

DTE looks at Consumers' numbers to justify its own

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LANSING — **Detroit Edison Co.** is seeking illumination from **Consumers Energy Co.** as Edison prepares to defend why its administrative expenses are higher than those of its fellow utility.

In responding to a **Michigan Public Service Commission** query on its administrative and general expenses, Edison is consulting with Jackson-based Consumers. Edison has said the two utilities account for such expenses differently.

"We continue to gather information ... and the process includes the exchange of information with Consumers Energy in order to better understand the accounting differences," said Scott Simons, senior media-relations representative.

In its October order that began the query, the PSC said Edison's expenses were some \$523.9 million in 2004, compared with Consumers' \$125.2 million. Over five years, Edison spent \$2.3 billion on such expenses, compared with \$642.5 million for Consumers. That equates to a difference of about \$143 per customer, the PSC said.

Such costs include salaries, property insurance, outside services, pensions, benefits and miscellaneous expenses.

The commission said the comparison of the expense level "for two similarly situated electric utilities based on each company's annual reports to the commission is remarkable."

Edison has until Feb. 1 to file its report with the PSC. Simons said the company will provide the report as soon as the company has completed its review, but "it would be inappropriate to release preliminary findings" before that.

Jeff Holyfield, Consumers Energy director of news and information, said Consumers has provided information Edison requested.

As for the possible reasons for the expense disparity, Holyfield said: "You'd have to do a detailed analysis of the numbers to draw any kind of conclusions. I don't think it's anything we can really comment on. We run our business, and they run theirs."

Dave Waymire, spokesman for a group of large industrial energy users, the **Association of Businesses Advocating Tariff Equity**, said the differences are probably "more than accounting."

But Waymire also said the reasons for Detroit Edison's costs are not as great a concern as are rates that are higher than those in surrounding states.

"Customers are concerned about the bottom line," he said. "Let's get rates down, or Michigan will continue to lose manufacturing companies."