



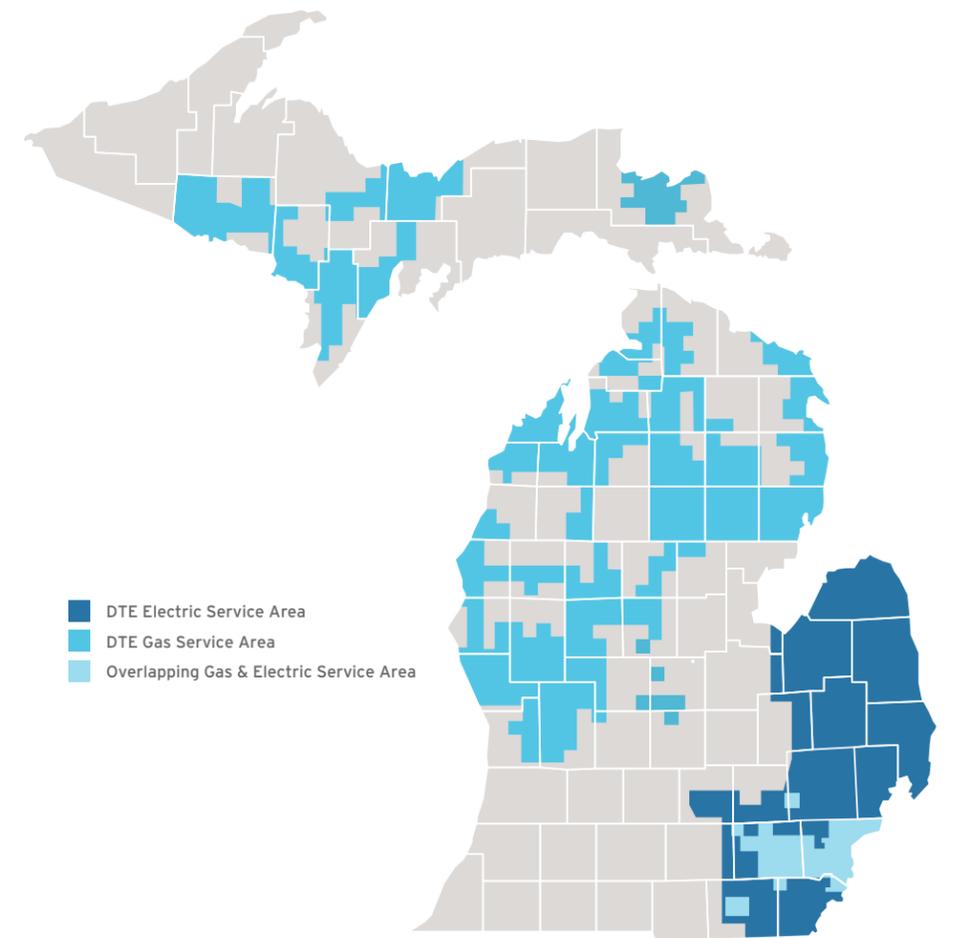
**Customers**

## Focusing on Customer Satisfaction

Serving our customers is the number one priority at DTE Energy. We work tirelessly to provide our customers with safe, reliable and affordable energy. Our customer base is extensive and diverse. DTE Electric and DTE Gas serve millions of households, businesses and organizations throughout Michigan, while our non-utility businesses provide energy supplies and related services to industrial customers around the United States. Every interaction is an opportunity to exceed our customers' expectations.

DTE's utility businesses supply energy to our customers through 47,000 miles of electric distribution lines and 21,000 miles of gas pipelines.

Our Utility Operations in Michigan



## Measuring Customer Satisfaction



DTE Energy's ongoing efforts to continuously improve our products, programs and processes, with a stellar customer experience, have resulted in significant improvements in customer satisfaction since 2007. DTE measures customer satisfaction with our utility businesses through J.D. Power – a global marketing information company that represents the voice of the customer – and their extensive consumer studies in the utility industry.

We rank second in J.D. Power customer satisfaction scores for both gas and electric residential customers in the Midwest. Our goal is to be number one and maintain that position. We recognize the most significant factor in achieving that ranking from our electric customers is through improving reliability. We have made significant investments and they are paying off. In 2016, we had our best reliability performance in the past decade. We continue to communicate with our customers to raise awareness of the full range of services and community benefits that DTE Energy provides.

## Reliability and Infrastructure

In March 2017, DTE experienced the worst weather-related outage in the company's history. Near hurricane-force winds pounded the state for nearly 12 hours, leaving 800,000 customers without power.

Along with a full contingent of our own crews, DTE brought in crews from seven states to restore power as quickly as possible. Customers affected by this storm were restored at an unprecedented rate of recovery considering the magnitude of the storm.

Both DTE and its community partners rallied to support those without power, providing supplies to warming centers and going door-to-door in many neighborhoods to ensure the safety of residents.

### DTE Electric

We understand how much our customers depend on the electricity we provide. We're always working to improve the 7,600 square miles of our electrical service area to deliver energy customers can count on.

In 2016, we replaced utility poles, installed smart grid sensors and continued to proactively trim trees near power lines. The result was an improved reliability for our customers as we keep the lights on at homes and businesses. Compared to 2014, reliability for our customers improved 70 percent and rates remained below the national average.

In 2016, DTE Energy:

- Began construction on four new state-of-the-art substations and upgraded equipment in many other substations to prepare for increased customer demand in fast-growing areas.
- Upgraded equipment on over 200 customer-serving circuits and replaced approximately 3,000 utility poles to strengthen reliability. We're using new designs and materials that can better withstand Michigan's severe weather, ultimately reducing power outages.
- Installed more than 3,500 new smart grid sensors and other smart grid devices. Smart grid upgrades will help us pinpoint the locations and extent of outages quickly. New technologies identify and diagnose equipment issues early so we can service them proactively, preventing many outages before they occur.
- Trimmed 650,000 trees. Toppled trees and branches are responsible for two-thirds of the time DTE customers spend without power. Recently trimmed areas have seen reliability improve significantly.
- Substantially finished a multi-year installation of more than 2.4 million electric smart meters. Smart meters allow customers to monitor energy use through the DTE Insight App. In conjunction with the DTE Energy Bridge, our customers can monitor electricity use in real time and find ways to conserve energy.

We made great progress in 2016, but our work is not done. We're committed to implementing additional infrastructure upgrades that will result in stronger reliability and peace of mind for our customers. By taking actions to modernize our grid, we are creating a smarter, more reliable system to prepare for Michigan's energy needs today and in the future.

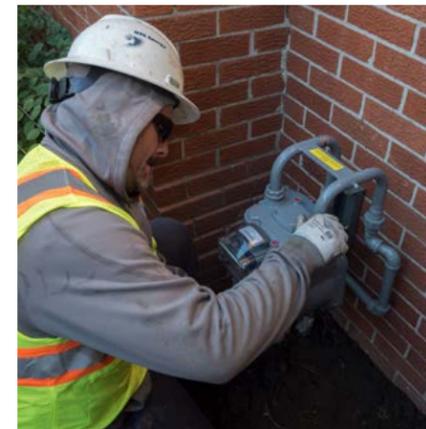
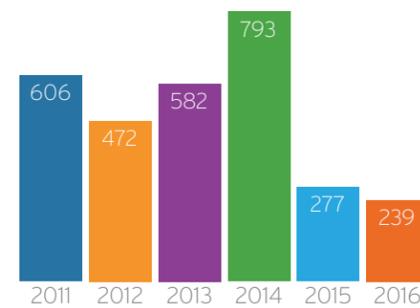
Like most energy companies, DTE Energy tracks service reliability using the Reliability Duration Index, also known as the System Average Interruption Duration Index (SAIDI). SAIDI measures the average length of time in minutes that a customer is without power over the course of a year. DTE is working to reduce the average length of power outages by building a stronger, smarter electrical grid. As we provide more reliable service for our customers, the score on the reliability index will grow smaller. In 2016, we reduced our SAIDI index to 239 minutes – the lowest level in 10 years.

### Tree Trimming

DTE recognizes the value of trees in our communities, both for habitat conservation and aesthetics. As part of our continuing journey toward becoming the best-operated energy company in North America, DTE Energy is renewing its emphasis on tree trimming near our power lines.

Trees are a source of tremendous pride, but they are one of the main causes of power outages. Trees that come into contact with power lines also pose potential safety concerns. In 2016, DTE Energy trimmed trees along 3,348 miles of circuits. Areas trimmed under the enhanced program in 2016 experienced a 78 percent reduction in tree-related outage minutes. Customer complaints filed with the Michigan Public Service Commission went down by 83 percent.

Reliability Duration Index (minutes)



Over the next five years, we plan on investing \$1.6 billion in our natural gas infrastructure. This will help fund the ongoing modernization of our main pipelines and installation of new service lines to homes and businesses.

### DTE Gas

Maintaining a safe and reliable natural gas system is a commitment we take very seriously. The energy we provide is used to heat schools, hospitals, police and fire departments, homes and businesses.

DTE Gas continuously strives to meet or exceed all federal, state and local guidelines for safety, inspections and operations of our pipeline system in Michigan. We have completed all required inspections of our transmission pipelines and voluntarily expanded our program to inspect three times more transmission pipeline miles than required by regulation.

Public safety is extremely important to us. We maintain the safety and reliability of our natural gas pipeline system through a comprehensive program of inspections, maintenance and upgrades.

Over the next 25 years, DTE Gas is upgrading gas mains and service lines to advanced plastic materials, to maintain safe and reliable service for our customers. DTE upgraded 100 miles of main in 2016 and 290 miles of service lines. We plan to modernize another 140

miles of main and 320 miles of service lines annually now through 2021. Along the way, we are also moving indoor gas meters to an outside location so we can provide customers with safer, less intrusive service. By installing new advanced metering technology, we can increase remote data sensing, reduce operating costs and maintain affordable customer rates.

We conduct more than 300,000 gas meter safety inspections every year to ensure safe and reliable operation. In addition, we survey nearly 10,000 miles of pipeline annually, verifying there are no natural gas leaks in the system that serves our customers.

In our gas storage operations, DTE Energy maintains storage wells in adherence with strict state standards and specifications to protect public health and safety. We use remote data monitoring and on-site inspections to continuously monitor the performance of each well. We also perform regular corrosion assessments and pressure testing as well as annual groundwater monitoring to detect and address any methane leakage.

# Serving Our Customers

We know our customers' expectations are changing and we must too. All DTE employees take pride and ownership in delivering highly satisfied customer experiences.

In 2016, our customer outreach teams worked with community partner organizations throughout Michigan to plan and implement 18 Customer Assistance Days, which provided on-site, in-person customer service. These events provided an opportunity for low and limited income residents to apply for energy assistance, obtain energy efficiency information and learn about related human services.

DTE's Customer Experience Initiative focuses on our customers' needs to ensure they have consistent, positive experiences with DTE, no matter how they do business with us. Customers are able to choose from a variety of self-service options available for accessing their account information and interacting with DTE, including the DTE Energy Mobile App. This app provides a convenient way for customers to manage their accounts. In just a few clicks, customers can pay bills, compare their monthly energy usage or report/track an outage. It is compatible with iOS and Android smart phones and can be used on iPads and Android tablets.

Learn more about our [customer energy efficiency programs](#) and [Low Income Self-Sufficiency Plan](#).

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## A Grassroots Approach to Customer Service

The "I Can Help!" program makes it possible for any DTE employee to assist customers whose concerns have not been resolved through our normal customer service processes. When a customer comes to any DTE employee with an unresolved question or concern about their service, that employee can immediately respond by referring the customer's issue to the "I Can Help!" program. DTE employees can use their smartphones, tablets or home computers to submit an "I Can Help!" escalation request. From there, our Executive Customer Assistance Center follows up with customers to resolve their issue.

## Energy Efficiency Services for Business Customers

Our Energy Partnership group provides support to DTE's largest customers for energy efficiency projects, both for electricity and gas usage. DTE Energy engineers develop and manage global energy monitoring programs for Michigan-headquartered companies, using the same software we employ at DTE Energy's own facilities around the country. For the small to medium-sized customer, our Energy Partnership group conducts facility assessments and provides recommendations of best practices for both gas and electric services.

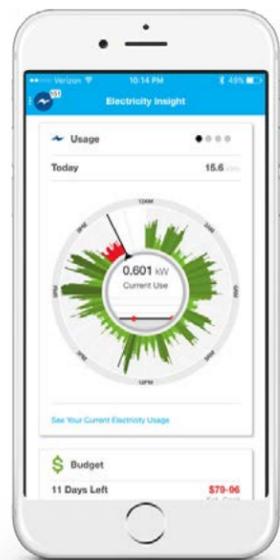
In 2016, our customers across the United States achieved \$15 million in energy savings through the work of our Energy Partnership teams. We further identified over \$100 million in energy savings projects for future implementation.

## DTE Energy's MIGreenPower Program

DTE Energy is continuously working to help customers to use clean energy. In 2017, the company launched MIGreenPower™ to address our customer's demand for a more flexible and affordable alternative to installing renewable equipment at their homes or businesses. MIGreenPower™ provides customers a convenient way to reduce their carbon footprint by supporting power from wind and solar farms – two of the most affordable renewable energy sources available.

Energy for the program is sourced from the Pinnebog Wind Park, located in Huron County, and three solar arrays located in Detroit and Lapeer. By subscribing to MIGreenPower™, customers pay a modest premium to support development of additional renewable generation resources in Michigan. Participation in this voluntary program is open to all DTE Energy business and residential electric customers.

# Technology and Innovation



### DTE Insight App

The DTE Insight App is a mobile app providing customers with real-time home energy usage data by connecting their home's advanced meter to their smartphone. Our customers can use this data to make decisions about home energy usage – from heating and cooling, to the use of appliances and even home weatherization. The app can help customers save energy and reduce their bills.

Since the DTE Insight App became available to iPhone and Android users in summer 2014, more than 115,000 households have downloaded it onto 245,000 devices. The number of residential customers using it in 2016 doubled from the previous year.

The DTE Insight App encourages and enables customers to save energy by changing their behavior, utilizing the following sophisticated tools:

- **Historical tracking** allows customers to see how much energy they use each day, week and month. Over time they can analyze energy trends and progress.
- **Target setting** helps customers set energy usage goals and track their consumption as they approach their energy target.
- **Dashboard view** gives customers continuous insight into their home's energy efficiency and performance.
- **Tips and challenges** provides customers with helpful ideas and challenges to inspire energy reduction and savings.

Customers can also obtain a free DTE Energy Bridge that provides real-time monitoring of home energy usage. Our analysis shows that, on average, residential customers using the DTE Insight App reduce their electricity usage by an estimated 2 percent. By using the DTE Energy Bridge, the energy reduction improves an average of five percent, with some users achieving up to 10 percent.

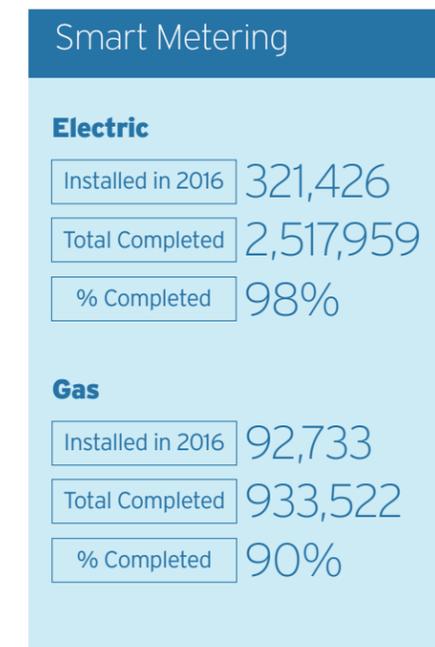
Customers who use the DTE Insight App together with the DTE Energy Bridge are achieving reductions in their energy use by up to 10 percent.

### Smart Meters

Smart meter technology is a system upgrade that uses secure, low-frequency radio transmissions to send electricity and gas usage data without the need for a manual meter reading. Over the last several years, DTE Energy has been installing smart meters across Michigan to ensure our customers have a safe, secure technology that connects directly to their DTE Energy online profiles. This technology allows our customers to better manage their energy usage and lower their bills. Our goal is to convert all DTE Electric meters by the end of 2017 and all DTE Gas meters by the end of 2022. We are on track to meet these goals. Currently we stand at 98 percent completion for DTE Electric and 90 percent for DTE Gas.

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

- Improve reliability by quickly identifying and addressing power outages and other service problems.
- Virtually eliminate estimated bills through automated meter reading.
- Remotely connect and disconnect residential electric service which means faster, less intrusive service.
- Reduce operating costs and thereby limit future rate increases.



# Cybersecurity

In 2016, we received no complaints concerning breaches of customer data privacy.

Protecting the integrity of our computing networks and information has become increasingly important with the rise of concerns about potential malware and data breaches. We take these threats very seriously. DTE Energy has invested in developing a robust Information Protection & Security (IPS) group to ensure that we are fully addressing cybersecurity issues. IPS works to continually maintain and enhance appropriate safeguards to protect critical corporate assets. Protecting information assets from unauthorized access, disclosure, modification or destruction helps ensure that DTE does not suffer loss of customer confidence, market share or competitive advantage. By using a defensive, multi-level approach, we are able to secure our customer's data and other critical digital infrastructure.

In recent years, technology advancements have allowed us to improve our customer service by introducing online platforms and electronic databases to streamline our information management systems. To protect our customer's personal information, we take a proactive stance on the cybersecurity risks associated with new technologies. We participate in numerous state and industry-specific cybersecurity initiatives and adhere to the Michigan Public Service Commission privacy rules and our own information security policy. We perform security assessments of our suppliers and take measures to ensure the safety and security of our smart meter network.



Our best line of defense for information protection and security is our employees. Internal message boards and other employee communications periodically remind the entire workforce about the importance of defensive measures such as strong passwords and proper email security. We provide mandatory, annual security awareness training to deliver a consistent message. Employees must be aware of potential cyber risks in their daily lives and know how to counteract those risks.

### Infrastructure Protection

We also ensure that DTE operations maintain full compliance with federal rules for safeguarding critical infrastructure, which includes our system of electricity generation and distribution. We have strong policies and programs in place to ensure the complex network of controls delivering electricity across our system is not compromised.

# Energy Affordability

### Average Yearly Residential Electric Bills



DTE Energy offers BudgetWise Billing and Flexible Due Date options for customers to more easily manage their bills and make affordable payments.

DTE Energy is committed to keeping energy affordable for our customers. Reasonable electric rates, for businesses as well as residential customers, contribute to the strength and competitiveness of Michigan's economy. We will continue investing in new, cleaner generation to meet our environmental targets and customer expectations, while maintaining and enhancing reliability. We are aggressively pursuing continuous improvement in productivity and efficiency to ensure continued energy affordability for our customers.

The Michigan Public Service Commission approved an electric rate increase in 2016 that will support our efforts to repair and modernize our aging infrastructure. This rate increase is necessary to enable delivery of reliable, safe energy to our customers.

For our residential customers, annual bills tend to be a better measure of affordability than rates alone. DTE Electric residential customers' electric bills are 6 percent below the national average. For our industrial customers that compete on a global or regional scale and have energy-intensive

manufacturing processes, competitive electric rates are especially important. From 2013 through July 2016, DTE Electric industrial rates declined 19 percent and are now below the national average.

For residential and business customers of DTE Gas, we have lowered prices steadily since 2008. This reflects the substantial increase in natural gas supply in the United States. In addition, Michigan's unique geology allows us to buy large quantities of natural gas when prices are low and store it underground until it is needed during cold winter months. This gives DTE customers price stability. The average bill for gas customers is 24 percent lower today than it was 10 years ago.

We encourage our customers to take advantage of our residential energy efficiency programs. In 2015, we reached more than 560,000 electric and almost 300,000 gas customers to help lower their natural gas and electric bills.

### Low Income Self-Sufficiency Plan

While unemployment rates have improved in Michigan, there are still many people struggling to pay their bills. Roughly 16 percent of Michigan residents live below the poverty line. However, government funding for low-income customer assistance has been declining. Approximately 117,500 DTE customers received some kind of energy assistance in 2016.

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

Under DTE's LSP, customers who enroll are required to pay a fixed amount every month based on income and energy use. Their unpaid bill totals are frozen and reduced quarterly with successful payment compliance. Customers on the plan receive home energy assessment services to assist in weatherizing and improving energy efficiency.

During 2015-2016, 35,000 customers enrolled in the LSP and 84 percent successfully stayed on the plan. Only one percent of our LSP customers experienced a service disconnect during the program year. We expect to grow the enrollment to about 50,000 customers in 2017.

## Partnering with The Heat and Warmth Fund and United Way

DTE Energy understands the importance of energy in our customers' daily lives. That's why we work with government agencies and community organizations to bring energy and payment assistance to low-income residents. We believe it is our responsibility to protect our customers from the dangers and financial impact associated with extreme temperatures that occur in Michigan.

By partnering with agencies like United Way and The Heat and Warmth Fund (THAW), we're able to provide ongoing relief to our most vulnerable customers and help them reduce energy-related expenses throughout the year.

DTE helped bridge the gap to help its most vulnerable customers – the elderly, unemployed, underemployed and disabled customers across Michigan – who struggle to pay their utility bills. With \$11 million in donations in 2016 from the DTE Energy Foundation and DTE Energy to THAW and United Way, we were able to keep the lights and heat on for these customers.