

Report: DTE used spy planes to spot unauthorized hookups

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Reporters for the *World Socialist Web Site* recently came across a report revealing that Michigan utility conglomerate DTE Energy has spent large sums on high-tech initiatives to spot so-called illegal utility hookups from the air.

According to a blog post on recoverir.com, in early 2009 DTE contracted with Stockton Infrared Technology Services, (now a partner with RecoverIR) to do an aerial infrared survey of 84,000 acres of populated land in the Detroit area, about one sixth of DTE's total customer base. Infrared aerial surveys use the technology developed by the US military for night vision. It involves flying planes at low altitudes over residential neighborhoods to obtain a black-and-white thermal photograph. The maps of urban neighborhoods are then color enhanced to identify buildings showing energy usage.

The results painted a devastating picture of pervasive social deprivation in Detroit. While DTE expected to find 5 percent of residents in the surveyed area with unauthorized hookups, the survey results indicated that almost 20 percent of the households had unauthorized hookups to natural gas. Up to 80 percent of those households had simultaneously tapped into the electrical grid.

The aerial survey took place as depression conditions were spreading economic misery throughout the city of Detroit and southeastern Michigan following the economic collapse in late 2008. Bankruptcies in auto, auto parts, and other industries devastated the already economically distressed city, where it is estimated one in two workers lacks a full-time job.

DTE commissioned the project shortly after Michigan Democratic Governor Jennifer Granholm signed legislation in late 2008 to lower electric and natural gas rates for businesses. DTE subsidiary Detroit Edison said at the time that it would transfer a staggering \$253 million in electric costs covered by businesses under the

previous rate structure to residential customers over the following five years. The governor-appointed regulatory agency, the Michigan Public Service Commission, has already approved several devastating residential rate hikes.

In a humane and rational social order, the revelation that masses of people were resorting to desperate measures to obtain services elementary for survival should have spurred calls for emergency measures to secure heat and lights for every resident. However, there is no indication that DTE executives considered for even a moment the impact of their policies.

On the contrary, their only concern was the impact of unauthorized hookups on the company's profit. Based on the aerial infrared scan, DTE calculated that it was losing \$60 million in potential revenue from households in the survey area. In the aftermath of the survey, DTE stepped up its search for unauthorized hookups, matching billing records with the infrared data. It targeted businesses and residences where service had been shut off but where the aerial survey indicated usage, or where there appeared to be greater usage than indicated by billing records.

According to a report in the *Detroit News*, cited in a previous article posted on the WSWs ("Detroit News runs to the aid of DTE Energy," April 22, 2010), DTE operates a 61-man "revenue protection unit" targeting homes and businesses with unauthorized hookups. The company's special unit dismantles up to 500 such connections every day.

In 2009, utility shutoffs in the Detroit metro area soared, affecting 221,000 households, a more than 50 percent increase over the 142,000 families disconnected in 2008. In spite of the economic devastation of Detroit and southeast Michigan, in December 2009, DTE won approval from the Michigan Public Services Commission (MPSC) for a \$217 million rate increase. Most of the rate increases were implemented unilaterally by DTE in July

2009, months ahead of the winter heating season.

DTE's policies had deadly consequences. Currently, the southeast Michigan Red Cross responds to as many as six fires a night—making it the busiest chapter in the nation; at least one fire per day is linked to utility shutoffs or unauthorized connections.

In early 2010, DTE Energy cut off gas and electricity to the home of one mother, Sylvia Young, in a house where she and her seven children lived on Detroit's west side. Though children were present when the DTE employee came to disconnect an unauthorized utility hookup at the home, service to the home was still cut while temperature outside dipped well below freezing.

In the hours before the fire, Young had pleaded with a DTE representative not to shut off her service, explaining that her utilities were included as part of her rental agreement with her landlord. The representative said he had no time to wait for the landlord to arrive and proceeded to padlock the gas and electrical meters, cutting off heat to the young mother and her seven children. Later that evening, three of Young's children were killed in the March 2 house fire, which erupted while the single mother was at a discount store buying space heaters for her family.

Earlier in 2010, two disabled brothers and their friend who lived in a house on Dexter Avenue in Detroit died in a house fire where utilities had been shut off. Efforts by the residents, the day before the fire, to work with DTE to pay the bill had all been unsuccessful. In all, at least 11 people died in house fires last winter in homes where utilities had been cut off.

None of this has had the slightest impact on DTE Energy or the Democratic and Republican politicians who supposedly regulate it. Indeed, DTE is now supporting legislative efforts to make Michigan the first state to make illegal hookups a felony.

The claim by DTE that there exist resources to assist those in danger of losing electric and gas service is a transparent lie. In a May 6 press release, Gerry Anderson, DTE Energy president and chief operating officer, boasted of the paltry \$119 million raised from the government's Low Income Heating Energy Assistance Program and the THAW program, which depends on customer charity. These resources have proven inadequate to meet the burgeoning need, a fact even conceded by Anderson.

As for DTE's contribution, while the utility was able to find the money for massive surveillance of Detroit area customers, it provided a derisory \$9 million dollars for

heating assistance last year. This figure is less than the 2009 compensation for the company's CEO, Anthony Earley Jr., of \$9.2 million. It is dwarfed by the company's profits of \$546 million in 2009 and \$229 million the first quarter of 2010.

At the same time, DTE is demanding huge concessions from its workforce, claiming that the "too rich" and "out-of-market" health care benefits of 3,900 utility workers are the cause for high rates.

Under conditions of widening social devastation, companies like RecoverIR that target the poor are aggressively marketing their services to other utilities. RecoverIR says it is setting its sights on surveillance of "62 million residences in the top 20 energy consuming states with high unemployment, poverty and unemployment." These areas include large parts of Michigan and other northern industrial states.

No doubt, the imaging project helped spur the proposal of DTE Board member and now mayor of Detroit Dave Bing to shut down large areas of the city, move out the remaining residents, and thus save the city and utility companies from the cost of servicing areas where few could afford to pay for utilities.

The problem is not "energy theft," as confirmed in the Findings of the Citizens Inquiry into the Dexter Avenue Fire. "Unauthorized hookups exist because utilities are unaffordable and because DTE terminates service. The fire danger starts not when an unauthorized hookup is installed at a home, but when heat or electricity is cut to the home. Furthermore, these fires did not occur because people failed to seek help with their utility bills, as the state government claims. They happened because the government allows DTE to charge exorbitant rates and shut off people's utilities."

This only underscores the urgency of the call by the Committee Against Utility Shutoffs that electricity and heat be made basic rights and for the expropriation and the conversion into public utilities under the democratic control of the working class of DTE and the gas and electric monopolies.



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