

UNDERSTANDING YOUR DTE ENERGY BILL



A summary of the specific charges and billing terms that may be included on your DTE Energy bill are as follows:

A

Account Number: Number assigned to a service account for a specific location.

Account Status: States whether the account is an active or closed account.

Actual Meter Read or ACT: A reading that measures the exact amount of electricity used during a billing period.

AEP/CWS Net Merger Savings Rider: A share of estimated savings from the merger of AEP Michigan Power Company and Central and South West Company, shown as a billing credit.

B

Billing Month: Number of days of usage ranging from 26 to 35 days.

C

Choice Implementation Surcharge: Charge that allows DTE Energy to recover program costs of customers who buy their electricity from other electricity suppliers.

Contract Capacity: A customer shall contract for a specified capacity in kilowatts sufficient to meet normal maximum requirements, but not less than 50 kilowatts, that DTE undertakes to provide the necessary facilities for a supply of electric power from its primary distribution system at the contract capacity. 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 customers served at more than one voltage level shall be the sum of the contract capacities established for each voltage level.

Cost per kWh: Price per kilowatt hour of use.

Current Bill or Current Charges: Charges for the most recent usage.

Customer Charge: A fixed monthly charge covering costs of meter reading, billing, equipment and maintenance expenses, whether or not the service is used. *Also called System Access, Monthly Service or Availability Charge.*

D

Days Billed: Number of days in the billing cycle.

Distribution Charge: The amount DTE Energy charges for delivering the power to a home or business. It varies depending on the electric rate and can be comprised of a kilowatt and kilowatt hour charge. *Also called Delivery Charge or Retail Transmission Services.*

Due Date: Date a bill must be paid. Note: Bills must be paid 21 days from mailing date. Late charges may be added after 26 days.

Demand: The monthly billing demand is determined as the highest of: The highest single half hour reading of the demand meter during the billing period; 65% of the highest metered billing demand that occurred from June through October billing months, and was established during the preceding 11 billing months.

The maximum demand is determined as the highest of: 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.

E

Energy Charge: The amount DTE Energy charges for generating or purchasing the energy used by your business. This may include demand-based and kWh usage based charges depending on the electric rate.

Energy Optimization: A surcharge that allows DTE Energy to develop and offer an Energy Optimization program that provides rebates, incentives and energy efficiency education to customers. This surcharge is based on the amount of electricity or gas used during the billing period.

Enhanced Security Surcharge: Charge related to an Order issued by the Nuclear Regulatory Commission after September 11, 2001 for increased security at nuclear-generating facilities.

Estimated Meter Read: Estimated amount of electricity or gas used during a billing period based on past usage and weather.

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G

Gas Cost Recovery (GCR) Charge: A charge for the natural gas that you used. The GCR rate can change monthly and is the largest portion of a typical gas bill. It's based on costs incurred by DTE to purchase gas supply and is the same price we pay. Under Michigan law, DTE is not allowed to make a profit on the sale of natural gas - you pay the same price DTE pays for it.

Gas Distribution Charge: A charge, or rate, that covers the cost of delivering gas to your home or business, including the cost of storing gas, and the capital and operating costs of the gas distribution and pipeline system. This charge varies with the amount of gas used during the billing period.

H

Hours Use: Kilowatt hours ÷ kilowatts of billing demand.

I

Implementation Surcharge: A surcharge rate that DTE Energy is allowed to bill prior to MPSC approval. If the MPSC rejects or reduces the surcharge, a refund with interest will be applied to bills.

K

Kilowatt (kW): A unit of electrical power equal to 1,000 watts, equivalent to about 1-1/3 horsepower.

Kilowatt Hour (kWh): A measure of electricity or a unit of energy. One kWh is equal to a 100-watt incandescent light bulb burning for about 10 hours.

M

Monthly Customer Service Charge: A fixed "non-gas" monthly charge that varies by type of service. It covers the cost to provide safe, reliable gas service to DTE gas customers. It includes the cost to maintain and read meters, maintain the natural gas distribution system and administer billing.

Monthly IRM Surcharge: The Infrastructure Recovery Mechanism (IRM) is a surcharge that allows DTE Energy to recover costs related to gas main, pipeline and gas meter improvements.

N

Nuclear Decommissioning Surcharge: Costs to safely remove a nuclear power plant from service and return the site to a safe state for future use.

O

Off Peak Period: Daily periods when the demand on DTE's generating system is usually the lowest. Off Peak Demand - all other kWh used (7 p.m. and 11 a.m.).

On Peak Demand: All kilowatt hours (kWh) used between 11 a.m. and 7 p.m. Monday through Friday.

P

Percent On Peak: On-Peak Period - Daily periods when the demand on DTE's generating system is usually the highest (between 11 a.m. and 7 p.m.).

Power Supply Cost Recovery Charge (PSCR): The actual cost of fuel DTE Energy uses to produce electricity, along with the cost of the purchase of electricity. This includes the cost to transport electricity from generating plants to the delivery system.

Power Supply Energy Charge: Cost for producing electricity by changing other forms of energy, such as coal or natural gas, into electricity. *Also called Generation Services.*

Power Factor: The ratio of watts to the product of volts and amperes.

POWER FACTOR PENALTY

0.850 and higher:	None
0.800 to 0.849:	1%
0.750 to 0.799:	2%
0.700 to 0.749:	3%

Power factors less than 0.700 are not permitted and necessary corrective equipment must be installed by the customer. A 25% penalty will be applied to any billing after two consecutive months below 0.700 power factor and will continue as long as the power factor remains below 0.700. The first two consecutive months below 0.700, the penalty will be 3%. Once the power factor exceeds 0.700, it is necessary to go through two consecutive months below 0.700 again before the 25% penalty applies.

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R

Rate: A charge, approved by the MPSC, for a unit of energy provided for customer use for a specific period of time.

Read Date: Date the meter reading was obtained.

Regulatory Asset Recovery Surcharge: Charge to recover certain DTE investments and expenses during a rate freeze and rate cap imposed by Public Act 141 of 2000.

Renewable Energy (Plan) Surcharge: Charge that offsets the cost of DTE Energy's efforts to use solar and wind power.

RDM Surcharge/Credit: The Revenue Decoupling Mechanism (RDM) is a surcharge or credit designed to supplement Michigan's gas utilities' revenues so that utilities are less dependent on gas sales for financial health. It was adopted to promote customer efforts to reduce energy consumption. This surcharge or credit is based on the amount of gas you use during the billing period.

S

Sales Tax: 4% for residential service, and 6% for business service required by the Michigan Department of Treasury.

Securitization Bond and Bond Tax Charge: Charges that cover payment of refinanced debt from nuclear power plants.

Service Charge: The amount DTE Energy charges for administering billing and maintaining and repairing electrical system equipment. The service charge varies depending on the electric rate.

Surcharges: These are special charges or credits that are mandated by the Michigan Public Service Commission (MPSC).

T

Total Amount Due: Current amount owed, including any past due amounts. *Also called Total Account Balance or Total Current Charges.*

U

UETM Surcharge/Credit: The Uncollectible Expense True-Up Mechanism (UETM) Surcharge or Credit shares the cost savings or losses DTE Energy received when uncollectible expenses during a specific period of time are higher (surcharge) or lower (credit) than the original level used to set rates. This surcharge or credit is based on the amount of gas used during the billing period.