



DTE Energy®

Business Update

August 24, 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 Forms 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

DTE is making progress on many fronts



- Increased 2017 operating EPS* guidance midpoint $0.11 to $5.42
- Announced plan to reduce carbon emissions by more than 80 percent
- Ranked 2nd in residential customer satisfaction** in Midwest at DTE Electric
- Gas Storage & Pipelines (GSP)
  - Achieved milestone at Bluestone Pipeline & Gathering
  - NEXUS in-service 2018
- Power & Industrial Projects (P&I)
  - Closed on second landfill gas project
  - Finalizing agreements on a large scale central energy plant project

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

** J.D. Power 2017 Electric Utility Residential Customer Satisfaction Study (sm)(large providers). Visit jdpower.com

DTE Energy overview

$944M - $1,000M
2017 operating earnings* guidance

Leader in **continuous improvement**

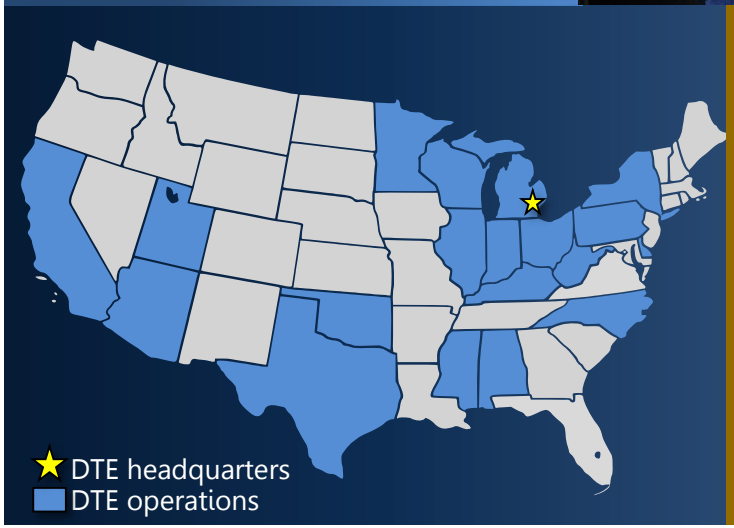

Employees volunteered over **21,000 hours** to **300+ organizations** in 2016

~$20B
market cap

Fortune 300
company


10,000
employees

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

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

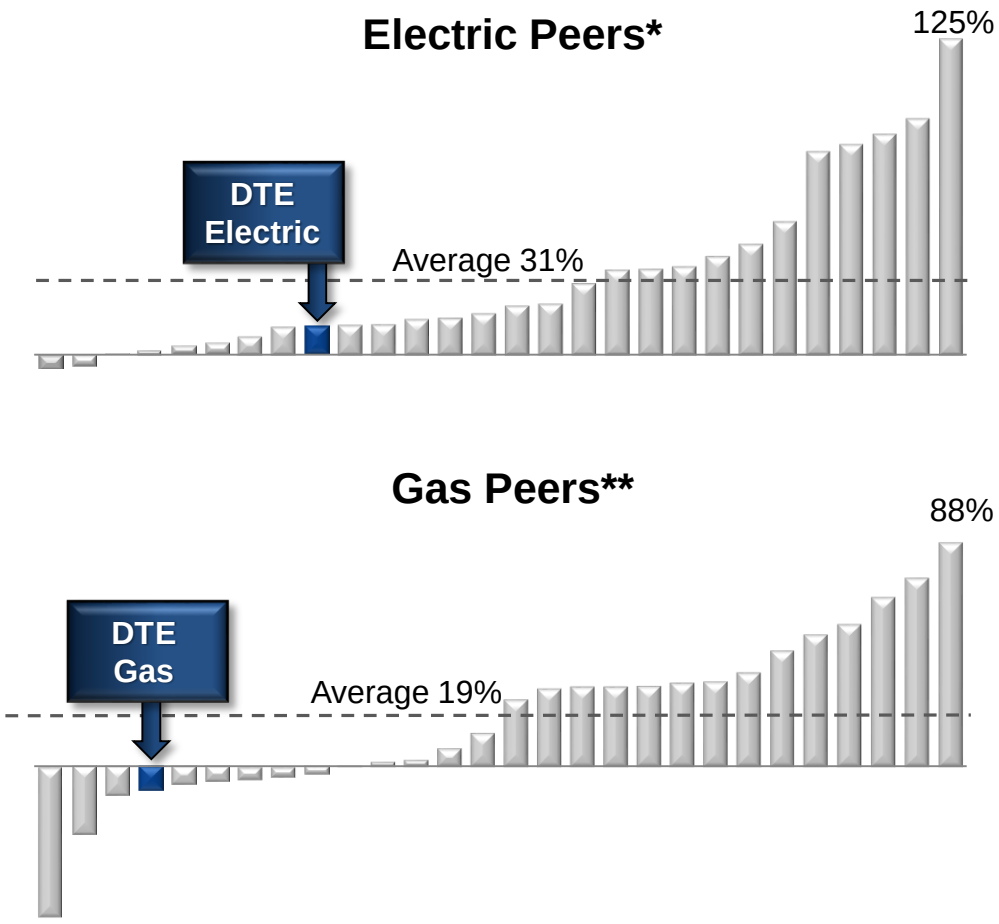


- ✓ Ranked 2nd in residential customer satisfaction* in Midwest at DTE Electric
- ✓ Ranked 7th on Indeed's list of 50 Best Places to Work in 2017

* J.D. Power 2017 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 2016 Change in O&M Costs



Daily focus on problem solving

- ✓ Metrics drive progress
- ✓ Scorecards monitor success



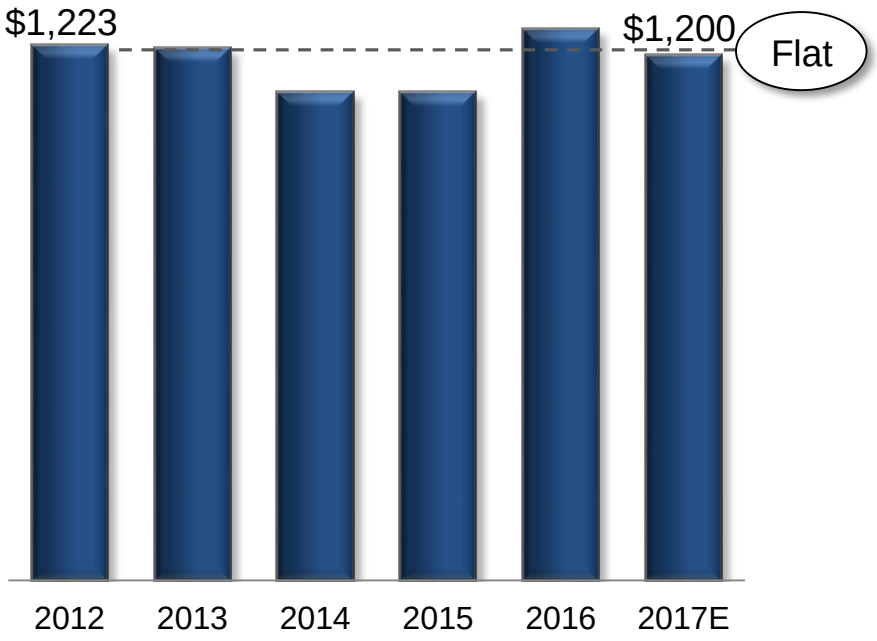
* Source: SNL Financial, FERC Form 1; major US Electric Utilities with O&M greater than $800 million; excluding fuel and purchased power

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

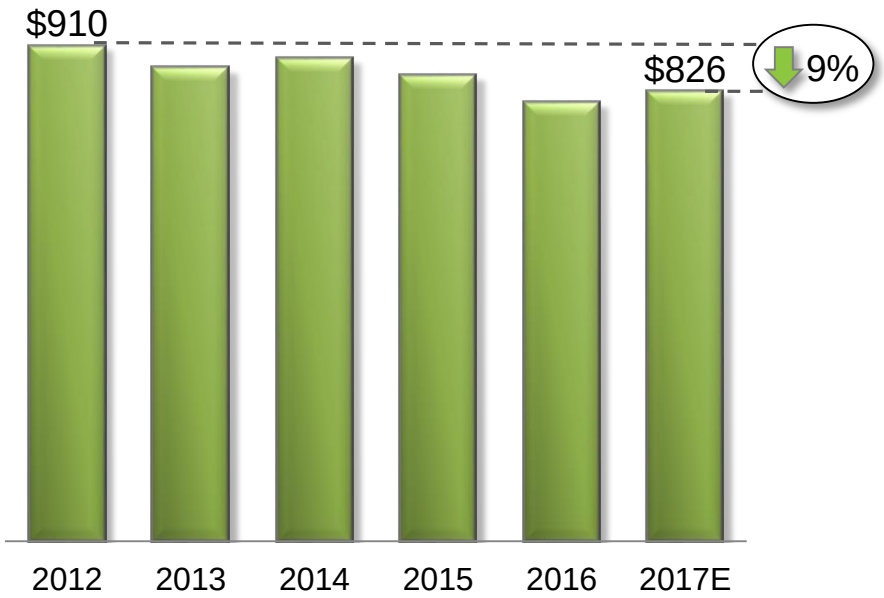
Maintain customer affordability while significantly investing in our utilities

(dollars)

Average Annual Residential Bill DTE Electric

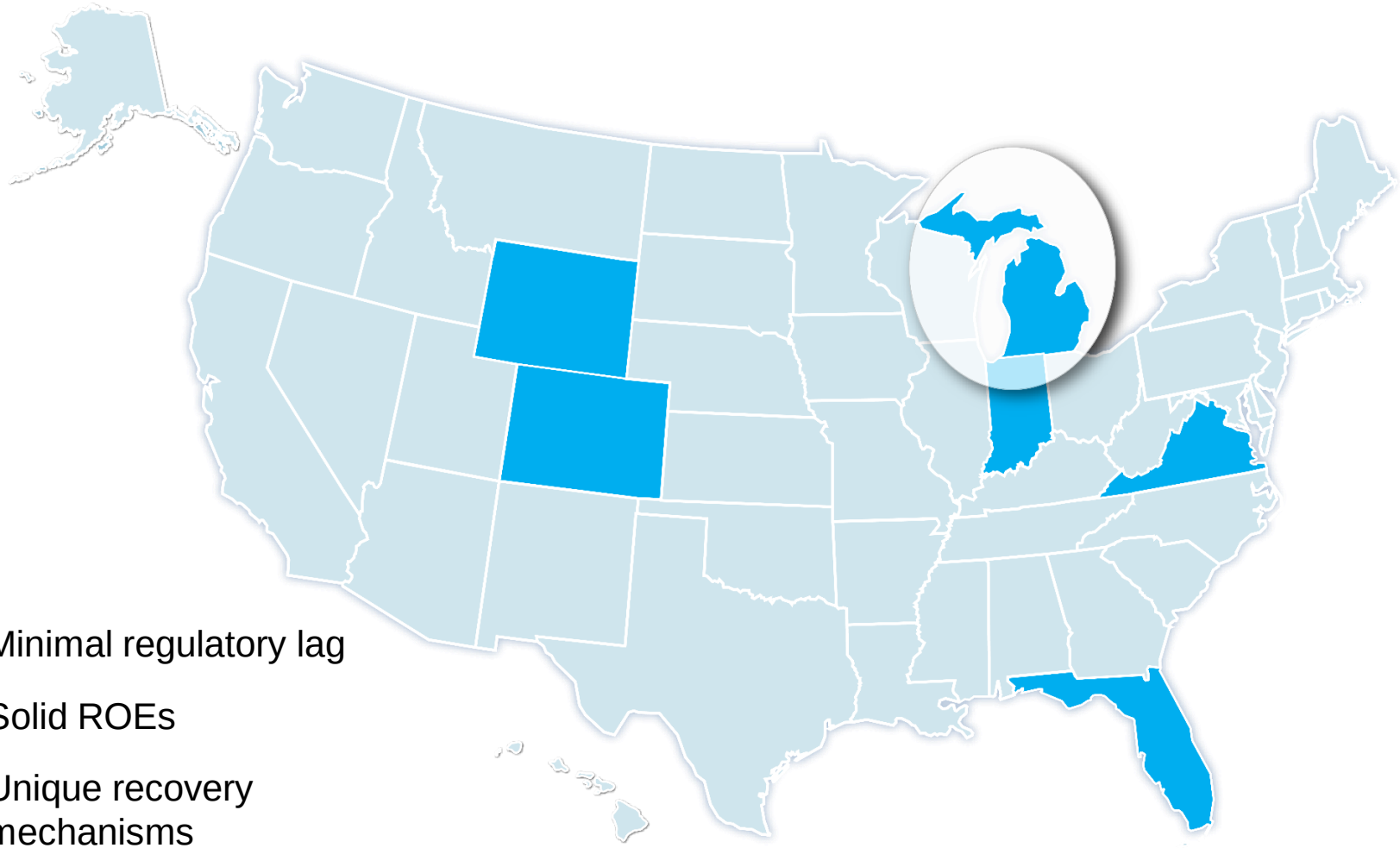


Average Annual Residential Bill* DTE Gas



* Assumes normal weather

Michigan's regulatory environment is one of the most constructive in the country

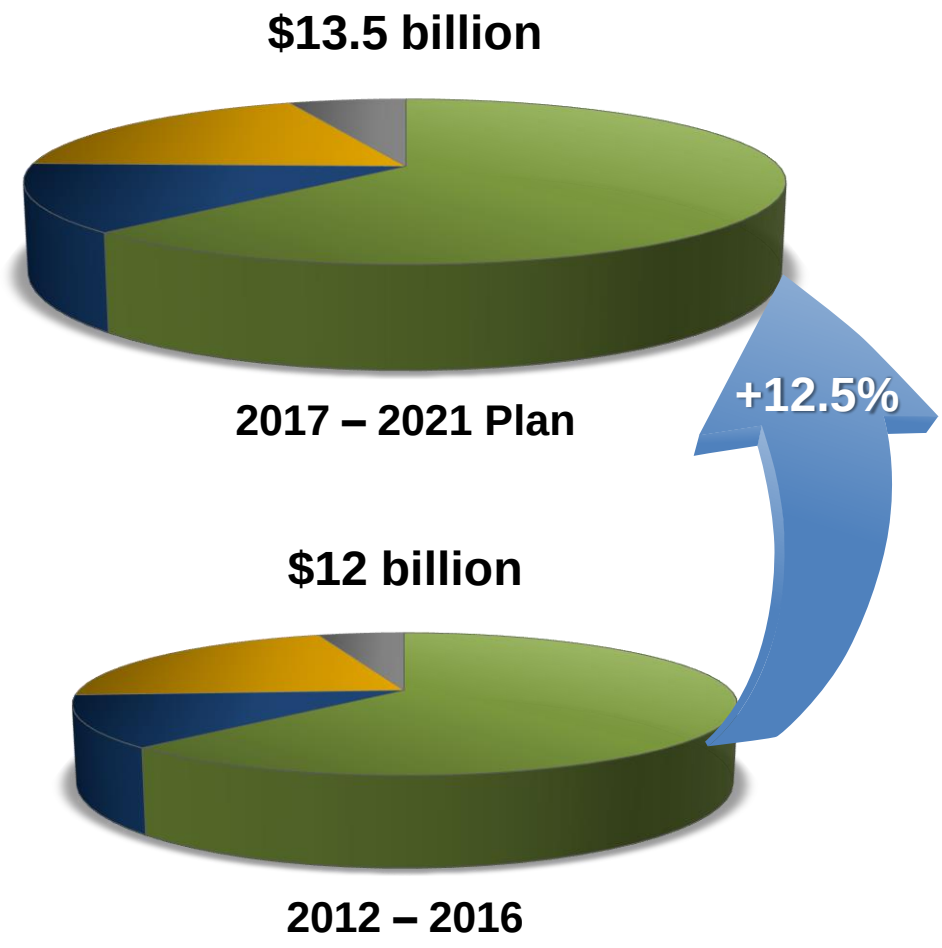


- ✓ Minimal regulatory lag
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms

Source: Barclays, February 2017

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

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, new generation, replacement
- **Gas** ..... **$1.8 billion**
  Base infrastructure, NEXUS related, main replacement
- **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



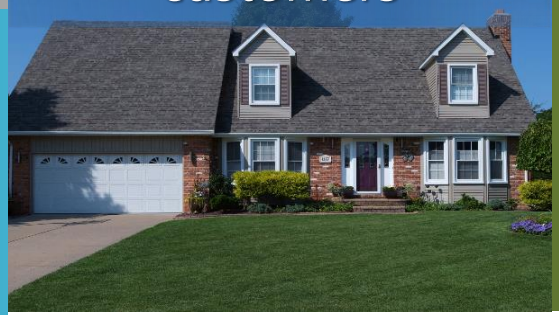




$610M - $624M
2017 operating earnings* guidance

$15.6B
2016 rate base

2.2M
customers



Founded
1886

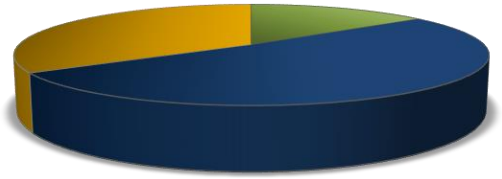
$8.4B
5 year capital plan
(2017-2021)

* 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

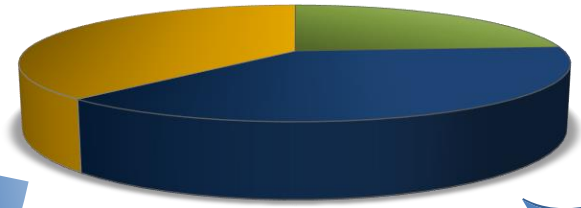
DTE Electric Investment

$7.4 billion



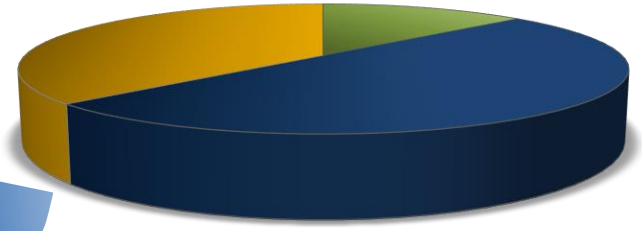
2012 – 2016

$8.4 billion



2017 – 2021

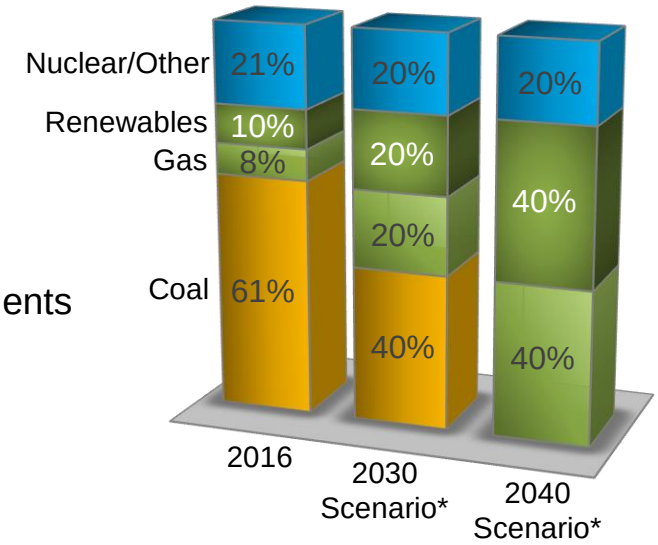
$9.8 billion



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

Electric Generation Shift
(% of GWh)



* Timing and mix subject to change

Committed to providing cleaner energy to our customers

DTE Energy

Retirements*

2017 - 2023

River Rouge



St. Clair



Trenton



~2,100 MW

2024 - 2030

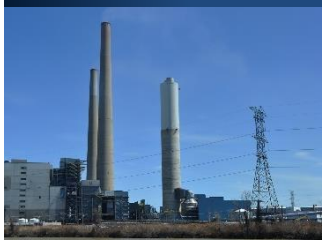
Belle River



~1,000 MW

2031 - 2040

Monroe



~3,100 MW

Additions*



Natural Gas



Wind



Solar

Up to ~ 7,500 MW**

* Timing and mix subject to change

** Approximate capacity 3,500 MW natural gas and 4,000 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

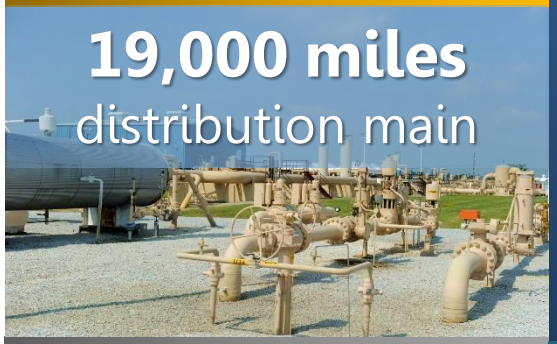
Tree Trimming

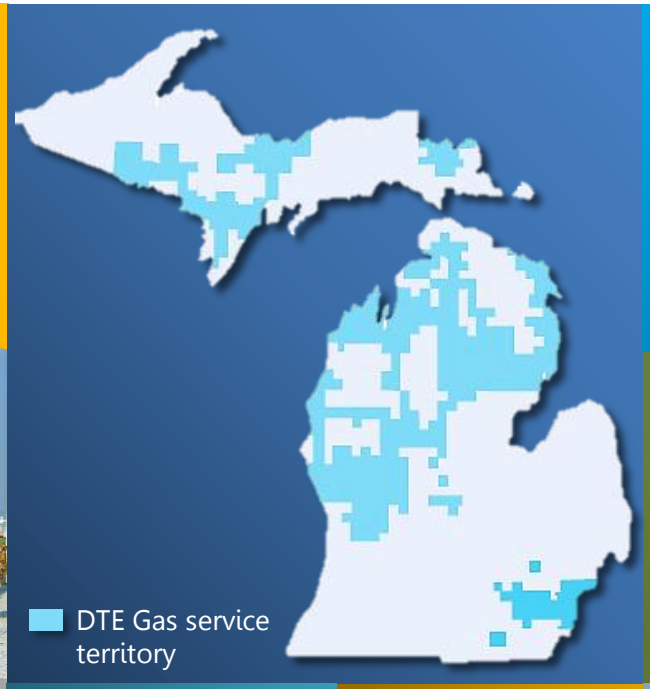


- Enhanced program has resulted in a 70% reliability improvement on trimmed circuits

DTE Gas overview

$3.7B
2016 rate base





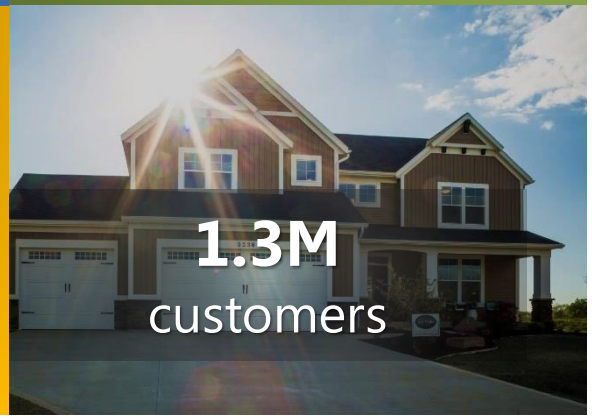
Replacing
4,000 miles
of cast iron and unprotected distribution main

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

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

139 Bcf
storage capacity

Founded
1849

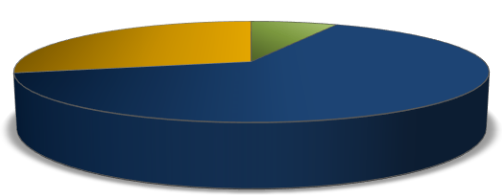


* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

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

DTE Gas Investment

$1.4 billion



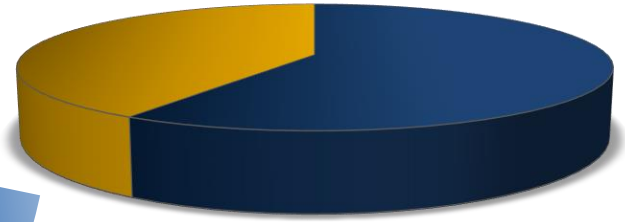
2012 – 2016

$1.8 billion



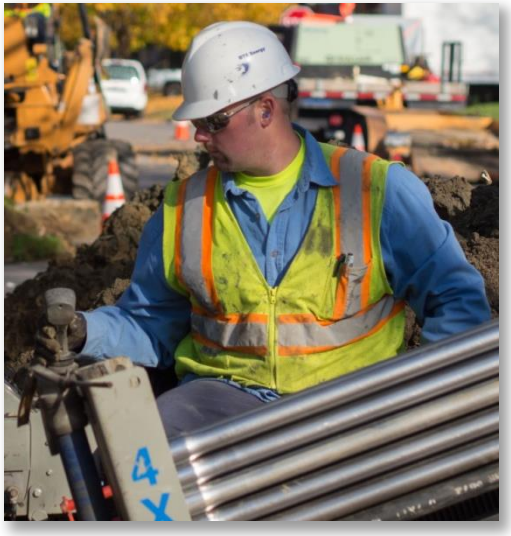
2017 – 2021

$1.7 billion



2022 – 2026

- NEXUS related
- 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

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)

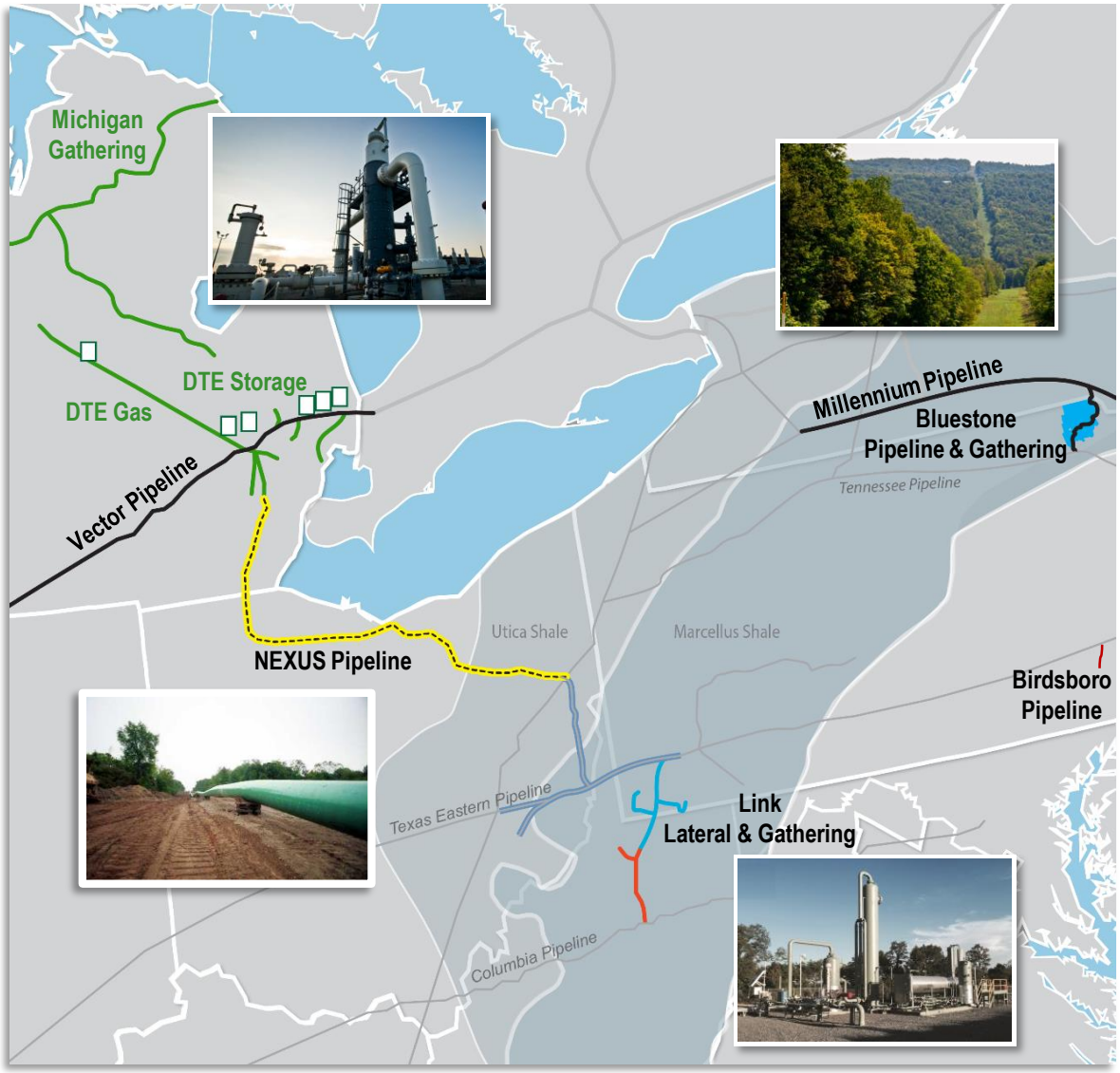
$145M – $155M 2017 operating earnings* guidance

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

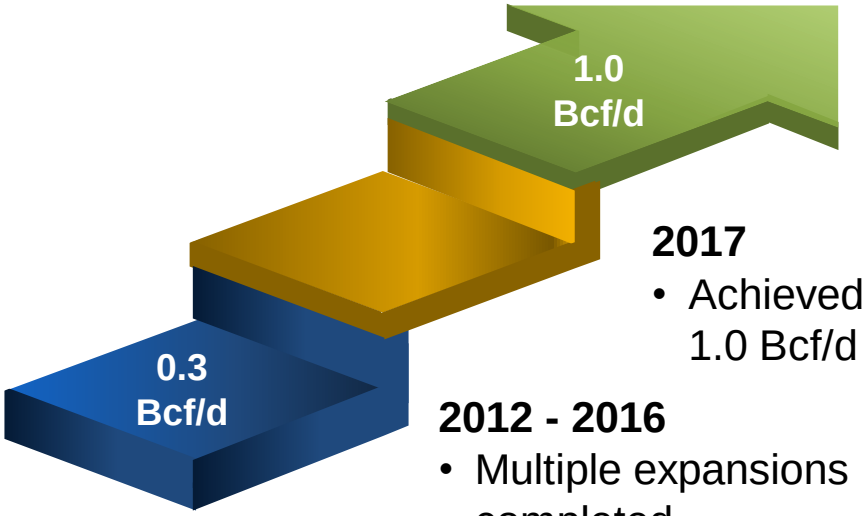
Michigan Assets

- ✓ 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)

Bluestone achieved 1.0 Bcf/d delivery milestone; NEXUS and Link continue to progress

Bluestone Pipeline & Gathering



2017
- Achieved 1.0 Bcf/d

2012 - 2016
- Multiple expansions completed

2011
- Established long-term agreement to build and operate Bluestone

NEXUS

- Construction ready
  - Right-of-way acquisition essentially completed
  - Majority of permits granted
- FERC quorum restored
  - Senate Energy and Natural Resources Committee to hold nomination hearings for 2 additional candidates in September
- 2018 in-service date

Link* Lateral & Gathering

- Additional wells continue to be brought online by key producers
- Commercial expansion discussions with producers on-going

* 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
$145-$155 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



$100M – $110M
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 country

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
  - Commenced operations on one and began construction on the other
- Finalize large scale central energy plant project
- Pursue additional investment opportunities

Operating earnings*
2016 Actual
$95 million

2017 Guidance
$100-$110 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

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

Increased our operating EPS* guidance midpoint 11 cents to $5.42 per share

(millions, except EPS)

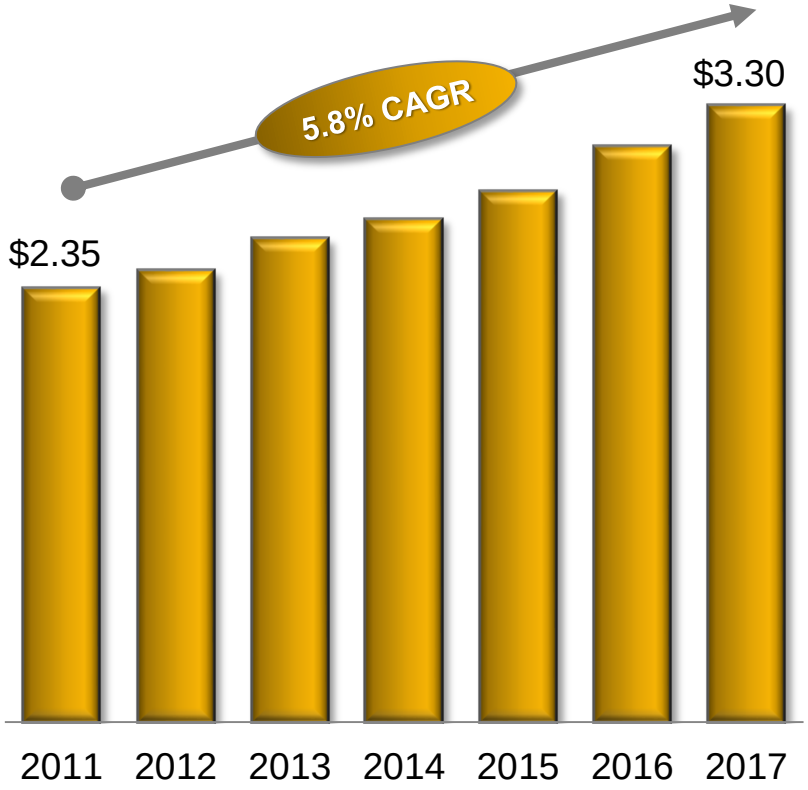
	Original Guidance	Revised Guidance	
DTE Electric	$610 - $624	$610 - $624	
DTE Gas	143 - 151	143 - 151	
Gas Storage & Pipelines	140 - 150	145 - 155	↑
Power & Industrial Projects	90 - 100	100 - 110	↑
Corporate & Other	(64) - (60)	(64) - (60)	
Growth segments**	**$919 - $965**	**$934 - $980**	
Growth segments operating EPS	**$5.12 - $5.38**	**$5.21 - $5.46**	↑
Energy Trading	$5 - $15	$10 - $20	↑
DTE Energy	**$924 - $980**	**$944 - $1,000**	
Operating EPS*	**$5.15 - $5.46**	**$5.26 - $5.57**	↑
Avg. Shares Outstanding	179.5	179.5	

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

Consistently provide value to shareholders

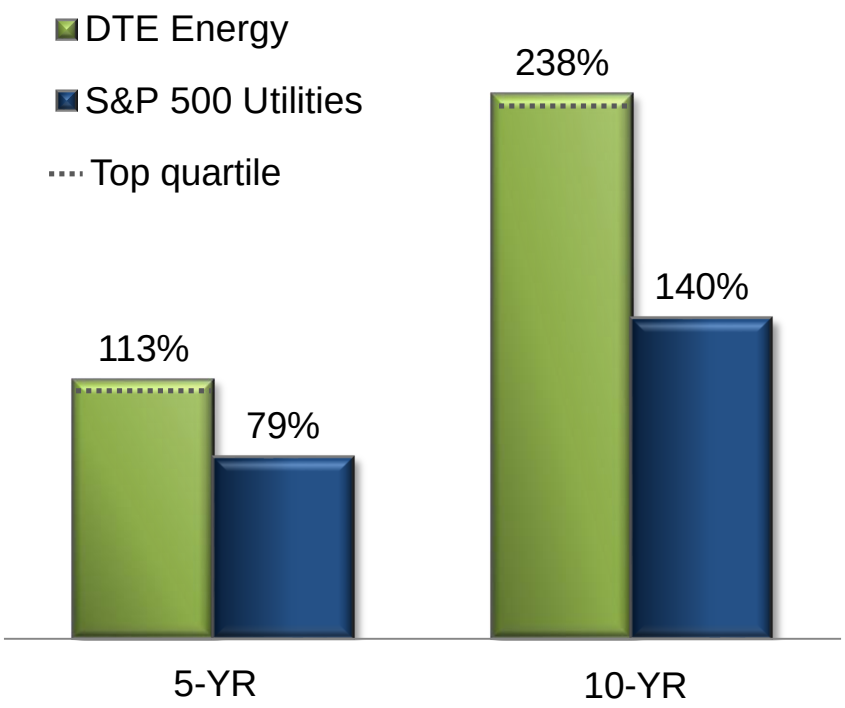
Annualized Dividend per Share

(dollars per share)



Targeting ~7% dividend increases in 2018 and 2019

Total Shareholder Return*

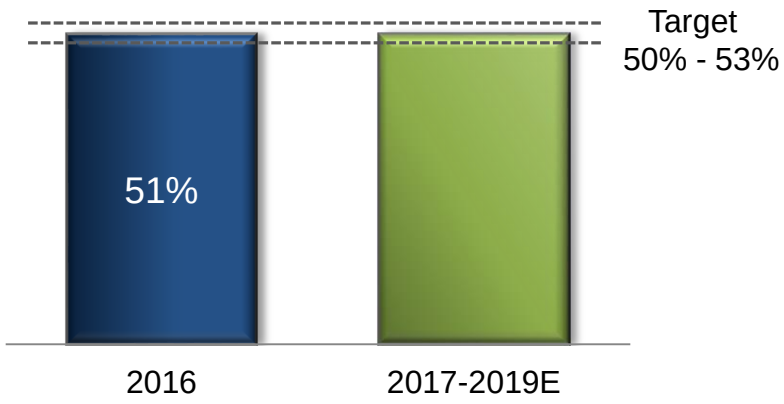


Top quartile of S&P 500 Utilities for 5 and 10 year periods

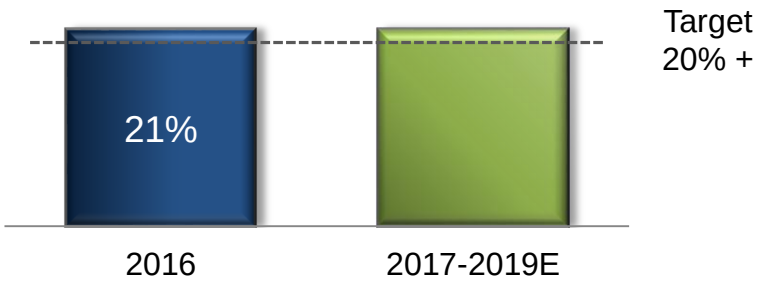
* Source: Bloomberg (as of 6/30/2017)

Cash flow and balance sheet remain strong

Leverage*



Funds from Operations** / Debt*



- Update on equity issuances:
  - No equity issuances planned for 2017
  - Acquisition related equity of $675 million in late 2019 (through convertible equity units)
  - No additional equity planned through 2019
- $1.7 billion of available liquidity at June 2017
- Successfully extended the existing $1.9 billion credit facilities to 2022

* 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

Appendix

Cash flow and capital expenditures guidance support 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	$0.0	$0.0
Dividends	(0.5)	(0.6)
Net cash	**($1.8)**	**($1.7)**
Debt financing:		
Issuances	$2.7	$2.0
Redemptions	(0.9)	(0.3)
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



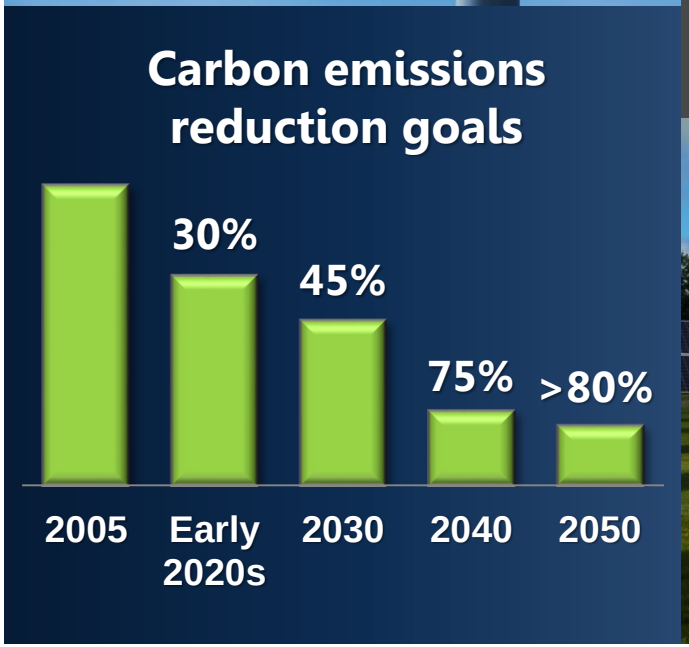
Photo taken at DTE power plant nature reserve

Committed to producing cleaner energy



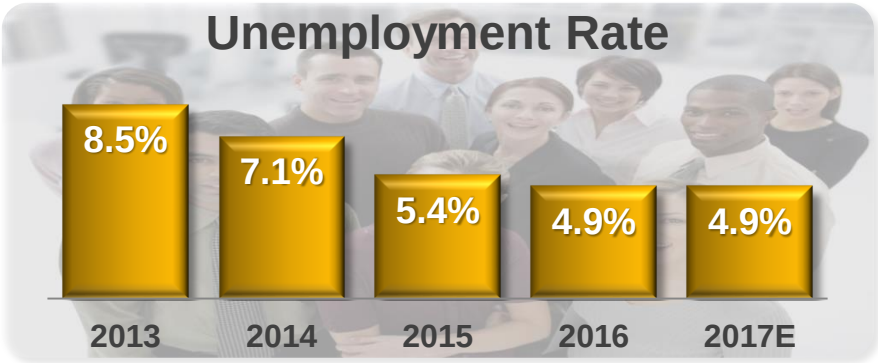
Since 2005, we have reduced CO_2 by 26%, SO_2 by 76% and mercury emissions by 86%

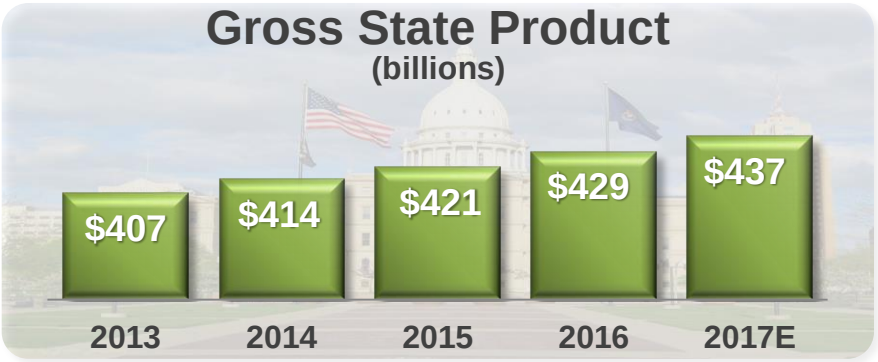
Generated more than 3.4 million MWh of renewable electricity in 2016

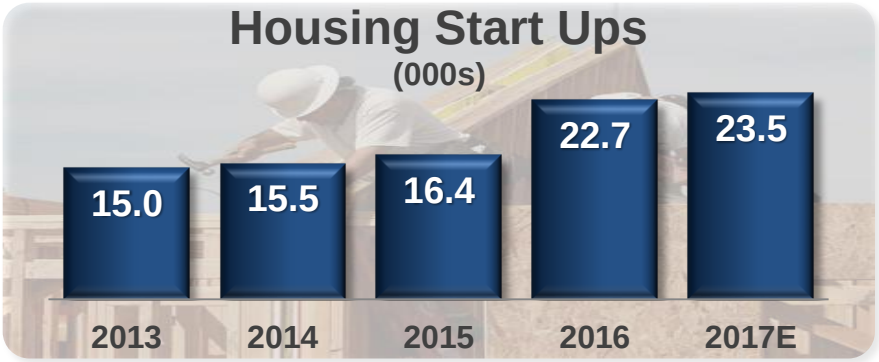




Positive trends continue with Michigan's economy







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

- General rate case - April 2017 (U-18255)
  - Requested rate recovery: $231 million; 10.5% ROE
    - Staff testimony: August 2017
    - Cross examination: October 2017
    - Self implementation: November 2017
    - Briefs: November 2017
    - Final order: by April 2018
- Capacity charge case - April 2017 (U-18248)
- 5 year draft electric distribution plan - June 2017 (U-18014)
- Certificate of Necessity filing - July 2017
- Annual rate cases 2018+

DTE Gas

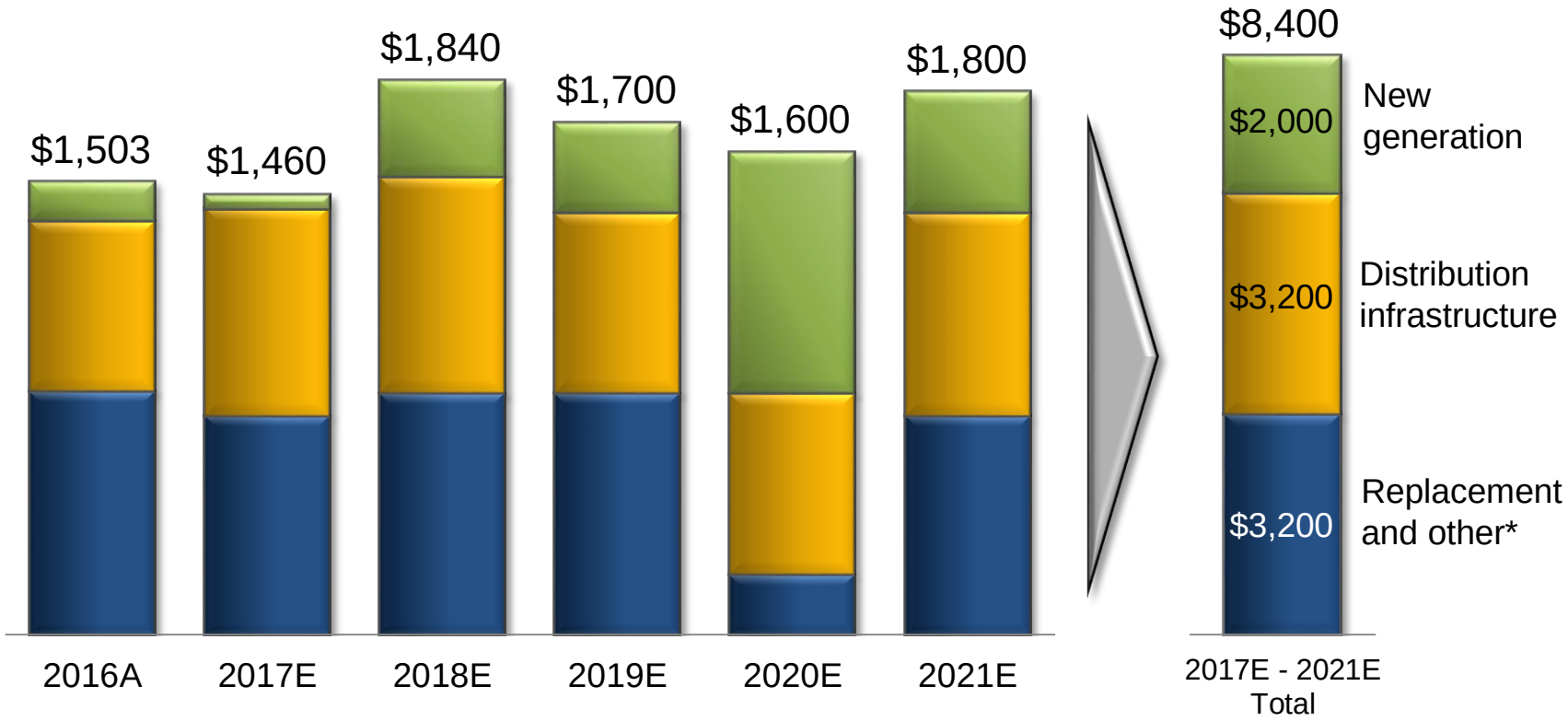
- Expect to file late 2017 / early 2018



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

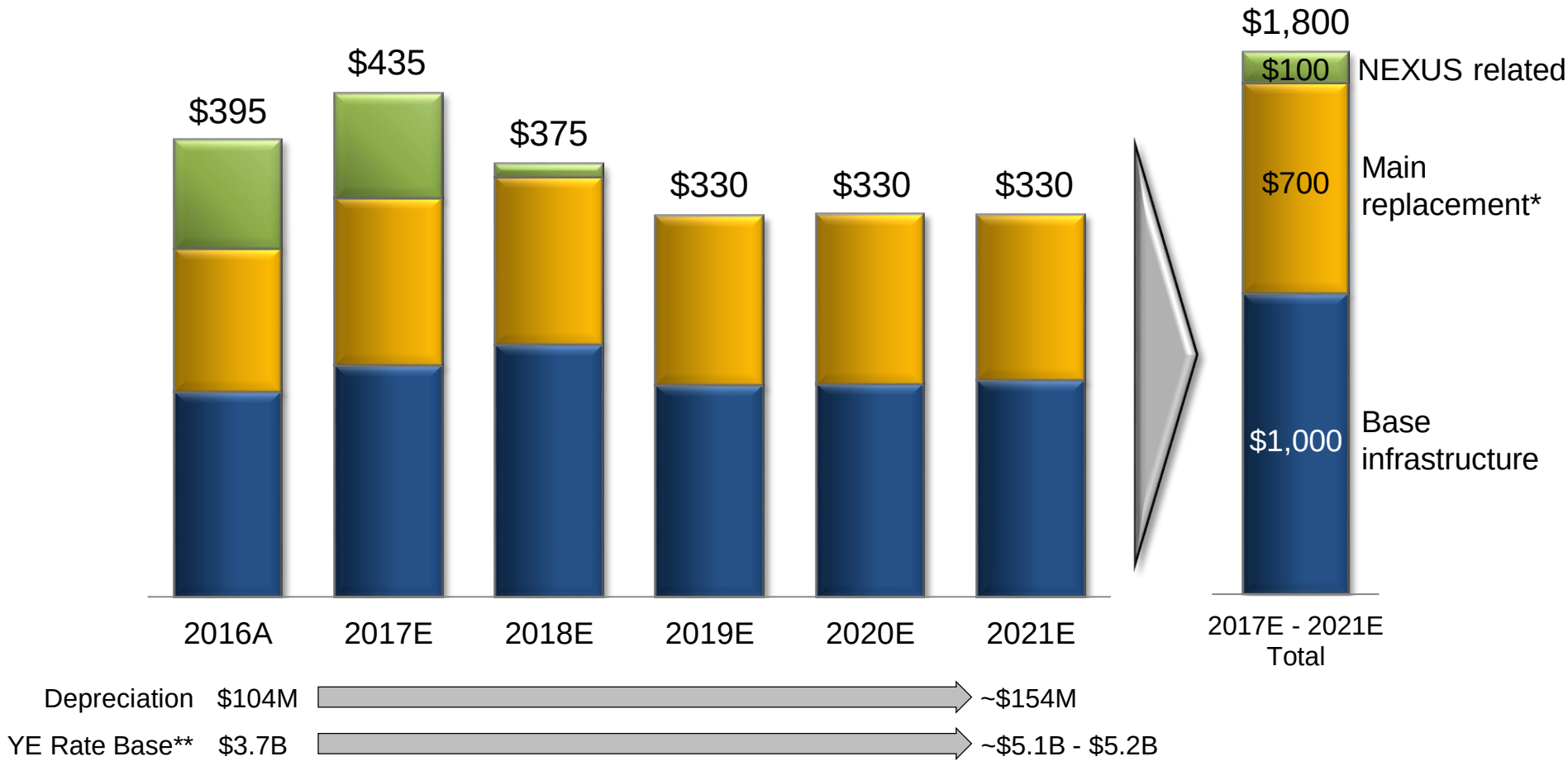
* Includes power reliability, existing generation maintenance, AMI, Ludington expansion and other investments

** 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.