2018 AGA Financial Forum

Business Update

May 20-21, 2018



DTE Energy®

Safe Harbor Statement

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; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements; health, safety, financial, environmental, and regulatory risks associated with ownership and operation of nuclear facilities; the cost of protecting assets against, or damage due to, cyber crime and terrorism; volatility in the short-term natural gas storage markets impacting third-party storage revenues related to DTE Energy; 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; 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 or reduce power consumption; changes in the financial condition of DTE Energy's 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 risk of a major safety incident at an electric distribution or generation facility and, for DTE Energy, a gas storage, transmission, or distribution facility; 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 our 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 presentation should also be read in conjunction with the Forward-Looking Statements section of the joint DTE Energy and DTE Electric 2017 Form 10-K and 2018 Forms 10-Q (which section is incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

- **Overview**

- Long-Term Growth Update

- Summary

DTE Energy overview

Leader in **continuous improvement**

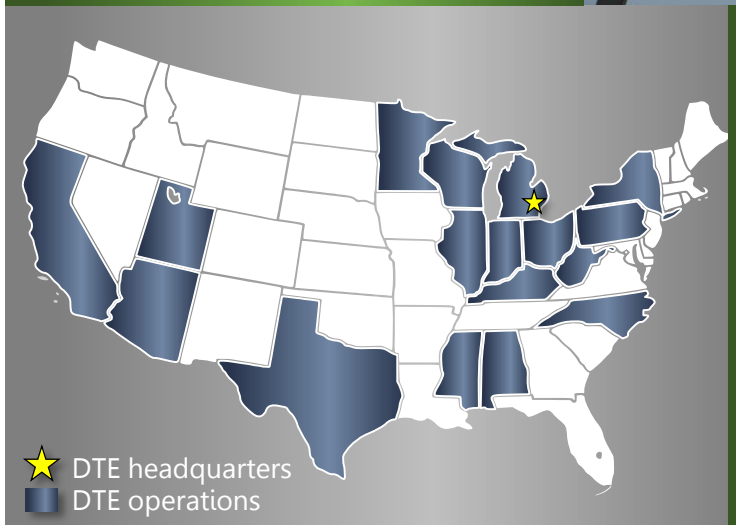
~$19B market cap





Fortune 300 company

100+ years of continuous dividend payments



Top quartile in residential customer satisfaction for both DTE Electric & DTE Gas



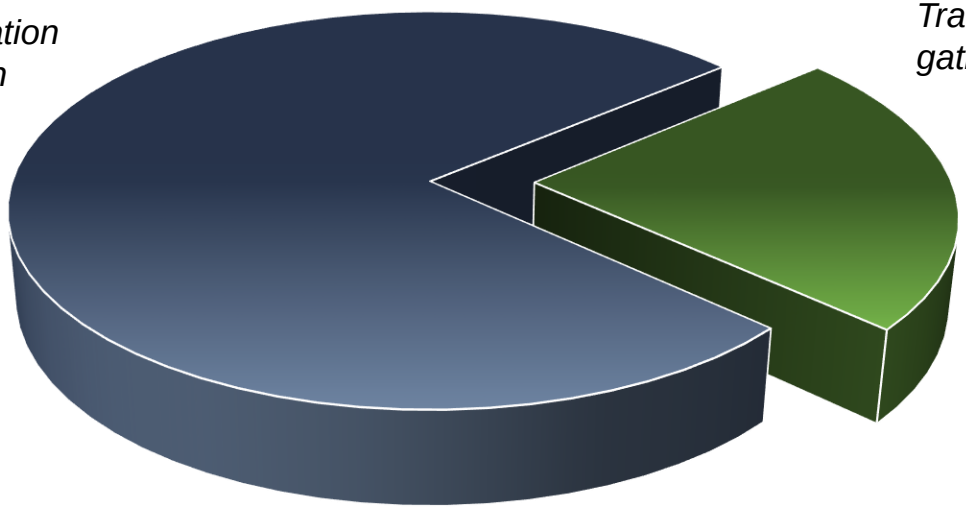
Growth driven by strong, stable utilities and complementary non-utility businesses

75% - 80% Utility
Growth driven by investments aimed at improving reliability

20% - 25% Non-utility
Growth driven by strategic opportunities

DTE Electric
Electric generation and distribution

DTE Gas
Natural gas transmission, storage and distribution



Gas Storage & Pipelines (GSP)
Transport, store and gather natural gas

Power & Industrial Projects (P&I)
Own and operate energy related assets

Energy Trading
Gas and power marketing

Employee and customer focus provides a solid framework for success



Safety

AGA's Safety Achievement Award
...2nd consecutive year

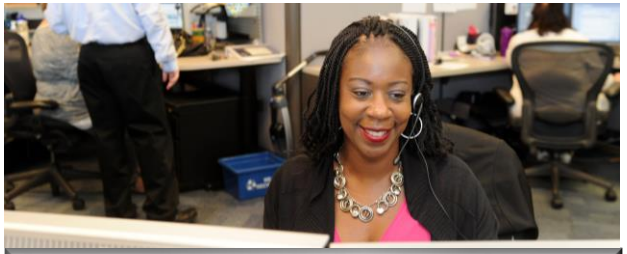
National Safety Council's top 2%
of companies surveyed in safety culture



Employee Engagement

Gallup's Great Workplace Award
…6th consecutive year
…ranked in top 4% of the world

Ranked 7th
on Indeed's list of Best Places to Work
in Fortune 500



Customer Satisfaction

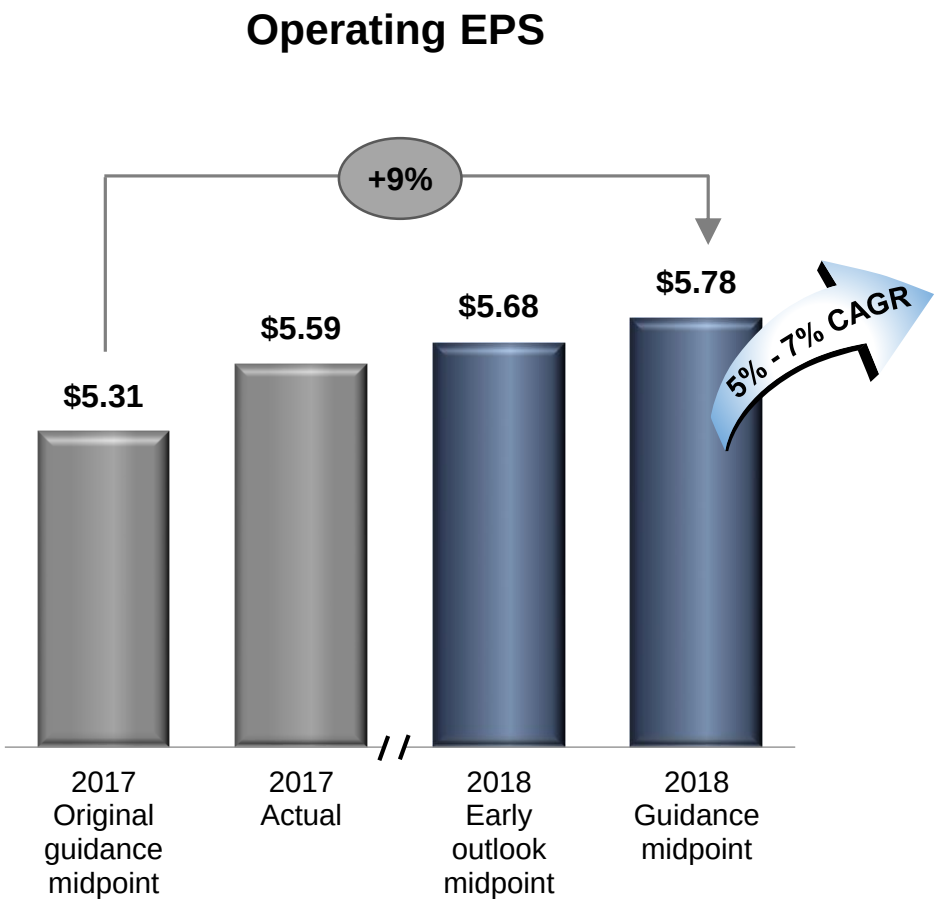
Both utilities ranked 1st* by business customers*

Both utilities ranked 2nd in residential customer satisfaction**

Increased investment in reliability infrastructure and enhanced customer channels

* J.D. Power 2017 Electric and Gas Utility Business Customer Satisfaction Study. Visit jdpower.com
** J.D. Power 2017 Electric and Gas Utility Residential Midwest Customer Satisfaction Study. Visit jdpower.com

2018 has started out strong and we remain confident in delivering on our financial plan



- On track to achieve 2018 operating EPS* guidance range of $5.57 to $5.99
- Targeting 5% - 7% operating EPS growth through 2022
- Growing dividend 7% through 2020**
- Filed plan to double renewable energy capacity by early 2020s
- Business update
  - DTE Electric received approval to build 1,100 MW natural gas plant
  - DTE Gas is proposing to increase the pace of main renewal
  - Gas Storage & Pipelines and Power & Industrial Projects continue to progress on their growth plans and are starting the year off strong

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

** Subject to Board approval

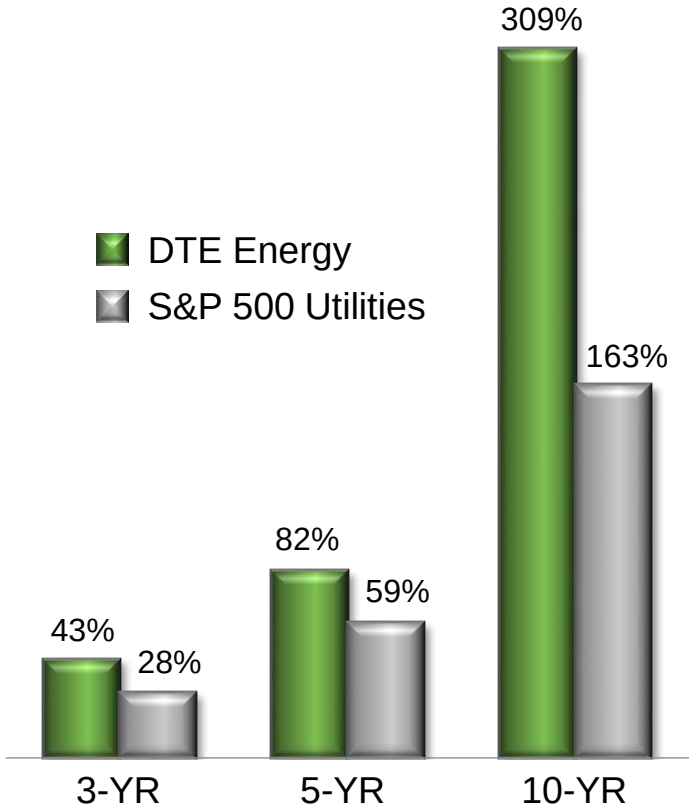
DTE has a track record of delivering long-term value to its shareholders

DTE Operating EPS*



Total Shareholder Return**

DTE outperforms S&P 500 utilities



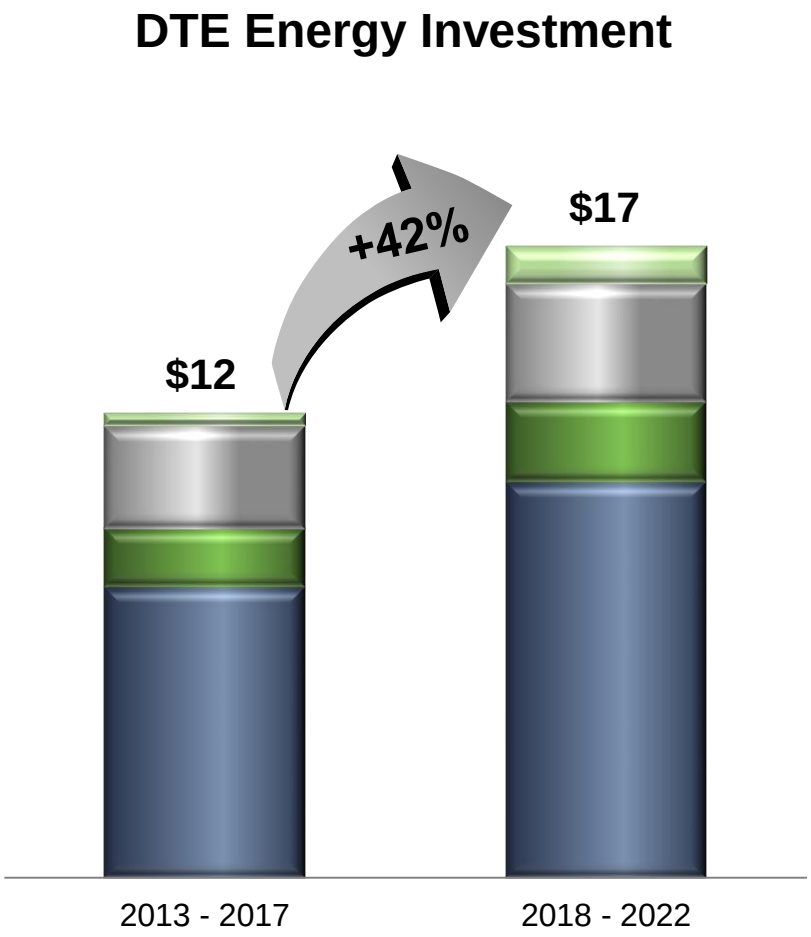
* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

** Source: Bloomberg as of 3/31/2018

- Overview
- **Long-Term Growth Update**
- Summary

Growth fueled by investment in utility infrastructure and generation along with midstream opportunities

(billions)



Electric $10.4 billion

Distribution infrastructure, maintenance, new generation

Gas $2.1 billion

Base infrastructure, main renewal, NEXUS related

GSP $2.8 - $3.4 billion

Expansions, NEXUS

P&I $0.8 - $1.2 billion

Industrial energy services, projects, renewables

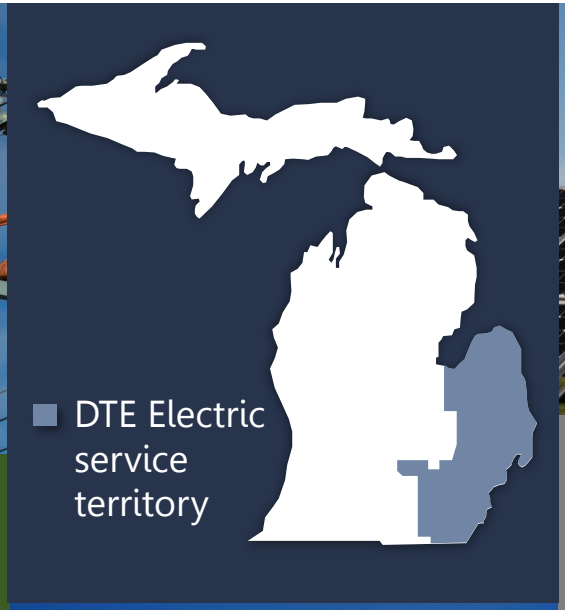
DTE Electric overview



~11,000 megawatt system capacity



Founded **1886**







$16.5B
2017 rate base

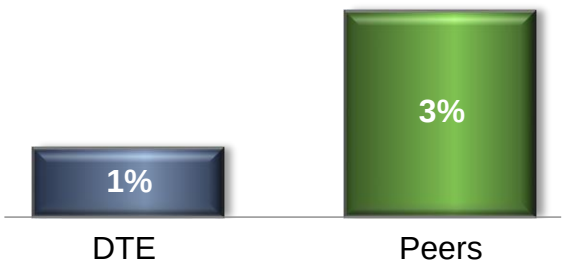


$10.4B
5-year capital plan
(2018-2022)

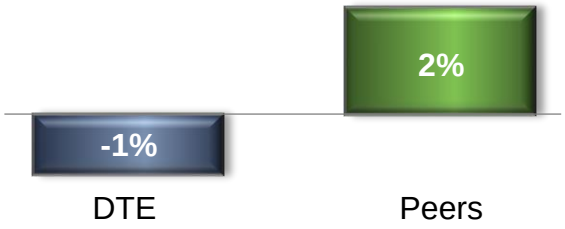
Strong track record of cost management is a direct result of our focus on continuous improvement

Average annual percentage change in O&M costs 2008 – 2016

Electric utility*



Gas utility**



Controlling costs while improving the customer experience

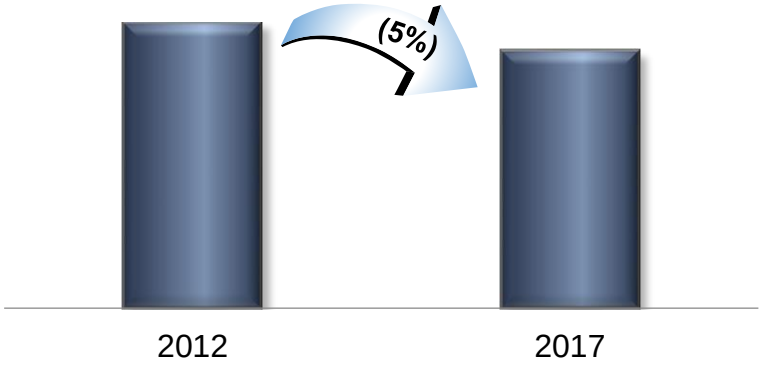
- ✓ Continuous improvements
- ✓ Productivity enhancements
- ✓ Technology innovations
- ✓ Automation
- ✓ Infrastructure replacements
- ✓ Transition to cleaner energy

* Source: SNL Financial, FERC Form 1; major US electric utilities with O&M greater than $800 million excluding fuel and purchased power

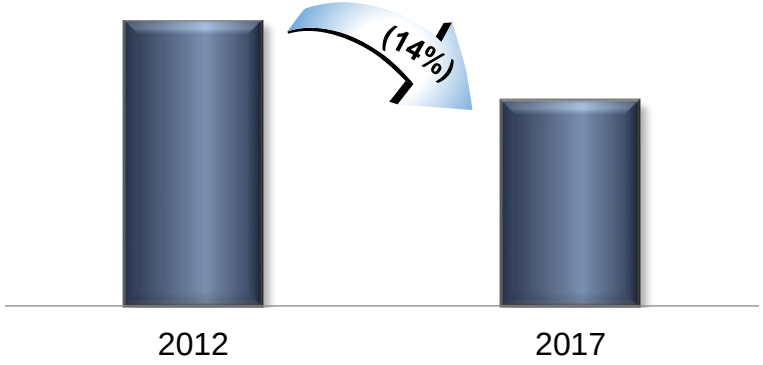
** Source: SNL Financial, FERC Form 2; gas distribution companies with greater than 300,000 customers; excluding production expense

Maintaining customer affordability while investing in our utilities

DTE Electric

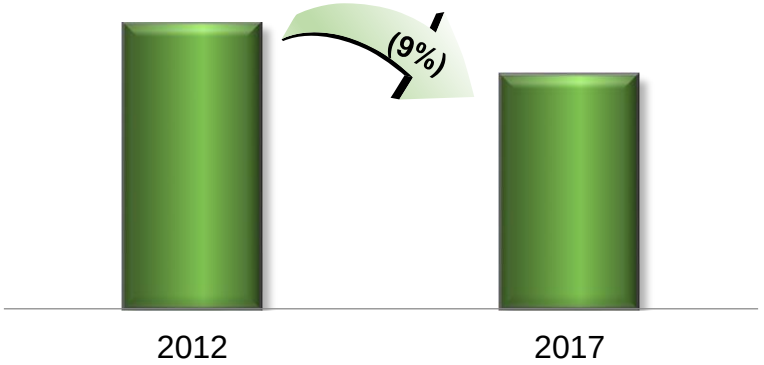


Average annual residential bill

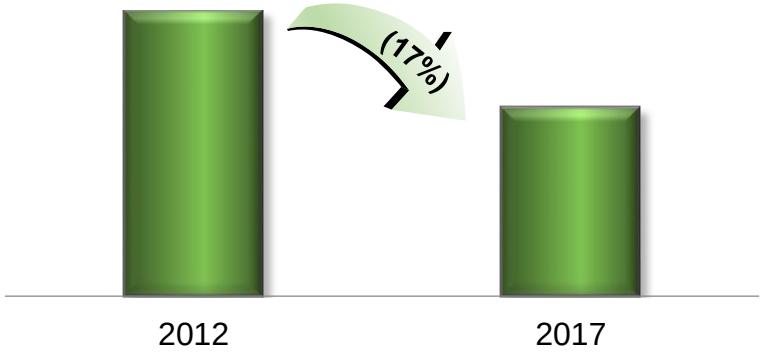


Average industrial rate

DTE Gas



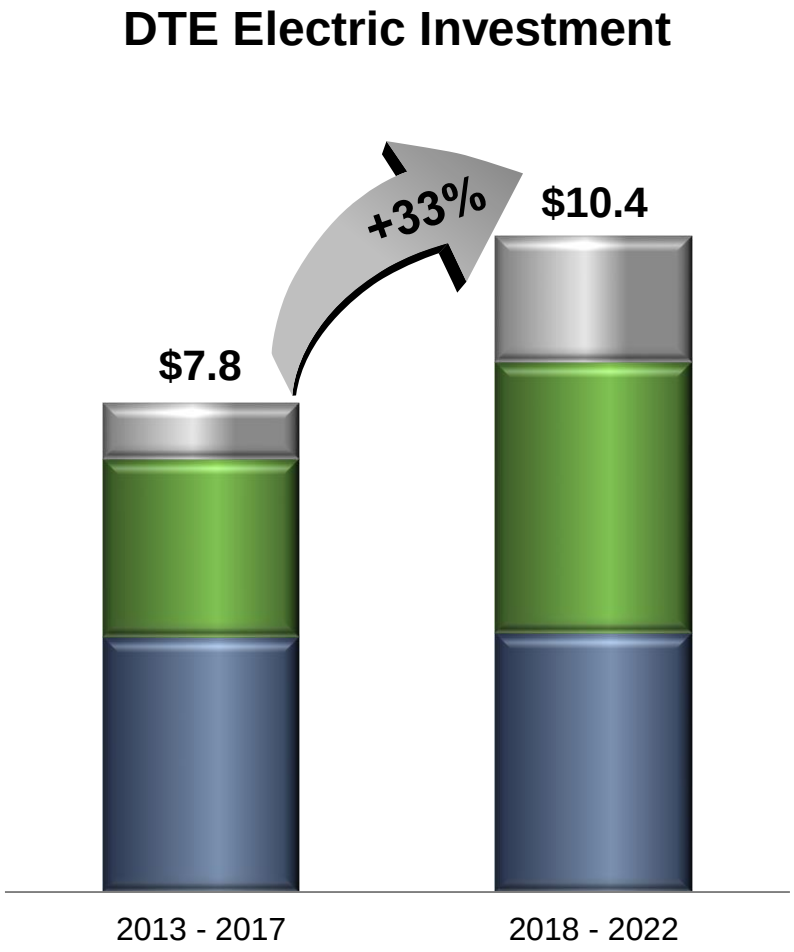
Average annual residential bill



Average industrial rate

Generation and distribution infrastructure replacement will continue to improve service

(billions)



New generation

Transitioning generation portfolio to more sustainable energy

Distribution infrastructure

Progress to best in class in reliability

Base infrastructure

Reduce costs through productivity and efficiency investments



Transitioning portfolio to cleaner more sustainable generation by reducing CO_2 emissions

CO_2 reduction plan*

- 30% by ~2022
- 45% by 2030
- 75% by 2040
- > 80% by 2050

Planned Retirements**



River Rouge | St. Clair | Trenton Channel | Belle River | Monroe

2020 | 2030 | 2040 | 2050

Planned additions***



A steady march toward zero-emitting and low-emitting resources

* CO_2 percentage reductions from 2005 levels

** ~3,300 MW retired between 2020-2030 and ~3,100 MW retired by 2040

*** ~4,000 MW of renewable and ~3,500 MW of natural gas capacity

Increasing reliability and customer satisfaction with distribution investments



Infrastructure resilience

Improves circuit reliability up to 70%



Infrastructure redesign

Addresses substation load growth and aging infrastructure

Technology enhancement

Targets 100% remote monitoring

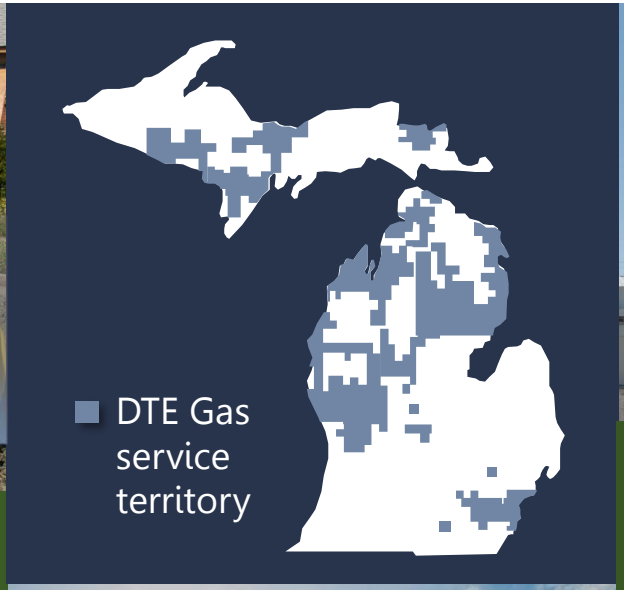


Tree trimming

Improves distribution reliability

DTE Gas overview







$2.1B
5-year capital plan
(2018-2022)

139 Bcf
storage capacity



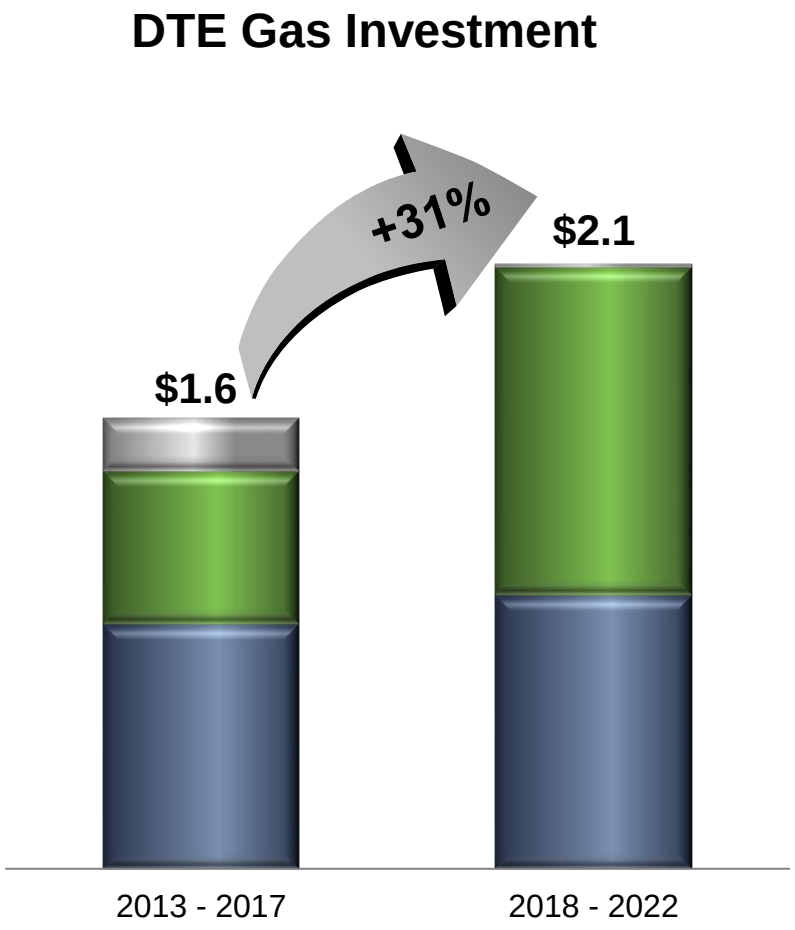
$4.0B
2017 rate base



Founded
1849

Improving service to customers through infrastructure renewal and replacement

(billions)



NEXUS related

Compression

Infrastructure renewal

Proposing accelerated 15 year main renewal cycle

Base infrastructure

Transmission, compression, distribution, storage



Replacing aging infrastructure achieves a fundamental shift in performance, cost and productivity



Main renewal

Minimizes leaks - reducing costs and improving customer satisfaction

- Filed proposal to increase pace of main renewal



Meter move out

Reduces manual meter reading – improving operational efficiencies and customer satisfaction

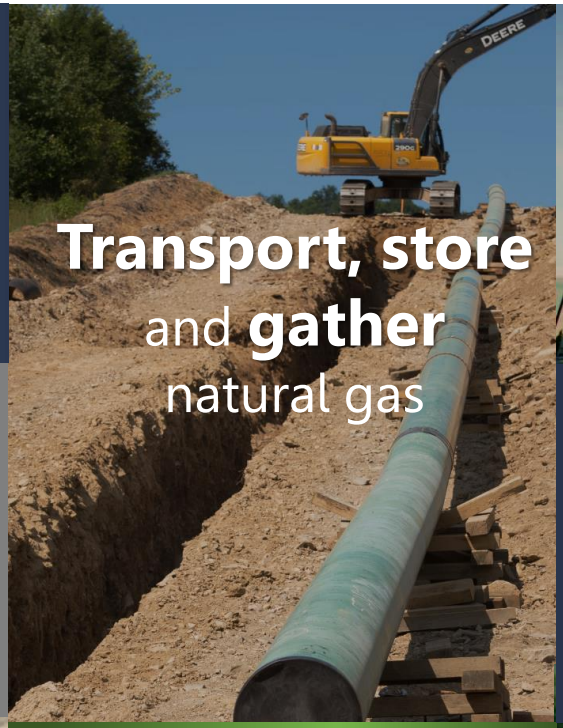


Pipeline integrity

Strengthens the system - decreasing the potential for system issues

GSP overview

5 pipelines, 1,600 miles
of pipe and gathering lines



Transport, store and **gather** natural gas



91 Bcf
of storage

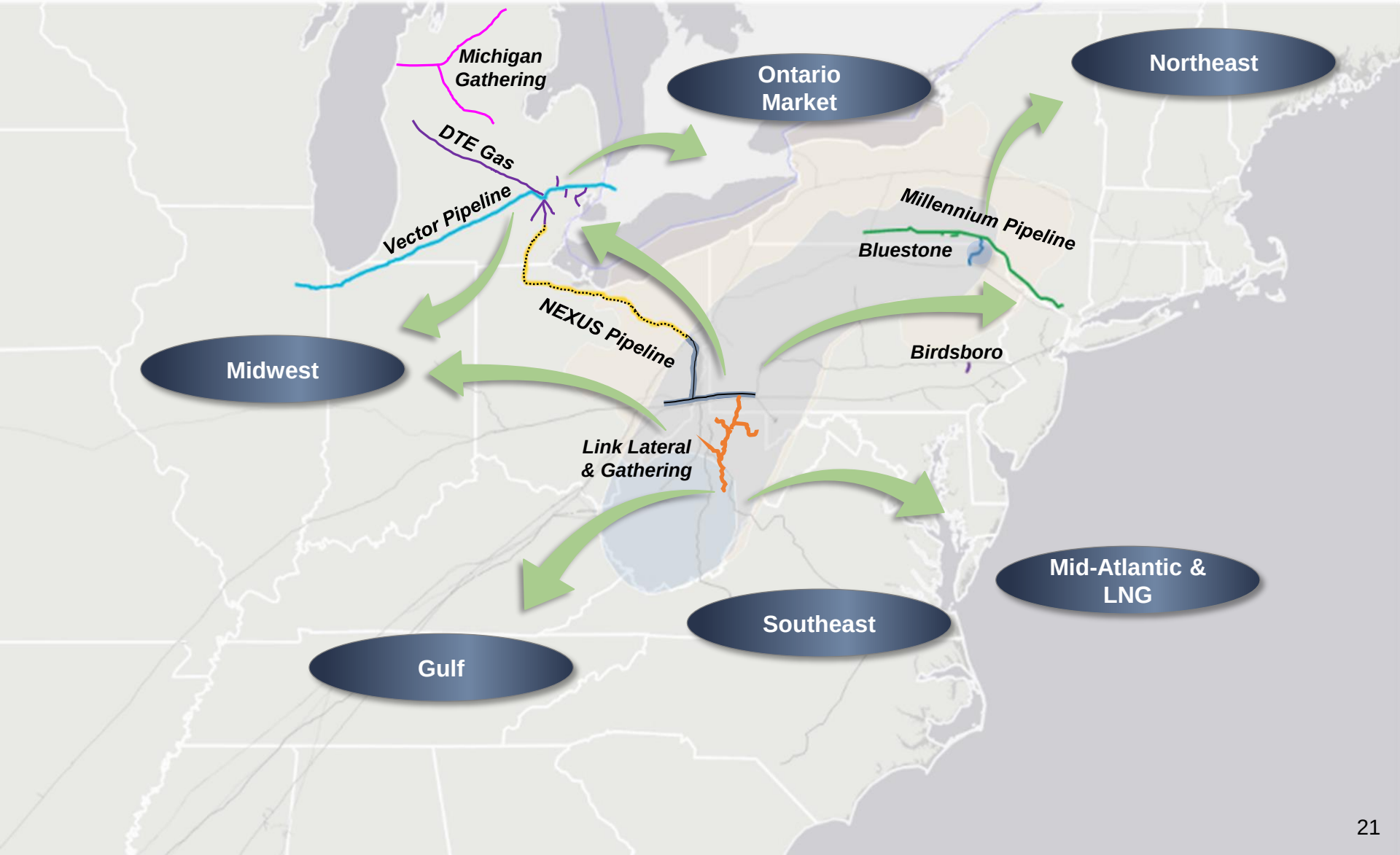
$2.8B – $3.4B
5-year capital plan (2018-2022)



Serves markets in Midwest, Northeast, Mid-Atlantic, and Southeast



Expanding strategic footprint in the most prolific dry gas geology in the country



GSP is focused on continued success

- Continuing progress on NEXUS
  - Finalizing agreements with two new industrial customers
  - Completing pipeline construction milestones
  - Active contract negotiations with additional shippers
  - Targeting in-service late 3Q 2018
- Executing on Link
  - Finished gathering and transport agreement with a producer, doubling their capacity
  - Continued future investment
- Expanding Bluestone and Millennium pipelines
  - Progressing on expansions; both on track for 2H 2018 in-service

Growth Plan

Operating earnings*
2022 target
$280 - $290 million

Capital investment
2018 - 2022
$2.8 - $3.4 billion



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

P&I overview



$0.8B – $1.2B
5-year capital plan
(2018-2022)



Industrial energy services, renewable energy, and reduced emissions fuel

Leading developer
of energy related businesses in North America

Geographic diversity





191 MW
renewable plant capacity

P&I is focused on progress toward long-term growth

- Continued development of industrial energy projects
  - Beginning stages of construction on Ford Motor Company complex
  - Advancing discussions on new CHP plant
  - Pursuing strong pipeline of additional CHP projects
- Focus on RNG opportunities
  - Integrated two recent acquisitions
  - Finalizing agreement on new project
  - Pursuing strong pipeline of additional RNG projects
- Maximizing performance and value of reduced emissions fuel projects through 2021

Growth Plan

Operating earnings*
2022 target
$65 - $75 million

Capital investment
2018 - 2022
$0.8 - $1.2 billion



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

- Overview
- Long-Term Growth Update
- **Summary**

Summary

- Strong start to the year gives us confidence in achieving 2018 operating EPS* guidance
- Driving utility growth through infrastructure investments focused on improving reliability and the customer experience
- Expanding non-utility businesses through strategic and sustainable growth
- Continuing to deliver strong EPS and dividend growth that drive premium total shareholder return

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

Appendix

Recognized by environmental, social and governance analysts for our sustainability efforts

- Environmental Leadership
  - Generation portfolio shift to renewables and gas (including one of the largest solar arrays in the Midwest)
  - Greenhouse gas reduction program in place with targets and deadlines
- Social / Corporate Citizenship
  - Talent development, recruitment and retention programs
  - Formal health and safety commitment
  - Low-income customer programs
  - Employee safety record continues positive momentum
- Governance and Ethics
  - 11 of 12 DTE Energy Board directors are independent
  - Board includes separate Corporate Governance and Public Responsibility Committees
  - Incentive plans are tied to safety and customer satisfaction targets



Photo taken at DTE power plant nature reserve

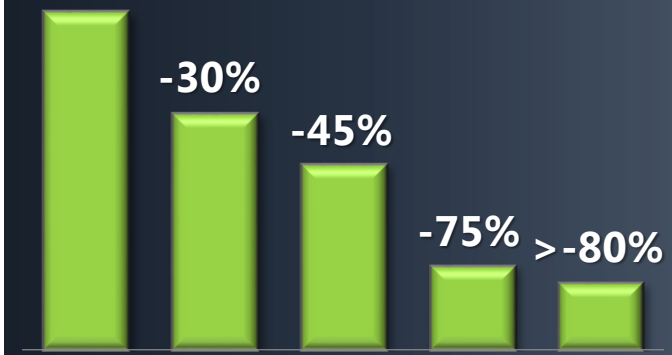
DTE is committed to producing cleaner energy



Over 10% of DTE Electric energy supply is from renewable energy sources

More than 3.6 million MWh of renewable electricity in 2017

Carbon emissions reduction goals





Largest solar energy producer in Michigan

Confident in achieving 2018 operating EPS* guidance

DTE Energy

(millions, except EPS)

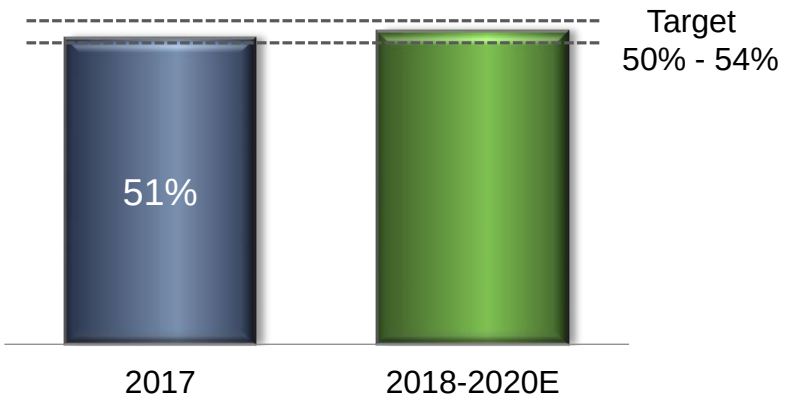
	1Q 2018 Actuals	2018 Guidance	
DTE Electric	$142	$648 - $662	↓
DTE Gas	111	152 - 160	
Gas Storage & Pipelines	62	185 - 195	↑
Power & Industrial Projects	42	115 - 135	↑
Corporate & Other	(16)	(100) - (90)	
Growth segments**	**$341**	**$1,000 - $1,062**	
Growth segments operating EPS	**$1.91**	**$5.54 - $5.88**	
Energy Trading	$1	$5 - $20	
DTE Energy	**$342**	**$1,005 - $1,082**	
Operating EPS	**$1.91**	**$5.57 - $5.99**	✓
Avg. Shares Outstanding	180	181	

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

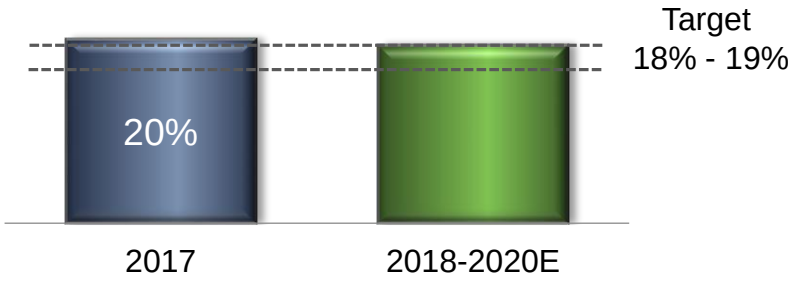
** Growth segments exclude Energy Trading

Issuing $300 million of equity in 2018 while maintaining strong cash flow and balance sheet

Leverage*



Funds from Operations** / Debt*



- Issue $800 million of equity 2018-2020
  - $300 million in 2018 using internal mechanisms
- $1.4 billion of available liquidity at March 31, 2018
- Maintain strong BBB credit rating

* 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

** Funds from Operations (FFO) is calculated using operating earnings, reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

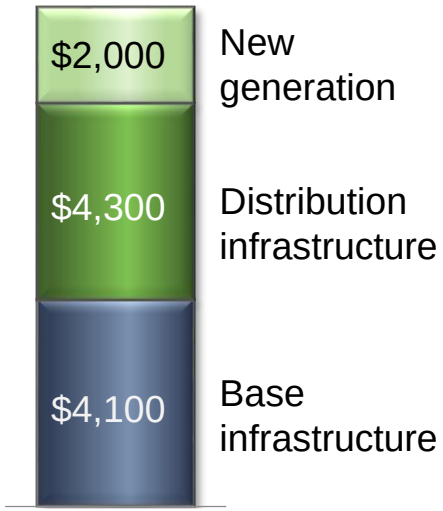
Both utilities increase customer reliability with investment plans over the next 5 years

(millions)

DTE Electric

Targeting 6% - 7% growth

$10,400



2018E - 2022E

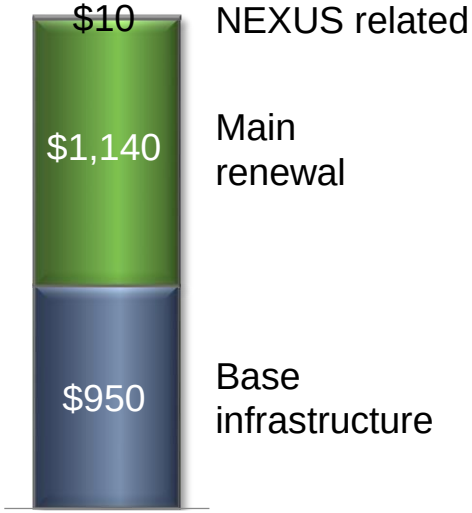
	2017		2022
Depreciation	$750M	→	~$1,076M
YE Rate Base*	$16.5B	→	~$22.9B

* Includes working capital and rate base associated with surcharges

DTE Gas

Targeting 7% - 8% growth

$2,100



2018E - 2022E

	2017		2022
Depreciation	$122M	→	~$172M
YE Rate Base**	$4.0B	→	~$5.7B

** Includes working capital

2018 cash flow and capital expenditures guidance

(billions)

Cash Flow

	2018 Guidance
Cash From Operations*	$2.0
Capital Expenditures	(3.6)
Free Cash Flow	**($1.6)**
Asset Sales & Other	-
Dividends	(0.6)
Net Cash	**($2.2)**
Debt Financing:	
Issuances	$2.3
Redemptions	(0.1)
Change in Debt	**$2.2**

(millions)

Capital Expenditures

	2018 Guidance
DTE Electric	
Base Infrastructure	$750
New Generation	340
Distribution Infrastructure	810
	$1,900
DTE Gas	
Base Infrastructure	$257
NEXUS Related	13
Main Renewal	190
	$460
Non-Utility	$1,100-$1,300
Total	**$3,460-$3,660**

* Includes $0.3 billion of equity issued for employee benefit programs

Utility regulatory update

DTE Electric

- General rate order - April 2018 (U-18255)
  - Effective: May 1
  - Rate recovery: $65 million
  - ROE: 10%
  - Capital structure: 50% debt, 50% equity
  - Rate base: $15 billion
- Capacity charge case - April 2017 (U-18248)
  - March 2018 MPSC staff report indicated adequate capacity
  - Local clearing requirements determined 2H 2018
- 5 year electric distribution plan (U-20147)
  - Final plan filed January 2018
- Certificate of Necessity filing - July 2017 (U-18419)
  - Received order April 2018
- Next rate case filing 2H 2018

DTE Gas

- General rate case - November 2017 (U-18999)
  - Prior to tax reform, requested rate recovery: $85 million ($57 million net of infrastructure recovery mechanism)
  - Final order: September 2018
- Expect to file rate cases every ~2 years



Reconciliation of reported to operating earnings
Full Year 2007, 2012 and 2014

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.

	Net Income (millions)*			EPS		
	2007	2012	2014	2007	2012	2014
DTE Energy Report Earnings	**$ 971**	**$ 610**	**$ 905**	**$ 5.70**	**$ 3.55**	**$ 5.10**
DTE Electric						
Detroit Thermal loss reserve	17			0.10		
Regulatory asset surcharge	6			0.04		
DTE Gas						
Performance Excellence Process	6			0.04		
GCR disallowance	6			0.03		
Gas Storage & Pipelines						
Power & Industrial Projects						
Performance Excellence Process	1			-		
Sale of joint venture - Crete	(5)			(0.03)		
Coke oven gas settlement		7			0.04	
Chicago Fuels Terminal sale		2			0.01	
Pet coke mill impairment		1			0.01	
Energy Trading						
Antrim sale	21			0.12		
Certain mark-to-market transactions			(102)			(0.57)
Corporate & Other						
Antrim sale	(566)			(3.31)		
Investment impairment			5			0.03
NY state tax law change			8			0.04
Discontinued operations						
Synfuel	(205)			(1.20)		
Unconventional Gas Production**	228	56		1.33	0.33	
DTE Energy Operating Earnings	**$ 480**	**$ 676**	**$ 816**	**$ 2.82**	**$ 3.94**	**$ 4.60**

* Total tax impact of adjustments to reported earnings: 2007: ($254 million), 2012: $35 million, 2014: ($58 million)

** 2007 operating adjustments of $211 million and $17 million, or $1.23 and $0.10 diluted earnings per share, related to the Antrim sale and Barnett impairment, respectively.

1st quarter 2018 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. Operating earnings are presented both with and without Energy Trading. The term "Growth Segments" refers to DTE Energy without Energy Trading and represents the business segments that management expects to generate earnings growth going forward.

Net Income (millions)*

1Q 2018 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$140	$104	$62	$45	($21)	$330	$31	$361
Deferred tax remeasurement true-up	8	8			5	21		21
System implementation costs	1	1				2		2
Benefits expense reimbursement	(7)	(2)		(3)		(12)		(12)
Certain mark-to-market transactions							(30)	(30)
Operating Earnings	$142	$111	$62	$42	($16)	$341	$1	$342

EPS

1Q 2018 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$0.78	$0.58	$0.34	$0.25	($0.12)	$1.83	$0.17	$2.00
Deferred tax remeasurement true-up	0.04	0.04			0.05	0.13		0.13
System implementation costs	0.01	0.01				0.02		0.02
Benefits expense reimbursement	(0.04)	(0.01)		(0.02)		(0.07)		(0.07)
Certain mark-to-market transactions							(0.17)	(0.17)
Operating Earnings	$0.79	$0.62	$0.34	$0.23	($0.07)	$1.91	-	$1.91

* Total tax impact of adjustments to reported earnings: ($13 million)

Reconciliation of 2017 reported to operating earnings

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. Operating earnings are presented both with and without Energy Trading. The term "Growth Segments" refers to DTE Energy without Energy Trading and represents the business segments that management expects to generate earnings growth going forward.

Net Income (millions)*

2017 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$606	$146	$275	$138	($103)	$1,062	$72	$1,134
PSCR disallowance	10					10		10
System implementation costs	6	3				9		9
Deferred tax remeasurement	(5)		(115)	(21)	34	(107)	2	(105)
Impairment				7		7		7
Certain mark-to-market transactions							(54)	(54)
Operating Earnings	$617	$149	$160	$124	($69)	$981	$20	$1,001

EPS

2017 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$3.38	$0.81	$1.53	$0.77	($0.57)	$5.92	$0.40	$6.32
PSCR disallowance	0.06					0.06		0.06
System implementation costs	0.03	0.02				0.05		0.05
Deferred tax remeasurement	(0.03)		(0.64)	(0.12)	0.20	(0.59)	0.01	(0.58)
Impairment				0.04		0.04		0.04
Certain mark-to-market transactions							(0.30)	(0.30)
Operating Earnings	$3.44	$0.83	$0.89	$0.69	($0.37)	$5.48	$0.11	$5.59

* Total tax impact of adjustments to reported earnings: ($17 million)

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.