DTE Business Update

August 2019



DTE

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; the operational failure of electric or gas distribution systems or infrastructure; 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; the risk of a major safety incident; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements; the cost of protecting assets against, or damage due to, cyber incidents and terrorism; health, safety, financial, environmental, and regulatory risks associated with ownership and operation of nuclear facilities; 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; changes in the cost and availability of coal and other raw materials, purchased power, and natural gas; advances in technology that produce power or reduce power consumption; changes in the financial condition of significant customers and strategic partners; the potential for losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions; access to capital markets and the results of other financing efforts which can be affected by credit agency ratings; instability in capital markets which could impact availability of short and long-term financing; the timing and extent of changes in interest rates; the level of borrowings; the potential for increased costs or delays in completion of significant capital projects; changes in, and application of, federal, state, and local tax laws and their interpretations, including the Internal Revenue Code, regulations, rulings, court proceedings, and audits; the effects of weather and other natural phenomena on operations and sales to customers, and purchases from suppliers; unplanned outages; employee relations and the impact of collective bargaining agreements; the 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 the Registrants' public filings with the Securities and Exchange Commission.

DTE overview



70% - 75% Utility

DTE Electric
Electric generation and distribution

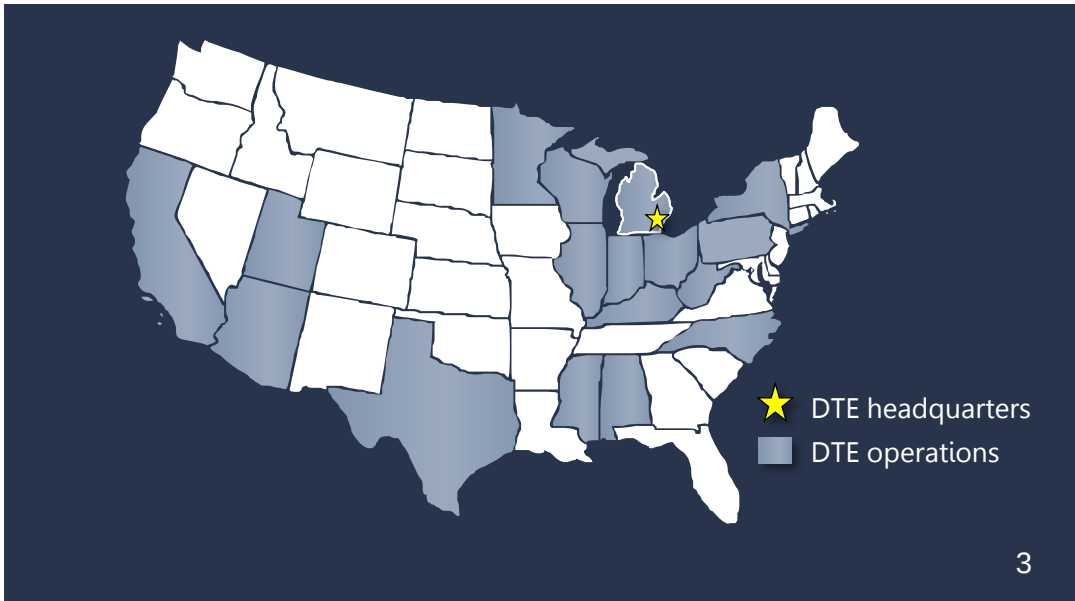
DTE Gas
Natural gas transmission, storage and distribution

25% - 30% Non-utility

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

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

Energy Trading
Gas, power and renewables marketing



Growth plan continues to deliver significant shareholder value

DTE

Strong track record for shareholders

- ✓ Decade-long record of beating guidance
- ✓ Strong TSR over 10 year period
- ✓ Strong balance sheet metrics

Distinctive focus on culture

- ✓ Elite workforce engagement
- ✓ Force for growth in our community

Broad utility infrastructure investment

- ✓ Expanding voluntary renewables program
- ✓ Accelerating gas main renewal program

Strong non-utility growth agenda

- ✓ Expanding pipeline and gathering platform
- ✓ Delivering industrial / renewable gas solutions

Targeting 5% - 7% operating EPS* growth through 2023
Annualized dividend growth of 7% through 2020**

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

Environmental, social and governance efforts are key priorities

Environmental

50% clean energy by 2030

Carbon emissions reduced 80% by 2040*



Governance

11 out of 13 Board members are independent

Incentive plans tied to safety and customer satisfaction targets



Social

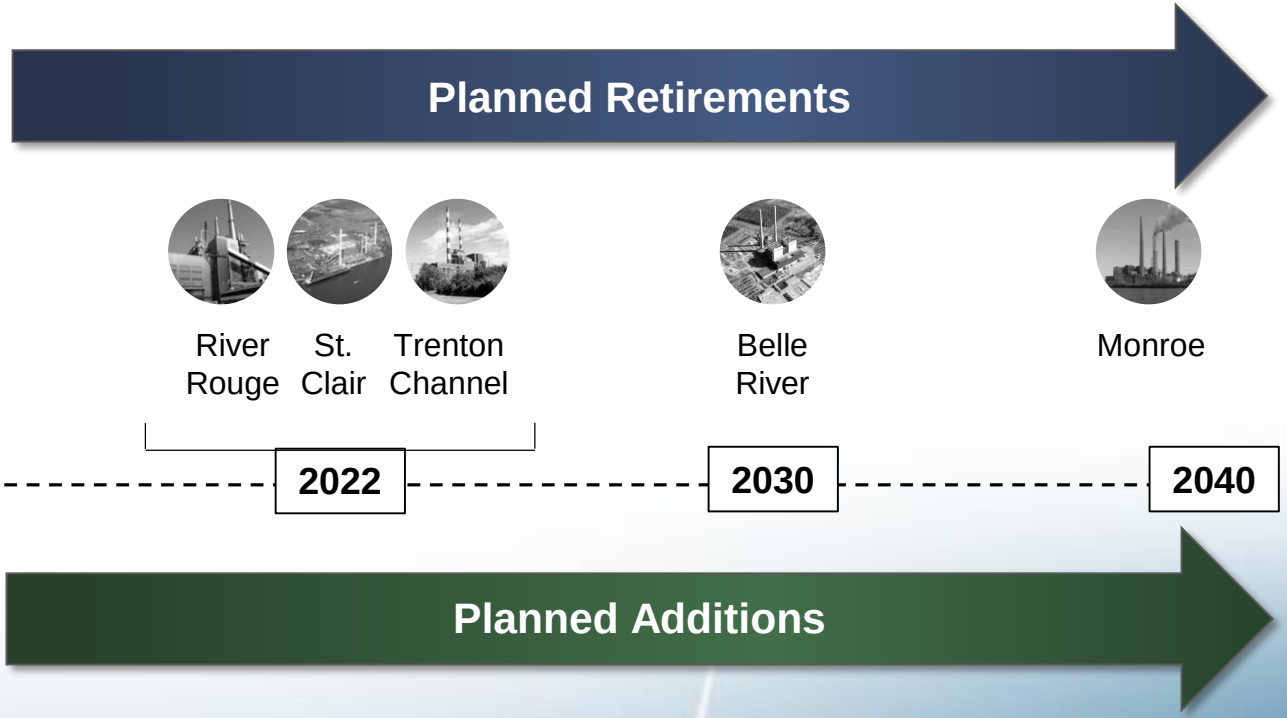
Recognized by DiversityInc as a top-five utility in the nation

2018 Business Diversity Innovation Award from the Edison Electric Institute



* CO_2 percentage reductions from 2005 levels

Replacing coal with renewables and natural gas



- ✓ *Quadrupling renewables by 2040*
- ✓ *Increasing voluntary renewables up to 1,400 MW by 2030*
- ✓ *Additional natural gas if needed*

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

Our commitment to employees, customers and communities provide a solid framework for success

Employee engagement

Ranked top 3% in the world

7 consecutive Gallup Great Workplace Awards

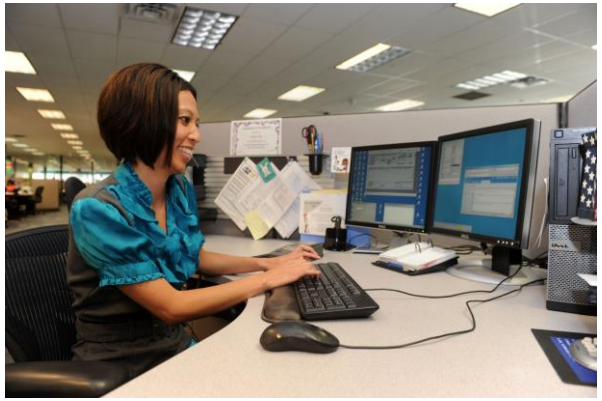
Safety

Received 2018 AGA Safety Achievement Award

Top decile OSHA rate and best in the industry for DART* rate

Force for growth

Ranked as one of the country's top corporate citizens by Points of Light and J.D. Power**



Customer satisfaction**

Ranked 1st for business gas satisfaction

Ranked 2nd in residential customer satisfaction at both utilities

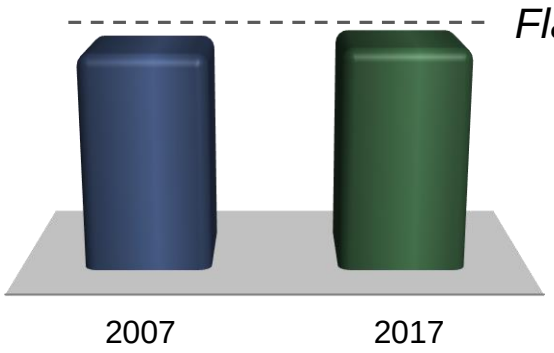


* Safety metric measuring Days Away, Restricted or Transferred

** J.D. Power 2018 Electric and Gas Utility Midwest Customer Satisfaction Study. Visit jdpower.com

Distinctive continuous improvement culture results in strong track record of cost management

Utility O&M*



- ✓ **Flat** utility O&M over the past 10 years
  - Average annual peer increase of 2.5%
- ✓ **Lowered** average electric industrial customer rate **16%** over the past 5 years

All 10,000 employees engaged in CI to surface and solve problems

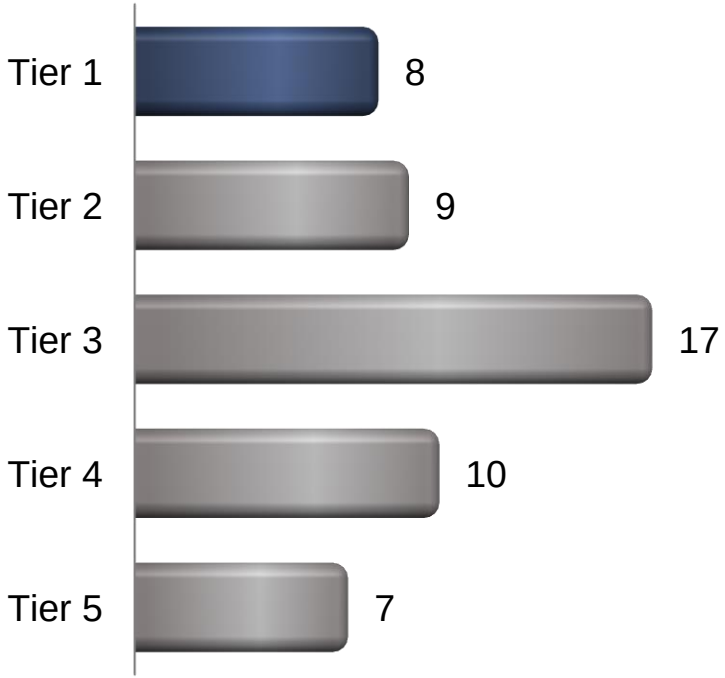
- ✓ **Controlling costs** while improving the customer experience
  - Productivity enhancements
  - Technology innovations
  - Automation
  - Infrastructure replacements
  - Transition to cleaner energy



* Source: SNL Financial, FERC Form 1 and FERC Form 2; excluding electric fuel and purchased power and gas production expense

Michigan has a constructive regulatory environment

Ranking of U.S. regulatory jurisdictions* (Michigan in Tier 1)



MPSC Priorities**

- ✓ Promote Michigan's economic growth and enhance the quality of life of the communities
- ✓ Support adoption of advanced technologies
- ✓ Modernize infrastructure
- ✓ 5-year electric distribution planning
- ✓ Natural gas pipeline replacement programs
- ✓ Integrated resource planning



Sally Talberg (I)
Chair
Term Ends: 7/2/21



Dan Scripps (D)
Commissioner
Term Ends: 7/2/23

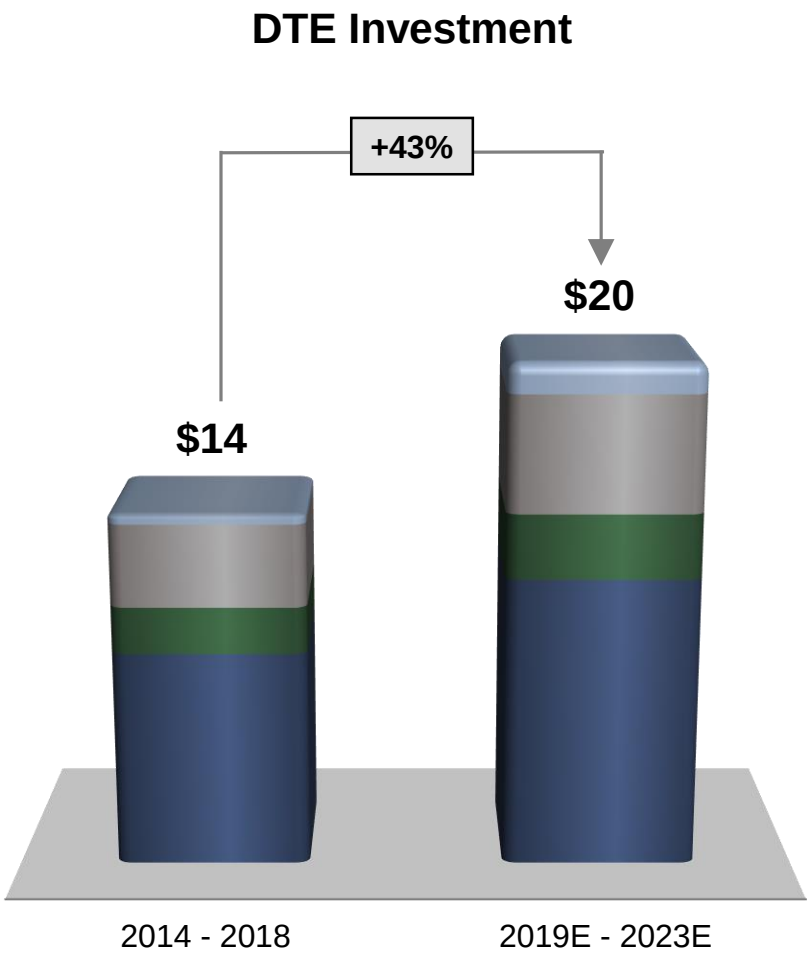


Tremaine Phillips (D)
Commissioner
Term Ends: 7/2/25
Effective: 9/9/19

* Source: UBS, March 2019 (50 states and Washington, D.C.)
** Source: MPSC 2018 Annual Report

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

(billions)



Electric $11.3 billion
Distribution infrastructure, cleaner generation, maintenance
7% - 8% operating earnings* growth

Gas $2.5 billion
Base infrastructure, main renewal acceleration
8% - 9% operating earnings* growth

GSP $4.0 - $5.0 billion
Expansions, NEXUS / Link buildouts, acquisitions

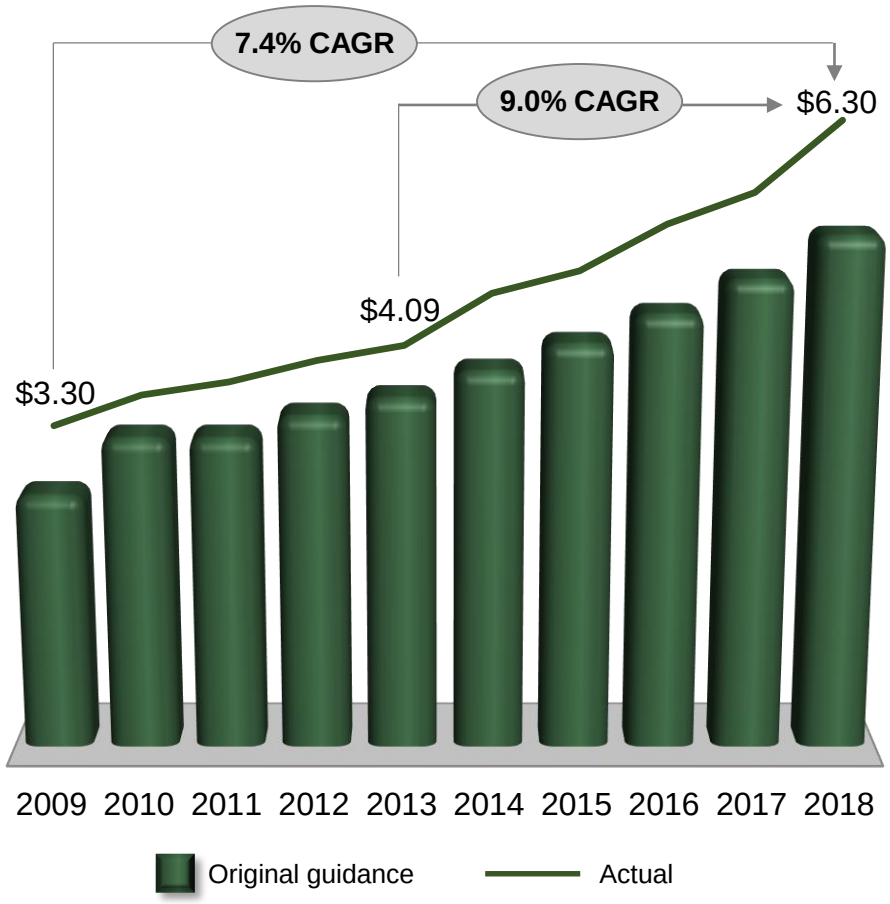
P&I $1.0 - $1.4 billion
Industrial energy services, renewable natural gas (RNG)

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

Focus on culture and commitment to customers has delivered strong returns for shareholders

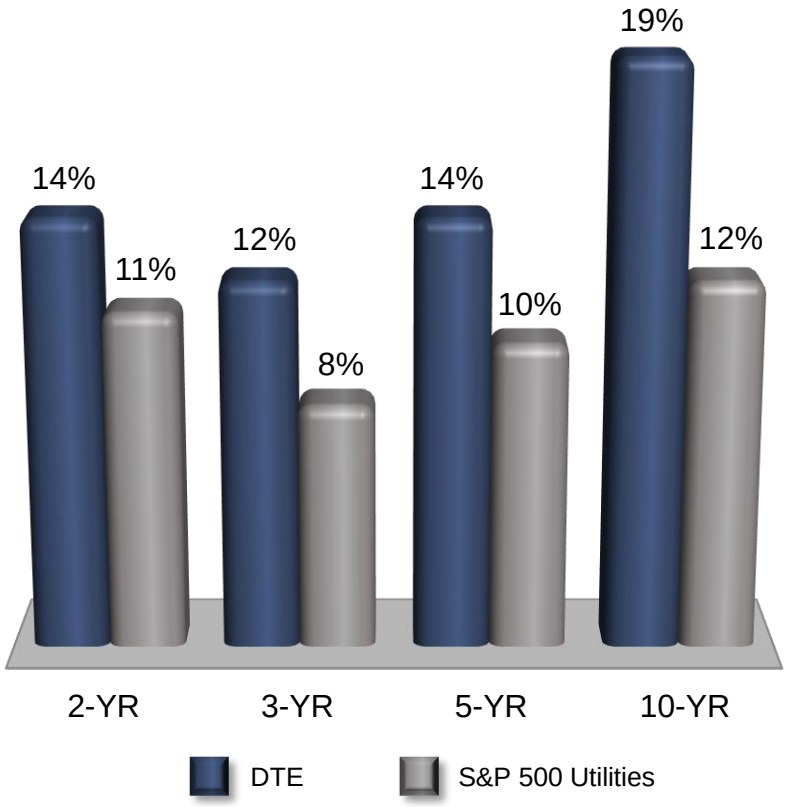
Decade of exceeding guidance…

Operating EPS*



…and delivering strong TSR results

Total Shareholder Return**
(Annualized)



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

** Source: Bloomberg as of 6/30/2019

DTE Electric providing customers with cleaner energy and strengthened distribution infrastructure



Cleaner energy — Delivering 50% clean energy by 2030 and 80% carbon emissions reduction by 2040*

Infrastructure redesign — Addresses substation load growth and aging infrastructure

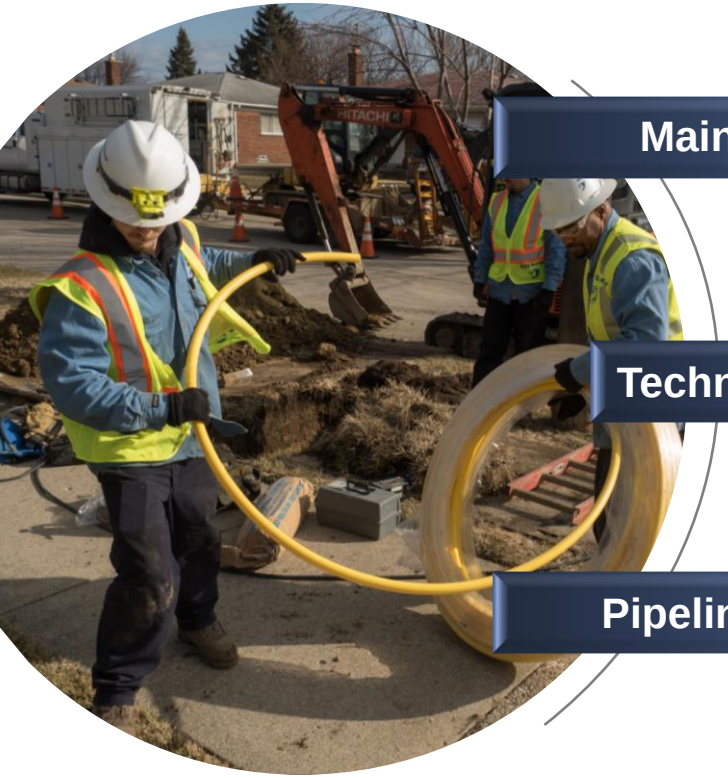
Technology enhancement — Targets 100% remote monitoring and enhances cybersecurity

Enhanced tree trimming — Improves distribution reliability

- Filed rate case in July and received constructive order on renewable energy plan
- Launched Charging Forward program to promote electric vehicle education, infrastructure and adoption
- Upgrading Ludington Hydroelectric Plant
- Advancing on Blue Water Energy Center

* CO_2 percentage reductions from 2005 levels

DTE Gas achieves fundamental shift in performance, cost and productivity by replacing aging infrastructure



Main renewal

Minimizes leaks, both reducing costs and improving customer satisfaction

Technology enhancement

Reduces manual meter reading, improving both operational efficiencies and customer satisfaction

Pipeline integrity

Strengthens the system, decreasing the potential for system issues

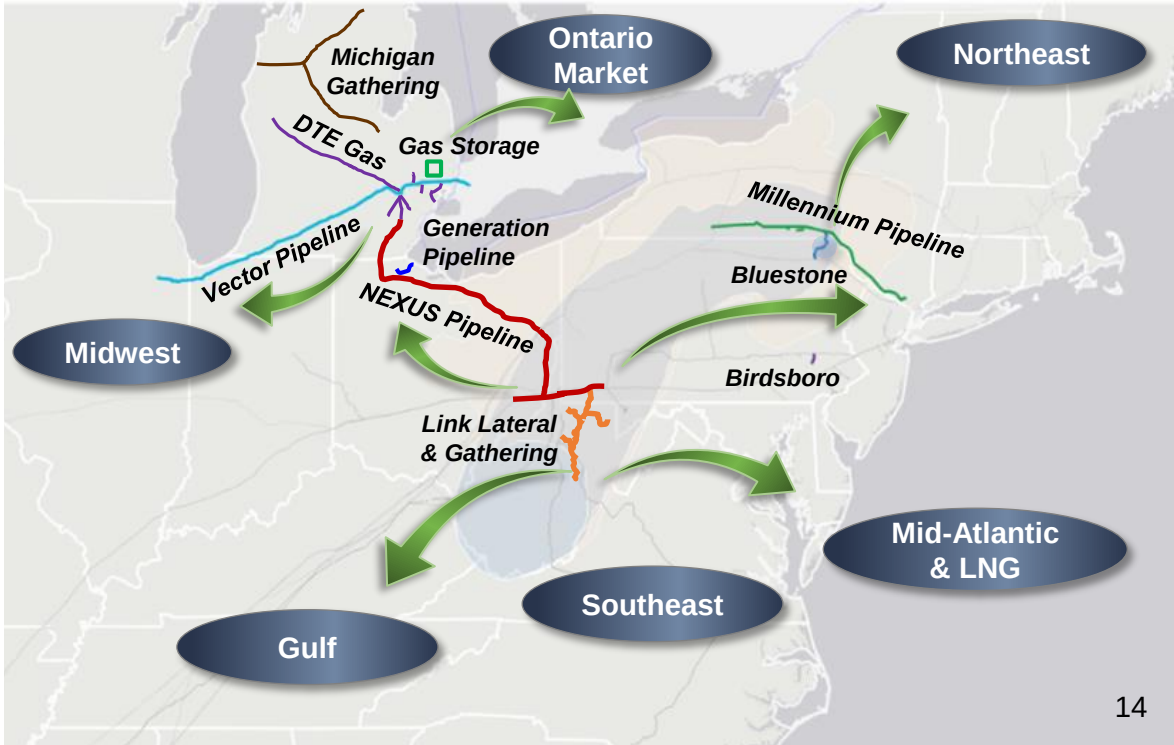
- Accelerating over $450 million of main renewal capital over the next five years
- Planning additional transmission renewal improvements
- Reducing methane emissions more than 80% by 2040*
  - Achieved 20% reduction through 2018

* Methane percentage reductions from 2011 levels

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



- ✓ **Transport, gather, store** natural gas
- ✓ **2,000 miles** of pipe and gathering lines
- ✓ **91 Bcf** of storage



GSP continues growth track record



Pipeline — Connecting high-quality markets to world-class geology

Gathering — Serving among strongest geology in a growing basin

Storage — Capitalizing on strategic location to serve key markets and future power generation load growth

- Purchased additional 30% of Link-SGG
- Acquiring Generation Pipeline, supplier of natural gas to power and industrial customers in Ohio; closing 2H 2019
- Completed Millennium Pipeline expansion
- Progressing on Link expansion

P&I's focus on growth platforms drives continued success



Industrial Energy Services

Developing new cogeneration projects to improve customer environmental attributes and lower energy costs

Renewable Energy

Expanding business to generate RNG at landfill and agricultural sites

Reduced Emissions Fuel

Maximizing cash flows to reinvest in long-term earnings across DTE

- Finalizing three industrial energy services projects
  - Development of strategic cogeneration project in Ontario
  - Purchasing CHP plant to serve a commercial customer
  - Developing on-site utility plant in Michigan
- Finalized two greenfield RNG projects in Wisconsin

Appendix

Confident in achieving increased 2019 operating EPS* guidance

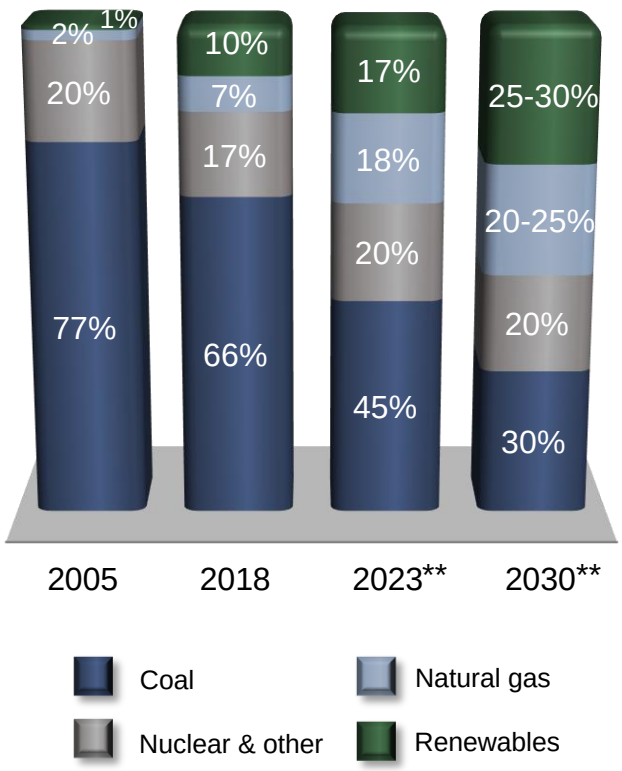
(millions, except EPS)

	2019 Operating Earnings Guidance
DTE Electric	$703 - $717
DTE Gas	175 - 183
Gas Storage & Pipelines	208 - 218
Power & Industrial Projects	119 - 134
Energy Trading	15 - 25
Corporate & Other	(112) - (102)
DTE Energy	**$1,108 - $1,175**
Operating EPS	**$6.02 - $6.38**

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

IRP filing supports steady march to creating clean, reliable, affordable, home-grown energy

Generation Mix



IRP Filing

- ✓ **Consistent** with EEI 5-year capital investment plan
- ✓ **Accelerating** carbon emissions reductions*

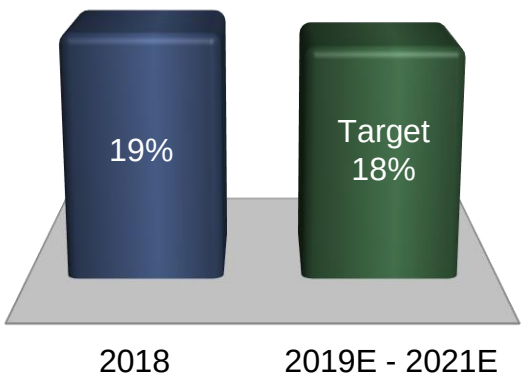
  32% by 2023, **50%** by 2030, **80%** by 2040
- ✓ **Targeting 1,400 MW** voluntary renewable program by 2030
- ✓ **Retiring** all coal plants by **2040**

* CO_2 percentage reductions from 2005 levels

** Timing and mix are subject to change

Maintaining strong cash flow and balance sheet

Funds from Operations* / Debt**



- Issuing $1.0 – $1.5 billion of equity in 2019 – 2021
  - Up to $250 million of equity in 2019 using internal mechanisms; ~$165 million issued through 2Q
- Supporting capital investments with strong cash from operations
- $2.4 billion of available liquidity at end of 2Q
- Maintaining strong investment-grade credit rating
- Issued $1.2 billion in green bonds in 2018 – 2019

* Funds from Operations is calculated using operating earnings

** 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

DTE Electric and DTE Gas regulatory update

DTE Electric

- General rate case - order received May 2019 (U-20162)
  - Effective: May 2019
  - Rate recovery: $273 million
  - ROE: 10.0%
  - Capital structure: 50% debt, 50% equity
  - Rate base: $17 billion
- General rate case – filed July 2019 (U-20561)
  - Effective: May 2020
  - Rate recovery: $351 million
  - ROE: 10.5%
  - Capital structure: 50% debt, 50% equity
  - Rate base: $18.3 billion
- Filed Integrated Resource Plan - March 2019 (U-20471)
  - PFD expected late 2019
  - Order expected early 2020

DTE Gas

- General rate case - order received September 2018 (U-18999)
  - Effective: October 2018
  - Rate recovery: $47 million
  - ROE: 10.0%
  - Capital structure: 48% debt, 52% equity
  - Rate base: $4.2 billion
- Expect to file rate cases every ~2 years



Cash flow and capital expenditures guidance

(billions)

Cash Flow

	2019 Guidance
Cash From Operations*	$2.4
Capital Expenditures	(3.9)
Free Cash Flow	**($1.5)**
Dividends	(0.7)
Net Cash	**($2.2)**
Debt Financing**	
Issuances	$2.3
Redemptions	(0.8)
Change in Debt	**$1.5**
Equity Financing	
Issuances***	$0.7

(millions)

Capital Expenditures

	2019 Guidance
DTE Electric	
Base Infrastructure	$820
New Generation	490
Distribution Infrastructure	890
	$2,200
DTE Gas	
Base Infrastructure	$270
NEXUS Related	-
Main Renewal	240
	$510
Non-Utility	$900-$1,200
Total	**$3,610-$3,910**

* Includes $0.25 billion of equity issued for employee benefit programs

** Excludes the remarketing of $0.675 billion of securities related to the Link acquisition

*** Includes $0.675 billion issued in connection with the equity units related to the Link acquisition

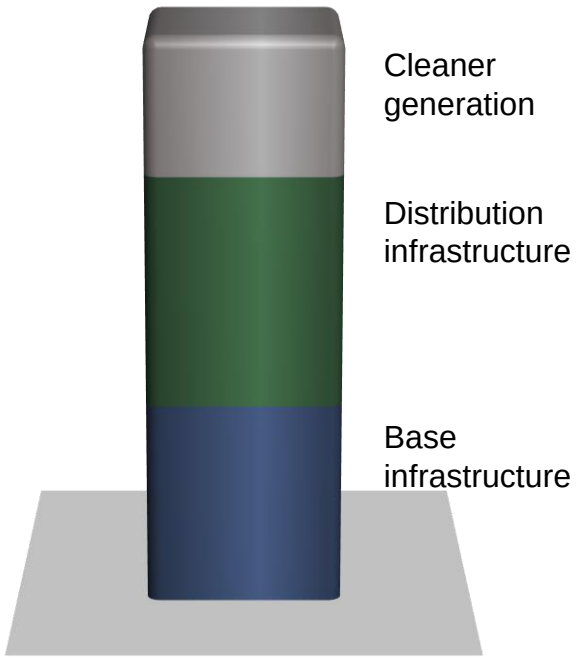
Both utilities increase customer reliability with investment plans over the next 5 years

(billions)

DTE Electric

Targeting 7% - 8% operating earnings* growth

$11.3

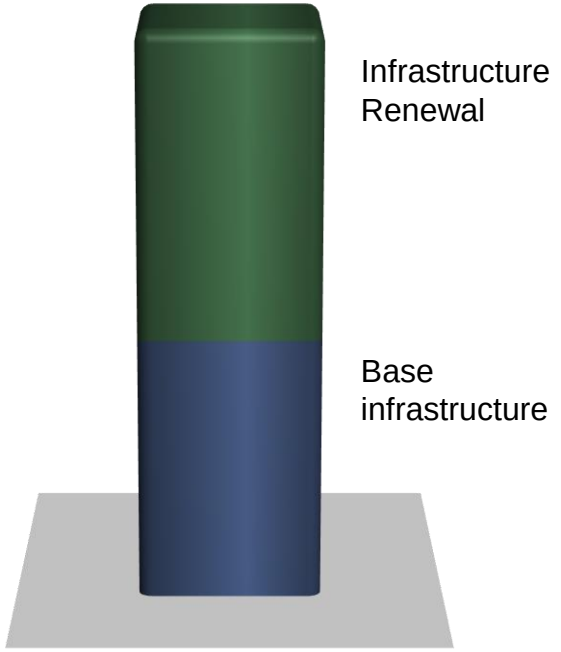


2019E – 2023E

DTE Gas

Targeting 8% - 9% operating earnings* growth

$2.5

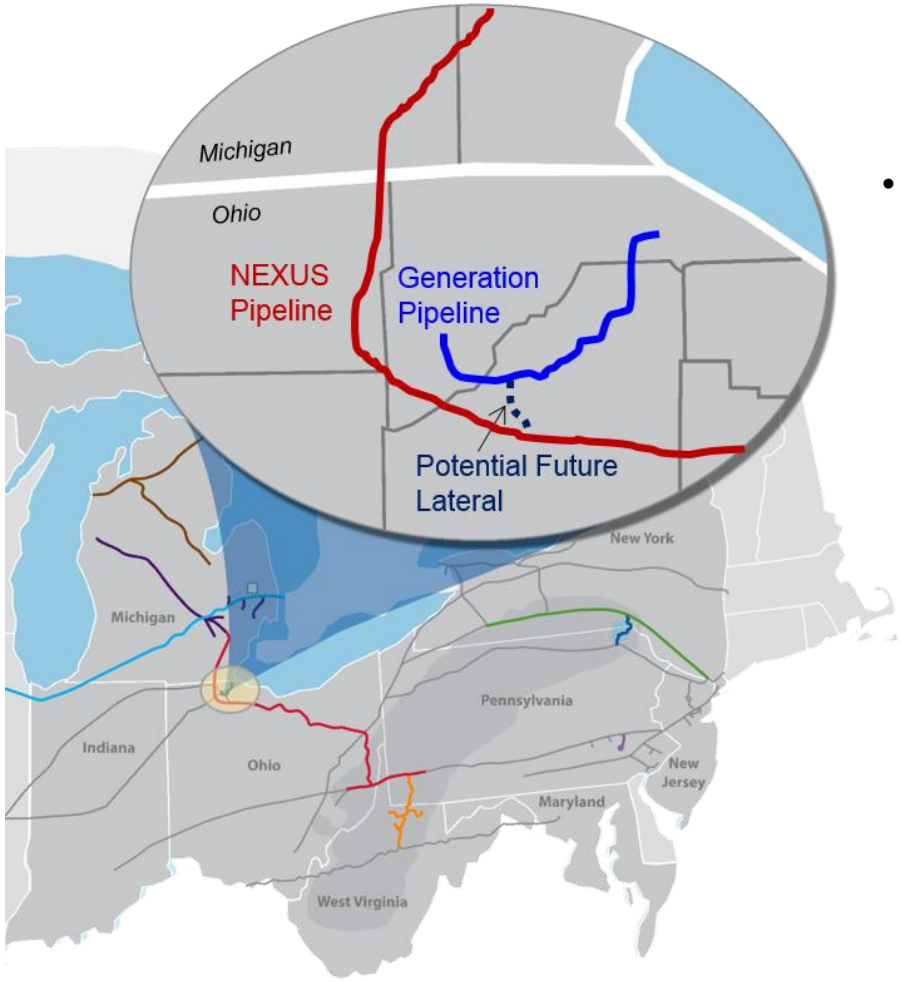


2019E – 2023E

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

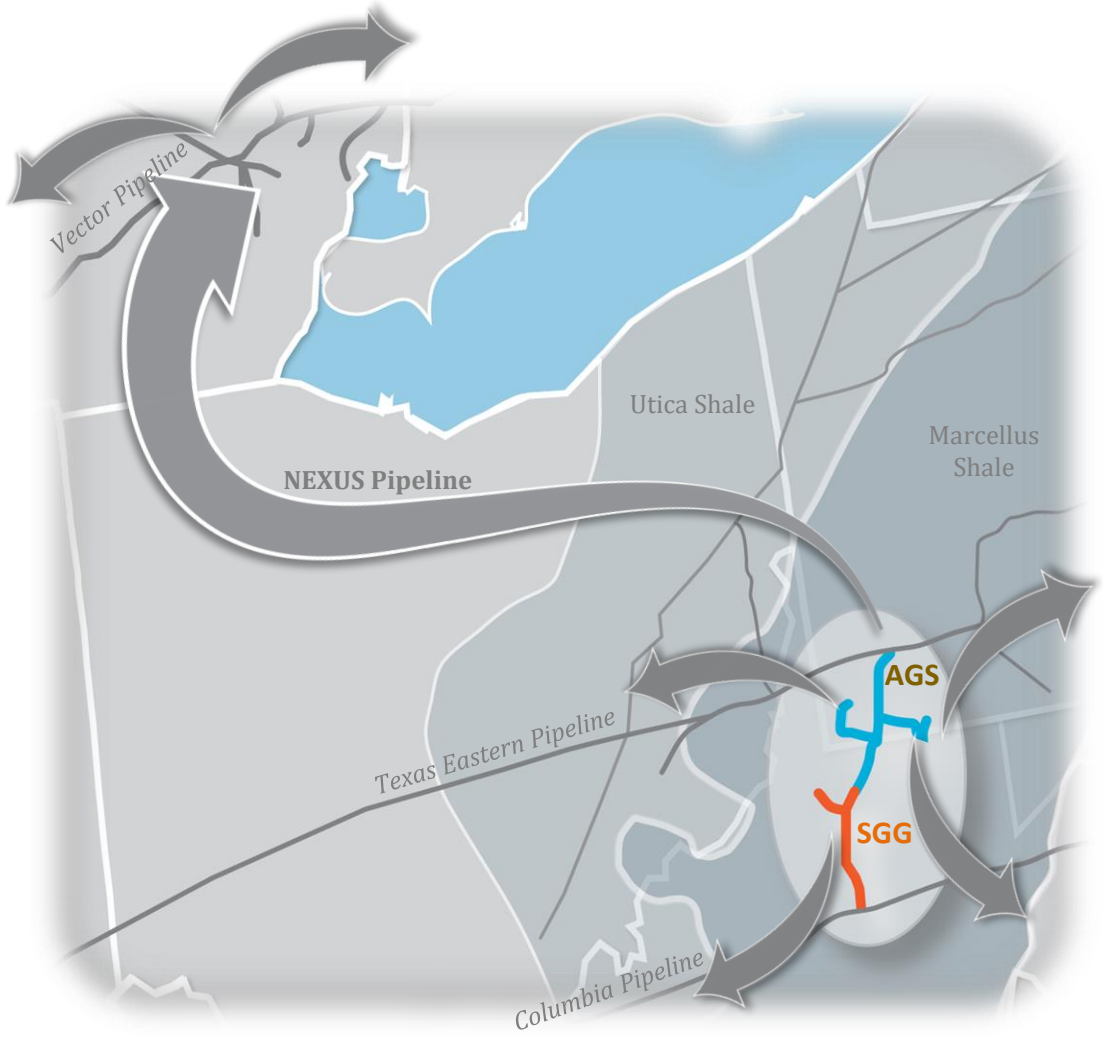
GSP is acquiring Generation Pipeline

Gas Storage & Pipelines



- NEXUS acquiring Generation Pipeline
  - Purchase price between $150 - $200 million
  - 355 MMcf/d fully contracted, 24-inch, 23 mile pipeline
  - Located four miles north of NEXUS
  - Supplier of natural gas to power and industrial customers in Northwest Ohio
  - Interconnects with ANR and Panhandle Eastern pipelines
  - Provides future opportunity for NEXUS direct access to Toledo industrial corridor

Purchased additional 30% of Link-SGG

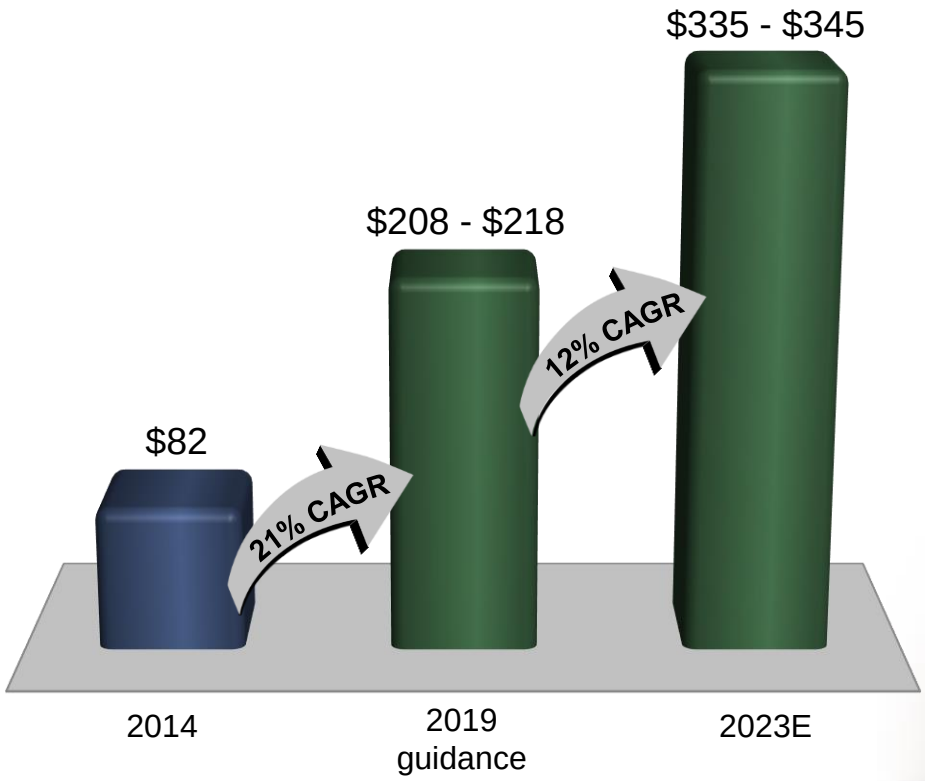


- Acquired additional 30% interest in Link-SGG for $275 million
  - Increases SGG ownership from 55% to 85%
  - Complements our existing midstream business
  - Provides a platform for continued value creation supported by solid underlying resources
  - Underlying resource is highly economic and is poised for growth
  - Remaining contracts with shippers Antero and Arsenal are long-term with significant minimum volume commitments
- Link's performance has been better than pro forma since acquiring it in 2016

Multiple platforms underpin long-term growth at GSP

(millions)

GSP Operating Earnings*



$4.0 - $5.0 billion investment (2019 - 2023)

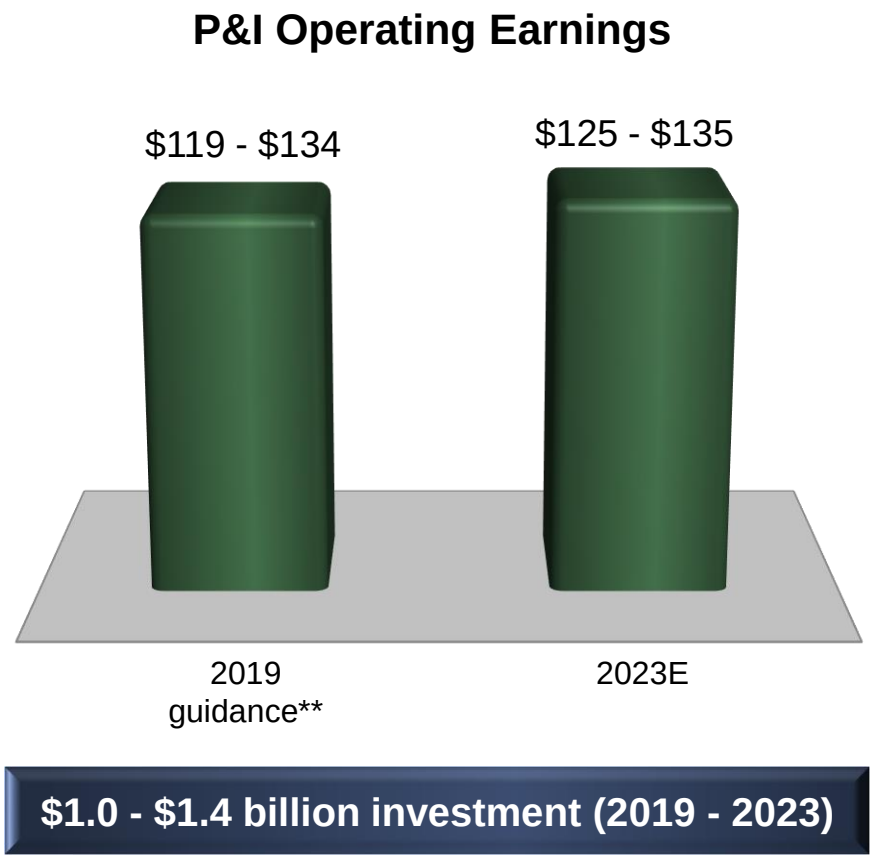
- 5-year growth of 21% through 2019
- 12% growth from 2019 guidance
  - Continued pipeline expansions
  - Investment around Link and NEXUS platforms
  - Strategic acquisitions
- Strong development queue



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

Operating earnings* post REF are underpinned by attractive growth opportunities at P&I

(millions)



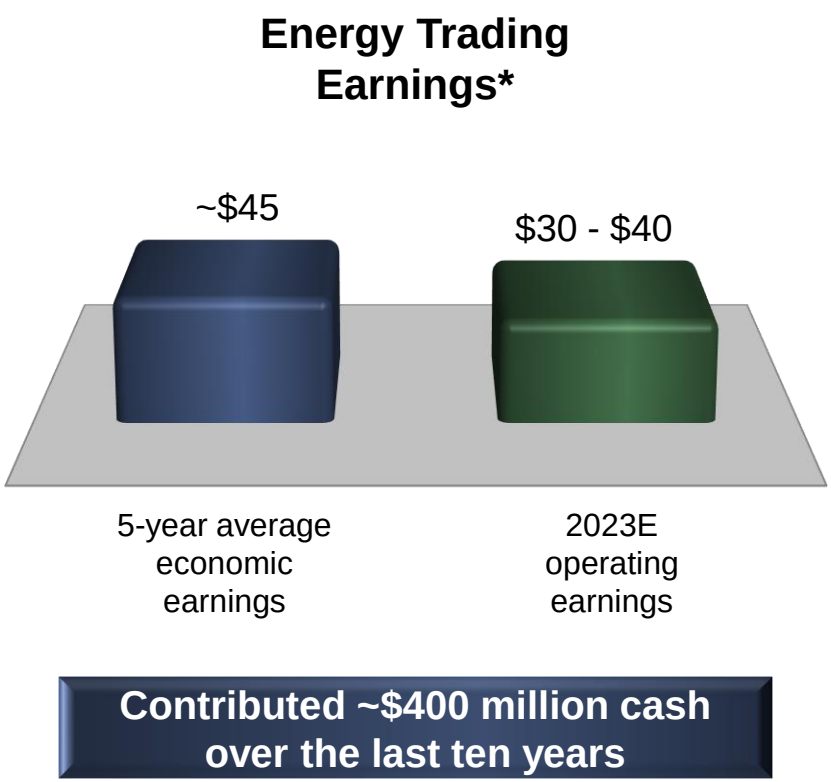
- P&I growth opportunities stronger than previously anticipated, driving higher earnings in 5-year plan
- Current project development queue is very strong
- 5-year plan calls for P&I to:
  - Backfill REF earnings with new projects
  - Originate ~$15 million of project earnings each year through 2023
  - Achieve ~$130 million of long-term earnings by 2023

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

** Includes REF tax equity deal - accelerates cash flows of $100 million/year for 3 years and reduces income by ~$40 million

Energy Trading business provides valuable market insights and cash for reinvestment

(millions)



- 20+ years of experience in the trading business
- Marketing capabilities support other business units
  - Moves GSP customers' gas to market
  - Markets and originates for P&I's RNG business
- Physical assets increasingly underlie positions
  - Economic earnings closely correlated to longer term operating earnings
  - Future operating earnings expected to be in line with historical economic earnings

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

2009 - 2010 full year reconciliation of reported to operating EPS (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.

2009 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$3.24**
DTE Electric			
Chrysler accounts receivable bad debt reserve	$0.04	($0.02)	$0.02
DTE Gas			
Gain on sale of MichCon natural gas gathering and treating assets	(0.12)	0.04	(0.08)
Amortization of goodwill associated with sale of MichCon natural gas gathering and treating assets	0.12	(0.04)	0.08
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
Chrysler accounts receivable bad debt reserve	0.01	-	0.01
General Motors accounts receivable bad debt reserve	0.03	(0.01)	0.02
Energy Trading			
Corporate & Other			
Residual hedge impact from Antrim sale	0.02	(0.01)	0.01
DTE Energy Operating EPS	**$0.10**	**($0.04)**	**$3.30**

2010 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$3.74**
DTE Electric			
Settlement with Detroit Thermal	($0.03)	$0.01	($0.02)
DTE Gas			
Performance Excellence Program deferral approved by MPSC	(0.19)	0.07	(0.12)
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
	-	-	-
Energy Trading			
	-	-	-
Corporate & Other			
	-	-	-
DTE Energy Operating EPS	**($0.22)**	**$0.08**	**$3.60**

2011 - 2012 full year reconciliation of reported to operating EPS (non-GAAP)

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2011 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$4.18**
DTE Electric			
Fermi asset retirement obligation	$0.08	($0.03)	$0.05
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
	-	-	-
Energy Trading			
Corporate & Other			
Income tax adjustment due to enactment of MCIT	(0.50)	-	(0.50)
DTE Energy Operating EPS	**($0.42)**	**($0.03)**	**$3.73**

2012 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$3.55**
DTE Electric			
	-	-	-
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
Coke oven gas settlement	$0.06	($0.02)	$0.04
Chicago Fuels Terminal sale	0.02	(0.01)	0.01
Pet coke mill impairment	0.01	-	0.01
Energy Trading			
	-	-	-
Corporate & Other			
	-	-	-
Discontinued operations			
Unconventional gas production	0.48	(0.15)	0.33
DTE Energy Operating EPS	**$0.57**	**($0.18)**	**$3.94**

2013 - 2014 full year reconciliation of reported to operating EPS (non-GAAP)

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2013 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$3.76**
DTE Electric			
	-	-	-
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
Asset impairment	$0.03	($0.01)	$0.02
Energy Trading			
Certain mark-to-market transactions	0.51	(0.20)	0.31
Corporate & Other			
	-	-	-
DTE Energy Operating EPS	**$0.54**	**($0.21)**	**$4.09**

2014 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$5.10**
DTE Electric			
	-	-	-
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
	-	-	-
Energy Trading			
Certain mark-to-market transactions	($0.93)	$0.36	($0.57)
Corporate & Other			
Investment impairment	0.04	(0.01)	0.03
NY state tax law change	0.07	(0.03)	0.04
DTE Energy Operating EPS	**($0.82)**	**$0.32**	**$4.60**

2015 - 2016 full year reconciliation of reported to operating EPS (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.

2015 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$4.05**
DTE Electric			
2011/2012 PSCR disallowance	$0.11	($0.04)	$0.07
Tree trimming disallowance	0.06	(0.01)	0.05
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
	-	-	-
Power & Industrial Projects			
Contract termination	0.08	(0.03)	0.05
Shenango Plant Closure	0.62	(0.23)	0.39
Energy Trading			
Certain mark-to-market transactions	0.43	(0.17)	0.26
Natural gas pipeline refund	(0.08)	0.03	(0.05)
Corporate & Other			
	-	-	-
DTE Energy Operating EPS	**$1.22**	**($0.45)**	**$4.82**

2016 Segment Diluted Earnings Per Share

	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			**$4.83**
DTE Electric			
	-	-	-
DTE Gas			
	-	-	-
Gas Storage & Pipelines			
Transaction costs for AGS & SGG Acquisition	$0.08	($0.03)	$0.05
Power & Industrial Projects			
	-	-	-
Energy Trading			
Certain mark-to-market transactions	0.64	(0.25)	0.39
Corporate & Other			
Transaction costs for AGS & SGG Acquisition	0.02	(0.01)	0.01
DTE Energy Operating EPS	**$0.74**	**($0.29)**	**$5.28**

2017 - 2018 full year reconciliation of reported to operating EPS (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.

	Year Ended December 31,							
	2018				2017			
	Reported Earnings	Pre-tax Adjustments	Income Taxes*	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes*	Operating Earnings
	(In millions)							
DTE Electric	$ 3.66	$ —	$ 0.04 A	$ 3.69	$ 3.38	$ 0.09 F	$ (0.03)	$ 3.44
		0.02 B	(0.01)			0.05 B	(0.02)	
		(0.03) C	0.01				(0.03) G	
DTE Gas	0.83	—	0.06 A	0.89	0.81	0.03 B	(0.01)	0.83
		0.01 B	—					
		(0.02) C	0.01					
Non-utility operations								
Gas Storage and Pipelines	1.30	—	(0.01) A	1.29	1.53	—	(0.64) G	0.89
Power and Industrial Projects	0.89	—	(0.01) A	0.89	0.77	—	(0.12) G	0.69
		(0.03) C	0.01			0.07 H	(0.03)	
		0.04 D	(0.01)					
Energy Trading	0.22	0.01 E	—	0.23	0.40	(0.49) E	0.19	0.11
		—	—			—	0.01 G	
Total Non-utility operations	2.41	0.02	(0.02)	2.41	2.70	(0.42)	(0.59)	1.69
Corporate and Other	(0.73)	—	0.04 A	(0.69)	(0.57)	—	0.20 G	(0.37)
Net Income Attributable to DTE Energy Company	$ 6.17	$ —	$ 0.13	$ 6.30	$ 6.32	$ (0.25)	$ (0.48)	$ 5.59

* Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 27% for the year ended December 31, 2018 and combined federal and state income tax rate of 41% for the year ended December 31, 2017.

(1) Per share amounts for the adjustments are based on the after-tax effect for each item, divided by the diluted weighted average common shares outstanding, as noted on the Consolidated Statements of Operations (Unaudited)

Adjustments key

A) True-up of remeasurement of deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017 — recorded in Income Tax Expense

B) Implementation costs related to a new customer billing system, net of authorized regulatory deferral — recorded in Operating Expenses — Operation and maintenance

C) One-time benefits expense reimbursement, net of customer sharing — recorded in Operating Expenses — Operation and maintenance

D) Asset impairment at a renewable power generating facility — recorded in Operating Expenses — Asset (gains) losses and impairments, net

E) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility

F) MPSC disallowance of power supply recovery costs related to customer settlement — recorded in Operating Revenues — Utility operations and Other (Income) and Deductions — Interest Expense

G) Remeasurement of deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017 — recorded in Income Tax Expense (Benefit)

H) Impairment of assets at a reduced emission fuel facility due to a third party plant closure expected to occur in the second quarter of 2018 — recorded in Operating Expenses — Asset (gains) losses and impairments, net

2014 full year 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.

2014 Segment Net Income	**Reported Earnings**	**Pre-tax Adjustments**	**Income Taxes**	**Operating Earnings**
DTE Electric	$ 528	-	-	$ 528
DTE Gas	140	-	-	140
Gas Storage & Pipelines	82	-	-	82
Power & Industrial Projects	90	-	-	90
Energy Trading	122			20
Certain mark-to-market transactions		(167)	65	
Corporate & Other	(57)			(44)
Investment impairment		8	(3)	
NY state tax law change		12	(4)	
DTE Energy	**$ 905**	**$ (147)**	**$ 58**	**$ 816**

2014 - 2018 Energy Trading reconciliation of operating earnings to economic earnings (non-GAAP)

(millions)

	2014	2015	2016	2017	2018
Reported earnings	$122	($22)	($45)	$72	$39
Operating adjustments	(102)	37	70	(52)	1
Operating earnings	20	15	25	20	40
Accounting adjustments*	37	39	15	9	15
Economic earnings	$57	$54	$40	$29	$55

	2014	2015	2016	2017	2018
Certain mark-to-market transactions (pre-tax)	($167)	$77	$115	($88)	$1
Income taxes	65	(30)	(45)	34	
Natural gas pipeline refund (pre-tax)		(16)			
Income taxes		6			
Deferred tax remeasurement (pre-tax)					
Income taxes				2	
Operating adjustments	($102)	$37	$70	($52)	$1

- Economic earnings (non-GAAP) equals economic gross margin** minus O&M expenses and taxes
- DTE Energy management uses economic earnings (non-GAAP) as one of the performance measures for external communications with analysts and investors
- Internally, DTE Energy uses economic earnings (non-GAAP) as one of the measures to review performance against financial targets and budget

* Consists of 1) the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not marked-to-market, instead are recognized for accounting purposes on an accrual basis; and 2) operating adjustments for unrealized marked-to-market changes of certain derivative contracts

** Economic gross margin is the change in net fair value of realized and unrealized purchase and sale contracts including certain non-derivative contract costs

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.