Business Update

August 29, 2018



DTE Energy®

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; the cost of protecting assets against, or damage due to, cyber crime and terrorism; 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 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 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; 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; 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 2017 Form 10-K and 2018 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

- Summary

DTE Energy overview

Leader in **continuous improvement**

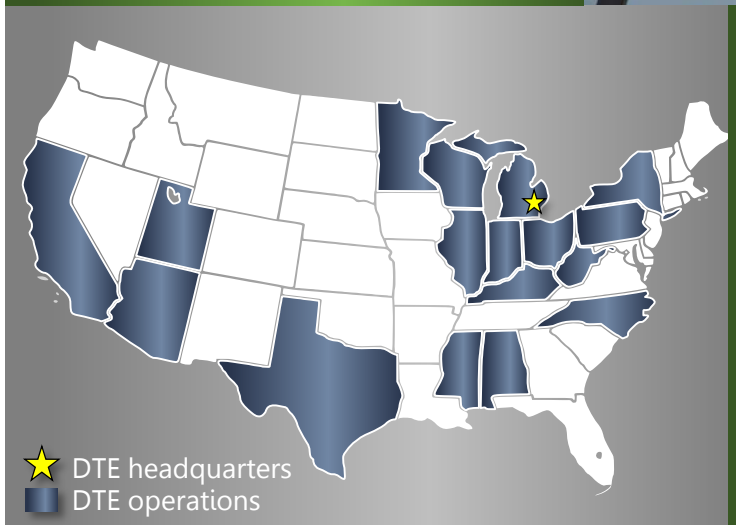
~$20B market cap





Fortune 300 company

100+ years of continuous dividend payments



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



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

75% - 80% Utility

Growth driven by investments aimed at improving 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*
- *16 states*



Energy Trading

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

DTE's earnings are over 85% regulated or contracted, consisting of electric and gas utilities, FERC regulated pipelines and long-term contracted energy projects

Employee and customer focus provides a solid framework for success







Safety

AGA's Safety Achievement Award
...2nd consecutive year

National Safety Council's top 2%
of companies surveyed in safety culture

Employee Engagement

Gallup's Great Workplace Award
…6th consecutive year
…ranked in top 4% of the world

Ranked in the top decile on Indeed's list of Best Places to Work in Fortune 500

Customer Satisfaction

Both utilities ranked 1st by business customers*

Both utilities ranked 2nd in residential customer satisfaction**

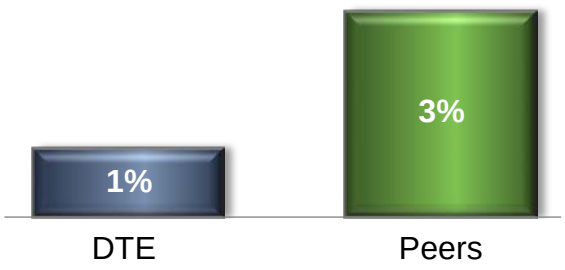
Increased investment in reliability infrastructure and enhanced customer channels

* J.D. Power 2017 Electric and Gas Utility Business Customer Satisfaction Study. Visit jdpower.com
** J.D. Power 2017 Electric and Gas Utility Residential Midwest Customer Satisfaction Study. Visit jdpower.com

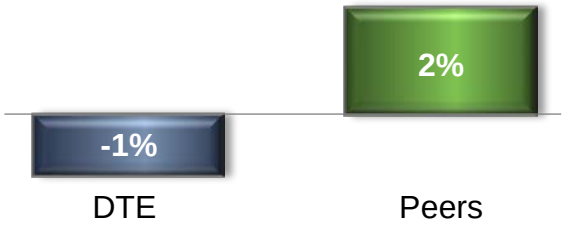
Strong track record of cost management is a direct result of our focus on continuous improvement

Average annual percentage change in O&M costs 2008 – 2016

Electric utility*



Gas utility**



Controlling costs while improving the customer experience

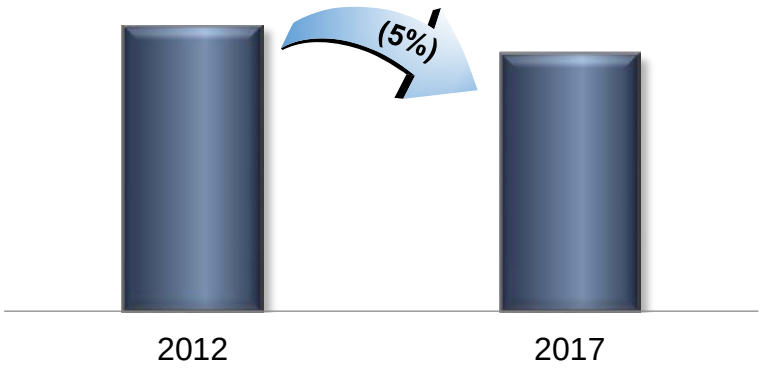
- ✓ Continuous improvements
- ✓ Productivity enhancements
- ✓ Technology innovations
- ✓ Automation
- ✓ Infrastructure replacements
- ✓ Transition to cleaner energy

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

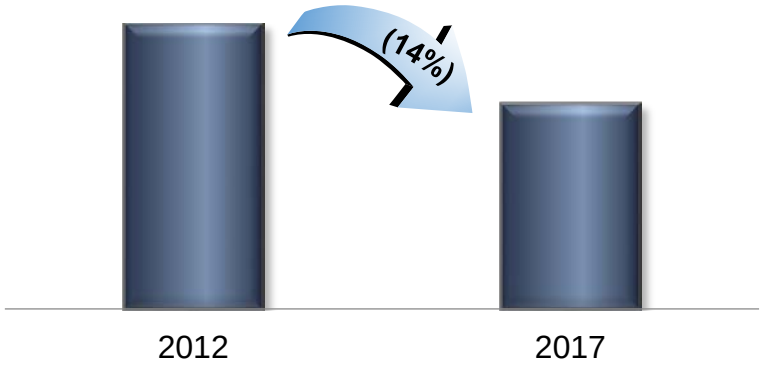
** Source: SNL Financial, FERC Form 2; gas distribution companies with greater than 300,000 customers; excluding production expense

Maintaining customer affordability while investing in our utilities

DTE Electric

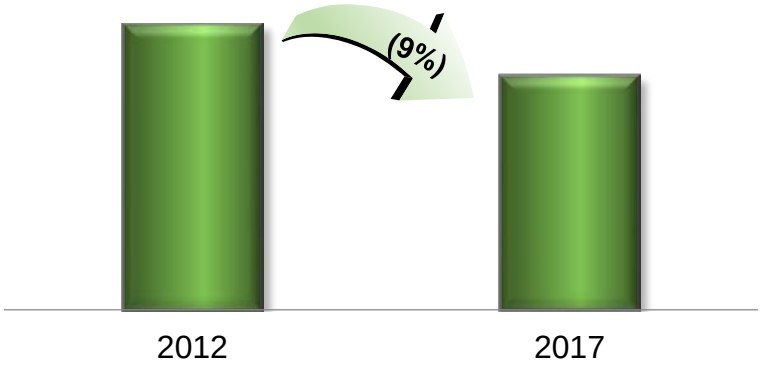


Average annual residential bill

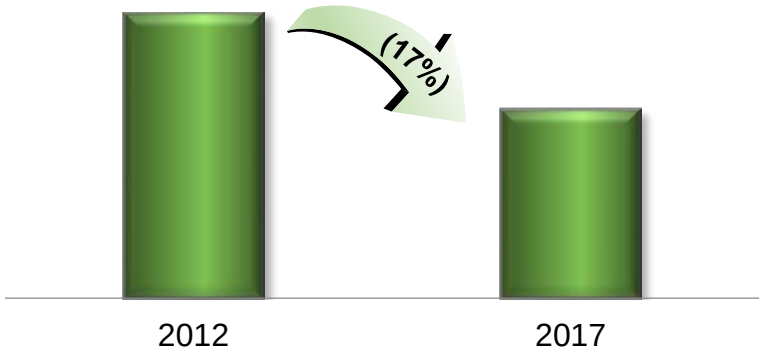


Average industrial rate

DTE Gas



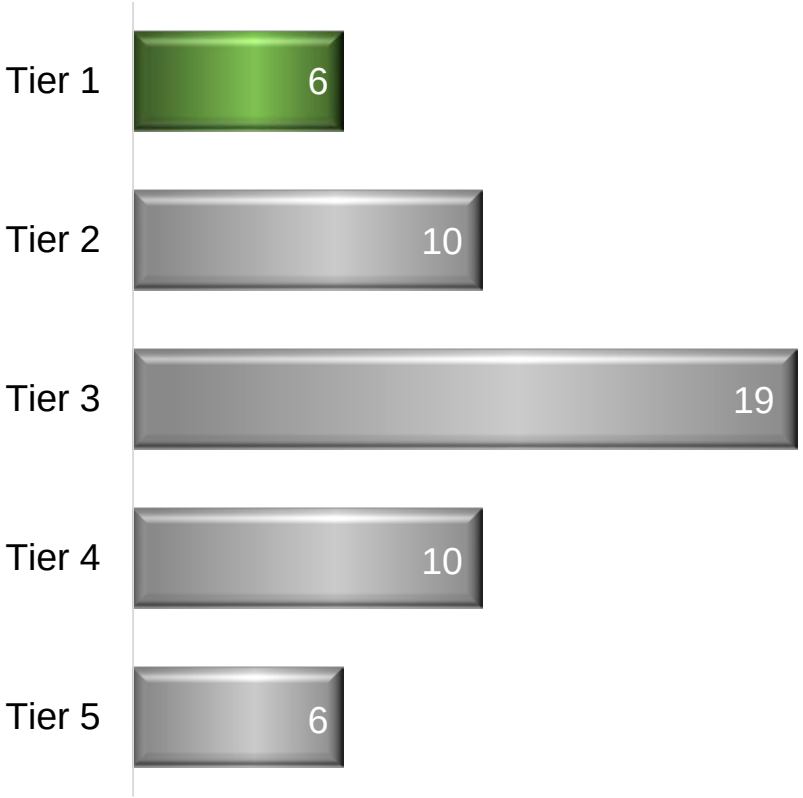
Average annual residential bill



Average industrial rate

Michigan's regulatory environment continues to be constructive

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



Solid regulatory climate driven by

- ✓ Constructive and consistent regulatory outcomes
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms
- ✓ Focus on customer affordability
- ✓ 100% ownership of incremental renewable generation
- ✓ Energy waste reduction incentives
- ✓ Commitment to being a force for growth in communities

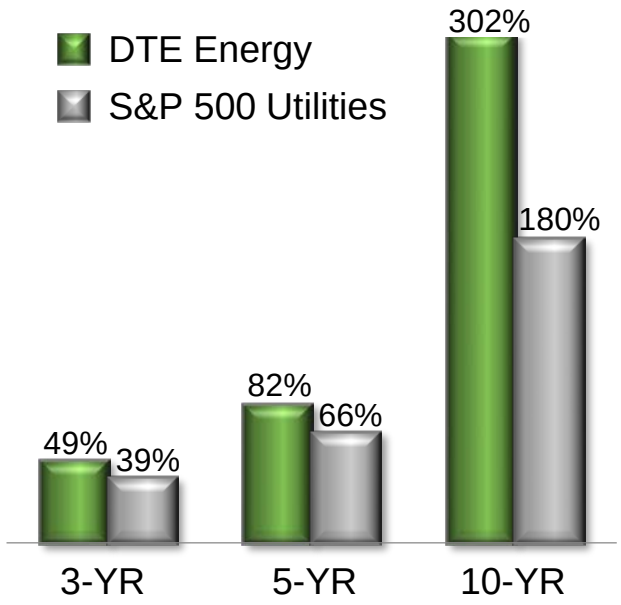
* Source: UBS, February 2018 (50 states and Washington, D.C.)

Strong track record supports commitment to deliver long-term value to shareholders

5% - 7%

Operating EPS** growth rate through 2022

Total Shareholder Return
DTE outperforms
S&P 500 utilities



Source: Bloomberg, as of 7/31/18

~3%

Dividend yield*

7% dividend growth rate through 2020***

Supported by a strong balance sheet

* Dividend yield based on current declared dividend annualized divided by DTE stock price as of 7/31/18
** Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
*** Subject to Board approval

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

Increased operating EPS* guidance; regulatory filings progressing well



- Increased 2018 operating EPS guidance midpoint by $0.35 to $6.13
  - Both utilities are on track
  - GSP and P&I having an exceptional year
- Increased 2018 cash flow guidance
  - Reduces future equity needs
- Regulatory proceedings progressing well
  - Recent electric case outcome increased by ~$10 million
  - 1,100 MW CCGT approved
  - $1.7 billion renewable plan filed
  - July electric case filed includes IRM
  - Gas rate case outcome in September

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

Strong future growth supported by opportunities across all business units

- Utilities evaluating additional investments
  - Voluntary renewable program for large customers
  - Acceleration of gas main replacement
- GSP positioning for strong future growth
  - NEXUS construction >80% complete
  - Board approved ~$250 million Link expansion
  - 3 other laterals/expansions complete or underway
  - Evaluating potential acquisitions
- P&I has a large queue of projects to deliver growth
  - Expect to close 1-2 additional cogen/RNG deals in 2018
  - 2022 operating earnings* to be materially greater than $70 million
- Continue to target 5% - 7% operating EPS growth from 2018 original guidance through 2022





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

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

(billions)



Electric $10.4 billion

Distribution infrastructure, maintenance, new generation

Gas $2.1 billion

Base infrastructure, main renewal, NEXUS related

GSP $2.8 - $3.4 billion

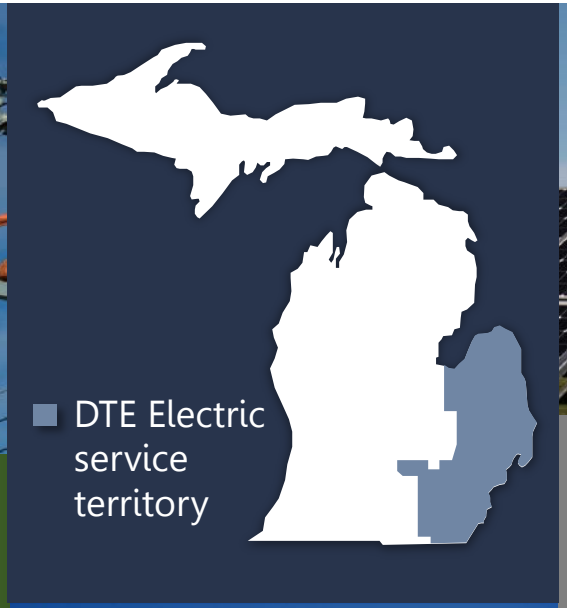
Expansions, NEXUS

P&I $0.8 - $1.2 billion

Industrial energy services, projects, renewables

DTE Electric overview







~11,000 megawatt system capacity

$16.5B
2017 rate base





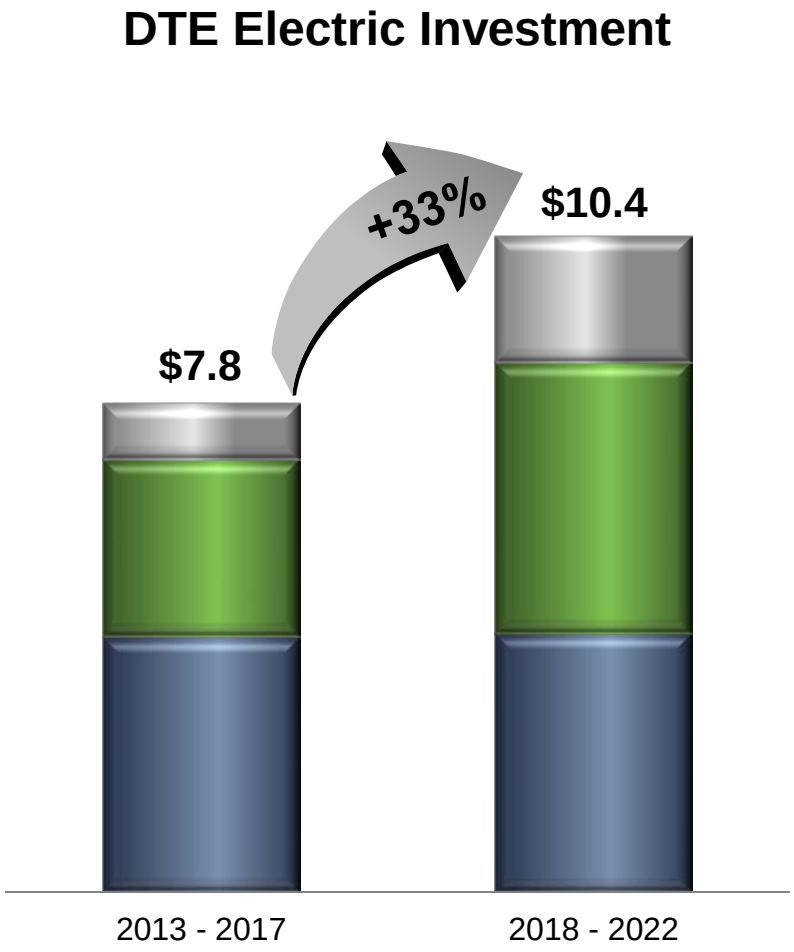
Founded **1886**



$10.4B
5-year capital plan
(2018-2022)

Generation and distribution infrastructure replacement will continue to improve service

(billions)



New generation

Transitioning generation portfolio to more sustainable energy

Distribution infrastructure

Progress to best in class in reliability

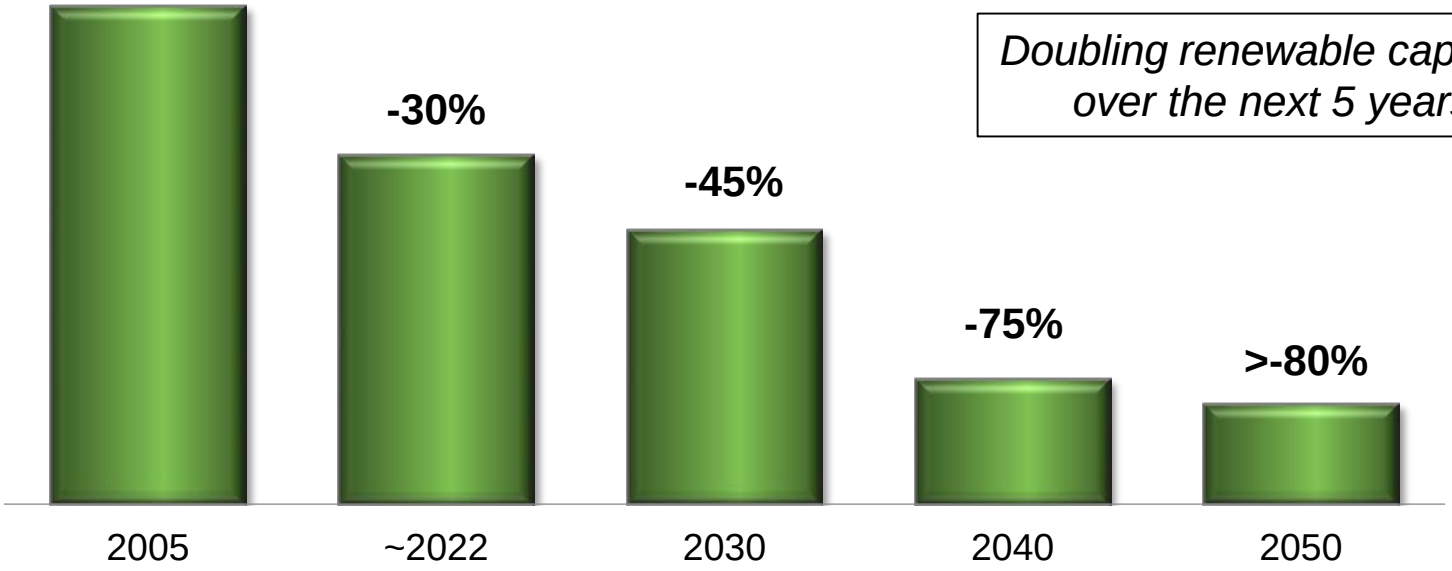
Base infrastructure

Reduce costs through productivity and efficiency investments



Committed to generating cleaner energy for our customers

Carbon emissions reduction goals*



Doubling renewable capacity over the next 5 years



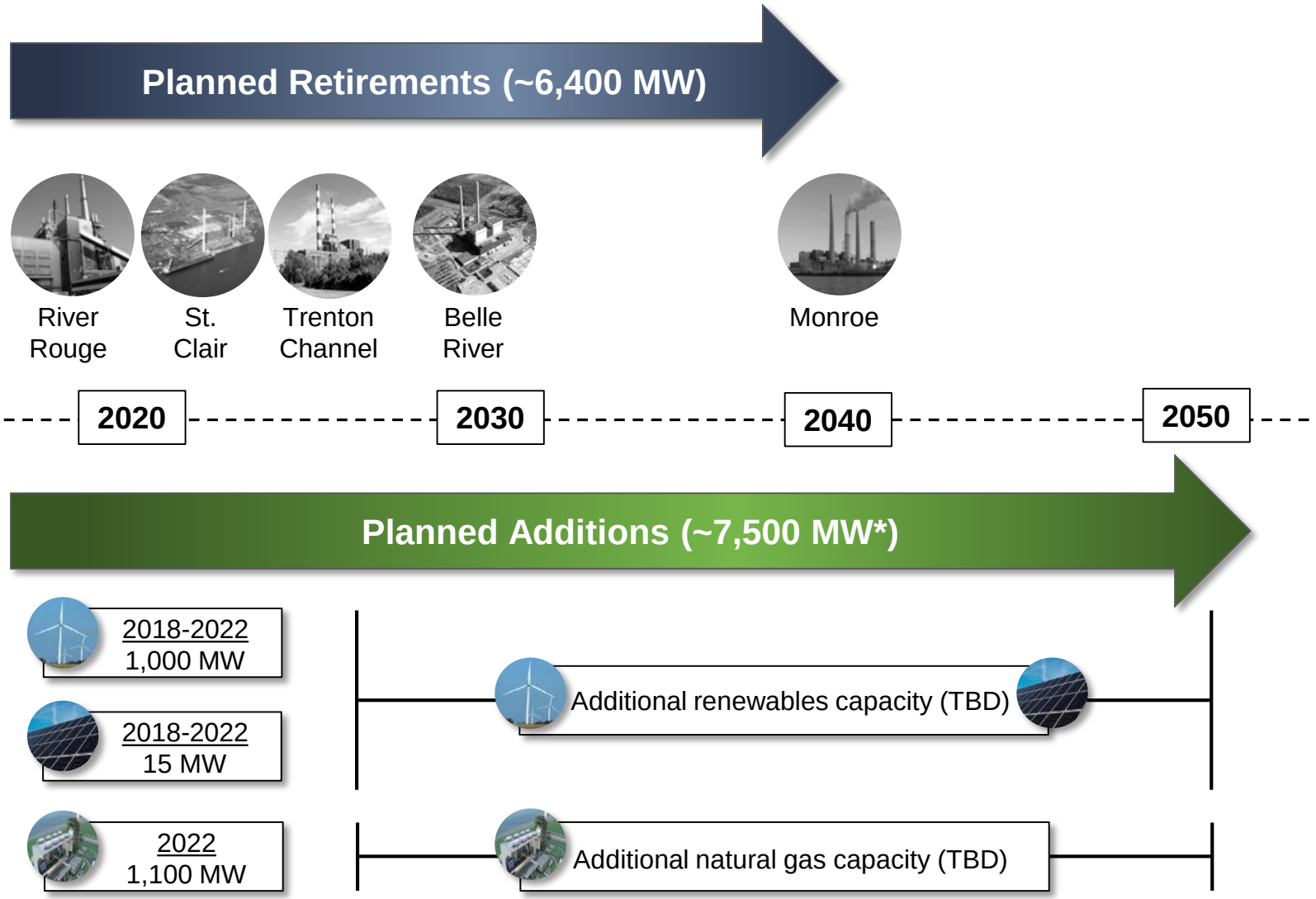
50% clean energy by 2030

25% renewables by 2030

>80% carbon reduction by 2050

* CO_2 percentage reductions from 2005 levels

Replacing coal with renewables and natural gas



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

* Subject to change based on capacity mix

Increasing reliability and customer satisfaction with distribution investments



Infrastructure resilience

Improves circuit reliability



Infrastructure redesign

Addresses substation load growth and aging infrastructure

Technology enhancement

Targets 100% remote monitoring

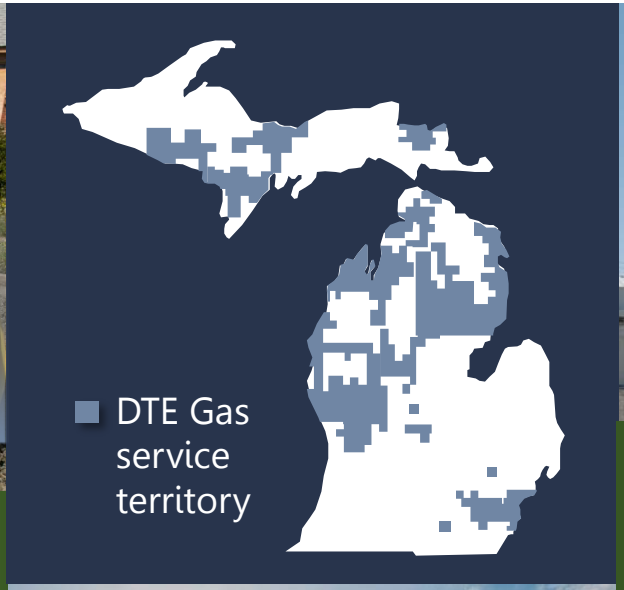


Tree trimming

Improves distribution reliability

DTE Gas overview







$2.1B
5-year capital plan
(2018-2022)

139 Bcf
storage capacity



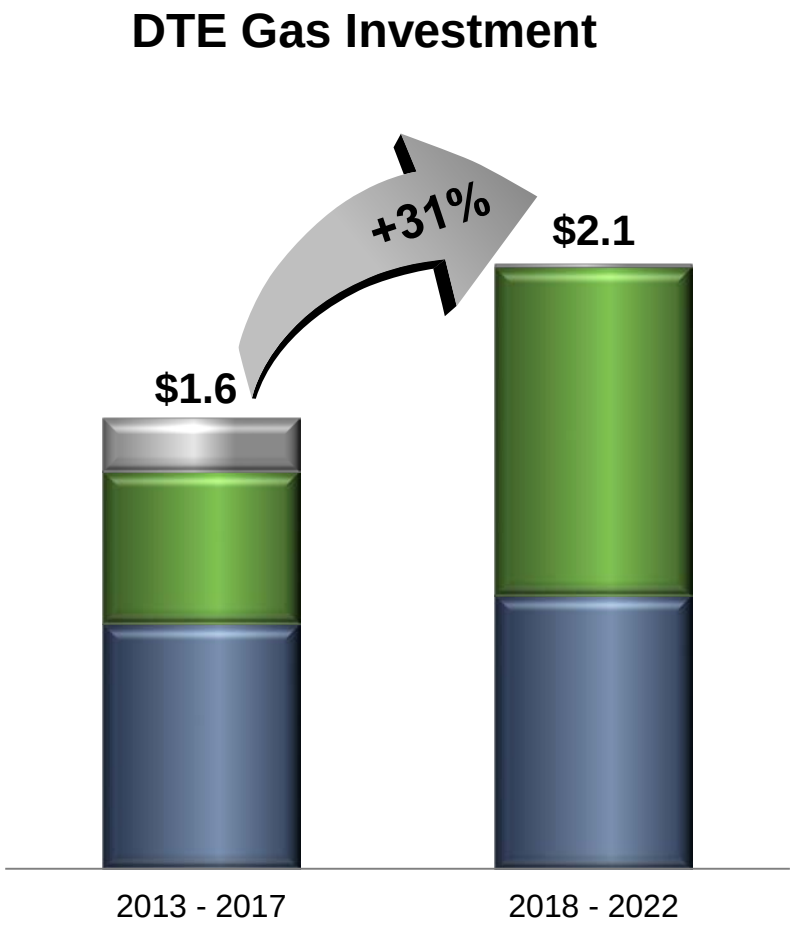
$4.0B
2017 rate base



Founded
1849

Improving service to customers through infrastructure renewal and replacement

(billions)



NEXUS related

Compression

Infrastructure renewal

Proposing accelerated 15 year main renewal cycle

Base infrastructure

Transmission, compression, distribution, storage



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



Main renewal

Minimizes leaks - reducing costs and improving customer satisfaction

- Filed proposal to increase pace of main renewal



Meter move out

Reduces manual meter reading - improving operational efficiencies and customer satisfaction



Pipeline integrity

Strengthens the system - decreasing the potential for system issues

GSP overview

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



Transport, store and **gather** natural gas



91 Bcf
of storage

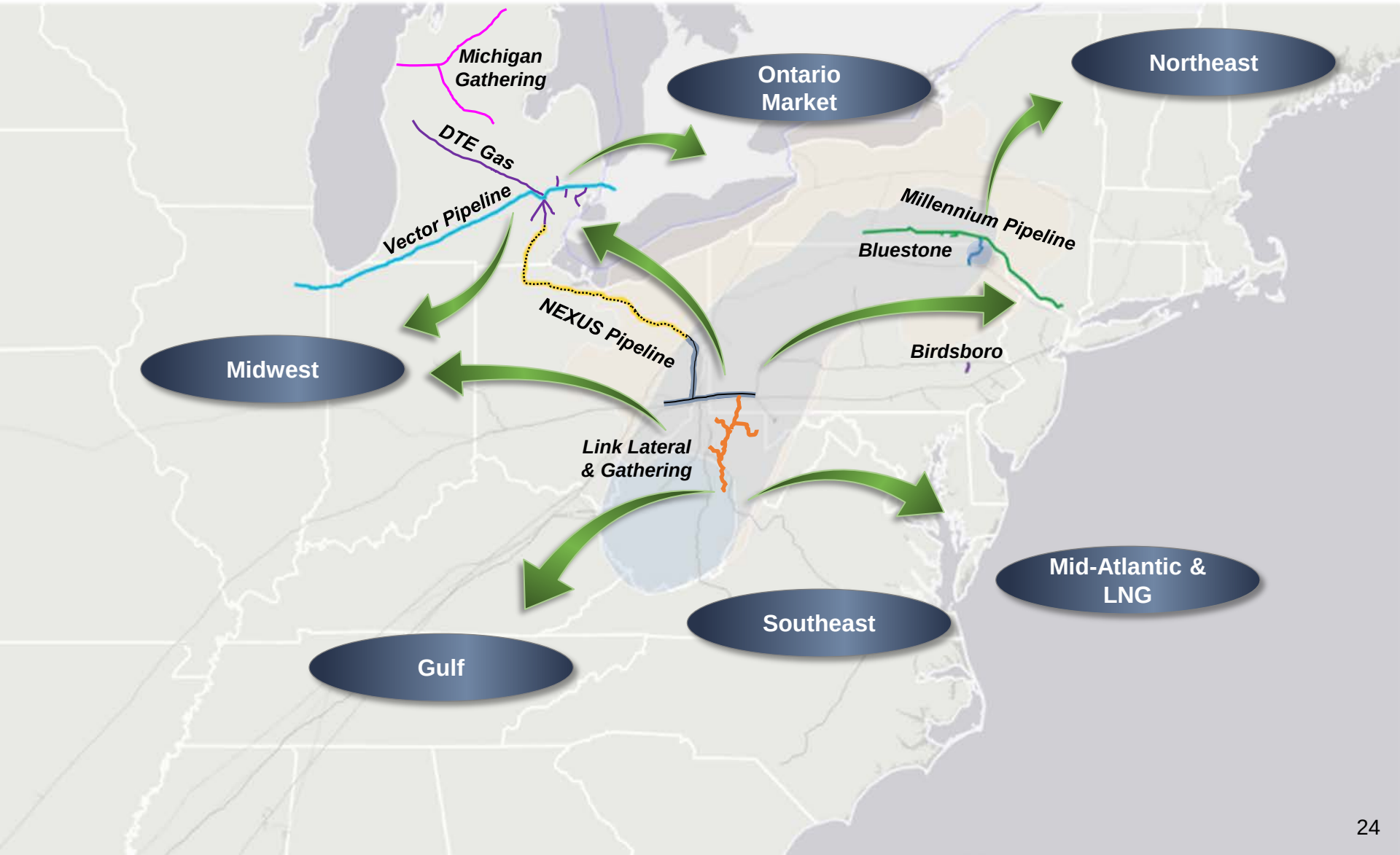
$2.8B – $3.4B
5-year capital plan (2018-2022)



Serves markets
in Midwest, Northeast, Mid-Atlantic, and Southeast



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



GSP has an asset portfolio with multiple growth platforms

Millennium Pipeline (26.25%) — 0.8 Bcf/d

- 0.1 Bcf/d expansion 4Q18
- 0.2 Bcf/d expansion 2H18
- Firm capacity/demand-based contracts



Bluestone Pipeline & Gathering — 1.2 Bcf/d

- Bi-directional pipe
- Firm capacity/demand-based contracts
- Gathering is minimum volume based



NEXUS Pipeline (50%) — 1.5 Bcf/d

- Targeting late 3Q18 in-service
- Firm capacity/demand-based contracts



Link — 2.2 Bcf/d

- Lateral and gathering assets in Marcellus / Dry Utica basin

Vector Pipeline (40%) — 1.3 Bcf/d

- Bi-directional pipe
- Firm capacity/demand-based contracts



GSP Gas Storage — 91 Bcf

- Strategically located between Chicago and Dawn trading hubs

GSP is focused on continued success

- Continuing progress on NEXUS
  - Construction >80% complete
  - On budget and on schedule for late 3Q in-service
  - HDDs and mainline welding complete
- Executing on Link
  - Expanded gathering and transport agreement with a producer, doubling their capacity
  - Continued future investment
- Expanding Bluestone and Millennium pipelines
  - Millennium Valley Lateral placed in-service; Eastern System Upgrade expansion in-service 4Q
  - Bluestone expansion complete

Growth Plan

Operating earnings*
2022 target
$280 - $290 million

Capital investment
2018 - 2022
$2.8 - $3.4 billion



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

P&I overview



$0.8B – $1.2B
5-year capital plan
(2018-2022)



Industrial energy services, renewable energy, and reduced emissions fuel

Leading developer
of energy related businesses in North America

Geographic diversity





191 MW
renewable plant capacity

Capitalizing on growth opportunities in our key business areas



Industrial energy services

Finalized new large combined heat and power (CHP) project and continuing to develop strong queue of opportunities



Renewable energy

Constructing new project in Wisconsin and in advanced discussions on several others



Reduced emissions fuel

Maximizing performance and value through 2021

P&I is focused on progress toward long-term growth

- Continued development of industrial energy projects
  - Initial stages of construction on Ford Motor Company complex
  - Finalizing agreement on large industrial cogeneration project
  - Pursuing strong pipeline of additional CHP projects
- Focus on RNG opportunities
  - Integrated two recent acquisitions
  - Constructing new project in Wisconsin
  - Pursuing strong pipeline of additional RNG projects
- Maximizing performance and value of reduced emissions fuel projects through 2021
- 2022 operating earnings to be materially greater than $70 million; will update further at EEI

Growth Plan

Operating earnings*
2022 target
$65 - $75 million

Capital investment
2018 - 2022
$0.8 - $1.2 billion



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

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

Summary

- Increased 2018 operating EPS* and cash guidance given strong financial performance
- Targeting 5% - 7% operating EPS growth through 2022
- Driving utility growth through infrastructure investments focused on improving reliability and the customer experience
- Continuing strategic and sustainable growth in non-utility businesses
- Delivering strong EPS and dividend growth that drive premium total shareholder returns

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

Appendix

Increased 2018 operating EPS* guidance midpoint by $0.35, or 6%

(millions, except EPS)

	Original Guidance	Revised Guidance
DTE Electric	$648 - $662	$648 - $662
DTE Gas	152 - 160	152 - 160
Gas Storage & Pipelines	185 - 195	225 - 235
Power & Industrial Projects	115 - 135	155 - 170
Corporate & Other	(100) - (90)	(110) - (100)
Growth segments**	**$1,000 - $1,062**	**$1,070 - $1,127**
Growth segments operating EPS	**$5.54 - $5.88**	**$5.91 - $6.22**
Energy Trading	$5 - $20	$5 - $20
DTE Energy	**$1,005 - $1,082**	**$1,075 - $1,147**
Operating EPS	**$5.57 - $5.99**	**$5.94 - $6.32**
Avg. Shares Outstanding	181	181

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

** Growth segments exclude Energy Trading

2018 cash flow and capital expenditures guidance

(billions)

Cash Flow

	2018 Guidance
Cash From Operations*	$2.2
Capital Expenditures	(3.6)
Free Cash Flow	**($1.4)**
Asset Sales & Other	-
Dividends	(0.6)
Net Cash	**($2.0)**
Debt Financing:	
Issuances	$2.1
Redemptions	(0.1)
Change in Debt	**$2.0**

(millions)

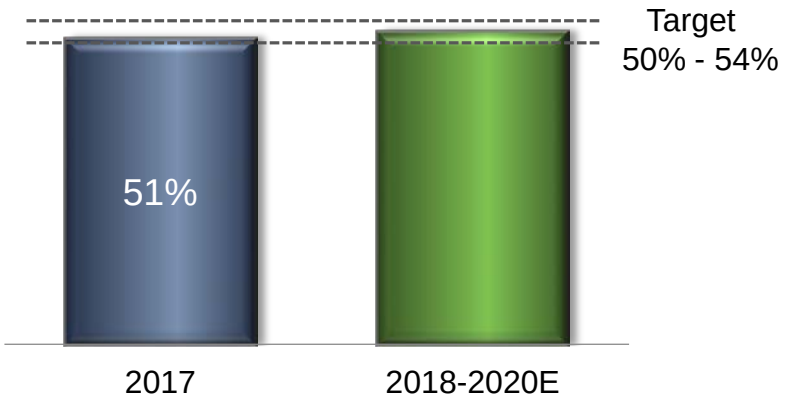
Capital Expenditures

	2018 Guidance
DTE Electric	
Base Infrastructure	$750
New Generation	340
Distribution Infrastructure	810
	$1,900
DTE Gas	
Base Infrastructure	$257
NEXUS Related	13
Main Renewal	190
	$460
Non-Utility	$1,100-$1,300
Total	**$3,460-$3,660**

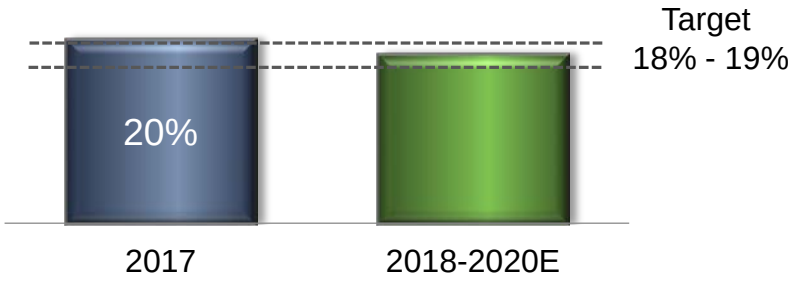
* Includes $250 million of equity issued for employee benefit programs

Maintaining strong cash flow and balance sheet

Leverage*



Funds from Operations** / Debt*



- Issue equity of $700 million in 2018-2020
  - $250 million in 2018 using internal mechanisms
  - Strong cash flows this year reduces equity needs
- $1.6 billion of available liquidity at June 30, 2018
- Maintain strong investment-grade credit rating
- One of the first energy companies in the nation to issue green bonds

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

Utility regulatory update

DTE Electric

- General rate case - filed July 2018 (U-20162)
  - Effective: May 2019
  - Rate recovery: $328 million
  - ROE: 10.5%
  - Capital structure: 49% debt, 51% equity
  - Rate base: $17.2 billion
- Capacity charge case - April 2017 (U-18248)
  - March 2018 MPSC staff report indicated adequate capacity
- Final 5 year draft electric distribution plan filed January 2018 (U-18014)
- Received Certificate of Necessity for natural gas plant April 2018 (U-18419)

DTE Gas

- General rate case - November 2017 (U-18999)
  - Prior to tax reform, requested rate recovery: $85 million ($57 million net of infrastructure recovery mechanism)
  - Final order: September 2018
- Expect to file rate cases every ~2 years



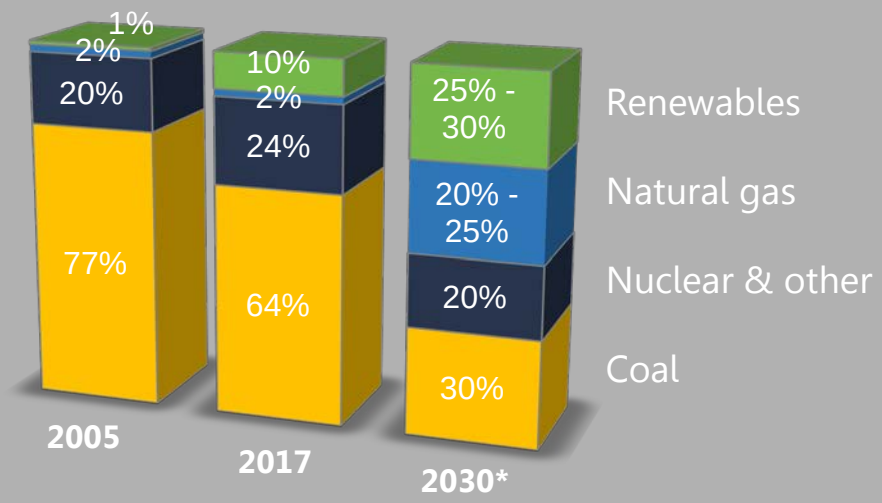
Accelerating plans to produce cleaner energy and targeting at least 50% clean energy by 2030



Over **80% reduction** of carbon emissions by **2050****

Targeting at least **50% clean energy** by **2030**

Generation mix





* Timing and mix are subject to change

** CO_2 percentage reductions from 2005 levels

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

(millions)

DTE Electric

Targeting 6% - 7% rate base growth

$10,400



New generation

Distribution infrastructure

Base infrastructure

2018E - 2022E

	2017		2022
Depreciation	$750M	→	~$1,076M
YE Rate Base*	$16.5B	→	~$22.9B

* Includes working capital and rate base associated with surcharges

DTE Gas

Targeting 7% - 8% rate base growth

$2,100



NEXUS related

Main renewal

Base infrastructure

2018E - 2022E

	2017		2022
Depreciation	$122M	→	~$172M
YE Rate Base**	$4.0B	→	~$5.7B

** Includes working capital

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.