Request No. DTE 7- 32 (Electric):
Refer to Sch. MHC 7-18 (Electric). Please provide a brief (i.e., 2 or 3 sentence) description of each of the amortizations referenced, along with the calculations used to derive the annualized amount, the amortization period, and proposed adjustments.

Response:
Below is a brief description of each amortization:

DTE 99-118 Proceeding – This represents costs incurred for Rate Case Expense from DTE 99-118. The amortization period used is contained in DTE 99-118.
Technology Systems – This represents costs incurred for computer software additions to support our computer system infrastructure.
Customer Information System – This represents costs incurred with upgrading the FG&E's accounting system to conform with restructuring requirements.
Internet Web Site – This represents cost incurred to design, develop and implement the FG&E's web-based customer system.
Load Reporting System – This represents the costs to implement FG&E's load estimation software to conform with restructuring requirements.

Please see Attachment DTE-7-32 for calculations used to derive the annualized amount, amortization period, and proposed adjustments.

Based on the reallocations made and filed on Exhibit FGE-MHC-6 (Electric) and Exhibit FGE-MHC-6 (Gas) and recalculations, the following adjustments should be made to the filed amounts per MHC-7-18 (Electric) and MHC-7-21 (Gas):

On MHC-7-18 (Electric), Technology Systems should be $9,078 instead of $14,767; Customer Information System should be $100,974 instead of $121,116; Tech Services should be $4,065 instead of $0; Internet Web Site should be $10,623 instead of $13,044; and Load Reporting System should be $40,215 instead of $48,240.

On MHC-7-21 (Gas), Customer Information System Development should be $87,095 instead of $66,948; Internet Web Site Development should be $9,163 instead of $6,840; Technology Services Development should be $3,506 instead of $2,688; LERS Logica System Development should be $34,687 instead of $26,664.

This would result in an increase of $31,311 in the filed adjustments for MHC-7-21 (Gas) (an increase from $129,666 to $160,977) and a decrease on in the filed adjustments for MHC-7-18 (Electric) of $32,212 (from $252,442 to $220,230). The total Annualized Amount decreased $901.

Person Responsible: Mark H. Collin

Description	Original Amount	Amort Period	Date In Service	Annualized Amount	** 46.31% Gas Allocation	** 53.69% Electric Allocation	Per Filing Gas	Per Filing Electric	Variances Gas	Variances Electric
DTE 99-118 Proceeding	386,926	84	Oct-01	55,275		55,275		55,275	-	(0)
Computer Software									-	-
5yr - Gas	132,632	60	various	26,526	26,526		26,526		(0)	-
5yr - Electric	45,391	60	various	9,078		9,078		14,767	-	5,689
Customer Information System	1,144,086	73	Dec-01	188,069	87,095	100,974	66,948	121,116	(20,147)	20,142
Tech Services	37,854	60	Nov-01	7,571	3,506	4,065	2,688	0	(818)	(4,065)
Web Site Development	90,684	55	Oct-01	19,786	9,163	10,623	6,840	13,044	(2,323)	2,421
LERS Logica System Developme	374,510	60	Nov-01	74,902	34,687	40,215	26,664	48,240	(8,023)	8,025
				381,207	160,977	220,230	129,666	252,442	(31,311)	32,212

** Schedule updated for proposed Gas and Electric allocation change and filed in Exhibit FGE-MHC-6 (Gas) and Exhibit FGE-MHC-6 (Electric).