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#### **OVERVIEW**

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. For thousands of DTE employees, this is more than just a job. We spend half of our waking hours at work and share a unified purpose: to serve with our energy, the lifeblood of communities and the engine of progress. Our sense of purpose has helped sustain us during some tough times and will continue to inspire and strengthen us through whatever challenges lie ahead.

This, our first Corporate Citizenship report, is a vehicle to communicate with our stakeholders about our purpose, reinforce why we are here, focus on our priorities and translate our business plan into action. This document provides key information about DTE Energy programs and performance across a wide range of topics that are important to our company's success. Our approach to citizenship encompasses community involvement, customer focus, respect for employees, environmental stewardship, economic strength and sound governance. How we make the journey together matters, and we're excited about where we're going.

In 2013, we set ambitious citizenship goals addressing those areas that our company, our customers and our communities care strongly about. While we have made great progress in accomplishing our goals, there is always room to improve. In 2014 and beyond, we will build on our successes, identify our gaps, seek out opportunities and continue to drive improvements in everything we do. Throughout this report, we discuss our 2013 goals, progress against those goals and 2014 targets. A full summary is available at the end of this report.



Our website includes more detailed information on many of the topics covered in this report. dtecitizenship.com











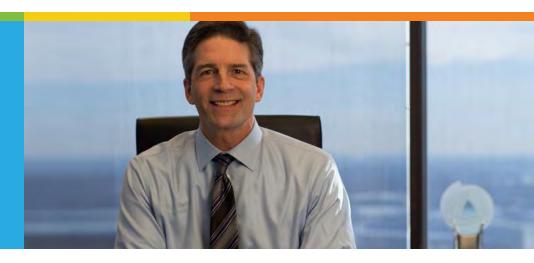






**TE Energy**<sup>.</sup>

## **CEO Message**



# When we talk about how DTE Energy powers the world in which we live, we mean so much more than the services and products we provide.

Every day I am impressed by the energy that employees bring to work here at DTE. In ways large and small, we are making a difference in our world. From our environmental leadership to our philanthropy to the many examples of our commitment to the communities we serve, our employees shine. They are the ones who are driving this company. It is their energy that makes us successful.

The stories of how our employees shine - how they impact every customer, every neighbor, every person we touch in our daily work - are woven throughout this corporate citizenship report. This report is our opportunity to share with you where we are in the pursuit of our aspiration 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.

We recognize we still have challenges. We are not yet where we want to be, but we are taking the steps to get there. One of the principles that guides our work is continuous improvement. Wherever we are today, we know we can and will do better. We owe that to our customers and community.

Three major pillars undergird our approach moving forward: supporting the development of strong and responsible energy policy in Michigan and nationally; investing in natural gas infrastructure; and leveraging new technologies to enable superior operations and customer service.













"This report is our opportunity to share with you where we are in the pursuit of our aspiration 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." Long-term energy and climate policy in Michigan and the country, which promise much environmental progress, must also deliver reliability, adaptability and affordability. We have already started retiring older and less-efficient coal-fired power plants; over the next 10 years, we will transition our aging coal-fired power generation fleet to a cleaner, more diverse generation portfolio.

We are also making significant investments in system reliability to lower the frequency of power outages and improve how quickly we restore power. Sometimes severe weather events make this priority all the more tangible, such as the Christmas week ice storm last year that impacted more than 200,000 of our electric customers. It demonstrated the importance of what we do and the demands placed upon our employees.

Investments in our natural gas infrastructure are also a key part of our long-term strategy. It is paramount that we maintain the safety and integrity of our system of underground natural gas pipes through a robust program of inspections, maintenance and upgrades.

Additionally, we are upgrading our communications systems to better use technology so that we can provide excellent customer service.

We are inextricably linked each day to our customers and our communities by our purpose: We serve with our energy, the lifeblood of communities and the engine of progress. This sense of purpose sustains us and inspires us, and helps us to bring our best energy, focus and talent to work. The work we do at DTE is vital. The services we provide are fundamental to the functioning of society.

DTE is committed to all the communities where we live and serve. Our corporate citizenship report serves as a clear and transparent look at how we act as a force for growth and prosperity.

We look forward to an open dialogue with you about our corporate citizenship. I invite you to read this report and I encourage your feedback via our citizenship@dteenergy.com inbox.

Gerry Anderson Chairman and CEO

Geny anderson

DTE Energy















DTE Energy

## We serve with our energy, the lifeblood of communities and the engine of progress

DTE Energy is a publicly traded, investor-owned energy company headquartered in Detroit, Michigan. We are a Fortune 300 company and provide energy to more than half of Michigan's residents. DTE Energy is comprised of our electricity and gas utility companies, as well as three non-utility business units – Gas Storage and Pipelines, Power and Industrial Projects and Energy Trading. Approximately 80 percent of our revenue derives from our regulated electric and gas utility businesses, and 20 percent from our non-utility businesses.

#### DTE FAST FACTS FOR 2013





1.2M gas customers



9,900 employees



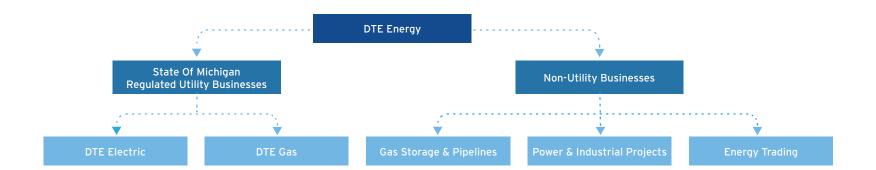














OVERHEAD LINE CREWS UPGRADE EQUIPMENT IN REDFORD, MICHIGAN

#### **DTE Electric**

In 2013, 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.

To improve affordability, increase reliability and meet changing trends in energy markets, we continue to diversify our generation portfolio.

We operate approximately 30,000 miles of overhead distribution lines and 15,700 miles of underground distribution lines. Our service territory encompasses 7,600 square miles.



GAS STORAGE FIELD IN MICHIGAN

#### **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, including four gas storage fields, 19,000 miles of distribution mains and 2,300 miles of transmission pipelines that deliver natural gas from storage areas to the distribution markets. These facilities are important in providing reliable and cost-effective service to our customers. We also sell storage services to third parties.



#### **Power and Industrial Projects**

The Power and Industrial Projects business provides energy-related products and services nationwide including renewable energy, environmental controls and industrial energy services. We operate more than 70 projects in 19 states, across a range of service areas. See our website for more details.

#### **Energy Trading**

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

P 5













#### Gas Storage and Pipelines

DTE Energy

This business unit controls two natural gas storage fields in Michigan plus gathering pipeline systems in Michigan and Pennsylvania. 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.



NEWLY ARRIVED GAS PIPELINES IN A MICHIGAN STORAGE YARD

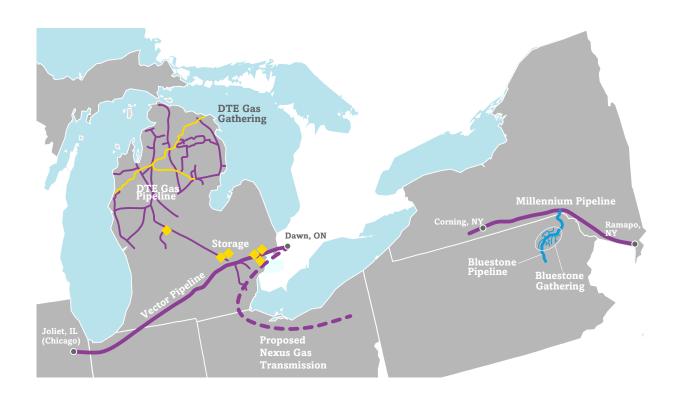
We also hold partial ownership of two interstate pipelines (Vector and Millennium) serving the Midwest, Ontario and Northeast markets.

#### BLUESTONE PIPELINE AND GATHERING SYSTEM

#### A Major New Investment Brings Economic Benefits and Reliability

As part of our expansion in natural gas storage and pipelines, DTE Energy has partnered with Southwestern Energy Company and Cabot Oil & Gas Corporation to develop the Bluestone Pipeline and Gathering System. Bluestone is DTE's first natural gas gathering project outside Michigan and represents an opportunity to transport natural gas between pipelines in New York and Pennsylvania. DTE's investment in the 44.5 mile pipeline generated more than 1,000 jobs during the peak of construction. The Bluestone Pipeline provides market access to local Marcellus Shale gas, which ultimately increases reliability and lowers cost for gas consumers. It also plays a role in U.S. energy independence and in converting homes in the Northeast from home heating oil to natural gas.

More information about the Bluestone Pipeline project is available on our website.



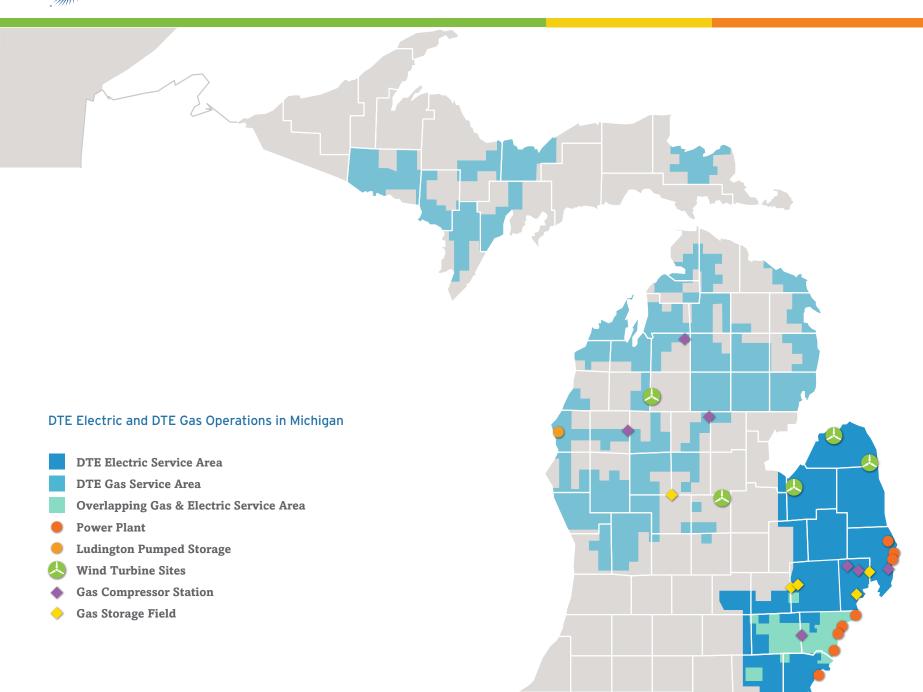














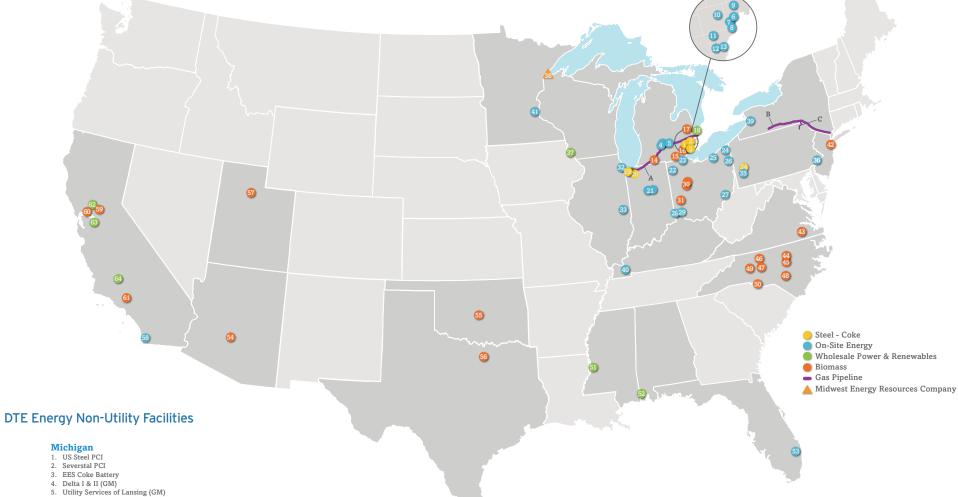












- 6. Sterling Heights Asm Plant (SHAP) (Chrysler)
- Sterling Heights Stamping Plant (SHSP or SSP) (Chrysler)
- 8. Warren Truck Asm Plant (WTAP) (Chrysler)
- 9. Mack Avenue Engine Plants 1 & 2 (Chrysler)
- 10. Detroit Metro & Metro O&M
- 11. DTE Northwind (GM)
- 12. Ford Rouge Heritage
- 13. Backup Gen
- 14. Westside Gas Producers 15. Adrian Energy
- 16. Riverview Gas/Riverview Energy
- 17. Blue Water Renewables
- 18. East China
- Indiana 19. Indiana Harbor
- 20. Burns Harbor
- 21. ITP 1 & 2 (Chrysler)

#### Ohio

- 22. Defiance (GM)
- 23. Toledo North Asm Plant (Chrysler)
- 24. Ashtabula Millennium
- 25. Ford Cleveland
- 26. Lordstown (GM)
- 28. CoolCo District Heating & Cooling
- 30. Bellefontaine Gas Producers

- 27. Solvay Specialty Polymers
- 29. St. Bernard Procter & Gamble
- 31. Pinnacle Gas Producers

#### Illinois

- 32. IIT Cogeneration Plant
- 33. Tuscola Equistar Chemicals

#### Pennsylvania

- 34. Shenango Coke Battery
- 35. DTE Pittsburgh
- 36. Philadelphia Airport

#### Wisconsin

- 37. Stoneman Power Plant
- 38. Midwest Energy Resources Co. (MERC)

#### **New York**

39. Tonawanda (GM) Kentucky 40. Calvert City

#### Minnesota

41. St. Paul Northern States Power

#### **New Jersey**

42. Fresh Kills

#### Virginia

43. Eagle Hill Renewables

#### **North Carolina**

- 44. Raleigh Steam Producers
- 45. Wake Gas Producers
- 46. Salem Energy
- 47. Davidson Gas 48. Fayetteville Gas Producers
- 49. Iredell Transmission
- 50. Uwharrie Mountain Renewable Energy

#### Mississippi 51. DTE Petcoke Vicksburg

#### **Alabama**

52. Mobile Energy Services Company (MESC)

#### Florida

53. Boca Raton, LLC District Heating & Cooling

#### Arizona 54. Phoenix Gas Producers

Oklahoma

#### Texas

55. Oklahoma Gas Producers

#### 56. Denton Power Utah

57. Salt Lake Energy

#### California

- 58. San Diego Rady Childrens Hospital
- 59. Sacramento KLGII
- 60. Potrero Hills Energy
- 61. Sunshine Gas Producers
- 62. Woodland
- 63. Port of Stockton
- 64. Mt. Poso

#### **Gas Pipelines**

- A. Vector Pipeline
- B. Millennium Pipeline
- C. Bluestone Pipeline and Gathering













#### Values and Priorities

DTE Energy

Our values define what we stand for and what we aspire to create at DTE Energy. They have a strong connection to tangible business results and shape the way we think about our company and our work on a daily basis. Our values are far more than posters on a wall or things that we occasionally refer to or talk about. Our values have real power because we routinely live them, act on them – and do so with conviction.

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.

To drive progress toward our aspiration 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, we rely on our values and our system of priorities to

#### DTE ENERGY CORPORATE PRIORITIES Top-Decile Customer Satisfaction Average Strona Highly Political & Engaged Regulatory **Employees** Context Superior & **Distinctive** Sustainable **Continuous** Financial **Improvement** Capability **Performance** Clear Growth & Value Creation Strategy

establish and meet our goals. Meeting our aspiration is an ongoing process and we work hard to track our progress. Challenges exist in each of our six priorities and measuring the outcomes of our work allows us to identify opportunities for growth, areas of improvement and successful milestones along the way. We use our Best Operated Scorecard to measure four key areas of progress:

- Employees, which measures our safety and engagement
- Operations, which focuses on our cost-efficiency and reliability
- Customers, which tracks satisfaction survey results for our gas and electric utilities
- Shareholders, which tracks total shareholder returns over different time horizons

## **Acting with Integrity**

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.



DTE ENERGY EMPLOYEE WORKING IN THE ELECTRIC OPERATIONS CENTER













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. Our code was revised in 2013, and we are proud that its effectiveness received an "A" rating when independently evaluated by Corpedia®, a subsidiary of NYSE Governance Services. Our code of conduct was also ranked in the 97th percentile within the energy and utility industry and 98th percentile across all industries represented in a database of more than 200 companies.

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.



DTE ENERGY CEO GERRY ANDERSON (LEFT) VISITS THE GRATIOT WIND FARM

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. Reports are forwarded to DTE Energy for investigation and appropriate action.

## Long-Term Growth: Creating an Engine of Progress

At DTE Energy, we strive to create value for our investors. Our shareholders place trust in our business, and in turn, we take seriously our responsibility to deliver strong financial returns year after year. From 2009 through 2013, we strengthened our balance sheet and raised long-term capital at historically low interest rates. We maintain a strong balance sheet and aggressively manage costs in the short and long term. Key highlights of our improvements include:

- Refinancing over a third of our long-term debt to take advantage of lower interest rates
- Reducing interest expense by over \$100 million and reducing the average interest rate on our long-term debt from 6.1 percent to 5.1 percent
- · Credit rating upgrades from all three rating agencies

At the end of 2013, we reported operating income of \$720 million, compared with 2012 operating income of \$676 million. In 2013, we set an ambitious target to increase operating income to more than \$1 billion by 2018, and we are well on our way to meeting that goal.

#### The Changing Face of Power Generation

Michigan, and the entire United States, have entered a period of profound transformation of the power generation sector. Many issues 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
- EPA regulations (particularly potential greenhouse gas regulations)

#### 2013 ECONOMIC GOALS

Deliver operating earnings per share growth of 5% to 6% per year over 2012

Deliver total shareholder return that is better than our peer group average

Target leverage within 50% to 52%, and funds from operations/debt at 20% to 22%

#### 2013 ECONOMIC RESULTS

2013 operating earnings per share is \$4.09, 3.8% growth

2013 total shareholder return was 14.9%; our peer group average was 14.2% (as compared to a peer group of 23 similar utilities)

2013 year end: Leverage debt: 49% Funds from operations/debt calculation: 23%

#### 2014 ECONOMIC GOALS

Achieve 5% to 6% growth in 2014 and beyond

Achieve 10% to 12% total shareholder return in 2014-2018

Target leverage 50% to 52%

Funds from operations/debt ratio 20% to 22%













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 by the mid-2020s. 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, 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.



WIND TURBINES ON FARMS IN ELKTON, MICHIGAN (HURON COUNTY)

Advances in technology have made wind more cost-competitive with new gas-fired generation. However, because of its intermittent nature, wind has limited "capacity value." This means that "dispatchable" generation – power plants that can operate on demand – will also need to be built. This dispatchable capacity will come from natural gas plants in the near and medium term.

DTE actively manages assets to account for dynamic market and regulatory conditions. In 2013, we sold our historic coal-fired Marysville Power Plant to the Commercial Development Company. The Marysville plant operated from 1922 until 2001 and was released for decommissioning in 2011 (see case study on our website). Harbor Beach Power Plant was also retired in 2013. Coal plants have served the state well over the past half

century, but a third of Michigan's coal fleet is 50 years old. Over the next ten years, 75 percent of the fleet will reach that age. Some of DTE's plants will continue to receive investment for the long term, but the maintenance and environmental compliance costs for coal-fired plants must be considered when planning how to best meet our customers' electricity needs going forward.



WATER VAPOR IS RELEASED FROM ONE OF TWO NEW STACKS AT THE MONROE POWER PLANT AS WORKERS DECONSTRUCT ONE OF THE PLANT'S ORIGINAL STACKS

Over the past decade, DTE's clean energy investments have been in both environmental controls and renewable energy generation projects. Those investments have resulted in strong growth in our renewable energy contribution in Michigan and a significant reduction in our emissions. DTE's strategy will result in continued emissions reductions, including CO<sub>2</sub> reductions to meet or exceed federal carbon regulations from existing coal plants that were proposed in mid-2014. Still, coal-fired generation will continue to have an important role in allowing us to keep electricity rates affordable for our customers, and we are committed to operating our coal fleet in a way that fully complies with all regulations and protects natural resources (see our website for case studies).



More information about DTE Energy's power generation portfolio is available on our website.

#### Investments and Innovation

DTE Energy continues to invest in projects and initiatives that improve our operations. We dedicate significant resources to planning and managing our assets in a way that will protect and enhance important environmental, social and economic systems. Over the next five years, we will invest \$5.6 billion in our electric utility generation and distribution infrastructure, smart meters and other technologies to improve the reliability of our grid. We will invest \$700 million in environmental controls and \$400 million in renewable energy to mitigate our environmental footprint. We will invest another \$1.2 billion in our gas utility to improve infrastructure and to expand our distribution system.

We plan to invest roughly \$1 billion to \$1.4 billion in our non-utility gas pipeline and storage assets over the next five years. This will include additional investments in Bluestone pipeline and gathering, expansion of the Millennium pipeline and new project development such as the proposed NEXUS pipeline.

Plant modernization and energy policy will drive the transformation of our generation mix over the next decade



DTE Energy coal-fired fleet















#### Improvement Is Our Daily Responsibility

Continuous Improvement (CI) is one of six corporate priorities central to achieving our goals of serving our customers with excellence, lowering costs and creating long-term value for our shareholders. We use CI to drive effectiveness and efficiency in all our business processes.



WIND TURBINE BLADE IS PREPARED FOR INSTALLATION

In 2013, we built upon our CI program and improved training around the CI skillset – resulting in significant cost savings. In particular, through the implementation of CI skills at our renewable energy sites, we reduced construction and purchasing costs while raising capacity factors. Our CI efforts, improved technologies and Federal Tax Credits combined to allow us to reduce the renewable surcharge on customer bills by 85 percent, saving every residential customer \$30 per year.

Our CI performance is benchmarked by others inside and outside of our industry. In 2013, DTE Energy received the honor of "Best Process Improvement Program" from the Process Excellence Network (a community of professionals, business leaders and executives with a global membership of over 78,000). To win this prestigious international award, DTE Energy stood out among a group of six finalists from dozens of entries in this category. This award serves as another reminder that the collective efforts of all of our employees can result in effective problem solving, higher levels of performance and the ability to deliver on our promises to customers.

### **Board 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; and
- · 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 12 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.

## Promoting Fair, Balanced **Energy Policy**

Regulated utilities make up a majority of our business, and thus our success depends upon a stable, balanced regulatory and political construct. Our goal is to promote long-term energy policy that is based on the pillars of reliability, adaptability and affordability. As a company, we seek to be a force for growth in the communities where we live and serve – and part of that aspiration is to work collaboratively to promote policy solutions that benefit the overall well-being of our state and our state's residents, businesses and institutions.



ONE OF DTE'S WIND PARKS IN MICHIGAN'S THUMB REGION









We support responsible regulation that enables us to power Michigan's energy future with cleaner generation and state-of-the-art reliability and services. The Michigan Public Service Commission regulates gas and electric rates for our customers, while retail electric suppliers charge wholesale market-based rates for roughly 10 percent of the electric sales in the service territories of DTE Energy. Wholesale market prices have repeatedly shown themselves to be highly volatile. Energy legislation enacted by the State of Michigan in 2008 established the 10 percent limit. While there are efforts underway to introduce greater deregulation in the state, we believe that such an action would threaten system reliability and invite price volatility in Michigan's electric market. Responsible regulation has been the cornerstone for reliable, safe, affordable electricity in Michigan for generations – and the economic growth and job creation that comes with that. Deregulation as it has been implemented in other parts of the country over the past 15 vears has not resulted in lower rates for customers, and has created a shortage of generating capacity in some states.

While much of the focus on energy policy in Michigan is on electric rates, a Gas Customer Choice program allows customers to voluntarily purchase their natural gas from alternative gas suppliers at market rates that are not regulated by the Michigan Public Service Commission. DTE Gas administers billing services and responds to leaks and emergencies in DTE's gas service area, even if a customer has an alternative supplier. DTE works to control costs for our customers and hold our own rates stable. In the interest of transparency around natural gas rates, DTE Energy was instrumental in getting the Michigan Public Service Commission to issue an order in early 2014 calling for the creation of a gas choice price comparison website that will provide the tools and resources for our customers to make informed decisions regarding their natural gas provider.

DTE Energy has been deeply involved in the public process established by the Michigan governor's administration to gather feedback on Michigan's energy policy. The 2008 comprehensive legislation established a renewable energy standard that will be achieved in 2015, and we are engaging with government leaders and other stakeholders to ensure that the next phase of energy policy continues to move the state toward a prosperous and cleaner future. In 2013, about 9.6 percent of the electricity we sold was provided by renewable resources, and with the planned addition of new wind capacity in 2014-2015, we are well positioned to meet the 2015 goal.

We participate in a number of Michigan organizations that engage with elected officials and policymakers on energy and related issues, including:

- The Alliance for Michigan Power
- · Michigan Jobs and Energy Coalition
- DTE Shareholders United
- · The Coalition to Keep Michigan Warm

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 Coalition for Clean Coal Electricity
- · American Gas Association
- Center on Executive Compensation
- Corporate Health Care Coalition (did not rejoin in 2014)
- · Edison Electric Institute
- · Electric Power Research 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
- U.S. Chamber of Commerce

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

#### **Political Action Committee**

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.















DTE Energy<sup>®</sup>



## Our work is a powerful means to serve others

The very nature of our business as an energy utility company finds us deeply involved with the community. We connect with people's lives on a continual basis, providing critical support for health, quality of life, comfort and convenience.

Our efforts in the communities where we operate aim to improve the lives of our neighbors, our customers and our employees. As a Michigan-based company with the majority of our operations in the state, our involvement and outreach is directed primarily to our principal operating areas. Because of the difficult economic circumstances in recent years, DTE Energy's role as a force for economic growth is more important than ever.

Our Corporate Affairs group serves as DTE Energy's primary point of contact with elected and appointed officials, key community stakeholder organizations and local nonprofit groups. While we have been actively involved with communities throughout our company's history, in 2013, we launched an initiative to increase our already strong community engagement, citizenship and communication across our service territory. This initiative resulted in direct support and sponsorship of more than 300 civic and community events statewide.



JERRY NORCIA (RIGHT), PRESIDENT & COO - DTE ELECTRIC/GAS STORAGE & PIPELINE, AT DIRECTORS OUTREACH PROGRAM EVENT

We purposefully promote engagement between DTE's senior leadership and community organizations. This unique initiative allows our leaders to see our work through the eyes of those we serve. In 2013, approximately 120 DTE leaders were paired with 140 community organizations statewide. As a result of the Directors Outreach Program, DTE Energy participants have received awards from community partners, have been asked to serve on boards and special committees, and have formed valuable partnerships.













#### **EMPLOYEE VOLUNTEERING**

Volunteerism is integrated into the workplace culture and corporate fabric of DTE Energy. In 2013, more than 1,450 employees volunteered their time with over 75 nonprofit organizations, community initiatives and local events, coordinated by our DTE Care Corps. These volunteer activities provide food and clothing, promote public health, improve the environment and address educational needs. By supporting and promoting the volunteer work of our employees, we strengthen relationships with our neighbors and customers and demonstrate an ongoing commitment to our local partners. An example of one of the many DTE Care Corps successes is DTE Cares Day, a program launched in 2013.

#### **DTE Cares Day**

To further our dedication to service, DTE Energy hosted its inaugural DTE Cares Day in October 2013. The company-wide day of community service attracted more than 400 employee volunteers. This event will be held on an annual basis and each year we look to set increasingly ambitious goals for participation.

DTE Cares Day provided more than 3,000 hours of service; our employees spent the day helping several nonprofit organizations at more than a dozen sites throughout Ann Arbor, Metro Detroit, Western Michigan, Northern Michigan and Washington, D.C.

Volunteers worked with organizations that address a variety of social issues including low-income youth leadership, affordable housing, domestic violence and food security. In total, DTE Energy employees accomplished the following:



DTF VOI UNTEERS PACK BOXES OF FOOD AT FOCUS: HOPE IN DETROIT

packed and delivered 784 bags of groceries

cleaned and beautified the facilities of 6 nonprofit organizations



DTE VOLUNTEERS LEND A HAND AT EVERY WOMAN'S PLACE FACILITY IN MUSKEGON, MICHIGAN

assisted in building 1 new home and helped restore 2 homes in partnership with Habitat for Humanity

picked **10,000** pounds of fruits and vegetables

#### 2013 COMMUNITY GOALS

Invest in Michigan with a \$625 million cumulative increase in Michigan spending from 2011

Contribute \$1.6 million to United Way (employees and retirees) 2014 campaign

#### **2013 COMMUNITY RESULTS**

Achieved \$809 million cumulative increase in Michigan spending since 2011

Employees and retirees pledged \$1,691,000 to United Way in 2013 campaign (for 2014)

#### 2014 COMMUNITY GOALS

Invest in Michigan with a \$1B cumulative increase in Michigan spending from 2011-2015

Goal for 2014 pledges to United Way has not yet been established



Please see our website for more information about community outreach and volunteering activities.













## DTE Energy as a Force for Growth and Prosperity in Michigan

#### **Pure Michigan Business Connect**

DTE Energy

DTE Energy is one of the original seven 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. This is significantly higher than the company's original target of \$750 million.

From 2011 through 2013, DTE increased spending to more than \$800 million with Michigan-based companies, exceeding our target by about 30 percent. In support of DTE's commitment to our hometown, spending with Detroit-based companies rose to \$140 million last year, compared with \$122 million in 2012.

## Expanding Supplier Opportunities for Diverse Businesses

DTE Energy supports local suppliers and we particularly recognize the importance of cultivating business relationships with a diverse group of suppliers. Currently, DTE Energy works with more than 200 minority- and women-owned businesses. In 2013, we spent more than \$302 million with certified minority- and women-owned suppliers, representing nearly 18 percent of our total spend. More than 90 percent of those dollars were spent in Michigan, strengthening DTE Energy's commitment to support businesses in the state. Our goal is to spend \$300 million with certified minority- and women-owned businesses in 2014.

In 2013, we were named "Corporation of the Year -Consumer Products" for the fourth year in a row by the Michigan Minority Supplier Diversity Council.



9,900 employees



12,000 retirees



\$7B capital investments [2013-2017]



\$463M taxes paid [2013 federal, state, payroll and property]



\$445M dividends paid [2013]

#### HOMETOWN ECONOMIC DEVELOPMENT

In 2013, the City of Detroit declared the largest municipal bankruptcy in U.S. history. Detroit has suffered hard economic realities over the last several decades, impacting its reputation. DTE Energy remains a strong corporate citizen, anchored firmly in the downtown core of the city. We believe that despite the recent bankruptcy announcement, optimism about the future of Detroit is higher now than at any time in the last 20 years.



VACANT ART DECO BUILDING, PRIOR TO RENOVATIONS

#### Revitalizing Our Headquarters Neighborhood

Our aspiration is to be a force for growth and prosperity in the communities where we live and serve, and that begins in our own backyard. In DTE Energy's headquarters neighborhood, we are restoring a long vacant Art Deco building for office space and creating reasons for people to be outside, with food trucks, a farmers market and bike sharing. In the coming years we will continue to collaborate with neighbors and partners to help create a vibrant, dense, walkable mixed-use urban downtown that will drive regional economic growth and create value for the company.

















DTE LINEMANI WORKS ON LITH ITY DOLE IN NODTHVILLE MICHICAN

#### Upgrading Detroit's Electrical and Lighting System

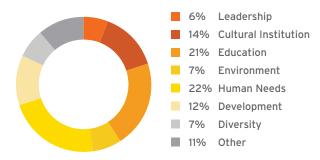
We have been working hard in Detroit to completely remake the city's street lights. As part of this three-year project, we are advising the city on a plan to fix or replace 500 street lights each week. In addition, DTE will soon begin the task of improving electric reliability to Detroit schools and major institutions by converting existing Public Lighting Department (PLD) customers to DTE's system. This transition will occur over the next three to five years. Ultimately, we help current PLD customers manage energy and save money as DTE customers.

DTE Energy donated \$5 million to The Heat and Warmth Fund (THAW) and the Michigan Community Action Agency on Aging (MCAAA) to help vulnerable Michigan families stay warm. The contribution was DTE's response to the record-setting frigid temperatures this past winter. THAW received \$4 million and MCAAA received \$1 million. The two organizations matched DTE's donation with public resources and other funds, ultimately benefiting up to 10,000 households.

## Corporate and Foundation Giving

At DTE Energy, we invest in our communities and honor our responsibility to dedicate time, effort and resources to the places we serve. The DTE Energy Foundation, the charitable arm of DTE Energy, is integral to fulfilling this mission. In our current economic climate, we have carefully managed our resources in an effort to maintain core, structural funding to support key community institutions as well as future-oriented educational, environmental, diversity and development initiatives.

#### DTE Energy Foundation Grants by Category, 2013



We have a long tradition of matching employee gifts to worthwhile institutions and providing grants in honor of major employee volunteer actions. In 2013, the Foundation provided more than \$10 million in grants and matched nearly \$350,000 in employee donations. The DTE Energy Foundation is looking forward to investing \$11 million in the community through 2014.

Our youth employment program is one of many important initiatives for the Foundation. We contribute \$1 million annually to help provide jobs for young people from Detroit and other Michigan communities. The Foundation partners with Grow Detroit's Young Talent program to

In 2013, the DTE Energy Foundation provided more than **\$10 million** in grants.

fund its summer jobs program. The Foundation works with 30 community partners to place teens and young adults in jobs that run for six weeks.



YOUTH EMPLOYMENT ORIENTATION AT DTE ENERGY HEADQUARTERS

In addition to funding summer jobs, the Foundation works with the City of Detroit to provide year-round, part-time jobs at City of Detroit recreation centers. The Foundation has made a \$1 million commitment as part of a public-private partnership to support the city's recreation centers and the families that they serve. The program represents an important initiative to lift young people from targeted neighborhoods into secure jobs and to offer mentoring, tutoring and other support services to help them succeed.

One of our employee matching efforts is with the United Way organization. DTE Energy conducts a campaign each fall to solicit pledges from our employees and retirees in support of 36 United Ways across Michigan, the Pittsburgh area, and Superior, Wisconsin. In 2013, 50 percent of our employees participated, including our union-represented employees who partner with the AFL-CIO Labor Council in their community support. Employees and retirees pledged \$1,691,000 to the campaign and the DTE Energy Foundation added a \$750,000 gift, bringing the total amount raised to more than \$2.4 million.















## We see our work through the eyes of those we serve

Our goal is to provide excellent service and delight our customers. Both our electric and gas utilities are in the top 25 percent of their peers in the J.D. Power residential customer satisfaction rankings – and we aim to increase that ranking over the next few years. To improve customer service, we're making significant investments in system reliability and process improvements. In addition to the J.D. Power ranking, we demonstrate success by the fact that customer complaints to the Michigan Public Service Commission have declined by more than 60 percent since 2006.

#### Customer focus is a key priority at DTE Energy.

We strive to delight our customers with a +1 customer experience, an interaction with DTE that exceeds expectations.

We know many factors affect customer satisfaction and we continually improve our programs to provide those +1 experiences. Michigan's families and businesses deserve the best experience. Our goal is to be ranked No. 1 in customer satisfaction by 2017.



DTE CALL CENTER











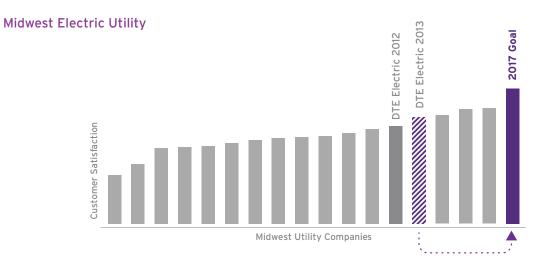


#### J.D. POWER RESIDENTIAL SATISFACTION RANK VS. MIDWEST PEERS

J.D. Power has been capturing and analyzing the voice of the customer across more than a dozen industries globally, including utilities, for more than 45 years.

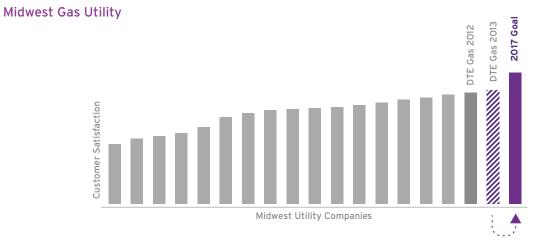


**DTE Energy** 





Our mobile applications were recognized with a #1 ranking in customer satisfaction.

















# We are focused on improving customers' experience with DTE Energy.

A few examples of our efforts are highlighted below:

"I Can Help!" is a grassroots approach to customer service that recognizes the power and responsibility of DTE Energy employees. When a customer comes to any DTE employee with a problem or question, that employee can immediately respond by referring the customer's issue to the "I Can Help!" program. The program is designed to enable employees to assist customers wherever they are – a neighborhood event, a church event or a casual conversation. An "I Can Help" team member follows through completely to resolution.

The **Customer Service Contact Center** is changing the way it does business with customers. Instead of focusing on what makes doing business easy for DTE, we have taken an "outside-in" approach. By studying how our customers interact with us, we were able to simplify many of our key transactions, and to develop an easy, stress-free way for customers to report and check the status of outages using a mobile application. As our customers evolve, so do we.

DTE Energy has added a more convenient way for customers to pay their utility bills thanks to new **self-service payment kiosks.** In 2013, we operated four in the city of Detroit – three in DTE Customer Offices and one in the downtown Detroit headquarters lobby. The first kiosk inside a retail location – a Rite Aid store in Pontiac, Michigan – was unveiled in February 2014. By late 2015, DTE plans to install kiosks in 19 additional Rite Aid stores.



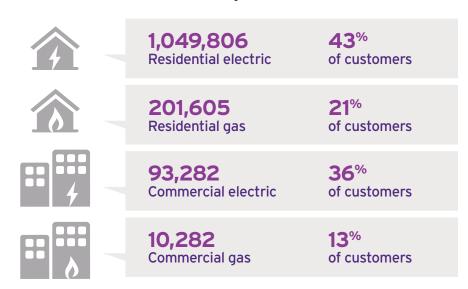
Learn more about our new mobile apps on our website

#### IMPROVING SERVICE AND RESPONSIVENESS

We are well on our way to installing state-of-the-art metering technology for all of our residential and commercial electric and gas customers. This is part of DTE Energy's efforts to upgrade our system so we can offer our customers new capabilities and innovative service. The new meters use secure, low-frequency radio transmissions to send usage data without the need for a manual meter reading. Customers with advanced meters can go online to view their personal electricity usage, down to the day and hour, through my.dteenergy.com.

Advanced metering will allow us to do much more than eliminate in-person meter reading. Because the advanced meters can be automatically and remotely read in real-time, we c an offer an energy efficiency mobile application for monitoring and reducing power use (the first such application in the country). We are also able to detect interruptions and restore power quickly and efficiently during an outage. The automated meters facilitate communications with customers, allowing us to provide up-to-date information to customers on the status of their repairs. With real-time technology, power may be restored without the customer even knowing there was a problem. In 2013, more than 700,000 DTE Energy customers benefited from this integration.

#### Advanced meters installed through 2013









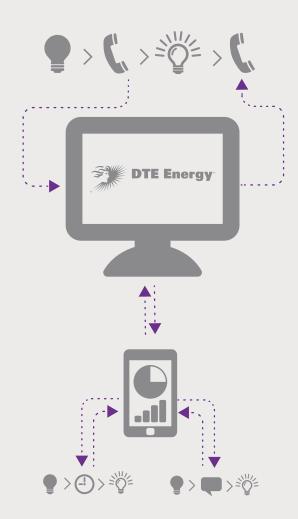








#### **CUSTOMER COMMUNICATION DURING POWER OUTAGES**



Our corporate priority on customer satisfaction means we continually work to find ways to deliver more value to the people we serve. As technologies advance, our customers expect us to innovate and meet or exceed their needs. That's why we're increasingly using technology to give customers better information about their power outages and restoration work.

Two years ago, we launched an initiative focused on proactively providing customers with information about their power outages. When customers call to report an outage, we call them back to share updated outage restoration estimates received from our field employees. Once power is restored, we call them back to let them know the cause of the outage, number of customers affected, outage location and restoration time.

The automated calls allow customers to leave a message or speak to a company representative. This program is supported by a state-of-the-art intelligent callback system capable of sending thousands of calls an hour. Last year, we placed more than 200,000 proactive outbound calls in a single storm.

In 2012, we introduced our outage mobile app to provide customers a way to report outages and downed power lines on the go. Several upgrades later, customers can also use the app to make payments, to receive notifications and estimated repair times and to ask us to let them know that their power has been restored. Our ongoing electric reliability improvement upgrades should enable us to provide even more accurate outage estimates.



Download our mobile app

#### **2013 CUSTOMER GOALS**

Increase the electric residential Customer Satisfaction Index to 74 percent

Reliability measured as length of customer interruptions (in minutes) divided by number of customers, or "Duration Index." Target: 419 minutes

Establish Low-Income Self-Sufficiency Plan and enroll 20,000 customers

#### **2013 CUSTOMER RESULTS**

Achieved 74 percent for electric residential Customer Satisfaction Index

Duration Index of 583 minutes

Enrolled 28,947 customers in Low-Income Self-Sufficiency Plan

#### 2014 CUSTOMER GOALS

Improve our customer satisfaction among our peers in the J.D. Power Customer Satisfaction Survey on our path to achieving top ranking among our peers by 2017

Duration Index of 342 minutes

Enroll **50,000** customers in Low-Income Self-Sufficiency Plan during 2014-2015 winter heating season

Note on Customer Satisfaction Goals: Based on previous year customer satisfaction metrics, we established a 2013 Customer Satisfaction Index goal of 74 percent for our electric residential customers. By year end 2013, we had achieved our target of 74 percent among residential customers but fell short of our target of 78 percent among business customers. During 2013, we re-evaluated our metrics and methodology for measuring customer satisfaction and hosse to use J.D. Power and Associates'(JDPA) Customer Satisfaction Index as the preferred approach to measuring customer satisfaction going forward. As a result of this change in metric methodology, we have a new baseline and measurement system for 2014 not directly comparable to our 2013 metrics. The JDPA metrics indicated that we had reached the top quartile in customer satisfaction (for both electric and gas) at the end of 2013 and this will continue to be our metric for setting qoals in 2014 and beyond.















### Reliable Energy Supply: Those We Serve Have The Right To Expect It

Due in part to increased frequency and severity of extreme weather events, the number and duration of power outages increased for our customers in 2013. DTE Energy is actively addressing reliability issues with plans to invest \$1.5 billion in electric reliability improvements. Our reliability investment is focused on upgrading our distribution system to reduce the number of outages and to reduce outage restoration time. This includes investment in rebuilding and modernizing electric equipment, adding equipment to help isolate and re-route power, applying system strengthening solutions to reduce the impact of severe weather and adding equipment to identify damaged lines more quickly.



DTE ENERGY LINEMEN HARD AT WORK

In 2013, through our Infrastructure Upgrade Program, we improved more than 130 electric distribution circuits. We are continuing to improve circuits through 2014 and plan to ultimately upgrade more than 1,800 circuits. These 1,800 circuit upgrades will improve service for more than 1.5 million DTE Energy customers.

Jan 2014: 6.5% decrease in electric residential rates, or an average of \$80 per year

average DTE electric bill: 12<sup>%</sup> lower than U.S. average

our goal: 2018 rates no higher than 2013

### **Keeping Energy Affordable**

At DTE Energy, we believe that improvement is our daily responsibility and we rely on the use of continuous improvement principles and tools, streamlined processes and improved technologies to provide low-cost reliable energy to our customers. In 2014, residential electric customers will see rate decreases of 6 percent to 7 percent, which translates to an annual savings of about \$80 a year. Similarly, business customer rates will decline by 5.5 percent to 7.4 percent, depending on their level of service. These rate decreases are possible due to lower fuel supply costs and ongoing efforts to reduce the company's cost structure.

To keep natural gas rates low and relatively stable, DTE Gas deploys a strategy that calls for buying natural gas far in advance of the winter and then storing significant quantities of gas underground during the summer months when demand is low. Also, we lock in low natural gas prices each month for a period of two years before the actual delivery to customers. This kind of advanced planning helps to temper rates for gas customers.

Over the past five years, DTE has led its peer group in the control of operating costs. Between 2005 and 2012, we took aggressive action to control costs, resulting in no increase in our operating costs over that period. Our position now enables us to develop a strategy for lowering customer rates.

P 22

**TE Energy**<sup>.</sup>











## Gatekeeper Program for Senior Citizens

The Gatekeeper Program is a statewide effort by the Michigan Office of Services to the Aging (OSA) to help identify senior citizens who may need help and may not be able to get it for themselves. Since 2009, DTE Energy employees have participated in the Gatekeeper Program to help identify at-risk senior citizens who need assistance beyond their utility service, such as housekeeping service, meal preparation, personal care and more. DTE employees referred 227 at-risk seniors to the Michigan OSA in 2013 and more than 860 since 2009.



CUSTOMER ASSISTANCE DAY FOR SENIORS AT SALEM MEMORIAL LUTHERAN CHURCH IN DETROIT

#### ASSISTING OUR CUSTOMERS IN NEED



28,947 customers enrolled in 2013

In 2013, DTE Energy launched an innovative program called the Low-Income Self-Sufficiency Plan to help 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 and avoid service interruptions during hard times.

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 400,000 customers who need energy assistance. However, government funding for low-income customer assistance has been declining.

Under DTE's assistance program, customers who enroll are required to pay a fixed amount every month based on income. Their arrears are frozen and reduced quarterly with successful payment compliance. Another benefit of the program is access to DTE Energy's energy efficiency programs. Homes receive energy audits, 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.

DTE Energy offers a number of other programs as well, including Budgetwise Billing, intended to help customers pay their utility bill.















DTE Energy



## We play to win as a team

We recognize that the strength of our company resides in our people. Fostering a strong culture of employee engagement is one of DTE Energy's six priorities and an important foundation for our corporate citizenship efforts. As of the end of 2013, we employed close to 10,000 people, of whom 4,900 are represented by unions. Our commitment to respect each other and create an inclusive environment goes beyond just race and gender to appreciating and valuing each other and 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. This, in turn, helps us better connect with our customers and makes us a better company.

At the core, our **9,900** employees drive this company. They allow us to live our purpose and be a force for growth.



FORMER CO-OP STUDENT MICHELLE HANLON IS SUPERVISOR OF PLANT OPERATIONS













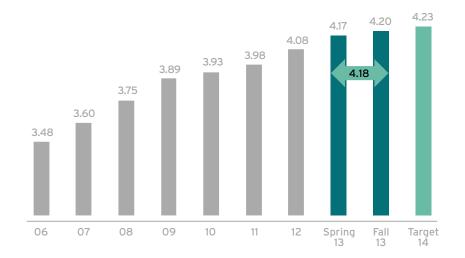
#### HIGHLY ENGAGED EMPLOYEES: PRIORITY AND PROGRESS

#### Gallup Great Workplace Recognition

DTE Energy<sup>®</sup>

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.

## DTE Energy Gallup GrandMean (Based on a scale of 1-5)





In 2013, we earned the highest engagement scores in our company's history, moving from the 78th to the 85th percentile in Gallup's Overall Company database. This database represents nearly 7.5 million responses for 965,000 workgroups in approximately 400 companies globally. It was our seventh consecutive year of improved Gallup scores.

DTE Energy earned Gallup's Great Workplace Award in both 2013 and 2014. It recognizes companies "for their extraordinary ability to create an engaged workplace culture." We were the first energy company selected in the history of the award.

#### **2013 EMPLOYEE GOALS**

Achieve Employee Engagement Gallup GrandMean Score of 4.16

Improve employee safety with a total Occupational Safety and Health Administration (OSHA) Recordable Rate of 1.03

Administer the National Safety Council Barometer Survey for major business units in 2013 and establish a 2014 leading indicator incentive plan metric

#### **2013 EMPLOYEE RESULTS**

GrandMean = 4.18

OSHA Recordable Rate = 0.81 (20% better than target)

Surveyed major business units and established a 2013 baseline: 91% average

#### 2014 EMPLOYEE GOALS

GrandMean = 4.23

OSHA Recordable Rate = 0.75

Improve safety as measured by the National Safety Council Barometer Survey to 95% average

Notes: "GrandMean" is an aggregated metric indicating level of employee engagement, as determined through the Gallup survey.

The OSHA Recordable Rate is a calculation of injuries and illnesses against all DTE employee hours worked.

The National Safety Council is a nonprofit organization whose mission is to save lives by preventing injuries and deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy.









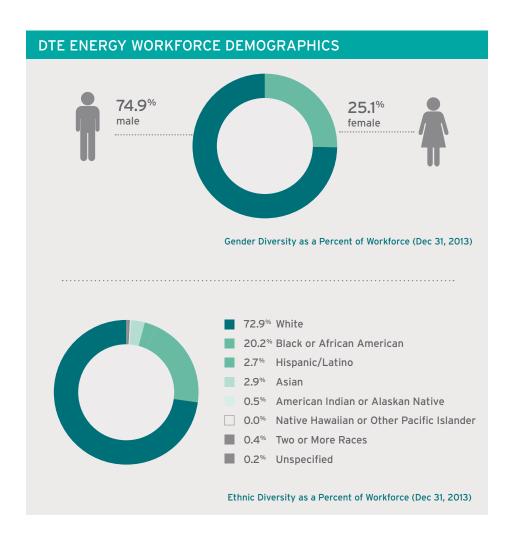


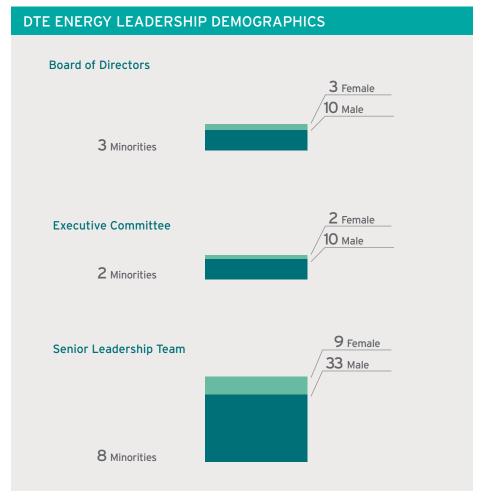


## **Diversity at DTE**

Employing a diverse workforce and creating an inclusive workplace are values we hold, and they are essential to our business success and our ability to recruit and retain our workforce. In 2013, DTE Energy received several honors for our work in promoting and valuing diversity in the workplace.

2013 "Best of the Best" Black EOE Journal 2013 "Best of the Best" Hispanic Network Magazine 2013 "Best of the Best"
Professional Woman's Magazine

















## Workforce Planning and Talent Development

DTE Energy<sup>.</sup>

About one-third of our workforce is projected to leave the company over the next five to ten years, primarily due to retirement. Many of these workers are in our operations and skilled trades – jobs that we count on to build, run and maintain our plants, distribution system, pipelines and other critical infrastructure.

To manage this challenge, we are collaborating with industry peers, the educational community, governmental agencies and diversity organizations to ensure that workforce development is top of mind, and qualified and diverse candidates are ready to assume these roles when the time is right. Some of our outreach efforts include partnering with community colleges to help build curricula, offering student co-op and internship programs, strategic recruitment and hiring, and "boot camp" training with a special focus on preparing military veterans for job opportunities.

#### Providing Employees with the Tools They Need

Employees clearly state in Gallup and other surveys that having the right tools for the job is critical to their success. Feedback from our frontline employees has reinforced that the age, condition and appearance of our fleet needed to be improved. In response to this need, and to manage operational costs, the company is in the process of investing a significant amount of money over a five-year period to modernize our DTE fleet of vehicles and equipment. This includes expanding the use of alternatively fueled vehicles.



See our website for more information about this and other DTE Energy efforts to improve employees' workplaces and access to the tools they need to do their best.

In addition, DTE annually conducts a talent planning process to ensure a diverse pool of high potential employees and future leaders for all levels are identified and being developed for new and greater responsibilities in the future. This process is supported by investment in formal development programs for front-line, mid-level and executive leadership positions and augmented with exposure to projects and rotational assignments to further hone employee skills. From recruitment to selection to development to performance management, all of our programs link directly to our ENERGY Model for leaders – a set of core competencies that each employee is required to exhibit to be successful on the job.

#### **Workplace Transformation Initiative**

Safe and productive work environments contribute to the overall health and satisfaction of employees. DTE Energy is improving working conditions company-wide through our Workplace Transformation Initiative (WTI). WTI adheres to five core focus areas for all of its projects:

- 1) Fix the basics: provide a healthy, safe and comfortable environment
- 2 Focus on the big bang: identify and modernize the high-impact areas
- 3 Support work: make intentional changes to better support the flow of work and work processes
- (4) Remove clutter, clean it up and maintain it well
- (5) Celebrate our purpose and values



DTE ENERGY HEADQUARTERS OFFICE SPACE BEFORE RENOVATIONS



DTE ENERGY HEADQUARTERS OFFICE SPACE AFTER RENOVATIONS













DTE Energy<sup>®</sup>

**Energize Your Life (EYL)** is our company-wide platform for promoting health awareness and the benefits of an active lifestyle. The program's purpose is to "empower all individuals to live with high energy, good health and passion for life." The program includes a multitude of online resources aimed at helping employees, retirees and family members take steps to improve their health, be aware of those risk factors they can control and follow through with recommended preventive screenings.

Our wellness initiatives include providing incentives for healthy lifestyle choices, ensuring access to educational resources for nutrition and health, improving food offerings in our corporate cafeterias and much more. See our website for more information on EYL resources and activities.

#### Creating Healthy Work Spaces

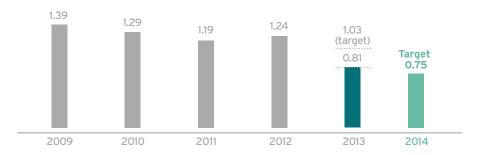
Through a collaboration of the EYL and Workplace Transformation Initiative teams, the company is providing workplace wellness tools and equipment to help employees be physically active within their work environment. By incorporating some key wellness elements, we can turn a traditional sedentary workspace into a more physically active workspace – one that encourages more movement, energy and engagement. For example:

- Walkstations combine a height-adjustable work surface with an exclusively engineered, low-speed treadmill, allowing employees to walk comfortably while doing the work normally done while seated at a desk.
- Inflatable ball chairs, which strengthen core muscles while promoting movement, are being placed in numerous conference rooms and spaces devoted to creative thinking.
- **Sit-to-stand desks** include easily adjustable height settings, providing the option to sit or stand while working at your desk.

## Putting the Health and Safety of People First

We believe that every employee should come to work knowing that they will go home to their family safe and healthy at the end of the day. Our target is zero injuries. As we work toward this target, we have set an ambitious goal to reach top decile safety performance by 2015. Historically, our safety performance improved from 2004 to 2008, as measured by our Occupational Safety and Health Administration (OSHA) recordable injury rate. But then our safety performance plateaued until 2012, when we launched a concerted effort to make a step change improvement in our safety performance. A focus on safety and the use of robust safety assessments enabled DTE to achieve its best safety performance yet, with an OSHA recordable rate of 0.81 in 2013.

#### Occupational Safety and Health Administration Recordable Injury Rate



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

In November 2013, we launched the DTE Energy Safety Playbook, a standardized set of safety processes to follow and tools to help us reach and sustain top safety performance.

The Monroe Power Plant was the first DTE Energy site to go through a full safety assessment in November 2013. More information on this facility's experience is available on our website.



SAFETY CHECK AT A DTF FACILITY

















NEW GAS MAIN BEING DELIVERED IN DEARBORN, MICHIGAN

DTE Energy<sup>®</sup>

#### **Public Safety**

At DTE, the safety of the public always is our overriding priority. Our main public safety concerns are protecting citizens from downed live wires after storms, and preventing leaks from natural gas distribution lines. Please see our website for more information about public safety and our natural gas pipeline integrity efforts.



Everyone at **DTE Energy is** 200% accountable.

100% responsible for my own safety and 100% responsible for the safety of those around me

#### MT. POSO PLANT - WHY WE WORK SAFELY

In July 2012, the team at Mt. Poso, a former coal plant converted to burn woody biomass, created its Safety Wall of Accountability and Commitment as a way to energize plant personnel around safety. Employees at the Bakersfield, California, facility were asked to think about what is important to them in their personal lives and to make a commitment to work safely because of that. Each employee provides a few pictures of those who are important to them and then makes a bulleted list of short commitment statements. This is then framed and hung on the Wall of Accountability and Commitment in the plant's main conference room.

"I'm committed to my family; therefore, I will return home from work as I left. I will take personal responsibility for the safety of my colleagues and myself."



Safety commitment from a Mt. Poso employee

Visitors to the plant frequently comment about the wall, which triggers stimulating conversations about safety. Every employee, regardless of length of service, has a statement on the Wall of Accountability and Commitment.

The daily morning operations meetings at Mt. Poso begin with a safety briefing and close with all employees stating in unison, "I will not get hurt today." In addition to a monthly on-site safety lunch to discuss safety metrics, the Mt. Poso team holds a quarterly off-site safety breakfast that includes training sessions, an open forum on safety suggestions, details on upcoming safety initiatives and a progress report on current processes and procedures. Mt. Poso also leads the fleet in Employee Safety Initiative catches, our system for capturing observations about near misses and potentially unsafe conditions, which has become a valuable tool for hazard recognition and abatement at the plant.

#### Fermi 2 - A Culture of Safety

In an industry that demands perfection in safety, employees at DTE's nuclear power plant, Fermi 2, must keep safety as their No. 1 priority. The plant uses a multi-pronged approach to ensure that the culture of operational safety permeates the organization. A safety message greets employees on the way into work; observations throughout every work day reinforce positive behaviors and correct negative ones; and, if mistakes are made or near misses occur, that information is shared, discussed and addressed as a way to continuously improve. See our website for more details about Fermi's safety.



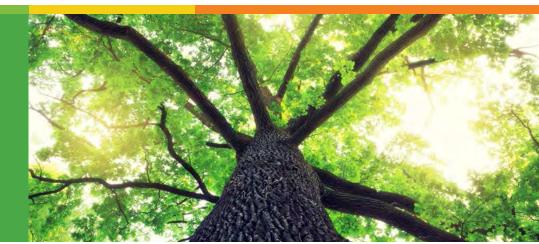














## Leading the way on environmental excellence

Environmental stewardship and conservation of Earth's natural resources are at the heart of that commitment.

At DTE Energy, we believe that our obligation to serve our customers and the community goes beyond the delivery of safe, reliable and affordable energy products and services. Our mission encompasses environmental stewardship and a commitment to protecting the natural resources upon which we all depend.

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 designation demonstrates our commitment to rigorous environmental management based on clear expectations, allocation of resources, training, monitoring and continuous improvement.

Within Michigan, our seven power plants and 26 natural 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. More information on these certifications is available on our website.



TRENTON CHANNEL POWER PLANT













## Working Toward Responsible Climate Solutions

Carbon emissions and climate change remain a topic of much discussion and debate, and they are key factors in DTE Energy's plans for meeting energy demand in the coming years. Climate policy and the associated need to lower our greenhouse gas emissions is a leading environmental issue for DTE Energy and we are doing our part to promote a responsible approach.

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.

While the best approach to addressing the climate issue would be through federal legislation (for example, the Waxman-Markey Bill of 2009 that we supported), we do not expect climate legislation to be passed by the current U.S. Congress. Therefore, we have moved our focus to the carbon standards and regulations being proposed by the U.S. Environmental Protection Agency (EPA). DTE Energy is actively participating with the EPA, Michigan regulators, the Edison Electric Institute, the Center for Climate and Energy Solutions, business and community groups and other stakeholders to help shape the final carbon performance standards for both new and existing power plants. These standards will influence DTE Energy's future generation mix. We will continue to advocate for responsible and cost-effective approaches that are

aligned with our corporate priorities and that will produce the best outcome for the environment, our customers, shareholders and the communities we serve. As the regulations become final, we expect they will establish greenhouse gas reduction targets that will influence our planning for future electric generation needs.

We are working on shaping the regulations so they will have the best possible outcome for all of our stakeholders. We do believe that regulations can be established that achieve national environmental and economic goals, and can be coordinated with energy policy development in Michigan. DTE's ongoing approach to managing our generation fleet will be coordinated with these federal and state policies. DTE Energy is already taking aggressive steps to reduce and offset greenhouse gas emissions now and in the future:



WIND PARK INSTALLATION IN MICHIGAN'S THUMB REGION

- 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 resources in Michigan.

#### 2013 ENVIRONMENTAL GOALS

Deliver 10% of DTE Energy electricity from renewable sources by 2015

Recycle 50% of DTE Electric's coal combustion byproducts (ash, gypsum) by 2015

#### 2013 ENVIRONMENTAL RESULTS

Contracted and owned renewable projects represent 9.6% of expected 2015 delivered electricity

51% of coal combustion byproducts recycled

#### 2014 ENVIRONMENTAL GOALS

Deliver 10% of DTE Energy electricity from renewable resources

Continue to increase byproduct recycling rates and explore new markets

- 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 are pursuing an operating license renewal for our Fermi 2 nuclear power plant, which will extend operation from 2025 to 2045. Nuclear power is the only proven technology for carbon-free baseload power generation.











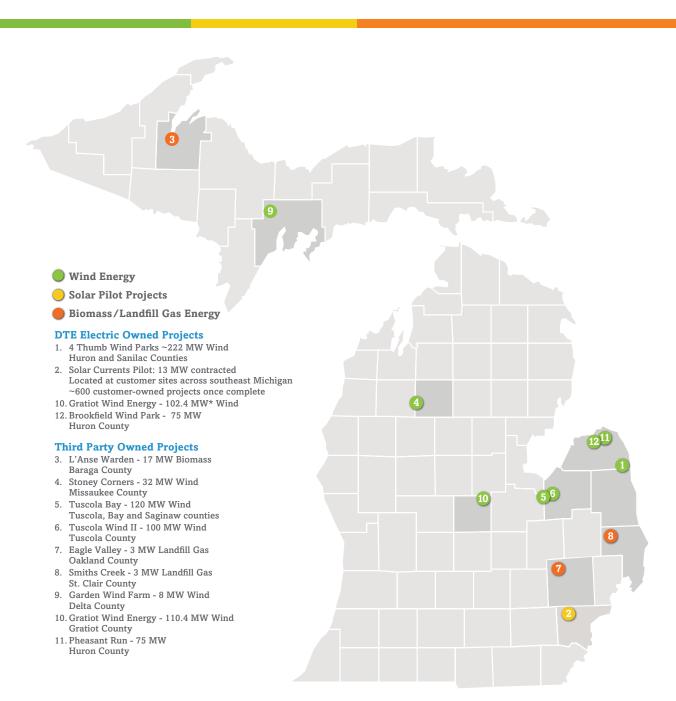


## Promoting Clean, Renewable Energy

DTE Energy

In 2008, a renewable portfolio standard (RPS) was established for Michigan electric providers targeting 10 percent of electricity sold to retail customers from renewable energy by 2015. This was an important element of the comprehensive energy policy established for the state. DTE Energy was actively involved in shaping that policy and we remain committed to its success. The regulation requires that we either build and own renewable sources (accounting for no more than 50 percent of the amount of electricity from renewables that we sell) or contract from third party providers to meet the 2015 target. Our total capital investment in renewable resources from 2008 through 2015 is estimated to exceed \$1 billion.

As of the end of 2013, DTE Electric had approximately 900 MW of owned or contracted renewable energy generation, principally wind energy parks located in Gratiot, Tuscola, Huron and Sanilac counties in Michigan. About 690 MW of this generating capacity is currently in commercial operation, with an additional 210 MW expected to come on-line in 2014. Our existing renewable energy resources are projected to supply 10 percent of electricity that will be sold to retail customers before 2015. With the planned investment in an additional 50 MW of renewable resources in 2015, DTE Electric is well positioned to meet the 10 percent RPS commitment.















#### Wind

Wind energy is environmentally friendly and the most abundant and affordable clean energy source in Michigan. Wind energy is a completely renewable and non-polluting energy source, with minimal environmental impact - adding no new air or water emissions. Once wind generation equipment is in place, the ongoing operating costs of producing wind-based electricity may be less than other generation technologies. Although wind generation is not constant and cannot completely replace baseload generation technologies, it does help to reduce the carbon intensity of our overall generation fleet. The cost of wind generation has decreased significantly as the technology has advanced and the industry has expanded. DTE is the largest investor in wind and renewables in Michigan.



WIND TURBINES ON FARMS IN ELKTON, MICHIGAN (HURON COUNTY)

Before DTE Electric built any wind farms, more than two years of wildlife studies were conducted to ensure projects were sited to minimize the potential for bird and bat interactions with turbines. These studies focused on wildlife behaviors during migration and breeding seasons, and included special focus on bald eagles, Kirtland warblers, tundra swans and various species of bats. In 2014, DTE will begin post-construction monitoring within our wind energy parks to ensure our operations remain protective of wildlife.

## DTE Energy is the largest investor in wind and renewables in Michigan

#### Solar

We are constantly exploring new ways to generate clean energy. For example, we have invested more in solar than anyone in the state. What we found is that solar currently is five times more expensive than other sources of renewable energy. With today's technology, it doesn't make sense for our state to invest in solar at a significant scale. But our commitment is to stay ready to exploit technology breakthroughs in solar when, and if, they happen. In the meantime, we have programs that enable customers who choose to invest in solar to do so in a way that works well for them and works for our broader electrical system and customer base as well.



SOLAR ARRAYS AT THE FORD WAYNE ASSEMBLY PLANT

#### **Biomass**

We operate five wood-fired power plants located outside of Michigan, which produced about 1 million MWh of electricity in 2013. We also run 16 landfill gas-to-energy projects in Michigan and elsewhere around the country.



WORKER AT DTE BIOMASS SITE

Biomass-fueled generation is an environmentally beneficial technology because it harnesses energy from combustion of sustainable organic material and reduces the use of fossil fuels. Landfill gas facilities capture methane – which is 25 times more powerful in its greenhouse gas impact than carbon dioxide – and recover energy in the form of electricity, steam or thermal energy.











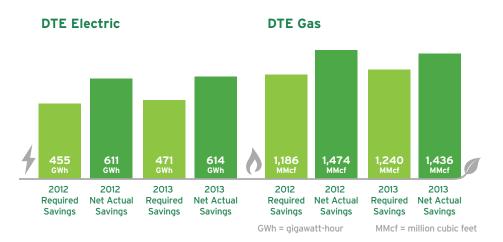


## **Energy Efficiency**

Since 2009, the following environmental benefits of DTE's energy efficiency programs have been achieved:

- The electric and gas savings amount is equivalent to greenhouse gas emissions avoided by recycling 63,430 tons of waste instead of sending it to the landfill.
- The annual carbon emissions that can be avoided are equivalent to burning more than 600 railcars worth of coal, or preserving over 1,000 acres of forest rather than turning it to commercial use.
- The electric savings eliminates the need for approximately half of a new coal-fired power plant. DTE's energy efficiency programs are designed to 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, efforts were made to coordinate and align with other utilities so that these customers could easily take advantage of energy efficiency program offerings across both fuel types.
- In 2013, customers participating in energy efficiency programs saved \$512 million in present value energy savings.

Each year, new program options continue to be added to the energy efficiency portfolio. More information on these programs is available on our website.





DTE Energy Partnership Promotes Efficiency at General Motors

Through our Energy Partnership business, DTE supplies expertise to major industrial customers to help them optimize their energy management and capture efficiencies. DTE's Energy Partnership Engineers have helped our major industrial customers reduce energy usage by 100 million kilowatt-hours and 400 million cubic feet of natural gas over the last five years. These savings are equivalent to the annual average electricity consumption of over 9,000 homes and the annual average natural gas consumption of over 5,500 homes.

As one example, we have worked with General Motors for 20 years to help them manage energy at several sites. Under contract to the auto manufacturer, DTE provides 24 Energy Engineers who work on-site at GM engine plants, transmission plants, sheet metal stamping centers, foundries, testing facilities, car and truck assembly plants, and office complexes. Some of these facilities are in excess of 4.3 million square feet and over 100 acres of building space requiring heating, air conditioning and lighting.

GM relies on our engineers to identify opportunities to reduce energy consumption, monitor usage patterns, assist with budgeting and investigate new technologies. Identified opportunities are analyzed for value and if they meet certain parameters, they become energy efficiency projects. Our engineers also look to identify and request incentives that will help pay for new energy efficiency projects through the local utilities.

In 2012, the U.S. EPA recognized GM as its ENERGY STAR Partner of the Year in the automotive category, citing the company's commitment to energy efficiency and GHG reductions. DTE Energy played an important supporting role in this achievement.













## Air Quality

DTE Electric has consistently supported responsible controls on power plant emissions. 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 power plants in the United States to install electrostatic precipitators to remove fly ash from the exhaust stacks. In the last 40 years, DTE Electric has dramatically reduced emissions while customer demand for electricity has escalated. In 2013, 78 percent of our annual electricity production was generated from fossil fuel, primarily coal. Our Fermi 2 nuclear plant accounts for most of the remaining generation.

DTE Electric has reduced emissions of particulate matter (PM), sulfur dioxide ( $SO_2$ ) and nitrogen oxides ( $NO_x$ ) by more than 70 percent since the mid-1970s, while during this same period, total annual generation increased 29 percent.

#### DTE Electric Power Plant Emissions 2007-2018



More recently, since 2007 we have reduced emissions 50 percent for PM, 45 percent for  $SO_2$ , 45 percent for  $NO_x$ , and 19 percent for mercury. Carbon dioxide ( $CO_2$ ) emissions have also declined over this time period as net generation has fallen partially due to renewables and energy efficiency initiatives.

We continue to invest in emission reductions to meet continually more stringent air quality requirements as we near completion of a \$1.7 billion program to install state-of-the-art emission controls at the Monroe Power Plant, our largest generating plant and the fourth 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 use a combination of metal catalysts and ammonia to convert nitrogen oxides to harmless nitrogen and water. 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 is scheduled to be operational 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 are now operational. FGD is the global technology standard for controlling  $SO_2$  emissions, which contribute to the formation of acid rain and fine particulates. These systems work by routing plant exhaust through a shower of finely pulverized limestone in water. The  $SO_2$  bonds with the limestone, and after additional processing is ready to be sold as gypsum, an ingredient in wallboard. FGD typically reduces  $SO_2$  emissions by more than 90 percent. 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 by the 2015 deadline.

Commercially available controls for reduction of  $\mathrm{CO}_2$  emissions have not been demonstrated at the utility scale, so additional reductions of  $\mathrm{CO}_2$  must be achieved through reduced fossil generation, improved plant efficiency, switching to less carbon-intensive fuels, and other technological alternatives that reduce the  $\mathrm{CO}_2$  emissions for every megawatt-hour (MWh) of generation.













**TE Energy**<sup>.</sup>

Our largest area of water-related impact is water withdrawal and use at our steam electric power generating stations, which utilize surface water for cooling purposes. These generating stations operate under the authority of National Pollutant Discharge Elimination System (NPDES) permits, and local sanitary sewer permits where applicable. DTE Energy does not inventory water inputs and outputs for its service centers, call centers and office buildings, which are generally served by purchased municipal water. The water use at these types of facilities is minor compared to withdrawals for the steam electric power plants.

In 2013, DTE Energy withdrew approximately 1.3 trillion gallons of cooling water from surface water bodies. Water consumption (water not returned directly to the water system, largely lost through evaporation) is 1.57 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.

#### Waste

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.

We are a member of several voluntary pollution prevention and waste minimization programs:

- 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, which 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





Working with Goodwill Industries

In 2013, DTE Energy received Goodwill Industries' Corporate Award in celebration of the company's long-standing partnership with Goodwill, which began in 1942.

For the past 68 years, DTE Energy and Goodwill Industries have worked together to operate DTE Energy's Investment Recovery Group, focusing on salvaging materials that would otherwise be headed for landfills. Beginning in 2010, we collaborated to form a new entity, Goodwill Greenworks. Goodwill Greenworks performs salvage and recycling operations and splits the proceeds with DTE Energy. This arrangement enables Goodwill Greenworks to offer work opportunities to vulnerable, at-risk populations, enabling them to learn new skills and gain work experience, ultimately increasing future job prospects. This work is now performed in a 96,000- square-foot facility located in Detroit. In 2013 this partnership prevented over 15 million pounds of recyclable and reusable materials from entering the landfill.

Our partnership with Goodwill Industries provides us with costeffective industrial recycling while providing trainees job skills that can lead to permanent employment. The decades-long collaboration has created a significant number of local job opportunities, which have benefited the community, the environment and the local economy.















Fly ash and bottom ash are byproducts of the coal burned in our power plants. 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. 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 are operated in compliance with the applicable state and federal laws and are routinely inspected by state and local regulatory agencies.

Fly ash is used by concrete and asphalt companies as a beneficial additive.

Gypsum is a byproduct from the flue gas desulfurization equipment used to reduce air emissions at our coal-fired power plants. Gypsum is used as a component in drywall manufacturing and as a beneficial additive in agriculture.

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

		2011	2012	2013
Ash	Amount generated (million lbs)	2068	2097	2124
	Amount recycled (million lbs)	446	814	897
	Percent recycled	22%	39%	42%
Gypsum	Amount generated (million lbs)	288	329	397
	Amount recycled (million lbs)	197	329	384
	Percent recycled	68%	100%	97%
Total	Total percent recycled	27%	47%	51%

#### 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.

DTE Energy recycles materials beyond the Goodwill partnership (see page 36) including paper, batteries, used oil, electronic equipment, appliances and light bulbs. While recycling conserves renewable and nonrenewable resources, it's even better to use less from the start. We began a company-wide paper savings initiative in early 2009 resulting in a 19.6 percent reduction in copy paper purchased. As a result of this initiative, we expect our recycling volumes to actually drop as we continue to use less paper.

### Compliance

Our track record demonstrates our commitment to complying with all legal and regulatory requirements. This is a top priority at all DTE Energy operations and is demonstrated by an exemplary record of minimal amounts of regulatory enforcement actions and monetary fines.

The U.S. Environmental Protection Agency and an environmental activist group have brought litigation against DTE Electric for violations of provisions 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, we have been successful in defending our position.



Please see our website for a discussion of recent compliance actions related to our operations















### Land and Natural Resources Management

At DTE Energy, we work to take care of the land, water and living creatures both within our boundaries 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.

DTE Electric and DTE Gas, our two primary operating utilities, have a long history of environmental stewardship in Michigan. We have instituted significant environmental management practices and won awards from many external agencies for our voluntary measures. Our voluntary stewardship activities involve hundreds of employees from across the company and dozens of external partnerships including universities, government agencies and nonprofit organizations.

DTE Energy facilities are home to hundreds of species of wildlife. Some are endangered or threatened, and we are helping their numbers increase and their populations 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). These sites are on multiple-year certification cycles and in 2013, 16 of the 30 Wildlife at Work programs were recertified.



FLYING BALD EAGLE AT MONROE POWER PLANT

In 2013, the Monroe Power Plant became the first DTE Energy site to be certified under WHC's Corporate Lands for Learning program, which provides recognition for education and outreach programs developed by the site. The Monroe facility enjoys an abundance of bald eagles, and DTE employees

provide access to visitors for eagle tours during the month of January when eagles are abundant. Guests have an opportunity to learn about these birds from a University of Michigan naturalist, and wildlife photographers are able to study and document eagle activities.

#### WILDLIFE REFUGE PARTNERSHIP

In 2013, DTE Energy participated in the groundbreaking event at the Detroit River International Wildlife Refuge (IWR) Gateway in Trenton, Michigan. The refuge holds particular significance to DTE. Portions of our Fermi 2 Power Plant and Monroe Power Plant sites are incorporated in the refuge.

DTE Energy employees designed, built and erected a wildlife sculpture for this historic event. The sculpture depicts the ecological diversity of the refuge, which comprises more than 5,700 acres along 48 miles of the lower Detroit River and western Lake Erie. The groundbreaking event celebrated plans to build a 12,000-square-foot visitor center that will include a theater, classrooms and offices, along with a wildlife observation area and outdoor patios.

DTE Energy approached staff of the Detroit River IWR to offer to build the wildlife sculpture at the Refuge Gateway. The sculpture depicts lake sturgeon and walleye at the bottom, cattails, turtles, dragonflies, woodpeckers and blue heron as you move up the symbolic food web, and bald eagles as top predators at the pinnacle.

This project brought us together with an important local community initiative, and will prove a long-standing partnership as the refuge grows its facilities over time.



TRENTON CHANNEL POWER PLANT BEAUTIFICATION PROJECT



A MINK MAKES HIS HOME IN THE WILDLIFE PRESERVE ON FERMI 2 NUCLEAR POWER PLANT PROPERTY



Visit our website to learn more about our WHC certifications and view examples of DTE Energy's efforts to protect biodiversity, wildlife and habitat.















#### 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 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 manufactured gas plants were abandoned had resulted in residual contamination at the sites. The U.S. Environmental Protection Agency estimates that 3,000 to 5,000 former manufactured gas plant 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 manufactured gas plants. Today, the company is



UNIROYAL SITE ALONG THE DETROIT RIVER AFTER CLEANUP

responsible for a total of 15 sites throughout the state. A preliminary response and investigation has been completed at each site. Full remediation and closure has been achieved at two sites in Detroit. In addition, a portion of a former Grand Rapids gas plant site has been remediated and redeveloped

as the site of the Tassell Michigan Technical Education Center (M-TEC) for Grand Rapids Community College. We anticipate receiving a closure from the Michigan Department of Environmental Quality (DEQ) in 2014 for the portion of the site that was cleaned up and redeveloped as M-TEC. We have completed remedial activities at other sites and are actively working with the DEQ to obtain partial or complete site closures at six sites over the next two years.



Expanding Detroit's Riverwalk

We recently completed the cleanup of a former manufactured gas plant site along Jefferson Avenue in Detroit. The cleanup covers about 14 acres of the former industrial site near the MacArthur Bridge to Belle Isle. The cleanup, led by DTE Gas, was completed during the fall of 2013 and will prepare the site for possible development.

For about 100 years, a succession of industrial operations, buildings, docks and equipment occupied the property. In the early 1980s, a Uniroyal tire plant and most other buildings were razed and the 43-acre site sat idle until 2011, when DTE Gas, DuPont and Michelin initiated a cleanup on the western 14 acres of the property. This part of the site had several prior uses, including production of coal gas for heating, cooking and lighting by local business and residential customers, an ammonia factory and a fuel unloading dock.

Approximately 680,000 tons of contaminated soil have now been removed and a 700 foot long, 110 foot deep seawall built. A water treatment system was used to pre-treat water collected during the digging before it was discharged to the City's sewer system for further treatment by the Detroit Water and Sewage Department.

The contaminated soil was replaced with clean fill material and the site was restored with topsoil and grass seed. The area of the site closer to the Detroit River was seeded with a blend of native plants, wildflowers and grass. In addition, the cleanup will allow for the continuation of the Riverwalk along the Detroit River, completing a recreational resource that stretches from Joe Louis Arena to Belle Isle.













#### Contact

We welcome feedback from our stakeholders regarding this report and our corporate citizenship programs and performance. Please direct any comments or questions to: citizenship@dteenergy.com

One Energy Plaza Detroit, MI 48226-1221

For more information visit: dtecitizenship.com

## **About This Report**

This is the first Global Reporting Initiative (GRI)-compliant report for DTE Energy, covering calendar year 2013. 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.

The **full online report** on our Corporate Citizenship website includes an index of GRI indicators. We conducted a materiality analysis to identify those issues that are significant for our company, and the content of our report reflects those priorities. In accordance with the GRI guidelines, we also discuss stakeholder engagement and how we interact with our stakeholders – including employees, investors, customers and neighbors – around environmental and social topics.

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.



Please view our online report for more details and a full GRI index.













## Goals and Performance Summary

Shading indicates those goals that we met in 2013.

2013 GOAL	2013 RESULT	2014 GOAL	YEAR OVER YEAR DATA				
			2010	2011	2012	2013	
Community							
Invest in Michigan with a \$625 million cumulative increase in Michigan spending from 2011	Achieved \$809 million cumulative increase in Michigan spending since 2011	Invest in Michigan with a \$1 billion cumulative increase in Michigan spending from 2011-2015	\$475 million Baseline Michigan spend	\$122 million additional over 2010	\$351 million additional over 2010	\$334 million additional over 2010	
Pledge \$1.6 million to United Way (employees and retirees)	Employees and retirees pledged \$1,691,000 to United Way in 2013 campaign (for 2014)	Goal for 2014 pledges has not yet been established		\$1,499,536	\$1,600,000	\$1,691,000	
Customers	Customers						
Increase the electric residential customer satisfaction index to 74 percent See footnote	Achieved top quartile customer satisfaction in the J.D. Power Electric Residential Satisfaction Survey (as compared to a peer group of 16 Midwest utilities)	Achieve top ranking in customer satisfaction among our peers in the J.D. Power Customer Satisfaction Survey by 2017					
Reliability measured as length of customer interruptions (in minutes) divided by number of customers, or "Duration Index." Target: 419 minutes	Duration Index = 583 minutes	Duration Index = 342 minutes	434 minutes	606 minutes	472 minutes	583 minutes	
Establish Low-Income Self-Sufficiency Plan and enroll 20,000 customers	Enrolled 28,947 customers in Low-Income Self-Sufficiency Plan	Enroll 50,000 customers during 2014-2015 winter heating season				28,947	

**Note on Customer Satisfaction Goal:** We met our publicly stated goal of 74% for residential customer satisfaction, based on our company-specific measurement methodology. However, we fell short of our internal target of 78% among business customers. During 2013, we re-evaluated our metrics and methodology and selected the J.D. Power and Associates (JDPA) Customer Satisfaction Index as our preferred approach for measuring customer satisfaction going forward. As a result of this change, we have a new baseline and measurement system for 2014 not directly comparable to our 2013 goal.













## Goals and Performance Summary

Shading indicates those goals that we met in 2013.

2013 GOAL	2013 RESULT	2014 GOAL	YEAR OVER YEAR DATA			
			2010	2011	2012	2013
Employees						
Employee Engagement Gallup GrandMean of 4.16 (metric of employee engagement on a scale of 1 to 5)	Employee Engagement Gallup GrandMean of 4.18	GrandMean score of 4.23	3.93	3.98	4.08	4.18
Improve employee safety with a total Occupational Safety and Health Administration (OSHA) Recordable Rate of 1.03	OSHA Recordable Rate of 0.81 (20% better than target)	OSHA Recordable Rate of 0.75	1.29	1.19	1.24	0.81
Administer the National Safety Council Barometer Survey for major business units in 2013 and establish a 2014 leading indicator incentive plan metric	Surveyed major business units and established a 2013 baseline: 91% average	Improve safety as measured by the National Safety Council Barometer Survey. 2014 target: 95% average				91% average
Environment						
Deliver 10% of DTE Energy electricity from renewable sources by 2015	Contracted and owned renewable projects represent 9.6% of expected 2015 delivered electricity	Deliver 10% of DTE Energy electricity from renewable resources			-	9.6%
Recycle 50% of DTE Electric's coal combustion byproducts (ash, gypsum) by 2015	Recycled 51% of coal combustion byproducts	Continue to increase recycling rates and explore new markets		27%	47%	51%











## Goals and Performance Summary

Shading indicates those goals that we met in 2013.

2013 GOAL	2013 RESULT	2014 GOAL	YEAR OVER YEAR DATA			
			2010	2011	2012	2013
Achieve gas energy savings of 1,240 million cubic feet (MMcf)	Achieved savings of 1,436 MMcf	Achieve gas energy savings of 1,305 MMcf			1,474 MMcf saved	1,436 MMcf saved
Achieve electric energy savings of 471 gigawatt-hours (GWh)	Achieved savings of 614 GWh	Achieve electric energy savings of 534 GWh		-	611 GWh saved	614 GWh saved
Economic						
Deliver long-term operating earnings per share growth of 5% to 6% per year	2013 operating earnings per share is \$4.09, 3.81% growth	Achieve 5% to 6% growth in 2014 and beyond	Earnings per share \$3.64	\$3.75	\$3.94	\$4.09
			Annual growth 9.13%	3.02%	5.07%	3.81%
Deliver total shareholder return that is better than our peer group average	2013 total shareholder return was 14.9%; our peer group average was 14.2% as compared to a peer group of 23 Midwest utilities	Achieve 10% to 12% total shareholder return in 2014-2018 (including reinvestment of dividends)	9.06%	25.76%	14.9%	14.89%
Maintain leverage within 50% to 52%, and funds from operations/debt at 20% to 22%	2013 year end: Leverage debt: 49% Funds from operations/debt ratio: 23%	Target leverage 50% to 52% Funds from operations/debt ratio: 20% to 22%	Debt: 51% Op/Debt: 28%	Debt: 51% Op/Debt: 24%	Debt: 49% Op/Debt: 22%	Debt: 50% Op/Debt: 23%