



DTE Energy®

Business Update

October 6, 2015






Safe Harbor Statement

The information contained herein is as of the date of this presentation. Many factors may impact forward-looking statements including, but not limited to, the following: impact of regulation by the EPA, FERC, MPSC, NRC and 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 increased thefts of electricity and, for DTE Energy, natural gas; environmental issues, laws, regulations, and the increased 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; changes in the cost and availability of coal and other raw materials, purchased power and natural gas; the potential for losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions; 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; 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 construction 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; the cost of protecting assets against, or damage due to, terrorism or cyber attacks; 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 generation 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 our 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" sections in each of DTE Energy's and DTE Electric's 2014 Forms 10-K and 2015 Forms 10-Q (which sections are incorporated herein by reference), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

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

DTE Energy's growth is driven by strong, stable utilities and complementary non-utility businesses

Strong, Stable and Growing Utilities
Fully Regulated by Michigan Public Service Commission

~80% of total earnings



DTE Electric

Electric generation and distribution



DTE Gas

Natural gas transmission, storage and distribution

Complementary Non-Utility Businesses

~20% of total earnings



Gas Storage & Pipelines

Transport and store natural gas



Power & Industrial Projects

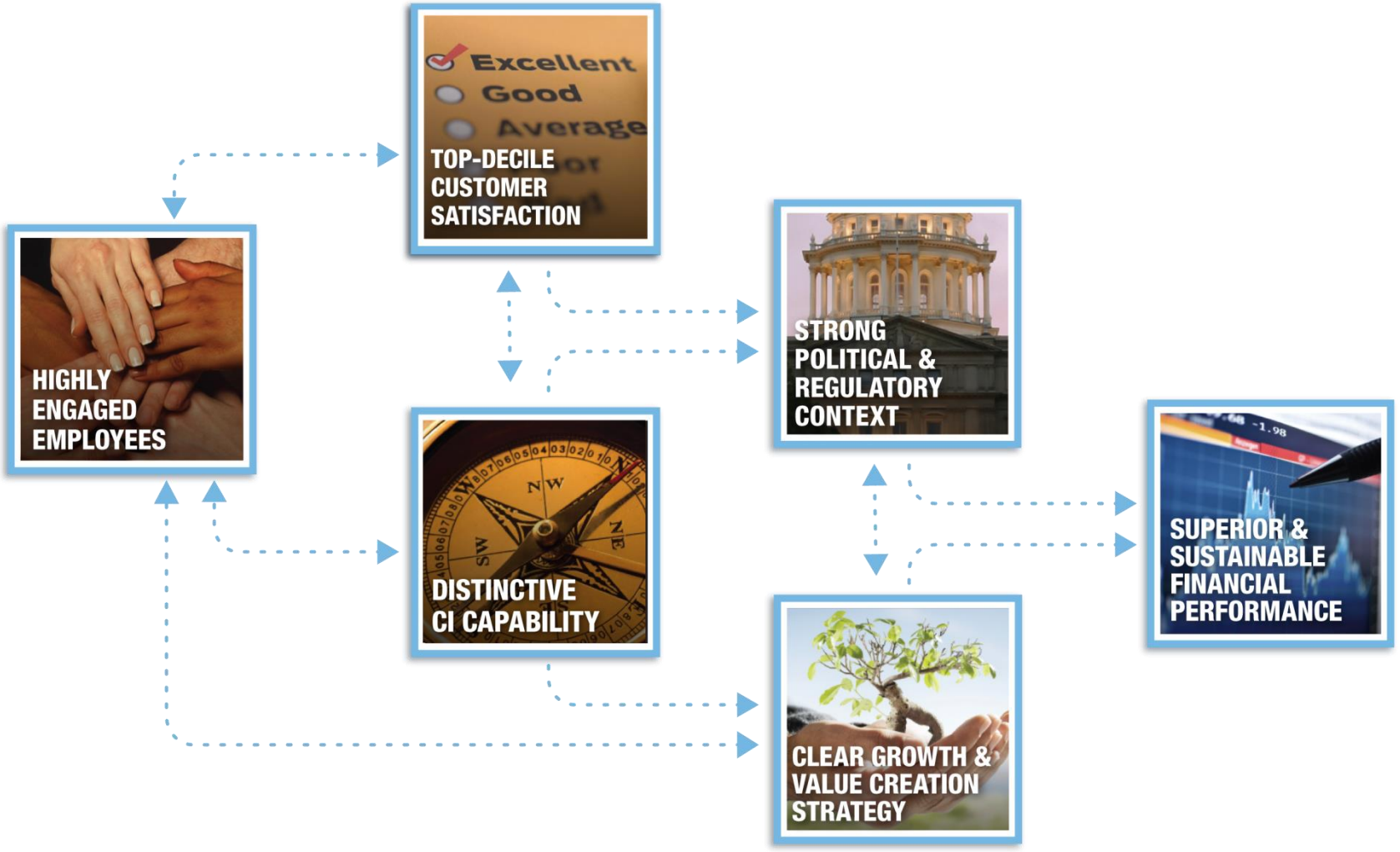
Own and operate energy related assets



Energy Trading

Generate economic value and provide strategic benefits

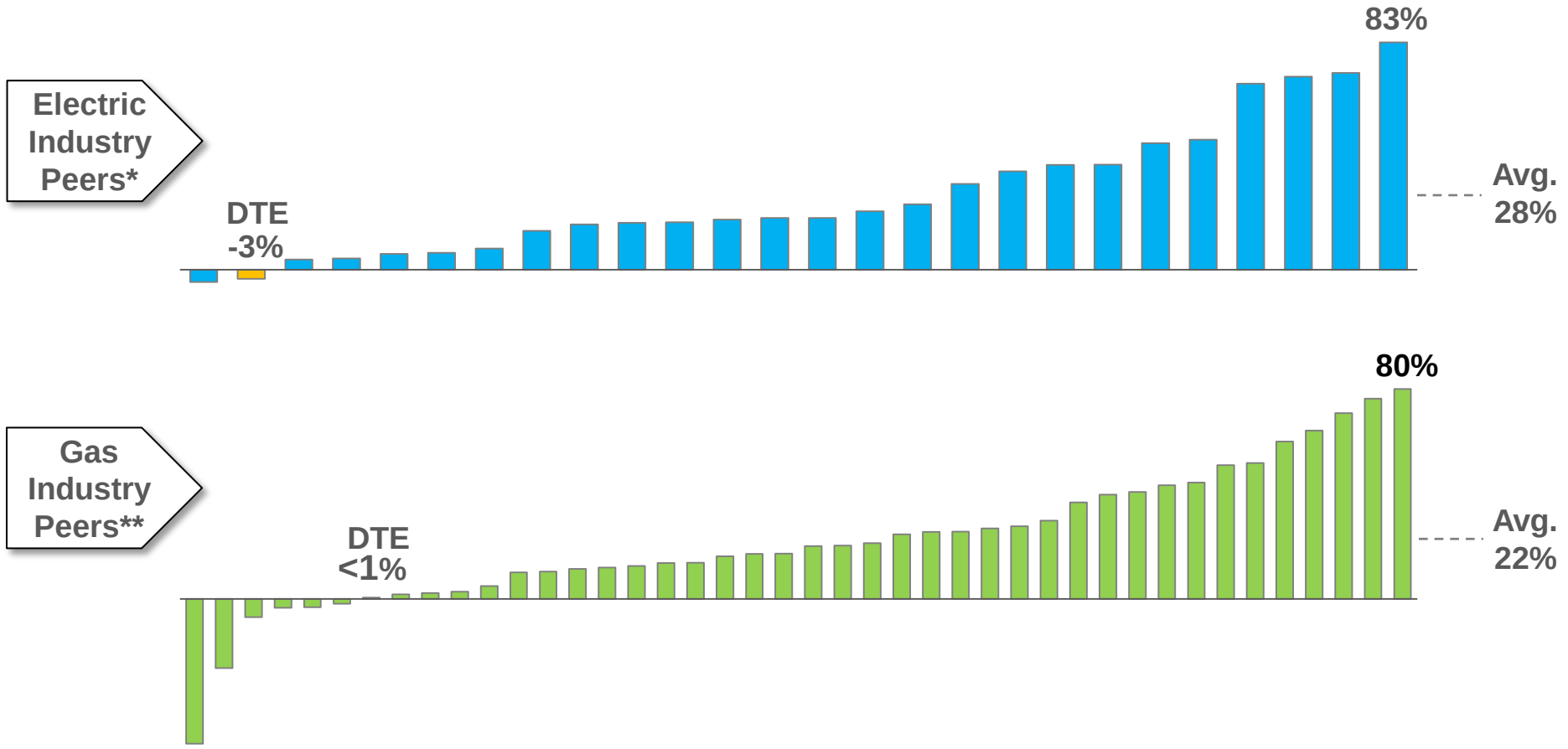
Our system of priorities is fundamental to how we create value for our shareholders



5% - 6% Annual EPS Growth | **Attractive Dividend** | **Strong Balance Sheet**

DTE's continuous improvement capability has enabled us to lead the industry in cost management

2008 to 2014 Change in O&M Costs



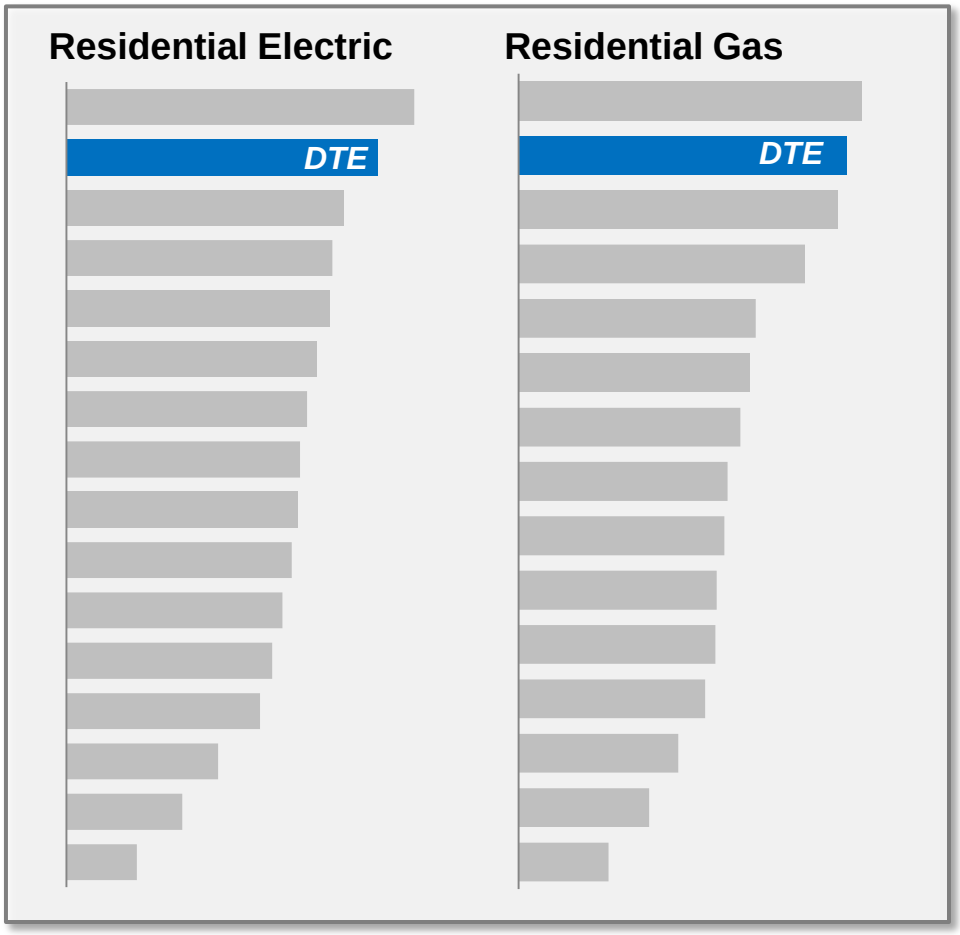
Successfully offset over $300 million of inflation from 2008 to 2014

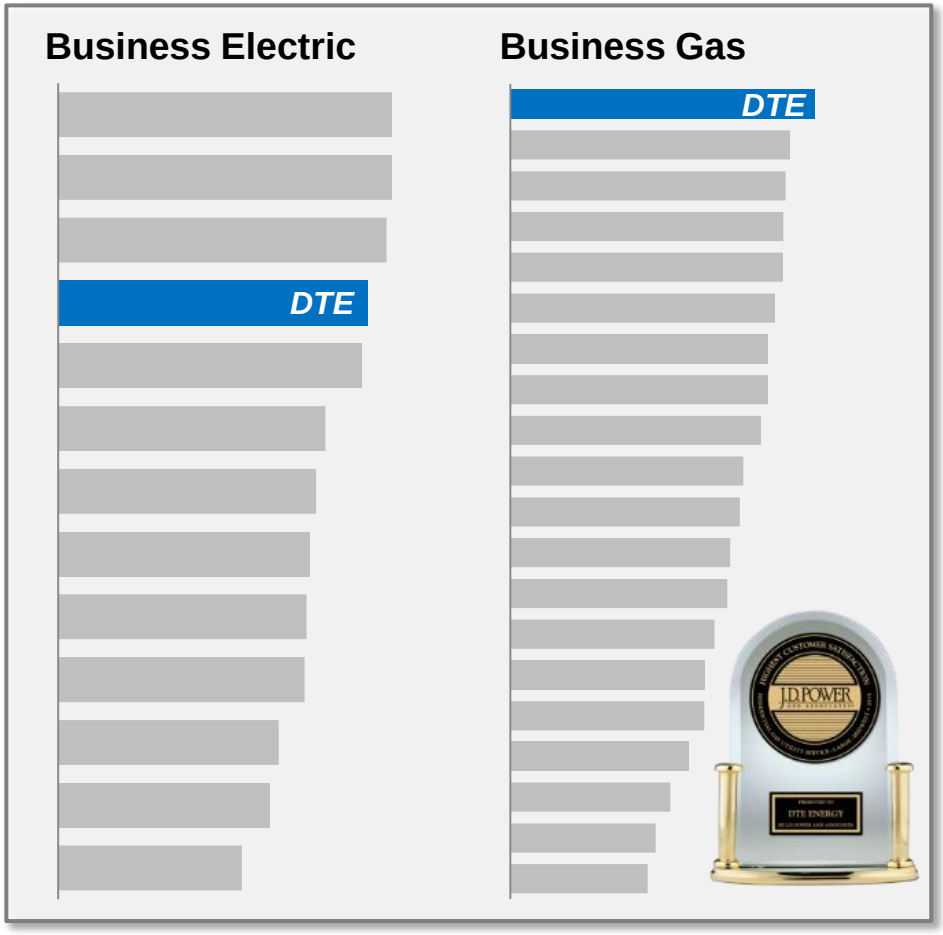
* Source: SNL Financial, FERC Form 1; major US Electric Utilities with O&M > $800 million; excluding fuel and purchased power

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

Engaged employees focusing on improving our customers' experiences have led to strong satisfaction results

J.D. Power Rank vs. Midwest Peers

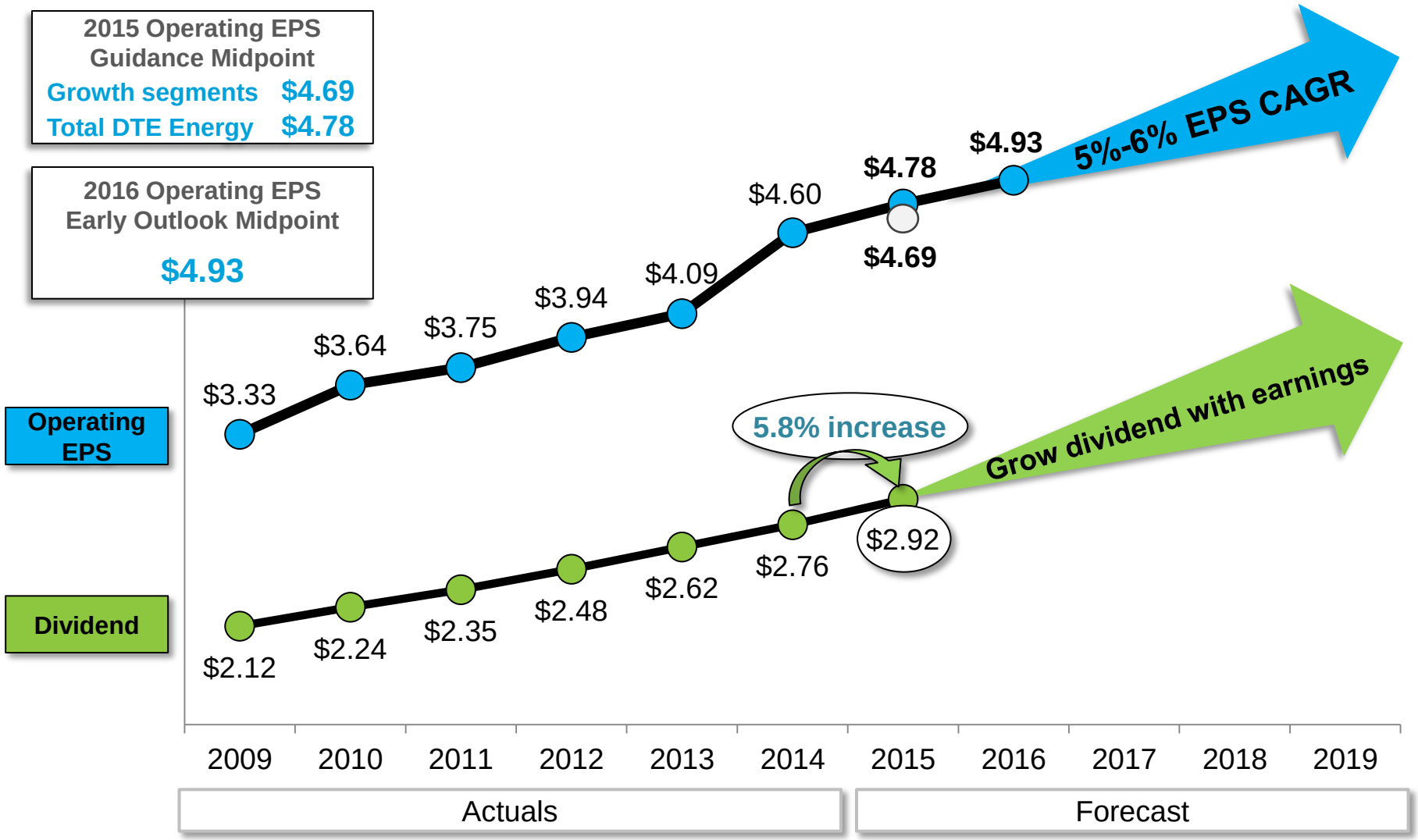




Note: DTE Energy received the highest numerical score in the Midwest in the proprietary J.D. Power 2015 Gas Utility Business Customer Satisfaction Study SM. Based on 9,243 online interviews ranking 20 Midwest providers. Proprietary study results are based on experiences and perceptions of businesses surveyed 4/14-7/14 and 8/14-12/14. Your experiences may vary. Visit jdpower.com

Our 2015 operating EPS* guidance and 2015 early outlook provide solid growth

(dollars per share)

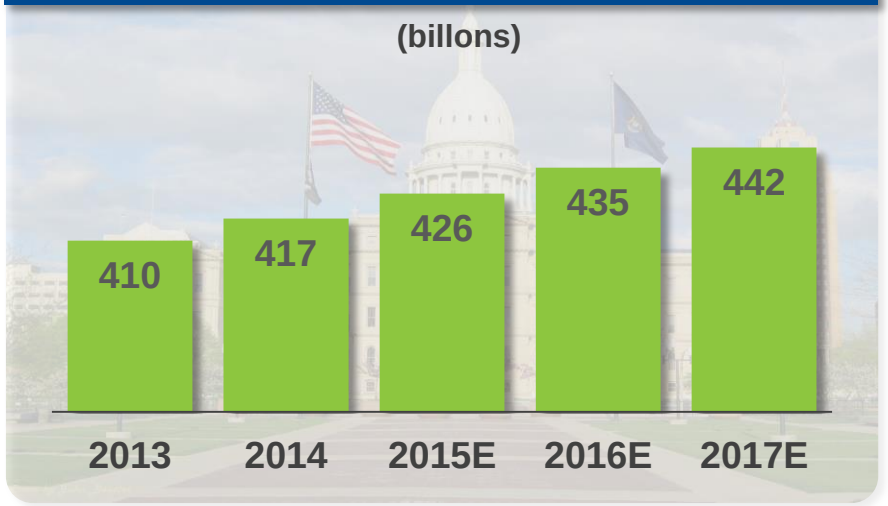


* Reconciliation to GAAP reported earnings included in the appendix

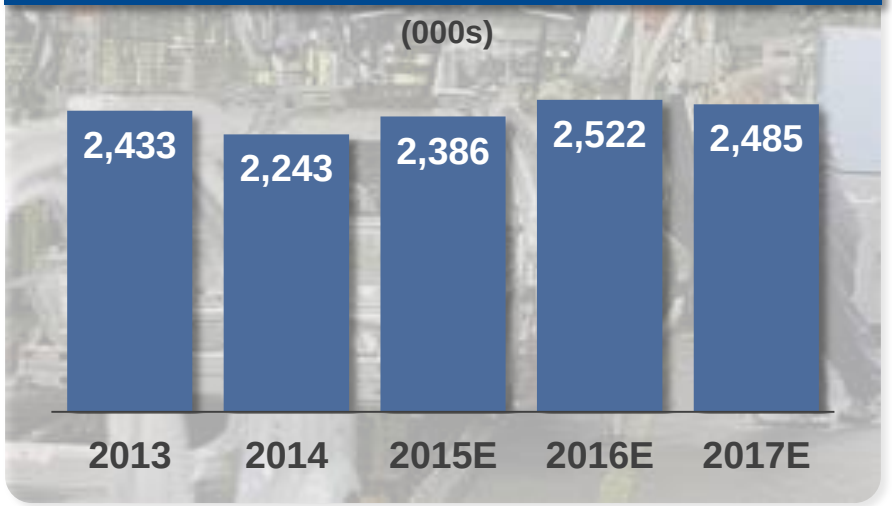
- Overview
- **Long-Term Growth Update**
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Michigan's economy continues to improve

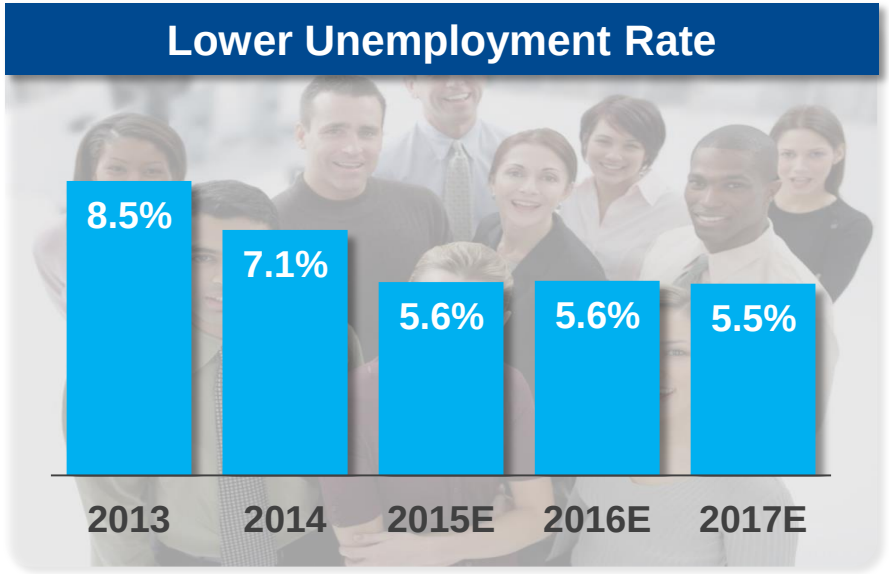
Gross State Product



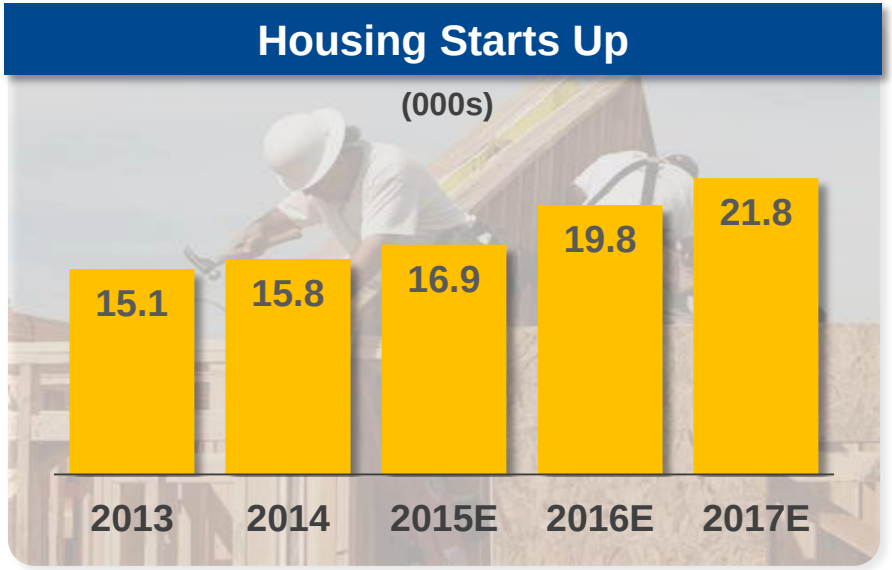
Auto Production



Lower Unemployment Rate



Housing Starts Up



Source: IHS

Lansing leaders are working toward constructive energy policy reform



Governor Rick Snyder



John Quackenbush
MPSC Chair



Valerie Brader
Executive Director for the Michigan Agency for Energy



Senator Mike Nofs
Energy and Technology Committee Chair



Representative Aric Nesbitt
Energy Policy Committee Chair

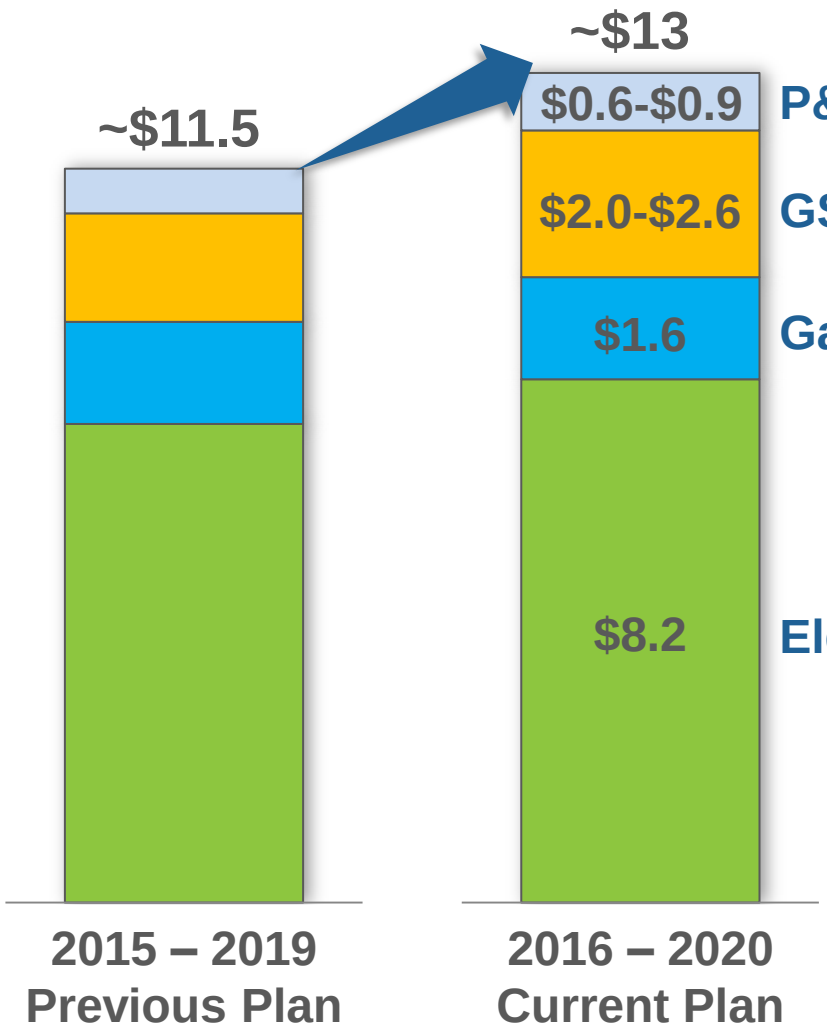
1. Clean
2. Reliable
3. Flexible
4. Affordable

Current comprehensive energy legislation policy proposals address a number of key issues

	Position	Senate	House
Retail Open Access	• One-time election	✓	✓
	• Capacity requirement	✓ 3 year requirement	✓ 5 year requirement
Integrated Resource Planning	• Cost pre-approval process	✓	✓
	• Venue for renewable generation and energy efficiency decisions	✓	✓
Regulatory	• 10-month rate case completion	✓	✓
	• Fair net-metering	✓	
	• Potential revenue decoupling	✓	

We will invest ~$13 billion in capital projects to drive growth through 2020

(billions)



P&I ---------- Cogeneration, on-site energy

GSP ---------- Gathering investments, NEXUS, pipeline expansions

Gas ---------- Base investments, infrastructure renewal, NEXUS related

Electric -------- Distribution infrastructure, maintenance, new generation

The investment needs at our utilities far outstrip what is included in our plans

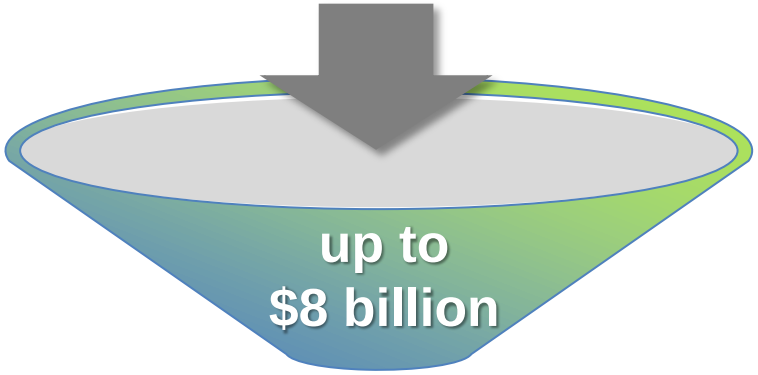
Long-term Potential Additional Investment

Gas infrastructure

Generation capacity

Gas/renewables mix

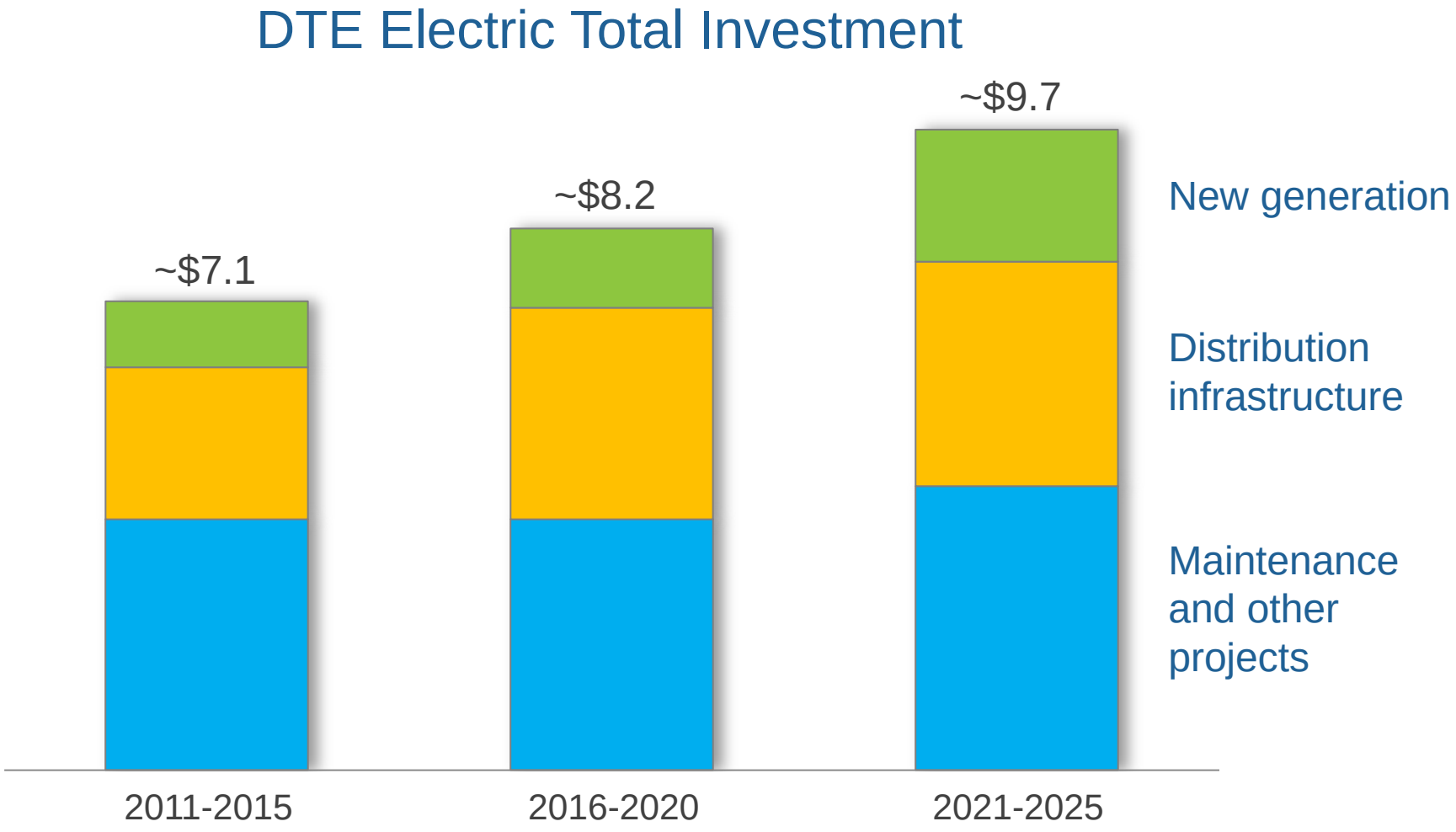
Distribution infrastructure



Opportunity to reprioritize or increase investment

Generation and infrastructure replacement will significantly increase investment over the next 10 years

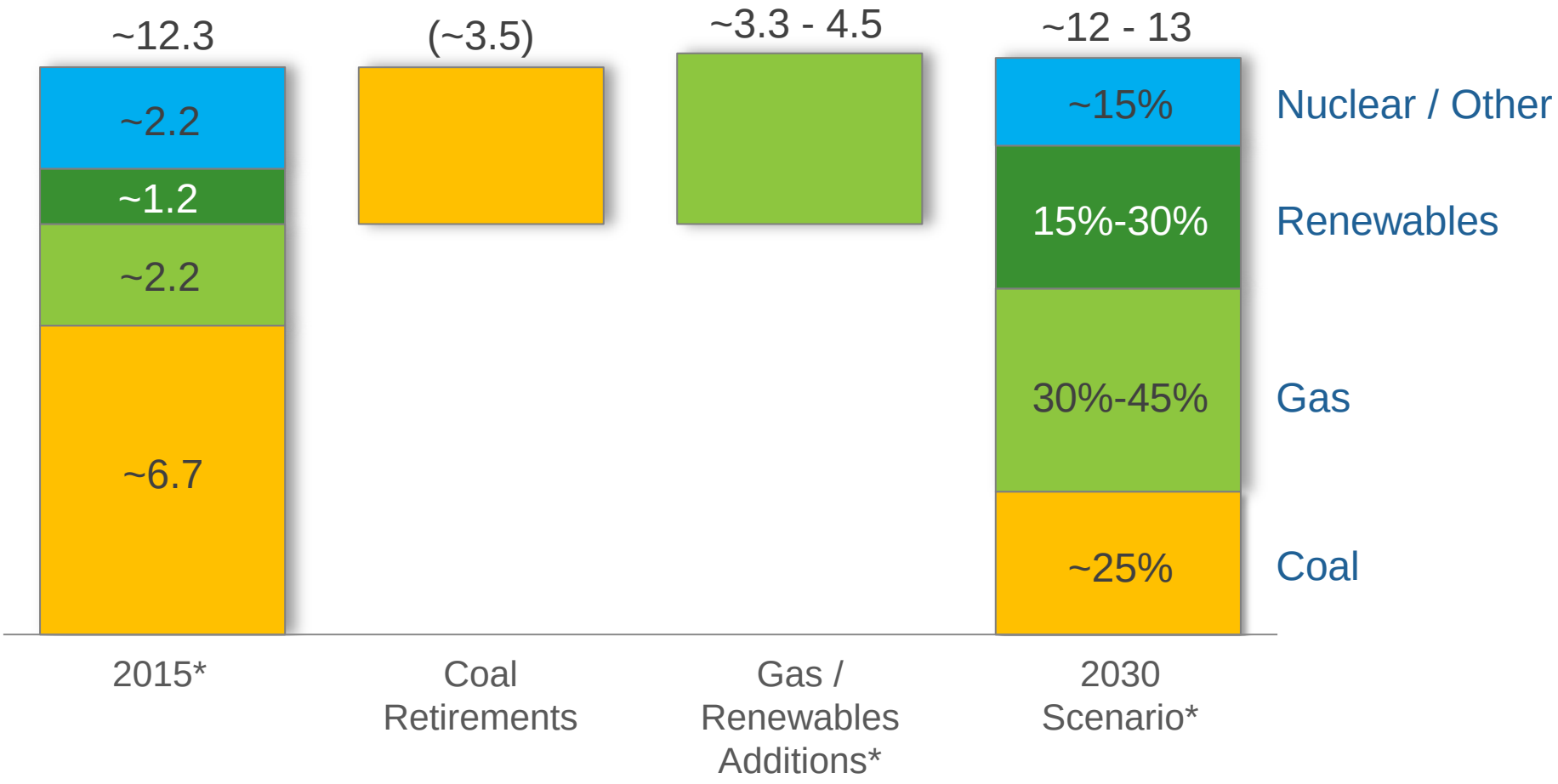
(billions)



Our generation mix shifts from coal to natural gas and renewables as we address the EPA's Clean Power Plan

DTE Electric Capacity

(GW)



* Estimated amounts. Timing and mix of generation impacted by MISO capacity requirements and Michigan and EPA policies

We have identified areas of greatest need for capital investment



Infrastructure Resilience

- Replace aging infrastructure
- Focus on worst performing areas

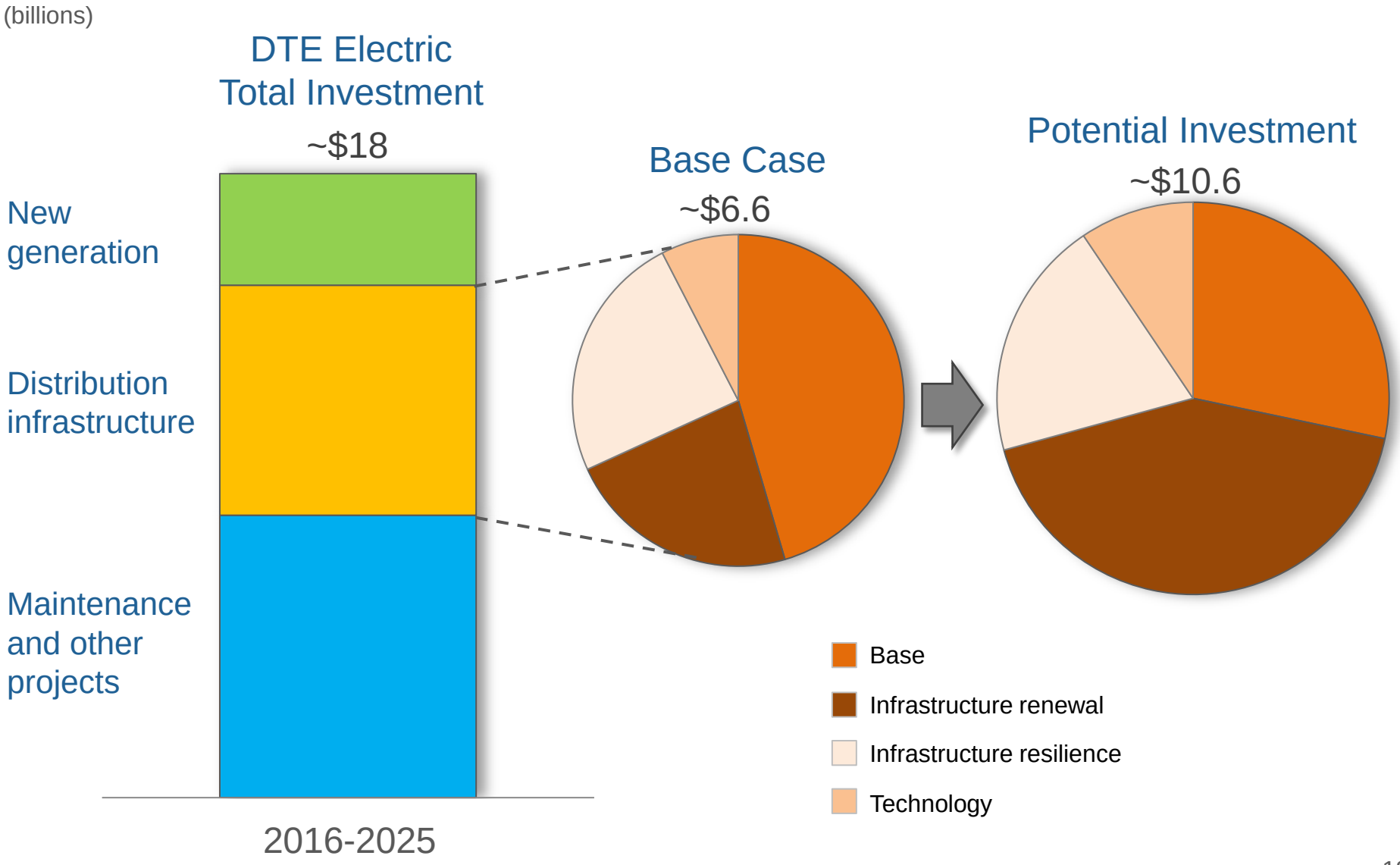
Infrastructure Redesign

- Address overloaded substations
- Reduce restoration time

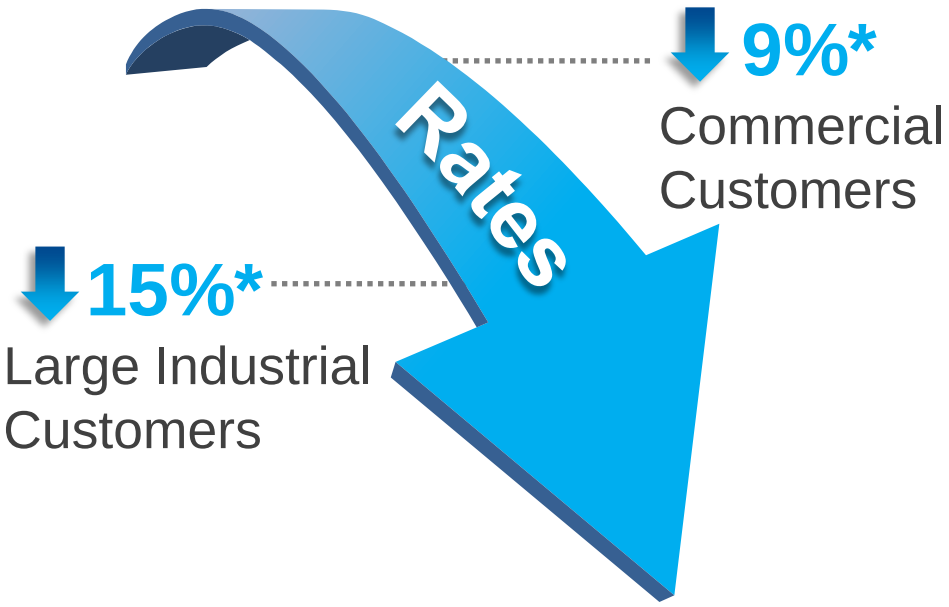
Technology Enhancements

- Increase control capabilities
- Provide greater visibility

Over the next 10 years we plan to invest $6.6 billion to $10.6 billion in distribution infrastructure



We enter this period of heavy investment on the heels of sharp declines in business rates



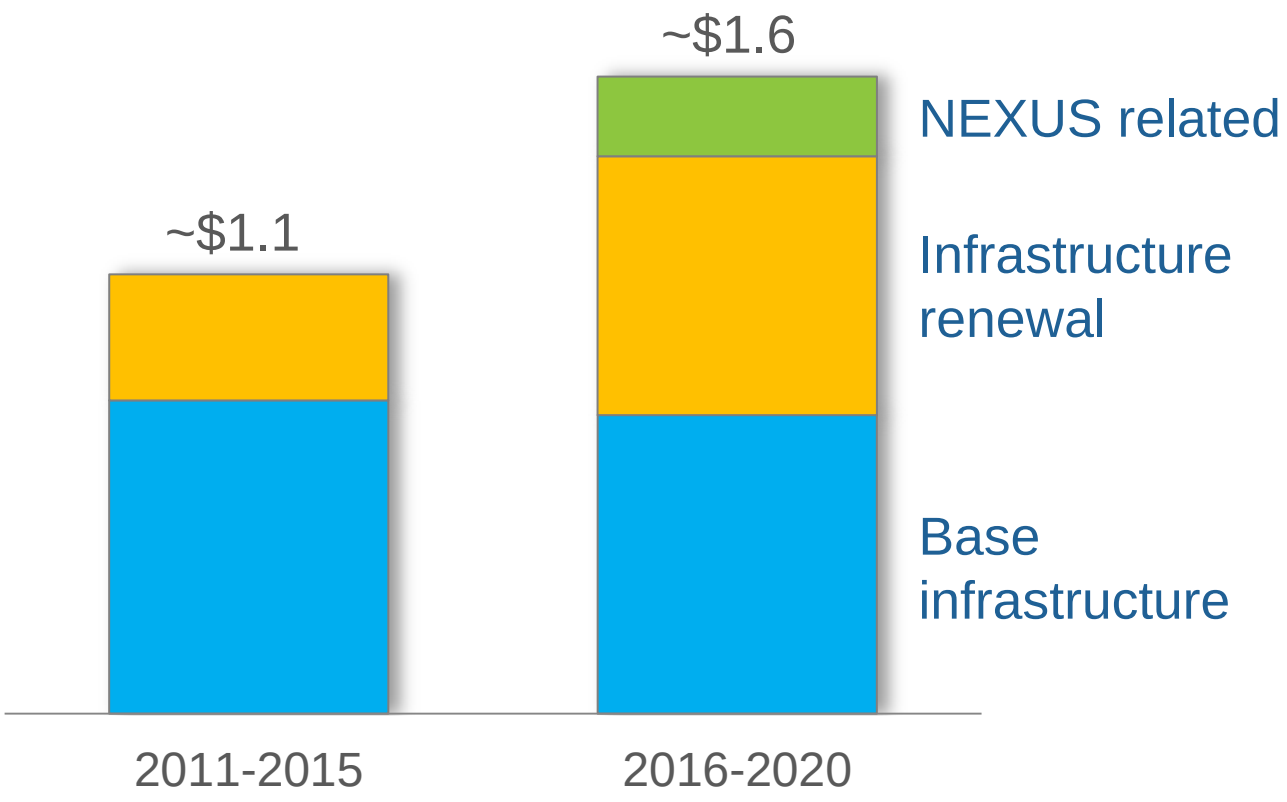
- $600 million of surcharge reductions in 2014 and 2015
- Business cost of service rates implemented in 2015
- These reductions are <u>after</u> $230 million July self-implementation
  - Final rate order expected December 2015

* Average rate reduction from 2013 through 2015 self-implementation

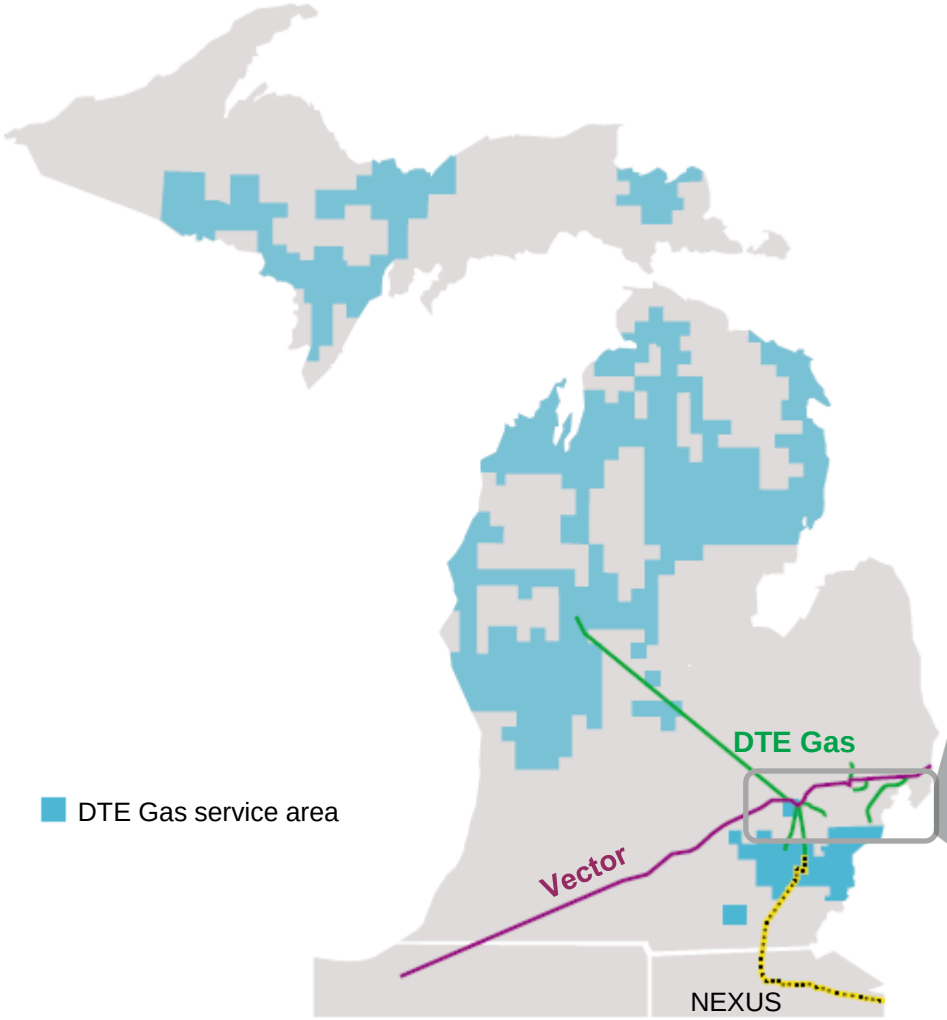
Investment in our gas utility will increase significantly over the next 5 years

(billions)

DTE Gas Total Investment



The DTE Gas system will be expanded to support the proposed NEXUS interconnection

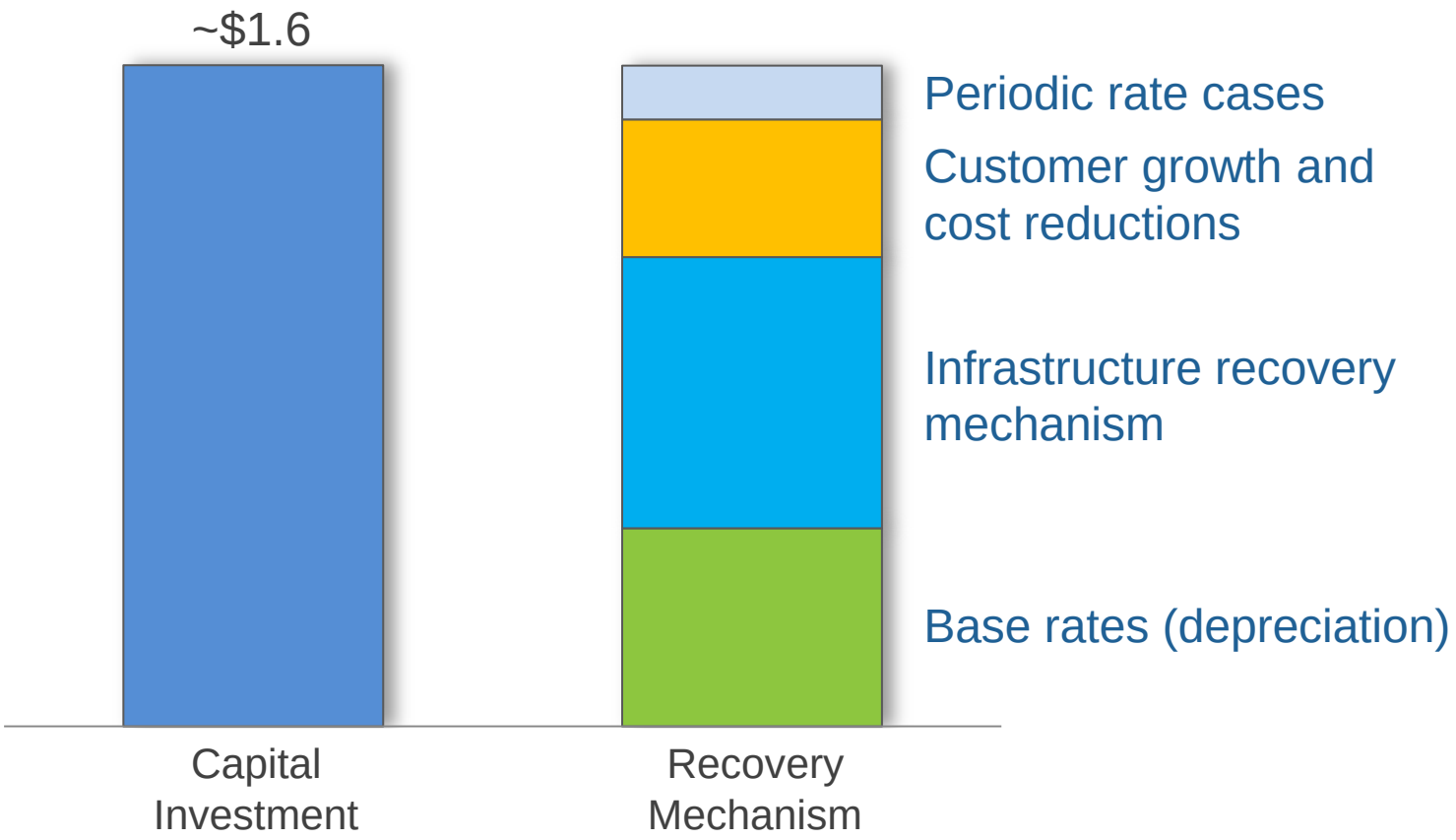


- $200 million of NEXUS related investment at DTE Gas through 2017
- Spend primarily for additional compression
- Supported by long-term transport agreement with NEXUS

Recovery of DTE Gas capital investments will require periodic rate cases

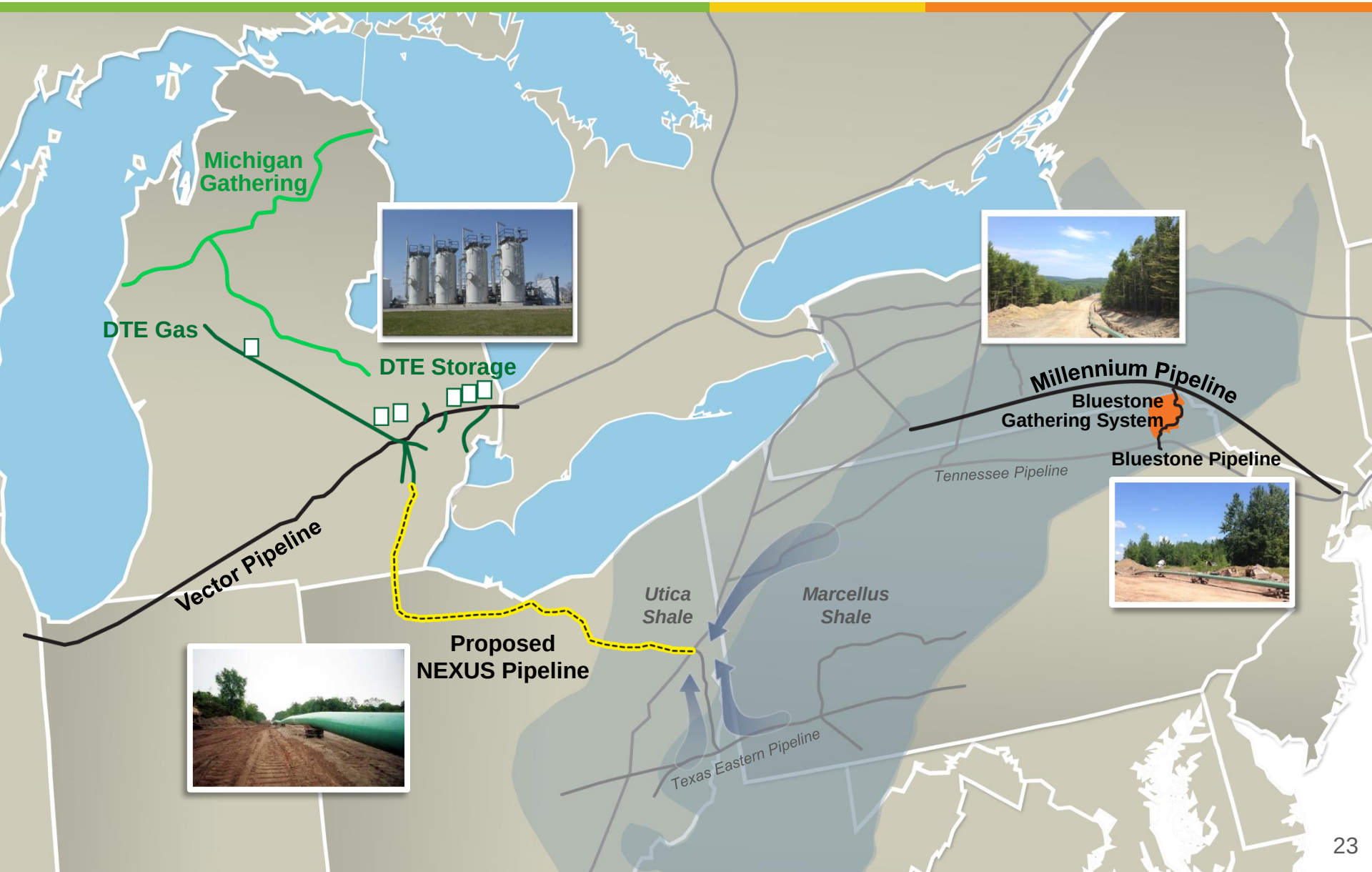
(billions)

Capital Investment and Recovery 2016 - 2020



Next gas general rate case filing expected in 2016

Gas Storage & Pipelines is developing an asset portfolio with multiple growth platforms



Gas Storage & Pipelines operates projects within 3 asset platforms

DTE Energy

Pipeline Platform

- Bluestone Pipeline
- Millennium Pipeline
- Vector Pipeline
- Proposed NEXUS Pipeline



Gathering Platform

- Bluestone Gathering
- Michigan Gathering



Storage Platform

- 91 Bcf of working capacity
- Strategically located between Chicago and Dawn trading hubs



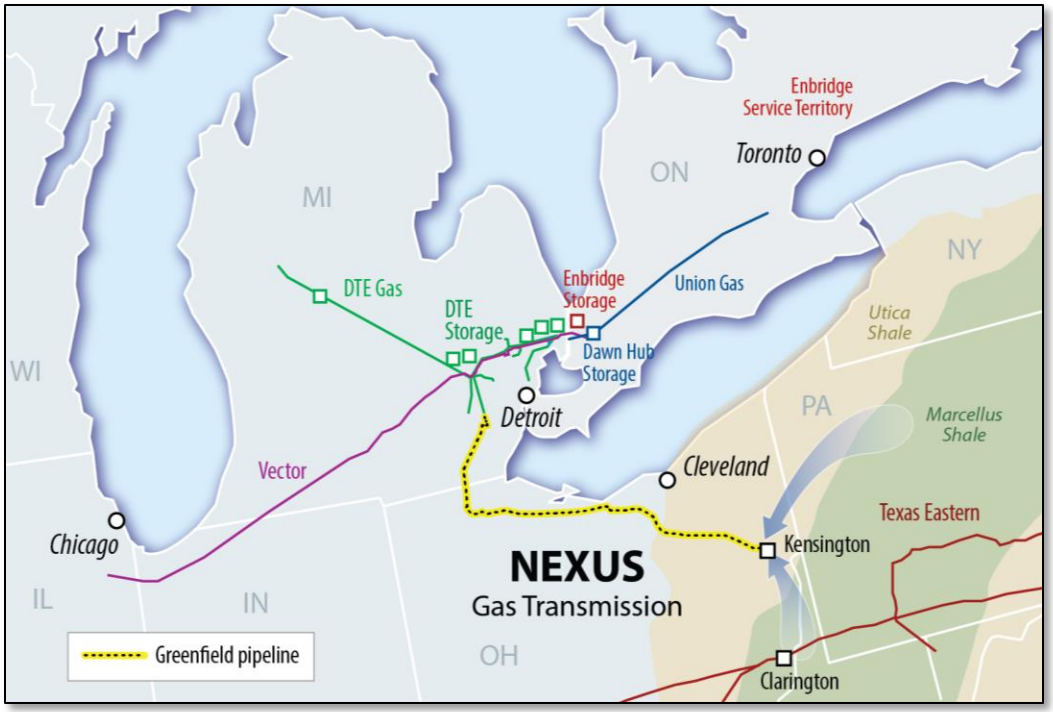
Gas Storage & Pipelines assets have expansion opportunities to accommodate increased demand

Pipeline Assets	Capacity Bcf/ d	In-Service
Millennium Pipeline	0.8	
Expansion #1	0.2+	4Q 2017
Total Planned Capacity	**~1.0**	
Bluestone Pipeline (bi-directional)*	0.9	
Expansion #3	0.1	2Q 2016
Total Planned Capacity	**1.0**	
Vector Pipeline**	**1.3**	
Proposed NEXUS Pipeline	**1.5**	4Q 2017

* Includes 0.2 Bcf/d expansion completed in 2014 and 0.1 Bcf/d expansion completed in 2015

** Expiring capacity fully recontracted through Q4 2014 open season process

DTE is increasing ownership and investment in NEXUS Gas Pipeline



- 50% ownership with Spectra Energy
- 1.5 Bcf/d pipeline
- ~250 miles of pipe
- DTE expected investment $1 billion
- In-service 4Q 2017

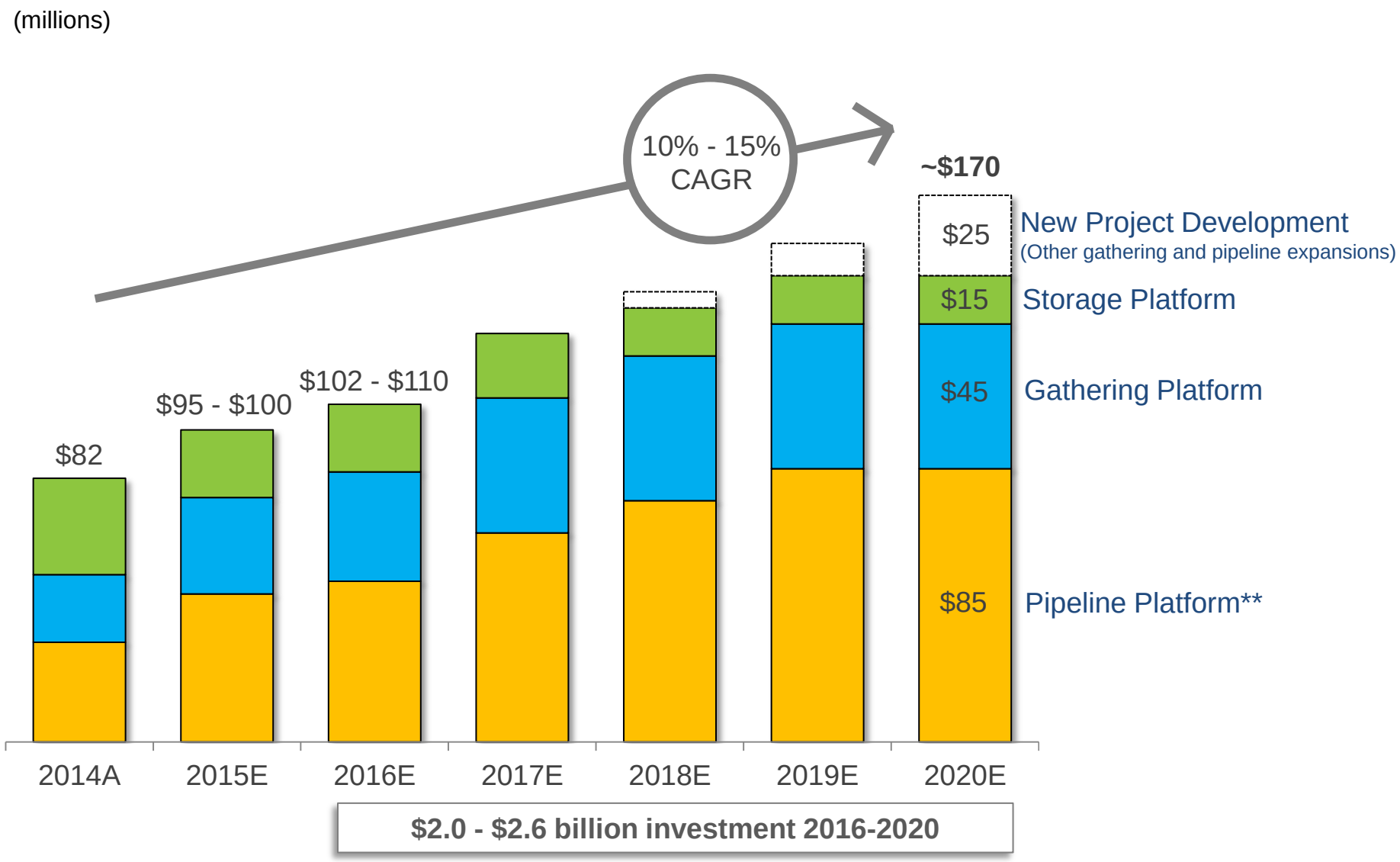
Increased ownership percentage from 33% to 50%

We are actively developing several new investments



- Gathering opportunities in Appalachian Basin
- Lateral opportunities with link to:
  - End use markets
  - Power plants
- Bolt-on acquisition in advanced stages of negotiation

Gas Storage & Pipelines is targeting operating earnings* of $170 million by 2020



* Reconciliation to GAAP reported earnings included in the appendix

** Includes NEXUS at 50% ownership

Power & Industrial Projects (P&I) operates within three distinct business lines

Industrial Energy Services

- On-site energy and utility services for industrial and commercial customers
- Coke and pulverized coal for steel customers



Renewable Energy

- Wood-fired power plants
- Landfill gas to energy projects

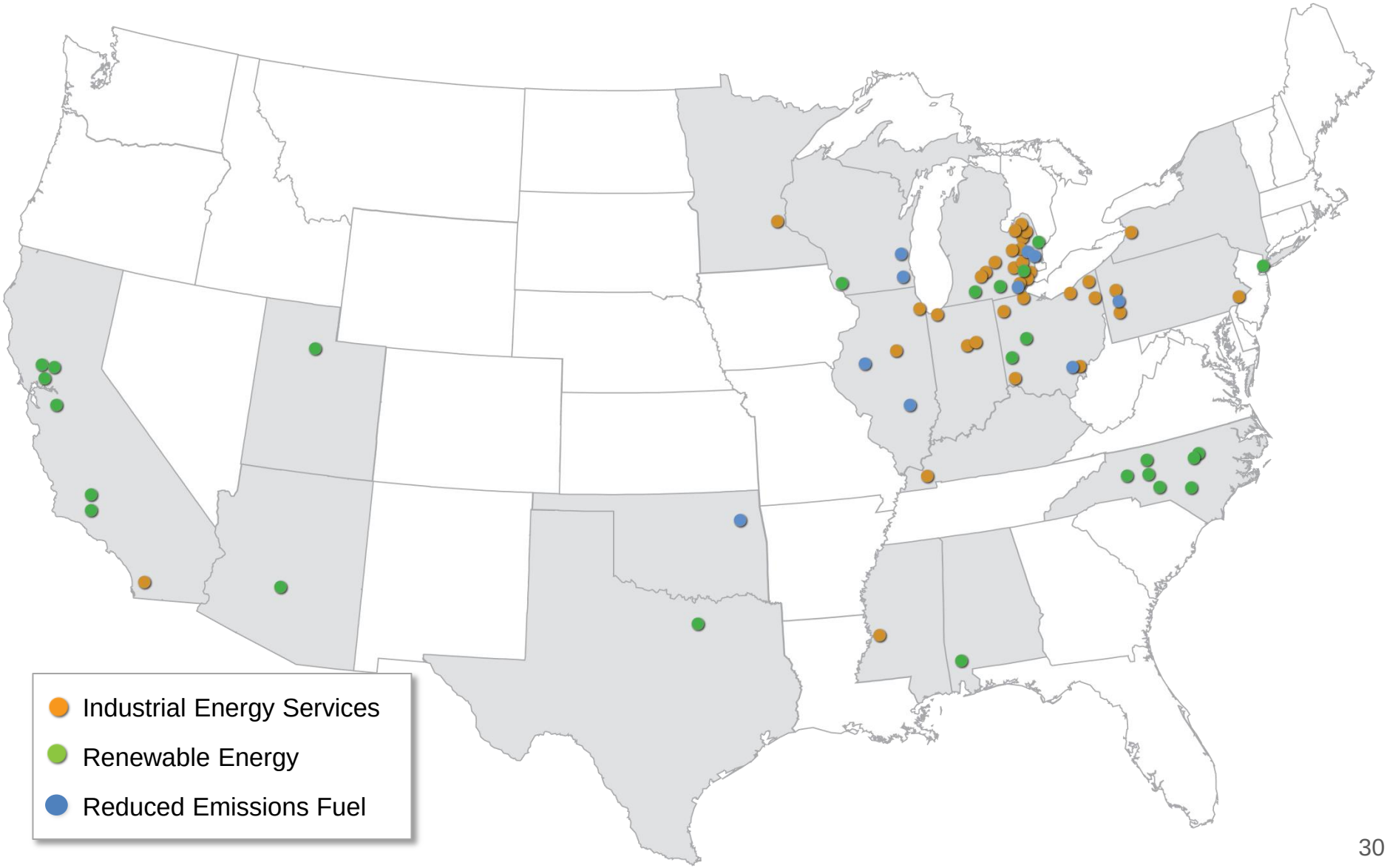


Reduced Emissions Fuel (REF)

- Projects reduce emissions from coal-fired plants
- Utility contracted



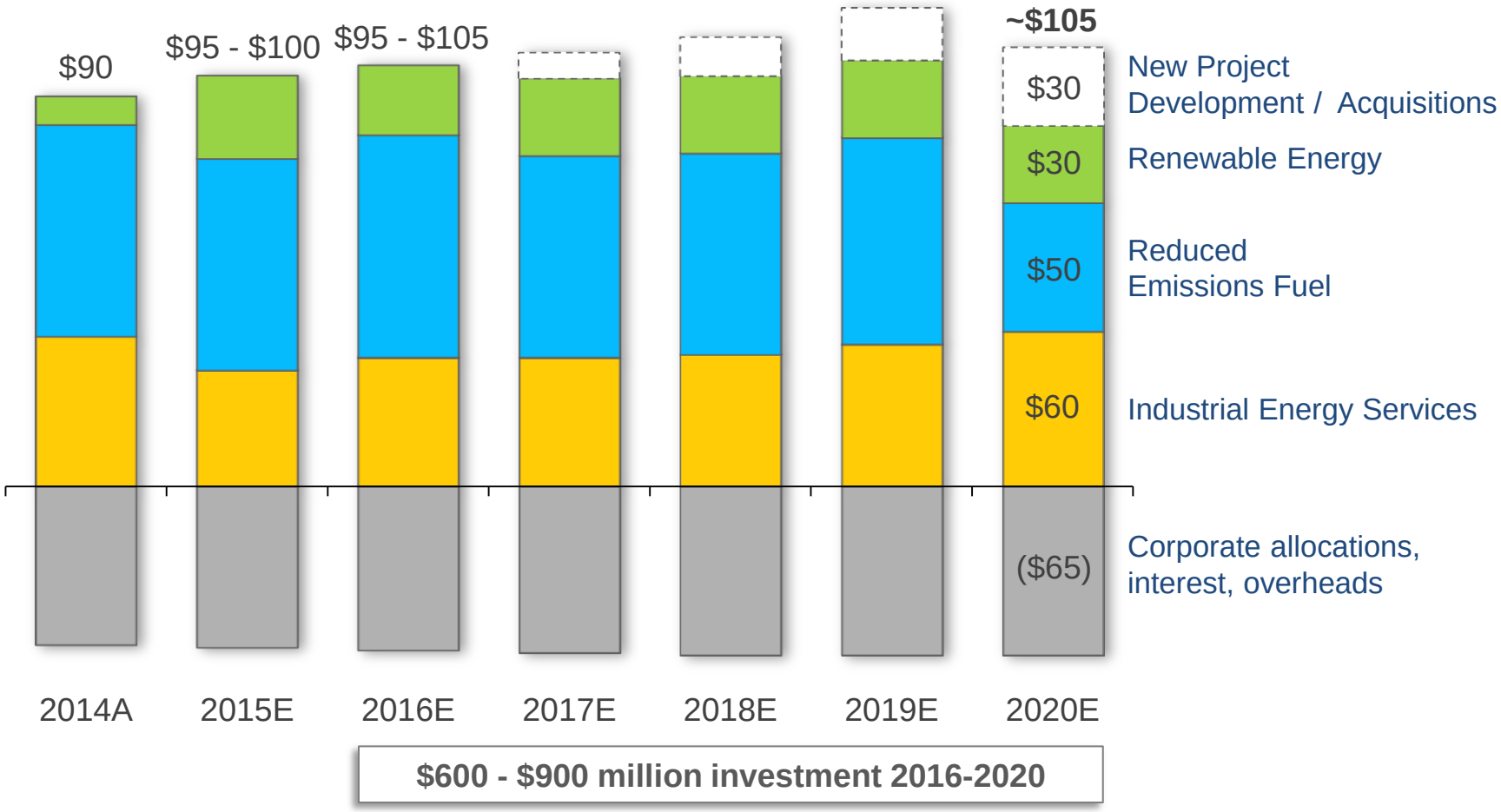
P&I serves its customers from 69 sites in 17 states



P&I's new project growth will offset reduced emissions fuel expirations in 2020

(millions)

Operating Earnings*

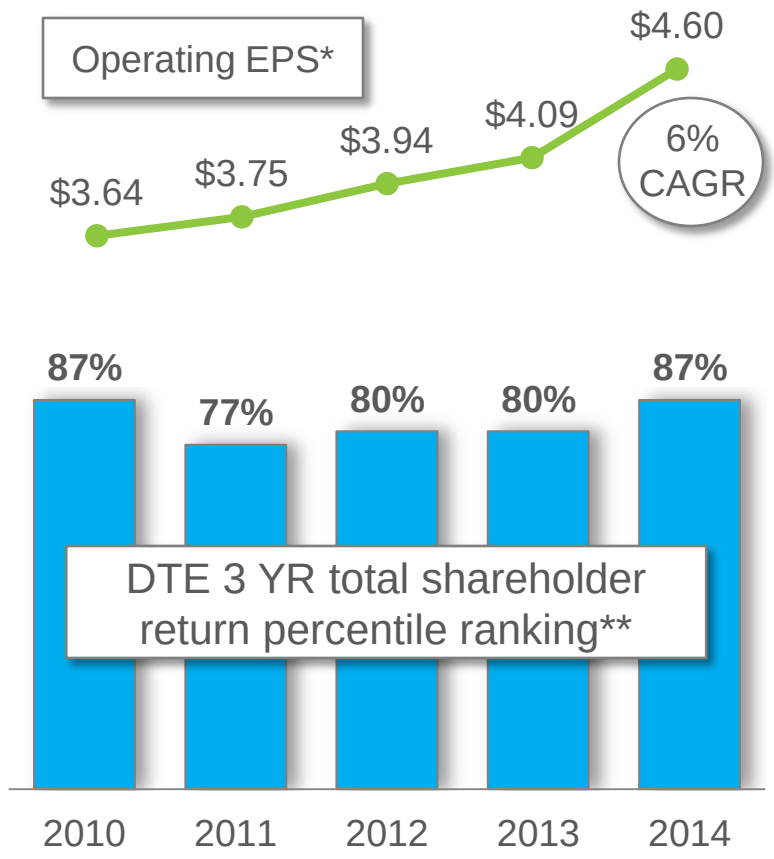


* Reconciliation to GAAP reported earnings included in the appendix

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We are confident our growth plan will deliver value to our shareholders

History of growth



Plan for success

2015 operating EPS Guidance midpoint

***$4.78** total DTE*

***$4.69** growth segments*

2016 operating EPS early outlook midpoint
$4.93

Providing 5% - 6% growth

***Significant** capital investment in the next 5 to 10 years...*

*...and **investment** need exceeds our plan*

* Reconciliation to GAAP reported earnings included in the appendix

** Compared to S&P 500 utilities. Source: Bloomberg

We increased our 2015 operating EPS* guidance and issued 2016 early outlook

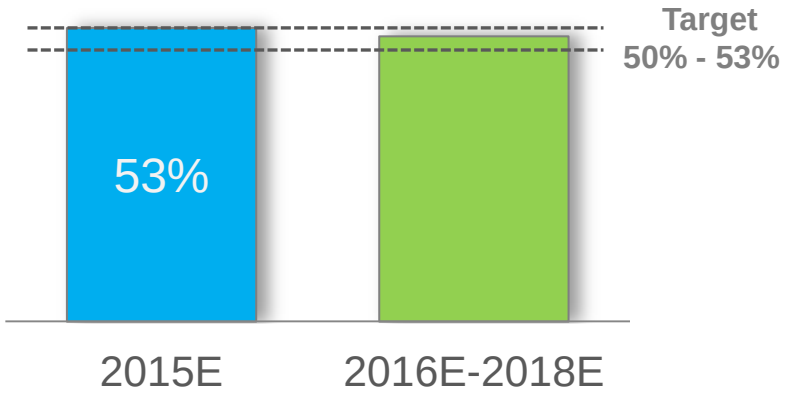
(millions, except EPS)	2015 Original Guidance	2015 Revised Guidance	2016 Early Outlook
DTE Electric	$554 - $570	$554 - $570	$588 - $604
DTE Gas	128 - 134	128 - 134	135 - 141
Gas Storage & Pipelines	80 - 88	95 - 100	102 - 110
Power & Industrial Projects	90 - 100	95 - 100	95 - 105
Corporate & Other	(50) - (46)	(50) - (46)	(50) - (46)
Growth segments**	**$802 - $846**	**$822 - $858**	**$870 - $914**
Growth segments operating EPS	**$4.48 - $4.72**	**$4.59 - $4.79**	**$4.80 - $5.05**
Energy Trading	$0	$10 - $20	$0
DTE Energy	**$802 - $846**	**$832 - $878**	**$870 - $914**
Operating EPS	**$4.48 - $4.72**	**$4.65 - $4.91**	**$4.80 - $5.05**
Avg. Shares Outstanding	179	179	181

* Reconciliation to GAAP reported earnings included in the appendix

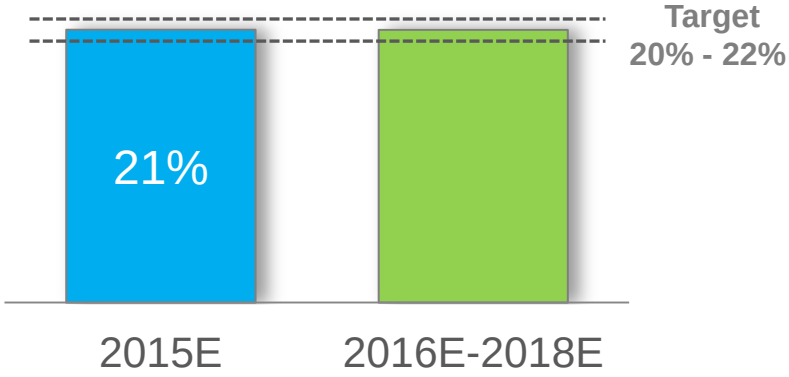
** Total DTE Energy excluding Energy Trading

A strong balance sheet remains a key priority and supports our growth

Leverage*



Funds from Operations** / Debt*



- Completed 2015 targeted equity issuances of $200 million
  - Targeting ~$800 million of equity issuances next 3 years
- Consistently achieve our cash targets and credit metrics
  - Minimizes equity issuances and improves credit profile
- Cash and credit metrics are key performance measures in our incentive plans

* Debt excludes securitization, a portion of DTE Gas' short-term debt, and considers 50% of the Junior Subordinated Notes as equity

** Funds from Operations (FFO) is calculated using operating earnings

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Summary

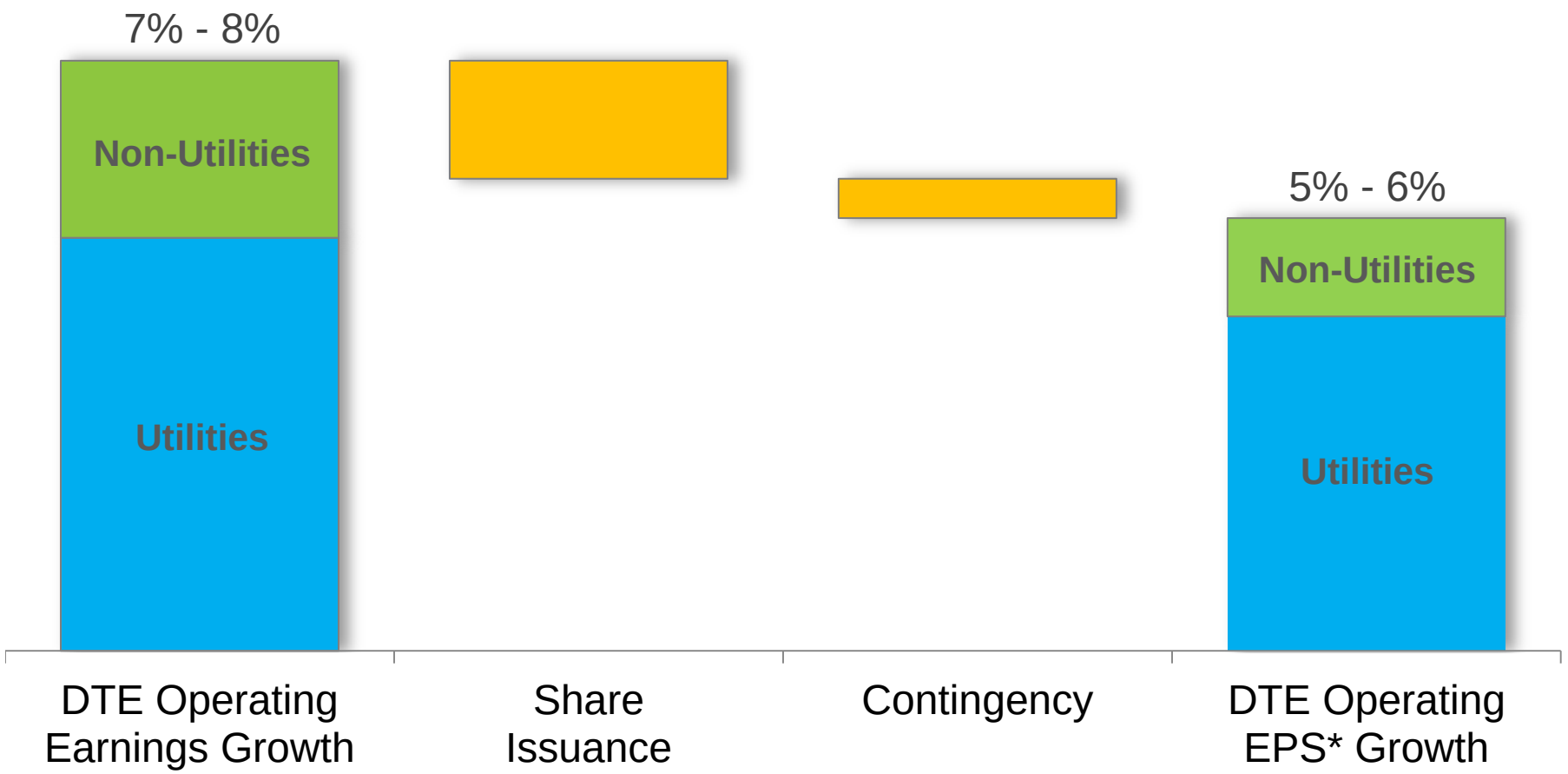
- We are confident in this year's performance as we increased our 2015 operating EPS* guidance midpoint to $4.69 for our growth segments and $4.78 for DTE Energy
- Our 2016 early outlook midpoint of $4.93 EPS* represents 7% growth from original 2015 guidance midpoint
- This year we increased our annual dividend 16 cents to $2.92 per share, a 5.8% increase
- Constructive outcomes expected in both Michigan's energy policy reform and DTE's regulatory filings
- Utility investments and strategic growth opportunities in our non-utility businesses expected to provide 5% - 6% annual EPS growth going forward

* Reconciliation to GAAP reported earnings included in the appendix


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www.dteenergy.com/investors
(313) 235-8030
DTE Energy®

Appendix

Strong growth opportunities coupled with contingency planning gives us confidence in our ability to deliver 5% to 6% operating EPS growth going forward



* Reconciliation to GAAP reported earnings included in the appendix

2015 Cash Flow and Capital Expenditures Guidance

(billions)

Cash Flow Summary

	2014 Actual	2015 Guidance
Cash From Operations*	$1.8	$1.7
Capital Spending	(2.1)	(2.6)
Free Cash Flow	**($0.3)**	**($0.9)**
Asset Sales & Other	-	0.1
Dividends	(0.5)	(0.5)
Net Cash	**($0.8)**	**($1.3)**
Debt Financing:		
Issuances	$2.0	$1.6
Redemptions	(1.2)	(0.3)
Change in Debt	**$0.8**	**$1.3**

Capital Expenditures Summary

	2014 Actual	2015 Guidance
DTE Electric		
Operational	$1,187	$1,270
Environmental	169	100
Renewable Energy / New Generation	205	450
	$1,561	$1,820
DTE Gas		
Operational	$143	$200
Main renewal / Meter Move-out / Pipeline Integrity	81	80
	$224	$280
Non-Utility	$309	$400 - $500
Total	**$2,094**	**$2,500 - $2,600**

* Includes ~$0.2 billion of equity issued for employee benefit programs in 2015 considered non-cash

The Michigan Public Service Commission (MPSC) is the state regulator for electric and gas utilities

- The MPSC establishes fair and reasonable rates and administers fair terms and conditions of service for Michigan's utility customers
- The MPSC is composed of three members appointed by the Governor with the advice and consent of the Senate
- Commissioners are appointed to serve staggered six-year terms
- One commissioner is designated as chairman by the Governor



John Quackenbush
Chairman
Appointed: 9/15/11
Term Ends: 7/2/17



Sally Talberg
Commissioner
Appointed: 7/3/13
Term Ends: 7/2/19



Norm Saari
Commissioner
Appointed: 8/2/15
Term Ends: 7/2/21

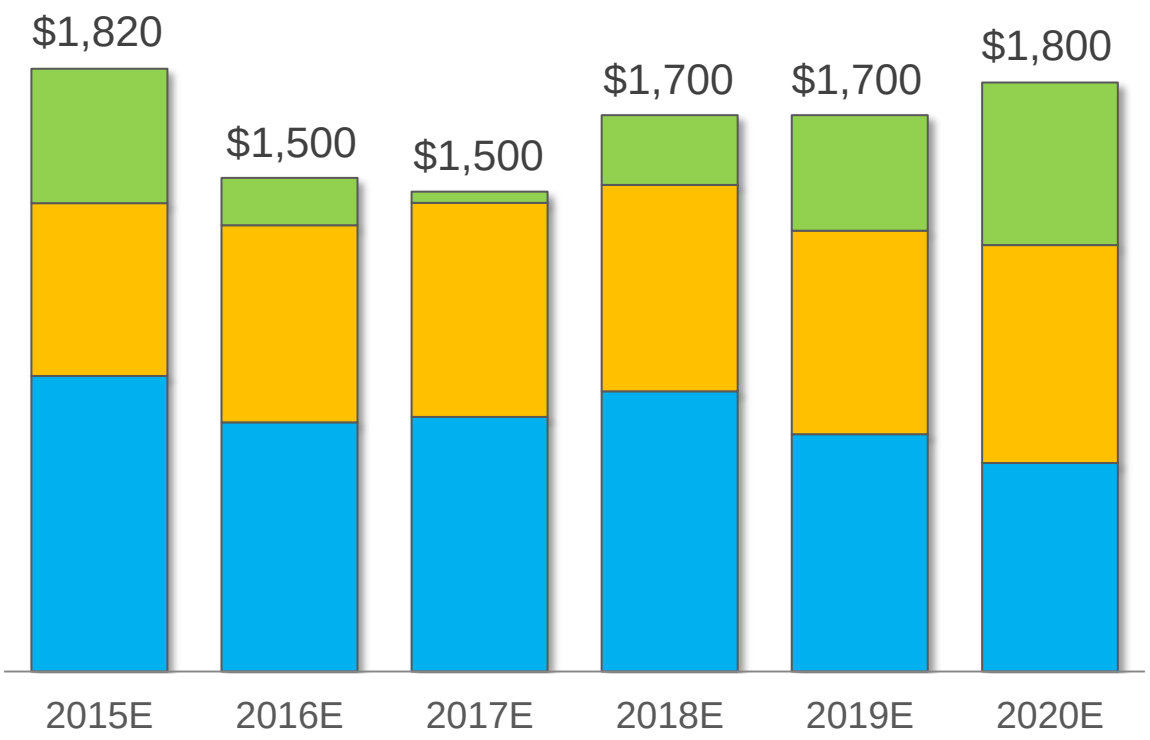
Source: State of Michigan website - www.michigan.gov/

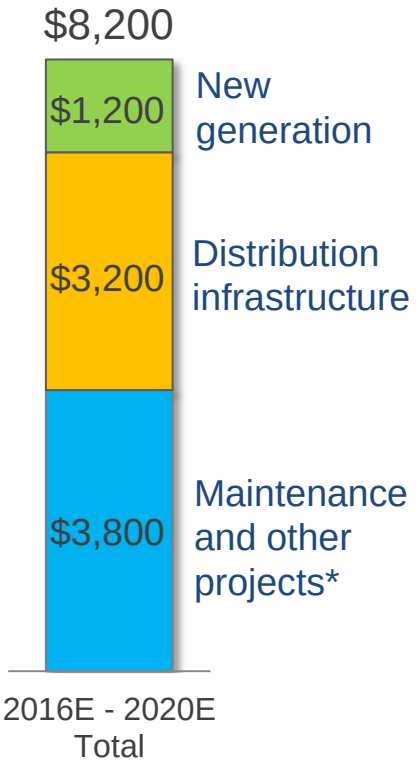
DTE regulatory filing timeline

DTE Electric		DTE Gas
• Filed cost of service rates and general rate case	2014	• Filed expanded Infrastructure Recovery Mechanism (IRM)
• Business cost of service rates implemented 3Q • Self implement general rates 3Q • Final rate order 4Q	2015	• IRM review and ruling 4Q
• Expect rate case filing 1H	2016	• Begin expanded IRM 1Q • Expect rate case filing 1H

DTE Electric plans $8.2 billion of investments over the next 5 years

(millions)





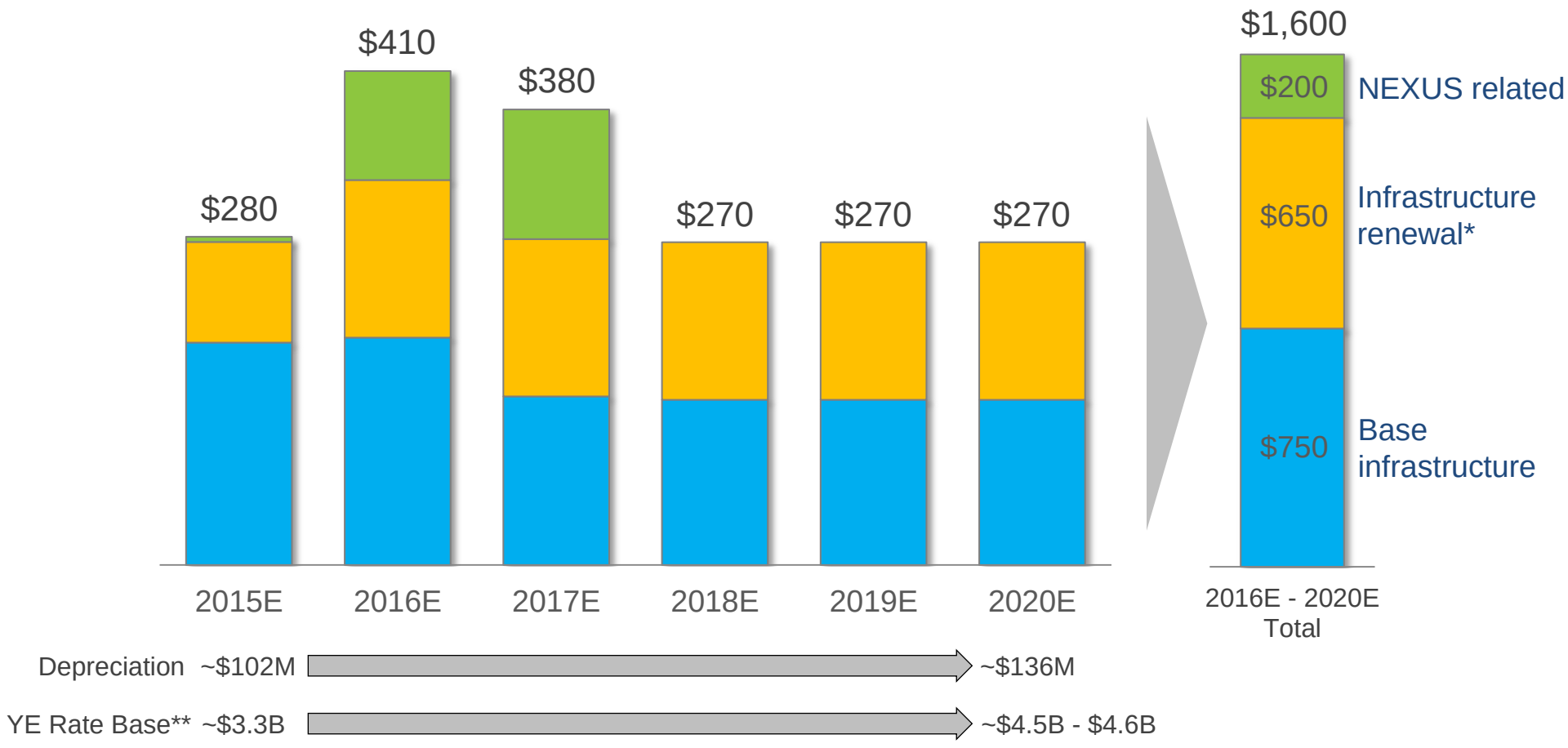
Depreciation	~$663M	~$888M
YE Rate Base**	~$14.5B	~$19.4B

* Includes power reliability, existing generation maintenance, AMI, Ludington expansion and other investments

** Includes working capital

DTE Gas plans $1.6 billion of investments over the next 5 years

(millions)



* Includes main renewal, meter move-out and pipeline integrity

** Includes working capital

2009 – 2014 Full Year
Reconciliation of 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.

	2009	2010	2011	2012	2013	2014	2009	2010	2011	2012	2013	2014
DTE Energy Report Earnings	**$ 532**	**$ 630**	**$ 711**	**$ 610**	**$ 661**	**$ 905**	**$3.24**	**$3.74**	**$4.18**	**$3.55**	**$3.76**	**$5.10**
DTE Electric												
Chrysler bad debt	4	-	-	-	-	-	0.02	-	-	-	-	-
Settlement with Detroit Thermal	-	(3)	-	-	-	-	-	(0.02)	-	-	-	-
Fermi 1 asset retirement obligation	-	-	9	-	-	-	-	-	0.05	-	-	-
DTE Gas												
Performance excellence process	-	(20)	-	-	-	-	-	(0.12)	-	-	-	-
Gas Storage & Pipelines	-	-	-	-	-	-	-	-	-	-	-	-
Power & Industrial Projects												
Chrysler bad debt	1	-	-	-	-	-	0.01	-	-	-	-	-
General Motors bad debt	3	-	-	-	-	-	0.02	-	-	-	-	-
Coke oven gas settlement	-	-	-	7	-	-	-	-	-	0.04	-	-
Chicago Fuels terminal sale	-	-	-	2	-	-	-	-	-	0.01	-	-
Pet coke mill impairment	-	-	-	1	-	-	-	-	-	0.01	-	-
Asset impairment	-	-	-	-	4	-	-	-	-	-	0.02	-
Energy Trading												
Certain mark-to-market transactions	-	-	-	-	55	(102)	-	-	-	-	0.31	(0.57)
Corporate & Other												
Antrim hedge	3	-	-	-	-	-	0.01	-	-	-	-	-
Michigan corporate income tax adj.	-	-	(87)	-	-	-	-	-	(0.50)	-	-	-
Investment impairment	-	-	-	-	-	5	-	-	-	-	-	0.03
NY state tax law change	-	-	-	-	-	8	-	-	-	-	-	0.04
Unconventional Gas												
Discontinued operations	6	8	3	56	-	-	0.03	0.04	0.02	0.33	-	-
DTE Energy Operating Earnings	**$ 549**	**$ 615**	**$ 636**	**$ 676**	**$ 720**	**$ 816**	**$3.33**	**$3.64**	**$3.75**	**$3.94**	**$4.09**	**$4.60**

Reconciliation of Other 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.

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. These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.

For comparative purposes, 2009 through 2012 operating earnings exclude the Unconventional Gas Production segment that was classified as a discontinued operation on 12/31/2012.