Business Update

January 11-12, 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; 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.

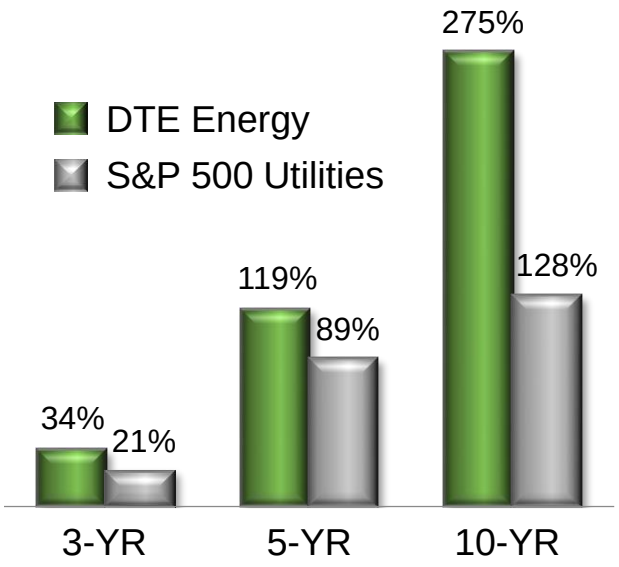
• Overview

- Long-Term Growth Update

Growth plan continues to deliver significant shareholder value

- Tax reform provides benefits for customers and is accretive for DTE
- Capital investment at utilities driven by investments focused on improving reliability and the customer experience
- Strategic and sustainable growth in non-utility businesses
- Strong BBB balance sheet
- Targeting annualized dividend growth of 7% through 2020*
- DTE total shareholder return outpaces utility average on strong stock performance and a solid dividend

Total Shareholder Return



Source: Bloomberg as of 12/29/17

* Subject to Board approval

Along with its customers, DTE is a winner with tax reform

Tax reform is operating EPS* accretive



- ✓ Higher earnings and cash at non-utilities outweigh impact of lower cash at utilities
- ✓ Increased earnings
  - Drive operating EPS accretion to growth plan presented at EEI
  - Outweigh impact of additional equity issuances
- ✓ Greater detail will be provided on year-end call

Utilities

- Lowers customers rates and/or allows for acceleration of critical infrastructure projects
- Decreases deferred taxes, increasing equity level and earnings over time

Non-Utilities

- Increases earnings
- Provides opportunity for higher returns through 100% capital expensing
- Maintains REF credit treatment

Holding Company

- Interest deduction value maintained
  - Interest allocated between utility and non-utility businesses
  - Allows interest expense deductibility carryforward
- Near term cash benefit from recovering AMT credit carryforward

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

DTE Energy overview

Leader in **continuous improvement**

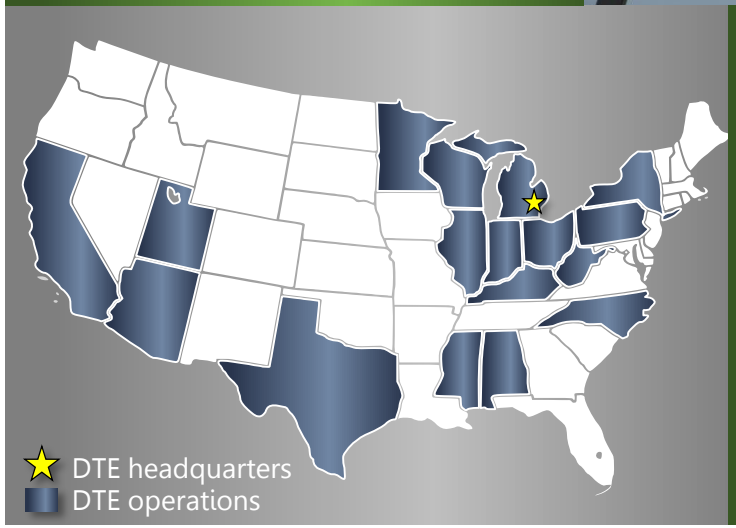
~$20B market cap





Fortune 300 company

100+ years of continuous dividend payments



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



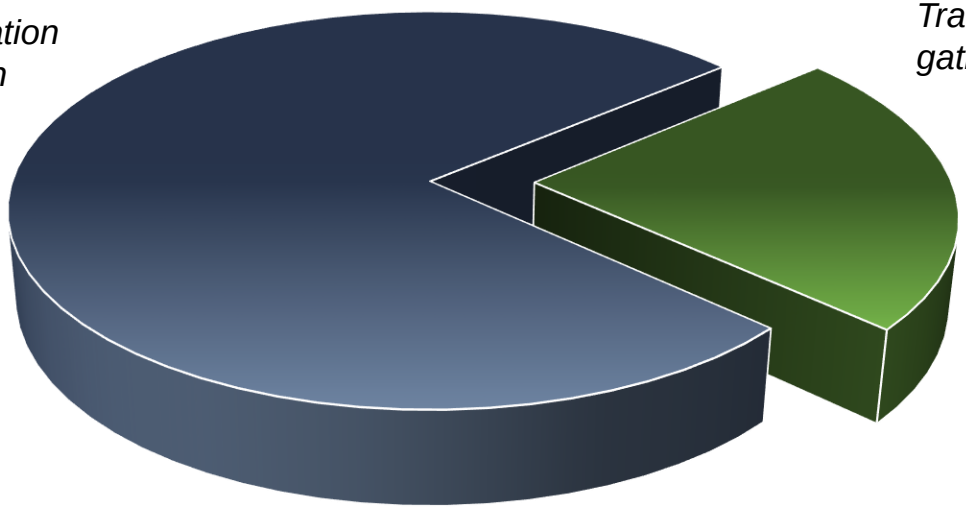
Growth driven by strong, stable utilities and complementary non-utility businesses

75% - 80% Utility
Growth driven by investments aimed at improving reliability

20% - 25% Non-utility
Growth driven by strategic opportunities

DTE Electric
Electric generation and distribution

DTE Gas
Natural gas transmission, storage and distribution



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

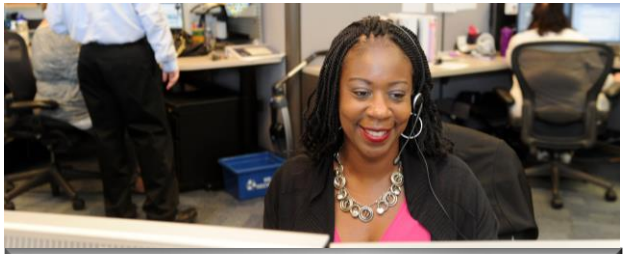
Power & Industrial Projects (P&I)
Own and operate energy related assets

Energy Trading
Gas and power marketing

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
…5th consecutive year
…ranked in top 3% of the world

Ranked 7th on Indeed's list of Best Places to Work in Fortune 500

Customer Satisfaction

DTE Electric ranked 1st* by business customers*

Both utilities ranked 2nd in residential customer satisfaction**
…4th consecutive year in top quartile

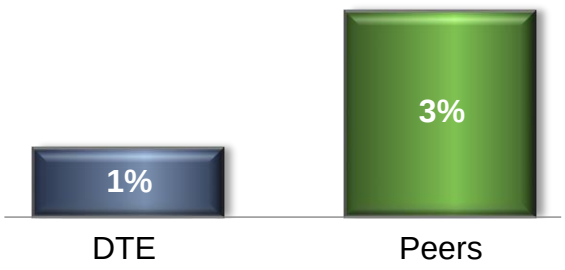
Increased investment in reliability infrastructure and enhanced customer channels

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

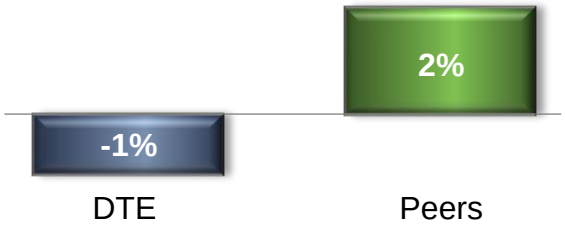
Strong track record of cost management is a direct result of our focus on continuous improvement

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

Electric utility*



Gas utility**



Controlling costs while improving the customer experience

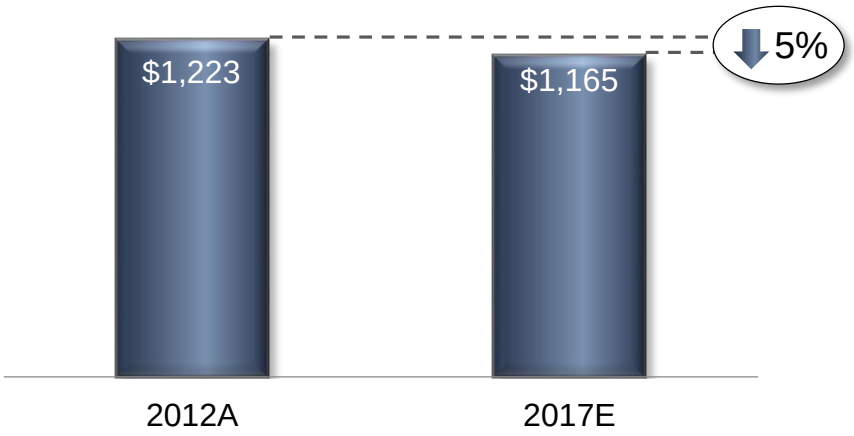
- ✓ Continuous improvements
- ✓ Productivity enhancements
- ✓ Technology innovations
- ✓ Automation
- ✓ Infrastructure replacements
- ✓ Transition to cleaner energy

* 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 electric bill



$7.6 billion capital investment while reducing customer bills

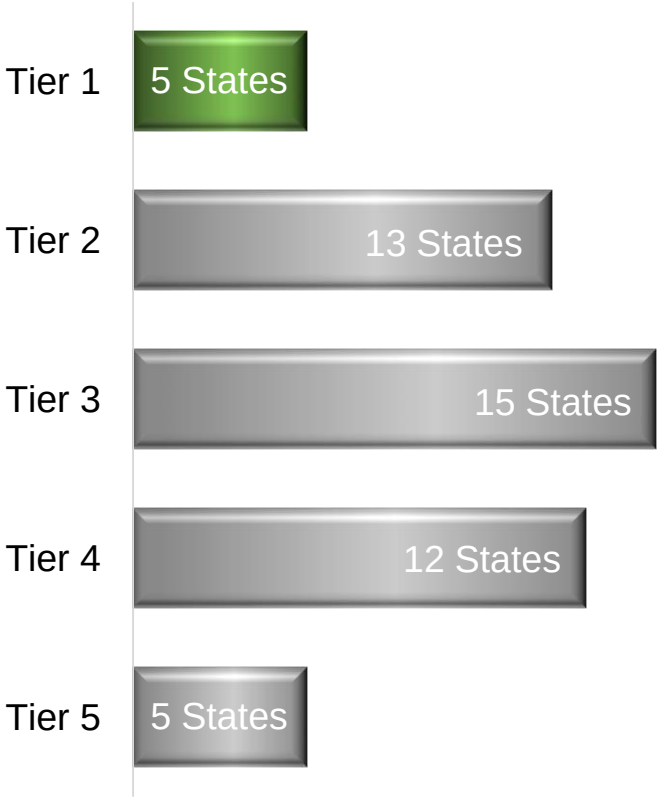
DTE Gas
Average annual residential gas bill



$1.5 billion capital investment while reducing customer bills

Michigan's regulatory environment continues to be constructive

2017 ranking of state utility regulatory environments* (Michigan in Tier 1)



Solid regulatory climate driven by

- ✓ Constructive and consistent regulatory outcomes
- ✓ Solid ROEs
- ✓ Unique recovery mechanisms
- ✓ Focus on customer affordability
- ✓ Commitment to being a force for growth in communities

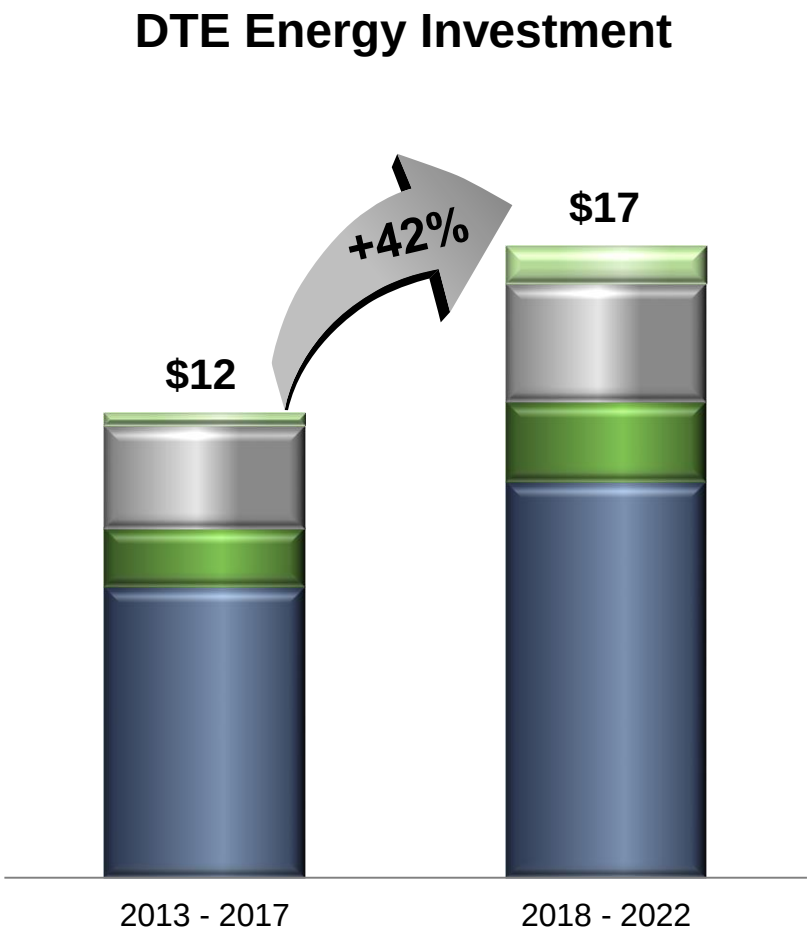
* Source: Wells Fargo, November 2017

- Overview

- **Long-Term Growth Update**

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

$16.6B
2017 rate base





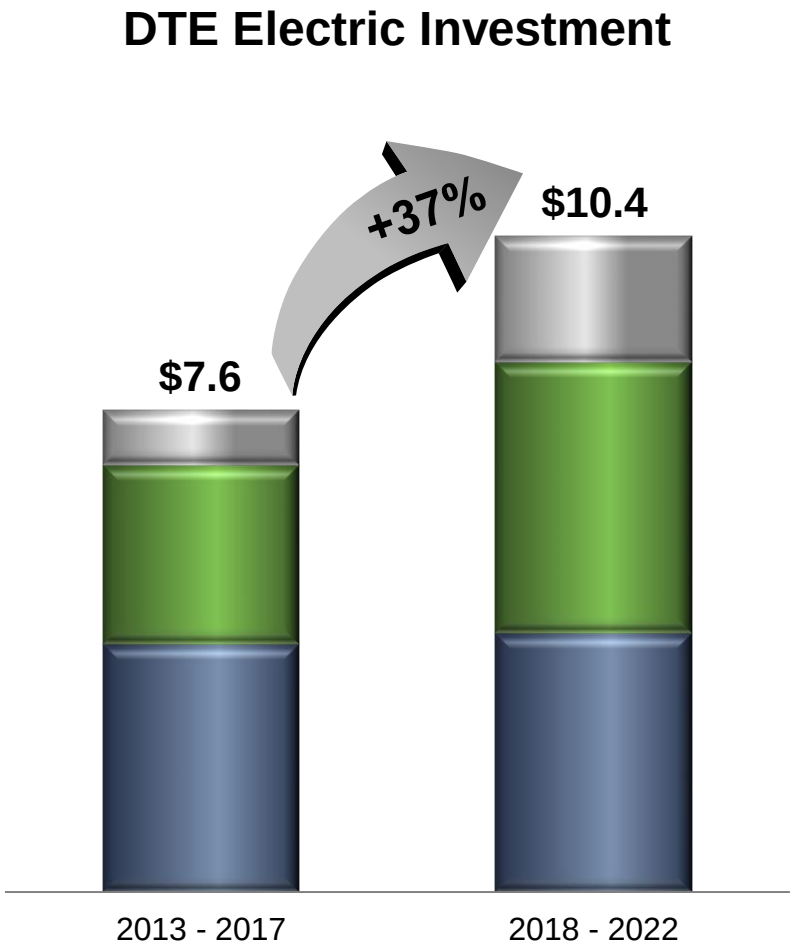
Founded **1886**



$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



Increasing reliability and customer satisfaction with distribution investments



Infrastructure resilience

Improves circuit reliability up to 70%



Infrastructure redesign

Addresses substation load growth and aging infrastructure

Technology enhancement

Targets 100% remote monitoring

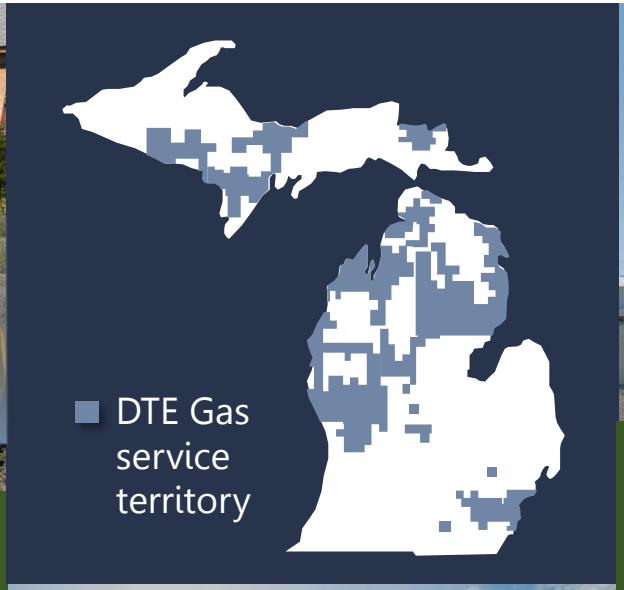


Tree trimming

Improves distribution reliability

DTE Gas overview







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

139 Bcf
storage capacity



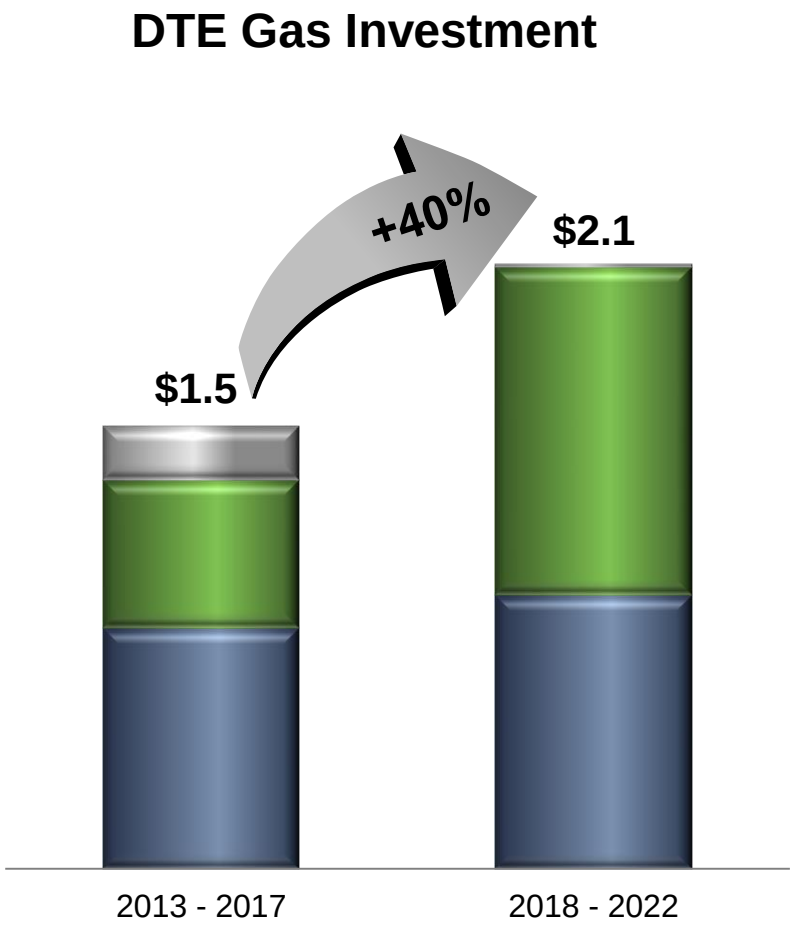
$4.0B
2017 rate base



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



Meter move out

Reduces manual meter reading – improving operational efficiencies and customer satisfaction

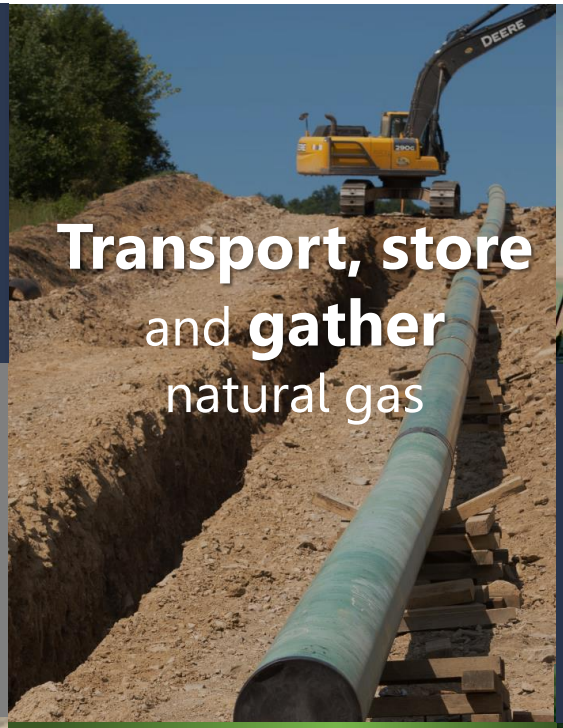


Pipeline integrity

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

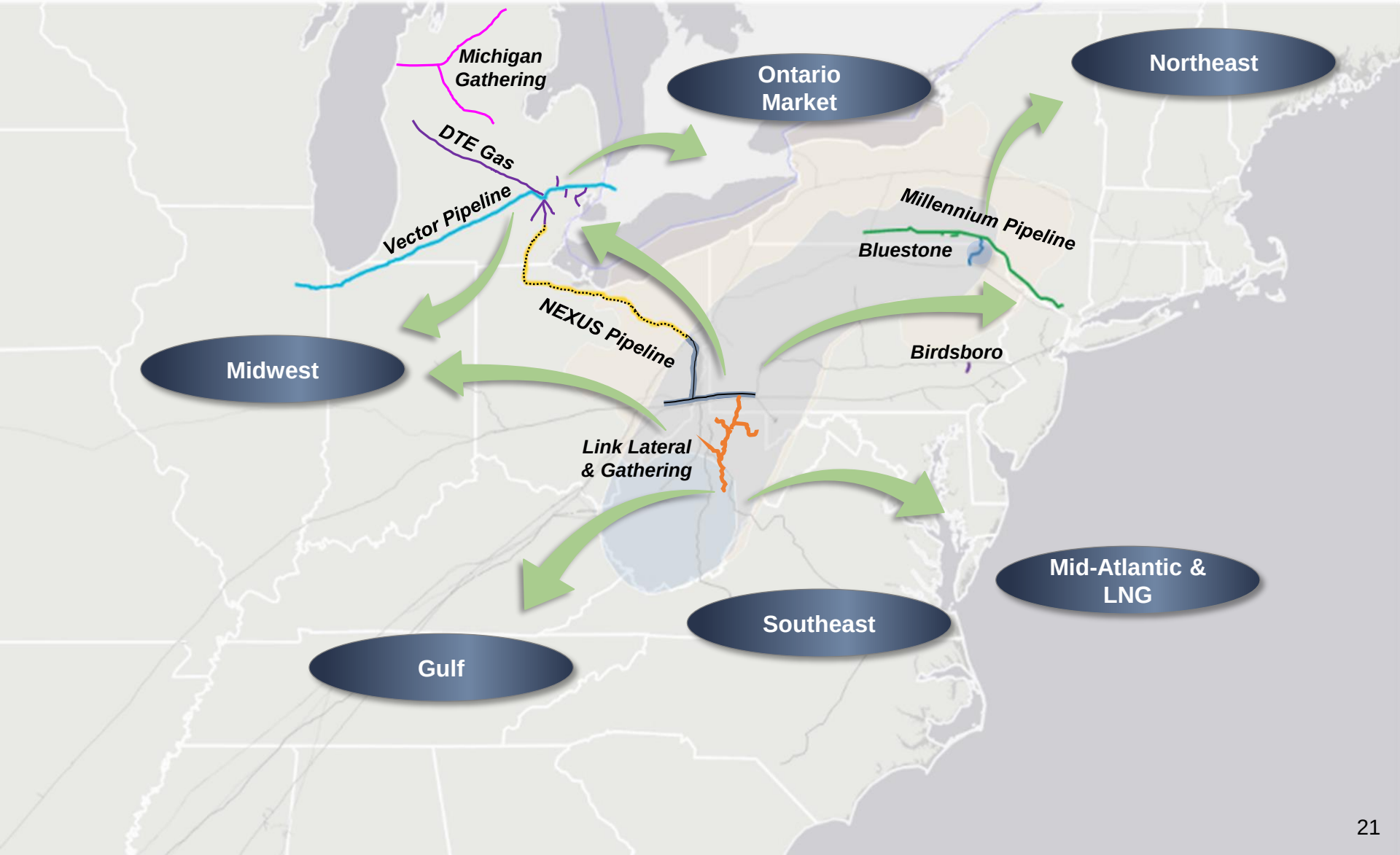
$2.8B – $3.4B
5-year capital plan (2018-2022)



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



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



Focusing on expanding NEXUS and Link over the next five years

NEXUS

- FERC certificate August 25th
- Construction underway
- Targeting in-service 3Q 2018
- Market interest increased significantly since receiving FERC certificate
- Active discussions with 1 bcf/d of demand against 0.6 bcf/d of available capacity
- Significant interest from power generators and LDCs



Link

- Active expansion discussions with producers
- Building out additional gathering to serve ~50 incremental wells in 2018 and 2019
- Reached agreement on 2nd expansion with an existing customer
- Positioned to benefit from additional well productivity



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 industrial project and continuing to develop strong queue of opportunities



Renewable energy

Integrating two Renewable Natural Gas (RNG) acquisitions and in advanced discussions on several others



Reduced emissions fuel

Maximizing performance and value through 2021

Appendix

DTE Electric and DTE Gas regulatory update

DTE Electric

- General rate case - April 2017 (U-18255)
  - Requested rate recovery: $231 million; 10.5% ROE
    - Self implementation $125 million November 1, 2017
    - Final order by April 2018
- Capacity charge case - April 2017 (U-18248)
  - Utility capacity charge September 2018
- 5 year draft electric distribution plan - June 2017 (U-18014)
  - Final plan to be filed January 2018
- Certificate of necessity filing - July 2017 (U-18419)
  - MPSC to respond May 2018
- Annual rate cases 2018+

DTE Gas

- General rate case - November 2017 (U-18999)
  - Requested rate recovery: $85 million; 10.5% ROE
  - Final order by September 2018
- Rate cases 2-3 years



Transitioning portfolio to cleaner more sustainable generation by reducing CO_2 emissions

CO_2 reduction plan*

- 30% by ~2022
- 45% by 2030
- 75% by 2040
- > 80% by 2050

Planned Retirements**



River Rouge | St. Clair | Trenton Channel | Belle River | Monroe

Planned additions***

2020 | 2030 | 2040 | 2050



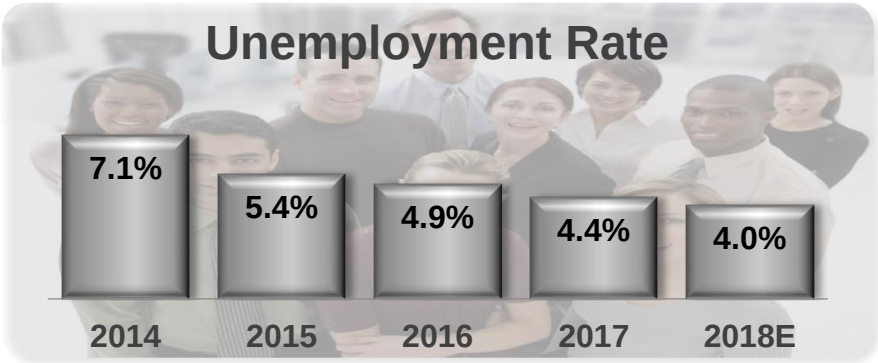
A steady march toward zero-emitting and low-emitting resources

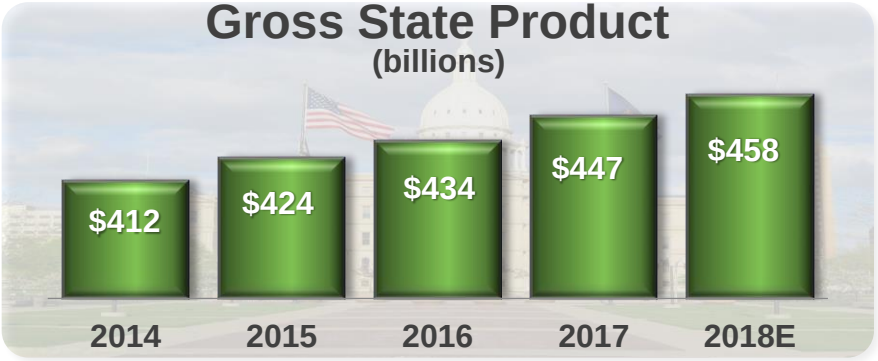
* CO_2 percentage reductions from 2005 levels

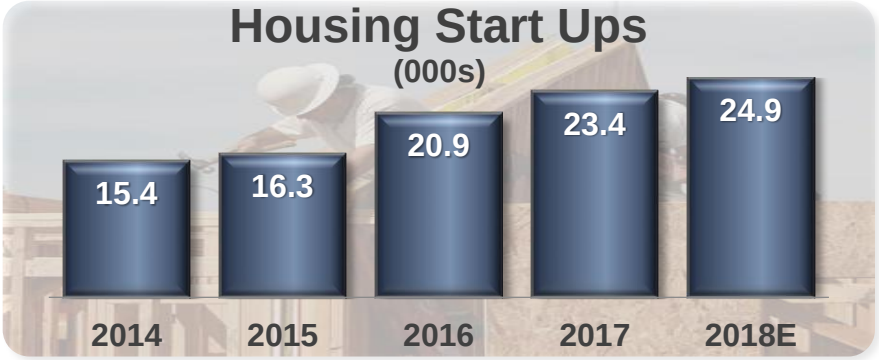
** ~3,300 MW retired between 2020-2030 and ~3,100 MW retired by 2040

*** ~4,000 MW of renewable and ~3,500 MW of natural gas capacity

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

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.