-4.6 PSCR clause.

Waivers and limits for demand/energy rates:

For customers served on supplemental rates schedules D4, D6, D6.1 and D8, the following applies.

If the total of daily demand charges for the month is less than the monthly generation reservation fee, then the daily demand charges will be waived for that month.

If the total of daily demand charges for the month is greater than the monthly generation reservation fee, then the generation reservation fee will be waived for that month.

If the total of daily demand charges for the month is greater than the D6 on-peak billing demand charge times the standby contract capacity plus the difference between the product of the D6 maximum demand charge times the standby contract capacity and the standby distribution charges, then the customer will pay the D6 on-peak billing demand charge times the standby contract capacity plus the above difference. For customers on supplemental rate schedule D4, the above difference will be set to zero.

Waivers and limits for energy-only rates:

For customers served on supplemental rates schedules D3, D3.3, and E5, the following applies.

If the total of daily demand charges for the month is less than the monthly generation reservation fee, then the daily demand charges will be waived for that month.

If the total of daily demand charges for the month is greater than the monthly generation reservation fee, then the daily demand charges will be waived for that month provided that the supplemental rate continues as an energy-only rate. If not, then paragraphs (6)(b) and (6)(c) above will apply.

Power Supply Pricing Option:

This option is available to customers desiring to have power supply standby energy service priced on the basis of the real time MISO locational hourly marginal energy price for the Detroit Edison-appropriate load node. Standby energy service is limited to unforeseen generator outages, deviations from standby contract capacity and maintenance. In addition to the MISO locational hourly marginal energy price the following charges will also apply:

0.55¢/kWh for MISO network transmission costs and MISO energy market costs plus,

An administrative charge of 0.20¢/kWh plus,

A voltage level service adder of 1% for transmission, 2% for subtransmission, 7% for primary, and 12% for secondary.

This option will continue until the Commission issues its final order in MPSC Case No. U-15244.

(Continued on [Sheet No. R3d](#))

Standard Contract Rider No. 9

Economic Development

APPLICABLE TO: Primary Supply Rate
Alternative Primary Supply Rate

Schedule Designation D6
Schedule Designation D6.1

AVAILABILITY:

This rider is available to Full Service and Retail Access Service customers that add Qualifying New Load on or after January 1, 2005. Qualifying New Load is defined as load in kW that meets the following requirements:

New Locations

For new locations Qualifying New Load must be a minimum of 1,000 kW on the base rate.

Existing Locations

For existing locations Qualifying New Load must be the direct result of new equipment additions and meet the following minimum size requirements:

- 1) Qualifying New Load must be at least 20% of the highest 30-minute integrated site level demand over the previous 12 months but not less than 500 kW; and
- 2) The combined existing base rate load and Qualified New Load must be at least 1,000 kW.

Customers desiring service under this rider must provide the Company with an affidavit attesting to the addition of new equipment and the size of the Qualifying New Load.

METERING REQUIREMENTS: The Qualifying New Load shall be separately metered. The Company and Customer may – as an alternative to separate metering – mutually agree to negotiate an amount of demand or energy usage for billing under this Rider for situations where it might be cost-prohibitive to separately meter the Qualifying New Load.

RATE PER MONTH:

Full Service Customers:

Qualifying New Load will be priced per the Full Service charges for the applicable base rate and will receive an Economic Development Credit.

Economic Development Credit: An Economic Development Credit will be applied to Qualified New Load and will be equal to the difference between the Full Service Delivery Charge and the Retail Access Delivery Charge.

Surcharges and Credits: As approved by the Commission. See Schedule Designations on B-4.8 and B-4.9.

Retail Access Service Customers:

Delivery Charges: Qualifying New Load will be priced per the Retail Access Service delivery charges for the applicable base rate.

Surcharges and Credits: As approved by the Commission. See Schedule Designation B-4.9.

CONTRACT TERM: Customers electing service under this rider must contract for and begin taking such service on or before *the Commission issues its final order in MPSC Case No. U-15244*. The rate will be available for a three-year period beginning from the effective date of the contract.