



**DTE 1Q 2020
EARNINGS CONFERENCE CALL**

APRIL 28, 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: the duration and impact of the COVID-19 pandemic on DTE Energy and customers, 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 and 2020 Form 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

Peter Oleksiak – Senior Vice President and CFO

Dave Ruud – Senior Vice President, Corp. Strategy & Development

Barbara Tuckfield – Director Investor Relations

Focusing on the well-being of our employees and communities and positioned to deliver on our financial targets during COVID-19 pandemic



Employees

- Ensuring the health and safety of our employees



Customers

- Delivering safe and reliable energy
- Providing support to customers



Community

- Addressing our communities' most vital needs through philanthropy and volunteerism



Shareholders

- Reaffirming 2020 operating EPS¹ guidance with Michigan starting to return to work
- Confirming 5% – 7% operating EPS growth target through 2024
- Ensuring strong balance sheet and liquidity position; delivering on cash and capital targets
- 7% dividend increase in 2020; targeting 7% dividend increase in 2021²



Ensuring the health and safety of our employees while delivering reliable energy

- Successfully implemented work from home for over half of our employees
- Strategically sequestered crews to ensure healthy back-up support and orderly shift transitions
- Paused all non-essential field work for some of our employees
- Adjusted shifts, using PPE, practicing social distancing and changing the order in which we are doing work at our facilities and in the field
- Developed detailed back-to-work schedules and procedures; paused work resumes in May



Providing community support, especially to the most vulnerable

- Providing resources to serve families' basic needs, such as food, shelter and access to core medical services
- Assisting non-profit organizations and small businesses with emergency stabilization funds
- Providing 2 million respiratory masks to area hospitals, police and first responders
- Assisting faith-based institutions which are a trusted resource for community members
- Partnering with the City of Detroit, philanthropic organizations and business leaders to enhance high-speed internet citywide and providing devices to over 50,000 students
- Continuing our commitment to both community service and employee engagement
 - Matching employee, contractor and DTE alumni charitable giving
 - Implementing virtual volunteerism to best assist the communities we live and serve



Positioned to deliver on our financial targets with cost reductions and contingency planning



Forecasted 2020 earnings pressure (~\$60 million)

Includes impact of:

- COVID-19 sales reduction and incremental costs
- 1Q results below plan
- Original contingency in plan used

Detailed earnings response plan has been developed

Includes:

- Recovery of forecasted 2020 pressure
- Contingency rebuild for:
 - Potential further delayed return-to-work impacts
 - Potential unfavorable weather
 - Non-utilities deliver at plan²

Potential 2020 operating earnings¹ impact from electric sales scenarios is \$30 – \$50 million

May start scenario

- Return-to-work assumptions
 - Construction and outdoor industries: May
 - Industrial: May
 - Non-essential retail, restaurants and lodging: staggered throughout the summer
 - Non-essential offices: late summer
 - Universities and K-12 schools: September

Slow start scenario

- Return-to-work includes base case scenario except
 - Industrial: late summer
 - Non-essential offices: closed through year-end
 - Universities and K-12 schools: virtual through year-end

Residential sales impacts

- 3% – 4% annual sales increase
 - \$40 – \$50 million operating earnings increase

Commercial sales impacts

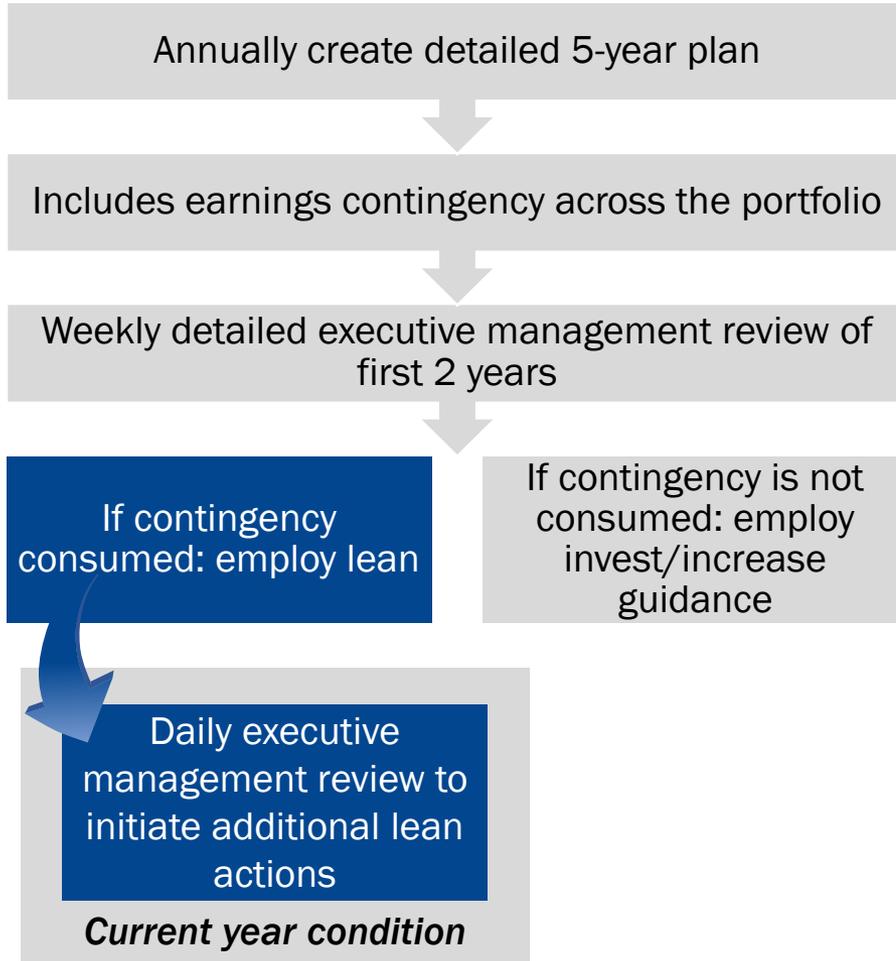
- 6% – 9% annual sales decrease
 - \$50 – \$75 million operating earnings decrease

Industrial sales impacts

- 18% – 22% annual sales decrease
 - \$20 – \$25 million operating earnings decrease

Updated planning process includes daily review of contingency plan and lean actions across all business lines

Robust planning



- Strong history of successfully implementing earnings contingency plans including during the last recession
- Lean actions include one-time items targeted at \$2.5 billion O&M spend
 - Delaying additional hiring
 - Minimizing overtime
 - Reducing contractor and consultant spend
 - Deferring banked maintenance work
 - Reducing materials and support expense
 - Decreasing travel expense
 - Fast forwarding automation and work from home projects
- Regulatory mechanisms to defer uncollectible and COVID-19 costs

1Q 2020 operating earnings¹ variance

(millions, except EPS)

	1Q 2019	1Q 2020	Variance	Primary drivers
DTE Electric	\$ 147	\$ 94	\$ (53)	Warmer weather, non-qualified benefit plan investment losses and higher depreciation rates offset by rate implementation
DTE Gas	151	121	(30)	Warmer weather
Gas Storage & Pipelines	48	72	24	Blue Union acquisition and other pipeline earnings
Power & Industrial Projects	26	30	4	Cogeneration and RNG projects offset by lower REF volumes
Energy Trading	5	14	9	Power portfolio performance
Corporate & Other	(3)	(11)	(8)	Timing of taxes
DTE Energy	\$ 374	\$ 320	\$ (54)	← (\$27) million of the (\$54) million variance was anticipated in our plan
Operating EPS	\$ 2.05	\$ 1.66	\$(0.39)	
Avg. shares outstanding	183	192		

Positioned to achieve our 2020 operating EPS¹ 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	(122) - (132)
DTE Energy	\$1,247 - \$1,300
Operating EPS	\$6.47 - \$6.75

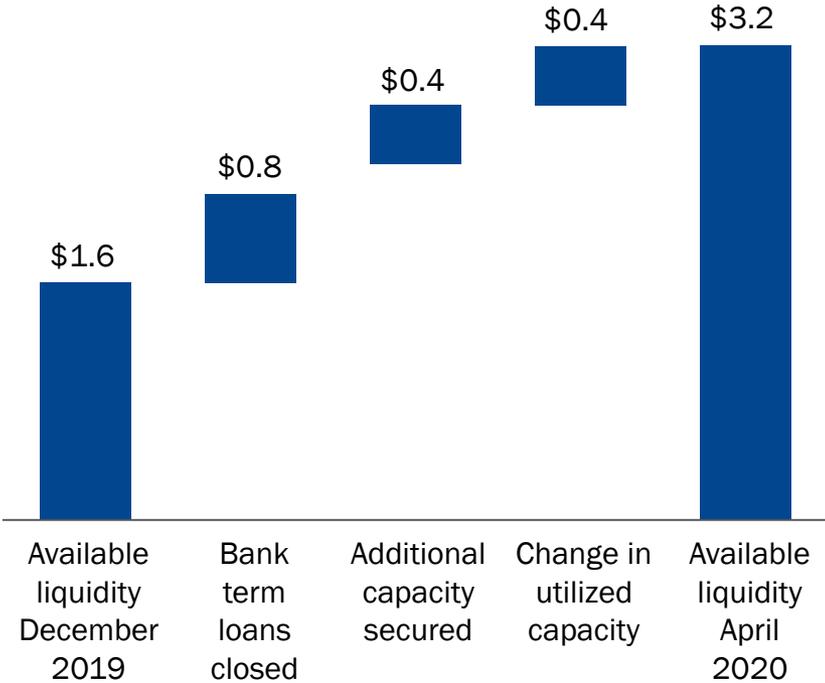
Assumptions underlying 2020 guidance

- Electric sales assume Michigan's shelter-in-place order is lifted in May
 - Recovery will be slow and continues into 2021
- Constructive regulatory outcomes
- Robust plan to achieve 2020 operating earnings guidance
 - Majority of growth from utilities
 - Contracted non-utility growth
 - COVID-19 economic impact response plan

Additional measures taken to further strengthen our liquidity position

Liquidity

(billions)



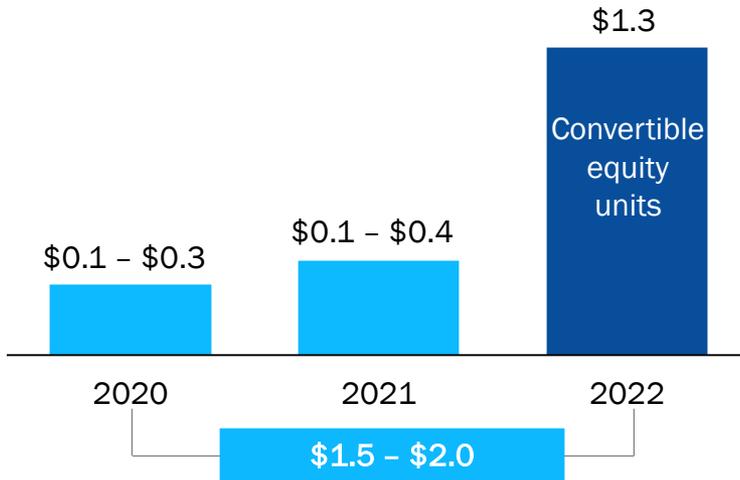
Financial strength and culture of cash control

- Metrics within targeted ranges
- Strong liquidity position
 - Issued \$1.7 billion of long-term debt at DTE Electric at extremely favorable rates
 - Secured bank term loans for additional liquidity; significantly mitigates commercial paper and capital markets risk

Maintaining strong cash flow, balance sheet and credit profile

(billions)

Planned equity issuances 2020 – 2022



- Maintaining strong investment-grade credit rating and FFO¹/Debt² target at 18%
- Targeting lower end of range for 2020 equity issuances
- Reiterating capital guidance

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

1. Funds from Operations (FFO) is calculated using operating earnings

2. Debt excludes a portion of DTE Gas' short-term debt and considers 50% of the junior subordinated notes and 100% of the convertible equity units as equity

High-quality utilities progressing on \$15 billion 5-year capital investment plan with potential \$2 billion upside

DTE Electric

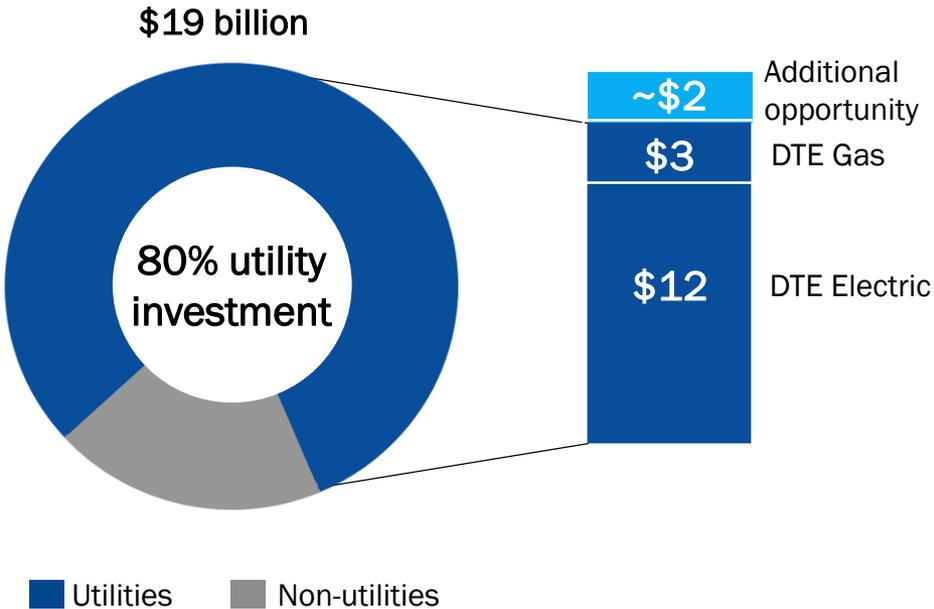
- Received IRP order and filed updated renewable energy plan
- Ahead of pace on voluntary renewable commitments
 - GM subscribed additional 250 MW in 2020

DTE Gas

- Received approval for first transmission system renewal project in April
- Completed 180 miles of main renewal in 2019
 - Targeting 200 miles in 2020

DTE Energy investment 2020 - 2024

Utility investment 2020 - 2024

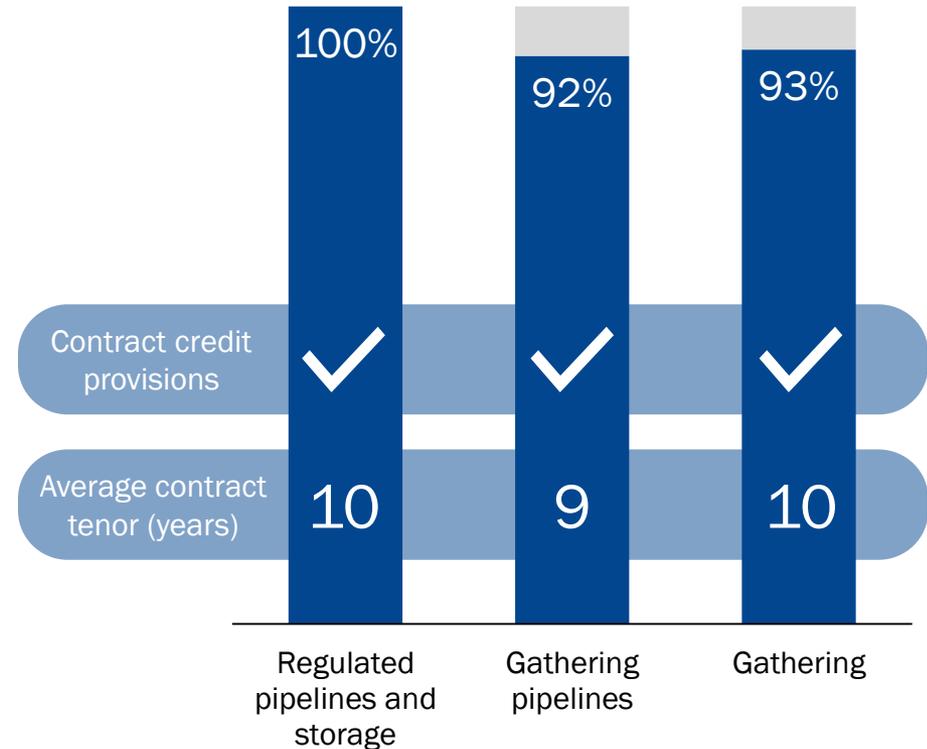


GSP is well positioned for value creation

Gas Storage & Pipelines

- Progressing on LEAP construction with an expected 3rd quarter in-service date
- Business is producing strong adjusted EBITDA¹ and is beating plan year-to-date
 - 2020 adjusted EBITDA range is \$665 – \$703 million
- Well-positioned in low cost Marcellus and Haynesville dry gas basins; supported by strong contracts
 - **Pipelines** have long-term contracts and favorable future dynamics as it is increasingly difficult to build new pipes
 - **Storage** is positioned in several high-demand, very liquid markets
 - **Gathering systems** include acreage dedications heavily supported by minimum volume commitment

Percentage of revenue from demand-based contracts or MVCs/flowing gas



P&I operating earnings¹ are underpinned by RNG and cogeneration growth

Power & Industrial Projects

- RNG and cogeneration projects drive long-term growth
 - Wisconsin RNG and Ford Motor projects fully operational
 - Originated over \$50 million of earnings since 2017; continuing targeted origination pace of ~\$15 million per year
- Developing high-potential investment opportunities with additional targets in early screening
 - Strong project pipeline to execute growth strategy in industrial energy services and RNG businesses



Our strategies and operating model create extraordinary value for our people, customers, communities and shareholders

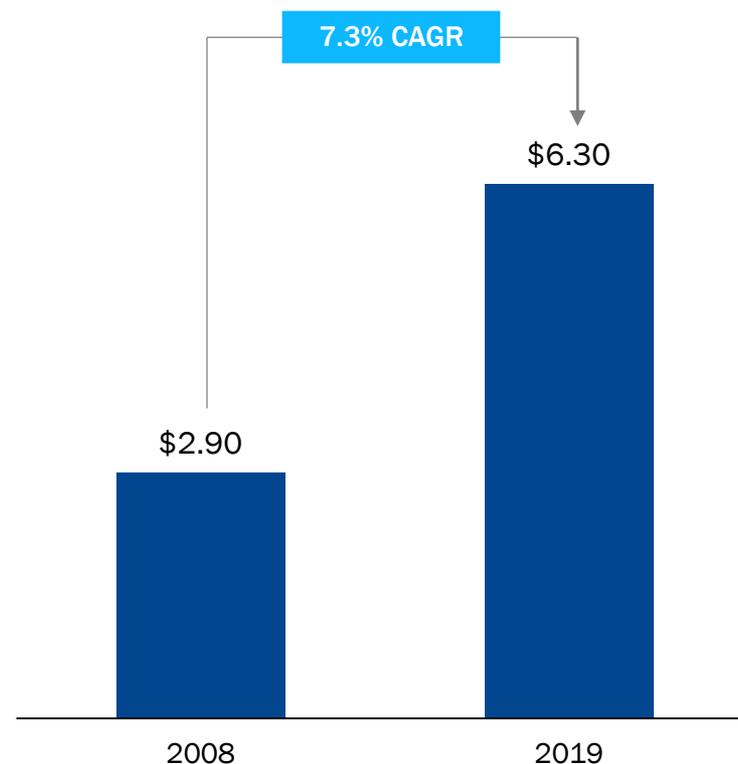
Providing support during the COVID-19 pandemic

- Ensuring the health and safety of our employees
- Delivering safe and reliable energy
- Providing support to customers
- Addressing our communities' most vital needs

Strong track record of delivering value for shareholders

- Strong corporate culture with proven ability to achieve results during times of economic stress
- Financial targets are achievable during COVID-19 pandemic with management actions

Strong track record of operating EPS¹ growth





CONTACT US

DTE Investor Relations

www.dteenergy.com/investors

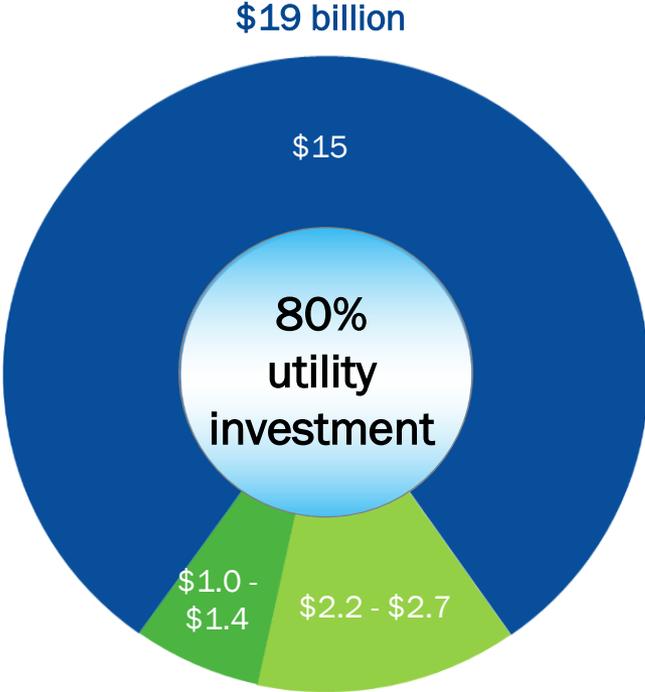
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Appendix

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

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)

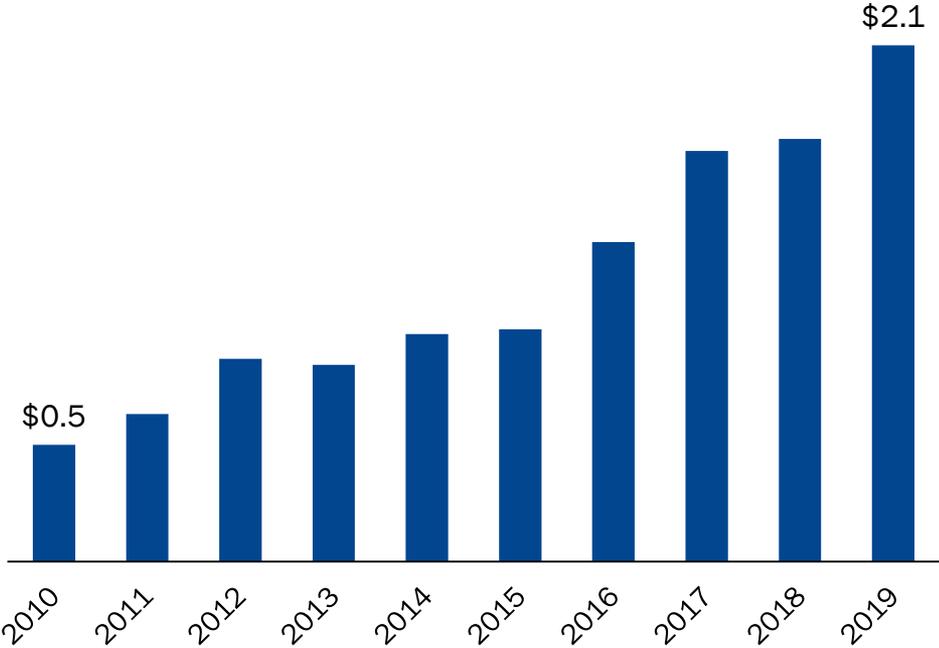
Potential \$2 billion upside to 5-year utility investment plan from visible infrastructure investment

Contributing to local economy; invested \$11.4 billion in Michigan businesses since 2010

(billions)

Investing in Michigan businesses

- Driving economic growth in Michigan
- Invested over \$11.4 billion since 2010
 - Creating 34,000 jobs
- \$2.1 billion in 2019
 - With over 2,300 businesses
 - In 78 counties

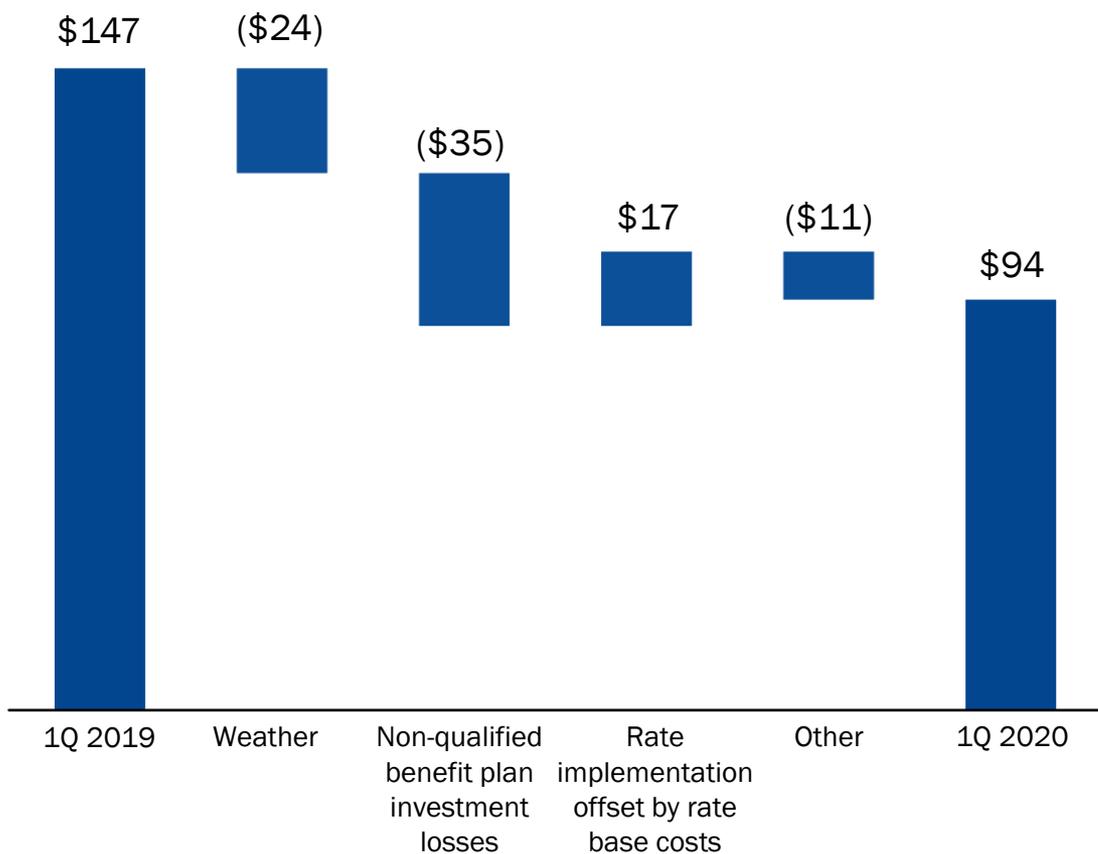


Continuing to be a major force for economic progress for Michigan

DTE Electric variance analysis

(millions)

Operating earnings¹ variance



- Warmer weather in 2020 - variance to normal weather
 - 1Q 2019: \$6
 - 1Q 2020: (\$18)
- Non-qualified benefit plan investment losses from trust used to fund deferred compensation and retirement benefits

Cash flow and capital expenditures guidance

Cash flow

(billions)

	<u>2020 guidance</u>
Cash from operations ¹	\$3.0
Capital expenditures	(4.5)
Free cash flow	(\$1.5)
Dividends	\$(0.8)
Net cash	(\$2.3)
Debt financing	
Issuances	3.0
Redemptions	(0.7)
Change in debt	\$2.3

Capital expenditures

(millions)

	<u>2020 guidance</u>
DTE Electric	
Base infrastructure	\$680
New generation	1,050
Distribution infrastructure	850
	<u>\$2,580</u>
DTE Gas	
Base infrastructure	\$270
Main renewal	300
	<u>\$570</u>
Non-utility	<u>1,200 - 1,400</u>
Total	<u>\$4,350 - \$4,550</u>

Cash flow and capital expenditures actuals

Cash flow

(billions)

	1Q 2019	1Q 2020
Cash from operations ¹	\$0.8	\$1.0
Capital expenditures	(0.7)	(1.3)
Free cash flow	\$0.1	(\$0.3)
Dividends	(\$0.2)	(\$0.2)
Net cash	(\$0.1)	(\$0.5)
Debt financing		
Issuances	\$0.6	\$1.4
Redemptions	(0.5)	(0.3)
Change in debt	\$0.1	\$1.1
Cash on hand increase²		\$0.6

Capital expenditures

(millions)

	1Q 2019	1Q 2020
DTE Electric		
Base infrastructure	\$178	\$270
New generation	142	415
Distribution infrastructure	210	184
	\$530	\$869
DTE Gas		
Base infrastructure	\$74	\$65
Main renewal	37	59
	\$111	\$124
Non-utility	\$86	\$338
Total	\$727	\$1,331

Weather impact on sales

Cooling degree days – DTE Electric service area

	1Q 2019	1Q 2020	% Change
Actuals	-	-	0%
Normal	-	-	0%
Deviation from normal	0%	0%	

Heating degree days – DTE Gas service area

	1Q 2019	1Q 2020	% Change
Actuals	3,420	2,890	(15%)
Normal	3,245	3,288	1%
Deviation from normal	5%	(12%)	

Operating earnings¹ impact of weather – DTE Electric

(millions)	1Q
2019	\$6
2020	(\$18)
(per share)	1Q
2019	\$0.03
2020	(\$0.09)

Operating earnings impact of weather – DTE Gas

(millions)	1Q
2019	\$9
2020	(\$23)
(per share)	1Q
2019	\$0.05
2020	(\$0.12)

Weather normal sales – DTE Electric service area

(GWh)	1Q 2019	1Q 2020	% Change
Residential	3,632	3,714	2.3%
Commercial	4,725	4,620	(2.2%)
Industrial	2,905	2,722	(6.3%)
Other	63	60	(4.8%)
	11,325	11,116	(1.8%)

DTE Electric and DTE Gas regulatory update

DTE Electric

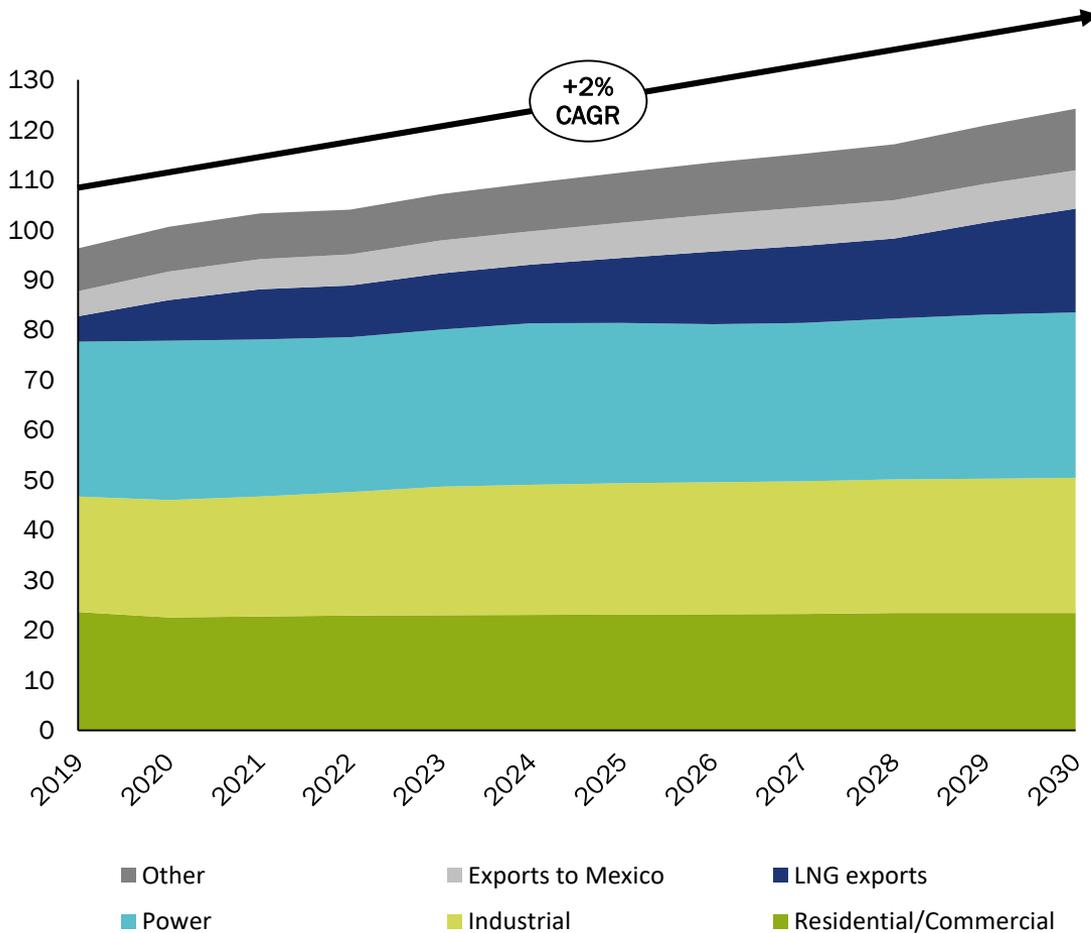
- General rate case – filed July 2019 (U-20561)
 - Effective: May 2020
 - Rate recovery: \$351 million
 - ROE: 10.5%
 - Capital structure: 50% debt, 50% equity
 - Rate base: \$18.3 billion

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

Longer-term demand increases will require continued production growth through new drilling

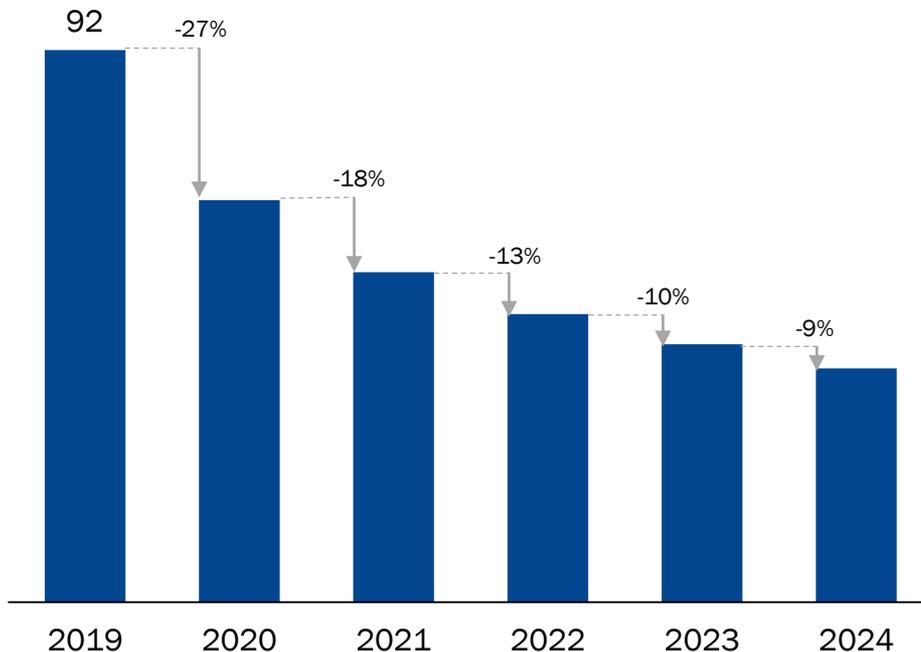
U.S. natural gas demand forecast (Bcf/d)



- Longer-term natural gas supply/demand fundamentals remain attractive; shorter-term gas prices remain challenged
- Gas demand is forecasted to grow at a 2% CAGR through 2030, mainly driven by LNG exports
- Wood Mackenzie expects supply to come from areas where our assets are located, including the northeast and gulf coast
- Short-term demand is less certain
 - In the 2008/2009 recession gas demand dropped by ~2%, then increased post recession by 5% in 2010
 - We have experienced low price commodity cycles before and have emerged in a strong position

It is necessary to drill 19 Bcf/d of new natural gas supply on an annual basis to hold production flat

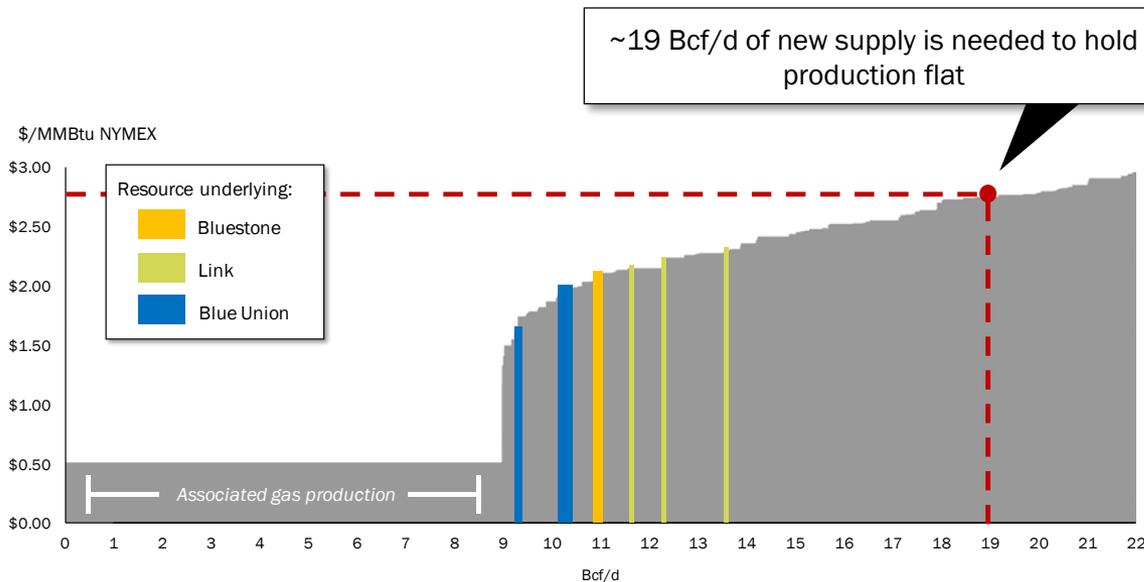
Annual decline of U.S. natural gas supply from currently-flowing wells (Bcf/d)



- Given decline profiles of flowing wells, new production is needed to just keep supply flat
 - Wood Mackenzie forecasts it is necessary to drill 19 Bcf/d on an annual basis to hold production flat
 - Replacing this supply requires prices that allow supply/demand to regain balance
- Low oil prices will decrease oil production and associated natural gas production and positively affect the natural gas market
 - This will stimulate additional natural gas drilling
 - IHS and Wood Mackenzie forecast gas prices need to be \$2.50/MMBtu or higher in 2021/2022 to meet demand

Our assets are well-positioned in low cost resource basins

2021 – 2023 drilling supply curve (Bcf/d)



- The quality of the resource underlying our assets will ensure that gas will continue to flow on our systems
 - Additionally, our assets are well-positioned in supply basins that connect to growing markets with highly-contracted provisions
- Our major producers are in solid positions
 - Attractive resources
 - Highly hedged over the next couple of years
 - Connected to premium markets
 - Minimal near-term maturities
 - Planning to operate within their cash flows

2020 Energy Trading reconciliation of operating earnings¹ to economic net income

(millions)

Energy Trading reconciliation

	<u>1Q 2019</u>	<u>1Q 2020</u>
Operating earnings	\$5	\$14
Accounting adjustments ²	<u>10</u>	<u>15</u>
Economic net income	\$15	\$29

- 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

2019 – 2020 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.

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
	(In millions)							
DTE Electric	\$ 94	\$ —	\$ —	\$ 94	\$ 147	\$ —	\$ —	\$ 147
DTE Gas	121	—	—	121	151	—	—	151
Non-utility operations								
Gas Storage and Pipelines	72	—	—	72	48	—	—	48
Power and Industrial Projects	30	—	—	30	26	—	—	26
Energy Trading	34	(26) A	6	14	32	(36) A	9	5
							—	
Total Non-utility operations	136	(26)	6	116	106	(36)	9	79
Corporate and Other	(11)	—	—	(11)	(3)	—	—	(3)
Net Income Attributable to DTE Energy Company	\$ 340	\$ (26)	\$ 6	\$ 320	\$ 401	\$ (36)	\$ 9	\$ 374

Adjustments key
A) 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

2019 – 2020 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.

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
DTE Electric	\$ 0.49	\$ —	\$ —	\$ 0.49	\$ 0.81	\$ —	\$ —	\$ 0.81
DTE Gas	0.63	—	—	0.63	0.83	—	—	0.83
Non-utility operations								
Gas Storage and Pipelines	0.37	—	—	0.37	0.26	—	—	0.26
Power and Industrial Projects	0.16	—	—	0.16	0.14	—	—	0.14
Energy Trading	0.17	(0.14) A	0.04	0.07	0.18	(0.19) A	0.05	0.04
Total Non-utility operations	0.70	(0.14)	0.04	0.60	0.58	(0.19)	0.05	0.44
Corporate and Other	(0.06)	—	—	(0.06)	(0.03)	—	—	(0.03)
Net Income Attributable to DTE Energy Company	\$ 1.76	\$ (0.14)	\$ 0.04	\$ 1.66	\$ 2.19	\$ (0.19)	\$ 0.05	\$ 2.05

Adjustments key
A) 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

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.

Adjusted EBITDA is a non-GAAP measure

Adjusted EBITDA is calculated using net income, the most comparable GAAP measure and adding back expenses for interest, taxes, depreciation and amortization. Adjusted EBITDA also includes an adjustment for DTE's proportional share of joint venture net income, excluding taxes and depreciation.

For GSP, DTE Energy management believes that Adjusted EBITDA is a meaningful disclosure to investors as it is more commonly used as the primary performance measurement for external communications with analysts and investors in the midstream industry.

Reconciliation of net income to Adjusted EBITDA as projected for full-year 2020 is not provided. We do not forecast net income as we cannot, without unreasonable efforts, estimate or predict with certainty the components of net income. These components, net of tax, may include, but are not limited to, impairments of assets and other charges, divestiture costs, acquisition costs, or changes in accounting principles. All of these components could significantly impact such financial measures. At this time, management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, we are not able to provide a corresponding GAAP equivalent for Adjusted EBITDA.