



DTE Energy®

Business Update

November 14-15, 2016



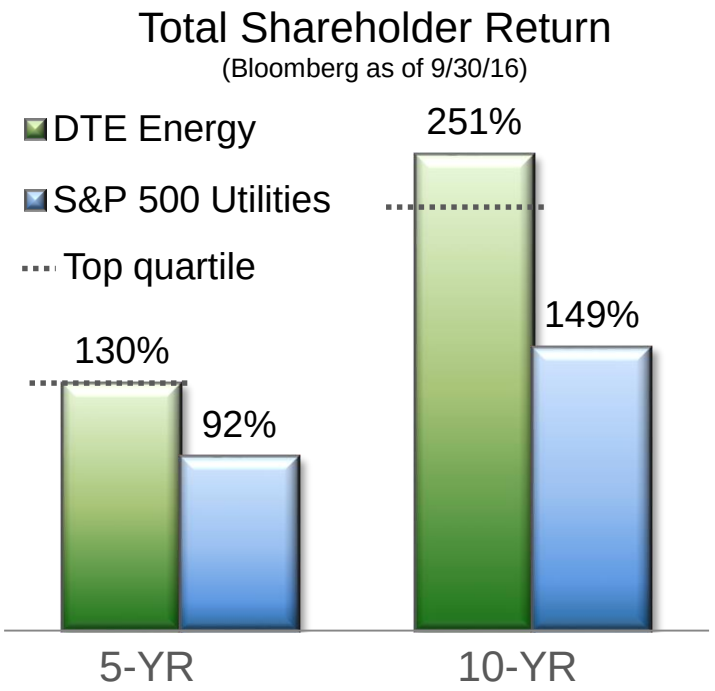



Safe Harbor Statement

Many factors 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 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; changes in the cost and availability of coal and other raw materials, purchased power, and natural gas; 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 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; 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 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 2015 Form 10-K and 2016 Forms 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

We will continue to deliver long-term value to shareholders and an enhanced customer experience

- ✓ Sharpening long-term investment approach to increase customer satisfaction and shareholder value
- ✓ Increasing operating EPS* growth rate to 5% - 7% from 5% - 6%
- ✓ Providing 2017 early outlook; 6.5% increase from 2016 original guidance
- ✓ Targeting dividend growth rate of ~7% over next 3 years
- ✓ Announcing 7.1% dividend increase in January 2017; annualized dividend per share of $3.30



* Reconciliation to GAAP reported earnings included in the appendix

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

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

75%-80% Utility

Growth driven by infrastructure investments aimed at improving customer reliability



DTE Electric

- *Electric generation and distribution*
- *2.2 million customers*
- *Fully regulated*



DTE Gas

- *Natural gas transmission, storage and distribution*
- *1.2 million customers*
- *Fully regulated*

20%-25% Non-Utility

Growth driven by strategic opportunities



Gas Storage & Pipelines

- *Transport and store natural gas*
- *5 pipelines, 91 Bcf of storage*



Power & Industrial Projects

- *Own and operate energy related assets*
- *66 sites, 17 states*

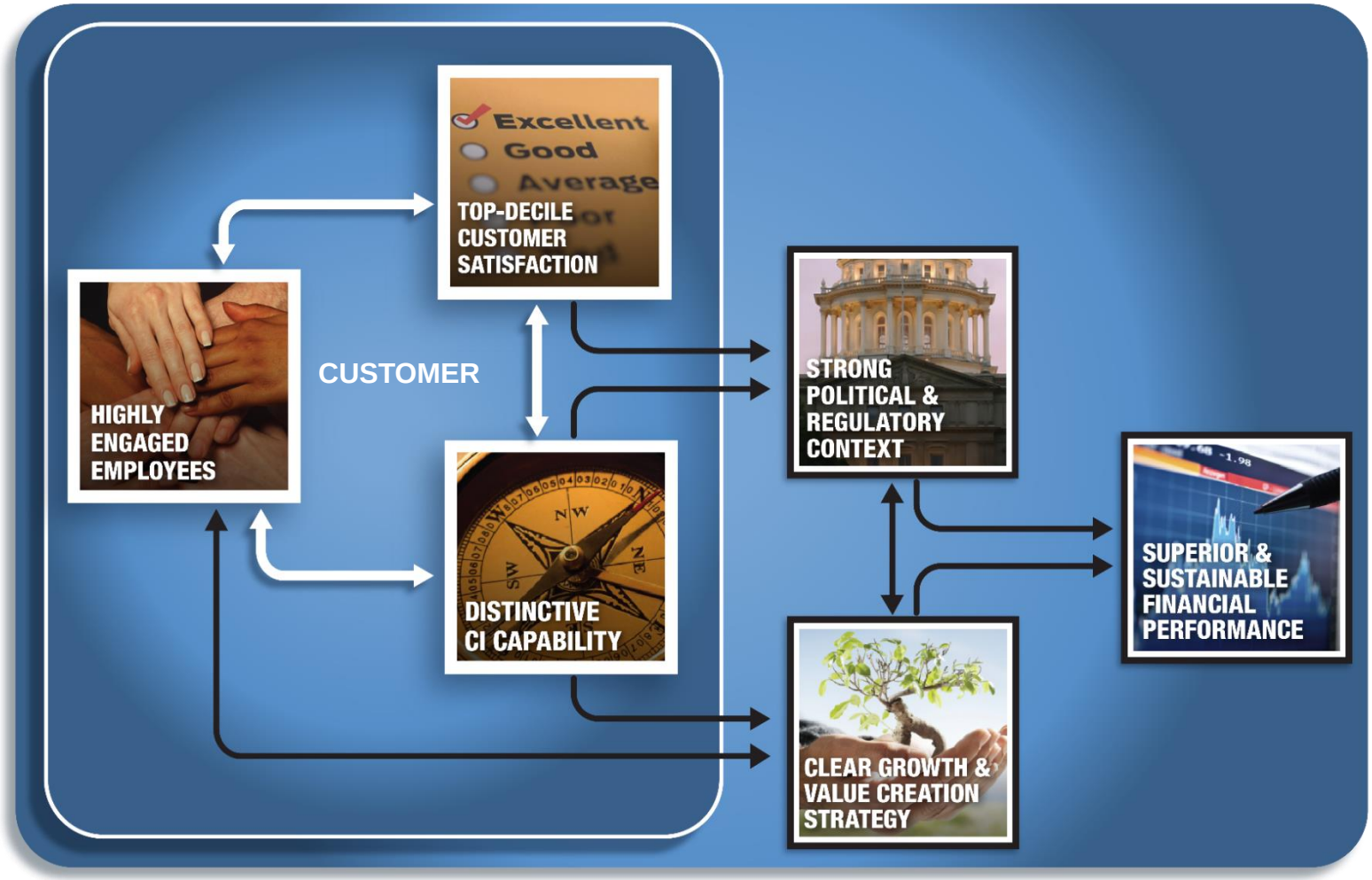


Energy Trading

- *Active physical and financial gas and power marketing company*

Success is tied to our aspiration and continued focus on our system of priorities

To be the best-operated energy company in North America and a force for growth and prosperity in the communities where we live and serve



Highly engaged and safe workforce is necessary to achieve our aspiration





Winner of 4 consecutive
Gallup Great Workplace Awards
(2012, 2013, 2014, 2015)

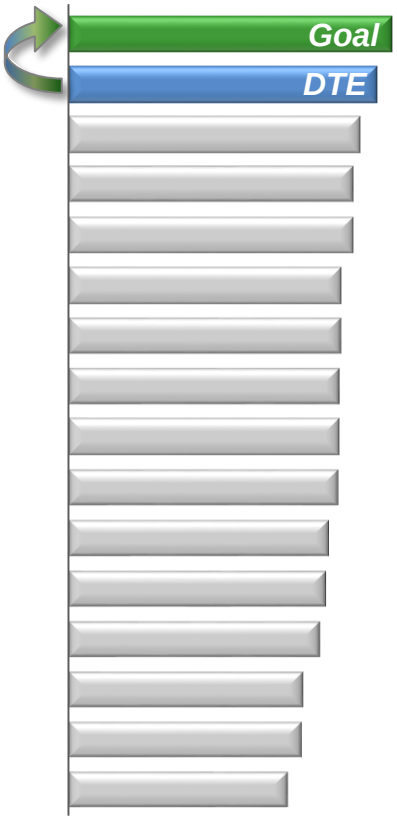


American Gas Association's
Safety Achievement Award
(lowest OSHA recordable rate among AGA members)

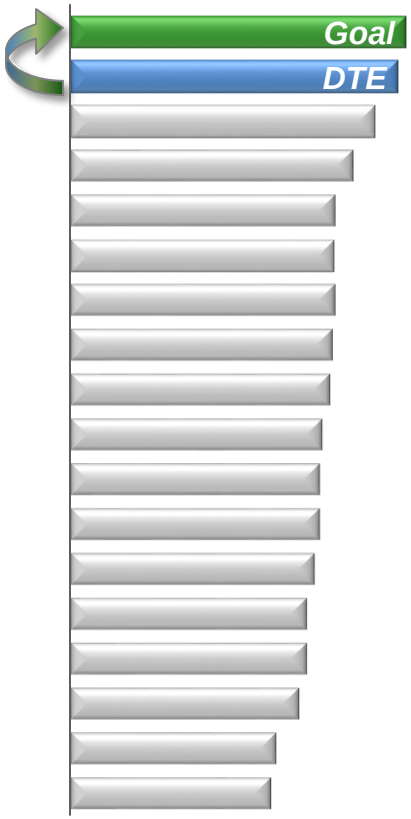
Employee safety year-to-date
performance best in company's history
(and close to best in industry)

DTE continues to move toward best in class in customer satisfaction

Residential Electric Utility



Residential Gas Utility



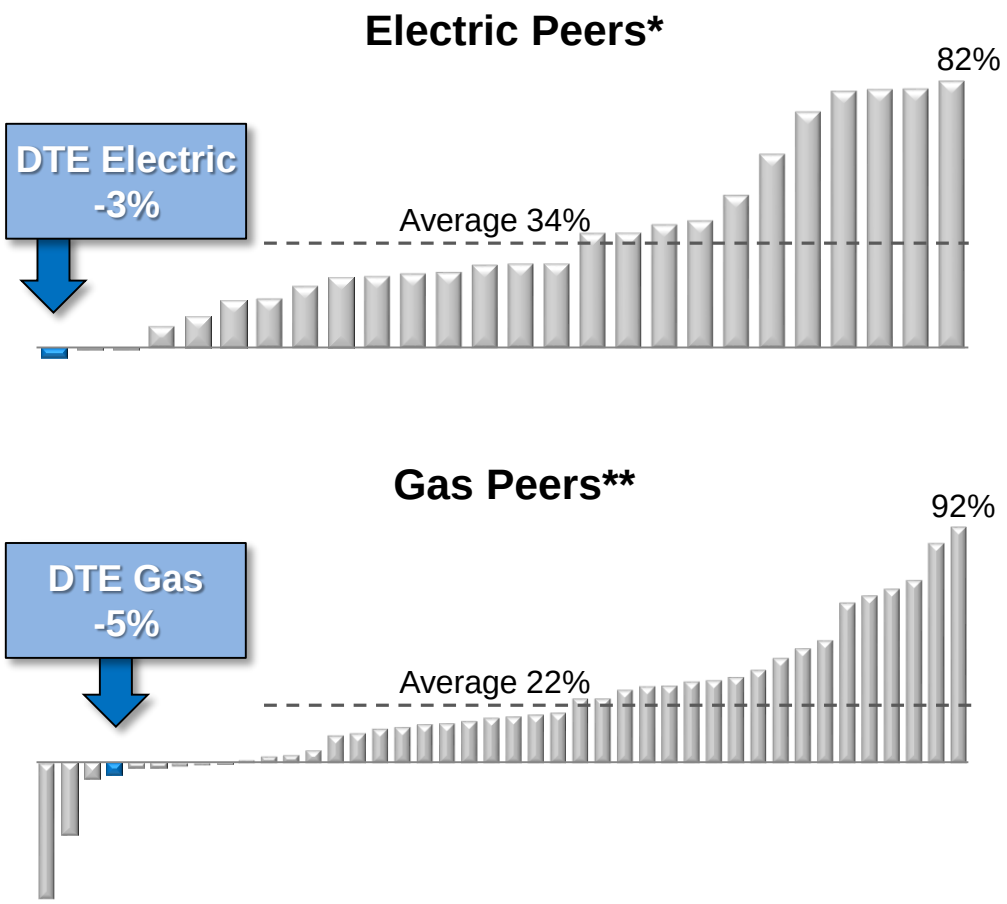
Areas of Focus

- ✓ Improving power reliability
- ✓ Enhancing customer channels
- ✓ Assisting low-income customers



Continuous improvement has enabled us to be an industry leader in cost management

2008 to 2015 Change in O&M Costs



Daily focus on problem solving

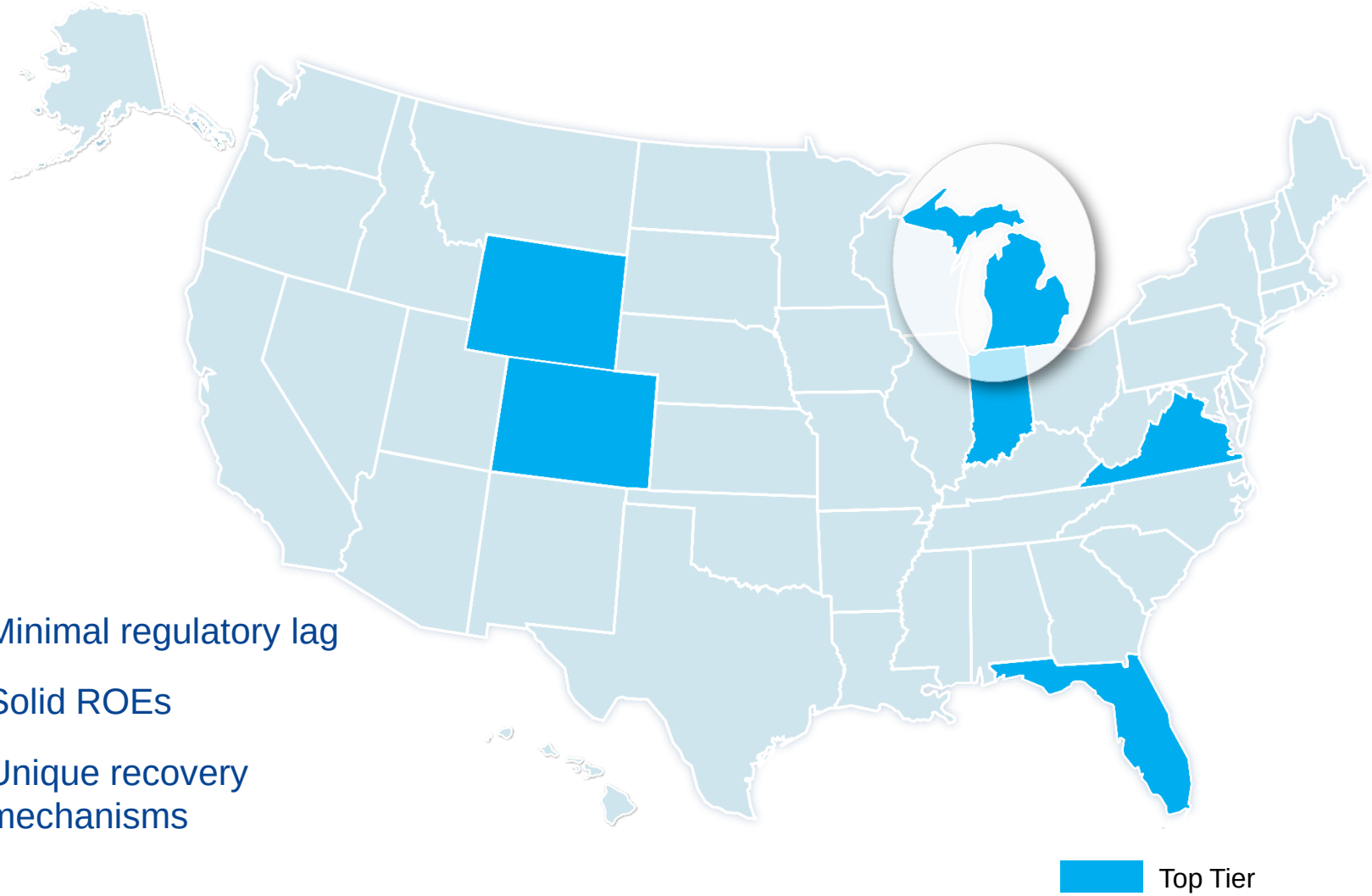
- ✓ Metrics drive progress
- ✓ Scorecards monitor success



* 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 greater than 300,000 customers; excluding production expense

Michigan's regulatory environment is one of the best in the country



- ✓ Minimal regulatory lag
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms

Source: Barclays, March 2016

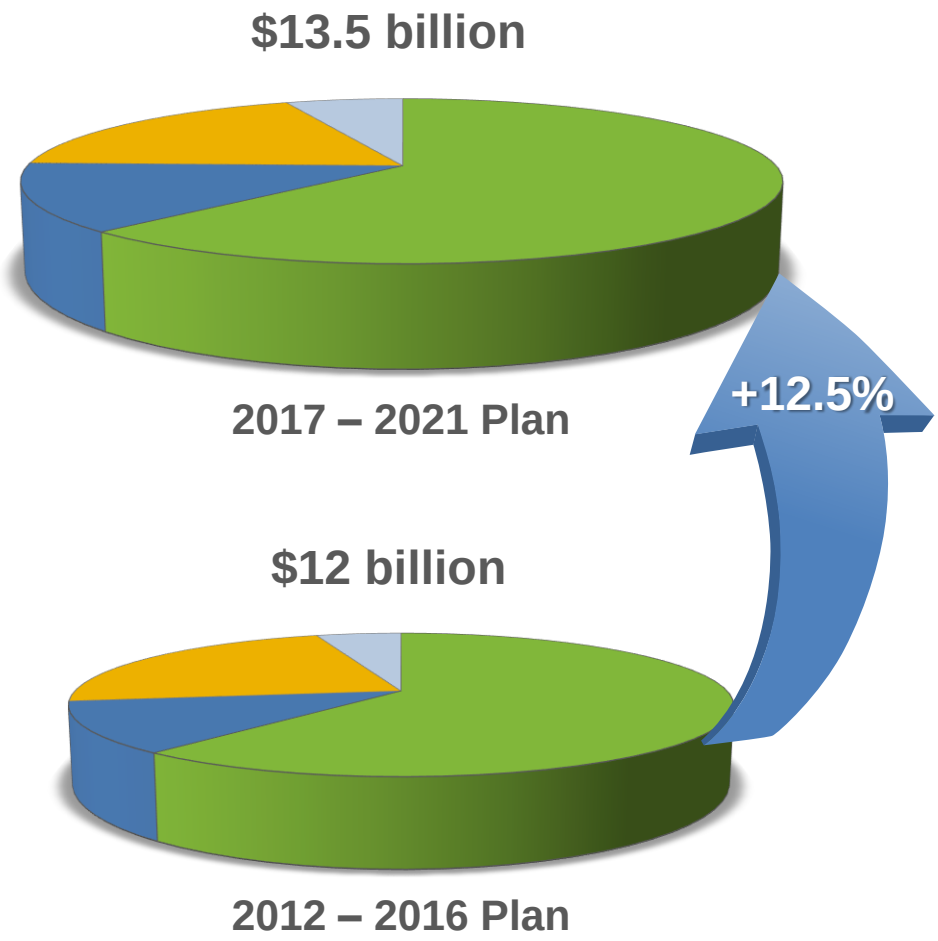
- Overview
- **Long-Term Growth Update**
- Summary

With significant investment ahead, DTE will define customer, operational and productivity goals to guide the long-term transformation of our business

- ✓ Design detailed roadmap for the transformation of our business that ties near-term work to long-term success providing 30% - 40% cost reductions over the next decade
  - Apply continuous improvement
  - Use innovative technology to fundamentally improve customer experiences and achieve productivity gains
- ✓ Make infrastructure investments in new generation and reliability while maintaining customer affordability



Growth through 2021 fueled by investment in utility infrastructure and generation along with midstream opportunities

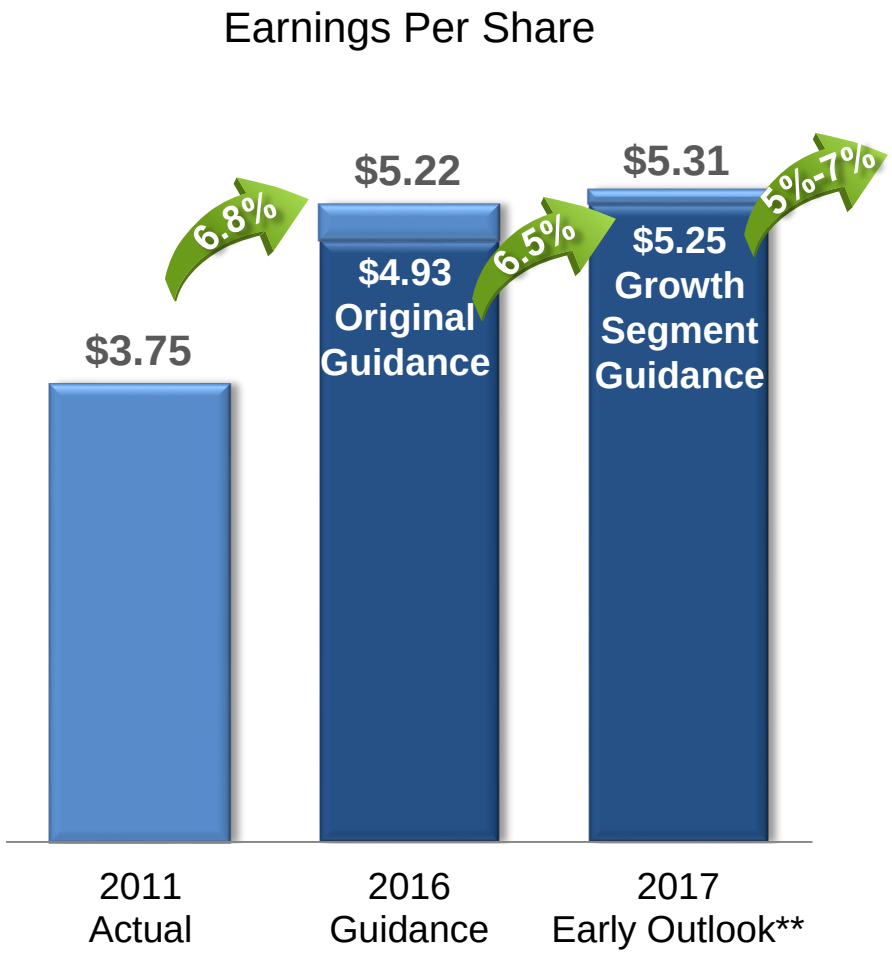


2017 – 2021 Capital Plan

- Electric..... $8.4 billion
  Distribution infrastructure, maintenance, new generation
- Gas ..... $1.8 billion
  Base investments, infrastructure renewal, NEXUS related
- GSP ..... $2.2 to $2.8 billion
  Expansions, NEXUS
- P&I .....$0.6 to $1.0 billion
  Cogeneration, on-site energy

Increasing operating EPS* growth target to 5% - 7% from 5% - 6%

(dollars per share)



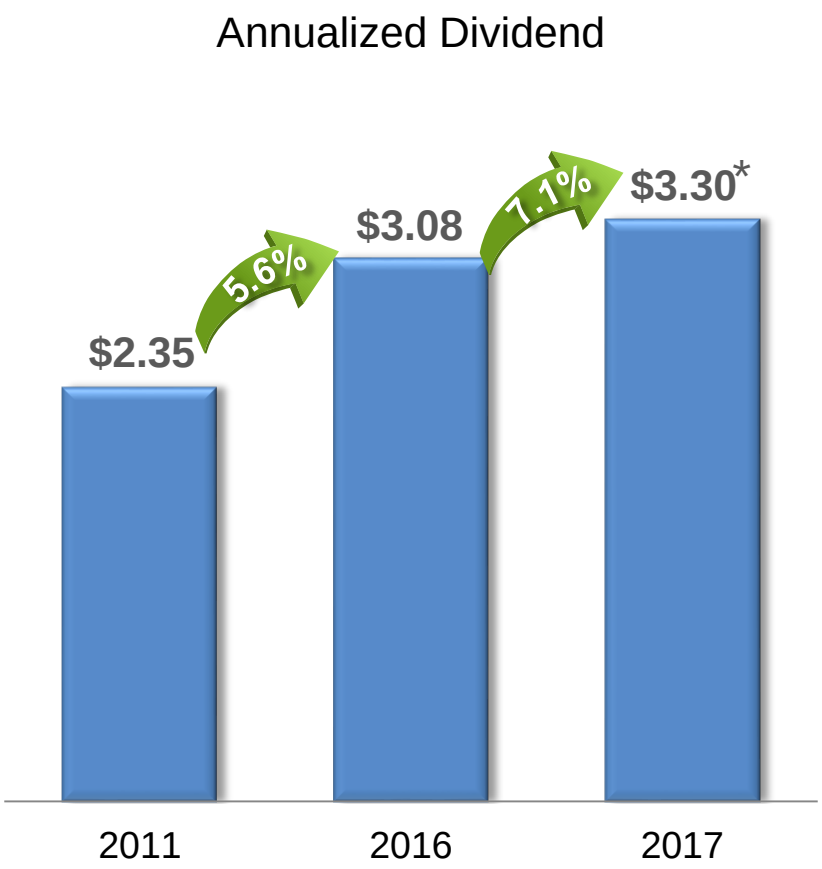
- ✓ Operating EPS growth rate of 6.8% from 2011 - 2016
- ✓ Growth of 6.5% from 2016 original guidance to 2017 early outlook
- ✓ Increasing growth segment operating EPS target to 5% - 7%
- ✓ Growth enabled through:
  - No equity issuances until late 2019
  - Optimizing midstream growth platforms
  - Continuing utility investment to enhance customer satisfaction

* Reconciliation to GAAP reported earnings included in the appendix

** Growth segments midpoint (excludes Energy Trading)

Increasing annualized dividend in 2017 by 7.1%

(dollars per share)



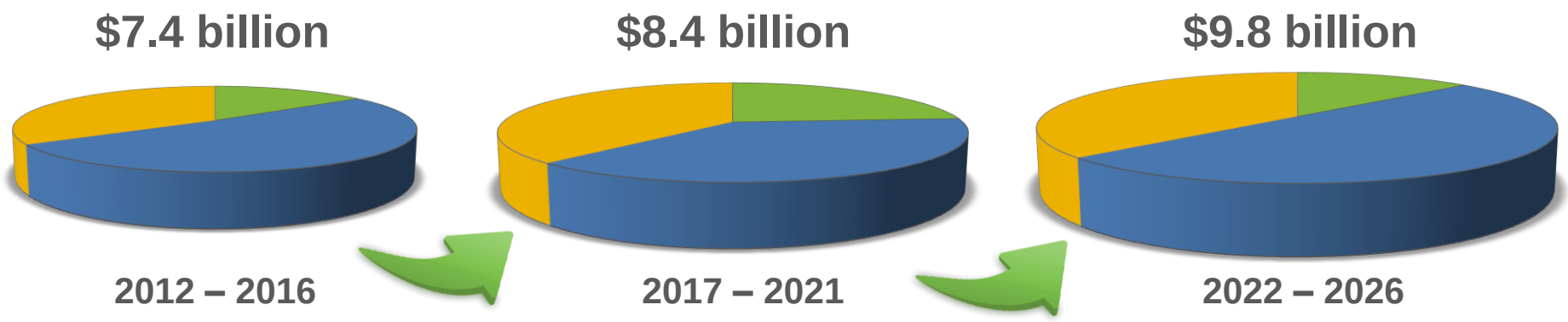
- ✓ 5-year dividend growth rate of 5.6% from 2011 - 2016
- ✓ Increasing dividend 7.1% for 2017
- ✓ Targeting annual dividend increases of ~7% in 2018 and 2019
  - Phase-in payout ratio to be in-line with peer average
- ✓ More than 100 years of continuous dividend payments

* Effective January 2017


DTE Energy®
DTE Electric

Generation and distribution infrastructure replacement will improve service to customers over the next 10 years

DTE Electric Investment



- New generation
  - Retire 60% of coal fleet; replacing with clean energy
- Distribution infrastructure
  - Move electric reliability to 1st quartile
- Maintenance and other projects
  - Productivity and efficiency improvements to reduce costs



Gas generation and renewables will replace coal fired generation

Retirements*

2017 - 2023

River Rouge



St. Clair



Trenton



~2,100 MW

2024 - 2030

Belle River



~1,000 MW

Additions*

2017 - 2023



Wind / Solar



New gas plant

2024 - 2030



Wind / Solar



New gas plant

~2,500 – 3,500 MW

* Timing and mix is subject to change

Distribution reliability investments focus on increasing customer satisfaction and driving efficiencies

Tree Trimming



Enhanced program has resulted in a 70% reliability improvement on trimmed circuits

Infrastructure Resilience



Upgraded nearly 20% of circuits since 2013; impact 33% of circuits by the end of 2020, improving reliability on impacted circuits by up to 70%

Infrastructure Redesign



Major investments planned at 20-25 substations by 2021 to address load growth and aging infrastructure

Technology Enhancements

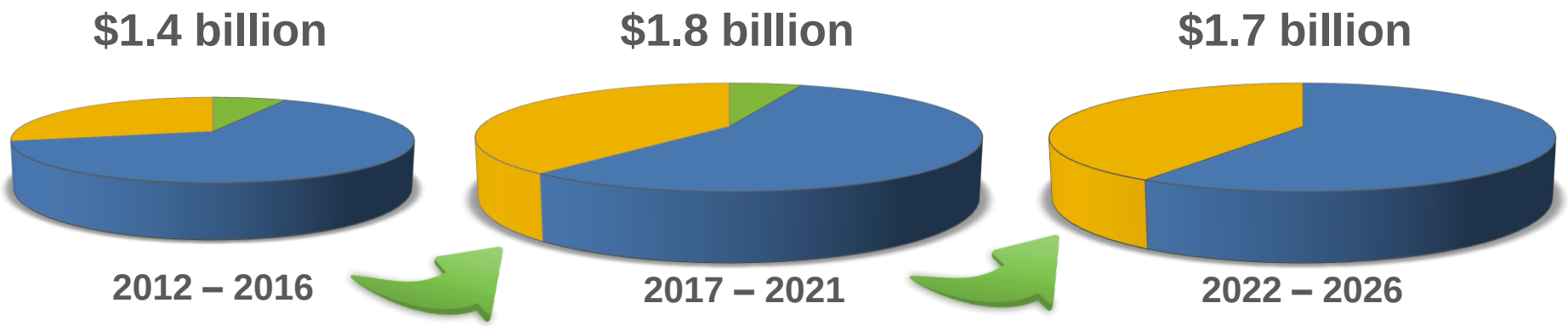


Remote monitoring capability more than doubled from 2015 to 2016 with 100% capability planned by 2019


DTE Energy®
DTE Gas

Infrastructure renewal and replacement will improve service to customers over the next 10 years

DTE Gas Investment



- Base infrastructure
  - Transmission, compression, distribution, storage
- Infrastructure renewal
  - Strengthen gas infrastructure by reducing planned main replacement cycle by half
- NEXUS related compression



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

Main Replacement



Systematically replaces poor performing unprotected main - minimizing leaks and improving customer satisfaction

Pipeline Integrity



Strengthens the system - decreasing the potential for system failures

Meter Move Out

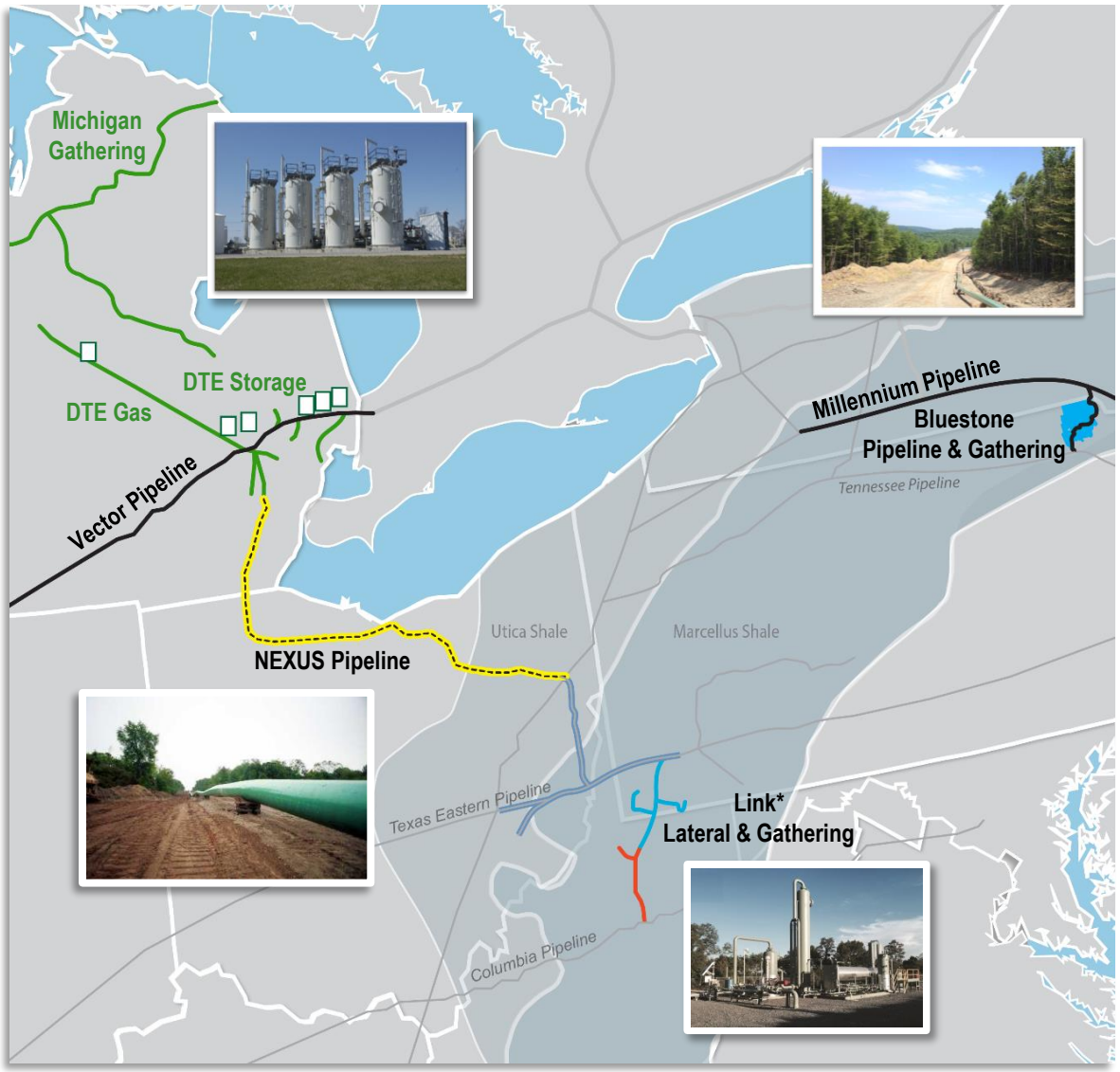


Drives productivity - reducing manual meter reading costs



Gas Storage & Pipelines (GSP)

GSP has an asset portfolio with multiple growth platforms



Growth Platforms

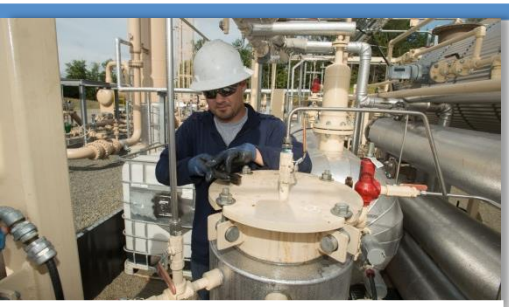
- ✓ Purposefully located in the best geology in North America
  - Bluestone Pipeline & Gathering
  - Millennium Pipeline
  - NEXUS Pipeline
  - Link* Lateral & Gathering

Michigan Assets

- ✓ Strategically located between Chicago and Dawn trading hubs
  - Vector Pipeline
  - Storage
  - Gathering

* Includes Appalachia Gathering System (AGS) and Stonewall Gas Gathering (SGG)

Pipeline and gathering platforms provide unique opportunities and synergies for long-term growth









Bluestone Pipeline & Gathering

- 0.1 Bcf/d expansion 4Q16
- Well positioned for future expansions
- Bi-directional capabilities serving pipeline constrained Northeast markets

Millennium Pipeline

- 0.1 Bcf/d lateral expansion 2Q17; 0.2 Bcf/d expansion 2H18
- Well positioned for future expansions
- Serves pipeline constrained Northeast markets

NEXUS

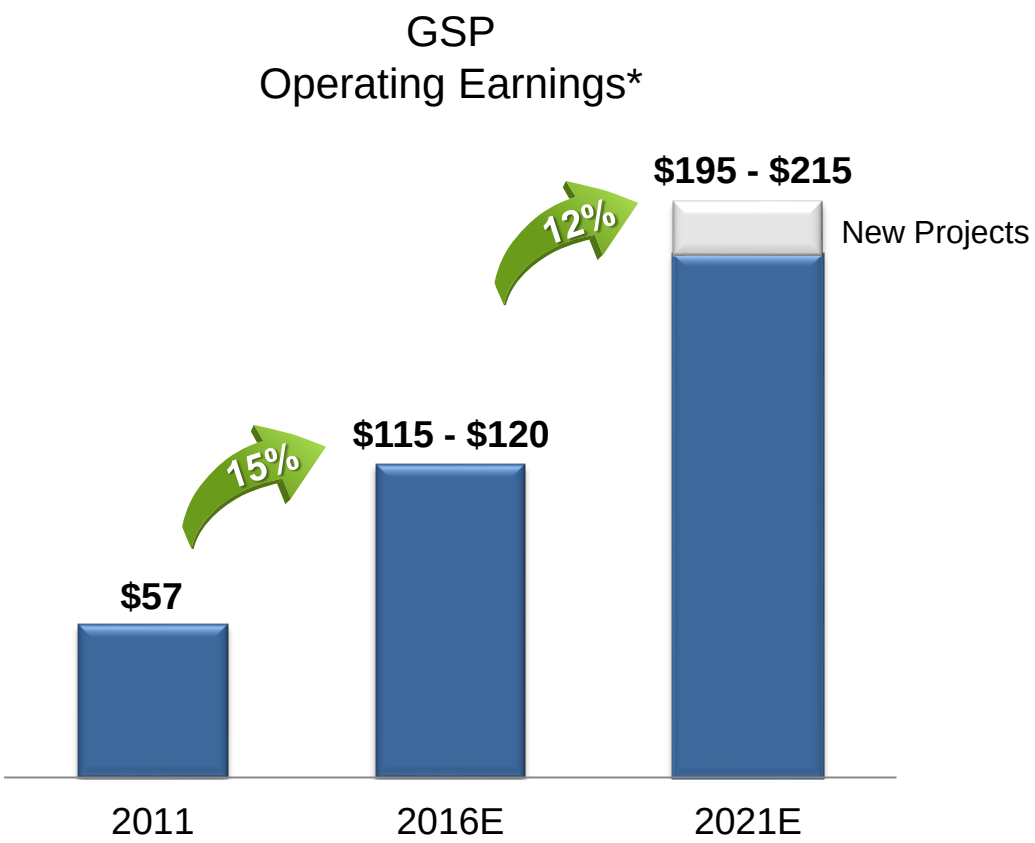
- Serves growing demand in the Midwest and Canadian markets
- Late stages of planning for spring construction
- Ohio interconnect agreements provide 1.75 Bcf/d of market access
- Mainline expandable up to 2.0 Bcf/d

Link Lateral & Gathering

- Acquisition of AGS and SGG completed in October 2016
- Strong tie to existing markets; new market access to Gulf and Mid-Atlantic / LNG exports
- Expansion potential over 1.0 Bcf/d

GSP has a solid track record for earnings results and expects to continue this success

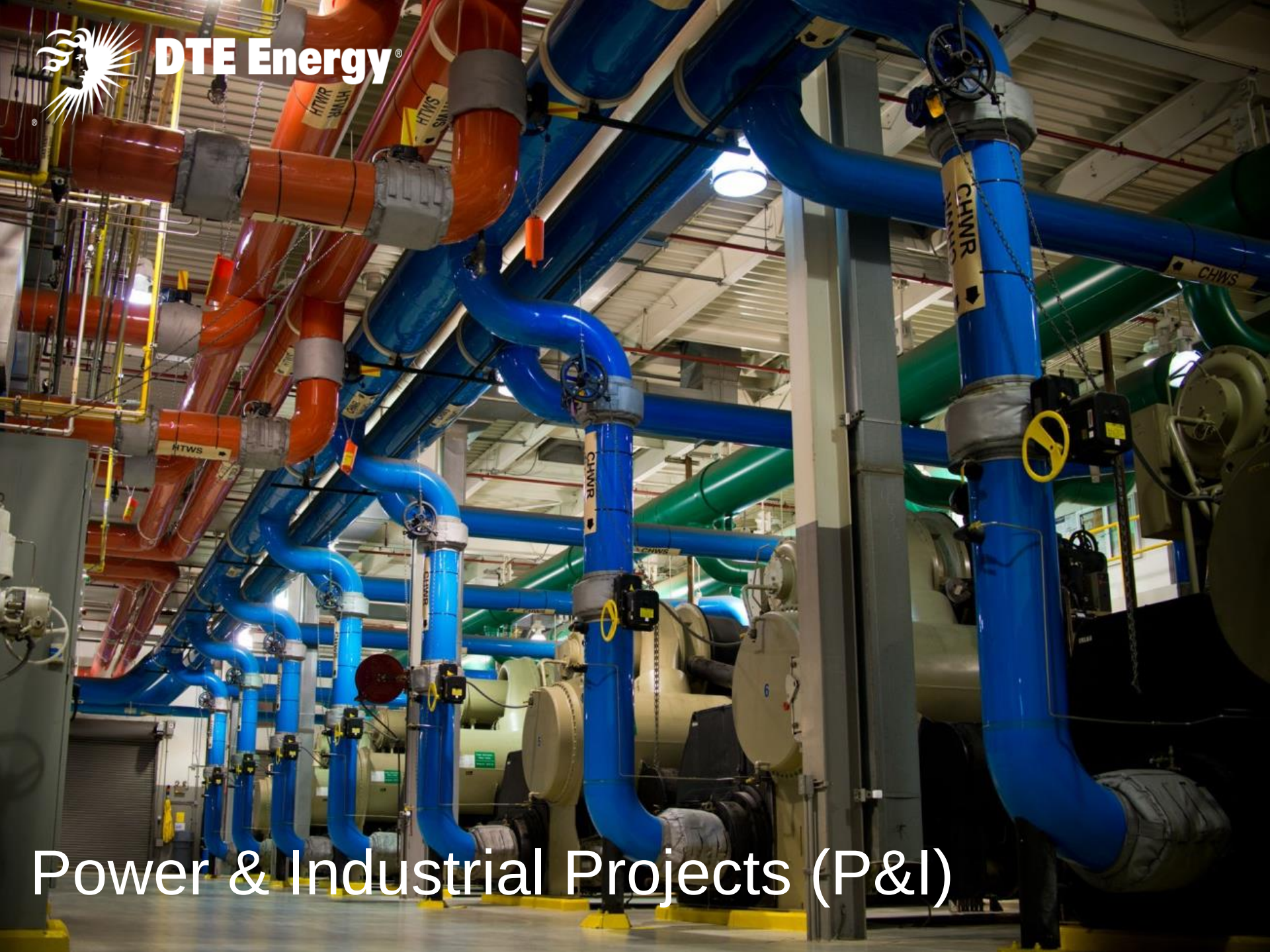
(millions)



Capital investment 2017-2021: $2.2 - $2.8 billion

- ✓ Pipeline and gathering platforms strategically situated to take advantage of best geology in North America
- ✓ Assets will form the base for solid growth

* Reconciliation to GAAP reported earnings included in the appendix



Power & Industrial Projects (P&I)

P&I operates three distinct business lines across the United States

Industrial Energy Services



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

Typical contract
5-20 years

Contract duration
~6 years

Renewable Energy



- Wood-fired power plants
- Convert landfill gas to energy

Typical contract
10-25 years

Contract duration
~15 years

Reduced Emissions Fuel (REF)



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

Contract duration
~5 years

Focus on strategic opportunities in utility-like projects and asset acquisitions for future growth

Utility-Like Projects



Asset Acquisition

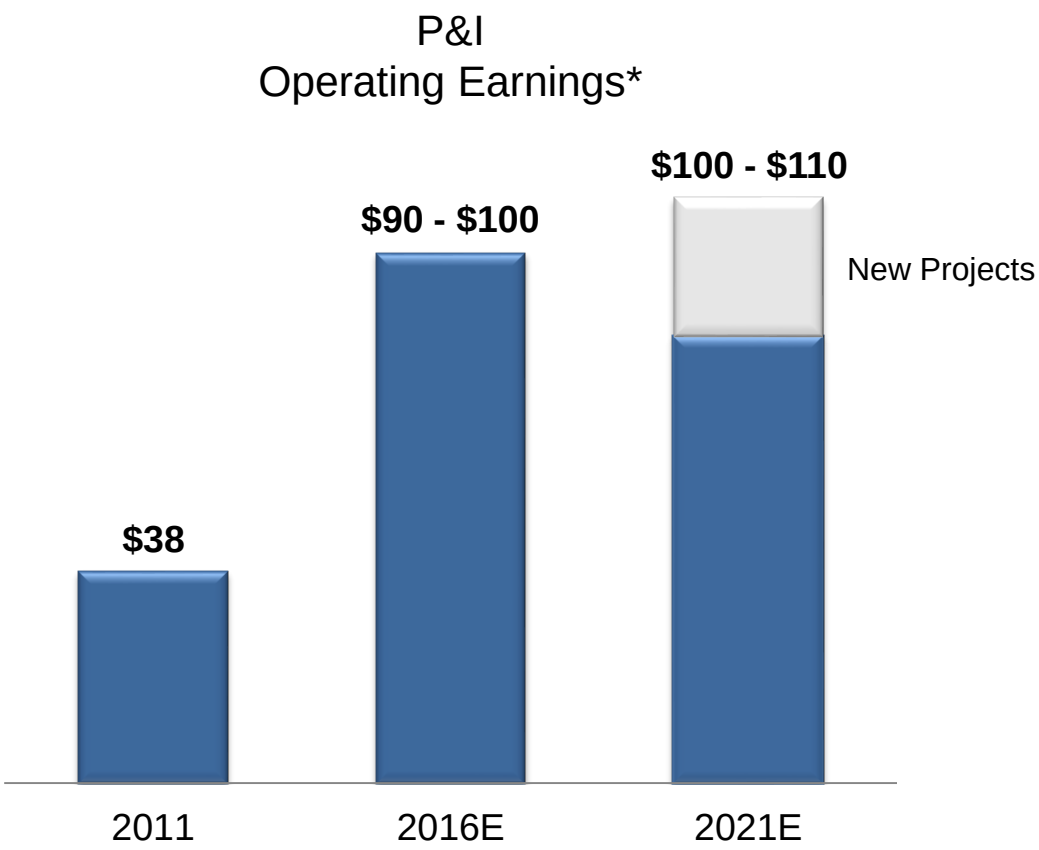


Distinct capabilities

- ✓ Experience with large industrial and commercial customers
- ✓ History of executing utility-like long-term contracts
- ✓ Expertise in operations and project management
- ✓ Proficiency in providing full suite of utility services

P&I's new project growth will offset expiration of reduced emissions fuel earnings

(millions)



Capital investment 2017-2021: $0.6 - $1.0 billion

Replace short-term REF earnings with long-term contracted value

- ✓ Development of cogeneration and utility-like services
- ✓ Asset acquisition

* Reconciliation to GAAP reported earnings included in the appendix

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

Summary

- Value driven utility investments provide an excellent customer experience while ensuring affordable rates
- Constructive regulatory environment and continued cost savings enable utilities to earn authorized returns
- Strategic and transparent growth opportunities in non-utility businesses offer diversity in earnings and geography

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= Strong EPS and dividend growth that deliver premium total shareholder returns

Appendix

2017 early outlook has a midpoint of $5.25 per share; growth from original 2016 guidance midpoint is consistent with 5% - 7% target

(millions, except EPS*)

	2016 Original Guidance	2016 Current Guidance	2017 Early Outlook
DTE Electric	$584 - $600	$615 - $625	$610 - $624
DTE Gas	135 - 141	135 - 141	143 - 151
Gas Storage & Pipelines	105 - 115	115 - 120	140 - 150
Power & Industrial Projects	90 - 100	90 - 100	90 - 100
Corporate & Other	(50) - (46)	(55) - (51)	(64) - (60)
Growth segments**	**$864 - $910**	**$900 - $935**	**$919 - $965**
Growth segments operating EPS	**$4.80 - $5.05**	**$5.01 - $5.21**	**$5.12 - $5.38**
Energy Trading	$0	$15-25	$5-15
DTE Energy	**$864 - $910**	**$915 - $960**	**$924 - $980**
Operating EPS	**$4.80 - $5.05**	**$5.09 - $5.35**	**$5.15 - $5.46**
Avg. Shares Outstanding	180	180	180

* Reconciliation to GAAP reported earnings included in the appendix

** Total DTE Energy excluding Energy Trading

We recently revised our 2016 cash flow and capital expenditures guidance

(billions)

Cash Flow Summary

	Prior Guidance	Revised Guidance
Cash From Operations*	$1.8	$2.0
Capital Expenditures	(2.7)	(3.8)
Free Cash Flow	**($0.9)**	**($1.8)**
Asset Sales & Other	-	-
Dividends	(0.5)	(0.5)
Net Cash	**($1.4)**	**($2.3)**
Debt Financing:		
Issuances	$1.9	$2.7
Redemptions	(0.5)	(0.4)
Change in Debt	**$1.4**	**$2.3**

(millions)

Capital Expenditures Summary

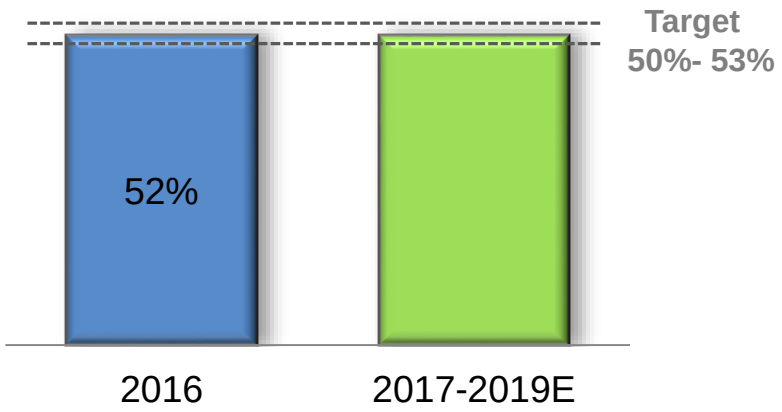
	Prior Guidance	Revised Guidance
DTE Electric		
Distribution Infrastructure	$610	$610
New Generation	150	150
Maintenance & Other	790	790
	$1,550	$1,550
DTE Gas		
Base Infrastructure	$220	$220
NEXUS Related	110	110
Main Replacement**	100	100
	$430	$430
Non-Utility	$520 – 720	$1,800
Total	**$2,500 – 2,700**	**$3,780**

* Prior guidance included ~$0.1b of equity issued for employee benefit programs

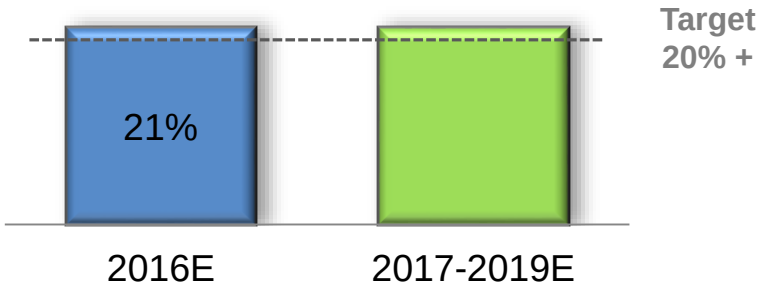
** Includes Main Renewal / Meter Move-out / Pipeline Integrity

A strong balance sheet remains a key priority and supports growth

Leverage*



Funds from Operations / Debt***



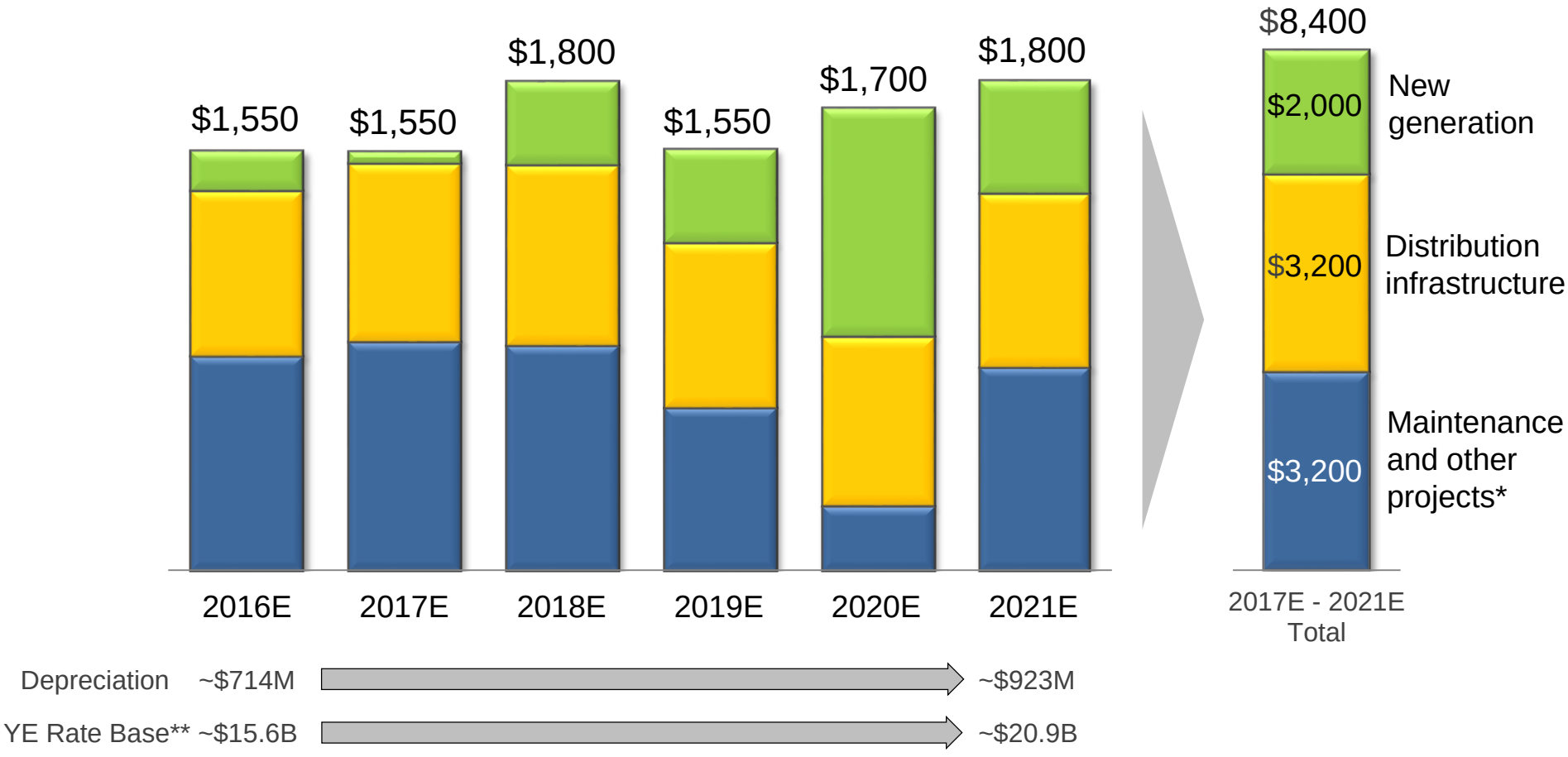
- Cash and credit metrics are key performance measures in our incentive plans
- No equity issuances in 2016
  - Acquisition related equity of $675 million in late 2019 (through convertible equity units)
  - No other equity planned through 2019
- Consistently achieve our cash targets and credit metrics

* 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

DTE Electric plans $8.4 billion of investments over the next 5 years with a focus on increasing customer reliability

(millions)

Targeting 6% - 7% growth



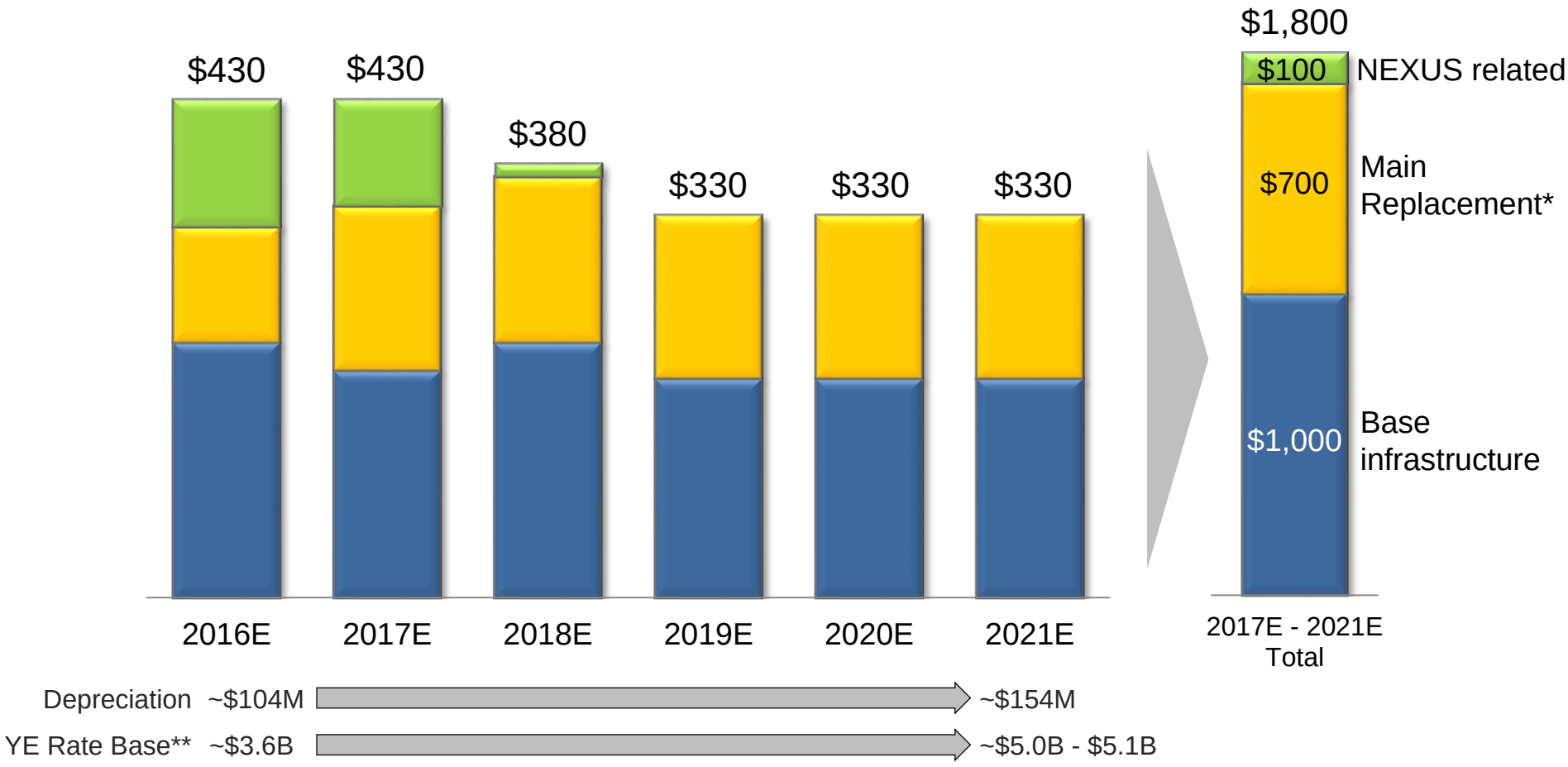
* Includes power reliability, existing generation maintenance, AMI, Ludington expansion and other investments

** Includes working capital and rate base associated with surcharges

Customer reliability will be improved through $1.8 billion of planned investments over the next 5 years at DTE Gas

(millions)

Targeting 7% - 8% growth



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

** Includes working capital

Energy legislation ensures future reliability in Michigan



DTE Energy's 5% - 7% EPS growth is not dependent on new energy legislation
...DTE customers would benefit from new capacity and reliability requirements

2008 Law

- 2008 law works well and includes
  - 10% retail open access cap
  - Certificate of Need for large capital projects
  - 12 month final order; 6 month rate case self implementation
  - 10% renewable portfolio standard

Proposed Legislation

- Key provisions include
  - Capacity requirements for all electricity providers
  - Integrated resource planning pre-approval process
  - 10 month final rate order
  - Energy efficiency related incentives and revenue decoupling

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



Sally Talberg (I)
Chairman
Appointed: 7/3/13
Term Ends: 7/2/19



Norm Saari (R)
Commissioner
Appointed: 7/2/15
Term Ends: 7/2/21



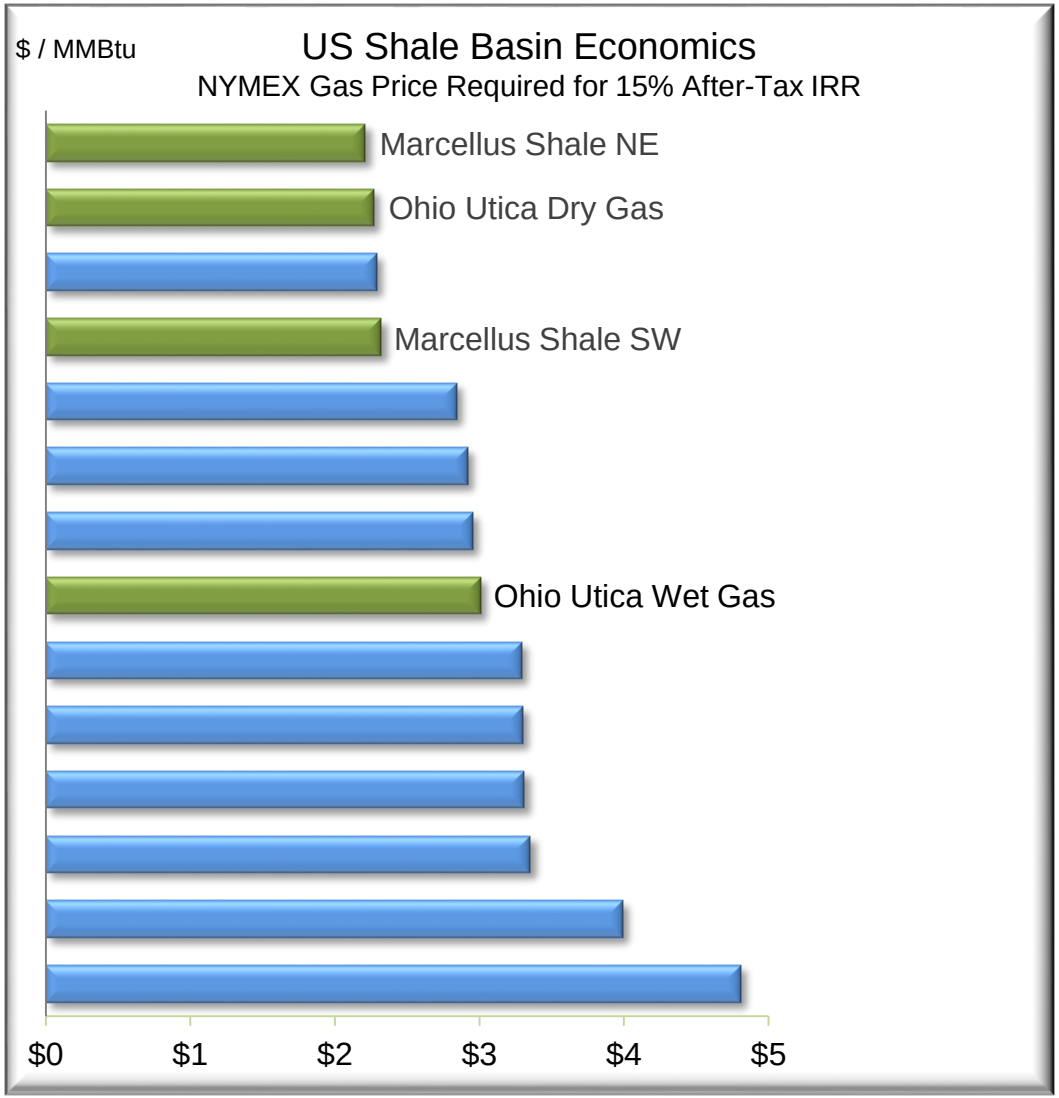
Rachel Eubanks (I)
Commissioner
Appointed: 8/1/16
Term Ends: 7/2/17

Source: MPSC website - www.michigan.gov/mpsc

Regulatory Update – Electric and Gas

DTE Electric		DTE Gas
• Self implemented general rates 3Q	2016	• Self implemented general rates 4Q • Final rate order and IRM ruling 4Q
• Final rate order 1Q • File rate case 2Q	2017	
• Annual rate cases	2018+	• Expect rate case filing 2018/2019

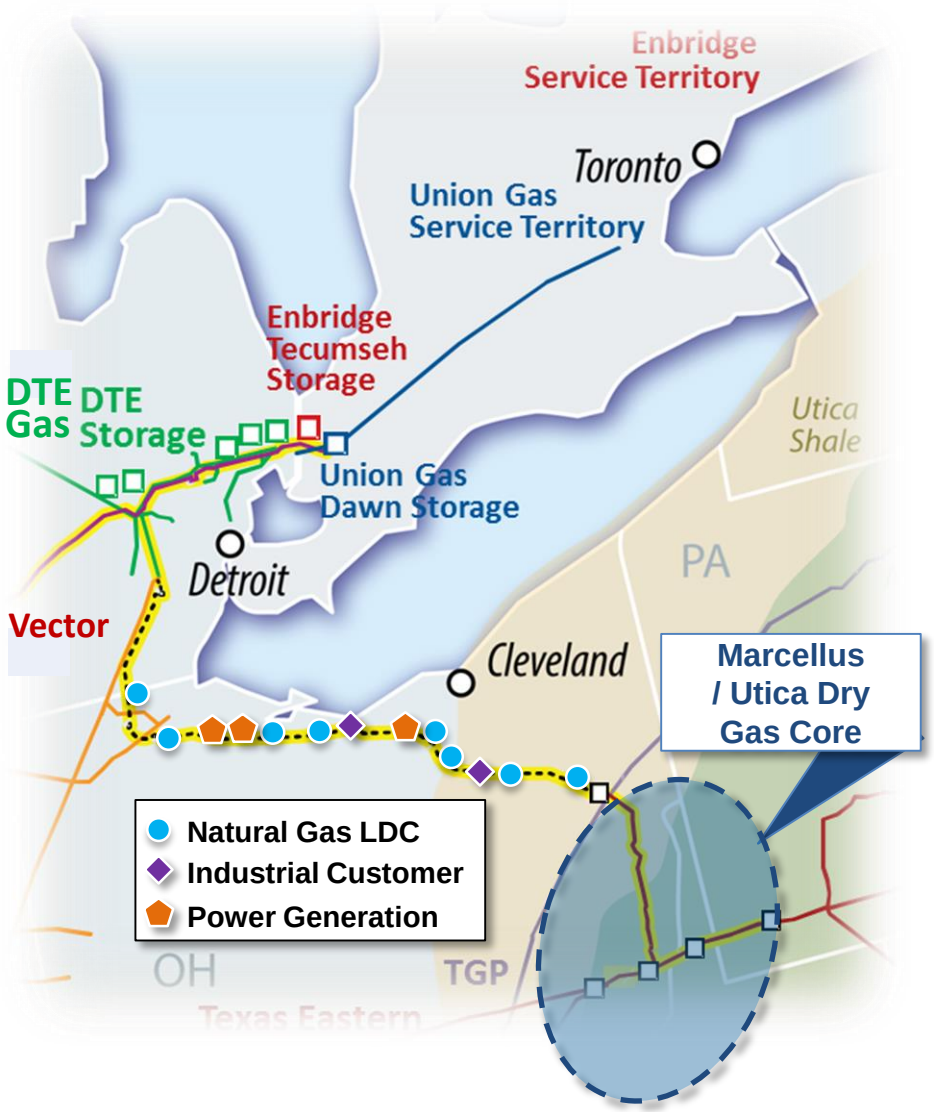
GSP is well positioned in one of the most economic shale basins in North America



- ✓ Our discussions with producers and 3rd party evaluators indicate that this region is poised for rapid growth
- ✓ Significant stacked play opportunities in Marcellus Shale / Dry Utica / Upper Devonian

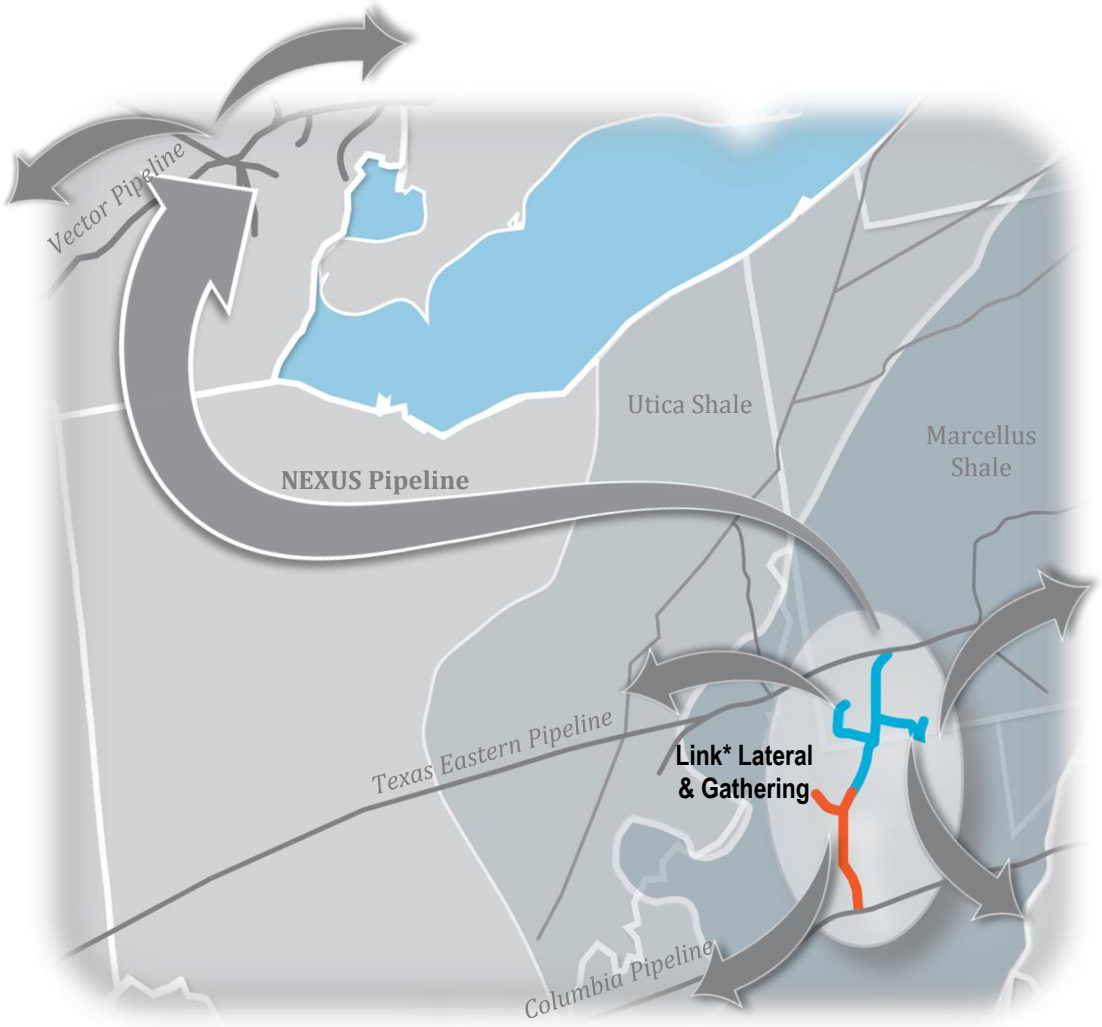
Source: Credit Suisse February 2016 report and Wright and Company

NEXUS continues to move forward with expected in service 4Q 2017



- Contractors secured
- Draft environmental impact statement (DEIS) complete
- Procurement update
  - Compressors ordered
  - Compressor air permits secured
- FERC approval
  - FEIS expected November 2016
  - Certificate of construction expected 1Q 2017
- Begin construction 1Q 2017

Acquisition of attractive gas midstream assets complements our existing business



Closed on purchase of Link* Lateral & Gathering

- ✓ Connects geographically and strategically to our existing assets
- ✓ Provides access to high quality reserves in the SW Marcellus / Dry Utica
- ✓ Broadens and strengthens our producer relationships and market reach
- ✓ Allows for expansion and stacked play opportunities

* Includes AGS and SGG

Reconciliation of 2011 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.

2011 — **Net Income (millions) ***

After-tax items:	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	$711	$434	$110	$57	($6)	$38	$52	$26
Michigan Corporate Income Tax Adjustment	(87)	-	-	-	-	-	-	(87)
Fermi 1 Asset Retirement Obligation	9	9	-	-	-	-	-	-
Discontinued operations	3	-	-	-	3	-	-	-
Operating Earnings	$636	$443	$110	$57	($3)	$38	$52	($61)

2011 — **EPS****

After-tax items:	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	$4.18	$2.55	$0.65	$0.34	($0.04)	$0.22	$0.31	$0.15
Michigan Corporate Income Tax Adjustment	(0.50)	-	-	-	-	-	-	(0.50)
Fermi 1 Asset Retirement Obligation	0.05	0.05	-	-	-	-	-	-
Discontinued operations	0.02	-	-	-	0.02	-	-	-
Operating Earnings	$3.75	$2.60	$0.65	$0.34	($0.02)	$0.22	$0.31	($0.35)

* Total tax impact of adjustments to reported earnings: ($39)M

** Total tax impact of adjustments to reported EPS: ($0.23)

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, 2011 operating earnings excluded the Unconventional Gas Production segment that was classified as a discontinued operation on 12/31/2012