



DTE Energy®

Business Update

June 19, 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 and 2017 Form 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
- Financial Update
- Summary

DTE Energy overview

$924M - $980M
2017 operating earnings* guidance

Leader in **continuous improvement**



~$20B
market cap

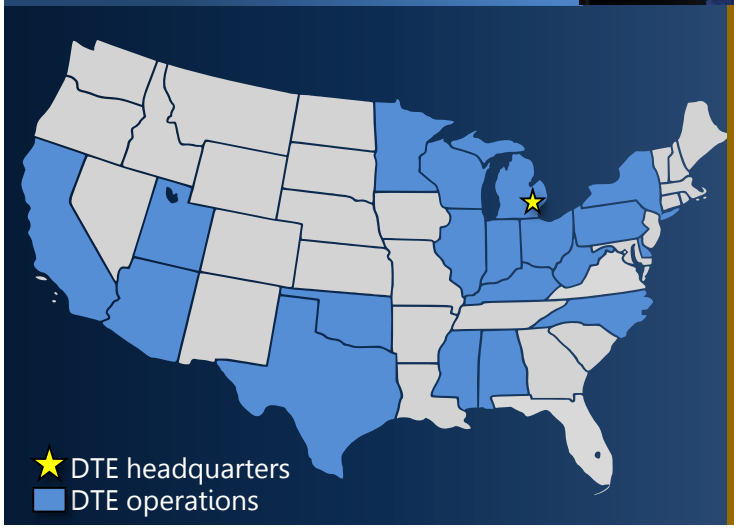
Fortune 300
company



10,000
employees

Employees volunteered over **21,000 hours** to **300+ organizations** in 2016

Success tied to our **system of priorities**



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



Michigan's largest investor in and producer of **renewable energy**

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

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

DTE Energy

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



Power & Industrial Projects

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



Energy Trading

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

DTE earnings are 90-95% regulated or contracted

Our business strategy is fundamental to creating value for investors

- ✓ Infrastructure investments drive regulated utility growth
- ✓ Strategic and transparent growth opportunities in non-utility businesses provide diversity in earnings and geography
- ✓ Constructive regulatory structure and continued cost savings enable utilities to earn their authorized returns
- ✓ Distinctive operational excellence and customer satisfaction deliver service integrity
- ✓ Strong BBB credit rating supports dividend and EPS growth

5%-7%
Operating EPS* growth target

~7% dividend growth targeted in 2018 and 2019

Premium
total shareholder return

Strong
balance sheet

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

Employee and customer focus provides a solid framework for success



- ✓ Received Gallup's Great Work Place Award for the 5th consecutive year
- ✓ Received AGA Safety Achievement Award for the 2nd year in a row



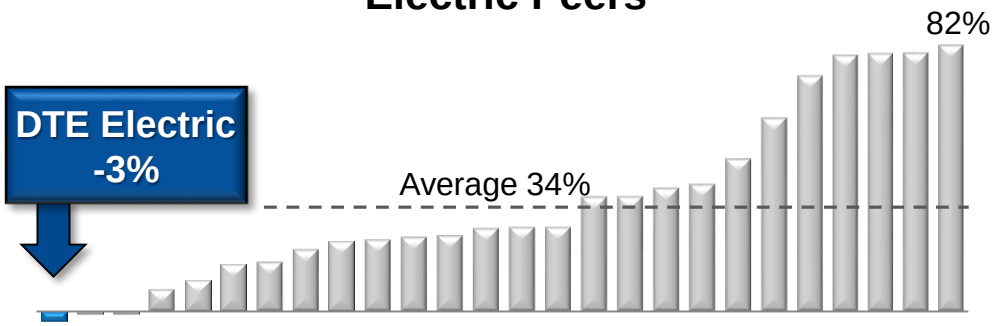
- ✓ Top quartile in residential customer satisfaction* for both DTE Electric and DTE Gas

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

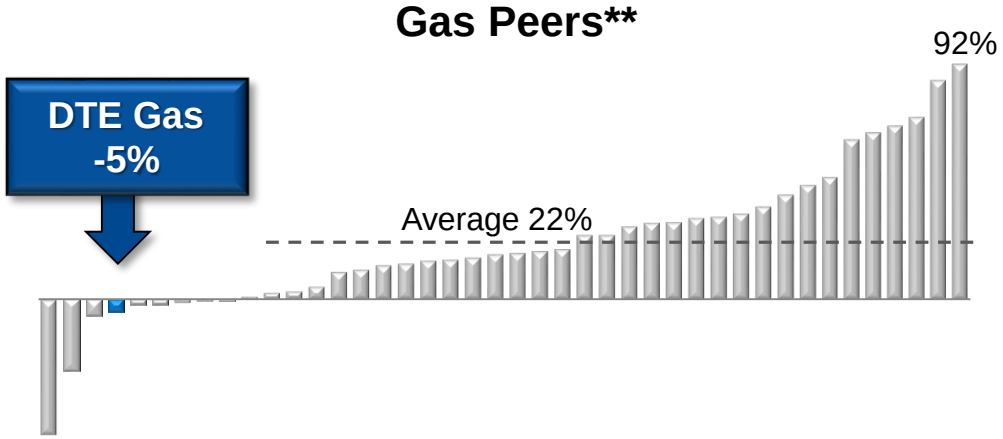
Continuous improvement has enabled us to be an industry leader in cost management

2008 to 2015 Change in O&M Costs

Electric Peers*



Gas Peers**



Daily focus on problem solving

- ✓ Metrics drive progress
- ✓ Scorecards monitor success



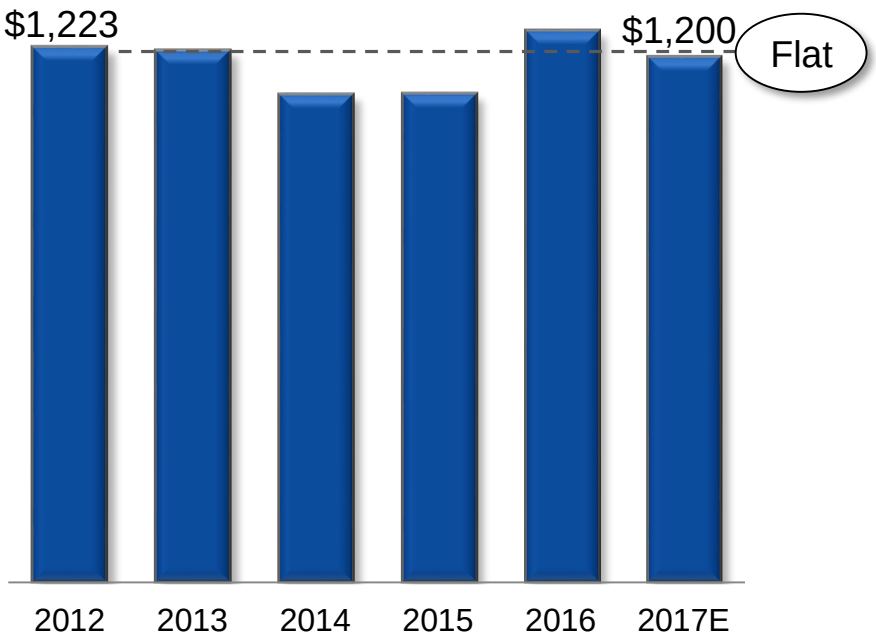
* Source: SNL Financial, FERC Form 1; major US Electric Utilities with O&M greater than $800 million; excluding fuel and purchased power

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

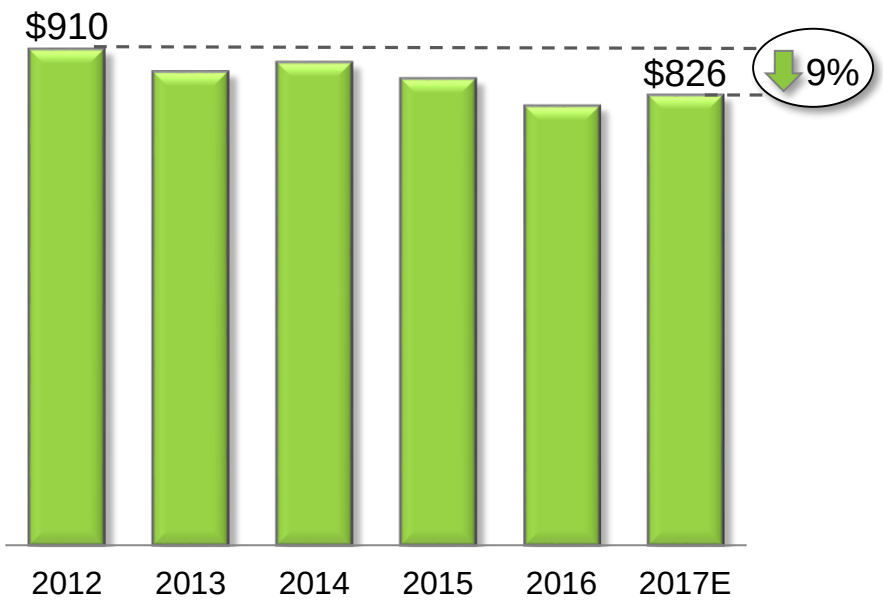
Maintain customer affordability while significantly investing in our utilities

(dollars)

Average Annual Residential Bill DTE Electric

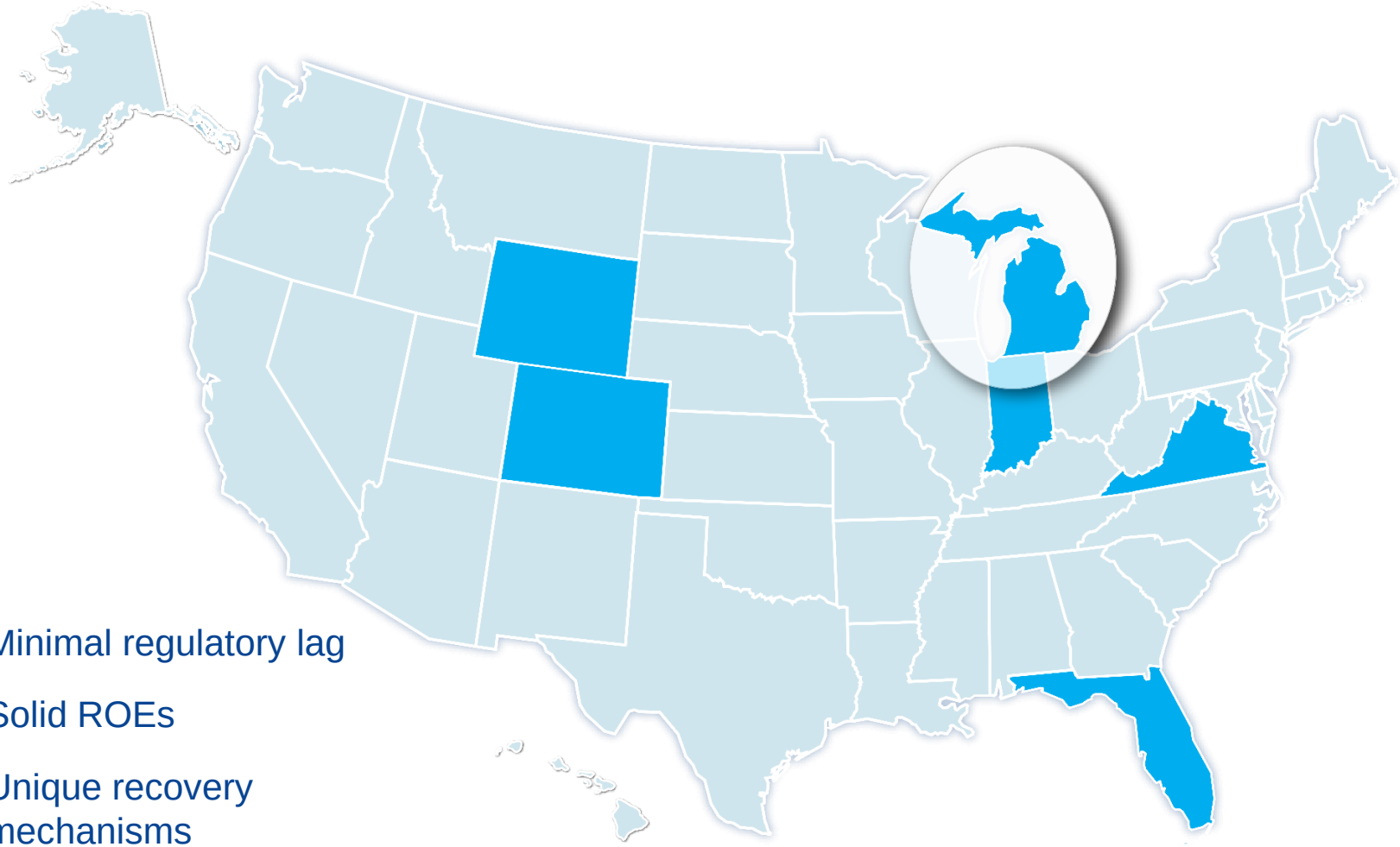


Average Annual Residential Bill* DTE Gas



* Assumes normal weather

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

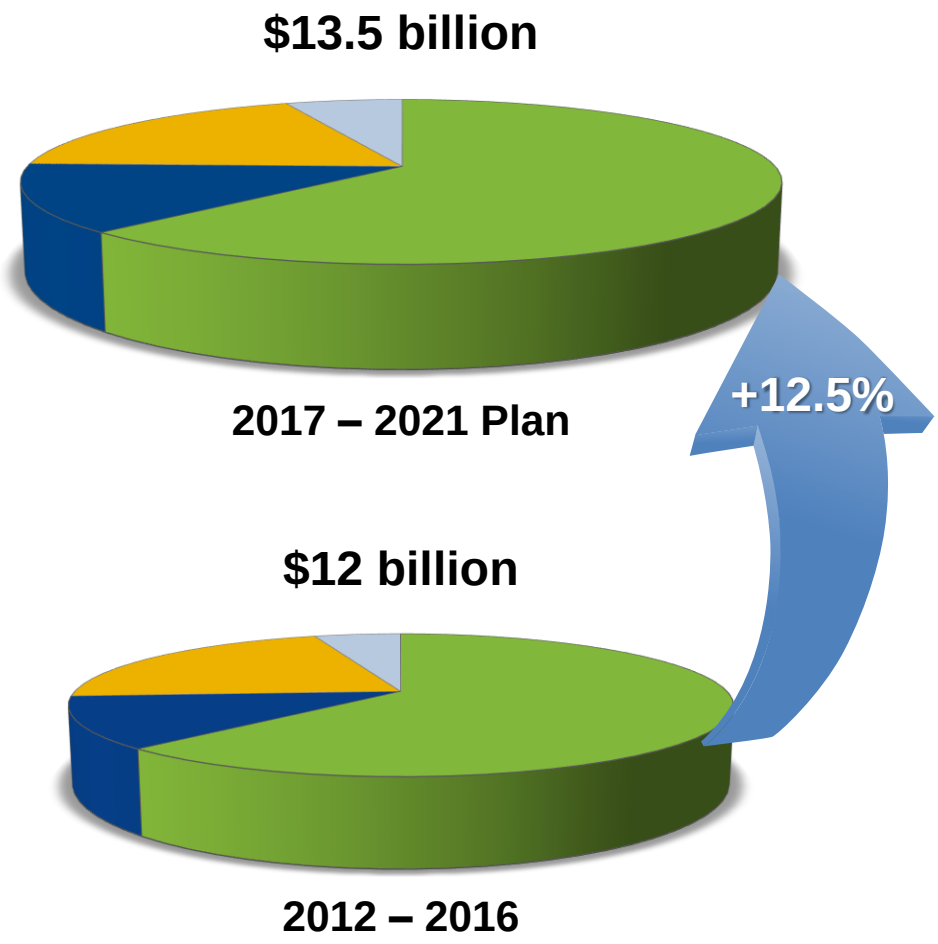


- ✓ Minimal regulatory lag
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms

Source: Barclays, February 2017

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

DTE Electric overview

47,000 miles
distribution lines





Transitioning to
cleaner energy

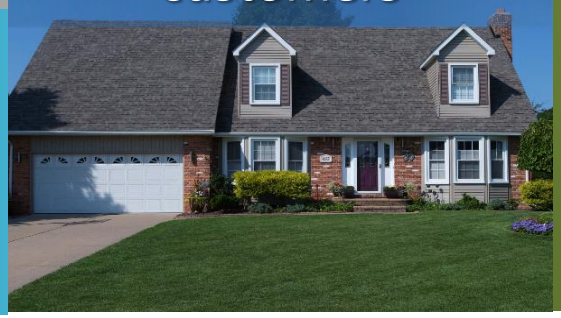


$610M - $624M
2017 operating earnings* guidance

$15.6B
2016 rate base

Founded
1886

2.2M
customers



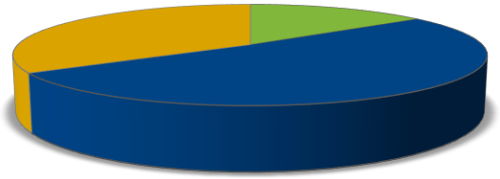
$8.4B
5 year capital plan
(2017-2021)

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

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

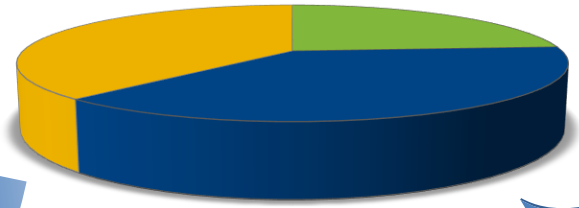
DTE Electric Investment

$7.4 billion



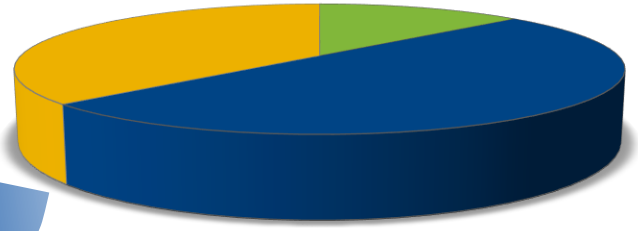
2012 – 2016

$8.4 billion



2017 – 2021

$9.8 billion

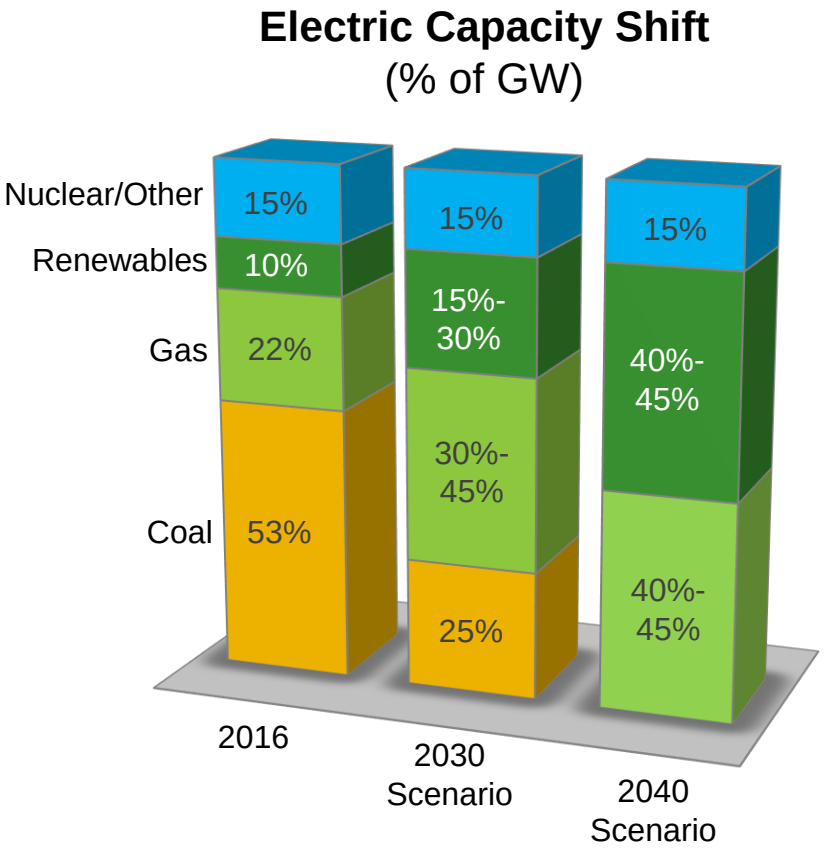


2022 – 2026

- New generation
  - Replace remaining coal with cleaner energy
- Distribution infrastructure
  - Move electric reliability to 1st quartile
- Replacement and other
  - Reduce costs through productivity and efficiency improvements



Transformation of our generation fleet is driven by the age of our coal plants and environmental regulations



- Retirement of all coal plants by 2040 with capacity replaced with combination of natural gas and renewables
- 75% CO_2 reduction from 2005 levels by 2040; 80% reduction by 2050
- Gas-fired generators will be the only CO_2 emitting resources remaining in DTE Electric's portfolio

Note: Timing and mix subject to change

Committed to providing cleaner energy to our customers and will be coal-free by 2040

DTE Energy

Retirements*

2017 - 2023

River Rouge



St. Clair



Trenton



~2,100 MW

2024 - 2030

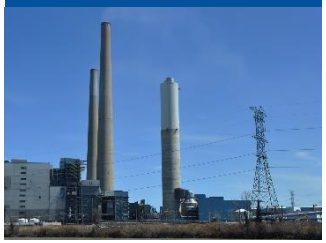
Belle River



~1,000 MW

2031 - 2040

Monroe



~3,100 MW

Additions*



Natural Gas



Wind



Solar

Up to ~ 9,500 MW**

* Timing and mix subject to change

** Approximate capacity 3,500 MW natural gas and 6,000 MW renewables

Distribution investments continue to drive reliability and increase customer satisfaction

Infrastructure Resilience



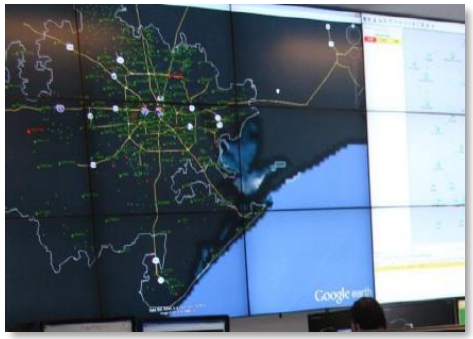
- Upgraded nearly 20% of circuits since 2013
- Impact 33% of circuits by the end of 2020, improving reliability on impacted circuits by up to 70%

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

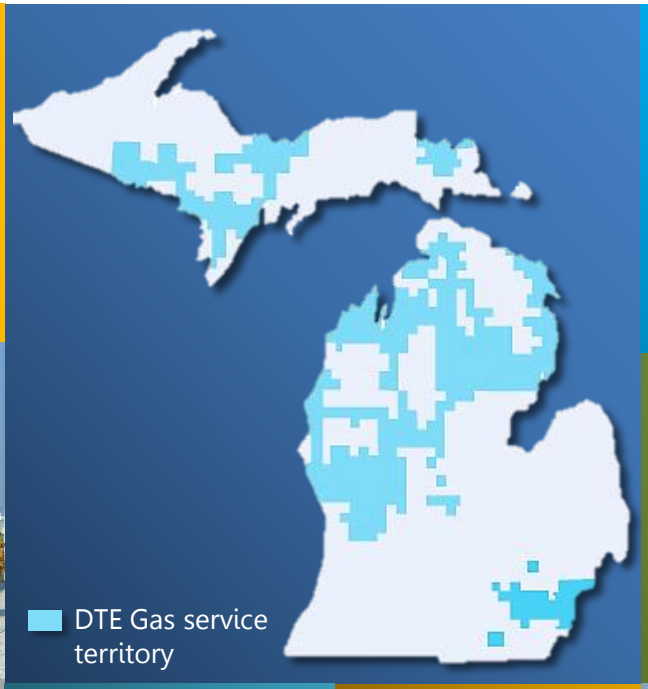
Tree Trimming



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

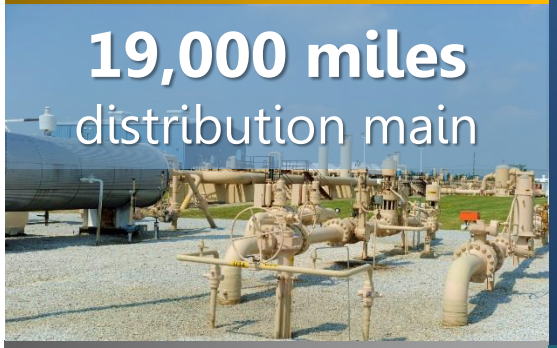
DTE Gas overview

$3.7B
2016 rate base



Replacing
4,000 miles
of cast iron and unprotected distribution main

19,000 miles
distribution main

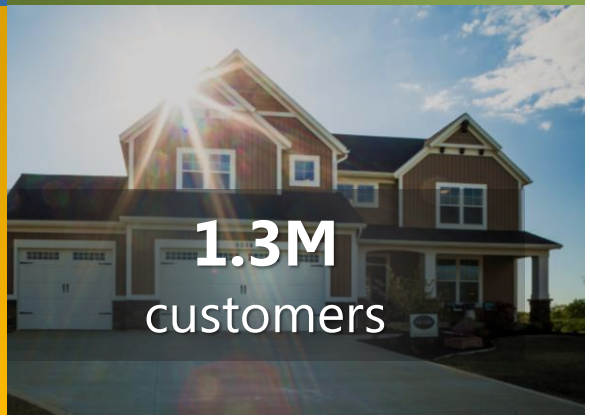


$1.8B
5 year capital plan
(2017-2021)

$143M – $151M
2017 operating earnings* guidance

139 Bcf
storage capacity

Founded
1849

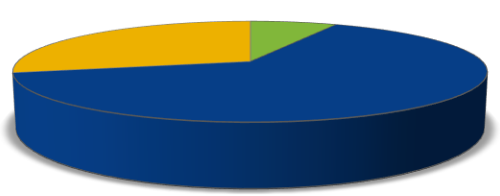


* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

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

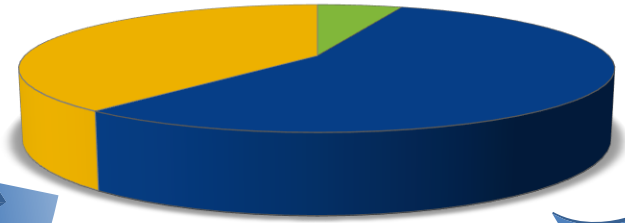
DTE Gas Investment

$1.4 billion



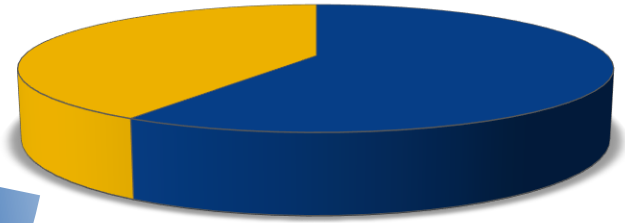
2012 – 2016

$1.8 billion



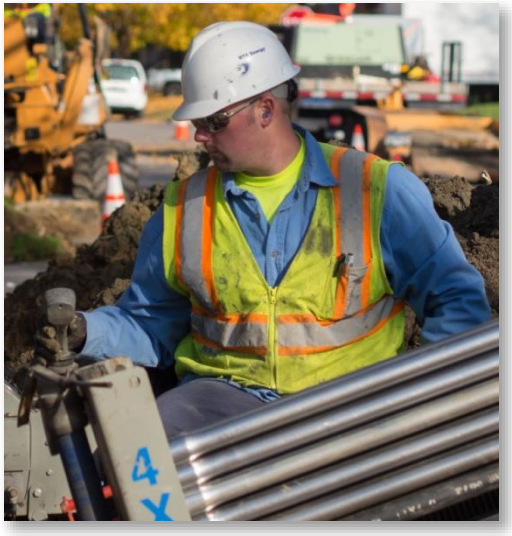
2017 – 2021

$1.7 billion



2022 – 2026

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



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

DTE Energy

Pipeline Integrity



- Strengthens the system - decreasing the potential for system failures

Main Replacement



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

Meter Move Out



- Drives productivity - reducing manual meter reading costs

Gas Storage & Pipelines (GSP) overview

Transport, store and **gather** natural gas



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



$2.2B – $2.8B 5 year capital plan (2017-2021)

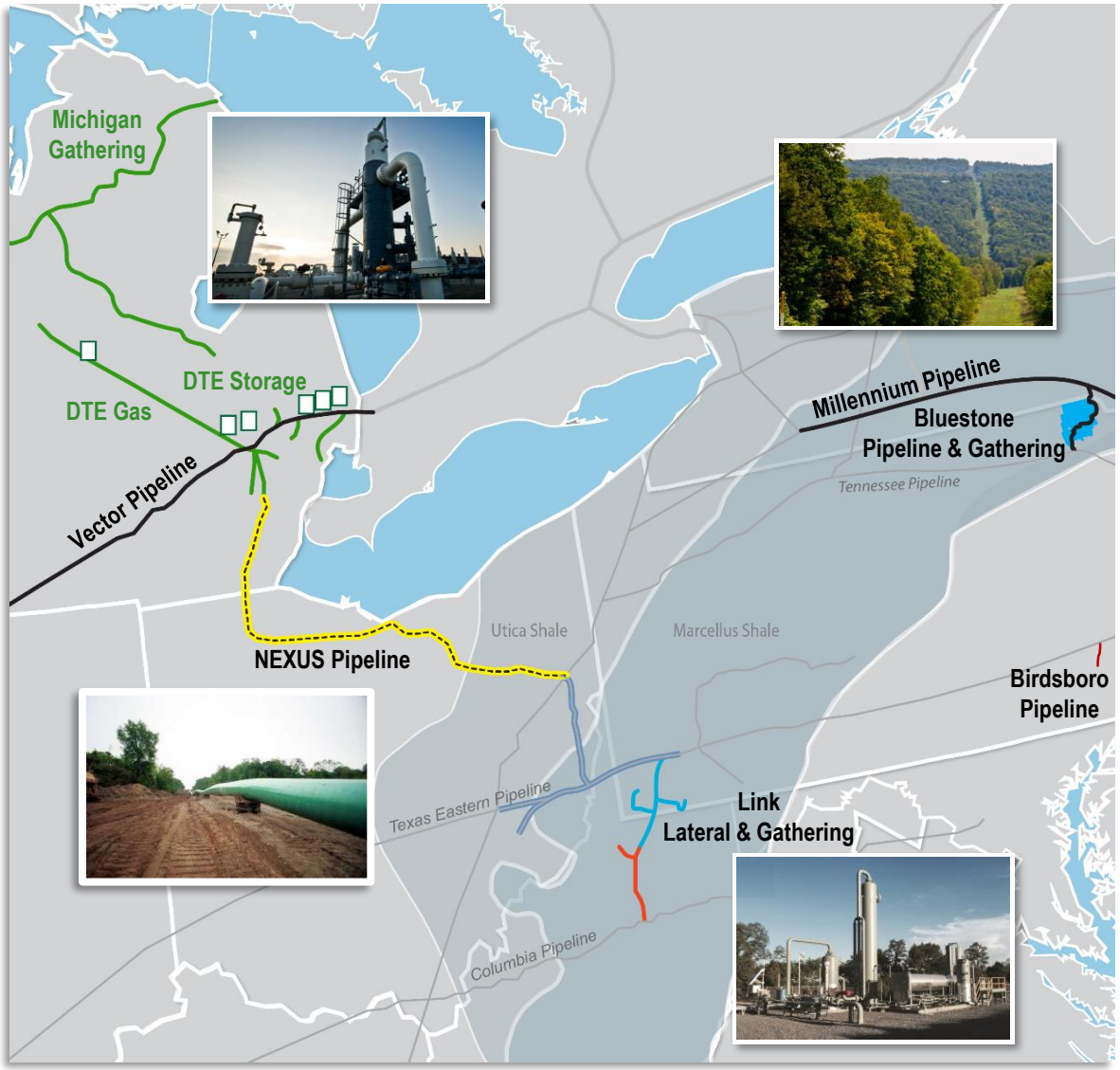
$140M – $150M 2017 operating earnings* guidance

Serves markets in Midwest, Northeast, and Mid-Atlantic

91 Bcf of storage

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

Asset portfolio with multiple growth platforms



Growth Platforms

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

Michigan Assets

- ✓ Strategically located between Chicago and Ontario, Canada trading hubs
  - Vector Pipeline
  - Storage
  - Gathering

* Includes Appalachia Gathering System (AGS) and 55% of Stonewall Gas Gathering (SGG)

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

Link* Lateral & Gathering

- Renegotiated agreement with key shipper
  - Significantly extends contract duration
  - Materially increases volumes
- Strong tie with existing markets; new market access to Gulf and Mid-Atlantic / LNG exports
- Expansion potential over 1.0 Bcf/d



NEXUS

- Targeting year-end 2017 in-service date with second quarter FERC certificate
- Earnings not affected by in-service date
- Ohio interconnect agreements provide 1.75 Bcf/d of market access
- Mainline expandable up to 2.0 Bcf/d



* Includes Appalachia Gathering System (AGS) and 55% of Stonewall Gas Gathering (SGG)

Focused on continued success in pipeline and gathering platforms

Near-Term



- Earnings growth driven by both pipeline and gathering platforms
- Pursuing additional investment opportunities

Operating earnings*
2016 Actual
$127 million

2017 Guidance
$140-$150 million

Long-Term



- Growth drivers
  - Further development of Link** Lateral & Gathering
  - NEXUS project operational and potential expansions
  - Additional Millennium and Bluestone development

Operating earnings
2021 Target
$195-$215 million

Capital investment
2017-2021
$2.2-$2.8 billion

* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
** Includes Appalachia Gathering System (AGS) and 55% of Stonewall Gas Gathering (SGG)

Power & Industrial Projects (P&I) overview

Industrial energy services, renewable energy, and environmental controls



$90M – $100M
2017 operating earnings* guidance

$0.6B – $1.0B
5 year capital plan
(2017-2021)

68 sites
in **17** states



191 MW
renewable plant capacity

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

Operate three distinct business lines across the United States

Renewable Energy



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

Typical contract
10-25 years

Contract duration
14 years

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

Reduced Emissions Fuel (REF)



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

Contract duration
4.5 years

Focused on strategic opportunities for future growth

Near-Term



- Closed on two landfill gas projects
- Finalize combined heat and power project
- Pursue additional investment opportunities

Operating earnings*
2016 Actual
$95 million

2017 Guidance
$90-$100 million

Long-Term



- Identify and execute on additional asset acquisitions and utility-like projects
- Recently announced projects cover approximately one-third of earnings growth needed to achieve 2021 target

Operating earnings
2021 Target
$100-$110 million

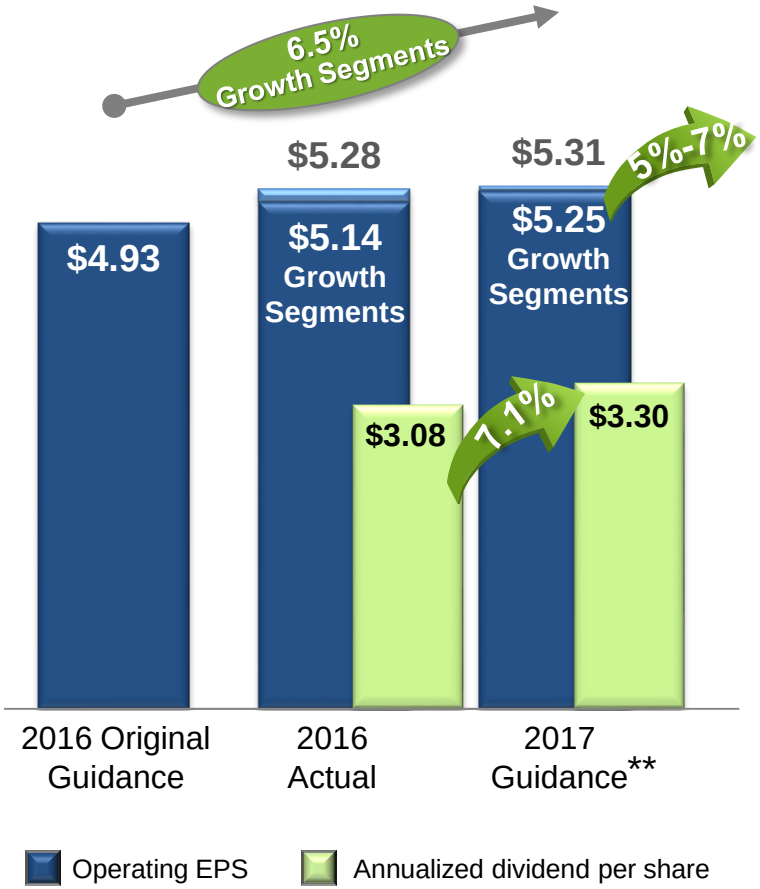
Capital investment
2017-2021
$0.6-$1.0 billion

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

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Focus on continuing our strong financial performance

(dollars per share)



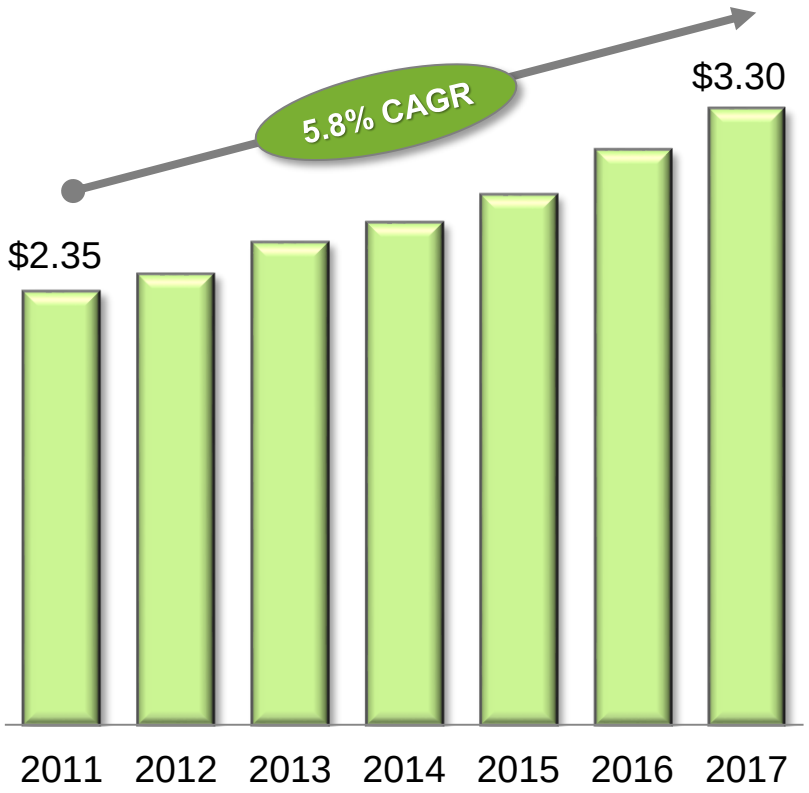
- ✓ Strong track record of meeting or exceeding original guidance; targeting 11th consecutive year in 2017
- ✓ Operating EPS* growth target of 5% - 7%
- ✓ Targeting ~7% dividend increases in 2018 and 2019

* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
** Growth segments midpoint (excludes Energy Trading)

Consistently provide value to shareholders

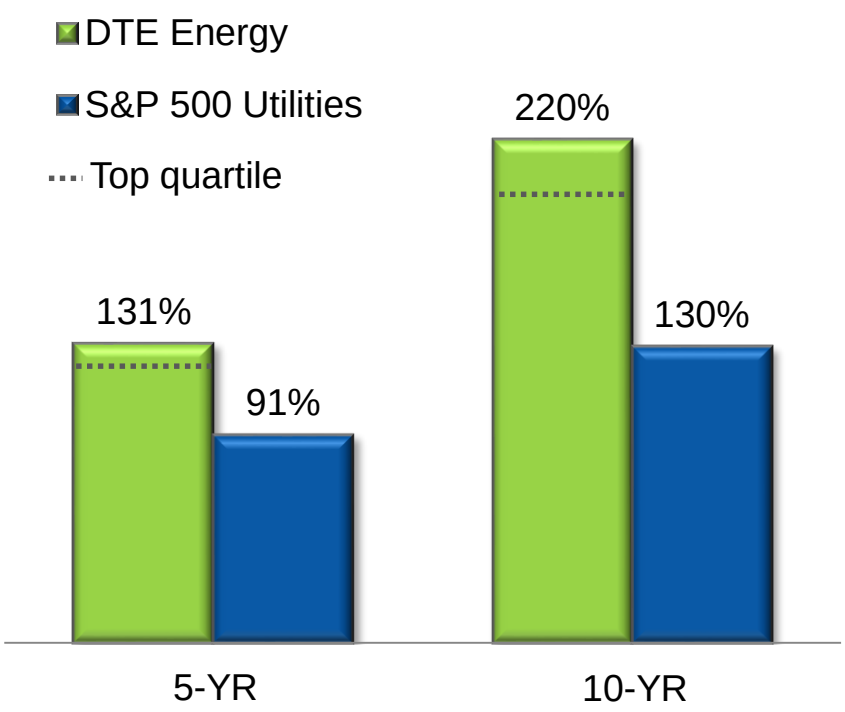
Annualized Dividend per Share

(dollars per share)



Over 100 consecutive years of paying dividends

Total Shareholder Return*

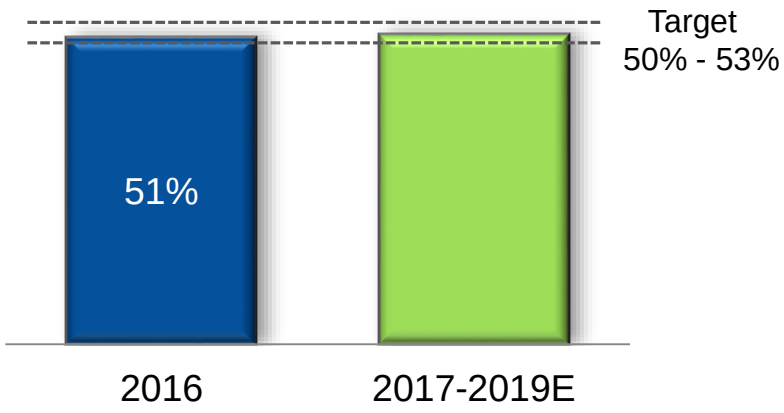


Top quartile of S&P 500 Utilities for 5 and 10 year periods

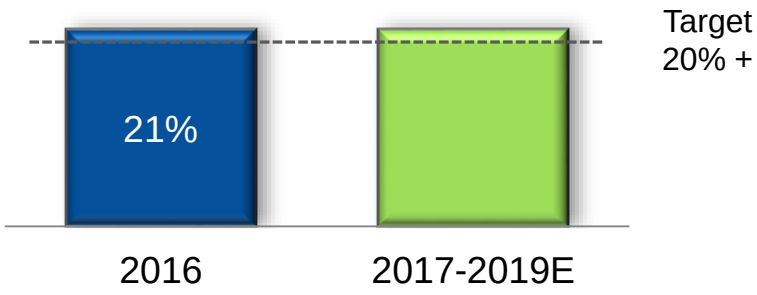
* Source: Bloomberg (as of 5/31/2017)

Cash flow and balance sheet remain strong

Leverage*



Funds from Operations** / Debt*



- Acquisition related equity of $675 million in late 2019 (through convertible equity units)
  - No additional equity planned through 2019
- $2 billion of available liquidity at March 31, 2017

* 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

- Overview
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Summary

- On track to achieve 2017 operating EPS* guidance
- Utility growth plan driven by infrastructure investments focused on improving reliability and the customer experience
- Strategic and sustainable growth in non-utility businesses
- Strong balance sheet metrics
- EPS and dividend growth drive premium total shareholder return

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

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 of operating earnings (non-GAAP) to reported earnings included in the appendix
** Total DTE Energy excluding Energy Trading

Cash flow and capital expenditures guidance underpins growth target

(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
Replacement & 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**

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

- Environmental Leadership
  - Generation portfolio shift to gas and renewables (including one of the largest solar arrays east of the Mississippi)
  - 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 Board directors are independent
  - Board includes separate Corporate Governance and Public Responsibility Committees
  - Incentive plans are tied to safety and customer satisfaction targets



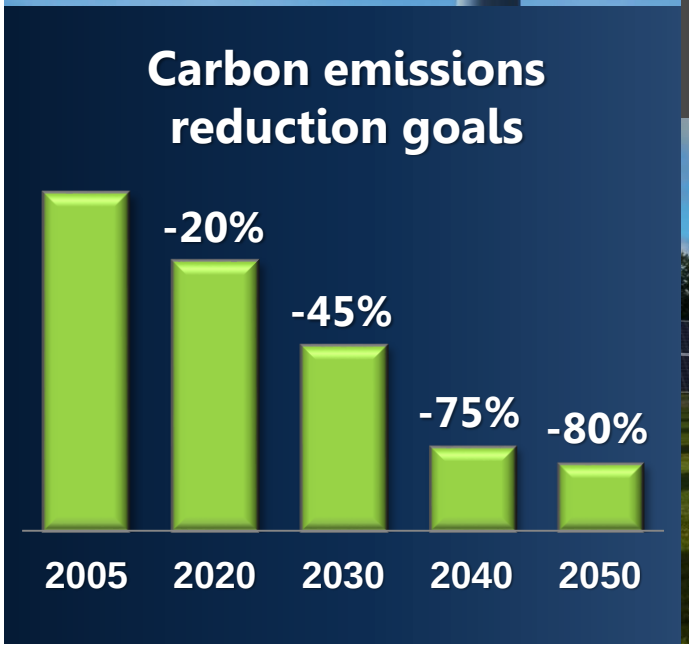
Photo taken at DTE power plant nature reserve

Committed to producing cleaner energy



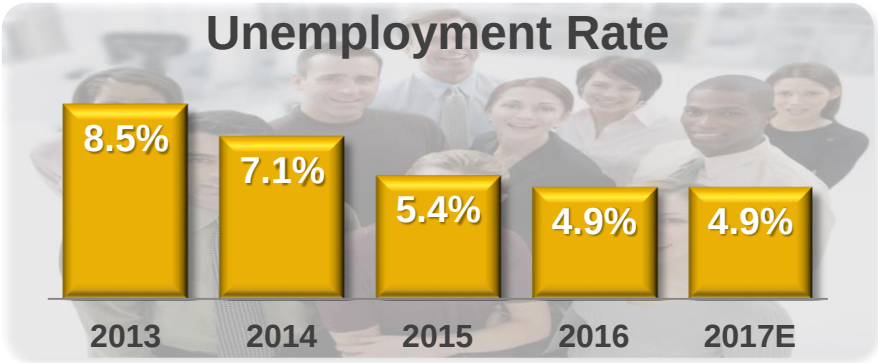
Since 2005, we have reduced CO_2 by 26%, SO_2 by 76% and mercury emissions by 86%

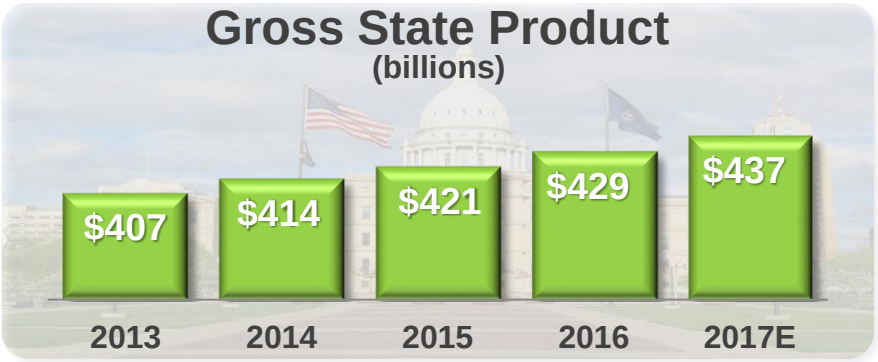
Generated more than 3.4 million MWh of renewable electricity in 2016

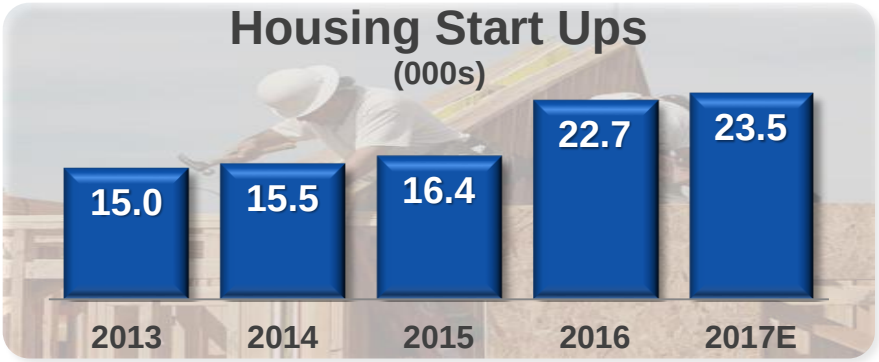




Positive trends continue with Michigan's economy







Source: IHS

Lowest unemployment in Michigan since 2000

7th top state for business*

Michigan has the **highest** number of manufacturing jobs since 2007**

7th best state to make a living in 2016***

* Source: CNBC

** Source: U.S. Department of Labor

*** Source: Forbes

Regulatory update

DTE Electric

- Annual rate cases 2018+
- 1Q 2017 order (U-18014)
  - $184 million
  - 10.1% ROE
- Filed rate case April 19, 2017 (U-18255)
  - Requested rate recovery: $231 million
  - Test year: November 1, 2017 to October 31, 2018
  - Self implementation: November 2017
  - Return on equity: 10.5%
  - Rate base: $15.4 billion
  - Rate of return: 5.57%

DTE Gas

- Expect rate case filing in 1-2 years
- 4Q 2016 order (U-17999)
  - $122 million
  - 10.1% ROE

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

- The MPSC establishes fair and reasonable rates and administers 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 confirmation of the State Senate
- Commissioners are appointed to serve staggered six-year terms
- One commissioner is designated as chairman by the Governor



Sally Talberg
Chair
Term Ends: 7/2/21



Norm Saari
Commissioner
Term Ends: 7/2/19

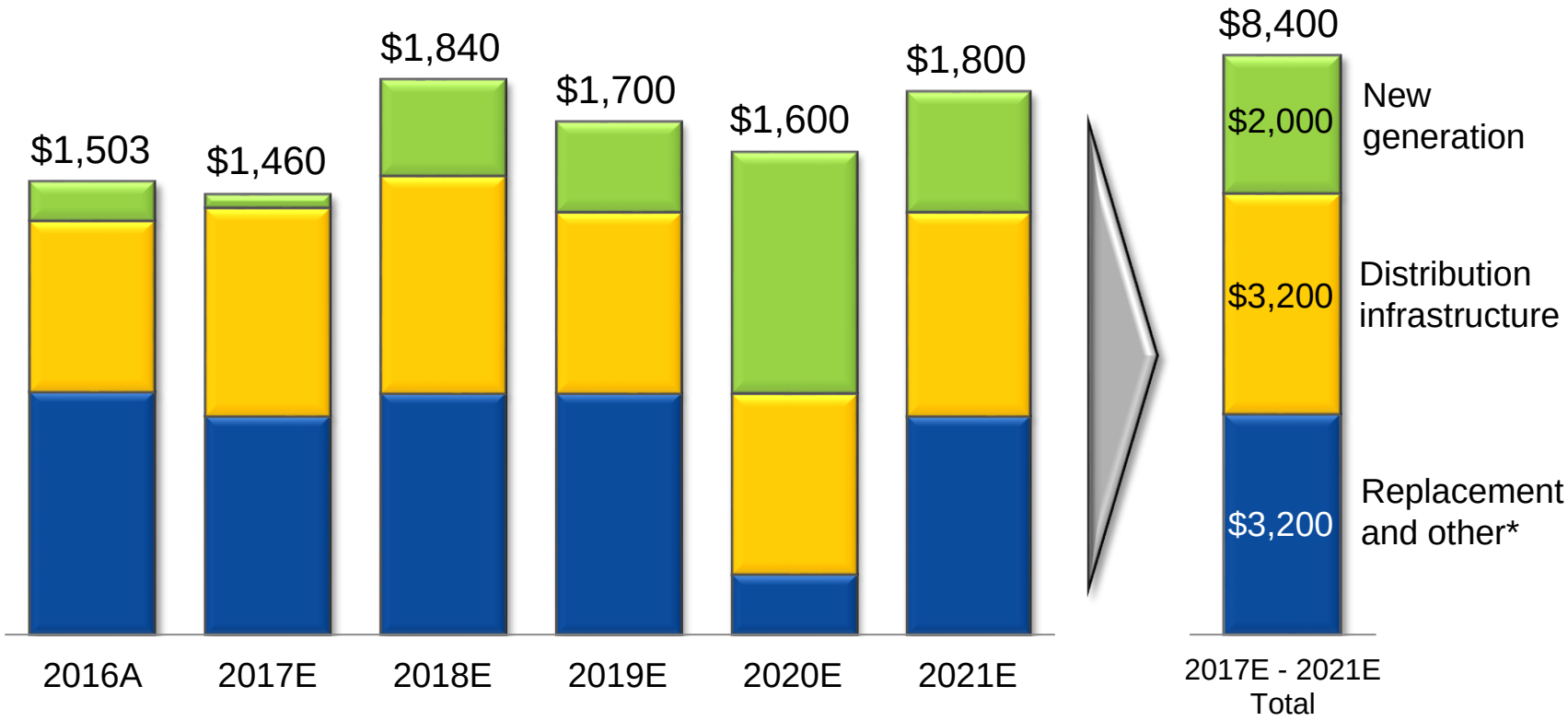


Rachael Eubanks
Commissioner
Term Ends: 7/2/23

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



Depreciation	$704M	~$923M
YE Rate Base**	$15.6B	~$20.9B

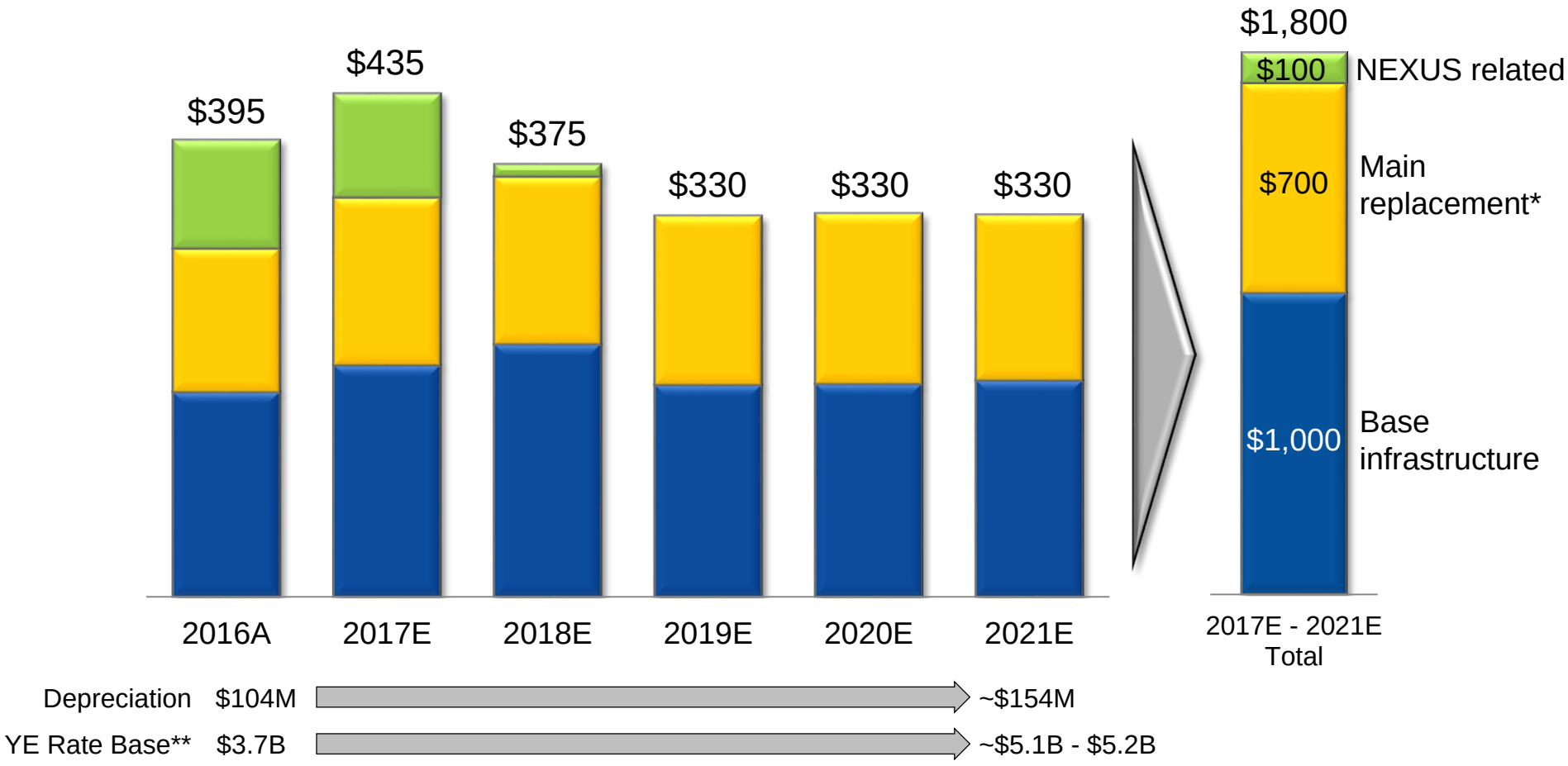
* Includes power reliability, existing generation maintenance, AMI, Ludington expansion and other investments

** 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

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.

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 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.