



DTE YEAR END 2019
EARNINGS CONFERENCE CALL
FEBRUARY 5, 2020

DTE

Safe Harbor Statement

Certain information presented herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, and businesses of DTE Energy. Words such as “anticipate,” “believe,” “expect,” “projected,” “aspiration,” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous assumptions, risks, and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated, or budgeted. Many factors impact forward-looking statements including, but not limited to, the following: impact of regulation by the EPA, the FERC, the MPSC, the NRC, and for DTE Energy, the CFTC, as well as other applicable governmental proceedings and regulations, including any associated impact on rate structures; the amount and timing of cost recovery allowed as a result of regulatory proceedings, related appeals, or new legislation, including legislative amendments and retail access programs; economic conditions and population changes in our geographic area resulting in changes in demand, customer conservation, and thefts of electricity and, for DTE Energy, natural gas; the operational failure of electric or gas distribution systems or infrastructure; impact of volatility of prices in the oil and gas markets on DTE Energy's gas storage and pipelines operations; impact of volatility in prices in the international steel markets on DTE Energy's power and industrial projects operations; the risk of a major safety incident; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements; the cost of protecting assets against, or damage due to, cyber incidents and terrorism; health, safety, financial, environmental, and regulatory risks associated with ownership and operation of nuclear facilities; volatility in the short-term natural gas storage markets impacting third-party storage revenues related to DTE Energy; volatility in commodity markets, deviations in weather, and related risks impacting the results of DTE Energy's energy trading operations; changes in the cost and availability of coal and other raw materials, purchased power, and natural gas; advances in technology that produce power, store power, or reduce power consumption; changes in the financial condition of significant customers and strategic partners; the potential for losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions; access to capital markets and the results of other financing efforts which can be affected by credit agency ratings; instability in capital markets which could impact availability of short and long-term financing; the timing and extent of changes in interest rates; the level of borrowings; the potential for increased costs or delays in completion of significant capital projects; changes in, and application of, federal, state, and local tax laws and their interpretations, including the Internal Revenue Code, regulations, rulings, court proceedings, and audits; the effects of weather and other natural phenomena on operations and sales to customers, and purchases from suppliers; unplanned outages; employee relations and the impact of collective bargaining agreements; the availability, cost, coverage, and terms of insurance and stability of insurance providers; cost reduction efforts and the maximization of plant and distribution system performance; the effects of competition; changes in and application of accounting standards and financial reporting regulations; changes in federal or state laws and their interpretation with respect to regulation, energy policy, and other business issues; contract disputes, binding arbitration, litigation, and related appeals; and the risks discussed in the Registrants' public filings with the Securities and Exchange Commission. New factors emerge from time to time. We cannot predict what factors may arise or how such factors may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. This document should also be read in conjunction with the Forward-Looking Statements section of the joint DTE Energy and DTE Electric 2019 Form 10-K (which section is incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

Participants

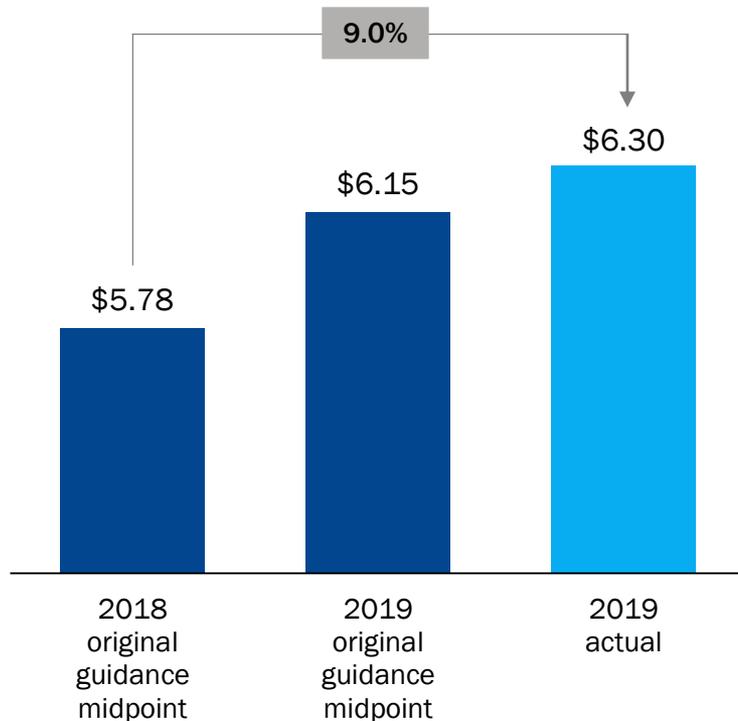
Jerry Norcia – President and CEO

Peter Oleksiak – Senior Vice President and CFO

Barbara Tuckfield – Director Investor Relations

Strong operational and financial performance in 2019

Operating EPS¹

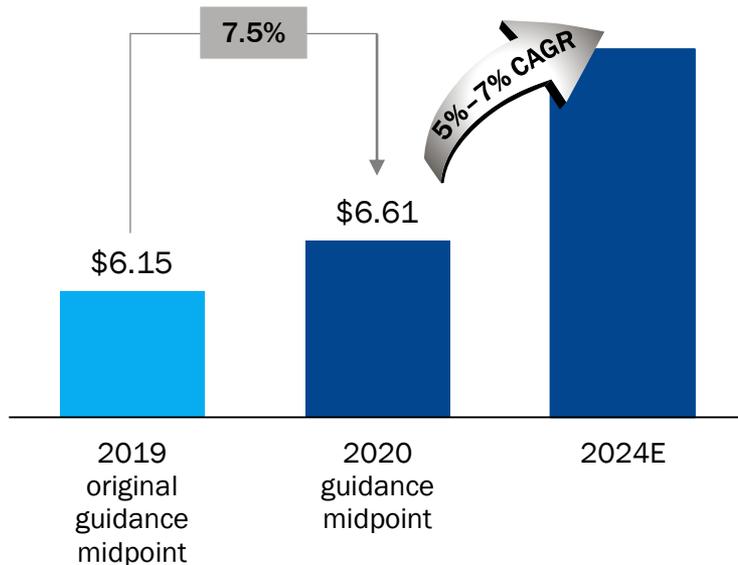


- Delivered strong financial results in 2019
 - Operating EPS growth rate of 9.0% from 2018 original guidance
 - Exceeded original guidance midpoint for 11th consecutive year
 - Increased dividend 7%; targeting 7% dividend growth through 2021²
- Achieved excellent results around key customer and employee initiatives

Solid results position DTE for future growth

Positioned for continued growth from strong 2020 guidance

Operating EPS¹

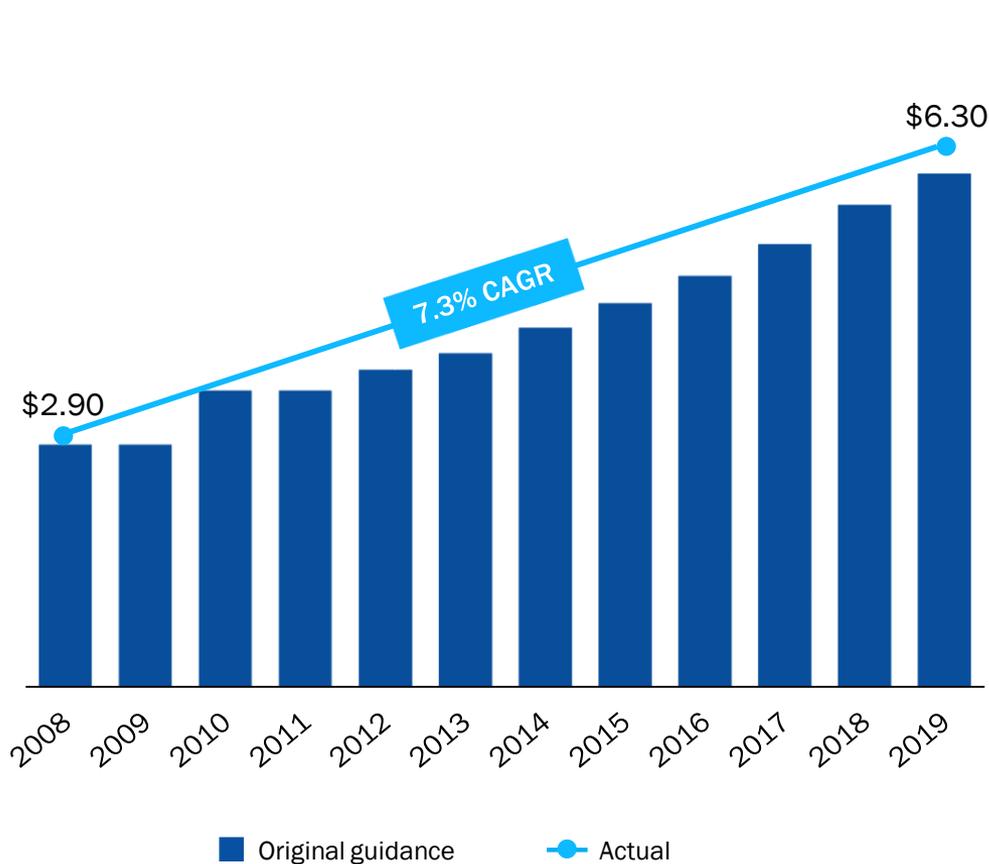


- 2020 operating EPS guidance midpoint provides 7.5% growth from 2019 original guidance
- Well-positioned for 5% – 7% operating EPS growth through 2024
- Continued investment in utilities
 - Investing 80% of 5-year capital in utility infrastructure and cleaner energy
- Delivering non-utility operating earnings with increased certainty
 - Supported by deep development queue and high-quality contracted assets
- Commitment to positive culture provides a solid framework for success

Targeting 5% – 7% operating EPS growth through 2024 from 2020 base

Delivering premium operating EPS¹ results through disciplined planning and management

History of exceeding operating EPS guidance



Robust planning



Commitment to strong culture provides a solid framework for success

Safety

National Safety Council's top 2% of companies surveyed in safety culture

Employee engagement

Top 3% in the world by Gallup; 7 consecutive Gallup Great Workplace Awards

Customer satisfaction

Top quartile at both utilities for residential satisfaction as ranked by J.D. Power

Community involvement

One of the country's top corporate citizens as named by Points of Light and J.D. Power

One of our top priorities for 2020 is to advance our culture of service excellence



DTE Electric: infrastructure investments drive strong growth

Advanced on clean energy initiatives in 2019

- Accelerated carbon emissions reduction
 - 80% carbon emissions reduction by 2040
 - Net zero carbon emissions by 2050
- Progressed on new natural gas power plant
- Accelerated investments in Charging Forward electric vehicle program

Investing in generation and distribution for clean and reliable energy

- Doubling renewable investment and increasing voluntary renewables
- Modernizing and automating electric circuits, substations and sub-transmission

Targeting 7% – 8% operating earnings¹ growth



1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix



DTE Gas: replacing aging infrastructure improves cost, performance and productivity

Transformational investments in 2019

- Completed 180 miles of main renewal
- Continued technology investment to reduce manual meter reads and improve operational efficiency

Investing in infrastructure; progressing on methane reduction goal

- Beginning construction of first transmission renewal project as part of our continued pipeline integrity work
- Increasing main renewal to over 200 miles

Committed to **over 80% methane reduction by 2040**



Targeting 9% operating earnings¹ growth

Gas Storage & Pipelines: high-quality assets with revenue certainty is the foundation for 2019 success and long-term growth

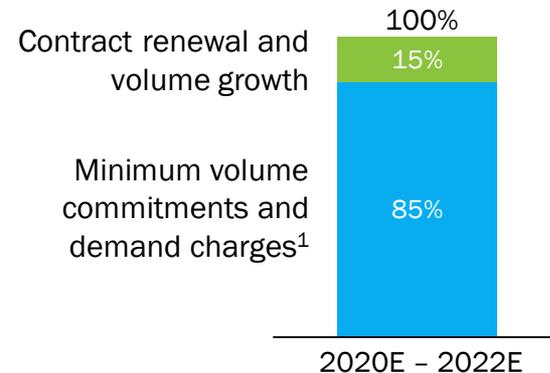
2019 accomplishments

- Successfully integrated disciplined acquisitions with growth potential and connections to power and industrial markets
 - Increased ownership in Link
 - Generation Pipeline and Blue Union/LEAP acquisitions
 - Organic expansions completed on Millennium and Link

Focusing on continued organic growth from well-positioned platforms

- Majority of future growth secured and supported by strong contracts

85% of total revenue covered by fixed revenue contracts and flowing gas



- **Multiple platforms** provide opportunity in numerous markets
- **Asset franchises** make GSP the primary service provider

Several highly-accretive expansions are well advanced in the development cycle

Power & Industrial Projects: continuing consistent growth in key focus areas

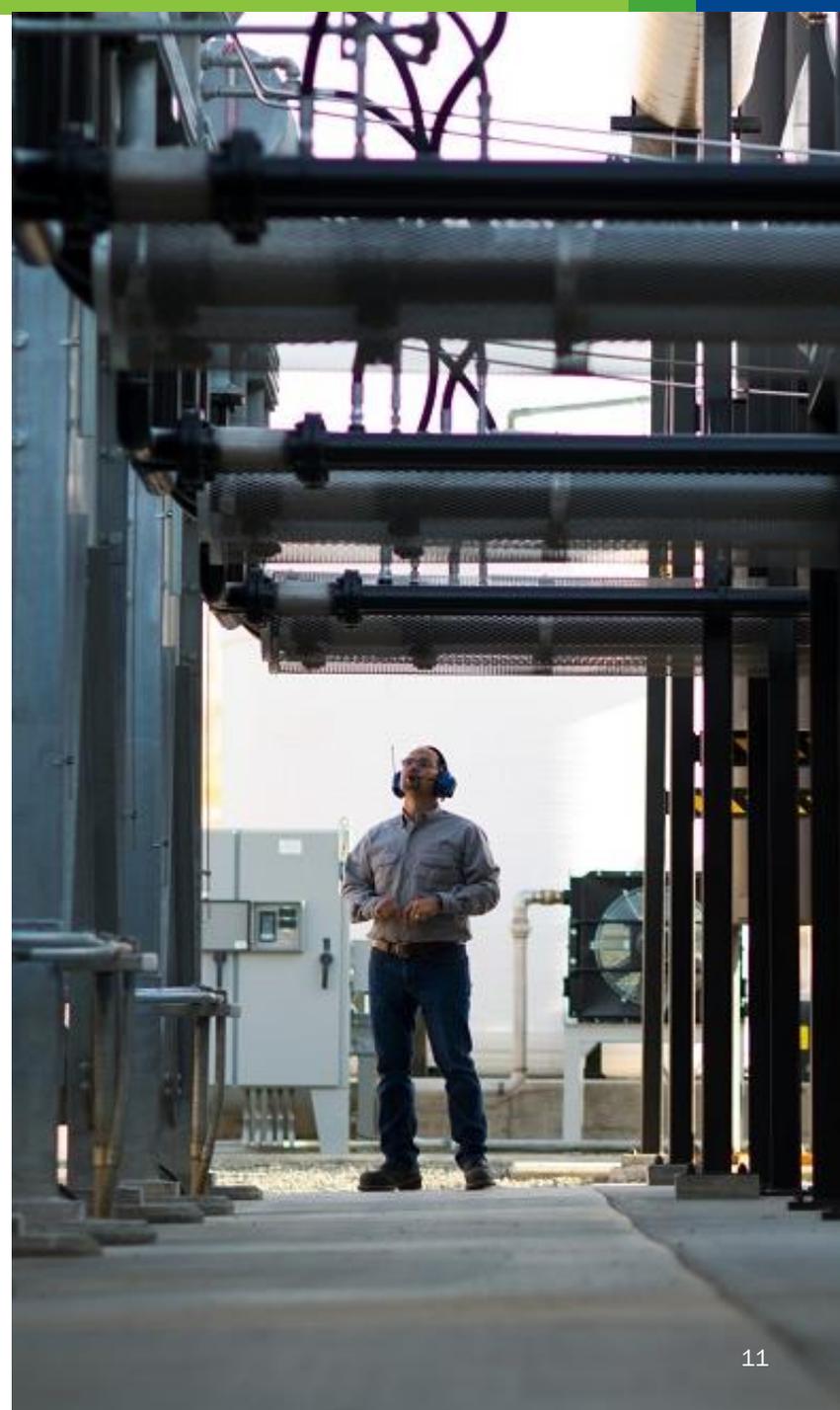
2019 accomplishments

- Acquired one large industrial energy services project and secured the development of two additional projects
- Began commercial operation of integrated RNG facilities in Wisconsin – recognized by the American Biogas Council as project of the year
- Expanded RNG efforts as construction began at three additional sites, with further prospects being developed

Developing high potential investment opportunities with multiple additional targets in early screening

- Strong project pipeline to execute growth strategy in industrial energy services and RNG businesses

Well-positioned to continue operating earnings¹ origination pace of ~\$15 million per year



2019 operating earnings¹ variance

(millions, except EPS)

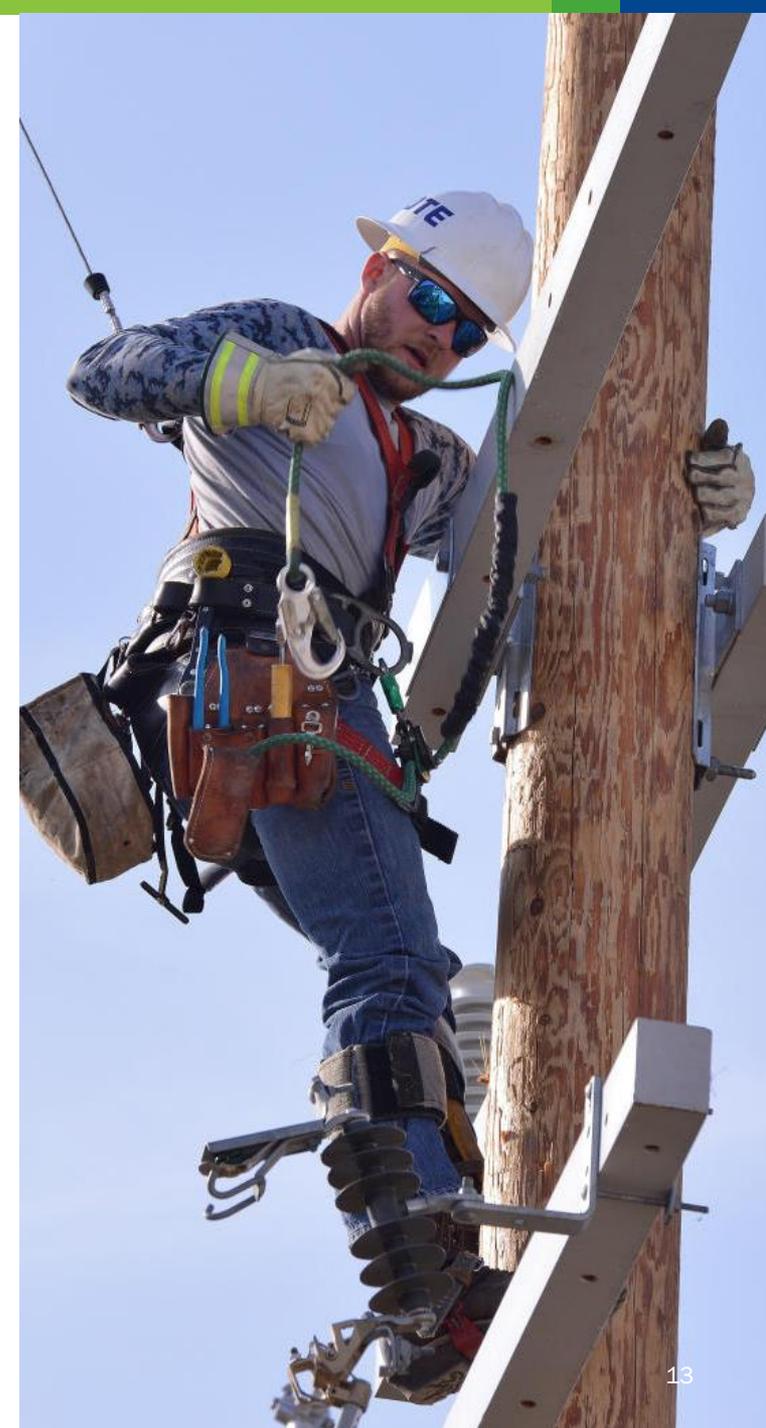
	2018	2019	Variance	Primary drivers
DTE Electric	\$ 669	\$ 716	\$ 47	Rate implementation and one-time items offset by rate base growth costs and cooler weather
DTE Gas	159	181	22	Rate implementation and cooler weather offset by rate base growth costs
Gas Storage & Pipelines	233	213	(20)	Transition from AFUDC earnings at NEXUS and return to normal volumes across other platforms
Power & Industrial Projects	163	133	(30)	REF tax equity transactions in 4Q 2018
Energy Trading	40	30	(10)	Lower gas portfolio earnings
Corporate & Other	(122)	(107)	15	Lower taxes and one-time items offset by higher interest expense
DTE Energy	\$1,142	\$1,166	\$ 24	
Operating EPS	\$ 6.30	\$ 6.30	\$ -	
Avg. Shares Outstanding	181	185		

Continuing long track record of delivering premium shareholder returns

- 1 Strong operational and financial performance in 2019; well-positioned for future growth
- 2 5% – 7% operating EPS¹ growth through 2024 from 2020 base
- 3 7% dividend growth extended through 2021²
- 4 Driving utility growth by investing 80% of total 5-year capital in utility infrastructure and cleaner energy
- 5 Continuing strategic and sustainable growth in non-utility businesses
- 6 Maintaining strong balance sheet and credit profile
- 7 Committed to long-term business mix of 70% – 75% utility



1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
2. Subject to Board approval





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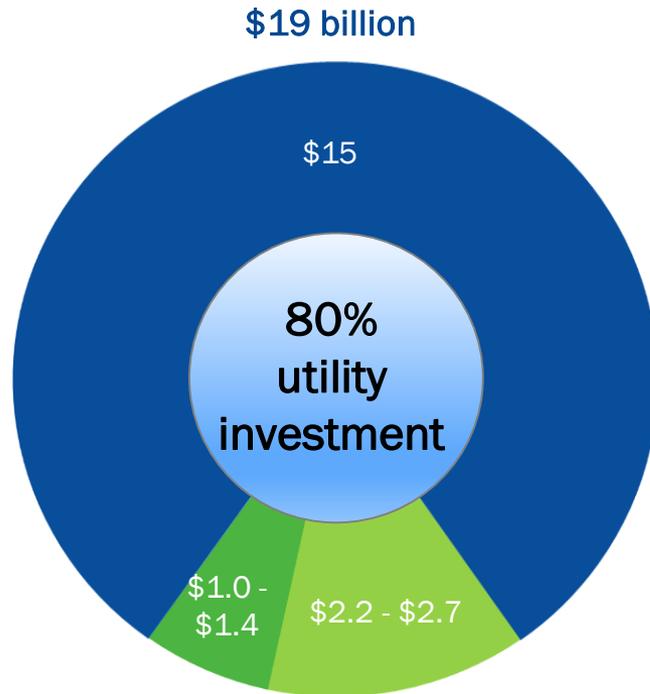
DTE

Appendix

Clear line of sight for growth supported by investment in utility infrastructure and disciplined non-utility opportunities

(billions)

2020 – 2024 DTE Energy investment



\$12 **Electric:** Distribution infrastructure, cleaner generation, maintenance

\$3 **Gas:** Base infrastructure, main renewal acceleration

\$1.2 - \$1.7 **GSP:** Organic growth on existing platforms
\$1 **GSP:** Blue Union/LEAP contracted capital

\$1.0 - \$1.4 **P&I:** Industrial energy services, renewable natural gas (RNG)

Investing 80% of 5-year capital in utilities

2020 operating earnings¹ guidance

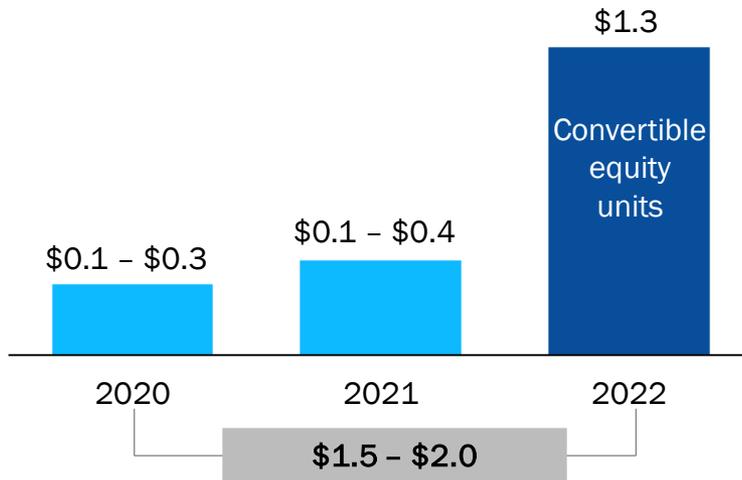
(millions, except EPS)

	2020 operating earnings guidance
DTE Electric	\$759 - \$773
DTE Gas	185 - 193
Gas Storage & Pipelines	277 - 293
Power & Industrial Projects	133 - 148
Energy Trading	15 - 25
Corporate & Other	<u>(122) - (132)</u>
DTE Energy	<u><u>\$1,247 - \$1,300</u></u>
Operating EPS	<u><u>\$6.47 - \$6.75</u></u>

Maintaining strong cash flow, balance sheet and credit profile

(billions)

Planned equity issuances 2020 – 2022



- \$1.6 billion of available liquidity at year-end 2019
- Maintaining strong investment-grade credit rating and FFO¹/Debt² target at 18%

Credit ratings

	S&P	Moody's	Fitch
DTE Energy (unsecured)	BBB	Baa2	BBB+
DTE Electric (secured)	A	Aa3	A+
DTE Gas (secured)	A	A1	A

Weather impact on sales

Cooling degree days – DTE Electric service area

	2018	2019	% change
Actuals	1,175	863	(27%)
Normal	803	803	0%
Deviation from normal	46%	7%	

Heating degree days – DTE Gas service area

	4Q 2018	4Q 2019	% change
Actuals	2,310	2,289	(1%)
Normal	2,182	2,197	1%
Deviation from normal	6%	4%	

Earnings impact of weather – DTE Electric

Variance from normal weather

(millions, after-tax)	4Q	YTD
2018	\$6	\$103
2019	\$1	\$28

(per share)	4Q	YTD
2018	\$0.03	\$0.56
2019	\$0.01	\$0.15

Earnings impact of weather – DTE Gas

Variance from normal weather

(millions, after-tax)	4Q	YTD
2018	\$7	\$9
2019	\$6	\$16

(per share)	4Q	YTD
2018	\$0.04	\$0.05
2019	\$0.03	\$0.09

Weather normal sales – DTE Electric service area

(GWh)

	2018	2019	% change
Residential	14,955	14,820	(0.9%)
Business & other	32,117	31,402	(2.2%)
Total sales	47,072	46,222	(1.8%)

Cash flow and capital expenditures

Cash flow

(billions)

	2019 actual	2020 guidance
Cash from operations ¹	\$ 2.6	\$ 3.0
Capital expenditures	(6.0)	(4.5)
Free cash flow	\$ (3.4)	\$ (1.5)
Other	\$ (0.1)	\$ -
Dividends	(0.7)	(0.8)
Net cash	\$ (4.2)	\$ (2.3)
Debt financing ²		
Issuances	4.0	3.0
Redemptions	(0.8)	(0.7)
Change in debt	\$ 3.2	\$ 2.3
Equity financing	\$ 1.0	\$ -

Capital expenditures

(millions)

	2019 actual	2020 guidance
DTE Electric		
Base infrastructure	\$ 868	\$ 680
New generation	392	1,050
Distribution infrastructure	934	850
	\$ 2,194	\$ 2,580
DTE Gas		
Base infrastructure	\$ 283	\$ 270
Main renewal	247	300
	\$ 530	\$ 570
Non-utility	3,283	1,200 - 1,400
Total	\$ 6,007	\$4,350 - \$4,550

DTE Electric and DTE Gas regulatory update

DTE Electric

- General rate case – filed July 2019 (U-20561)
 - Effective: May 2020
 - Rate recovery: \$351 million
 - ROE: 10.5%
 - Capital structure: 50% debt, 50% equity
 - Rate base: \$18.3 billion
- Filed Integrated Resource Plan – March 2019 (U-20471)
 - Order expected early 2020

DTE Gas

- General rate case – filed November 2019 (U-20642)
 - Effective: October 2020
 - Rate recovery: \$204 million
 - ROE: 10.5%
 - Capital structure: 48% debt, 52% equity
 - Rate base: \$5.1 billion

2019 Energy Trading reconciliation of operating earnings¹ to economic net income

(millions)

Energy Trading reconciliation

	<u>2018</u>	<u>2019</u>
Operating earnings	\$40	\$30
Accounting adjustments ²	<u>15</u>	<u>10</u>
Economic net income	\$55	\$40

- Economic net income equals economic gross margin³ minus O&M expenses and taxes
- DTE Energy management uses economic net income as one of the performance measures for external communications with analysts and investors
- Internally, DTE Energy uses economic net income as one of the measures to review performance against financial targets and budget

1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

2. Consists of 1) the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not marked-to-market, instead are recognized for accounting purposes on an accrual basis; and 2) operating adjustments for unrealized marked-to-market changes of certain derivative contracts

3. Economic gross margin is the change in net fair value of realized and unrealized purchase and sale contracts including certain non-derivative contract costs

2018 – 2019 reconciliation of reported to operating earnings (non-GAAP)

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

	Year Ended December 31,							
	2019				2018			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
	(In millions)							
DTE Electric	\$ 714	\$ (11) A	\$ 3	\$ 716	\$ 664	\$ —	\$ 7 F	\$ 669
		13 B	(3)			2 G	(1)	
		—	—			(4) H	1	
DTE Gas	185	(6) A	2	181	150	—	10 F	159
		—	—			1 G	—	
		—	—			(3) H	1	
Non-utility operations								
Gas Storage and Pipelines	204	13 C	(4)	213	235	—	(2) F	233
Power and Industrial Projects	133	—	—	133	161	—	(1) F	163
		—	—			(4) H	1	
						8 I	(2)	
Energy Trading	49	(25) D	6	30	39	1 D	—	40
Total Non-utility operations	386	(12)	2	376	435	5	(4)	436
Corporate and Other	(116)	7 E	(2)	(107)	(129)	—	7 F	(122)
		5 C	(1)			—	—	
Net Income Attributable to DTE Energy Company	\$ 1,169	\$ (4)	\$ 1	\$ 1,166	\$ 1,120	\$ 1	\$ 21	\$ 1,142

Adjustments key

- A) MPSC approval of the deferral for the new customer billing system post-implementation expenses — recorded in Operating Expenses — Operation and maintenance
- B) MPSC disallowance of power plant capital expenses — recorded in Operating Expenses — Asset (gains) losses and impairments, net
- C) Transaction-related costs resulting from the acquisition of Blue Union and LEAP
- D) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility
- E) Impairment of equity method investment — recorded in Other income
- F) True-up of remeasurement of deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017 — recorded in Income Tax Expense
- G) Implementation costs related to a new customer billing system, net of authorized regulatory deferral — recorded in Operating Expenses — Operation and maintenance
- H) One-time benefits expense reimbursement — recorded in Operating Expenses — Operation and maintenance
- I) Asset impairment at a renewable power generating facility — recorded in Operating Expenses — Assets (gains) losses and impairments, net

2018 – 2019 reconciliation of reported to operating EPS (non-GAAP)

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

	Year Ended December 31,							
	2019				2018			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
DTE Electric	\$ 3.86	\$ (0.06) A	\$ 0.02	\$ 3.87	\$ 3.66	\$ —	\$ 0.04 F	\$ 3.69
		0.07 B	(0.02)			0.02 G	(0.01)	
		—	—			(0.03) H	0.01	
DTE Gas	1.00	(0.03) A	0.01	0.98	0.83	—	0.06 F	0.89
		—	—			0.01 G	—	
		—	—			(0.02) H	0.01	
Non-utility operations								
Gas Storage and Pipelines	1.10	0.07 C	(0.02)	1.15	1.30	—	(0.01) F	1.29
Power and Industrial Projects	0.72	—	—	0.72	0.89	—	(0.01) F	0.89
		—	—			(0.03) H	0.01	
						0.04 I	(0.01)	
Energy Trading	0.26	(0.14) D	0.04	0.16	0.22	0.01 D	—	0.23
Total Non-utility operations	2.08	(0.07)	0.02	2.03	2.41	0.02	(0.02)	2.41
Corporate and Other	(0.63)	0.04 E	(0.01)	(0.58)	(0.73)	—	0.04 F	(0.69)
		0.03 C	(0.01)			—	—	
Net Income Attributable to DTE Energy Company	\$ 6.31	\$ (0.02)	\$ 0.01	\$ 6.30	\$ 6.17	\$ —	\$ 0.13	\$ 6.30

Adjustments key

- A) MPSC approval of the deferral for the new customer billing system post-implementation expenses — recorded in Operating Expenses — Operation and maintenance
- B) MPSC disallowance of power plant capital expenses — recorded in Operating Expenses — Asset (gains) losses and impairments, net
- C) Transaction-related costs resulting from the acquisition of Blue Union and LEAP
- D) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility
- E) Impairment of equity method investment — recorded in Other income
- F) True-up of remeasurement of deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017 — recorded in Income Tax Expense
- G) Implementation costs related to a new customer billing system, net of authorized regulatory deferral — recorded in Operating Expenses — Operation and maintenance
- H) One-time benefits expense reimbursement — recorded in Operating Expenses — Operation and maintenance
- I) Asset impairment at a renewable power generating facility — recorded in Operating Expenses — Assets (gains) losses and impairments, net

1. Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 25% for the year ended December 31, 2019 and 27% for the year ended December 31, 2018

Note: Per share amounts for the adjustments are based on the after-tax effect for each item, divided by the diluted weighted average common shares outstanding, as noted on the Consolidated Statements of Operations (Unaudited)

2008 reconciliation of reported to operating EPS (non-GAAP)

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

2008 Segment Diluted Earnings Per Share			
	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			\$3.36
DTE Electric			
	-	-	-
DTE Gas			
Performance excellence process	0.04	(0.01)	0.03
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
Performance excellence process	0.01	-	0.01
Energy Trading			
Performance excellence process	0.01	-	0.01
Corporate & Other			
Residual hedge impact from Antrim sale	0.12	(0.04)	0.08
Tax true-up from sale of joint venture - Crete	0.01	-	0.01
Discontinued operations			
Synfuel	(0.20)	0.07	(0.13)
Unconventional gas production	(0.74)	0.27	(0.47)
DTE Energy Operating EPS	(\$0.75)	\$0.29	\$2.90

Reconciliation of reported to operating earnings (non-GAAP)

Use of Operating Earnings Information – Operating earnings exclude non-recurring items, certain mark-to-market adjustments and discontinued operations. DTE Energy management believes that operating earnings provide a more meaningful representation of the company’s earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

In this presentation, DTE Energy provides guidance for future period operating earnings. It is likely that certain items that impact the company’s future period reported results will be excluded from operating results. A reconciliation to the comparable future period reported earnings is not provided because it is not possible to provide a reliable forecast of specific line items (i.e. future non-recurring items, certain mark-to-market adjustments and discontinued operations). These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.