

STATE OF MICHIGAN

BEFORE THE PUBLIC SERVICE COMMISSION

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| In the matter of |) | |
| |) | BOH Docket No. 2001-1172 |
| The application of The Detroit |) | |
| Edison Company to unbundle |) | MPSC Case No. U-12966 |
| its retail electric rates |) | |

REPLY TO EXCEPTIONS TO PROPOSAL FOR DECISION

The National Energy Marketers Association (NEM) hereby files this Reply to Exceptions to Proposal for Decision of Detroit Edison Company (Detroit Edison) dated September 13, 2001. NEM urges the Commission to reject the Exceptions set forth by Detroit Edison and to accept the recommendations of Administrative Law Judge Stump that Detroit Edison's application be dismissed and a new application be required.

Detroit Edison proposes to use a bill message to communicate Retail Access Service Tariff charges to customers to satisfy the mandates of Section 10b(2) of Act 141. NEM submits that this proposal clearly falls short of compliance with Section 10b(2) which explicitly required that, "each electric utility shall file an application with the commission to unbundle its existing commercial and industrial rate schedules and separately identify and charge for their discrete services."

NEM asserts that in order for consumers to see and respond to accurate price signals unbundled rates must be implemented. Detroit Edison must furnish unbundled embedded cost information that is sufficiently detailed to transparently quantify and provide sufficient information about each product, service, information or technology currently being provided by the utility such that the costs of competitive areas are capable of being identified and properly priced by the competitive marketplace.

Detroit Edison must fully disclose a breakout of each cost center so that the marketplace will have a fully transparent understanding of what each consumer is

paying for each product, service, information and technology that is currently bundled in its regulated rates. In failing to file unbundled rates, Detroit Edison is depriving market participants of the information necessary to foster development of a competitive retail market.

Detroit Edison should not be permitted to claim compliance with Act 141 simply by providing a bill message with RAST charges. This is not in furtherance of the clear requirements of Section 10b(2). For this reason NEM urges the Commission to require Detroit Edison to submit a new application setting forth fully unbundled rates.

Respectfully submitted,

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Dated: September 24, 2001.