
DTE Energy[®]



Business and Financial Update

April 28, 2010

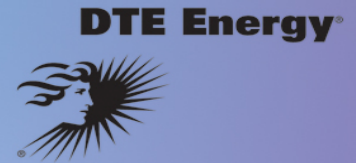


Safe Harbor Statement

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 lower 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 2009 Forms 10-K and 2010 Forms 10-Q (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's 2009 Form 10-K, File No. 1-11607, available from our offices or from our website at www.dteenergy.com. You can also obtain this Form 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**
- **Lisa Muschong, Director of Investor Relations**

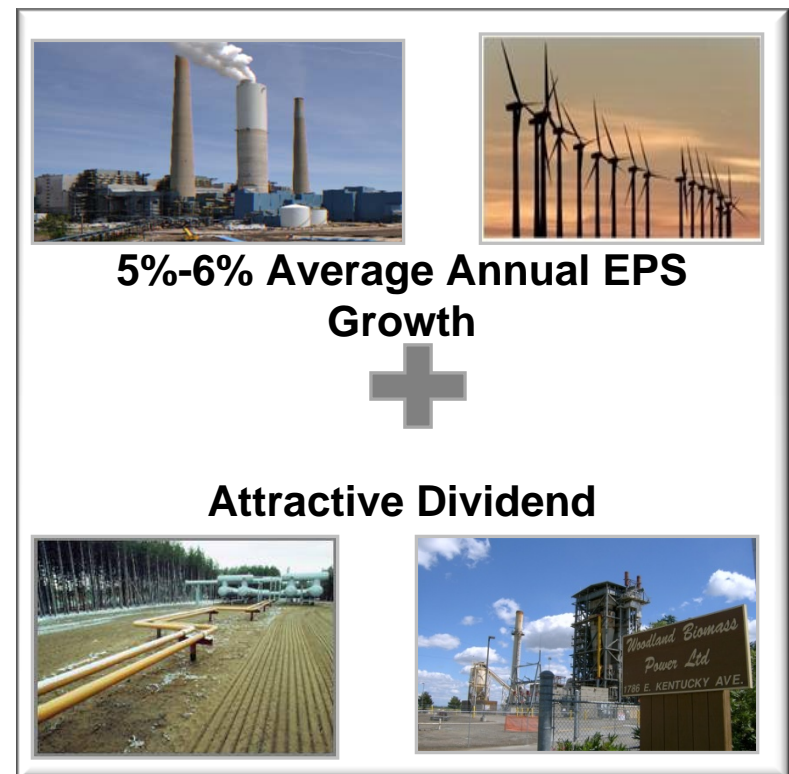


- **Overview**
- **First Quarter 2010 Earnings Results**
- **Cash Flow and Capital Expenditures**
- **Summary**



Investment Thesis

- DTE Energy has a robust plan for 5%-6% long-term operating EPS growth combined with an attractive dividend yield
- Strong utility growth plan, driven by mandated rate base investments, is not dependent on economic growth
- Constructive regulatory structure and continued cost savings will enable our utilities to earn their authorized returns
- Comprehensive plans in place to achieve operational excellence and customer satisfaction that are distinctive in our industry with a focus on customer rate affordability
- Meaningful, low-risk growth opportunities in non-utility businesses will continue to provide diversity in earnings and geography





First Quarter 2010 Overview

Q1 2010 Earnings Results

- DTE Energy Q1 2010 operating earnings per share* of \$1.38 vs. \$1.10 Q1 2009
- Positive results at our utilities as we continue to execute our growth plan and focus on cost control
 - Strong non-utility results driven by Power & Industrial and Energy Trading

Cash Flow / Balance Sheet

- Cash flow and balance sheet metrics remain strong
- Generated \$600 million of free cash flow in Q1 2010
- On track to meet 2010 funding requirements



Increasing 2010 Operating Earnings* Guidance

(\$ millions, except EPS)	Prior Guidance		Revised Guidance
Detroit Edison	\$405 - 435	↑	\$410 - 435
MichCon	95 - 105	=	95 - 105
Gas Storage and Pipelines	50 - 55	=	50 - 55
Unconventional Gas	(7)	=	(7)
Power & Industrial Projects	60 - 75	↑	65 - 75
Energy Trading	45 - 55	↑	45 - 60
Corporate & Other	(85)	↑	(80)
DTE Energy	\$563 - \$633	↑	\$578 - \$643
Operating EPS	\$3.35 - \$3.75		\$3.45 - \$3.80
Avg. Shares Outstanding	168.6		168.6

- Increasing 2010 operating EPS guidance from \$3.35 - \$3.75 to \$3.45 - \$3.80 after a strong start to the year
- Expect 10% operating EPS growth in 2010; higher than targeted long-term 5%-6% rate
- Decoupling and other trackers help mitigate risk (e.g. weather, storm) at Detroit Edison
- Final order in MichCon rate case by June 2010
- Non-utility businesses off to a strong start
 - Another year of consistent and predictable growth at Gas Storage & Pipelines
 - Industrial rebound and new projects to provide strong results at Power & Industrial for 2010 and beyond
 - Strong Q1 Energy Trading performance
- Continuous improvement remains a key priority in 2010

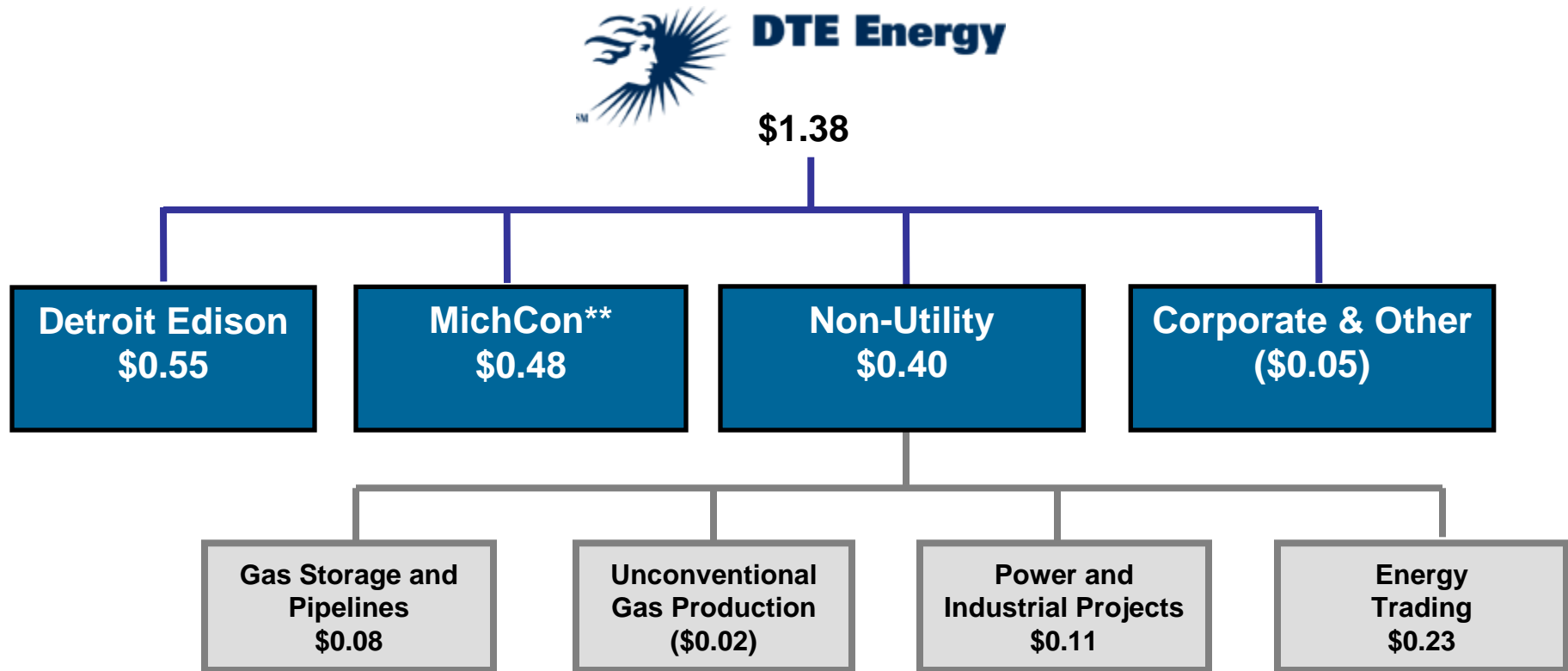
* Reconciliation to GAAP reported earnings included in the appendix



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First Quarter 2010 Operating Earnings Per Share*



* Reconciliation to GAAP reported earnings included in the appendix

** Includes Citizens Gas Utility



First Quarter 2010 Operating Earnings Variance

Operating Earnings*

(\$ millions, except EPS)

	<u>1Q 2010</u>	<u>1Q 2009</u>	<u>Change</u>
Detroit Edison	\$ 91	\$ 78	\$ 13
MichCon	79	61	18
Gas Storage and Pipelines	14	14	-
Unconventional Gas	(3)	(2)	(1)
Power & Industrial Projects	18	4	14
Energy Trading	38	40	(2)
Corporate & Other	(8)	(16)	8
DTE Energy	\$ 229	\$ 179	\$ 50
Operating EPS	\$ 1.38	\$ 1.10	\$ 0.28
Avg. Shares Outstanding	166.3	163.3	

Drivers

Detroit Edison

- January 2010 rate order and continuous improvement, partially offset by higher depreciation

MichCon

- January 1, 2010 rate increase partially offset by warmer weather, customer conservation and lower midstream revenues

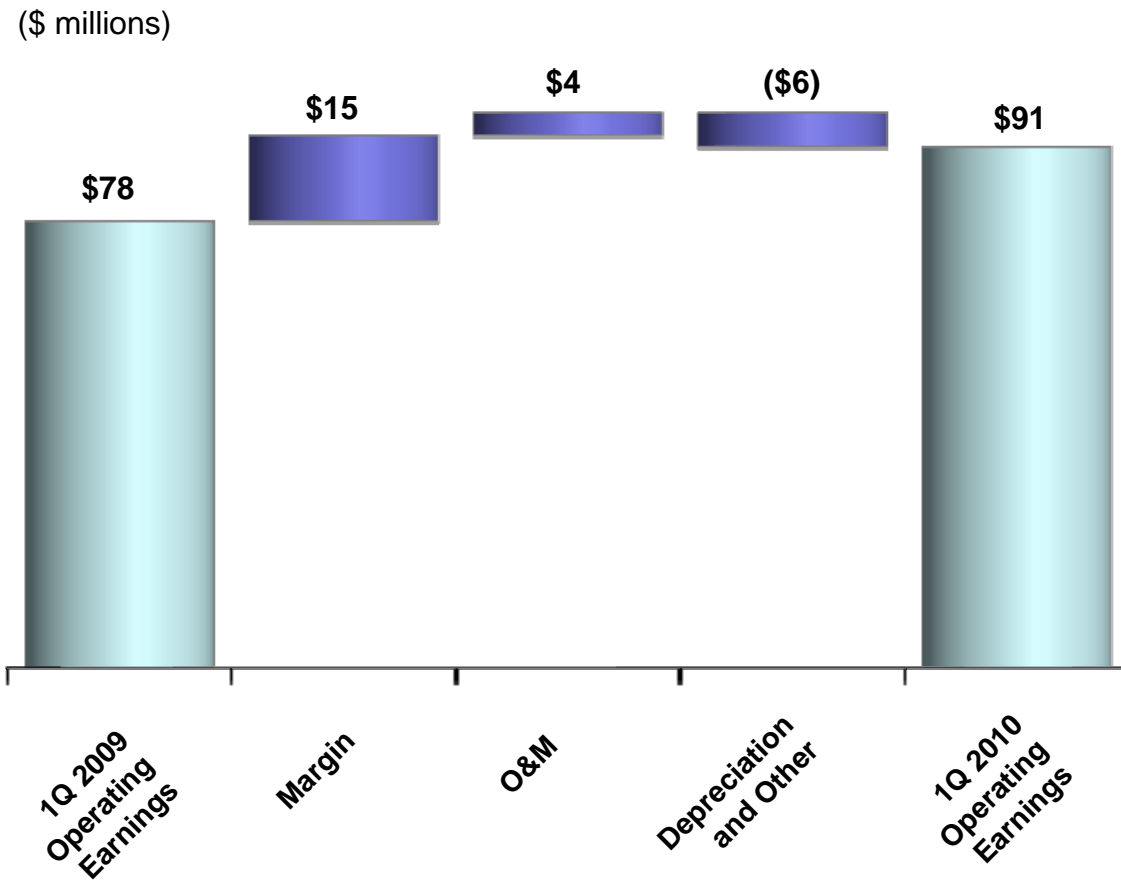
Non-Utility

- Power & Industrial primarily driven by higher coke sales and new projects
- Corporate & Other driven by lower tax expense in 2010

* Reconciliation to GAAP reported earnings included in the appendix

Detroit Edison Variance Analysis

Detroit Edison Operating Earnings* Variance



Drivers

- Margin primarily driven by January 2010 rate order
- O&M driven by continuous improvement partially offset by higher benefits
- Higher depreciation on increased asset base

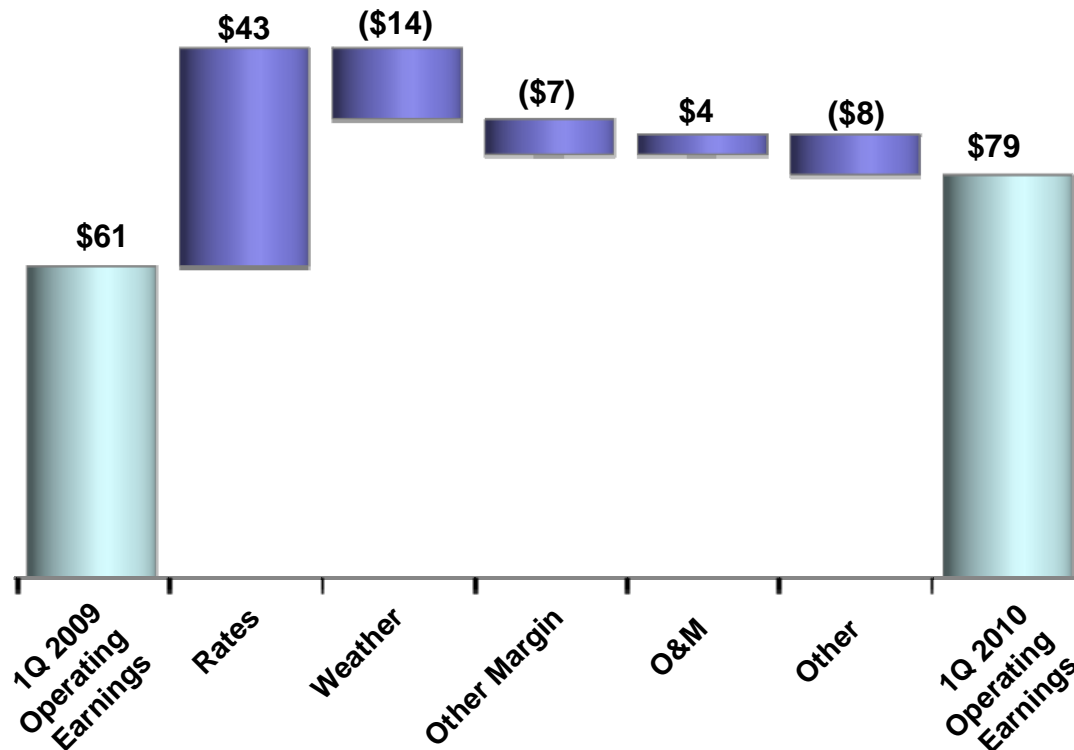
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MichCon Variance Analysis

MichCon Operating Earnings* Variance

(\$ millions)



Drivers

- January 2010 rate increase
- Warmer weather Q1 2010
- Other margin primarily driven by customer conservation and lower midstream revenues
- O&M primarily driven by continuous improvement
- Other driven by higher taxes and interest expense

* Reconciliation to GAAP reported earnings included in the appendix

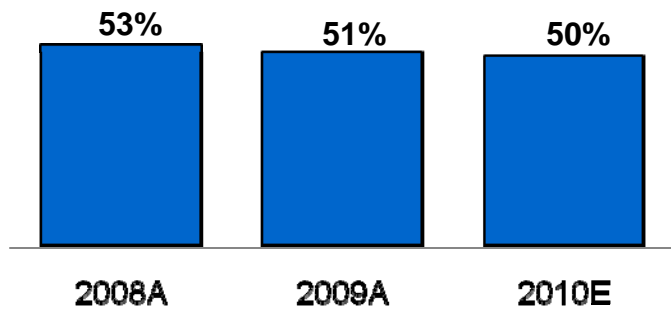


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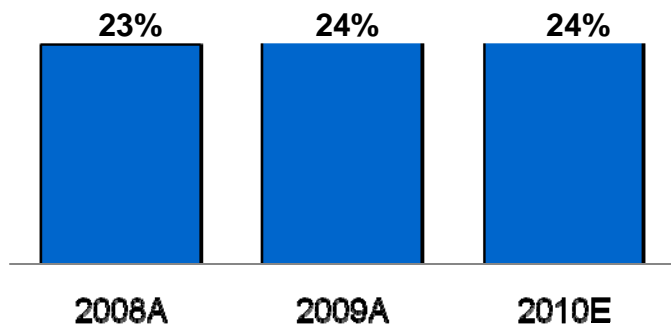


Our Solid Balance Sheet Provides Financial Flexibility

Leverage*



Funds from Operations / Debt*



- Maintaining balance sheet strength continues to be a key priority
- In the first quarter, S&P and Fitch moved DTE's outlook from negative to stable
- \$1.8 billion of available liquidity at quarter end
- On track to meet 2010 funding requirements
- Expect to issue \$200M of equity in 2010 to fund DRIP, pension and employee benefit plans (\$130M completed in first quarter)
- In March, Detroit Edison agreed to issue and sell \$300M of 4.89% Senior Notes
- Pension contribution of \$200M in first quarter meets 2010 funding targets (\$100M cash and \$100M stock)

*Debt excludes securitization, MichCon's short-term debt, and considers the trust preferreds as equity



First Quarter 2010 Cash Flow

DTE Energy Cash Flow

(\$ billions)

	<u>Q1 2010</u>	<u>Q1 2009</u>
Cash From Operations	\$0.8	\$0.8
Capital Spending	<u>(0.2)</u>	<u>(0.3)</u>
Free Cash Flow	\$0.6	\$0.5
Asset Sales	-	-
Dividends	<u>(0.1)</u>	<u>(0.1)</u>
Net Cash	<u>\$0.5</u>	<u>\$0.4</u>

Drivers

- Strong first quarter cash from operations, in-line with 2009
- Lower capital spending in 2010 primarily driven by timing of utility projects
- In first quarter, outstanding debt is down ~\$400 million

Equity issued for employee benefit programs is considered non-cash and not included in financing activities (2010 = \$0.1)



First Quarter 2010 Capital Expenditures

DTE Energy Capital Expenditures

(\$ millions)

	<u>Q1 2010</u>	<u>Q1 2009</u>
Detroit Edison		
Operational	\$155	\$230
Environmental	15	33
Renewables / EO	7	-
	<u>\$177</u>	<u>\$263</u>
MichCon		
Operational	\$32	\$26
Expansion	-	14
	<u>\$32</u>	<u>\$40</u>
Non-Utility		
Gas Storage and Pipelines	-	\$7
Unconventional Gas	7	12
Power & Industrial	22	10
Energy Trading	1	1
	<u>\$30</u>	<u>\$30</u>
Corporate & Other	\$3	-
Total	<u><u>\$242</u></u>	<u><u>\$333</u></u>

Drivers

- Lower Detroit Edison capital driven by timing of generation outages and completion of large environmental project in Q1 2009
- MichCon capital lower due to completion of a pipeline expansion project in 2009
- Non-Utility project spend consistent year over year
- Full year 2010 capital spending expected to increase ~30% from 2009



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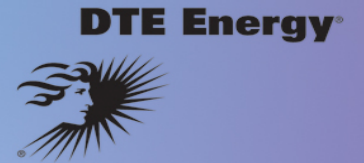
Summary



- On track to achieve strong 2010 results
- Constructive regulatory structure and continued focus on operational excellence and customer satisfaction enables meaningful growth at utilities
- Continue to see attractive/premium return non-utility investment opportunities
- Executing robust plan to achieve 5% - 6% long-term operating EPS growth



Contact Us



DTE Energy Investor Relations

www.dteenergy.com/investors

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Appendix



Illustrative Decoupling Example

Annual Decoupling Example (Residential Customers)

	<u>Base Rates</u>	<u>Actual</u>	<u>Surcharge</u>	
Number of Customers (millions)	1.94	1.92	1.92	(Actual Number of Customers)
Annual Sales (GWh)	15,186	14,900		
Average Usage Per Customer (kWh)	7,822	7,777	x (45)	(Actual minus base average usage per customer)
Average Margin Price per kWh	8.7¢		x 8.7¢	(Average Margin Price per kWh)
			= \$ 7.5	Decoupling Surcharge (millions)

Note: This is only an example and not a forecast of actual results



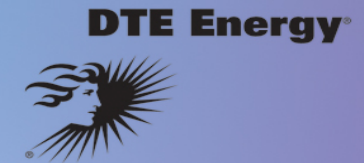
Detroit Edison Sales Volumes

Detroit Edison Temperature-Normal Sales (GWh)

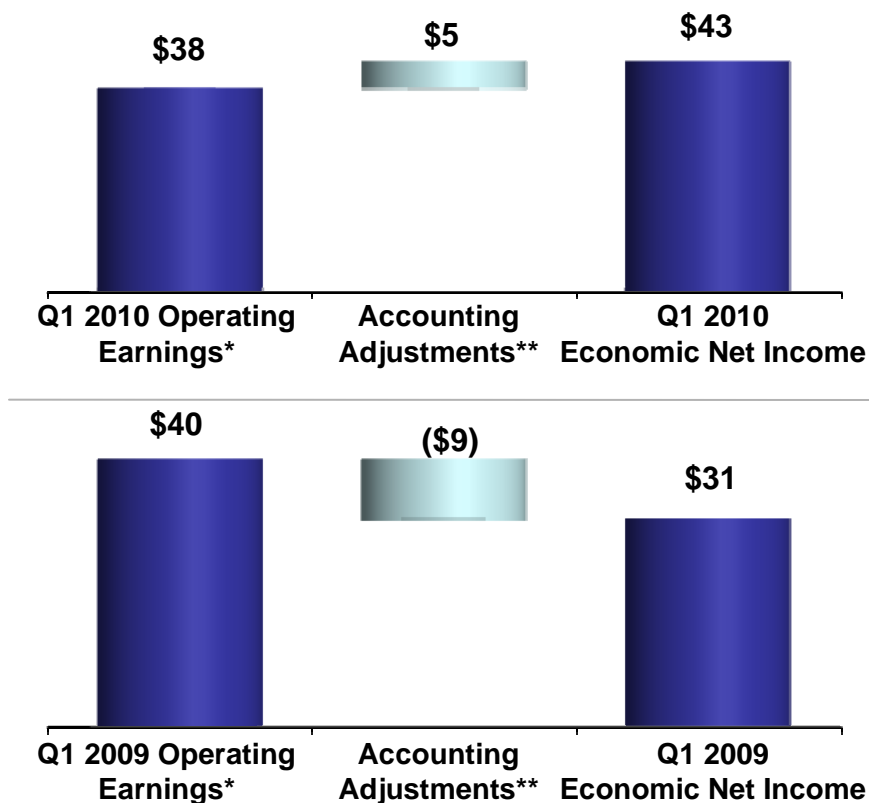
(Territory Sales, includes Electric Choice)

	<u>Q1 2010</u>	<u>Q1 2009</u>	<u>% Change</u>
Residential	3,762	3,707	1%
Commercial	4,719	4,858	-3%
Industrial	2,809	2,500	12%
Other	801	817	-2%
Total	<u>12,092</u>	<u>11,883</u>	<u>2%</u>

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)

	Q1 2010	Q1 2009
Realized	\$25	\$19
Unrealized	28	34
O&M / Other	(15)	(13)
	\$38	\$40

* Reconciliation to GAAP reported earnings included in the appendix

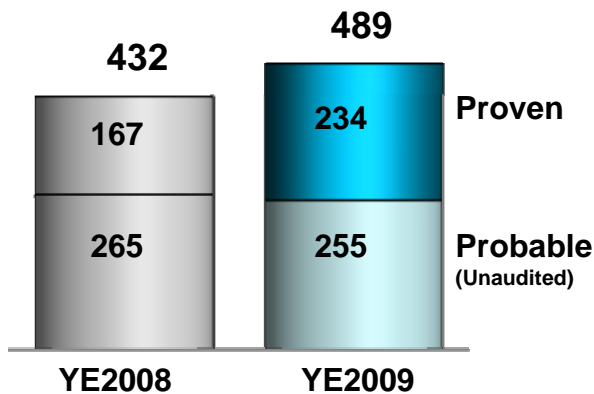
** Consists of the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not MTM, instead are recognized for accounting purposes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

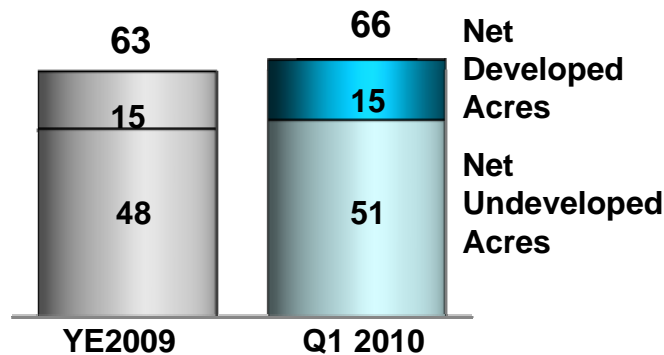


Barnett Shale Operating Metrics

Reserves (Bcfe)



Acreage Position (000's Acres)



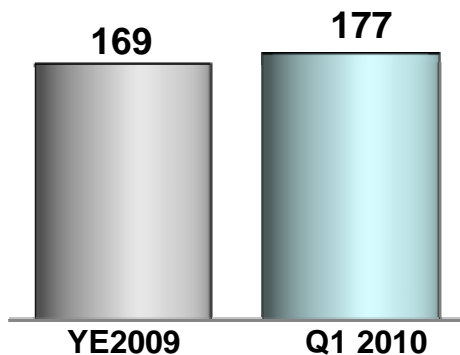
1Q 2010 Results

- Drilled 2 wells, completed 5 wells
- Net Production of 1.1 Bcfe
- Capital Expenditures of \$8M
- Production down slightly due to deferred well completions
- 4 wells waiting on completion

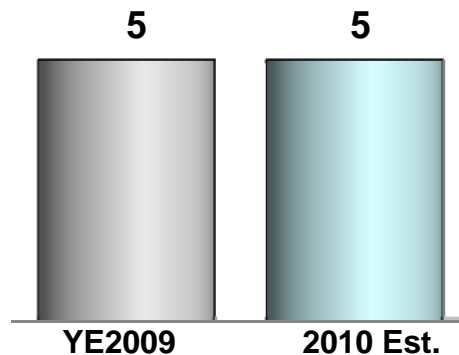
2010 Goals

- Continue to prudently manage and develop Barnett assets
 - Invest \$25M
 - Drill 10 - 15 wells
 - Produce 5 Bcfe net
 - Focus on cost reduction and production optimization

Gross Producing Wells



Net Production (Bcfe)





2009 Capital Expenditures & Cash Flow Guidance

Capital Expenditures

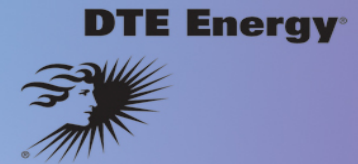
(\$ millions)	2010	2009
	Guidance	Actual
Detroit Edison		
Operational	\$750	\$666
Environmental	75	116
Renewables / EO	125	11
	<u>\$950</u>	<u>\$793</u>
MichCon		
Operational	\$130	\$104
Expansion	20	63
	<u>\$150</u>	<u>\$167</u>
Non-Utility / Corporate & Other	\$300	\$113
Total	<u><u>\$1,400</u></u>	<u><u>\$1,073</u></u>

Cash Flow Summary

(\$ billions)	2010	2009
	Guidance	Actual
Cash From Operations	\$1.6	\$1.8
Capital Spending	(1.4)	(1.1)
Free Cash Flow	<u>\$0.2</u>	<u>\$0.7</u>
Asset Sales	-	0.1
Dividends	(0.3)	(0.3)
Net Cash	<u>(\$0.1)</u>	<u>\$0.5</u>
Debt	\$0.1	(\$0.5)

Equity issued for employee benefit programs is considered non-cash and not included in financing activities: (2009 Actual \$0.1; 2010 Guidance \$0.2)

Reconciliation of 1Q and Full Year 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.

There were no operating earnings adjustments in 1Q 2010

In this presentation, DTE Energy provides 2010 guidance for operating earnings. It is likely that certain items that impact the company's 2010 reported results will be excluded from operating results. A reconciliation to the comparable 2010 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.

Reconciliation of 1Q 2009 Reported to Operating Earnings



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1Q 2009

Net Income (\$ millions)

	DTE Energy	Electric Utility	Gas Utility	Gas Storage and Pipeline	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	\$178	\$78	\$61	\$14	(\$2)	\$4	\$40	(\$17)
Antrim Hedge	1	-	-	-	-	-	-	1
Operating Earnings	\$179	\$78	\$61	\$14	(\$2)	\$4	\$40	(\$16)

1Q 2009

\$EPS

	DTE Energy	Electric Utility	Gas Utility	Gas Storage and Pipeline	Unc. Gas Prod.	Power & Indust. Projects	Energy Trading	Corporate & Other
Reported Earnings	\$1.09	\$0.48	\$0.37	\$0.09	(\$0.01)	\$0.02	\$0.24	(\$0.10)
Antrim Hedge	0.01	-	-	-	-	-	-	0.01
Operating Earnings	\$1.10	\$0.48	\$0.37	\$0.09	(\$0.01)	\$0.02	\$0.24	(\$0.09)