



DTE Energy®

Gas Midstream Acquisition and 2016 Guidance Update

September 27, 2016






Safe Harbor Statement

Certain information presented herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, and businesses of DTE Energy. Words such as “anticipate,” “believe,” “expect,” “projected,” “aspiration,” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous assumptions, risks, and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated, or budgeted. Many factors may impact these forward-looking statements including, but not limited to, the following: the failure to consummate the transaction, the risk that we will not achieve expected synergies, the risk that the operations being acquired in the acquisition will not be successfully integrated or that such integration will take longer than expected, the risk that the operations being acquired will not perform as expected; and the risks discussed in our public filings with the Securities and Exchange Commission. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. 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 document should also be read in conjunction with the Forward-Looking Statements section of the joint DTE Energy and DTE Electric 2015 Form 10-K and 2016 Forms 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy.

Contact Us

DTE Energy Investor Relations

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- **Gas Midstream Acquisition**

- **2016 Guidance Update**

DTE Energy is purchasing a new asset in the SW Marcellus / Dry Utica region

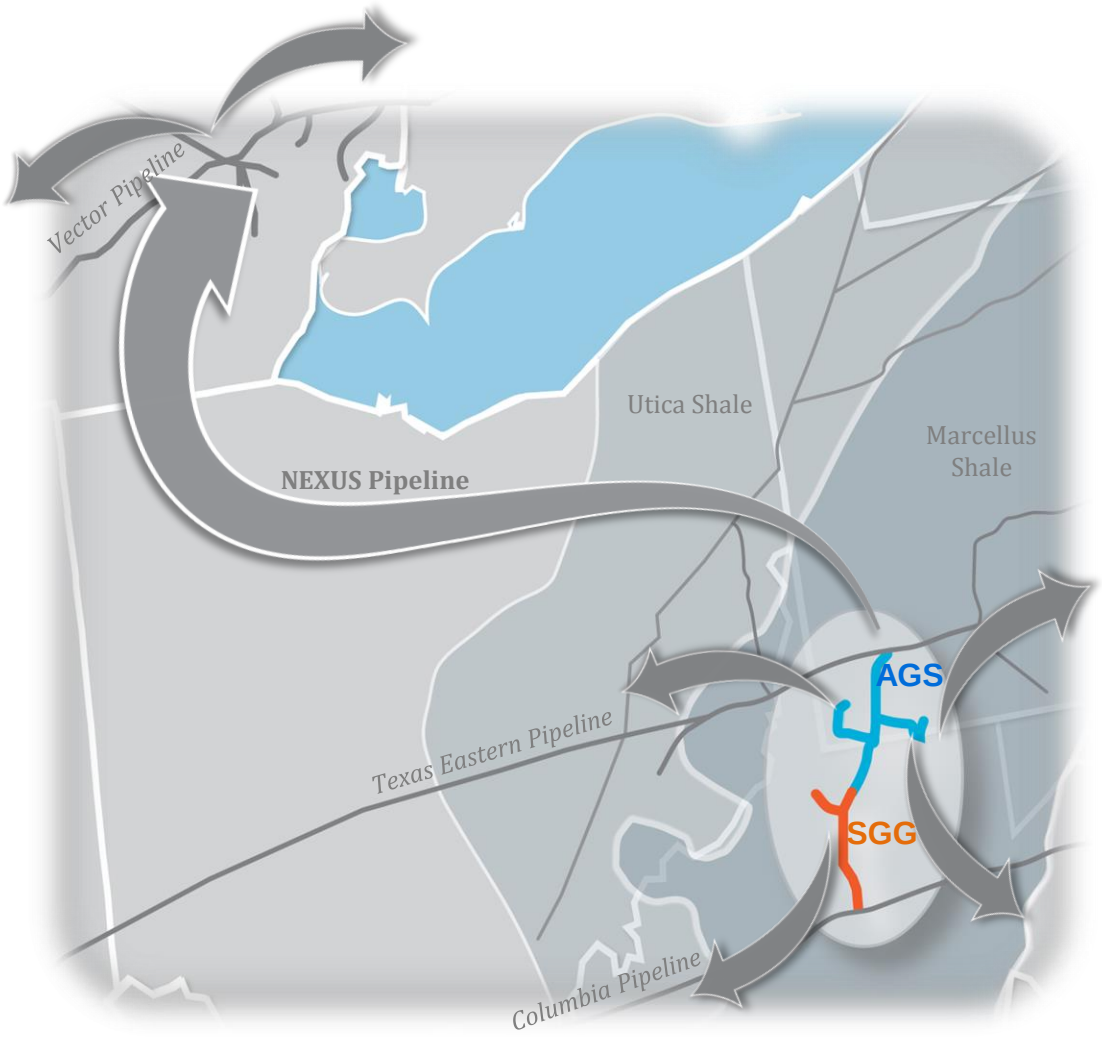
Entered into an agreement to purchase gas midstream assets, Appalachia Gathering System (AGS) and Stonewall Gas Gathering (SGG)* in the SW Marcellus/Dry Utica region for $1.3 billion



1. Complements our existing gas midstream business
2. Expands our footprint in the most prolific geology in the country spanning the heart of the SW Marcellus/Dry Utica
3. Provides platform for new value creation with significant growth potential
4. Delivers solid economics underpinned by long-term contracts and high-quality reserves

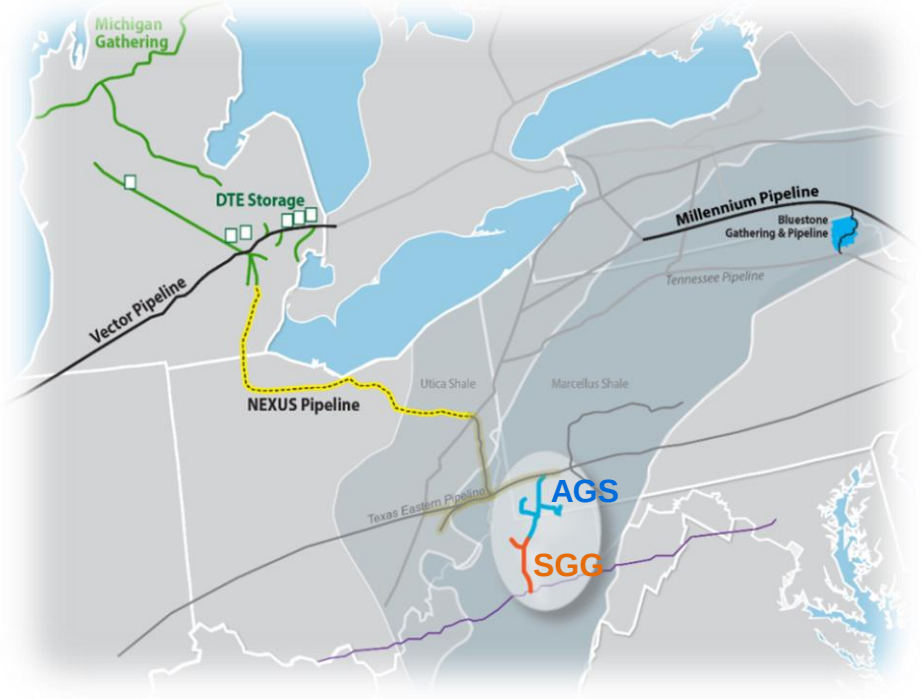
* Antero Resources also has the option to sell DTE an additional portion of the SGG asset

1 Acquisition of attractive gas midstream assets complements our existing gas midstream business



- Connects geographically and strategically to our current assets
- Provides access to high quality reserves in the SW Marcellus/Dry Utica
- Connects market to demand in Michigan, Ohio, Chicago and Ontario, Canada through NEXUS
- Broadens and strengthens our producer relationships and market reach

2 Expands footprint in most prolific geology in the country spanning SW Marcellus/Dry Utica



	AGS	SGG
% DTE Ownership	100%	55%
In-Service	2012-2013	2015
Length (miles)	110	67
Diameter	16”- 24”	36”
Capacity (Bcf/d)	0.7	1.5
Partners		Antero Midstream Partners LP WGL Midstream

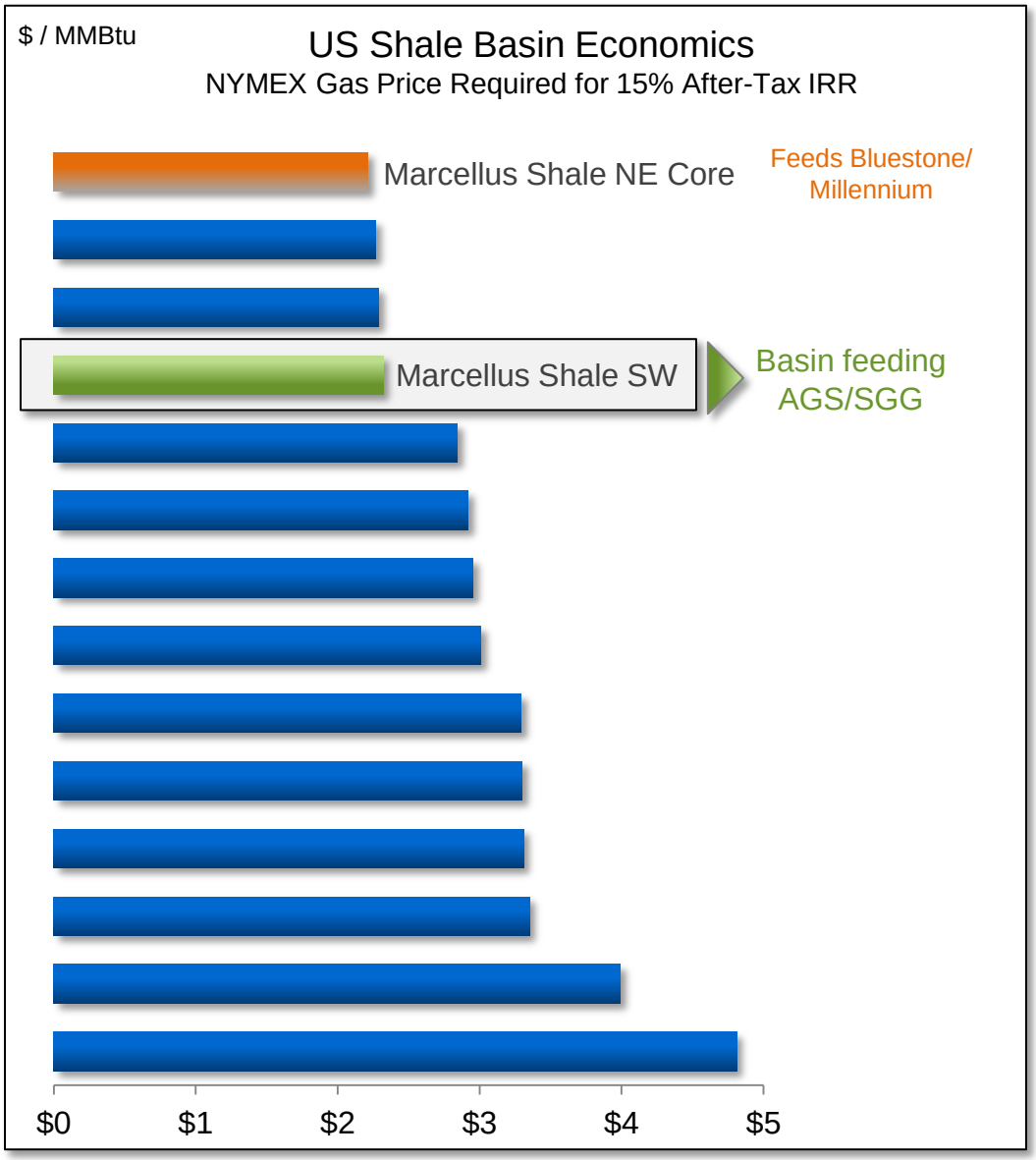
Contracts

Average Tenor (Years)	10
Contracted (Percent)	80

Customers

XTO Energy, Mountaineer Keystone, Northeast Natural Energy, Antero Resources, noble energy, SWN Southwestern Energy, Rice Energy, CONSOL Energy, EQT, Trans Energy, Inc. / Republic Energy

2 This asset lies in one of the most economically favorable shale basins



Our discussions with producers and 3rd party evaluators indicate that this region is poised for rapid growth

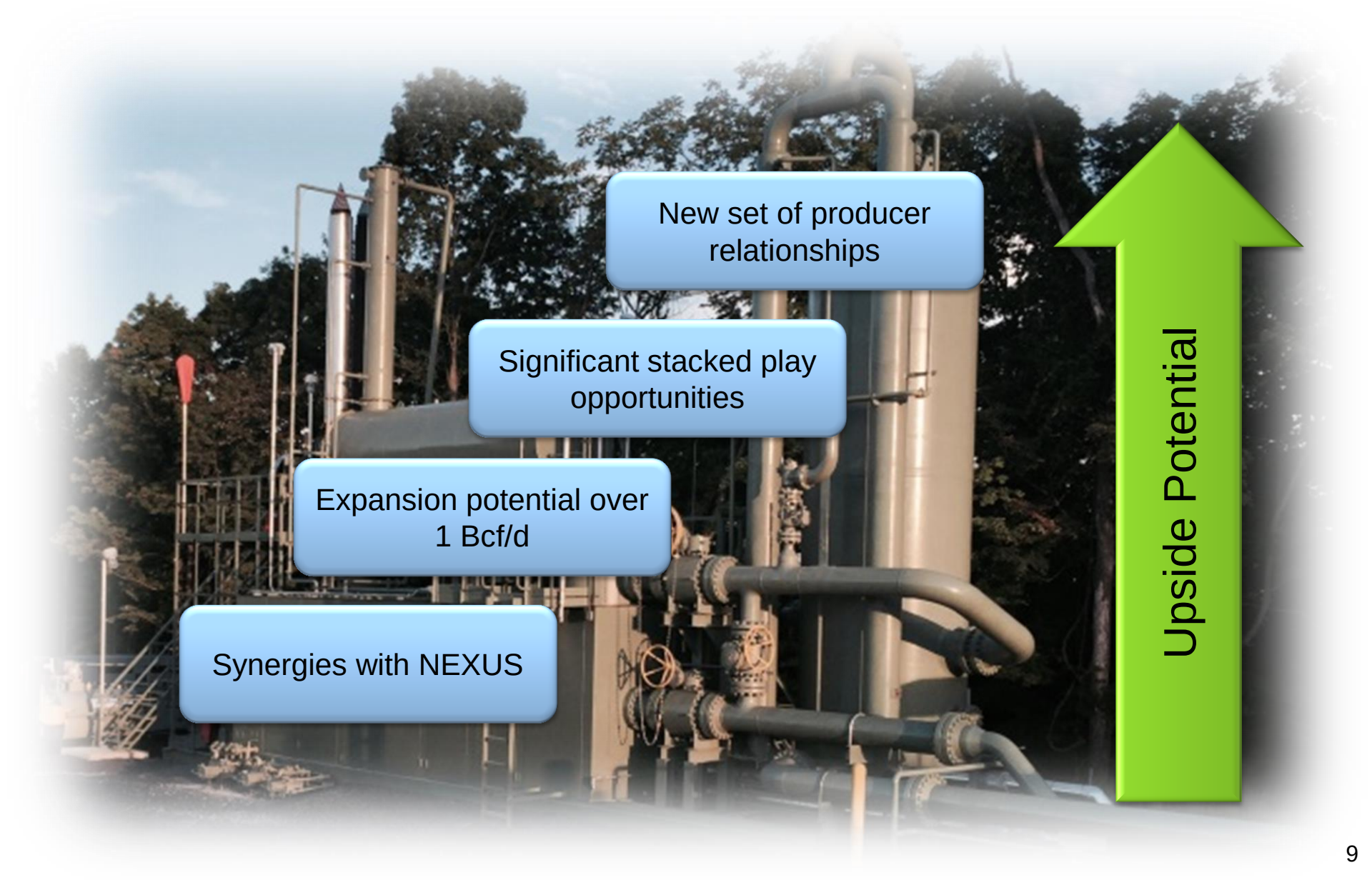
Significant stacked play opportunities in Dry Utica / Upper Devonian

The assets overlay ~40 Tcf of the Marcellus resource and is economic at sub $3 prices

These Marcellus reserves alone are able to fill this system for over 40 years

Source: Credit Suisse February 2016 report and Wright and Company

3 Platform for new value creation with significant growth potential



4 Positive impact to our GSP business

(millions)



- GSP has a solid track record for earnings results
- Trend continues with projected earnings CAGR of 14% through 2020



* Reconciliation to GAAP reported earnings included in the appendix

4 Transaction economics are strong and provide excellent returns

Purchase Price	$1.3 billion
EPS Accretion	Accretive beginning in 2017 and $0.10 accretive in 2020 with potential to be significantly higher in out years
Operational / Regulatory	Construction and regulatory risks eliminated
Financing Plan*	50% mandatory convertible equity units / 50% senior unsecured debt
Credit Rating	Target solid investment grade ratings
Business Mix	Within target range of 75%-80% utility
Required Approval	Hart-Scott-Rodino
Close Date	Expected close in Q4

* **No Offer or Solicitation**
This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities.

In summary, this transaction adds another platform for growth and is complementary to DTE's current portfolio

- ✓ Supports DTE's strategy to invest in strategically situated assets…
  - *…gateway to multiple growth opportunities in the area creating synergies with existing assets*
- ✓ Complements existing assets…
  - *…develops new strategic relationships with producers that will allow for future partnering and growth opportunities*
- ✓ Provides a new platform for additional value creation with significant upside…
  - *…over 1 Bcf/d of potential economic expansions*
  - *…lateral and gathering opportunities in the area*
- ✓ Economics of the acquisition are sound…
  - *…returns in line with other midstream assets; EPS and cash accretive in 2017*

- **Gas Midstream Acquisition**

- **2016 Guidance Update**

Increasing our 2016 operating EPS* guidance

(millions, except EPS)

	2016 YTD 2Q Actuals	Prior 2016 Guidance	2016 Revised Guidance	
DTE Electric	$262	$589 - $605	$615 - $625	↑
DTE Gas	100	135 - 141	135 - 141	
Gas Storage & Pipelines	65	110 - 115	115 - 120	↑
Power & Industrial Projects	38	90 - 100	90 - 100	
Corporate & Other	(30)	(50) - (46)	(55) - (51)	↓
Growth segments**	**$435**	**$874 - $915**	**$900 - $935**	
Growth segments operating EPS	**$2.42**	**$4.85 - $5.08**	**$5.01 - $5.21**	↑
Energy Trading	16	10 - 20	15 - 25	↑
DTE Energy	**$451**	**$884 - $935**	**$915 - $960**	
Operating EPS	**$2.51**	**$4.91 - $5.19**	**$5.09 - $5.35**	↑
Avg. Shares Outstanding	180	180	180	

* Reconciliation to GAAP reported earnings included in the appendix
** Total DTE Energy excluding Energy Trading

June YTD 2016 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.

YTD 2016 **Net Income (millions)**

	DTE Electric	DTE Gas	Gas Storage and Pipelines	Power and Industrial Projects	Corporate and Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$ 262	$ 100	$ 65	$ 32	$ (30)	$ 429	$ (30)	$ 399
Plant closure	-	-	-	6	-	6	-	6
Certain mark-to-market transactions	-	-	-	-	-	-	46	46
Operating Earnings	$ 262	$ 100	$ 65	$ 38	$ (30)	$ 435	$ 16	$ 451

YTD 2016 **EPS**

	DTE Electric	DTE Gas	Gas Storage and Pipelines	Power and Industrial Projects	Corporate and Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$ 1.46	$ 0.56	$ 0.36	$ 0.18	$ (0.17)	$ 2.39	$ (0.17)	$ 2.22
Plant closure	-	-	-	0.03	-	0.03	-	0.03
Certain mark-to-market transactions	-	-	-	-	-	-	0.26	0.26
Operating Earnings	$ 1.46	$ 0.56	$ 0.36	$ 0.21	$ (0.17)	$ 2.42	$ 0.09	$ 2.51

Reconciliation of 2010 Reported to Operating Earnings

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2010

Net Income (millions)

	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	$630	$441	$127	$51	($11)	$85	$6	($69)
Performance Excellence Process - Cost to Achieve Deferral*	(20)	-	(20)	-	-	-	-	-
Settlement with Detroit Thermal	(3)	(3)	-	-	-	-	-	-
Operating Earnings	$607	$438	$107	$51	($11)	$85	$6	($69)

2010

EPS

	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	$3.74	$2.62	$0.75	$0.30	($0.06)	$0.50	$0.04	($0.41)
Performance Excellence Process - Cost to Achieve Deferral*	(0.12)	-	(0.12)	-	-	-	-	-
Settlement with Detroit Thermal	(0.02)	(0.02)	-	-	-	-	-	-
Operating Earnings	$3.60	$2.60	$0.63	$0.30	($0.06)	$0.50	$0.04	($0.41)

* Deferral of previously expensed cost to achieve as allowed for in June 3, 2010 MPSC order (case - U-15985)

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.

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.