

An aerial photograph of Detroit, Michigan, showing the city skyline across the water. In the foreground, a white lighthouse stands on a small island in the water. The city buildings are visible in the background under a clear blue sky.

**DTE 2Q 2021  
EARNINGS CONFERENCE CALL**

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**JULY 27, 2021**

**DTE**

# Safe harbor statement

The information contained herein is as of the date of this document. DTE Energy expressly disclaims any current intention to update any forward-looking statements contained in this document as a result of new information or future events or developments. Words such as “anticipate,” “believe,” “expect,” “may,” “could,” “would,” “projected,” “aspiration,” “plans” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various assumptions, risks and uncertainties. This document contains forward-looking statements about DTE Energy’s financial results and estimates of future prospects, and actual results may differ materially. Many factors impact forward-looking statements including, but not limited to, the following: risks related to the spin-off of DT Midstream, including that providing DT Midstream with the transition services previously negotiated could adversely affect our business, and that the transaction may not achieve some or all of the anticipated benefits; the duration and impact of the COVID-19 pandemic on DTE Energy and customers, impact of regulation by the EPA, the EGLE, the FERC, the MPSC, the NRC, and for DTE Energy, the CFTC and CARB, 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 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 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 DTE Energy’s 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 2020 Form 10-K and 2021 Forms 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

# Participants

Jerry Norcia – President and CEO

Dave Ruud – Senior Vice President and CFO

Barbara Tuckfield – Director Investor Relations

# Focusing on our employees, customers and communities while delivering for investors



## Employees

- Recognized as a Gallup Great Workplace for the ninth consecutive year
- Building on our diversity, equity and inclusion focus with acceleration of commitment to build an even better workplace



## Customers

- Continued successfully growing our voluntary renewables program with 1,300 MW approved and 950 MW subscribed; increasing affordability and access to low-income customers
- Partnered with Ford Motor Company on new rooftop solar installation and battery storage technology



## Community

- Named to the Civic 50 by Points of Light for the fourth consecutive year
- Launched Tree Trim Academy to create 200 high-paying jobs in Detroit



## Investors

- Successfully executed spin of DTM on July 1 which was well-received by all stakeholders
- Strong 2Q results; raising 2021 operating earnings<sup>1</sup> guidance
- DTE dividend payout to be consistent with pure-play utility peers



# Continuing to deliver successful operational results

## DTE Electric

- Targeting net zero carbon emissions by 2050
  - Retired River Rouge Power Plant in 2Q 2021
- Voluntary renewables program MIGreenPower is one of the largest in the country with over 35,000 customers and 950 MW of subscriptions

## DTE Gas

- Targeting net zero greenhouse gas emissions by 2050
- Began second phase of construction on major transmission renewal project in Northern Michigan
- CleanVision Natural Gas Balance Program announced in 2021 and growing rapidly with over 3,000 customers

## Power & Industrial Projects

- Began construction on new RNG facility in South Dakota; in-service 3Q 2022
- Advanced discussions on new industrial energy and RNG projects
- Received The Association of Union Contractors Project of the Year award for the Ford Dearborn cogeneration project



# Strong financial start to 2021; maintaining 5% - 7% long-term operating EPS<sup>1</sup> growth target

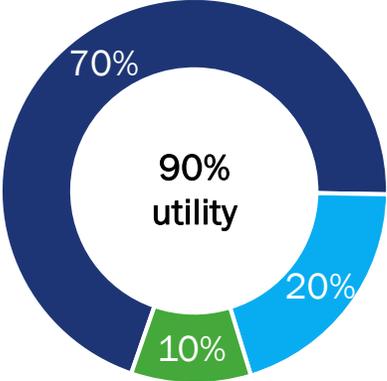
## Strong start to 2021

- ✓ Increasing 2021 operating EPS guidance from a midpoint of \$5.51 per share to \$5.77 per share
- ✓ Moving year-over-year growth in operating EPS guidance from 7.4% to a robust 12.5%
- ✓ Positioning DTE for future success
- ✓ Confirming 5% - 7% operating EPS growth rate from 2020 original guidance to 2025

## Long-term growth driven by strength of utilities

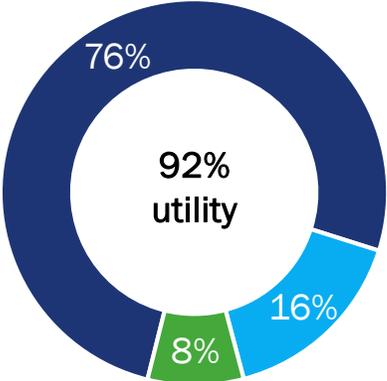
- ✓ Successful spin transitions DTE into a predominantly pure-play utility
- ✓ Generating 90% of future operating earnings from regulated utilities with \$17 billion investment in 5-year plan
- ✓ Utility investment focused on clean generation and improving reliability and the customer experience

Operating earnings



- Electric utility
- Gas utility
- Non-utility

2021 - 2025 capital investment plan



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

# 2Q 2021 operating earnings<sup>1</sup> variance

(millions, except EPS)	2020	2021	Variance	Primary drivers
DTE Electric	\$219	\$238	\$19	Higher commercial sales, rate implementation and warmer weather in 2021 offset by non-qualified benefit plan investment gains in 2020
DTE Gas	11	7	(4)	Warmer weather in 2021 offset by rate implementation
Gas Storage & Pipelines <sup>2</sup>	70	86	16	LEAP in-service and other pipeline earnings
Power & Industrial Projects	25	34	9	New RNG projects
Energy Trading	5	21	16	Gas portfolio performance
Corporate & Other	(35)	(57)	(22)	Timing of taxes and interest
<b>DTE Energy</b>	<b>\$295</b>	<b>\$329</b>	<b>\$34</b>	
<b>Operating EPS</b>	<b>\$1.53</b>	<b>\$1.70</b>	<b>\$0.17</b>	
Avg. Shares Outstanding	193	194		



1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
2. January - June results for Midstream will be moved to discontinued operations beginning in 3Q

# Raising 2021 operating EPS<sup>1</sup> guidance

(millions, except EPS)

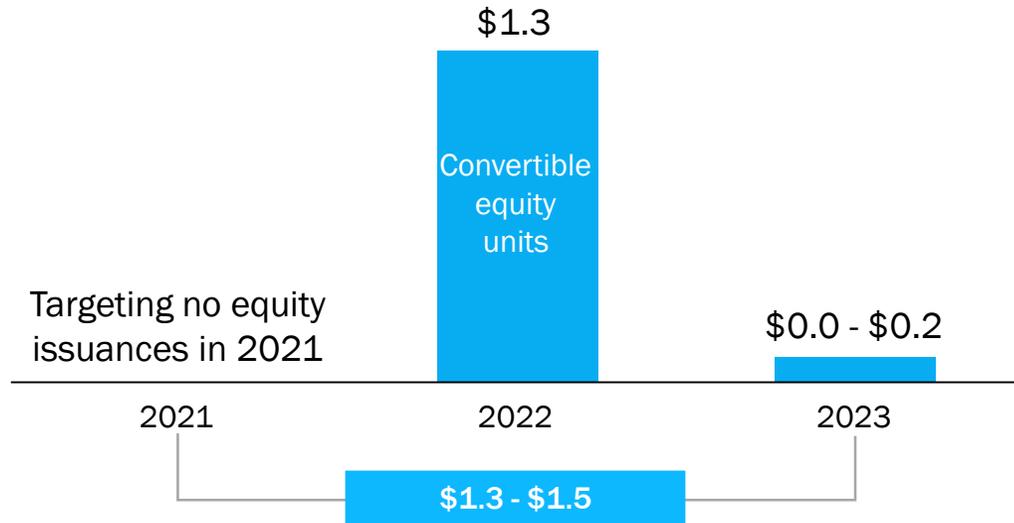
	Current guidance	Revised guidance	Primary drivers
DTE Electric	\$826 - \$840	\$853 - \$867	Warmer than normal weather, sustained continuous improvement and uncollectible expense favorability
DTE Gas	202 - 212	202 - 212	
Power & Industrial Projects	147 - 163	152 - 168	Higher REF volumes
Energy Trading	15 - 25	30 - 40	Primarily realization of gas storage asset gains from Texas weather event
Corporate & Other	(148) - (138)	(148) - (138)	
<b>DTE Energy</b>	<b>\$1,042 - \$1,102</b>	<b>\$1,089 - \$1,149</b>	<b>↑</b>
<b>Operating EPS from continuing operations</b>	<b>\$5.36 - \$5.66</b>	<b>\$5.62 - \$5.92</b>	<b>↑</b>

Strong 2021 financial results allow for increased guidance and positions DTE for future success

# Maintaining strong cash flow, balance sheet and credit profile

(billions)

## Planned equity issuances 2021 - 2023



- Issued \$1 billion in green bonds in 2021; \$2 billion issued in total in the past four years
- Strong investment-grade credit rating
  - Targeting ~16% FFO<sup>1</sup> / Debt<sup>2</sup>
- Significant debt paydown with proceeds from DTM debt raise
  - Retiring ~\$2.6 billion of long-term parent debt

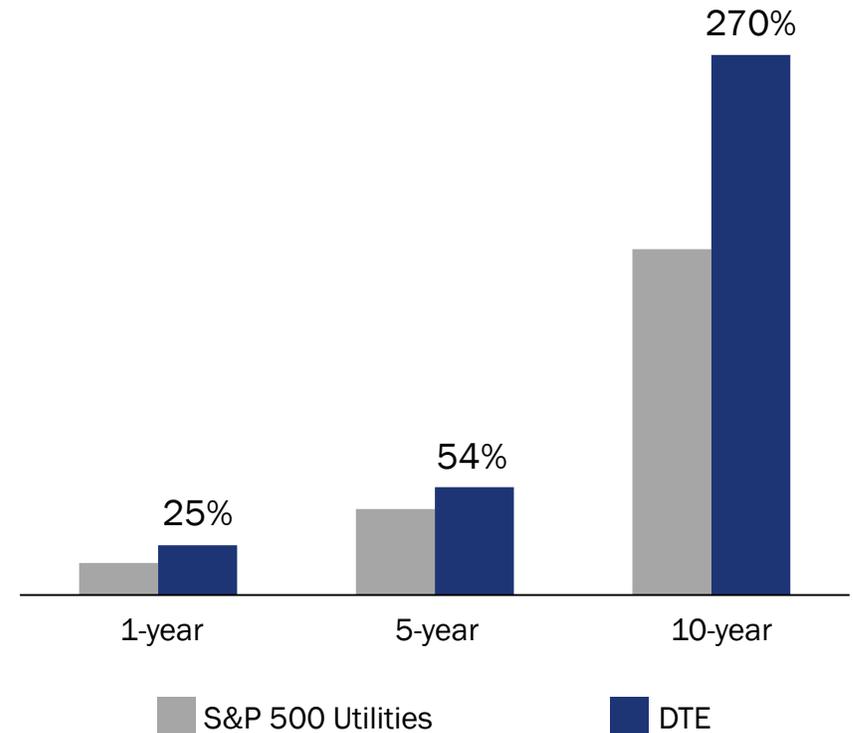
Credit ratings	S&P	Moody's	Fitch
DTE Energy (unsecured)	BBB	Baa2	BBB
DTE Electric (secured)	A	Aa3	A+
DTE Gas (secured)	A	A1	A

Strong cash flows have reduced equity needs in plan

# Positioned for success in 2021 and beyond

- ✓ Increasing 2021 operating EPS<sup>1</sup> guidance
- ✓ On track to achieve 5% - 7% long-term operating EPS growth from 2020 original guidance midpoint
- ✓ Successfully executed DTM spin which positions DTE as a predominantly pure-play utility
- ✓ Delivering on operational results
- ✓ Maintaining strong balance sheet; targeting no equity issuances in 2021
- ✓ Continuing long track record of delivering premium shareholder returns with a strong and growing dividend consistent with pure-play utility peers

## Total shareholder return<sup>2</sup>



VISIT US:

[DTE INVESTOR RELATIONS](#)

[2020 ESG REPORT](#)

[CORPORATE CITIZENSHIP  
HIGHLIGHTS](#)

**DTE**



# Appendix

# Revising 2021 cash flow and capital expenditures guidance to reflect DTM spin impacts

## Cash flow

(billions)	Current guidance	Revised guidance
Cash from operations <sup>1</sup>	\$3.0	\$2.7
Capital expenditures	(4.2)	(3.9)
<b>Free cash flow</b>	<b>(\$1.2)</b>	<b>(\$1.2)</b>
Dividends	(0.8)	(0.8)
<b>Net cash</b>	<b>(\$2.0)</b>	<b>(\$2.0)</b>
Debt financing		
Impacts to continuing operations		
Issuances	\$2.1	\$2.3
Redemptions	(0.5)	(0.7)
Impacts due to spin of DTM		
DTM distribution	-	3.0
Spin-related redemptions <sup>2</sup>	-	(3.0)
<b>Total debt financing</b>	<b>\$1.6</b>	<b>\$1.6</b>
<b>Change in cash on hand</b>	<b>(\$0.4)</b>	<b>(\$0.4)</b>

## Capital expenditures

(millions)	Current guidance	Revised guidance
<b>DTE Electric</b>		
Base infrastructure	\$1,030	\$1,030
New generation	950	950
Distribution infrastructure	1,030	1,030
	<b>\$3,010</b>	<b>\$3,010</b>
<b>DTE Gas</b>		
Base infrastructure	\$325	\$325
Main renewal	295	295
	<b>\$620</b>	<b>\$620</b>
<b>Non-utility</b>	<b>\$500 - \$700</b>	<b>\$200 - \$350</b>
<b>Total</b>	<b>\$4,130 - \$4,330</b>	<b>\$3,830 - \$3,980</b>

# Cash flow and capital expenditures actuals

## Cash flow

(billions)	YTD 2020	YTD 2021
Cash from operations <sup>1</sup>	\$1.7	\$1.9
Capital expenditures	(2.2)	(1.9)
<b>Free cash flow</b>	<b>(\$0.5)</b>	<b>\$0.0</b>
Dividends	(0.4)	(0.4)
Other	-	(0.1)
<b>Net cash</b>	<b>(\$0.9)</b>	<b>(\$0.5)</b>
Debt financing		
Impacts to continuing operations		
Issuances	\$1.7	\$1.0
Redemptions	(0.3)	(0.6)
Impacts due to spin of DTM		
DTM distribution	-	3.0
<b>Total debt financing</b>	<b>\$1.4</b>	<b>\$3.4</b>
<b>Change in cash on hand</b>	<b>\$0.5</b>	<b>\$2.9</b>

## Capital expenditures

(millions)	YTD 2020	YTD 2021
<b>DTE Electric</b>		
Base infrastructure	\$475	\$327
New generation	502	701
Distribution infrastructure	401	482
	<b>\$1,378</b>	<b>\$1,510</b>
<b>DTE Gas</b>		
Base infrastructure	\$104	\$118
Main renewal	117	160
	<b>\$221</b>	<b>\$278</b>
<b>Non-utility</b>	<b>\$591</b>	<b>\$143</b>
<b>Total</b>	<b>\$2,190</b>	<b>\$1,931</b>

# Weather impact on sales

## DTE Electric

### Cooling degree days

	2Q 2020	2Q 2021	% Change	YTD 2020	YTD 2021	% Change
Actuals	259	308	19%	259	308	19%
Normal	215	233	8%	215	233	8%
Deviation from normal	20%	32%		20%	32%	

### Operating earnings<sup>1</sup> impact of weather

	(millions)		(per share)	
	2Q	YTD	2Q	YTD
2020	\$18	\$0	\$0.09	\$0.00
2021	\$24	\$15	\$0.12	\$0.08

### Weather normal sales

(GWh)	YTD 2020	YTD 2021	% Change
Residential	7,464	7,571	1%
Commercial	8,671	9,183	6%
Industrial	4,534	4,932	9%
Other	108	106	(2%)
	<b>20,777</b>	<b>21,792</b>	<b>5%</b>

## DTE Gas

### Heating degree days

	2Q 2020	2Q 2021	% Change	YTD 2020	YTD 2021	% Change
Actuals	957	788	(18%)	3,847	3,839	0%
Normal	781	797	2%	4,069	4,009	(1%)
Deviation from normal	23%	(1%)		(5%)	(4%)	

### Operating earnings impact of weather

	(millions)		(per share)	
	2Q	YTD	2Q	YTD
2020	\$10	(\$13)	\$0.05	(\$0.07)
2021	\$1	(\$10)	\$0.01	(\$0.05)

# DTE Electric and DTE Gas regulatory update

## DTE Electric

- General rate case final order (U-20561)
  - Effective: May 15, 2020
  - Rate recovery: \$188 million
  - ROE: 9.9%
  - Capital structure: 50% equity, 50% debt
  - Rate base: \$17.9 billion
- Renewable energy plan (U-18232)
  - Received order: July 2020
  - 350 MW of additional renewable energy by 2022 (225 MW of wind and 125 MW of solar)
- Alternative rate case strategy (U-20835)
  - Received order: April 2021
  - Delays rate case filing to October 2021 or later
- Voluntary renewable plan (U-20713)
  - Received order: June 2021
  - Additional 420 MW in 2022; additional 380 MW from 2023 – 2025
  - Program offerings to provide low-income customers greater access to renewable energy
- Innovative, one-time customer refund regulatory liability (U-20921)
  - Received order: December 2020
  - \$30 million voluntary refund
- Securitization filing (U-21015)
  - Received order: June 2021
  - \$73.2 million for River Rouge retirement and \$156.9 million for vegetation management program

## DTE Gas

- General rate case filed February 2021 (U-20940)
  - Effective: January 1, 2022
  - Rate request: \$195 million
  - ROE: 10.25%
  - Capital structure: 52% equity, 48% debt
  - Rate base: \$5.6 billion
- Voluntary emissions offset plan (U-20839)
  - Received order: October 2020
  - Comprised of a combination of both carbon offsets and Renewable Natural Gas (RNG)
  - 95% of planned emissions reduction is carbon emissions
  - 5% of planned emissions reduction is RNG

## Michigan Public Service Commission



Dan Scripps  
Chair



Katherine Peretick  
Commissioner



Tremaine Phillips  
Commissioner

# Environmental, social and governance efforts are key priorities; aspiring to be the best in the industry

## Environmental

Transitioning towards net zero greenhouse gas emissions

Delivering clean and reliable energy to customers

Protecting our natural resources

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## Social

Focusing on the diversity, safety, well-being and success of our employees

Committing to a strong culture provides a solid framework for success

Revitalizing neighborhoods and investing in communities

World-class volunteerism

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## Governance

Focusing on the oversight of environmental sustainability, social and governance

Ensuring board diversity

Providing incentive plans tied to safety and customer satisfaction targets



# Award-winning commitment to being a top ESG employer in the country



Superior corporate citizenship and community involvement



Ambassadors Championing Excellence Award for commitment to supporting minority businesses



Veteran friendly employer



America's Most Responsible Companies 2021



Gallup Great Workplace Award 9 consecutive years



Inclusion of women-owned businesses in supply chains



Overall excellence in diversity

# Environmental sustainability is critical to the creation of long-term shareholder value

## Driving collaboration in the fight against climate change

- Leading by example with aggressive goal to achieve net zero carbon emissions by 2050
- Active participant in coalitions that advocate for strong environmental public policies
- Key participant in Governor Whitmer's initiative to develop and implement pathways to meet the state of Michigan's economy-wide climate goals
- Leading EEI's strategic plan for effective federal climate policy

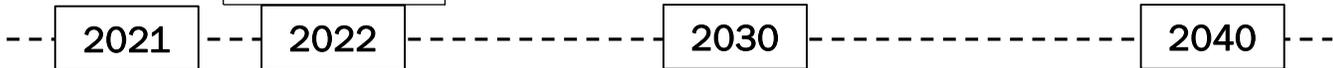
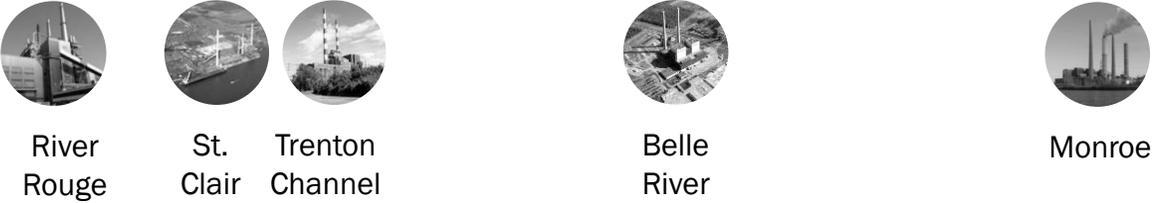
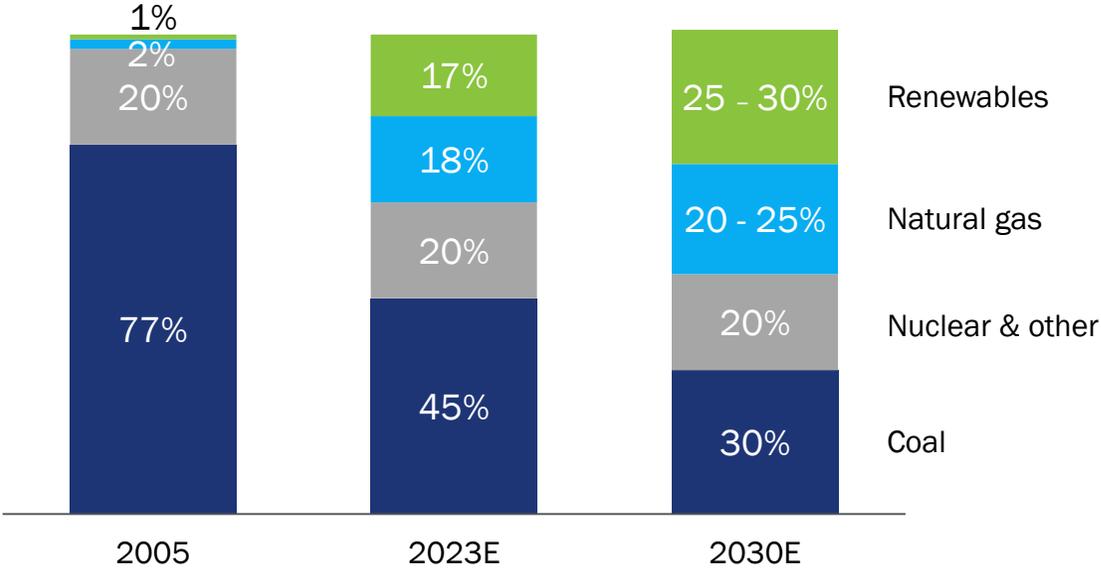
## Protecting our natural resources and promoting environmental sustainability through stewardship and conservation

- Targeting a 25% reduction of energy, water and waste at our facilities by 2022 compared to 2016 levels
- Providing habitats for hundreds of species of birds, mammals, fish and insects in our service territory
- Over 35 sites certified under the Wildlife Habitat Council
- Received Corporate Conservation Leadership award from the Wildlife Habitat Council for leadership in wildlife management
- Corporate-wide certification to the ISO14001 Standard for Environmental Management Systems



# More than doubling renewable energy by 2024

Cleaner generation mix



# Committed to diversity, equity and inclusion; creating an environment where all are welcome

## Office of Diversity, Equity and Inclusion

- Led by our CEO and key executive leaders, including a Director of Diversity, Equity and Inclusion
- Focused on sustaining a diverse workforce which is representative of the communities we serve

## Commitment to create a diverse, equitable and inclusive workforce and supplier base influences our hiring strategies and business practices

- Annual review of compensation practices to ensure equitable pay
- Formal training programs including unconscious bias training for employees and leaders
- Hiring people with disabilities and returning citizens
- Over \$700 million invested with diverse suppliers in 2020 as part of our award-winning supplier diversity program
- Public advocacy and financial support
  - Michigan civil rights reform
  - Removing the digital divide
  - Equity funding for schools

Employee resource groups promote a safe and welcoming environment and offer professional development, networking, mentoring and support



Differently-abled group



Asian and Middle Eastern group



Family oriented group



LGBTQ group



Black professionals group



Latinx professionals group



Young professionals group



Veteran empowerment group



Women's group

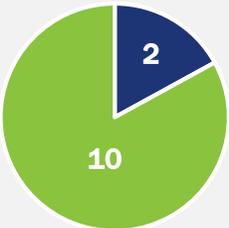
# Governance framework provides shareholder rights and enables sustainable value creation

## Best-in-class governance practices

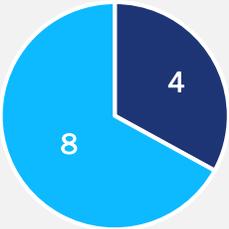
- ✓ Lead Independent Director
- ✓ Stock ownership guidelines for non-employee Directors
- ✓ Majority voting standard
- ✓ Annual Director elections
- ✓ Established corporate governance guidelines
- ✓ Publication of Environmental, Social, Governance and Sustainability report
- ✓ Shareholder ability to call a special meeting
- ✓ No supermajority voting provisions to approve mergers or amend charter
- ✓ Overboard policy

~9yr average tenure      3 Directors added since 2018

### Board diversity



83% independent



33% gender or ethnically diverse

# 2021 Energy Trading reconciliation of operating earnings<sup>1</sup> to economic net income

(millions)

## Energy Trading reconciliation

	2Q 2020	2Q 2021
Operating earnings	\$5	\$21
Accounting adjustments <sup>2</sup>	(4)	8
Economic net income	\$1	\$29
	<b>YTD 2020</b>	<b>YTD 2021</b>
Operating earnings	\$19	\$35
Accounting adjustments <sup>2</sup>	11	4
Economic net income	\$30	\$39

- Economic net income equals economic gross margin<sup>3</sup> 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

# 2Q 2020 and 2Q 2021 reconciliation of reported to operating earnings (non-GAAP) and 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.

	Three Months Ended June 30,							
	2021				2020			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
	(In millions)							
DTE Electric	\$ 238	\$ —	\$ —	\$ 238	\$ 183	\$ 35 F	\$ (9)	\$ 219
						13 G	(3)	
DTE Gas	7	—	—	7	1	11 F	(3)	11
						2 G	—	
<b>Non-utility operations</b>								
Gas Storage and Pipelines	64	9 A	(1)	86	70	—	—	70
		19 B	(5)					
Power and Industrial Projects	14	27 C	(7)	34	25	—	—	25
Energy Trading	(66)	116 D	(29)	21	(1)	8 D	(2)	5
Total Non-utility operations	12	171	(42)	141	94	8	(2)	100
Corporate and Other	(78)	15 A	(2)	(57)	(1)	—	(34) H	(35)
		—	8 E					
<b>Net Income Attributable to DTE Energy Company</b>	<b>\$ 179</b>	<b>\$ 186</b>	<b>\$ (36)</b>	<b>\$ 329</b>	<b>\$ 277</b>	<b>\$ 69</b>	<b>\$ (51)</b>	<b>\$ 295</b>

	Three Months Ended June 30,							
	2021				2020			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
	(Earnings per share <sup>2</sup> )							
DTE Electric	\$ 1.23	\$ —	\$ —	\$ 1.23	\$ 0.95	\$ 0.18 F	\$ (0.05)	\$ 1.13
						0.07 G	(0.02)	
DTE Gas	0.04	—	—	0.04	—	0.06 F	(0.02)	0.05
						0.01 G	—	
<b>Non-utility operations</b>								
Gas Storage and Pipelines	0.33	0.05 A	(0.01)	0.44	0.37	—	—	0.37
		0.10 B	(0.03)					
Power and Industrial Projects	0.07	0.14 C	(0.04)	0.17	0.13	—	—	0.13
Energy Trading	(0.35)	0.60 D	(0.14)	0.11	—	0.05 D	(0.02)	0.03
Total Non-utility operations	0.05	0.89	(0.22)	0.72	0.50	0.05	(0.02)	0.53
Corporate and Other	(0.40)	0.08 A	(0.01)	(0.29)	(0.01)	—	(0.17) H	(0.18)
		—	0.04 E					
<b>Net Income Attributable to DTE Energy Company</b>	<b>\$ 0.92</b>	<b>\$ 0.97</b>	<b>\$ (0.19)</b>	<b>\$ 1.70</b>	<b>\$ 1.44</b>	<b>\$ 0.37</b>	<b>\$ (0.28)</b>	<b>\$ 1.53</b>

## Adjustments key

- A) Transaction costs relating to the separation of DT Midstream – recorded in Operating Expenses – Operation and maintenance
- B) Impairment of notes receivable for an investment in certain assets in the Utica shale region – recorded in Operating Expenses – Assets (gains) losses and impairments, net
- C) Impairment of long-lived assets for the anticipated closure of a pulverized coal facility – recorded in Operating Expenses – Assets (gains) losses and impairments, net
- 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, gas, and other – non-utility
- E) Adjustment to Income Tax Expense due to a tax law change in West Virginia
- F) MPSC disallowance of capital expenses previously recorded in 2018 and 2019 related to incentive compensation – recorded in Operating Expenses – Asset (gains) losses and impairments, net
- G) Shift premiums and other incremental costs associated with the sequestration of employees critical to continued operations due to COVID-19 – recorded in Operating Expenses – Operation and maintenance
- H) Reduction to Income Tax Expense resulting from carrying back 2018 net operating losses to 2013 pursuant to the CARES Act

# 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.