



Summary of Settlement in MichCon Sale of Native Base Gas and 2007-2008 GCR Plan Year Caseⁱ

August 22, 2007

The Michigan Public Service Commission (MPSC) yesterday issued an order affirming the settlement agreement in MichCon's case numbers U-15042 and U-14800. MichCon worked closely with the Michigan Public Service Commission Staff, the Attorney General and other parties to develop this innovative and collaborative agreement, which is further evidence of Michigan's constructive regulatory environment. The full settlement order is posted on the MPSC's website: http://www.cis.state.mi.us/mpsc/orders/gas/2007/u-14800etal_08-21-2007.pdf

MichCon's gas storage enhancement projects, the main subject of the aforementioned cases, will enable 17 billion cubic feet (Bcf) of gas to become available for cyclingⁱⁱ. Under the settlement terms, MichCon will deliver 13.4 Bcf of this gas to its customers at a savings to market-priced supplies of approximately \$54 million.

Consistent with the delivery of this energy savings to its customers, the settlement also incorporates a commitment on MichCon's part to further its energy efficiency programs to assist customers, especially low income customers, in reducing their overall gas usage.

This creative settlement also calls for MichCon to retain the proceeds from the sale of 3.6 Bcf of gas, which MichCon expects to sell in 2008 and 2009. By enabling MichCon to retain the profit from the sale of this gas, the settlement provides MichCon the opportunity to earn its authorized 11% return on equity without raising customer rates.

MichCon agreed to not file a base rate case before Jan. 1, 2009. The rate case filing moratorium can be set aside if unanticipated changes in tax law, legislation or new accounting rules will affect MichCon's annual net income by more than \$5 million.

ⁱ This document includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements typically contain, but are not limited to, the terms "anticipate", "believe", "estimate", and similar words. These statements should be read in conjunction with the "Forward-Looking Statements" section in DTE Energy Company's "DTE Energy" and MichCon's 2006 Form 10-K and 2007 Forms 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and MichCon that discuss important factors that could cause DTE Energy's and MichCon's actual results to differ materially, including, but not limited to, the speed and nature of regulatory approvals. DTE Energy and MichCon expressly disclaim any current intention to update any forward-looking statements contained in this document as a result of new information or future events.

ⁱⁱ Includes 7.2 Bcf of native base gas and 9.8 Bcf of working gas