



2018-2019 Tax Reform FAQ

Q: Why are customers getting a credit?

A: DTE is passing on all savings to our customers as a result of the Tax Cuts and Job Act (TCJA) which reduced the federal corporate tax rate from 35 to 21 percent.

Q: How much is being refunded?

A: 100 percent of the DTE tax savings will be passed to DTE customers. Annually these savings add up to more than \$200 million across DTE's customer population.

Q: Are there different credits that I will see?

A: Yes, as determined by the Michigan Public Service Commission (MPSC) there are three types of credits Gas and Electric customers will see. They will be implemented at different times in 2018-2019.

- *Credit A* will reflect the new on-going tax rate which was dropped from 35 to 21 percent. This credit is based on usage.
- *Credit B* is the refund of a portion of the old tax rate above the new 21 percent rate. It was collected during a 2018 timeframe, prior to Credit A's implementation. This credit is based on energy usage. For DTE Gas customers, this will be for the excess taxes collected from January 2018-June 2018. For DTE Electric Customers, this will be for the excess taxes collected from January 2018-August 2018.
- *Credit C* captures all remaining impacts of tax law change and would address deferred taxes, depreciation and other impacts not captured by Credit A and Credit B.

Q: How much savings will I see on my bill?

A: The average DTE customer can expect to see a 3% decrease on their gas and/or electric bill. The average residential electric customer, using 650 kwh per month, can expect to save approximately \$40 annually. A residential gas customer will save approximately \$14. Customers taking both electric and gas service will save on both.

Q: When should I expect to see these credits on my bill?

A: DTE Gas customers will first see Credit A on their bill that reflects their July usage. Although the timing of the electric Credit A is still being finalized, we expect that DTE Electric customers will see the benefits of Credit A beginning on their bill that reflects September usage. As of now, refunds and timing for Credit B and Credit C are to be finalized by the Michigan Public Service Commission.

Q: How will I see these credits on my bill?

A: DTE Gas customers will see *Credit A* as a separate line item on their bills that reflect July-September usage. After that, the credits will be rolled-in to our new rates effective October 1, 2018. DTE Electric customers will see the benefits of *Credit A* through reduction in power supply and distribution rates, as of September 1, 2018. As of now, Credit B and Credit C are still being worked through the Commission.

Q: What is proposed for Credit B?

A: Since Credit B reflects the 2018 usage prior to the effective date of the Credit A refund, DTE has proposed to the MPSC that customers see the benefits of Credit B during that similar monthly timeframe in 2019. This will be the best way to compare the savings for similar usage periods. For DTE Gas, the proposed time is January 2019 to June 2019. For DTE Electric, the proposed time is January 2019 to August 2019. Credit B details are working their way through the regulated rates process.

Q: If I have an alternative gas supplier (AGS), will I still see a credit?

A: Yes. Credit A applies to all residential customers regardless of whether they have chosen to have their gas supplied by an AGS.

Q: If I am part of the Electric Choice program, will I still see a credit?

A: Any tax credits from alternative electricity suppliers will be governed by the MPSC.

Q: Could my bill go up even though I get a tax credit?

A: The tax cuts credit is only a portion of your bill. There are several other factors that impact the price you pay each month, including weather, monthly energy usage and household changes. DTE offers a host of energy efficiency programs and tips that can help you save more.

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