

# DTE Energy hikes electricity rates on Detroit-area workers, while stockholders cash in

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DTE Energy, one of the nation's top energy conglomerates, notorious for a ruthless policy of shutoffs which have led to house fires and deaths, has announced new, higher summer rates.

DTE is the principal supplier of electricity for the Detroit metropolitan area, southeast lower Michigan, and the "thumb" region. Its new summer time-of-day rate will take effect in June, hiking prices for peak hour usage, from 3 p.m. to 7 p.m. DTE has justified this profit-taking by pointing to increased usage during the hot summer months, and potential crisis in its electrical grid.

From October to May, the average cost of electricity during "peak times" is 16.75 cents per kilowatt-hour. This will increase to 20.98 cents per kWh from June through September. In 2020, the average household in the United States consumed 893 kWh per month.

According to DTE Energy, the new increase will cost customers from 8-36 percent more during the peak hours. While the utility lyingly claims that the new structure will be "cost neutral," this is predicated on customers "shifting their behavior" to reduce energy usage during the hours cited for the rate hikes.

In other words, DTE Energy would advise a working-class family not to use their electric oven and dishwasher at dinner time. One can imagine a worker coming home after a hard day on the assembly line, or a nurse after a long shift at the local hospital, having to worry about how cooking dinner or washing dishes will affect next month's utility bill, or a larger family with older children either in school or working the night shift at Amazon or a parts plant having to worry about when to do laundry or spend time on the computer studying for an exam.

Then there are the families trying to keep their houses cool during the expected summer heat waves. What are workers to do ... not run their air conditioners between the hours of three to seven p.m., when the accumulated temperature and humidity indoors are the greatest? What

about families with elderly members or other at-risk populations who require cooler temperatures and/or life-saving machines?

A news report on a local station recently asked residents how they would cope with the new peak-time rates. One family suggested that they would use their outdoor grill rather than pay for the cost of cooking in their kitchen. The broadcast portrayed the price-gouging as a fact of life, without an ounce of criticism.

Claire McKenna, an Ann Arbor city energy commissioner and University of Michigan doctoral student who does research regarding home energy use, pointed out that the new time-of-day rates could be "disruptive for households on tight budgets," according to MLive.

"As a researcher who studies equity in access to public energy utility services, I am concerned that households already experiencing hardship or living on a close budget may find it difficult to adapt to a new pricing structure that varies seasonally and throughout the day," she said. "Not everyone has the ability to shift their electricity usage during the more expensive windows, and the higher summer costs may limit the feasibility of summer cooling for some households."

There is no question that DTE's rate hikes are an attack on working class and poor families, and the company is well aware that most families will not be able to "change their behavior," resulting not only in families paying more for the same service, but also the likelihood of tens if not hundreds of thousands of utility shutoffs.

These new increases take place as inflation is slamming Detroit families. A recent report by CNBC showed the Detroit area second in the nation for its combined two-month rise in the Consumer Price Index (2.1 percent) and its one-year increase (6.6 percent). Energy costs increased 2.3 percent from February to April alone. Year-over-year, food prices are up 7.6 percent, but the recent three-month

period has seen staple foods skyrocketing in cost. Dairy products are up 10 percent, and cereal and bakery products up 10.5 percent. Shelter is up 8.9 percent.

Moreover, the fact that DTE claims that its new rate structure is designed to take pressure off the electricity grid is an indictment of the overall decrepitude of the company's infrastructure and its longtime prioritizing of stockholder returns over investment into the system.

In the aftermath of last February's "historic" ice storm, over 700,000 Michigan residents lost power, with many not receiving electricity for nearly a week. People were outraged by the piddling amounts DTE was offering as reimbursement to customers who had lost so much during the extended blackouts. Only after a series of angry town hall meetings sponsored by the Michigan Public Service Commission were the reimbursements increased slightly.

DTE Energy is also pursuing a more blatant and "traditional" rate increase on top of the imposition of their time-of-day structure. The company is pressing for an across-the-board residential rate increase that, if approved by the Michigan Public Service Commission, would increase a residential customer's energy bill by \$12.46 per month on average. The company is claiming a \$622 million shortfall, due to increased costs and their ongoing "carbon reduction" efforts.

Meanwhile, the onus is being placed on ordinary working people for using too much energy, and being resistant to the "less is better" mantra promoted by "green-energy capitalism." DTE is shedding crocodile tears over the impact these increases will have on people's lives. "We certainly want everybody to stay as comfortable as they can year-round," commented Brynn Guster, Communications Manager for DTE Energy, adding that the utility has a lot of energy-efficiency tips it's going to be sharing to help customers save and stay comfortable in the summer.

"If a customer has a hard time paying their bill, we do have resources available, so we definitely want to make sure customers reach out if they need help," she said.

The fact is that DTE Energy is a notoriously rapacious capitalist enterprise. According to the watchdog group the Energy and Policy Institute, it is "one of the most aggressively anti-consumer utilities in the country," which consistently has inflicted the highest number of residential electricity shutoffs nationally. Between January 2020 and October 2022, 377,492 DTE customers had their electricity shut off!

"Access to electricity is a basic human right," EPI said in its report. "People rely on electricity for water, physical

safety, food security, medical care and telecommunications. When these essentials are taken away, the harm spreads like ripples across a pond. Disconnections foster instability: Without power, people struggle to maintain employment, keep their kids in school, and even stay alive. This is doubly true for the largely poor communities of color that are most vulnerable to inadequate housing and climate-driven weather extremes."

That the drive for profit outweighs any consideration of the public welfare is highlighted by the fact that the company, during the same time period cited above, paid \$2.1 billion to shareholders, a sum that is 52 percent higher than the money necessary to cover all consumer debt. Last year DTE Energy grossed \$6.19 billion in profits, the lion's share filling the pockets of the corporate tops and investors after interest, taxes and other expenses are deducted.

According to ProPublica, DTE's current CEO Jerry Norcia rakes in upwards of \$10 million in salary and compensation per year. Norcia, however, is making up for lost time, since his predecessor, Gerald M. Anderson, gorged himself on \$120,218,024 between 2006 and 2018. These individuals are but the tip of the corporate bureaucratic iceberg.

There is nothing "public" about these utilities. They are corporations whose day-to-day operations increasingly resemble a criminal operation, grossly enriching the few while fleecing and victimizing the many. Having electricity to cool one's home in the summer and heat it during the cold winter months is a basic social right. The fight that must be waged against the impoverishment of the working class by these for-profit enterprises can only be carried forward through the fight for socialism. This would include their nationalization under workers control, that is, the establishment of genuine publicly-owned utilities.



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