Record Request No.: DTE-RR-58 (Gas)

Please verify what expenses are included in Mr. Harrison's Accounting Cost of Service Study (Schedule JLH-5 (GAS) Bates stamp page 264), the sum of line 9 ($177,139) and Line 11 ($13,213) for the account 813 total of $190,352. Are these costs collectible in the CGAC?

Response:

As described by Mr. Collin in the transcript of September 10, 2002, page 1820, the majority of the costs in account 813 are labor costs for the management of gas supply contracts and the related gas supply portfolio. The remaining $3,500 consists of payments to 2 vendors for weather related monthly information and a subscription to the Journal of Commerce.

For purposes of Mr. Harrison's Accounting Cost of Service Study, account 813 expenses are grouped into two functions. The production-related functional costs of $177,139 represent the amount related to costs which are classified as gas supply activities. The other is the delivery-related functional costs of $13,213 representing the amount of Account 813 that is related to costs associated with transportation services. This functionalization of Account 813 was based on an analysis of the labor charges to Account 813. The amount of $177,139 in Account 813 classified as production related is included with the Indirect Gas Costs on JLH-7, Page 1 of 7, columns 11 and 16, to be collected in the CGA.

Person Responsible: James. L. Harrison