

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion,            )  
of the investigation into the estimated billing            )  
procedures of **THE DETROIT EDISON COMPANY**            )            Case No. U-13699  
and **MICHIGAN CONSOLIDATED GAS COMPANY.**            )  
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At the February 5, 2003 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 INITIATING PROCEEDING**

Rule 12 of the Commission’s Consumer Standards and Billing Practices for Electrical and Gas Residential Service (R 460.2112) permits a utility to estimate the bill of a residential customer every other billing month. A utility may estimate a bill more frequently only in the event of extreme weather conditions, emergencies, work stoppages, or other circumstances beyond the control of the utility. If the utility is unable to obtain access to read the meter, then it must use reasonable alternative measures to obtain an actual read. In such instances, the utility must maintain records of the reasons for the estimate and of its efforts to obtain an actual read.

In the past, the Commission has expressed concern regarding the frequency of estimated bills by The Detroit Edison Company and Michigan Consolidated Gas Company (collectively, DTE).<sup>1</sup> For example, the Staff Report in Case No. U-13287 indicated that most “complaints escalated to the

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<sup>1</sup>Both utilities are subsidiaries of DTE Energy Company.

Commission and processed through the [Executive Customer Assistance Center] over the last few years could be eliminated if DTE increased the frequency and accuracy of actual customer meter reads.” Staff Report, Case No. U-13287, April 18, 2002, p. 4. The Staff Report noted such complaints represented 44% and 58%, respectively, of the total complaints in January and February of 2002.

In its response to the Staff Report, DTE indicated that it shared the concern and “has made reducing consecutive estimated bills one of its top 7 priorities within its overall Customer Service Improvement Plan.” DTE Response to Staff Report, Case No. U-13287, May 6, 2002, p. 7. DTE indicated that “a dedicated team will be established to drive rapid reductions in the backlog of estimated bill investigations, focusing first on the customer accounts that have been estimated the longest.” DTE Response to Staff Report, Case No. U-13287, May 6, 2003, p. 8. DTE indicated that its goal was to close out the backlog of consecutive estimated bills by year-end 2002.

Despite DTE’s commitment to address this issue, the problem of consecutive estimated bills continues to be a primary cause of complaint calls to the Commission. Accordingly, the Commission has determined that more serious attention should be directed to the resolution of this issue. Rule 12 limits the circumstance under which a utility may render consecutive estimated bills, requires the utility to use reasonable alternative measures, and requires the utility to maintain records of the reasons it was unable to obtain an actual read and of its efforts to obtain an actual read. The Commission believes that DTE’s failure to meet its commitment to close the backlog of consecutive estimated bills and the prima facie showing by Staff of DTE’s repeated violations of Rule 12 warrants additional action by the Commission.

Using this information that it is required to maintain, DTE shall file a report, not later than March 31, 2003, with the following information for each billing month from January 2002 through (and including) January 2003:

- a. The number of estimated bills rendered for which there was also an estimated bill in the prior month.
- b. For each consecutive estimated bill rendered, an identification<sup>2</sup> of the customer, the number of consecutive estimated bills previously rendered, the specific reason that an actual read could not be obtained, and a complete description of the company's efforts to obtain an actual read. The complete description shall include specific dates on which specific actions were taken, the identity of the person taking the action, and all documentation needed to show that the action was taken.

DTE's report shall also provide a narrative description of the program actions taken to comply with its commitments in Case No. U-13287 and an assessment of the success of that program, as well as any relevant plans for future improvements.

After the filing of DTE's report, the Commission Staff (Staff) shall conduct an audit of the information and report its findings to the Commission. As part of its audit report, the Staff shall provide its assessment of DTE's compliance with Rule 12, and, if appropriate, may recommend enforcement actions, including relevant penalties.

The Commission FINDS that:

- a. Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1909 PA 300, as amended, MCL 462.2 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 AACCS, R 460.17101 et seq.
- b. DTE should file a report on its use of consecutive estimated bills by March 31, 2003.

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<sup>2</sup>In order to protect customer privacy, DTE may use a specific code for each customer, but the code must be applied consistently throughout the report and must be capable of being audited by the Commission Staff.

THEREFORE, IT IS ORDERED that The Detroit Edison Company and Michigan Consolidated Gas Company shall file a report on the use of consecutive estimated bills no later than March 31, 2003.

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

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 5, 2003.

/s/ Dorothy Wideman

Its Executive Secretary

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Case No. U-13699

Suggested Minute:

“Adopt and issue order dated February 5, 2003 requiring The Detroit Edison Company and Michigan Consolidated Gas Company to file a report on their use of consecutive estimated bills no later than March 31, 2003, as set forth in the order.”