DTE Energy®

Business Update

August 14, 2014







Safe Harbor Statement

The information contained herein is as of the date of this presentation. Many factors may impact forward-looking statements including, but not limited to, the following: impact of regulation by the FERC, MPSC, NRC, CFTC and 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 Customer Choice programs; economic conditions and population changes in our geographic area resulting in changes in demand, customer conservation and increased thefts of electricity and natural gas; environmental issues, laws, regulations, and the increased costs of remediation and compliance, including actual and potential new federal and state requirements; health, safety, financial, environmental and regulatory risks associated with ownership and operation of nuclear facilities; changes in the cost and availability of coal and other raw materials, purchased power and natural gas; the potential for losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions; volatility in the short-term natural gas storage markets impacting third-party storage revenues; volatility in commodity markets; deviations in weather and related risks impacting the results of our energy trading operations; access to capital markets and the results of other financing efforts which can be affected by credit agency ratings; instability in capital markets which could impact availability of short and long-term financing; the timing and extent of changes in interest rates; the level of borrowings; the potential for increased costs or delays in completion of significant construction projects; changes in and application of federal, state and local tax laws and their interpretations, including the Internal Revenue Code, regulations, rulings, court proceedings and audits; the effects of weather and other natural phenomena on operations and sales to customers, and purchases from suppliers; unplanned outages; the cost of protecting assets against, or damage due to, terrorism or cyber attacks; employee relations and the impact of collective bargaining agreements; the availability, cost, coverage and terms of insurance and stability of insurance providers; cost reduction efforts and the maximization of plant and distribution system performance; the effects of competition; changes in and application of accounting standards and financial reporting regulations; changes in federal or state laws and their interpretation with respect to regulation, energy policy and other business issues; contract disputes; binding arbitration, litigation and related appeals; and the risks discussed in our public filings with the Securities and Exchange Commission. New factors emerge from time to time. We cannot predict what factors may arise or how such factors may cause our results to differ materially from those contained in any forward-looking statement. Any forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. This presentation should also be read in conjunction with the “Forward-Looking Statements” sections in each of DTE Energy’s and DTE Electric’s 2013 Forms 10-K and 2014 Forms 10-Q (which sections are incorporated herein by reference), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

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

DTE Energy is an integrated energy company

Strong, Stable and Growing Utilities



DTE Electric

- Electric generation and distribution
- Fully regulated by Michigan Public Service Commission



DTE Gas

- Natural gas distribution
- Fully regulated by Michigan Public Service Commission

Complementary Non-Utility Businesses



Gas Storage & Pipelines (GSP)

Transport and store natural gas



Power & Industrial Projects (P&I)

Own and operate energy related assets



Energy Trading

Generate economic value and provide strategic benefits

Utility / non-utility earnings mix of 80% / 20% evolves to 70% / 30% by 2018

Our business strategy is fundamental to how we create value for our investors

- ✓ Utility growth plan driven by infrastructure investments
- ✓ Strategic, transparent, low-risk 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
- ✓ Operational excellence and customer satisfaction that are distinctive in our industry
- ✓ 60% - 70% dividend payout target and strong BBB credit rating

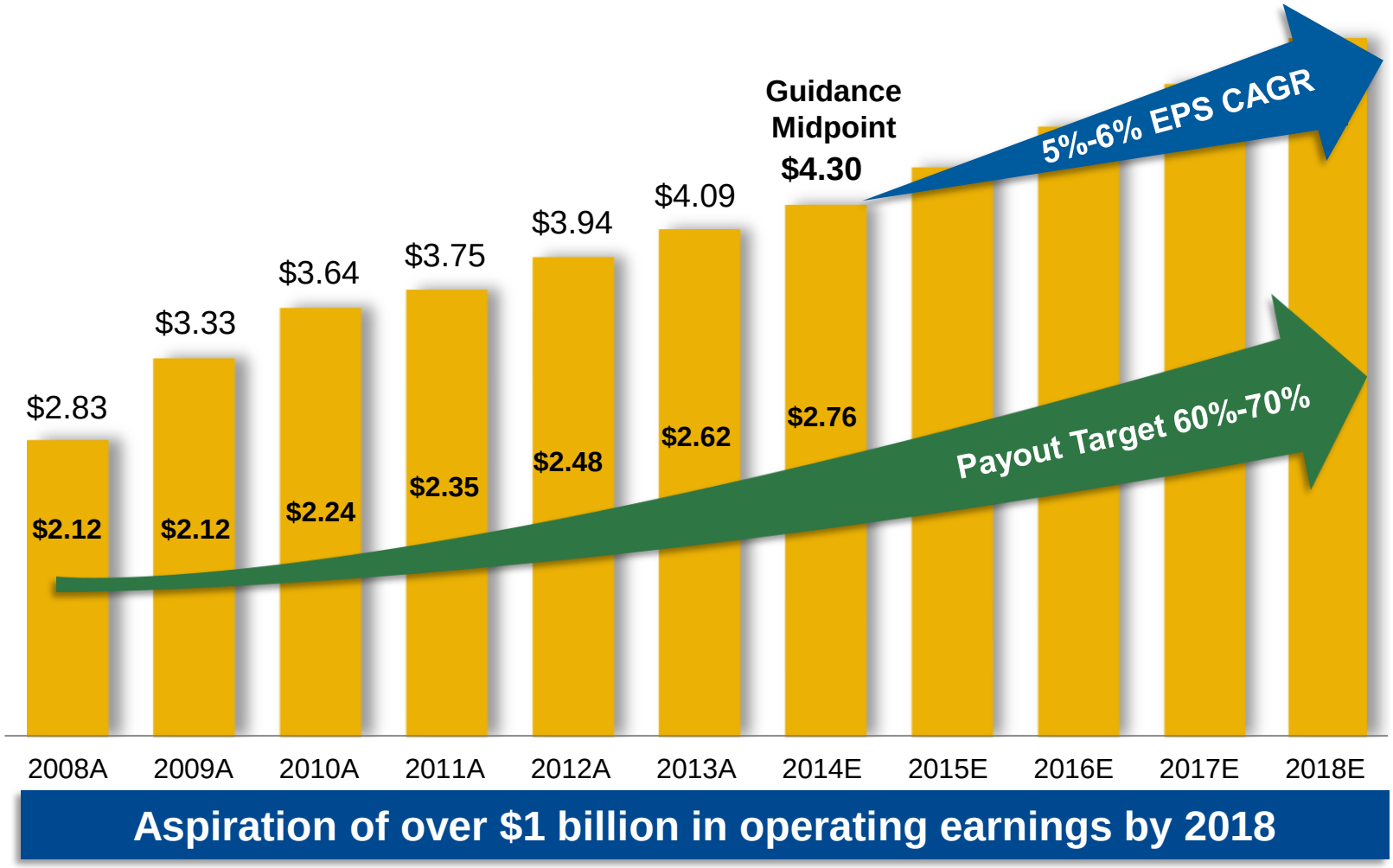
5% - 6% Annual EPS Growth

Attractive Dividend

Strong Balance Sheet

DTE has raised its annual dividend over 5% to $2.76 marking the fifth consecutive year of an increase in line with our stated long-term earnings targets

(dollars)



Operating EPS* 7.2% CAGR 2008-2014

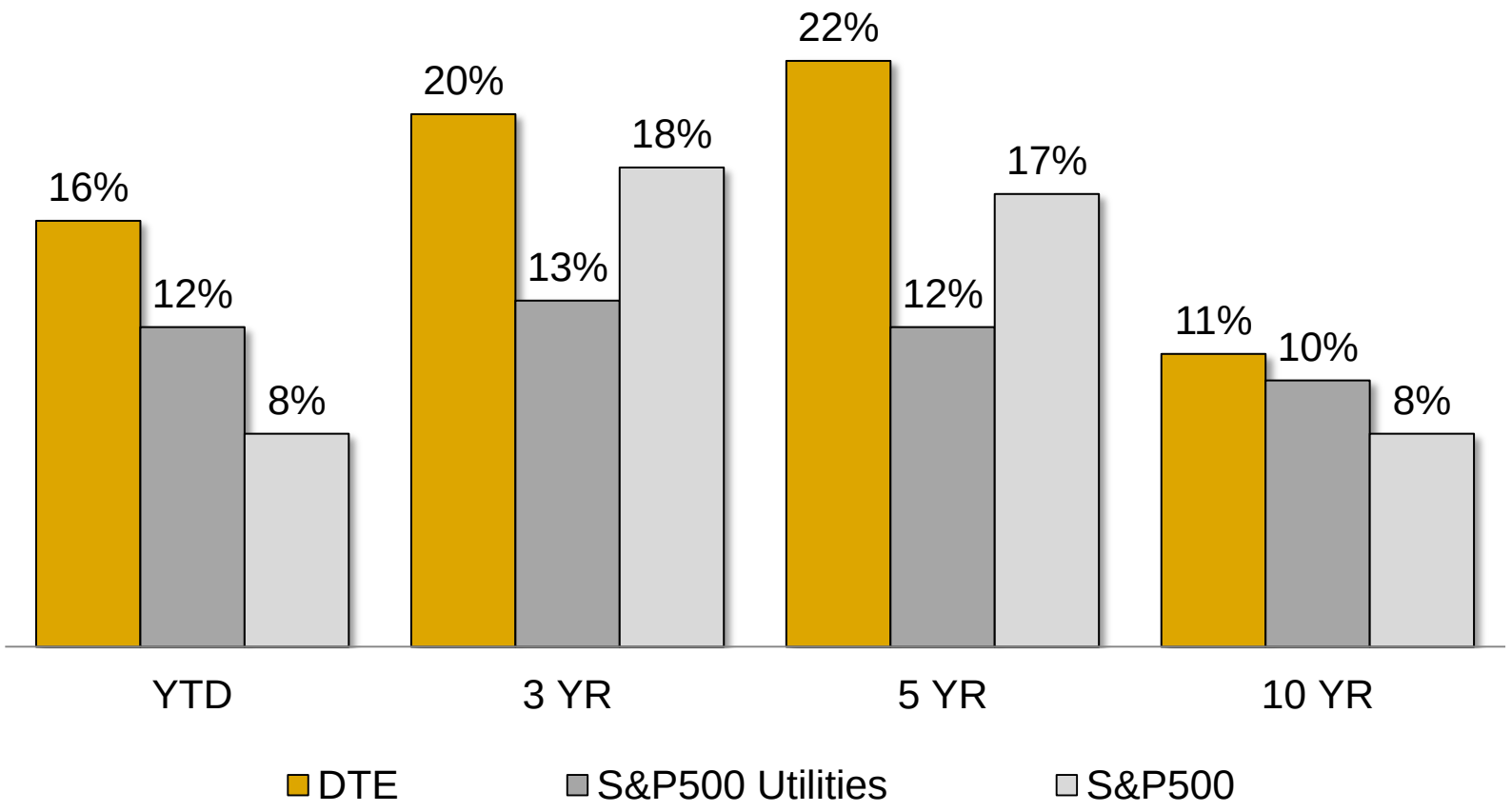
Dividend per share 5.4% CAGR 2009-2014 (Annualized)

Aspiration of over $1 billion in operating earnings by 2018

* Reconciliation to GAAP reported earnings included in the appendix

DTE has delivered total shareholder return above market indices

Historical Total Shareholder Return CAGR*



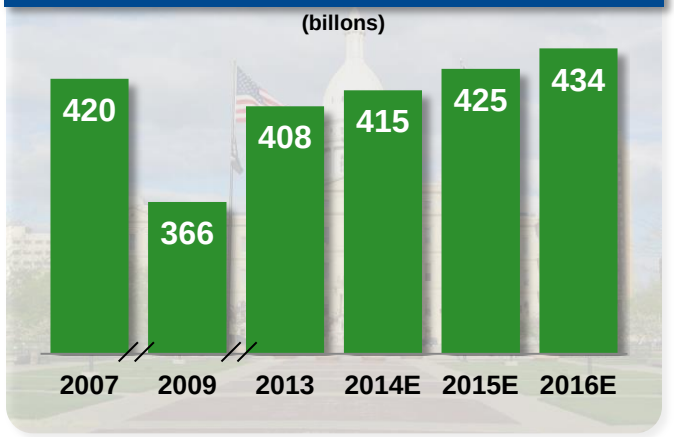
* As of July 31, 2014
Source: Bloomberg

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

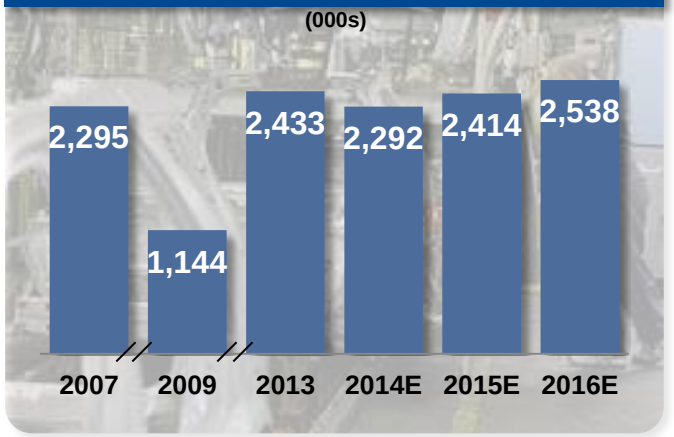
Michigan economic indicators highlight continued growth over the next few years

DTE Energy

Gross State Product



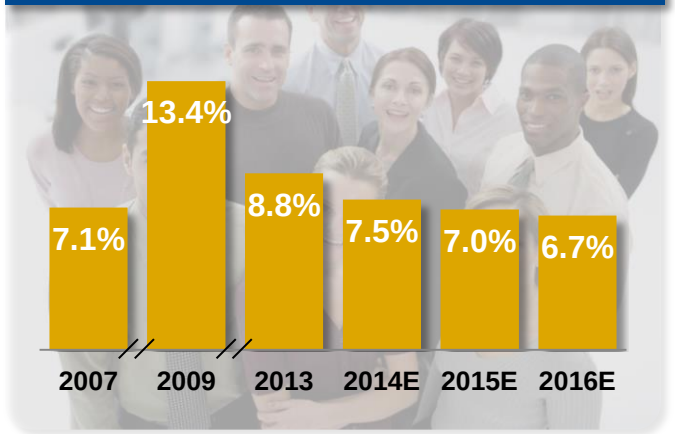
Increased Auto Production



AMERICAN ECONOMIC DEVELOPMENT INSTITUTE
AEDI
with Pollina Corp. Real Estate

Michigan most improved Pro-Business state

Lower Unemployment Rate



Housing Starts Up



BLS
BUREAU OF LABOR STATISTICS
U.S. DEPARTMENT OF LABOR

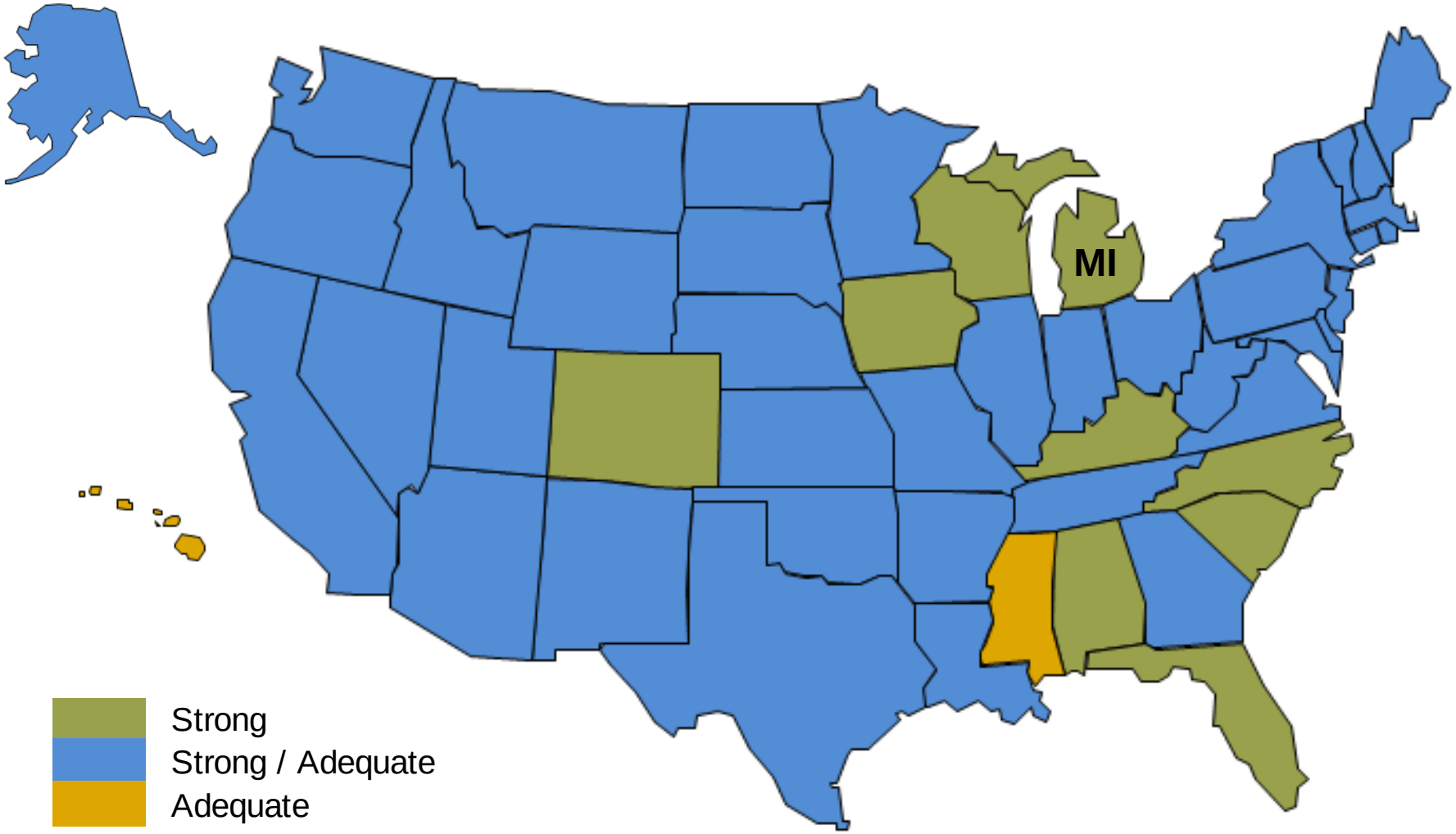
Michigan leads nation in **MANUFACTURING** job growth

SITE SELECTION

Michigan #8 most competitive for job creation

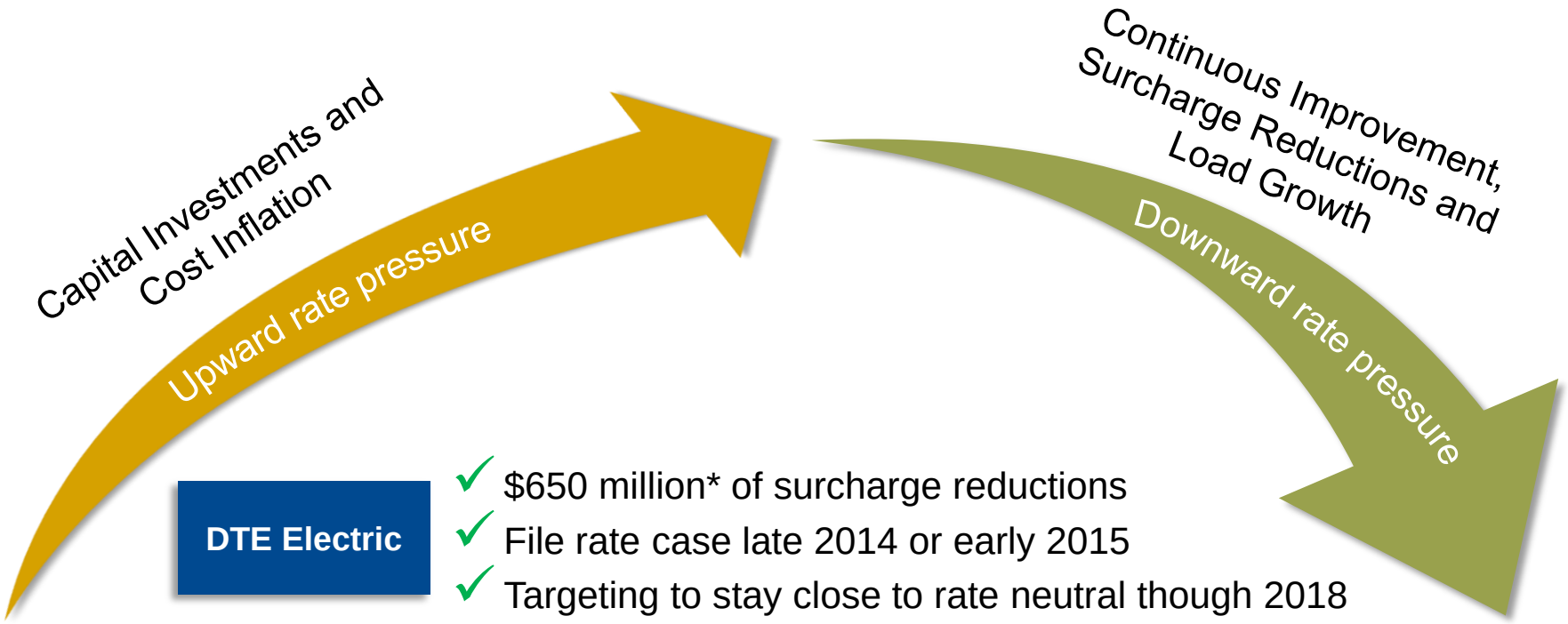
Source: IHS

Michigan's regulatory environment ranks among the best in the country



Data source: Standard & Poor's, January 2014

Upward pressure on customer rates will be minimized by cost controls, surcharge reductions and load growth



DTE Electric

- ✓ $650 million* of surcharge reductions
- ✓ File rate case late 2014 or early 2015
- ✓ Targeting to stay close to rate neutral though 2018

DTE Gas

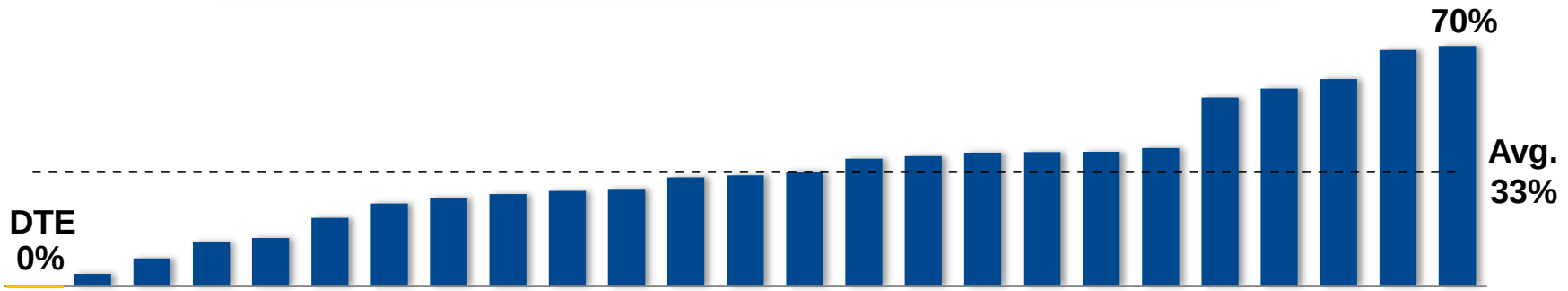
- ✓ ~3 year rate case stay out strategy
- ✓ Rate increases below inflation levels

CUSTOMER UTILITY RATES

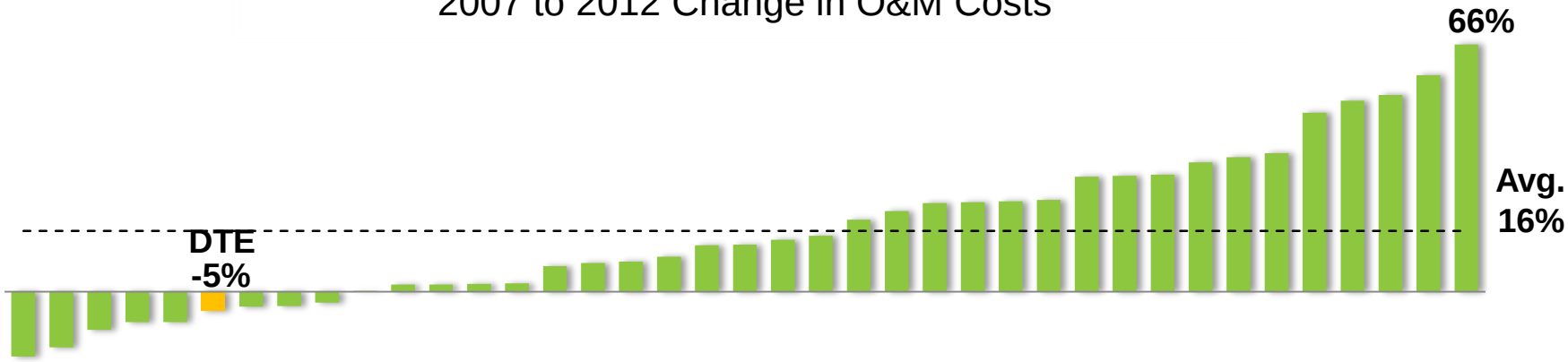
* Includes ~$300 million surcharge reduction for renewable energy, power supply cost recovery (PSCR) and choice incentive mechanism implemented Q1 2014 and ~$350 million securitization surcharge reduction in Q1 2015

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

Electric Industry Peers*
2007 to 2012 Change in O&M Costs



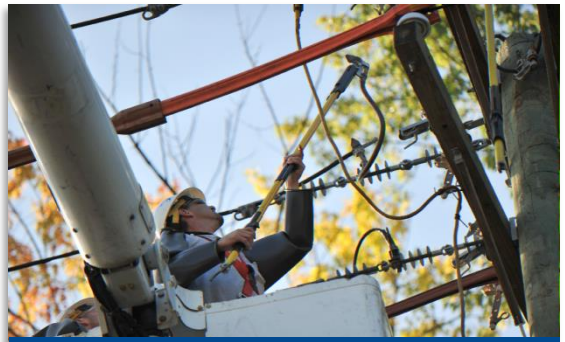
Gas Industry Peers**
2007 to 2012 Change in O&M Costs



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

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

Our electric utility is investing $6.7 billion in three key growth areas through 2018



Base Infrastructure
$5.6 billion

- Power plant reliability
- Expanded distribution reliability program
- Advanced Metering Infrastructure
- $1.1 billion in 2014



Generation Compliance
$700 million

- Environmental requirements
- $280 million in 2014



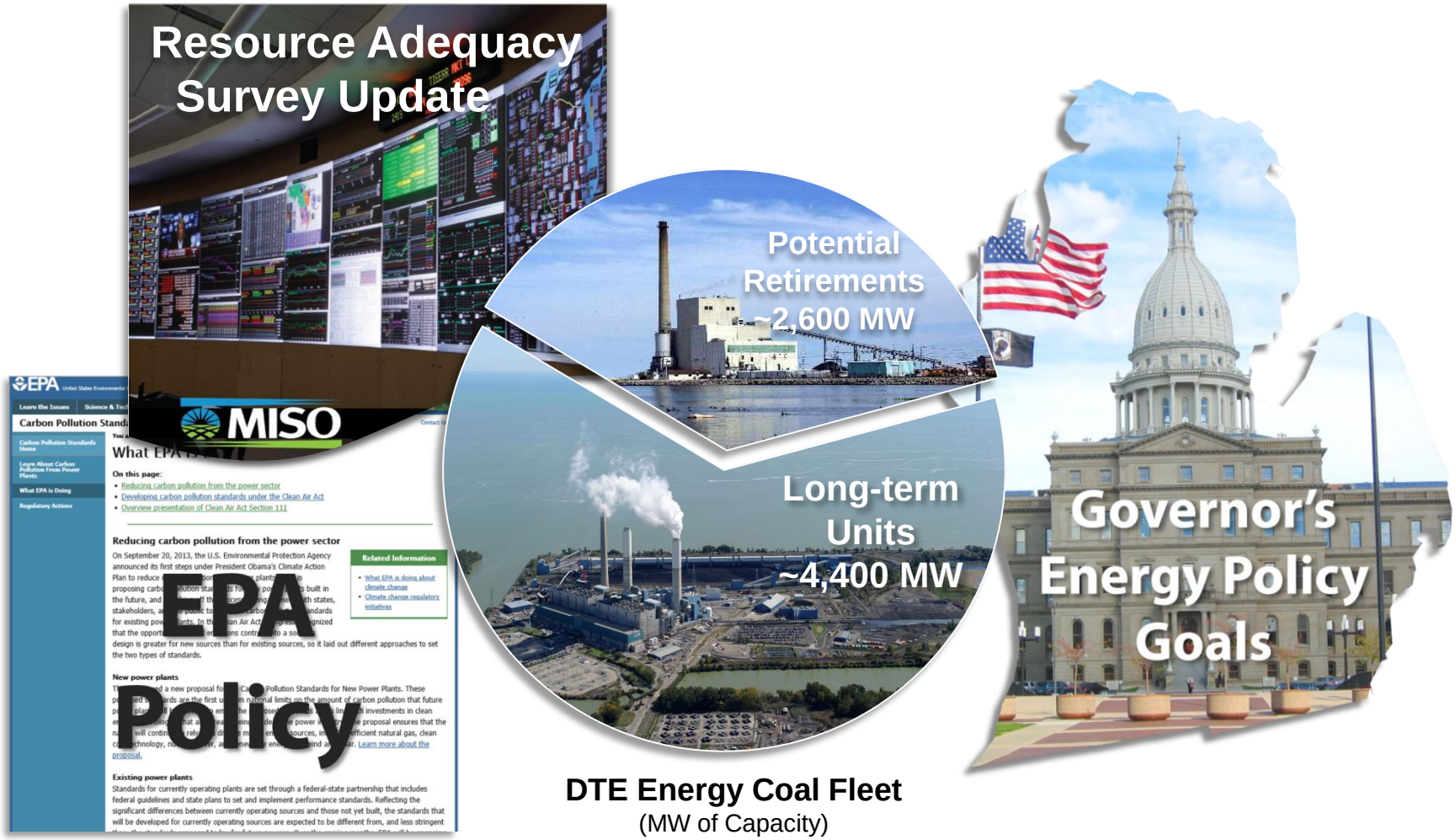
New Generation
$400 million

- 10% renewable energy standard by 2015
- Renewal of generation asset base
- $240 million in 2014

Targeting 5% - 6% growth

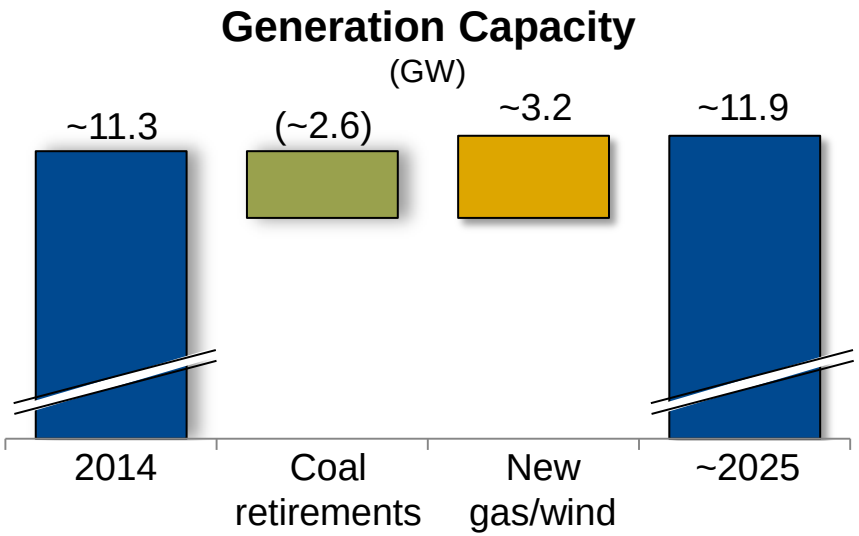
Plant modernization, energy policy and MISO resource findings drive investments that will transform our generation mix over the next decade

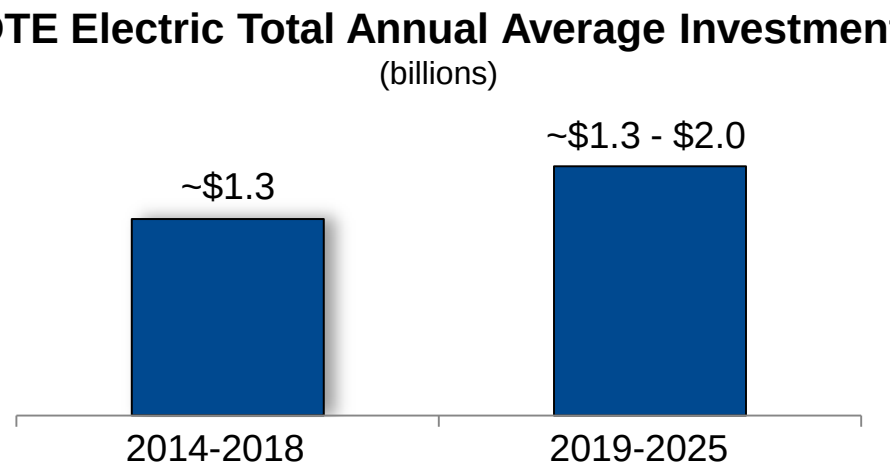
DTE Energy®



DTE Energy Coal Fleet
(MW of Capacity)

New natural gas and wind capacity will replace coal retirements and increase DTE Electric total average annual investment





- New capacity by acquisition or new build
- Most of spend is after 2018; may need to pull ahead sooner
  - Would not materially change 2014-2018 outlook
- DTE Electric total investment post 2018 likely to be at higher end of range pending outcome of EPA requirements

Our gas utility is making $1.2 billion of reliability and pipeline integrity investments through 2018



Base Infrastructure
$700 million

- Strengthen and expand distribution system
- Continued long-term investment in infrastructure
- $150 million investment in 2014

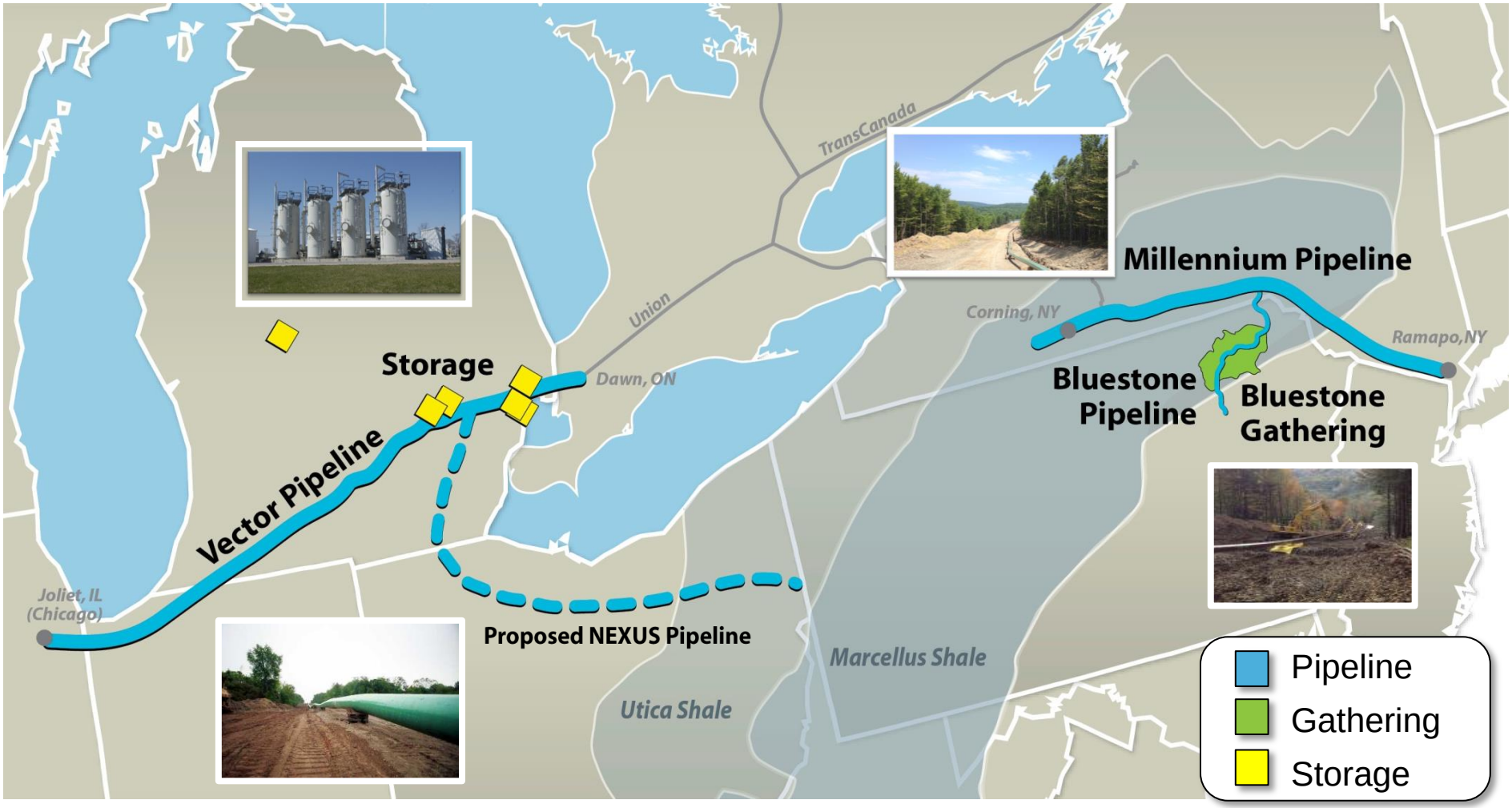


Main Renewal, Meter Move-Out & Pipeline Integrity
$500 million

- Capital recovered through the Infrastructure Recovery Mechanism
- ~4,000 miles of distribution main to be replaced
- $90 million investment in 2014

Targeting 5% - 6% growth

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



Gas Storage & Pipelines platforms drive growth through new projects and expansions

Pipeline Platform



Bluestone Pipeline

Bluestone Pipeline

- 0.6 Bcf/d to Millennium and Tennessee pipelines; 0.4 Bcf/d expansion 2014-2016

Millennium Pipeline

- 0.8 Bcf/d to Ramapo, NY; 0.2 – 0.5 Bcf future expansion (planning phase) post 2017

Vector Pipeline

- 1.3 Bcf/d from Chicago to Ontario; potential NEXUS related expansion

Proposed NEXUS Pipeline

Gathering Platform



Bluestone Gathering

Bluestone Gathering

- Long-term agreement with Southwestern in Marcellus shale

Michigan Gathering

- Lateral additions ongoing

New Developments

- Working with interested parties in Marcellus, Utica and Michigan shales

Storage Platform



Washington 10

Michigan Storage

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

Targeting 10% to 15% Growth with 10% to 12% ROIC

NEXUS is the leading proposed project to bring Utica and Southwest Marcellus natural gas to market

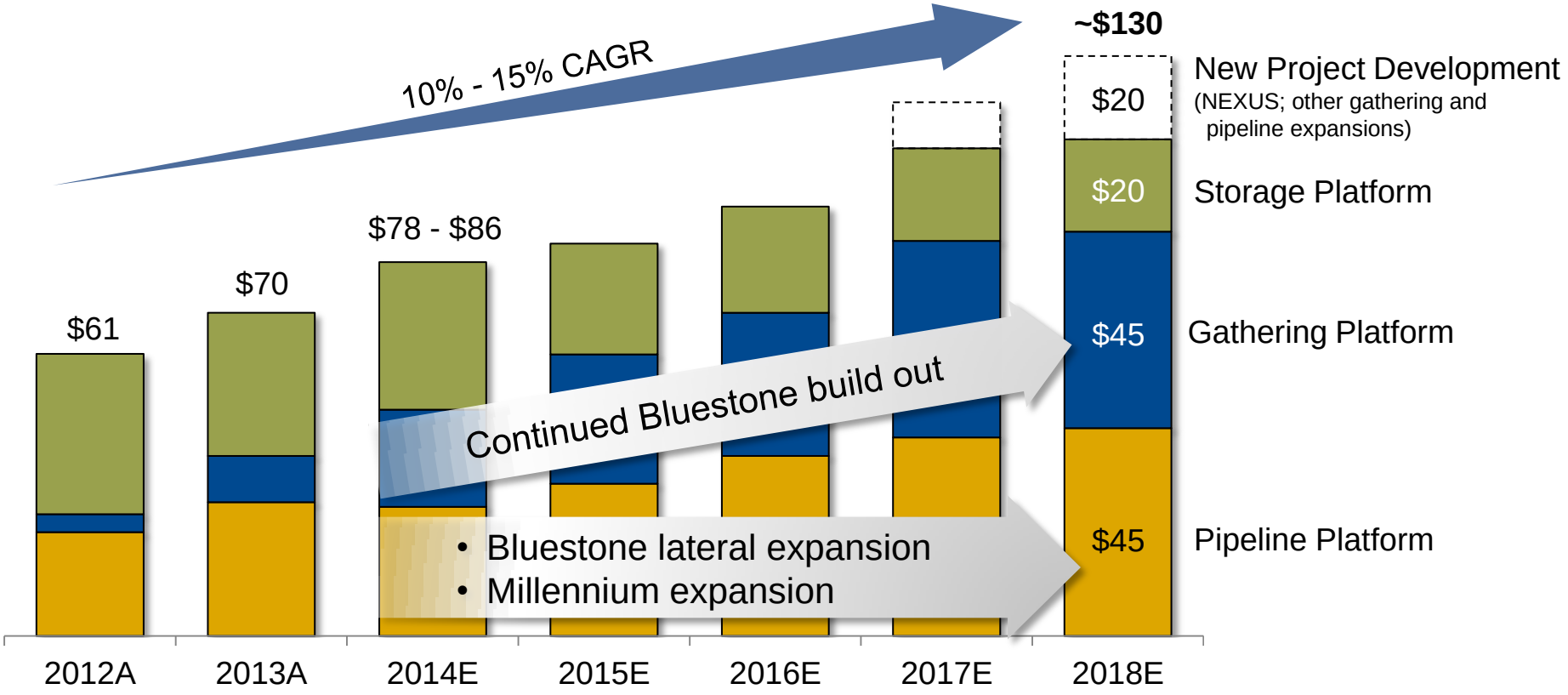


NEXUS GAS TRANSMISSION

- Binding open season concludes August 21, 2014
- Current scope of 1.5 Bcf/d provides opportunity to increase investment
- Utilizes existing corridors and infrastructure for most of its route
  - Minimizes environmental and local impacts
- Expected in-service as early as 4Q 2017

Gas Storage & Pipelines operating earnings* potential of $130 million by 2018

(millions)



$1.0 - $1.4 billion investment**

* Reconciliation to GAAP reported earnings included in the appendix

** 2014-2018 forecast

Power & Industrial Projects is focused in three key business lines

Industrial Energy Services



On-site Energy Project

- Utility services at industrial sites
- Coke and pulverized coal for steel customers
- 36 projects, 11 states

Renewable Energy



Wood-fired Plant

- Wood-fired power plants
- Landfill gas to energy projects
- 26 projects, 11 states
- Primarily utility contracted

Reduced Emissions Fuel



Reduced Emissions Fuel Plant

- Fuel that reduces emissions from coal-fired plants
- 9 units, 5 states
- Utility contracted

Targeting ~20% Growth with 10% to 15% ROIC

Power & Industrial Projects is executing on its growth plans



2014 Progress

Industrial Energy Services

- Cogen project being constructed to serve Ohio manufacturer expected to commence operations in 3Q
- Organic growth generated from 2012 acquisition of on-site energy portfolio

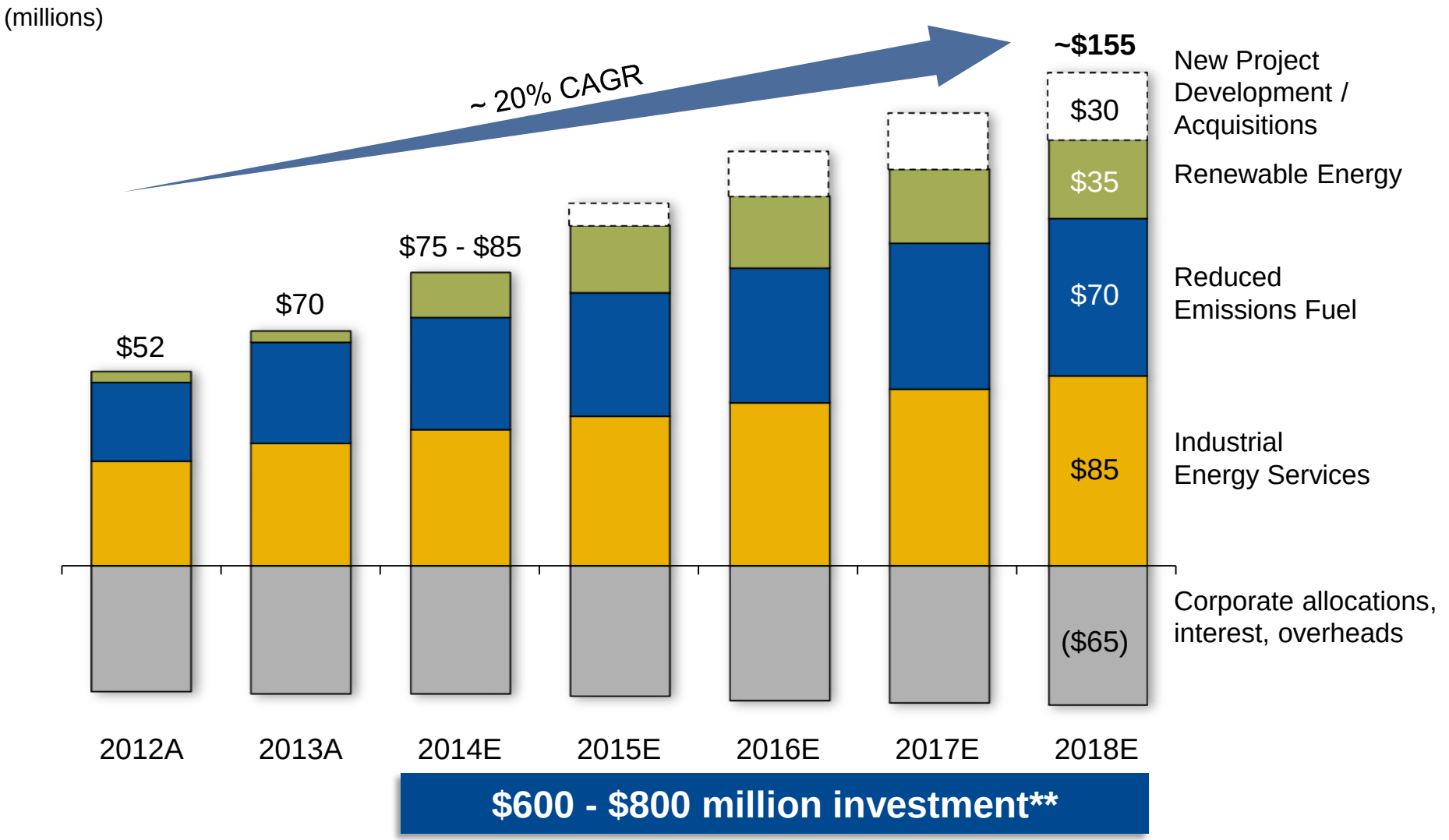
Renewables

- 45MW waste wood project near Stockton, CA began commercial operations
- 10MW Landfill gas projects in North Carolina and Los Angeles expected to commence operations

Reduced Emissions Fuel

- Relocation of 8th unit completed
- Negotiations underway for relocation of 9th unit

Power & Industrial Projects is targeting $155 million of operating earnings* by 2018 through growth in each of its business lines



* Reconciliation to GAAP reported earnings included in the appendix

** 2014-2018 forecast

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

Summary

- Long-term plan supports continued 5% - 6% operating EPS growth
- On track to meet our operating earnings* guidance in 2014 with contingency for balance of year unfavorable weather and utility reinvestment
- Constructive regulation, coupled with a focus on operational excellence and strong customer satisfaction, supports meaningful growth at the utilities
- Solid earnings growth at non-utility businesses
  - Gas Storage & Pipelines developing growth platforms
  - Power & Industrial growth through acquisitions and expansion of existing portfolio

Contact Us

DTE Energy Investor Relations

www.dteenergy.com/investors

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Appendix

We remain confident in our 2014 operating earnings* guidance

(millions, except EPS)

	2014 YTD Actuals	2014 Guidance
DTE Electric	$265	$520 - $530
DTE Gas	125	120 - 126
Gas Storage & Pipelines	39	78 - 86
Power & Industrial Projects	28	75 - 85
Corporate & Other	(27)	(49) - (45)
Growth segments**	**$430**	**$744 - $782**
Growth segments operating EPS	**$2.43**	**$4.20 - $4.40**
Energy Trading	($2)	$0
DTE Energy	**$428**	**$744 - $782**
Operating EPS	**$2.42**	**$4.20 - $4.40**
Avg. Shares Outstanding	177	177

- DTE Gas performance providing contingency for potential unfavorable weather and O&M reinvestment

* Reconciliation to GAAP reported earnings included in the appendix

** Total DTE Energy excluding Energy Trading

We are on track to achieve 2014 cash flow guidance

Cash Flow Summary

(billions)

	1Q 2014 Actual	2014 Guidance
Cash From Operations	$0.5	$1.6
Capital Spending	(0.5)	(2.3)
Free Cash Flow	**$0.0**	**($0.7)**
Asset Sales	-	-
Dividends	(0.1)	(0.5)
Net Cash	**($0.1)**	**($1.2)**
Debt Financing:		
Issuances	$0.2	$2.1
Redemptions	(0.1)	(0.9)
Change in Debt	**$0.1**	**$1.2**

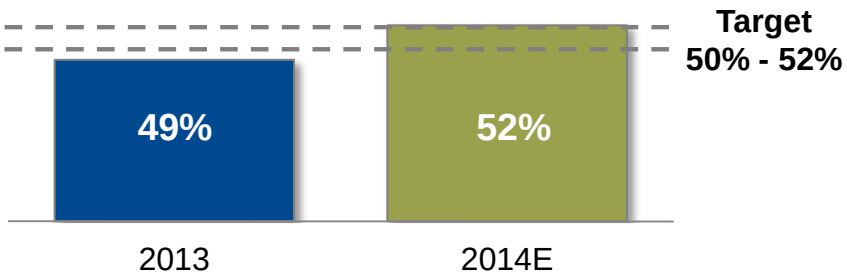
Capital Expenditures Summary

(millions)

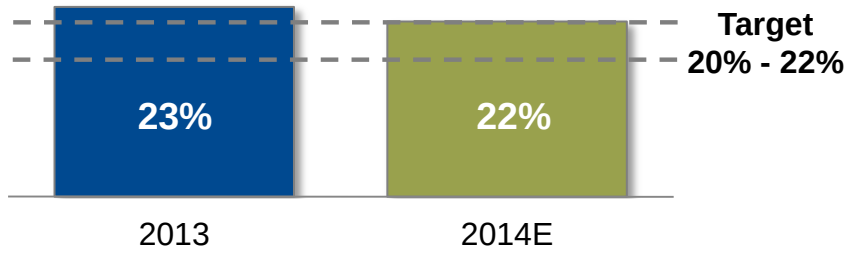
	1Q 2014 Actual	2014 Guidance
DTE Electric		
Operational	$308	$1,080
Environmental	41	280
Renewable Energy	5	240
	$354	$1,600
DTE Gas		
Operational	$30	$150
Main Renewal / Meter Move-out / Pipeline Integrity	14	90
	$44	$240
Non-Utility	$102	$490
Total	**$500**	**$2,330**

Strong balance sheet remains a key priority and supports growth

Leverage*



Funds from Operations / Debt*



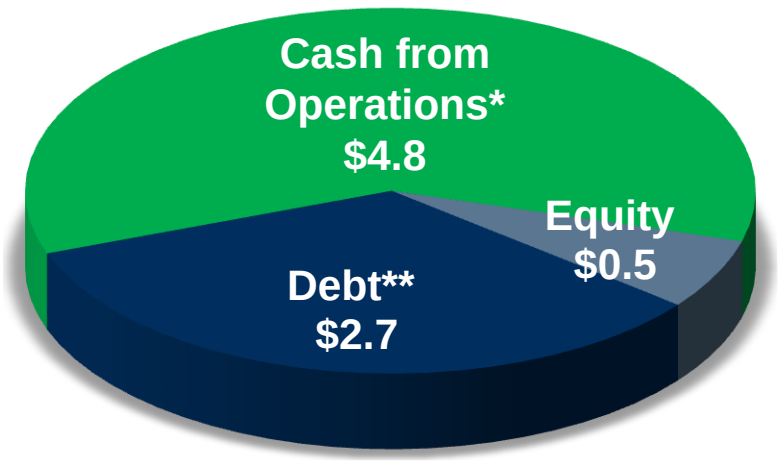
- Targeting zero equity issuances in 2014
  - Annual issuances of $200 million to $300 million in 2015 and 2016
- $1.4 billion of available liquidity as of June 30, 2014
- Refinancing over $900 million of long-term debt
  - Annualized pre-tax interest savings of nearly $20 million

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

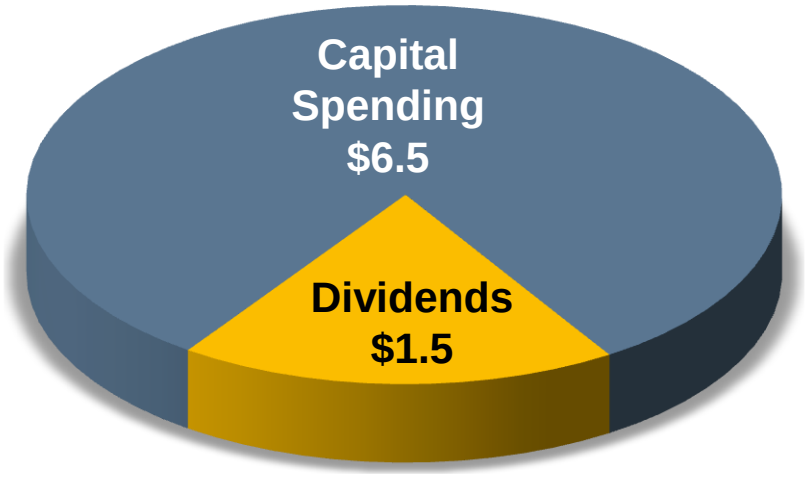
2014 – 2016 cash from operations and equity issuances plan supports utility capital spend and a strong balance sheet

(billions)

Sources of $8.0 billion



Uses of $8.0 billion



* Excludes securitization

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

Second Quarter and June Year To Date
Reconciliation of Reported to Operating Earnings

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors. 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.

	Net Income (millions)				EPS			
	2Q'14	2Q'13	YTD '14	YTD '13	2Q'14	2Q'13	YTD '14	YTD '13
DTE Energy Report Earnings	**$ 124**	**$ 105**	**$ 450**	**$ 339**	**$0.70**	**$0.60**	**$ 2.54**	**$ 1.94**
DTE Electric	-	-	-	-	-	-	-	-
DTE Gas	-	-	-	-	-	-	-	-
Gas Storage & Pipelines	-	-	-	-				
Power & Industrial Projects								
Asset Impairment	-	4	-	4	-	0.02	-	0.02
Corporate & Other								
NY State Tax Law Change	-	-	8	-	-	-	0.04	-
DTE Energy Growth Segments Operating Earnings	**$ 124**	**$ 109**	**$ 458**	**$ 343**	**$0.70**	**$0.62**	**$ 2.58**	**$ 1.96**
Energy Trading								
Certain Mark to Market Transactions	4	-	(30)	-	0.03	-	(0.16)	-
DTE Energy Operating Earnings	**$ 128**	**$ 109**	**$ 428**	**$ 343**	**$0.73**	**$0.62**	**$ 2.42**	**$ 1.96**

2008 – 2013 Full Year
Reconciliation of Reported to Operating Earnings

DTE Energy®

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.

	Net Income (millions)						EPS					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
DTE Energy Report Earnings	**$ 546**	**$ 532**	**$ 630**	**$ 711**	**$ 610**	**$ 661**	**$3.34**	**$3.24**	**$3.74**	**$4.18**	**$3.55**	**$3.76**
DTE Electric												
Chrysler Bad Debt	-	4	-	-	-	-	-	0.02	-	-	-	-
Settlement with Detroit Thermal	-	-	(3)	-	-	-	-	-	(0.02)	-	-	-
Fermi 1 Asset Retirement Obligation	-	-	-	9	-	-	-	-	-	0.05	-	-
DTE Gas												
Performance Excellence Process	4	-	(20)	-	-	-	0.03	-	(0.12)	-	-	-
Gas Storage & Pipelines	-	-	-	-	-	-	-	-	-	-	-	-
Power & Industrial Projects												
Performance Excellence Process	1	-	-	-	-	-	0.01	-	-	-	-	-
Chrysler Bad Debt	-	1	-	-	-	-	-	0.01	-	-	-	-
General Motors Bad Debt	-	3	-	-	-	-	-	0.02	-	-	-	-
Coke Oven Gas Settlement	-	-	-	-	7	-	-	-	-	-	0.04	-
Chicago Fuels Terminal Sale	-	-	-	-	2	-	-	-	-	-	0.01	-
Pet Coke Mill Impairment	-	-	-	-	1	-	-	-	-	-	0.01	-
Asset Impairment	-	-	-	-	-	4	-	-	-	-	-	0.02
Energy Trading												
Performance Excellence Process	1	-	-	-	-	-	0.01	-	-	-	-	-
Certain Mark to Market Transactions	-	-	-	-	-	55	-	-	-	-	-	0.31
Corporate & Other												
Antrim Hedge	13	3	-	-	-	-	0.08	0.01	-	-	-	-
Crete Sale - Tax True-up	2	-	-	-	-	-	0.01	-	-	-	-	-
Michigan Corporate Income Tax Adj.	-	-	-	(87)	-	-	-	-	-	(0.50)	-	-
Unconventional Gas												
Core Barnett Sale	(81)	-	-	-	-	-	(0.50)	-	-	-	-	-
Barnett Lease Impairment	5	-	-	-	-	-	0.03	-	-	-	-	-
Discontinued Operations	(11)	6	8	3	56	-	(0.06)	0.03	0.04	0.02	0.33	-
Synfuel												
Discontinued Operations	(20)	-	-	-	-	-	(0.12)	-	-	-	-	-
DTE Energy Operating Earnings	**$ 460**	**$ 549**	**$ 615**	**$ 636**	**$ 676**	**$ 720**	**$2.83**	**$3.33**	**$3.64**	**$3.75**	**$3.94**	**$4.09**

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.

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.

In this presentation, DTE Energy provides guidance for future period operating earnings. It is likely that certain items that impact the company's future period reported results will be excluded from operating results. A reconciliation to the comparable future period reported earnings is not provided because it is not possible to provide a reliable forecast of specific line items. These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.

For comparative purposes, 2008 through 2012 operating earnings exclude the Unconventional Gas Production segment that was classified as a discontinued operation on 12/31/2012.