

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 28, 2020



Commission File Number: 1-11607  
DTE Energy Company

Michigan  
(State or other jurisdiction of incorporation or organization)

38-3217752  
(I.R.S Employer Identification No.)

Commission File Number: 1-2198  
DTE Electric Company

Michigan  
(State or other jurisdiction of incorporation or organization)

38-0478650  
(I.R.S Employer Identification No.)

Registrants address of principal executive offices: One Energy Plaza, Detroit, Michigan 48226-1279  
Registrants telephone number, including area code: (313) 235-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:  
 Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Exchange on which Registered
Common stock, without par value	DTE	New York Stock Exchange
2012 Series C 5.25% Junior Subordinated Debentures due 2062	DTQ	New York Stock Exchange
2016 Series B 5.375% Junior Subordinated Debentures due 2076	DTJ	New York Stock Exchange
2016 Series F 6.00% Junior Subordinated Debentures due 2076	DTY	New York Stock Exchange
2017 Series E 5.25% Junior Subordinated Debentures due 2077	DTW	New York Stock Exchange
6.50% Corporate Units	DTV	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

DTE Energy Company (DTE Energy) is furnishing the Securities and Exchange Commission (SEC) with its earnings release issued April 28, 2020, announcing financial results for the quarter ended March 31, 2020. A copy of the earnings release and the slide presentation, including supplemental financial information, are furnished as Exhibits 99.1 and 99.2 and incorporated herein by reference. In its earnings release and the slide presentation discussed below, DTE Energy reaffirms its 2020 operating earnings guidance range of \$6.47-\$6.75.

**Item 7.01. Regulation FD Disclosure.**

DTE Energy is furnishing the SEC with its slide presentation issued April 28, 2020. A copy of the slide presentation is furnished as Exhibit 99.2 and incorporated herein by reference.

In its earnings release, slide presentation and this filing, DTE Energy discusses 2020 operating earnings guidance. It is likely that certain items that impact the company's 2020 reported results will be excluded from operating results. Reconciliations to the comparable 2020 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.

DTE Energy also discusses Adjusted EBITDA in its slide presentation. The reconciliation of net income to Adjusted EBITDA as projected for full-year 2020 is not provided. DTE Energy does not forecast net income as it cannot, without unreasonable efforts, estimate or predict with certainty the components of net income. These components, net of tax, may include, but are not limited to, impairments of assets and other charges, divestiture costs, acquisition costs, or changes in accounting principles. All of these components could significantly impact such financial measures. At this time, DTE Energy is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, DTE Energy is not able to provide a corresponding GAAP equivalent for Adjusted EBITDA.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

[99.1 Earnings Release of DTE Energy Company dated April 28, 2020.](#)

[99.2 Slide Presentation of DTE Energy Company dated April 28, 2020.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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**Forward-Looking Statements:**

This Form 8-K contains forward-looking statements that are subject to various assumptions, risks and uncertainties. It should be read in conjunction with the "Forward-Looking Statements" section in DTE Energy's and DTE Electric Company's (DTE Electric) 2019 Form 10-K and 2020 Form 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric that discuss important factors that could cause DTE Energy's and DTE Electric's actual results to differ materially. DTE Energy and DTE Electric expressly disclaim any current intention to update any forward-looking statements contained in this report as a result of new information or future events or developments.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: April 28, 2020

DTE ENERGY COMPANY  
(Registrant)

/s/Peter B. Oleksiak  
Peter B. Oleksiak  
Senior Vice President and Chief Financial Officer

DTE ELECTRIC COMPANY  
(Registrant)

/s/Peter B. Oleksiak  
Peter B. Oleksiak  
Senior Vice President and Chief Financial Officer

**DTE Energy reports first quarter 2020 results; providing reliable and safe service during the COVID-19 pandemic**

- *Providing assistance to low-income and vulnerable customers*
- *Enacted pandemic incident command plan to ensure reliable energy delivery*
- *Ranked among top 10 energy companies nationally for energy efficiency programs, saving customers money*

**DETROIT, Apr. 28, 2020** - As the full impact of COVID-19 is still becoming evident, DTE Energy (NYSE:DTE) moved quickly to activate its [pandemic response team](#). The company's primary concern has been the health and well-being of DTE customers, communities and employees.

Today DTE also reported first quarter 2020 earnings of \$340 million, or \$1.76 per diluted share, compared with \$401 million, or \$2.19 per diluted share in 2019.

Operating earnings for the first quarter 2020 were \$320 million, or \$1.66 per diluted share, compared with 2019 operating earnings of \$374 million, or \$2.05 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.

"DTE has a proud heritage of rallying at the toughest of times. Whether we're dealing with catastrophic storms or economic crisis, in every case, we've emerged a better, stronger company. There is no doubt that the work required of us today will set us up for another successful decade," said Jerry Norcia, DTE Energy president and CEO.

Additionally, Norcia noted the following accomplishments:

- **Providing reliable and safe service during the COVID-19 pandemic:** The 10,000 women and men of DTE and key suppliers have never stopped working during this crisis to provide reliable and safe energy. We refined our safety practices to ensure we deliver energy while keeping employees and customers safe.
  - **Providing assistance to low-income and vulnerable customers:** Instituted shut-off moratoriums for low-income and senior customers and created new payment plans to ease the burden of COVID-19.
  - **Mobilizing resources to address our communities' needs:** DTE's Foundation and its non-profit and philanthropic partners are mobilizing resources to swiftly address our communities' most vital needs. This includes supporting basic needs, such as food, shelter and access to core medical services.
  - **Organized support for small businesses:** Working with state and federal leaders and the Detroit Economic Growth Corporation, DTE [helped small businesses](#) apply for small business administration loans.
  - **Donated personal protection equipment:** [Distributing 2 million respiratory masks](#) to area hospitals, police, fire and critical workers.
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- **Received IRP order:** The order increases energy efficiency goals and ensures a renewable energy pathway that will support DTE's goal of net zero carbon emissions from electric generation by 2050.
- **Ranked among top 10 energy companies in the U.S. for energy efficiency programs:** Ranked as the eighth-leading energy company in the nation for our energy efficiency savings to customers. Residential and business customers who participated in efficiency programs saw a 27% increase in annual energy savings as the company dramatically broadened efficiency program offerings.

#### Outlook for 2020

DTE Energy reaffirms 2020 operating EPS guidance of \$6.47 - \$6.75.

"Over the years, we have earned a reputation as a top company in our industry because we consistently deliver on our financial commitments. It is very important that we maintain this hard-earned reputation by meeting our 2020 financial targets. By doing so, we help ensure success for all our key stakeholders - employees, customers, community and shareholders," said Peter Oleksiak, DTE Energy senior vice president and CFO.

This earnings announcement and presentation slides are available at [dteenergy.com/investors](https://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](https://dteenergy.com/investors). The telephone dial-in numbers in the U.S. and Canada are toll free: (833) 520-0059 or international: (825) 312-2353. The passcode is 2780029. The webcast will be archived on the DTE website at [dteenergy.com/investors](https://dteenergy.com/investors). An audio replay of the call will be available from noon today to noon Tuesday, May 26, 2020. To access the replay, dial U.S. and Canada toll free (800) 585-8367 or international toll (416) 621-4642 and enter the passcode 2780029.

#### 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 company serving 2.2 million customers in Southeast Michigan and a natural gas company serving 1.3 million customers in Michigan. The DTE portfolio includes energy businesses focused on power and industrial projects; renewable natural gas; natural gas pipelines, gathering and storage; and energy marketing and trading. As an environmental leader, DTE utility operations will reduce carbon dioxide and methane emissions by more than 80 percent by 2040 to produce cleaner energy while keeping it safe, reliable and affordable. DTE Electric aspires to achieve [net zero](#) carbon emissions by 2050. DTE is committed to [serving with its energy](#) through volunteerism, education and employment initiatives, [philanthropy](#) and economic progress. Information about DTE is available at [dteenergy.com](https://dteenergy.com), [empoweringmichigan.com](https://empoweringmichigan.com), [twitter.com/dte\\_energy](https://twitter.com/dte_energy) and [facebook.com](https://facebook.com).

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 2020 operating earnings guidance. It is likely that certain items that impact the company's 2020 reported results will be excluded from operating results. Reconciliations to the comparable 2020 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.

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DTE Energy also discusses Adjusted EBITDA in its slide presentation. The reconciliation of net income to Adjusted EBITDA as projected for full-year 2020 is not provided. DTE Energy does not forecast net income as it cannot, without unreasonable efforts, estimate or predict with certainty the components of net income. These components, net of tax, may include, but are not limited to, impairments of assets and other charges, divestiture costs, acquisition costs, or changes in accounting principles. All of these components could significantly impact such financial measures. At this time, DTE Energy is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, DTE Energy is not able to provide a corresponding GAAP equivalent for Adjusted EBITDA.

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: the duration and impact of the COVID-19 pandemic on DTE Energy and customers, 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 the our geographic area resulting in changes in demand, customer conservation, and thefts of electricity and, for DTE Energy, natural gas; the operational failure of electric or gas distribution systems or infrastructure; 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; the risk of a major safety incident; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements; the cost of protecting assets against, or damage due to, cyber incidents and terrorism; health, safety, financial, environmental, and regulatory risks associated with ownership and operation of nuclear facilities; volatility in the short-term natural gas storage markets impacting third-party storage revenues related to DTE Energy; 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, store power or reduce power consumption; changes in the financial condition of 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 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 the Registrants' public filings with the Securities and Exchange Commission.

**For further information, members of the media may call:**

Pete Ternes, DTE Energy, 313.235.5555

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**For further information, analysts may call:**  
Barbara Tuckfield, DTE Energy, 313.235.1018  
John Dermody, DTE Energy, 313.235.8750

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**DTE Energy Company**  
**Segment Net Income (Unaudited)**

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
	(In millions)							
<b>DTE Electric</b>	\$ 94	\$ —	\$ —	\$ 94	\$ 147	\$ —	\$ —	\$ 147
<b>DTE Gas</b>	121	—	—	121	151	—	—	151
<b>Non-utility operations</b>								
Gas Storage and Pipelines	72	—	—	72	48	—	—	48
Power and Industrial Projects	30	—	—	30	26	—	—	26
Energy Trading	34	(26) A	6	14	32	(36) A	9	5
Total Non-utility operations	136	(26)	6	116	106	(36)	9	79
<b>Corporate and Other</b>	(11)	—	—	(11)	(3)	—	—	(3)
<b>Net Income Attributable to DTE Energy Company</b>	<b>\$ 340</b>	<b>\$ (26)</b>	<b>\$ 6</b>	<b>\$ 320</b>	<b>\$ 401</b>	<b>\$ (36)</b>	<b>\$ 9</b>	<b>\$ 374</b>

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 25% for the three months ended March 31, 2020 and 27% for the three months ended March 31, 2019.

**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

**DTE Energy Company**  
**Segment Diluted Earnings Per Share (Unaudited)<sup>(2)</sup>**

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
DTE Electric	\$ 0.49	\$ —	\$ —	\$ 0.49	\$ 0.81	\$ —	\$ —	\$ 0.81
DTE Gas	0.63	—	—	0.63	0.83	—	—	0.83
<b>Non-utility operations</b>								
Gas Storage and Pipelines	0.37	—	—	0.37	0.26	—	—	0.26
Power and Industrial Projects	0.16	—	—	0.16	0.14	—	—	0.14
Energy Trading	0.17	(0.14) A	0.04	0.07	0.18	(0.19) A	0.05	0.04
Total Non-utility operations	0.70	(0.14)	0.04	0.60	0.58	(0.19)	0.05	0.44
Corporate and Other	(0.06)	—	—	(0.06)	(0.03)	—	—	(0.03)
<b>Net Income Attributable to DTE Energy Company</b>	<b>\$ 1.76</b>	<b>\$ (0.14)</b>	<b>\$ 0.04</b>	<b>\$ 1.66</b>	<b>\$ 2.19</b>	<b>\$ (0.19)</b>	<b>\$ 0.05</b>	<b>\$ 2.05</b>

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 25% for the three months ended March 31, 2020 and 27% for the three months ended March 31, 2019.

(2) 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 1Q 2020  
EARNINGS CONFERENCE CALL  
APRIL 28, 2020

**DTE**

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## Safe harbor statement

Certain information presented herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, and businesses of DTE Energy. Words such as “anticipate,” “believe,” “expect,” “projected,” “aspiration,” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous assumptions, risks, and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated, or budgeted. Many factors impact forward-looking statements including, but not limited to, the following: the duration and impact of the COVID-19 pandemic on DTE Energy and customers, 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; the operational failure of electric or gas distribution systems or infrastructure; 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; the risk of a major safety incident; environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements; the cost of protecting assets against, or damage due to, cyber incidents and terrorism; health, safety, financial, environmental, and regulatory risks associated with ownership and operation of nuclear facilities; volatility in the short-term natural gas storage markets impacting third-party storage revenues related to DTE Energy; 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, store power, or reduce power consumption; changes in the financial condition of 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 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 the Registrants’ 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 document should also be read in conjunction with the Forward-Looking Statements section of the joint DTE Energy and DTE Electric 2019 Form 10-K and 2020 Form 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

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## Participants

Jerry Norcia – President and CEO

Peter Oleksiak – Senior Vice President and CFO

Dave Ruud – Senior Vice President, Corp. Strategy & Development

Barbara Tuckfield – Director Investor Relations

# Focusing on the well-being of our employees and communities and positioned to deliver on our financial targets during COVID-19 pandemic



### Employees

- Ensuring the health and safety of our employees



### Customers

- Delivering safe and reliable energy
- Providing support to customers



### Community

- Addressing our communities' most vital needs through philanthropy and volunteerism



### Shareholders

- Reaffirming 2020 operating EPS<sup>1</sup> guidance with Michigan starting to return to work
- Confirming 5% – 7% operating EPS growth target through 2024
- Ensuring strong balance sheet and liquidity position; delivering on cash and capital targets
- 7% dividend increase in 2020; targeting 7% dividend increase in 2021<sup>2</sup>



1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix  
2. Subject to Board approval

# Ensuring the health and safety of our employees while delivering reliable energy

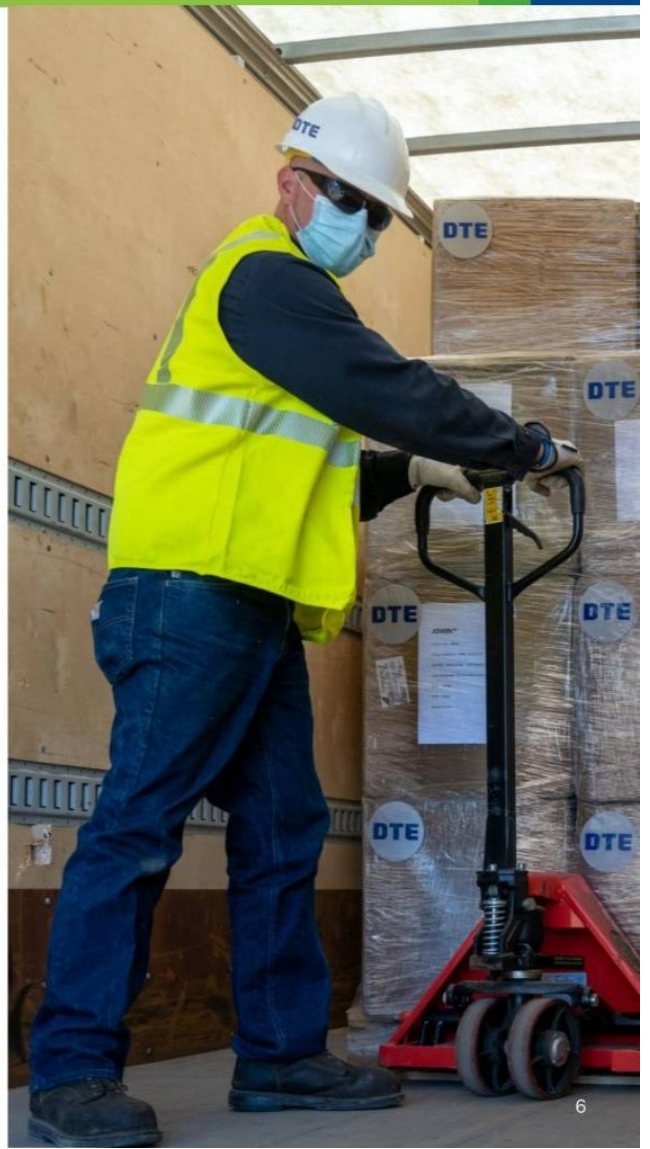
- Successfully implemented work from home for over half of our employees
- Strategically sequestered crews to ensure healthy back-up support and orderly shift transitions
- Paused all non-essential field work for some of our employees
- Adjusted shifts, using PPE, practicing social distancing and changing the order in which we are doing work at our facilities and in the field
- Developed detailed back-to-work schedules and procedures; paused work resumes in May



## Providing community support, especially to the most vulnerable

- Providing resources to serve families' basic needs, such as food, shelter and access to core medical services
- Assisting non-profit organizations and small businesses with emergency stabilization funds
- Providing 2 million respiratory masks to area hospitals, police and first responders
- Assisting faith-based institutions which are a trusted resource for community members
- Partnering with the City of Detroit, philanthropic organizations and business leaders to enhance high-speed internet citywide and providing devices to over 50,000 students
- Continuing our commitment to both community service and employee engagement
  - Matching employee, contractor and DTE alumni charitable giving
  - Implementing virtual volunteerism to best assist the communities we live and serve

**DTE**



# Positioned to deliver on our financial targets with cost reductions and contingency planning



## Forecasted 2020 earnings pressure (~\$60 million)

Includes impact of:

- COVID-19 sales reduction and incremental costs
- 1Q results below plan
- Original contingency in plan used

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## Detailed earnings response plan has been developed

Includes:

- Recovery of forecasted 2020 pressure
- Contingency rebuild for:
  - Potential further delayed return-to-work impacts
  - Potential unfavorable weather
  - Non-utilities deliver at plan<sup>2</sup>



1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix  
2. Non-utilities favorable to plan year-to-date

# Potential 2020 operating earnings<sup>1</sup> impact from electric sales scenarios is \$30 – \$50 million

## May start scenario

- Return-to-work assumptions
  - Construction and outdoor industries: May
  - Industrial: May
  - Non-essential retail, restaurants and lodging: staggered throughout the summer
  - Non-essential offices: late summer
  - Universities and K-12 schools: September

## Slow start scenario

- Return-to-work includes base case scenario except
  - Industrial: late summer
  - Non-essential offices: closed through year-end
  - Universities and K-12 schools: virtual through year-end

## Residential sales impacts

- 3% – 4% annual sales increase
  - \$40 – \$50 million operating earnings increase

## Commercial sales impacts

- 6% – 9% annual sales decrease
  - \$50 – \$75 million operating earnings decrease

## Industrial sales impacts

- 18% – 22% annual sales decrease
  - \$20 – \$25 million operating earnings decrease



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

# Updated planning process includes daily review of contingency plan and lean actions across all business lines

## Robust planning



- Strong history of successfully implementing earnings contingency plans including during the last recession
- Lean actions include one-time items targeted at \$2.5 billion O&M spend
  - Delaying additional hiring
  - Minimizing overtime
  - Reducing contractor and consultant spend
  - Deferring banked maintenance work
  - Reducing materials and support expense
  - Decreasing travel expense
  - Fast forwarding automation and work from home projects
- Regulatory mechanisms to defer uncollectible and COVID-19 costs

# 1Q 2020 operating earnings<sup>1</sup> variance

(millions, except EPS)

	1Q 2019	1Q 2020	Variance	Primary drivers
DTE Electric	\$ 147	\$ 94	\$ (53)	Warmer weather, non-qualified benefit plan investment losses and higher depreciation rates offset by rate implementation
DTE Gas	151	121	(30)	Warmer weather
Gas Storage & Pipelines	48	72	24	Blue Union acquisition and other pipeline earnings
Power & Industrial Projects	26	30	4	Cogeneration and RNG projects offset by lower REF volumes
Energy Trading	5	14	9	Power portfolio performance
Corporate & Other	(3)	(11)	(8)	Timing of taxes
<b>DTE Energy</b>	<b>\$ 374</b>	<b>\$ 320</b>	<b>\$ (54)</b>	← (\$27) million of the (\$54) million variance was anticipated in our plan
<b>Operating EPS</b>	<b>\$ 2.05</b>	<b>\$ 1.66</b>	<b>\$(0.39)</b>	
Avg. shares outstanding	183	192		



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

# Positioned to achieve our 2020 operating EPS<sup>1</sup> guidance

(millions, except EPS)

	2020 operating earnings guidance
DTE Electric	\$759 - \$773
DTE Gas	185 - 193
Gas Storage & Pipelines	277 - 293
Power & Industrial Projects	133 - 148
Energy Trading	15 - 25
Corporate & Other	(122) - (132)
DTE Energy	<u>\$1,247 - \$1,300</u>
Operating EPS	<u>\$6.47 - \$6.75</u>

## Assumptions underlying 2020 guidance

- Electric sales assume Michigan's shelter-in-place order is lifted in May
  - Recovery will be slow and continues into 2021
- Constructive regulatory outcomes
- Robust plan to achieve 2020 operating earnings guidance
  - Majority of growth from utilities
  - Contracted non-utility growth
  - COVID-19 economic impact response plan



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

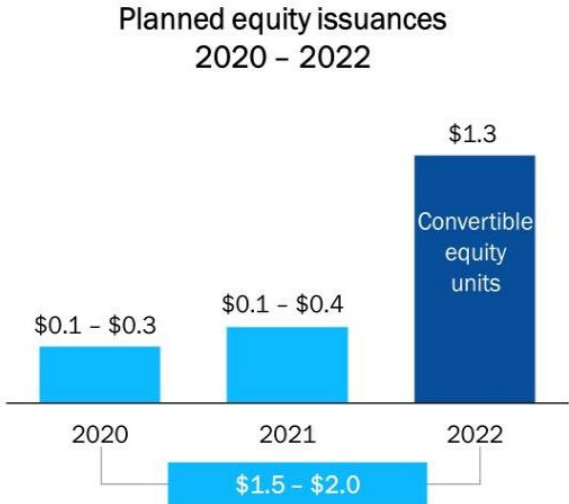
# Additional measures taken to further strengthen our liquidity position



- Financial strength and culture of cash control
- Metrics within targeted ranges
  - Strong liquidity position
    - Issued \$1.7 billion of long-term debt at DTE Electric at extremely favorable rates
    - Secured bank term loans for additional liquidity; significantly mitigates commercial paper and capital markets risk

# Maintaining strong cash flow, balance sheet and credit profile

(billions)



- Maintaining strong investment-grade credit rating and FFO<sup>1</sup>/Debt<sup>2</sup> target at 18%
- Targeting lower end of range for 2020 equity issuances
- Reiterating capital guidance

### Credit ratings

	S&P	Moody's	Fitch
DTE Energy (unsecured)	BBB	Baa2	BBB
DTE Electric (secured)	A	Aa3	A+
DTE Gas (secured)	A	A1	A



1. Funds from Operations (FFO) is calculated using operating earnings  
 2. Debt excludes a portion of DTE Gas' short-term debt and considers 50% of the junior subordinated notes and 100% of the convertible equity units as equity

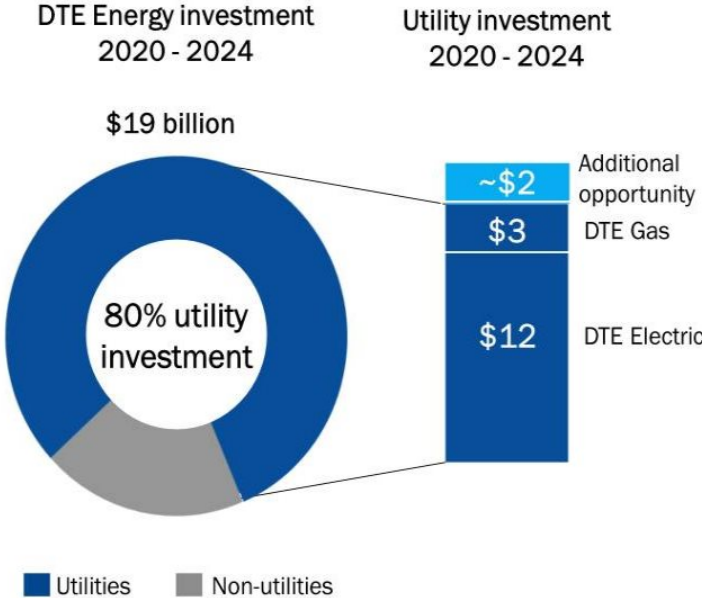
# High-quality utilities progressing on \$15 billion 5-year capital investment plan with potential \$2 billion upside

## DTE Electric

- Received IRP order and filed updated renewable energy plan
- Ahead of pace on voluntary renewable commitments
  - GM subscribed additional 250 MW in 2020

## DTE Gas

- Received approval for first transmission system renewal project in April
- Completed 180 miles of main renewal in 2019
  - Targeting 200 miles in 2020

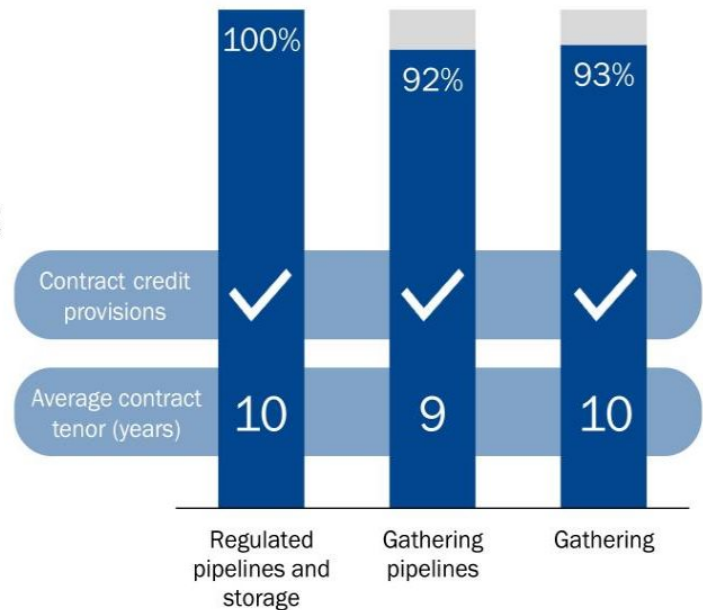


# GSP is well positioned for value creation

## Gas Storage & Pipelines

- Progressing on LEAP construction with an expected 3<sup>rd</sup> quarter in-service date
- Business is producing strong adjusted EBITDA<sup>1</sup> and is beating plan year-to-date
  - 2020 adjusted EBITDA range is \$665 – \$703 million
- Well-positioned in low cost Marcellus and Haynesville dry gas basins; supported by strong contracts
  - **Pipelines** have long-term contracts and favorable future dynamics as it is increasingly difficult to build new pipes
  - **Storage** is positioned in several high-demand, very liquid markets
  - **Gathering systems** include acreage dedications heavily supported by minimum volume commitment

Percentage of revenue from demand-based contracts or MVCs/flowing gas



# P&I operating earnings<sup>1</sup> are underpinned by RNG and cogeneration growth

## Power & Industrial Projects

- RNG and cogeneration projects drive long-term growth
  - Wisconsin RNG and Ford Motor projects fully operational
  - Originated over \$50 million of earnings since 2017; continuing targeted origination pace of ~\$15 million per year
- Developing high-potential investment opportunities with additional targets in early screening
  - Strong project pipeline to execute growth strategy in industrial energy services and RNG businesses



**DTE**

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

16

# Our strategies and operating model create extraordinary value for our people, customers, communities and shareholders

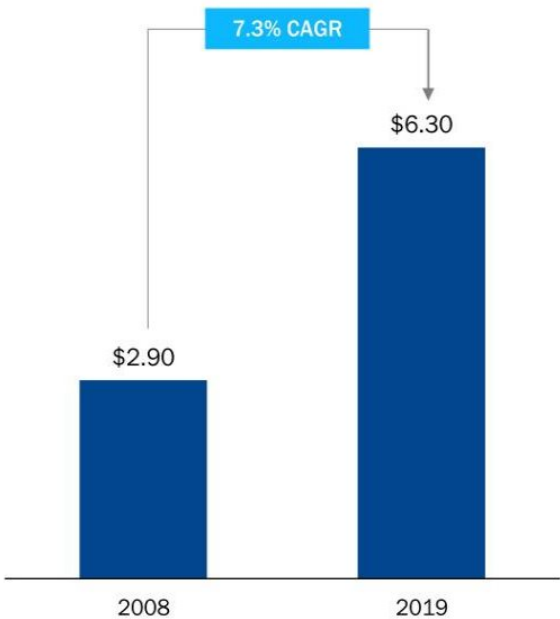
## Providing support during the COVID-19 pandemic

- Ensuring the health and safety of our employees
- Delivering safe and reliable energy
- Providing support to customers
- Addressing our communities' most vital needs

## Strong track record of delivering value for shareholders

- Strong corporate culture with proven ability to achieve results during times of economic stress
- Financial targets are achievable during COVID-19 pandemic with management actions

## Strong track record of operating EPS<sup>1</sup> growth





## CONTACT US

DTE Investor Relations

[www.dteenergy.com/investors](http://www.dteenergy.com/investors)

313.235.8030

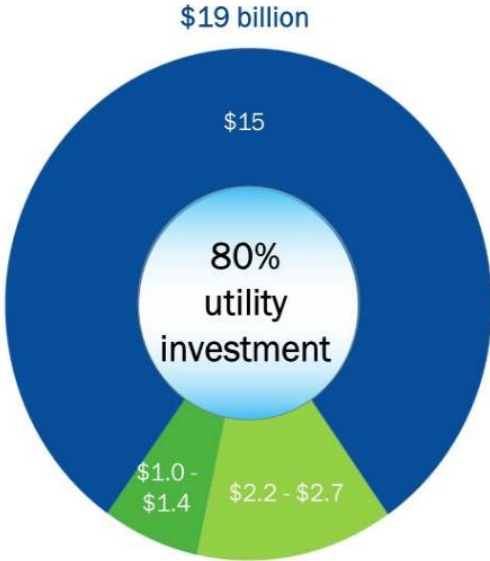
**DTE**

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# Appendix

# Clear line of sight for growth supported by investment in utility infrastructure and disciplined non-utility opportunities

2020 – 2024 DTE Energy investment



**\$12** Electric: Distribution infrastructure, cleaner generation, maintenance

**\$3** Gas: Base infrastructure, main renewal acceleration

**\$1.2 - \$1.7** GSP: Organic growth on existing platforms

**\$1** GSP: Blue Union/LEAP contracted capital

**\$1.0 - \$1.4** P&I: Industrial energy services, renewable natural gas (RNG)

Potential \$2 billion upside to 5-year utility investment plan from visible infrastructure investment

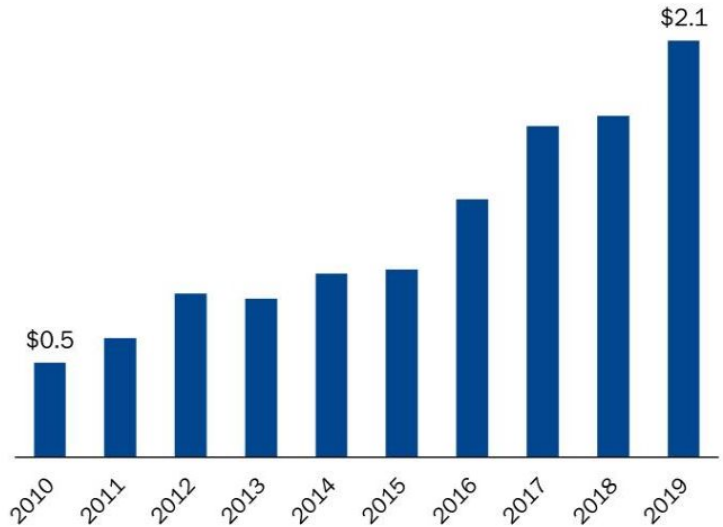


# Contributing to local economy; invested \$11.4 billion in Michigan businesses since 2010

(billions)

Investing in Michigan businesses

- Driving economic growth in Michigan
- Invested over \$11.4 billion since 2010
  - Creating 34,000 jobs
- \$2.1 billion in 2019
  - With over 2,300 businesses
  - In 78 counties

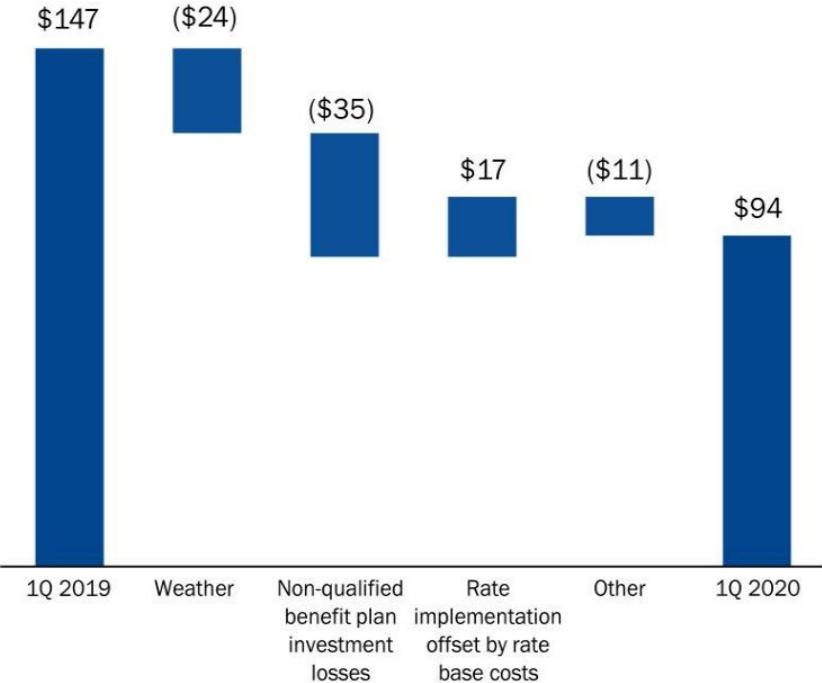


Continuing to be a major force for economic progress for Michigan

# DTE Electric variance analysis

(millions)

## Operating earnings<sup>1</sup> variance



- Warmer weather in 2020 - variance to normal weather
  - 1Q 2019: \$6
  - 1Q 2020: (\$18)
- Non-qualified benefit plan investment losses from trust used to fund deferred compensation and retirement benefits



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

# Cash flow and capital expenditures guidance

## Cash flow

(billions)

	2020 guidance
Cash from operations <sup>1</sup>	\$3.0
Capital expenditures	(4.5)
<b>Free cash flow</b>	<b>(\$1.5)</b>
Dividends	\$(0.8)
<b>Net cash</b>	<b>(\$2.3)</b>
Debt financing	
Issuances	3.0
Redemptions	(0.7)
<b>Change in debt</b>	<b>\$2.3</b>

## Capital expenditures

(millions)

	2020 guidance
<b>DTE Electric</b>	
Base infrastructure	\$680
New generation	1,050
Distribution infrastructure	850
	<b>\$2,580</b>
<b>DTE Gas</b>	
Base infrastructure	\$270
Main renewal	300
	<b>\$570</b>
<b>Non-utility</b>	<b>1,200 - 1,400</b>
<b>Total</b>	<b>\$4,350 - \$4,550</b>



<sup>1</sup>. Includes equity issued for employee benefit programs

# Cash flow and capital expenditures actuals

## Cash flow

(billions)

	1Q 2019	1Q 2020
Cash from operations <sup>1</sup>	\$0.8	\$1.0
Capital expenditures	(0.7)	(\$1.3)
<b>Free cash flow</b>	<b>\$0.1</b>	<b>(\$0.3)</b>
Dividends	(\$0.2)	(\$0.2)
<b>Net cash</b>	<b>(\$0.1)</b>	<b>(\$0.5)</b>
Debt financing		
Issuances	\$0.6	\$1.4
Redemptions	(0.5)	(\$0.3)
<b>Change in debt</b>	<b>\$0.1</b>	<b>\$1.1</b>
Cash on hand increase <sup>2</sup>		\$0.6

## Capital expenditures

(millions)

	1Q 2019	1Q 2020
<b>DTE Electric</b>		
Base infrastructure	\$178	270
New generation	142	415
Distribution infrastructure	210	184
	<b>\$530</b>	<b>\$869</b>
<b>DTE Gas</b>		
Base infrastructure	\$74	65
Main renewal	37	59
	<b>\$111</b>	<b>\$124</b>
<b>Non-utility</b>	<b>\$86</b>	<b>\$338</b>
<b>Total</b>	<b>\$727</b>	<b>\$1,331</b>



1. Includes equity issued for employee benefit programs  
2. Cash on hand due to pull-forward of debt issuances for increased liquidity

# Weather impact on sales

## Cooling degree days – DTE Electric service area

	1Q 2019	1Q 2020	% Change
Actuals	-	-	0%
Normal	-	-	0%
Deviation from normal	0%	0%	

## Heating degree days – DTE Gas service area

	1Q 2019	1Q 2020	% Change
Actuals	3,420	2,890	(15%)
Normal	3,245	3,288	1%
Deviation from normal	5%	(12%)	

## Operating earnings<sup>1</sup> impact of weather – DTE Electric

(millions)	1Q
2019	\$6
2020	(\$18)
(per share)	1Q
2019	\$0.03
2020	(\$0.09)

## Operating earnings impact of weather – DTE Gas

(millions)	1Q
2019	\$9
2020	(\$23)
(per share)	1Q
2019	\$0.05
2020	(\$0.12)

## Weather normal sales – DTE Electric service area

	1Q 2019	1Q 2020	% Change
Residential	3,632	3,714	2.3%
Commercial	4,725	4,620	(2.2%)
Industrial	2,905	2,722	(6.3%)
Other	63	60	(4.8%)
	11,325	11,116	(1.8%)



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

# DTE Electric and DTE Gas regulatory update

## DTE Electric

- General rate case – filed July 2019 (U-20561)
  - Effective: May 2020
  - Rate recovery: \$351 million
  - ROE: 10.5%
  - Capital structure: 50% debt, 50% equity
  - Rate base: \$18.3 billion

## DTE Gas

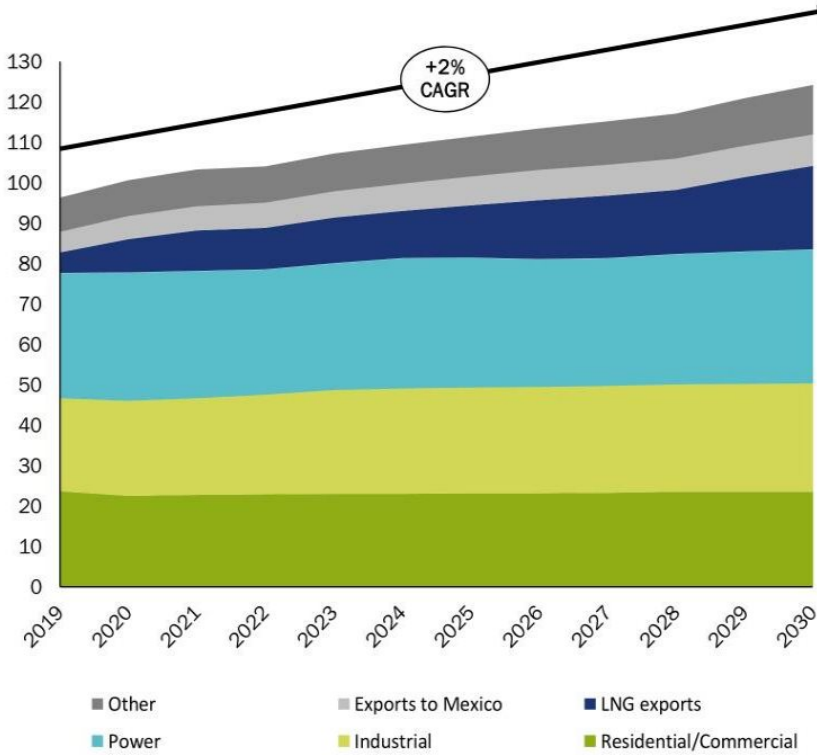
- General rate case – filed November 2019 (U-20642)
  - Effective: October 2020
  - Rate recovery: \$204 million
  - ROE: 10.5%
  - Capital structure: 48% debt, 52% equity
  - Rate base: \$5.1 billion

**DTE**



# Longer-term demand increases will require continued production growth through new drilling

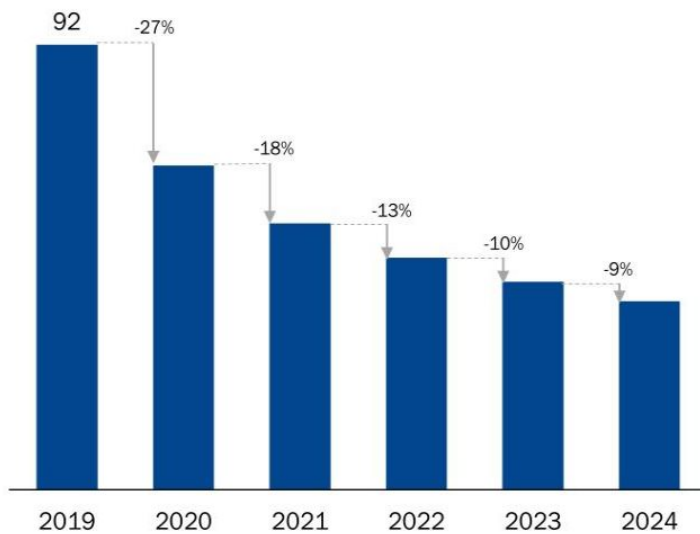
U.S. natural gas demand forecast (Bcf/d)



- Longer-term natural gas supply/demand fundamentals remain attractive; shorter-term gas prices remain challenged
- Gas demand is forecasted to grow at a 2% CAGR through 2030, mainly driven by LNG exports
- Wood Mackenzie expects supply to come from areas where our assets are located, including the northeast and gulf coast
- Short-term demand is less certain
  - In the 2008/2009 recession gas demand dropped by ~2%, then increased post recession by 5% in 2010
  - We have experienced low price commodity cycles before and have emerged in a strong position

# It is necessary to drill 19 Bcf/d of new natural gas supply on an annual basis to hold production flat

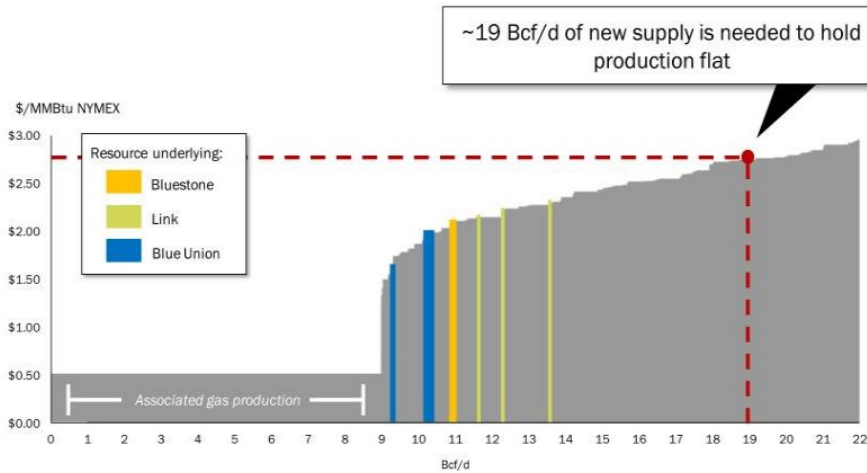
Annual decline of U.S. natural gas supply from currently-flowing wells (Bcf/d)



- Given decline profiles of flowing wells, new production is needed to just keep supply flat
  - Wood Mackenzie forecasts it is necessary to drill 19 Bcf/d on an annual basis to hold production flat
  - Replacing this supply requires prices that allow supply/demand to regain balance
- Low oil prices will decrease oil production and associated natural gas production and positively affect the natural gas market
  - This will stimulate additional natural gas drilling
  - IHS and Wood Mackenzie forecast gas prices need to be \$2.50/MMBtu or higher in 2021/2022 to meet demand

# Our assets are well-positioned in low cost resource basins

2021 – 2023 drilling supply curve (Bcf/d)



- The quality of the resource underlying our assets will ensure that gas will continue to flow on our systems
  - Additionally, our assets are well-positioned in supply basins that connect to growing markets with highly-contracted provisions
- Our major producers are in solid positions
  - Attractive resources
  - Highly hedged over the next couple of years
  - Connected to premium markets
  - Minimal near-term maturities
  - Planning to operate within their cash flows

# 2020 Energy Trading reconciliation of operating earnings<sup>1</sup> to economic net income

(millions)

## Energy Trading reconciliation

	<u>1Q 2019</u>	<u>1Q 2020</u>
Operating earnings	\$5	\$14
Accounting adjustments <sup>2</sup>	10	15
Economic net income	\$15	\$29

- Economic net income equals economic gross margin<sup>3</sup> 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



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

2. 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 and 2) operating adjustments for unrealized marked-to-market changes of certain derivative contracts

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

## 2019 – 2020 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.

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
	(In millions)							
DTE Electric	\$ 94	\$ —	\$ —	\$ 94	\$ 147	\$ —	\$ —	\$ 147
DTE Gas	121	—	—	121	151	—	—	151
<b>Non-utility operations</b>								
Gas Storage and Pipelines	72	—	—	72	48	—	—	48
Power and Industrial Projects	30	—	—	30	26	—	—	26
Energy Trading	34	(26) A	6	14	32	(36) A	9	5
Total Non-utility operations	136	(26)	6	116	106	(36)	9	79
Corporate and Other	(11)	—	—	(11)	(3)	—	—	(3)
Net Income Attributable to DTE Energy Company	\$ 340	\$ (26)	\$ 6	\$ 320	\$ 401	\$ (36)	\$ 9	\$ 374

**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



1. Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 25% for the three months ended March 31, 2020 and 27% for the three months ended March 31, 2019

## 2019 – 2020 reconciliation of reported to operating EPS (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.

	Three Months Ended March 31,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes <sup>(1)</sup>	Operating Earnings
<b>DTE Electric</b>	\$ 0.49	\$ —	\$ —	\$ 0.49	\$ 0.81	\$ —	\$ —	\$ 0.81
<b>DTE Gas</b>	0.63	—	—	0.63	0.83	—	—	0.83
<b>Non-utility operations</b>								
Gas Storage and Pipelines	0.37	—	—	0.37	0.26	—	—	0.26
Power and Industrial Projects	0.16	—	—	0.16	0.14	—	—	0.14
Energy Trading	0.17	(0.14) A	0.04	0.07	0.18	(0.19) A	0.05	0.04
Total Non-utility operations	0.70	(0.14)	0.04	0.60	0.58	(0.19)	0.05	0.44
<b>Corporate and Other</b>	(0.06)	—	—	(0.06)	(0.03)	—	—	(0.03)
<b>Net Income Attributable to DTE Energy Company</b>	<b>\$ 1.76</b>	<b>\$ (0.14)</b>	<b>\$ 0.04</b>	<b>\$ 1.66</b>	<b>\$ 2.19</b>	<b>\$ (0.19)</b>	<b>\$ 0.05</b>	<b>\$ 2.05</b>

**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



1. Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 25% for the three months ended March 31, 2020 and 27% for the three months ended March 31, 2019  
2. 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)

## 2008 reconciliation of reported to operating EPS (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.

2008 Segment Diluted Earnings Per Share			
	Pre-tax adjustments	Income taxes	EPS
DTE Energy Reported EPS			\$3.36
DTE Electric	-	-	-
DTE Gas			
Performance excellence process	0.04	(0.01)	0.03
Gas Storage & Pipelines	-	-	-
Power & Industrial Projects			
Performance excellence process	0.01	-	0.01
Energy Trading			
Performance excellence process	0.01	-	0.01
Corporate & Other			
Residual hedge impact from Antrim sale	0.12	(0.04)	0.08
Tax true-up from sale of joint venture - Crete	0.01	-	0.01
Discontinued operations			
Synfuel	(0.20)	0.07	(0.13)
Unconventional gas production	(0.74)	0.27	(0.47)
DTE Energy Operating EPS	(\$0.75)	\$0.29	\$2.90

**DTE**

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## 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.

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## Adjusted EBITDA is a non-GAAP measure

Adjusted EBITDA is calculated using net income, the most comparable GAAP measure and adding back expenses for interest, taxes, depreciation and amortization. Adjusted EBITDA also includes an adjustment for DTE's proportional share of joint venture net income, excluding taxes and depreciation.

For GSP, DTE Energy management believes that Adjusted EBITDA is a meaningful disclosure to investors as it is more commonly used as the primary performance measurement for external communications with analysts and investors in the midstream industry.

Reconciliation of net income to Adjusted EBITDA as projected for full-year 2020 is not provided. We do not forecast net income as we cannot, without unreasonable efforts, estimate or predict with certainty the components of net income. These components, net of tax, may include, but are not limited to, impairments of assets and other charges, divestiture costs, acquisition costs, or changes in accounting principles. All of these components could significantly impact such financial measures. At this time, management is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, we are not able to provide a corresponding GAAP equivalent for Adjusted EBITDA.

