

DTE Energy[®]



1st Quarter 2011
Earnings Conference Call

April 27, 2011

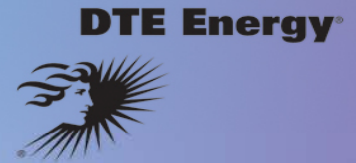


Safe Harbor Statement

The information contained herein is as of the date of this presentation. Many factors may impact forward-looking statements including, but not limited to, the following: economic conditions resulting in changes in demand, customer conservation and increased thefts of electricity and gas; changes in the economic and financial viability of our customers, suppliers, and trading counterparties, and the continued ability of such parties to perform their obligations to the Company; economic climate and population growth or decline in the geographic areas where we do business; high levels of uncollectible accounts receivable; access to capital markets and capital market conditions 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 losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions; the potential for increased costs or delays in completion of significant construction projects; the effects of weather and other natural phenomena on operations and sales to customers, and purchases from suppliers; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements that include or could include carbon and more stringent mercury emission controls, a renewable portfolio standard, energy efficiency mandates, a carbon tax or cap and trade structure and ash landfill regulations; nuclear regulations and operations associated with nuclear facilities; impact of electric and gas utility restructuring in Michigan, including legislative amendments and Customer Choice programs; employee relations and the impact of collective bargaining agreements; unplanned outages; 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; cost reduction efforts and the maximization of plant and distribution system performance; the effects of competition; the uncertainties of successful exploration of gas shale resources and challenges in estimating gas reserves with certainty; impact of regulation by the FERC, MPSC, NRC and other applicable governmental proceedings and regulations, including any associated impact on rate structures; 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 amount and timing of cost recovery allowed as a result of regulatory proceedings, related appeals or new legislation; the cost of protecting assets against, or damage due to, terrorism or cyber attacks; the availability, cost, coverage and terms of insurance and stability of insurance providers; 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; and binding arbitration, litigation and related appeals. New factors emerge from time to time. We cannot predict what factors may arise or how such factors may cause our results to differ materially from those contained in any forward-looking statement. Any forward-looking statements refer 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 in each of DTE Energy's and Detroit Edison's 2010 Forms 10-K (which sections are incorporated herein by reference), and in conjunction with other SEC reports filed by DTE Energy and Detroit Edison.

Cautionary Note – The Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation such as "probable reserves" that the SEC's guidelines strictly prohibit us from including in filings with the SEC. You are urged to consider closely the disclosure in DTE Energy's 2010 Form 10-K, File No. 1-11607, available from our offices or from our website at www.dteenergy.com. You can also obtain these Forms from the SEC by calling 1-800-SEC-0330.

Participants



- **Dave Meador, Executive Vice President and CFO**
- **Peter Oleksiak, Vice President, Controller & Investor Relations**
- **Nick Khouri, Vice President and Treasurer**
- **Mark Rolling, Director of Investor Relations**



- **Overview**
- **First Quarter 2011 Earnings Results**
- **Cash Flow and Capital Expenditures**
- **Summary**



Investment Thesis

DTE Energy has a plan it believes will provide 5% - 6% long-term operating EPS growth, an attractive dividend yield and a strong balance sheet

- Utility growth plan driven by mandated investments
- Constructive regulatory structure and continued cost savings enable utilities to earn their authorized returns
- Plans in place to achieve operational excellence and customer satisfaction that are distinctive in our industry, with a focus on customer affordability
- Meaningful, low-risk growth opportunities in non-utility businesses continue to provide diversity in earnings and geography



5%-6% Average Annual EPS Growth



Attractive Dividend





Overview

DTE Energy 1Q 2011 operating earnings per share* of \$1.11 vs. \$1.38 in 1Q 2010; maintaining 2011 operating earnings guidance of \$3.40 - \$3.70

- **Utilities** remain on track to earn allowed ROE in 2011
- **Detroit Edison** self-implementation order in-line with expectations
- **Power & Industrial** earnings are down following non-repeating earnings in 2010; development of Reduced Emissions Fuel and renewable growth projects are progressing
- **Gas Storage and Pipelines** continues to provide solid earnings stream with potential for future growth around Millennium pipeline
- **Energy Trading** earnings lower after strong start in 1Q 2010; 1Q 2011 economic net income supports full year guidance

Balance sheet remains strong

- Generated \$700 million in cash from operations 1Q 2011
- On pace to hit balance sheet targets in 2011

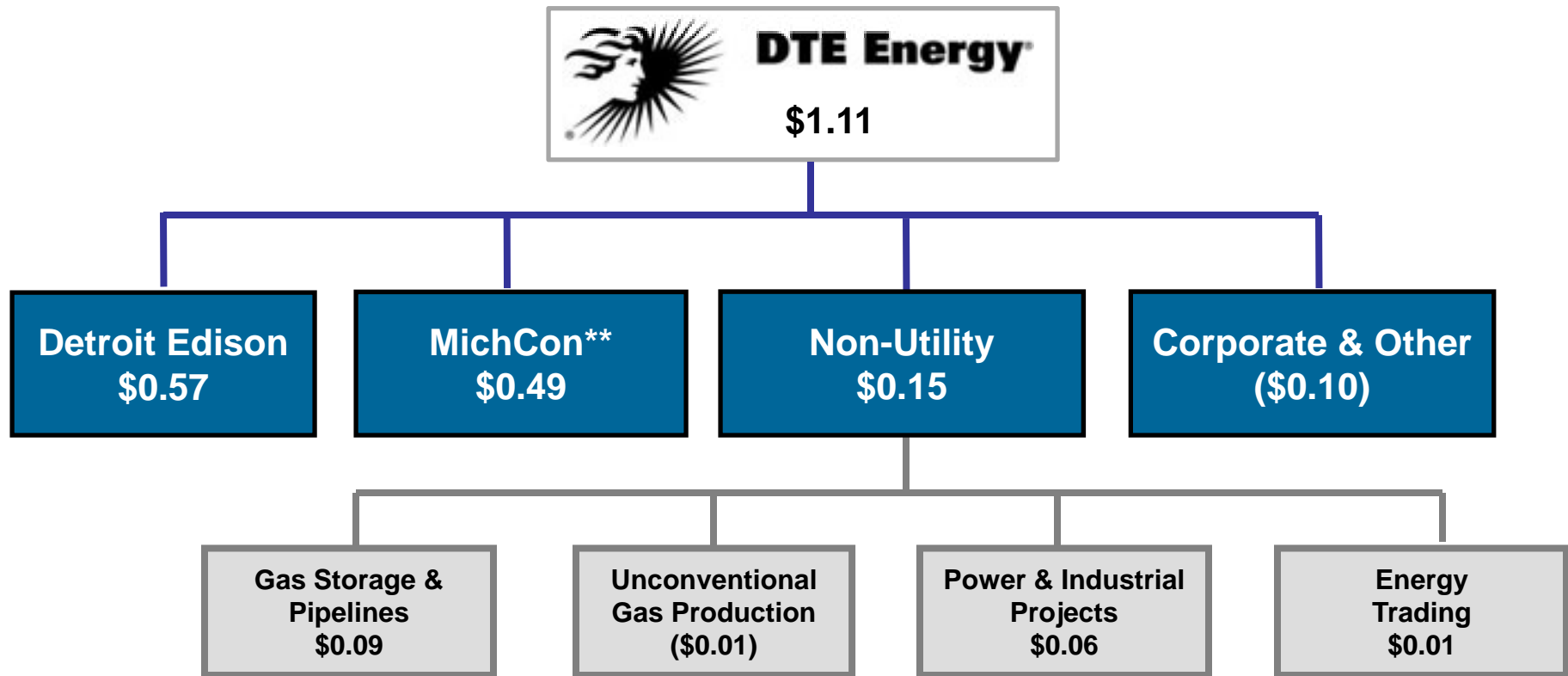
2011 capital expenditures guidance increasing \$300 million due to timing of wind project development



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First Quarter 2011 Operating Earnings Per Share*



* Reconciliation to GAAP reported earnings included in the appendix

** Includes Citizens Gas Utility



First Quarter 2011 Operating Earnings Variance

Operating Earnings*

(\$ millions, except EPS)

	<u>1Q 2011</u>	<u>1Q 2010</u>	<u>Change</u>
Detroit Edison	\$ 97	\$ 91	\$ 6
MichCon	83	79	4
Gas Storage and Pipelines	15	14	1
Unconventional Gas	(2)	(3)	1
Power & Industrial Projects	10	18	(8)
Energy Trading	2	38	(36)
Corporate & Other	(17)	(8)	(9)
DTE Energy	\$ 188	\$ 229	\$ (41)
Operating EPS	\$ 1.11	\$ 1.38	\$ (0.27)
Avg. Shares Outstanding	170	166	

Drivers

Detroit Edison

- Higher margin and lower interest expense partially offset by higher O&M

MichCon

- Colder weather partially offset by other margin

Non-Utility

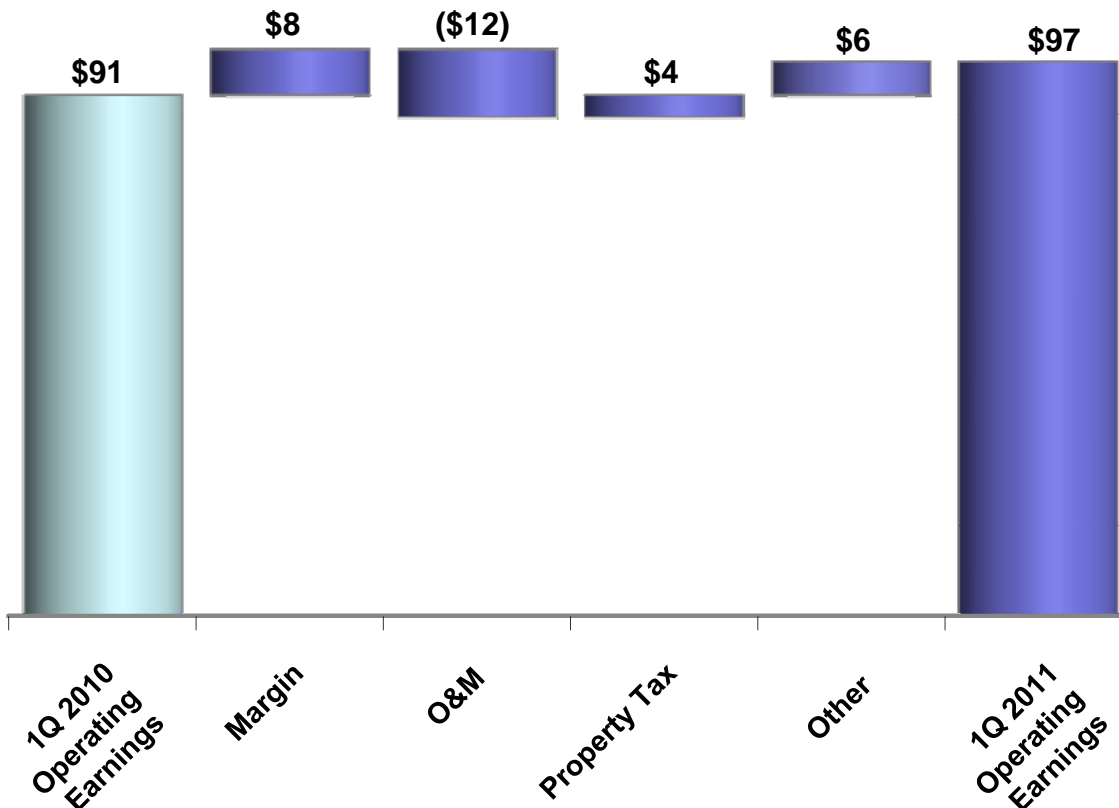
- Power & Industrial lower due to non-repeating 2010 earnings
- Energy Trading driven by lower economic performance and timing
- Corporate & Other lower due to a one-time tax benefit in 2010

* Reconciliation to GAAP reported earnings included in the appendix

Detroit Edison Variance Analysis

Detroit Edison Operating Earnings* Variance

(\$ millions)



Drivers

- Margin reflects energy efficiency (EE) incentives recorded in 2011
- Higher O&M primarily driven by increased power plant maintenance in 2011 and one-time benefits savings in 2010
- Favorable property tax settlement in 2011
- Other primarily driven by lower interest expense

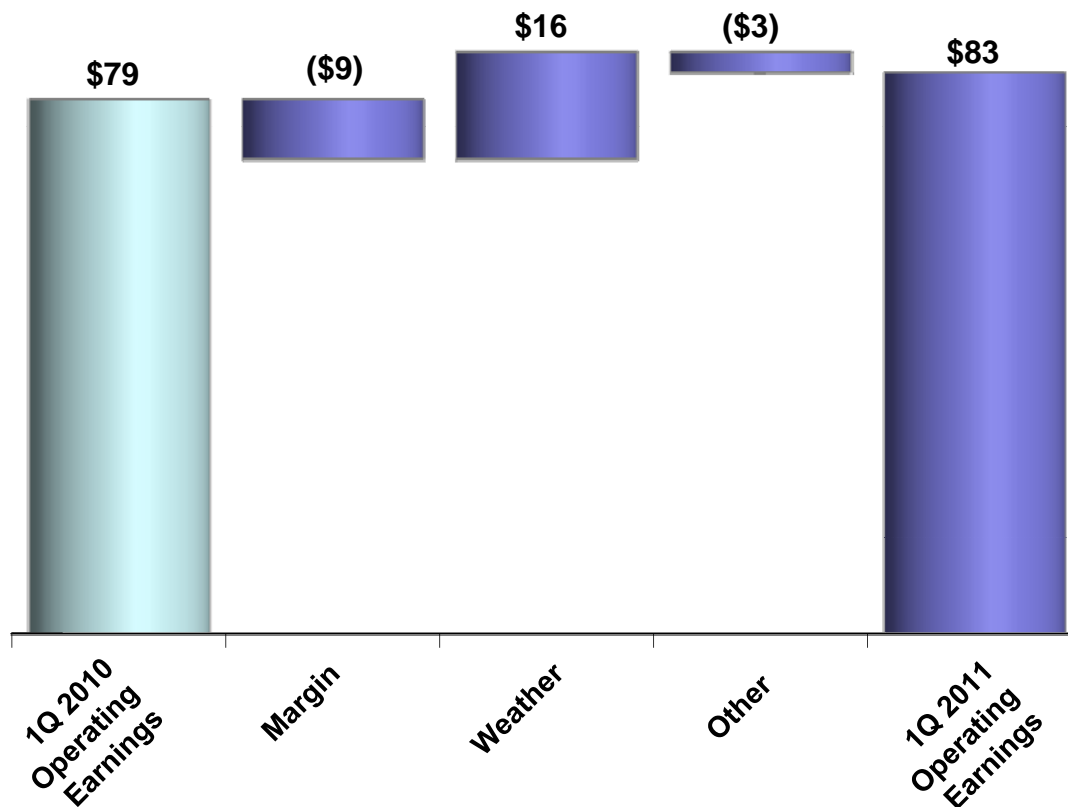
* Reconciliation to GAAP reported earnings included in the appendix



MichCon Variance Analysis

MichCon Operating Earnings* Variance

(\$ millions)



Drivers

- Margin driven by:
 - Final rates in 1Q 2011 lower than self-implemented rates in 1Q 2010
 - Partially offset by energy efficiency incentives recorded in 2011
- Colder weather in 1Q 2011
- Other is primarily driven by increased maintenance activities

* Reconciliation to GAAP reported earnings included in the appendix

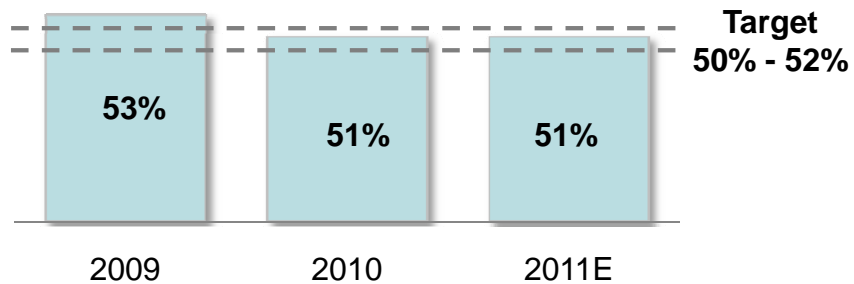


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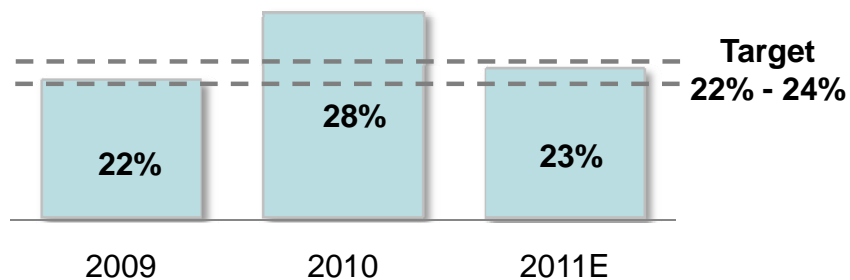
Targeted Financial Metrics

Leverage*



- A strong balance sheet continues to be a key priority
- Leverage and cash flow metrics within targeted ranges, without additional equity in 2011

Funds from Operations / Debt*



- ~\$2 billion of available liquidity at end of 1Q 2011

*Debt excludes securitization, a portion of MichCon's short-term debt, and considers 50% of the trust preferreds as equity



First Quarter 2011 Cash Flow

DTE Energy Cash Flow*

(billions)

	<u>1Q 2011</u>	<u>1Q 2010</u>
Cash From Operations	\$0.7	\$0.8
Capital Spending	<u>(0.3)</u>	<u>(0.2)</u>
Free Cash Flow	\$0.4	\$0.6
Asset Sales	-	-
Dividends	<u>(0.1)</u>	<u>(0.1)</u>
Net Cash	<u><u>\$0.3</u></u>	<u><u>\$0.5</u></u>

Drivers

- Cash from operations comparable to strong levels achieved in 2010
- Increased capital spend reflects higher environmental and operational spending at Detroit Edison

* Includes securitization



First Quarter 2011 Capital Expenditures

DTE Energy Capital Expenditures

(\$ millions)

	<u>1Q 2011</u>	<u>1Q 2010</u>
Detroit Edison		
Operational	\$176	\$159
Environmental	39	12
Renewables / EE	4	6
	<u>\$219</u>	<u>\$177</u>
MichCon		
Operational	\$31	29
Expansion	3	3
	<u>\$34</u>	<u>\$32</u>
Non-Utility		
Gas Storage and Pipelines	2	-
Unconventional Gas	8	7
Power & Industrial	26	22
Energy Trading	-	1
	<u>\$36</u>	<u>\$30</u>
Corporate & Other	\$1	\$3
Total	<u><u>\$290</u></u>	<u><u>\$242</u></u>

Drivers

- Detroit Edison primarily driven by additional generation outage efforts and environmental spend at the Monroe Power Plant in 1Q 2011
 - Renewable spend will ramp up beginning in 2Q 2011
- MichCon spending is consistent year over year
- Non-Utility spend primarily driven by the acquisition of an on-site energy project at the Power and Industrial segment



2011 Capital Expenditures & Cash Flow Guidance

Cash Flow Summary*

(billions)

	Original Guidance	Revised Guidance
Cash From Operations	\$1.9	\$1.9
Capital Spending	(1.4)	(1.7)
Free Cash Flow	\$0.5	\$0.2
Asset Sales	\$0.1	\$0.1
Dividends	(0.4)	(0.4)
Net Cash	\$0.2	(\$0.1)
Debt	(\$0.2)	\$0.1

Capital Expenditures

(millions)

	Original Guidance	Revised Guidance
Detroit Edison		
Operational	\$720	\$720
Environmental	230	230
Renewables / EE	50	350
	<u>\$1,000</u>	<u>\$1,300</u>
MichCon		
Operational	\$155	\$155
Expansion	25	25
	<u>\$180</u>	<u>\$180</u>
Non-Utility / Corporate & Other	\$250	\$250
Total	<u>\$1,430</u>	<u>\$1,730</u>

* Includes securitization



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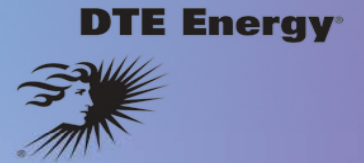


Summary

- **1Q 2011 operating EPS* of \$1.11 driven by solid performance at our utilities**
- **Maintaining 2011 operating EPS guidance of \$3.40 - \$3.70**
- **Mandated utility investments and meaningful, low risk growth opportunities in our non-utility businesses expected to provide 5% - 6% annual EPS growth going forward**
- **Balance sheet and cash flow metrics remain strong**

***AGA conference presentation is May 16 at 10:30 AM EDT with
Gerry Anderson - President and CEO***

Contact Us



DTE Energy Investor Relations

www.dteenergy.com/investors

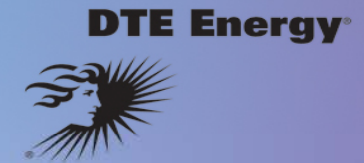
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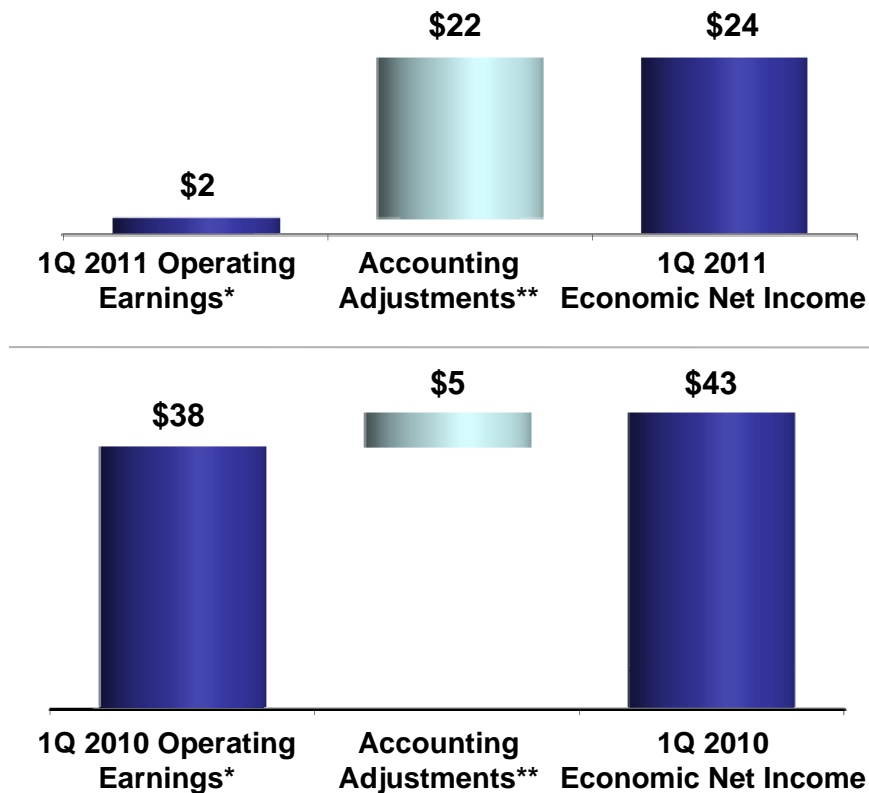


Appendix

DTE Energy Trading Reconciliation of Operating Earnings* to Economic Net Income



(\$ millions)



- 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.

Energy Trading Operating Earnings*

(\$ millions, after-tax)

	1Q 2011	1Q 2010
Realized	\$16	\$25
Unrealized	-	28
O&M / Other	(14)	(15)
	\$2	\$38

* Reconciliation to GAAP reported earnings included in the appendix

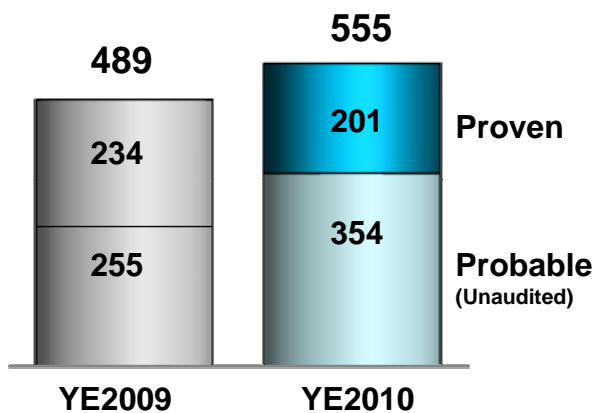
** Consists of the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not MTM, instead are recognized for accounting purposes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

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

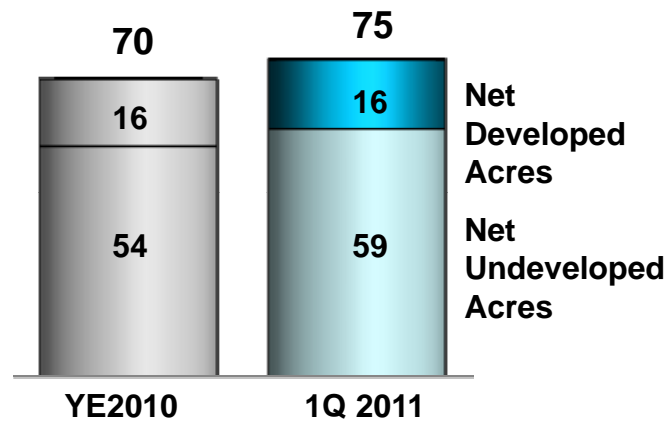


Barnett Shale Operating Metrics

Reserves (Bcfe)



Acreage Position (000's Acres)



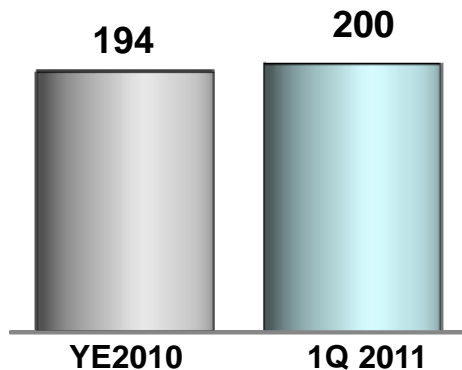
2011 1Q Results

- 6 new wells on-line, 8 in progress
- Production of 1.1 Bcfe
- 73% increase in oil sales year-over-year
- Capital expenditures \$8 million
- Acquired 5k acres, net

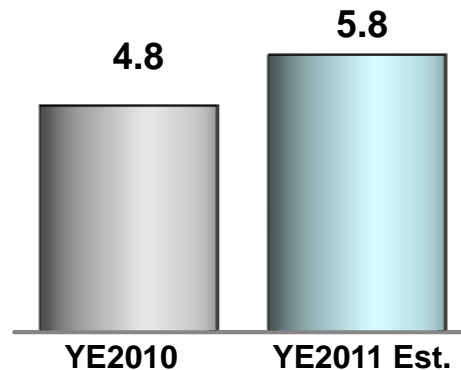
2011 Goals

- Continue to prudently manage and develop Barnett assets
- Invest \$25 million
- Drill ~20 wells
- Produce 5.8 Bcfe net, increase oil production
- Develop oil reserves

Gross Producing Wells



Net Production (Bcfe)





2011 Guidance

Operating Earnings*

(millions)

	2010 Actual	2011 Guidance	2011 Drivers
Detroit Edison	\$438	\$435 - \$445	Productive outcome in Q4 2010 rate case filing; ongoing cost reductions; earn authorized ROE (11%)
MichCon	107	110 - 115	Earn authorized ROE (11%); lower midstream revenues; cost reductions offset inflation; normal weather
Gas Storage & Pipelines	51	53	Stable earnings supported by long-term contracts
Unconventional Gas Production	(11)	0	Higher oil production in 2011; non-strategic lease impairments in 2010
Power & Industrial Projects	85	30 - 40	Growth from new projects partially offsetting non-repeating 2010 earnings, including Steel Industry Fuels
Energy Trading	6	10 - 40	Improvement over 2010; not expected to fully return to historical levels in 2011
Corporate & Other	(69)	(62)	Lower interest expense in 2011
DTE Energy	\$607	\$576 - \$631	
Operating EPS	\$3.60	\$3.40 - \$3.70	
Avg. Outstanding Shares	169	170	

* Reconciliation to GAAP reported earnings included in the appendix

Reconciliation of 1Q 2011 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.

1Q 2011

Net Income (\$millions)

	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	\$176	\$85	\$83	\$15	(\$2)	\$10	\$2	(\$17)
Fermi 1 Asset Retirement Obligation	12	12	-	-	-	-	-	-
Operating Earnings	\$188	\$97	\$83	\$15	(\$2)	\$10	\$2	(\$17)

1Q 2011

\$EPS

	DTE Energy	Electric Utility	Gas Utility	Gas Storage & Pipelines	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	\$1.04	\$0.50	\$0.49	\$0.09	(\$0.01)	\$0.06	\$0.01	(\$0.10)
Fermi 1 Asset Retirement Obligation	0.07	0.07	-	-	-	-	-	-
Operating Earnings	\$1.11	\$0.57	\$0.49	\$0.09	(\$0.01)	\$0.06	\$0.01	(\$0.10)



Reconciliation of 2010 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.

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 Full Year 2011 and 1Q 2010 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 2011 guidance for operating earnings. It is likely that certain items that impact the company's 2011 reported results will be excluded from operating results. A reconciliation to the comparable 2011 reported earnings/net income guidance 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.

There were no reported to operating adjustments in 1Q 2010.