

# ATTACHMENT 3

## Cost of Capital Assumptions

	<b>DTE Final Order in <i>Consol. Arb.</i></b>	<b>DTE Initial Order in <i>Consol. Arb.</i></b>	<b>BA States Avg.</b>	<b>Initial Order Cost of Equity BA States Avg Debt Fraction</b>
<b>Cost of Debt</b>	7.80%	7.80%	7.80%	7.80%
<b>Cost of Equity</b>	13.50%	11.38%	11.98%	11.38%
<b>Debt Fraction</b>	23.51%	23.51%	40%	40%
<b>Cost of Capital</b>	12.16%	10.53%	10.31%	9.95%