



DTE Energy®

3rd Quarter 2017 Earnings Conference Call

October 25, 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.

Continuing to deliver significant shareholder value and achieve significant milestones



- Strong year-to-date results
  - Increasing 2017 operating EPS* guidance midpoint $0.12 to $5.54
- DTE ranked 2nd in customer satisfaction** with electric and gas residential customers in the Midwest
- Gas Storage & Pipelines (GSP)
  - NEXUS: received FERC Notice to Proceed; in-service 3Q 2018
  - Millennium: received FERC certificate for CPV Valley Lateral; in-service 4Q 2018
- Power & Industrial Projects (P&I)
  - Finalized agreements on industrial energy services project; beginning operations late 2019

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

** J.D. Power 2017 Electric and Gas Utility Residential Customer Satisfaction Study

3rd quarter operating earnings* variance

(millions, except EPS)

Operating Earnings

	3Q 2016	3Q 2017	Change
DTE Electric	$ 285	$ 222	$ (63)
DTE Gas	(4)	(13)	(9)
Gas Storage & Pipelines	28	36	8
Power & Industrial Projects	35	44	9
Corporate & Other	(1)	(15)	(14)
Growth segments**	**$ 343**	**$ 274**	**$ (69)**
Growth segments operating EPS	**$ 1.91**	**$ 1.53**	**$ (0.38)**
Energy Trading	$ 10	$ (10)	$ (20)
DTE Energy	**$ 353**	**$ 264**	**$ (89)**
Operating EPS	**$ 1.96**	**$ 1.48**	**$ (0.48)**
Avg. Shares Outstanding	179.5	179.5	

Primary Drivers

DTE Electric

- Cooler weather in 2017

DTE Gas

- Timing of main renewal revenue and higher O&M expense

Gas Storage & Pipelines

- Link acquisition and pipeline and gathering favorability

Power & Industrial Projects

- Incremental REF sites

Corporate & Other

- Timing of taxes

Energy Trading

- Lower realized power results

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

** Total DTE Energy excluding Energy Trading

Increasing 2017 operating EPS* guidance midpoint by $0.12

(millions, except EPS)

	Prior Guidance	Revised Guidance	
DTE Electric	$610 - $624	$610 - $624	
DTE Gas	143 - 151	143 - 151	
Gas Storage & Pipelines	145 - 155	150 - 160	↑
Power & Industrial Projects	100 - 110	115 - 125	↑
Corporate & Other	(64) - (60)	(64) - (60)	
Growth segments**	**$934 - $980**	**$954 - $1,000**	
Growth segments operating EPS	**$5.21 - $5.46**	**$5.32 - $5.58**	↑
Energy Trading	$10 - $20	$10 - $20	
DTE Energy	**$944 - $1,000**	**$964 - $1,020**	
Operating EPS	**$5.26 - $5.57**	**$5.38 - $5.69**	↑
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

Updating 2017 cash flow and capital expenditures guidance

(billions)

Cash Flow

	Prior Guidance	Revised Guidance
Cash From Operations	$1.9	$1.9
Capital Expenditures	(3.0)	(2.5)
Free Cash Flow	**($1.1)**	**($0.6)**
Asset Sales & Other	-	-
Dividends	(0.6)	(0.6)
Net Cash	**($1.7)**	**($1.2)**
Debt Financing:		
Issuances	$2.0	$1.6
Redemptions	(0.3)	(0.4)
Change in Debt	**$1.7**	**$1.2**

(millions)

Capital Expenditures

	Prior Guidance	Revised Guidance
DTE Electric		
Distribution Infrastructure	$690	$690
New Generation	45	45
Replacement & Other	725	725
	$1,460	$1,460
DTE Gas		
Base Infrastructure	$200	$200
NEXUS Related	90	90
Main Renewal	145	145
	$435	$435
Non-Utility	$900 - $1,100	$550 - $650
Total	**$2,795 - $2,995**	**$2,445 - $2,545**

Summary

- Increasing 2017 operating EPS* guidance given continued strong financial performance
- Driving utility growth through infrastructure investments focused on improving reliability and the customer experience
- Continuing strategic and sustainable growth in non-utility businesses
- Maintaining strong balance sheet
- Delivering strong EPS and dividend growth that drive premium total shareholder returns

EEI conference presentation is November 7th with
Gerry Anderson – Chairman & CEO
Webcast access: www.dteenergy.com/investors

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

Contact us

DTE Energy Investor Relations

dteenergy.com/investors

(313) 235-8030

Appendix

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

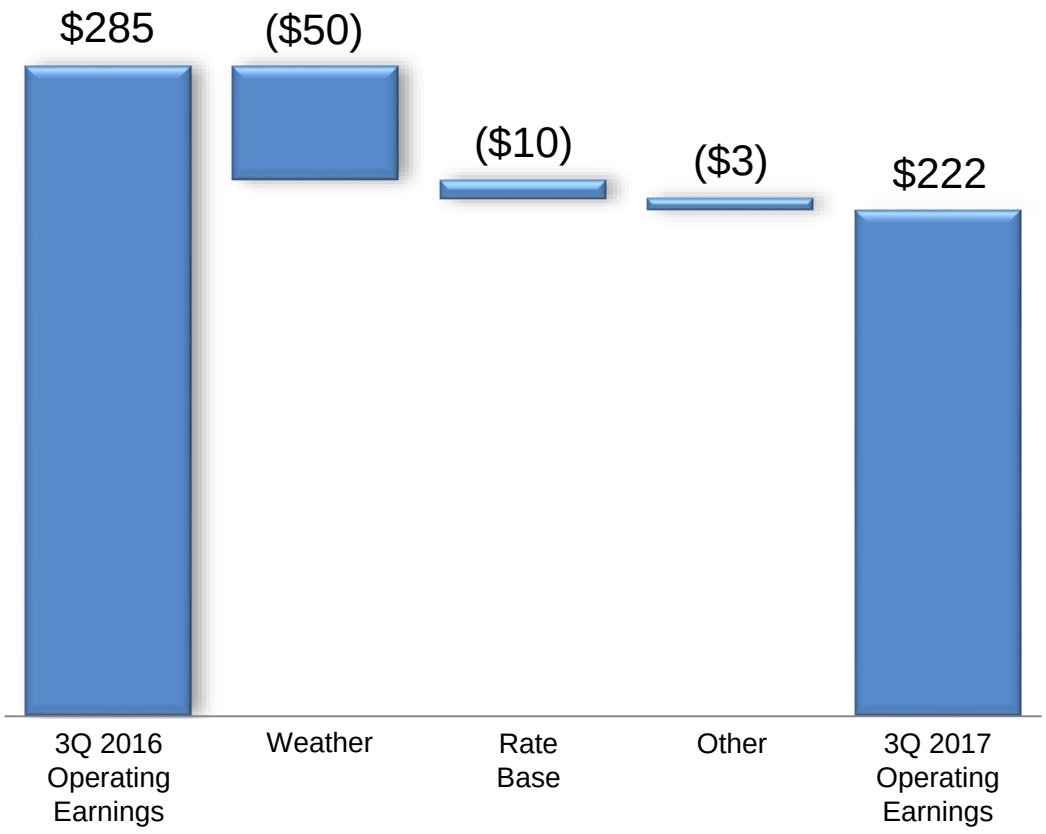
* Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

** Subject to Board approval

DTE Electric variance analysis

(millions)

Operating Earnings* Variance



Primary Drivers

- Return to relatively normal weather

  Variance to normal weather
  - 3Q 2016: $53
  - 3Q 2017: $3

- Rate base growth (depreciation, property tax and interest)

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

September YTD cash flow and capital expenditures

(billions)

Cash Flow

	YTD 2016	YTD 2017
Cash From Operations	$1.8	$1.6
Capital Expenditures	(1.5)	(1.8)
Free Cash Flow	**$0.3**	**($0.2)**
Asset Sales & Other	-	($0.1)
Dividends	(0.4)	(0.4)
Net Cash	**($0.1)**	**($0.7)**
Debt Financing:		
Issuances	$0.6	$1.1
Redemptions	(0.5)	(0.4)
Change in Debt	**$0.1**	**$0.7**

(millions)

Capital Expenditures

	YTD 2016	YTD 2017
DTE Electric		
Distribution Infrastructure	$381	$478
New Generation	101	41
Replacement & Other	517	584
	$999	$1,103
DTE Gas		
Base Infrastructure	$138	$140
NEXUS Related	45	73
Main Renewal	85	123
	$268	$336
Non-Utility	$274	$387
Total	**$1,541**	**$1,826**

Weather and DTE Electric weather normal sales

Cooling degree days — *DTE Electric service territory*

	3Q 2016	3Q 2017	% change
Actuals	823	590	(28%)
Normal	580	580	0%
Deviation from normal	42%	2%	

	YTD 2016	YTD 2017	% change
Actuals	1,098	822	(25%)
Normal	795	795	0%
Deviation from normal	38%	3%	

Heating degree days — *DTE Gas service territory*

	3Q 2016	3Q 2017	% change
Actuals	47	100	113%
Normal	125	115	(8%)
Deviation from normal	(62%)	(13%)	

	YTD 2016	YTD 2017	% change
Actuals	3,802	3,561	(6%)
Normal	4,220	4,164	(1%)
Deviation from normal	(10%)	(14%)	

Earnings impact of weather — *DTE Electric*

Variance from normal weather

($ millions, after-tax)	3Q	YTD
2016	$53	$59
2017	$3	($11)

($ per share)	3Q	YTD
2016	$0.29	$0.33
2017	$0.02	($0.06)

Earnings impact of weather — *DTE Gas*

Variance from normal weather

($ millions, after-tax)	3Q	YTD
2016	($1)	($12)
2017	-	($26)

($ per share)	3Q	YTD
2016	($0.01)	($0.07)
2017	$0.00	($0.14)

Weather Normal Electric Sales* — *DTE Electric service territory*

(GWh)	YTD 2016	YTD 2017	% change
Residential	11,633	11,425	(2%)
Commercial	15,441	15,275	(1%)
Industrial	9,001	9,062	1%
Other	193	188	(3%)
TOTAL SALES**	**36,268**	**35,950**	**(1%)**

* Includes adjustments for temperature normalization and customer outages due to weather

** Includes choice of 3,694 YTD 2016 and 3,635 YTD 2017

3rd quarter and September YTD Energy Trading reconciliation of operating earnings* to economic net income

3Q

	2016	2017
Operating Earnings	$10	($10)
Accounting Adjustments**	(9)	7
Economic Net Income	$1	($3)

YTD

	2016	2017
Operating Earnings	$26	$12
Accounting Adjustments**	5	7
Economic Net Income	$31	$19

- Economic net income equals economic gross margin*** minus O&M expenses and taxes
- DTE Energy management uses economic net income as one of the performance measures for external communications with analysts and investors
- Internally, DTE Energy uses economic net income as one of the measures to review performance against financial targets and budget

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

** Consists of 1) the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not marked-to-market, instead are recognized for accounting purposes on an accrual basis; 2) operating adjustments for unrealized marked-to-market changes of certain derivative contracts

*** Economic gross margin is the change in net fair value of realized and unrealized purchase and sale contracts including certain non-derivative contract costs

3rd quarter 2017 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.

Net Income (millions)*

3Q 2017 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$219	($15)	$36	$44	($15)	$269	$1	$270
System implementation costs	3	2				5		5
Certain mark-to-market transactions							(11)	(11)
	$222	($13)	$36	$44	($15)	$274	($10)	$264

EPS**

3Q 2017 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$1.22	($0.08)	$0.20	$0.24	($0.08)	$1.50	$0.01	$1.51
System implementation costs	0.02	0.01				0.03		0.03
Certain mark-to-market transactions							(0.06)	(0.06)
	$1.24	($0.07)	$0.20	$0.24	($0.08)	$1.53	($0.05)	$1.48

* Total tax impact of adjustments to reported earnings: ($4) million

** Total tax impact of adjustments to reported EPS: ($0.02)

3rd quarter 2016 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.

Net Income (millions)*

3Q 2016 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$285	($4)	$28	$34	($1)	$342	($4)	$338
Plant closure				1		1		1
Certain mark-to-market transactions							14	14
	$285	($4)	$28	$35	($1)	$343	$10	$353

EPS**

3Q 2016 After tax items:	DTE Electric	DTE Gas	Gas Storage & Pipelines	Power & Industrial Projects	Corporate & Other	Growth Segments	Energy Trading	DTE Energy
Reported Earnings	$1.58	($0.03)	$0.16	$0.19	$0.00	$1.90	($0.02)	$1.88
Plant closure				0.01		0.01		0.01
Certain mark-to-market transactions							0.07	0.07
	$1.58	($0.03)	$0.16	$0.20	$0.00	$1.91	$0.05	$1.96

* Total tax impact of adjustments to reported earnings: $9 million

** Total tax impact of adjustments to reported EPS: $0.05

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.