DTE ENERGY CO
Form 10-K
February 13, 2015

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

Form 10-K

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-11607

DTE ENERGY COMPANY
(Exact name of registrant as specified in its charter)

Michigan	38-3217752
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
One Energy Plaza, Detroit, Michigan	48226-1279
(Address of principal executive offices)	(Zip Code)

313-235-4000
(Registrant's telephone number, including area code)

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

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, without par value	New York Stock Exchange
2011 Series I 6.5% Junior Subordinated Debentures due 2061	New York Stock Exchange
2012 Series C 5.25% Junior Subordinated Debentures due 2062	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

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

Large accelerated filer þ Accelerated filer o Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

On June 30, 2014, the aggregate market value of the Registrant's voting and non-voting common equity held by non-affiliates was approximately $13.3 billion (based on the New York Stock Exchange closing price on such date).

There were 177,229,483 shares of common stock outstanding at January 30, 2015.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information in DTE Energy Company's definitive Proxy Statement for its 2015 Annual Meeting of Common Shareholders to be held May 7, 2015, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A, not later than 120 days after the end of the registrant's fiscal year covered by this report on Form 10-K, is incorporated herein by reference to Part III (Items 10, 11, 12, 13 and 14) of this Form 10-K.

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101.PRE XBRL Taxonomy Extension Presentation Linkbase

DEFINITIONS

AFUDC	Allowance for Funds Used During Construction
CFTC	U.S. Commodity Futures Trading Commission
COA	U.S Court of Appeals for the District of Columbia
Company	DTE Energy Company and any subsidiary companies
Customer Choice	Michigan legislation giving customers the option of retail access to alternative suppliers for electricity and natural gas
DOE	U.S. Department of Energy
DTE Electric	DTE Electric Company (a direct wholly owned subsidiary of DTE Energy Company) and subsidiary companies
DTE Energy	DTE Energy Company, directly or indirectly the parent of DTE Electric, DTE Gas and numerous non-utility subsidiaries
DTE Gas	DTE Gas Company (an indirect wholly owned subsidiary of DTE Energy) and subsidiary companies
EPA	U.S. Environmental Protection Agency
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FOV	Finding of Violation
FTRs	Financial transmission rights are financial instruments that entitle the holder to receive payments related to costs incurred for congestion on the transmission grid.
GCR	A Gas Cost Recovery mechanism authorized by the MPSC that allows DTE Gas to recover through rates its natural gas costs
IRS	Internal Revenue Service
MBT	Michigan Business Tax
MCIT	Michigan Corporate Income Tax
MCOA	Michigan Court of Appeals
MDEQ	Michigan Department of Environmental Quality
MGP	Manufactured Gas Plant

MISO	Midcontinent Independent System Operator, Inc.
MPSC	Michigan Public Service Commission
MTM	Mark-to-market
NAV	Net Asset Value
NEIL	Nuclear Electric Insurance Limited
Non-utility	An entity that is not a public utility. Its conditions of service, prices of goods and services and other operating related matters are not directly regulated by the MPSC.
NOV	Notice of Violation
NRC	U.S. Nuclear Regulatory Commission
PLD	City of Detroit's Public Lighting Department
Production tax credits	Tax credits as authorized under Sections 45K and 45 of the Internal Revenue Code that are designed to stimulate investment in and development of alternate fuel sources. The amount of a production tax credit can vary each year as determined by the Internal Revenue Service.

DEFINITIONS

PSCR	A Power Supply Cost Recovery mechanism authorized by the MPSC that allows DTE Electric to recover through rates its fuel, fuel-related and purchased power costs
RDM	A Revenue Decoupling Mechanism authorized by the MPSC that is designed to minimize the impact on revenues of changes in average customer usage
REF	Reduced Emissions Fuel
SEC	Securities and Exchange Commission
Securitization	DTE Electric financed specific stranded costs at lower interest rates through the sale of rate reduction bonds by a wholly-owned special purpose entity, The Detroit Edison Securitization Funding LLC
TRIA	Terrorism Risk Insurance Extension Act of 2005
TRM	A Transitional Reconciliation Mechanism authorized by the MPSC that allows DTE Electric to recover through rates the deferred net incremental revenue requirement associated with the transition of PLD customers to DTE Electric's distribution system
VEBA	Voluntary Employees Beneficiary Association
VIE	Variable Interest Entity

Units of Measurement

Bcf	Billion cubic feet of natural gas
BTU	Heat value (energy content) of fuel
kWh	Kilowatthour of electricity
Mcf	Thousand cubic feet of gas
MMBtu	One million BTU
MMcf/d	Million cubic feet of gas per day
MW	Megawatt of electricity
MWh	Megawatthour of electricity

FORWARD-LOOKING STATEMENTS

Certain information presented herein includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations and business of DTE Energy. Words such as “anticipate,” “believe,” “expect,” “projected,” “aspiration” and “goals” signify forward-looking stateme Forward-looking statements are not guarantees of future results and conditions, but rather are subject to numerous assumptions, risks and uncertainties that may cause actual future results to be materially different from those contemplated, projected, estimated or budgeted. Many factors may impact forward-looking statements including, but not limited to, the following:

- impact of regulation by the EPA, FERC, MPSC, NRC, CFTC and other applicable governmental proceedings and regulations, including any associated impact on rate structures;
- the amount and timing of cost recovery allowed as a result of regulatory proceedings, related appeals or new legislation; including legislative amendments and retail access programs;
- economic conditions and population changes in our geographic area resulting in changes in demand, customer conservation and thefts of electricity and natural gas;
- environmental issues, laws, regulations, and the increasing costs of remediation and compliance, including actual and potential new federal and state requirements;
- health, safety, financial, environmental and regulatory risks associated with ownership and operation of nuclear facilities;
- changes in the cost and availability of coal and other raw materials, purchased power and natural gas;
- the potential for losses on investments, including nuclear decommissioning and benefit plan assets and the related increases in future expense and contributions;
- volatility in the short-term natural gas storage markets impacting third-party storage revenues;
- volatility in commodity markets, deviations in weather and related risks impacting the results of our energy trading operations;
- access to capital markets and the results of other financing efforts which can be affected by credit agency ratings;
- instability in capital markets which could impact availability of short and long-term financing;
- the timing and extent of changes in interest rates;
- the level of borrowings;
- the potential for increased costs or delays in completion of significant construction projects;
- changes in and application of federal, state and local tax laws and their interpretations, including the Internal Revenue Code, regulations, rulings, court proceedings and audits;
- the effects of weather and other natural phenomena on operations and sales to customers, and purchases from suppliers;
- unplanned outages;
- the cost of protecting assets against, or damage due to, terrorism or cyber attacks;
- employee relations and the impact of collective bargaining agreements;
- the risk of a major safety incident at an electric or gas distribution, storage or generation facility;
- the availability, cost, coverage and terms of insurance and stability of insurance providers;
- cost reduction efforts and the maximization of plant and distribution system performance;
- the effects of competition;
- changes in and application of accounting standards and financial reporting regulations;
- changes in federal or state laws and their interpretation with respect to regulation, energy policy and other business issues;
- contract disputes, binding arbitration, litigation and related appeals; and
- the risks discussed in our public filings with the Securities and Exchange Commission.

New factors emerge from time to time. We cannot predict what factors may arise or how such factors may cause our results to differ materially from those contained in any forward-looking statement. Any forward-looking statements speak only as of the date on which such statements are made. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

Part I
Items 1. and 2. Business and Properties
General
In 1995, DTE Energy incorporated in the State of Michigan. Our utility operations consist primarily of DTE Electric and DTE Gas. We also have three other segments that are engaged in a variety of energy-related businesses.
DTE Electric is a Michigan corporation organized in 1903 and is a public utility subject to regulation by the MPSC and the FERC. DTE Electric is engaged in the generation, purchase, distribution and sale of electricity to approximately 2.1 million customers in southeastern Michigan.
DTE Gas is a Michigan corporation organized in 1898 and is a public utility subject to regulation by the MPSC and the FERC. DTE Gas is engaged in the purchase, storage, transportation, distribution and sale of natural gas to approximately 1.2 million customers throughout Michigan and the sale of storage and transportation capacity.
Our other businesses are involved in 1) natural gas pipelines, gathering and storage; 2) power and industrial projects; and 3) energy marketing and trading operations.
Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and all amendments to such reports are available free of charge through the Investors - Reports and Filings page of our website: www.dteenergy.com, as soon as reasonably practicable after they are filed with or furnished to the SEC. Our previously filed reports and statements are also available at the SEC's website: www.sec.gov.
The Company's Code of Ethics and Standards of Behavior, Board of Directors' Mission and Guidelines, Board Committee Charters, and Categorical Standards of Director Independence are also posted on its website. The information on the Company's website is not part of this or any other report that the Company files with, or furnishes to, the SEC.
Additionally, the public may read and copy any materials the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.
References in this Report to "we," "us," "our," "Company" or "DTE" are to DTE Energy and its subsidiaries, collectively.
Corporate Structure
Based on the following structure, we set strategic goals, allocate resources, and evaluate performance. For financial information by segment for the last three years see Note 20 to the Consolidated Financial Statements in Item 8 of this Report, "Segment and Related Information".
Electric

- The Electric segment consists principally of DTE Electric, which is engaged in the generation, purchase, distribution and sale of electricity to approximately 2.1 million residential, commercial and industrial customers in southeastern Michigan.

Gas

- The Gas segment consists principally of DTE Gas, which is engaged in the purchase, storage, transportation, distribution and sale of natural gas to approximately 1.2 million residential, commercial and industrial customers throughout Michigan and the sale of gas storage and transportation capacity.

Non-utility Operations

- Gas Storage and Pipelines consists of natural gas pipelines, gathering and storage businesses.
- Power and Industrial Projects is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial and institutional customers, produce reduced emissions fuel and sell electricity from renewable energy projects.
- Energy Trading consists of energy marketing and trading operations.

Corporate and Other

- Corporate and other includes various holding company activities, holds certain non-utility debt and energy-related investments.

Refer to our Management's Discussion and Analysis in Item 7 of this Report for an in-depth analysis of each segment's financial results. A description of each business unit follows.

ELECTRIC

Description

Our Electric segment consists principally of DTE Electric, an electric utility engaged in the generation, purchase, distribution and sale of electricity to approximately 2.1 million customers in southeastern Michigan. DTE Electric is regulated by numerous federal and state governmental agencies, including, but not limited to, the MPSC, the FERC, the NRC, the EPA and the MDEQ. Electricity is generated from our fossil-fuel plants, a hydroelectric pumped storage plant, a nuclear plant and our wind and other renewable assets, and is purchased from electricity generators, suppliers and wholesalers. The electricity we produce and purchase is sold to three major classes of customers: residential, commercial and industrial, throughout southeastern Michigan.

Revenue by Service

	2014	2013	2012
	(In millions)		
Residential	$2,168	$2,351	$2,354
Commercial	1,761	1,883	1,898
Industrial	767	799	784
Other (a)	494	45	152
Subtotal	5,190	5,078	5,188
Interconnection sales (b)	93	121	105
Total Revenue	$5,283	$5,199	$5,293

(a) Includes revenue associated with under or over recoveries of tracking mechanisms and deferred gain amortization of the previously reversed RDM liability.

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

Weather, economic factors, competition and electricity prices affect sales levels to customers. Our peak load and highest total system sales generally occur during the third quarter of the year, driven by air conditioning, and other cooling-related demands. Our operations are not dependent upon a limited number of customers and the loss of any one or a few customers would not have a material adverse effect on DTE Electric.

Fuel Supply and Purchased Power

Our power is generated from a variety of fuels and is supplemented with purchased power. We expect to have an adequate supply of fuel and purchased power to meet our obligation to serve customers. Our generating capability is heavily dependent upon the availability of coal. Coal is purchased from various sources in different geographic areas under agreements that vary in both pricing and terms. We expect to obtain the majority of our coal requirements through long-term contracts, with the balance to be obtained through short-term agreements and spot purchases. We have long-term and short-term contracts for the purchase of approximately 30.3 million tons of low-sulfur western coal and approximately 3.5 million tons of Appalachian coal to be delivered from 2015 to 2017. All of these contracts have pricing schedules. We have approximately 91% of our 2015 expected coal requirements under contract. Given the geographic diversity of supply, we believe we can meet our expected generation requirements. We lease a fleet of rail cars and have our expected western coal rail requirements under contract through 2018. All of our expected eastern coal rail requirements are under contract through 2016. Contracts covering expected vessel transportation requirements for delivery of purchased coal to our generating facilities are currently being negotiated.

DTE Electric participates in the energy market through MISO. We offer our generation in the market on a day-ahead and real-time basis and bid for power in the market to serve our load. We are a net purchaser of power that supplements our generation capability to meet customer demand during peak cycles or during major plant outages.

Properties

DTE Electric owns generating plants and facilities that are located in the State of Michigan. Substantially all of DTE Electric's property is subject to the lien of a mortgage.

Generating plants owned and in service as of December 31, 2014 are shown in the following table. The Company's renewable energy generation, principally wind turbines, is described below.

Plant Name	Location by Michigan County	Summer Net Rated Capability (a) (MW)	(%)	Year in Service
Fossil-fueled Steam-Electric				
Belle River (b)	St. Clair	1,036	9.9	1984 and 1985
Greenwood	St. Clair	785	7.5	1979
Monroe (c)	Monroe	3,080	29.5	1971, 1973 and 1974
River Rouge	Wayne	542	5.2	1957 and 1958
St. Clair	St. Clair	1,398	13.4	1953, 1954, 1959, 1961 and 1969
Trenton Channel	Wayne	609	5.8	1949 and 1968
		7,450	71.3	
Oil or Gas-fueled Peaking Units	Various	936	9.0	1966-1971, 1981 and 1999
Nuclear-fueled Steam-Electric Fermi 2	Monroe	1,124	10.8	1988
Hydroelectric Pumped Storage Ludington (d)	Mason	917	8.9	1973
		10,427	100.0	

(a) Summer net rated capabilities of generating plants in service are based on periodic load tests and are changed depending on operating experience, the physical condition of units, environmental control limitations and customer requirements for steam, which otherwise would be used for electric generation.

(b) The Belle River capability represents DTE Electric’s entitlement to 81% of the capacity and energy of the plant. See Note 6 to the Consolidated Financial Statements in Item 8 of this Report, "Jointly Owned Utility Plant".

(c) The Monroe generating plant provided 38% of DTE Electric’s total 2014 power plant generation.

(d) Represents DTE Electric’s 49% interest in Ludington with a total capability of 1,872 MW. See Note 6 to the Consolidated Financial Statements in Item 8 of this Report, "Jointly Owned Utility Plant".

In 2008, a renewable portfolio standard was established for Michigan electric providers targeting 10% of electricity sold to retail customers from renewable energy by 2015. DTE Electric had approximately 1,000 MW of owned or contracted renewable energy generation, principally wind turbines located in Gratiot, Tuscola, Huron and Sanilac counties in Michigan, at December 31, 2014. Approximately 900 MW was in commercial operation at December 31, 2014. DTE Electric expects to meet the 10% renewable portfolio standard in 2015.

DTE Electric expects to retire Trenton Channel Unit 7 (109 MW) in April 2016. Over the next fifteen years, DTE Electric expects to retire additional coal-fired generation and to increase the proportion of its generation mix attributable to natural gas-fired generation and renewables. In January 2015, DTE Electric closed on the acquisition of a 732 MW simple-cycle natural gas facility in Carson City, Michigan (Montcalm County). See Note 22 - Subsequent Event of the Notes to Consolidated Financial Statements in Item 8 of this Report.

DTE Electric owns and operates 675 distribution substations with a capacity of approximately 32,867,000 kilovolt-amperes (kVA) and approximately 432,900 line transformers with a capacity of approximately 23,359,000 kVA.

Circuit miles of electric distribution lines owned and in service as of December 31, 2014:

	Circuit Miles	
Operating Voltage-Kilovolts (kV)	Overhead	Underground
4.8 kV to 13.2 kV	27,807	14,647
24 kV	182	682
40 kV	2,290	385
120 kV	60	8
	30,339	15,722

There are numerous interconnections that allow the interchange of electricity between DTE Electric and electricity providers external to our service area. These interconnections are generally owned and operated by ITC Transmission, an unrelated company, and connect to neighboring energy companies.

Regulation

DTE Electric's business is subject to the regulatory jurisdiction of various agencies, including, but not limited to, the MPSC, the FERC and the NRC. The MPSC issues orders pertaining to rates, recovery of certain costs, including the costs of generating facilities and regulatory assets, conditions of service, accounting and operating-related matters. DTE Electric's MPSC-approved rates charged to customers have historically been designed to allow for the recovery of costs, plus an authorized rate of return on our investments. The FERC regulates DTE Electric with respect to financing authorization and wholesale electric activities. The NRC has regulatory jurisdiction over all phases of the operation, construction, licensing and decommissioning of DTE Electric's nuclear plant operations. We are subject to the requirements of other regulatory agencies with respect to safety, the environment and health.

See Notes 7, 8, 11 and 17 to the Consolidated Financial Statements in Item 8 of this Report, "Asset Retirement Obligations", "Regulatory Matters", "Fair Value" and "Commitments and Contingencies".

Energy Assistance Programs

Energy assistance programs, funded by the federal government and the State of Michigan, remain critical to DTE Electric’s ability to control its uncollectible accounts receivable and collections expenses. DTE Electric’s uncollectible accounts receivable expense is directly affected by the level of government-funded assistance its qualifying customers receive. We work continuously with the State of Michigan and others to determine whether the share of funding allocated to our customers is representative of the number of low-income individuals in our service territory. We also partner with federal, state and local officials to attempt to increase the share of low-income funding allocated to our customers. Changes in the level of funding provided to our low-income customers will affect the level of uncollectible expense.

Strategy and Competition

Our electrical generation operations seek to provide the energy needs of our customers in a cost effective manner. With potential capacity constraints in our MISO region, there will be increased dependency on our generation to provide reliable service and price stability for our customers. This generation will require a large investment driven by our aging coal fleet along with increased environmental regulations.

Our distribution operations focus is on distributing energy in a safe, cost effective, and reliable manner to our customers. We seek to increase operational efficiencies to increase our customer satisfaction at an affordable rate.

The electric Customer Choice program in Michigan gives our electric customers the option of retail access to alternative electric suppliers, subject to limits. Customers with retail access to alternative electric suppliers represented approximately 10% of retail sales in 2014, 2013 and 2012 and consisted primarily of industrial and commercial customers. MPSC rate orders and 2008 energy legislation enacted by the State of Michigan have placed a 10% cap on the total retail access related migration, mitigating some of the unfavorable effects of electric retail access on our financial performance and full service customer rates. We expect that in 2015 customers with retail access to alternative electric suppliers will represent approximately 10% of retail sales.

Competition in the regulated electric distribution business is primarily from the on-site generation of industrial customers and from distributed generation applications by industrial and commercial customers. We do not expect significant competition for distribution to any group of customers in the near term.

Revenues from year to year will vary due to weather conditions, economic factors, regulatory events and other risk factors as discussed in the “Risk Factors” in Item 1A. of this Report.

GAS

Description

Our Gas segment consists principally of DTE Gas which is a natural gas utility engaged in the purchase, storage, transportation, distribution and sale of natural gas to approximately 1.2 million residential, commercial and industrial customers throughout Michigan and the sale of storage and transportation capacity.

Revenue is generated by providing the following major classes of service: gas sales, end user transportation, intermediate transportation, and gas storage.

Revenue by Service

	2014	2013	2012
	(In millions)		
Gas sales	$1,233	$1,093	$957
End user transportation	218	212	198
Intermediate transportation	68	59	58
Storage and other	117	110	102
Total Revenue	$1,636	$1,474	$1,315

- Gas sales — Includes the sale and delivery of natural gas primarily to residential and small-volume commercial and industrial customers.
- End user transportation — Gas delivery service provided primarily to large-volume commercial and industrial customers. Additionally, the service is provided to residential customers, and small-volume commercial and industrial customers who have elected to participate in our gas retail access program. End user transportation customers purchase natural gas directly from marketers, producers or brokers and utilize our pipeline network to transport the gas to their facilities or homes.
- Intermediate transportation — Gas delivery service is provided to producers, brokers and other gas companies that own the natural gas, but are not the ultimate consumers. Intermediate transportation customers use our high-pressure transportation system to transport the natural gas to storage fields, pipeline interconnections or other locations.

- Storage and other — Includes revenues from natural gas storage, appliance maintenance, facility development and other energy-related services.

Our gas sales, end user transportation and intermediate transportation volumes, revenues and net income are impacted by weather. Given the seasonal nature of our business, revenues and net income are concentrated in the first and fourth quarters of the calendar year. By the end of the first quarter, the heating season is largely over, and we typically realize substantially reduced revenues and earnings in the second quarter and losses in the third quarter. The impacts of changes in average customer usage are minimized by the RDM.

Our operations are not dependent upon a limited number of customers, and the loss of any one or a few customers would not have a material adverse effect on our Gas segment.

Natural Gas Supply

Our gas distribution system has a planned maximum daily send-out capacity of 2.5 Bcf, with approximately 67% of the volume coming from underground storage for 2014. Peak-use requirements are met through utilization of our storage facilities, pipeline transportation capacity and purchased gas supplies. Because of our geographic diversity of supply and our pipeline transportation and storage capacity, we are able to reliably meet our supply requirements. We believe natural gas supply and pipeline capacity will be sufficiently available to meet market demands in the foreseeable future.

We purchase natural gas supplies in the open market by contracting with producers and marketers, and we maintain a diversified portfolio of natural gas supply contracts. Supplier, producing region, quantity, and available transportation diversify our natural gas supply base. We obtain our natural gas supply from various sources in different geographic areas (Gulf Coast, Mid-Continent, Canada and Michigan) under agreements that vary in both pricing and terms. Gas supply pricing is generally tied to the New York Mercantile Exchange and published price indices to approximate current market prices combined with MPSC approved fixed price supplies with varying terms and volumes through 2017.

We are directly connected to interstate pipelines, providing access to most of the major natural gas supply producing regions in the Gulf Coast, Mid-Continent and Canadian regions. Our primary long-term transportation supply contracts are as follows:

	Availability (MMcf/d)	Contract Expiration
Great Lakes Gas Transmission L.P.	30	2017
Viking Gas Transmission Company	21	2017
Vector Pipeline L.P.	50	2017
ANR Pipeline Company	224	2028
Panhandle Eastern Pipeline Company	75	2029

Properties

We own distribution, storage and transportation properties that are located in the State of Michigan. Our distribution system includes approximately 19,000 miles of distribution mains, approximately 1,162,000 service pipelines and approximately 1,313,000 active meters. We own approximately 2,000 miles of transmission pipelines that deliver natural gas to the distribution districts and interconnect our storage fields with the sources of supply and the market areas.

We own storage properties relating to four underground natural gas storage fields with an aggregate working gas storage capacity of approximately 141 Bcf. These facilities are important in providing reliable and cost-effective service to our customers. In addition, we sell storage services to third parties.

Most of our distribution and transportation property is located on property owned by others and used by us through easements, permits or licenses. Substantially all of DTE Gas's property is subject to the lien of a mortgage.

We lease a portion of our pipeline system to the Vector Pipeline Partnership (an affiliate) through a capital lease arrangement. See Note 16 to the Consolidated Financial Statements in Item 8 of the Report, "Capital and Operating Leases".

Regulation
DTE Gas's business is subject to the regulatory jurisdiction of the MPSC, which issues orders pertaining to rates, recovery of certain costs, including the costs of regulatory assets, conditions of service, accounting and operating-related matters. DTE Gas's MPSC-approved rates charged to customers have historically been designed to allow for the recovery of costs, plus an authorized rate of return on our investments. DTE Gas operates natural gas storage and transportation facilities in Michigan as intrastate facilities regulated by the MPSC and provides intrastate storage and transportation services pursuant to an MPSC-approved tariff.
DTE Gas also provides interstate storage and transportation services in accordance with an Operating Statement on file with the FERC. The FERC's jurisdiction is limited and extends to the rates, non-discriminatory requirements, and the terms and conditions applicable to storage and transportation provided by DTE Gas in interstate markets. FERC granted DTE Gas authority to provide storage and related services in interstate commerce at market-based rates. DTE Gas provides transportation services in interstate commerce at cost-based rates approved by the MPSC and filed with the FERC.
We are subject to the requirements of other regulatory agencies with respect to safety, the environment and health.
See Notes 8 and 17 to the Consolidated Financial Statements in Item 8 of this Report, "Regulatory Matters" and "Commitments and Contingencies".
Energy Assistance Program
Energy assistance programs, funded by the federal government and the State of Michigan, remain critical to DTE Gas’s ability to control its uncollectible accounts receivable and collections expenses. DTE Gas’s uncollectible accounts receivable expense is directly affected by the level of government-funded assistance its qualifying customers receive. We work continuously with the State of Michigan and others to determine whether the share of funding allocated to our customers is representative of the number of low-income individuals in our service territory. We also partner with federal, state and local officials to attempt to increase the share of low-income funding allocated to our customers. Changes in the level of funding provided to our low-income customers will affect the level of uncollectible expense.
Strategy and Competition
Our strategy is to be the preferred provider of natural gas services in Michigan. We expect future sales volumes to decline due to reduced natural gas usage by customers due to more efficient furnaces and appliances, and an increased emphasis on conservation of energy usage. We continue to provide energy-related services that capitalize on our expertise, capabilities and efficient systems. We continue to focus on lowering our operating costs by improving operating efficiencies.
Competition in the gas business primarily involves other natural gas transportation providers, as well as providers of alternative fuels and energy sources. The primary focus of competition for end user transportation is cost and reliability. Some large commercial and industrial customers have the ability to switch to alternative fuel sources such as coal, electricity, oil and steam. If these customers were to choose an alternative fuel source, they would not have a need for our end-user transportation service. In addition, some of these customers could bypass our pipeline system and have their gas delivered directly from an interstate pipeline. We compete against alternative fuel sources by providing competitive pricing and reliable service, supported by our storage capacity.
Our extensive transportation pipeline system has enabled us to market our storage and transportation services for gas producers, marketers, distribution companies, end-user customers and other pipeline companies. We operate in a central geographic location with connections to major Midwestern interstate pipelines that extend throughout the Midwest, eastern United States and eastern Canada.
DTE Gas’s storage capacity is used to store natural gas for delivery to DTE Gas's customers as well as sold to third parties, under a variety of arrangements. Prices for storage arrangements for shorter periods are generally higher, but more volatile than for longer periods. Prices are influenced primarily by market conditions, weather and natural gas pricing.

GAS STORAGE AND PIPELINES

Description

Gas Storage and Pipelines controls two natural gas storage fields, intrastate lateral and intrastate gathering pipeline systems, and has ownership interests in two interstate pipelines serving the Midwest, Ontario and Northeast markets. The pipeline and storage assets are primarily supported by long-term, fixed-price revenue contracts.

Properties

The Gas Storage and Pipelines business holds the following property:

Property Classification	% Owned		Description	Location
Pipelines				
Vector Pipeline	40	%	348-mile pipeline connecting Chicago, Michigan and Ontario market centers	IL, IN, MI & Ontario
Millennium Pipeline	26	%	182-mile pipeline serving markets in the Northeast	NY
Bluestone Lateral	100	%	47.5-miles of installed pipeline delivering Marcellus Shale gas to Millennium Pipeline and Tennessee Pipeline	PA & NY
Susquehanna gathering system	100	%	Gathering system delivering Southwestern Energy's Marcellus Shale gas production to Bluestone Lateral	PA
Michigan gathering systems	100	%	Gathers production gas in northern Michigan	MI
Storage				
Washington 10	100	%	75 Bcf of storage capacity	MI
Washington 28	50	%	16 Bcf of storage capacity	MI

The assets of these businesses are well integrated with other DTE Energy operations. Pursuant to an operating agreement, DTE Gas provides physical operations, maintenance, and technical support for the Washington 10 and 28 storage facilities and for the Michigan gathering systems.

Regulation

The Gas Storage and Pipelines business operates natural gas storage facilities in Michigan as intrastate facilities regulated by the MPSC and provides intrastate storage and related services pursuant to an MPSC-approved tariff. We also provide interstate services in accordance with an Operating Statement on file with the FERC. Vector and Millennium Pipelines provide interstate transportation services in accordance with their FERC-approved tariffs. In Pennsylvania, our gathering and pipeline assets are subject to the rules and regulations of the Pennsylvania Public Utility Commission. Bluestone Lateral is regulated as a transmission line in the state of New York by the New York Public Service Commission.

Strategy and Competition

Our Gas Storage and Pipelines business expects to continue its steady growth plan by expanding existing assets and developing new assets that are typically supported with long−term customer commitments. We have competition from other pipelines and storage providers. The Gas Storage and Pipelines business focuses on asset development opportunities in the Midwest−to−Northeast region to supply natural gas to meet growing demand. Much of the growth in demand for natural gas is expected to occur in the Eastern Canada and the Northeast U.S. regions. We believe that the Vector and Millennium Pipelines are well positioned to provide access routes and low−cost expansion options to these markets. In addition, we believe that Millennium Pipeline is well positioned for growth in production from the Marcellus shale, especially with respect to Marcellus production in Northern Pennsylvania. Gas Storage and Pipelines has an agreement with Southwestern Energy Production Company to support its Bluestone Lateral and Susquehanna gathering system. We expect to continue steady growth in the Gas Storage and Pipelines business and are evaluating new pipeline and storage investment opportunities that could include additional Millennium and Vector expansions and laterals, Bluestone compression and laterals, Susquehanna gathering expansions, and other Marcellus/Utica shale midstream development or partnering opportunities, such as the proposed Nexus pipeline. Our operations are dependent upon a limited number of customers, and the loss of any one or a few customers could have a material adverse effect on the Gas Storage and Pipelines business.

POWER AND INDUSTRIAL PROJECTS

Description

Power and Industrial Projects is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial and institutional customers, produce reduced emissions fuel and sell electricity from renewable energy projects. This business segment provides services using project assets usually located on or near the customers' premises in the steel, automotive, pulp and paper, airport, and other industries as follows:

Steel and Petroleum Coke: We produce metallurgical coke from two coke batteries with a capacity of 1.4 million tons per year. We have an investment in a third coke battery with a capacity of 1.2 million tons per year. We also provide pulverized coal and petroleum coke to the steel, pulp and paper and other industries.

On-Site Energy: We provide power generation, steam production, chilled water production, wastewater treatment and compressed air supply to industrial customers. We provide utility-type services using project assets usually located on or near the customers' premises in the automotive, airport, chemical and other industries.

Wholesale Power and Renewables: We hold ownership interests in and operate five renewable generating plants with a capacity of 228 MWs. The electric output is sold under long term power purchase agreements. We also develop landfill gas recovery systems that capture the gas and provide local utilities, industry and consumers with an opportunity to use a competitive, renewable source of energy, in addition to providing environmental benefits by reducing greenhouse gas emissions.

Reduced Emissions Fuel: We own and operate nine REF facilities. Our facilities blend a proprietary additive with coal used in coal-fired power plants resulting in reduced emissions of nitrogen oxide and mercury. Qualifying facilities are eligible to generate tax credits for ten years upon achieving certain criteria. The value of a tax credit is adjusted annually by an inflation factor published by the IRS. The value of the tax credit is reduced if the reference price of coal exceeds certain thresholds. The economic benefit of the REF facilities is dependent upon the generation of production tax credits. We placed in service five REF facilities in 2009 and an additional four REF facilities in 2011. To optimize income and cash flow from the REF operations, we sold membership interests at two of the facilities in 2011 and at two additional facilities in 2013. We continue to optimize these facilities by seeking investors for facilities operating at DTE Electric and other utility sites. Additionally, we intend to relocate certain underutilized facilities to alternative coal-fired power plants which may provide increased production and emission reduction opportunities in 2015 and future years.

Properties and Other

The following are significant properties operated by the Power and Industrial Projects segment:

Facility	Location	Service Type
Steel and Petroleum Coke		
Pulverized Coal Operations	MI	Pulverized Coal
Coke Production	MI & PA	Metallurgical Coke Supply
Other Investment in Coke Production and Petroleum Coke	IN & MS	Metallurgical Coke Supply and Pulverized Petroleum Coke
On-Site Energy		
Automotive	Various sites in MI, IN, OH & NY	Electric Distribution, Chilled Water, Waste Water, Steam, Cooling Tower Water, Reverse Osmosis Water, Compressed Air, Mist and Dust Collectors
Airports	MI & PA	Electricity, Hot and Chilled Water
Chemical Manufacturing	IL, KY & OH	Electricity, Steam, Natural Gas, Compressed Air and Wastewater
Consumer Manufacturing	OH	Electricity, Steam, Hot and Chilled Water, Sewer, Compressed Air
Business Park	FL & PA	Electricity and Chilled Water
Hospital	CA	Electricity, Steam and Chilled Water
Wholesale Power and Renewables		
Pulp and Paper	AL	Electric Generation and Steam
Renewables	CA, MN & WI	Electric Generation
Landfill Gas Recovery	Various U.S. sites	Electric Generation and Landfill Gas
REF	MI, OK, IL & OH	REF Supply

	2014	2013	2012
	(In millions)		
Production Tax Credits Generated (Allocated to DTE Energy)			
REF	$84	$44	$35
Power Generation	11	8	7
Landfill Gas Recovery	2	1	1
	$97	$53	$43

Regulation

Certain electric generating facilities within Power and Industrial Projects have market-based rate authority from the FERC to sell power. The facilities are subject to FERC reporting requirements and market behavior rules. Certain Power and Industrial projects are also subject to the applicable laws, rules and regulations related to the EPA, U.S. Department of Homeland Security, DOE and various state utility commissions.

Strategy and Competition

Power and Industrial Projects will continue leveraging its energy-related operating experience and project management capability to develop and grow our steel, on-site energy, renewable power, and REF businesses. We also will continue to pursue opportunities to provide asset management and operations services to third parties. There are limited competitors for our existing disparate businesses who provide similar products and services. Our operations are dependent upon a limited number of customers, and the loss of any one or a few customers could have a material adverse effect on the Power and Industrial Projects business.

We anticipate building around our core strengths in the markets where we operate. In determining the markets in which to compete, we examine closely the regulatory and competitive environment, new and pending legislation, the number of competitors and our ability to achieve sustainable margins. We plan to maximize the effectiveness of our related businesses as we expand. As we pursue growth opportunities, our first priority will be to achieve value-added returns.

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We intend to focus on the following areas for growth:

- Obtaining investors in our REF projects;
- Relocating our underutilized REF facilities to alternative coal-fired power plants which may provide increased production and emission reduction opportunities in 2015 and future years;
- Acquiring and developing landfill gas recovery facilities, renewable energy projects, and other energy projects which may qualify for tax credits; and
- Providing operating services to owners of industrial and power plants.

ENERGY TRADING

Description

Energy Trading focuses on physical and financial power and gas marketing and trading, structured transactions, enhancement of returns from DTE Energy’s asset portfolio, and optimization of contracted natural gas pipeline transportation and storage, and generating capacity positions. Energy Trading also provides natural gas, power and related services which may include the management of associated storage and transportation contracts on the customers’ behalf and the supply or purchase of renewable energy credits to various customers. Our customer base is predominantly utilities, local distribution companies, pipelines, producers and generators, and other marketing and trading companies. We enter into derivative financial instruments as part of our marketing and hedging activities. These financial instruments are generally accounted for under the mark-to-market method, which results in the recognition in earnings of unrealized gains and losses from changes in the fair value of the derivatives. We utilize forwards, futures, swaps and option contracts to mitigate risk associated with our marketing and trading activity as well as for proprietary trading within defined risk guidelines. Energy Trading also provides commodity risk management services to the other businesses within DTE Energy.

Significant portions of the Energy Trading portfolio are economically hedged. Most financial instruments and physical power and natural gas contracts are deemed derivatives; whereas, natural gas inventory, contracts for pipeline transportation, renewable energy credits and storage assets are not derivatives. As a result, this segment will experience earnings volatility as derivatives are marked-to-market without revaluing the underlying non-derivative contracts and assets. The segment’s strategy is to economically manage the price risk of these underlying non-derivative contracts and assets with futures, forwards, swaps and options. This results in gains and losses that are recognized in different interim and annual accounting periods.

Regulation

Energy Trading has market-based rate authority from the FERC to sell power and blanket authority from the FERC to sell natural gas at market prices. Energy Trading is subject to FERC reporting requirements and market behavior rules. Energy Trading is also subject to the applicable laws, rules and regulations related to the CFTC, U.S. Department of Homeland Security and DOE.

Strategy and Competition

Our strategy for the Energy Trading business is to deliver value-added services to our customers. We seek to manage this business in a manner complementary to the growth of our other business segments. We focus on physical marketing and the optimization of our portfolio of energy assets. We compete with electric and gas marketers, financial institutions, traders, utilities and other energy providers. The Energy Trading business is dependent upon the availability of capital and an investment grade credit rating. The Company believes it has ample available capital capacity to support Energy Trading activities. We monitor our use of capital closely to ensure that our commitments do not exceed capacity. A material credit restriction would negatively impact our financial performance. Competitors with greater access to capital or at a lower cost may have a competitive advantage. We have risk management and credit processes to monitor and mitigate risk.

CORPORATE AND OTHER

Description

Corporate and Other includes various holding company activities and holds certain non-utility debt and energy-related investments.

ENVIRONMENTAL MATTERS

We are subject to extensive environmental regulation. We expect to continue recovering environmental costs related to utility operations through rates charged to our customers. The following table summarizes our estimated significant future environmental expenditures based upon current regulations. Actual costs to comply could vary substantially. Additional costs may result as the effects of various substances on the environment are studied and governmental regulations are developed and implemented.

	Electric	Gas	Non-utility	Total
	(In millions)			
Air	$150	$—	$—	$150
Water	70	—	15	85
Contaminated and other sites	180	25	—	205
Estimated total future expenditures through 2019	$400	$25	$15	$440
Estimated 2015 expenditures	$100	$5	$10	$115
Estimated 2016 expenditures	$40	$5	$5	$50

Air - DTE Electric is subject to the EPA ozone and fine particulate transport and acid rain regulations that limit power plant emissions of sulfur dioxide and nitrogen oxides. Since 2005, the EPA and the State of Michigan have issued additional emission reduction regulations relating to ozone, fine particulate, regional haze, mercury and other air pollution. These rules have led to additional emission controls on fossil-fueled power plants to reduce nitrogen oxide and sulfur dioxide, with further emission controls planned for reductions of mercury and other emissions. These rulemakings could require additional controls for sulfur dioxide, nitrogen oxides and other hazardous air pollutants over the next few years.

The EPA is implementing regulatory actions under the Clean Air Act to address emissions of greenhouse gases (GHGs) from the utility sector and other sectors of the economy. Among these actions, the EPA is proposing performance standards for emissions of carbon dioxide from new and existing electric generating units (EGUs). The EPA plans to issue a final standard for both new and existing sources by July 2015. The carbon standards for new sources are not expected to have a material impact on the Company, since the Company has no plans to build new coal-fired generation. It is not possible to determine the potential impact of future regulations on existing sources at this time. Pending or future legislation or other regulatory actions could have a material impact on our operations and financial position and the rates we charge our customers. Impacts include expenditures for environmental equipment beyond what is currently planned, financing costs related to additional capital expenditures, the purchase of emission credits from market sources, higher costs of purchased power, and the retirement of facilities where control equipment is not economical. We would seek to recover these incremental costs through increased rates charged to our utility customers as authorized by the MPSC.

Water - The EPA finalized regulations on cooling water intake in August 2014. DTE Electric is conducting studies to determine the best technology for reducing the environmental impacts of the cooling water intake structures at each of its facilities. DTE Electric may be required to install technologies to reduce the impacts of the cooling water intakes. The EPA has also issued proposed steam electric effluent guidelines. These rules are expected to require additional wastewater discharge controls.

Contaminated and Other Sites - Prior to the construction of major interstate natural gas pipelines, gas for heating and other uses was manufactured locally from processes involving coal, coke or oil. The facilities, which produced gas, have been designated as MGP sites. Gas segment owns, or previously owned, fifteen such former MGP sites. DTE Electric owns, or previously owned, three former MGP sites. The Company anticipates the cost amortization methodology approved by the MPSC for DTE Gas, which allows DTE Gas to amortize the MGP costs over a ten-year period beginning with the year subsequent to the year the MGP costs were incurred, will prevent environmental costs from having a material adverse effect on the Company's operations.

We are also in the process of cleaning up other sites where contamination is present as a result of historical and ongoing utility operations. These other sites include an engineered ash storage facility, electrical distribution substations, gas pipelines, electric generating power plants, and underground and aboveground storage tank locations. Cleanup activities associated with these sites will be conducted over the next several years. Any significant change in assumptions, such as remediation techniques, nature and extent of contamination and regulatory requirements, could impact the estimate of remedial action costs for these sites and affect the Company's financial position and cash flows and the rates we charge our customers.

In December 2014, the EPA released a pre-publication version of a rule to regulate coal ash. This rule is based on the continued listing of ash as a non-hazardous waste, and relies on various self-implementation design and performance standards. The rule is still being evaluated and it is not possible to quantify its impact at this time. DTE Electric owns and operates three permitted engineered ash storage facilities to dispose of fly ash from coal fired power plants and operates a number of smaller impoundments at its power plants.

See Notes 8 and 17 to the Consolidated Financial Statements in Item 8 of this Report, "Regulatory Matters" and "Commitments and Contingencies" and Management's Discussion and Analysis in Item 7 of this Report.

EMPLOYEES

We had approximately 10,000 employees as of December 31, 2014, of which approximately 4,900 were represented by unions. There are several bargaining units for the Company's represented employees. The majority of represented employees are under contracts that expire in 2016 and 2017.

Item 1A. Risk Factors

There are various risks associated with the operations of DTE Energy's utility and non-utility businesses. To provide a framework to understand the operating environment of DTE Energy, we are providing a brief explanation of the more significant risks associated with our businesses. Although we have tried to identify and discuss key risk factors, others could emerge in the future. Each of the following risks could affect our performance.

We are subject to rate regulation. Electric and gas rates for our utilities are set by the MPSC and the FERC and cannot be changed without regulatory authorization. We may be negatively impacted by new regulations or interpretations by the MPSC, the FERC or other regulatory bodies. Our ability to recover costs may be impacted by the time lag between the incurrence of costs and the recovery of the costs in customers' rates. Our regulators also may decide to disallow recovery of certain costs in customers' rates if they determine that those costs do not meet the standards for recovery under our governing laws and regulations. Our utilities typically self-implement base rate changes six months after rate case filings in accordance with Michigan law. However, if the final rates authorized by our regulators in the final rate order are lower than the amounts we collected during the self-implementation period, we must refund the difference with interest. Our regulators may also disagree with our rate calculations under the various mechanisms that are intended to mitigate the risk to our utilities of certain aspects of our business. If we cannot agree with our regulators on an appropriate reconciliation of those mechanisms, it may impact our ability to recover certain costs through our customer rates. Our regulators may also decide to eliminate these mechanisms in future rate cases, which may make it more difficult for us to recover our costs in the rates we charge customers. We cannot predict what rates the MPSC will authorize in future rate cases. New legislation, regulations or interpretations could change how our business operates, impact our ability to recover costs through rates or require us to incur additional expenses.

Changes to Michigan's electric Customer Choice program could negatively impact our financial performance. The State of Michigan currently experiences a hybrid market, where the MPSC continues to regulate electric rates for our customers, while alternative electric suppliers charge market-based rates. MPSC rate orders and energy legislation enacted by the State of Michigan in 2008 have placed a 10% cap on the total potential retail access related migration. However, even with the legislated 10% cap on participation, there continues to be legislative and financial risk associated with the electric Customer Choice program. Electric retail access migration is sensitive to market price and full service electric price changes. We are required under current regulation to provide full service to retail access customers that choose to return, potentially resulting in the need for additional generating capacity.

The MISO regional energy market, including the State of Michigan, is expected to face capacity constraints beginning in 2016 due primarily to the retirement of coal-fired generation caused by increasingly stringent environmental requirements. Significant investment in new natural gas-fired generation and renewables will be required. Under the current regulatory structure, retail access customers do not fund capacity costs potentially impacting electric supply reliability and utility customer affordability.

Environmental laws and liability may be costly. We are subject to and affected by numerous environmental regulations. These regulations govern air emissions, water quality, wastewater discharge and disposal of solid and hazardous waste. Compliance with these regulations can significantly increase capital spending, operating expenses and plant down times and can negatively affect the affordability of the rates we charge to our customers.

Uncertainty around future environmental regulations creates difficulty planning long-term capital projects in our generation fleet and gas distribution businesses. These laws and regulations require us to seek a variety of environmental licenses, permits, inspections and other regulatory approvals. We could be required to install expensive pollution control measures or limit or cease activities, including the retirement of certain generating plants, based on these regulations. Additionally, we may become a responsible party for environmental cleanup at sites identified by a regulatory body. We cannot predict with certainty the amount and timing of future expenditures related to environmental matters because of the difficulty of estimating clean-up costs. There is also uncertainty in quantifying liabilities under environmental laws that impose joint and several liability on potentially responsible parties.

We may also incur liabilities as a result of potential future requirements to address climate change issues. Proposals for voluntary initiatives and mandatory controls are being discussed both in the United States and worldwide to reduce greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels. If increased regulation of greenhouse gas emissions are implemented, the operations of our fossil-fuel generation assets may be significantly impacted. Since there can be no assurances that environmental costs may be recovered through the regulatory process, our financial performance may be negatively impacted as a result of environmental matters.

Future environmental regulation of natural gas extraction techniques including hydraulic fracturing being discussed both at the United States federal level and by some states may affect the profitability of natural gas extraction businesses which could affect demand for and profitability of our gas transportation businesses.

Operation of a nuclear facility subjects us to risk. Ownership of an operating nuclear generating plant subjects us to significant additional risks. These risks include, among others, plant security, environmental regulation and remediation, changes in federal nuclear regulation and operational factors that can significantly impact the performance and cost of operating a nuclear facility. While we maintain insurance for various nuclear-related risks, there can be no assurances that such insurance will be sufficient to cover our costs in the event of an accident or business interruption at our nuclear generating plant, which may affect our financial performance. In addition, while we have a nuclear decommissioning trust fund to finance the decommissioning of our nuclear generating plant, there can be no assurances that such fund will be sufficient to fund the cost of decommissioning.

The supply and/or price of energy commodities and/or related services may impact our financial results. We are dependent on coal for much of our electrical generating capacity. Our access to natural gas supplies is critical to ensure reliability of service for our utility gas customers. Our non-utility businesses are also dependent upon supplies and prices of energy commodities and services. Price fluctuations, fuel supply disruptions and changes in transportation costs could have a negative impact on the amounts we charge our utility customers for electricity and gas and on the profitability of our non-utility businesses. We have hedging strategies and regulatory recovery mechanisms in place to mitigate some of the negative fluctuations in commodity supply prices in our utility and non-utility businesses, but there can be no assurances that our financial performance will not be negatively impacted by price fluctuations. The price of energy also impacts the market for our non-utility businesses that compete with utilities and alternative electric suppliers.

The supply and/or price of other industrial raw and finished inputs and/or related services may impact our financial results. We are dependent on supplies of certain commodities, such as copper and limestone, among others, and industrial materials and services in order to maintain day-to-day operations and maintenance of our facilities. Price fluctuations or supply interruptions for these commodities and other items could have a negative impact on the amounts we charge our customers for our utility products and on the profitability of our non-utility businesses.

Adverse changes in our credit ratings may negatively affect us. Regional and national economic conditions, increased scrutiny of the energy industry and regulatory changes, as well as changes in our economic performance, could result in credit agencies reexamining our credit rating. While credit ratings reflect the opinions of the credit agencies issuing such ratings and may not necessarily reflect actual performance, a downgrade in our credit rating below investment grade could restrict or discontinue our ability to access capital markets and could result in an increase in our borrowing costs, a reduced level of capital expenditures and could impact future earnings and cash flows. In addition, a reduction in our credit rating may require us to post collateral related to various physical or financially settled contracts for the purchase of energy-related commodities, products and services, which could impact our liquidity.

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Poor investment performance of pension and other postretirement benefit plan assets and other factors impacting benefit plan costs could unfavorably impact our liquidity and results of operations. Our costs of providing non-contributory defined benefit pension plans and other postretirement benefit plans are dependent upon a number of factors, such as the rates of return on plan assets, the level of interest rates used to measure the required minimum funding levels of the plans, future government regulation, and our required or voluntary contributions made to the plans. The performance of the debt and equity markets affects the value of assets that are held in trust to satisfy future obligations under our plans. We have significant benefit obligations and hold significant assets in trust to satisfy these obligations. These assets are subject to market fluctuations and will yield uncertain returns, which may fall below our projected return rates. A decline in the market value of the pension and other postretirement benefit plan assets will increase the funding requirements under our pension and other postretirement benefit plans if the actual asset returns do not recover these declines in the foreseeable future. Additionally, our pension and other postretirement benefit plan liabilities are sensitive to changes in interest rates. As interest rates decrease, the liabilities increase, resulting in increasing benefit expense and funding requirements. Also, if future increases in pension and other postretirement benefit costs as a result of reduced plan assets are not recoverable from our utility customers, the results of operations and financial position of our company could be negatively affected. Without sustained growth in the plan investments over time to increase the value of our plan assets, we could be required to fund our plans with significant amounts of cash. Such cash funding obligations could have a material impact on our cash flows, financial position, or results of operations.

Our ability to access capital markets is important. Our ability to access capital markets is important to operate our businesses and to fund capital investments. Turmoil in credit markets may constrain our ability, as well as the ability of our subsidiaries, to issue new debt, including commercial paper, and refinance existing debt at reasonable interest rates. In addition, the level of borrowing by other energy companies and the market as a whole could limit our access to capital markets. Our long term revolving credit facilities do not expire until 2018, but we regularly access capital markets to refinance existing debt or fund new projects at our utilities and non-utility businesses, and we cannot predict the pricing or demand for those future transactions.

Construction and capital improvements to our power facilities and distribution systems subject us to risk. We are managing ongoing and planning future significant construction and capital improvement projects at multiple power generation and distribution facilities and our gas distribution system. Many factors that could cause delays or increased prices for these complex projects are beyond our control, including the cost of materials and labor, subcontractor performance, timing and issuance of necessary permits, construction disputes and weather conditions. Failure to complete these projects on schedule and on budget for any reason could adversely affect our financial performance and operations at the affected facilities and businesses.

Our non-utility businesses may not perform to our expectations. We rely on our non-utility operations for an increasing portion of our earnings. If our current and contemplated non-utility investments do not perform at expected levels, we could experience diminished earnings and a corresponding decline in our shareholder value.

Our participation in energy trading markets subjects us to risk. Events in the energy trading industry have increased the level of scrutiny on the energy trading business and the energy industry as a whole. In certain situations we may be required to post collateral to support trading operations, which could be substantial. If access to liquidity to support trading activities is curtailed, we could experience decreased earnings potential and cash flows. Energy trading activities take place in volatile markets and expose us to risks related to commodity price movements, deviations in weather and other related risks. We routinely have speculative trading positions in the market, within strict policy guidelines we set, resulting from the management of our business portfolio. To the extent speculative trading positions exist, fluctuating commodity prices can improve or diminish our financial results and financial position. We manage our exposure by establishing and enforcing strict risk limits and risk management procedures. During periods of extreme volatility, these risk limits and risk management procedures may not work as planned and cannot eliminate all risks associated with these activities.

Our ability to utilize production tax credits may be limited. To reduce U.S. dependence on imported oil, the Internal Revenue Code provides production tax credits as an incentive for taxpayers to produce fuels and electricity from alternative sources. We generated production tax credits from coke production, landfill gas recovery, reduced emission fuel, renewable energy generation and gas production operations. All production tax credits taken after 2012 are subject to audit by the IRS. If our production tax credits were disallowed in whole or in part as a result of an IRS audit, there could be additional tax liabilities owed for previously recognized tax credits that could significantly impact our earnings and cash flows.

Weather significantly affects operations. At both utilities, deviations from normal hot and cold weather conditions affect our earnings and cash flow. Mild temperatures can result in decreased utilization of our assets, lowering income and cash flow. At DTE Electric, ice storms, tornadoes, or high winds can damage the electric distribution system infrastructure and power generation facilities and require us to perform emergency repairs and incur material unplanned expenses. The expenses of storm restoration efforts may not be fully recoverable through the regulatory process. DTE Gas can experience higher than anticipated expenses from emergency repairs on its gas distribution infrastructure required as a result of weather related issues.

Unplanned power plant outages may be costly. Unforeseen maintenance may be required to safely produce electricity or comply with environmental regulations. As a result of unforeseen maintenance, we may be required to make spot market purchases of electricity that exceed our costs of generation. Our financial performance may be negatively affected if we are unable to recover such increased costs.

We rely on cash flows from subsidiaries. DTE Energy is a holding company. Cash flows from our utility and non-utility subsidiaries are required to pay interest expenses and dividends on DTE Energy debt and securities. Should a major subsidiary not be able to pay dividends or transfer cash flows to DTE Energy, our ability to pay interest and dividends would be restricted.

Renewable portfolio standards and energy efficiency programs may affect our business. We are subject to existing Michigan and potential future federal legislation and regulation requiring us to secure sources of renewable energy. We expect to comply with the existing state legislation, but we do not know what requirements may be added by federal legislation. In addition, there could be additional state requirements increasing the percentage of power required to be provided by renewable energy sources. We cannot predict the financial impact or costs associated with complying with potential future legislation and regulations. Compliance with these requirements can significantly increase capital expenditures and operating expenses and can negatively affect the affordability of the rates we charge to our customers.

We are also required by Michigan legislation to implement energy efficiency measures and provide energy efficiency customer awareness and education programs. These requirements necessitate expenditures and implementation of these programs creates the risk of reducing our revenues as customers decrease their energy usage. We cannot predict how these programs will impact our business and future operating results.

Regional and national economic conditions can have an unfavorable impact on us. Our utility and non-utility businesses follow the economic cycles of the customers we serve and credit risk of counterparties we do business with. Should national or regional economic conditions deteriorate, reduced volumes of electricity and gas, and demand for energy services we supply, collections of accounts receivable, reductions in federal and state energy assistance funding, and potentially higher levels of lost gas or stolen gas and electricity could result in decreased earnings and cash flow.

Threats of terrorism or cyber-attacks could affect our business. We may be threatened by problems such as computer viruses or terrorism that may disrupt our operations and could harm our operating results. Our industry requires the continued operation of sophisticated information technology systems and network infrastructure. Despite our implementation of security measures, all of our technology systems are vulnerable to disability or failures due to hacking, viruses, acts of war or terrorism and other causes. If our information technology systems were to fail and we were unable to recover in a timely way, we might be unable to fulfill critical business functions, which could have a material adverse effect on our business, operating results, and financial condition.

In addition, our generation plants, gas pipeline and storage facilities and electrical distribution facilities in particular may be targets of terrorist activities that could disrupt our ability to produce or distribute some portion of our energy products. We have increased security as a result of past events and we may be required by our regulators or by the future terrorist threat environment to make investments in security that we cannot currently predict.

Failure to maintain the security of personally identifiable information could adversely affect us. In connection with our business we collect and retain personally identifiable information of our customers, shareholders and employees. Our customers, shareholders and employees expect that we will adequately protect their personal information, and the regulatory environment surrounding information security and privacy is increasingly demanding. A significant theft, loss or fraudulent use of customer, shareholder, employee or DTE Energy data by cybercrime or otherwise could adversely impact our reputation and could result in significant costs, fines and litigation.

Failure to attract and retain key executive officers and other skilled professional and technical employees could have an adverse effect on our operations. Our business is dependent on our ability to attract and retain skilled employees. Competition for skilled employees in some areas is high and the inability to attract and retain these employees could adversely affect our business and future operating results. In addition, we have an aging utility workforce and the failure of a successful transfer of knowledge and expertise could negatively impact our operations.

A work interruption may adversely affect us. There are several bargaining units for the Company's approximately 4,900 represented employees. The majority of represented employees are under contracts that expire in 2016 and 2017. A union choosing to strike would have an impact on our business. We are unable to predict the effect a work stoppage would have on our costs of operation and financial performance.

If our goodwill becomes impaired, we may be required to record a charge to earnings. We annually review the carrying value of goodwill associated with acquisitions made by the Company for impairment. Factors that may be considered for purposes of this analysis include any change in circumstances indicating that the carrying value of our goodwill may not be recoverable such as a decline in stock price and market capitalization, future cash flows, and slower growth rates in our industry. We cannot predict the timing, strength or duration of any economic slowdown or subsequent recovery, worldwide or in the economy or markets in which we operate; however, when events or changes in circumstances indicate that the carrying value of these assets may not be recoverable, the Company may take a non-cash impairment charge, which could potentially materially impact our results of operations and financial position.

The Company's businesses have safety risks. The Company's electric and gas distribution systems, power plants, gas infrastructure, wind energy equipment and other facilities could be involved in incidents that result in injury or property loss to employees, customers, or the public. Although we have insurance coverage for many potential incidents, depending upon the nature and severity of any incident, the Company could experience financial loss, damage to its reputation, and negative consequences from regulatory agencies or other public authorities.

We may not be fully covered by insurance. We have a comprehensive insurance program in place to provide coverage for various types of risks, including catastrophic damage as a result of acts of God, terrorism or a combination of other significant unforeseen events that could impact our operations. Economic losses might not be covered in full by insurance or our insurers may be unable to meet contractual obligations.

Item 1B. Unresolved Staff Comments

None.

Item 3. Legal Proceedings

For more information on material legal proceedings and matters related to us and our subsidiaries, see Notes 8 and 17 to the Consolidated Financial Statements in Item 8 of this Report, "Regulatory Matters" and "Commitments and Contingencies".

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock is listed on the New York Stock Exchange, which is the principal market for such stock. The following table indicates the reported high and low sales prices of our common stock on the Composite Tape of the New York Stock Exchange and dividends paid per share for each quarterly period during the past two years:

Year	Quarter	High	Low	Dividends Paid per Share
2014				
	First	$74.61	$64.84	$0.6550
	Second	$79.45	$72.76	$0.6550
	Third	$78.89	$71.60	$0.6900
	Fourth	$90.77	$75.76	$0.6900
2013				
	First	$68.38	$60.33	$0.6200
	Second	$73.32	$63.38	$0.6550
	Third	$71.77	$64.71	$0.6550
	Fourth	$70.64	$64.45	$0.6550

At December 31, 2014, there were 176,991,231 shares of our common stock outstanding. These shares were held by a total of 61,823 shareholders of record.

Our Bylaws nullify Chapter 7B of the Michigan Business Corporation Act (Act). This Act regulates shareholder rights when an individual’s stock ownership reaches 20% of a Michigan corporation’s outstanding shares. A shareholder seeking control of the Company cannot require our Board of Directors to call a meeting to vote on issues related to corporate control within 10 days, as stipulated by the Act.

We paid cash dividends on our common stock of $470 million in 2014, $445 million in 2013 and $407 million in 2012. The amount of future dividends will depend on our earnings, cash flows, financial condition and other factors that are periodically reviewed by our Board of Directors. Although there can be no assurances, we anticipate paying dividends for the foreseeable future.

For information on dividend restrictions see Note 15 to the Consolidated Financial Statements in Item 8 of this Report, "Short-Term Credit Arrangements and Borrowings".

All of our equity compensation plans that provide for the annual awarding of stock-based compensation have been approved by shareholders. For additional detail see Note 19 of the Notes to Consolidated Financial Statements in Item 8 of this Report, "Stock-Based Compensation".

See the following table for information as of December 31, 2014.

	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Plans approved by shareholders	444,278	$ 43.56	3,915,570

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information about our purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act of 1934 for the quarter ended December 31, 2014:

	Number of Shares Purchased (a)	Average Price Paid per Share (a)	Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Average Price Paid per Share	Maximum Dollar Value that May Yet Be Purchased Under the Plans or Programs
10/01/2014 — 10/31/2014	299	$76.28	—	—	—
11/01/2014 — 11/30/2014	—	—	—	—	—
12/01/2014 — 12/31/2014	947	$66.03	—	—	—
Total	1,246		—		

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

COMPARISON OF CUMULATIVE FIVE YEAR TOTAL RETURN

Total Return To Shareholders

(Includes reinvestment of dividends)

	Annual Return Percentage Year Ended December 31,				
Company/Index	2010	2011	2012	2013	2014
DTE Energy Company	9.06	25.76	14.90	14.89	34.61
S&P 500 Index	15.06	2.11	16.00	32.39	13.69
S&P 500 Multi-Utilities Index	11.08	18.41	4.24	17.88	28.94

	Indexed Returns Year Ended December 31, Base Period					
Company/Index	2009	2010	2011	2012	2013	2014
DTE Energy Company	100	109.06	137.15	157.59	181.06	243.73
S&P 500 Index	100	115.06	117.49	136.30	180.44	205.14
S&P 500 Multi-Utilities Index	100	111.08	131.53	137.10	161.62	208.38

Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with the accompanying Management's Discussion and Analysis in Item 7 of this Report and Notes to the Consolidated Financial Statements in Item 8 of this Report.

	2014	2013	2012	2011	2010
	(In millions, except per share amounts)				
Operating Revenues	$12,301	$9,661	$8,791	$8,858	$8,525
Net Income Attributable to DTE Energy Company					
Income from continuing operations attributable to DTE Energy Company (a)	$905	$661	$666	$714	$638
Discontinued operations (b)	—	—	(56)	(3)	(8)
Net Income Attributable to DTE Energy Company	$905	$661	$610	$711	$630
Diluted Earnings Per Common Share					
Income from continuing operations	$5.10	$3.76	$3.88	$4.20	$3.78
Discontinued operations	—	—	(0.33)	(0.02)	(0.04)
Diluted Earnings Per Common Share	$5.10	$3.76	$3.55	$4.18	$3.74
Financial Information					
Dividends declared per share of common stock	$2.69	$2.59	$2.42	$2.32	$2.18
Total assets	$27,974	$25,935	$26,339	$26,009	$24,896
Long-term debt, including capital leases	$8,343	$7,214	$7,014	$7,187	$7,089
Shareholders' equity	$8,327	$7,921	$7,373	$7,009	$6,722

(a) 2011 results include an $87 million income tax benefit related to the enactment of the MCIT.

(b) Discontinued operations represents the Unconventional Gas Production business that was sold in 2012 resulting in a $55 million after-tax loss on sale.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations
EXECUTIVE OVERVIEW
DTE Energy is a diversified energy company with 2014 operating revenues of approximately $12.3 billion and approximately $28.0 billion in assets. We are the parent company of DTE Electric and DTE Gas, regulated electric and natural gas utilities engaged primarily in the business of providing electricity and natural gas sales, distribution and storage services throughout Michigan. We operate three energy-related non-utility segments with operations throughout the United States.
The following table summarizes our financial results:

	2014	2013	2012
	(In millions, except per share amounts)		
Income from continuing operations attributable to DTE Energy Company	$905	$661	$666
Diluted earnings per common share from continuing operations	$5.10	$3.76	$3.88

The increase in 2014 income from continuing operations attributable to DTE Energy Company is primarily due to higher earnings in the Energy Trading, Electric, Power and Industrial Projects, and Gas Storage and Pipelines segments. The decrease in 2013 income from continuing operations attributable to DTE Energy Company is primarily due to lower earnings in the Energy Trading segment, partially offset by higher earnings in the Gas and Power and Industrial Projects segments.
Please see detailed explanations of segment performance in the following Results of Operations section.
DTE Energy's strategy is to achieve long-term earnings growth, a strong balance sheet and an attractive dividend yield.
Our utilities' growth will be driven by base infrastructure, new generation and environmental compliance capital investments. We are focused on executing plans to achieve operational excellence and customer satisfaction with a focus on customer affordability. We operate in a constructive regulatory environment and have solid relationships with our regulators.
We have significant investments in our non-utility businesses. We employ disciplined investment criteria when assessing growth opportunities that leverage our assets, skills and expertise and provide diversity in earnings and geography. Specifically, we invest in targeted energy markets with attractive competitive dynamics where meaningful scale is in alignment with our risk profile. We expect growth opportunities in the Gas Storage and Pipelines and Power and Industrial Projects segments.
A key priority for DTE Energy is to maintain a strong balance sheet which facilitates access to capital markets and reasonably priced short-term and long-term financing. Near-term growth will be funded through internally generated cash flows and the issuance of debt. We have an enterprise risk management program that, among other things, is designed to monitor and manage our exposure to earnings and cash flow volatility related to commodity price changes, interest rates and counterparty credit risk.
CAPITAL INVESTMENTS
Our utility businesses require significant base capital investments each year in order to maintain and improve the reliability of asset bases, including power generation plants, distribution systems, storage fields and other facilities and fleets. DTE Electric's capital investments over the 2015-2019 period are estimated at $5.7 billion for base infrastructure, $1.4 billion for new generation and $400 million for environmental compliance. DTE Electric plans to seek regulatory approval in general rate case filings and renewable energy plan filings for capital expenditures consistent with prior ratemaking treatment.
DTE Gas's capital investments over the 2015-2019 period are estimated at $1 billion for base infrastructure and $600 million for gas main renewal, meter move out, and pipeline integrity programs. In April 2013, the MPSC issued an order approving an infrastructure recovery mechanism for DTE Gas and authorized the recovery of the cost of service related to $77 million of annual investment in its gas main renewal, meter move out, and pipeline integrity programs. In November 2014, DTE Gas filed an application with the MPSC for approval of an increased infrastructure recovery mechanism surcharge to recover an additional $47 million of annual capital expenditures for its gas main renewal program. DTE Gas plans to seek regulatory approval in general rate case filings for base infrastructure capital

expenditures consistent with prior ratemaking treatment.

ENVIRONMENTAL MATTERS

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

DTE Electric is subject to the EPA ozone and fine particulate transport and acid rain regulations that limit power plant emissions of sulfur dioxide and nitrogen oxides. Since 2005, the EPA and the State of Michigan have issued additional emission reduction regulations relating to ozone, fine particulate, regional haze. mercury, and other air pollution. These rules will lead to additional emission controls on fossil-fueled power plants to reduce nitrogen oxide, sulfur dioxide, acid gases, particulate matter and mercury emissions. To comply with these requirements, DTE Electric spent approximately $2.2 billion through 2014. It is estimated that DTE Electric will make capital expenditures of approximately $100 million in 2015 and up to approximately $30 million of additional capital expenditures through 2019 based on current regulations.

As directed by a June 2013 Presidential Memorandum, the EPA is implementing regulatory actions under the Clean Air Act to address emissions of greenhouse gases (GHGs) from the utility sector and other sectors of the economy. Among these actions, the EPA is proposing performance standards for emissions of carbon dioxide from new and existing electric generating units (EGUs). The new source performance standards for new EGUs were proposed in September 2013 and the standards for existing, reconstructed and modified EGUs were proposed in June 2014. The EPA plans to issue a final standard for both new and existing sources by July 2015 as described in the June 2013 Presidential Memorandum.

DTE Energy is an active participant in working with the EPA and other stakeholders to shape the final performance standards for new and existing power plants. The carbon standards for new sources are not expected to have a material impact on the Company, since the Company has no plans to build new coal-fired generation. It is not possible to determine the potential impact of future regulations on existing sources at this time. Pending or future legislation or other regulatory actions could have a material impact on our operations and financial position and the rates we charge our customers. Impacts include expenditures for environmental equipment beyond what is currently planned, financing costs related to additional capital expenditures, the purchase of emission credits from market sources, higher costs of purchased power, and the retirement of facilities where control equipment is not economical. We would seek to recover these incremental costs through increased rates charged to our utility customers as authorized by the MPSC. Increased costs for energy produced from traditional coal-based sources could also increase the economic viability of energy produced from renewable, natural gas-fired generation and/or nuclear sources, from energy efficiency initiatives, and from the potential development of market-based trading of carbon offsets which could provide new business opportunities for our utility and non-utility segments. A June 2014 U.S. Supreme Court decision on the EPA’s authority to regulate GHG emissions under permitting programs of the Clean Air Act is expected to have little effect on DTE Energy since the Supreme Court's decision upholds the EPA’s authority to regulate GHGs at sources that are already subject to permitting due to emissions of conventional pollutants. In addition, the Supreme Court's ruling does not affect the EPA’s current proposed carbon performance standards at new or existing power plants. At the present time, it is not possible to quantify the financial impacts of these climate related regulatory initiatives on DTE Energy or its customers.

See Note 17 to the Consolidated Financial Statements in Item 8 of this Report, "Commitments and Contingencies" and Items 1. and 2. Business and Properties for further discussion of Environmental Matters.

OUTLOOK

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

Looking forward, we will focus on several areas that we expect will improve future performance:

- electric and gas customer satisfaction;
- electric reliability;
- rate competitiveness and affordability;
- regulatory stability and investment recovery for our utilities;

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- growth of our utility asset base;
- employee engagement;
- cost structure optimization across all business segments;
- cash, capital and liquidity to maintain or improve our financial strength; and
- investments that integrate our assets and leverage our skills and expertise.

We will continue to pursue opportunities to grow our businesses in a disciplined manner if we can secure opportunities that meet our strategic, financial and risk criteria.

RESULTS OF OPERATIONS

The following sections provide a detailed discussion of the operating performance and future outlook of our segments.

	2014	2013	2012
	(In millions)		
Net Income (Loss) Attributable to DTE Energy by Segment:			
Electric	$528	$484	$483
Gas	140	143	115
Gas Storage and Pipelines	82	70	61
Power and Industrial Projects	90	66	42
Energy Trading	122	(58)	12
Corporate and Other	(57)	(44)	(47)
Income From Continuing Operations Attributable to DTE Energy Company	905	661	666
Discontinued Operations	—	—	(56)
Net Income Attributable to DTE Energy Company	$905	$661	$610

ELECTRIC

Our Electric segment consists principally of DTE Electric.

Electric results are discussed below:

	2014	2013	2012
	(In millions)		
Operating Revenues	$5,283	$5,199	$5,293
Fuel and purchased power	1,705	1,668	1,758
Gross Margin	3,578	3,531	3,535
Operation and maintenance	1,332	1,377	1,429
Depreciation and amortization	933	902	827
Taxes other than income	268	261	257
Asset (gains) losses and impairments, net	(1)	(3)	(2)
Operating Income	1,046	994	1,024
Other (Income) and Deductions	222	258	261
Income Tax Expense	296	252	280
Net Income Attributable to DTE Energy Company	$528	$484	$483
Operating Income as a Percent of Operating Revenues	20%	19%	19%

Gross margin increased by $47 million in 2014 and decreased $4 million in 2013. Revenues associated with certain mechanisms and surcharges are offset by related expenses elsewhere in the Consolidated Statements of Operations.

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The following table details changes in various gross margin components relative to the comparable prior period:

	2014	2013
	(In millions)	
Amortization of refundable revenue decoupling/deferred gain	$63	$—
Base sales, inclusive of weather effect	(48)	(54)
Securitization bond and tax surcharge	(10)	39
Renewable energy program	20	19
Low income energy assistance surcharge	17	(12)
Regulatory mechanisms and other	5	4
Increase (decrease) in gross margin	$47	$(4)

	2014	2013	2012
	(In thousands of MWh)		
Electric Sales			
Residential	14,940	15,273	15,666
Commercial	16,792	16,661	16,832
Industrial	10,199	10,303	9,989
Other	517	942	958
	42,448	43,179	43,445
Interconnection sales (a)	3,630	3,883	2,125
Total Electric Sales	46,078	47,062	45,570
Electric Deliveries			
Retail and Wholesale	42,448	43,179	43,445
Electric Customer Choice, including self generators (b)	5,033	5,200	5,197
Total Electric Sales and Deliveries	47,481	48,379	48,642

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

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

Operation and maintenance expense decreased $45 million in 2014 and decreased $52 million in 2013. The decrease in 2014 is primarily due to decreased employee benefit expenses of $68 million, decreased distribution operations expenses of $36 million, and decreased power plant generation expenses of $7 million, partially offset by higher restoration and line clearance expenses of $19 million, increased low income energy assistance of $17 million, and increased energy optimization and renewable energy expenses of $13 million. In addition, 2014 included $17 million of expenses related to the transition of PLD customers to DTE Electric's distribution system effective July 1, 2014. In May 2014, the MPSC approved a TRM that provides for recovery of the deferred net incremental revenue requirement associated with the transition that is reflected in the Depreciation and amortization line in the Consolidated Statement of Operations. The decrease in 2013 is primarily due to decreased employee benefit expenses of $90 million, decreased power plant generation expenses of $14 million and decreased low income energy assistance of $12 million, partially offset by increased restoration and line clearance expenses of $19 million, increased corporate administrative expenses of $17 million, increased uncollectible expenses of $11 million, increased energy optimization and renewable energy expenses of $8 million and increased distribution operations expenses of $8 million.

Depreciation and amortization expense increased $31 million in 2014 and increased $75 million in 2013. The 2014 increase was due to $42 million of increased expense due to an increased depreciable base, increased amortization of regulatory assets of $3 million, primarily related to Securitization, partially offset by $14 million associated with the TRM. The 2013 increase was due to increased amortization of regulatory assets of $57 million, primarily related to Securitization, and increased depreciation of $18 million due to an increased depreciable base.

Other (income) and deductions decreased $36 million in 2014 and decreased $3 million in 2013. The decrease in 2014 was primarily due to decreased interest expenses of $18 million and the 2013 contribution to the DTE Energy Foundation of $18 million. The decrease in 2013 was primarily due to 2012 one time expenses of $11 million related to Michigan ballot proposals and increased investment earnings of $10 million, offset by a contribution to the DTE Energy Foundation of $18 million.

Outlook — We continue to move forward in our efforts to achieve operational excellence, sustained strong cash flows and earn our authorized return on equity. We expect that our planned significant capital investments will result in earnings growth. Looking forward, additional factors may impact earnings such as weather, the outcome of regulatory proceedings, benefit plan design changes, investment returns and changes in discount rate assumptions in benefit plans and health care costs and uncertainty of legislative or regulatory actions regarding climate change and electric retail access. We expect to continue our efforts to improve productivity and decrease our costs while improving customer satisfaction with consideration of customer rate affordability.

In May 2014, DTE Electric filed an application with the NRC requesting a renewal of the license for its Fermi 2 nuclear power plant. DTE Electric has requested a 20-year extension of its original license due to expire in 2025.

In December 2014, DTE Electric filed a rate case with the MPSC requesting an increase in base rates of $370 million based on a projected twelve month period ending June 30, 2016.

GAS

Our Gas segment consists principally of DTE Gas.

Gas results are discussed below:

	2014	2013	2012
	(In millions)		
Operating Revenues	$1,636	$1,474	$1,315
Cost of gas	725	624	550
Gross Margin	911	850	765
Operation and maintenance	456	429	385
Depreciation and amortization	99	95	92
Taxes other than income	61	56	54
Operating Income	295	270	234
Other (Income) and Deductions	77	50	69
Income Tax Expense	78	77	50
Net Income Attributable to DTE Energy Company	$140	$143	$115
Operating Income as a Percent of Operating Revenues	18 %	18 %	18 %

Gross margin increased $61 million in 2014 and increased $85 million in 2013. Revenues associated with certain mechanisms and surcharges are offset by related expenses elsewhere in the Consolidated Statements of Operations. The following table details changes in various gross margin components relative to the comparable prior period:

	2014	2013
	(In millions)	
Weather	$31	$72
Infrastructure recovery mechanism	7	3
Home protection program	7	3
Uncollectible tracking mechanism	—	20
Self implementation and rate orders	—	15
Revenue decoupling mechanism	(3)	(16)
Midstream storage and transportation revenues	6	(8)
Other	13	(4)
Increase in gross margin	$61	$85

	2014	2013	2012
Gas Markets (in Bcf)			
Gas sales	138	128	104
End user transportation	167	157	157
	305	285	261
Intermediate transportation	305	300	264
	610	585	525

Operation and maintenance expense increased $27 million in 2014 and increased $44 million in 2013. The increase in 2014 is primarily due to increased gas operations expenses of $32 million, increased uncollectible expenses of $4 million, and increased corporate administrative expenses of $3 million, partially offset by decreased employee benefit expenses of $10 million and reduced energy optimization expenses of $2 million. The increase in 2013 is primarily due to increased gas operations expenses of $24 million, increased maintenance and repair costs of $14 million, increased transmission costs of $14 million, increased corporate administrative expenses of $8 million and increased uncollectible expenses of $5 million, partially offset by decreased employee benefit expenses of $19 million and decreased energy optimization expenses of $3 million.

Other (income) and deductions increased $27 million in 2014 and decreased $19 million in 2013. The increase in 2014 is primarily due to contributions to the DTE Energy Foundation and other charitable organizations in 2014. The decrease in 2013 is due to lack of a contribution to the DTE Energy Foundation in 2013, partially offset by a $5 million contribution to low income energy assistance funds.

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

GAS STORAGE AND PIPELINES

Our Gas Storage and Pipelines segment consists of our non-utility gas pipelines and storage businesses.

Gas Storage and Pipelines results are discussed below:

	2014	2013	2012
	(In millions)		
Operating Revenues	$203	$132	$96
Operation and Maintenance	46	25	19
Depreciation and Amortization	34	23	8
Taxes Other Than Income	4	3	3
Asset (Gains) and Losses and Reserves, Net	1	—	3
Operating Income	118	81	63
Other (Income) and Deductions	(19)	(36)	(40)
Income Tax Expense	53	45	39
Net Income	84	72	64
Noncontrolling interest	2	2	3
Net Income Attributable to DTE Energy	$82	$70	$61

Operating revenues increased $71 million in 2014 and increased $36 million in 2013. The increases were due primarily to increased volumes on the Bluestone pipeline and additional segments placed in service in the Susquehanna gathering system. Storage revenue also increased due to weather favorability in early 2014, partially offset by lower market rates.

Operation and maintenance expense increased $21 million in 2014 and increased $6 million in 2013. The increases were due primarily to increased activity on the Bluestone and Susquehanna projects and increased corporate overheads due to growth of this segment.

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Depreciation and amortization expense increased $11 million in 2014 and increased $15 million in 2013. The increases were due primarily to the growth of the Bluestone and Susquehanna projects.
Other (income) and deductions decreased $17 million in 2014 and decreased $4 million in 2013. The decreases were due to decreased earnings from a pipeline investment and increased intercompany interest expense. The earnings from the pipeline investment were negatively impacted by a revenue deferral for depreciation collected in FERC-approved tariff rates in excess of depreciation expense.
Outlook — Our Gas Storage and Pipelines business expects to maintain its steady growth by developing an asset portfolio with multiple growth platforms through investment in new projects and expansions. We will continue to look for additional investment opportunities and other storage and pipeline projects at favorable prices. The capacity expansion of Bluestone lateral pipeline in Susquehanna County, Pennsylvania and Broome County, New York, is progressing as planned. In 2014, we added a new compressor facility and 3.5 miles of 24-inch pipeline loop, expanding the system to 47.5 miles of pipe in service. Expansion activities over the next twelve months include a second compressor facility and approximately 6 miles of additional pipeline loop to accommodate increased shipper demand. Through our long term agreement with Southwestern Energy Production Company, we believe Bluestone lateral and Susquehanna gathering system are strategically positioned for future growth of the Marcellus shale.
Progress continues on preliminary development activities on the proposed Nexus pipeline, a transportation path for natural gas from the Utica shale in Ohio to Michigan and Ontario. During 2014, several producers signed agreements as shippers, indicating their firm volume commitment subject to certain conditions customary in the pipeline industry. We are planning to have a partnership interest in the Nexus pipeline.

POWER AND INDUSTRIAL PROJECTS

Power and Industrial Projects is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial and institutional customers; produce REF and sell electricity from renewable energy projects.
Power and Industrial Projects results are discussed below:

	2014	2013	2012
	(In millions)		
Operating Revenues	$2,289	$1,950	$1,823
Operation and maintenance	2,281	1,914	1,788
Depreciation and amortization	77	72	65
Taxes other than income	15	15	16
Asset (gains) losses and impairments, net	(12)	(4)	(5)
Operating Loss	(72)	(47)	(41)
Other (Income) and Deductions	(66)	(73)	(44)
Income Taxes			
Expense (Benefits)	(3)	8	—
Production Tax Credits	(97)	(53)	(44)
	(100)	(45)	(44)
Net Income	94	71	47
Noncontrolling Interests	4	5	5
Net Income Attributable to DTE Energy Company	$90	$66	$42

Operating revenues increased $339 million in 2014 and increased $127 million in 2013. The 2014 increase is primarily due to a $354 million increase associated with higher volumes from REF projects and a $32 million increase associated with the start-up of a renewable power project, partially offset by a $46 million decrease due primarily to lower coal prices associated with the steel business. The 2013 increase is primarily due to a $161 million increase associated with higher volumes from REF projects and a $102 million increase due to the on-site energy projects acquired in the 2012 fourth quarter, partially offset by a $75 million decrease from exiting the coal transportation and marketing business and a $63 million decrease due primarily to lower coal prices associated with the steel business.

Operation and maintenance expense increased $367 million in 2014 and increased $126 million in 2013. The 2014 increase is primarily due to a $365 million increase associated with higher volumes from REF projects, a $23 million increase associated with the start-up of a renewable power project and a $20 million increase due to higher volumes, maintenance and general administrative expenses in the steel business, partially offset by a $46 million decrease due primarily to lower coal prices associated with the steel business. The 2013 increase is primarily due to a $173 million increase associated with higher volumes from REF projects and an $84 million increase due to the on-site energy projects acquired in the 2012 fourth quarter, partially offset by a $67 million decrease from exiting the coal transportation and marketing business and a $67 million decrease due primarily to lower coal prices associated with the steel business.

Depreciation and amortization expense increased by $5 million in 2014 and increased by $7 million in 2013. The 2014 increase is primarily due to $4 million associated with the start-up of a renewable power project. The 2013 increase is primarily due to $10 million associated with the on-site energy projects acquired in the 2012 fourth quarter, partially offset by a $3 million decrease from exiting the coal transportation and marketing business.

Asset (gains) and losses, reserves and impairments, net increased by $8 million in 2014 and decreased by $1 million in 2013. The 2014 increase was due primarily to a gain associated with a sale of an on-site project in 2014 and an asset impairment recorded in the prior year.

Other (income) and deductions decreased by $7 million in 2014 and increased $29 million in 2013 due primarily to variations in volumes of refined coal produced at REF sites with investors, and in 2014, lower equity earnings at various projects.

Production tax credits increased by $44 million in 2014 and increased $9 million in 2013 primarily due to higher production volumes of refined coal that resulted in higher tax credits at REF projects.

Outlook — The Company has constructed and placed in service nine REF facilities including five facilities located at third party owned coal-fired power plants. The Company has sold membership interests in four of the facilities. We continue to optimize these facilities by seeking investors for facilities operating at DTE Electric and other utility sites. We intend to relocate an underutilized facility, located at a DTE Electric site, to an alternative coal-fired power plant which may provide increased production and emission reduction opportunities in future years.

We expect sustained production levels of metallurgical coke and pulverized coal supplied to steel industry customers for 2015. Substantially all of the metallurgical coke margin is maintained under long-term contracts. We have five renewable power generation facilities in operation. Our on-site energy services will continue to be delivered in accordance with the terms of long-term contracts. We will continue to look for additional investment opportunities and other energy projects at favorable prices.

Power and Industrial Projects will continue to leverage its extensive energy-related operating experience and project management capability to develop additional energy projects to serve energy intensive industrial customers.

ENERGY TRADING

Energy Trading focuses on physical and financial power and natural gas marketing and trading, structured transactions, enhancement of returns from DTE Energy’s asset portfolio, and optimization of contracted natural gas pipeline transportation and storage, and generating capacity positions. Energy Trading also provides natural gas, power and related services, which may include the management of associated storage and transportation contracts on the customers’ behalf, and the supply or purchase of renewable energy credits to various customers.

Energy Trading results are discussed below:

	2014	2013	2012
	(In millions)		
Operating Revenues	$3,762	$1,771	$1,109
Fuel, purchased power and gas	3,478	1,782	1,011
Gross Margin	284	(11)	98
Operation and maintenance	70	72	66
Depreciation and amortization	1	1	2
Taxes other than income	4	4	3
Operating Income (Loss)	209	(88)	27
Other (Income) and Deductions	10	8	8
Income Tax Expense (Benefit)	77	(38)	7
Net Income (Loss) Attributable to DTE Energy Company	$122	$(58)	$12

Operating revenues and Fuel, purchased power and gas were impacted by an increase in gas volumes and prices, primarily in our gas structured strategy for the year ended December 31, 2014.

Gross margin increased $295 million in 2014 and decreased $109 million in 2013. The overall increase in gross margin in 2014 was primarily due to timing from MTM adjustments on certain transactions in our gas structured strategy.

The increase in gross margin in 2014 represents a $92 million increase in realized margins and a $203 million increase in unrealized margins. The $92 million increase in realized margins is due to $149 million of favorable results, primarily in our gas structured and gas transportation strategies, offset by $57 million of unfavorable results, primarily in our power full requirements, gas full requirements and gas trading strategies. The $203 million increase in unrealized margins is due to $211 million of favorable results, primarily in our gas structured and gas full requirements strategies, offset by $8 million of unfavorable results, primarily in our power full requirements strategy.

The decrease in gross margin in 2013 represents a $1 million decrease in realized margins and a $108 million decrease in unrealized margins. The $1 million decrease in realized margins is due to $40 million of unfavorable results, primarily in our power trading, power full requirements and gas transportation strategies, offset by $39 million of favorable results, primarily in our gas and coal trading and gas structured strategies. The $108 million decrease in unrealized margins is due to $123 million of unfavorable results, primarily in our gas structured, gas trading and gas transportation strategies, offset by $15 million of favorable results, primarily in our power full requirements strategy.

Natural gas structured transactions typically involve a physical purchase or sale of natural gas in the future and/or natural gas basis financial instruments which are derivatives and a related non-derivative pipeline transportation contract. These gas structured transactions can result in significant earnings volatility as the derivative components are marked-to-market without revaluing the related non-derivative contracts. During the fourth quarter of 2014 we saw significant decreases in gas prices, and in the fourth quarter of 2013 significant increases in gas prices which led to the volatility in the accounting earnings due to the physical component being marked-to-market without an offsetting mark on the transportation component. Included in the $149 million of favorable realized results for the year ended December 31, 2014 in our gas strategies is $65 million of timing related losses recognized in 2013 that reversed as the underlying contracts were settled. Included in the $211 million of favorable unrealized results for the year ended December 31, 2014 in our gas strategies is $102 million of timing related gains which will reverse in future periods, and the absence of $89 million of timing related losses in 2013. We anticipate that approximately $50 million of unrealized gains will reverse during 2015 as the underlying contracts settle.

Outlook — In the near-term, we expect market conditions to remain challenging and the profitability of this segment may be impacted by the volatility in commodity prices in the markets we participate in and the uncertainty of impacts associated with financial reform, regulatory changes and changes in operating rules of regional transmission organizations.

The Energy Trading portfolio includes financial instruments, physical commodity contracts and natural gas inventory, as well as contracted natural gas pipeline transportation and storage, and generation capacity positions. Energy Trading also provides natural gas, power and related services, which may include the management of associated storage and transportation contracts on the customers' behalf, and the supply or purchase of renewable energy credits to various customers. Significant portions of the Energy Trading portfolio are economically hedged. Most financial instruments and physical power and natural gas contracts are deemed derivatives, whereas natural gas inventory, pipeline transportation, renewable energy credits, and storage assets are not derivatives. As a result, we will experience earnings volatility as derivatives are marked-to-market without revaluing the underlying non-derivative contracts and assets. Our strategy is to economically manage the price risk of these underlying non-derivative contracts and assets with futures, forwards, swaps and options. This results in gains and losses that are recognized in different interim and annual accounting periods.

See also the “Fair Value” section that follows.

CORPORATE AND OTHER

Corporate and Other includes various holding company activities and holds certain non-utility debt and energy-related investments. The 2014 net loss of $57 million represented an increase of $13 million from the 2013 net loss of $44 million due primarily to increased impairments of investments and increased deferred tax expense related to New York state income tax reform enacted March 31, 2014. The 2013 net loss of $44 million represented an improvement of $3 million from the 2012 net loss of $47 million due primarily to decreased impairments of investments.

See Note 9 to the Consolidated Financial Statements in Item 8 of this Report, "Income Taxes".

DISCONTINUED OPERATIONS

Unconventional Gas Production

In December 2012, the Company sold its 100% equity interest in its Unconventional Gas Production business which consisted of gas and oil production assets in the western Barnett and Marble Falls shale areas of Texas. See Note 4 to the Consolidated Financial Statements in Item 8 of this Report, "Discontinued Operations".

CAPITAL RESOURCES AND LIQUIDITY

Cash Requirements

We use cash to maintain and expand our electric and natural gas utilities and to grow our non-utility businesses, retire and pay interest on long-term debt and pay dividends. We believe that we will have sufficient internal and external capital resources to fund anticipated capital and operating requirements. We expect that cash from operations in 2015 will be approximately $1.7 billion, or approximately $100 million lower than 2014, due primarily to decreased surcharge collections. We anticipate base level utility capital investments, environmental, renewable and energy optimization expenditures, expenditures for non-utility businesses and contributions to equity method investments in 2015 of approximately $2.6 billion. We plan to seek regulatory approval to include utility capital expenditures in our regulatory rate base consistent with prior treatment. Capital spending for growth of existing or new non-utility businesses will depend on the existence of opportunities that meet our strict risk-return and value creation criteria.

	2014	2013	2012
	(In millions)		
Cash and Cash Equivalents			
Cash Flow From (Used For)			
Operating activities:			
Net Income	$911	$668	$618
Depreciation, depletion and amortization	1,145	1,094	1,018
Nuclear fuel amortization	48	38	29
Allowance for equity funds used during construction	(21)	(15)	(13)
Deferred income taxes	356	164	47
Loss on sale of non-utility business	—	—	83
Asset (gains) losses and impairments, net	(4)	(8)	1
Working capital and other	(596)	213	426
Net cash from operating activities	1,839	2,154	2,209
Investing activities:			
Plant and equipment expenditures — utility	(1,784)	(1,534)	(1,451)
Plant and equipment expenditures — non-utility	(265)	(342)	(369)
Proceeds from sale of non-utility business	—	—	255
Proceeds from sale of assets	45	36	38
Acquisition, net of cash acquired	—	—	(198)
Other	(56)	(66)	(44)
Net cash used for investing activities	(2,060)	(1,906)	(1,769)
Financing activities:			
Issuance of long-term debt, net of issuance costs	1,736	1,234	759
Redemption of long-term debt	(1,237)	(961)	(639)
Short-term borrowings, net	267	(109)	(179)
Issuance of common stock	—	39	39
Repurchase of common stock	(52)	—	—
Dividends on common stock	(470)	(445)	(407)
Other	(27)	(19)	(16)
Net cash from (used for) financing activities	217	(261)	(443)
Net Increase (Decrease) in Cash and Cash Equivalents	$(4)	$(13)	$(3)

Cash from Operating Activities

A majority of our operating cash flow is provided by our electric and natural gas utilities, which are significantly influenced by factors such as weather, electric Customer Choice, regulatory deferrals, regulatory outcomes, economic conditions, changes in working capital, and operating costs.

Cash from operations decreased $315 million in 2014. The reduction in operating cash flow reflects an increase in cash expenditures for working capital items, partially offset by higher net income after adjusting for non-cash and non-operating items (primarily depreciation, depletion and amortization and deferred income taxes).

Cash from operations decreased $55 million in 2013. The reduction in operating cash flow reflects lower cash generated from working capital items, partially offset by higher net income after adjusting for non-cash and non-operating items (primarily depreciation, depletion and amortization and deferred income taxes).

The change in working capital items in 2014 primarily related to fuel inventories, derivative assets and liabilities, and regulatory assets and liabilities, partially offset by the change in accounts receivable, net, accounts payable, and pension and other postretirement liabilities. The change in working capital items in 2013 primarily related to fuel inventories, derivative assets and liabilities and pension and other postretirement liabilities, partially offset by the change in accounts receivable, net.

Cash used for Investing Activities

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

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

Capital spending within our non-utility businesses is primarily for ongoing maintenance, expansion and growth. We look to make growth investments that meet strict criteria in terms of strategy, management skills, risks and returns. All new investments are analyzed for their rates of return and cash payback on a risk adjusted basis. We have been disciplined in how we deploy capital and will not make investments unless they meet our criteria. For new business lines, we initially invest based on research and analysis. We start with a limited investment, we evaluate results and either expand or exit the business based on those results. In any given year, the amount of growth capital will be determined by the underlying cash flows of the Company with a clear understanding of any potential impact on our credit ratings.

Net cash used for investing activities increased $154 million in 2014 due primarily to increased capital expenditures by our utility businesses, partially offset by decreased capital expenditures by our non-utility business and increased proceeds from sale of assets.

Net cash used for investing activities increased $137 million in 2013 due primarily to increased capital expenditures by our utility businesses.

Cash used for Financing Activities

We rely on both short-term borrowing and long-term financing as a source of funding for our capital requirements not satisfied by our operations.

Our strategy is to have a targeted debt portfolio blend of fixed and variable interest rates and maturity. We continually evaluate our leverage target, which is currently 50% to 53%, to ensure it is consistent with our objective to have a strong investment grade debt rating.

Net cash from financing activities increased $478 million in 2014. The increase was primarily attributable to increases in short-term borrowings and issuances of long-term debt, partially offset by increased redemptions of long-term debt, repurchases of common stock and increased dividends on common stock.

Net cash used for financing activities decreased $182 million in 2013. The decrease was primarily attributable to higher issuances of long-term debt, partially offset by higher redemptions of long-term debt.

Outlook

We expect cash flow from operations to increase over the long-term primarily as a result of growth from our utilities and non-utility businesses. We expect growth in our utilities to be driven primarily by capital spending to maintain and improve our electric generation and electric and natural gas distribution infrastructure and to comply with new and existing state and federal regulations that will result in additional environmental and renewable energy investments which will increase the base from which rates are determined. Our non-utility growth is expected from additional investments primarily in our Gas Storage and Pipelines and Power and Industrial Projects segments.

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

We have approximately $300 million in long-term debt maturing in the next twelve months. The repayment of the principal amount of the Securitization debt is funded through a surcharge payable by DTE Electric’s customers. The repayment of the other debt is expected to be paid through internally generated funds or the issuance of long-term debt.

DTE Energy has approximately $1.5 billion of available liquidity at December 31, 2014, consisting of cash and amounts available under unsecured revolving credit agreements.

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We expect to issue equity of approximately $200 million in 2015 through our dividend reinvestment plan and pension and other employee benefit plans.
At the discretion of management, and depending upon financial market conditions, we anticipate making 2015 contributions to the pension plans of up to $180 million and up to $200 million to the other postretirement benefit plans. The planned contributions will be made in cash or a combination of cash and DTE Energy common stock.
Various subsidiaries of the Company have entered into contracts which contain ratings triggers and are guaranteed by DTE Energy. These contracts contain provisions which allow the counterparties to require that the Company post cash or letters of credit as collateral in the event that DTE Energy’s credit rating is downgraded below investment grade. Certain of these provisions (known as “hard triggers”) state specific circumstances under which the Company can be required to post collateral upon the occurrence of a credit downgrade, while other provisions (known as “soft triggers”) are not as specific. For contracts with soft triggers, it is difficult to estimate the amount of collateral which may be requested by counterparties and/or which the Company may ultimately be required to post. The amount of such collateral which could be requested fluctuates based on commodity prices (primarily natural gas, power and coal) and the provisions and maturities of the underlying transactions. As of December 31, 2014, DTE Energy's contractual obligation to post collateral in the form of cash or letter of credit in the event of a downgrade to below investment grade, under both hard trigger and soft trigger provisions, was approximately $349 million.
We believe we have sufficient operating flexibility, cash resources and funding sources to maintain adequate amounts of liquidity and to meet our future operating cash and capital expenditure needs. However, virtually all of our businesses are capital intensive or require access to capital, and the inability to access adequate capital could adversely impact earnings and cash flows.
See Notes 8, 9, 13, 15 and 18 to the Consolidated Financial Statements in Item 8 of this Report, "Regulatory Matters", "Income Taxes", "Long-Term Debt", "Short-Term Credit Arrangements and Borrowings" and "Retirement Benefits and Trusteed Assets".
Contractual Obligations
The following table details our contractual obligations for debt redemptions, leases, purchase obligations and other long-term obligations as of December 31, 2014:

	Total	2015	2016-2017	2018-2019	2020 and Beyond
	(In millions)				
Long-term debt:					
Mortgage bonds, notes and other (a)	$8,035	$161	$474	$834	$6,566
Securitization bonds	105	105	—	—	—
Junior subordinated debentures	480	—	—	—	480
Capital lease obligations	11	8	3	—	—
Interest	6,660	455	711	712	4,782
Operating leases	219	42	62	37	78
Electric, gas, fuel, transportation and storage purchase obligations (b)	8,896	2,326	1,971	895	3,704
Other long-term obligations (c)(d)(e)	119	57	30	13	19
Total obligations	$24,525	$3,154	$3,251	$2,491	$15,629

(a) Excludes $14 million of unamortized discount on debt.
(b) Excludes amounts associated with full requirements contracts where no stated minimum purchase volume is required.
(c) Includes liabilities for unrecognized tax benefits of $9 million.
(d) Excludes other long-term liabilities of $192 million not directly derived from contracts or other agreements.
(e) At December 31, 2014, we met the minimum pension funding levels required under the Employee Retirement Income Security Act of 1974 (ERISA) and the Pension Protection Act of 2006 for our defined benefit pension plans. We may contribute more than the minimum funding requirements for our pension plans and may also make

contributions to our other postretirement benefit plans; however, these amounts are not included in the table above as such amounts are discretionary. Planned funding levels are disclosed in the Capital Resources and Liquidity and Critical Accounting Estimates sections herein and in Note 18 to the Consolidated Financial Statements in Item 8 of this Report, "Retirement Benefits and Trusteed Assets".

Credit Ratings

Credit ratings are intended to provide banks and capital market participants with a framework for comparing the credit quality of securities and are not a recommendation to buy, sell or hold securities. DTE Energy’s credit ratings affect our cost of capital and other terms of financing as well as our ability to access the credit and commercial paper markets. Management believes that our current credit ratings provide sufficient access to the capital markets. However, disruptions in the banking and capital markets not specifically related to us may affect our ability to access these funding sources or cause an increase in the return required by investors.

As part of the normal course of business, DTE Electric, DTE Gas and various non-utility subsidiaries of the Company routinely enter into physical or financially settled contracts for the purchase and sale of electricity, natural gas, coal, capacity, storage and other energy-related products and services. Certain of these contracts contain provisions which allow the counterparties to request that the Company post cash or letters of credit in the event that the senior unsecured debt rating of DTE Energy is downgraded below investment grade. Certain of these contracts for DTE Electric and DTE Gas contain similar provisions in the event that the senior unsecured debt rating of the particular utility is downgraded below investment grade. The amount of such collateral which could be requested fluctuates based upon commodity prices and the provisions and maturities of the underlying transactions and could be substantial. Also, upon a downgrade below investment grade, we could have restricted access to the commercial paper market and if DTE Energy is downgraded below investment grade our non-utility businesses, especially the Energy Trading and Power and Industrial Projects segments, could be required to restrict operations due to a lack of available liquidity. A downgrade below investment grade could potentially increase the borrowing costs of DTE Energy and its subsidiaries and may limit access to the capital markets. The impact of a downgrade will not affect our ability to comply with our existing debt covenants. While we currently do not anticipate such a downgrade, we cannot predict the outcome of current or future credit rating agency reviews.

In January 2014, based on a favorable view of the U.S. regulatory environment, Moody's upgraded DTE Energy's unsecured debt rating from 'Baa1' to 'A3' and upgraded the secured debt rating of DTE Electric and DTE Gas from 'A1' to 'Aa3'.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require that management apply accounting policies and make estimates and assumptions that affect results of operations and the amounts of assets and liabilities reported in the financial statements. Management believes that the areas described below require significant judgment in the application of accounting policy or in making estimates and assumptions in matters that are inherently uncertain and that may change in subsequent periods. Additional discussion of these accounting policies can be found in the Notes to Consolidated Financial Statements in Item 8 of this Report.

Regulation

A significant portion of our business is subject to regulation. This results in differences in the application of generally accepted accounting principles between regulated and non-regulated businesses. DTE Electric and DTE Gas are required to record regulatory assets and liabilities for certain transactions that would have been treated as revenue or expense in non-regulated businesses. Future regulatory changes or changes in the competitive environment could result in the discontinuance of this accounting treatment for regulatory assets and liabilities for some or all of our businesses. Management believes that currently available facts support the continued use of regulatory assets and liabilities and that all regulatory assets and liabilities are recoverable or refundable in the current rate environment. See Note 8 to the Consolidated Financial Statements in Item 8 of this Report, "Regulatory Matters".

Derivatives and Hedging Activities

Derivatives are generally recorded at fair value and shown as Derivative assets or liabilities. Changes in the fair value of the derivative instruments are recognized in earnings in the period of change, unless the derivative meets certain defined conditions and qualifies as an effective hedge. The normal purchases and normal sales exception requires, among other things, physical delivery in quantities expected to be used or sold over a reasonable period in the normal course of business. Contracts that are designated as normal purchases and normal sales are not recorded at fair value. Substantially all of the commodity contracts entered into by DTE Electric and DTE Gas meet the criteria specified for this exception.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets and liabilities. These inputs can be readily observable, market corroborated or generally unobservable inputs. Management makes certain assumptions it believes that market participants would use in pricing assets and liabilities, including assumptions about risk, and the risks inherent in the inputs to valuation techniques. Credit risk of the Company and our counterparties is incorporated in the valuation of the assets and liabilities through the use of credit reserves, the impact of which was immaterial at December 31, 2014 and 2013. Management believes it uses valuation techniques that maximize the use of observable market-based inputs and minimize the use of unobservable inputs.

The fair values we calculate for our derivatives may change significantly as inputs and assumptions are updated for new information. Actual cash returns realized on our derivatives may be different from the results we estimate using models. As fair value calculations are estimates based largely on commodity prices, we perform sensitivity analyses on the fair values of our forward contracts. See sensitivity analysis in Item 7A. Quantitative and Qualitative Disclosures About Market Risk. See also the Fair Value section, herein.

See Notes 11 and 12 to the Consolidated Financial Statements in Item 8 of this Report, "Fair Value" and "Financial and Other Derivative Instruments".

Allowance for Doubtful Accounts

We establish an allowance for doubtful accounts based on historical losses and management's assessment of existing economic conditions, customer trends, and other factors. The allowance for doubtful accounts for our two utilities is calculated using the aging approach that utilizes rates developed in reserve studies and applies these factors to past due receivable balances. We believe the allowance for doubtful accounts is based on reasonable estimates.

Asset Impairments

Goodwill

Certain of our reporting units have goodwill or allocated goodwill resulting from purchase business combinations. We perform an impairment test for each of our reporting units with goodwill annually or whenever events or circumstances indicate that the value of goodwill may be impaired.

In performing Step 1 of the impairment test, we compare the fair value of the reporting unit to its carrying value including goodwill. If the carrying value including goodwill were to exceed the fair value of a reporting unit, Step 2 of the test would be performed. Step 2 of the impairment test requires the carrying value of goodwill to be reduced to its fair value, if lower, as of the test date.

For Step 1 of the test, we estimate the reporting unit's fair value using standard valuation techniques, including techniques which use estimates of projected future results and cash flows to be generated by the reporting unit. Such techniques generally include a terminal value that utilizes an earnings multiple approach, which incorporates the current market values of comparable entities. These cash flow valuations involve a number of estimates that require broad assumptions and significant judgment by management regarding future performance. We also employ market-based valuation techniques to test the reasonableness of the indications of value for the reporting units determined under the cash flow technique.

We performed our annual impairment test as of October 1, 2014 and determined that the estimated fair value of each reporting unit exceeded its carrying value, and no impairment existed. As part of the annual impairment test, we also compared the aggregate fair value of our reporting units to our overall market capitalization. The implied premium of the aggregate fair value over market capitalization is likely attributable to an acquisition control premium (the price in excess of a stock's market price that investors typically pay to gain control of an entity). The results of the test and key estimates that were incorporated are as follows.

As of October 1, 2014 Valuation Date:

Reporting Unit	Goodwill	Fair Value Reduction % (a)	Discount Rate	Terminal Multiple (b)	Valuation Methodology (c)
	(In millions)				
Electric	$1,208	38 %	7 %	9.5x	DCF, assuming stock sale
Gas	743	26 %	6 %	10.5x	DCF, assuming stock sale
Power and Industrial Projects (d)	26	59 %	8 %	10.0x	DCF, assuming asset sale (e)
Gas Storage and Pipelines	24	78 %	7 %	12.5x	DCF, assuming asset sale
Energy Trading	17	45 %	10 %	n/a	DCF, assuming asset sale
	$2,018				

(a) Percentage by which the fair value of equity of the reporting unit would need to decline to equal its carrying value, including goodwill.
(b) Multiple of enterprise value (sum of debt plus equity value) to earnings before interest, taxes, depreciation and amortization (EBITDA).
(c) Discounted cash flows (DCF) incorporated 2015-2019 projected cash flows plus a calculated terminal value.
(d) Power and Industrial Projects excludes the Biomass reporting unit as this unit has no allocated goodwill.
(e) Asset sales were assumed except for Power and Industrial Projects' reduced emissions fuels projects, which assumed stock sales.

We perform an annual impairment test each October. In between annual tests, we monitor our estimates and assumptions regarding estimated future cash flows, including the impact of movements in market indicators in future quarters and will update our impairment analyses if a triggering event occurs. While we believe our assumptions are reasonable, actual results may differ from our projections. To the extent projected results or cash flows are revised downward, the reporting unit may be required to write down all or a portion of its goodwill, which would adversely impact our earnings.

Long-Lived Assets

We evaluate the carrying value of our long-lived assets, excluding goodwill, when circumstances indicate that the carrying value of those assets may not be recoverable. Conditions that could have an adverse impact on the cash flows and fair value of the long-lived assets are deteriorating business climate, condition of the asset, or plans to dispose of the asset before the end of its useful life. The review of long-lived assets for impairment requires significant assumptions about operating strategies and estimates of future cash flows, which require assessments of current and projected market conditions. An impairment evaluation is based on an undiscounted cash flow analysis at the lowest level for which independent cash flows of long-lived assets can be identified from other groups of assets and liabilities. Impairment may occur when the carrying value of the asset exceeds the future undiscounted cash flows. When the undiscounted cash flow analysis indicates a long-lived asset is not recoverable, the amount of the impairment loss is determined by measuring the excess of the long-lived asset over its fair value. An impairment would require us to reduce both the long-lived asset and current period earnings by the amount of the impairment, which would adversely impact our earnings.

Pension and Other Postretirement Costs

We sponsor defined benefit pension plans and other postretirement benefit plans for eligible employees of the Company. The measurement of the plan obligations and cost of providing benefits under these plans involve various factors, including numerous assumptions and accounting elections. When determining the various assumptions that are required, we consider historical information as well as future expectations. The benefit costs are affected by, among other things, the actual rate of return on plan assets, the long-term expected return on plan assets, the discount rate applied to benefit obligations, the incidence of mortality, the expected remaining service period of plan participants, level of compensation and rate of compensation increases, employee age, length of service, the anticipated rate of increase of health care costs, benefit plan design changes and the level of benefits provided to employees and retirees. Pension and other postretirement benefit costs attributed to the segments are included with labor costs and ultimately allocated to projects within the segments, some of which are capitalized.

We had pension costs of $179 million in 2014, $228 million in 2013 and $220 million in 2012. Other postretirement benefit costs (credit) were $(123) million in 2014, $(42) million in 2013 and $151 million in 2012. Pension and other postretirement benefit costs (credit) for 2014 are calculated based upon a number of actuarial assumptions, including an expected long-term rate of return on our plan assets of 7.75% for our pension plans and 8% for our other postretirement benefit plans. In developing our expected long-term rate of return assumptions, we evaluated asset class risk and return expectations, as well as inflation assumptions. Projected returns are based on broad equity, bond and other markets. Our 2015 expected long-term rate of return on pension plan assets is based on an asset allocation assumption utilizing active investment management of 47% in equity markets, 25% in fixed income markets, and 28% invested in other assets. Because of market volatility, we periodically review our asset allocation and rebalance our portfolio when considered appropriate. Given market conditions and financial market risk considerations, we are maintaining our long-term rate of return assumptions for our pension plans and our other postretirement plans at 7.75% and 8%, respectively for 2015. We believe these rates are reasonable assumptions for the long-term rate of return on our plan assets for 2015 given our investment strategy. We will continue to evaluate our actuarial assumptions, including our expected rate of return, at least annually.

We calculate the expected return on pension and other postretirement benefit plan assets by multiplying the expected return on plan assets by the market-related value (MRV) of plan assets at the beginning of the year, taking into consideration anticipated contributions and benefit payments that are to be made during the year. Current accounting rules provide that the MRV of plan assets can be either fair value or a calculated value that recognizes changes in fair value in a systematic and rational manner over not more than five years. For our pension plans, we use a calculated value when determining the MRV of the pension plan assets and recognize changes in fair value over a three-year period. Accordingly, the future value of assets will be impacted as previously deferred gains or losses are recognized. Financial markets in 2014 contributed to our investment performance resulting in unrecognized net gains. As of December 31, 2014, we had $78 million of cumulative gains that remain to be recognized in the calculation of the MRV of pension assets related to investment performance in 2014, 2013 and 2012. For our other postretirement benefit plans, we use fair value when determining the MRV of other postretirement benefit plan assets, therefore all investment gains and losses have been recognized in the calculation of MRV for these plans.

The discount rate that we utilize for determining future pension and other postretirement benefit obligations is based on a yield curve approach and a review of bonds that receive one of the two highest ratings given by a recognized rating agency. The yield curve approach matches projected pension plan and other postretirement benefit payment streams with bond portfolios reflecting actual liability duration unique to our plans. The discount rate determined on this basis decreased to 4.12% for the pension plans and 4.1% for the other postretirement plans at December 31, 2014 from 4.95% at December 31, 2013.

The mortality assumptions that we used to determine the pension and other postretirement benefit obligations as of December 31, 2014, were updated to incorporate the RP-2014 mortality table issued by the Society of Actuaries in 2014 with the MP-2014 generational projection scale, with variations by type of plan and participant's union status and employment status.

We estimate that our 2015 total pension costs will approximate $218 million compared to $179 million in 2014 primarily due to lower discount rates and changes to the mortality tables, partially offset by greater than expected 2014 returns. Our 2015 other postretirement benefit credit will approximate $(98) million compared to $(123) million in 2014 due to lower than expected returns, lower discount rate and changes to the mortality tables, partially offset by the continued impact of plan design changes and favorable retiree medical utilization trends. Our health care trend rate for pre-65 participants assumes 7.5% for 2015, and 7% for 2016 and 2017, 6.5% for 2018, 6% in 2019, 5.75% in 2020, 5.5% in 2021, 5.25% in 2022, 5% in 2023, 4.75% in 2024, and 4.5% in 2025 and beyond. Our health care trend rate for post-65 participants assumes 6.5% for 2015 and 6.25% for 2016 and 2017, 6% in 2018, 5.75% in 2019, 5.5% in 2020, 5.25% in 2021, 5% in 2022, 4.75% in 2023, and 4.5% in 2024 and beyond. Future actual pension and other postretirement benefit costs (credit) will depend on future investment performance, changes in future discount rates and various other factors related to plan design.

Lowering the expected long-term rate of return on our plan assets by one percentage point would have increased our 2014 pension costs by approximately $33 million. Lowering the discount rate and the salary increase assumptions by one percentage point would have increased our 2014 pension costs by approximately $18 million. Lowering the expected long-term rate of return on our plan assets by one percentage point would have decreased our 2014 other postretirement credit by approximately $15 million. Lowering the discount rate assumption by one percentage point would have decreased our 2014 other postretirement credit by approximately $24 million. Lowering the health care cost trend assumptions by one percentage point would have increased our other postretirement credit for 2014 by approximately $7 million.

The value of our qualified pension and other postretirement benefit plan assets was $5.5 billion at December 31, 2014 and $5.2 billion at December 31, 2013. At December 31, 2014, our qualified pension plans were underfunded by $1.17 billion and our other postretirement benefit plans were underfunded by $517 million. The 2014 funding levels generally declined due to decreased discount rates and a change in the mortality tables.

Pension and other postretirement costs and pension cash funding requirements may increase in future years without typical returns in the financial markets. We made contributions to our qualified pension plans of $188 million in 2014 and $277 million in 2013. At the discretion of management, consistent with the Pension Protection Act of 2006, and depending upon financial market conditions, we anticipate making contributions to our qualified pension plans of up to $180 million in 2015 and up to $875 million over the next five years. We made other postretirement benefit plan contributions of $24 million in 2014 and $264 million in 2013. We are required by orders issued by the MPSC to make other postretirement benefit contributions at least equal to the amounts included in our utilities' base rates. As a result, we anticipate making up to a $200 million contribution to our other postretirement plans in 2015 and, subject to MPSC funding requirements, up to $250 million over the next five years. The planned contributions will be made in cash or a combination of cash and DTE Energy common stock.

See Note 18 to the Consolidated Financial Statements in Item 8 of this Report, "Retirement Benefits and Trusteed Assets".

Legal Reserves

We are involved in various legal proceedings, claims and litigation arising in the ordinary course of business. We regularly assess our liabilities and contingencies in connection with asserted or potential matters, and establish reserves when appropriate. Legal reserves are based upon management’s assessment of pending and threatened legal proceedings and claims against us.

Insured and Uninsured Risks

Our comprehensive insurance program provides coverage for various types of risks. Our insurance policies cover risk of loss including property damage, general liability, workers’ compensation, auto liability, and directors’ and officers’ liability. Under our risk management policy, we self-insure portions of certain risks up to specified limits, depending on the type of exposure. The maximum self-insured retention for various risks is $10 million for property damage, $7 million for general liability, $9 million for workers’ compensation and $7 million for auto liability. We have an actuarially determined estimate of our incurred but not reported (IBNR) liability prepared annually and we adjust our reserves for self-insured risks as appropriate. As of December 31, 2014, this IBNR liability was approximately $32 million.

Accounting for Tax Obligations

We are required to make judgments regarding the potential tax effects of various financial transactions and results of operations in order to estimate our obligations to taxing authorities. We account for uncertain income tax positions using a benefit recognition model with a two-step approach, a more-likely-than-not recognition criterion and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement. If the benefit does not meet the more likely than not criteria for being sustained on its technical merits, no benefit will be recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. We also have non-income tax obligations related to property, sales and use and employment-related taxes and ongoing appeals related to these tax matters.

Accounting for tax obligations requires judgments, including assessing whether tax benefits are more likely than not to be sustained, and estimating reserves for potential adverse outcomes regarding tax positions that have been taken. We also assess our ability to utilize tax attributes, including those in the form of carry-forwards, for which the benefits have already been reflected in the financial statements. We believe the resulting tax reserve balances as of December 31, 2014 and 2013 are appropriate. The ultimate outcome of such matters could result in favorable or unfavorable adjustments to our consolidated financial statements and such adjustments could be material.

See Note 9 to the Consolidated Financial Statements in Item 8 of this Report, "Income Taxes".

NEW ACCOUNTING PRONOUNCEMENTS

See Note 3 to the Consolidated Financial Statements in Item 8 of this Report, "New Accounting Pronouncements".

FAIR VALUE

Derivatives are generally recorded at fair value and shown as Derivative Assets or Liabilities. Contracts we typically classify as derivative instruments include power, natural gas, oil and certain coal forwards, futures, options and swaps, and foreign currency exchange contracts. Items we do not generally account for as derivatives include natural gas inventory, pipeline transportation contracts, renewable energy credits and storage assets. See Notes 11 and 12 to the Consolidated Financial Statements in Item 8 of this Report, "Fair Value" and "Financial and Other Derivative Instruments".

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

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

The Company has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For further discussion of the fair value hierarchy, see Note 11 to the Consolidated Financial Statements in Item 8 of this Report, "Fair Value".

The following tables provide details on changes in our MTM net asset (or liability) position during 2014:

	Total
	(In millions)
MTM at December 31, 2013	$(112)
Reclassify to realized upon settlement	94
Changes in fair value recorded to income	79
Amounts recorded to unrealized income	173
Changes in fair value recorded in regulatory liabilities	8
Change in collateral held by (for) others	28
Option premiums received and other	(10)
MTM at December 31, 2014	$87

The table below shows the maturity of our MTM positions. The positions from 2018 and beyond principally represent longer tenor gas structured transactions:

Source of Fair Value	2015	2016	2017	2018 and Beyond	Total Fair Value
	(In millions)				
Level 1	$(3)	$(7)	$(3)	$—	$(13)
Level 2	48	4	5	—	57
Level 3	(3)	6	—	21	24
MTM before collateral adjustments	$42	$3	$2	$21	68
Collateral adjustments					19
MTM at December 31, 2014					$87

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market Price Risk

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

Our Gas Storage and Pipelines business segment has exposure to natural gas price fluctuations which impact the pricing for natural gas storage and transportation. The Company manages its exposure through the use of short, medium and long-term storage and transportation contracts.

Our Power and Industrial Projects business segment is subject to electricity and natural gas product price risk. The Company manages its exposures to commodity price risk through the use of long-term contracts.

Our Energy Trading business segment has exposure to electricity, natural gas, coal, crude oil, heating oil, and foreign currency exchange price fluctuations. These risks are managed by our energy marketing and trading operations through the use of forward energy, capacity, storage, options and futures contracts, within pre-determined risk parameters.

Credit Risk

Bankruptcies

The Company purchases and sells electricity, natural gas, coal, coke and other energy products from and to governmental entities and numerous companies operating in the steel, automotive, energy, retail, financial and other industries. Certain of its customers have filed for bankruptcy protection under the U.S. Bankruptcy Code. The Company regularly reviews contingent matters relating to these customers and its purchase and sale contracts and records provisions for amounts considered at risk of probable loss. The Company believes its accrued amounts are adequate for probable loss.

Other

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

Trading Activities

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

The following table displays the credit quality of our trading counterparties as of December 31, 2014:

	Credit Exposure Before Cash Collateral	Cash Collateral	Net Credit Exposure
	(In millions)		
Investment Grade (a)			
A− and Greater	$203	$—	$203
BBB+ and BBB	229	—	229
BBB−	61	—	61
Total Investment Grade	493	—	493
Non-investment grade (b)	2	—	2
Internally Rated — investment grade (c)	240	(1)	239
Internally Rated — non-investment grade (d)	16	(1)	15
Total	$751	$(2)	$749

(a) This category includes counterparties with minimum credit ratings of Baa3 assigned by Moody's Investors Service (Moody's) and BBB- assigned by Standard & Poor's Rating Group, a division of McGraw-Hill Companies, Inc. (Standard & Poor's). The five largest counterparty exposures, combined, for this category represented approximately 14% of the total gross credit exposure.

(b) This category includes counterparties with credit ratings that are below investment grade. The five largest counterparty exposures, combined, for this category represented less than 1% of the total gross credit exposure.

(c) This category includes counterparties that have not been rated by Moody's or Standard & Poor's, but are considered investment grade based on DTE Energy's evaluation of the counterparty's creditworthiness. The five largest counterparty exposures, combined, for this category represented approximately 14% of the total gross credit exposure.

(d) This category includes counterparties that have not been rated by Moody's or Standard & Poor's, and are considered non-investment grade based on DTE Energy's evaluation of the counterparty's creditworthiness. The five largest counterparty exposures, combined, for this category represented approximately 2% of the total gross credit exposure.

Interest Rate Risk

We are subject to interest rate risk in connection with the issuance of debt. In order to manage interest costs, we may use treasury locks and interest rate swap agreements. Our exposure to interest rate risk arises primarily from changes in U.S. Treasury rates, commercial paper rates and London Inter-Bank Offered Rates (LIBOR). As of December 31, 2014, we had a floating rate debt-to-total debt ratio of approximately 4.6% (excluding securitized debt).

Foreign Currency Exchange Risk

We have foreign currency exchange risk arising from market price fluctuations associated with fixed priced contracts. These contracts are denominated in Canadian dollars and are primarily for the purchase and sale of natural gas and power as well as for long-term transportation capacity. To limit our exposure to foreign currency exchange fluctuations, we have entered into a series of foreign currency exchange forward contracts through April 2019.

Summary of Sensitivity Analysis

We performed a sensitivity analysis on the fair values of our commodity contracts, long-term debt obligations and foreign currency exchange forward contracts. The commodity contracts and foreign currency exchange risk listed below principally relate to our energy marketing and trading activities. The sensitivity analysis involved increasing and decreasing forward rates at December 31, 2014 and 2013 by a hypothetical 10% and calculating the resulting change in the fair values.

The results of the sensitivity analysis calculations as of December 31, 2014 and 2013:

Activity	Assuming a 10% Increase in Rates As of December 31, 2014	2013	Assuming a 10% Decrease in Rates As of December 31, 2014	2013	Change in the Fair Value of
	(In millions)				
Gas contracts	$(4)	$(21)	$5	$21	Commodity contracts
Power contracts	$—	$14	$—	$(13)	Commodity contracts
Interest rate risk	$(336)	$(291)	$356	$309	Long-term debt
Foreign currency exchange risk	$—	$—	$—	$—	Forward contracts
Discount rates	$—	$—	$—	$—	Commodity contracts

For further discussion of market risk, see Management's Discussion and Analysis in Item 7 of this Report and Note 12 to the Consolidated Financial Statements in Item 8 of this Report, "Financial and Other Derivative Instruments".

Item 8. Financial Statements and Supplementary Data

The following consolidated financial statements and financial statement schedule are included herein.

Controls and Procedures

(a) Evaluation of disclosure controls and procedures

Management of the Company carried out an evaluation, under the supervision and with the participation of DTE Energy's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of December 31, 2014, which is the end of the period covered by this report. Based on this evaluation, the Company's CEO and CFO have concluded that such disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Due to the inherent limitations in the effectiveness of any disclosure controls and procedures, management cannot provide absolute assurance that the objectives of its disclosure controls and procedures will be attained.

(b) Management's report on internal control over financial reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Internal control over financial reporting is a process designed by, or under the supervision of, our CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO) in Internal Control - Integrated Framework. Based on this assessment, management concluded that, as of December 31, 2014, the Company's internal control over financial reporting was effective based on those criteria.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2014 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm who also audited the Company's financial statements, as stated in their report which appears herein.

(c) Changes in internal control over financial reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
DTE Energy Company

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of DTE Energy Company and its subsidiaries at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013 COSO) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s report on internal control over financial reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan
February 13, 2015

DTE Energy Company
Consolidated Statements of Operations

	Year Ended December 31,		
	2014	2013	2012
	(In millions, except per share amounts)		
Operating Revenues	$12,301	$9,661	$8,791
Operating Expenses			
Fuel, purchased power and gas	5,879	4,055	3,296
Operation and maintenance	3,347	2,978	2,892
Depreciation, depletion and amortization	1,145	1,094	995
Taxes other than income	352	340	332
Asset (gains) losses and impairments, net	(12)	(9)	(3)
	10,711	8,458	7,512
Operating Income	1,590	1,203	1,279
Other (Income) and Deductions			
Interest expense	429	436	440
Interest income	(10)	(9)	(10)
Other income	(196)	(201)	(173)
Other expenses	92	55	62
	315	281	319
Income Before Income Taxes	1,275	922	960
Income Tax Expense	364	254	286
Income from Continuing Operations	911	668	674
Loss from Discontinued Operations, net of tax	—	—	(56)
Net Income	911	668	618
Less: Net Income Attributable to Noncontrolling Interests	6	7	8
Net Income Attributable to DTE Energy Company	$905	$661	$610
Basic Earnings per Common Share			
Income from continuing operations	$5.11	$3.76	$3.89
Loss from discontinued operations, net of tax	—	—	(0.33)
Total	$5.11	$3.76	$3.56
Diluted Earnings per Common Share			
Income from continuing operations	$5.10	$3.76	$3.88
Loss from discontinued operations, net of tax	—	—	(0.33)
Total	$5.10	$3.76	$3.55
Weighted Average Common Shares Outstanding			
Basic	177	175	171
Diluted	177	175	172

Dividends Declared per Common Share	$2.69	$2.59	$2.42

See Notes to Consolidated Financial Statements

DTE Energy Company
Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
	2014	2013	2012
	(In millions)		
Net Income	$911	$668	$618
Other comprehensive income (loss), net of tax:			
Benefit obligations, net of taxes of $(9), $13 and $(1), respectively	(18)	22	(2)
Net unrealized gains on investments during the period, net of taxes of $1, $1 and $1, respectively	1	2	1
Foreign currency translation, net of taxes of $(2), $(1) and $—, respectively	(2)	(2)	1
Other comprehensive income (loss)	(19)	22	—
Comprehensive income	892	690	618
Less comprehensive income attributable to noncontrolling interests	6	7	8
Comprehensive income attributable to DTE Energy Company	$886	$683	$610

See Notes to Consolidated Financial Statements

DTE Energy Company
Consolidated Statements of Financial Position

	December 31, 2014	2013
	(In millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	$48	$52
Restricted cash, principally Securitization	120	123
Accounts receivable (less allowance for doubtful accounts of $54 and $55, respectively)		
Customer	1,504	1,542
Other	94	127
Inventories		
Fuel and gas	512	363
Materials and supplies	292	265
Derivative assets	128	99
Regulatory assets	76	26
Other	313	209
	3,087	2,806
Investments		
Nuclear decommissioning trust funds	1,241	1,191
Other	628	603
	1,869	1,794
Property		
Property, plant and equipment	26,538	25,123
Less accumulated depreciation, depletion and amortization	(9,718)	(9,323)
	16,820	15,800
Other Assets		
Goodwill	2,018	2,018
Regulatory assets	3,651	2,837
Securitized regulatory assets	34	231
Intangible assets	102	122
Notes receivable	90	102
Derivative assets	44	27
Other	259	198
	6,198	5,535
Total Assets	$27,974	$25,935

See Notes to Consolidated Financial Statements

DTE Energy Company
Consolidated Statements of Financial Position — (Continued)

	December 31, 2014	2013
	(In millions, except shares)	
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$973	$962
Accrued interest	86	90
Dividends payable	122	116
Short-term borrowings	398	131
Current portion long-term debt, including capital leases	274	898
Derivative liabilities	77	195
Regulatory liabilities	153	302
Other	494	495
	2,577	3,189
Long-Term Debt (net of current portion)		
Mortgage bonds, notes and other	7,860	6,618
Securitization bonds	—	105
Junior subordinated debentures	480	480
Capital lease obligations	3	11
	8,343	7,214
Other Liabilities		
Deferred income taxes	3,776	3,321
Regulatory liabilities	667	862
Asset retirement obligations	1,962	1,827
Unamortized investment tax credit	41	47
Derivative liabilities	8	43
Accrued pension liability	1,280	653
Accrued postretirement liability	515	350
Nuclear decommissioning	182	178
Other	281	297
	8,712	7,578
Commitments and Contingencies (Notes 8 and 17)		
Equity		
Common stock, without par value, 400,000,000 shares authorized, 176,991,231 and 177,087,230 shares issued and outstanding, respectively	3,904	3,907
Retained earnings	4,578	4,150
Accumulated other comprehensive loss	(155)	(136)
Total DTE Energy Company Equity	8,327	7,921
Noncontrolling interests	15	33
Total Equity	8,342	7,954
Total Liabilities and Equity	$27,974	$25,935

See Notes to Consolidated Financial Statements

DTE Energy Company
Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2014	2013	2012
	(In millions)		
Operating Activities			
Net Income	$911	$668	$618
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation, depletion and amortization	1,145	1,094	1,018
Nuclear fuel amortization	48	38	29
Allowance for equity funds used during construction	(21)	(15)	(13)
Deferred income taxes	356	164	47
Loss on sale of non-utility business	—	—	83
Asset (gains) losses and impairments, net	(4)	(8)	1
Changes in assets and liabilities:			
Accounts receivable, net	48	(154)	52
Inventories	(177)	123	35
Accounts payable	128	14	40
Accrued pension obligation	627	(644)	280
Accrued postretirement obligation	165	(526)	(323)
Derivative assets and liabilities	(199)	107	53
Regulatory assets and liabilities	(1,177)	1,269	278
Other assets	(30)	(24)	55
Other liabilities	19	48	(44)
Net cash from operating activities	1,839	2,154	2,209
Investing Activities			
Plant and equipment expenditures — utility	(1,784)	(1,534)	(1,451)
Plant and equipment expenditures — non-utility	(265)	(342)	(369)
Proceeds from sale of non-utility business	—	—	255
Proceeds from sale of assets	45	36	38
Acquisition, net of cash acquired	—	—	(198)
Proceeds from sale of nuclear decommissioning trust fund assets	1,146	1,118	759
Investment in nuclear decommissioning trust funds	(1,156)	(1,134)	(764)
Other	(46)	(50)	(39)
Net cash used for investing activities	(2,060)	(1,906)	(1,769)
Financing Activities			
Issuance of long-term debt, net of issuance costs	1,736	1,234	759
Redemption of long-term debt	(1,237)	(961)	(639)
Short-term borrowings, net	267	(109)	(179)
Issuance of common stock	—	39	39
Repurchase of common stock	(52)	—	—
Dividends on common stock	(470)	(445)	(407)
Other	(27)	(19)	(16)
Net cash from (used for) financing activities	217	(261)	(443)
Net Decrease in Cash and Cash Equivalents	(4)	(13)	(3)
Cash and Cash Equivalents at Beginning of Period	52	65	68
Cash and Cash Equivalents at End of Period	$48	$52	$65

Supplemental disclosure of cash information			
Cash paid (received) for:			
Interest (net of interest capitalized)	$415	$418	$438
Income taxes	$(35)	$121	$173
Supplemental disclosure of non-cash investing and financing activities			
Plant and equipment expenditures in accounts payable	$212	$329	$235

See Notes to Consolidated Financial Statements

DTE Energy Company
Consolidated Statements of Changes in Equity

	Common Stock Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Non-Controlling Interest	Total
	(Dollars in millions, shares in thousands)					
Balance, December 31, 2011	169,247	$3,417	$3,750	$ (158)	$44	$7,053
Net Income	—	—	610	—	8	618
Dividends declared on common stock	—	—	(414)	—	—	(414)
Issuance of common stock	684	39	—	—	—	39
Contribution of common stock to pension plan	1,335	80	—	—	—	80
Benefit obligations, net of tax	—	—	—	(2)	—	(2)
Net change in unrealized losses on investments, net of tax	—	—	—	1	—	1
Foreign currency translation, net of tax	—	—	—	1	—	1
Stock-based compensation, distributions to noncontrolling interests and other	1,086	51	(2)	—	(14)	35
Balance, December 31, 2012	172,352	$3,587	$3,944	$ (158)	$38	$7,411
Net Income	—	—	661	—	7	668
Dividends declared on common stock	—	—	(454)	—	—	(454)
Issuance of common stock	589	39	—	—	—	39
Contribution of common stock to pension plan	3,026	200	—	—	—	200
Benefit obligations, net of tax	—	—	—	22	—	22
Net change in unrealized losses on investments, net of tax	—	—	—	2	—	2
Foreign currency translation, net of tax				(2)		(2)
Stock-based compensation, distributions to noncontrolling interests and other	1,120	81	(1)	—	(12)	68
Balance, December 31, 2013	177,087	$3,907	$4,150	$ (136)	$33	$7,954
Net Income	—	—	905	—	6	911
Dividends declared on common stock	—	—	(476)	—	—	(476)
Repurchase of common stock	(713)	(52)	—	—	—	(52)
Benefit obligations, net of tax	—	—	—	(18)	—	(18)
Net change in unrealized losses on investments, net of tax	—	—	—	1	—	1
Foreign currency translation, net of tax				(2)		(2)
Stock-based compensation, distributions to noncontrolling interests and other	617	49	(1)	—	(24)	24
Balance, December 31, 2014	176,991	$3,904	$4,578	$ (155)	$15	$8,342

See Notes to Consolidated Financial Statements

DTE Energy Company
Notes to Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION
Corporate Structure
DTE Energy owns the following businesses:

- DTE Electric is an electric utility engaged in the generation, purchase, distribution and sale of electricity to approximately 2.1 million customers in southeastern Michigan;
- DTE Gas is a natural gas utility engaged in the purchase, storage, transportation, distribution and sale of natural gas to approximately 1.2 million customers throughout Michigan and the sale of storage and transportation capacity; and
- Other businesses involved in 1) natural gas pipelines, gathering and storage; 2) power and industrial projects; and 3) energy marketing and trading operations.

DTE Electric and DTE Gas are regulated by the MPSC. Certain activities of DTE Electric and DTE Gas, as well as various other aspects of businesses under DTE Energy are regulated by the FERC. In addition, the Company is regulated by other federal and state regulatory agencies including the NRC, the EPA, the MDEQ and the CFTC.
References in this Report to “we”, “us”, “our”, “Company” or “DTE” are to DTE Energy and its subsidiaries, collectively.
Basis of Presentation
The accompanying Consolidated Financial Statements are prepared using accounting principles generally accepted in the United States of America. These accounting principles require management to use estimates and assumptions that impact reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from the Company’s estimates.
Principles of Consolidation
The Company consolidates all majority-owned subsidiaries and investments in entities in which it has controlling influence. Non-majority owned investments are accounted for using the equity method when the Company is able to influence the operating policies of the investee. When the Company does not influence the operating policies of an investee, the cost method is used. These Consolidated Financial Statements also reflect the Company's proportionate interests in certain jointly owned utility plants. The Company eliminates all intercompany balances and transactions.
The Company evaluates whether an entity is a VIE whenever reconsideration events occur. The Company consolidates VIEs for which it is the primary beneficiary. If the Company is not the primary beneficiary and an ownership interest is held, the VIE is accounted for under the equity method of accounting. When assessing the determination of the primary beneficiary, the Company considers all relevant facts and circumstances, including: the power, through voting or similar rights, to direct the activities of the VIE that most significantly impact the VIE's economic performance and the obligation to absorb the expected losses and/or the right to receive the expected returns of the VIE. The Company performs ongoing reassessments of all VIEs to determine if the primary beneficiary status has changed.
Legal entities within the Company's Power and Industrial Projects segment enter into long-term contractual arrangements with customers to supply energy-related products or services. The entities are generally designed to pass-through the commodity risk associated with these contracts to the customers, with the Company retaining operational and customer default risk. These entities generally are VIEs and consolidated when the Company is the primary beneficiary. In addition, we have interests in certain VIEs through which we share control of all significant activities for those entities with our partners, and therefore are accounted for under the equity method.

DTE Energy Company
Notes to Consolidated Financial Statements — (Continued)

The Company has variable interests in VIEs through certain of its long-term purchase and sale contracts. As of December 31, 2014, the carrying amount of assets and liabilities in the Consolidated Statements of Financial Position that relate to its variable interests under long-term purchase and sale contracts are predominately related to working capital accounts and generally represent the amounts owed by or to the Company for the deliveries associated with the current billing cycle under the contracts. The Company has not provided any significant form of financial support associated with these long-term contracts. There is no significant potential exposure to loss as a result of its variable interests through these long-term purchase and sale contracts.

In 2001, DTE Electric financed a regulatory asset related to Fermi 2 and certain other regulatory assets through the sale of rate reduction bonds by a wholly-owned special purpose entity, Securitization. DTE Electric performs servicing activities including billing and collecting surcharge revenue for Securitization. This entity is a VIE and is consolidated by the Company.

The maximum risk exposure for consolidated VIEs is reflected on the Company's Consolidated Statements of Financial Position. For non-consolidated VIEs, the maximum risk exposure is generally limited to its investment and amounts which it has guaranteed.

The following table summarizes the major balance sheet items for consolidated VIEs as of December 31, 2014 and 2013. All assets and liabilities of a consolidated VIE are presented where it has been determined that a consolidated VIE has either (1) assets that can be used only to settle obligations of the VIE or (2) liabilities for which creditors do not have recourse to the general credit of the primary beneficiary. VIEs, in which the Company holds a majority voting interest and is the primary beneficiary, that meet the definition of a business and whose assets can be used for purposes other than the settlement of the VIE's obligations have been excluded from the table below.

	December 31, 2014			December 31, 2013		
	Securitization	Other	Total	Securitization	Other	Total
	(In millions)					
ASSETS						
Cash and cash equivalents	$—	$7	$7	$—	$12	$12
Restricted cash	96	8	104	100	8	108
Accounts receivable	26	15	41	34	16	50
Inventories	—	67	67	—	118	118
Property, plant and equipment, net	—	81	81	—	99	99
Securitized regulatory assets	34	—	34	231		