

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

FORM 8-K

CURRENT REPORT

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

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

DTE

Commission File Number: 1-11607

DTE Energy Company

Michigan

(State or other jurisdiction of incorporation or organization)

38-3217752

(I.R.S Employer Identification No.)

Commission File Number: 1-2198

DTE Electric Company

Michigan

(State or other jurisdiction of incorporation or organization)

38-0478650

(I.R.S Employer Identification No.)

Registrants address of principal executive offices: One Energy Plaza, Detroit, Michigan 48226-1279

Registrants telephone number, including area code: (313) 235-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol(s)	Name of Exchange on which Registered
Common stock, without par value	DTE	New York Stock Exchange
2012 Series C 5.25% Junior Subordinated Debentures due 2062	DTQ	New York Stock Exchange
2016 Series B 5.375% Junior Subordinated Debentures due 2076	DTJ	New York Stock Exchange
2016 Series F 6.00% Junior Subordinated Debentures due 2076	DTY	New York Stock Exchange
2017 Series E 5.25% Junior Subordinated Debentures due 2077	DTW	New York Stock Exchange
2019 6.25% Corporate Units	DTP	New York Stock Exchange

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

Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition.

DTE Energy Company (DTE Energy) is furnishing the Securities and Exchange Commission (SEC) with its earnings release issued July 28, 2020, announcing financial results for the quarter ended June 30, 2020. A copy of the earnings release and the slide presentation, including supplemental financial information, are furnished as Exhibits 99.1 and 99.2 and incorporated herein by reference. In its earnings release and the slide presentation discussed below, DTE Energy reaffirms its 2020 operating earnings guidance range of \$6.47-\$6.75.

Item 7.01. Regulation FD Disclosure.

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

In its slide presentation and this filing, DTE Energy discusses 2020 operating earnings guidance. It is likely that certain items that impact the company's 2020 reported results will be excluded from operating results. Reconciliations to the comparable 2020 reported earnings guidance are not provided because it is not possible to provide a reliable forecast of specific line items (i.e. future non-recurring items, certain mark-to-market adjustments and discontinued operations). These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.

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

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

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

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

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

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

Forward-Looking Statements:

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

SIGNATURES

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

Date: July 28, 2020

DTE ENERGY COMPANY
(Registrant)

/s/David Ruud
David Ruud
Senior Vice President and Chief Financial Officer

DTE ELECTRIC COMPANY
(Registrant)

/s/David Ruud
David Ruud
Senior Vice President and Chief Financial Officer



**DTE Energy reports strong second quarter 2020 results;
continues progress in environmental goals**

- *DTE Gas joins DTE Electric in net zero emissions goal*
- *Brings state's largest wind park online*
- *Partners with General Motors on Michigan's largest renewable energy investment*

DETROIT, July 28, 2020 – DTE Energy (NYSE:DTE) today reported second quarter 2020 earnings of \$277 million, or \$1.44 per diluted share, compared with \$182 million, or \$0.99 per diluted share in 2019.

Operating earnings for the second quarter 2020 were \$295 million, or \$1.53 per diluted share, compared with 2019 operating earnings of \$183 million, or \$0.99 per diluted share. Operating earnings exclude non-recurring items, certain mark-to-market adjustments and discontinued operations. Reconciliations of reported earnings to operating earnings are included at the end of this news release.

"During the first half of the year DTE responded swiftly to ensure our employees and customers were safe during the early months of the COVID-19 pandemic," said Jerry Norcia, DTE Energy president and CEO. "I couldn't be prouder of our employees' efforts to meet the needs of our customers while at the same time focusing on keeping our company on track. As a result, we're entering the second half of the year in great shape."

Norcia also noted the following recent company accomplishments:

- **Announced 2050 DTE Gas net zero goal:** The unique and comprehensive [plan](#) reduces greenhouse gases by more than 6 million metric tons annually, the equivalent of removing 1.3 million gasoline-powered cars from the road. The plan is one of the first to address emission reductions both upstream with suppliers and with customers through emissions offset programs.
 - **Commenced operations at Michigan's largest wind park; the first of four new wind parks coming online in 2020:** [New wind parks](#) will increase clean energy generation capacity by more than 50% in 2020 and will offset 1.2 million metric tons of CO₂ emissions annually.
 - **Partnered with General Motors on renewable energy investment:** This investment delivers enough clean energy to supply GM's Southeast Michigan facilities by 2023, including the Renaissance Center global headquarters in Detroit, the GM Global Technical Center in Warren, the Milford Proving Ground in Milford and two local assembly plants; Orion and Detroit-Hamtramck, as well as several smaller GM sites across Southeast Michigan.
 - **Provided bill relief to customers during peak summer usage months:** \$30 to \$40 million in bill relief is being passed on to electric utility customers for June and July after leveraging efficiency and lower fuel prices to significantly reduce generation costs.
 - **Continued support of Michigan businesses:** Invested over \$1.1 billion with Michigan-based companies in the first half of this year, executing its commitment to the Pure Michigan Business Connect local supplier initiative. This includes approximately \$550 million invested in the city of Detroit.
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Outlook for 2020

"The solid financial results achieved during the first half of the year give us confidence in achieving our 2020 earnings guidance with a strong second quarter offsetting a challenging first quarter," said David Ruud, DTE Energy senior vice president and CFO. "The results in the second quarter are driven by strong performance across all of our businesses, cost reductions and warmer than normal weather. This provides a solid foundation for delivering on our financial and operational goals for this year."

Additionally, DTE is releasing its 2020 [Environmental and Social Governance](#) report highlighting the company's commitment to creating and sustaining long-term value for all stakeholders.

This earnings announcement and presentation slides are available at dteenergy.com/investors.

The company will conduct a conference call to discuss earnings results at 9 a.m. ET. Investors, the news media and the public may listen to a live internet broadcast of the call at dteenergy.com/investors. The telephone dial-in numbers in the U.S. and Canada are toll free: (833) 968-2209 or international: (778) 560-2895. The passcode is 6173439. The webcast will be archived on the DTE website at dteenergy.com/investors. An audio replay of the call will be available from noon today to noon Wednesday, Aug. 26. To access the replay, dial U.S. and Canada toll free (800) 585-8367 or international toll (416) 621-4642 and enter the passcode 6173439.

About DTE Energy

DTE Energy (NYSE: DTE) is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. Its operating units include an electric company serving 2.2 million customers in Southeast Michigan and a natural gas company serving 1.3 million customers in Michigan. The DTE portfolio includes energy businesses focused on power and industrial projects; renewable natural gas; natural gas pipelines, gathering and storage; and energy marketing and trading. As an environmental leader, DTE utility operations will reduce carbon dioxide and methane emissions by more than 80 percent by 2040 to produce cleaner energy while keeping it safe, reliable and affordable. DTE Electric and Gas aspire to achieve net zero carbon and greenhouse gas emissions by 2050. DTE is committed to [serving with its energy](#) through volunteerism, education and employment initiatives, [philanthropy](#) and economic progress. Information about DTE is available at dteenergy.com, empoweringmichigan.com, twitter.com/dte_energy and facebook.com.

Use of Operating Earnings Information - DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

In this release, DTE Energy discusses 2020 operating earnings guidance. It is likely that certain items that impact the company's 2020 reported results will be excluded from operating results. Reconciliations to the comparable 2020 reported earnings guidance are not provided because it is not possible to provide a reliable forecast of specific line items (i.e. future non-recurring items, certain mark-to-market adjustments and discontinued operations). These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.

DTE Energy also discusses Adjusted EBITDA in its slide presentation. The reconciliation of net income to Adjusted EBITDA as projected for full-year 2020 is not provided. DTE Energy does not forecast net income as it cannot, without unreasonable efforts, estimate or predict with certainty the components of net income. These components, net of tax, may include, but are not limited to, impairments of assets and other charges, divestiture costs, acquisition costs, or changes in accounting principles. All of these components

could significantly impact such financial measures. At this time, DTE Energy is not able to estimate the aggregate impact, if any, of these items on future period reported earnings. Accordingly, DTE Energy is not able to provide a corresponding GAAP equivalent for Adjusted EBITDA and allocated debt.

The information contained herein is as of the date of this release. DTE Energy expressly disclaims any current intention to update any forward-looking statements contained in this release as a result of new information or future events or developments. Words such as "anticipate," "believe," "expect," "may," "could," "projected," "aspiration," "plans" and "goals" signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various assumptions, risks and uncertainties. This release contains forward-looking statements about DTE Energy's financial results and estimates of future prospects, and actual results may differ materially.

Many factors impact forward-looking statements including, but not limited to, the following: the duration and impact of the COVID-19 pandemic on DTE Energy and customers, impact of regulation by the EPA, the FERC, the MPSC, the NRC, and for DTE Energy, the CFTC 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 our geographic area resulting in changes in demand, customer conservation, and thefts of electricity and, for DTE Energy, natural gas; the operational failure of electric or gas distribution systems or infrastructure; impact of volatility of prices in the oil and gas markets on DTE Energy's gas storage and pipelines operations and the 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.

For further information, members of the media may call:

Pete Ternes, DTE Energy, 313.235.5555

For further information, analysts may call:

Barbara Tuckfield, DTE Energy, 313.235.1018

John Dermody, DTE Energy, 313.235.8750

DTE Energy Company
Segment Net Income (Unaudited)

	Three Months Ended June 30,									
	2020					2019				
	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾	Operating Earnings
	(In millions)									
DTE Electric	\$ 183	\$ 35	A	\$ (9)	\$ 219	\$ 133	\$ (11)	E	\$ 3	\$ 134
		13	B	(3)			13	F	(4)	
DTE Gas	1	11	A	(3)	11	8	(6)	E	2	4
		2	B	—			—	—	—	
Non-utility operations										
Gas Storage and Pipelines	70	—		—	70	50	—		—	50
Power and Industrial Projects	25	—		—	25	29	—		—	29
Energy Trading	(1)	8	C	(2)	5	(6)	5	C	(1)	(2)
Total Non-utility operations	94	8		(2)	100	73	5		(1)	77
Corporate and Other	(1)	—		(34)	(35)	(32)	—		—	(32)
Net Income Attributable to DTE Energy Company	\$ 277	\$ 69		\$ (51)	\$ 295	\$ 182	\$ 1		\$ —	\$ 183

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the three months ended June 30, 2020 and June 30, 2019.

Adjustments key

- A) MPSC disallowance of capital expenses previously recorded in 2018 and 2019 related to incentive compensation — recorded in Operating Expenses — Asset (gains) losses and impairments, net
B) Shift premiums and other incremental costs associated with the sequestration of employees critical to continued operations due to COVID-19 — recorded in Operating Expenses — Operating and maintenance
C) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility
D) Reduction to Income Tax Expense resulting from carrying back 2018 net operating losses to 2013 pursuant to CARES Act.
E) MPSC approval of the deferral for the new customer billing system post-implementation expenses — recorded in Operating Expenses — Operation and maintenance
F) MPSC disallowance of power plant capital expenses — recorded in Operating Expenses — Asset (gains) losses and impairments, net

DTE Energy Company
Segment Diluted Earnings Per Share (Unaudited)⁽²⁾

	Three Months Ended June 30,									
	2020					2019				
	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾		Operating Earnings	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾
DTE Electric	\$ 0.95	\$ 0.18	A	\$ (0.05)	\$ 1.13	\$ 0.72	\$ (0.06)	E	\$ 0.02	\$ 0.73
		0.07	B	(0.02)			0.07	F	(0.02)	
DTE Gas	—	0.06	A	(0.02)	0.05	0.04	(0.03)	E	0.01	0.02
		0.01	B	—			—		—	
Non-utility operations										
Gas Storage and Pipelines	0.37	—		—	0.37	0.27	—		—	0.27
Power and Industrial Projects	0.13	—		—	0.13	0.16	—		—	0.16
Energy Trading	—	0.05	C	(0.02)	0.03	(0.04)	0.02	C	(0.01)	(0.03)
Total Non-utility operations	0.50	0.05		(0.02)	0.53	0.39	0.02		(0.01)	0.40
Corporate and Other	(0.01)	—		(0.17)	D	(0.18)	(0.16)	—	—	(0.16)
Net Income Attributable to DTE Energy Company	<u>\$ 1.44</u>	<u>\$ 0.37</u>		<u>\$ (0.28)</u>	<u>\$ 1.53</u>	<u>\$ 0.99</u>	<u>\$ —</u>		<u>\$ —</u>	<u>\$ 0.99</u>

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the three months ended June 30, 2020 and June 30, 2019.

(2) Per share amounts are divided by Weighted Average Common Shares Outstanding — Diluted, as noted on the Consolidated Statements of Operations (Unaudited).

Adjustments key — see previous page

DTE Energy Company
Segment Net Income (Unaudited)

	Six Months Ended June 30,										
	2020					2019					
	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾		Operating Earnings	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾	
	(In millions)										
DTE Electric	\$ 277	\$ 35	A	\$ (9)	\$ 313	\$ 280	\$ (11)	E	\$ 3	\$ 281	
		13	B	(3)			13	F	(4)		
DTE Gas	122	11	A	(3)	132	159	(6)	E	2	155	
		2	B	—			—		—		
Non-utility operations											
Gas Storage and Pipelines	142	—		—	142	98	—		—	98	
Power and Industrial Projects	55	—		—	55	55	—		—	55	
Energy Trading	33	(18)	C	4	19	26	(31)	C	8	3	
Total Non-utility operations	230	(18)		4	216	179	(31)		8	156	
Corporate and Other	(12)	—		(34)	(46)	(35)	—		—	(35)	
Net Income Attributable to DTE Energy Company	\$ 617	\$ 43		\$ (45)	\$ 615	\$ 583	\$ (35)		\$ 9	\$ 557	

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the six months ended June 30, 2020 and June 30, 2019.

Adjustments key

- A) MPSC disallowance of capital expenses previously recorded in 2018 and 2019 related to incentive compensation — recorded in Operating Expenses — Asset (gains) losses and impairments, net
- B) Shift premiums and other incremental costs associated with the sequestration of employees critical to continued operations due to COVID-19 — recorded in Operating Expenses — Operating and maintenance
- C) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets — recorded in Operating Expenses — Fuel, purchased power, and gas — non-utility
- D) Reduction to Income Tax Expense resulting from carrying back 2018 net operating losses to 2013 pursuant to CARES Act.
- E) MPSC approval of the deferral for the new customer billing system post-implementation expenses — recorded in Operating Expenses — Operation and maintenance
- F) MPSC disallowance of power plant capital expenses — recorded in Operating Expenses — Asset (gains) losses and impairments, net

DTE Energy Company
Segment Diluted Earnings Per Share (Unaudited)⁽²⁾

	Six Months Ended June 30,											
	2020						2019					
	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾		Operating Earnings	Reported Earnings	Pre-tax Adjustments		Income Taxes ⁽¹⁾		Operating Earnings
DTE Electric	\$ 1.44	\$ 0.18	A	\$ (0.05)	\$ 1.62	\$ 1.53	\$ (0.06)	E	\$ 0.02	\$ 1.54		
		0.07	B	(0.02)			0.07	F	(0.02)			
DTE Gas	0.63	0.06	A	(0.02)	0.68	0.87	(0.03)	E	0.01	0.85		
		0.01	B	—			—		—			
Non-utility operations												
Gas Storage and Pipelines	0.74	—		—	0.74	0.53	—		—	0.53		
Power and Industrial Projects	0.29	—		—	0.29	0.30	—		—	0.30		
Energy Trading	0.17	(0.09)	C	0.02	0.10	0.14	(0.17)	C	0.04	0.01		
Total Non-utility operations	1.20	(0.09)		0.02	1.13	0.97	(0.17)		0.04	0.84		
Corporate and Other	(0.07)	—		(0.17)	(0.24)	(0.19)	—		—	(0.19)		
Net Income Attributable to DTE Energy Company	<u>\$ 3.20</u>	<u>\$ 0.23</u>		<u>\$ (0.24)</u>	<u>\$ 3.19</u>	<u>\$ 3.18</u>	<u>\$ (0.19)</u>		<u>\$ 0.05</u>	<u>\$ 3.04</u>		

(1) Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the six months ended June 30, 2020 and June 30, 2019.

(2) Per share amounts are divided by Weighted Average Common Shares Outstanding — Diluted, as noted on the Consolidated Statements of Operations (Unaudited).

Adjustments key — see previous page

DTE 2Q 2020
EARNINGS CONFERENCE CALL
JULY 28, 2020

DTE



Safe harbor statement

Certain information presented herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, and businesses of DTE Energy. Words such as “anticipate,” “believe,” “expect,” “projected,” “aspiration,” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous assumptions, risks, and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated, or budgeted. Many factors impact forward-looking statements including, but not limited to, the following: the duration and impact of the COVID-19 pandemic on DTE Energy and customers, impact of regulation by the EPA, the FERC, the MPSC, the NRC, and for DTE Energy, the CFTC 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 our geographic area resulting in changes in demand, customer conservation, and thefts of electricity and, for DTE Energy, natural gas; the operational failure of electric or gas distribution systems or infrastructure; impact of volatility of prices in the oil and gas markets on DTE Energy’s gas storage and pipelines operations and the 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. We cannot predict what factors may arise or how such factors may cause results to differ materially from those contained in any forward-looking statement. Any forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. This document should also be read in conjunction with the Forward-Looking Statements section of the joint DTE Energy and DTE Electric 2019 Form 10-K and 2020 Forms 10-Q (which sections are incorporated by reference herein), and in conjunction with other SEC reports filed by DTE Energy and DTE Electric.

Participants

Jerry Norcia – President and CEO

Dave Ruud – Senior Vice President and CFO

Barbara Tuckfield – Director Investor Relations

Focusing on our employees, customers and communities; positioned to deliver on our financial targets



Employees

- Ensuring the health and safety of our employees
 - Successfully implemented work from home for over half of our employees
 - Engagement and safety performance is extraordinary



Customers

- Delivering safe and reliable energy
- Providing support to customers
 - Significantly streamlined energy assistance payments



Community

- Addressing our communities' most vital needs through philanthropy and volunteerism
 - Providing resources to serve families' basic needs, such as food, shelter and access to core medical services



Investors

- Reaffirming 2020 operating EPS¹ guidance
- Confirming 5% – 7% operating EPS growth target through 2024
- Ensuring strong balance sheet and liquidity position; delivering on cash and capital targets
- 7% dividend increase in 2020; targeting 7% dividend increase in 2021²



DTE

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

On track to deliver in 2020

- Achieved strong 2Q results; solid year-to-date operating earnings¹ across all business lines
- Executing economic response plan
 - Operational savings implemented and being realized
- Reaffirming 2020 operating EPS guidance
- Progressing on key deliverables in all business lines
 - **DTE Electric:** received general rate case order and approval of innovative plan to keep electric rates unchanged until 2022
 - **DTE Gas:** filed settlement agreement and announced commitment to net zero greenhouse gas emissions
 - **GSP:** flowing test gas on LEAP in July and full in-service August 1
 - **P&I:** finalized industrial energy services agreement

Confirming 5% – 7% operating EPS target through 2024

DTE

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



Executing on our economic response plan; on track to achieve 2020 targets

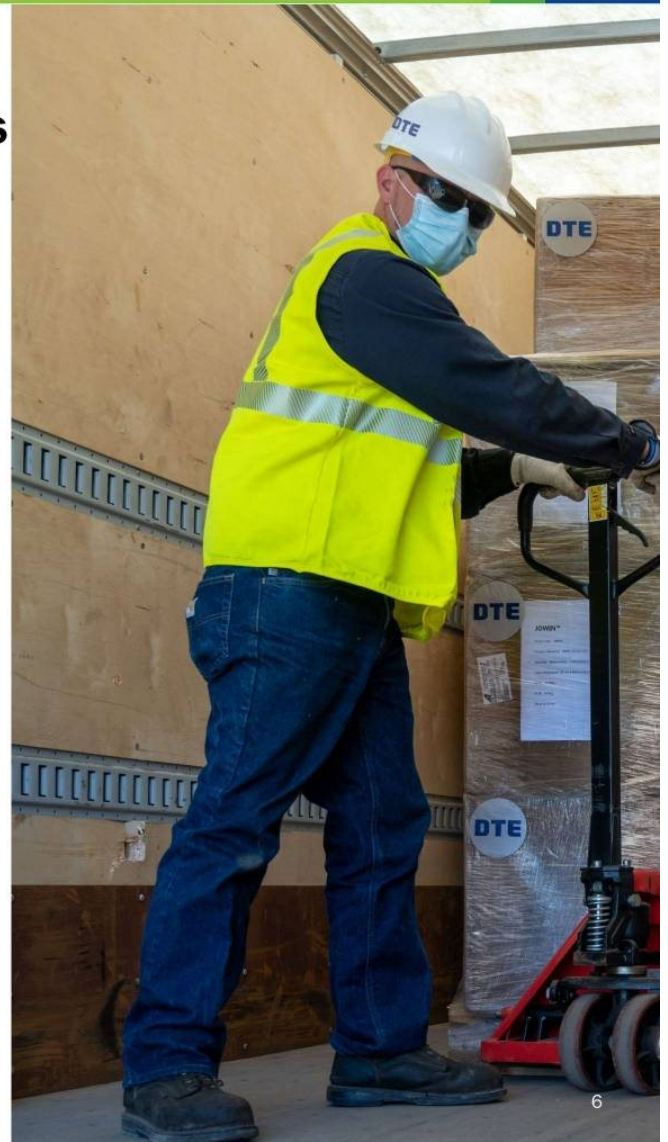
Economic impact update

- Overall tracking below the \$60 million impact detailed on the 1Q call
 - Electric residential sales better than anticipated; commercial and industrial sales in-line with May start scenario
 - COVID-19 costs tracking to plan

Economic response update

- On target with our economic response plan
- Weather and residential sales favorability allows for potential cost pull-ahead from future years
 - Positions us to minimize future rate impacts on customers
- Non-utilities continue to track ahead of plan

DTE

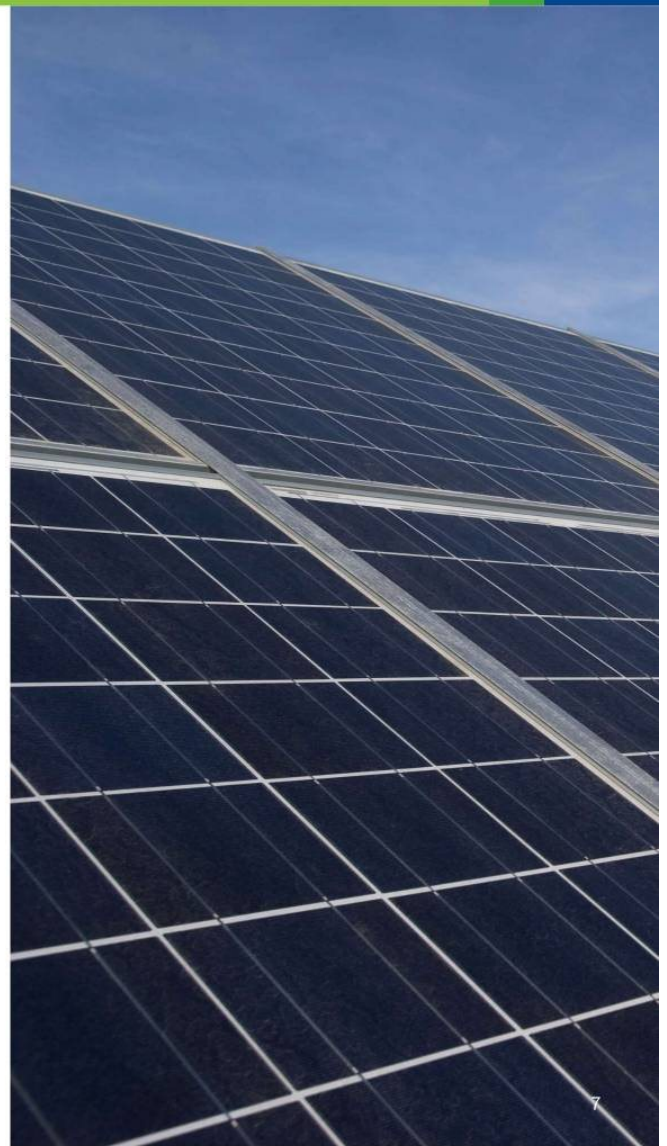


DTE Electric: providing customers clean, reliable and affordable energy

DTE Electric

- **Constructive regulatory approvals provide certainty to plan**
 - General rate case order issued in May supports investment plans
 - Order issued in July delays rate case filing to 2021, maintains financial health and keeps electric base rates unchanged until 2022
 - Renewable energy plan order expands wind and solar power generation, improves energy efficiency and achieves carbon reduction goals
- Commissioned **largest wind park** in Michigan, powering 64,000 homes and growing our renewable portfolio

DTE



DTE Gas: advancing toward net zero emissions through infrastructure investments and innovative planning

DTE Gas

- Announced first-of-its-kind plan to reduce greenhouse gas emissions to **net zero by 2050**
 - Partnering with suppliers and customers across the natural gas chain
 - Reducing 6 million metric tons of greenhouse gases per year
- Constructive **rate case settlement filed in July supports investment plans** removing regulatory uncertainty
- Resumed main renewal work and **on target to complete 200 miles in 2020**
- Began construction of **transmission system renewal project**



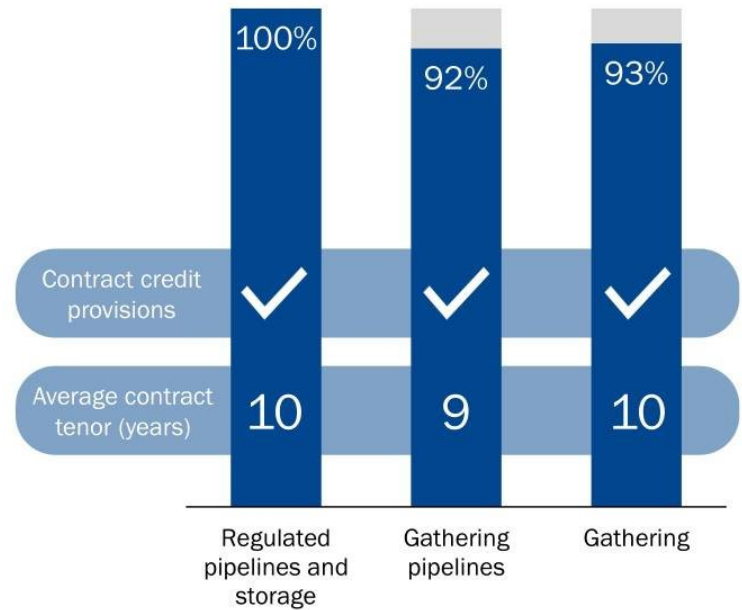
DTE

GSP: continuing to deliver successful results; well-positioned for future growth

Gas Storage & Pipelines

- **LEAP flowing test gas in July** and full in-service August 1; on time and under budget
- Assets are **well-positioned for future growth**
 - Located in premium natural gas basins
- Adjusted EBITDA¹ and allocated debt¹ provide **visibility into GSP's financial strength**
 - Producing strong adjusted EBITDA of 2.4x operating earnings²
 - 2020 adjusted EBITDA range is \$665 – \$703 million
 - 2020 allocated debt/adjusted EBITDA is ~4.0x; decreasing after first full year of LEAP in-service

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

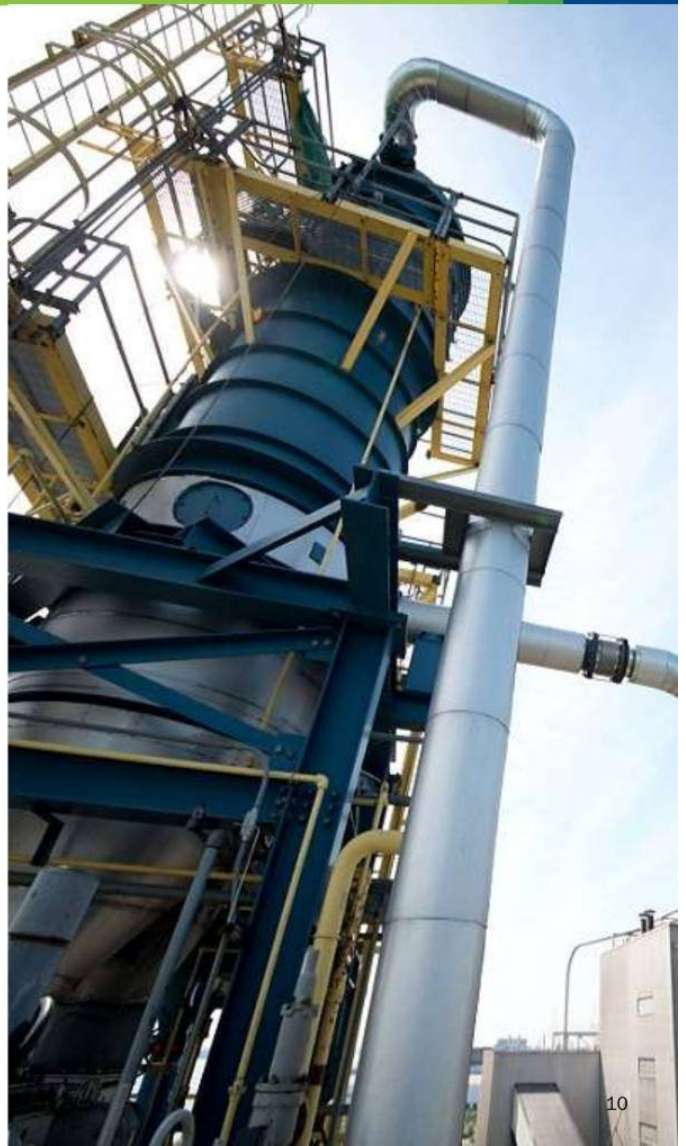


1. Definitions of adjusted EBITDA (non-GAAP) and allocated debt (non-GAAP) included in the appendix
2. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

P&I: underpinned by strong growth in RNG and industrial energy services

Power & Industrial Projects

- RNG and industrial energy services **projects drive long-term growth**
 - Finalized cogeneration agreement in June
 - Operationalized large Wisconsin RNG and Ford Motor projects this year
- Developing **high-potential investment opportunities** with additional projects in late-stage development
 - Strong project pipeline to continue executing growth strategy in RNG and industrial energy services businesses
 - On track to originate \$15 million of new operating earnings¹



DTE

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

2Q 2020 operating earnings¹ variance

(millions, except EPS)

	2Q 2019	2Q 2020	Variance	Primary drivers
DTE Electric	\$ 134	\$ 219	\$ 85	Warmer weather, rate implementation, non-qualified benefit plan investment gains and tax item offset by rate base growth costs
DTE Gas	4	11	7	Cooler weather and infrastructure recovery mechanism offset by rate base growth costs
Gas Storage & Pipelines	50	70	20	Blue Union acquisition
Power & Industrial Projects	29	25	(4)	Lower steel-related sales and REF volumes offset by new projects
Energy Trading	(2)	5	7	Gas portfolio performance
Corporate & Other	(32)	(35)	(3)	Timing of taxes
DTE Energy	\$ 183	\$ 295	\$ 112	
Operating EPS	\$ 0.99	\$ 1.53	\$ 0.54	Achieving economic response plan savings across all business units offset by COVID-19 impacts
Avg. shares outstanding	184	193		

DTE

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

On track to achieve our 2020 operating earnings¹ guidance with robust economic response plan and additional growth

(millions, except EPS)

	2020 guidance	Primary drivers
DTE Electric	\$759 - \$773	↑ Weather and economic response plan
DTE Gas	185 - 193	
Gas Storage & Pipelines	277 - 293	↑ Strong 1H performance
Power & Industrial Projects	133 - 148	
Energy Trading	15 - 25	↑ Strong 1H performance
Corporate & Other	(122) - (132)	
DTE Energy	<u>\$1,247 - \$1,300</u>	↑
Operating EPS	<u>\$6.47 - \$6.75</u>	

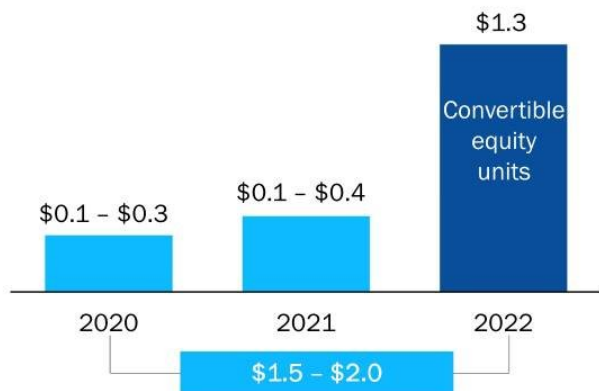


1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix

Maintaining strong cash flow, balance sheet and credit profile

(billions)

Planned equity issuances
2020 – 2022



- Maintaining strong investment-grade credit rating and FFO¹/Debt² target at 18%
- \$3.4 billion of available liquidity at end of 2Q 2020

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



1. Funds from Operations (FFO) is calculated using operating earnings

2. Debt excludes a portion of DTE Gas' short-term debt and considers 50% of the junior subordinated notes and 100% of the convertible equity units as equity

Supporting employees, customers and communities and delivering on financial targets

- Executing plan to **achieve 2020 operating earnings¹ guidance** with strong 2Q results
- Confirming **5% – 7% operating EPS growth** target
- Driving utility growth by **investing 80% of total 5-year capital in utility infrastructure** and cleaner energy
- Continuing strategic and **sustainable growth in non-utility businesses**
- Ensuring **strong balance sheet** and liquidity position; delivering on cash and capital targets
- **7% dividend increase** in 2020; targeting 7% dividend increase in 2021²



DTE

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



CONTACT US

DTE Investor Relations

www.dteenergy.com/investors

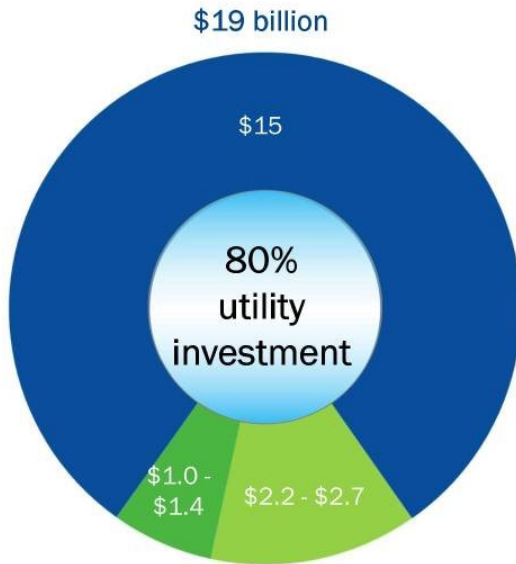
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DTE

Appendix

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

2020 – 2024 DTE Energy investment



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

\$3 Gas: Base infrastructure, main renewal acceleration

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

\$1 GSP: Blue Union/LEAP contracted capital

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

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

DTE

DTE Electric and DTE Gas regulatory update

DTE Electric

- General rate case final order (U-20561)
 - Effective: May 15, 2020
 - Rate recovery: \$188 million
 - ROE: 9.9%
 - Capital structure: 50% debt, 50% equity
 - Rate base: \$17.9 billion
- Renewable energy plan (U-18232)
 - Received order: July 9, 2020
 - 350 MW of additional renewable energy by 2022 (225 MW of wind and 125 MW of solar)
- Alternative rate case strategy (U-20835)
 - Received order: July 9, 2020
 - Delays rate case filing until 2021

DTE Gas

- General rate case (U-20642): filed settlement agreement July 2020
 - Order expected before September 25, 2020
 - Effective: October 1, 2020
 - Rate recovery: \$110 million and \$20 million of accelerated deferred tax amortization
 - ROE: 9.9%
 - Capital structure: 52% equity, 48% debt

MPSC order on COVID-19

- Received approval to begin deferring uncollectible expense in excess of amount in base rates starting March 2020

Cash flow and capital expenditures guidance

Cash flow

(billions)

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

Capital expenditures

(millions)

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



¹. Includes equity issued for employee benefit programs

Cash flow and capital expenditures actuals

Cash flow

(billions)

	YTD 2019	YTD 2020
Cash from operations ¹	\$1.4	\$1.7
Capital expenditures	(1.8)	(2.2)
Free cash flow	(\$0.4)	(\$0.5)
Dividends	(\$0.3)	(\$0.4)
Net cash	(\$0.7)	(\$0.9)
Debt financing		
Issuances	\$1.4	\$1.7
Redemptions	(0.7)	(0.3)
Change in debt	\$0.7	\$1.4
Cash on hand increase²		\$0.5

Capital expenditures

(millions)

	YTD 2019	YTD 2020
DTE Electric		
Base infrastructure	\$316	\$475
New generation	318	502
Distribution infrastructure	436	401
	\$1,070	\$1,378
DTE Gas		
Base infrastructure	\$89	\$104
Main renewal	135	117
	\$224	\$221
Non-utility	\$500	\$591
Total	\$1,794	\$2,190



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

Weather impact on sales

Cooling degree days – DTE Electric service area

	2Q 2019	2Q 2020	% Change
Actuals	150	259	73%
Normal	215	215	0%
Deviation from normal	(30%)	20%	
	YTD 2019	YTD 2020	% Change
Actuals	150	259	73%
Normal	215	215	0%
Deviation from normal	(30%)	20%	

Operating earnings¹ impact of weather – DTE Electric

(millions)	2Q	YTD
2019	(\$13)	(\$7)
2020	\$18	\$0
(per share)	2Q	YTD
2019	(\$0.07)	(\$0.04)
2020	\$0.09	\$0.00

Weather normal sales – DTE Electric service area

(GWh)	YTD 2019	YTD 2020	% Change
Residential	6,975	7,464	7%
Commercial	9,503	8,671	(9%)
Industrial	5,855	4,534	(23%)
Other	111	108	(3%)
	22,444	20,777	(7%)

Heating degree days – DTE Gas service area

	2Q 2019	2Q 2020	% Change
Actuals	859	957	11%
Normal	777	781	1%
Deviation from normal	11%	23%	
	YTD 2019	YTD 2020	% Change
Actuals	4,279	3,847	(10%)
Normal	4,022	4,069	1%
Deviation from normal	6%	(5%)	

Operating earnings impact of weather – DTE Gas

(millions)	2Q	YTD
2019	\$3	\$12
2020	\$10	(\$13)
(per share)	2Q	YTD
2019	\$0.02	\$0.07
2020	\$0.05	(\$0.07)



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

Delivering higher operating earnings¹ with increased certainty

(millions)



- Continued organic growth from well-positioned platforms
 - Supported by strong contracts
 - Connected to power and industrial markets
- Adjusted EBITDA² and allocated debt² provide visibility into GSP's financial strength
 - Producing strong adjusted EBITDA of 2.4x operating earnings
 - 2020 adjusted EBITDA range is \$665 - \$703 million
 - 2020 allocated debt/adjusted EBITDA is ~4.0x; decreasing after first full year of LEAP in-service
- \$2.2 - \$2.7 billion of investment in 2020 - 2024
 - \$1.0 billion of growth contractually secured on Blue Union/LEAP assets
 - \$1.2 - \$1.7 billion highly accretive organic growth

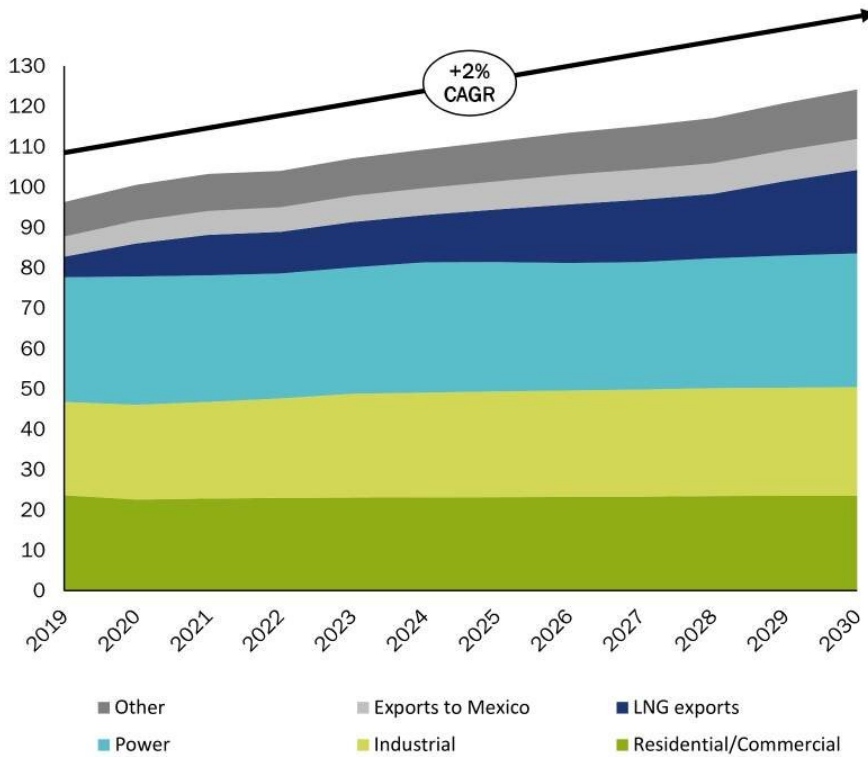
Confident in securing growth to meet long-term targets

DTE

1. Reconciliation of operating earnings (non-GAAP) to reported earnings included in the appendix
2. Definitions of adjusted EBITDA (non-GAAP) and allocated debt (non-GAAP) included in the appendix

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

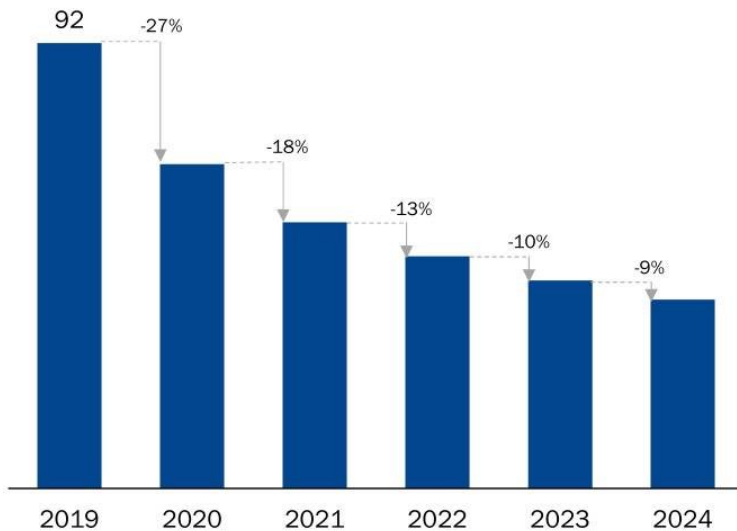
U.S. natural gas demand forecast (Bcf/d)



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

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

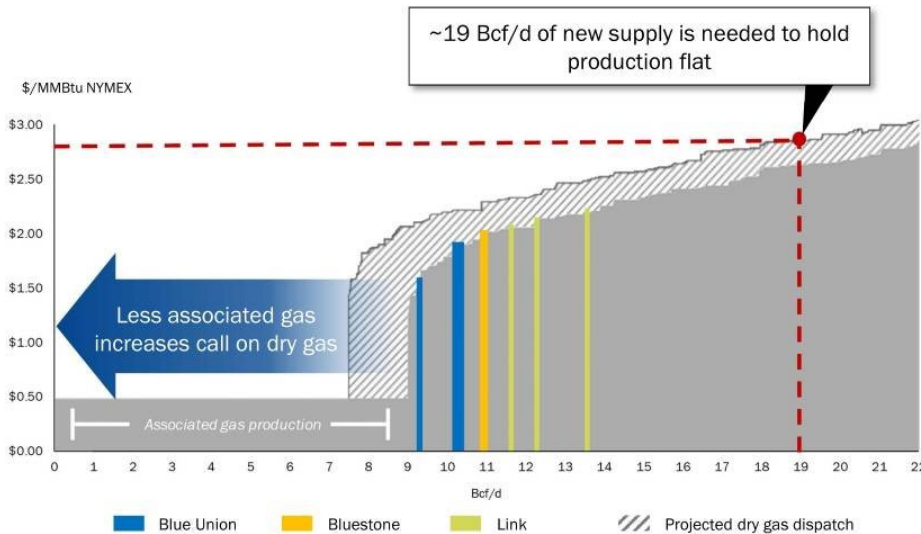
Annual decline of U.S. natural gas supply from currently-flowing wells (Bcf/d)



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

As associated gas supply decreases due to lower oil prices, demand for other sources of dry gas increase

2021 – 2023 drilling supply curve (Bcf/d)



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

2Q and YTD Energy Trading reconciliation of operating earnings¹ to economic net income

(millions)

Energy Trading reconciliation

	<u>2Q 2019</u>	<u>2Q 2020</u>
Operating earnings	(\$2)	\$5
Accounting adjustments ²	5	(4)
Economic net income	\$3	\$1
	<u>YTD 2019</u>	<u>YTD 2020</u>
Operating earnings	\$3	\$19
Accounting adjustments ²	15	11
Economic net income	\$18	\$30

- Economic net income equals economic gross margin³ minus O&M expenses and taxes
- DTE Energy management uses economic net income as one of the performance measures for external communications with analysts and investors
- Internally, DTE Energy uses economic net income as one of the measures to review performance against financial targets and budget



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

2. Consists of 1) the income statement effect of not recognizing changes in the fair market value of certain non-derivative contracts including physical inventory and capacity contracts for transportation, transmission and storage. These contracts are not marked-to-market, instead are recognized for accounting purposes on an accrual basis and 2) operating adjustments for unrealized marked-to-market changes of certain derivative contracts

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

2019 – 2020 reconciliation of reported to operating earnings (non-GAAP)

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

	Three Months Ended June 30,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
	(In millions)							
DTE Electric	\$ 183	\$ 35 A	\$ (9)	\$ 219	\$ 133	\$ (11) E	\$ 3	\$ 134
		13 B	(3)			13 F	(4)	
DTE Gas	1	11 A	(3)	11	8	(6) E	2	4
		2 B	—			—	—	
Non-utility operations								
Gas Storage and Pipelines	70	—	—	70	50	—	—	50
Power and Industrial Projects	25	—	—	25	29	—	—	29
Energy Trading	(1)	8 C	(2)	5	(6)	5 C	(1)	(2)
Total Non-utility operations	94	8	(2)	100	73	5	(1)	77
Corporate and Other	(1)	—	(34) D	(35)	(32)	—	—	(32)
Net Income Attributable to DTE Energy Company	\$ 277	\$ 69	\$ (51)	\$ 295	\$ 182	\$ 1	\$ —	\$ 183

Adjustments key

- A) MPSC disallowance of capital expenses previously recorded in 2018 and 2019 related to incentive compensation – recorded in Operating Expenses – Asset (gains) losses and impairments, net
- B) Shift premiums and other incremental costs associated with the sequestration of employees critical to continued operations due to COVID-19 – recorded in Operating Expenses – Operating and maintenance
- C) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets – recorded in Operating Expenses – Fuel, purchased power, and gas – non-utility
- D) Reduction to Income Tax Expense resulting from carrying back 2018 net operating losses to 2013 pursuant to the CARES Act
- E) MPSC approval of the deferral for the new customer billing system post-implementation expenses – recorded in Operating Expenses – Operation and maintenance
- F) MPSC disallowance of power plant capital expenses – recorded in Operating Expenses – Asset (gains) losses and impairments, net



1. Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the three months ended June 30, 2020 and June 30, 2019

2019 – 2020 reconciliation of reported to operating EPS (non-GAAP)

Use of Operating Earnings Information – DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

	Three Months Ended June 30,							
	2020				2019			
	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings	Reported Earnings	Pre-tax Adjustments	Income Taxes ⁽¹⁾	Operating Earnings
DTE Electric	\$ 0.95	\$ 0.18 A	\$ (0.05)	\$ 1.13	\$ 0.72	\$ (0.06) E	\$ 0.02	\$ 0.73
		0.07 B	(0.02)			0.07 F	(0.02)	
DTE Gas	—	0.06 A	(0.02)	0.05	0.04	(0.03) E	0.01	0.02
		0.01 B	—			—	—	
Non-utility operations								
Gas Storage and Pipelines	0.37	—	—	0.37	0.27	—	—	0.27
Power and Industrial Projects	0.13	—	—	0.13	0.16	—	—	0.16
Energy Trading	—	0.05 C	(0.02)	0.03	(0.04)	0.02 C	(0.01)	(0.03)
Total Non-utility operations	0.50	0.05	(0.02)	0.53	0.39	0.02	(0.01)	0.40
Corporate and Other	(0.01)	—	(0.17) D	(0.18)	(0.16)	—	—	(0.16)
Net Income Attributable to DTE Energy Company	\$ 1.44	\$ 0.37	\$ (0.28)	\$ 1.53	\$ 0.99	\$ —	\$ —	\$ 0.99

Adjustments key

- A) MPSC disallowance of capital expenses previously recorded in 2018 and 2019 related to incentive compensation – recorded in Operating Expenses – Asset (gains) losses and impairments, net
- B) Shift premiums and other incremental costs associated with the sequestration of employees critical to continued operations due to COVID-19 – recorded in Operating Expenses – Operating and maintenance
- C) Certain adjustments resulting from derivatives being marked-to-market without revaluing the underlying non-derivative contracts and assets – recorded in Operating Expenses – Fuel, purchased power, and gas – non-utility
- D) Reduction to Income Tax Expense resulting from carrying back 2018 net operating losses to 2013 pursuant to the CARES Act
- E) MPSC approval of the deferral for the new customer billing system post-implementation expenses – recorded in Operating Expenses – Operation and maintenance
- F) MPSC disallowance of power plant capital expenses – recorded in Operating Expenses – Asset (gains) losses and impairments, net



1. Excluding tax related adjustments, the amount of income taxes was calculated using a combined federal and state income tax rate of 26% and 25% for Utility and Non-utility operations, respectively, for the three months ended June 30, 2020 and June 30, 2019

2. Per share amounts are divided by Weighted Average Common Shares Outstanding – Diluted, as noted on the Consolidated Statements of operations (Unaudited)

Reconciliation of reported to operating earnings (non-GAAP)

Use of Operating Earnings Information – Operating earnings exclude non-recurring items, certain mark-to-market adjustments and discontinued operations. DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the Board of Directors.

In this presentation, DTE Energy provides guidance for future period operating earnings. It is likely that certain items that impact the company's future period reported results will be excluded from operating results. A reconciliation to the comparable future period reported earnings is not provided because it is not possible to provide a reliable forecast of specific line items (i.e. future non-recurring items, certain mark-to-market adjustments and discontinued operations). These items may fluctuate significantly from period to period and may have a significant impact on reported earnings.

Adjusted EBITDA and Allocated Debt are non-GAAP measures

Adjusted EBITDA is calculated using net income, the most comparable GAAP measure and adding back expenses for interest, taxes, depreciation and amortization. Adjusted EBITDA also includes an adjustment for DTE's proportional share of joint venture net income, excluding taxes and depreciation. Allocated debt is calculated by excluding utility debt from DTE Energy debt, the most comparable GAAP measure, and allocating the residual debt. The GSP portion of the residual debt is allocated to achieve a 50/50 debt/equity structure with adjustments to accommodate off-balance sheet financing for joint venture investments.

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

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

