



DTE Energy®

Business Update

March 28-29, 2017






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; 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, cyber crime and terrorism; 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; implementation of new information systems; 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 2016 Form 10-K (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

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*
- *1.3 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*

Focus on employees and customers aided our success in 2016 and remains a priority

Employee Engagement



- Best employee safety record in company history
- 4th consecutive Gallup Great Workplace award; only utility to be recognized

Customer Satisfaction



- Top quartile customer satisfaction for both electric and gas residential customers in latest J.D. Power studies*
- Best utility infrastructure reliability in over a decade; 70% reduction in customer outage duration

* J.D. Power 2016 Electric Utility Residential and 2016 Gas Utility Residential Customer Satisfaction Study(sm)(large providers). Visit jdpower.com

Recent activities support growth plans for utilities and non-utilities

Political & Regulatory Environment



- Constructive electric and gas rate orders
- Michigan energy legislation signed into law
  - ✓ Capacity requirements
  - ✓ 10% Retail Open Access cap
  - ✓ 10-month rate case cycle
  - ✓ 15% renewables by 2021

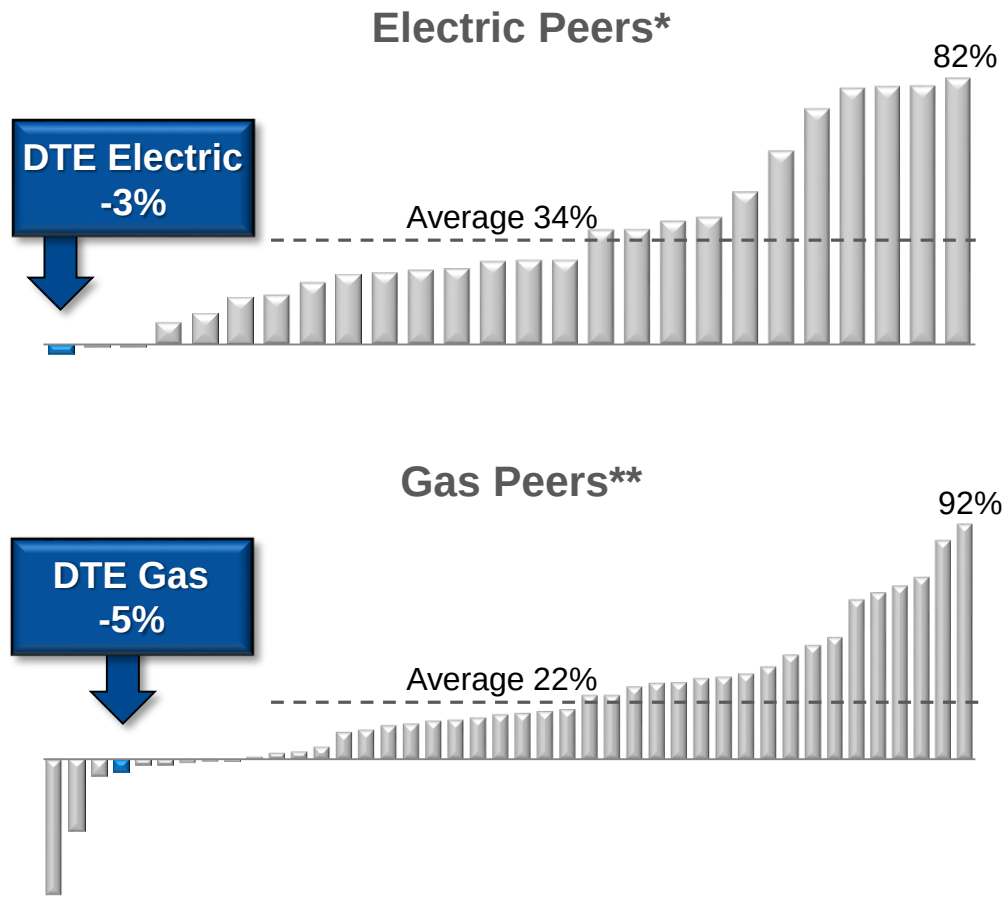
Growth / Value



- Combined cycle gas plant build announced
- Major acquisition at Gas Storage & Pipelines
- Significant progress on NEXUS pipeline

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

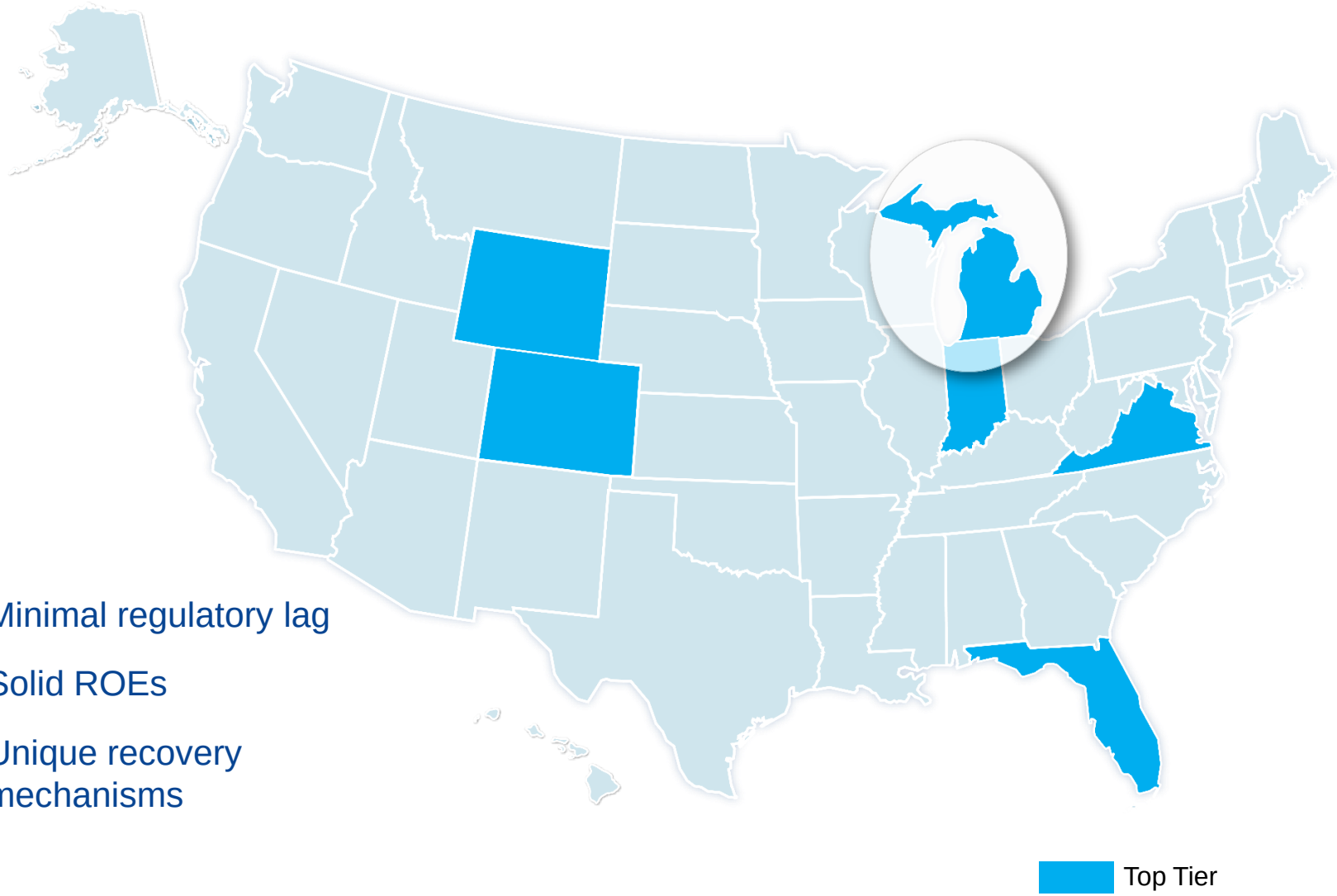
- ✓ Metrics drive progress
- ✓ Scorecards monitor success



* Source: SNL Financial, FERC Form 1; major US Electric Utilities with O&M 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

Michigan's regulatory environment is one of the best in the United States



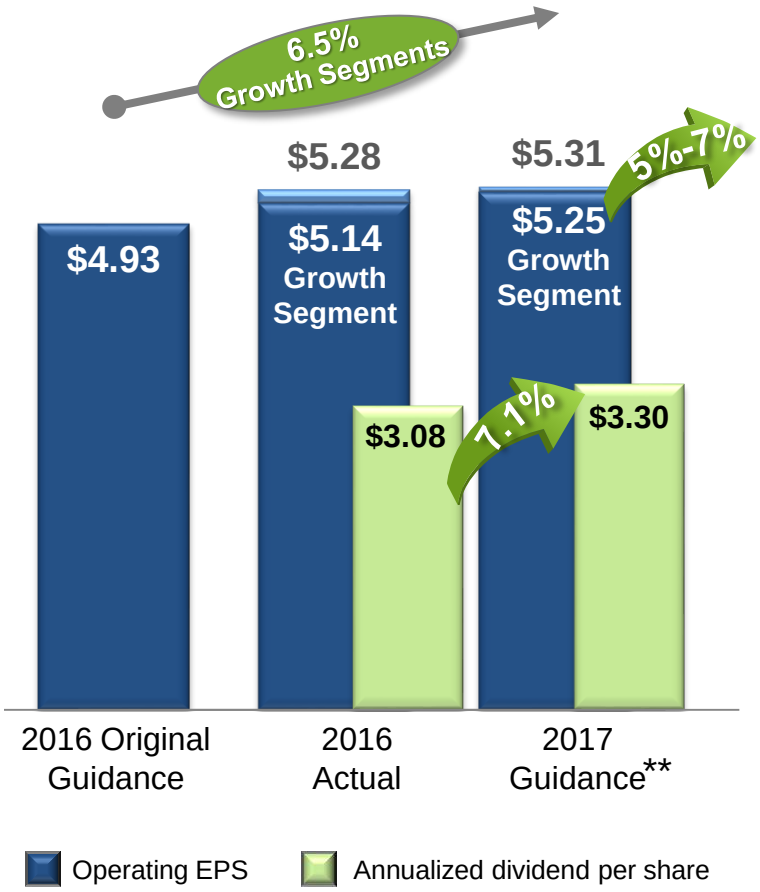
- ✓ Minimal regulatory lag
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms

Source: Barclays, February 2017

- Overview
- Long-Term Growth Update
- Summary

We are focused on continuing our strong financial performance

(dollars per share)



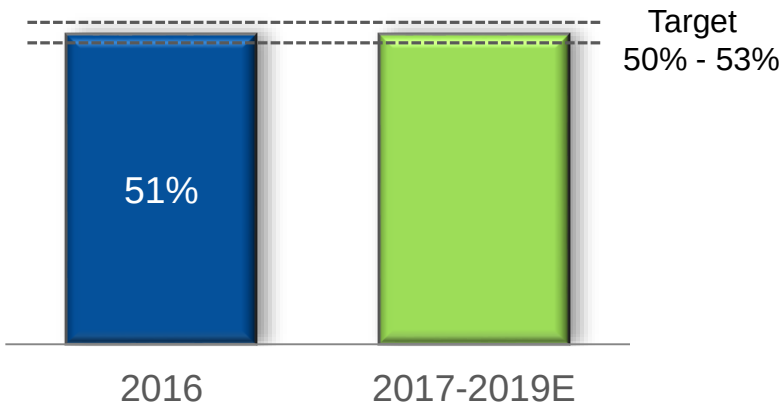
- ✓ Strong track record of exceeding original guidance; targeting 11th consecutive year in 2017
- ✓ Increased operating EPS growth target to 5% - 7% from 5% - 6%
- ✓ Increased 2017 annualized dividend by 7.1%; targeting ~7% dividend increases in 2018 and 2019

* Reconciliation to GAAP reported earnings included in the appendix

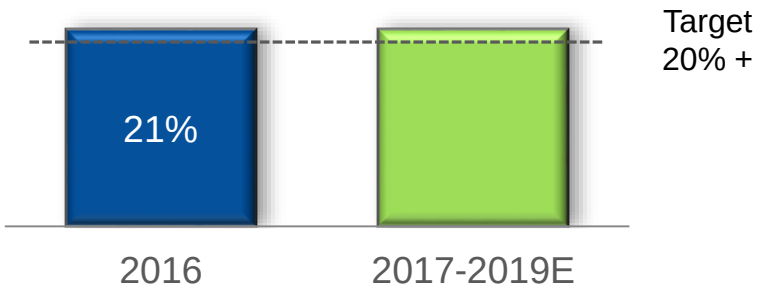
** Growth segments midpoint (excludes Energy Trading)

Cash flow and balance sheet strength are a key priority

Leverage*



Funds from Operations** / Debt*



- No equity issuances planned for 2017
  - Acquisition related equity of $675 million in late 2019 (through convertible equity units)
  - No additional equity planned through 2019
- Issued $2.7 billion of long-term debt to fund growth
- $1.5 billion of available liquidity at December 31, 2016

* 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

With tax reform, DTE is uniquely situated to maximize customer and shareholder value

Assumptions	+ Utilities	+ Non-utilities	- Holding Company
• **Corporate tax rate reduction to 20%**	• Reduces customers rates • Allows acceleration of customer centric reliability projects • Increases earnings • Reduces cash flow	• Increases earnings	• Reduces earnings
• **Loss of interest expense deductibility on all debt**	• Permanent loss of value for customers • Increases cash flow	• Reduces earnings	• Reduces earnings
• **100% capital expensing**	• Deferred benefit	• Deferred benefit	• No impact

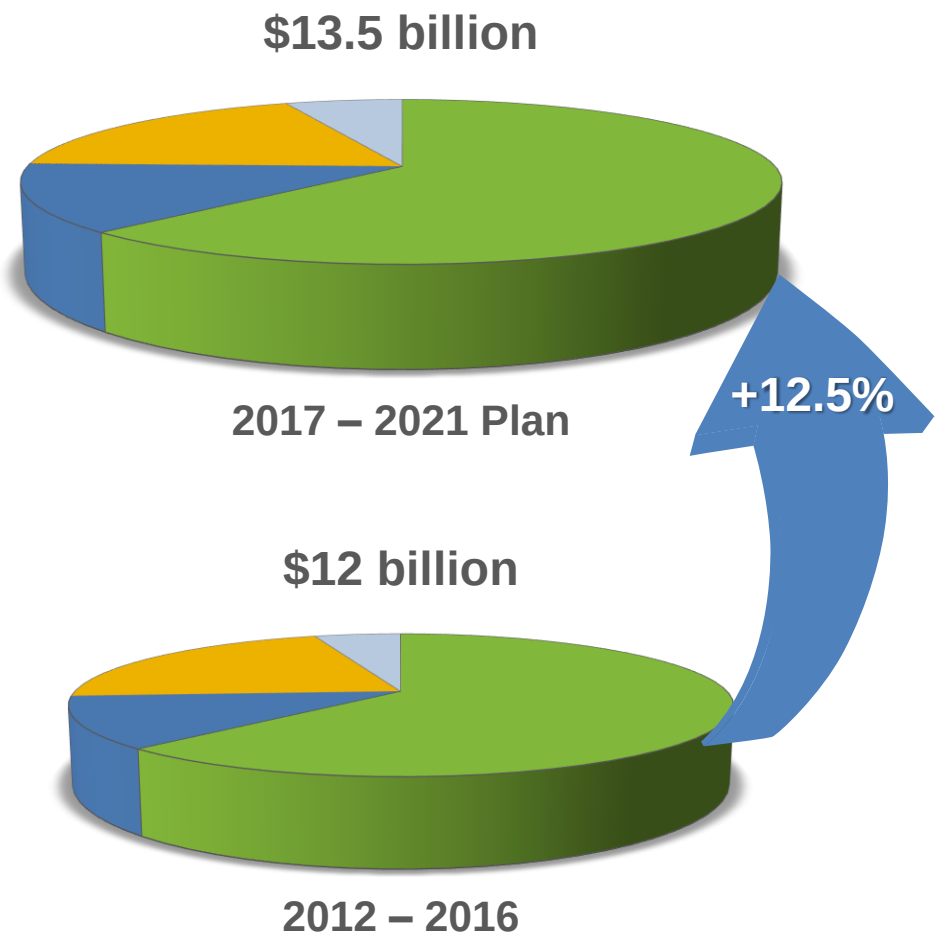
= *Consolidated DTE Impact*

✓ Customer savings allow for potential additional reliability investment

✓ Increased earnings at non-utilities offset loss of interest deductions at holding company

✓ Operating EPS growth target remains at 5% - 7%

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

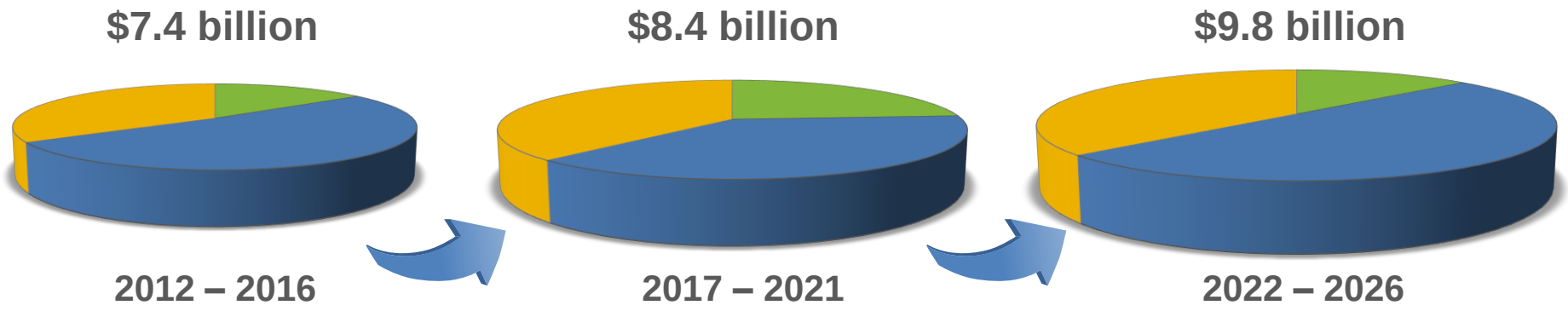


2017 – 2021 Capital Plan

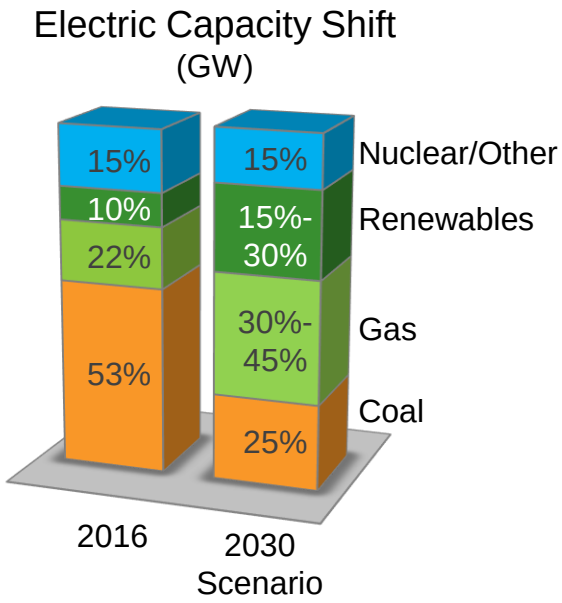
- **Electric**..... **$8.4 billion**
  Distribution infrastructure, maintenance, new generation
- **Gas** ..... **$1.8 billion**
  Base investments, infrastructure renewal, NEXUS related
- **GSP** ..... **$2.2 to $2.8 billion**
  Expansions, NEXUS
- **P&I** ..... **$0.6 to $1.0 billion**
  Cogeneration,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

Generation and distribution infrastructure replacement will continue to 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



Transformation of our generation fleet is driven by renewable energy standards and the age of our coal plants

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

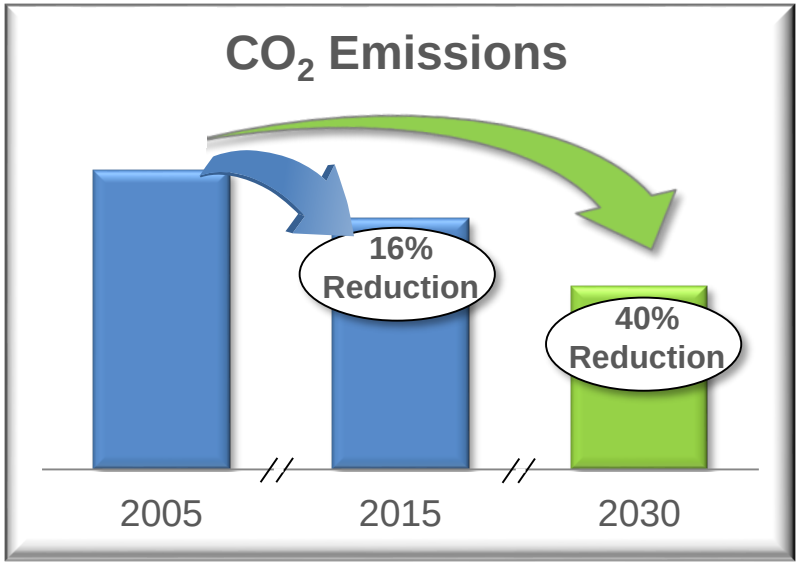


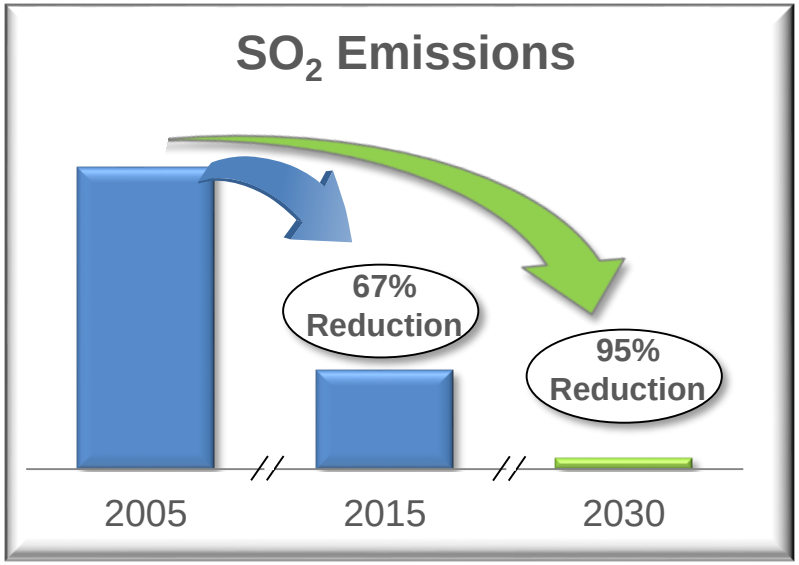
New gas plant

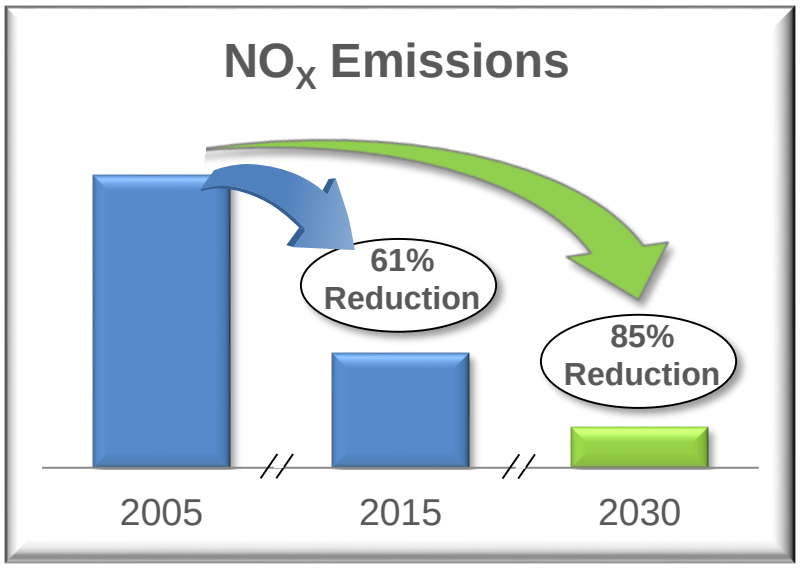
~2,500 – 3,500 MW

* Timing and mix subject to change

We have already achieved significant emissions reductions and continue on the path to even cleaner energy







- ✓ Emissions reductions are largely due to $2 billion in controls installed at Monroe Power Plant, new technology and reduced reliance on coal-fired generation
- ✓ In addition, mercury emissions have been reduced 42% since 2005 with over 75% reduction expected by 2030

DTE Electric distribution investments continue to drive reliability and increase customer satisfaction

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

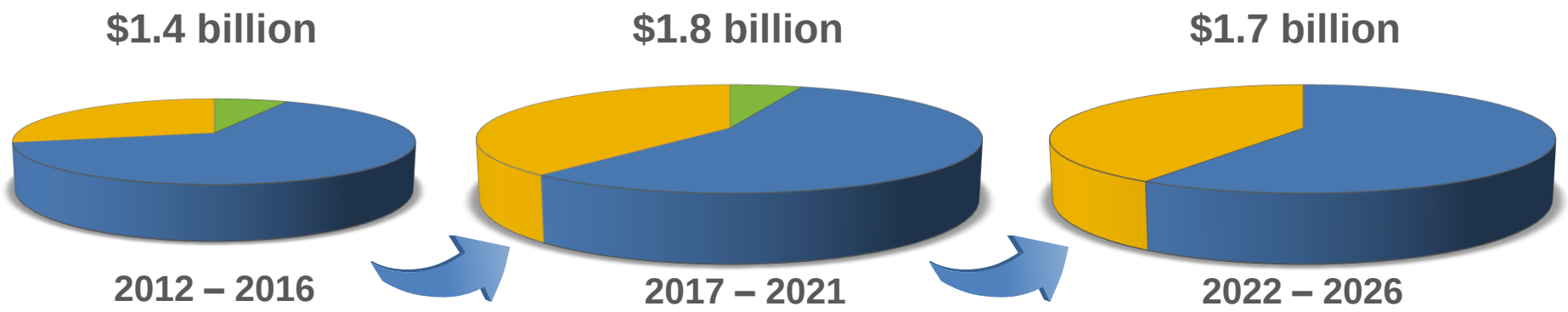
Tree Trimming



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

Infrastructure renewal and replacement improves 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 at DTE Gas

Main Replacement



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

Pipeline Integrity



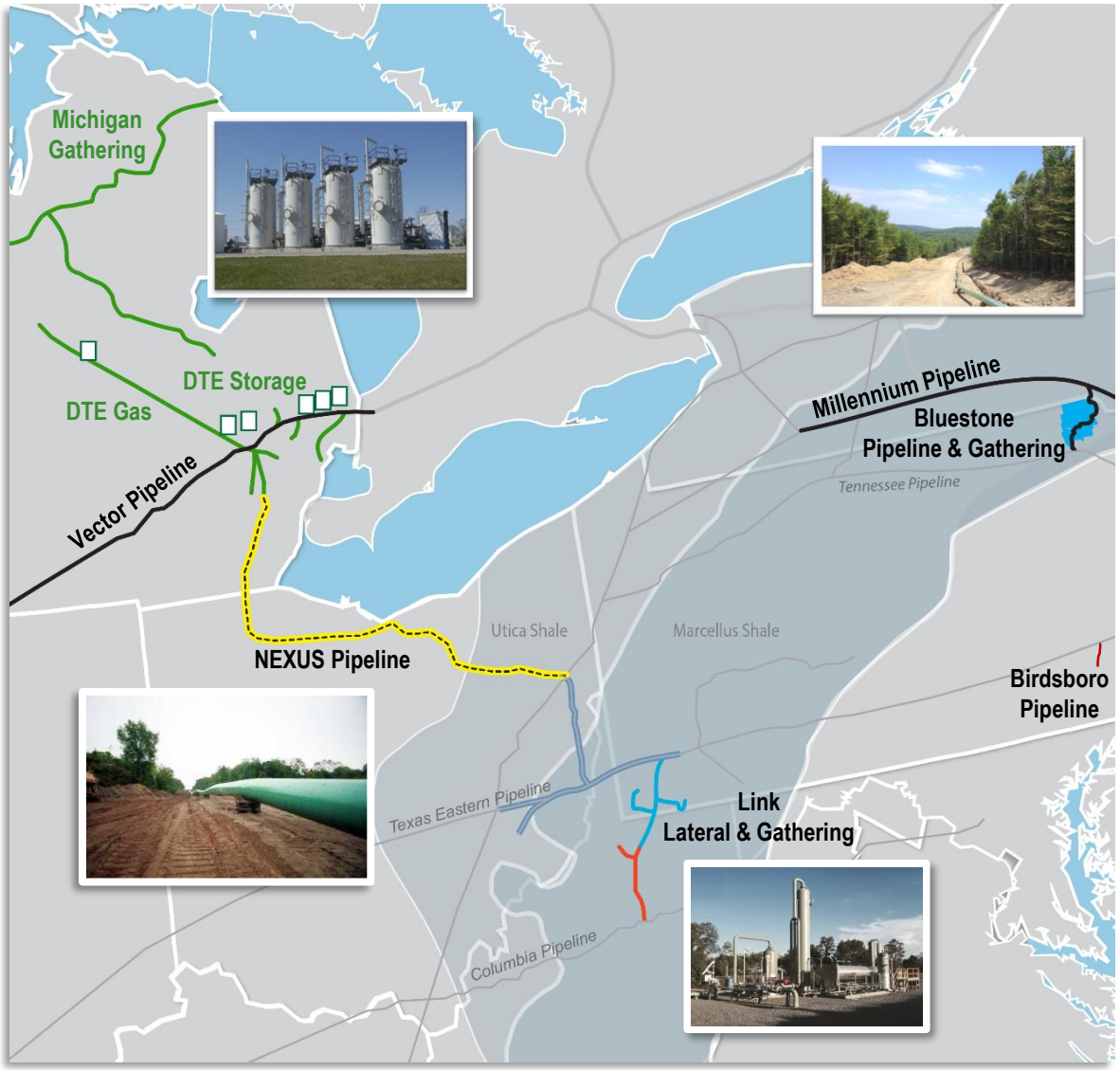
Strengthens the system - decreasing the potential for system failures

Meter Move Out



Drives productivity - reducing manual meter reading costs

Gas Storage & Pipelines (GSP) 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 and 55% of Stonewall Gas Gathering

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

NEXUS



- FERC certificate of construction expected 1H17
- In-service 4Q17
- Ohio interconnect agreements provide 1.75 Bcf/d of market access
- Mainline expandable up to 2.0 Bcf/d

Link* Lateral & Gathering

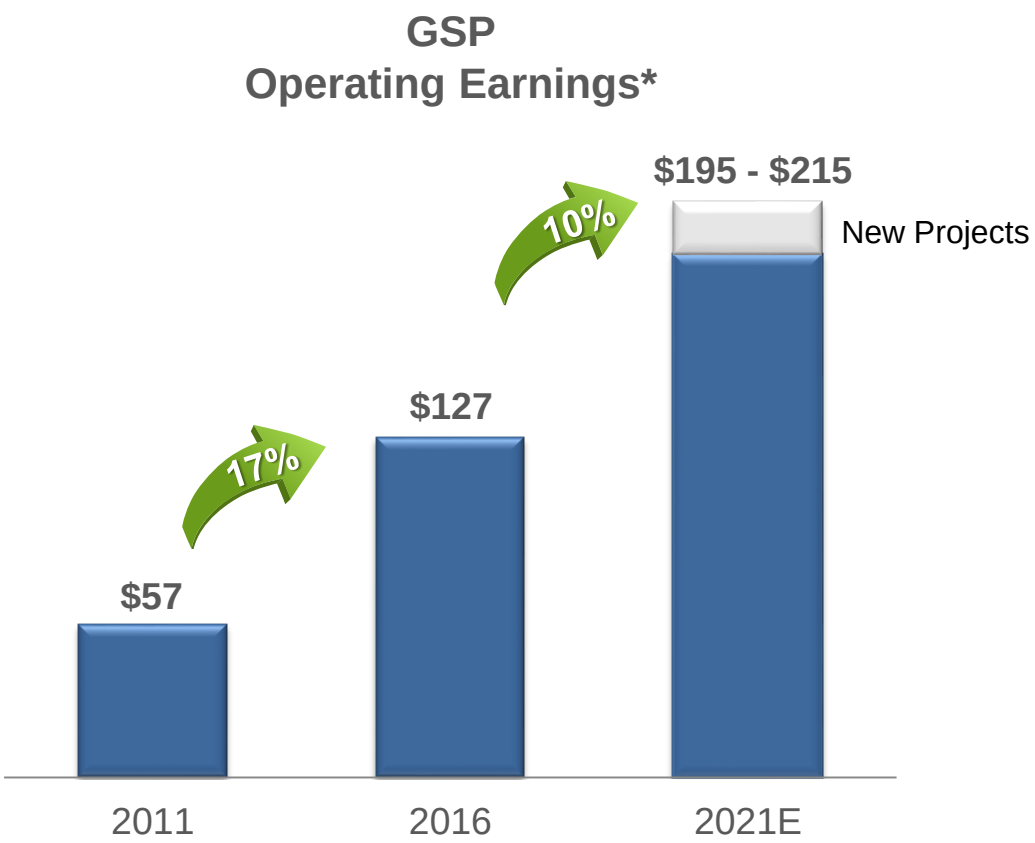


- Initial shipper demand greater than anticipated
  - Firming up near-term growth plans
- Strong tie with existing markets; new market access to Gulf and Mid-Atlantic / LNG exports
- Expansion potential over 1.0 Bcf/d

* Includes Appalachia Gathering System and 55% of Stonewall Gas Gathering

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

(millions)



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

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

* Reconciliation to GAAP reported earnings included in the appendix

Power & Industrial Projects (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

Future growth focused on strategic utility-like projects and asset acquisitions

Utility-Like Projects



Asset Acquisition

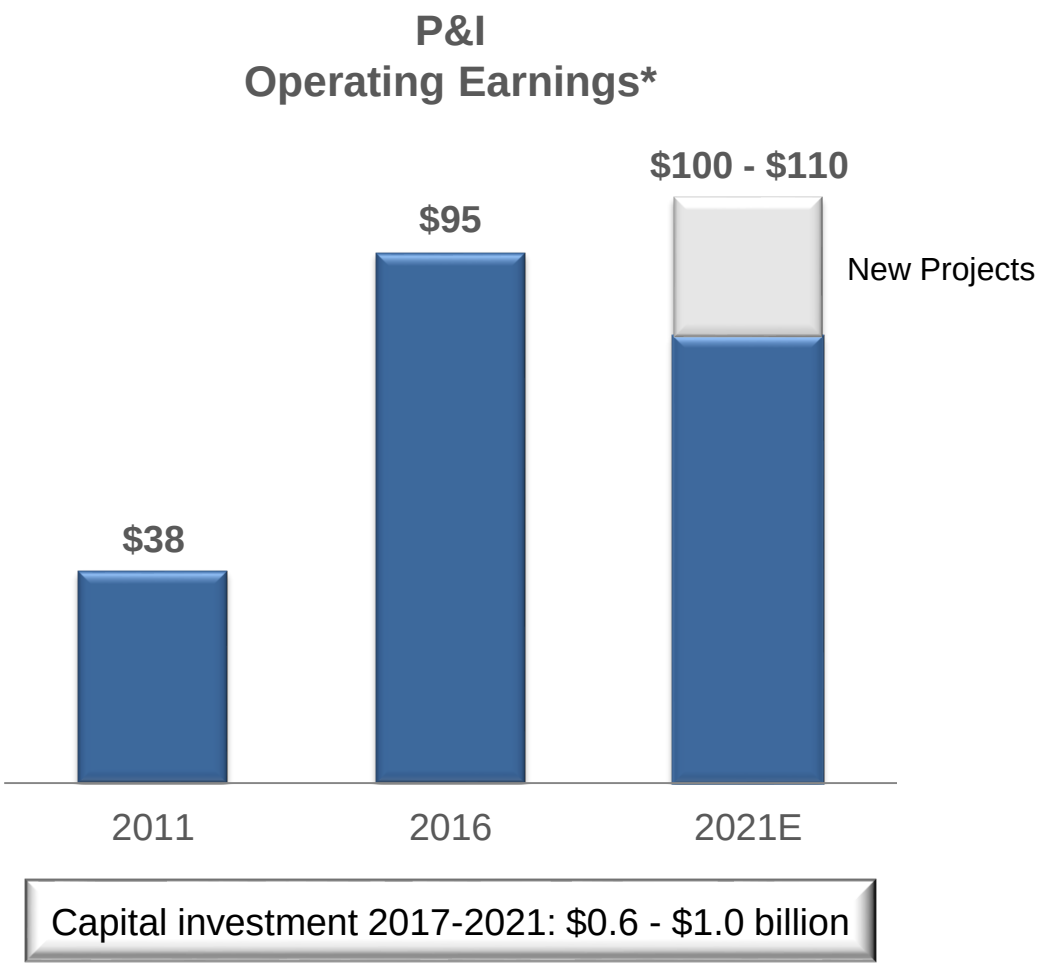


Distinct capabilities

- ✓ 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

- Engaged employees create a safe work environment and drive great operational results
- 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

---

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

Appendix

2017 operating EPS* guidance supports 5% - 7% growth

(millions, except EPS)

	2016 Actuals	2017 Guidance
DTE Electric	$622	$610 - $624
DTE Gas	138	143 - 151
Gas Storage & Pipelines	127	140 - 150
Power & Industrial Projects	95	90 - 100
Corporate & Other	(59)	(64) - (60)
Growth segments**	**$923**	**$919 - $965**
Growth segments operating EPS	**$5.14**	**$5.12 - $5.38**
Energy Trading	$25	$5 - $15
DTE Energy	**$948**	**$924 - $980**
Operating EPS	**$5.28**	**$5.15 - $5.46**
Avg. Shares Outstanding	179.5	179.5

- 2017 operating EPS growth segment guidance midpoint growing 6.5% from 2016 original guidance of $4.93
- 2017 guidance assumes return to normal weather
  - 2016 included significant weather favorability at DTE Electric

* Reconciliation to GAAP reported earnings included in the appendix

** Total DTE Energy excluding Energy Trading

2017 cash flow and capital expenditures guidance support growth

(billions)

Cash Flow

	2016 Actual	2017 Guidance
Cash From Operations	$2.1	$1.9
Capital Expenditures	(3.4)	(3.0)
Free Cash Flow	**($1.3)**	**($1.1)**
Asset Sales & Other	-	-
Dividends	(0.5)	(0.6)
Net Cash	**($1.8)**	**($1.7)**
Debt Financing:		
Issuances	$2.7	$1.7
Redemptions	(0.9)	-
Change in Debt	**$1.8**	**$1.7**

(millions)

Capital Expenditures

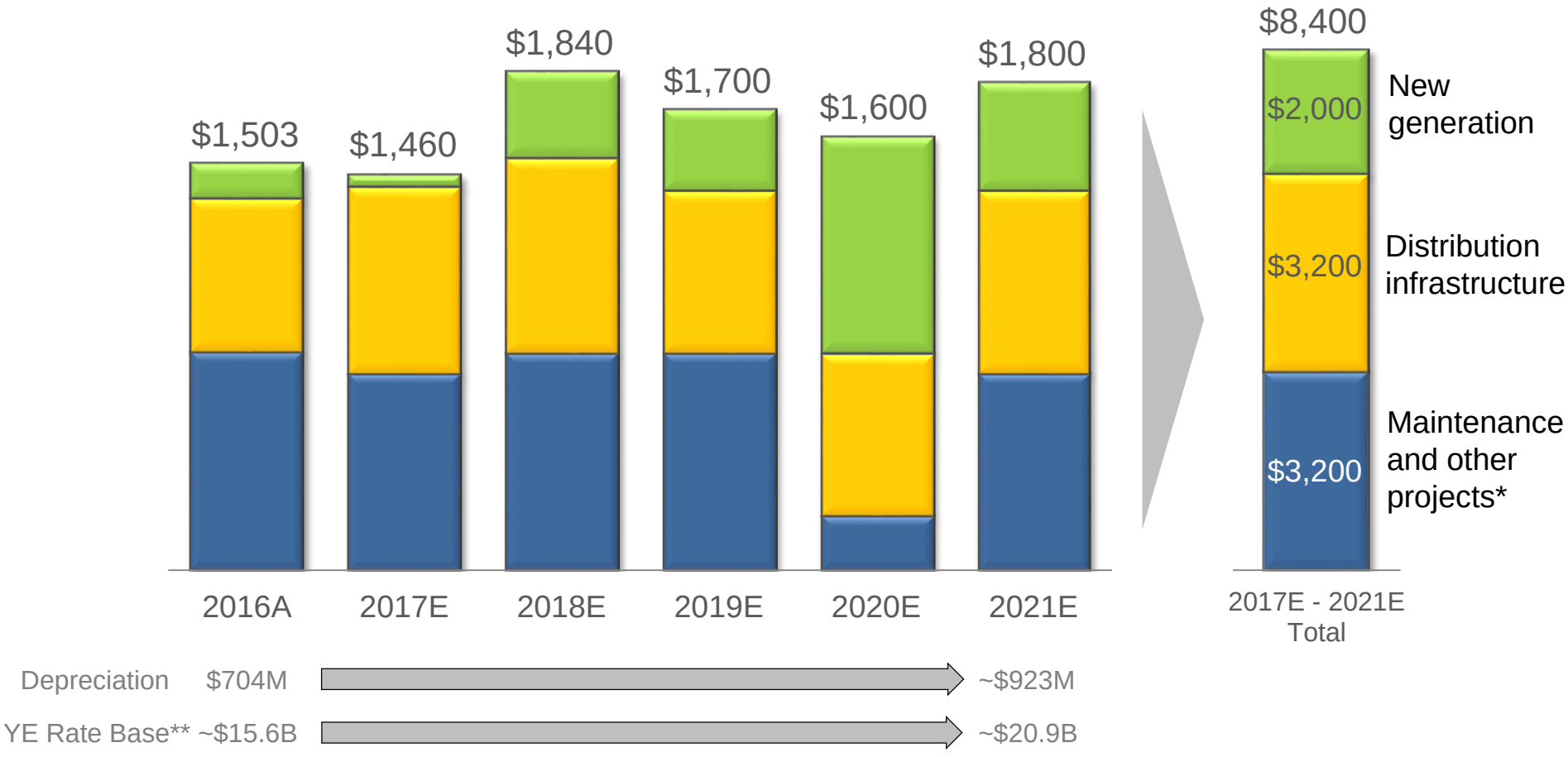
	2016 Actual	2017 Guidance
DTE Electric		
Distribution Infrastructure	$567	$690
New Generation	131	45
Maintenance & Other	805	725
	$1,503	$1,460
DTE Gas		
Base Infrastructure	$177	$200
NEXUS Related	94	90
Main Replacement*	124	145
	$395	$435
Non-Utility	$1,533	$900 - $1,100
Total	**$3,431**	**$2,795 - $2,995**

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

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



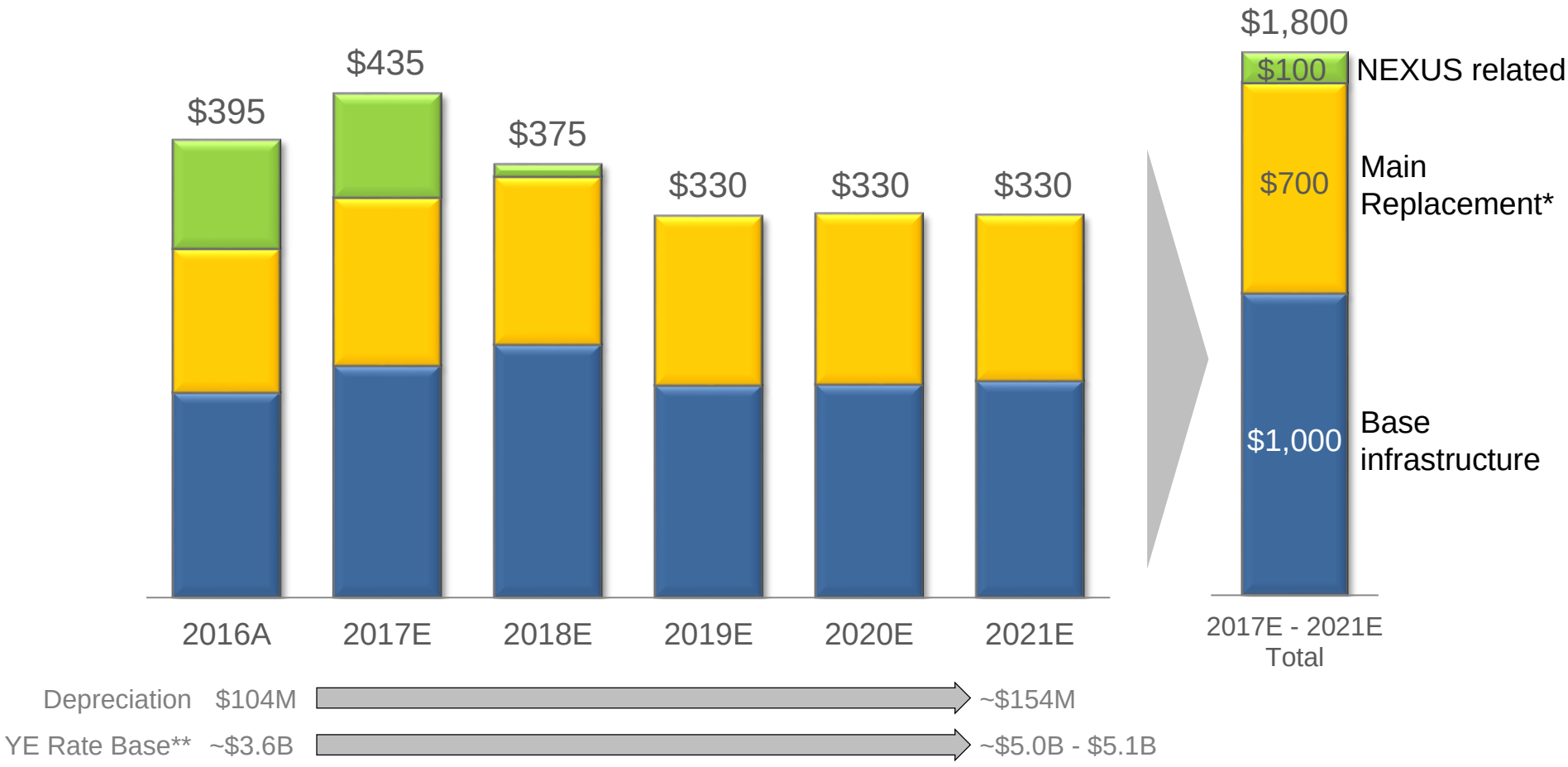
* Includes power reliability, existing generation maintenance, AMI, Ludington expansion and other investments

** 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)

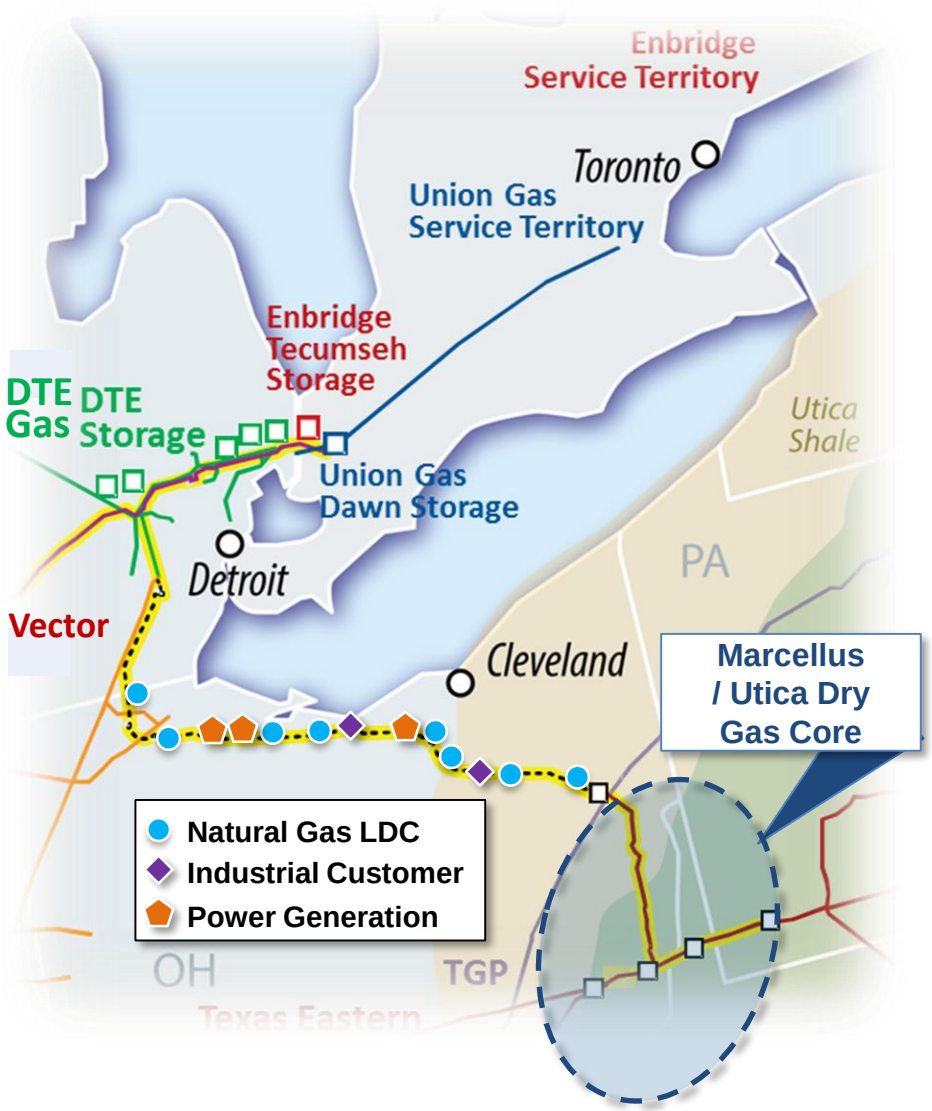
Targeting 7% - 8% growth



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

** Includes working capital

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



- Contractors secured
- Procurement update
  - Compressors ordered
  - Compressor air permits secured
- FERC approval
  - FEIS received
  - Certificate of construction expected 1H 2017
- Begin construction 1H 2017

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. 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.

2016 Actual

Net Income (millions)*

After-tax items:	DTE Electric	DTE Gas	Gas Storage and Pipelines	Power and Industrial Projects	Corporate and Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$ 622	$ 138	$ 119	$ 95	$ (61)	$ 913	$ (45)	$ 868
Plant closure	-	-	-	-	-	-	-	-
Link	-	-	8	-	2	10	-	10
Certain mark-to-market transactions	-	-	-	-	-	-	70	70
Operating Earnings	$ 622	$ 138	$ 127	$ 95	$ (59)	$ 923	$ 25	$ 948

2016 Actual

EPS**

After-tax items:	DTE Electric	DTE Gas	Gas Storage and Pipelines	Power and Industrial Projects	Corporate and Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$ 3.47	$ 0.77	$ 0.66	$ 0.53	$ (0.35)	$ 5.08	$ (0.25)	$ 4.83
Plant closure	-	-	-	-	-	-	-	-
Link			0.05		0.01	0.06		0.06
Certain mark-to-market transactions	-	-	-	-	-	-	0.39	0.39
Operating Earnings	$ 3.47	$ 0.77	$ 0.71	$ 0.53	$ (0.34)	$ 5.14	$ 0.14	$ 5.28

* Total tax impact of adjustments to reported earnings: $51m

** Total tax impact of adjustments to reported EPS: $0.29

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 – 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.