

# DTE reports increased profits in second quarter

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DTE Energy, the gas and electricity utility that is the main service provider for Detroit and southeast Michigan, reported second quarter 2010 profits of \$86 million compared to \$83 million for the 2nd quarter of 2009, and ordered a dividend payout of \$0.56 per common share, a \$0.03 increase from the previous quarter. Revenue for the utility rose 6.2 percent from the same period last year, to \$1.79 billion.

In response to these reports DTE stock soared, reaching a 52-week high on July 30. Since the start of the year DTE share prices have risen 10 percent, outperforming the broader market.

In announcing the increased dividend DTE Energy chairman and CEO Anthony F. Earley Jr. noted that it came “despite the fact that our region lags behind the rest of the nation in job growth and economic recovery, which results in significant financial challenges for many of our customers.”

Earley’s boast that DTE is exceeding profit expectations in spite of the economic misery in its customer-base in Southeast Michigan is a contradiction only on the surface. In fact, DTE has guarded its profit and revenues by increasing rates and through an indiscriminate utility shutoff policy that has led directly to a series of deadly house fires in Detroit in recent years.

Eleven people have died in fires in Detroit homes where utilities have been cut off so far this year. In January, three people living on Dexter Avenue in Detroit, including two wheelchair-bound brothers, Marvin Allen, 62, and Tyrone Allen, 61, died in a fire in a home where DTE had turned off gas and electric service. In March three children of Sylvia Young died in a house fire on Bangor Street: Trávision Young, 5, Fantasia Young, 4, and Selena Young, 3. Just hours before the fire, DTE cut off gas service to the house,

with snow still on the ground, despite the protests of the children’s mother.

DTE’s deadly shutoff policies are backed by both Democrats and Republicans and are legislated and overseen by the state government. Michigan utility companies have been repeatedly granted huge rate increases by the Michigan Public Services Commissions, which supposedly regulates gas and electricity providers but in reality serves as little more than a rubber stamp for the utilities. These rate increases on residential customers have allowed the utility monopolies to offset declines in their industrial energy business.

Recently, DTE secured passage of a bill by the Michigan legislature, signed by Democratic Governor Jennifer Granholm, increasing penalties for “energy theft.” The law is designed to scapegoat the poor and unemployed and cover up the responsibility of DTE for the wave of house fires caused by utility shutoffs. The new law makes it a felony, punishable by up to five years in prison, to illegally transfer or sell utility service. The law also makes threats against utility workers a felony, punishable by up to 10 years in prison or a fine of \$10,000.

Opponents of the law say that it would allow utilities to cut off service to tenants, even if the landlord was responsible for the unauthorized connection. Service could be turned off at any time, even in the dead of winter, and even if children, the elderly, the sick or disabled are in the home.

Passage of the utility theft bill will likely set off a wave of shutoffs in the coming months as the winter approaches. The result will be an increase in death and suffering for residents of Detroit and all of Michigan, which faces the second-highest unemployment rate in the US.

Even prior to the bill's passage DTE had upped the pace of utility shutoffs. Michigan Public Service Commission statistics show that between January and May of this year 53,040 households had their electricity turned off by DTE and another 31,729 had their gas service disconnected. In 2008 DTE shut off 221,000 customers, a 50 percent increase over 2008.

A *World Socialist Web Site* reporting team recently visited a DTE payment center in northwest Detroit to get reaction to DTE's policies. They distributed a statement by the Committee Against Utility Shutoffs (CAUS) condemning the legislation in Michigan on illegal hookups.

Alexis Brooks, who teaches in a Detroit charter school, told the WSWS, "I don't think there should be a witchhunt against those with unauthorized hookups. DTE is making huge profits. It is supposed to be for the people—it is a basic necessity and there are so many house fires. If you don't have electricity or heat—that is how house fires come. Even if you pay your bill, it takes them two weeks to restore your services.

"We were going to get shut off and we had to apply for emergency relief," Brooks continued. "They only give you a maximum of \$850 a year, but the bills can be astronomical. Some people owe thousands. They did pay \$500, that was through the Department of Human Services, but we have a boiler system in our house and I fear what our bill is going to be this winter. My husband was laid off and I am teaching, and that is up and down. You don't know if you are going to be working."

Kimberly Lesley told the WSWS she supported the call by the CAUS for guaranteed utility service for all. "I agree wholeheartedly. I just had to give DTE \$2,000 to turn my utilities back on. I got a \$3,400 bill in February and I could not keep up the payments. I have a sick grandmother and an autistic son and I was just laid off, but they don't care."

Angela, who works as an auditor for a shipping company told the WSWS, "I don't agree with utility shutoffs, especially with children, disabled or elderly residents. I also think that a renter should have the opportunity to have an investigation before they shut off his services if it is not his bill.

"DTE is charging too much for gas and electricity. Where they have problems with non-paying residents, there should be something done to help them.

Businesses are closing down, and, you have high seniority, companies are looking for reasons to get rid of you, trivial things that would ordinarily be passed over. It is not that people are lazy and don't want to pay their bills."

Curtis Schultz told the WSWS, "They [DTE] charge \$100 bucks a month to one million people, that's \$100 million a month. They can't say they're losing money."

Commenting on the new law on "utility theft," Curtis remarked, "A family member tries to get stuff turned on and they call that a crime. That's just what a family does. What does DTE care? They are still getting paid. Everything is always about money, one way or another."

Another DTE customer said, "I don't understand why we're being charged for it [electricity]."

"How are the kids going to learn with no power? In the wintertime the sun goes down at six or 6:30. Kids come home at what five that gives them an hour, an hour and a half to study in good lighting. Now they want to put people in prison because they're 'stealing.'"

*The authors also recommend:*

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