



DTE Energy reports strong second quarter 2018 results, raises guidance

- *Accelerated plans for cleaner energy in Michigan*
- *Gained approval for 1,100 megawatt natural gas power plant in St. Clair County*
- *Started construction to power Ford's Research and Engineering Center*

DETROIT, July 25, 2018 – DTE Energy (NYSE:DTE) today reported second quarter 2018 earnings of \$234 million, or \$1.29 per diluted share, compared with \$177 million, or \$0.99 per diluted share in 2017.

Operating earnings for the second quarter 2018 were \$247 million, or \$1.36 per diluted share, compared with 2017 operating earnings of \$191 million, or \$1.07 per diluted share. Operating earnings exclude non-recurring items, certain mark-to-market adjustments and discontinued operations. Reconciliations of reported earnings to operating earnings are included at the end of this news release.

"Our financial performance this quarter was strong across all businesses. The strength at our non-utility businesses has put us in a position to raise our 2018 earnings guidance. Additionally, in the first half of the year we laid the foundation for exciting investments and initiatives ahead of us that will transform both our company and our communities," said DTE Energy Chairman and CEO Gerry Anderson.

Anderson noted the following accomplishments:

- **Accelerated plans for cleaner energy in Michigan:** DTE Energy is accelerating its plans to produce cleaner energy in Michigan, targeting at least a 50 percent Clean Energy Goal by 2030 – achieved through a combination of investments in renewable energy and energy efficiency.
- **Received approval for the construction of a state-of-the-art 1,100 megawatt baseload natural gas power plant in St. Clair County:** Michigan regulators approved DTE Energy's request to build a highly-efficient natural gas power plant to help replace three coal-fired plants expected to retire by 2023. This plant is a key step forward in ensuring reliability and increasing generation fleet flexibility for future renewable investments. It also represents a significant step in the company's plan to reduce carbon emissions by more than 80 percent by 2050.
- **Became one of first energy companies in nation to issue green bonds:** The \$525 million in bonds will finance green investments, including low-carbon projects like renewable energy and energy efficiency. DTE Energy is among the first investment-grade energy companies in the nation – and the first company in Michigan – to issue green bonds.
- **Started construction on new, low-emission energy infrastructure to power Ford Motor Company's Research and Engineering Center:** DTE Energy will design, build, operate and maintain this unique energy and environmental sustainability project.
- **Ranked as a best employer nationally:** DTE Energy is ranked on Indeed's list of top employers in 2018 and one of 10 Michigan-based companies included in Forbes' Best Employer rankings.
- **Continued support of Michigan businesses:** DTE Energy spent nearly \$828 million with Michigan-based companies in the first half of this year, exceeding its commitment to the Pure

Michigan Business Connect local supplier initiative. This includes \$285 million spent in the city of Detroit. The company's seven-year effort to increase spending with Michigan suppliers has supported the creation of nearly 16,000 Michigan jobs.

Outlook for 2018

DTE Energy increases 2018 operating EPS guidance from \$5.57 - \$5.99 to \$5.94 - \$6.32.

"We delivered solid second quarter financial results across all of our business units, with considerable strength at our non-utility businesses," said Peter Oleksiak, DTE Energy senior vice president and CFO. "The strong performance at our non-utilities has put us in a great position to increase guidance for 2018."

This earnings announcement and presentation slides are available at dteenergy.com/investors.

The company will conduct a conference call to discuss earnings results at 9 a.m. ET. Investors, the news media and the public may listen to a live internet broadcast of the call at dteenergy.com/investors. The telephone dial-in numbers are U.S. and Canada toll free: (888) 505-4377 or international toll: (719) 325-2390. The passcode is 9327084. The webcast will be archived on the DTE Energy website at dteenergy.com/investors. An audio replay of the call will be available from noon today to noon Wednesday, August 8. To access the replay, dial U.S. and Canada toll free (888) 203-1112 or international toll (719) 457-0820 and enter the passcode 9327084.

About DTE Energy

DTE Energy (NYSE:DTE) is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. Its operating units include an electric utility serving 2.2 million customers in Southeastern Michigan and a natural gas utility serving 1.3 million customers in Michigan. The DTE Energy portfolio includes non-utility energy businesses focused on power and industrial projects, natural gas pipelines, gathering and storage, and energy marketing and trading. Information about DTE Energy is available at dteenergy.com, twitter.com/dte_energy and facebook.com/dteenergy.

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 release, DTE Energy discusses 2018 operating earnings guidance. It is likely that certain items that impact the company's 2018 reported results will be excluded from operating results. Reconciliations to the comparable 2018 reported earnings guidance are 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.

The information contained herein is as of the date of this release. DTE Energy expressly disclaims any current intention to update any forward-looking statements contained in this release as a result of new information or future events or developments. Words such as "anticipate," "believe," "expect," "may," "could," "projected," "aspiration," "plans" and "goals" signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various assumptions, risks and uncertainties. This release contains forward-looking statements about DTE Energy's financial results and estimates of future prospects, and actual results may differ materially.

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 Form 10-Q (which section is incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

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DTE Energy Company

Segment Net Income (Unaudited)

	Three Months Ended June 30,					
	2018			2017		
	Reported Earnings	Adjustments	Operating Earnings	Reported Earnings	Adjustments	Operating Earnings
	(In millions)					
DTE Electric	\$ 163	\$ —	\$ 163	\$ 138	\$ 10 B	\$ 148
DTE Gas	14	—	14	1	—	1
Non-utility operations						
Gas Storage and Pipelines	60	—	60	40	—	40
Power and Industrial Projects	43	—	43	30	—	30
Energy Trading	(5)	13 A	8	—	4 A	4
Total Non-utility operations	98	13	111	70	4	74
Corporate and Other	(41)	—	(41)	(32)	—	(32)
Net Income Attributable to DTE Energy Company	\$ 234	\$ 13	\$ 247	\$ 177	\$ 14	\$ 191

Adjustments key

- A) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility (net of tax of \$4M in 2018 and \$2M in 2017)
- B) MPSC disallowance of power supply recovery costs related to a customer settlement — recorded in Operating Revenues — Utility operations and Other (Income) and Deductions — Interest expense (net of tax of \$6M)

DTE Energy Company

Segment Diluted Earnings Per Share (Unaudited)

	Three Months Ended June 30,					
	2018			2017		
	Reported Earnings	Adjustments ⁽¹⁾	Operating Earnings	Reported Earnings	Adjustments ⁽¹⁾	Operating Earnings
DTE Electric	\$ 0.90	\$ —	\$ 0.90	\$ 0.77	\$ 0.06 B	\$ 0.83
DTE Gas	0.08	—	0.08	0.01	—	0.01
Non-utility operations						
Gas Storage and Pipelines	0.33	—	0.33	0.22	—	0.22
Power and Industrial Projects	0.24	—	0.24	0.17	—	0.17
Energy Trading	(0.03)	0.07 A	0.04	—	0.02 A	0.02
Total Non-utility operations	0.54	0.07	0.61	0.39	0.02	0.41
Corporate and Other	(0.23)	—	(0.23)	(0.18)	—	(0.18)
Net Income Attributable to DTE Energy Company	<u>\$ 1.29</u>	<u>\$ 0.07</u>	<u>\$ 1.36</u>	<u>\$ 0.99</u>	<u>\$ 0.08</u>	<u>\$ 1.07</u>

(1) Per share amounts for the adjustments are based on the after-tax effect for each item, divided by the diluted weighted average common shares outstanding, as noted on the Consolidated Statements of Operations (Unaudited)

Adjustments key — see previous page

DTE Energy Company

Segment Net Income (Unaudited)

	Six Months Ended June 30,					
	2018			2017		
	Reported Earnings	Adjustments	Operating Earnings	Reported Earnings	Adjustments	Operating Earnings
	(In millions)					
DTE Electric	\$ 303	\$ 8 A	\$ 305	\$ 244	\$ 10 E	\$ 254
		1 B				
		(7) C				
DTE Gas	118	8 A	125	108	—	108
		1 B				
		(2) C				
Non-utility operations						
Gas Storage and Pipelines	122	—	122	85	—	85
Power and Industrial Projects	88	(3) C	85	60	—	60
Energy Trading	26	(17) D	9	96	(74) D	22
Total Non-utility operations	236	(20)	216	241	(74)	167
Corporate and Other	(62)	5 A	(57)	(16)	—	(16)
Net Income Attributable to DTE Energy Company	<u>\$ 595</u>	<u>\$ (6)</u>	<u>\$ 589</u>	<u>\$ 577</u>	<u>\$ (64)</u>	<u>\$ 513</u>

Adjustments key

- A) True-up of remeasurement of deferred taxes as a result of the enactment of the Tax Cuts and Jobs Act of 2017 — recorded in Income Tax Expense
- B) Implementation costs related to a new customer billing system, net of authorized regulatory deferral — recorded in Operating Expenses — Operation and maintenance (net of tax of \$1M and \$0M for DTE Electric and DTE Gas, respectively)
- C) One-time benefits expense reimbursement — recorded in Operating Expenses — Operation and maintenance (net of tax of \$(2M), \$(1M), and \$(1M) for DTE Electric, DTE Gas, and Power and Industrial Projects, respectively)
- D) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility (net of tax of \$(6M) in 2018 and \$47M in 2017)
- E) MPSC disallowance of power supply recovery costs related to a customer settlement — recorded in Operating Revenues — Utility operations and Other (Income) and Deductions — Interest expense (net of tax of \$6M)

DTE Energy Company

Segment Diluted Earnings Per Share (Unaudited)

	Six Months Ended June 30,					
	2018			2017		
	Reported Earnings	Adjustments ⁽¹⁾	Operating Earnings	Reported Earnings	Adjustments ⁽¹⁾	Operating Earnings
DTE Electric	\$ 1.68	\$ 0.04 A	\$ 1.69	\$ 1.36	\$ 0.06 E	\$ 1.42
		0.01 B				
		(0.04) C				
DTE Gas	0.65	0.04 A	0.69	0.60	—	0.60
		0.01 B				
		(0.01) C				
Non-utility operations						
Gas Storage and Pipelines	0.68	—	0.68	0.47	—	0.47
Power and Industrial Projects	0.49	(0.02) C	0.47	0.33	—	0.33
Energy Trading	0.14	(0.09) D	0.05	0.54	(0.41) D	0.13
Total Non-utility operations	1.31	(0.11)	1.20	1.34	(0.41)	0.93
Corporate and Other	(0.35)	0.03 A	(0.32)	(0.09)	—	(0.09)
Net Income Attributable to DTE Energy Company	<u>\$ 3.29</u>	<u>\$ (0.03)</u>	<u>\$ 3.26</u>	<u>\$ 3.21</u>	<u>\$ (0.35)</u>	<u>\$ 2.86</u>

(1) Per share amounts for the adjustments are based on the after-tax effect for each item, divided by the diluted weighted average common shares outstanding, as noted on the Consolidated Statements of Operations (Unaudited)

Adjustments key — see previous page