UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period ended March 31, 2021

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 12 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 1-11607

DTE Energy Company

Michigan	**38-3217752**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No.)

Commission File Number: 1-2198

DTE Electric Company

Michigan	**38-0478650**
(State or other jurisdiction of incorporation or organization)	(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

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
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
2019 6.25% Corporate Units	DTP	New York Stock Exchange
2020 Series G 4.375% Junior Subordinated Debentures due 2080	DTB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

DTE Energy Company (DTE Energy) **Yes** ☒ **No** ☐ **DTE Electric Company (DTE Electric)** **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

DTE Energy **Yes** ☒ **No** ☐ **DTE Electric** **Yes** ☒ **No** ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

DTE Energy	**Large accelerated filer**	**Accelerated filer**	**Non-accelerated filer**	**Smaller reporting company**	**Emerging growth company**
	☒	☐	☐	☐	☐
DTE Electric	**Large accelerated filer**	**Accelerated filer**	**Non-accelerated filer**	**Smaller reporting company**	**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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

DTE Energy **Yes** ☐ **No** ☒ **DTE Electric** **Yes** ☐ **No** ☒

Number of shares of Common Stock outstanding at March 31, 2021:

Registrant	Description	Shares
DTE Energy	Common Stock, without par value	193,727,361
DTE Electric	Common Stock, $10 par value, indirectly-owned by DTE Energy	138,632,324

This combined Form 10-Q is filed separately by two registrants: DTE Energy and DTE Electric. Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. DTE Electric makes no representation as to information relating exclusively to DTE Energy.

DTE Electric, an indirect wholly-owned subsidiary of DTE Energy, meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format specified in General Instructions H(2) of Form 10-Q.

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DEFINITIONS

ACE	Affordable Clean Energy
AFUDC	Allowance for Funds Used During Construction
ASU	Accounting Standards Update issued by the FASB
Blue Union	Blue Union gathering system is a midstream natural gas asset located in the Haynesville shale formation of Louisiana. DTE Energy purchased 100% of Blue Union in December 2019 and this asset is part of DTE Energy's Gas Storage and Pipelines segment
CAD	Canadian Dollar (C$)
CARB	California Air Resources Board that administers California's Low Carbon Fuel Standard
CCR	Coal Combustion Residuals
CFTC	U.S. Commodity Futures Trading Commission
COVID-19	Coronavirus disease of 2019
DTE Electric	DTE Electric Company (an indirect wholly-owned subsidiary of DTE Energy) and subsidiary companies
DTE Energy	DTE Energy Company, directly or indirectly the parent of DTE Electric, DTE Gas, and numerous non-utility subsidiaries
DTE Gas	DTE Gas Company (an indirect wholly-owned subsidiary of DTE Energy) and subsidiary companies
DTE Midstream	DTE Energy's natural gas pipeline, storage, and gathering non-utility, which comprises the Gas Storage and Pipelines segment and certain DTE Energy holding company activity currently included in the Corporate and Other segment
DTE Sustainable Generation	DTE Sustainable Generation Holdings, LLC (an indirect wholly-owned subsidiary of DTE Energy) and subsidiary companies
EGLE	Michigan Department of Environment, Great Lakes, and Energy, formerly known as Michigan Department of Environmental Quality
EGU	Electric Generating Unit
ELG	Effluent Limitations Guidelines
EPA	U.S. Environmental Protection Agency
Equity units	DTE Energy's 2019 equity units issued in November 2019, which were used to finance the Gas Storage and Pipelines acquisition on December 4, 2019
ERCOT	Electric Reliability Council of Texas, the independent power market operator for substantially all of the Texas power market
EWR	Energy Waste Reduction program, which includes a mechanism authorized by the MPSC allowing DTE Electric and DTE Gas to recover through rates certain costs relating to energy waste reduction
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FGD	Flue Gas Desulfurization
FOV	Finding of Violation
FTRs	Financial Transmission Rights are financial instruments that entitle the holder to receive payments related to costs incurred for congestion on the transmission grid.
GCR	A Gas Cost Recovery mechanism authorized by the MPSC that allows DTE Gas to recover through rates its natural gas costs.
GHGs	Greenhouse gases
Green Bonds	A financing option to fund projects that have a positive environmental impact based upon a specified set of criteria. The proceeds are required to be used for eligible green expenditures.

DEFINITIONS

LEAP	Louisiana Energy Access Project gathering pipeline is a midstream natural gas asset located in the Haynesville shale formation of Louisiana. DTE Energy purchased 100% of LEAP in December 2019 and this asset is part of DTE Energy's Gas Storage and Pipelines segment
LIBOR	London Inter-Bank Offered Rates
MGP	Manufactured Gas Plant
MPSC	Michigan Public Service Commission
MTM	Mark-to-market
NAV	Net Asset Value
NEXUS	NEXUS Gas Transmission, LLC, a joint venture in which DTE Energy owns a 50% partnership interest
Non-utility	An entity that is not a public utility. Its conditions of service, prices of goods and services, and other operating related matters are not directly regulated by the MPSC
NO_X	Nitrogen Oxides
NPDES	National Pollutant Discharge Elimination System
NRC	U.S. Nuclear Regulatory Commission
Production tax credits	Tax credits as authorized under Sections 45K and 45 of the Internal Revenue Code that are designed to stimulate investment in and development of alternate fuel sources. The amount of a production tax credit can vary each year as determined by the Internal Revenue Service.
PSCR	A Power Supply Cost Recovery mechanism authorized by the MPSC that allows DTE Electric to recover through rates its fuel, fuel-related, and purchased power costs.
REC	Renewable Energy Credit
REF	Reduced Emissions Fuel
Registrants	DTE Energy and DTE Electric
Retail access	Michigan legislation provided customers the option of access to alternative suppliers for electricity and natural gas.
RPS	Renewable Portfolio Standard program, which includes a mechanism authorized by the MPSC allowing DTE Electric to recover through rates its renewable energy costs
SGG	Stonewall Gas Gathering is a midstream natural gas asset located in West Virginia. DTE Energy purchased 55% of SGG in October 2016, and an additional 30% in May 2019, bringing its ownership to 85%. SGG is part of DTE Energy's Gas Storage and Pipelines segment.
SIP	State Implementation Plan
SO_2	Sulfur Dioxide
TCJA	Tax Cuts and Jobs Act of 2017, which reduced the corporate Federal income tax rate from 35% to 21%
Topic 606	FASB issued ASU No. 2014-09, Revenue from Contracts with Customers, as amended
TRM	A Transitional Reconciliation Mechanism authorized by the MPSC that allows DTE Electric to recover through rates the deferred net incremental revenue requirement associated with the transition of the City of Detroit's Public Lighting Department customers to DTE Electric's distribution system
USD	United States Dollar ($)
VIE	Variable Interest Entity

DEFINITIONS

Units of Measurement

Bcf	Billion cubic feet of natural gas
BTU	British thermal unit, heat value (energy content) of fuel
MMBtu	One million BTU
MWh	Megawatt-hour of electricity

FILING FORMAT

This combined Form 10-Q is separately filed by DTE Energy and DTE Electric. Information in this combined Form 10-Q relating to each individual Registrant is filed by such Registrant on its own behalf. DTE Electric makes no representation regarding information relating to any other companies affiliated with DTE Energy other than its own subsidiaries. Neither DTE Energy, nor any of DTE Energy’s other subsidiaries (other than DTE Electric), has any obligation in respect of DTE Electric's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of DTE Energy nor any of DTE Energy’s other subsidiaries (other than DTE Electric and its own subsidiaries (in relevant circumstances)) in making a decision with respect to DTE Electric's debt securities. Similarly, none of DTE Electric nor any other subsidiary of DTE Energy has any obligation in respect to debt securities of DTE Energy. This combined Form 10-Q should be read in its entirety. No one section of this combined Form 10-Q deals with all aspects of the subject matter of this combined Form 10-Q. This combined Form 10-Q should be read in conjunction with the Consolidated Financial Statements and Combined Notes to Consolidated Financial Statements and with Management's Discussion and Analysis included in the combined DTE Energy and DTE Electric 2020 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

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 the Registrants. 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 numerous assumptions, risks, and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated, or budgeted. Many factors may impact forward-looking statements of the Registrants including, but not limited to, the following:

- DTE Energy’s intent to spin-off DTE Midstream and DTE Energy’s preliminary strategic, operational and financial considerations related thereto. The statements with respect to the separation transaction are preliminary in nature and subject to change as additional information becomes available. The separation transaction will be subject to the satisfaction of a number of conditions, including the final approval of DTE Energy’s Board of Directors, and there is no assurance that such separation transaction will in fact occur;
- Risks related to the spin-off of DTE Midstream, including that the process of exploring the transaction and potentially completing the transaction could disrupt or adversely affect the consolidated or separate businesses, results of operations and financial condition, that the transaction may not achieve some or all of any anticipated benefits with respect to either business, and that the transaction may not be completed in accordance with DTE Energy’s expected plans or anticipated timelines, or at all;
- the duration and impact of the COVID-19 pandemic on the Registrants and customers;
- impact of regulation by the EPA, EGLE, the FERC, the MPSC, the NRC, and for DTE Energy, the CFTC and CARB, 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 Registrants' 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 and volatility in the short-term natural gas storage markets impacting third-party storage revenues related to DTE Energy;
- 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 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. The Registrants 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. The Registrants 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.

Part I — Financial Information

Item 1. *Financial Statements*

DTE Energy Company

Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(In millions, except per share amounts)	
Operating Revenues		
Utility operations	**$ 1,953**	$ 1,733
Non-utility operations	**1,825**	1,289
	3,778	3,022
Operating Expenses		
Fuel, purchased power, and gas — utility	**544**	467
Fuel, purchased power, gas, and other — non-utility	**1,600**	968
Operation and maintenance	**608**	579
Depreciation and amortization	**368**	353
Taxes other than income	**122**	119
Asset (gains) losses and impairments, net	**(1)**	(10)
	3,241	2,476
Operating Income	**537**	546
Other (Income) and Deductions		
Interest expense	**181**	175
Interest income	**(7)**	(10)
Non-operating retirement benefits, net	**4**	9
Other income	**(76)**	(65)
Other expenses	**10**	46
	112	155
Income Before Income Taxes	**425**	391
Income Tax Expense	**28**	49
Net Income	**397**	342
Less: Net Income Attributable to Noncontrolling Interests	**—**	2
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340
Basic Earnings per Common Share		
Net Income Attributable to DTE Energy Company	**$ 2.05**	$ 1.77
Diluted Earnings per Common Share		
Net Income Attributable to DTE Energy Company	**$ 2.05**	$ 1.76
Weighted Average Common Shares Outstanding		
Basic	**194**	192
Diluted	**194**	192

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Energy Company

Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Net Income	**$ 397**	$ 342
Other comprehensive income (loss), net of tax:		
Benefit obligations, net of taxes of $1 for both periods	**2**	3
Net unrealized gains (losses) on derivatives, net of taxes of $— for both periods	**1**	1
Foreign currency translation	**—**	(1)
Other comprehensive income	**3**	3
Comprehensive income	**400**	345
Less: Comprehensive income attributable to noncontrolling interests	**—**	2
Comprehensive Income Attributable to DTE Energy Company	**$ 400**	$ 343

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Energy Company

Consolidated Statements of Financial Position (Unaudited)

	March 31, 2021	December 31, 2020
	(In millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 1,568**	$ 514
Restricted cash	**2**	2
Accounts receivable (less allowance for doubtful accounts of $123 and $104, respectively)		
Customer	**1,553**	1,665
Other	**132**	127
Inventories		
Fuel and gas	**204**	335
Materials, supplies, and other	**460**	381
Derivative assets	**73**	116
Regulatory assets	**117**	129
Other	**267**	229
	4,376	3,498
Investments		
Nuclear decommissioning trust funds	**1,924**	1,855
Investments in equity method investees	**1,856**	1,868
Other	**197**	196
	3,977	3,919
Property		
Property, plant, and equipment	**38,430**	37,997
Accumulated depreciation and amortization	**(10,158)**	(10,028)
	28,272	27,969
Other Assets		
Goodwill	**2,466**	2,466
Regulatory assets	**4,070**	4,128
Intangible assets	**2,318**	2,339
Notes receivable	**304**	280
Derivative assets	**37**	40
Prepaid postretirement costs	**576**	561
Operating lease right-of-use assets	**145**	152
Other	**158**	144
	10,074	10,110
Total Assets	**$ 46,699**	$ 45,496

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Energy Company

Consolidated Statements of Financial Position (Unaudited) — (Continued)

	March 31, 2021	December 31, 2020
	(In millions, except shares)	
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	**$ 955**	$ 1,029
Accrued interest	**169**	158
Dividends payable	**210**	210
Short-term borrowings	**52**	38
Current portion long-term debt, including finance leases	**469**	469
Derivative liabilities	**89**	68
Gas inventory equalization	**68**	—
Regulatory liabilities	**29**	39
Operating lease liabilities	**33**	33
Other	**521**	647
	2,595	2,691
Long-Term Debt (net of current portion)		
Mortgage bonds, notes, and other	**18,796**	17,802
Junior subordinated debentures	**1,175**	1,175
Finance lease liabilities	**22**	24
	19,993	19,001
Other Liabilities		
Deferred income taxes	**2,894**	2,822
Regulatory liabilities	**3,416**	3,363
Asset retirement obligations	**2,879**	2,839
Unamortized investment tax credit	**160**	162
Derivative liabilities	**119**	60
Accrued pension liability	**773**	797
Accrued postretirement liability	**404**	407
Nuclear decommissioning	**295**	283
Operating lease liabilities	**105**	111
Other	**352**	371
	11,397	11,215
Commitments and Contingencies (Notes 6 and 13)		
Equity		
Common stock (No par value, 400,000,000 shares authorized, and 193,727,361 and 193,770,617 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively)	**5,344**	5,406
Retained earnings	**7,342**	7,156
Accumulated other comprehensive loss	**(134)**	(137)
Total DTE Energy Company Equity	**12,552**	12,425
Noncontrolling interests	**162**	164
Total Equity	**12,714**	12,589
Total Liabilities and Equity	**$ 46,699**	$ 45,496

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Energy Company

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Activities		
Net Income	**$ 397**	$ 342
Adjustments to reconcile Net Income to Net cash from operating activities:		
Depreciation and amortization	**368**	353
Nuclear fuel amortization	**15**	13
Allowance for equity funds used during construction	**(7)**	(6)
Deferred income taxes	**41**	213
Equity earnings of equity method investees	**(32)**	(29)
Dividends from equity method investees	**42**	39
Asset (gains) losses and impairments, net	**1**	(6)
Changes in assets and liabilities:		
Accounts receivable, net	**107**	151
Inventories	**52**	55
Prepaid postretirement benefit costs	**(15)**	(14)
Accounts payable	**(20)**	(24)
Gas inventory equalization	**68**	62
Accrued pension liability	**(24)**	(13)
Accrued postretirement liability	**(3)**	—
Derivative assets and liabilities	**126**	(30)
Regulatory assets and liabilities	**128**	(149)
Other current and noncurrent assets and liabilities	**(187)**	104
Net cash from operating activities	**1,057**	1,061
Investing Activities		
Plant and equipment expenditures — utility	**(630)**	(993)
Plant and equipment expenditures — non-utility	**(39)**	(195)
Acquisitions related to business combinations, net of cash acquired	**—**	(128)
Proceeds from sale of assets	**1**	4
Proceeds from sale of nuclear decommissioning trust fund assets	**271**	439
Investment in nuclear decommissioning trust funds	**(273)**	(438)
Distributions from equity method investees	**4**	1
Contributions to equity method investees	**(2)**	(15)
Notes receivable	**(27)**	(14)
Other	**(10)**	(3)
Net cash used for investing activities	**(705)**	(1,342)
Financing Activities		
Issuance of long-term debt, net of issuance costs	**989**	1,092
Redemption of long-term debt	**—**	(300)
Short-term borrowings, net	**14**	303
Repurchase of common stock	**(54)**	—
Dividends paid on common stock	**(210)**	(195)
Contributions from noncontrolling interests, principally REF entities	**12**	10
Distributions to noncontrolling interests	**(14)**	(10)
Other	**(35)**	(36)
Net cash from financing activities	**702**	864
Net Increase in Cash, Cash Equivalents, and Restricted Cash	**1,054**	583
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**516**	93
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 1,570**	$ 676
Supplemental disclosure of non-cash investing and financing activities		
Plant and equipment expenditures in accounts payable	**$ 208**	$ 285

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Energy Company

Consolidated Statements of Changes in Equity (Unaudited)

	Common Stock					
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
	(Dollars in millions, shares in thousands)					
Balance, December 31, 2020	193,771	$ 5,406	$ 7,156	$ (137)	$ 164	$ 12,589
Net Income	—	—	397	—	—	397
Dividends declared on common stock ($1.09 per Common Share)	—	—	(210)	—	—	(210)
Repurchase of common stock	(430)	(54)	—	—	—	(54)
Other comprehensive income, net of tax	—	—	—	3	—	3
Stock-based compensation, net distributions to noncontrolling interests, and other	386	(8)	(1)	—	(2)	(11)
Balance, March 31, 2021	**193,727**	**$ 5,344**	**$ 7,342**	**$ (134)**	**$ 162**	**$ 12,714**

	Common Stock					
	Shares	Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total
	(Dollars in millions, shares in thousands)					
Balance, December 31, 2019	192,209	$ 5,233	$ 6,587	$ (148)	$ 164	$ 11,836
Net Income	—	—	340	—	2	342
Dividends declared on common stock ($1.01 per Common Share)	—	—	(195)	—	—	(195)
Other comprehensive income, net of tax	—	—	—	3	—	3
Stock-based compensation, net distributions to noncontrolling interests, and other	403	2	—	—	—	2
Balance, March 31, 2020	192,612	$ 5,235	$ 6,732	$ (145)	$ 166	$ 11,988

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Operations (Unaudited)

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Revenues — Utility operations	**$ 1,360**	$ 1,212
Operating Expenses		
Fuel and purchased power — utility	**362**	297
Operation and maintenance	**357**	360
Depreciation and amortization	**260**	258
Taxes other than income	**82**	83
	1,061	998
Operating Income	**299**	214
Other (Income) and Deductions		
Interest expense	**82**	81
Interest income	**—**	(2)
Other income	**(19)**	(13)
Other expenses	**8**	41
	71	107
Income Before Income Taxes	**228**	107
Income Tax Expense	**20**	13
Net Income	**$ 208**	$ 94

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Net Income	$ 208	$ 94
Other comprehensive income	—	—
Comprehensive Income	**$ 208**	$ 94

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Financial Position (Unaudited)

	March 31, 2021	December 31, 2020
	(In millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 878**	$ 16
Accounts receivable (less allowance for doubtful accounts of $59 and $57, respectively)		
Customer	**664**	763
Affiliates	**5**	13
Other	**55**	62
Inventories		
Fuel	**137**	187
Materials and supplies	**318**	292
Regulatory assets	**106**	123
Other	**122**	71
	2,285	1,527
Investments		
Nuclear decommissioning trust funds	**1,924**	1,855
Other	**44**	42
	1,968	1,897
Property		
Property, plant, and equipment	**26,481**	26,171
Accumulated depreciation and amortization	**(7,112)**	(7,050)
	19,369	19,121
Other Assets		
Regulatory assets	**3,404**	3,440
Intangible assets	**6**	11
Prepaid postretirement costs — affiliates	**343**	335
Operating lease right-of-use assets	**73**	75
Other	**115**	107
	3,941	3,968
Total Assets	**$ 27,563**	$ 26,513

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Financial Position (Unaudited) — (Continued)

	March 31, 2021	December 31, 2020
	(In millions, except shares)	
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Accounts payable		
Affiliates	**$ 70**	$ 62
Other	**361**	410
Accrued interest	**79**	91
Current portion long-term debt, including finance leases	**468**	468
Regulatory liabilities	**24**	18
Short-term borrowings		
Affiliates	**78**	101
Operating lease liabilities	**11**	11
Other	**169**	219
	1,260	1,380
Long-Term Debt (net of current portion)		
Mortgage bonds, notes, and other	**8,764**	7,774
Finance lease liabilities	**11**	13
	8,775	7,787
Other Liabilities		
Deferred income taxes	**2,560**	2,525
Regulatory liabilities	**2,485**	2,432
Asset retirement obligations	**2,645**	2,607
Unamortized investment tax credit	**160**	162
Nuclear decommissioning	**295**	283
Accrued pension liability — affiliates	**719**	731
Accrued postretirement liability — affiliates	**382**	384
Operating lease liabilities	**54**	56
Other	**97**	96
	9,397	9,276
Commitments and Contingencies (Notes 6 and 13)		
Shareholder's Equity		
Common stock ($10 par value, 400,000,000 shares authorized, and 138,632,324 shares issued and outstanding for both periods)	**5,447**	5,447
Retained earnings	**2,684**	2,623
Total Shareholder's Equity	**8,131**	8,070
Total Liabilities and Shareholder's Equity	**$ 27,563**	$ 26,513

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Cash Flows (Unaudited)

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Activities		
Net Income	**$ 208**	$ 94
Adjustments to reconcile Net Income to Net cash from operating activities:		
Depreciation and amortization	**260**	258
Nuclear fuel amortization	**15**	13
Allowance for equity funds used during construction	**(6)**	(6)
Deferred income taxes	**15**	7
Changes in assets and liabilities:		
Accounts receivable, net	**114**	54
Inventories	**24**	(18)
Accounts payable	**(8)**	106
Prepaid postretirement benefit costs — affiliates	**(8)**	—
Accrued pension liability — affiliates	**(12)**	(6)
Accrued postretirement liability — affiliates	**(2)**	(8)
Regulatory assets and liabilities	**121**	(152)
Other current and noncurrent assets and liabilities	**(150)**	132
Net cash from operating activities	**571**	474
Investing Activities		
Plant and equipment expenditures	**(502)**	(871)
Proceeds from sale of nuclear decommissioning trust fund assets	**271**	439
Investment in nuclear decommissioning trust funds	**(273)**	(438)
Other	**(9)**	(2)
Net cash used for investing activities	**(513)**	(872)
Financing Activities		
Issuance of long-term debt, net of issuance costs	**989**	1,092
Redemption of long-term debt	**—**	(300)
Short-term borrowings, net — affiliate	**(23)**	42
Short-term borrowings, net — other	**—**	(283)
Dividends paid on common stock	**(147)**	(135)
Other	**(15)**	(17)
Net cash from financing activities	**804**	399
Net Increase in Cash and Cash Equivalents	**862**	1
Cash and Cash Equivalents at Beginning of Period	**16**	12
Cash and Cash Equivalents at End of Period	**$ 878**	$ 13
Supplemental disclosure of non-cash investing and financing activities		
Plant and equipment expenditures in accounts payable	**$ 141**	$ 138

See Combined Notes to Consolidated Financial Statements (Unaudited)

DTE Electric Company

Consolidated Statements of Changes in Shareholder's Equity (Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
	(Dollars in millions, shares in thousands)				
Balance, December 31, 2020	138,632	$ 1,386	$ 4,061	$ 2,623	$ 8,070
Net Income	—	—	—	208	208
Dividends declared on common stock	—	—	—	(147)	(147)
Balance, March 31, 2021	**138,632**	**1,386**	**4,061**	**2,684**	**8,131**

	Common Stock		Additional Paid-in Capital	Retained Earnings	Total
	Shares	Amount			
	(Dollars in millions, shares in thousands)				
Balance, December 31, 2019	138,632	$ 1,386	$ 3,425	$ 2,384	$ 7,195
Net Income	—	—	—	94	94
Dividends declared on common stock	—	—	—	(135)	(135)
Balance, March 31, 2020	138,632	1,386	3,425	2,343	7,154

See Combined Notes to Consolidated Financial Statements (Unaudited)

Index of Combined Notes to Consolidated Financial Statements (Unaudited)

The Combined Notes to Consolidated Financial Statements (Unaudited) are a combined presentation for DTE Energy and DTE Electric. The following list indicates the Registrant(s) to which each note applies:

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION

Corporate Structure

DTE Energy owns the following businesses:

- DTE Electric is a public utility engaged in the generation, purchase, distribution, and sale of electricity to approximately 2.2 million customers in southeastern Michigan;
- DTE Gas is a public utility engaged in the purchase, storage, transportation, distribution, and sale of natural gas to approximately 1.3 million customers throughout Michigan and the sale of storage and transportation capacity; and
- Other businesses primarily involved in 1) services related to the gathering, transportation, and storage of natural gas; 2) power and industrial projects; and 3) energy marketing and trading operations.

DTE Electric and DTE Gas are regulated by the MPSC. Certain activities of DTE Electric and DTE Gas, as well as various other aspects of businesses under DTE Energy, are regulated by the FERC. In addition, the Registrants are regulated by other federal and state regulatory agencies including the NRC, the EPA, EGLE, and for DTE Energy, the CFTC and CARB.

Basis of Presentation

The Consolidated Financial Statements should be read in conjunction with the Combined Notes to Consolidated Financial Statements included in the combined DTE Energy and DTE Electric 2020 Annual Report on Form 10-K.

The accompanying Consolidated Financial Statements of the Registrants are prepared using accounting principles generally accepted in the United States of America. These accounting principles require management to use estimates and assumptions that impact reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from the Registrants' estimates.

The Consolidated Financial Statements are unaudited but, in the Registrants' opinions, include all adjustments necessary to present a fair statement of the results for the interim periods. All adjustments are of a normal recurring nature, except as otherwise disclosed in these Consolidated Financial Statements and Combined Notes to Consolidated Financial Statements. Financial results for this interim period are not necessarily indicative of results that may be expected for any other interim period or for the fiscal year ending December 31, 2021.

The information in these combined notes relates to each of the Registrants as noted in the Index of Combined Notes to Consolidated Financial Statements. However, DTE Electric does not make any representation as to information related solely to DTE Energy or the subsidiaries of DTE Energy other than itself.

Principles of Consolidation

The Registrants consolidate all majority-owned subsidiaries and investments in entities in which they have controlling influence. Non-majority owned investments are accounted for using the equity method when the Registrants are able to significantly influence the operating policies of the investee. When the Registrants do not influence the operating policies of an investee, the equity investment is valued at cost minus any impairments, if applicable. These Consolidated Financial Statements also reflect the Registrants' proportionate interests in certain jointly-owned utility plants. The Registrants eliminate all intercompany balances and transactions.

The Registrants evaluate whether an entity is a VIE whenever reconsideration events occur. The Registrants consolidate VIEs for which they are the primary beneficiary. If a Registrant is not the primary beneficiary and an ownership interest is held, the VIE is accounted for under the equity method of accounting. When assessing the determination of the primary beneficiary, a Registrant considers all relevant facts and circumstances, including: the power, through voting or similar rights, to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb the expected losses and/or the right to receive the expected returns of the VIE. The Registrants perform ongoing reassessments of all VIEs to determine if the primary beneficiary status has changed.

Legal entities within DTE Energy's Power and Industrial Projects segment enter into long-term contractual arrangements with customers to supply energy-related products or services. The entities are generally designed to pass-through the commodity risk associated with these contracts to the customers, with DTE Energy retaining operational and customer default risk. These entities generally are VIEs and consolidated when DTE Energy is the primary beneficiary. In addition, DTE Energy has interests in certain VIEs through which control of all significant activities is shared with partners, and therefore are generally accounted for under the equity method.

DTE Energy currently owns an 85% interest in SGG, which owns and operates midstream natural gas assets. SGG has contracts through which certain construction risk was designed to pass-through to the customers, with DTE Energy retaining operational and customer default risk. SGG is a VIE with DTE Energy as the primary beneficiary.

The Registrants have variable interests in NEXUS, which include DTE Energy's 50% ownership interest and DTE Electric's transportation services contract. NEXUS is a joint venture which owns a 256-mile pipeline to transport Utica and Marcellus shale gas to Ohio, Michigan, and Ontario market centers. NEXUS also owns Generation Pipeline, LLC, a 25-mile regulated pipeline system located in northern Ohio. NEXUS is a VIE as it has insufficient equity at risk to finance its activities. The Registrants are not the primary beneficiaries, as the power to direct significant activities is shared between the owners of the equity interests. DTE Energy accounts for its ownership interest in NEXUS under the equity method.

The Registrants hold ownership interests in certain limited partnerships. The limited partnerships include investment funds which support regional development and economic growth, and an operational business providing energy-related products. These entities are generally VIEs as a result of certain characteristics of the limited partnership voting rights. The ownership interests are accounted for under the equity method as the Registrants are not the primary beneficiaries.

DTE Energy has variable interests in VIEs through certain of its long-term purchase and sale contracts. DTE Electric has variable interests in VIEs through certain of its long-term purchase contracts, including the transportation services contract with NEXUS. As of March 31, 2021, the carrying amount of assets and liabilities in DTE Energy's Consolidated Statements of Financial Position that relate to its variable interests under long-term purchase and sale contracts are predominantly related to working capital accounts and generally represent the amounts owed by or to DTE Energy for the deliveries associated with the current billing cycle under the contracts. As of March 31, 2021, the carrying amount of assets and liabilities in DTE Electric's Consolidated Statements of Financial Position that relate to its variable interests under long-term purchase contracts are predominantly related to working capital accounts and generally represent the amounts owed by DTE Electric for the deliveries associated with the current billing cycle under the contracts. The Registrants have not provided any significant form of financial support associated with these long-term contracts. There is no material potential exposure to loss as a result of DTE Energy's variable interests through these long-term purchase and sale contracts. In addition, there is no material potential exposure to loss as a result of DTE Electric's variable interests through these long-term purchase contracts.

The maximum risk exposure for consolidated VIEs is reflected on the Registrants' Consolidated Statements of Financial Position and, for DTE Energy, in Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies," related to the REF guarantees and indemnities. For non-consolidated VIEs, the maximum risk exposure of the Registrants is generally limited to their investment, notes receivable, future funding commitments, and amounts which DTE Energy has loaned or guaranteed. See Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies," for further discussion of the NEXUS guarantee arrangements and credit agreement related to Brilliant Energy, LLC, a non-consolidated VIE and customer of DTE Energy Trading.

The following table summarizes the major Consolidated Statements of Financial Position items for consolidated VIEs as of March 31, 2021 and December 31, 2020. All assets and liabilities of a consolidated VIE are presented where it has been determined that a consolidated VIE has either (1) assets that can be used only to settle obligations of the VIE or (2) liabilities for which creditors do not have recourse to the general credit of the primary beneficiary. VIEs, in which DTE Energy holds a majority voting interest and is the primary beneficiary, that meet the definition of a business and whose assets can be used for purposes other than the settlement of the VIE's obligations have been excluded from the table below.

Amounts for DTE Energy's consolidated VIEs are as follows:

	March 31, 2021			December 31, 2020		
	SGG[(a)]	**Other**	**Total**	**SGG[(a)]**	**Other**	**Total**
	(In millions)					
ASSETS						
Cash and cash equivalents	**$ 21**	**$ 23**	**$ 44**	$ 34	$ 20	$ 54
Accounts receivable	**9**	**22**	**31**	8	28	36
Inventories	**—**	**52**	**52**	—	107	107
Property, plant, and equipment, net	**400**	**19**	**419**	402	23	425
Goodwill	**25**	**—**	**25**	25	—	25
Intangible assets	**524**	**—**	**524**	527	—	527
Other current and long-term assets	**1**	**47**	**48**	2	33	35
	$ 980	**$ 163**	**$ 1,143**	$ 998	$ 211	$ 1,209
LIABILITIES						
Accounts payable and accrued current liabilities	**$ —**	**$ 19**	**$ 19**	$ —	$ 22	$ 22
Short-term borrowings	**—**	**52**	**52**	—	38	38
Other current and long-term liabilities	**7**	**4**	**11**	7	4	11
	$ 7	**$ 75**	**$ 82**	$ 7	$ 64	$ 71

(a) Amounts shown are 100% of SGG's assets and liabilities, of which DTE Energy owns 85% at March 31, 2021 and December 31, 2020.

Amounts for DTE Energy's non-consolidated VIEs are as follows:

	March 31, 2021	December 31, 2020
	(In millions)	
Investments in equity method investees	**$ 1,496**	$ 1,507
Notes receivable	**$ 48**	$ 47
Future funding commitments	**$ 22**	$ 26

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Other Income

The following is a summary of DTE Energy's Other income:

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Equity earnings of equity method investees	**$ 32**	$ 29
Income from REF entities	**24**	23
Contract services	**8**	7
Allowance for equity funds used during construction	**7**	6
Gains from rabbi trust securities[a]	**2**	—
Other	**3**	—
	$ 76	$ 65

(a) Losses from rabbi trust securities are recorded separately to Other expenses on the Consolidated Statements of Operations.

The following is a summary of DTE Electric's Other income:

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Contract services	**8**	7
Allowance for equity funds used during construction	**6**	6
Gains from rabbi trust securities allocated from DTE Energy[a]	**$ 2**	$ —
Other	**3**	—
	$ 19	$ 13

(a) Losses from rabbi trust securities are recorded separately to Other expenses on the Consolidated Statements of Operations.

Changes in Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) is the change in common shareholders' equity during a period from transactions and events from non-owner sources, including Net Income. The amounts recorded to Accumulated other comprehensive income (loss) for DTE Energy include changes in benefit obligations, consisting of deferred actuarial losses and prior service costs, unrealized gains and losses from derivatives accounted for as cash flow hedges, and foreign currency translation adjustments. DTE Energy releases income tax effects from accumulated other comprehensive income when the circumstances upon which they are premised cease to exist.

Changes in Accumulated other comprehensive income (loss) are presented in DTE Energy's Consolidated Statements of Changes in Equity and DTE Electric's Consolidated Statements of Changes in Shareholder's Equity. For the three months ended March 31, 2021 and 2020, reclassifications out of Accumulated other comprehensive income (loss) were not material.

Income Taxes

The interim effective tax rates of the Registrants are as follows:

	Effective Tax Rate	
	Three Months Ended March 31,	
	2021	2020
DTE Energy	**7 %**	13 %
DTE Electric	**9 %**	12 %

These tax rates are affected by estimated annual permanent items, including AFUDC equity, production tax credits, and other flow-through items, as well as discrete items that may occur in any given period, but are not consistent from period to period.

The 6% decrease in DTE Energy's effective tax rate for the three months ended March 31, 2021 was primarily due to an increase in production tax credits of 3% and higher amortization of the TCJA regulatory liability of 2%.

The 3% decrease in DTE Electric's effective tax rate for the three months ended March 31, 2021 was primarily due to an increase in production tax credits of 2% and higher amortization of the TCJA regulatory liability of 1%.

DTE Electric had income tax receivables with DTE Energy of $3 million and $8 million at March 31, 2021 and December 31, 2020, respectively.

Unrecognized Compensation Costs

As of March 31, 2021, DTE Energy had $111 million of total unrecognized compensation cost related to non-vested stock incentive plan arrangements. That cost is expected to be recognized over a weighted-average period of 1.85 years.

Allocated Stock-Based Compensation

DTE Electric received an allocation of costs from DTE Energy associated with stock-based compensation of $14 million and $9 million for the three months ended March 31, 2021 and 2020, respectively.

Cash, Cash Equivalents, and Restricted Cash

Cash and cash equivalents include cash on hand, cash in banks, and temporary investments purchased with remaining maturities of three months or less. Restricted cash consists of funds held in separate bank accounts to satisfy contractual obligations and guarantee performance. Restricted cash designated for payments within one year is classified as a Current Asset.

Financing Receivables

Financing receivables are primarily composed of trade receivables, notes receivable, and unbilled revenue. The Registrant's financing receivables are stated at net realizable value.

The Registrants monitor the credit quality of their financing receivables on a regular basis by reviewing credit quality indicators and monitoring for trigger events, such as a credit rating downgrade or bankruptcy. Credit quality indicators include, but are not limited to, ratings by credit agencies where available, collection history, collateral, counterparty financial statements and other internal metrics. Utilizing such data, the Registrants have determined three internal grades of credit quality. Internal grade 1 includes financing receivables for counterparties where credit rating agencies have ranked the counterparty as investment grade. To the extent credit ratings are not available, the Registrants utilize other credit quality indicators to determine the level of risk associated with the financing receivable. Internal grade 1 may include financing receivables for counterparties for which credit rating agencies have ranked the counterparty as below investment grade; however, due to favorable information on other credit quality indicators, the Registrants have determined the risk level to be similar to that of an investment grade counterparty. Internal grade 2 includes financing receivables for counterparties with limited credit information and those with a higher risk profile based upon credit quality indicators. Internal grade 3 reflects financing receivables for which the counterparties have the greatest level of risk, including those in bankruptcy status.

The following represents the Registrants' financing receivables by year of origination, classified by internal grade of credit risk. The related credit quality indicators and risk ratings utilized to develop the internal grades have been updated through March 31, 2021.

	DTE Energy				DTE Electric
	Year of origination				
	2021	2020	2019 and Prior	Total	2021 and Prior
	(In millions)				
Notes receivable					
Internal grade 1	$ —	$ —	$ 23	**$ 23**	**$ 14**
Internal grade 2	1	64	52	**117**	**2**
Total notes receivable[(a)]	**$ 1**	**$ 64**	**$ 75**	**$ 140**	**$ 16**
Net investment in leases					
Net investment in leases, internal grade 1	$ —	$ 4	$ 39	**$ 43**	**$ —**
Net investment in leases, internal grade 2	—	161	1	**162**	—
Total net investment in leases[(a)]	**$ —**	**$ 165**	**$ 40**	**$ 205**	**$ —**

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(a) For DTE Energy, included in Current Assets — Other and Other Assets — Notes Receivable on the Consolidated Statements of Financial Position. For DTE Electric, included in Other Assets — Other on the Consolidated Statements of Financial Position.

The allowance for doubtful accounts on accounts receivable for the utility entities is generally calculated using an aging approach that utilizes rates developed in reserve studies. DTE Electric and DTE Gas establish an allowance for uncollectible accounts based on historical losses and management's assessment of existing and future economic conditions, customer trends and other factors. Customer accounts are generally considered delinquent if the amount billed is not received by the due date, which is typically in 21 days, however, factors such as assistance programs may delay aggressive action. DTE Electric and DTE Gas generally assess late payment fees on trade receivables based on past-due terms with customers. Customer accounts are written off when collection efforts have been exhausted. The time period for write-off is 150 days after service has been terminated.

The customer allowance for doubtful accounts for non-utility businesses and other receivables for both utility and non-utility businesses is generally calculated based on specific review of probable future collections based on receivable balances generally in excess of 30 days. Existing and future economic conditions, customer trends and other factors are also considered. Receivables are written off on a specific identification basis and determined based upon the specific circumstances of the associated receivable.

Notes receivable for DTE Energy are primarily comprised of finance lease receivables and loans that are included in Notes Receivable and Other current assets on DTE Energy's Consolidated Statements of Financial Position. Notes receivable for DTE Electric are primarily comprised of loans.

Notes receivable are typically considered delinquent when payment is not received for periods ranging from 60 to 120 days. The Registrants cease accruing interest (nonaccrual status), consider a note receivable impaired, and establish an allowance for credit loss when it is probable that all principal and interest amounts due will not be collected in accordance with the contractual terms of the note receivable. In determining the allowance for credit losses for notes receivable, the Registrants consider the historical payment experience and other factors that are expected to have a specific impact on the counterparty's ability to pay including existing and future economic conditions.

DTE Energy has off balance sheet exposure in the form of a revolving credit facility. Refer to Note 13, "Commitments and Contingencies," for additional information. In determining the level of credit reserve needed, DTE considers the likelihood of funding in addition to the other factors noted above. A reserve may be established when it is likely that funding will occur. Cash payments received on nonaccrual status notes receivable, that do not bring the account contractually current, are first applied to the contractually owed past due interest, with any remainder applied to principal. Accrual of interest is generally resumed when the note receivable becomes contractually current.

The following tables present a roll-forward of the activity for the Registrants' financing receivables credit loss reserves:

	DTE Energy			DTE Electric
	Trade accounts receivable	Other receivables	Total	Trade and other accounts receivable
		(In millions)		
Beginning reserve balance, January 1, 2021	$ 101	$ 3	**$ 104**	**$ 57**
Current period provision	30	—	**30**	**12**
Write-offs charged against allowance	(36)	—	**(36)**	**(24)**
Recoveries of amounts previously written off	25	—	**25**	**14**
Ending reserve balance, March 31, 2021	**$ 120**	**$ 3**	**$ 123**	**$ 59**

	DTE Energy			DTE Electric
	Trade accounts receivable	Other receivables	Total	Trade and other accounts receivable
		(In millions)		
Beginning reserve balance, January 1, 2020	$ 87	$ 4	$ 91	$ 46
Current period provision	34	1	35	17
Write-offs charged against allowance	(51)	(1)	(52)	(30)
Recoveries of amounts previously written off	16	—	16	10
Ending reserve balance, March 31, 2020	$ 86	$ 4	$ 90	$ 43

Uncollectible expense for the Registrants is primarily comprised of the current period provision for allowance for doubtful accounts. For DTE Energy, uncollectible expense was $31 million and $33 million for the three months ended March 31, 2021 and 2020, respectively. For DTE Electric, uncollectible expense was $11 million and $17 million for the three months ended March 31, 2021 and 2020, respectively.

There are no material amounts of past due financing receivables for the Registrants as of March 31, 2021.

NOTE 3 — NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes*. The amendments in this update simplify the accounting for income taxes by removing certain exceptions, and clarifying certain requirements regarding franchise taxes, goodwill, consolidated tax expenses, and annual effective tax rate calculations. The Registrants adopted the ASU effective January 1, 2021 using the modified retrospective and prospective approaches, where applicable. The adoption of the ASU did not have a significant impact on the Registrants' Consolidated Financial Statements.

In August 2020, the FASB issued ASU No. 2020-06, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity.* The amendments in this update simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts indexed to and potentially settled in an entity's own equity. The Registrants adopted the ASU effective January 1, 2021 using the modified retrospective approach. The adoption of the ASU did not have a significant impact on the Registrants' Consolidated Financial Statements.

Recently Issued Pronouncements

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, as amended*. The amendments in this update provide optional expedients and exceptions for applying GAAP to contract modifications and hedging relationships, subject to meeting certain criteria, that reference LIBOR or another reference rate expected to be discontinued. The guidance can be applied prospectively from any date beginning March 12, 2020 through December 31, 2022. The optional relief is temporary and cannot be applied to contract modifications and hedging relationships entered into or evaluated after December 31, 2022. The Registrants presently have various contracts that reference LIBOR and are assessing how this standard may be applied to specific contract modifications.

NOTE 4 — DISPOSITIONS

DTE Midstream Spin-off

On October 27, 2020, DTE Energy announced that its Board of Directors has authorized management to pursue a plan to spin-off the DTE Midstream business. DTE Energy expects to complete the separation by mid-year 2021, subject to final approval by its Board of Directors, the Form 10 registration statement being declared effective by the Securities and Exchange Commission, regulatory approvals, and satisfaction of other conditions. DTE Energy shareholder approval is not required to effect the separation transaction. Upon closing of the transaction, DTE Energy shareholders will own shares of both DTE Energy and the new midstream company ("DT Midstream"). The planned separation transaction is intended to be a tax-free spin-off for DTE Energy and its shareholders for U.S. federal income tax purposes. There can be no assurance that any separation transaction will ultimately occur or, if one does occur, of its terms or timing.

NOTE 5 — REVENUE

Disaggregation of Revenue

The following is a summary of revenues disaggregated by segment for DTE Energy:

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Electric[a]		
Residential	$ 672	$ 599
Commercial	451	426
Industrial	159	156
Other[b]	82	35
Total Electric operating revenues[c]	**$ 1,364**	$ 1,216
Gas		
Gas sales	$ 461	$ 394
End User Transportation	85	77
Intermediate Transportation	26	26
Other[b]	40	43
Total Gas operating revenues[d]	**$ 612**	$ 540
Other segment operating revenues		
Gas Storage and Pipelines[e]	**$ 197**	$ 170
Power and Industrial Projects[f]	**$ 366**	$ 407
Energy Trading[g]	**$ 1,439**	$ 913

(a) Revenues generally represent those of DTE Electric, except $4 million of Other revenues related to DTE Sustainable Generation for the three months ended March 31, 2021 and 2020.
(b) Includes revenue adjustments related to various regulatory mechanisms.
(c) Includes $3 million and $4 million of Other revenues for the three months ended March 31, 2021 and 2020, respectively, which are outside the scope of Topic 606.
(d) Includes $2 million under Alternative Revenue Programs for the three months ended March 31, 2020 and $2 million of Other revenues for both the three months ended March 31, 2021 and 2020, which are all outside the scope of Topic 606.
(e) Includes revenues outside the scope of Topic 606 primarily related to $2 million of contracts accounted for as leases for the three months ended March 31, 2021 and 2020.
(f) Includes revenues outside the scope of Topic 606 primarily related to $21 million and $27 million of contracts accounted for as leases for the three months ended March 31, 2021 and 2020, respectively.
(g) Includes revenues outside the scope of Topic 606 primarily related to $1.1 billion and $637 million of derivatives for the three months ended March 31, 2021 and 2020, respectively.

Deferred Revenue

The following is a summary of deferred revenue activity:

	DTE Energy
	(In millions)
Beginning Balance, January 1, 2021	$ 87
Increases due to cash received or receivable, excluding amounts recognized as revenue during the period	21
Revenue recognized that was included in the deferred revenue balance at the beginning of the period	(13)
Ending Balance, March 31, 2021	**$ 95**

The deferred revenues at DTE Energy generally represent amounts paid by or receivable from customers for which the associated performance obligation has not yet been satisfied.

Deferred revenues include amounts associated with REC performance obligations under certain wholesale full requirements power contracts. Deferred revenues associated with RECs are recognized as revenue when control of the RECs has transferred.

Other performance obligations associated with deferred revenues include providing products and services related to customer prepayments. Deferred revenues associated with these products and services are recognized when control has transferred to the customer.

The following table represents deferred revenue amounts for DTE Energy that are expected to be recognized as revenue in future periods:

	DTE Energy
	(In millions)
2021	$ 60
2022	13
2023	3
2024	3
2025	7
2026 and thereafter	9
	$ 95

Transaction Price Allocated to the Remaining Performance Obligations

In accordance with optional exemptions available under Topic 606, the Registrants did not disclose the value of unsatisfied performance obligations for (1) contracts with an original expected length of one year or less, (2) with the exception of fixed consideration, contracts for which revenue is recognized at the amount to which the Registrants have the right to invoice for goods provided and services performed, and (3) contracts for which variable consideration relates entirely to an unsatisfied performance obligation.

Such contracts consist of varying types of performance obligations across the segments, including the supply and delivery of energy related products and services. Contracts with variable volumes and/or variable pricing, including those with pricing provisions tied to a consumer price or other index, have also been excluded as the related consideration under the contract is variable at inception of the contract. Contract lengths vary from cancellable to multi-year.

The Registrants expect to recognize revenue for the following amounts related to fixed consideration associated with remaining performance obligations in each of the future periods noted:

	DTE Energy	DTE Electric
	(In millions)	
2021	$ 221	$ 6
2022	373	7
2023	302	7
2024	191	7
2025	120	1
2026 and thereafter	502	—
	$ 1,709	**$ 28**

NOTE 6 — REGULATORY MATTERS

2020-2021 Accounting Applications

On July 9, 2020, the MPSC approved DTE Electric's request to accelerate amortization of the portion of its refundable federal income taxes regulatory liability related to non-plant accumulated deferred income tax balances that resulted from the TCJA. DTE Electric was authorized to increase amortization by $102 million beginning in May 2021, which would fully amortize this portion of the liability by the end of 2021 instead of April 2033. The accelerated amortization would not impact customer rates and would allow DTE Electric to defer its next rate case filing previously set for July 2020 to March 2021.

On February 26, 2021, DTE Electric filed an additional application requesting a delay in the accelerated amortization approved in the 2020 application. DTE Electric requested delaying the start of amortization from May 2021 to December 1, 2021, which would fully amortize these balances by the end of 2022 and allow DTE Electric to further defer its next rate case filing to October 2021 or later. The accounting application was approved by the MPSC on April 8, 2021.

2021 Securitization Filing

On March 26, 2021, DTE Electric filed an application requesting a financing order approving the securitization of $184 million of qualified costs related to the net book value of the River Rouge generation plant and tree trimming surge program costs. The filing requests collection of these qualifying costs from DTE Electric's customers. A final MPSC order is expected by the end of June 2021.

2021 Gas Rate Case Filing

DTE Gas filed a rate case with the MPSC on February 12, 2021 requesting an increase in base rates of $195 million based on a projected twelve-month period ending December 31, 2022. The requested increase in base rates is primarily due to an increase in net plant resulting from infrastructure investments and operating and maintenance expenses. The rate filing also requested an increase in return on equity from 9.9% to 10.25% and includes projected changes in sales and working capital. A final MPSC order in this case is expected by December 2021.

NOTE 7 — EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net income, adjusted for income allocated to participating securities, by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflect the dilution that would occur if any potentially dilutive instruments were exercised or converted into common shares. DTE Energy’s participating securities are restricted shares under the stock incentive program that contain rights to receive non-forfeitable dividends. Equity units and performance shares do not receive cash dividends; as such, these awards are not considered participating securities.

The following is a reconciliation of DTE Energy's basic and diluted income per share calculation:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions, except per share amounts)	
Basic Earnings per Share		
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340
Less: Allocation of earnings to net restricted stock awards	**—**	1
Net income available to common shareholders — basic	**$ 397**	$ 339
Average number of common shares outstanding — basic	**194**	192
Basic Earnings per Common Share	**$ 2.05**	$ 1.77
Diluted Earnings per Share		
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340
Less: Allocation of earnings to net restricted stock awards	**—**	1
Net income available to common shareholders — diluted	**$ 397**	$ 339
Average number of common shares outstanding — diluted	**194**	192
Diluted Earnings per Common Share[(a)]	**$ 2.05**	$ 1.76

(a) Equity Units excluded from the calculation of diluted EPS were approximately 10.3 million for both the three months ended March 31, 2021 and 2020, as the dilutive stock price threshold was not met.

NOTE 8 — FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Registrants make certain assumptions they believe that market participants would use in pricing assets or liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Registrants and their counterparties is incorporated in the valuation of assets and liabilities through the use of credit reserves, the impact of which was immaterial at March 31, 2021 and December 31, 2020. The Registrants believe they use valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). In some cases, the inputs used to measure fair value might fall in different levels of the fair value hierarchy. All assets and liabilities are required to be classified in their entirety based on the lowest level of input that is significant to the fair value measurement in its entirety. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. The Registrants classify fair value balances based on the fair value hierarchy defined as follows:

- *Level 1* — Consists of unadjusted quoted prices in active markets for identical assets or liabilities that the Registrants have the ability to access as of the reporting date.
- *Level 2* — Consists of inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- *Level 3* — Consists of unobservable inputs for assets or liabilities whose fair value is estimated based on internally developed models or methodologies using inputs that are generally less readily observable and supported by little, if any, market activity at the measurement date. Unobservable inputs are developed based on the best available information and subject to cost-benefit constraints.

The following table presents assets and liabilities for DTE Energy measured and recorded at fair value on a recurring basis:

	March 31, 2021						December 31, 2020					
	Level 1	**Level 2**	**Level 3**	**Other[(a)]**	**Netting[(b)]**	**Net Balance**	**Level 1**	**Level 2**	**Level 3**	**Other[(a)]**	**Netting[(b)]**	**Net Balance**
	(In millions)											
Assets												
Cash equivalents[(c)]	**$ 1,500**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 1,500**	$ 438	$ —	$ —	$ —	$ —	$ 438
Nuclear decommissioning trusts												
Equity securities	**999**	**—**	**—**	**205**	**—**	**1,204**	947	—	—	222	—	1,169
Fixed income securities	**107**	**385**	**—**	**86**	**—**	**578**	102	371	—	82	—	555
Private equity and other	**—**	**—**	**—**	**122**	**—**	**122**	—	—	—	104	—	104
Cash equivalents	**20**	**—**	**—**	**—**	**—**	**20**	27	—	—	—	—	27
Other investments[(d)]												
Equity securities	**58**	**—**	**—**	**—**	**—**	**58**	55	—	—	—	—	55
Fixed income securities	**7**	**—**	**—**	**—**	**—**	**7**	8	—	—	—	—	8
Cash equivalents	**98**	**—**	**—**	**—**	**—**	**98**	97	—	—	—	—	97
Derivative assets												
Commodity contracts[(e)]												
Natural gas	**49**	**72**	**42**	**—**	**(106)**	**57**	99	74	60	—	(156)	77
Electricity	**—**	**118**	**20**	**—**	**(100)**	**38**	—	128	52	—	(120)	60
Environmental & Other	**—**	**258**	**1**	**—**	**(244)**	**15**	—	150	4	—	(135)	19
Total derivative assets	**49**	**448**	**63**	**—**	**(450)**	**110**	99	352	116	—	(411)	156
Total	**$ 2,838**	**$ 833**	**$ 63**	**$ 413**	**$ (450)**	**$ 3,697**	$ 1,773	$ 723	$ 116	$ 408	$ (411)	$ 2,609
Liabilities												
Derivative liabilities												
Commodity contracts[(e)]												
Natural gas	**$ (36)**	**$ (79)**	**$ (131)**	**$ —**	**$ 108**	**$ (138)**	$ (88)	$ (59)	$ (76)	$ —	$ 151	$ (72)
Electricity	**—**	**(111)**	**(39)**	**—**	**98**	**(52)**	—	(126)	(42)	—	125	(43)
Environmental & Other	**—**	**(250)**	**—**	**—**	**238**	**(12)**	—	(137)	—	—	129	(8)
Foreign currency exchange contracts	**—**	**(6)**	**—**	**—**	**—**	**(6)**	—	(5)		—	—	(5)
Total	**$ (36)**	**$ (446)**	**$ (170)**	**$ —**	**$ 444**	**$ (208)**	$ (88)	$ (327)	$ (118)	$ —	$ 405	$ (128)
Net Assets (Liabilities) at end of period	**$ 2,802**	**$ 387**	**$ (107)**	**$ 413**	**$ (6)**	**$ 3,489**	$ 1,685	$ 396	$ (2)	$ 408	$ (6)	$ 2,481
Assets												
Current	**$ 1,545**	**$ 282**	**$ 44**	**$ —**	**$ (298)**	**$ 1,573**	$ 532	$ 260	$ 92	$ —	$ (330)	$ 554
Noncurrent	**1,293**	**551**	**19**	**413**	**(152)**	**2,124**	1,241	463	24	408	(81)	2,055
Total Assets	**$ 2,838**	**$ 833**	**$ 63**	**$ 413**	**$ (450)**	**$ 3,697**	$ 1,773	$ 723	$ 116	$ 408	$ (411)	$ 2,609
Liabilities												
Current	**$ (34)**	**$ (252)**	**$ (83)**	**$ —**	**$ 280**	**$ (89)**	$ (84)	$ (223)	$ (79)	$ —	$ 318	$ (68)
Noncurrent	**(2)**	**(194)**	**(87)**	**—**	**164**	**(119)**	(4)	(104)	(39)	—	87	(60)
Total Liabilities	**$ (36)**	**$ (446)**	**$ (170)**	**$ —**	**$ 444**	**$ (208)**	$ (88)	$ (327)	$ (118)	$ —	$ 405	$ (128)
Net Assets (Liabilities) at end of period	**$ 2,802**	**$ 387**	**$ (107)**	**$ 413**	**$ (6)**	**$ 3,489**	$ 1,685	$ 396	$ (2)	$ 408	$ (6)	$ 2,481

(a) Amounts represent assets valued at NAV as a practical expedient for fair value.
(b) Amounts represent the impact of master netting agreements that allow DTE Energy to net gain and loss positions and cash collateral held or placed with the same counterparties.
(c) Amounts consisted of $1 million and $2 million of cash equivalents included in Restricted cash on DTE Energy's Consolidated Statements of Financial Position at March 31, 2021 and December 31, 2020, respectively. All other amounts are included in Cash and cash equivalents on the Consolidated Statements of Financial Position.
(d) Excludes cash surrender value of life insurance investments.
(e) For contracts with a clearing agent, DTE Energy nets all activity across commodities. This can result in some individual commodities having a contra balance.

The following table presents assets for DTE Electric measured and recorded at fair value on a recurring basis as of:

	March 31, 2021					December 31, 2020				
	Level 1	Level 2	Level 3	Other[a]	Net Balance	Level 1	Level 2	Level 3	Other[a]	Net Balance
	(In millions)									
Assets										
Cash equivalents[b]	**$ 864**	**$ —**	**$ —**	**$ —**	**$ 864**	$ 4	$ —	$ —	$ —	$ 4
Nuclear decommissioning trusts										
Equity securities	**999**	**—**	**—**	**205**	**1,204**	947	—	—	222	1,169
Fixed income securities	**107**	**385**	**—**	**86**	**578**	102	371	—	82	555
Private equity and other	**—**	**—**	**—**	**122**	**122**	—	—	—	104	104
Cash equivalents	**20**	**—**	**—**	**—**	**20**	27	—	—	—	27
Other investments										
Equity securities	**17**	**—**	**—**	**—**	**17**	16	—	—	—	16
Cash equivalents	**11**	**—**	**—**	**—**	**11**	11	—	—	—	11
Derivative assets — FTRs	**—**	**—**	**1**	**—**	**1**	—	—	4	—	4
Total	**$ 2,018**	**$ 385**	**$ 1**	**$ 413**	**$ 2,817**	$ 1,107	$ 371	$ 4	$ 408	$ 1,890
Assets										
Current	**$ 864**	**$ —**	**$ 1**	**$ —**	**$ 865**	$ 4	$ —	$ 4	$ —	$ 8
Noncurrent	**1,154**	**385**	**—**	**413**	**1,952**	1,103	371	—	408	1,882
Total Assets	**$ 2,018**	**$ 385**	**$ 1**	**$ 413**	**$ 2,817**	$ 1,107	$ 371	$ 4	$ 408	$ 1,890

(a) Amounts represent assets valued at NAV as a practical expedient for fair value.
(b) Amounts are included in Cash and cash equivalents on DTE Electric's Consolidated Statements of Financial Position.

Cash Equivalents

Cash equivalents include investments with maturities of three months or less when purchased. The cash equivalents shown in the fair value table are comprised of short-term investments and money market funds.

Nuclear Decommissioning Trusts and Other Investments

The nuclear decommissioning trusts and other investments hold debt and equity securities directly and indirectly through commingled funds. Exchange-traded debt and equity securities held directly, as well as publicly-traded commingled funds, are valued using quoted market prices in actively traded markets. Non-exchange traded fixed income securities are valued based upon quotations available from brokers or pricing services.

Non-publicly traded commingled funds holding exchange-traded equity or debt securities are valued based on stated NAVs. There are no significant restrictions for these funds and investments may be redeemed with 7 to 65 days notice depending on the fund. There is no intention to sell the investment in these commingled funds.

Private equity and other assets include a diversified group of funds that are classified as NAV assets. These funds primarily invest in private equity partnerships, as well as real estate and private debt. Distributions are received through the liquidation of the underlying fund assets over the life of the funds. There are generally no redemption rights. The limited partner must hold the fund for its life or find a third-party buyer, which may need to be approved by the general partner. The funds are established with varied contractual durations generally in the range of 7 years to 12 years. The fund life can often be extended by several years by the general partner, and further extended with the approval of the limited partners. Unfunded commitments related to these investments totaled $178 million and $183 million as of March 31, 2021 and December 31, 2020, respectively.

For pricing the nuclear decommissioning trusts and other investments, a primary price source is identified by asset type, class, or issue for each security. The trustee monitors prices supplied by pricing services and may use a supplemental price source or change the primary source of a given security if the trustee determines that another price source is considered preferable. The Registrants have obtained an understanding of how these prices are derived, including the nature and observability of the inputs used in deriving such prices.

Derivative Assets and Liabilities

Derivative assets and liabilities are comprised of physical and financial derivative contracts, including futures, forwards, options, and swaps that are both exchange-traded and over-the-counter traded contracts. Various inputs are used to value derivatives depending on the type of contract and availability of market data. Exchange-traded derivative contracts are valued using quoted prices in active markets. The Registrants consider the following criteria in determining whether a market is considered active: frequency in which pricing information is updated, variability in pricing between sources or over time, and the availability of public information. Other derivative contracts are valued based upon a variety of inputs including commodity market prices, broker quotes, interest rates, credit ratings, default rates, market-based seasonality, and basis differential factors. The Registrants monitor the prices that are supplied by brokers and pricing services and may use a supplemental price source or change the primary price source of an index if prices become unavailable or another price source is determined to be more representative of fair value. The Registrants have obtained an understanding of how these prices are derived. Additionally, the Registrants selectively corroborate the fair value of their transactions by comparison of market-based price sources. Mathematical valuation models are used for derivatives for which external market data is not readily observable, such as contracts which extend beyond the actively traded reporting period. The Registrants have established a Risk Management Committee whose responsibilities include directly or indirectly ensuring all valuation methods are applied in accordance with predefined policies. The development and maintenance of the Registrants' forward price curves has been assigned to DTE Energy's Risk Management Department, which is separate and distinct from the trading functions within DTE Energy.

The following table presents the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis for DTE Energy:

	Three Months Ended March 31, 2021				Three Months Ended March 31, 2020			
	Natural Gas	**Electricity**	**Other**	**Total**	**Natural Gas**	**Electricity**	**Other**	**Total**
				(In millions)				
Net Assets (Liabilities) as of January 1	**$ (16)**	**$ 10**	**$ 4**	**$ (2)**	$ (15)	$ 16	$ 3	$ 4
Transfers from Level 3 into Level 2	**—**	**—**	**—**	**—**	(1)	—	—	(1)
Total gains (losses)								
Included in earnings	**(67)**	**26**	**—**	**(41)**	24	20	—	44
Recorded in Regulatory liabilities	**—**	**—**	**(1)**	**(1)**	—	—	(2)	(2)
Purchases, issuances, and settlements								
Settlements	**(6)**	**(55)**	**(2)**	**(63)**	—	(21)	—	(21)
Net Assets (Liabilities) as of March 31	**$ (89)**	**$ (19)**	**$ 1**	**$ (107)**	$ 8	$ 15	$ 1	$ 24
Total gains (losses) included in Net Income attributed to the change in unrealized gains (losses) related to assets and liabilities held at March 31[(a)]	**$ (93)**	**$ (7)**	**$ —**	**$ (100)**	$ 19	$ 21	$ —	$ 40

(a) Amounts are reflected in Operating Revenues — Non-utility operations and Fuel, purchased power, gas, and other — non-utility in DTE Energy's Consolidated Statements of Operations.

The following table presents the fair value reconciliation of Level 3 assets and liabilities measured at fair value on a recurring basis for DTE Electric:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Net Assets as of January 1	**$ 4**	$ 3
Change in fair value recorded in Regulatory liabilities	**(1)**	(2)
Purchases, issuances, and settlements		
Settlements	**(2)**	—
Net Assets as of March 31	**$ 1**	$ 1

Derivatives are transferred between levels primarily due to changes in the source data used to construct price curves as a result of changes in market liquidity. Transfers in and transfers out are reflected as if they had occurred at the beginning of the period. There were no transfers from or into Level 3 for DTE Electric during the three months ended March 31, 2021 and 2020.

The following tables present the unobservable inputs related to DTE Energy's Level 3 assets and liabilities:

Commodity Contracts	March 31, 2021 Derivative Assets	Derivative Liabilities	Valuation Techniques	Unobservable Input	Range	Weighted Average
	(In millions)					
Natural Gas	**$ 42**	**$ (131)**	**Discounted Cash Flow**	**Forward basis price (per MMBtu)**	**$ (1.10) — $ 2.45 /MMBtu**	**$ (0.10)/MMBtu**
Electricity	**$ 20**	**$ (39)**	**Discounted Cash Flow**	**Forward basis price (per MWh)**	**$ (9) — $ 6 /MWh**	**$ (1) /MWh**

Commodity Contracts	December 31, 2020 Derivative Assets	Derivative Liabilities	Valuation Techniques	Unobservable Input	Range	Weighted Average
	(In millions)					
Natural Gas	$ 60	$ (76)	Discounted Cash Flow	Forward basis price (per MMBtu)	$ (0.86) — $ 2.50 /MMBtu	$ (0.07)/MMBtu
Electricity	$ 52	$ (42)	Discounted Cash Flow	Forward basis price (per MWh)	$ (9) — $ 6 /MWh	$ — /MWh

The unobservable inputs used in the fair value measurement of the electricity and natural gas commodity types consist of inputs that are less observable due in part to lack of available broker quotes, supported by little, if any, market activity at the measurement date or are based on internally developed models. Certain basis prices (i.e., the difference in pricing between two locations) included in the valuation of natural gas and electricity contracts were deemed unobservable. The weighted average price for unobservable inputs was calculated using the average of forward price curves for natural gas and electricity and the absolute value of monthly volumes.

The inputs listed above would have had a direct impact on the fair values of the above security types if they were adjusted. A significant increase (decrease) in the basis price would have resulted in a higher (lower) fair value for long positions, with offsetting impacts to short positions.

Fair Value of Financial Instruments

The following table presents the carrying amount and fair value of financial instruments for DTE Energy:

	March 31, 2021				December 31, 2020			
	Carrying	Fair Value			Carrying	Fair Value		
	Amount	Level 1	Level 2	Level 3	Amount	Level 1	Level 2	Level 3
	(In millions)							
Notes receivable[(a)], excluding lessor finance leases	**$ 140**	**$ —**	**$ —**	**$ 140**	$ 141	$ —	$ —	$ 141
Short-term borrowings	**$ 52**	**$ —**	**$ 52**	**$ —**	$ 38	$ —	$ 38	$ —
Notes payable[(b)]	**$ 6**	**$ —**		**$ 6**	$ 19	$ —	$ —	$ 19
Long-term debt[(c)]	**$ 20,432**	**$ 2,537**	**$ 17,950**	**$ 1,496**	$ 19,439	$ 2,547	$ 18,230	$ 1,397

(a) Current portion included in Current Assets — Other on DTE Energy's Consolidated Statements of Financial Position.
(b) Included in Current Liabilities — Other and Other Liabilities — Other on DTE Energy's Consolidated Statements of Financial Position.
(c) Includes debt due within one year, unamortized debt discounts, and issuance costs. Excludes finance lease obligations.

The following table presents the carrying amount and fair value of financial instruments for DTE Electric:

	March 31, 2021				December 31, 2020			
	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
	(In millions)							
Notes receivable[(a)]	**$ 16**	**$ —**	**$ —**	**$ 16**	$ 16	$ —	$ —	$ 16
Short-term borrowings — affiliates	**$ 78**	**$ —**	**$ —**	**$ 78**	$ 101	$ —	$ —	$ 101
Notes payable[(b)]	**$ 4**	**$ —**	**$ —**	**$ 4**	$ 17	$ —	$ —	$ 17
Long-term debt[(c)]	**$ 9,226**	**$ —**	**$ 9,756**	**$ 340**	$ 8,236	$ —	$ 9,579	$ 379

(a) Included in Other Assets — Other on DTE Electric's Consolidated Statements of Financial Position.
(b) Included in Current Liabilities — Other and Other Liabilities — Other on DTE Electric's Consolidated Statements of Financial Position.
(c) Includes debt due within one year, unamortized debt discounts, and issuance costs. Excludes finance lease obligations.

For further fair value information on financial and derivative instruments, see Note 9 to the Consolidated Financial Statements, "Financial and Other Derivative Instruments."

Nuclear Decommissioning Trust Funds

DTE Electric has a legal obligation to decommission its nuclear power plants following the expiration of its operating licenses. This obligation is reflected as an Asset retirement obligation on DTE Electric's Consolidated Statements of Financial Position. Rates approved by the MPSC provide for the recovery of decommissioning costs of Fermi 2 and the disposal of low-level radioactive waste.

The following table summarizes DTE Electric's fair value of the nuclear decommissioning trust fund assets:

	March 31, 2021	December 31, 2020
	(In millions)	
Fermi 2	**$ 1,909**	$ 1,841
Fermi 1	**3**	3
Low-level radioactive waste	**12**	11
	$ 1,924	$ 1,855

The costs of securities sold are determined on the basis of specific identification. The following table sets forth DTE Electric's gains and losses and proceeds from the sale of securities by the nuclear decommissioning trust funds:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
	(In millions)	
Realized gains	**$ 24**	$ 31
Realized losses	**$ (2)**	$ (16)
Proceeds from sale of securities	**$ 271**	$ 439

Realized gains and losses from the sale of securities and unrealized gains and losses incurred by the Fermi 2 trust are recorded to Regulatory assets and the Nuclear decommissioning liability. Realized gains and losses from the sale of securities and unrealized gains and losses on the low-level radioactive waste funds are recorded to the Nuclear decommissioning liability.

The following table sets forth DTE Electric's fair value and unrealized gains and losses for the nuclear decommissioning trust funds:

	March 31, 2021			December 31, 2020		
	Fair Value	Unrealized Gains	Unrealized Losses	Fair Value	Unrealized Gains	Unrealized Losses
	(In millions)					
Equity securities	**$ 1,204**	**$ 504**	**$ (6)**	$ 1,169	$ 481	$ (6)
Fixed income securities	**578**	**18**	**(6)**	555	20	(1)
Private equity and other	**122**	**12**	**—**	104	—	—
Cash equivalents	**20**	**—**	**—**	27	—	—
	$ 1,924	**$ 534**	**$ (12)**	$ 1,855	$ 501	$ (7)

The following table summarizes the fair value of the fixed income securities held in nuclear decommissioning trust funds by contractual maturity:

	March 31, 2021
	(In millions)
Due within one year	$ 18
Due after one through five years	127
Due after five through ten years	109
Due after ten years	238
	$ 492

Fixed income securities held in nuclear decommissioning trust funds include $86 million of non-publicly traded commingled funds that do not have a contractual maturity date.

Other Securities

At March 31, 2021 and December 31, 2020, the Registrants' securities included in Other investments on the Consolidated Statements of Financial Position were comprised primarily of investments within DTE Energy's rabbi trust. The rabbi trust was established to fund certain non-qualified pension benefits, and therefore changes in market value are recognized in earnings. Gains and losses are allocated from DTE Energy to DTE Electric and are included in Other Income or Other Expense, respectively, in the Registrants' Consolidated Statements of Operations. The following table summarizes the Registrant's gains (losses) related to the trust:

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Gains (losses) related to equity securities	**$ 2**	$ (23)
Gains (losses) related to fixed income securities	**—**	(8)
	$ 2	$ (31)

NOTE 9 — FINANCIAL AND OTHER DERIVATIVE INSTRUMENTS

The Registrants recognize all derivatives at their fair value as Derivative assets or liabilities on their respective Consolidated Statements of Financial Position unless they qualify for certain scope exceptions, including the normal purchases and normal sales exception. Further, derivatives that qualify and are designated for hedge accounting are classified as either hedges of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge); or as hedges of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge). For cash flow hedges, the derivative gain or loss is deferred in Accumulated other comprehensive income (loss) and later reclassified into earnings when the underlying transaction occurs. For fair value hedges, changes in fair values for the derivative and hedged item are recognized in earnings each period. For derivatives that do not qualify or are not designated for hedge accounting, changes in fair value are recognized in earnings each period.

The Registrants' primary market risk exposure is associated with commodity prices, credit, and interest rates. The Registrants have risk management policies to monitor and manage market risks. The Registrants use derivative instruments to manage some of the exposure. DTE Energy uses derivative instruments for trading purposes in its Energy Trading segment. Contracts classified as derivative instruments include electricity, natural gas, oil, certain environmental contracts, forwards, futures, options, swaps, and foreign currency exchange contracts. Items not classified as derivatives include natural gas and environmental inventory, pipeline transportation contracts, certain environmental contracts, and natural gas storage assets.

DTE Electric — DTE Electric generates, purchases, distributes, and sells electricity. DTE Electric uses forward contracts to manage changes in the price of electricity and fuel. Substantially all of these contracts meet the normal purchases and normal sales exception and are therefore accounted for under the accrual method. Other derivative contracts are MTM and recoverable through the PSCR mechanism when settled. This results in the deferral of unrealized gains and losses as Regulatory assets or liabilities until realized.

DTE Gas — DTE Gas purchases, stores, transports, distributes, and sells natural gas, and buys and sells transportation and storage capacity. DTE Gas has fixed-priced contracts for portions of its expected natural gas supply requirements through March 2024. Substantially all of these contracts meet the normal purchases and normal sales exception and are therefore accounted for under the accrual method. Forward transportation and storage contracts are generally not derivatives and are therefore accounted for under the accrual method.

Gas Storage and Pipelines — This segment is primarily engaged in services related to the gathering, transportation, and storage of natural gas. Primarily fixed-priced contracts are used in the marketing and management of transportation and storage services. Generally, these contracts are not derivatives and are therefore accounted for under the accrual method.

Power and Industrial Projects — This segment manages and operates energy and pulverized coal projects, a coke battery, reduced emissions fuel projects, renewable gas recovery, and power generation assets. Primarily fixed-price contracts are used in the marketing and management of the segment assets. These contracts are generally not derivatives and are therefore accounted for under the accrual method.

Energy Trading — Commodity Price Risk — Energy Trading markets and trades electricity, natural gas physical products, and energy financial instruments, and provides energy and asset management services utilizing energy commodity derivative instruments. Forwards, futures, options, and swap agreements are used to manage exposure to the risk of market price and volume fluctuations in its operations. These derivatives are accounted for by recording changes in fair value to earnings unless hedge accounting criteria are met.

Energy Trading — Foreign Currency Exchange Risk — Energy Trading has foreign currency exchange forward contracts to economically hedge fixed Canadian dollar commitments existing under natural gas and power purchase and sale contracts and natural gas transportation contracts. Energy Trading enters into these contracts to mitigate price volatility with respect to fluctuations of the Canadian dollar relative to the U.S. dollar. These derivatives are accounted for by recording changes in fair value to earnings unless hedge accounting criteria are met.

Corporate and Other — Interest Rate Risk — DTE Energy may use interest rate swaps, treasury locks, and other derivatives to hedge the risk associated with interest rate market volatility.

Credit Risk — DTE Energy maintains credit policies that significantly minimize overall credit risk. These policies include an evaluation of potential customers' and counterparties' financial condition, including the viability of underlying productive assets, credit rating, collateral requirements, or other credit enhancements such as letters of credit or guarantees. DTE Energy generally uses standardized agreements that allow the netting of positive and negative transactions associated with a single counterparty. DTE Energy maintains a provision for credit losses based on factors surrounding the credit risk of its customers, historical trends, and other information. Based on DTE Energy's credit policies and its March 31, 2021 provision for credit losses, DTE Energy's exposure to counterparty nonperformance is not expected to have a material adverse effect on DTE Energy's Consolidated Financial Statements.

Derivative Activities

DTE Energy manages its MTM risk on a portfolio basis based upon the delivery period of its contracts and the individual components of the risks within each contract. Accordingly, it records and manages the energy purchase and sale obligations under its contracts in separate components based on the commodity (e.g. electricity or natural gas), the product (e.g. electricity for delivery during peak or off-peak hours), the delivery location (e.g. by region), the risk profile (e.g. forward or option), and the delivery period (e.g. by month and year). The following describes the categories of activities represented by their operating characteristics and key risks:

- *Asset Optimization* — Represents derivative activity associated with assets owned and contracted by DTE Energy, including forward natural gas purchases and sales, natural gas transportation, and storage capacity. Changes in the value of derivatives in this category typically economically offset changes in the value of underlying non-derivative positions, which do not qualify for fair value accounting. The difference in accounting treatment of derivatives in this category and the underlying non-derivative positions can result in significant earnings volatility.
- *Marketing and Origination* — Represents derivative activity transacted by originating substantially hedged positions with wholesale energy marketers, producers, end-users, utilities, retail aggregators, and alternative energy suppliers.
- *Fundamentals Based Trading* — Represents derivative activity transacted with the intent of taking a view, capturing market price changes, or putting capital at risk. This activity is speculative in nature as opposed to hedging an existing exposure.
- *Other* — Includes derivative activity at DTE Electric related to FTRs. Changes in the value of derivative contracts at DTE Electric are recorded as Derivative assets or liabilities, with an offset to Regulatory assets or liabilities as the settlement value of these contracts will be included in the PSCR mechanism when realized.

The following table presents the fair value of derivative instruments for DTE Energy:

	March 31, 2021		December 31, 2020	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
	(In millions)			
Derivatives designated as hedging instruments				
Foreign currency exchange contracts	**$ —**	**$ (4)**	$ —	$ (4)
Derivatives not designated as hedging instruments				
Commodity contracts				
Natural gas	**$ 163**	**$ (246)**	$ 233	$ (223)
Electricity	**138**	**(150)**	180	(168)
Environmental & Other	**259**	**(250)**	154	(137)
Foreign currency exchange contracts	**—**	**(2)**	—	(1)
Total derivatives not designated as hedging instruments	**$ 560**	**$ (648)**	$ 567	$ (529)
Current	**$ 371**	**$ (369)**	$ 446	$ (386)
Noncurrent	**189**	**(283)**	121	(147)
Total derivatives	**$ 560**	**$ (652)**	$ 567	$ (533)

The following table presents the fair value of derivative instruments for DTE Electric:

	March 31, 2021	December 31, 2020
	(In millions)	
FTRs — Other current assets	**$ 1**	$ 4
Total derivatives not designated as hedging instruments	**$ 1**	$ 4

Certain of DTE Energy's derivative positions are subject to netting arrangements which provide for offsetting of asset and liability positions as well as related cash collateral. Such netting arrangements generally do not have restrictions. Under such netting arrangements, DTE Energy offsets the fair value of derivative instruments with cash collateral received or paid for those contracts executed with the same counterparty, which reduces DTE Energy's Total Assets and Liabilities. Cash collateral is allocated between the fair value of derivative instruments and customer accounts receivable and payable with the same counterparty on a pro-rata basis to the extent there is exposure. Any cash collateral remaining, after the exposure is netted to zero, is reflected in Accounts receivable and Accounts payable as collateral paid or received, respectively.

DTE Energy also provides and receives collateral in the form of letters of credit which can be offset against net Derivative assets and liabilities as well as Accounts receivable and payable. DTE Energy had issued letters of credit of $5 million and $7 million outstanding at March 31, 2021 and December 31, 2020, respectively, which could be used to offset net Derivative liabilities. Letters of credit received from third parties which could be used to offset net Derivative assets were $14 million and $9 million at March 31, 2021 and December 31, 2020, respectively. Such balances of letters of credit are excluded from the tables below and are not netted with the recognized assets and liabilities in DTE Energy's Consolidated Statements of Financial Position.

For contracts with certain clearing agents, the fair value of derivative instruments is netted against realized positions with the net balance reflected as either 1) a Derivative asset or liability or 2) an Account receivable or payable. Other than certain clearing agents, Accounts receivable and Accounts payable that are subject to netting arrangements have not been offset against the fair value of Derivative assets and liabilities.

The following table presents net cash collateral offsetting arrangements for DTE Energy:

	March 31, 2021	December 31, 2020
	(In millions)	
Cash collateral netted against Derivative assets	**$ (18)**	$ (12)
Cash collateral netted against Derivative liabilities	**12**	6
Cash collateral recorded in Accounts receivable[(a)]	**13**	14
Cash collateral recorded in Accounts payable[(a)]	**(3)**	(1)
Total net cash collateral posted (received)	**$ 4**	$ 7

(a) Amounts are recorded net by counterparty.

The following table presents the netting offsets of Derivative assets and liabilities for DTE Energy:

	March 31, 2021			December 31, 2020		
	Gross Amounts of Recognized Assets (Liabilities)	Gross Amounts Offset in the Consolidated Statements of Financial Position	Net Amounts of Assets (Liabilities) Presented in the Consolidated Statements of Financial Position	Gross Amounts of Recognized Assets (Liabilities)	Gross Amounts Offset in the Consolidated Statements of Financial Position	Net Amounts of Assets (Liabilities) Presented in the Consolidated Statements of Financial Position
	(In millions)					
Derivative assets						
Commodity contracts						
Natural gas	**$ 163**	**$ (106)**	**$ 57**	$ 233	$ (156)	$ 77
Electricity	**138**	**(100)**	**38**	180	(120)	60
Environmental & Other	**259**	**(244)**	**15**	154	(135)	19
Foreign currency exchange contracts	**—**	**—**	**—**	—	—	—
Total derivative assets	**$ 560**	**$ (450)**	**$ 110**	$ 567	$ (411)	$ 156
Derivative liabilities						
Commodity contracts						
Natural gas	**$ (246)**	**$ 108**	**$ (138)**	$ (223)	$ 151	$ (72)
Electricity	**(150)**	**98**	**(52)**	(168)	125	(43)
Environmental & Other	**(250)**	**238**	**(12)**	(137)	129	(8)
Foreign currency exchange contracts	**(6)**	**—**	**(6)**	(5)	—	(5)
Total derivative liabilities	**$ (652)**	**$ 444**	**$ (208)**	$ (533)	$ 405	$ (128)

The following table presents the netting offsets of Derivative assets and liabilities showing the reconciliation of derivative instruments to DTE Energy's Consolidated Statements of Financial Position:

	March 31, 2021				December 31, 2020			
	Derivative Assets		Derivative Liabilities		Derivative Assets		Derivative Liabilities	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
	(In millions)							
Total fair value of derivatives	**$ 371**	**$ 189**	**$ (369)**	**$ (283)**	$ 446	$ 121	$ (386)	$ (147)
Counterparty netting	**(280)**	**(152)**	**280**	**152**	(318)	(81)	318	81
Collateral adjustment	**(18)**	**—**	**—**	**12**	(12)	—	—	6
Total derivatives as reported	**$ 73**	**$ 37**	**$ (89)**	**$ (119)**	$ 116	$ 40	$ (68)	$ (60)

The effect of derivatives not designated as hedging instruments on DTE Energy's Consolidated Statements of Operations is as follows:

	Location of Gain (Loss) Recognized in Income on Derivatives	Gain (Loss) Recognized in Income on Derivatives for the Three Months Ended March 31, 2021	2020
		(In millions)	
Commodity contracts			
Natural gas	Operating Revenues — Non-utility operations	**$ (43)**	$ (11)
Natural gas	Fuel, purchased power, gas, and other — non-utility	**(55)**	36
Electricity	Operating Revenues — Non-utility operations	**33**	1
Environmental & Other	Operating Revenues — Non-utility operations	**(32)**	21
Foreign currency exchange contracts	Operating Revenues — Non-utility operations	**(2)**	5
Total		**$ (99)**	$ 52

Revenues and energy costs related to trading contracts are presented on a net basis in DTE Energy's Consolidated Statements of Operations. Commodity derivatives used for trading purposes, and financial non-trading commodity derivatives, are accounted for using the MTM method with unrealized and realized gains and losses recorded in Operating Revenues — Non-utility operations. Non-trading physical commodity sale and purchase derivative contracts are generally accounted for using the MTM method with unrealized and realized gains and losses for sales recorded in Operating Revenues — Non-utility operations and purchases recorded in Fuel, purchased power, gas, and other — non-utility.

The following represents the cumulative gross volume of DTE Energy's derivative contracts outstanding as of March 31, 2021:

Commodity	Number of Units
Natural gas (MMBtu)	1,877,516,146
Electricity (MWh)	34,963,827
Foreign currency exchange ($ CAD)	135,478,800
Renewable Energy Certificates (MWh)	11,304,487
Carbon emissions (Metric Tons)	11,696,283

Various subsidiaries of DTE Energy have entered into contracts which contain ratings triggers and are guaranteed by DTE Energy. These contracts contain provisions which allow the counterparties to require that DTE Energy post cash or letters of credit as collateral in the event that DTE Energy's credit rating is downgraded below investment grade. Certain of these provisions (known as "hard triggers") state specific circumstances under which DTE Energy can be required to post collateral upon the occurrence of a credit downgrade, while other provisions (known as "soft triggers") are not as specific. For contracts with soft triggers, it is difficult to estimate the amount of collateral which may be requested by counterparties and/or which DTE Energy may ultimately be required to post. The amount of such collateral which could be requested fluctuates based on commodity prices (primarily natural gas, power, environmental, and coal) and the provisions and maturities of the underlying transactions. As of March 31, 2021, DTE Energy's contractual obligation to post collateral in the form of cash or letters of credit in the event of a downgrade to below investment grade, under both hard trigger and soft trigger provisions, was $506 million.

As of March 31, 2021, DTE Energy had $500 million of derivatives in net liability positions, for which hard triggers exist. There is no collateral that has been posted against such liabilities, including cash and letters of credit. Associated derivative net asset positions for which contractual offset exists were $450 million. The net remaining amount of $50 million is derived from the $506 million noted above.

NOTE 10 — LONG-TERM DEBT

Debt Issuances

In 2021, the following debt was issued:

Company	Month	Type	Interest Rate	Maturity Date	Amount (In millions)
DTE Electric	March	Mortgage bonds (a)	1.90%	2028	$ 575
DTE Electric	March	Mortgage bonds (a)	3.25%	2051	425
					$ 1,000

(a) Bonds were issued as Green Bonds and the proceeds will be used to finance qualified expenditures for solar and wind energy, payments under power purchase agreements for solar and wind energy, and energy optimization programs.

Debt Redemptions

On April 23, 2021, DTE Electric optionally redeemed its $250 million 2011 Series B 3.90% General and Refunding Mortgage Bonds originally due June 1, 2021.

NOTE 11 — SHORT-TERM CREDIT ARRANGEMENTS AND BORROWINGS

DTE Energy, DTE Electric, and DTE Gas have unsecured revolving credit agreements that can be used for general corporate borrowings, but are intended to provide liquidity support for each of the companies' commercial paper programs. Borrowings under the revolvers are available at prevailing short-term interest rates. DTE Energy also has other facilities to support letter of credit issuance.

The unsecured revolving credit agreements require DTE Energy, DTE Electric, and DTE Gas to maintain a total funded debt to capitalization ratio of no more than 0.65 to 1. In the agreements, "total funded debt" means all indebtedness of each respective company and their consolidated subsidiaries, including finance lease obligations, hedge agreements, and guarantees of third parties' debt, but excluding contingent obligations, nonrecourse and junior subordinated debt, and certain equity-linked securities and, except for calculations at the end of the second quarter, certain DTE Gas short-term debt. "Capitalization" means the sum of (a) total funded debt plus (b) "consolidated net worth," which is equal to consolidated total equity of each respective company and their consolidated subsidiaries (excluding pension effects under certain FASB statements), as determined in accordance with accounting principles generally accepted in the United States of America. At March 31, 2021, the total funded debt to total capitalization ratios for DTE Energy, DTE Electric, and DTE Gas were 0.60 to 1, 0.53 to 1, and 0.47 to 1, respectively, and were in compliance with this financial covenant.

The availability under these facilities as of March 31, 2021 is shown in the following table:

	DTE Energy	DTE Electric	DTE Gas	Total
		(In millions)		
Unsecured letter of credit facility, expiring in February 2023	$ 150	$ —	$ —	$ 150
Unsecured letter of credit facility, expiring in August 2021	110	—	—	110
Unsecured term loan, expiring in November 2021[(a)]	—	200	—	200
Unsecured Canadian revolving credit facility, expiring May 2023	88	—	—	88
Unsecured revolving credit facility, expiring April 2025[(b)]	1,500	500	300	2,300
	1,848	700	300	2,848
Amounts outstanding at March 31, 2021				
Letters of credit	212	—	—	212
Revolver borrowings	52	—	—	52
	264	—	—	264
Net availability at March 31, 2021	**$ 1,584**	**$ 700**	**$ 300**	**$ 2,584**

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(a) No amounts have been drawn as of March 31, 2021 and the loan will terminate if nothing is drawn by April 30, 2021. Commitment fees are not material.
(b) Total availability of $102 million expires in April 2024, including $67 million at DTE Energy, $22 million at DTE Electric, and $13 million at DTE Gas. All other availability expires in April 2025.

DTE Energy has $59 million of other outstanding letters of credit which are used for various corporate purposes and are not included in the facilities described above. These letters of credit include a $50 million uncommitted letter of credit facility entered into by DTE Energy in July 2020, of which the full amount has been drawn. The facility expires in July 2021 with an automatic renewal provision.

In conjunction with maintaining certain exchange-traded risk management positions, DTE Energy may be required to post collateral with its clearing agents. DTE Energy has demand financing agreements with its clearing agents, including an agreement for up to $100 million with an indefinite term and an agreement for up to $150 million currently contracted through 2022 and subject to renewal. The $100 million agreement, as amended, also allows for up to $50 million of additional margin financing provided that DTE Energy posts a letter of credit for the incremental amount. Both agreements allow the right of setoff with posted collateral. At March 31, 2021, the capacity under the facilities was $300 million. The amounts outstanding under the agreements were $74 million and $49 million at March 31, 2021 and December 31, 2020, respectively, and were fully offset by the posted collateral.

NOTE 12 — LEASES

Lessor

During the first quarter 2021, DTE Energy completed construction of and began operating certain energy infrastructure assets for a large industrial customer under a long-term agreement, where the assets will transfer to the customer at the end of the contract term in 2040. DTE Energy has accounted for a portion of the agreement as a finance lease arrangement, recognizing an additional net investment of $31 million.

The components of DTE Energy's net investment in finance leases for remaining periods were as follows:

	DTE Energy
	March 31, 2021
	(In millions)
2021	$ 19
2022	22
2023	22
2024	22
2025	22
2026 and Thereafter	292
Total minimum future lease receipts	399
Residual value of leased pipeline	17
Less unearned income	211
Net investment in finance lease	205
Less current portion	9
	$ 196

Interest income recognized under finance leases was $4 million for the three months ended March 31, 2021 and 2020.

DTE Energy's lease income associated with operating leases was as follows:

	Three Months Ended March 31,	
	2021	2020
	(In millions)	
Fixed payments[(a)]	$ 17	$ 16
Variable payments[(a)]	17	23
	$ 34	**$ 39**

(a) Includes $24 million and $29 million of lease payments reported in Operating Revenues on DTE Energy's Consolidated Statements of Operations for the three months ended March 31, 2021 and 2020, respectively, and $10 million of lease payments reported in Other income for both periods.

NOTE 13 — COMMITMENTS AND CONTINGENCIES

Environmental

DTE Electric

Air — DTE Electric is subject to the EPA ozone and fine particulate transport and acid rain regulations that limit power plant emissions of SO_2 and NO_X. The EPA and the State of Michigan have also issued emission reduction regulations relating to ozone, fine particulate, regional haze, mercury, and other air pollution. These rules have led to controls on fossil-fueled power plants to reduce SO_2, NO_X, mercury, and other emissions. Additional rulemakings may occur over the next few years which could require additional controls for SO_2, NO_X, and other hazardous air pollutants.

The EPA proposed revised air quality standards for ground level ozone in November 2014 and specifically requested comments on the form and level of the ozone standards. The standards were finalized in October 2015. The State of Michigan recommended to the EPA in October 2016 which areas of the state are not attaining the new standard. On April 30, 2018, the EPA finalized the State of Michigan's recommended marginal non-attainment designation for southeast Michigan. The State is required to develop and implement a plan to address the southeast Michigan ozone non-attainment area by 2021. The Registrants cannot predict the scope and associated financial impact of the State's plan to address the ozone non-attainment area at this time.

The EPA has implemented regulatory actions under the Clean Air Act to address emissions of GHGs from the utility sector and other sectors of the economy. Among these actions, in 2015 the EPA finalized performance standards for emissions of carbon dioxide from new and existing fossil-fuel fired EGUs. The performance standards for existing EGUs, known as the EPA Clean Power Plan, were challenged by petitioners and stayed by the U.S. Supreme Court in February 2016 pending final review by the courts. On October 10, 2017, the EPA, under a new administration, proposed to rescind the Clean Power Plan, and in August 2018, the EPA proposed revised emission guidelines for GHGs from existing EGUs. On June 19, 2019, the EPA Administrator officially repealed the Clean Power Plan and finalized its replacement, named the ACE rule. The ACE rule was vacated and remanded back to the EPA in a D.C. Circuit Court decision on January 19, 2021. The next steps taken by the EPA with respect to regulation of GHGs from EGUs is uncertain. Regardless of future rules, DTE Energy remains committed for its electric utility operations to reduce carbon emissions 32% by 2023, 50% by 2030, and 80% by 2040 from 2005 carbon emissions levels, and its goal of net zero emissions for its electric utility operations by 2050.

In addition to the GHG standards for existing EGUs, in December 2018, the EPA issued proposed revisions to the carbon dioxide performance standards for new, modified, or reconstructed fossil-fuel fired EGUs. The carbon standards for new sources are not expected to have a material impact on DTE Electric, since DTE Electric has no plans to build new coal-fired generation and any potential new gas generation will be able to comply with the standards.

Pending or future legislation or other regulatory actions could have a material impact on DTE Electric's operations and financial position and the rates charged to its customers. Impacts include expenditures for environmental equipment beyond what is currently planned, financing costs related to additional capital expenditures, the purchase of emission credits from market sources, higher costs of purchased power, and the retirement of facilities where control equipment is not economical. DTE Electric would seek to recover these incremental costs through increased rates charged to its utility customers, as authorized by the MPSC.

To comply with air pollution requirements, DTE Electric has spent approximately $2.4 billion. DTE Electric does not anticipate additional capital expenditures for air pollution requirements through 2025, subject to the results of future rulemakings.

Water — In response to an EPA regulation, DTE Electric was required to examine alternatives for reducing the environmental impacts of the cooling water intake structures at several of its facilities. Based on the results of completed studies and expected future studies, DTE Electric may be required to install technologies to reduce the impacts of the water intake structures. A final rule became effective in October 2014. The final rule requires studies to be completed and submitted as part of the NPDES permit application process to determine the type of technology needed to reduce impacts to fish. DTE Electric has initiated the process of completing the required studies. Final compliance for the installation of any required technology will be determined by the state on a case by case, site specific basis. DTE Electric is currently evaluating the compliance options and working with the State of Michigan on evaluating whether any controls are needed. These evaluations/studies may require modifications to some existing intake structures. It is not possible to quantify the impact of this rulemaking at this time.

Contaminated and Other Sites — Prior to the construction of major interstate natural gas pipelines, gas for heating and other uses was manufactured locally from processes involving coal, coke, or oil. The facilities, which produced gas, have been designated as MGP sites. DTE Electric conducted remedial investigations at contaminated sites, including three former MGP sites. Cleanup of one of the MGP sites is complete, and the site is closed. The investigations have revealed contamination related to the by-products of gas manufacturing at each MGP site. In addition to the MGP sites, DTE Electric is also in the process of cleaning up other contaminated sites, including the area surrounding an ash landfill, electrical distribution substations, electric generating power plants, and underground and above ground storage tank locations. The findings of these investigations indicated that the estimated cost to remediate these sites is expected to be incurred over the next several years. At March 31, 2021 and December 31, 2020, DTE Electric had $10 million, accrued for remediation. These costs are not discounted to their present value. Any change in assumptions, such as remediation techniques, nature and extent of contamination, and regulatory requirements, could impact the estimate of remedial action costs for the sites and affect DTE Electric's financial position and cash flows. DTE Electric believes the likelihood of a material change to the accrued amount is remote based on current knowledge of the conditions at each site.

Coal Combustion Residuals and Effluent Limitations Guidelines — A final EPA rule for the disposal of coal combustion residuals, commonly known as coal ash, became effective in October 2015, and was revised in October 2016, July 2018, September 2020, and November 2020. The rule is based on the continued listing of coal ash as a non-hazardous waste and relies on various self-implementation design and performance standards. DTE Electric owns and operates three permitted engineered coal ash storage facilities to dispose of coal ash from coal-fired power plants and operates a number of smaller impoundments at its power plants subject to certain provisions in the CCR rule. At certain facilities, the rule currently requires ongoing sampling and testing of monitoring wells, compliance with groundwater standards, and the closure of basins at the end of the useful life of the associated power plant.

On September 28, 2020, the CCR rule "A Holistic Approach to Closure Part A: Deadline to Initiate Closure and Enhancing Public Access to Information" became effective and establishes April 11, 2021 as the new deadline for all unlined impoundments (including units previously classified as "clay-lined") to initiate closure. Additionally, the rule amends certain reporting requirements and CCR website requirements. On November 12, 2020, an additional revision to the CCR Rule "A Holistic Approach to Closure Part B: Alternate Demonstration for Unlined Surface Impoundments" was published in the Federal Register that provides a process to determine if certain unlined impoundments consist of an alternative liner system that may be as protective as the current liners specified in the CCR rule, and therefore may continue to operate. DTE Electric has submitted applications to the EPA that support continued use of all impoundments through their active lives. The forced closure date of April 11, 2021 is effectively delayed while the EPA's review looks to extend beyond this date.

At the State level, legislation was signed by the Governor in December 2018 and provides for further regulation of the CCR program in Michigan. Additionally, the bill provides the basis of a CCR program that EGLE has submitted to the EPA for approval to fully regulate the CCR program in Michigan in lieu of a Federal permit program.

In October 2020, the EPA published in the Federal Register the final version of the ELG Reconsideration Rule which updates the 2015 ELG Rule (2015 Rule). The Reconsideration Rule re-establishes the technology-based effluent limitations guidelines and standards applicable to flue gas desulfurization (FGD) wastewater and bottom ash transport water. The EPA set the applicability dates for bottom ash transport water and FGD wastewater retrofits to be "as soon as possible" beginning October 13, 2021 and no later than December 31, 2025. Compliance schedules for individual facilities and individual waste streams are determined through issuance of new NPDES permits by the State of Michigan. The State of Michigan has issued a NPDES permit for the Belle River Power Plant establishing a compliance deadline of December 31, 2021 based on the 2015 Rule. Due to completion of the Reconsideration Rule in 2020, the compliance deadlines within the NPDES permit for Belle River Power Plant will be revised accordingly. No new permits that would require ELG compliance have been issued for other facilities, consequently no compliance timelines have been established.

On April 12, 2017, the EPA granted a petition for reconsideration of the 2015 ELG Rule. The EPA also signed an administrative stay of the 2015 ELG Rule's compliance deadlines for fly ash transport water, bottom ash transport water, and FGD wastewater, among others. On June 6, 2017, the EPA published in the Federal Register a proposed rule (Postponement Rule) to postpone certain applicable deadlines within the 2015 ELG rule. The Postponement Rule was published on September 18, 2017. The Postponement Rule nullified the administrative stay but also extended the earliest compliance deadlines for only FGD wastewater and bottom ash transport water until November 1, 2020 in order for the EPA to propose and finalize a new ruling. On October 13, 2020, the EPA finalized the ELG Reconsideration Rule which revised the regulations from the 2015 ELG rule. The Reconsideration Rule revises requirements for two specific waste streams produced by steam electric power plants: FGD wastewater and bottom ash transport water. The Reconsideration Rule also provides additional compliance opportunities by finalizing low utilization and cessation of coal burning subcategories. The Reconsideration Rule provides new opportunities for DTE Electric to evaluate existing ELG compliance strategies and make any necessary adjustments to ensure full compliance with the ELGs in a cost-effective manner.

DTE Electric is currently evaluating compliance strategies, technologies and system designs for both FGD wastewater and bottom ash transport water system to achieve compliance with the final rule.

DTE Electric has estimated the impact of the CCR and ELG rules to be $697 million of capital expenditures, including $552 million for 2021 through 2025.

DTE Gas

Air — In June 2020, DTE Energy expanded its net zero goal to include its gas utility operations by committing to reduce greenhouse gas emissions to net zero by 2050 from procurement of natural gas through delivery. As part of DTE Energy's 2050 net zero commitment, DTE Gas launched its CleanVision Natural Gas Balance program in January 2021 that offers customers a way to reduce their carbon footprint using carbon offsets and renewable natural gas. The carbon offset program is focused on protecting Michigan forests that naturally absorb carbon dioxide.

Contaminated and Other Sites — DTE Gas owns or previously owned, 14 former MGP sites. Investigations have revealed contamination related to the by-products of gas manufacturing at each site. Cleanup of eight of the MGP sites is complete, and the sites are closed. DTE Gas has also completed partial closure of four additional sites. Cleanup activities associated with the remaining sites will continue over the next several years. The MPSC has established a cost deferral and rate recovery mechanism for investigation and remediation costs incurred at former MGP sites. In addition to the MGP sites, DTE Gas is also in the process of cleaning up other contaminated sites, including gate stations, gas pipeline releases, and underground storage tank locations. As of March 31, 2021 and December 31, 2020, DTE Gas had $24 million, accrued for remediation. These costs are not discounted to their present value. Any change in assumptions, such as remediation techniques, nature and extent of contamination, and regulatory requirements, could impact the estimate of remedial action costs for the sites and affect DTE Gas' financial position and cash flows. DTE Gas anticipates the cost amortization methodology approved by the MPSC, which allows for amortization of the MGP costs over a ten-year period beginning with the year subsequent to the year the MGP costs were incurred, will prevent the associated investigation and remediation costs from having a material adverse impact on DTE Gas' results of operations.

Non-utility

DTE Energy's non-utility businesses are subject to a number of environmental laws and regulations dealing with the protection of the environment from various pollutants.

In March 2019, the EPA issued an FOV to EES Coke, the Michigan coke battery facility that is a wholly-owned subsidiary of DTE Energy, alleging that the 2008 and 2014 permits issued by EGLE did not comply with the Clean Air Act. In September 2020, the EPA issued another FOV alleging EES Coke's 2018 and 2019 SO2 emissions exceeded projections and hence violated non-attainment new source review requirements. EES Coke evaluated the EPA's alleged violations and believes that the permits approved by EGLE complied with the Clean Air Act. EES Coke also responded to the EPA's September 2020 allegations demonstrating its actual emissions are compliant with non-attainment new source review requirements. Discussions with the EPA are ongoing. At the present time, DTE Energy cannot predict the outcome or financial impact of this FOV.

In January 2021, DTE Midstream announced a goal to achieve net zero greenhouse gas emissions by 2050, including a 30% reduction in carbon emissions in the next decade. To achieve this goal, DTE Midstream plans comprehensive integration of carbon capture strategies to reduce carbon emissions in its operations.

Other

In 2010, the EPA finalized a new one-hour SO_2 ambient air quality standard that requires states to submit plans and associated timelines for non-attainment areas that demonstrate attainment with the new SO_2 standard in phases. Phase 1 addresses non-attainment areas designated based on ambient monitoring data. Phase 2 addresses non-attainment areas with large sources of SO_2 and modeled concentrations exceeding the National Ambient Air Quality Standards for SO_2. Phase 3 addresses smaller sources of SO_2 with modeled or monitored exceedances of the new SO_2 standard.

Michigan's Phase 1 non-attainment area includes DTE Energy facilities in southwest Detroit and areas of Wayne County. Modeling runs by EGLE suggest that emission reductions may be required by significant sources of SO_2 emissions in these areas, including DTE Electric power plants and DTE Energy's Michigan coke battery facility. As part Michigan's SIP process, DTE Energy has worked with EGLE to develop air permits reflecting significant SO_2 emission reductions that, in combination with other non-DTE Energy sources' emission reduction strategies, will help the state attain the standard and sustain its attainment. The Michigan SIP was completed and submitted to the EPA on May 31, 2016 and supplemented on June 30, 2016. On March 19, 2021, the EPA published in the Federal Register partial approval and partial disapproval of Michigan's Detroit SO2 non-attainment area plan. The partial disapproval does not appear to impact DTE's sources and further discussions are underway with the EPA to finalize the plan. Since several non-DTE Energy sources are also part of the proposed compliance plan, DTE Energy is unable to determine the full impact of any further emissions reductions that may be required from DTE's facilities at this time.

Michigan's Phase 2 non-attainment area includes DTE Electric facilities in St. Clair County. EGLE has not made a final determination on SIP strategy for this area, pending the EPA's review of a clean data determination request. Until agency plans are final, DTE Energy is unable to determine the impacts.

Synthetic Fuel Guarantees

DTE Energy discontinued the operations of its synthetic fuel production facilities throughout the United States as of December 31, 2007. DTE Energy provided certain guarantees and indemnities in conjunction with the sales of interests in its synfuel facilities. The guarantees cover potential commercial, environmental, oil price, and tax-related obligations that will survive until 90 days after expiration of all applicable statutes of limitations. DTE Energy estimates that its maximum potential liability under these guarantees at March 31, 2021 was approximately $400 million. Payment under these guarantees is considered remote.

REF Guarantees

DTE Energy has provided certain guarantees and indemnities in conjunction with the sales of interests in or lease of its REF facilities. The guarantees cover potential commercial, environmental, and tax-related obligations that will survive until 90 days after expiration of all applicable statutes of limitations. DTE Energy estimates that its maximum potential liability under these guarantees at March 31, 2021 was $631 million. Payments under these guarantees are considered remote.

NEXUS Guarantees

NEXUS is party to certain 15-year capacity agreements for the transportation of natural gas with DTE Gas and Texas Eastern Transmission, LP, an unrelated third party. In conjunction with these agreements, DTE Energy provided certain guarantees on behalf of NEXUS to DTE Gas and Texas Eastern Transmission, LP, with maximum potential payments totaling $209 million and $335 million at March 31, 2021, respectively; each representing 50% of all payment obligations due and payable by NEXUS. Each guarantee terminates at the earlier of (i) such time as all of the guaranteed obligations have been fully performed, or (ii) two months following the end of the primary term of the capacity agreements in 2033. The amount of each guarantee decreases annually as payments are made by NEXUS to each of the aforementioned counterparties.

NEXUS is also party to certain 15-year capacity agreements for the transportation of natural gas with Vector Pipeline L.P. ("Vector"), a 40% owned equity method investee of DTE Energy. Pursuant to the terms of those agreements, in October 2018, DTE Energy executed a guarantee agreement with Vector, with a maximum potential payment totaling $7 million at March 31, 2021, representing 50% of the first-year payment obligations due and payable by NEXUS. The guarantee terminates at the earlier of (i) such time as all of the guaranteed obligations have been fully performed or (ii) 15 years from the date DTE Energy entered into the guarantee.

Should NEXUS fail to perform under the terms of these agreements, DTE Energy is required to perform on its behalf. Payments under these guarantees are considered remote.

Other Guarantees

In certain limited circumstances, the Registrants enter into contractual guarantees. The Registrants may guarantee another entity's obligation in the event it fails to perform and may provide guarantees in certain indemnification agreements. Finally, the Registrants may provide indirect guarantees for the indebtedness of others. DTE Energy's guarantees are not individually material with maximum potential payments totaling $50 million at March 31, 2021. Payments under these guarantees are considered remote.

The Registrants are periodically required to obtain performance surety bonds in support of obligations to various governmental entities and other companies in connection with its operations. As of March 31, 2021, DTE Energy had $129 million of performance bonds outstanding, including $73 million for DTE Electric. In the event that such bonds are called for nonperformance, the Registrants would be obligated to reimburse the issuer of the performance bond. The Registrants are released from the performance bonds as the contractual performance is completed and does not believe that a material amount of any currently outstanding performance bonds will be called.

Vector Line of Credit

In July 2019, DTE Energy, as lender, entered into a revolving term credit facility with Vector, as borrower, in the amount of C$70 million. The credit facility was executed in response to the passage of Canadian regulations requiring oil and gas pipelines to demonstrate their financial ability to respond to a catastrophic event and exists for the sole purpose of satisfying these regulations. Vector may only draw upon the facility if the funds are required to respond to a catastrophic event. The maximum potential payment under the line of credit at March 31, 2021 is $56 million. The funding of a loan under the terms of the credit facility is considered remote.

Labor Contracts

There are several bargaining units for DTE Energy subsidiaries' approximate 5,200 represented employees, including DTE Electric's approximately 2,800 represented employees. This represents 49% and 57% of DTE Energy's and DTE Electric's total employees, respectively. The majority of the represented employees are under contracts that expire in 2021 and 2022.

Purchase Commitments

Utility capital expenditures, expenditures for non-utility businesses, and contributions to equity method investees will be approximately $4.2 billion and $3.0 billion in 2021 for DTE Energy and DTE Electric, respectively. The Registrants have made certain commitments in connection with the estimated 2021 annual capital expenditures and contributions to equity method investees.

Bankruptcies

DTE Energy Trading is the sole supplier of power for Brilliant Energy, LLC ("Brilliant"), a load serving entity and competitive retailer in ERCOT. In this role, DTE Energy Trading schedules and delivers power to ERCOT for Brilliant's load obligations to its customers. Related costs for power delivery and ancillary services are passed through to Brilliant.

On March 16, 2021, Brilliant filed a voluntary petition for bankruptcy protection under Chapter 7 of the Bankruptcy Code. In light of the events related to Brilliant, DTE Energy Trading ceased accruing revenues from Brilliant and related receivables of $48 million were not recorded as collectability was no longer deemed probable. As of March 31, 2021, DTE Energy Trading had recorded accounts receivable of $12 million related to pre-petition contracts with Brilliant, which have been fully reserved.

On March 19, 2021, the bankruptcy court authorized a Trustee to continue managing Brilliant's business to preserve any remaining value for their creditors and begin an orderly wind-down of Brilliant's operations. On April 5, 2021, the bankruptcy court also authorized the Trustee to enter into a credit agreement with DTE Energy Trading for up to $14 million in post-petition secured financing. DTE Energy Trading expects to recover some accounts receivable from these arrangements, but is unable to approximate an amount at this time. DTE Energy does not believe there is any additional risk related to Brilliant that is significant to the Consolidated Financial Statements and will continue to monitor results from the wind-down of Brilliant's operations and bankruptcy proceedings.

COVID-19 Pandemic

DTE Energy is actively monitoring the impact of the COVID-19 pandemic on supply chains, markets, counterparties, and customers, and any related impacts on operating costs, customer demand, and recoverability of assets that could materially impact the Registrants' financial results.

In 2021, the COVID-19 pandemic has continued to impact DTE Electric sales volumes. As many businesses continue to operate remotely, related sales volumes have shifted from commercial and industrial customers to residential customers. This shift has contributed to a net reduction in DTE Electric sales compared to historical volumes prior to the pandemic, but this impact has been offset by favorable rate mix.

COVID-19 has also resulted in some incremental costs at our utilities related to personal protective equipment and other health and safety-related matters. For non-utility businesses, COVID-19 has primarily impacted volumes for certain companies within the Power and Industrial Projects segment. For the three months ended March 31, 2021, the impact of these items on the Registrants' Consolidated Financial Statement was not significant.

In consideration of the above factors and all other current and expected impacts to the Registrants' performance and cash flows resulting from the COVID-19 pandemic, there have been no material adjustments or reserves deemed necessary to the Consolidated Financial Statements as of March 31, 2021.

The Registrants cannot predict the future impacts of the COVID-19 pandemic on the Consolidated Financial Statements, as developments involving COVID-19 and its related effects on economic and operating conditions remain highly uncertain.

Other Contingencies

The Registrants are involved in certain other legal, regulatory, administrative, and environmental proceedings before various courts, arbitration panels, and governmental agencies concerning claims arising in the ordinary course of business. These proceedings include certain contract disputes, additional environmental reviews and investigations, audits, inquiries from various regulators, and pending judicial matters. The Registrants cannot predict the final disposition of such proceedings. The Registrants regularly review legal matters and record provisions for claims that they can estimate and are considered probable of loss. The resolution of these pending proceedings is not expected to have a material effect on the Registrants' Consolidated Financial Statements in the periods they are resolved.

For a discussion of contingencies related to regulatory matters and derivatives, see Notes 6 and 9 to the Consolidated Financial Statements, "Regulatory Matters" and "Financial and Other Derivative Instruments," respectively.

NOTE 14 — RETIREMENT BENEFITS AND TRUSTEED ASSETS

The following tables detail the components of net periodic benefit costs (credits) for pension benefits and other postretirement benefits for DTE Energy:

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended March 31,			
	2021	2020	**2021**	2020
	(In millions)			
Service cost	**$ 27**	$ 25	**$ 8**	$ 6
Interest cost	**39**	46	**11**	14
Expected return on plan assets	**(84)**	(83)	**(32)**	(32)
Amortization of:				
Net actuarial loss	**49**	43	**3**	5
Prior service credit	**—**	—	**(5)**	(5)
Net periodic benefit cost (credit)	**$ 31**	$ 31	**$ (15)**	$ (12)

DTE Electric participates in various plans that provide pension and other postretirement benefits for DTE Energy and its affiliates. The plans are primarily sponsored by DTE Energy's subsidiary, DTE Energy Corporate Services, LLC. DTE Electric accounts for its participation in DTE Energy's qualified and non-qualified pension plans by applying multiemployer accounting. DTE Electric accounts for its participation in other postretirement benefit plans by applying multiple-employer accounting. Within multiemployer and multiple-employer plans, participants pool plan assets for investment purposes and to reduce the cost of plan administration. The primary difference between plan types is assets contributed in multiemployer plans can be used to provide benefits for all participating employers, while assets contributed within a multiple-employer plan are restricted for use by the contributing employer. As a result of multiemployer accounting treatment, capitalized costs associated with these plans are reflected in Property, plant, and equipment in DTE Electric's Consolidated Statements of Financial Position. The same capitalized costs are reflected as Regulatory assets and liabilities in DTE Energy's Consolidated Statements of Financial Position. In addition, the service cost and non-service cost components are presented in Operation and maintenance in DTE Electric's Consolidated Statements of Operations. The same non-service cost components are presented in Other (Income) and Deductions — Non-operating retirement benefits, net in DTE Energy's Consolidated Statements of Operations. Plan participants of all plans are solely DTE Energy and affiliate participants.

DTE Energy's subsidiaries are responsible for their share of qualified and non-qualified pension benefit costs. DTE Electric's allocated portion of pension benefit costs included in capital expenditures and operating and maintenance expense was $26 million for both the three months ended March 31, 2021 and 2020. These amounts include recognized contractual termination benefit charges, curtailment gains, and settlement charges.

The following tables detail the components of net periodic benefit costs (credits) for other postretirement benefits for DTE Electric:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Service cost	**$ 6**	$ 5
Interest cost	**8**	11
Expected return on plan assets	**(22)**	(22)
Amortization of:		
Net actuarial loss	**3**	3
Prior service credit	**(3)**	(4)
Net periodic benefit credit	**$ (8)**	$ (7)

Pension and Other Postretirement Contributions

At the discretion of management and depending upon financial market conditions, DTE Energy anticipates making up to $107 million in contributions to the qualified pension plans in 2021, including up to $100 million of equity contributions to the qualified pension plans at DTE Electric. No contributions are anticipated for DTE Energy's postretirement benefit plans in 2021.

NOTE 15 — SEGMENT AND RELATED INFORMATION

DTE Energy sets strategic goals, allocates resources, and evaluates performance based on the following structure:

Electric segment consists principally of DTE Electric, which is engaged in the generation, purchase, distribution, and sale of electricity to approximately 2.2 million residential, commercial, and industrial customers in southeastern Michigan.

Gas segment consists principally of DTE Gas, which is engaged in the purchase, storage, transportation, distribution, and sale of natural gas to approximately 1.3 million residential, commercial, and industrial customers throughout Michigan and the sale of storage and transportation capacity.

Gas Storage and Pipelines is primarily engaged in services related to the gathering, transportation, and storage of natural gas.

Power and Industrial Projects is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial, and institutional customers, produce reduced emissions fuel, and sell electricity and pipeline-quality gas from renewable energy projects.

Energy Trading consists of energy marketing and trading operations.

Corporate and Other includes various holding company activities, holds certain non-utility debt, and holds certain investments, including funds supporting regional development and economic growth.

The federal income tax provisions or benefits of DTE Energy's subsidiaries are determined on an individual company basis and recognize the tax benefit of tax credits and net operating losses, if applicable. The state and local income tax provisions of the utility subsidiaries are also determined on an individual company basis and recognize the tax benefit of various tax credits and net operating losses, if applicable. The subsidiaries record federal, state, and local income taxes payable to or receivable from DTE Energy based on the federal, state, and local tax provisions of each company.

Inter-segment billing for goods and services exchanged between segments is based upon tariffed or market-based prices of the provider and primarily consists of the sale of reduced emissions fuel, power sales, and natural gas sales in the following segments:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Electric	**$ 16**	$ 15
Gas	**4**	4
Gas Storage and Pipelines	**5**	4
Power and Industrial Projects	**162**	94
Energy Trading	**13**	6
Corporate and Other	**1**	1
	$ 201	$ 124

Financial data of DTE Energy's business segments follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
	(In millions)	
Operating Revenues — Utility operations		
Electric	**$ 1,360**	$ 1,212
Gas	**612**	540
Operating Revenues — Non-utility operations		
Electric	**4**	4
Gas Storage and Pipelines	**197**	170
Power and Industrial Projects	**366**	307
Energy Trading	**1,439**	913
Corporate and Other	**1**	—
Reconciliation and Eliminations	**(201)**	(124)
Total	**$ 3,778**	$ 3,022

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
	(In millions)	
Net Income (Loss) Attributable to DTE Energy by Segment:		
Electric	**$ 208**	$ 94
Gas	**169**	121
Gas Storage and Pipelines	**79**	72
Power and Industrial Projects	**28**	30
Energy Trading	**(55)**	34
Corporate and Other	**(32)**	(11)
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following combined discussion is separately filed by DTE Energy and DTE Electric. However, DTE Electric does not make any representations as to information related solely to DTE Energy or the subsidiaries of DTE Energy other than itself.

EXECUTIVE OVERVIEW

DTE Energy is a diversified energy company and is the parent company of DTE Electric and DTE Gas, regulated electric and natural gas utilities engaged primarily in the business of providing electricity and natural gas sales, distribution, and storage services throughout Michigan. DTE Energy also operates three energy-related non-utility segments with operations throughout the United States.

The following table summarizes DTE Energy's financial results:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions, except per share amounts)	
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340
Diluted Earnings per Common Share	**$ 2.05**	$ 1.76

The increase in Net Income for the three months ended March 31, 2021 was primarily due to higher earnings in the Electric and Gas segments, partially offset by lower earnings in the Energy Trading and Corporate and Other segments.

STRATEGY

DTE Energy's strategy is to achieve long-term earnings growth, a strong balance sheet, and an attractive dividend yield.

DTE Energy's utilities are investing capital to improve customer reliability through investments in base infrastructure and new generation, and to comply with environmental requirements. DTE Energy expects that planned significant capital investments will result in earnings growth. DTE Energy is focused on executing plans to achieve operational excellence and customer satisfaction with a focus on customer affordability. DTE Energy operates in a constructive regulatory environment and has solid relationships with its regulators.

DTE Energy is committed to reduce the carbon emissions of its electric utility operations by 32% by 2023, 50% by 2030, and 80% by 2040 from 2005 carbon emissions levels. DTE Energy is also committed to a net zero carbon emissions goal by 2050 for its electric utility, gas utility, and DTE Midstream operations. To achieve the reduction goals in the near term, DTE Energy will transition away from coal-powered sources and incorporate more renewable energy, energy waste reduction projects, demand response, and natural gas fueled generation. DTE Energy has already begun the transition in the way it produces power through the continued retirement of its aging coal-fired plants. Refer to the "Capital Investments" section below for further discussion.

DTE Energy has significant investments in non-utility businesses. DTE Energy employs disciplined investment criteria when assessing growth opportunities that leverage its assets, skills, and expertise, and provides diversity in earnings and geography. Specifically, DTE Energy invests in targeted energy markets with attractive competitive dynamics where meaningful scale is in alignment with its risk profile. DTE Energy expects growth opportunities in the Gas Storage and Pipelines and Power and Industrial Projects segments. These opportunities would be limited to Power and Industrial Projects if DTE Energy completes the planned spin-off of the DTE Midstream business and shifts its strategy to a predominantly pure-play utility, as discussed in the "Outlook" section below.

A key priority for DTE Energy is to maintain a strong balance sheet which facilitates access to capital markets and reasonably priced short-term and long-term financing. Near-term growth will be funded through internally generated cash flows and the issuance of debt and equity. DTE Energy has an enterprise risk management program that, among other things, is designed to monitor and manage exposure to earnings and cash flow volatility related to commodity price changes, interest rates, and counterparty credit risk.

CAPITAL INVESTMENTS

DTE Energy's utility businesses require significant capital investments to maintain and improve the electric generation and electric and natural gas distribution infrastructure and to comply with environmental regulations and renewable energy requirements.

DTE Electric's capital investments over the 2021-2025 period are estimated at $14 billion, comprised of $5 billion for capital replacements and other projects, $7 billion for distribution infrastructure, and $2 billion for renewable generation. DTE Electric has retired five coal-fired generation units at the Trenton Channel, River Rouge, and St. Clair facilities and has announced plans to retire its remaining twelve coal-fired generating units. River Rouge's final unit will retire in 2021 and five additional coal-fired generating units at Trenton Channel and St. Clair will be retired in 2022. The remaining coal-fired generating units at the Belle River and Monroe facilities are expected to be retired by 2040. Generation from the retired facilities will be replaced or offset with renewables, energy waste reduction, demand response, and natural gas fueled generation.

DTE Gas' capital investments over the 2021-2025 period are estimated at $3 billion, comprised of $1.4 billion for base infrastructure and $1.6 billion for gas main renewal, meter move out, and pipeline integrity programs.

DTE Electric and DTE Gas plan to seek regulatory approval for capital expenditures consistent with ratemaking treatment.

DTE Energy's non-utility businesses' capital investments are primarily for expansion, growth, and ongoing maintenance. Gas Storage and Pipelines' capital investments over the 2021-2025 period are estimated at $1.2 billion to $1.7 billion for gathering and pipeline investments and expansions. Power and Industrial Projects' capital investments over the 2021-2025 period are estimated at $1 billion to $1.4 billion for industrial energy services and renewable energy projects.

ENVIRONMENTAL MATTERS

The Registrants are subject to extensive environmental regulations. Additional costs may result as the effects of various substances on the environment are studied and governmental regulations are developed and implemented. Actual costs to comply could vary substantially. The Registrants expect to continue recovering environmental costs related to utility operations through rates charged to customers, as authorized by the MPSC.

Increased costs for energy produced from traditional coal-based sources due to recent, pending, and future regulatory initiatives could also increase the economic viability of energy produced from renewable, natural gas fueled generation, and/or nuclear sources, energy waste reduction initiatives, and the potential development of market-based trading of carbon instruments which could provide new business opportunities for DTE Energy's utility and non-utility segments. At the present time, it is not possible to quantify the financial impacts of these climate related regulatory initiatives on the Registrants or their customers.

For further discussion of environmental matters, see Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies."

OUTLOOK

The next few years will be a period of rapid change for DTE Energy and for the energy industry. DTE Energy's strong utility base, combined with its integrated non-utility operations, position it well for long-term growth.

Looking forward, DTE Energy will focus on several areas that are expected to improve future performance:

- electric and gas customer satisfaction;
- electric distribution system reliability;
- new electric generation;
- gas distribution system renewal;
- rate competitiveness and affordability;
- regulatory stability and investment recovery for the electric and gas utilities;
- employee safety and engagement;
- cost structure optimization across all business segments;
- cash, capital, and liquidity to maintain or improve financial strength; and
- investments that integrate assets and leverage skills and expertise.

In addition, on October 27, 2020, DTE Energy announced its intention to spin-off the DTE Midstream business, reflecting a shift in strategy to a predominantly pure-play utility. DTE Energy expects to complete the separation by mid-year 2021, subject to final approval by its Board of Directors and satisfaction of other conditions. If the spin-off transaction is completed, it would result in a reduction to DTE Energy's earnings and cash flows. However, DTE Energy would remain well-positioned for long-term growth and focused on the key objectives noted above. DTE Energy will continue to pursue opportunities to grow its businesses in a disciplined manner if it can secure opportunities that meet its strategic, financial, and risk criteria.

COVID-19 Pandemic

DTE Energy has been monitoring the COVID-19 pandemic and any related impacts to operating costs, customer demand, and the recoverability of assets in our business segments that could materially impact the Registrants' financial results.

As noted in Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies," the pandemic has contributed to a shift in electric sales volumes from commercial and industrial customers to residential customers. DTE Energy expects this shift to continue in the near term as the pandemic continues and businesses maintain more remote operations.

Other impacts from COVID-19 have related primarily to health and safety-related costs at the utilities and volumes at certain non-utility businesses, but these impacts have not been significant. DTE Energy will continue to monitor these impacts as well as any regulatory and legislative activities related to COVID-19.

The Registrants cannot predict the ultimate impact of these factors to our Consolidated Financial Statements as future developments involving COVID-19 and related impacts on economic and operating conditions are highly uncertain.

RESULTS OF OPERATIONS

Management’s Discussion and Analysis of Financial Condition and Results of Operations includes financial information prepared in accordance with GAAP, as well as the non-GAAP financial measures, Utility Margin and Non-utility Margin, discussed below, which DTE Energy uses as measures of its operational performance. Generally, a non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP.

DTE Energy uses Utility Margin and Non-utility Margin, non-GAAP financial measures, to assess its performance by reportable segment.

Utility Margin includes electric utility and gas utility Operating Revenues net of Fuel, purchased power, and gas expenses. The utilities' fuel, purchased power, and natural gas supply are passed through to customers, and therefore, result in changes to the utilities' revenues that are comparable to changes in such expenses. As such, DTE Energy believes Utility Margin provides a meaningful basis for evaluating the utilities' operations across periods, as it excludes the revenue effect of fluctuations in these expenses. For the Electric segment, non-utility Operating Revenues are reported separately so that Utility Margin can be used to assess utility performance.

The Non-utility Margin relates to the Power and Industrial Projects and Energy Trading segments. For the Power and Industrial Projects segment, Non-utility Margin primarily includes Operating Revenues net of Fuel, purchased power, and gas expenses. Operating Revenues include sales of refined coal to third parties and the affiliated Electric utility, metallurgical coke and related by-products, petroleum coke, renewable natural gas and related credits, and electricity, as well as rental income and revenues from utility-type consulting, management, and operational services. For the Energy Trading segment, Non-utility Margin includes revenue and realized and unrealized gains and losses from physical and financial power and gas marketing, optimization, and trading activities, net of Purchased power and gas related to these activities. DTE Energy evaluates its operating performance of these non-utility businesses using the measure of Operating Revenues net of Fuel, purchased power, and gas expenses.

Utility Margin and Non-utility Margin are not measures calculated in accordance with GAAP and should be viewed as a supplement to and not a substitute for the results of operations presented in accordance with GAAP. Utility Margin and Non-utility Margin do not intend to represent operating income, the most comparable GAAP measure, as an indicator of operating performance and are not necessarily comparable to similarly titled measures reported by other companies.

The following sections provide a detailed discussion of the operating performance and future outlook of DTE Energy's segments. Segment information, described below, includes intercompany revenues and expenses, and other income and deductions that are eliminated in the Consolidated Financial Statements.

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Net Income (Loss) Attributable to DTE Energy by Segment		
Electric	**$ 208**	$ 94
Gas	**169**	121
Gas Storage and Pipelines	**79**	72
Power and Industrial Projects	**28**	30
Energy Trading	**(55)**	34
Corporate and Other	**(32)**	(11)
Net Income Attributable to DTE Energy Company	**$ 397**	$ 340

ELECTRIC

The Results of Operations discussion for DTE Electric is presented in a reduced disclosure format in accordance with General Instruction H(2) of Form 10-Q.

The Electric segment consists principally of DTE Electric. Electric results and outlook are discussed below:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Revenues — Utility operations	**$ 1,360**	$ 1,212
Fuel and purchased power — utility	**360**	294
Utility Margin	**1,000**	918
Operating Revenues — Non-utility operations	**4**	4
Operation and maintenance	**354**	356
Depreciation and amortization	**264**	261
Taxes other than income	**82**	83
Operating Income	**304**	222
Other (Income) and Deductions	**76**	115
Income Tax Expense	**20**	13
Net Income Attributable to DTE Energy Company	**$ 208**	$ 94

See DTE Electric's Consolidated Statements of Operations for a complete view of its results. Differences between the Electric segment and DTE Electric's Consolidated Statements of Operations are primarily due to non-utility operations at DTE Sustainable Generation and the classification of certain benefit costs. Refer to Note 14 to the Consolidated Financial Statements, "Retirement Benefits and Trusteed Assets" for additional information.

Utility Margin increased $82 million in the three months ended March 31, 2021. Revenues associated with certain mechanisms and surcharges are offset by related expenses elsewhere in the Registrants' Consolidated Statements of Operations.

The following table details changes in various Utility Margin components relative to the comparable prior period:

	Three Months
	(In millions)
Implementation of new rates	$ 47
Weather	14
Regulatory mechanism — EWR	11
Regulatory mechanism — RPS	10
Base sales / rate mix	3
Regulatory mechanism — TRM	(1)
Other regulatory mechanisms and other	(2)
Increase in Utility Margin	**$ 82**

	Three Months Ended March 31,	
	2021	2020
	(In thousands of MWh)	
DTE Electric Sales		
Residential	**3,759**	3,570
Commercial	**3,872**	3,909
Industrial	**2,202**	2,302
Other	**59**	60
	9,892	9,841
Interconnection sales[(a)]	**1,203**	408
Total DTE Electric Sales	**11,095**	10,249
DTE Electric Deliveries		
Retail and wholesale	**9,892**	9,841
Electric retail access, including self-generators[(b)]	**937**	1,043
Total DTE Electric Sales and Deliveries	**10,829**	10,884

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(a) Represents power that is not distributed by DTE Electric.

(b) Represents deliveries for self-generators that have purchased power from alternative energy suppliers to supplement their power requirements.

Operation and maintenance expense decreased $2 million in the three months ended March 31, 2021. The decrease was primarily due to lower generation expense of $16 million and lower distribution expense of $13 million, partially offset by higher benefits expense of $13 million, higher EWR program expense of $10 million, higher RPS program expense of $1 million, and higher TRM program expense of $1 million.

Depreciation and amortization expense increased $3 million in the three months ended March 31, 2021. The increase was primarily due to $7 million resulting from a higher depreciable base, partially offset by a decrease of $2 million associated with the TRM.

Other (Income) and Deductions decreased $39 million in the three months ended March 31, 2021. The decrease was primarily due to a change in rabbi trust investment earnings (gain of $2 million in 2021 compared to a loss of $31 million in 2020) and lower non-operating benefits expense of $3 million.

Income Tax Expense increased $7 million in the three months ended March 31, 2021. The increase was primarily due to higher earnings, partially offset by higher amortization of the TCJA regulatory liability and higher production tax credits.

Outlook — DTE Electric will continue to move forward in its efforts to achieve operational excellence, sustain strong cash flows, and earn its authorized return on equity. DTE Electric expects that planned significant capital investments will result in earnings growth. DTE Electric will maintain a strong focus on customers by increasing reliability and satisfaction while keeping customer rate increases affordable. Looking forward, additional factors may impact earnings such as weather, the outcome of regulatory proceedings, benefit plan design changes, investment returns and changes in discount rate assumptions in benefit plans and health care costs, uncertainty of legislative or regulatory actions regarding climate change, and effects of energy waste reduction programs.

On March 26, 2021, DTE Electric filed an application requesting a financing order approving the securitization of $184 million of qualified costs related to the net book value of the River Rouge generation plant and tree trimming surge program costs. The filing requests collection of these qualifying costs from DTE Electric's customers. A final MPSC order is expected by the end of June 2021.

GAS

The Gas segment consists principally of DTE Gas. Gas results and outlook are discussed below:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Revenues — Utility operations	**$ 612**	$ 540
Cost of gas — utility	**195**	178
Utility Margin	**417**	362
Operation and maintenance	**130**	121
Depreciation and amortization	**43**	37
Taxes other than income	**26**	25
Operating Income	**218**	179
Other (Income) and Deductions	**19**	22
Income Tax Expense	**30**	36
Net Income Attributable to DTE Energy Company	**$ 169**	$ 121

Utility Margin increased $55 million in the three months ended March 31, 2021. Revenues associated with certain mechanisms and surcharges are offset by related expenses elsewhere in DTE Energy's Consolidated Statements of Operations.

The following table details changes in various Utility Margin components relative to the comparable prior period:

	Three Months
	(In millions)
Implementation of new rates	$ 45
Weather	$ 17
Infrastructure recovery mechanism	(7)
Increase in Utility Margin	**$ 55**

	Three Months Ended March 31,	
	2021	**2020**
	(In Bcf)	
Gas Markets		
Gas sales	**62**	58
End-user transportation	**53**	57
	115	115
Intermediate transportation	**151**	128
Total Gas sales	**266**	243

Operation and maintenance expense increased $9 million in the three months ended March 31, 2021. The increase was primarily due to higher gas operations expense.

Depreciation and amortization expense increased $6 million in the three months ended March 31, 2021. The increase was primarily due to a higher depreciable base and change in depreciation rates effective October 2020.

Other (Income) and Deductions decreased $3 million in the three months ended March 31, 2021. The decrease was primarily due to investment losses of $3 million in 2020.

Income Tax Expense decreased $6 million in the three months ended March 31, 2021. The decrease was primarily due to higher amortization of the TCJA regulatory liability, partially offset by higher earnings.

Outlook — DTE Gas will continue to move forward in its efforts to achieve operational excellence, sustain strong cash flows, and earn its authorized return on equity. DTE Gas expects that planned significant infrastructure capital investments will result in earnings growth. Looking forward, additional factors may impact earnings such as weather, the outcome of regulatory proceedings, benefit plan design changes, and investment returns and changes in discount rate assumptions in benefit plans and health care costs. DTE Gas expects to continue its efforts to improve productivity and decrease costs while improving customer satisfaction with consideration of customer rate affordability.

DTE Gas filed a rate case with the MPSC on February 12, 2021 requesting an increase in base rates of $195 million based on a projected twelve-month period ending December 31, 2022. The requested increase in base rates is primarily due to an increase in net plant resulting from infrastructure investments and operating and maintenance expenses. The rate filing also requested an increase in return on equity from 9.9% to 10.25% and includes projected changes in sales and working capital. A final MPSC order in this case is expected by December 2021.

GAS STORAGE AND PIPELINES

The Gas Storage and Pipelines segment consists of the non-utility gas pipelines and storage businesses. Gas Storage and Pipelines results and outlook are discussed below:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Revenues — Non-utility operations	**$ 197**	$ 170
Cost of gas and other — Non-utility	**5**	4
Operation and maintenance	**45**	28
Depreciation and amortization	**41**	36
Taxes other than income	**7**	5
Asset (gains) losses and impairments, net	**(1)**	—
Operating Income	**100**	97
Other (Income) and Deductions	**(10)**	(3)
Income Tax Expense	**28**	26
Net Income	**82**	74
Less: Net Income Attributable to Noncontrolling Interests	**3**	2
Net Income Attributable to DTE Energy Company	**$ 79**	$ 72

Operating Revenues — Non-utility operations increased $27 million in the three months ended March 31, 2021. The increase was primarily due to higher pipeline revenues from LEAP, which was placed in-service during the third quarter 2020, as well as higher gathering revenues at Blue Union. These increases were partially offset by lower revenues at Susquehanna Gathering due to lower volumes.

Operation and maintenance expense increased $17 million in the three months ended March 31, 2021. The increase was primarily due to transaction costs related to the planned spin-off of DTE Midstream and higher operation and maintenance costs at Blue Union.

Depreciation and amortization expense increased $5 million in the three months ended March 31, 2021. The increase was primarily due to LEAP, which was placed in-service during the third quarter 2020.

Other (Income) and Deductions increased $7 million in the three months ended March 31, 2021. The increase was primarily due to higher earnings from pipeline investments and lower interest expense.

Outlook — DTE Energy believes its long-term agreements with producers and the quality of the natural gas reserves in the Marcellus/Utica and Haynesville shale regions soundly position the business for future revenues. Gas Storage and Pipelines will continue to execute quality investments, with a focus on continued organic growth from well-positioned existing assets.

DTE Energy continues to work with its customers by executing short, medium, and long-term storage, gathering, and transportation contracts to support the continued growth of the Gas Storage and Pipelines segment and manage any potential exposure to changes in the price of natural gas.

On October 27, 2020, DTE Energy announced that its Board of Directors has authorized management to pursue a plan to spin-off the DTE Midstream business. DTE Energy expects to complete the separation by mid-year 2021, subject to final approval by its Board of Directors and satisfaction of other conditions.

Refer to Note 4 to the Consolidated Financial Statements, "Dispositions," for additional information.

POWER AND INDUSTRIAL PROJECTS

The Power and Industrial Projects segment is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial, and institutional customers, produce reduced emissions fuel, and sell electricity and pipeline-quality gas from renewable energy projects. Power and Industrial Projects results and outlook are discussed below:

	Three Months Ended March 31,	
	2021	**2020**
	(In millions)	
Operating Revenues — Non-utility operations	**$ 366**	$ 307
Fuel, purchased power, and gas — non-utility	**285**	225
Non-utility Margin	**81**	82
Operation and maintenance	**70**	69
Depreciation and amortization	**19**	18
Taxes other than income	**4**	4
Asset (gains) losses and impairments, net	**—**	(10)
Operating Income (Loss)	**(12)**	1
Other (Income) and Deductions	**(21)**	(19)
Income Taxes		
Expense	**4**	5
Production Tax Credits	**(20)**	(15)
	(16)	(10)
Net Income	**25**	30
Less: Net Loss Attributable to Noncontrolling Interests	**(3)**	—
Net Income Attributable to DTE Energy Company	**$ 28**	$ 30

Operating Revenues — Non-utility operations increased $59 million in the three months ended March 31, 2021. The increase was due to the following:

	Three Months
	(In millions)
Higher production offset by the sale of membership interests in the REF business	$ 57
New projects offset by lower production in the Renewables business	8
New projects in the On-site business	4
Expired contract in the Renewables business	(3)
Lower prices in the Steel business	(7)
	$ 59

Non-utility Margin decreased $1 million in the three months ended March 31, 2021. The following table details changes in Non-utility Margin relative to the comparable prior periods:

		Three Months
		(In millions)
New projects offset by lower production in the Renewables business	$	8
New projects in the On-site business		1
Expired contract in the Renewables business		(2)
Lower prices in the Steel business		(7)
Other		(1)
	$	**(1)**

Asset (gains) losses and impairments, net decreased $10 million in the three months ended March 31, 2021. The decrease was primarily due to 2020 activity, including the write-off of environmental liabilities upon completing site remediation in the Steel business and the sale of assets in the On-site business.

Income Taxes — Production Tax Credits increased $5 million in the three months ended March 31, 2021. The increase was primarily due to higher production partially offset by the sale of membership interests in the REF business.

Net Loss Attributable to Noncontrolling Interests increased $3 million in the three months ended March 31, 2021. The increase was primarily due to higher production in the REF business.

Outlook — Power and Industrial Projects will continue to leverage its extensive energy-related operating experience and project management capability to develop additional energy and renewable natural gas projects to serve energy intensive industrial customers in addition to optimizing the REF facilities until the phase-out at the end of 2021. Beginning in 2022, Power and Industrial Projects expects decreases in Other Income and Production Tax Credits that will cause a corresponding reduction to Net Income as REF facilities will cease operations. Over the long-term, Power and Industrial Projects expects growth in industrial energy services projects and renewable energy projects will offset the decreases to Net Income caused by the REF phase-out.

Power and Industrial Projects is currently assessing its ability to economically produce pulverized coal supplied to steel industry customers, in consideration of the expected retirement of the River Rouge generation plant later in 2021.

ENERGY TRADING

Energy Trading focuses on physical and financial power, natural gas and environmental marketing and trading, structured transactions, enhancement of returns from its asset portfolio, and optimization of contracted natural gas pipeline transportation and storage positions. Energy Trading also provides natural gas, power, environmental, and related services, which may include the management of associated storage and transportation contracts on the customers' behalf and the supply or purchase of environmental attributes to various customers. Energy Trading results and outlook are discussed below:

	Three Months Ended March 31,			
	2021		2020	
	(In millions)			
Operating Revenues — Non-utility operations	**$**	**1,439**	$	913
Purchased power and gas — non-utility		**1,481**		841
Non-utility Margin		**(42)**		72
Operation and maintenance		**27**		23
Depreciation and amortization		**1**		1
Taxes other than income		**3**		2
Operating Income (Loss)		**(73)**		46
Other (Income) and Deductions		**—**		1
Income Tax Expense (Benefit)		**(18)**		11
Net Income (Loss) Attributable to DTE Energy Company	**$**	**(55)**	$	34

Operating Revenues — Non-utility operations increased $526 million in the three months ended March 31, 2021. The increase was primarily due to an increase in gas prices in the gas structured, gas transportation, and west gas strategies.

Non-utility Margin decreased $114 million in the three months ended March 31, 2021. The following tables detail changes in Non-utility margin relative to the comparable prior periods:

	Three Months
	(In millions)
Unrealized Margins[(a)]	
Favorable results, primarily in gas storage and gas full requirements strategies	$ 9
Unfavorable results, primarily in gas structured, environmental trading, and gas transportation strategies[(b)]	(170)
	(161)
Realized Margins[(a)]	
Favorable results, primarily in gas structured, environmental trading, and gas trading strategies[(c)]	111
Unfavorable results, primarily in the power ERCOT strategy	(64)
	47
Decrease in Non-utility Margin	**$ (114)**

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(a) Natural gas structured transactions typically involve a physical purchase or sale of natural gas in the future and/or natural gas basis financial instruments which are derivatives and a related non-derivative pipeline transportation contract. These gas structured transactions can result in significant earnings volatility as the derivative components are marked-to-market without revaluing the related non-derivative contracts.
(b) Amount includes $118 million of timing related losses related to gas strategies which will reverse in future periods as the underlying contracts settle.
(c) Amount includes $9 million of timing related losses related to gas strategies recognized in previous periods that reversed as the underlying contracts settled.

Operation and maintenance increased $4 million in the three months ended March 31, 2021. The increase was primarily due to higher uncollectible expense, partially offset by lower broker fees.

Income Tax Expense (Benefit) decreased $29 million in the three months ended March 31, 2021. The decrease was primarily due to lower earnings.

Outlook — In the near-term, Energy Trading expects market conditions to remain challenging. The profitability of this segment may be impacted by the volatility in commodity prices and the uncertainty of impacts associated with regulatory changes, and changes in operating rules of Regional Transmission Organizations. Significant portions of the Energy Trading portfolio are economically hedged. Most financial instruments, physical power and natural gas contracts, and certain environmental contracts are deemed derivatives; whereas, natural gas and environmental inventory, contracts for pipeline transportation, storage assets, and some environmental contracts are not derivatives. As a result, Energy Trading will experience earnings volatility as derivatives are marked-to-market without revaluing the underlying non-derivative contracts and assets. Energy Trading's strategy is to economically manage the price risk of these underlying non-derivative contracts and assets with futures, forwards, swaps, and options. This results in gains and losses that are recognized in different interim and annual accounting periods.

Energy Trading is also monitoring the bankruptcy of one of its customers, Brilliant Energy, LLC. Refer to Note 13 to the Consolidated Financial Statements, “Commitments and Contingencies,” for further information regarding the bankruptcy and potential impacts to Energy Trading.

See also the "Fair Value" section herein and Notes 8 and 9 to the Consolidated Financial Statements, "Fair Value" and "Financial and Other Derivative Instruments," respectively.

CORPORATE AND OTHER

Corporate and Other includes various holding company activities, holds certain non-utility debt, and holds certain investments, including funds supporting regional development and economic growth. The net loss of $32 million for the three months ended March 31, 2021 represents an increase of $21 million from the net loss of $11 million in the comparable 2020 period. The increase was primarily due to effective income tax rate adjustments and higher net interest costs.

CAPITAL RESOURCES AND LIQUIDITY

Cash Requirements

DTE Energy uses cash to maintain and invest in the electric and natural gas utilities, to grow the non-utility businesses, to retire and pay interest on long-term debt, and to pay dividends. DTE Energy believes it will have sufficient internal and external capital resources to fund anticipated capital and operating requirements. DTE Energy expects that cash from operations in 2021 will be approximately $3.0 billion. DTE Energy anticipates base level utility capital investments, including environmental, renewable, and energy waste reduction expenditures; expenditures for non-utility businesses; and contributions to equity method investees in 2021 of approximately $4.2 billion. DTE Energy plans to seek regulatory approval to include utility capital expenditures in regulatory rate base consistent with prior treatment. Capital spending for growth of existing or new non-utility businesses will depend on the existence of opportunities that meet strict risk-return and value creation criteria.

Refer to the "Capital Investments" section above for additional information on DTE Energy's capital strategy and estimated spend over the next five years. Any capital commitments are also included in the disclosure of Purchase Commitments within Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies."

	Three Months Ended March 31,	
	2021	**2020**
	(in millions)	
Cash, Cash Equivalents, and Restricted Cash at Beginning of Period	**$ 516**	$ 93
Net cash from operating activities	**1,057**	1,061
Net cash used for investing activities	**(705)**	(1,342)
Net cash from financing activities	**702**	864
Net Increase in Cash, Cash Equivalents, and Restricted Cash	**1,054**	583
Cash, Cash Equivalents, and Restricted Cash at End of Period	**$ 1,570**	$ 676

Cash from Operating Activities

A majority of DTE Energy's operating cash flows are provided by the electric and natural gas utilities, which are significantly influenced by factors such as weather, electric retail access, regulatory deferrals, regulatory outcomes, economic conditions, changes in working capital, and operating costs.

Net cash from operations decreased by $4 million in 2021. The decrease was primarily due to a decrease in Deferred income taxes, partially offset by an increase in Net Income, Depreciation and amortization, and working capital items.

The change in working capital items in 2021 was primarily due to an increase in cash related to Regulatory assets and liabilities and Derivative assets and liabilities, partially offset by a decrease in cash related to Accounts receivable, net and Other current and noncurrent assets and liabilities.

Cash used for Investing Activities

Cash inflows associated with investing activities are primarily generated from the sale of assets, while cash outflows are the result of plant and equipment expenditures and acquisitions. In any given year, DTE Energy looks to realize cash from under-performing or non-strategic assets or matured, fully valued assets.

Capital spending within the utility businesses is primarily to maintain and improve electric generation and the electric and natural gas distribution infrastructure, and to comply with environmental regulations and renewable energy requirements.

Capital spending within the non-utility businesses is primarily for ongoing maintenance, expansion, and growth. DTE Energy looks to make growth investments that meet strict criteria in terms of strategy, management skills, risks, and returns. All new investments are analyzed for their rates of return and cash payback on a risk adjusted basis. DTE Energy has been disciplined in how it deploys capital and will not make investments unless they meet the criteria. For new business lines, DTE Energy initially invests based on research and analysis. DTE Energy starts with a limited investment, evaluates the results, and either expands or exits the business based on those results. In any given year, the amount of growth capital will be determined by the underlying cash flows of DTE Energy, with a clear understanding of any potential impact on its credit ratings.

Net cash used for investing activities decreased by $637 million in 2021 primarily due to a decrease in Plant and equipment expenditures and a decrease in Acquisitions related to business combinations, net of cash acquired.

Cash from Financing Activities

DTE Energy relies on both short-term borrowing and long-term financing as a source of funding for capital requirements not satisfied by its operations.

DTE Energy's strategy is to have a targeted debt portfolio blend of fixed and variable interest rates and maturity. DTE Energy targets balance sheet financial metrics to ensure it is consistent with the objective of a strong investment grade debt rating.

Net cash from financing activities decreased by $162 million in 2021 primarily due to a decrease in Short-term borrowings, net, a decrease in Issuances of long-term debt, net of issuance costs, and a Repurchase of common stock, partially offset by a decrease in Redemption of long-term debt.

Outlook

DTE Energy expects cash flows from operations to increase over the long-term, primarily as a result of growth from the utility and non-utility businesses. Growth in the utilities is expected to be driven primarily by capital spending which will increase the base from which rates are determined. Non-utility growth is expected from additional investments, primarily in the Gas Storage and Pipelines and Power and Industrial Projects segments. Power and Industrial Projects cash flows are expected to temporarily decrease beginning in 2022 as REF facilities will have ceased operations. Growth from new industrial energy services projects and renewable energy investments are expected to offset these decreases over the long-term.

DTE Energy's intention to spin-off the DTE Midstream business could also reduce cash flows if the separation transaction is completed. However, DTE Energy would still expect higher cash flows from operations over the long-term due to the growth of its utilities and other non-utility operations. DTE Energy will continue to assess the impact of the potential spin-off transaction on its cash flows, including any financing activity related to the separation of DTE Midstream.

DTE Energy may be impacted by the timing of collection or refund of various recovery and tracking mechanisms, as a result of timing of MPSC orders. Energy prices are likely to be a source of volatility with regard to working capital requirements for the foreseeable future. DTE Energy continues its efforts to identify opportunities to improve cash flows through working capital initiatives and maintaining flexibility in the timing and extent of long-term capital projects.

DTE Energy has $469 million in long-term debt, including finance leases, maturing in the next twelve months. The repayment of the debt is expected to be made through internally generated funds or the issuance of new long-term debt.

DTE Energy has approximately $4.1 billion of available liquidity at March 31, 2021, consisting primarily of cash and amounts available under unsecured revolving credit agreements.

At the discretion of management and depending upon economic and financial market conditions, DTE Energy expects to issue equity up to $200 million in 2021. If issued, DTE Energy anticipates up to $100 million of these equity issuances will be made through contributions to the qualified pension plans at DTE Electric. DTE Energy does not anticipate making any contributions to its other postretirement benefit plans in 2021. Any additional equity issuances are expected to be made through other employee benefit plans.

To finance the acquisition of midstream natural gas assets in December 2019, DTE Energy issued equity units that will result in the issuance of common stock in November 2022. This transaction is not expected to impact DTE Energy's cash flows. Cash flow impacts in 2021-2022 will relate primarily to the payment of DTE Energy's remaining stock purchase liability associated with the equity units. Over the long-term, DTE Energy does not have any other equity commitments and will continue to evaluate equity needs on an annual basis in consideration of economic and financial market conditions.

DTE Energy has paid quarterly cash dividends for more than 100 consecutive years and expects to continue paying regular cash dividends in the future, including approximately $0.8 billion in 2021. Any payment of future dividends is subject to approval by the Board of Directors and may depend on DTE Energy's future earnings, capital requirements, and financial condition. Over the long-term, DTE Energy expects continued dividend growth and is targeting a payout ratio consistent with pure-play utility companies.

Various subsidiaries and equity investees of DTE Energy have entered into contracts which contain ratings triggers and are guaranteed by DTE Energy. These contracts contain provisions which allow the counterparties to require that DTE Energy post cash or letters of credit as collateral in the event that DTE Energy's credit rating is downgraded below investment grade. Certain of these provisions (known as "hard triggers") state specific circumstances under which DTE Energy can be required to post collateral upon the occurrence of a credit downgrade, while other provisions (known as "soft triggers") are not as specific. For contracts with soft triggers, it is difficult to estimate the amount of collateral which may be requested by counterparties and/or which DTE Energy may ultimately be required to post. The amount of such collateral which could be requested fluctuates based on commodity prices (primarily natural gas, power, environmental, and coal) and the provisions and maturities of the underlying transactions. As of March 31, 2021, DTE Energy's contractual obligation to post collateral in the form of cash or letters of credit in the event of a downgrade to below investment grade, under both hard trigger and soft trigger provisions, was $506 million.

DTE Energy is actively monitoring the impact of the COVID-19 pandemic on capital markets and any related effects to our cost of capital. Through March 2021, the Registrants have maintained adequate liquidity due to the availability of committed credit facilities, and by raising additional liquidity through term loans and the public issuance of debt, while paying off maturing commercial paper.

DTE Energy believes it will have sufficient operating flexibility, cash resources, and funding sources to maintain adequate amounts of liquidity and to meet future operating cash and capital expenditure needs. However, virtually all of DTE Energy's businesses are capital intensive, or require access to capital, and the inability to access adequate capital could adversely impact earnings and cash flows.

See Notes 6, 10, 11, 13, and 14 to the Consolidated Financial Statements, "Regulatory Matters," "Long-Term Debt," "Short-Term Credit Arrangements and Borrowings," "Commitments and Contingencies," and "Retirement Benefits and Trusteed Assets," respectively.

NEW ACCOUNTING PRONOUNCEMENTS

See Note 3 to the Consolidated Financial Statements, "New Accounting Pronouncements."

FAIR VALUE

Derivatives are generally recorded at fair value and shown as Derivative assets or liabilities. Contracts DTE Energy typically classifies as derivative instruments include power, natural gas, some environmental contracts, and certain forwards, futures, options and swaps, and foreign currency exchange contracts. Items DTE Energy does not generally account for as derivatives include natural gas and environmental inventory, pipeline transportation contracts, storage assets, and some environmental contracts. See Notes 8 and 9 to the Consolidated Financial Statements, "Fair Value" and "Financial and Other Derivative Instruments," respectively.

The tables below do not include the expected earnings impact of non-derivative natural gas storage, transportation, certain power contracts, and some environmental contracts which are subject to accrual accounting. Consequently, gains and losses from these positions may not match with the related physical and financial hedging instruments in some reporting periods, resulting in volatility in the Registrants' reported period-by-period earnings; however, the financial impact of the timing differences will reverse at the time of physical delivery and/or settlement.

The Registrants manage their MTM risk on a portfolio basis based upon the delivery period of their contracts and the individual components of the risks within each contract. Accordingly, the Registrants record and manage the energy purchase and sale obligations under their contracts in separate components based on the commodity (e.g. electricity or natural gas), the product (e.g. electricity for delivery during peak or off-peak hours), the delivery location (e.g. by region), the risk profile (e.g. forward or option), and the delivery period (e.g. by month and year).

The Registrants have established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For further discussion of the fair value hierarchy, see Note 8 to the Consolidated Financial Statements, "Fair Value."

The following table provides details on changes in DTE Energy's MTM net asset (or liability) position:

	DTE Energy
	(In millions)
MTM at December 31, 2020	$ 28
Reclassified to realized upon settlement	(26)
Changes in fair value recorded to income	(99)
Amounts recorded to unrealized income	(125)
Changes in fair value recorded in regulatory liabilities	(1)
Change in collateral	—
MTM at March 31, 2021	**$ (98)**

The table below shows the maturity of DTE Energy's MTM positions. The positions from 2024 and beyond principally represent longer tenor gas structured transactions:

Source of Fair Value	2021	2022	2023	2024 and Beyond	Total Fair Value
			(In millions)		
Level 1	$ 10	$ 2	$ —	$ 1	$ 13
Level 2	32	—	(8)	(22)	2
Level 3	(51)	(8)	(8)	(40)	(107)
MTM before collateral adjustments	$ (9)	$ (6)	$ (16)	$ (61)	(92)
Collateral adjustments					(6)
MTM at March 31, 2021					**$ (98)**

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

Market Price Risk

The Electric and Gas businesses have commodity price risk, primarily related to the purchases of coal, natural gas, uranium, and electricity. However, the Registrants do not bear significant exposure to earnings risk, as such changes are included in the PSCR and GCR regulatory rate-recovery mechanisms. In addition, changes in the price of natural gas can impact the valuation of lost and stolen gas, storage sales, and transportation services revenue at the Gas segment. The Gas segment manages its market price risk related to storage sales revenue primarily through the sale of long-term storage contracts. The Registrants are exposed to short-term cash flow or liquidity risk as a result of the time differential between actual cash settlements and regulatory rate recovery.

DTE Energy's Gas Storage and Pipelines segment is dependent on the continued availability of natural gas production and reserves in its areas of operation. Low prices for natural gas, including those resulting from regional basis differentials, could adversely affect development of additional reserves and production that is accessible to our pipeline and storage assets. DTE Energy manages its exposure through the use of short, medium, and long-term storage, gathering, and transportation contracts.

DTE Energy's Power and Industrial Projects business segment is subject to electricity, natural gas, and coal product price risk. DTE Energy manages its exposure to commodity price risk through the use of long-term contracts.

DTE Energy's Energy Trading business segment has exposure to electricity, natural gas, environmental, crude oil, heating oil, and foreign currency exchange price fluctuations. These risks are managed by the energy marketing and trading operations through the use of forward energy, capacity, storage, options, and futures contracts, within predetermined risk parameters.

Credit Risk

Bankruptcies

DTE Energy Trading is the sole supplier of power for Brilliant Energy, LLC ("Brilliant"), a load serving entity and competitive retailer in ERCOT. On March 16, 2021, Brilliant filed a voluntary petition for bankruptcy protection under Chapter 7 of the Bankruptcy Code.

Refer to Note 13 to the Consolidated Financial Statements, "Commitments and Contingencies," for details regarding the bankruptcy, including the status of customer receivables and DTE Energy Trading’s credit agreement related to Brilliant. DTE Energy will continue to monitor the bankruptcy proceedings and related impacts to DTE Energy Trading.

Allowance for Doubtful Accounts

The Registrants regularly review contingent matters, existing and future economic conditions, customer trends and other factors relating to customers and their contracts and record provisions for amounts considered at risk of probable loss in the allowance for doubtful accounts. The Registrants believe their accrued amounts are adequate for probable loss.

Trading Activities

DTE Energy is exposed to credit risk through trading activities. Credit risk is the potential loss that may result if the trading counterparties fail to meet their contractual obligations. DTE Energy utilizes both external and internal credit assessments when determining the credit quality of trading counterparties.

The following table displays the credit quality of DTE Energy's trading counterparties as of March 31, 2021:

	Credit Exposure Before Cash Collateral	Cash Collateral	Net Credit Exposure
		(In millions)	
Investment Grade[(a)]			
A- and Greater	$ 258	$ —	$ 258
BBB+ and BBB	285	—	285
BBB-	6	—	6
Total Investment Grade	549	—	549
Non-investment grade[(b)]	21	—	21
Internally Rated — investment grade[(c)]	415	(1)	414
Internally Rated — non-investment grade[(d)]	141	—	141
Total	**$ 1,126**	**$ (1)**	**$ 1,125**

(a) This category includes counterparties with minimum credit ratings of Baa3 assigned by Moody's Investors Service (Moody's) or BBB-assigned by Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc. (Standard & Poor's). The five largest counterparty exposures, combined, for this category represented 15% of the total gross credit exposure.
(b) This category includes counterparties with credit ratings that are below investment grade. The five largest counterparty exposures, combined, for this category represented 1% of the total gross credit exposure.
(c) This category includes counterparties that have not been rated by Moody's or Standard & Poor's but are considered investment grade based on DTE Energy's evaluation of the counterparty's creditworthiness. The five largest counterparty exposures, combined, for this category represented 12% of the total gross credit exposure.
(d) This category includes counterparties that have not been rated by Moody's or Standard & Poor's and are considered non-investment grade based on DTE Energy's evaluation of the counterparty's creditworthiness. The five largest counterparty exposures, combined, for this category represented 7% of the total gross credit exposure.

Other

The Registrants engage in business with customers that are non-investment grade. The Registrants closely monitor the credit ratings of these customers and, when deemed necessary and permitted under the tariffs, request collateral or guarantees from such customers to secure their obligations.

Interest Rate Risk

DTE Energy is subject to interest rate risk in connection with the issuance of debt. In order to manage interest costs, DTE Energy may use treasury locks and interest rate swap agreements. DTE Energy's exposure to interest rate risk arises primarily from changes in U.S. Treasury rates, commercial paper rates, and LIBOR. As of March 31, 2021, DTE Energy had floating rate debt of $52 million and a floating rate debt-to-total debt ratio of 0.25%.

Foreign Currency Exchange Risk

DTE Energy has foreign currency exchange risk arising from market price fluctuations associated with fixed priced contracts. These contracts are denominated in Canadian dollars and are primarily for the purchase and sale of natural gas and power, as well as for long-term transportation capacity. To limit DTE Energy's exposure to foreign currency exchange fluctuations, DTE Energy has entered into a series of foreign currency exchange forward contracts through June 2030.

Summary of Sensitivity Analyses

Sensitivity analyses were performed on the fair values of commodity contracts for DTE Energy and long-term debt obligations for the Registrants. The commodity contracts listed below principally relate to energy marketing and trading activities. The sensitivity analyses involved increasing and decreasing forward prices and rates at March 31, 2021 and 2020 by a hypothetical 10% and calculating the resulting change in the fair values. The hypothetical losses related to long-term debt would be realized only if DTE Energy transferred all of its fixed-rate long-term debt to other creditors.

The results of the sensitivity analyses:

	Assuming a 10% Increase in Prices/Rates		Assuming a 10% Decrease in Prices/Rates		
	As of March 31,		As of March 31,		
Activity	2021	2020	2021	2020	Change in the Fair Value of
	(In millions)				
Environmental contracts	**$ (8)**	$ (4)	**$ 6**	$ 2	Commodity contracts
Gas contracts	**$ 33**	$ 18	**$ (33)**	$ (18)	Commodity contracts
Power contracts	**$ 4**	$ 5	**$ (5)**	$ (5)	Commodity contracts
Interest rate risk — DTE Energy	**$ (729)**	$ (701)	**$ 758**	$ 731	Long-term debt
Interest rate risk — DTE Electric	**$ (348)**	$ (328)	**$ 371**	$ 351	Long-term debt

For further discussion of market risk, see Note 9 to the Consolidated Financial Statements, "Financial and Other Derivative Instruments."

Item 4. *Controls and Procedures*

DTE Energy

(a) Evaluation of disclosure controls and procedures

Management of DTE Energy carried out an evaluation, under the supervision and with the participation of DTE Energy's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of DTE Energy's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2021, which is the end of the period covered by this report. Based on this evaluation, DTE Energy's CEO and CFO have concluded that such disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by DTE Energy in reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to DTE Energy's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Due to the inherent limitations in the effectiveness of any disclosure controls and procedures, management cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be attained.

(b) Changes in internal control over financial reporting

There have been no changes in DTE Energy's internal control over financial reporting during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, DTE Energy's internal control over financial reporting.

DTE Electric

(a) Evaluation of disclosure controls and procedures

Management of DTE Electric carried out an evaluation, under the supervision and with the participation of DTE Electric's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of DTE Electric's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of March 31, 2021, which is the end of the period covered by this report. Based on this evaluation, DTE Electric's CEO and CFO have concluded that such disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by DTE Electric in reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms and (ii) is accumulated and communicated to DTE Electric's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Due to the inherent limitations in the effectiveness of any disclosure controls and procedures, management cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be attained.

(b) Changes in internal control over financial reporting

There have been no changes in DTE Electric's internal control over financial reporting during the quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, DTE Electric's internal control over financial reporting.

Part II — Other Information

Item 1. *Legal Proceedings*

For information on legal proceedings and matters related to the Registrants, see Notes 6 and 13 to the Consolidated Financial Statements, "Regulatory Matters" and "Commitments and Contingencies," respectively.

For environmental proceedings in which the government is a party, the Registrants have included disclosures if any sanctions of $1 million or greater are expected.

Item 1A. *Risk Factors*

There are various risks associated with the operations of the Registrants' businesses. To provide a framework to understand the operating environment of the Registrants, a brief explanation of the more significant risks associated with the Registrants' businesses is provided in Part 1, Item 1A. Risk Factors in DTE Energy's and DTE Electric's combined 2020 Annual Report on Form 10-K. Although the Registrants have tried to identify and discuss key risk factors, others could emerge in the future.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Purchases of DTE Energy Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information about DTE Energy's purchases of equity securities that are registered by DTE Energy pursuant to Section 12 of the Exchange Act of 1934 for the quarter ended March 31, 2021:

	Number of Shares Purchased[(a)]	Average Price Paid per Share[(a)]	Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid per Share	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs
01/01/21 - 01/31/21	680	$ 123.26	—	—	—
02/01/21 - 02/28/21	472,412	$ 124.98	—	—	—
03/01/21 - 03/31/21	—	$ —	—	—	—
Total	**473,092**		—		

(a) Represents shares of DTE Energy common stock purchased on the open market to participants under various employee compensation and incentive programs. Also includes shares of common stock withheld to satisfy income tax obligations upon the vesting of restricted stock based on the price in effect at the grant date.

Item 6. *Exhibits*

Exhibit Number	Description	DTE Energy	DTE Electric
	(i) Exhibits filed herewith:		
4.323	Supplemental Indenture dated as of March 1, 2021, to the Mortgage and Deed of Trust dated as of October 1, 1924, between DTE Electric Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (2020 Series A and B)		X
31.193	Chief Executive Officer Section 302 Form 10-Q Certification of Periodic Report	X	
31.194	Chief Financial Officer Section 302 Form 10-Q Certification of Periodic Report	X	
31.195	Chief Executive Officer Section 302 Form 10-Q Certification of Periodic Report		X
31.196	Chief Financial Officer Section 302 Form 10-Q Certification of Periodic Report		X
101.INS	XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X	X
101.SCH	XBRL Taxonomy Extension Schema	X	X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X	X
101.DEF	XBRL Taxonomy Extension Definition Database	X	X
101.LAB	XBRL Taxonomy Extension Label Linkbase	X	X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	X	X
	(ii) Exhibits furnished herewith:		
32.193	Chief Executive Officer Section 906 Form 10-Q Certification of Periodic Report	X	
32.194	Chief Financial Officer Section 906 Form 10-Q Certification of Periodic Report	X	
32.195	Chief Executive Officer Section 906 Form 10-Q Certification of Periodic Report		X
32.196	Chief Financial Officer Section 906 Form 10-Q Certification of Periodic Report		X

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, thereunto duly authorized. The signature for each undersigned Registrant shall be deemed to relate only to matters having reference to such Registrant and any subsidiaries thereof.

Date: April 27, 2021

DTE ENERGY COMPANY

By: /S/ MARK C. ROLLING

Mark C. Rolling
Vice President, Controller, and Chief Accounting Officer
(Duly Authorized Officer)

DTE ELECTRIC COMPANY

By: /S/ MARK C. ROLLING

Mark C. Rolling
Vice President, Controller, and Chief Accounting Officer
(Duly Authorized Officer)

INDENTURE

DATED AS OF MARCH 1, 2021

DTE ELECTRIC COMPANY
formerly known as
The Detroit Edison Company
(One Energy Plaza, Detroit, Michigan 48226)

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
(719 Griswold Street, Suite 930, Detroit, Michigan 48226)

AS TRUSTEE

SUPPLEMENTAL TO MORTGAGE AND DEED OF TRUST
DATED AS OF OCTOBER 1, 1924

PROVIDING FOR

(A) GENERAL AND REFUNDING MORTGAGE BONDS,
2021 GREEN SERIES A AND 2021 GREEN SERIES B

AND

(B) RECORDING AND FILING DATA

TABLE OF CONTENTS*

*This Table of Contents shall not have any bearing upon the interpretation of any of the terms or provisions of this Indenture.

PARTIES.

SUPPLEMENTAL INDENTURE, dated as of the 1st day of March, in the year 2021, between DTE ELECTRIC COMPANY, formerly known as The Detroit Edison Company, a corporation organized and existing under the laws of the State of Michigan and a public utility (hereinafter called the "Company"), party of the first part, and The Bank of New York Mellon Trust Company, N.A., a trust company organized and existing under the laws of the United States, having a corporate trust agency office at 719 Griswold Street, Suite 930, Detroit, Michigan 48226, as successor Trustee under the Mortgage and Deed of Trust hereinafter mentioned (hereinafter called the "Trustee"), party of the second part.

ORIGINAL INDENTURE AND SUPPLEMENTAL INDENTURES.

WHEREAS, the Company has heretofore executed and delivered its Mortgage and Deed of Trust (hereinafter referred to as the "Original Indenture"), dated as of October 1, 1924, to the Trustee, for the security of all bonds of the Company outstanding thereunder, and pursuant to the terms and provisions of the Original Indenture, indentures dated as of, respectively, June 1, 1925, August 1, 1927, February 1, 1931, June 1, 1931, October 1, 1932, September 25, 1935, September 1, 1936, November 1, 1936, February 1, 1940, December 1, 1940, September 1, 1947, March 1, 1950, November 15, 1951, January 15, 1953, May 1, 1953, March 15, 1954, May 15, 1955, August 15, 1957, June 1, 1959, December 1, 1966, October 1, 1968, December 1, 1969, July 1, 1970, December 15, 1970, June 15, 1971, November 15, 1971, January 15, 1973, May 1, 1974, October 1, 1974, January 15, 1975, November 1, 1975, December 15, 1975, February 1, 1976, June 15, 1976, July 15, 1976, February 15, 1977, March 1, 1977, June 15, 1977, July 1, 1977, October 1, 1977, June 1, 1978, October 15, 1978, March 15, 1979, July 1, 1979, September 1, 1979, September 15, 1979, January 1, 1980, April 1, 1980, August 15, 1980, August 1, 1981, November 1, 1981, June 30, 1982, August 15, 1982, June 1, 1983, October 1, 1984, May 1, 1985, May 15, 1985, October 15, 1985, April 1, 1986, August 15, 1986, November 30, 1986, January 31, 1987, April 1, 1987, August 15, 1987, November 30, 1987, June 15, 1989, July 15, 1989, December 1, 1989, February 15, 1990, November 1, 1990, April 1, 1991, May 1, 1991, May 15, 1991, September 1, 1991, November 1, 1991, January 15, 1992, February 29, 1992, April 15, 1992, July 15, 1992, July 31, 1992, November 30, 1992, December 15, 1992, January 1, 1993, March 1, 1993, March 15, 1993, April 1, 1993, April 26, 1993, May 31, 1993, June 30, 1993, June 30, 1993, September 15, 1993, March 1, 1994, June 15, 1994, August 15, 1994, December 1, 1994, August 1, 1995, August 1, 1999, August 15, 1999, January 1, 2000, April 15, 2000, August 1, 2000, March 15, 2001, May 1, 2001, August 15, 2001, September 15, 2001, September 17, 2002, October 15, 2002, December 1, 2002, August 1, 2003, March 15, 2004, July 1, 2004, February 1, 2005, April 1, 2005, August 1, 2005, September 15, 2005, September 30, 2005, May 15, 2006, December 1, 2006, December 1, 2007, April 1, 2008, May 1, 2008, June 1, 2008, July 1, 2008, October 1, 2008, December 1, 2008, March 15, 2009, November 1, 2009, August 1, 2010, September 1, 2010, December 1, 2010, March 1, 2011, May 15, 2011, August 1, 2011, August 15, 2011, September 1, 2011, June 20, 2012, March 15, 2013, August 1, 2013 June 1, 2014, July 1, 2014, March 1, 2015, May 1, 2016, August 1, 2017, May 1, 2018, February 1, 2019, February 1, 2020 and April 1, 2020 supplemental to the Original Indenture, have heretofore been entered into between the Company and the Trustee (the Original Indenture and all indentures supplemental thereto together being hereinafter sometimes referred to as the "Indenture"); and

ISSUE OF BONDS UNDER INDENTURE.

WHEREAS, the Indenture provides that said bonds shall be issuable in one or more series, and makes provision that the rates of interest and dates for the payment thereof, the date of maturity or dates of maturity, if of serial maturity, the terms and rates of optional redemption (if redeemable), the forms of registered bonds without coupons of any series and any other provisions and agreements in respect thereof, in the Indenture provided and permitted, as the Board of Directors may determine, may be expressed in a supplemental indenture to be made by the Company to the Trustee thereunder; and

BONDS HERETOFORE ISSUED.

WHEREAS, bonds in the principal amount of Twenty-one billion, one hundred three million, fifty-seven thousand dollars ($21,103,057,000) have heretofore been issued under the indenture as follows, viz:

(1)	Bonds of Series A	— Principal Amount $26,016,000,
(2)	Bonds of Series B	— Principal Amount $23,000,000,
(3)	Bonds of Series C	— Principal Amount $20,000,000,
(4)	Bonds of Series D	— Principal Amount $50,000,000,
(5)	Bonds of Series E	— Principal Amount $15,000,000,
(6)	Bonds of Series F	— Principal Amount $49,000,000,
(7)	Bonds of Series G	— Principal Amount $35,000,000,
(8)	Bonds of Series H	— Principal Amount $50,000,000,
(9)	Bonds of Series I	— Principal Amount $60,000,000,
(10)	Bonds of Series J	— Principal Amount $35,000,000,
(11)	Bonds of Series K	— Principal Amount $40,000,000,
(12)	Bonds of Series L	— Principal Amount $24,000,000,
(13)	Bonds of Series M	— Principal Amount $40,000,000,
(14)	Bonds of Series N	— Principal Amount $40,000,000,
(15)	Bonds of Series O	— Principal Amount $60,000,000,
(16)	Bonds of Series P	— Principal Amount $70,000,000,
(17)	Bonds of Series Q	— Principal Amount $40,000,000,
(18)	Bonds of Series W	— Principal Amount $50,000,000,
(19)	Bonds of Series AA	— Principal Amount $100,000,000,
(20)	Bonds of Series BB	— Principal Amount $50,000,000,
(21)	Bonds of Series CC	— Principal Amount $50,000,000,
(22)	Bonds of Series UU	— Principal Amount $100,000,000,

(23-31)	Bonds of Series DDP Nos. 1-9	— Principal Amount $14,305,000,
(32-45)	Bonds of Series FFR Nos. 1-14	— Principal Amount $45,600,000,
(46-67)	Bonds of Series GGP Nos. 1-22	— Principal Amount $42,300,000,
(68)	Bonds of Series HH	— Principal Amount $50,000,000,
(69-90)	Bonds of Series IIP Nos. 1-22	— Principal Amount $3,750,000,
(91-98)	Bonds of Series JJP Nos. 1-8	— Principal Amount $6,850,000,
(99-107)	Bonds of Series KKP Nos. 1-9	— Principal Amount $34,890,000,
(108-122)	Bonds of Series LLP Nos. 1-15	— Principal Amount $8,850,000,
(123-143)	Bonds of Series NNP Nos. 1-21	— Principal Amount $47,950,000,
(144-161)	Bonds of Series OOP Nos. 1-18	— Principal Amount $18,880,000,
(162-180)	Bonds of Series QQP Nos. 1-19	— Principal Amount $13,650,000,
(181-195)	Bonds of Series TTP Nos. 1-15	— Principal Amount $3,800,000,
(196)	Bonds of 1980 Series A	— Principal Amount $50,000,000,
(197-221)	Bonds of 1980 Series CP Nos. 1-25	— Principal Amount $35,000,000,
(222-232)	Bonds of 1980 Series DP Nos. 1-11	— Principal Amount $10,750,000,
(233-248)	Bonds of 1981 Series AP Nos. 1-16	— Principal Amount $124,000,000,
(249)	Bonds of 1985 Series A	— Principal Amount $35,000,000,
(250)	Bonds of 1985 Series B	— Principal Amount $50,000,000,
(251)	Bonds of Series PP	— Principal Amount $70,000,000,
(252)	Bonds of Series RR	— Principal Amount $70,000,000,
(253)	Bonds of Series EE	— Principal Amount $50,000,000,
(254-255)	Bonds of Series MMP and MMP No. 2	— Principal Amount $5,430,000,
(256)	Bonds of Series T	— Principal Amount $75,000,000,
(257)	Bonds of Series U	— Principal Amount $75,000,000,
(258)	Bonds of 1986 Series B	— Principal Amount $100,000,000,
(259)	Bonds of 1987 Series D	— Principal Amount $250,000,000,
(260)	Bonds of 1987 Series E	— Principal Amount $150,000,000,
(261)	Bonds of 1987 Series C	— Principal Amount $225,000,000,

(262)	Bonds of Series V	— Principal Amount $100,000,000,
(263)	Bonds of Series SS	— Principal Amount $150,000,000,
(264)	Bonds of 1980 Series B	— Principal Amount $100,000,000,
(265)	Bonds of 1986 Series C	— Principal Amount $200,000,000,
(266)	Bonds of 1986 Series A	— Principal Amount $200,000,000,
(267)	Bonds of 1987 Series B	— Principal Amount $175,000,000,
(268)	Bonds of Series X	— Principal Amount $100,000,000,
(269)	Bonds of 1987 Series F	— Principal Amount $200,000,000,
(270)	Bonds of 1987 Series A	— Principal Amount $300,000,000,
(271)	Bonds of Series Y	— Principal Amount $60,000,000,
(272)	Bonds of Series Z	— Principal Amount $100,000,000,
(273)	Bonds of 1989 Series A	— Principal Amount $300,000,000,
(274)	Bonds of 1984 Series AP	— Principal Amount $2,400,000,
(275)	Bonds of 1984 Series BP	— Principal Amount $7,750,000,
(276)	Bonds of Series R	— Principal Amount $100,000,000,
(277)	Bonds of Series S	— Principal Amount $150,000,000,
(278)	Bonds of 1993 Series D	— Principal Amount $100,000,000,
(279)	Bonds of 1992 Series E	— Principal Amount $50,000,000,
(280)	Bonds of 1993 Series B	— Principal Amount $50,000,000,
(281)	Bonds of 1989 Series BP	— Principal Amount $66,565,000,
(282)	Bonds of 1990 Series A	— Principal Amount $194,649,000,
(283)	Bonds of 1990 Series D	— Principal Amount $0,
(284)	Bonds of 1993 Series G	— Principal Amount $225,000,000,
(285)	Bonds of 1993 Series K	— Principal Amount $160,000,000,
(286)	Bonds of 1991 Series EP	— Principal Amount $41,480,000,
(287)	Bonds of 1993 Series H	— Principal Amount $50,000,000,
(288)	Bonds of 1999 Series D	— Principal Amount $40,000,000,
(289)	Bonds of 1991 Series FP	— Principal Amount $98,375,000,

(290)	Bonds of 1992 Series BP	— Principal Amount $20,975,000,
(291)	Bonds of 1992 Series D	— Principal Amount $300,000,000,
(292)	Bonds of 1992 Series CP	— Principal Amount $35,000,000,
(293)	Bonds of 1993 Series C	— Principal Amount $225,000,000,
(294)	Bonds of 1993 Series E	— Principal Amount $400,000,000,
(295)	Bonds of 1993 Series J	— Principal Amount $300,000,000,
(296-301)	Bonds of Series KKP Nos. 10-15	— Principal Amount $179,590,000,
(302)	Bonds of 1989 Series BP No. 2	— Principal Amount $36,000,000,
(303)	Bonds of 1993 Series FP	— Principal Amount $5,685,000,
(304)	Bonds of 1993 Series IP	— Principal Amount $5,825,000,
(305)	Bonds of 1994 Series AP	— Principal Amount $7,535,000,
(306)	Bonds of 1994 Series BP	— Principal Amount $12,935,000,
(307)	Bonds of 1994 Series DP	— Principal Amount $23,700,000,
(308)	Bonds of 1994 Series C	— Principal Amount $200,000,000,
(309)	Bonds of 2000 Series A	— Principal Amount $220,000,000,
(310)	Bonds of 2005 Series A	— Principal Amount $200,000,000,
(311)	Bonds of 1995 Series AP	— Principal Amount $97,000,000,
(312)	Bonds of 1995 Series BP	— Principal Amount $22,175,000,
(313)	Bonds of 2001 Series D	— Principal Amount $200,000,000,
(314)	Bonds of 2005 Series B	— Principal Amount $200,000,000,
(315)	Bonds of 2006 Series CT	— Principal Amount $68,500,000,
(316)	Bonds of 2005 Series DT	— Principal Amount $119,175,000,
(317)	Bonds of 1991 Series AP	— Principal Amount $32,375,000,
(318)	Bonds of 2008 Series DT	— Principal Amount $68,500,000,
(319)	Bonds of 1993 Series AP	— Principal Amount $65,000,000,
(320)	Bonds of 2001 Series E	— Principal Amount $500,000,000,
(321)	Bonds of 2001 Series AP	— Principal Amount $31,000,000,
(322)	Bonds of 1991 Series BP	— Principal Amount $25,910,000,

(323)	Bonds of 2001 Series BP	— Principal Amount $82,350,000,
(324)	Bonds of 1999 Series AP	— Principal Amount $118,360,000,
(325)	Bonds of 1999 Series CP	— Principal Amount $66,565,000,
(326)	Bonds of 1999 Series BP	— Principal Amount $39,745,000,
(327)	Bonds of 2001 Series CP	— Principal Amount $139,855,000,
(328)	Bonds of 2000 Series B	— Principal Amount $50,745,000,
(329)	Bonds of 2002 Series A	— Principal Amount $225,000,000,
(330)	Bonds of 2002 Series C	— Principal Amount $64,300,000,
(331)	Bonds of 2002 Series D	— Principal Amount $55,975,000,
(332)	Bonds of 2009 Series CT	— Principal Amount $65,000,000,
(333)	Bonds of 2003 Series A	— Principal Amount $49,000,000,
(334)	Bonds of 2008 Series J	— Principal Amount $250,000,000,
(335)	Bonds of 2008 Series LT	— Principal Amount $50,000,000
(336)	Bonds of 1990 Series C	— Principal Amount $85,475,000,
(337)	Bonds of 1990 Series F	— Principal Amount $0,
(338)	Bonds of 2011 Series AT	— Principal Amount $31,000,000,
(339)	Bonds of 2004 Series B	— Principal Amount $31,980,000,
(340)	Bonds of 2004 Series A	— Principal Amount $36,000,000,
(341)	Bonds of 2009 Series BT	— Principal Amount $68,5000,000,
(342)	Bonds of 2004 Series D	— Principal Amount $200,000,000,
(343)	Bonds of 2005 Series AR	— Principal Amount $200,000,000,
(344)	Bonds of 2010 Series CT	— Principal Amount $19,855,000,
(345)	Bonds of 1990 Series B	— Principal Amount $256,932,000,
(346)	Bonds of 1990 Series E	— Principal Amount $0,
(347)	Bonds of 2008 Series G	— Principal Amount $300,000,000,
(348)	Bonds of 2008 Series KT	— Principal Amount $32,375,000,
(349)	Bonds of 2010 Series B	— Principal Amount $300,000,000, and
(350)	Bonds of 2010 Series A	— Principal Amount $300,000 ,000

all of which have either been retired and cancelled, or no longer represent obligations of the Company, having matured or having been called for redemption and funds necessary to effect the payment, redemption and retirement thereof having been deposited with the Trustee as a special trust fund to be applied for such purpose;

(351) Bonds of 1991 Series CP in the principal amount of Thirty-two million eight hundred thousand dollars ($32,800,000), all of which are outstanding at the date hereof;

(352) Bonds of 1991 Series DP in the principal amount of Thirty-seven million six hundred thousand dollars ($37,600,000), all of which are outstanding at the date hereof;

(353) Bonds of 1992 Series AP in the principal amount of Sixty-six million dollars ($66,000,000), all of which are outstanding at the date hereof;

(354) Bonds of 2002 Series B in the principal amount of Two hundred twenty-fifty million dollars ($225,000,000) all of which are outstanding at the date hereof;

(355) Bonds of 2005 Series BR in the principal amount of Two hundred million dollars ($200,000,000) all of which are outstanding at the date hereof;

(356) Bonds of 2005 Series C in the principal amount of One hundred million dollars ($100,000,000) all of which are outstanding at the date hereof;

(357) Bonds of 2005 Series E in the principal amount of Two hundred fifty million dollars ($250,000,000) all of which are outstanding at the date hereof;

(358) Bonds of 2006 Series A in the principal amount of Two hundred fifty million dollars ($250,000,000) all of which are outstanding at the date hereof;

(359) Bonds of 2007 Series A in the principal amount of Fifty million dollars ($50,000,000) all of which are outstanding at the date hereof;

(360) Bonds of 2008 Series ET in the principal amount of One hundred nineteen million one hundred seventy-five dollars ($119,175,000) of which fifty-nine million one hundred seventy-five thousand dollars ($59,175,000) are outstanding at the date hereof;

(361) Bonds of 2011 Series B in the principal amount of Two hundred fifty million dollars ($250,000,000) all of which are outstanding at the date hereof

(362) Bonds of 2011 Series D in the principal amount of One hundred two million dollars ($102,000,000) all of which are outstanding at the date hereof

(363) Bonds of 2011 Series E in the principal amount of Seventy-seven million dollars ($77,000,000) all of which are outstanding at the date hereof

(364) Bonds of 2011 Series F in the principal amount of Forty-six million dollars ($46,000,000) all of which are outstanding at the date hereof

(365) Bonds of 2011 Series GT in the principal amount of Eighty-two million three hundred fifty thousand dollars ($82,350,000) all of which are outstanding at the date hereof

(366)	Bonds of 2011 Series H in the principal amount of One hundred forty million dollars ($140,000,000) all of which are outstanding at the date hereof
(367)	Bonds of 2012 Series A in the principal amount of Two hundred fifty million dollars ($250,000,000) all of which are outstanding at the date hereof
(368)	Bonds of 2012 Series B in the principal amount of Two hundred fifty million dollars ($250,000,000) all of which are outstanding at the date hereof
(369)	Bonds of 2013 Series A in the principal amount of Three hundred seventy-five million dollars ($375,000,000) all of which are outstanding at the date hereof
(370)	Bonds of 2013 Series B in the principal amount of Four hundred million dollars ($400,000,000) all of which are outstanding at the date hereof
(371)	Bonds of 2014 Series A in the principal amount of one hundred million dollars ($100,000,000) all of which are outstanding at the date hereof
(372)	Bonds of 2014 Series B in the principal amount of One hundred fifty million dollars ($150,000,000) all of which are outstanding at the date hereof
(373)	Bonds of 2014 Series D in the principal amount of Three hundred and fifty million dollars ($350,000,000) all of which are outstanding at the date hereof;
(374)	Bonds of 2014 Series E in the principal amount of Three hundred and fifty million dollars ($350,000,000) all of which are outstanding at the date hereof;
(375)	Bonds of 2015 Series A in the principal amount of Five hundred million dollars ($500,000,000) all of which are outstanding at the date hereof;
(376)	Bonds of 2016 Series A in the principal amount of Three hundred million dollars ($300,000,000) all of which are outstanding at the date hereof;
(377)	Bonds of 2017 Series B in the principal amount of Four hundred forty million dollars ($440,000,000) all of which are outstanding at the date hereof;
(378)	Bonds of 2018 Series A in the principal amount of Five hundred twenty-five million dollars ($525,000,000) all of which are outstanding at the date hereof,
(379)	Bond of 2019 Series A in the principal amount of Six hundred fifty million dollars ($650,000,000) all of which are outstanding at the date hereof,
(380)	Bonds of 2020 Series A in the principal amount of Six hundred million dollars ($600,000,000) all of which are outstanding at the date hereof,
(381)	Bonds of 2020 Series B in the principal amount of Five hundred million dollars ($500,000,000) all of which are outstanding at the date hereof,
(382)	Bonds of 2020 Series C in the principal amount of Six hundred million dollars ($600,000,000) all of which are outstanding at the date hereof,

accordingly, the Company has issued and has presently outstanding Eight billion, three hundred seven million, nine hundred twenty-five thousand dollars ($8,307,925,000) aggregate principal amount of its General and Refunding Mortgage Bonds (the “Bonds”) at the date hereof.

REASON FOR CREATION OF NEW SERIES.

WHEREAS, the Company desires to issue two new series of bonds pursuant to the Indenture; and

BONDS TO BE 2021 GREEN SERIES A AND 2021 GREEN SERIES B.

WHEREAS, the Company desires by this Supplemental Indenture to create two new series of bonds, to be designated “General and Refunding Mortgage Bonds, 2021 Green Series A,” in the aggregate principal amount of Five hundred seventy-five million dollars ($575,000,000), and “General and Refunding Mortgage Bonds, 2021 Green Series B in the aggregate principal amount of Four hundred twenty-five million dollars ($425,000,000), to be authenticated and delivered pursuant to Section 4 of Article III of the Indenture; and

FURTHER ASSURANCE.

WHEREAS, the Original Indenture, by its terms, includes in the property subject to the lien thereof all of the estates and properties, real, personal and mixed, rights, privileges and franchises of every nature and kind and wheresoever situate, then or thereafter owned or possessed by or belonging to the Company or to which it was then or at any time thereafter might be entitled in law or in equity (saving and excepting, however, the property therein specifically excepted or released from the lien thereof), and the Company therein covenanted that it would, upon reasonable request, execute and deliver such further instruments as may be necessary or proper for the better assuring and confirming unto the Trustee all or any part of the trust estate, whether then or thereafter owned or acquired by the Company (saving and excepting, however, property specifically excepted or released from the lien thereof); and

AUTHORIZATION OF SUPPLEMENTAL INDENTURE.

WHEREAS, the Company in the exercise of the powers and authority conferred upon and reserved to it under and by virtue of the provisions of the Indenture, and pursuant to resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a supplemental indenture in the form hereof for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid and legally binding instrument in accordance with its terms have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

CONSIDERATION FOR SUPPLEMENTAL INDENTURE.

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That DTE Electric Company, in consideration of the premises and of the covenants contained in the Indenture and of the sum of One Dollar ($1.00) and other good and valuable consideration to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, hereby covenants and agrees to and with the Trustee and its successors in the trusts under the Original Indenture and in said indentures supplemental thereto as follows:

PART I.

CREATION OF THREE HUNDRED EIGHTY-THIRD
SERIES OF BONDS,
GENERAL AND REFUNDING MORTGAGE BONDS,
2021 GREEN SERIES A

TERMS OF BONDS OF 2021 GREEN SERIES A.

SECTION 1. The Company hereby creates the three hundred eighty-third series of bonds to be issued under and secured by the Original Indenture as amended to date and as further amended by this Supplemental Indenture, to be designated, and to be distinguished from the bonds of all other series, by the title "General and Refunding Mortgage Bonds, 2021 Green Series A" (elsewhere herein referred to as the "bonds of 2021 Series A"). The aggregate principal amount of bonds of 2021 Series A shall be limited to Five hundred seventy-five million dollars ($575,000,000), except as provided in Sections 7 and 13 of Article II of the Original Indenture with respect to exchanges and replacements of bonds, and except further that the Company may, without the consent of any holder of the bonds of 2021 Series A, "reopen" the bonds of 2021 Series A, so long as any additional bonds of 2021 Series A have the same tenor and terms as the bonds of 2021 Series A established hereby.

The bonds of 2021 Series A shall be issued as registered bonds without coupons in denominations of $2,000 and any larger amount that is an integral multiple of $1,000. The bonds of 2021 Series A shall be issued in the aggregate principal amount of $575,000,000 shall mature on April 1, 2028 (subject to earlier redemption) and shall bear interest, payable semi-annually on April 1 and October 1 of each year (commencing October 1, 2021), at the rate of one and nine-tenths percent (1.90%) per annum until the principal thereof shall have become due and payable and thereafter until the Company's obligation with respect to the payment of said principal shall have been discharged as provided in the Indenture. The bonds of 2021 Series A will be issued in book-entry form through the facilities of The Depository Trust Company. Except as otherwise specifically provided in this Supplemental Indenture, the bonds of 2021 Series A shall be payable, as to principal, premium, if any, and interest, at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Except as provided herein, each bond of 2021 Series A shall be dated the date of its authentication and interest shall be payable on the principal represented thereby from the April 1 or October 1 next preceding the date to which interest has been paid on bonds of 2021 Series A, unless the bond is authenticated on a date prior to October 1, 2021 in which case interest shall be payable from March 29, 2021.

The bonds of 2021 Series A in definitive form shall be, at the election of the Company, fully engraved or shall be lithographed or printed in authorized denominations as aforesaid and numbered R-1 and upwards (with such further designation as may be appropriate and desirable to indicate by such designation the form, series and denomination of bonds of 2021 Series A). Until bonds of 2021 Series A in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver in lieu thereof, bonds of 2021 Series A in temporary form, as provided in Section 10 of Article II of the Indenture. Temporary bonds of 2021 Series A if any, may be printed and may be issued in authorized denominations in substantially the form of definitive bonds of 2021 Series A, but without a recital of redemption prices and with such omissions, insertions and variations as may be appropriate for temporary bonds, all as may be determined by the Company.

Interest on any bond of 2021 Series A that is payable on any interest payment date and is punctually paid or duly provided for shall be paid to the person in whose name that bond, or any previous bond to the extent evidencing the same debt as that evidenced by that bond, is registered at the close of business on the regular record date for such interest, which regular record date shall be the fifteenth calendar day (whether or not such day is a business day) immediately preceding the applicable interest payment date. If the Company shall default in the payment of the interest due on any interest payment date on the principal represented by any bond of 2021 Series A, such defaulted interest shall forthwith cease to be payable to the registered holder of that bond on the relevant regular record date by virtue of his having been such holder, and such defaulted interest may be paid to the registered holder of that bond (or any bond or bonds of 2021 Series A issued upon transfer or exchange thereof) on the date of payment of such defaulted interest or, at the election of the Company, to the person in whose name that bond (or any bond or bonds of 2021 Series A issued upon transfer or exchange thereof) is registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of bonds of 2021 Series A not less than ten (10) days preceding such subsequent record date, which subsequent record date shall be at least five (5) days prior to the payment date of such defaulted interest. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Bonds of 2021 Series A, in definitive and temporary form, may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto.

If any interest payment date, date of redemption or the stated maturity for the bonds of 2021 Series A would otherwise be a day that is not a business day, payment of principal and/or interest or premium, if any, with respect to the bonds of 2021 Series A will be paid on the next succeeding business day with the same force and effect as if made on such date and no interest on such payment will accrue from and after such date

“Business day” means any day other than a day on which banking institutions in the State of New York or the State of Michigan are authorized or obligated pursuant to law or executive order to close

REDEMPTION OF BONDS OF 2021 GREEN SERIES A.

SECTION 2. Bonds of 2021 Series A will be redeemable at the option of the Company, in whole at any time or in part from time to time at the redemption prices set forth below.

At any time prior to the Series A Par Call Date (as defined below), the optional redemption price will be equal to the greater of (i) 100% of the principal amount of the bonds of 2021 Series A to be redeemed on the redemption date and (ii) the sum of the present values of the remaining scheduled payments of principal and interest of the bonds of 2021 Series A to be redeemed that would be due if the bonds of 2021 Series A matured on the Series A Par call Date (not including any portion of any payments of interest accrued to the redemption date), in each case discounted from their respective scheduled payment dates to such redemption date on a semiannual basis (assuming a 360-day year consisting of 30-day months) at the Adjusted Treasury Rate (as defined below) plus 10 basis points, as determined by the Quotation Agent (as defined below), plus, in each case, accrued and unpaid interest thereon to the redemption date.

At any time on or after the Series A Par Call Date (as defined below), the optional redemption price will be equal to 100% of the principal amount of the bonds of 2021 Series A to be redeemed on the redemption date plus accrued and unpaid interest thereon to the redemption date.

Notwithstanding the foregoing, installments of interest on the bonds of 2021 Series A that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

"Adjusted Treasury Rate" means, with respect to any optional redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated on the third Business Day preceding such redemption date assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the bonds of 2021 Series A (assuming, for this purpose, that the bonds of 2021 Series A mature on the Series A Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of such comparable maturity.

"Comparable Treasury Price" means, with respect to any optional redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

"Series A Par Call Date" means February 1, 2028.

"Quotation Agent" means one of the Reference Treasury Dealers appointed by the Company.

"Reference Treasury Dealer" means (i) each of BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC (or a respective affiliate which is a primary U.S. government securities dealer in the United States (a "Primary Treasury Dealer")) or their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer(s) selected by the Company.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any optional redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

The bonds of 2021 Series A shall be redeemable as aforesaid upon giving notice of such redemption by first class mail, postage prepaid, by or on behalf of the Company at least thirty (30) days, but not more than sixty (60) days, prior to the date fixed for redemption to the registered holders of bonds of 2021 Series A so called for redemption at their last respective addresses appearing on the register thereof, but failure to mail such notice to the registered holders of any bonds of 2021 Series A designated for redemption shall not affect the validity of any such redemption of any other bonds of such series. Interest shall cease to accrue on any bonds of 2021 Series A (or any portion thereof) so called for redemption from and after the date fixed for redemption if payment sufficient to redeem the bonds of 2021 Series A (or such portion) designated for redemption has been duly provided for. Bonds of 2021 Series A redeemed in part only shall be in amounts of $2,000 or any larger amount that is an integral multiple of $1,000.

If the giving of the notice of redemption shall have been completed, or if provision satisfactory to the Trustee for the giving of such notice shall have been made, and if the Company shall have deposited with the Trustee in trust funds (which shall have become available for payment to the holders of the bonds of 2021 Series A so to be redeemed) sufficient to redeem bonds of 2021 Series A in whole or in part, on the date fixed for redemption, then all obligations of the Company in respect of such bonds (or portions thereof) so to be redeemed and interest due or to become due thereon shall cease and be discharged and the holders of such bonds of 2021 Series A (or portions thereof) shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under the Indenture or in respect of such bonds (or portions thereof) and interest.

The bonds of 2021 Series A shall not be entitled to or subject to any sinking fund and shall not be redeemable other than as provided in Section 2 hereof.

EXCHANGE AND TRANSFER.

SECTION 3. At the option of the registered holder, any bonds of 2021 Series A, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, together with a written instrument of transfer (if so required by the Company or by the Trustee) in form approved by the Company duly executed by the holder or by its duly authorized attorney, shall be exchangeable for a like aggregate principal amount of bonds of 2021 Series A upon the terms and conditions specified herein and in Section 7 of Article II of the Indenture. The Company waives its rights under Section 7 of Article II of the Indenture not to make exchanges or transfers of bonds of 2021 Series A during any period of ten (10) days next preceding any redemption date for such bonds.

Bonds of 2021 Series A, in definitive and temporary form, may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto.

FORM OF BONDS OF 2021 GREEN SERIES A.

SECTION 4. The bonds of 2021 Series A and the form of Trustee’s Certificate to be endorsed on such bonds shall be substantially in the following forms, respectively:

DTE ELECTRIC COMPANY
GENERAL AND REFUNDING MORTGAGE BOND
2021 GREEN SERIES A

[This bond is a global security within the meaning of the indenture hereinafter referred to and is registered in the name of a depository or a nominee of a depository. Unless and until it is exchanged in whole or in part for bonds in certificated form, this bond may not be transferred except as a whole by the Depository Trust Company (“DTC”) to a nominee of DTC or by DTC or any such nominee to a successor of DTC or any such nominee to a successor of DTC or a

nominee of such successor. Unless this bond is presented by an authorized representative of DTC to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC) any transfer, pledge or other use hereof for value or otherwise by a person is wrongful, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

CUSIP

$______________ No. R-___

DTE ELECTRIC COMPANY (hereinafter called the "Company"), a corporation of the State of Michigan, for value received, hereby promises to pay to [Cede & Co.], or registered assigns, at the Company's office or agency in the Borough of Manhattan, the City and State of New York, the principal sum of _________________ dollars ($_______) in lawful money of the United States of America on April 1, 2028 (subject to earlier redemption) and interest thereon at the rate of 1.90% per annum, in like lawful money, from March 29, 2021 and after the first payment of interest on bonds of this Series has been made or otherwise provided for, from the most recent date to which interest has been paid or otherwise provided for, semi-annually on April 1 and October 1 of each year (commencing October 1, 2021), until the Company's obligation with respect to payment of said principal shall have been discharged, all as provided, to the extent and in the manner specified in the Indenture hereinafter mentioned and in the supplemental indenture pursuant to which this bond has been issued.

This bond is one of an authorized issue of bonds of the Company, unlimited as to amount except as provided in the Indenture hereinafter mentioned or any indentures supplemental thereto, and is one of a series of General and Refunding Mortgage Bonds known as 2021 Green Series A, limited to an aggregate principal amount of $575,000,000, except as otherwise provided in the Indenture hereinafter mentioned. This bond and all other bonds of said series are issued and to be issued under, and are all equally and ratably secured (except insofar as any sinking, amortization, improvement or analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series and except as provided in Section 3 of Article VI of said Indenture) by an Indenture, dated as of October 1, 1924, duly executed by the Company to The Bank of New York Mellon Trust Company, N.A., as successor Trustee, to which Indenture and all indentures supplemental thereto (including the Supplemental Indenture dated as of March 1, 2021) reference is hereby made for a description of the properties and franchises mortgaged and conveyed, the nature and extent of the security, the terms and conditions upon which the bonds are issued and under which additional bonds may be issued, and the rights of the holders of the bonds and of the Trustee in respect of such security (which Indenture and all indentures supplemental thereto, including the Supplemental Indenture dated as of March 1, 2021, are hereinafter collectively called the "Indenture"). As provided in the Indenture, said bonds may be for various principal sums and are issuable in series, which may mature at different times, may bear interest at different rates and may otherwise vary as in said Indenture provided. With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and of the holders of the bonds and the terms and provisions of the Indenture, or of any indenture supplemental thereto, may be modified or altered in certain respects by affirmative vote of at least eighty-five percent (85%) in amount of the bonds then outstanding, and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected by the action proposed to be taken, then also by affirmative vote of at least eighty-five percent (85%) in amount of the series of bonds so to be affected (excluding in every instance bonds disqualified from voting by reason of the Company's interest therein as specified in the Indenture); provided, however, that, without the consent of the holder hereof, no such modification or alteration shall, among other things, affect the terms of payment of the principal of or the interest on this bond, which in those respects is unconditional.

This bond is not subject to repayment at the option of the holder hereof. Except as provided below, this bond is not redeemable by the Company prior to maturity and is not subject to any sinking fund.

This bond will be redeemable at the option of the Company, in whole at any time or in part from time to time at the redemption prices set forth below. At any time prior to the Series A Par Call Date (as defined below), the optional redemption price will be equal to the greater of (i) 100% of the principal amount of this bond to be redeemed on the redemption date and (ii) the sum of the present values of the remaining scheduled payments of principal and interest of this bond to be redeemed that would be due if this bond matured on the Series A Par Call Date (not including any portion of any payments of interest accrued to the redemption date), in each case discounted from their respective scheduled payment dates to such redemption date on a semiannual basis (assuming a 360-day year consisting of 30-day months) at the Adjusted Treasury Rate (as defined below) plus 10 basis points, as determined by the Quotation Agent (as defined below), plus, in each case, accrued and unpaid interest thereon to the redemption date. At any time on or after the Series A Par Call Date (as defined below), the optional redemption price will be equal to 100% of the principal amount of this bond to be redeemed on the redemption date plus accrued and unpaid interest thereon to the redemption date.

Notwithstanding the foregoing, installments of interest on this bond that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

"Adjusted Treasury Rate" means, with respect to any optional redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated on the third Business Day preceding such redemption date assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of this bond (assuming, for this purpose, that this bond matures on the Series A Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of such comparable maturity.

"Comparable Treasury Price" means, with respect to any optional redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

"Series A Par Call Date" means February 1, 2028.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company

“Reference Treasury Dealer” means (i) each of BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC (or a respective affiliate which is a primary U.S. government securities dealer in the United States (a “Primary Treasury Dealer”)) or their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer(s) selected by the Company.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any optional redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Notice of any optional redemption will be mailed at least 30 days but not more than 60 days before the optional redemption date to the holder hereof at its registered address. If notice has been provided in accordance with the Indenture and funds for the redemption of this bond called for redemption have been made available on the redemption date, this bond will cease to bear interest on the date fixed for redemption. Thereafter, the only right of the holder hereof will be to receive payment of the redemption price.

Under the Indenture, funds may be deposited with the Trustee (which shall have become available for payment), in advance of the redemption date of any of the bonds of 2021 Series A (or portions thereof), in trust for the redemption of such bonds (or portions thereof) and the interest due or to become due thereon, and thereupon all obligations of the Company in respect of such bonds (or portions thereof) so to be redeemed and such interest shall cease and be discharged, and the holders thereof shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under the Indenture or with respect to such bonds (or portions thereof) and interest.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the bonds issued thereunder may become or be declared due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The bonds of this series are issuable only in fully registered form without coupons in denominations of $2,000 and any larger amount that is an integral multiple of $1,000. This Global Security is exchangeable for bonds in definitive form only under certain limited circumstances set forth in the Indenture. As provided in the Indenture and subject to certain limitations therein set forth, bonds of this series are exchangeable for a like aggregate principal amount of bonds of this series of a different authorized denomination, as requested by the registered holder surrendering the same.

This bond is transferable by the registered holder hereof, in person or by his attorney duly authorized in writing, on the books of the Company kept at its office or agency in the Borough of Manhattan, the City and State of New York, upon surrender and cancellation of this bond, and thereupon, a new registered bond of the same series of authorized denominations for a like aggregate principal amount will be issued to the transferee in exchange therefor, and this bond with others in like form may in like manner be exchanged for one or more new bonds of the same series of other authorized denominations, but of the same aggregate principal amount, all as provided and upon the terms and conditions set forth in the Indenture, and upon payment, in any event, of the charges prescribed in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon or otherwise in respect hereof or of the Indenture, or of any indenture supplemental thereto, against any incorporator, or against any past, present or future stockholder, director or officer, as such, of the Company, or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether for amounts unpaid on stock subscriptions or by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise howsoever; all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released by every holder or owner hereof, as more fully provided in the Indenture.

This bond shall not be valid or become obligatory for any purpose until The Bank of New York Mellon Trust Company, N.A., the Trustee under the Indenture, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, DTE ELECTRIC COMPANY has caused this instrument to be executed by an authorized officer, with his or her manual or facsimile signatures, and its corporate seal, or a facsimile thereof, to be impressed or imprinted hereon and the same to be attested by its Corporate Secretary or Assistant Corporate Secretary by manual or facsimile signature.

Dated: _________________

DTE ELECTRIC COMPANY
By: ________________________________
Name:
Title:

[Corporate Seal]

Attest:

By: __________________________
Name:
Title:

[FORM OF TRUSTEE'S CERTIFICATE]

FORM OF TRUSTEES CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee
By: ________________________________
Authorized Representative

Date: ________________

PART II.

CREATION OF THREE HUNDRED EIGHTY-FOURTH
SERIES OF BONDS,
GENERAL AND REFUNDING MORTGAGE BONDS,
2021 GREEN SERIES B

TERMS OF BONDS OF 2021 GREEN SERIES B.

SECTION 1. The Company hereby creates the three hundred eighty-fourth series of bonds to be issued under and secured by the Original Indenture as amended to date and as further amended by this Supplemental Indenture, to be designated, and to be distinguished from the bonds of all other series, by the title “General and Refunding Mortgage Bonds, 2021 Green Series B” (elsewhere herein referred to as the “bonds of 2021 Series B”). The aggregate principal amount of bonds of 2021 Series B shall be limited to Four hundred twenty-five million dollars ($425,000,000), except as provided in Sections 7 and 13 of Article II of the Original Indenture with respect to exchanges and replacements of bonds, and except further that the Company may, without the consent of any holder of the bonds of 2021 Series B, “reopen” the bonds of 2021 Series B, so long as any additional bonds of 2021 Series B have the same tenor and terms as the bonds of 2021 Series B established hereby.

The bonds of 2021 Series B shall be issued as registered bonds without coupons in denominations of $2,000 and any larger amount that is an integral multiple of $1,000. The bonds of 2021 Series B shall be issued in the aggregate principal amount of $425,000,000, shall mature on April 1, 2051 (subject to earlier redemption) and shall bear interest, payable semi-annually on April 1 and October 1 of each year (commencing October 1, 2021, at the rate of three and one-fourth percent (3.25%) per annum until the principal thereof shall have become due and payable and thereafter until the Company’s obligation with respect to the payment of said principal shall have been discharged as provided in the Indenture. The bonds of 2021 Series B will be issued in book-entry form through the facilities of The Depository Trust Company. Except as otherwise specifically provided in this Supplemental Indenture, the bonds of 2021 Series B shall be payable, as to principal, premium, if any, and interest, at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

Except as provided herein, each bond of 2021 Series B shall be dated the date of its authentication and interest shall be payable on the principal represented thereby from the April 1 or October 1 next preceding the date to which interest has been paid on bonds of 2021 Series B, unless the bond is authenticated on a date prior to October 1, 2021 in which case interest shall be payable from March 29, 2021.

The bonds of 2021 Series B in definitive form shall be, at the election of the Company, fully engraved or shall be lithographed or printed in authorized denominations as aforesaid and numbered R-1 and upwards (with such further designation as may be appropriate and desirable to indicate by such designation the form, series and denomination of bonds of 2021 Series B). Until bonds of 2021 Series B in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver in lieu thereof, bonds of 2021 Series B in temporary form, as provided in Section 10 of Article II of the

Indenture. Temporary bonds of 2021 Series B if any, may be printed and may be issued in authorized denominations in substantially the form of definitive bonds of 2021 Series B, but without a recital of redemption prices and with such omissions, insertions and variations as may be appropriate for temporary bonds, all as may be determined by the Company.

Interest on any bond of 2021 Series B that is payable on any interest payment date and is punctually paid or duly provided for shall be paid to the person in whose name that bond, or any previous bond to the extent evidencing the same debt as that evidenced by that bond, is registered at the close of business on the regular record date for such interest, which regular record date shall be the fifteenth calendar day (whether or not such day is a business day) immediately preceding the applicable interest payment date. If the Company shall default in the payment of the interest due on any interest payment date on the principal represented by any bond of 2021 Series B, such defaulted interest shall forthwith cease to be payable to the registered holder of that bond on the relevant regular record date by virtue of his having been such holder, and such defaulted interest may be paid to the registered holder of that bond (or any bond or bonds of 2021 Series B issued upon transfer or exchange thereof) on the date of payment of such defaulted interest or, at the election of the Company, to the person in whose name that bond (or any bond or bonds of 2021 Series B issued upon transfer or exchange thereof) is registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of bonds of 2021 Series B not less than ten (10) days preceding such subsequent record date, which subsequent record date shall be at least five (5) days prior to the payment date of such defaulted interest. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Bonds of 2021 Series B, in definitive and temporary form, may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto.

If any interest payment date, date of redemption or the stated maturity for the bonds of 2021 Series B would otherwise be a day that is not a business day, payment of principal and/or interest or premium, if any, with respect to the bonds of 2021 Series B will be paid on the next succeeding business day with the same force and effect as if made on such date and no interest on such payment will accrue from and after such date

"Business day" means any day other than a day on which banking institutions in the State of New York or the State of Michigan are authorized or obligated pursuant to law or executive order to close

REDEMPTION OF BONDS OF 2021 GREEN SERIES B.

SECTION 2. Bonds of 2021 Series B will be redeemable at the option of the Company, in whole at any time or in part from time to time at the redemption prices set forth below.

At any time prior to the Series B Par Call Date (as defined below), the optional redemption price will be equal to the greater of (i) 100% of the principal amount of the bonds of 2021 Series B to be redeemed on the redemption date and (ii) the sum of the present values of the remaining scheduled payments of principal and interest of the bonds of 2021 Series B to be redeemed that would be due if the bonds of 2021 Series B matured on the Series B Par Call Date (not including any portion of any payments of interest accrued to the redemption date), in each case discounted from their respective scheduled payment dates to such redemption date on a semiannual basis (assuming a 360-day year consisting of 30-day months) at the Adjusted

Treasury Rate (as defined below) plus 15 basis points, as determined by the Quotation Agent (as defined below), plus, in each case, accrued and unpaid interest thereon to the redemption date.

At any time on or after the Series B Par Call Date (as defined below), the optional redemption price will be equal to 100% of the principal amount of the bonds of 2021 Series B to be redeemed on the redemption date plus accrued and unpaid interest thereon to the redemption date.

Notwithstanding the foregoing, installments of interest on the bonds of 2021 Series B that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

"Adjusted Treasury Rate" means, with respect to any optional redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated on the third Business Day preceding such redemption date assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the bonds of 2021 Series B (assuming, for this purpose, that the bonds of 2021 Series B mature on the Series B Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of such comparable maturity.

"Comparable Treasury Price" means, with respect to any optional redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

"Series B Par Call Date" means October 1, 2050.

"Quotation Agent" means one of the Reference Treasury Dealers appointed by the Company.

"Reference Treasury Dealer" means (i) each of BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC (or a respective affiliate which is a primary U.S. government securities dealer in the United States (a "Primary Treasury Dealer")) or their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer(s) selected by the Company.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any optional redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

The bonds of 2021 Series B shall be redeemable as aforesaid upon giving notice of such redemption by first class mail, postage prepaid, by or on behalf of the Company at least thirty (30) days, but not more than sixty (60) days, prior to the date fixed for redemption to the registered holders of bonds of 2021 Series B so called for redemption at their last respective addresses appearing on the register thereof, but failure to mail such notice to the registered holders of any bonds of 2021 Series B designated for redemption shall not affect the validity of any such redemption of any other bonds of such series. Interest shall cease to accrue on any bonds of 2021 Series B (or any portion thereof) so called for redemption from and after the date fixed for redemption if payment sufficient to redeem the bonds of 2021 Series B (or such portion) designated for redemption has been duly provided for. Bonds of 2021 Series B redeemed in part only shall be in amounts of $2,000 or any larger amount that is an integral multiple of $1,000.

If the giving of the notice of redemption shall have been completed, or if provision satisfactory to the Trustee for the giving of such notice shall have been made, and if the Company shall have deposited with the Trustee in trust funds (which shall have become available for payment to the holders of the bonds of 2021 Series B so to be redeemed) sufficient to redeem bonds of 2021 Series B in whole or in part, on the date fixed for redemption, then all obligations of the Company in respect of such bonds (or portions thereof) so to be redeemed and interest due or to become due thereon shall cease and be discharged and the holders of such bonds of 2021 Series B (or portions thereof) shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under the Indenture or in respect of such bonds (or portions thereof) and interest.

The bonds of 2021 Series B shall not be entitled to or subject to any sinking fund and shall not be redeemable other than as provided in Section 2 hereof.

EXCHANGE AND TRANSFER.

SECTION 3. At the option of the registered holder, any bonds of 2021 Series B, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, together with a written instrument of transfer (if so required by the Company or by the Trustee) in form approved by the Company duly executed by the holder or by its duly authorized attorney, shall be exchangeable for a like aggregate principal amount of bonds of 2021 Series B upon the terms and conditions specified herein and in Section 7 of Article II of the Indenture. The Company waives its rights under Section 7 of Article II of the Indenture not to make exchanges or transfers of bonds of 2021 Series B during any period of ten (10) days next preceding any redemption date for such bonds.

Bonds of 2021 Series B, in definitive and temporary form, may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto.

FORM OF BONDS OF 2021 GREEN SERIES B.

SECTION 4. The bonds of 2021 Series B and the form of Trustee’s Certificate to be endorsed on such bonds shall be substantially in the following forms, respectively:

DTE ELECTRIC COMPANY
GENERAL AND REFUNDING MORTGAGE BOND
2021 GREEN SERIES B

[This bond is a global security within the meaning of the indenture hereinafter referred to and is registered in the name of a depository or a nominee of a depository. Unless and until it is exchanged in whole or in part for bonds in certificated form,

this bond may not be transferred except as a whole by the Depository Trust Company ("DTC") to a nominee of DTC or by DTC or any such nominee to a successor of DTC or any such nominee to a successor of DTC or a nominee of such successor. Unless this bond is presented by an authorized representative of DTC to the issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as requested by an authorized representative of DTC (and any payment hereon is made to Cede & Co., or to such other entity as is requested by an authorized representative of DTC) any transfer, pledge or other use hereof for value or otherwise by a person is wrongful, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

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DTE ELECTRIC COMPANY (hereinafter called the "Company"), a corporation of the State of Michigan, for value received, hereby promises to pay to [Cede & Co.], or registered assigns, at the Company's office or agency in the Borough of Manhattan, the City and State of New York, the principal sum of ___________ dollars ($_______) in lawful money of the United States of America on April 1, 2051 (subject to earlier redemption) and interest thereon at the rate of 3.25% per annum, in like lawful money, from March 29, 2021 and after the first payment of interest on bonds of this Series has been made or otherwise provided for, from the most recent date to which interest has been paid or otherwise provided for, semi-annually on April 1 and October 1 of each year (commencing October 1, 2021), until the Company's obligation with respect to payment of said principal shall have been discharged, all as provided, to the extent and in the manner specified in the Indenture hereinafter mentioned and in the supplemental indenture pursuant to which this bond has been issued.

This bond is one of an authorized issue of bonds of the Company, unlimited as to amount except as provided in the Indenture hereinafter mentioned or any indentures supplemental thereto, and is one of a series of General and Refunding Mortgage Bonds known as 2021 Green Series B, limited to an aggregate principal amount of $425,000,000, except as otherwise provided in the Indenture hereinafter mentioned. This bond and all other bonds of said series are issued and to be issued under, and are all equally and ratably secured (except insofar as any sinking, amortization, improvement or analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series and except as provided in Section 3 of Article VI of said Indenture) by an Indenture, dated as of October 1, 1924, duly executed by the Company to The Bank of New York Mellon Trust Company, N.A., as successor Trustee, to which Indenture and all indentures supplemental thereto (including the Supplemental Indenture dated as of March 1, 2021) reference is hereby made for a description of the properties and franchises mortgaged and conveyed, the nature and extent of the security, the terms and conditions upon which the bonds are issued and under which additional bonds may be issued, and the rights of the holders of the bonds and of the Trustee in respect of such security (which Indenture and all indentures supplemental thereto, including the Supplemental Indenture dated as of March 1, 2021, are hereinafter collectively called the "Indenture"). As provided in the Indenture, said bonds may be for various principal sums and are issuable in series, which may mature at different times, may bear interest at different rates and may otherwise vary as in said Indenture provided. With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and of the holders of the bonds and the terms and provisions of the Indenture, or of any indenture supplemental thereto, may be modified or altered in certain respects by affirmative vote of at least eighty-five percent (85%) in amount of the bonds then outstanding, and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected by the action proposed to be taken, then also by affirmative vote of at least eighty-five percent (85%) in amount of the series of bonds so to be affected (excluding in every instance bonds disqualified from voting by reason of the Company's interest therein as specified in the Indenture); provided, however, that, without the consent of the holder hereof, no such modification or alteration shall, among other things, affect the terms of payment of the principal of or the interest on this bond, which in those respects is unconditional.

This bond is not subject to repayment at the option of the holder hereof. Except as provided below, this bond is not redeemable by the Company prior to maturity and is not subject to any sinking fund.

This bond will be redeemable at the option of the Company, in whole at any time or in part from time to time at the redemption prices set forth below. At any time prior to the Series B Par Call Date (as defined below), the optional redemption price will be equal to the greater of (i) 100% of the principal amount of this bond to be redeemed on the redemption date and (ii) the sum of the present values of the remaining scheduled payments of principal and interest of this bond to be redeemed that would be due if this bond matured on the Series B Par Call Date (not including any portion of any payments of interest accrued to the redemption date), in each case discounted from their respective scheduled payment dates to such redemption date on a semiannual basis (assuming a 360-day year consisting of 30-day months) at the Adjusted Treasury Rate (as defined below) plus 15 basis points, as determined by the Quotation Agent (as defined below), plus, in each case, accrued and unpaid interest thereon to the redemption date. At any time on or after the Series B Par Call Date (as defined below), the optional redemption price will be equal to 100% of the principal amount of this bond to be redeemed on the redemption date plus accrued and unpaid interest thereon to the redemption date.

Notwithstanding the foregoing, installments of interest on this bond that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date.

"Adjusted Treasury Rate" means, with respect to any optional redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated on the third Business Day preceding such redemption date assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of this bond (assuming, for this purpose, that this bond matures on the Series B Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of such comparable maturity.

"Comparable Treasury Price" means, with respect to any optional redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

“Series B Par Call Date” means October 1, 2050.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company

“Reference Treasury Dealer” means (i) each of BofA Securities, Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Scotia Capital (USA) Inc. and Wells Fargo Securities, LLC (or a respective affiliate which is a primary U.S. government securities dealer in the United States (a “Primary Treasury Dealer”)) or their respective successors; provided, however, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer, and (ii) any other Primary Treasury Dealer(s) selected by the Company.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any optional redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

Notice of any optional redemption will be mailed at least 30 days but not more than 60 days before the optional redemption date to the holder hereof at its registered address. If notice has been provided in accordance with the Indenture and funds for the redemption of this bond called for redemption have been made available on the redemption date, this bond will cease to bear interest on the date fixed for redemption. Thereafter, the only right of the holder hereof will be to receive payment of the redemption price.

Under the Indenture, funds may be deposited with the Trustee (which shall have become available for payment), in advance of the redemption date of any of the bonds of 2021 Series B (or portions thereof), in trust for the redemption of such bonds (or portions thereof) and the interest due or to become due thereon, and thereupon all obligations of the Company in respect of such bonds (or portions thereof) so to be redeemed and such interest shall cease and be discharged, and the holders thereof shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under the Indenture or with respect to such bonds (or portions thereof) and interest.

In case an event of default, as defined in the Indenture, shall occur, the principal of all the bonds issued thereunder may become or be declared due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The bonds of this series are issuable only in fully registered form without coupons in denominations of $2,000 and any larger amount that is an integral multiple of $1,000. This Global Security is exchangeable for bonds in definitive form only under certain limited circumstances set forth in the Indenture. As provided in the Indenture and subject to certain limitations therein set forth, bonds of this series are exchangeable for a like aggregate principal amount of bonds of this series of a different authorized denomination, as requested by the registered holder surrendering the same.

This bond is transferable by the registered holder hereof, in person or by his attorney duly authorized in writing, on the books of the Company kept at its office or agency in the Borough of Manhattan, the City and State of New York, upon surrender and cancellation of this bond, and thereupon, a new registered bond of the same series of authorized denominations for a like aggregate principal amount will be issued to the transferee in exchange therefor, and this bond with others in like form may in like manner be exchanged for one or more new bonds of the same series of other authorized denominations, but of the same aggregate principal amount, all as provided and upon the terms and conditions set forth in the Indenture, and upon payment, in any event, of the charges prescribed in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon or otherwise in respect hereof or of the Indenture, or of any indenture supplemental thereto, against any incorporator, or against any past, present or future stockholder, director or officer, as such, of the Company, or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether for amounts unpaid on stock subscriptions or by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise howsoever; all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released by every holder or owner hereof, as more fully provided in the Indenture.

This bond shall not be valid or become obligatory for any purpose until The Bank of New York Mellon Trust Company, N.A., the Trustee under the Indenture, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, DTE ELECTRIC COMPANY has caused this instrument to be executed by an authorized officer, with his or her manual or facsimile signatures, and its corporate seal, or a facsimile thereof, to be impressed or imprinted hereon and the same to be attested by its Corporate Secretary or Assistant Corporate Secretary by manual or facsimile signature.

Dated: _________________

DTE ELECTRIC COMPANY
By: ________________________________
Name:
Title:

[Corporate Seal]

Attest:

By: __________________________
Name:
Title:

[FORM OF TRUSTEE'S CERTIFICATE]

FORM OF TRUSTEES CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: ______________________________

Authorized Representative

Dated: ________________

PART III.

RECORDING AND FILING DATA

RECORDING AND FILING OF ORIGINAL INDENTURE

The Original Indenture and indentures supplemental thereto have been recorded and/or filed and Certificates of Provision for Payment have been recorded as hereinafter set forth.

The Original Indenture has been recorded as a real estate mortgage and filed as a chattel Mortgage in the offices of the respective Registers of Deeds of certain counties in the State of Michigan as set forth in the Supplemental Indenture dated as of September 1, 1947, has been recorded as a real estate mortgage in the office of the Register of Deeds of Mason County, Michigan as set forth in the Supplemental Indenture dated as of June 15, 1971, has been recorded as a real estate mortgage in the office of the Register of Deeds of Genesee County, Michigan as set forth in the Supplemental Indenture dated as of May 1, 1974, has been recorded as a real estate mortgage in the office of the Register of Deeds of Gratiot County, Michigan on June 18, 2012 at Liber 923 Page 772, has been recorded as a real estate mortgage in the office of the Register of Deeds of Midland County, Michigan on June 18, 2012 at Liber 1555 Page 504, has been recorded as a real estate mortgage in the office of the Register of Deeds of Montcalm County, Michigan on March 6, 2015 at Document Number 2015R-03220, has been filed in the Office of the Secretary of State of Michigan on November 16, 1951 and has been filed and recorded in the office of the Interstate Commerce Commission on December 8, 1969.

RECORDING AND FILING OF SUPPLEMENTAL INDENTURES

Pursuant to the terms and provisions of the Original Indenture, indentures supplemental thereto heretofore entered into have been Recorded as a real estate mortgage and/or filed as a chattel mortgage or as a financing statement in the offices of the respective Registers of Deeds of certain counties in the State of Michigan, the Office of the Secretary of State of Michigan and the Office of the Interstate Commerce Commission or the Surface Transportation Board, as set forth in supplemental indentures as follows:

SUPPLEMENTAL INDENTURE DATED AS OF	**PURPOSE OF SUPPLEMENTAL INDENTURE**	**RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF**
June 1, 1925(a)(b)	Series B Bonds	February 1, 1940
August 1, 1927(a)(b)	Series C Bonds	February 1, 1940

SUPPLEMENTAL INDENTURE DATED AS OF	PURPOSE OF SUPPLEMENTAL INDENTURE	RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF
February 1, 1931(a)(b)	Series D Bonds	February 1, 1940
June 1, 1931(a)(b)	Subject Properties	February 1, 1940
October 1, 1932(a)(b)	Series E Bonds	February 1, 1940
September 25, 1935(a)(b)	Series F Bonds	February 1, 1940
September 1, 1936(a)(b)	Series G Bonds	February 1, 1940
November 1, 1936(a)(b)	Subject Properties	February 1, 1940
February 1, 1940(a)(b)	Subject Properties	September 1, 1947
December 1, 1940(a)(b)	Series H Bonds and Additional Provisions	September 1, 1947
September 1, 1947(a)(b)(c)	Series I Bonds, Subject Properties and Additional Provisions	November 15, 1951
March 1, 1950(a)(b)(c)	Series J Bonds and Additional Provisions	November 15, 1951
November 15, 1951(a)(b)(c)	Series K Bonds, Additional Provisions and Subject Properties	January 15, 1953
January 15, 1953(a)(b)	Series L Bonds	May 1, 1953
May 1, 1953(a)	Series M Bonds and Subject Properties	March 15, 1954
March 15, 1954(a)(c)	Series N Bonds and Subject Properties	May 15, 1955
May 15, 1955(a)(c)	Series O Bonds and Subject Properties	August 15, 1957
August 15, 1957(a)(c)	Series P Bonds, Additional Provisions and Subject Properties	June 1, 1959
June 1, 1959(a)(c)	Series Q Bonds and Subject Properties	December 1, 1966
December 1, 1966(a)(c)	Series R Bonds, Additional Provisions and Subject Properties	October 1, 1968
October 1, 1968(a)(c)	Series S Bonds and Subject Properties	December 1, 1969
December 1, 1969(a)(c)	Series T Bonds and Subject Properties	July 1, 1970
July 1, 1970(c)	Series U Bonds and Subject Properties	December 15, 1970
December 15, 1970(c)	Series V Bonds and Series W Bonds	June 15, 1971
June 15, 1971(c)	Series X Bonds and Subject Properties	November 15, 1971
November 15, 1971(c)	Series Y Bonds and Subject Properties	January 15, 1973
January 15, 1973(c)	Series Z Bonds and Subject Properties	May 1, 1974
May 1, 1974	Series AA Bonds and Subject Properties	October 1, 1974
October 1, 1974	Series BB Bonds and Subject Properties	January 15, 1975
January 15, 1975	Series CC Bonds and Subject Properties	November 1, 1975
November 1, 1975	Series DDP Nos. 1-9 Bonds and Subject Properties	December 15, 1975
December 15, 1975	Series EE Bonds and Subject Properties	February 1, 1976
February 1, 1976	Series FFR Nos. 1-13 Bonds	June 15, 1976
June 15, 1976	Series GGP Nos. 1-7 Bonds and Subject Properties	July 15, 1976
July 15, 1976	Series HH Bonds and Subject Properties	February 15, 1977
February 15, 1977	Series MMP Bonds and Subject Properties	March 1, 1977
March 1, 1977	Series IIP Nos. 1-7 Bonds, Series JJP Nos. 1-7 Bonds, Series KKP Nos. 1-7 Bonds and Series LLP Nos. 1-7 Bonds	June 15, 1977

SUPPLEMENTAL INDENTURE DATED AS OF	PURPOSE OF SUPPLEMENTAL INDENTURE	RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF
June 15, 1977	Series FFR No. 14 Bonds and Subject Properties	July 1, 1977
July 1, 1977	Series NNP Nos. 1-7 Bonds and Subject Properties	October 1, 1977
October 1, 1977	Series GGP Nos. 8-22 Bonds and Series OOP Nos. 1-17 Bonds and Subject Properties	June 1, 1978
June 1, 1978	Series PP Bonds, Series QQP Nos. 1-9 Bonds and Subject Properties	October 15, 1978
October 15, 1978	Series RR Bonds and Subject Properties	March 15, 1979
March 15, 1979	Series SS Bonds and Subject Properties	July 1, 1979
July 1, 1979	Series IIP Nos. 8-22 Bonds, Series NNP Nos. 8-21 Bonds and Series TTP Nos. 1-15 Bonds and Subject Properties	September 1, 1979
September 1, 1979	Series JJP No. 8 Bonds, Series KKP No. 8 Bonds, Series LLP Nos. 8-15 Bonds, Series MMP No. 2 Bonds and Series OOP No. 18 Bonds and Subject Properties	September 15, 1979
September 15, 1979	Series UU Bonds	January 1, 1980
January 1, 1980	1980 Series A Bonds and Subject Properties	April 1, 1980
April 1, 1980	1980 Series B Bonds	August 15, 1980
August 15, 1980	Series QQP Nos. 10-19 Bonds, 1980 Series CP Nos. 1-12 Bonds and 1980 Series DP No. 1-11 Bonds and Subject Properties	August 1, 1981
August 1, 1981	1980 Series CP Nos. 13-25 Bonds and Subject Properties	November 1, 1981
November 1, 1981	1981 Series AP Nos. 1-12 Bonds	June 30, 1982
June 30, 1982	Article XIV Reconfirmation	August 15, 1982
August 15, 1982	1981 Series AP Nos. 13-14 Bonds and Subject Properties	June 1, 1983
June 1, 1983	1981 Series AP Nos. 15-16 Bonds and Subject Properties	October 1, 1984
October 1, 1984	1984 Series AP Bonds and 1984 Series BP Bonds and Subject Properties	May 1, 1985
May 1, 1985	1985 Series A Bonds	May 15, 1985
May 15, 1985	1985 Series B Bonds and Subject Properties	October 15, 1985
October 15, 1985	Series KKP No. 9 Bonds and Subject Properties	April 1, 1986
April 1, 1986	1986 Series A Bonds and Subject Properties	August 15, 1986
August 15, 1986	1986 Series B Bonds and Subject Properties	November 30, 1986
November 30, 1986	1986 Series C Bonds	January 31, 1987
January 31, 1987	1987 Series A Bonds	April 1, 1987
April 1, 1987	1987 Series B Bonds and 1987 Series C Bonds	August 15, 1987

SUPPLEMENTAL INDENTURE DATED AS OF	PURPOSE OF SUPPLEMENTAL INDENTURE	RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF
August 15, 1987	1987 Series D Bonds, 1987 Series E Bonds and Subject Properties	November 30, 1987
November 30, 1987	1987 Series F Bonds	June 15, 1989
June 15, 1989	1989 Series A Bonds	July 15, 1989
July 15, 1989	Series KKP No. 10 Bonds	December 1, 1989
December 1, 1989	Series KKP No. 11 Bonds and 1989 Series BP Bonds	February 15, 1990
February 15, 1990	1990 Series A Bonds, 1990 Series B Bonds, 1990 Series C Bonds, 1990 Series D Bonds, 1990 Series E Bonds and 1990 Series F Bonds	November 1, 1990
November 1, 1990	Series KKP No. 12 Bonds	April 1, 1991
April 1, 1991	1991 Series AP Bonds	May 1, 1991
May 1, 1991	1991 Series BP Bonds and 1991 Series CP Bonds	May 15, 1991
May 15, 1991	1991 Series DP Bonds	September 1, 1991
September 1, 1991	1991 Series EP Bonds	November 1, 1991
November 1, 1991	1991 Series FP Bonds	January 15, 1992
January 15, 1992	1992 Series BP Bonds	February 29, 1992 and April 15, 1992
February 29, 1992	1992 Series AP Bonds	April 15, 1992
April 15, 1992	Series KKP No. 13 Bonds	July 15, 1992
July 15, 1992	1992 Series CP Bonds	November 30, 1992
July 31, 1992	1992 Series D Bonds	November 30, 1992
November 30, 1992	1992 Series E Bonds and 1993 Series B Bonds	March 15, 1993
December 15, 1992	Series KKP No. 14 Bonds and 1989 Series BP No. 2 Bonds	March 15, 1993
January 1, 1993	1993 Series C Bonds	April 1, 1993
March 1, 1993	1993 Series E Bonds	June 30, 1993
March 15, 1993	1993 Series D Bonds	September 15, 1993
April 1, 1993	1993 Series FP Bonds and 1993 Series IP Bonds	September 15, 1993
April 26, 1993	1993 Series G Bonds and Amendment of Article II, Section 5	September 15, 1993
May 31, 1993	1993 Series J Bonds	September 15, 1993
June 30, 1993	1993 Series AP Bonds	(d)
June 30, 1993	1993 Series H Bonds	(d)
September 15, 1993	1993 Series K Bonds	March 1, 1994
March 1, 1994	1994 Series AP Bonds	June 15, 1994
June 15, 1994	1994 Series BP Bonds	December 1, 1994
August 15, 1994	1994 Series C Bonds	December 1, 1994
December 1, 1994	Series KKP No. 15 Bonds and 1994 Series DP Bonds	August 1, 1995
August 1, 1995	1995 Series AP Bonds and 1995 Series BP Bonds	August 1, 1999
August 1, 1999	1999 Series AP Bonds, 1999 Series BP Bonds and 1999 Series CP Bonds	(d)
August 15, 1999	1999 Series D Bonds	(d)
January 1, 2000	2000 Series A Bonds	(d)

SUPPLEMENTAL INDENTURE DATED AS OF	PURPOSE OF SUPPLEMENTAL INDENTURE	RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF
April 15, 2000	Appointment of Successor Trustee	(d)
August 1, 2000	2000 Series BP Bonds	(d)
March 15, 2001	2001 Series AP Bonds	(d)
May 1, 2001	2001 Series BP Bonds	(d)
August 15, 2001	2001 Series CP Bonds	(d)
September 15, 2001	2001 Series D Bonds and 2001 Series E Bonds	(d)
September 17, 2002	Amendment of Article XIII, Section 3 and Appointment of Successor Trustee	(d)
October 15, 2002	2002 Series A Bonds and 2002 Series B Bonds	(d)
December 1, 2002	2002 Series C Bonds and 2002 Series D Bonds	(d)
August 1, 2003	2003 Series A Bonds	(d)
March 15, 2004	2004 Series A Bonds and 2004 Series B Bonds	(d)
July 1, 2004	2004 Series D Bonds	(d)
February 1, 2005	2005 Series A Bonds and 2005 Series B Bonds	May 15, 2006
April 1, 2005	2005 Series AR Bonds and 2005 Series BR Bonds	May 15, 2006
August 1, 2005	2005 Series DT Bonds	May 15, 2006
September 15, 2005	2005 Series C Bonds	May 15, 2006
September 30, 2005	2005 Series E Bonds	May 15, 2006
May 15, 2006	2006 Series A Bonds	December 1, 2006
December 1, 2006	2006 Series CT Bonds	December 1, 2007
December 1, 2007	2007 Series A Bonds	April 1, 2008
April 1, 2008	2008 Series DT Bonds	May 1, 2008
May 1, 2008	2008 Series ET Bonds	July 1, 2008
June 1, 2008	2008 Series G Bonds	October 1, 2008
July 1, 2008	2008 Series KT Bonds	October 1, 2008
October 1, 2008	2008 Series J Bonds	December 1, 2008
December 1, 2008	2008 Series LT Bonds	March 15, 2009
March 15, 2009	2009 Series BT Bonds	November 1, 2009
November 1, 2009	2009 Series CT Bonds	August 1, 2010
August 1, 2010	2010 Series B Bonds	December 1, 2010
September 1, 2010	2010 Series A Bonds	December 1, 2010
December 1, 2010	2010 Series CT Bonds	March 1, 2011
March 1, 2011	2011 Series AT Bonds	May 15, 2011
May 15, 2011	2011 Series B Bonds	August 1, 2011
August 1, 2011	2011 Series GT Bonds	June 20, 2012
August 15, 2012	2011 Series D, 2011 Series E and 2011 Series F Bonds	June 20, 2012
September 1, 2012	2011 Series H Bonds	June 20, 2012
June 20, 2012	2012 Series A and B Bonds	March 15, 2013
March 15, 2013	2013 Series A Bonds	August 1, 2013
August 1, 2013	2013 Series B Bonds	June 1, 2014
June 1, 2014	2014 Series A and B Bonds	July 1, 2014
July 1, 2014	2014 Series D and E Bonds	March 1, 2015
March 1, 2015	2015 Series A Bonds	May 1, 2016
May 1, 2016	2016 Series A Bonds	August 1, 2017
August 1, 2017	2017 Series B Bonds	May 1, 2018

SUPPLEMENTAL INDENTURE DATED AS OF	PURPOSE OF SUPPLEMENTAL INDENTURE	RECORDED AND/OR FILED AS SET FORTH IN SUPPLEMENTAL INDENTURE DATED AS OF
May 1, 2018	2018 Series A Bonds	February 1, 2019
February 1, 2019	2019 Series A and B Bonds	February 1, 2020

(a) See Supplemental Indenture dated as of July 1, 1970 for Interstate Commerce Commission filing and recordation information.
(b) See Supplemental Indenture dated as of May 1, 1953 for Secretary of State of Michigan filing information.
(c) See Supplemental Indenture dated as of May 1, 1974 for County of Genesee, Michigan recording and filing information.
(d) Recording and filing information for this Supplemental Indenture has not been set forth in a subsequent Supplemental Indenture.

RECORDING AND FILING OF SUPPLEMENTAL INDENTURE DATED AS OF FEBRUARY 1, 2020.

Further, pursuant to the terms and provisions of the Original Indenture, a Supplemental Indenture dated as of February 1, 2020 providing for the terms of bonds to be issued thereunder of 2020 Series A and Series B has heretofore been entered into between the Company and the Trustee and has been filed in the Office of the Secretary of State of Michigan as a financing statement on March 6, 2020 (Filing No. 20200309000050-01), has been filed and recorded in the Office of the Surface Transportation Board on March 17, 2020 (Recordation No. 5485-QQQQQQ), and has been recorded as a real estate mortgage in the offices of the respective Register of Deeds of certain counties in the State of Michigan, as follows:

COUNTY	RECORDED	LIBER/ INSTRUMENT NO.	PAGE
Genesee County Michigan	4/2/2020	202004020029934	--
Gratiot County Michigan	3/6/2020	01057	00137-00177
Huron County Michigan	3/6/2020	1695	750
Ingham County Michigan	3/3/2020	2020-006955	--
Lapeer County Michigan	3/6/2020	03084	00577
Lenawee County Michigan	3/3/2020	2593	0878
Livingston County Michigan	3/3/2020	2020R-006653	--
Macomb County Michigan	3/9/2020	26559	373
Mason County Michigan	3/6/2020	2020R01673	--
Midland County Michigan	3/3/2020	01631	00955
Monroe County Michigan	3/4/2020	2020R04276	--
Montcalm County Michigan	3/3/2020	2020R-03127	--
Oakland County Michigan	3/9/2020	53920	044
Sanilac County Michigan	3/6/2020	1431	720
St. Clair County Michigan	3/6/2020	5160	916

Tuscola County Michigan	3/10/2020	01441	01430-01470
Washtenaw County Michigan	3/9/2020	5345	93
Wayne County Michigan	7/31/2020	55935	3

RECORDING AND FILING OF SUPPLEMENTAL INDENTURE DATED AS OF APRIL 1, 2020.

Further, pursuant to the terms and provisions of the Original Indenture, a Supplemental Indenture dated as of April 1, 2020 providing for the terms of bonds to be issued thereunder of 2020 Series C has heretofore been entered into between the Company and the Trustee and has been filed in the Office of the Secretary of State of Michigan as a financing statement on April 7, 2020 (Filing No. 20200407000601-0), has been filed and recorded in the Office of the Surface Transportation Board on April 8, 2020 (Recordation No. 5485-RRRRRR), and has been recorded as a real estate mortgage in the offices of the respective Register of Deeds of certain counties in the State of Michigan, as follows:

COUNTY	RECORDED	LIBER/ INSTRUMENT NO.	PAGE
Genesee County Michigan	4/7/2020	202004070030516	--
Gratiot County Michigan	4/17/2020	01058	00774-00805
Huron County Michigan	4/16/2020	1699	286
Ingham County Michigan	4/8/2020	2020-012608	--
Lapeer County Michigan	4/7/2020	3091	56
Lenawee County Michigan	4/7/2020	2596	0263
Livingston County Michigan	4/8/2020	2020R-010344	--
Macomb County Michigan	4/22/2020	26657	927
Mason County Michigan	4/14/2020	2020R02261	--
Midland County Michigan	4/7/2020	01632	01235
Monroe County Michigan	4/16/2020	2020R07450	--
Montcalm County Michigan	4/7/2020	2020R-04351	--
Oakland County Michigan	4/8/2020	54049	73
Sanilac County Michigan	4/14/2020	1435	345
St. Clair County Michigan	4/15/2020	5173	647
Tuscola County Michigan	4/9/2020	01444	00225-00256
Washtenaw County Michigan	4/8/2020	5348	462
Wayne County Michigan	7/31/2020	55935	856

RECORDING OF CERTIFICATES OF PROVISION FOR PAYMENT

Certificates of Provision for Payment have been recorded in the offices of the respective Registers of Deeds of certain counties in the State of Michigan, with respect to all bonds of Series A, B, C, D, E, F, G, H, K, L, M, O, W, BB, CC, DDP Nos. 1 and 2, FFR Nos. 1-3, GGP Nos. 1 and 2, IIP No. 1, JJP No. 1, KKP No. 1, LLP No. 1 and GGP No. 8.

PART IV.

THE TRUSTEE

TERMS AND CONDITIONS OF ACCEPTANCE OF TRUST BY TRUSTEE	The Trustee hereby accepts the trust hereby declared and provided, and agrees to perform the same upon the terms and conditions in the Original Indenture, as amended to date and as supplemented by this Supplemental Indenture, and in this Supplemental Indenture set forth, and upon the following terms and conditions:
	The Trustee shall not be responsible in any manner whatsoever for and in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely.

PART V.

MISCELLANEOUS

CONFIRMATION OF SECTION 318(c) OF TRUST INDENTURE ACT	Except to the extent specifically provided therein, no provision of this Supplemental Indenture or any future supplemental indenture is intended to modify, and the parties do hereby adopt and confirm, the provisions of Section 318(c) of the Trust Indenture Act which amend and supersede provisions of the Indenture in effect prior to November 15, 1990.
EXECUTION IN COUNTERPARTS	THIS SUPPLEMENTAL INDENTURE MAY BE SIMULTANEOUSLY EXECUTED IN ANY NUMBER OF COUNTERPARTS, EACH OF WHICH WHEN SO EXECUTED SHALL BE DEEMED TO BE AN ORIGINAL; BUT SUCH COUNTERPARTS SHALL TOGETHER CONSTITUTE BUT ONE AND THE SAME INSTRUMENT.
TESTIMONIUM	IN WITNESS WHEREOF, DTE ELECTRIC COMPANY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. HAVE CAUSED THESE PRESENTS TO BE SIGNED IN THEIR RESPECTIVE CORPORATE NAMES BY THEIR RESPECTIVE CHAIRMEN OF THE BOARD, PRESIDENTS, VICE PRESIDENTS, ASSISTANT VICE PRESIDENTS, TREASURERS OR ASSISTANT TREASURERS, ATTESTED BY THEIR RESPECTIVE SECRETARIES OR ASSISTANT SECRETARIES, ALL AS OF THE DAY AND YEAR FIRST ABOVE WRITTEN.

EXECUTION BY
COMPANY

DTE ELECTRIC COMPANY
By: /s/Jeffrey A. Jewell
Name: Jeffrey A. Jewell
Title: Vice President, Treasurer and
Chief Risk Officer

[Corporate Seal]

Attest:

By: /s/Sarah M. Bello
Name: Sarah M. Bello
Title: Assistant Corporate Secretary

Signed and delivered by
DTE ELECTRIC COMPANY
in the presence of:

/s/Daniel T. Richards
Name: Daniel T. Richards

/s/Melissa Kemmerle
Name: Melissa Kemmerle

STATE OF MICHIGAN	)	
	)	SS
COUNTY OF WAYNE	)	

ACKNOWLEDG- MENT OF EXECUTION BY COMPANY

On this 23rd day of March, 2021, before me, the subscriber, a Notary Public within and for the County of Wayne, in the State of Michigan, acting in the County of Wayne, personally appeared Jeffrey A. Jewell, to me personally known, who, being by me duly sworn, did say that he does business at One Energy Plaza, Detroit, Michigan 48226 and is the Vice President, Treasurer and Chief Risk Officer of DTE ELECTRIC COMPANY, one of the corporations described in and which executed the foregoing instrument; that he knows the corporate seal of the said corporation and that the seal affixed to said instrument is the corporate seal of said corporation; and that said instrument was signed in behalf of said corporation by authority of its Board of Directors and that he subscribed his name thereto by like authority; and said Jeffrey A. Jewell acknowledged said instrument to be the free act and deed of said corporation.

(Notarial Seal)

/s/Elizabeth E. Kochevar
Elizabeth E. Kochevar
Notary Public, Wayne County, MI
Acting in Wayne
My Commission Expires: November 16, 2021

EXECUTION BY
TRUSTEE

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
By: /s/Nathan Turner
Name: Nathan Turner
Title: Vice President

Attest:

By: /s/Michele R. Shrum
Name: Michelle R. Shrum
Title: Vice President

STATE OF FLORIDA	)	
	)	SS
COUNTY OF DUVAL	)	

ACKNOWLEDGMENT OF EXECUTION BY TRUSTEE

On this 23rd day of March, 2021, before me, the subscriber, a Notary Public within and for the State of Florida, personally appeared Nathan Turner to me personally known, or proved to me on the basis of satisfactory identification and who, being by me duly sworn, did say that his business office is located at 4655 Salisbury Road, Suite 300, Jacksonville, FL 32256, and he is an Authorized Officer of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., one of the corporations described in and which executed the foregoing instrument; and that said instrument was signed on behalf of said corporation by authority of its Board of Directors and that he subscribed his name thereto by like authority; and said Vice President acknowledged said instrument to be the free act and deed of said corporation.

(Notarial Seal)

/s/Xayyavone Gillmore
Xayyavone Gillmore
Notary Public State of Florida
Commission Expires: 8/10/2024

STATE OF MICHIGAN	)	
	)	SS
COUNTY OF WAYNE	)	

AFFIDAVIT AS TO CONSIDERATION AND GOOD FAITH

Jeffrey A. Jewell, being duly sworn, says: that he is the Vice President, Treasurer and Chief Risk Officer of DTE ELECTRIC COMPANY, the Mortgagor named in the foregoing instrument, and that he has knowledge of the facts in regard to the making of said instrument and of the consideration therefor; that the consideration for said instrument was and is actual and adequate, and that the same was given in good faith for the purposes in such instrument set forth.

/s/Jeffrey A. Jewell
Name: Jeffrey A. Jewell
Title: Vice President, Treasurer and Chief Risk Officer
DTE Electric Company

Sworn to before me this 23rd day of March, 2021

(Notarial Seal)

/s/Elizabeth E. Kochevar
Elizabeth E. Kochevar
Notary Public, Wayne County, MI
Acting in Wayne
My Commission Expires: November 16, 2021

This instrument was drafted by:
Daniel T. Richards, Esq.
One Energy Plaza
1610 WCB
Detroit, Michigan 48226

When recorded return to:
Daniel T. Richards, Esq.
One Energy Plaza
1610 WCB
Detroit, Michigan 48226

Exhibit 31.193

FORM 10-Q CERTIFICATION

I, Gerardo Norcia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DTE Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ GERARDO NORCIA

Date: April 27, 2021

Gerardo Norcia
President and Chief Executive Officer of DTE Energy Company

Exhibit 31.194

FORM 10-Q CERTIFICATION

I, David Ruud, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DTE Energy Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ DAVID RUUD   Date: April 27, 2021

David Ruud
Senior Vice President and
Chief Financial Officer of DTE Energy Company

Exhibit 31.195

FORM 10-Q CERTIFICATION

I, Gerardo Norcia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DTE Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ GERARDO NORCIA Date: April 27, 2021

Gerardo Norcia
President and Chief Executive Officer of DTE Electric Company

Exhibit 31.196

FORM 10-Q CERTIFICATION

I, David Ruud, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of DTE Electric Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ DAVID RUUD

Date: April 27, 2021

David Ruud
Senior Vice President and
Chief Financial Officer of DTE Electric Company

Exhibit 32.193

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of DTE Energy Company (the "Company") for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gerardo Norcia, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2021

/S/ GERARDO NORCIA

Gerardo Norcia
President and Chief Executive Officer
of DTE Energy Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.194

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of DTE Energy Company (the "Company") for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Ruud, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2021

/S/ DAVID RUUD

David Ruud
Senior Vice President and Chief Financial Officer
of DTE Energy Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.195

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of DTE Electric Company (the “Company”) for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gerardo Norcia, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2021

/S/ GERARDO NORCIA
Gerardo Norcia
President and Chief Executive Officer
of DTE Electric Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.196

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of DTE Electric Company (the "Company") for the quarter ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Ruud, certify, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2021

/S/ DAVID RUUD
David Ruud
Senior Vice President and Chief Financial Officer
of DTE Electric Company

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.