















CEO	Message

CEO Message



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Note that this document is 74 pages in length. Please pause to think about the environment before clicking the print button. Consider printing only those sections or pages of interest. Thank you.

















# DTE Energy's Aspiration is to be the best-operated energy company in North America and a force for growth and prosperity in the communities where we live and serve.

This statement isn't an empty catchphrase like so many that litter cubicles across corporate America. It grew out of our employees' genuine desire to help build a better future for Michigan and its communities. It arose out of the economic crisis of 2009-2010, when we looked outward and saw a still struggling region. Our employees asked: what can we do to help? Our answer to them: become a best-operated company that provides our customers with excellent service, and use our economic scale to help our communities grow and prosper.

Our Aspiration can only be realized through the exceptional energy of our 10,000 employees. To create a great company, our employees must be fully engaged and bring their best energy and focus to work every day. We measure engagement using the Gallup employee engagement survey, and I am very proud of our improvement over the last seven years. In 2014, we earned our third consecutive Gallup Great Workplace Award - the only utility to ever win this award, much less three years in a row.

An engaged workforce also is tightly linked to our customer satisfaction. In February 2015, we were recognized in J.D. Power's rankings as "Highest in Customer Satisfaction With Business Natural Gas Service in the Midwest." Our residential gas business and our electric utility also continue to rank at or near the top in J.D. Power customer satisfaction surveys. While we take pride in the progress made in improving our customer service performance, our work is not done. For homeowners and for our communities, we continue to make additional improvements.

One of the most important strategic issues for DTE is the coming fundamental transformation of electric power production in Michigan and across the country. We are working closely with policymakers to ensure Michigan is well-positioned for its future energy needs, and I am proud to be part of the utility team steering this effort nationally. The U.S. Environmental Protection Agency's Clean Power Plan has important implications for the communities where power plants have operated for decades and for our customers. We absolutely agree it is time to move toward a cleaner, greener generation mix; however, the path to achieving those goals must also support both a thriving business climate in Michigan and the needs of low income customers.

Wind energy is a great resource in Michigan and will play a significant role in this power sector transformation. We recognize that it can also raise concerns. One community in northern Huron County, where wind resources are very high quality, voted to put a moratorium on further wind development. We will need to work closely with local communities to balance their valid concerns with the state's need for renewable energy sources.







## **CEO Message**













Being a leading corporate citizen also means giving back to the communities where we live and serve. 2014 was an extraordinary year in the history of Detroit and our region, as we took the first steps toward a much brighter future. So in that light, DTE Energy and the DTE Energy Foundation provided by far the highest level of giving in our company's history: \$27 million. The Foundation invested \$12 million in organizations across Michigan and \$5 million in the "Grand Bargain" to support the Detroit Institute of Arts and the City of Detroit. We also donated \$10 million to The Heat and Warmth Fund and the United Way to expand funding support for our low-income customers.

DTE's purchasing power is yet another way we contribute to the health of our communities. We are one of the leaders of an initiative launched in 2011 to buy more goods and services from Michigan suppliers. We exceeded our initial goal to shift \$1 billion to Michigan-based suppliers, and building on that success, I am pleased to share that we recently committed to invest another \$5 billion in spending with Michigan-based companies over the next five years.

While this report is a chance for us to share our successes with you, it must be balanced with a fair discussion of our challenges. Electric reliability is not where it needs to be, and many of the problems stem from high winds that bring down trees and tree branches onto our power lines. We are investing heavily in tree trimming near our lines, but we haven't always done a good job of communicating how and why we are doing that. We appreciate the beauty and value trees bring to our customers and communities, and are using the feedback we have received from customers to upgrade our communication and pursue the work in a way that makes sense for everyone.

Another challenge for us is our natural gas business, where 30 percent of our customers live below 150 percent of the poverty line. They struggle to pay bills – and declining state energy assistance funding levels and recent colder winters haven't helped. We want to serve our customer base with dignity, but we also can't provide services without payment. Our highly successful Low Income Self-Sufficiency Plan is one way we have helped, and we are working with the state to establish a more sustainable long-term footing for the program.

This 2014-2015 Corporate Citizenship Report provides our stakeholders with an inside look at the work we are focused on for our customers and our communities. It tells the story of our employees and the energy and spirit that drives us each day to best serve our customers, to help our company grow, to be good stewards of the environment and to be proud supporters of our communities. On behalf of the proud men and women of DTE Energy, I am pleased to share this report with you, and I invite you to share your feedback at citizenship@dteenergy.com.

Gerry Anderson Chairman and CEO

DTE Energy

"Our Aspiration can only be realized through the exceptional energy of our 10,000 employees. To create a great company, our employees must be fully engaged and bring their best energy and focus to work every day."

- Gerry Anderson



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## Introduction

Our Corporate Citizenship Report describes DTE Energy's commitment to our employees, customers and communities. We communicate with our stakeholders in many ways. This document is designed to provide convenient access to a wide variety of information about employee engagement, community outreach, customer assistance and environmental protection. We hope you find it useful.

This is the second year we have published a report using the framework of the Global Reporting Initiative (GRI), an internationally recognized standard for communicating social and environmental performance.

At DTE Energy, our aspiration is to be the best-operated energy company in North America and a force for growth and prosperity in the communities where we live and serve. Our aspiration grew out of our employees' genuine desire to help build a better future for Michigan and for every community in which we operate.

















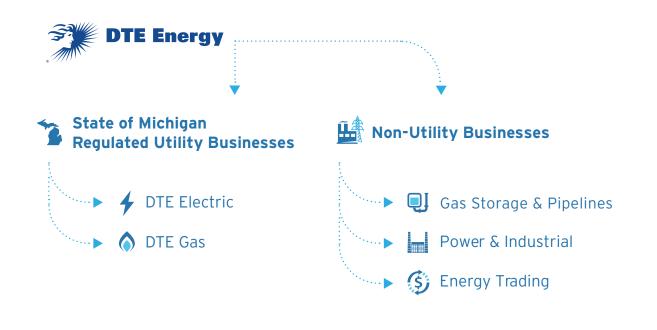




\$12.3b operating revenue in 2014

## Company Profile

Our businesses include DTE Gas and DTE Electric – utility companies regulated by the Michigan Public Service Commission – and non-utility energy operations located throughout the country.



"Everybody wants to work for a successful company and every company wants to be successful. Being capable at continuous improvement skills is paramount for our continued success. It helps us improve customer service and lower our costs. By becoming proficient at continuous improvement, we naturally engage our employees in the success of the business."

- Steve Kurmas President and Chief Operating Officer

















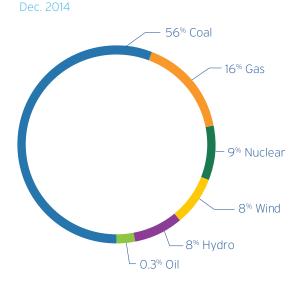
# **#**DTE Electric

In 2014, we delivered electricity to our 2.1 million customers from coal, oil, nuclear, renewable energy and natural gas-fired sources. We generate and distribute electric services to residential, industrial, institutional and commercial customers. Purchased electricity accounted for 19 percent of the electricity supplied by DTE Electric during this period. DTE Electric owns and operates fossil fuel and nuclear plants totaling 10.4 gigawatts (GW) of installed capacity in Michigan\* as well as approximately 1,000 megawatts (MW) of owned or contracted renewable energy generating capacity in the state. In 2014, we generated 41,251 gigawatt-hours (GWh) of electricity.

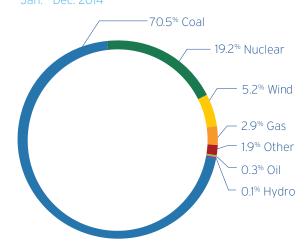
# More information on Renewable Energy is included in the Environment section of this report.

DTE Electric owns and operates 675 substations, 1,600 power transformers, 432,000 distribution transformers, 1 million poles, and 260,000 miles of conductor - enough to circle the earth 10 times. We operate approximately 30,339 miles of overhead distribution lines and 15,722 miles of underground distribution lines. Our service territory encompasses 7,600 square miles.

DTE Electric Generating Capacity



## DTE Electric Fuel Mix Used to Supply Electricity Jan. - Dec. 2014



# we delivered electricity to our 21 m

Our electric service territory encompasses 7,600 square miles



<sup>\*</sup>Summer net rated capability, as of the end of 2014. This figure includes DTE's ownership share of the Ludington pumped storage hydroelectric facility.















# DTE Gas

Our natural gas utility business serves approximately 1.2 million residential, commercial and industrial customers throughout Michigan (service territory covers 14,700 square miles). We own distribution, storage and transportation facilities, 19,000 miles of distribution mains and approximately 2,000 miles of transmission pipelines that deliver natural gas from storage areas to the distribution markets. We own storage properties relating to four underground natural gas storage fields with an aggregate working gas storage capacity of 141 billion cubic feet. These facilities are important in providing reliable and cost-effective service to our customers. We also sell storage services to third parties.



#### Gas Storage and Pipelines

This business unit controls two natural gas storage fields in Michigan, gathering pipeline systems in Michigan and Pennsylvania and ownership interests in two interstate pipelines. The two storage facilities in Michigan operate separately from our regulated gas utility assets, but are well integrated. DTE Gas provides physical operations, maintenance and technical support for the storage facilities and for the in-state gathering systems

DTE Energy does not extract or produce natural gas and we have no direct investment in hydraulic fracturing operations. However, we support oversight that ensures that hydraulic fracturing operations use best practices and processes. This is relevant to our business because we are involved in the transport of natural gas that is produced from unconventional resources such as the Marcellus and Utica Shale formations. This technology plays an important role in helping to develop the country's abundant low-carbon energy sources.



#### Power and Industrial Projects

Our Power and Industrial Projects business provides energy-related products and services nationwide to energy-intensive industrial, commercial and institutional customers. Its product lines are concentrated in the renewable energy, industrial energy services, and environmental controls markets. In the renewable energy market, the company produces renewable energy from waste-wood and landfill gas for sale to electric utility and industrial customers. Industrial energy services includes the production of blast furnace coke and pulverized coal for sale to integrated steel producers and the provision of on-site energy services such as waste water treatment, process steam, co-generated power, chilled and hot water, and compressed air to automotive, chemical, and consumer products companies and institutions such as hospitals, universities and governmental authorities. The environmental services business uses a proprietary process to treat coal resulting in reduced environmental emissions when combusted. Power and Industrial Projects now encompasses more than 69 projects in 17 states, with a total electric generating capacity of approximately 800 MW.



#### **Energy Trading**

This business unit consists of energy marketing and trading operations, serving primarily utilities, local distribution companies and other marketers.

We serve 1.2 m gas customers in Michigan

Our natural gas service territory

14,700 covers square miles

We have 69+

power and industrial
facilities and projects
in 17 states







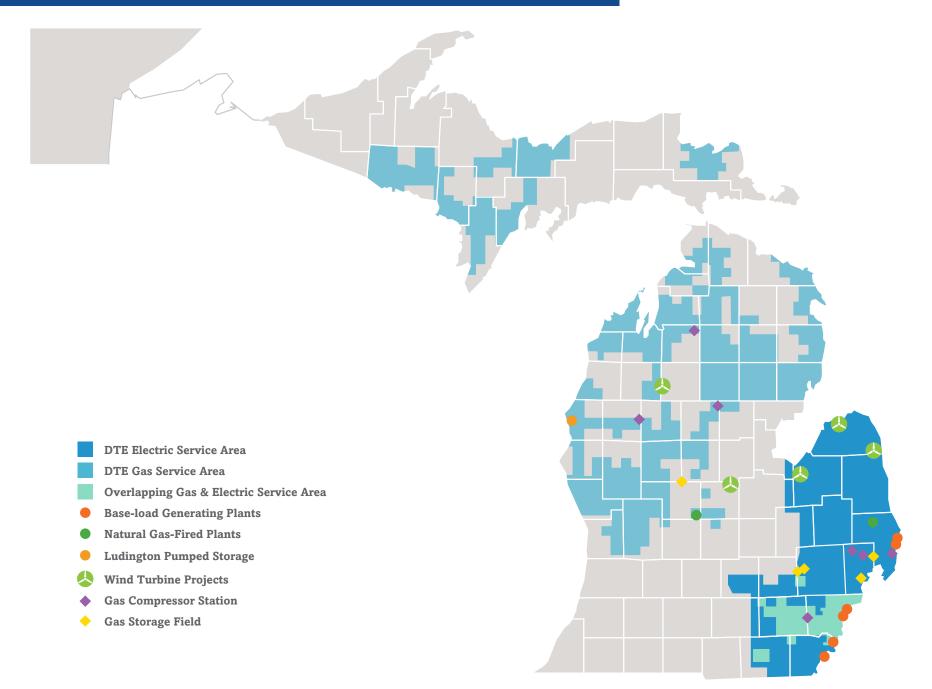


























## Corporate Priorities and Values

Our values shape the way we think about our company and the way that we work on a daily basis. They form the foundation for how we create shareholder value and deliver tangible business results.

Our values have real power because we routinely live them, act on them – and do so with conviction.

#### **Priorities**



#### **Values**

We put the health and safety of people first... and know this responsibility rests with each of us.

We act with integrity and show respect... and understand this defines our company's character.

We see our work through the eyes of those we serve... and know that our work is a powerful means to serve others

We bring our best energy and focus to our work... and are fully engaged and accountable for results.

We play to win as a team... and put the needs of our enterprise first.

We are passionate about the success of our company... and know that its health and growth generate prosperity.

We believe that improvement is our daily responsibility... and know those we serve have the right to expect that from us.

















#### Financial Performance

DTE Energy has consistently delivered total shareholder return above the utility average. Detailed information about our financial performance is available in our 10k filing.

#### Governance

We believe that a successful business is built on strong leadership and well-managed operations. At DTE Energy, our Board of Directors is committed to creating long-term value for its shareholders while operating as a responsible corporate citizen. Toward that goal, the Board performs a number of functions for the company following sound governance practices, including:

- > Selection of company leaders
- > Setting direction and approving strategy for the company
- > Oversight of company management
- Regular oversight of the effectiveness of management policies and decisions, including management's development and execution of the company's strategies

We value an independent perspective on the management of our company. Our Board is comprised of 11 independent directors plus our chairman and CEO, the only management director. We hold annual director elections where a majority vote is required for uncontested appointments. All of the Board committees are composed exclusively of independent directors, and we have an independent presiding director, elected by the independent members of the Board of Directors.



To maintain the highest level of integrity, the Board of Directors and its committees hold annual self-assessments and executive officers and directors are subject to robust stock ownership requirements. We uphold policies applicable to all company directors, officers and employees that ensure that their economic interests are aligned with those of the shareholders. Our Board membership reflects a diversity of experience, gender, race, ethnicity and age. Directors also possess the highest personal and professional ethics, integrity and values. Learn more about diversity and inclusion in our employee section.

The Board operates the following six committees:

Audit: Provides oversight regarding the Company's financial statements, legal and regulatory requirements, the Company's independent registered public accounting firm's qualifications and independence and performance of the Company's internal audit function.

Corporate Governance: Provides consideration and recommendations to the Board of Directors regarding corporate governance guidelines, prospective members of the board, committee nominees, and assists the Board in its annual performance review.

Finance: Assists the Board of Directors in fulfilling its responsibility with respect to the policies and practices that relate to the management of the financial affairs of the Company.

Nuclear Review: Provides oversight and review of the Company's safety and regulatory compliance, nuclear facilities and the nuclear power program, focusing on operational and financial performance.

Organization and Compensation: Oversees the Company's overall Executive compensation and benefits plan philosophy, structure and practices and the risks involved in Executive compensation plans.

Public Policy and Responsibility: Reviews DTE Energy Company's performance as a responsible corporate citizen and suggests policies to the Board of Directors that will enable the Company to respond appropriately to its social responsibilities and its shareholders' interests.

















#### **Fthics**

At DTE Energy, an ethical culture, grounded by our values, starts with our Board of Directors and extends throughout the entire company. The DTE Ethics and Compliance Program is designed to promote a culture of integrity and respect. The DTE Energy Way, our code of conduct, is the highest level of policy for all of our employees. It guides how we behave on the job and helps us resolve issues consistent with our values. All employees take our code of conduct training biennially. In addition, DTE Energy has a Supplier Code of Conduct to ensure that our business partners adhere to the same standards and align with DTE Energy's values.

During 2014, we launched our Ethics Ambassadors
Program to promote a culture of ethics and integrity
and to help drive supporting behaviors. Sixteen Ethics
Ambassadors are embedded within business groups
across the company, serving as a resource for employees
to seek guidance regarding ethical concerns and to assist
with ethics-related training and communication.



Our Ethics in Action program provides a mechanism for employees, vendors, customers, shareholders and the general public to report suspected non-compliance or work practices that are inconsistent with our values and standards, promoting a "speak-up" culture. To ask questions, seek guidance or report concerns, individuals can make a confidential and, if desired, anonymous report through an independent third party by contacting the Ethics In Action Helpline.

#### Stakeholders

Maintaining an open and transparent relationship with our stakeholders is important to our success as a business and as a responsible corporate citizen. We engage our stakeholders through a variety of mechanisms in an effort to provide meaningful dialogue around topics of mutual interest. As part of our materiality assessment process, we gathered input throughout the company to identify the issues that our external stakeholders are raising. Internally, we are focused on employee engagement as one of our six corporate priorities, and we actively encourage collaborative, open dialogue within our workforce.

DTE Energy maintains a Community Advisory Council, which involves a rotating group of community members. The Community Advisory Council is a partnership that allows us to gain insight into local perceptions of DTE Energy and provides us an opportunity to improve our

relationship with the community and develop programs that better serve the needs of our customers.

DTE's Regional Relations team proactively manages relationships with elected and appointed officials, and in partnership with Public Affairs, works with key community stakeholder organizations and nonprofits.

#### Our Key Stakeholders Include

Employees

Customers

Suppliers

Shareholders

Communities

Facility Neighbors

Government

Industry Associations

Non-governmental Organizations (e.g., environmental groups)

















Daily contact is maintained with these groups in particular to ensure consistent public messaging, relationship management and open channels of communication. The Regional Relations team represents DTE through membership and interaction with 45 Chambers of Commerce. Both groups collectively hold more than a hundred seats on community boards and committees, and are responsible for these activities across DTE Energy's service territories in the State of Michigan.

Please refer to the Policy Leadership section of this report for a list of advocacy groups with whom DTE engages.

#### **Suppliers**

We value the business relationships we have with our suppliers and view them as strategic business partners in our company's success. As such, we expect those with whom we do business to share the same values and principles that allow our company to enjoy a good reputation within the communities we serve.

DTE Energy expects its suppliers to provide a safe and healthy work environment for their employees, subcontractors, customers and all visitors to their premises. This includes, requiring regular safety training and reviews; handling, storing and using hazardous substances properly; following all safety policies, procedures and work rules; and complying with all applicable safety regulations.

DTE Energy is keenly aware of our company's impacts on the environment and is deeply committed to good

stewardship of natural resources - and we expect our suppliers to share this same commitment. Suppliers must conduct their business operations in a way that protects and sustains the environment and is in full regulatory compliance.

We embrace diversity not only in our relationships with suppliers, but in our relationships with employees, our customers, our shareholders and all others that we meet in the normal course of business. We expect our suppliers to equally support an environment that fosters diversity based on any personal traits or beliefs, not just those protected under the law. These would include, culture, education level, lifestyle, parental status, association membership, political affiliation or other distinguishing characteristics.

DTE Energy is committed to using a diverse supplier base, including businesses that are majority-owned and operated by women and minorities. We require that our suppliers have this same commitment, specifically in their use of materials and services from their own base of diverse suppliers and contractors.

#### DTE is a founding member of the

Electric Utility Industry Sustainable Supply Chain Alliance, a 501(c)6 nonprofit corporation established in 2008 to ensure the electric utility industry supply chain is environmentally responsible.

# Recognition for Supplier Diversity in 2014

For the sixth time, the Michigan Minority Supplier Development Council named DTE Energy the Corporation of the Year - Consumer Products.

The Women's Business Enterprise Council - Great Lakes honored DTE with a "Best in Class" Excellence in Supplier Diversity Award and the Significant Contributor Award.

Hispanic Network Magazine, Professional Woman's Magazine and MBN USA recognized DTE for its commitment to developing women- and minority-owned businesses.



















10,000 people employed by DTE at the end of 2014

## **Engaged Employees**

To realize our aspiration of being the best operated energy company in North America, we rely on our exceptional team of people to propel our company toward greatness. Each and every accomplishment is due to the hard work and tenacity of dedicated DTE employees. DTE Energy is our people.

Our commitment to respect each other and create an engaged, inclusive environment goes beyond just race and gender to appreciating and valuing our diverse backgrounds and life experiences. We believe that a diverse workforce with a healthy mix of educational experiences, backgrounds, ages, cultures, religions, sexual orientation, abilities and personal interests expands our base of knowledge, skills and cross-cultural understanding.

"Every job is important. And when it comes to making electricity, it's such a vital service, that it ingrains in people a sense of responsibility to our neighborhoods, our community, our customers."

> - Mark Learmont supervisor, Monroe Power Plant







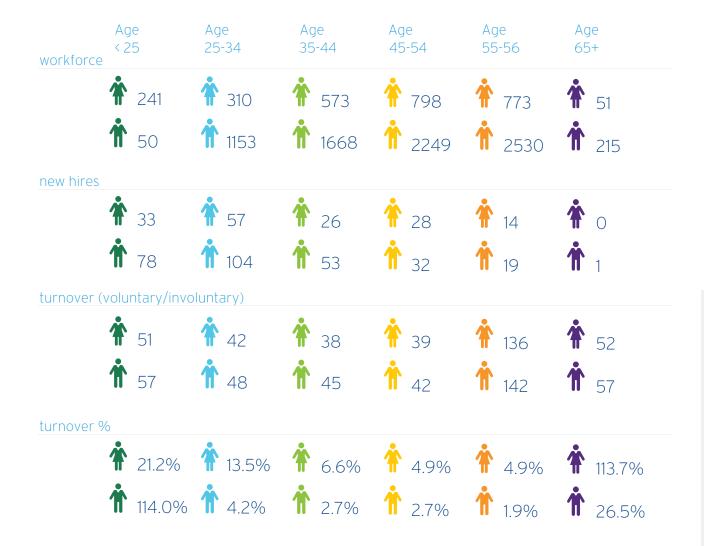












46% of DTE's workforce is represented by unions

Approximately 46 percent of DTE's workforce is represented by unions under collective bargaining agreements. We recognize and respect our employees' right to choose to be represented by a labor union, and we work together to promote productive relationships with our unions that consider the interests of our employees, our customers and our business. Non-represented employees are considered "at will" and the terms of their employment are guided by U.S. labor law for "at will" contractual relationships.

















## Engagement

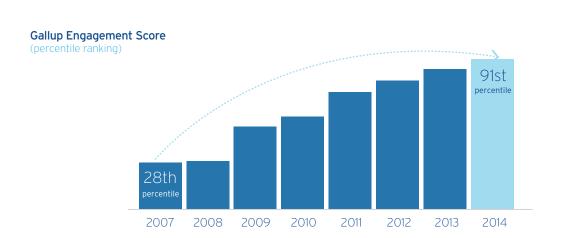
At DTE Energy, our employees are the foundation of our company and the energy behind our operations. Throughout our company, we strive to maintain a positive, collaborative workplace environment where everyone feels valued.

Employee engagement remains one of DTE's six priority areas and is the key enabler and driver to achieving our other priorities. To measure the success of our engagement efforts, we rely on the Gallup employee engagement survey. Gallup is a global research and polling company that helps private and public sector organizations boost organic growth through measurement tools, strategic advice and education.

Again in 2015, we received the Gallup Great Workplace Award, which recognizes organizations that make engagement a fundamental core of their business. We remain the only utility company to ever win this award. Winners were chosen based on multiple criteria, including employee engagement levels and their impact on key business outcomes. Each recipient's results were evaluated across a database of millions of teams in more than 170 countries.

The Gallup organization also recognized DTE with its Development by Design award, which recognizes our company's focus on creating personal, team and organizational success through employee training programs.





2014 was the Sth consecutive year that DTE Energy improved its score on the Gallup employee engagement survey

















## Safety

Every day, thousands of DTE employees face potentially dangerous and life threatening situations as part of their job. It is of the utmost importance that we always act with vigilance and make safety a top priority. We want every employee to go home each night to their family safe and unharmed.

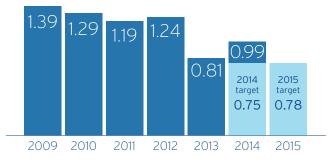
In an effort to help refine DTE's safety practices and culture, employees across the company provided candid feedback through the National Safety Council (NSC) Safety Barometer Survey. More than 8,600 employees across all business units participated in the 2014 survey, addressing safety management, supervisor and employee participation, safety support activities and organizational climate. The results showed an increase in scores across all program categories compared to 2013, with our overall score increasing from 91st percentile in 2013 to 95th percentile in 2014 - indicating that only 5 percent of the 670 participating organizations achieved a higher score than DTF.

safety performance. As we work toward this, we have set an ambitious goal to reach top decile safety performance by 2016, compared to our peer utility companies. Our recordable injury rate for 2014 was 0.99, compared to our target of 0.75. Safety incidents were slightly higher in 2014 largely due to the harsh weather conditions in the first quarter. However, our long-term progress in safety performance over the past several years shows an improving trend.

#### Performance Data

Our ultimate aim is zero injuries and occupational illnesses - a goal that continually prompts leaders and employees to seek improvements in every aspect of our

## Occupational Safety and Health Administration (OSHA) Recordable Injury Rate



\*The rate is a calculation of injuries and illnesses against all DTE employee hours worked.

#### Life Critical Standards

It is with great sadness that we report one employee fatality in June 2014. A DTE overhead line worker died of injuries incurred from contact with energized wires. To prevent tragedies like this from happening in the future, we enhanced our Life Critical safety initiative during the second half of 2014. Life Critical Standards address safety requirements when conducting activities that could result in significant injuries, illness or loss of life due to the nature of the work involved.



Our new Life Critical Standards are designed to expand awareness of these risks and the proper means for addressing them in our daily work. If anyone observes safety requirements not being followed in high-risk activities, that person has a responsibility to talk with the employee or the team, and remind them of the requirements in place to stay safe.

















#### Workplace Transformation Initiative Improves Employee Engagement

A safe and productive work environment contributes to the overall health and satisfaction of employees. DTE Energy is in the midst of a multi-year facilities renovation project that is transforming our Detroit headquarters complex, service centers and power plants into workplaces that exemplify high energy, efficiency and engagement. Now in its fourth year, our Workplace Transformation Initiative (WTI) is creating flexible, energy-efficient workspaces that create a sense of community and showcase the spirit of our people, company and communities we serve.



During 2014, we completed WTI retrofits in four floors of our downtown Detroit headquarters campus to incorporate WTI standards, making significant energy efficiency improvements in the process. Outside of Detroit, WTI improvement projects have been conducted at the Fermi plant's security building in Monroe, Michigan, while others are underway at St. Clair Power Plant, Grand Rapids Wealthy Street gas service center, and Marysville electric service center. Renovations at power plants, stations and service centers focus on projects that impact the majority of the site employees. At the top of the list are modernizing

spaces like gathering areas, locker and shower rooms and cafeterias. We also are making improvements to basic building functions like heating and cooling.

These transformation projects have been very well-received by our workforce. Employees feel more positive about their new work environment, especially the enhanced opportunities for collaboration, informal learning and social interaction.

#### Health and Wellness

Across our organization, DTE Energy promotes a healthy work environment and helps our employees pursue healthy lifestyles. Our company-wide wellness program, Energize Your Life (EYL), offers many avenues of support for employees seeking to maintain or improve their health. We encourage our employees, retirees and family members to get appropriate health screenings and to practice good behaviors for avoiding chronic disease. The purpose of EYL is to empower all individuals to live with high energy, good health and a passion for life. To support a healthy and active culture, we have campaigns and offer incentives throughout the year to promote movement, healthy eating and making healthy lifestyle choices. Our cafeterias offer healthy food and nutritional information; many of our facilities include exercise rooms; and at our headquarters complex, a state-of-the-art health and wellness center is scheduled. to open by the end of 2015. The EYL program provides extensive online and in-person resources and information on diet, exercise, stress management, financial wellness and disease prevention among other topics.

"I was amazed at how exercise and eating right not only helped my physical body and emotional health, but my mental clarity as well."

> - Paul J McGurrin DTE Gas, Distribution General Fitter















#### The following EYL programs help keep DTE employees healthy and active:



#### **Bike Programs**

At many of our power plants and other large facilities, DTE staff must move between multiple buildings throughout the day. Historically, employees would get in their cars and drive between buildings. In 2013, we implemented a bike share program at our largest locations, providing a few bicycles for shared use at each facility so employees can ride from one building to another. This offers an active alternative to driving and avoids vehicle air emissions



#### **Walking Routes**

To help our employees maintain physical activity during the workday, we developed walking maps for 18 facilities. The maps outline interior and exterior walking routes with distance markers to help employees measure their workout. Taking even 15 minutes to walk around the building can result in increased energy and leave employees with clear, refreshed minds.



#### **Functional Movement Program**

As a utility company, many DTE employees do not work in an office, but instead spend their days doing difficult physical labor. These physically demanding tasks can be tough on the musculoskeletal system, putting strain on muscles and joints. To address this concern, we recently initiated a movement enhancement program. The program is voluntary and helps train the body to meet the physical demands of life and work.

The program is open to any employee throughout the company from office staff to field personnel. It is designed to help our employees better understand how to move well at work, at home and in retirement by improving overall musculoskeletal health. Additionally, we have developed a series of job-specific stretches that are used by employees in many different roles to prepare for daily work. Over time, we hope to see pain levels decrease and increased levels of personal energy and physical activity for the employees participating in this program.

DTE was among 63 companies nationwide recognized by the National Business Group on Health for our ongoing commitment to employee health and wellness.















#### **Road Warrior Program**

DTE's EYL Road Warrior program motivates employees and their spouses to increase their physical activity through walking, jogging or biking while engaging as part of a team. The program provides participants with training programs for competitive races or events, and tailors the workouts to each individual's fitness level. Additionally, program participants are able to contact a fitness professional with questions or concerns about their training. Road Warrior participants who are training for a race receive a training kit that includes a Dry-Fit shirt and an EYL drawstring bag.



## Diversity and Inclusion

DTE Energy has a long and rich history of working to create a diverse workforce and inclusive working environment. In 2014, we embarked on a new phase in this journey, marked by the creation of a new executive level position - DTE's Vice President of Diversity and Inclusion. This position is solely focused on continuing to build and sustain programs and practices that allow us to achieve top performance in our industry and to recognize, appreciate, celebrate and leverage the unique backgrounds and strengths that every employee brings to DTE.

We are benchmarking best-in-class organizations and are developing a diversity and inclusion business plan in 2015. We will assess the effectiveness of existing diversity and inclusion initiatives and set specific goals to drive continuous improvement in this area. Regular reports will be provided to both senior management and our Board.

DTE's recruiting and outreach efforts focus on ensuring that our workforce is skilled, talented and reflective of our customer base. We are establishing better processes to help every employee grow professionally, and to support talented individuals as they cultivate pathways



into leadership positions. In the process, we have experienced challenges in recruiting diverse candidates to fill our many technical and skilled trade positions.

"Even if we recruit a lot of talented and diverse candidates, if we don't have an inclusive culture, we will lose them. So we are building a pipeline of high-potential, diverse talent. And once they are here, we are ensuring that DTE provides an inclusive and supportive environment that helps them grow and thrive."

- Sandy Ennis Vice President, Diversity and Inclusion











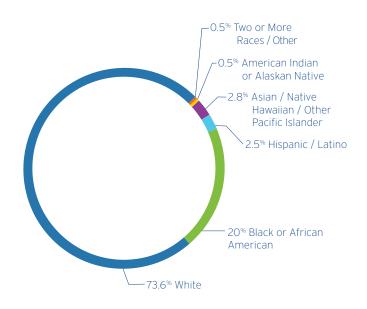




We actively support programs to encourage young students to pursue STEM-related academic programs. We strive to raise awareness and promote education around technical and skilled trade careers in the energy sector.

Within our workforce, we are focusing on developing and sustaining programs to create an inclusive culture, with strong supporting programs and structures. As part of this support, we offer employee resource groups for women, students, and those employees identifying as African American, disabled, LGBT, Hispanic, or Asian and Middle Eastern American.

#### DTE Energy Workforce Demographics



Board of Directors

women

25%minority

#### Leadership Demographics

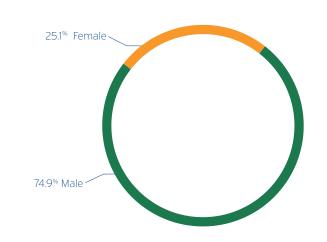
Senior Leadership Committee











Senior Leadership

26% women

16%minority

















#### Supporting Individuals with Disabilities

In June 2014, the Department of Labor reported that only about 21 percent of disabled Americans were gainfully employed, compared to almost 70 percent of non-disabled workers. In addition, when those with disabilities are employed, they are earning substantially less, with median monthly earnings of \$1,961 compared with \$2.724 for those without a disability.

DTE believes that we all have a role to play in breaking down employment barriers that individuals with disabilities face when pursuing a career. Each October, we participate in the National Disability Employment Awareness Month to raise awareness about disability employment issues and celebrate the many and varied contributions of America's workers with disabilities.

We unveiled a significant new partnership with Detroit Public Schools in 2014 through Project SEARCH. This unique collaboration aims to help Detroit Public School

students with significant disabilities make a successful transition from school to a productive adult life. The program



targets young adults in their last year of high school eligibility, ages 18 to 26, who have finished their academic requirements and who may need assistance entering the workforce.

DTE Energy provides an on-site training classroom, a business liaison and rotational student internships for on-the-job training for the eight inaugural Project SEARCH participants. We plan to add another career coach and enroll four more students for a full classroom in 2015.



While we recognize the benefits of Project SEARCH, we also know we can do more. As we continue to benchmark against companies that have mature programs for employees with disabilities, we will increase our outreach efforts to find the right people for the right job. We also will ensure we have the proper tools they need to do their jobs, and that our supervisors and other employees are well-trained and embrace a culture of diversity and inclusiveness.

#### Project Search Graduates Celebrate at DTE

In June, DTE Energy hosted the 2015 Detroit/Wayne County Project SEARCH graduation. The primary purpose of the program is to enhance the students' job skills to make them marketable to employers. Each of them also grew on a personal scale as well. In addition to their assigned duties within their host departments, students went on field trips to places such as the Monroe Power Plant and our Technical Training Center in Westland. They hosted a 'reverse job fair,' a job fair focused on advertising the students' skills, while employers gathered information. They also learned what it meant to "play to win as a team" by working together.

Michigan Supreme Court Justice Richard Bernstein, the first blind person to sit on the state's highest court, was among the guest speakers.



"To the students, and their families, congratulations to each and every one of you," said Bernstein. "This is our day of celebration. Let us celebrate what is accomplished. Let us celebrate what is achieved. Let us celebrate what is truly a remarkable accomplishment. To our graduates standing beside us today, you simply have to know that you inspire us. You excite us. But most importantly you teach us. You teach people the idea that no matter what challenges or difficulties or hardships that any of us face, you teach us how to push forward."

















## Workforce Development

In the next five to seven years, approximately 50 percent of workers in Michigan's utility sector will leave the industry for retirement. As the demographics of the energy sector change, talented men and women will enjoy tremendous career opportunities in the coming years. DTE Energy is preparing for these changes by ensuring that our current workforce is ready for this transition. We have invested heavily in developing our people by establishing our Foundational Capabilities system, which defines the training, skills and development that employees need for success within the company. We provide a training platform, ASPIRE, to encourage employees to deepen their knowledge through learning activities and tools that are critical to our business. The Foundational Capabilities curriculum covers topics such as Safety Fundamentals, Engagement Skills, Customer Focus, Continuous Improvement, Project Mangement, Supplier Performance Management, Asset Maintenance, Strong Leadership and Business Acumen. Through ASPIRE, employees can also search for learning and development courses and register for online and in-person courses.

When our employees continue their education and become more skilled in their trade or profession, our business benefits. For these reasons, DTE also supports employees in their professional development by providing financial assistance through our education tuition reimbursement program. The program provides assistance to employees for voluntary educational opportunities related to the work performed at DTE Energy.

#### **Energize Detroit Creates Innovative Workspace**

In December 2014, we unveiled Navitas House, a new home for about 145 of DTE's information technology (IT) workers. This new office space, complete with unique architectural features and innovative technology, occupies the completely revamped former Salvation Army Service Center on Bagley Avenue across from corporate headquarters in downtown detroit.

DTE Energy purchased the 32,000-square-foot historic building in 2012 as part of an Energize Detroit Initiative, renaming it Navitas (Latin for energy). The reconstruction preserved much of the 1938 Art Deco architectural elements, with modern environmental benefits like a new rain garden to filter runoff and provide an urban habitat for birds and butterflies. Navitas House is the company's first Leadership in Energy and Environmental Design (LEED) certified building.

DTE Energy's IT employees appreciate the focus and commitment the company places on their work environment, and also appreciate the historical significance of the building to the City of Detroit. New life is seen in the neighborhood as IT employees work cross-functionally with teams across the company and travel from building to building on foot. The new building offers employees many common meeting areas for collaboration and team activities, and boasts state-of-the art technology and energy-efficient lighting.

The transformed space supports employees who bring their best energy to work every day and understand the importance of bringing life back to a neighborhood.

# In the next five to seven years, approximately

of workers
in Michigan's utility
sector will leave
the industry for
retirement

#### **Navitas House**

Leadership in Energy and Environmental Design (LEED) certified building



















## In 2014, we expanded options for customers to interact with DTF

## Customer Service Excellence

Customer service is a top priority at DTE Energy. We work tirelessly to delight our customers and exceed their expectations during every interaction. In 2014, we made significant efforts to improve our residential and business customers' experience. These efforts contributed to the honor we received in the J.D. Power ranking as "Highest in Customer Satisfaction With Business Natural Gas Service in the Midwest." Our residential natural gas business and our electric utility also continue to rank highly in the J.D. Power customer satisfaction rankings.

While this award highlights the progress we have made in improving our customer service performance, our work is not done. We are more motivated than ever to maintain these prestigious honors and to continuously improve our service to customers. We are implementing new ways to better service our customers by providing a wide variety of communication choices. These include options for our customers to reach us through our website, our DTE Energy Mobile apps, and payment kiosks.

"At DTE Energy, we're fully living our value of 'seeing our work through the eyes of those we serve.' We're laser-focused on creating a positive experience for our customers every time they engage with us. This is why we've introduced convenient programs and services like our self-service channels, giving customers a choice in how they interact with our company."

- Dave Johnson Vice President, Customer Service & Marketing

















#### **Customer Service**

#### **Customer Experience Initiative**

In 2014, we expanded our Customer Experience initiative to better focus on our customers' needs and ensure they have consistent, positive experiences with DTE, no matter how they do business with us. The following programs are designed to improve our customers' experience while making our internal processes more efficient:



#### Guest Pa

Guest Pay is a web-based option, also available on our app, that allows customers to pay their bill - or someone else's - without having an online account. Customers can pay using a debit card, credit card, or with a checking or savings account and incur no service fees. In the program's first two months, 17,831 customers used the Guest Pay option to pay their bills.



#### DTE Energy Mobile app

We recently developed DTE Energy Mobile to give customers a convenient way to manage their account. In just a few clicks, customers can pay bills, compare their monthly energy usage, or report and track an outage. The mobile app eliminates the need to wait in line, wait on the phone or mail in checks. The app is compatible with iOS and Android smart phones, and can also be used on iPads and Android tablets.



#### eBill Paperless Billing

Since launching our eBill enrollment pilot program – where customers who call to request new electric or natural gas service are asked to enroll in eBill – 25 percent of new customers are opting to participate in the online billing statement. The eBill program is an easy, convenient way for our customers to securely access their accounts. Customers receive email reminders when their bill is ready to view and they can pay online through a variety of free methods, including the Automatic Payment Plan option. To date, thousands of DTE customers have helped save more than 13,000 trees by enrolling in the program.



#### Payment Kiosks

Since the program's inception in 2014, DTE significantly expanded its self-service payment kiosk program in the Detroit area. Launched at eight pilot locations in 2013, the self- service payment kiosks offer customers a more convenient way to pay their utility bills. Twenty-five kiosks are now operational at Rite-Aid retail stores, and customers are benefiting from the ease of using the program. Over 50,000 payments were made at kiosks in 2014 totaling \$8.2 million.

"We've simply never had any issues and the invoices are easy to read/ easy to pay."

- Gas Business Customer

#### "I Can Help"

At DTE Energy, every employee is empowered to take responsibility for customer service excellence. "I Can Help!" is a grassroots approach to customer service that makes it possible for any DTE employee to assist customers whose concerns have not been resolved through our Customer Service Line. When a customer comes to any DTE employee with an unresolved question or concern about their service, that employee can immediately respond by referring the customer's issue to the "I Can Help!" program. This is now possible from anywhere as DTE employees can use their smartphones, tablets or home computers to access the "I Can Help" platform. From there, "I Can Help" team members follow up with customers to resolve their issue. Through this initiative, we resolve between 3.500 and 5.000 customer service issues annually.

















#### **Customer Satisfaction**

#### J.D. Power

DTE Energy's ongoing efforts to improve customer service through superior communication and customer interactions resulted in a significant improvement in customer satisfaction since 2007. J.D. Power is a global marketing information company that represents the voice of the customer. They c:onduct extensive consumer studies in the energy and utility industry and honor the top ranking companies. DTE Energy is ranked "Highest in Customer Satisfaction With Business Natural Gas Service in the Midwest," according to the J.D. Power 2015 Gas Utility Business Customer Satisfaction Study<sup>SM</sup> released in February.

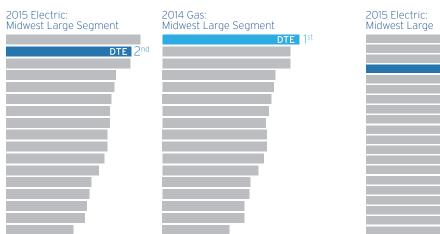
# **DTE Energy is ranked**

"Highest in Customer Satisfaction With Business Natural Gas Service in the Midwest"

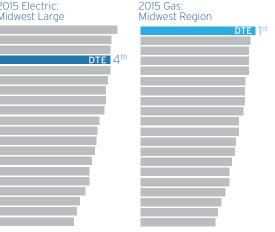
#### J.D. Power Ranking

Most Recent Results

#### Residential



#### Commercial



DTE Energy received the highest numerical score in the Midwest in the proprietary J.D. Power 2015 Gas Utility Business Customer Satisfaction Study<sup>SM</sup>. Business based on 9,243 online interviews ranking 20 Midwest providers. Proprietary study results are based on experiences and perceptions of businesses surveyed 4/14-7/14 and 8/14-12/14. Your experiences may vary. Visit jdpower.com.



#### From 15th to 1st

Two years ago, DTE ranked 15th in the J.D. Power Customer Satisfaction Study for business natural gas service. We dedicated ourselves to improve this performance with an enhanced focus on our business customers. A newly restructured contact center for our small to medium-sized commercial customers offers a direct call line to DTE business consultants. Additionally, our business customers can now access our business website, dteenergy.com/dte4biz, to find information tailored to their specific needs. We further support our customers' business goals by educating them about important natural gas safety information and energy efficiency techniques to help them save money.

















## Advanced Metering

Advanced metering technology is a system upgrade that uses secure, low-frequency radio transmissions to send usage data without the need for a manual meter reading. Over the last several years, DTE Energy has been installing advanced meters across Michigan to ensure that our customers have a safe, secure technology that connects directly to their DTE Energy online profiles. In 2014, we reached a milestone by installing 2 million meters. Our goal is to convert approximately 3.9 million electric and gas meters by the end of 2017, allowing our customers to better manage their energy usage and bills.

Advanced meters support technology that brings a wide range of benefits and services to customers. The new technology allows DTE Energy to:

- > Effectively manage the grid to maintain power quality and availability at each meter.
- > Quickly identify and reduce the length of power outages and other service problems.
- > Virtually eliminate estimated bills through automated meter reading.
- > Remotely connect and disconnect residential service which means faster, less intrusive service. In most cases, customers no longer will have to wait for a service technician to stop or start service at their homes.
- > Provide real-time energy-use data through the use of DTE Insight, a mobile energy-efficiency app that is an industry first. The app, introduced earlier this year, helps customers track, manage and control their energy usage, saving them money. Customers can download the app from the App Store and Google play.
- > Reduce operating costs and thereby hold down future rate increases.

#### ADVANCED METERS INSTALLED IN 2014

1,636,921 installed = 69%
Residential Electric of customer

 $\bullet$  549,720 installed = 45% Residential Gas of customers

**★** 130,761 installed = 62% Commercial Electric of customers

 $\delta$  36,596 installed = 36% of customers

DTE Energy is working on many innovative customer service features enabled by advanced meters. Part of this includes prepaid meters and the ability to notify customers of outages and restoration estimates.

3.9 m electric and gas meters converted by the end of 2017

Advanced meters allow our customers to access technology for convenience, efficiency and savings

















#### DTE Insight Mobile App



DTE Insight is a mobile app that provides customers with real-time home energy usage data by connecting their home's advanced electric meter to their smartphone. Our customers can use this data to inform their decisions about home energy use from heating and cooling, to the use of appliances and even home weatherization. Since the app became available to Apple

and Android users in summer 2014, more than 55,000 DTE customers have downloaded it to start saving on their monthly energy bills.

The app offers sophisticated tools to inspire and motivate customers to save energy by changing their behavior. Customers are encouraged to save energy by using the following app features:

Historical Tracking - customers can see how much energy they have used each day, week, and month. They can track their usage trends and view their progress.

Target Setting – customers can set energy usage goals and track their consumption as they approach their energy target.

Dashboard View - customers can gain continuous insight into their energy efficiency and performance within their home.

Tips and Challenges - customers receive helpful ideas and challenges to inspire energy reduction and savings.

Power Scan - customers have a convenient way to measure the energy consumption of their devices by scanning their power cords.

The program has been very popular, and we expect that more than 100,000 additional users will download the app by the end of 2015. Our analysis shows that residential customers using the app reduced their energy use by an estimated 1.2 percent. We continue to study the customer benefits and savings of the program, and to develop ways of making the app more useful and powerful.

## Cybersecurity and Customer Data Protection

In recent years, technology advancements have allowed us to improve our customer service by introducing online platforms and electronic databases to streamline our information management systems. While electronic systems have many benefits, security risks may also arise - such as recent data breaches at several large retail, banking and medical organizations. To protect our customers and their personal information, DTE Energy is taking a proactive stance on cybersecurity. We participate in numerous state and industry-specific cybersecurity initiatives and adhere to the Michigan Public Service Commission privacy rules

and our own DTE Energy information security policy. We perform security assessments of our vendors, and take measures to ensure the safety and security of our advanced meter network.



Our best line of defense for information protection and security is our employees. They are required to participate in annual security awareness training. We regularly share information about risks associated with email and social networking (viruses, malware, phishing scams, etc.), the need for strong passwords and identification of trending threats. By using a defensive, multi-level approach, we are able to secure our customer data and other critical digital infrastructure.

















## Operational Excellence

We must continuously improve our performance and deliver safe, reliable and affordable energy to our customers. We make significant investments in our electric and natural gas systems on an ongoing basis to maintain and improve their performance, integrity and safety. Our business is dedicated to delivering energy with minimum interruptions.

## Electric Reliability

DTE Electric's service area extends over more than 7,600 square miles. Severe weather can significantly impact the electrical infrastructure, resulting in unpredictable and unavoidable power outages.

To minimize service interruptions due to severe weather, DTE Electric works continuously to improve our electrical system through scheduled periodic inspections, maintenance and tree trimming. We know that customer satisfaction is tied closely to reliability, and we recognize that we have much work to do in this area. Because dependable electricity is vitally important to our customers, DTE is applying additional resources to reduce both the length and the frequency of power outages. Our focus areas for these programs include:

- > Upgrading poles, wires and other equipment and improving regular maintenance programs so that the electric system is more resistant to severe weather.
- Installing equipment and technology that allows us to restore power more quickly and limit the number of customers impacted when outages do occur.
- > Eliminating the root cause of the trouble in areas where a small number of customers experience more outages than usual.



In 2013, we initiated the Efficient Frontier Program to modernize our electric system, reduce the length of outages and provide customers with safe and reliable service. Cumulatively, about 300 circuits have been upgraded since the program launched, with another 151 scheduled for 2015. The program goal is to complete upgrades on 1,300 circuits by 2020 - roughly half of our distribution network - at a total projected cost of about \$415 million.

We have also expanded our program to provide solutions for small areas of customers who have experienced four or more power outages lasting longer than five minutes. In 2015, we plan to complete work on 84 different projects to reduce these outages.

Two-thirds of our power outages are associated with trees



#### Tree Trimming to Support Electric Reliability

DTE recognizes the value of trees, both for habitat conservation and aesthetics. As part of our continuing journey toward becoming the best-operated utility in North America, DTE Energy is renewing its emphasis on tree trimming around our power lines. While the trees that thrive throughout our region are a source of tremendous pride, they are one of the main causes of power outages. In fact, toppled trees and downed branches are responsible for about two-thirds of the time that our customers spend without power. Trees that come into contact with power lines cause safety concerns. DTE Energy will spend over \$90 million in 2015 for tree trimming to avoid safety hazards and interference with power lines. As we do this, we are committed to collaborating with customers every step of the way. Our 2015 program emphasizes communication, ensuring all customers understand both the impact and the intent of our work before we begin trimming.

















We are continuously improving our communication with these customers so they understand how, where, and when we are addressing their concerns.

Though we cannot control the weather, DTE responds with urgency to all electrical interruptions. Restoration efforts begin with the earliest forecast of severe weather. Crews and support staff prepare to work around-the-clock. When storms cause catastrophic damage, restoration crews from other utilities in the region as well as local contractors assist DTE as needed. For one of the most severe storms in DTE's history, which occurred in 2014, DTE received help from 815 additional linemen from New York, Ohio, Pennsylvania, Tennessee, Kentucky, Indiana and Michigan. Likewise, when storms cause

major outages in areas outside of Michigan, DTE reciprocates by sending crews to help the local utilities in restoration efforts.

During storm conditions, whenever the number of reported hazards exceeds the number of restoration crews available for dispatch, we activate Public Protection teams - DTE Energy employees trained in procedures that help protect the public from potentially hazardous wires. A Wire Guard team is the first to arrive to tape and secure the site of a downed wire, which is then guarded by a Public Protection team until restoration crews arrive. Public Protection is a vital service our employees provide to customers and communities during storms and is a key way that we live our safety core value as a company.



#### Storm Safety to Protect Children

DTE Energy sends a special safety message to schools in our service territory, including a safety video, when severe weather threatens to strike. These storm alerts remind children as well as adult staff to stay away from downed power lines, any metal fences or other structures and puddles or pooled water in the vicinity.

## Natural Gas Reliability and Safety

DTE Gas has met or exceeded all federal, state and local guidelines for safety, inspections and operations of our pipeline system in Michigan. We have completed all required inspections of larger diameter and higher pressure transmission pipelines, and voluntarily expanded our program to inspect three times more transmission pipeline than required by regulation.

Public safety is our overriding priority. We maintain the safety and integrity of our system of underground natural gas pipes through a robust program of inspections, maintenance and upgrades. DTE Gas invests nearly \$240 million in capital annually to ensure the integrity of our system, including about \$80 million a year on renewing gas mains and relocating meters to outside the home.

A key part of our work to provide safe and reliable service is replacing older gas mains made of cast iron or unprotected steel with mains composed of safer, longer-lasting materials. DTE replaced or retired 84 miles of pipeline in 2014 - well above our target of 66 miles - and we plan to renew at least another 80 miles of pipe in 2015. Along the way, we are also moving inside gas meters to an outside location so we can provide customers with safer, less intrusive service. Our plan filed with the Michigan Public Service Commission provides for increasing the rate of pipeline renewals going forward to 160 miles annually.

TE plans to renew

160 miles of gas pipeline
annually beginning in 2016

















## Affordability

DTE Energy is committed to managing our rates to keep energy affordable for our customers. Reasonable electricity rates, for businesses as well as residential customers, contribute to the strength and competitiveness of Michigan's economy. Over the next decade, we must invest significantly in new, cleaner generation to meet environmental requirements, while maintaining and enhancing reliability. These investment needs create challenges for us as we strive to balance affordability with the delivery of clean and reliable electricity.

For our residential customers, annual bills tend to be a better measure of affordability than rates alone.

DTE Electric residential customers' electric bills are 8 percent below the national average. And in spite of the fact that Michiganders use far more natural gas than most Americans due to our state's cold winters, combined electric and natural gas bills are only slightly higher than the national average. We also encourage our customers to take advantage of our residential energy efficiency programs - which reached more than 550,000 electric and 300,000 gas customers in 2014 - to help lower their natural gas and electric bills.

See more on Energy Efficiency

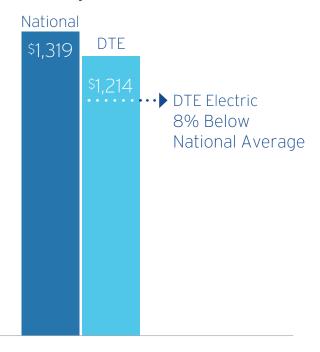


#### **Electricity Rates**

In 2014, we were able to reduce the surcharge for renewable energy on customer bills by 85 percent, saving residential customers about \$30 each year.

Lower fuel costs also contributed to a 6 percent reduction in average DTE Electric rates from 2013 to 2014. In January 2015, we cut rates by another 6 percent on average due to reduced financing costs for Fermi 2 nuclear plant operations. These rate reductions in 2014 and early 2015 represent nearly \$600 million of savings for our customers.

#### 2013 Average Annual Residential Electric Bill



DTE residential customers' electric bills are below the national average

"DTE keeps me informed about what they are doing to provide affordable, efficient energy and to work on improving reliability. Also had a gas leak and the customer service people were responsive and sent a great service person to replace my gas meter that very night. Very impressive service! Thank you."

- Gas Residential Customer













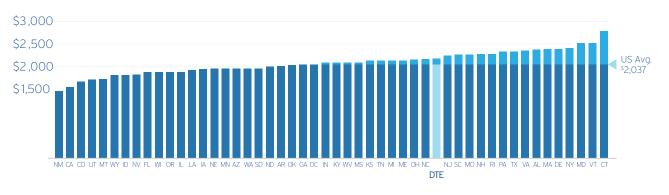




In December 2014, we filed our first electric rate case in four years, asking the Michigan Public Service Commission to approve a rate increase beginning in 2015 to cover the costs of our investments in environmental compliance, generating facilities and reliability improvement projects. Even after the expected rate increases in mid-2015, customers' rates will still be lower than they were in 2013, as a result of the recent rate decreases described above. We also

filed a proposal that would change the way rates are allocated to different customers to ensure consistency with Michigan's "cost-of-service" ratemaking principle, which calls for a gradual adjustment of rates between residential, commercial and industrial customer classes to reflect the real cost of providing service for each type of customer. This adjustment will help Michigan's most energy-intensive businesses remain competitive.

#### 2013 Average Annual Residential Combined Electric and Natural Gas Bill, by State





# Continuous Improvement - DTE's Unique and Rigorous Approach

Our rigorous application of continuous improvement (CI) across the company enables us to succeed at improving performance while simultaneously reducing costs.

Every successful company has a business improvement process in place, and every successful company develops and cascades a set of metrics to their operational teams and business units. What makes our approach to CI so distinctive?

We emphasize the role of each individual in contributing to the "big picture." We want every employee across DTE to understand how his or her daily activity impacts the success of our business, and to be focused on achieving some small, incremental improvement each day. Moreover, as a utility company, our workforce has a unique connection to the community. Our friends, families and neighbors are our customers. We believe that this connection is a powerful motivation for us to succeed in CI, so that each DTE employee can state with confidence that his or her work contributes to a reliable energy supply at the lowest feasible cost.

As a result of our CI efforts, DTE Energy leads our peers in cost management.















#### Affordability of Natural Gas for Home Heating

Michigan's chilly northern climate means that DTE Gas customers rely on our energy deliveries for safety, health and comfort throughout the year. Government support for utility payments on behalf of vulnerable citizens has declined in recent years, while the extreme need for such assistance still exists. DTE has helped bridge the gap through donations to The Heat and Warmth Fund (THAW), United Way and programs such as Budgetwise Billing and the Low-Income Self-Sufficiency Plan.





## Emergency Preparedness and Response

In addition to our electric and natural gas public safety focus, we need to be prepared for any emergency that can severely impact our operations, our employees and the delivery of energy to our customers. Our business planning practices address all types of contingencies, from weather-related reliability challenges that we deal with routinely, to extremely low probability events like criminal attacks or catastrophic failures. DTE Energy has a strategy for maintaining communications and restoring services in response to any emergency. In addition, we strive to identify potential risks

and prevent emergencies from happening, or at least minimize their impact, to the extent possible.

Our emergency plans address issues such as electrical and natural gas safety, protection from cyber-attacks, and maintaining the safety and integrity of our nuclear facilities and coal ash management structures.





## DTE Employees Raise Money for Customers in Need

Even though Michigan's economy is improving, thousands of DTE Energy's customers continue to struggle to pay their energy bills. To help, DTE Energy employees across the company competed with their business groups in February 2015 to see who could raise the most money for The Heat and Warmth Fund (THAW) to assist our most vulnerable customers. From hustle dance classes, to denim days and silent auctions, employees used their creativity to raise maximum funds for THAW

Far exceeding the goal of \$120,000, employees raised \$127,577. Donations were triple-matched by DTE. "Without the help of committed employees and leaders, we wouldn't be able to pull off this initiative," said Mark Stiers, president and COO, DTE Gas. "Their generosity and support go a long way to help heat homes of the elderly and less fortunate."





## **Our Community**















#### 2014 combined

corporate & charitable giving was highest level in DTE's history

## Leading Corporate Citizenship

As an energy utility company, DTE Energy has a constant and fundamental connection with people in the communities where we live and serve. Our services provide critical support for health, quality of life, comfort and convenience. We extend this support beyond just our business operations, through our economic development efforts, charitable giving and volunteering.

We are one of the largest investors in Michigan. We embrace our role as a leading corporate citizen with a responsibility to help communities thrive. The DTE Energy Foundation, the charitable arm of DTE Energy, is integral to fulfilling this mission.

"We at DTE Energy are passionate about being the best operated energy company in North America and a force for growth and prosperity in the communities where we live and serve. We take very seriously our role as a responsible, leading corporate citizen in Michigan. That means not only providing our customers with reliable and affordable power, but also doing our part - and more - to foster economic development, act as environmental stewards and revitalize our local communities."

- Faye Nelson Vice President, Public Affairs President, DTE Energy Foundation



## **Our Community**













#### Contributions

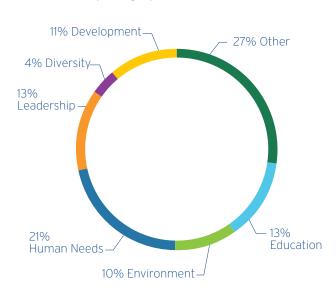
DTE Energy has a long tradition of giving and 2014 was a remarkable year. Between our corporate giving and the DTE Energy Foundation, the company made more than \$27 million of commitments to more than 400 organizations across Michigan. Fueled by extraordinary events, such as the Detroit bankruptcy and severe winter weather, this level of giving represents the highest level of charitable giving in the company's recent history. Our notable contributions include:

- > A \$5 million commitment as part of the "Grand Bargain," a collection of funds from foundations, private donors and the State of Michigan that provided money to help save public workers' pensions and the art collection at the Detroit Institute of Arts during Detroit's bankruptcy proceedings. This is the largest single grant that the DTE Energy Foundation has made.
- A \$10 million combined corporate contribution to The Heat and Warmth Fund (THAW) and United Way for Southeastern Michigan to directly help vulnerable Michigan families stay warm. This contribution demonstrates how public-private partnerships can have a real impact on the lives of Michigan residents.
- > A \$1 million investment for Michigan youth employment, through our partnerships with the City of Detroit's Grow Detroit's Young Talent program, the Greening of Detroit and the United Way of Lakeshore. Through these programs, hundreds of youths and young adults secured meaningful employment that provided valuable work experience and leadership opportunities.

- > A \$1 million pledge to the Michigan Science Center to help promote youth interest in science, technology, engineering and math (STEM).
- > A \$250,000 commitment of annual support to the Detroit Symphony Orchestra.

#### 2014 DTE Foundation Grants

breakdown by category



# \$27 m combined corporate donations and Foundation grants

which includes:



for Detroit





## **Our Community**















In addition, the company made significant contributions in support of other organizations and initiatives:

- Detroit Hispanic Development Corporation (DHDC), dedicated to creating opportunities for youth and their families
- > Grand Jazz Fest, a two-day jazz event in Grand Rapids, Michigan
- Sponsored the environmental recycling program at the National Cherry Festival in Traverse City, Michigan

- Campus Martius Holiday Tree Lighting in Downtown Detroit
- > America's Thanksgiving Day Parade

In 2015, we are supporting a number of key cultural institutions and events:

- > Title sponsor of the Detroit Opera Theatre's production of *Frida*
- Major contributor of the Detroit Zoo's Polk Penguin Conservation Center
- > Signature sponsor of the National Cherry Festival
- Major sponsor of ArtPrize, a premiere art event in Grand Rapids

In 2014, the Foundation provided nearly \$12 million in grants which includes \$750,000 to match employee donations

#### Volunteerism

Volunteerism is integrated into the workplace culture of DTE Energy, representing a direct employee connection to our corporate citizenship efforts. The DTE Care Corps coordinates the volunteer efforts of our employees throughout the organization. In 2014, more than 2,000 DTE employees volunteered their time at over 150 nonprofits, community initiatives and local events - an increase of nearly 40 percent in the level of involvement compared to the previous year.

In addition, our executive leaders volunteer their time, through board membership and other direct involvement, at a wide range of nonprofits statewide.

Notable involvement includes United Way of Southeastern Michigan, Skillman Foundation, the Detroit Zoo, the Detroit Institute of Arts and many, many more.

#### Gatekeepers

Since 2009, DTE Energy employees have participated in the Gatekeeper Program. The Michigan Office of Services to the Aging (OSA) formed Gatekeepers to help identify senior citizens who may need assistance beyond their utility service, such as housekeeping service, meal preparation, personal care and more – and may not be able to get it for themselves. Our employees referred 203 at-risk seniors to the Michigan OSA in 2014 and more than 1.060 since 2009.

















Going forward, we are taking a substantial step up in our volunteerism activities and expectations. We're working to expand our efforts overall while providing deep and meaningful volunteer opportunities for our employees. As an example, we are developing opportunities that are linked to employee's interests and talents - in a way that generates meaningful value for our nonprofit partners.



#### **Operation Good Cheer**

Operation Good Cheer is a volunteer gift-giving program, coordinated by Child and Family Services of Michigan, that gives foster children across the state a meaningful and memorable Christmas. Children create a Christmas wish list, and a corporate sponsor adopts a child to purchase items on their list. At donor sites (including DTE offices), gifts are picked up and delivered to families throughout Michigan. In 2014, DTE Energy sponsored 675 children, and more than 100 employees volunteered to help.



#### Stuff the Bus

In 2014, DTE Energy employees from our Kentwood and Wealthy facilities in Grand Rapids dedicated their time, energy and money to benefit Grand Rapids Public Schools. Through the United Way's "Stuff the Bus" event, employees collected school supplies including notebooks, binders, pens, pencils and folders along with \$1,100 in cash for local schools. This event represents an ongoing initiative at our facilities to positively impact schools in the communities where our employees live and work.

2,000
employees
volunteered time
at more than
organizations
and events

in 2014

"As a DTE Energy Community
Council Member, I assume the
responsibility to be the voice for
the concerns, needs, and desires of
consumers in many communities.
I know, firsthand, that DTE
Energy cares about its consumers
and gives in ways to improve
the communities where they live.
I am a proud ambassador in
the community for DTE Energy,
because I know it is committed to
making a difference."

- Alice G. Thompson CEO, Black Family Development, Inc.

















#### Jobs and Education

DTE Energy supports and funds a wide range of education and jobs initiatives, with a particular focus on revitalizing the skilled trades and technical education pipeline in Michigan. We are developing programs such as summer work and high school partnerships, which connect youth to skilled trade careers. These initiatives will be integrated into a broader professional development and mentorship program that connects students to specific training, apprenticeships and employment opportunities.

Currently, DTE Energy is working with public schools, community colleges and the State of Michigan to prepare students, veterans and experienced workers for careers in the energy sector. These initiatives are critical for our long-term business success and also provide tremendous economic and social benefits for our communities.

- > In 2014, DTE Energy spent more than \$1.6 million on early childhood, K-12 and post-secondary education programs in Michigan.
- > The Michigan Energy Workforce Development
  Consortium, led by representatives from DTE
  Energy and Consumers Energy, successfully
  obtained the Governor's Proclamation in
  2014 designating a "Careers in Energy Week"
  each year in October. The week is focused on
  providing career awareness events and activities
  for K-12 students and information on how to
  apply for more than 1,200 jobs available each
  year in the energy sector. As a long-term goal,
  DTE Energy and the Consortium have partnered
  with the Michigan Board of Education to develop

and implement a "career cluster" for jobs in the energy sector. Career clusters provide students with a context for studying traditional academic subjects and learning skills specific to a career while providing schools with a structure for organizing or restructuring curriculum offerings.

 DTE Energy partners with community colleges throughout Michigan to develop specialized courses and apprenticeship training programs.
 We provide grants to community colleges and universities support programs and scholarships in fields related to science, technology, engineering and mathematics (STEM):

Oakland Community College
Wayne County Community College
Schoolcraft College
Alpena Community College

Monroe Community College

Michigan Institute of Aviation Technology

\$1.6 m Spent on Michigan education early childhood, K-12 and post-secondary education programs

DTE supports training in skilled trades and technical education:

Careers in Energy Week every October

Community college partnerships

Apprenticeships

STEM (science, technology, engineering and math) Education

















> We also partner with the National Energy Foundation to provide educational materials on energy efficiency, safety and careers in energy for K-12 teachers and students. In 2014, more than 300 schools received Take Action energy kits, which were shared with over 32,000 students and families.



> DTE Energy provides support for more than 50 Michigan teams in the FIRST Tech Challenge and and five Michigan teams for the FIRST Robotics Challenge. FIRST Tech is a national nonprofit organization working to inspire the interest and participation of young people grades 7-12 in science and technology. FIRST Robotics is the "varsity" level challenge and is designed for students in grades 9-12.



> DTE Energy is in the process of developing a Troops to Energy program in collaboration with the Department of Veterans Affairs and state workforce development agencies to help veterans make a successful transition from the military to a rewarding career in the energy industry.



> We support programs to encourage girls to pursue STEM-related academic programs. In February 2015, DTE Energy sponsored the eighth annual Girls' Engineering Exploration event, hosted by the Detroit professional section of the Society of Women Engineers. At the event, 94 young ladies, grades 4-6, from various Detroit Public Schools had the opportunity to hear firsthand what a typical day in the life of a female engineer entails. They participated in a personal protective equipment fashion show and learned about possible career paths in a fun, hands-on environment.

"Girls Engineering Exploration is important because it exposes girls to activities that are exciting and related to STEM (Science, Technology, Engineering, Math). Girls tend to lose interest in these subjects between grades 4-6, which is why this program targets this age group. These activities help hold girls' interest in math and technological fields."

- Najwa Abouhassan Senior Engineer, DTE Energy Distribution Operations

















#### Neighborhoods

In recent years, DTE has been actively revitalizing the neighborhood surrounding our downtown Detroit headquarters. Most notably, this includes the renovation of Navitas House. (Navitas is Latin for energy). This former Salvation Army facility had been vacant for 10 years and was in disrepair. The renovated facility opened in December 2014 and currently houses about 140 DTE Energy employees (see more information in the report section on Engaged Employees).



#### **Grand River Public Space**

DTE Energy is currently in the design process for the "Grand River Public Space," a 1.5-acre parcel located across the street from the historic, and recently renovated, Grand Army of the Republic building. This site is on the headquarters' campus and will be transformed into a vibrant space for public use and will be a significant step in the transformation of our downtown neighborhood. Going forward, we are taking the revitalization philosophy we have developed downtown and exporting it to our other neighborhoods.



#### **Broadway Project**

With a development partner, we're in the process of redeveloping the site of a former DTE Energy Gas industrial facility in Ann Arbor into a mixed-use site. Our vision is to foster the creation of a first-class development that capitalizes on the site's unique riverfront location with significant public green space. Located on the Huron River, this site is comprised of 12 acres and has been vacant for many years.



#### **Conners Creek Power Plant**

Located in Detroit's East Jefferson neighborhood, we are beginning the process of redeveloping the historic Conners Creek Power Plant site. Learning from innovative worldwide examples of industrial site redevelopment, the current intent is to repurpose the existing structure rather than demolishing it. This project is just beginning its initial phase; there will be meaningful public and community involvement in the site development.



#### Detroit Public Lighting Project Improves Safety and Quality of Life

DTE is assisting the City of Detroit with an ongoing project to rebuild the city's street lighting system, a service essential to safe streets and neighborhoods. We are advising the city's Public Lighting Authority (PLA) and providing engineering support. A separate entity, Detroit's Public Lighting Department, is the organization that operates the street lighting system; it also delivers electricity to approximately 115 customers at more than 1,400 sites throughout the city. In 2014, the Department announced its intention to discontinue electricity distribution services. DTE has agreed to migrate those customers to the DTE Electric system over the next five years.

Our support of the PLA rebuilding project, as well as providing reliable electric service to all Detroit customers in the future, are part of our commitment to assist the City of Detroit with its economic turnaround.











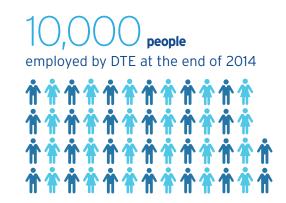






# **Driving Economic Progress**

Through our employment, operations and investments, DTE Energy makes a significant impact on Michigan's economy. We pay wages and benefits for approximately 10,000 employees (most of whom are located in Michigan). As we continue to grow our non-utility gas and electric businesses, our economic impact outside the state also is expanding.



<sup>\*</sup> each figure represents 200 employees

12,000 retirees



Capital investments during 2014 totaled more than \$2 billion, primarily projects focused on reliability, renewable energy resources and environmental controls. Examples include:



Investing in wind power and landfill gas projects (see Environment section)



Installing emission controls, cooling water systems and by-product management



Upgrading electrical circuits and natural gas infrastructure (see Reliability section)



#### Significant Progress in Natural Gas Pipeline Projects

We continue to develop plans for the proposed NEXUS gas transmission project through northern Ohio and southern Michigan. Interconnection agreements were reached between NEXUS and connecting pipelines. We submitted an initial application – a "pre-filing" – to the Federal Energy Regulatory Commission as an important step toward gaining regulatory approval for the construction. During 2014, we hired a contractor to design and build the project, so detailed engineering is underway.

On the eastern end of our gas storage and pipelines business, the Bluestone gathering system is expanding its footprint within the Marcellus shale resources in Susquehanna County, Pennsylvania. We reached agreement in November 2014 with our partner in the Bluestone project, Southwestern Energy Co., to increase the infrastructure footprint associated with DTE's gathering assets by approximately 50 percent. The 44.5-mile Bluestone Pipeline can deliver about 0.8 billion cubic feet of gas per day (bcf/d), and we plan to increase

















#### Pure Michigan Business Connect

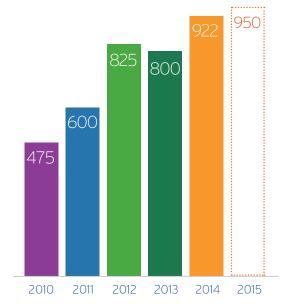
DTE Energy is one of seven original leaders in Pure Michigan Business Connect, an \$8 billion public-private initiative established in 2011 to increase business with Michigan suppliers throughout the state. In May 2013, we pledged to shift an incremental \$1 billion in spending from businesses located outside of Michigan, and in some cases the United States, to Michigan-based suppliers by 2015. We met this goal – and surpassed it – a full year ahead of schedule. At the end of 2014, DTE had increased its spending under the Pure Michigan Business Connect initiative by more than \$1.25 billion cumulatively.



During 2014 alone, DTE spent \$922 million with local suppliers. As part of that investment, the company spent \$159 million with Detroit-based suppliers and more than \$370 million with certified diverse suppliers. DTE's ongoing investment has helped to create and support more than 5,000 Michigan jobs.

Building on the success of this initiative, in June 2015 we announced our commitment to invest another \$5 billion with Michigan-based companies over the next five years, a significant expansion of the initial pledge.

Michigan-Based Supplier Spend (units in million dollars)



\$1.25b

cumulatively
increased spending
on Michiganbased suppliers
since 2010

Additional commitments to Michigan-based suppliers

over the next 5 years















#### Economic Development Partnerships

DTE Energy partners with more than 35 economic development agencies, including the Michigan Economic Development Corporation, Ann Arbor SPARK, The Right Place Program, Lake Shore Advantage and Detroit Economic Growth Corporation. Our partner organizations stretch from the Upper Peninsula, to Grand Rapids, to the City of Detroit. Through these partnerships, we provide financial support and leadership on committees and boards of organizations.

The most critical component of our economic development partnerships is supporting projects that bring new business to the communities we serve. This work includes helping to answer utility-related questions and solving problems for potential customers.

Our goal is to attract and expand business activity, bringing new investment and base jobs to Michigan. Base jobs are critical to our region's success. They are created by firms that export their products outside of the community where they operate. Examples include automotive manufacturers and suppliers. These jobs in turn create non-base jobs that serve the local market, like restaurants and retailers.

The economic development projects that DTE Energy supported during the past five years, 2010 through 2014, created and retained thousands of Michigan jobs.

Moran Iron Works is a great example of our commitment to growing Michigan businesses. DTE Energy has a long and storied relationship with this privately-owned fabricating company in Onaway and Cheboygan counties in Northern Michigan. We have spent about \$14.5 million with the company for its work to fabricate large steel components for environmental control projects at the Monroe Power Plant that were then transported via barge from Rogers City, Mich., to Monroe. Moran Iron Works has been designing, developing and manufacturing custom

large metal modular components since 1978. In January 2014, the Michigan Economic Development Corporation, with DTE's support, approved a \$2 million economic development grant to the company to expand its facility, improve and enlarge its dock facilities and grow the number of employees from 89 to 164 by the end of the year.



#### DTE Energy Finalizes Sale of Historic Marysville Power Plant Site

In May 2014, we reached the final agreement to sell the Marysville site to Commercial Development Company. Marysville Power Plant, located in eastern Michigan about 50 miles north of Detroit, ceased operating in 2001 and was decommissioned in 2011. The new owner specializes in redeveloping industrial "brownfield" sites. In arranging the purchase, DTE Energy was careful to select a buyer and structure an agreement that will allow for rehabilitation of the site and redevelopment as a vibrant part of the community.

"We take our commitment to Michigan businesses very seriously because we know our state's success is dependent upon a strong economy. DTE is proud to be a job creator and a reliable corporate citizen."

> - Dave Meador Vice Chairman and Chief Administrative Officer

















# Policy Leadership

Our goal is to promote long-term energy policy that is based on the pillars of reliability, adaptability and affordability. Regulated utilities make up a majority of our business, and thus our success depends upon a stable, balanced regulatory and political model. As a company, we work collaboratively to promote policy solutions that benefit the well being of our state and our state's residents, businesses and institutions.

# Michigan Energy Policy

DTE Energy advocates for fair and responsible public policies to support reliable, affordable, and clean electricity. We actively participate in the public process established by the Michigan governor's administration to gather feedback on Michigan's energy policy. DTE has an important role to play in helping our state successfully navigate this critical turning point in the energy landscape.

Michigan, and the entire United States, has entered a period of profound transformation of the power generation sector. Many factors will shape our strategy moving forward:

- > The aging of our coal fleet
- > The emergence of cost-competitive natural gas-fired and wind-powered energy generation
- > State-level clean energy policies
- > Environmental Protection Agency regulations (particularly greenhouse gas regulations)

Retiring older and less efficient coal plants has already started, and additional retirements, power purchase agreement expirations and load growth could lead to a shortfall in Michigan's generation capacity needs beginning as early as 2016, and increasing over the next decade. Determining the type of new generation capacity that will fill the shortfall must take many factors into account, including the projected costs of different technologies and fuel sources and the impact on customer

affordability, their operating characteristics and their environmental impact. Today, and for the foreseeable future, natural gas and wind are the most economical sources of new generation for Michigan.

Under Michigan's current regulatory structure, 10 percent of Michigan's electric load is served by retail energy marketers rather than regulated utilities. Currently, no one is planning for the customers of retail energy marketers, which puts reliability and affordability at risk for all customers. To support a thriving economy, we need an equitable energy policy by which all customers pay fair cost-of-service rates, so Michigan's electric utility customers are not subsidizing reliability for retail energy marketers' customers when new plants are built. Those retail energy marketers, most of which are headquartered outside of Michigan, have not been planning for their customers' future energy needs, and their rates currently do not reflect those same costs to ensure future reliability. We believe this must be addressed through a comprehensive energy plan to power our state's long-term prosperity.

"The Edison Electric Institute (EEI) is pleased to count DTE Energy among our U.S. investor-owned electric utility members. We are also honored to have Gerry Anderson serve as a member of our Board of Directors and on our Executive Committee. As co-chair of our CEO Policy Committee on Environment, Gerry Anderson is helping to lead our industry through critical environmental policy debates and is facilitating CEO-level strategic discussions on the Environmental Protection Agency's Clean Power Plan, which is the single most comprehensive environmental regulation our industry has ever faced. DTE's involvement and engagement in EEI enhance our membership and provide greater texture and depth to our overall outreach efforts."

> - Thomas R. Kuhn President, Edison Electric Institute

















#### **Involvement in Energy Policy Organizations**

We participate in a number of Michigan organizations that engage with Michigan's families, businesses and policymakers on energy issues:

- > Alliance for Michigan Power (AMP)
- > Michigan Jobs and Energy Coalition
- > DTE Shareholders United
- > Coalition to Keep Michigan Warm

Trade organizations that we participate in at the state and local level include:

- > Detroit Regional Chamber
- > Marcellus Shale Coalition
- > Michigan Chamber of Commerce
- > Michigan Manufacturers Association

We also are members of local and national industry associations where the company holds positions on their boards and participates on projects or committees. We work to align trade association positions with DTE Energy's position and we participate in their advocacy to policymakers to the extent possible. Trade organizations that we participate in at the federal level include:

- > American Gas Association
- > Center on Executive Compensation
- > Edison Electric Institute
- > HR (Human Resources) Policy Association

- > Interstate Natural Gas Association of America
- > National Association of Manufacturers
- > National Energy and Utility Affordability Coalition
- > Nuclear Energy Institute
- > Nuclear Waste Strategy Coalition

#### **Political Contributions**

We believe that participation in the political and public policy arenas, when conducted in a legal manner, is an important and appropriate role for companies in open societies. In the United States, there are important federal and state laws that govern this participation.

The DTE Energy Political Action Committee (PAC) was formed in 1977 as a voluntary, non-partisan committee to promote and support responsible government through contributions to candidates for election to federal, state and local offices. It is designed to provide DTE Energy employees with an effective, convenient way to make financial contributions to candidates and to participate in the democratic process. The PAC is guided by a Steering Committee made up of employees from around the company.

Information about DTE Energy PAC contributions can be obtained via the Federal Election Commission website and the Michigan Secretary of State's Bureau of Elections website

#### **Industry Research and Development**

DTE Electric is an active participant in the Electric Power Research Institute (EPRI) in four sectors: Environmental, Generation, Nuclear, and Power Delivery and Utilization. The latter sector is directly associated with electric distribution systems. Our EPRI involvement allows us to leverage our R&D dollars through shared funding with other utilities and companies.

















#### Low Income Assistance

Government support for utility payments on behalf of vulnerable citizens has declined in recent years, as the extreme need for such assistance still exists. DTE has helped bridge the gap through our Low-Income Self-Sufficiency Plan described below and by direct donations to The Heat and Warmth Fund (THAW). In December 2014, we donated a total of \$10 million to THAW and the United Way for Southeastern Michigan to be used as cash assistance for low-income Michigan families to pay their utility bills. We are doing our part to keep utility bills affordable and to provide direct assistance where needed. For the sake of public health and safety, we believe that government must play a role in developing a stable funding mechanism to help disadvantaged residents maintain their utility service.

#### Low-Income Self-Sufficiency Plan

While unemployment rates have improved in Michigan, there are still many people struggling to pay their bills. Roughly 20 percent of Michigan residents live below the poverty line, and we currently have about 500,000 customers who need energy assistance. However, government funding for low-income customer assistance has been declining.

DTE Energy pioneered an innovative program called the Low-Income Self-Sufficiency Plan to help economically stressed customers bridge the gap between extreme-weather utility bills and reduced government aid. This proactive, year-round assistance program helps customers budget for their energy payments, avoid service interruptions during hard times, and puts them on a path to self-sufficiency.

Under DTE's Low-Income Self-Sufficiency Plan, customers who enroll are required to pay a fixed amount every month based on income. Their unpaid bill totals are frozen and reduced quarterly with successful payment compliance. Another benefit of the plan is access to DTE Energy's energy efficiency programs. Homes receive



energy assessments, weatherization, compact fluorescent bulbs and other energy saving assistance. Customers can obtain assistance for an entire year with one call, and they can access this help without having to wait until they reach a financial crisis point. The improved process also helps DTE avoid the cost of managing repeated phone calls, disconnects and service restorations. During 2014, 22,000 customers enrolled in the Low-Income Self- Sufficiency Plan and 81 percent successfully stayed in the program. This is a very high retention rate compared to typical assistance programs – indicating that the plan addresses factors that are important to our customers. We expect to grow the enrollment in 2015 to about 34,000 customers.

22,000 customers enrolled in the low-income self-sufficiency plan

81% succesfully stayed in the program



















# 187 W of new wind capacity added in 2014

# Environmental Stewardship

Clean land, water and air are essential to human life and health. DTE Energy is committed to environmental stewardship and protecting the natural resources upon which we all depend.

#### Transformation of Electric Generation

Our power is generated or purchased from a variety of sources including nuclear, coal, natural gas, oil and renewables. The overall mix of generation assets – especially the proportion of coal-fired capacity – has already begun to change and will continue to evolve. (Read more on this topic in our section on Michigan Energy Policy.) The transition in our generation portfolio over the next 15 years is expected to cost in the range of \$7 billion to \$8 billion – a dramatic transformation that we are preparing for, and will manage, while being mindful of our customers' needs for affordability and reliability.

"We are proud of DTE's role in improving air quality in Michigan, which is better today than it has been in the last 40 years due in large part to emissions reductions at our coalfired power plants."

- Skiles Boyd

Vice President, Environmental Management & Resources















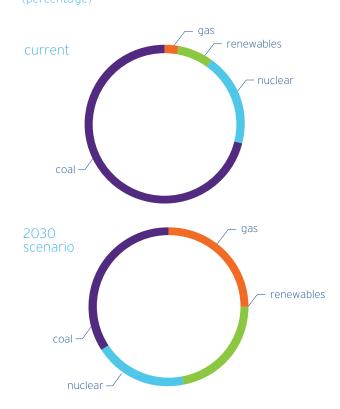
In response to environmental regulation and the aging of our coal fleet, we anticipate that our generation mix in the long term will shift from a generation portfolio heavily weighted toward coal to a more balanced mix of coal, natural gas, renewables and nuclear. With the anticipated retirements of coal-fired power plants across Michigan (as well as the entire Midwest region and the U.S. as a whole), we are actively working to replace that capacity with other assets and maintain adequate reserves.

We have added new renewable energy resources to our system (read more in the next section of this report). To address immediate capacity needs, we have purchased a 732 MW natural gas-fired facility, the Renaissance Power Plant in Carson City, Michigan, and plan to purchase another 320 MW natural gas-fired plant in East China Township, Michigan in 2015.

We have filed an application with the U.S. Nuclear Regulatory Commission requesting a renewal of the Fermi 2 nuclear power plant license for operations through 2045 (the current operating license expires in 2025). In addition, in April 2015 we received approval from the Nuclear Regulatory Commission (NRC) for a license to construct and operate a new nuclear energy facility on the site of the existing Fermi 2 plant, capping a six-year process that examined the technical, safety and environmental aspects of the potential new generation facility. The company has not committed to building the

new plant, but will keep the option open for long-term planning purposes. With this approval, DTE Energy now possesses a diverse, comprehensive slate of options to plan for Michigan's energy future.

# **DTE Electric Generation Output** (percentage)



1,000+\/\/\/\/\/\/
of natural gas-fired generating capacity purchased by DTE Electric in 2015

















#### Renewable Energy

Electricity from renewable resources - wind, sunlight and biomass - plays an important role in meeting our customers' energy needs while reducing our environmental footprint. DTE is the largest investor in renewable energy in the state, having invested approximately \$1 billion in renewable energy since 2008, including nearly \$226 million in 2014, and we have spurred an additional \$1 billion in third party renewable energy investment since 2009.

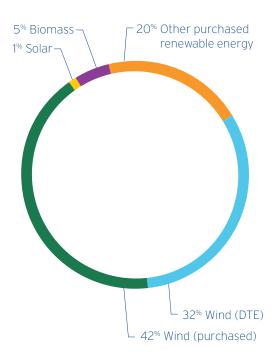
About 3.2 million MWh of our total sales in 2014, enough to power about 400,000 households, was from renewable energy sources. DTE Energy will meet the state mandated goal of 10 percent renewable generation in 2015 from a combination of DTE-owned renewable generation sources and purchases from third-party renewable sources.

During 2014, we continued to expand our wind turbine holdings in the Thumb region of Michigan:

- > We purchased the 75 MW Pheasant Run II and renamed it Brookfield Wind Park
- > We began operating the 112 MW Echo Wind Park in September 2014. Echo Wind Park is DTE's first project to tie into a new transmission system (the Thumb loop) built to manage all the renewable energy flowing onto the electric grid in that area of the state.

While there are many communities that welcome the economic investment associated with new wind development, some residents are deciding that there is a limit to the number of turbines they want to have operating in their localities. At least one township in Huron County has placed a moratorium on additional turbines.

#### 2014 Electricity Sales from Renewable Resources



# 3.2m Who of our total sales in 2014 came from renewable resources















As we continue to develop wind parks in our region, DTE Energy will work closely with the counties and townships to assure the construction and operation of our wind parks achieve the highest level of economic safety, environmental benefits and community acceptance.

In our non-utility business, DTE Energy is also building new generation based on renewable resources. DTE Biomass Energy launched a new landfill gas-to-energy facility in California in December 2014, a joint venture with Aria Energy of Novi, Michigan. The 24.5 MW facility at Sunshine Canyon Landfill is located just north of Los Angeles. Landfill gas is a natural byproduct of decomposing waste. This project involves extracting gas from within the landfill, processing the extracted gas, and then distributing the gas to a series of five generators where it is converted to electricity. DTE is involved in 18 landfill gas-to-energy plants around the country.

We are constantly exploring new ways to generate clean energy. In addition to our large investment in



wind power, DTE has invested more in solar energy than anyone in the state, and expects to have over 20 MW of solar energy online by the end of 2015. Given today's solar technology, it doesn't make sense for our state to invest in solar at a significant scale; however, we remain committed to implementing technology breakthroughs in solar when, and if, they happen. In the meantime, our solar installations and programs (such as SolarCurrents) enable customers who choose to invest in solar to do so in a way that works well for them and also works for our broader electrical system and customer base.

# 

# Renewable Energy for DTE's Large Industrial Client Base

In 2014, DTE Energy teamed up with the Ford Motor Company to build Michigan's largest solar array at Ford World Headquarter in Dearborn, Michigan. The project, funded by DTE Energy, provides Ford employees with 360 covered parking spaces and 30 charging stations for plug-in electric vehicles such as the company's Ford Fusion Energi and C-MAX Hybrid Energi.

The solar installation is part of our SolarCurrents program, which helps support our commitment to generate 10 percent of our energy from renewable sources by 2015. We estimate that the solar array will offset approximately 794 metric tons of carbon dioxide emissions annually, and has the capacity to generate 1.038 megawatts of electricity - enough to power 158 average-sized homes.

# Energy Efficiency

#### Customers

We provide incentives, information and techniques to help residential and business customers use energy more efficiently. This helps our customers reduce their costs, strengthening the economy of Michigan. Energy efficiency also provides environmental benefits by conserving resources and avoiding air emissions.

DTE's energy efficiency programs help reduce customers' energy use by increasing awareness of energy saving possibilities and providing products and services such as rebates, tips, comparison tools, strategies and energy efficiency education to help customers make informed energy saving decisions. Programs are designed to capture both electric and natural gas savings for all customer classes.

















For those DTE customers with only electric or only natural gas service, we make efforts to coordinate with other utility companies so that these customers can easily take advantage of energy efficiency program offerings to reduce both electricity and gas usage.

Michigan enacted legislation in 2008 that set energy optimization targets for utility companies, and provided a funding mechanism to pay for program costs. As the chart below demonstrates, we have exceeded the legislated targets.

During 2014, DTE Electric customers saved 682 gigawatt-hours, and DTE Gas customers saved 1,413 million cubic feet, through measures such as installing more efficient appliances and lights, adding insulation, weatherizing homes and conducting boiler tune-ups. The efficiency programs are managed by DTE Energy and serviced by expert contractors. Our Annual Energy Optimization report provides a great deal more detail about the specific programs in place.

#### Efficiency at DTE Energy Facilities

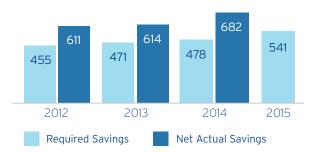
We are re-designing our workspaces to be more energy efficient as well, particularly our lighting systems. By switching to all LED lighting with automated controls in our Detroit headquarters building, we have reduced the electricity load for lights by 56 percent. As part of the Navitas House renovation (see discussion on page 23), we have incorporated state-of-the-art LED lighting and additional efficiency measures:

- > Energy efficient heat pumps
- > Heat recovery systems
- Solar panels mounted on the building to generate renewable energy
- > Rainwater harvesting

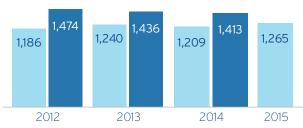
In 2014, we completed LED retrofits in office spaces and warehouses at the DTE Gas Allen Road facility, and developed a corporate standard for controlled temperatures. All told, these facility improvements will save an estimated 2,815,000 kWh annually, representing about 2,000 tons of greenhouse gases avoided.

#### **Annual Energy Efficiency Savings**

**★** DTE Electric (gigawatt-hour)







DTE customers have saved enough electricity and natural gas to:

power all the homes in Ann Arbor for 3.5 yrs

heat all the homes in Ann Arbor for 1.5 yrs

#### **Energy Efficiency Helping Our Customers**

DTE Energy assisted gas service station owner, Nasser Beydoun, with energy-efficient lighting improvements using powerful LED fixtures to replace outdated halogen light fixtures around the building. The improvements yielded dramatic reductions in energy usage and a 30 percent savings in his electric bills while improving the visual impact of his Detroit business. The brightly lit property is now a safe haven for the community, a welcoming and reassuring sight for everyone who lives nearby.

DTE Energy also recently helped Haig's of Rochester, Fine Jewelry & Asian Antiques to display its fine jewelry in beautiful natural light. The hidden gem in this shop – one that's almost as impressive as the collection of jewelry and artifacts – is the energy efficiency renovation that owner Paul Haig has undertaken. By switching to energy-efficient LED lights, Haig's jewelry is displayed in a whole new light, while savings are displayed on his monthly DTE Energy statement.













### Climate Change

In anticipation of meeting new federal regulations for carbon dioxide emissions, DTE Electric has established a goal to:

- Reduce carbon dioxide emissions from electric generation by 20 percent below 2010 levels by 2020, and
- Reduce carbon dioxide emissions from electric generation by 40 percent below 2010 levels by 2030.

Our 2014 total emissions of carbon dioxide from electric generation were 16.3 percent below 2010, indicating we are well on our way to achieving the 2020 goal.

To address emissions of greenhouse gases, DTE Energy supports the development of a responsible regulatory approach that is transparent, flexible and equitable. We believe the approach should be structured in a way that achieves meaningful emission reductions, avoids excessive costs for customers and prevents significant negative impacts on the economy. We believe the approach should also be structured in a way that allows for new technologies to develop and mature before the greatest reductions are required.

DTE Energy is actively participating with the U.S.
Environmental Protection Agency (EPA), Michigan's
Department of Environmental Quality, the Edison Electric
Institute, the Center for Climate and Energy Solutions,
business and community groups and other stakeholders
to help shape EPA's final carbon performance standards
for both new and existing power plants, including EPA's
Clean Power Plan that was proposed in June 2014. The



Clean Power Plan will set into motion a fundamental transformation of the power industry as we know it and will influence DTE Energy's future generation mix.

Our aim is for the final regulations to result in the best possible outcome for the environment, our customers, shareholders and the communities we serve. Through a deliberate and paced approach, we can reduce emissions while minimizing the financial impact on our customers. As regional market-based solutions further evolve, and the costs of renewable energy resources continue to drop, the overall cost of cleaner generation is expected to decline.

We believe regulations can be established that achieve national environmental and economic goals, and coordinate with energy policy development in Michigan. Our goals align with the Michigan Governor's focus on adaptable energy and environmental policy for the State of Michigan.

16.3% reduction in CO<sub>2</sub> in 2014 compared to 2010 baseline

On track to achieve our goal of 20% reduction by 2020

















Fundamental to the Governor's focus on energy policy is that every decision is based on excellent reliability, an affordable price and a protected environment. DTE's approach to managing our generation fleet will continue to be coordinated with these federal and state policies.

DTE Energy is already taking aggressive steps to reduce and offset greenhouse gas:

- > We participate in research on new technologies to make carbon capture and geologic carbon storage practical for both new and existing fossil-fuel power plants.
- We participated in carbon trading markets to help establish and understand the complexities of market driven programs.
- > We are developing wind and other renewable resources in Michigan.

- > We are helping our customers reduce energy usage and lower their bills by becoming more energy efficient.
- > We are national leaders in developing landfill gas capture systems and in converting small coal-fired power plants to run on biomass fuels.
- > We received a license to operate and build a new nuclear energy facility at our existing Fermi 2 plant and we are pursuing an operating license renewal for our Fermi 2 nuclear power plant, which will extend operation from 2025 to 2045. We have not committed to building a new nuclear power plant, but nuclear power is the only proven technology for carbon-free baseload power generation.

52% reduction in NO<sub>x</sub> from power plants since 2008

63% reduction in SO<sub>2</sub> from power plants since 2008

#### Air Quality

We have been a leader in adopting new technologies and practices to reduce emissions since the 1920s, when our Trenton Channel Power Plant was among the first to install electrostatic precipitators to remove fly ash from the exhaust stacks.

DTE Electric has reduced emissions of particulate matter (PM), sulfur dioxide ( $SO_2$ ) and nitrogen oxides ( $NO_x$ ) by more than 80 percent since the mid-1970s, while during this same period, total annual generation increased 20 percent.

More recently, since 2007 we have reduced emissions 67 percent for PM, 64 percent for  $SO_2$ , 52 percent for  $NO_x$ , and 46 percent for mercury. Carbon dioxide ( $CO_2$ ) emissions have also declined over this time period as our overall net fossil generation has declined.

















We continue to invest in emission reductions to meet increasingly stringent air quality requirements. DTE capital expenditures on air emissions controls and other environmental projects in 2014 totaled more than \$169 million. We also completed a nearly \$2 billion program to install state-of-the-art emission controls at the Monroe Power Plant, our largest generating plant and the 4th largest coal-fired plant in the country. Selective catalytic reduction systems (SCRs) have been operational on three of the Monroe Power Plant's four generating units since 2005. SCRs provide a 90 percent reduction of nitrogen oxides and help to reduce the formation of fine particulates. The fourth and final SCR at Monroe started operating in late 2014.

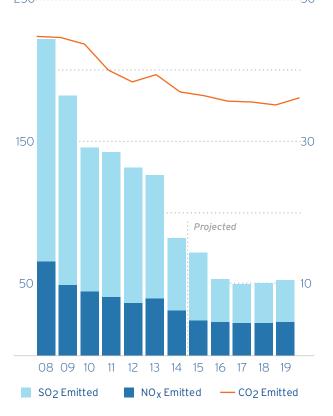
Two flue gas desulfurization systems (FGDs) began operation at Monroe Power Plant in 2009. FGDs for the remaining two units recently completed construction at the Monroe Plant and became fully operational in 2014. FGD is the global technology standard for controlling  $SO_2$  emissions, which contribute to the formation of acid rain and fine particulates. FGD has successfully reduced  $SO_2$  emissions by more than 90 percent at the Monroe plant.

In addition, FGDs and SCRs in combination reduce mercury emissions to the atmosphere and will help us comply with EPA's Mercury and Air Toxics Standards at Monroe Power Plant. Our remaining coal-fired power plants will reduce mercury emissions with a combination of Dry Sorbent Injection (DSI) and Activated Carbon Injection (ACI) emission control systems. Over the entire system, we expect mercury emissions to be reduced by approximately 90 percent once all the equipment is installed and operating by Spring 2016.

Commercially available controls for reduction of  $CO_2$  emissions have not been demonstrated at the utility scale, so additional reductions of  $CO_2$  must be achieved through reduced fossil generation, improved plant efficiency, switching to less carbon-intensive fuels, and other technological alternatives that reduce the  $CO_2$  emissions for every megawatt-hour (MWh) of generation.

#### 2008-2019 DTE Electric Power Plant Emissions

Thousand Tons SO<sub>2</sub> or NO<sub>x</sub> Million Tons CO<sub>2</sub>



In 2014, we completed a nearly 2 b multi-year program to install state-of-the-art emission controls at Monroe power plant















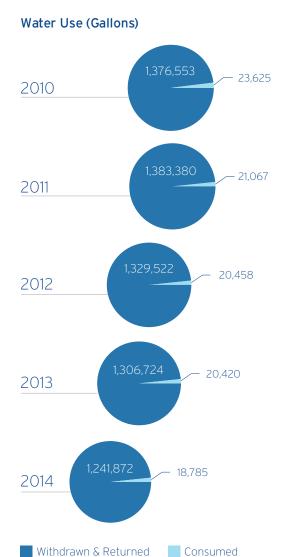
#### Water

We use water from lakes and rivers (surface water) to cool our thermal electric power plants. Our power plants withdraw and return water to Michigan's surface waters under the authority of permits issued by the State of Michigan.

In 2014, DTE Energy withdrew approximately 1.2 trillion gallons of cooling water from surface water bodies, or 441 gallons per megawatt-hour generated. Water consumption (water not returned directly to the water system and largely lost through evaporation) is calculated to be 1.56 percent. The majority of our power plants utilize once-through cooling, so most of the water that is withdrawn is then returned to the same water body with a slightly elevated temperature. These thermal discharges have not been found to adversely affect aquatic ecosystems.

Two of our generating stations, Greenwood and Fermi, incorporate internal water recycling, avoiding the need for additional withdrawals. The amount of water recycled in 2014 was approximately 6,888 million gallons.

One of our generating facilities is located in an area where water resources are constrained - the 44 MW Mt. Poso biomass plant near Bakersfield, California, representing less than 0.01 percent of our total generating capacity. Located in the arid Central Valley region of California near Bakersfield, the Mt. Poso facility reuses water that is recovered from the oil production activities of an adjacent oil field instead of directly withdrawing surface water. Surplus water is provided to local ranchers for their cattle operations.





# New EPA Regulations for Cooling Water Withdrawals

DTE Electric is evaluating alternatives for reducing the environmental impacts of the cooling water intake structures at several facilities in response to new federal regulations issued in May 2014. We are coordinating our work with the State of Michigan to determine whether any significant aquatic impacts are associated with our existing intake structures, and whether there are cost-effective alternatives. Under the regulations, impact studies need to be completed over the next several years. State regulators will then make the final determination of what type of technology will be needed to reduce impacts to fish and other aquatic life.

















#### Waste and Recycling

DTE Energy's pollution prevention programs help to minimize impacts and conserve resources by reducing the volume of waste that would otherwise go to landfills for disposal

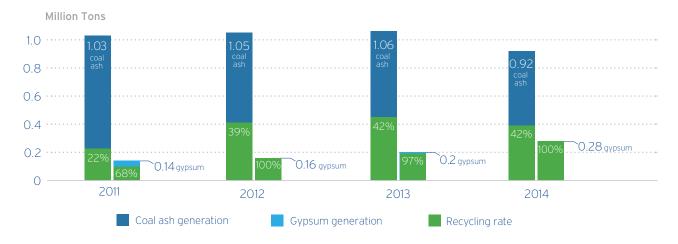
#### **Coal Combustion Byproducts**

Fly ash and bottom ash are byproducts of the coal burned in our power plants. Ash and gypsum - a byproduct of the FGD units that reduce sulfur dioxide emissions from coal-fired plants - constitute the great majority of solid waste from DTE operations.

In the last three years, we have installed dry handling equipment to improve the recyclability of our fly ash and recycle rates have steadily increased as a result. DTE

Energy operates three licensed landfills for disposal of fly ash that is not recycled, and each coal plant has on-site facilities for storing residual ash. These landfills operate in compliance with applicable state and federal laws and are routinely inspected by state and local regulatory agencies. We assess the condition of our facilities and equipment on a regular basis and conduct maintenance and repairs as necessary to maintain structural integrity and operational performance.

#### **Coal Combustion Byproducts Recycling**



# 100% of gypsum recycled for drywall and agriculture use

# Pollution prevention and waste minimization program memberships:

- > Michigan Business Pollution Prevention Partnership. A voluntary initiative coordinated by state government for companies interested in sharing information on their waste reduction programs
- U.S. EPA's WasteWise. Helps organizations and businesses apply sustainable materials management practices to reduce waste
- > U.S. EPA's Natural Gas STAR Program. A voluntary partnership that encourages natural gas companies to adopt cost-effective technologies and practices that improve operational efficiency and reduce methane emissions















In response to high-profile incidents around the country involving coal ash spills during 2014, DTE Energy began re-evaluating all of our ash handling facilities. We have no known issues of concern, and this ongoing evaluation will provide us with another layer of confidence.

In April 2015, EPA finalized a rule to regulate coal ash. The rule maintains the status of ash as a non-hazardous waste, and lays out various design and performance standards that companies are expected to incorporate in their ash management practices. DTE Energy is actively evaluating the impact of the new rule and working to ensure all ash basins and landfills meet their respective compliance deadlines. We are also working with the state of Michigan as it evaluates the impact of these new rules on its solid waste management program.

Gypsum is used as a component in drywall manufacturing and as a beneficial additive in agriculture. In 2014, we recycled all of the gypsum produced at DTE Energy facilities.

#### **Additional Recycling Efforts**

Breaking down and salvaging materials is DTE's Investment Recovery Group's core mission. From telephones to transformers, this group finds new life for old materials, reducing the amount of reusable and recyclable resources that would otherwise be headed for landfills. In 2014, our IT department alone sent 5.6 tons of used equipment to Investment Recovery for donation or recycling.



As part of our customer energy efficiency programs, we accept old appliances for recycling when customers purchase new, more efficient models. During 2014, we recycled more than 2,000 tons of metal from almost 38,000 appliances collected. The energy savings associated with use of the more efficient appliances totaled 44,220 MWh for 2014.

#### Spent Nuclear Fuel

During 2014, the Fermi 2 nuclear power plant achieved a historic milestone. For the first time in its 26-year history, the facility removed some of its spent nuclear fuel from the temporary fuel pool storage and placed it in a specially engineered, licensed dry cask storage area on site, also known as an "independent spent fuel storage installation." The plant needed to remove some of the material to create more space in the fuel pool, both to store new fuel and to allow for a full offload of the reactor if necessary.

After years of planning, the dry cask storage project implementation went smoothly and was completed in six months, with no safety issues.

# Power Generation Basins Assessment and Environmental Crisis Response Plan

In collaboration with a geotechnical contractor, DTE Energy performed an assessment of ash basins and similar structures at our fossil and nuclear power generation sites in early 2014. Inspections were performed, and no catastrophic potential failure modes were identified. Minor spill potentials were noted and are being managed by the current spill response plans.

Over the last five years, the Monroe Power Plant ash basin has undergone significant assessment and remediation, including a geotechnical study and a Potential Failure Mode Analysis. As a result, the plant has reconstructed several outer embankments, established operations and maintenance criteria, implemented an annual inspection program and removed abandoned discharge pipes.

The plant also developed an Emergency Action Plan in the unlikely event of any ash spill, modeled after the Federal Emergency Management Agency – Federal Guideline for Dam Safety. DTE met with the U.S. Environmental Protection Agency and the Monroe County Emergency Coordinator and held a table top exercise involving all responding federal, state and local agencies and Monroe Power Plant staff.

















#### **PCBs**

DTE Energy has been removing polychlorinated biphenyls (PCBs) from our electrical system since the 1970s as part of an ongoing general policy of PCB reduction. As we maintain and upgrade our electrical distribution system, older outdated equipment such as breakers, cables, switches, capacitors and transformers are removed from service and tested to determine the presence of PCBs. Because PCBs were widely used as insulating oil in electrical equipment prior to 1979, a portion of this out-of-service equipment tests positive for some level of PCBs

In 2014, we removed and replaced more than 6,500 pieces of oil-filled equipment from the electrical distribution system. Less than 2 percent (by weight) of the removed equipment contained PCBs at or above the regulatory threshold of 50 ppm, requiring special management and disposal.

#### DTE Energy Recycling in 2014

(units in tons unless otherwise noted)

345
346
8
16
101
65
2,806
7,513
3,223
407
346,506
72,774



# DTE Energy installs Detroit's first solar energy trash compactors

To help make the city cleaner and greener, DTE Energy is experimenting with smart, solar-powered trash compactor and recycling units near our Detroit headquarters complex.

The Bigbelly units are the first solar-generated compactors in Detroit. The compactors eliminate trash overflow, which helps beautify the neighborhood and keeps pests away. The solar panel on the unit extracts energy from the sun to continuously charge the battery powering the system.

When the unit needs to be emptied, the smart system sends a signal via its CLEAN management software.

The system dramatically reduces trash collections and vehicle carbon emissions.

If the pilot is successful, our company may consider installing additional units within the city.















# Natural Resources Management

At DTE Energy, we work to take care of the land, water and living creatures both within our service territories and beyond. DTE is one of the largest landowners in Michigan. We maintain thousands of acres of land in its natural state and provide habitat for hundreds of species of birds, mammals, fish and insects.



Our utility operations implement a comprehensive avian protection plan to minimize the impacts of our electric lines on bird populations. With the increasing number of wind turbines in our generation portfolio, the plan has been appropriately broadened to address bat impacts also. Plan implementation involves establishing procedures for observing birds and bats near electric lines and turbines, for removing nests from transmission poles before birds can become settled, and for documenting and communicating these management measures. We train our field employees to be aware of the requirements under federal wildlife protection rules.

DTE Energy facilities are home to hundreds of species of wildlife. Some are endangered or threatened, and we are helping their populations increase and stabilize, in part through our efforts to provide habitat in an environment that frequently makes little room for wildlife. To this

end, DTE Energy has 30 sites certified under the Wildlife Habitat Council (WHC), a nonprofit organization that helps companies manage their property for the benefit of wildlife. These sites are on multiple-year certification cycles and in 2014, 13 of our 30 Wildlife at Work programs were recertified.



In 2014, the River Rouge Power Plant gained certification under WHC's Corporate Lands for Learning program, joining the Monroe Power Plant in achieving this milestone. The Corporate Lands for Learning program recognizes sites for developing and implementing education and outreach programs.

#### **WHC** certified sites

#### DTE Electric Power Plants:

Belle River Power Plant
Conners Creek Power Plant
Fermi 2
Greenwood Energy Center
Harbor Beach Power Plant
Monroe Power Plant
River Rouge Power Plant
St. Clair Power Plant
Trenton Channel Power Plant & Sibley Quarry

#### DTF Gas Facilities:

Allen Road Service Center Alpena Service Center Belle River Compression Station Big Rapids Operations Cadillac Service Center Gaylord T&SO Office **Grayling Station** Kalkaska Compressor Station Michigan Avenue Station Milford Compressor Station Mt. Pleasant Service Center Muskegon Service Center Taggart Compressor Station/Six Lakes Natural Gas Storage Facility Tawas Service Center Traverse City Service Center Washington 10 Compressor Station Wealthy Station

#### Other Facilities:

Ashley Mews (Ann Arbor) Downtown Detroit Headquarters Complex Western Wayne Service Center

















Greenwood Energy Center has a long-standing partnership with local birding organizations, including the Blue Water Audubon Club. Every year, employees at the plant participate in the Great Backyard Bird Count. In February 2015, they spotted a state-endangered short-eared owl (see photo). Data collected from the Bird Count helps researchers at Michigan State University investigate questions like how weather influences bird populations, what differences in habitat diversity are present, how migration compares year-to-year, and which diseases affect birds in different regions.



Michigan Avenue installed a floating wetland on their storm water retention pond during spring 2014. These structures are used to mimic natural wetlands to create a concentrated wetland area to filter and remove nitrates, phosphates and ammonia from water systems. Floating wetlands also provide habitat and food for turtles, frogs and fish.



In 2014, the Monroe Power Plant sponsored a GPS tracker for an osprey in conjunction with Osprey Watch of Southeast Michigan, Michigan Department of Natural Resources, U.S. Fish and Wildlife, and the Detroit Zoo to learn more about migration patterns of the Michigan osprey population. Ospreys are large birds that feed on fish and nest near bodies of water, making the Monroe Power Plant an ideal habitat. The funding of the transmitter is part of the Monroe Power Plant's Wildlife at Work and Corporate Lands for Learning programs. The GPS transmitters track the birds' movements on their winter migration to Central and South America.



Our **Six Lakes** natural gas storage facility has been Wildlife Habitat Council certified since 2003. In the midst of piping, engines, and other equipment, you can see grazing deer, wild turkeys and waterfowl. A pair of bald eagles was recently spotted building a nest near a great blue heron rookery that has occupied about two acres of the site for 30 years.

















River Rouge Power Plant was certified by Wildlife Habitat Council as a Corporate Lands for Learning site in 2014. The site team created a partnership with a teacher at a local school to provide outdoor learning opportunities for students, as well as multiple projects with local Boy Scout troops. One of the scout troops built and installed two bat houses. Other Scout projects include a native plant garden and informational signs.



DTE Energy biologists attended several local **River Festivals** during the year - annual water quality
education programs for school-aged children involving
presentations from various environmental professionals.
Our scientists gave demonstrations to illustrate the
negative impacts of invasive species like the zebra
mussel, and their relationship with power generation
along the shores of Lake Erie. They also discussed DTE's
commitment to environmental stewardship. Events
included Lake Erie River Festival, St. Clair River Festival,
and two Rouge River Festivals.

#### Land Management and Remediation

Before natural gas became widely available in the 1940s and '50s, "manufactured gas" produced from coal was used for lighting, cooking and heating in homes and businesses. As natural gas - which is extracted from underground geological formations - replaced manufactured gas, manufactured gas plants (MGPs) were shut down. Years later, industry and state and federal environmental agencies began studying these sites and recognized that plant operations and the way in which MGPs were abandoned had resulted in residual contamination at the sites. The U.S. Environmental Protection Agency estimates that 3,000 to 5,000 former MGP sites are located in towns and cities across the country.

As DTE Gas, founded in 1849, grew into the statewide utility it is today, it acquired numerous local gas companies that had operated MGPs. Today, DTE Gas is responsible for a total of 16 MGPs throughout the state.

A preliminary response and investigation has been completed at each site and work has been completed at several sites.















Full remediation and closure has been achieved at the following five sites allowing the properties to be developed for a variety of uses:

> Station B - Detroit. This site was cleaned up and closed in 2014 and is part of a larger parcel that is known as the Belleview Development site that is planned for redevelopment as a mixed-use residential development along the Detroit Riverfront. The parcel will include development of the Detroit RiverWalk to connect Belle Isle to the current eastern end of the RiverWalk at Mt. Elliott Park.



> Ludington MGP. This former MGP was closed in 2014 and is currently in active use by several businesses including a boat storage and repair company and an environmental contractor.



- > Wealthy Street Annex in Grand Rapids. This gas plant site had previously been remediated and redeveloped as the site of the Tassell Michigan Technical Education Center (M-TEC) for Grand Rapids Community College. Final agreements with the Michigan Department of Environmental Quality (DEQ) and M-TEC were reached in 2014 and the Annex of the Wealthy Street MGP was closed by the DEQ.
- > Station H & J Detroit. These two sites were previously cleaned up and closed in 1998 and 2002 respectively.

"DTE has long been a great partner in our efforts to protect the environment and improve our communities. The company's work to achieve ISO 14001 certification, as well as the many other key environmental protection programs where DTE is actively engaged, demonstrate a strong commitment to being more than just a power company. This is a company that brings leadership, initiative and resources to make communities better."

- Dan Wyant Director, Michigan Department of Environmental Quality

















#### Compliance

Legal and regulatory compliance is a top priority at all DTE Energy operations. We have an exemplary record and a commitment to continuous improvement.

The U.S. Environmental Protection Agency and an environmental activist group have brought litigation against DTE Electric for alleged violations of the Clean Air Act. DTE Energy has maintained throughout these legal proceedings that we have operated our plants in compliance with all applicable state and federal laws and regulations. To date, the courts have agreed with our position.

# Shenango Inc. Coke Battery Reaches Agreement to Reduce Emissions

Shenango Incorporated reached a consent agreement with the Allegheny County Health Department (ACHD) in April 2014 in response to the County's allegations of air quality violations at the coke battery from 2012 through the effective date of the consent order. DTE Energy purchased the Shenango facility, located in Neville Island near Pittsburgh, Pennsylvania, in 2008. Shenango produces metallurgical coke, coke oven gas and other salable byproducts.

The consent agreement recognizes the steps Shenango has taken to reduce emissions. Specifically, these measures have significantly reduced opacity levels from the facility's combustion stack and other fugitive sources. They also have significantly reduced the number, intensity and duration of opacity periods that allegedly exceeded the county's standards. Under the consent agreement, Shenango has completed a series of additional upgrades at the Neville Island coke battery that will enhance the control of emissions and help attain and maintain compliance with the county's environmental air quality standards. The \$750,000 cost

for implementing these solutions is in addition to the \$41 million in capital improvements already planned for the battery through 2018. Shenango Inc. will also spend \$300,000 for a supplemental environmental project aimed at enhancing particulate collection from the quench tower. The details of the allegations and the settlement are contained in the consent agreement filed by DTE Energy Services and ACHD in the Allegheny County Court of Common Pleas. Shenango also has supplemented existing environmental awareness programs with a new hands-on training program for plant operators focused on continuous improvement.

Despite these measures, and the consent agreement we reached with the county, an organization called Group Against Smog & Pollution (GASP) filed a complaint against the coke battery facility in May 2014, alleging air emission violations. DTE Energy believes that the GASP suit is without merit and filed a motion to dismiss in July 2014; the court dismissed the lawsuit in March 2015.















#### **Environmental Management Systems**

All of our fossil and nuclear generation facilities (7), electric substations (nearly 700), and natural gas transport, storage, distribution and operations facilities (26) are certified to the ISO 14001 standard. This certification reflects our rigorous environmental management system based on clear expectations, allocation of resources, training, monitoring, emergency preparedness and continuous improvement.



Within Michigan, seven DTE Electric power plants and 26 DTE Gas facilities also have earned recognition under the state's Clean Corporate Citizen (C3) program. To be designated a C3, a facility must have a comprehensive and facility-specific environmental management system that sets targets and objectives for continual environmental improvement; pollution prevention programs focusing on reduce, reuse, recycle; and a history of compliance with environmental regulations.

Our internal environmental audit programs help keep us accountable and drive improvement. Our ISO certified facilities undergo annual environmental management system conformance audits. DTE Gas and DTE Electric facilities also undergo periodic environmental compliance audits, and we perform periodic environmental risk audits for all waste vendors that we utilize. The results of these

audits are taken seriously and reported through the appropriate organization management. We track corrective actions and use problem solving tools to identify and address root causes.



Educated and engaged employees play an important role in managing our environmental aspects. Annual, web-based training encourages DTE Electric and DTE Gas employees to understand the relationship between their work and the environment. This mandatory environmental training module covers topics such as handling waste, reducing vehicle idling, managing stormwater and protecting wildlife habitat.

#### DTE Facilities Designated as Clean Corporate Citizens

#### DTE Electric Power Plants:

Belle River Power Plant Fermi 2 Greenwood Energy Center Harbor Beach Power Plant Monroe Power Plant River Rouge Power Plant St. Clair Power Plant

#### DTE Gas Facilities:

Allen Road Service Center Alpena Service Center Belle River Compression Station Big Rapids Service Center Coolidge Service Center Escanaba Service Center Gaylord T&SO Office **Grayling Station** Kalkaska Station Kingsford Service Center **Ludington Service Center** Lynch Road Service Center Michigan Avenue Service Center Milford Station Mt. Pleasant Service Center Muskegon Service Center Petoskey Service Center River Rouge Service Center Sault Ste Marie Service Center Washington 10 Station Willow Run Compressor Station

















# About this Report

#### Materiality

This Corporate Citizenship Report is built around our company's material aspects. In this report, we define material aspects as those issues that have a direct or indirect impact on our ability to create, preserve or erode economic, environmental and social value for ourselves, our stakeholders and society at large.

The description below outlines the process we followed to determine the material aspects that matter most to DTE Energy. We conducted this materiality assessment during 2013, in preparation for our first Corporate Citizenship Report. For the 2014 report, we conducted an extensive series of interviews with executives across the organization, which confirmed that our material issues remained unchanged from the previous year. While some priorities have shifted, the list of material issues has not fundamentally changed.

Our cross-functional corporate sustainability team followed several steps to conduct our initial materiality assessment. The team conducted benchmarking of 15 utilities, analyzed the Electric Power Research Institute's (EPRI) Energy Sustainability Interest Group materiality study, and participated in a comprehensive Global

Reporting Initiative (GRI) training workshop. This initial phase helped us generate a list of 40 sustainability topics that we considered in later phases of our materiality assessment process.

To prioritize the 40 initial aspects, the team evaluated each topic for low, medium or high alignment with DTE Energy's six corporate priorities. We also assessed the level of interest in each topic expressed by internal, external and government stakeholders, based on existing engagement channels. We sent a survey with the highest scoring aspects to all members of the team as well as the Steering Committee (our broader management oversight group) to establish the final ranking. Eighteen topics emerged as the leading material aspects for inclusion and discussion in this Corporate Citizenship report.













MATERIAL ASPECT	DESCRIPTION	REPORTING BOUNDARY
1. Air emissions	Efforts to reduce non-greenhouse gas emissions	DTE Electric in Michigan
2. Asset Management	Planning for new and retiring generation, gas pipelines, wind power, major assets	Internal focus of the entire company
3. Community Assistance	Corporate and Foundation Giving, Community & Customer Outreach	Primarily a focus in Michigan communities served by DTE Electric and DTE Gas; discussion in this report relates to neighbors of all DTE operations
4. Compliance	Regulatory Compliance (Environmental, Michigan Public Service Commission, U.S. Securities and Exchange Commission, etc.)	Internal focus of the entire company
5. Corporate Viability	Long-term, sustainable, business strategy and financial strength	Internal focus of entire company
6. Customer Satisfaction	Deliver excellent customer satisfaction	All DTE customers
7. Economic Development	Developing businesses and jobs in our region (e.g. Pure Michigan, Energize Detroit)	Primarily DTE Electric and DTE Gas, in the Detroit and Michigan economic communities.
8. Emergency Preparedness	Preparedness for storms, blackouts, nuclear incidents, pipeline incidents, major spills, terrorist acts	Internal focus of the entire company; discussion in this report primarily relates to DTE Electric and DTE Gas
9. Employee Engagement	Ensure that DTE has an extremely engaged, high quality workforce where employees willingly bring their energy and focus to their jobs every day	Internal focus of the entire company
10. Employee Retention	Attracting and retaining high quality employees.	Internal focus of the entire company
11. Energy Affordability	Effectively manage customer affordability and rate competiveness for both gas and electric utilities	DTE Electric and DTE Gas customers
12. Energy Efficiency	Making efficient use of energy resources in our own operations and on the customers' side	All DTE customers; internal focus of the entire company (quantitative data on savings relates to DTE Electric and DTE Gas)
13. Ethics	Strong corporate ethical business practices.	Internal focus of the entire company
14. Greenhouse Gases	Efforts to reduce emissions of greenhouse gases	Internal focus of the entire company (emissions data relates to DTE Electric)
15. Government Policy	Create a highly constructive political and regulatory context that enables DTE success	Internal focus primarily relevant to the regulated entities: DTE Electric and DTE Gas
16. Reliability	Provide reliable gas and electric service to our customers	DTE Electric and DTE Gas
17. Renewables	Encourage development of renewable energy sources	DTE Electric
18. Safety	Employee safety and public safety	Internal focus of entire company; public safety discussion in this report primarily relates to DTE Electric and DTE Gas customers















# Corporate Priorities & Material Aspects

The following graphic illustrates our material issues and the corporate priorities to which they relate. This report addresses material issues reflecting the full range of our priorities.

Corporate	Priority

Financial Performance
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»/x	Value	Creation	Strategy
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<b>50</b> 2	Customer	Satisfaction
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AVA		
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		yee Engagernen

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	inuous Ir

#### **Material Aspects**

Air Emissions	
Asset Management	Ш
Community Assistance	
Compliance	m
Corporate Viability	<b>©</b>
Customer Satisfaction	<b>12</b> 2
Economic Development	»)×
Emergency Preparedness	<b>©</b>
Employee Engagement	
Employee Retention	
Energy Affordability 🔯 🕿 🔏	m
Energy Efficiency	»)×
Ethics	m
GHG	m
Government Policy	m
Reliability	<b>123</b>
Renewables	»)×
Safety	<u> </u>















# Performance Data Summary

#### Best-Operated Energy Company in North America

PERFORMANCE METRIC	2010	2011	2012	2013	2014
Engaged Employees					
Employee Engagement Gallup Grand Mean score	3.93	3.98	4.08	4.18	4.28
Occupational Safety and Health Administration (OSHA) Recordable Rate	1.29	1.19	1.24	0.81	0.99
Customer Service					
Advanced meters installed - Residential electric				1 million	1.6 million
Advanced meters installed - Residential gas				201,605	549,720
Advanced meters installed - Commercial electric				93,282	130,761
Advanced meters installed - Commercial gas				10,282	36,596
Operational Excellence					
Reliability Duration Index	434 minutes	606 minutes	472 minutes	583 minutes	793 minutes
Shareholder Value					
Operating Earnings Per Share and Annual Growth Rate	Earnings per share: \$3.64 Annual growth: 9.13%	Earnings per share: \$3.75 Annual growth: 3.02%	Earnings per share: \$3.94 Annual growth: 5.07%	Earnings per share: \$4.09 Annual growth: 3.81%	Earnings per share: \$4.60 Annual growth: 12.47%
Shareholder Return	9.06%	25.76%	14.90%	14.89%	34.61%
Debt/Total Capital Ratio Funds From Operations (FFO)/Debt Ratio	Debt: 51% FFO/Debt: 28%	Debt: 51% FFO/Debt: 24%	Debt: 49% FFO/Debt: 22%	Debt: 50% FFO/Debt: 23%	Debt: 51% FFO/Debt: 25%













# A Force for Growth and Prosperity

PERFORMANCE METRIC	2010	2011	2012	2013	2014
Policy Leadership					
Enrollment in Low-Income Self-Sufficiency Plan				28,947	22,000
Spending in Michigan	\$475 million Baseline Michigan spend	\$122 million additional over 2010	\$351 million additional over 2010	\$334 million additional over 2010	\$922 million
Total number of volunteers				1,450	2,000
Total amount of Foundation grants				\$10 million	\$11 million
Environmental Stewardship					
Gas energy savings (customer programs)			1.474 MMcf saved	1.436 MMcf saved	1.555 MMcf saved
Electricity energy savings (customer programs)			611 GWh saved	614 GWh saved	794 GWh saved
CO <sub>2</sub> emissions (million tons)	43.7	39.9	38.1	39.2	36.6
NO <sub>x</sub> emissions (tons)	45,710	41,749	37,272	40,494	32,185
SO <sub>2</sub> emissions (tons)	147,402	144,428	133,456	128,178	83,447
Water Usage (billion gallons)	1,377	1,383	1,329	1,307	1,243
Coal ash generation (million tons)		1.03	1.05	1.06	0.92
Recycling rate for ash		22%	39%	42%	42%
Gypsum generation (million tons)		0.14	0.16	0.20	0.28
Recycling rate for gypsum		68%	100%	97%	100%
Recycling rate (combined ash and gypsum)		27%	47%	51%	55%















# **GRI Index**

This is the second Global Reporting Initiative (GRI)-compliant report for DTE Energy, covering calendar year 2014. GRI is a voluntary, international framework that provides guidance to organizations on non-financial reporting. DTE Energy utilizes the G4 guidance, published in 2013, to help us craft our communications about corporate citizenship programs and performance. We report in accordance with the Core level of G4 standards, including application of the Electric Utilities (EU) Sector Supplement.

We intend to publish our Corporate Citizenship report on an annual basis. As we are still developing and formalizing our data collection process, we have not pursued third party data assurance for this year. Report data represent aggregated data across our entire operation unless otherwise stated. This report contains no material restatements of data previously published in our 2013 Corporate Citizenship Report, and there have been no changes in the scope or boundaries of our reporting compared to last year.

The Index below lists the GRI indicators addressed in this report, and either includes the information directly or provides a reference to the relevant page(s) within this Corporate Citizenship Report.

GRI INDIC	ATOR	SECTION	PAGE NUMBER
Strategy	And Analysis		
G4-1	CEO statement	CEO Message	3
G4-2	Key impacts, risks and opportunities	CEO Message	3
Organiza	ional Profile		
G4-3	Name of organization	DTE Energy Company	
G4-4	Primary products and services	Company Profile	6
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<sup>\*</sup>Form 10-K annual financial report for DTE Energy is available in the Investor Relations section of our corporate website.















G4-10     Total workforce     Engaged Employees     14       G4-11     Percent of employees covered by collective bargaining agreements     Engaged Employees     15       G4-12     Supply chain     Stakeholders (Suppliers)     13       G4-13     Significant changes since last report     Transformation of Electric Generation; Renewable Energy     47, 49       G4-14     Precautionary approach     Policy Leadership     44       G4-15     External initiatives     Michigan Energy Policy; Waste and Recycling; Natural Resources Management; Environmental Management Systems     44, 56, 59, 64       G4-16     Membership in associations     Stakeholders; Michigan Energy Policy     12, 44       EU1     Installed capacity     Company Profile     7       EU2     Net energy output     Company Profile     7       EU3     Customer accounts     Company Profile     7       EU4     Transmission and distribution mileage     Company Profile     7       EU5     CO <sub>2</sub> e emissions allowances     Not applicable       Identified Material Aspects And Boundaries       G4-17     Operational structure     Company Profile     6       G4-18     Defining report content     Materiality     65       G4-19     Material aspects     Materiality     66, 67	GRI INDIC	ATOR	SECTION	PAGE NUMBER
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