

May 2, 2003

### **DTE ENERGY REPORTS FIRST QUARTER EARNINGS**

DETROIT – DTE Energy Co. (NYSE: DTE) today reported first quarter 2003 earnings of \$155 million, or \$0.92 per diluted share, compared with \$200 million, or \$1.24 per diluted share last year. These earnings include several non-recurring items and accounting changes.

Operating earnings (which exclude non-recurring items, tax credit driven normalization, discontinued operations, and cumulative effect of accounting changes) for the first quarter ended March 31, 2003 were \$178 million, or \$1.06 per diluted share, which is comparable with operating earnings of \$181 million, or \$1.12 per diluted share for the same period in 2002.

DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings power from ongoing operations, and uses operating earnings as the primary performance measurement for external communications with analysts and investors regarding its earnings outlook and results. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the DTE Energy Board of Directors. The attached statements at the end of this release show, on an after tax-basis, the specific items included in DTE Energy's reported earnings, but excluded from operating earnings.

"DTE Energy posted reasonable first quarter operating earnings versus last year, given the uncertainties of the current market," said Anthony F. Earley Jr., DTE Energy chairman and CEO. "This quarter's performance clearly illustrates the benefits of our business portfolio approach."

"Our non-regulated businesses showed another period of strong earnings, led by our coal-based synthetic fuels business and energy trading," he said. "This increase partially offset the year-over-year cost pressures at our regulated electric and gas utilities. As I indicated at our annual shareholders meeting, we will pursue a rate case to address these cost pressures with the Michigan Public Service Commission for both Detroit Edison and MichCon. We plan on filing the electric rate case this quarter and the gas rate case later this year."

Operating earnings results for the first quarter of 2003, by business unit, were as follows:

- **DTE Energy Resources** earnings were \$0.62 per share versus \$0.69 per share in the first quarter of 2002. The regulated operations of this business unit, which include the power generation services of Detroit Edison, decreased \$0.23 per share versus 2002. Favorable weather impacts were offset by the cost of maintenance outages at several power plants during the quarter and higher associated replacement power costs. The company

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typically schedules much of its plant maintenance in the first or fourth quarters in anticipation of the summer generating season. Higher employee pension and healthcare benefit costs also contributed to the year-over-year decline. The non-regulated operations of this business unit include the company's energy services, energy marketing and trading, coal services and landfill gas recovery (biomass) businesses. Non-regulated operations contributed an incremental \$0.16 per share versus 2002, largely due to higher synthetic fuel production in the energy services operations and increased margins in energy marketing and trading.

- **DTE Energy Distribution** contributed \$0.03 per share versus \$0.15 per share for the same period last year. The regulated operations of this business unit include the electric distribution services of Detroit Edison. These regulated operations experienced a year-over-year decline of \$0.12 per share, driven by increased costs for customer service process improvements, and increased employee pension and healthcare benefit costs. This was partially offset by lower maintenance expenses due to the absence of storms, which negatively impacted the first quarter 2002. The non-regulated operations of this business unit consist primarily of DTE Energy Technologies, which markets and distributes a broad portfolio of distributed generation products and services. Earnings decreased by \$0.01 per share year-over-year for this business.
- **DTE Energy Gas** earnings for the first quarter 2003 increased to \$0.50 per share versus \$0.37 per share the same period last year. The regulated operations include the gas distribution services provided by Michigan Consolidated Gas Co. (MichCon). Regulated operations were up \$0.12 per share in the first quarter, driven by increased sales due to colder weather, and partially offset by increased employee pension and healthcare benefit costs. Non-regulated operations include the production of gas in northern Michigan and the gathering, processing and storing of gas. The earnings of these operations increased by \$0.01 per share year-over-year.
- **Corporate & Other** includes interest costs, as well as certain non-regulated investments, including assets held for sale, and in emerging energy technologies. For the first quarter 2003, Corporate & Other expenses were flat versus the same period last year.

"This is a challenging year, with several key drivers of our earnings, such as summer weather and the pace of economic recovery, yet to play out," Earley said. "Our business plan remains on track, although we expect a change in the mix of earnings contributions from DTE Energy's businesses."

"We anticipate lower full-year earnings from our regulated electric business, based on first quarter results, as well as the costs associated with a catastrophic ice storm that hit our service area last month and left more than 400,000 customers without power," he said. "Our non-regulated businesses, however, had a strong first quarter, and we believe that these operations, led by our synthetic fuels business and energy trading operations, are poised to outperform our original earnings expectations for the year."

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“Navigating the challenges of a soft economy and escalating cost pressures continues to be a priority for DTE Energy,” Earley continued. “We have a committed management team, dedicated employees, and a solid game plan in place to meet these challenges, and deliver positive results.”

The company also clarified its 2003 operating earnings guidance. The previous 2003 operating earnings guidance, \$3.90 - \$4.10 per share, included the earnings from its transmission business, with a business as usual assumption. Now that the transmission business has been sold, it is classified as a discontinued operation and the associated 2003 earnings from this business will not be in operating earnings. The company is maintaining its earnings guidance on a comparable basis, but adjusting it to reflect the sale of the transmission business. As a result, 2003 operating earnings guidance is now \$3.75 - \$3.95 per share. The reconciliation of the company’s 2003 operating earnings guidance to reported earnings can be found at the end of this release.

David E. Meador, DTE Energy senior vice president and chief financial officer, commented on other financial highlights of the quarter:

“In these uncertain times, we continue our commitment to financial stability and responsible growth,” Meador said. “During the first quarter, we closed the sale of our transmission business, and used a portion of proceeds from the sale to further strengthen an already solid balance sheet. We also successfully issued \$400 million in 30-year notes at extremely attractive interest rates, demonstrating our ready access to the capital markets.”

“The company’s debt/equity ratio, at 51 percent, is well within our target range of 50 to 55 percent,” he continued. “DTE Energy remains a financially sound, well-positioned company.”

This earnings announcement, as well as a package of detailed financial information, is available on the company’s website at [www.dteenergy.com](http://www.dteenergy.com) in the “Investors” page.

DTE Energy will conduct a conference call with the investment community at 2:00 p.m. EDT on Friday, May 2, to discuss first quarter earnings results. Investors, the news media and the public may listen to a live Internet broadcast of the DTE Energy conference call at [www.dteenergy.com](http://www.dteenergy.com).

DTE Energy is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. DTE Energy’s largest operating subsidiaries are Detroit Edison, an electric utility serving 2.1 million customers in Southeastern Michigan, and MichCon, a natural gas utility serving 1.2 million customers in Michigan. Information about DTE Energy is available at [www.dteenergy.com](http://www.dteenergy.com).

The information contained in this document is as of the date of this news release. DTE Energy expressly disclaims any current intention to update any forward-looking statements contained in this document as a result of new information or future events or developments. Words such as “anticipate,” “believe,” “expect,” “projected” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and

conditions but rather are subject to various assumptions, risks and uncertainties. This news release contains forward-looking statements about DTE Energy's financial results and estimates of future prospects, and actual results may differ materially. Factors that may impact forward-looking statements include, but are not limited to, timing and extent of changes in interest rates; access to the capital markets and capital market conditions and other financing efforts which can be affected by credit agency ratings required; ability to utilize Section 29 tax credits or sell interest in facilities producing such credits; the level of borrowings; the effects of weather and other natural phenomena on operations and actual sales; economic climate and growth in the geographic areas in which DTE Energy does business; unplanned outages; the cost of protecting assets against or damage due to terrorism; nuclear regulations and risks associated with nuclear operations; changes in the cost of fuel, purchased power and natural gas; the effects of competition; the implementation of electric and gas customer choice programs; the implementation of electric and gas utility restructuring in Michigan; environmental issues, including changes in the climate, and regulations, and the contributions to earnings by non-regulated businesses. This news release should also be read in conjunction with the forward-looking statements in DTE Energy's, MichCon's and Detroit Edison's 2002 Form 10-K Item 1, and in conjunction with other SEC reports filed by DTE Energy, MichCon and Detroit Edison.

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## Reconciliation of DTE Energy 2003 Operating Earnings Guidance to Reported Earnings

<b>2003 Operating Earnings Guidance</b>	<b>\$3.75 - \$3.95</b>
Net Impact of ITC Sale.....	0.44
Reserve for disallowance of gas costs.....	(0.10)
Contribution to DTE Energy Foundation.....	(0.06)
Loss on Sale of Steam Heating Business.....	(0.08)
FAS 143 Asset Retirement Obligations.....	(0.07)
Other Non Strategic Asset Sales.....	0.07
 Total Adjustments	 0.20
<b>2003 Reported Earnings</b>	<b>\$3.95 – \$4.15 *</b>

\* Diluted earnings per share calculation for US GAAP purposes is based on total net income.

# DTE Energy Company

## Segment Net Income (Unaudited)

(in Millions)	2003			2002		
	Reported Earnings	Adjustments	Operating Earnings	Reported Earnings	Adjustments	Operating Earnings
<b>Energy Resources</b>						
Regulated – Power Generation .....	\$ 25	\$ -	\$ 25	\$ 61	\$ -	\$ 61
Non-regulated						
Energy Services .....	51	-	51	32	-	32
Energy Marketing & Trading .....	44	(16) A	28	18	-	18
Other .....	-	-	-	-	-	-
Total Non-regulated .....	95	(16)	79	50	-	50
	120	(16)	104	111	-	111
<b>Energy Distribution</b>						
Regulated – Power Distribution .....	(4)	14 B	10	27	-	27
Non-regulated .....	(4)	-	(4)	(3)	-	(3)
	(8)	14	6	24	-	24
<b>Energy Gas</b>						
Regulated – Gas Distribution .....	59	17 C	76	54	-	54
Non-regulated .....	8	-	8	6	-	6
	67	17	84	60	-	60
		10 D				
<b>Corporate and Other</b> .....	(71)	45 E	(16)	(3)	(11) E	(14)
	(71)	55	(16)	(3)	(11)	(14)
<b>Income from Continuing Operations</b>						
Regulated .....	80	31	111	142	-	142
Non-regulated .....	28	39	67	50	(11)	39
	108	70	178	192	(11)	181
<b>Discontinued Operations - ITC</b>						
Income from operations .....	5	(5) F	-	8	(8) F	-
Gain on sale .....	69	(69) G	-	-	-	-
	74	(74)	-	8	(8)	-
<b>Cumulative Effect of Accounting Changes</b>						
Asset retirement obligations .....	(11)	11 H	-	-	-	-
Energy trading activities .....	(16)	16 I	-	-	-	-
	(27)	27	-	-	-	-
<b>Net Income</b> .....	\$ 155	\$ 23	\$ 178	\$ 200	\$ (19)	\$ 181

### Adjustments Key

A) Adjustment of EITF 98-10 accounting change .....	Flowback of the cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10
B) Loss on sale of steam heating business .....	Sold Detroit Edison steam heating business
C) Disallowance of gas costs .....	Reserve for the potential disallowance of MichCon 2002 gas procurement costs
D) Contribution to DTE Energy Foundation .....	Used portion of ITC sale proceeds to fund the DTE Energy Foundation
E) Tax credit driven normalization .....	Quarterly adjustment at DTE Energy to normalize its effective tax rate. Annual results not impacted
F) Adjust for discontinued operations of ITC .....	Sold International Transmission Company
G) Gain on sale of ITC .....	Sold International Transmission Company
H) Asset retirement obligations .....	Cumulative effect of a change in accounting principle from adoption of SFAS 143
I) Adjustment of EITF 98-10 accounting change .....	Cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10

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

	2003			2002		
	Reported Earnings	Adjustments	Operating Earnings	Reported Earnings	Adjustments	Operating Earnings
<b>Energy Resources</b>						
Regulated – Power Generation .....	\$ 0.15	\$ -	\$ 0.15	\$ 0.38	\$ -	\$ 0.38
Non-regulated						
Energy Services .....	0.30	-	0.30	0.20	-	0.20
Energy Marketing & Trading .....	0.26	(0.09) A	0.17	0.11	-	0.11
Other.....	-	-	-	-	-	-
Total Non-regulated.....	0.56	(0.09)	0.47	0.31	-	0.31
	0.71	(0.09)	0.62	0.69	-	0.69
<b>Energy Distribution</b>						
Regulated – Power Distribution .....	(0.02)	0.08 B	0.06	0.17	-	0.17
Non-regulated.....	(0.03)	-	(0.03)	(0.02)	-	(0.02)
	(0.05)	0.08	0.03	0.15	-	0.15
<b>Energy Gas</b>						
Regulated – Gas Distribution.....	0.35	0.10 C	0.45	0.33	-	0.33
Non-regulated.....	0.05	-	0.05	0.04	-	0.04
	0.40	0.10	0.50	0.37	-	0.37
		0.06 D				
<b>Corporate and Other</b> .....	(0.42)	0.27 E	(0.09)	(0.02)	(0.07) E	(0.09)
	(0.42)	0.33	(0.09)	(0.02)	(0.07)	(0.09)
<b>Income from Continuing Operations</b>						
Regulated.....	0.48	0.18	0.66	0.88	-	0.88
Non-regulated .....	0.16	0.24	0.40	0.31	(0.07)	0.24
	0.64	0.42	1.06	1.19	(0.07)	1.12
<b>Discontinued Operations - ITC</b>						
Income from operations .....	0.03	(0.03) F	-	0.05	(0.05) F	-
Gain on sale.....	0.41	(0.41) G	-	-	-	-
	0.44	(0.44)	-	0.05	(0.05)	-
<b>Cumulative Effect of Accounting Changes</b>						
Asset retirement obligations.....	(0.07)	0.07 H	-	-	-	-
Energy trading activities .....	(0.09)	0.09 I	-	-	-	-
	(0.16)	0.16	-	-	-	-
<b>Total</b> .....	\$ 0.92	\$ 0.14	\$ 1.06	\$ 1.24	\$ (0.12)	\$ 1.12

**Adjustments Key**

- A) *Adjustment of EITF 98-10 accounting change*..... Flowback of the cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10
- B) *Loss on sale of steam heating business* ..... Sold Detroit Edison steam heating business
- C) *Disallowance of gas costs* ..... Reserve for the potential disallowance of MichCon 2002 gas procurement costs
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- F) *Adjust for discontinued operations of ITC*..... Sold International Transmission Company
- G) *Gain on sale of ITC* ..... Sold International Transmission Company
- H) *Asset retirement obligations* ..... Cumulative effect of a change in accounting principle from adoption of SFAS 143
- I) *Adjustment of EITF 98-10 accounting change* ..... Cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10



**DTE ENERGY COMPANY AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS (PRELIMINARY/UNAUDITED)**  
(Dollars in Millions, Except Per Share Amounts)

	3 Months - March		
	2003	2002	% Change
<b>Operating Revenues</b>	\$ 2,095	\$ 1,894	11%
<b>Operating Expenses</b>			
Fuel, purchased power and gas	\$ 813	\$ 727	12%
Operation and maintenance	755	551	37%
Depreciation, depletion and amortization	197	189	4%
Taxes other than income	97	93	4%
Total Operating Expenses	\$ 1,862	\$ 1,560	19%
<b>Operating Income</b>	\$ 233	\$ 334	-30%
<b>Other Income and Deductions</b>			
Interest expense	\$ 133	\$ 136	-2%
Preferred stock dividends of subsidiaries	6	8	-25%
Interest income	(8)	(5)	60%
Other income	(13)	(9)	44%
Other expenses	33	15	120%
Total Other Income and Deductions	\$ 151	\$ 145	4%
<b>Income Before Income Taxes</b>	\$ 82	\$ 189	-55%
Income Tax Benefit	(26)	(3)	n/m
<b>Income from Continuing Operations</b>	\$ 108	\$ 192	-44%
<b>Significant Items Impacting Comparability</b>			
Operating earnings of ITC	\$ 5	\$ 8	-38%
Gain on sale of ITC	69	-	n/m
	\$ 74	\$ 8	n/m
<b>Cumulative Effect of Accounting Changes</b>			
Asset retirement obligations	\$ (11)	\$ -	n/m
Energy trading activities	(16)	-	n/m
	\$ (27)	\$ -	n/m
<b>Reported Net Income</b>	\$ 155	\$ 200	-23%
<b>Reported Earnings per Diluted Share</b>	\$ 0.92	\$ 1.24	-26%
<b>Significant Items Impacting Comparability</b>			
<b>Unusual Items</b>			
Loss on Sale of Steam Heating Business	0.08		n/m
Contribution to DTE Energy Foundation	0.06		n/m
Disallowance of Gas Costs	0.10		n/m
Energy Trading Activities (EITF 98-10 flowback)	(0.09)		n/m
Effective Tax Rate Adjustment	0.27	(0.07)	n/m
<b>Discontinued Operations</b>			
Income from Operations	(0.03)	(0.05)	-40%
Gain on Sale of Transmission Business	(0.41)		n/m
<b>Cumulative Effect of Accounting Changes</b>			
Asset Retirement Obligations (FAS 143)	0.07		n/m
Energy Trading Activities (EITF 98-10 implementation)	0.09		n/m
<b>Operating Earnings per Diluted Share</b>	\$ 1.06	\$ 1.12	-5%
<b>Average Common Shares</b>			
Basic	167	161	4%
Diluted	168	161	4%

n/m - not meaningful

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, 10K, and 10Q.





## DTE ENERGY COMPANY AND SUBSIDIARY COMPANIES

### Earnings Variance Analysis (Preliminary/Unaudited)

<b>Q1 2002 Reported Earnings per Share</b>	<b>\$1.24</b>
Adjust for Q1 2002 Quarterly Effective Tax Rate Adjustment	(0.07)
Adjust for discontinued operations - ITC earnings in Q1 2002	(0.05)
<b>Q1 2002 Operating Earnings per Share</b>	<b>\$1.12</b>

#### Regulated Electric

Gross Margin - wholesale prices	(0.12)	
Positive weather impact offset by higher purchase power costs and margin lost to customer choice		
O&M Expense - benefits, outage costs	(0.26)	
Higher benefits expenses, customer service improvements and timing-related scheduling of power plant maintenance work		
Depreciation - regulatory asset deferrals	0.05	
Other	(0.01)	
<b>Total Regulated Electric</b>		<b>(0.34)</b>

#### Regulated Gas

Gross Margin - weather related heating sales	0.09	
O&M - higher benefit expenses	(0.05)	
Other - depreciation, interest and taxes	0.08	
<b>Total Regulated Gas</b>		<b>0.12</b>

#### Non Regulated

Energy Services - primarily increase in synfuel production	0.11	
Trading - increase in trading margins	0.05	
<b>Total Non-Regulated</b>		<b>0.16</b>

<b>Q1 2003 Operating Earnings per Share</b>	<b>\$1.06</b>
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## Net Income Summary

(Preliminary/Unaudited)

Net Income (\$millions)	Reported Q1 2003	Adjustments	Operating Q1 2003	Operating Q1 2002	Variance
<b>Energy Resources</b>					
Regulated - Power Generation	\$ 25	\$ -	\$ 25	\$ 61	\$ (36)
<b>Non-Regulated</b>					
Energy Services					
Coal Based Fuels	\$ 56	\$ -	\$ 56	\$ 36	\$ 20
On Site Energy Projects	2	-	2	2	-
Merchant Generation	(4)	-	(4)	(4)	-
Other	(3)	-	(3)	(3)	-
Coal Services	3	-	3	3	-
Biomass Energy	2	-	2	1	1
Energy Trading & CoEnergy Portfolio	44	(16) A	28	18	10
Energy Resources Overheads	(5)	-	(5)	(3)	(2)
<b>Total Energy Resources Non-Regulated</b>	<b>\$ 95</b>	<b>\$ (16)</b>	<b>\$ 79</b>	<b>\$ 50</b>	<b>\$ 29</b>
<b>Total Energy Resources</b>	<b>\$ 120</b>	<b>\$ (16)</b>	<b>\$ 104</b>	<b>\$ 111</b>	<b>\$ (7)</b>
<b>Energy Distribution</b>					
Regulated - Power Distribution	\$ (4)	\$ 14 B	\$ 10	\$ 27	\$ (17)
Non Regulated (Energy Technologies)	(4)	-	(4)	(3)	(1)
<b>Total Energy Distribution</b>	<b>\$ (8)</b>	<b>\$ 14</b>	<b>\$ 6</b>	<b>\$ 24</b>	<b>\$ (18)</b>
<b>Energy Gas</b>					
Regulated	\$ 59	\$ 17 C	\$ 76	\$ 54	\$ 22
Non-Regulated	8	-	8	6	2
<b>Total Energy Gas</b>	<b>\$ 67</b>	<b>\$ 17</b>	<b>\$ 84</b>	<b>\$ 60</b>	<b>\$ 24</b>
<b>Holding Company &amp; Other</b>					
Energy Technology Investments	\$ (3)	\$ -	\$ (3)	\$ (2)	\$ (1)
Other	(68)	55 D,E	(13)	(12)	(1)
<b>Total Holding Company &amp; Other</b>	<b>\$ (71)</b>	<b>\$ 55</b>	<b>\$ (16)</b>	<b>\$ (14)</b>	<b>\$ (2)</b>
<b>Total</b>					
Regulated					
Regulated Electric	\$ 21	\$ 14	\$ 35	\$ 88	\$ (53)
Regulated Gas	59	17	76	54	22
Non-Regulated*	96	(16)	80	53	27
Holding Company/Other	(68)	55	(13)	(14)	1
<b>Total</b>	<b>\$ 108</b>	<b>\$ 70</b>	<b>\$ 178</b>	<b>\$ 181</b>	<b>\$ (3)</b>
<b>Discontinued Operations - ITC</b>					
Income from Operations	\$ 5	\$ (5) F			\$ -
Gain on Sale	\$ 69	\$ (69) F			\$ -
<b>Cumulative Effect of Accounting Changes</b>					
Asset Retirement Obligations (FAS 143)	\$ (11)	\$ 11 G	-	-	-
Energy Trading Activities (EITF 98-10 implementation cumulative effect)	\$ (16)	\$ 16 A	-	-	-
<b>Total Net Income</b>	<b>\$ 155</b>	<b>\$ 23</b>	<b>\$ 178</b>	<b>\$ 181</b>	<b>\$ (3)</b>
<b>Total EPS</b>	<b>\$ 0.92</b>	<b>\$ 0.14</b>	<b>\$ 1.06</b>	<b>\$ 1.12</b>	<b>\$ (0.06)</b>
<b>Diluted Shares Outstanding (millions)</b>	<b>168</b>		<b>168</b>	<b>161</b>	

\* Includes Energy Technology Investments

**Key:**

- A - Adjustment for rescission of EITF 98-10 Accounting Change (flow back)
- B - Loss on sale of steam heating business
- C - Disallowance of gas costs
- D - Contribution to DTE Energy Foundation
- E - Effective tax rate adjustment
- F - Adjust for year-over-year ITC gain
- G - FAS 143 Asset retirement obligations



**DTE ENERGY COMPANY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (PRELIMINARY/UNAUDITED)**  
(Dollars in Millions)

	Mar. 31 2003	Dec. 31 2002	Percent Change		Mar. 31 2002	Dec. 31 2002	Percent Change
<b>ASSETS</b>				<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and cash equivalents	\$ 136	\$ 133	2%	Accounts payable	\$ 839	\$ 647	30%
Restricted cash	90	237	-62%	Accrued interest	120	115	4%
Accounts receivable				Dividends payable	90	90	0%
Customer (less allow. for doubtful accounts of \$89 and \$82)	1,188	902	32%	Accrued payroll	29	49	-41%
Accrued unbilled revenues	222	296	-25%	Short-term borrowings	31	414	-93%
Other	318	237	34%	Current portion long-term debt, including capital leases	864	1,018	-15%
Inventories				Liab. from risk mgmt. and trading activities	417	284	47%
Fuel and gas	218	413	-47%	Other	682	596	14%
Materials and supplies	161	163	-1%		<b>\$ 3,072</b>	<b>\$ 3,213</b>	<b>-4%</b>
Assets from risk management and trading activities	374	224	67%				
Other	178	159	12%	<b>Other Liabilities</b>			
	<b>\$ 2,885</b>	<b>\$ 2,764</b>	<b>4%</b>	Deferred income taxes	\$ 1,126	\$ 916	23%
<b>Investments</b>				Regulatory liabilities	182	179	2%
Nuclear decommissioning trust funds	\$ 423	\$ 417	1%	Asset retirement obligation	828	-	n/m
Other	488	487	0%	Unamortized investment tax credit	165	168	-2%
	<b>\$ 911</b>	<b>\$ 904</b>	<b>1%</b>	Liab. from risk mgmt. and trading activities	201	208	-3%
				Liab. from transportation and storage contracts	508	523	-3%
<b>Property</b>				Accrued pension liability	380	582	n/m
Property, plant and equipment	\$ 17,895	\$ 17,862	0%	Nuclear decommissioning	54	416	-87%
Less accumulated depreciation and depletion	(8,237)	(8,049)	-2%	Other	721	683	6%
	<b>\$ 9,658</b>	<b>\$ 9,813</b>	<b>-2%</b>		<b>\$ 4,165</b>	<b>\$ 3,675</b>	<b>13%</b>
				<b>Long-Term Debt</b>			
<b>Other Assets</b>				Mortgage bonds, notes and other	\$ 5,640	\$ 5,656	0%
Goodwill	\$ 2,075	\$ 2,119	-2%	Securitization bonds	1,539	1,585	-3%
Regulatory assets	2,057	1,197	72%	Equity-linked securities	189	191	-1%
Securitized regulatory assets	1,591	1,613	-1%	Capital lease obligations	81	82	-1%
Assets from risk management and trading activities	162	152	8%		<b>\$ 7,449</b>	<b>\$ 7,514</b>	<b>-1%</b>
Prepaid pension assets	175	172	2%				
Other	515	504	2%	<b>Preferred Securities of Subsidiaries</b>	<b>\$ 271</b>	<b>\$ 271</b>	<b>0%</b>
	<b>\$ 6,575</b>	<b>\$ 5,757</b>	<b>3%</b>				
				<b>Shareholders' Equity</b>			
<b>Total Assets</b>	<b>\$ 20,029</b>	<b>\$ 19,238</b>	<b>4%</b>	Common stock	\$ 3,063	\$ 3,052	0%
				Retained earnings	2,206	2,132	3%
				Accumulated other comprehensive loss	(197)	(619)	-68%
					<b>\$ 5,072</b>	<b>\$ 4,565</b>	<b>11%</b>
				<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 20,029</b>	<b>\$ 19,238</b>	<b>4%</b>

The Condensed Consolidated Balance Sheet (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, Form 10K, and 10Q.

n/m - not meaningful



**Detroit Edison Company**  
**Consolidated Statement of Operations (Preliminary/Unaudited)**

(Dollars in Millions)

	3 Months - March		
	2003	2002	% Change
<b>Operating Revenues</b>	\$ 937	\$ 930	1%
<b>Operating Expenses</b>			
Fuel and purchased power	\$ 247	\$ 208	19%
Operation and maintenance	366	277	32%
Depreciation and amortization	135	148	-9%
Taxes other than income	73	71	3%
Total Operating Expenses	\$ 821	\$ 704	17%
<b>Operating Income</b>	\$ 116	\$ 226	-49%
<b>Interest Expense and Other</b>			
Interest expense	\$ 75	\$ 78	-4%
Interest Income	-	(1)	n/m
Other income	(11)	(5)	120%
Other expenses	19	16	19%
Total Interest Expense and Other	\$ 83	\$ 88	-6%
<b>Income Before Income Taxes</b>	\$ 33	\$ 138	-76%
Income Tax Provision	\$ (12)	\$ (46)	-74%
Income Before Accounting Change	\$ 21	\$ 92	-77%
Cumulative Effect of Accounting Change	(6)	-	n/m
<b>Reported Net Income</b>	<b>\$ 15</b>	<b>\$ 92</b>	<b>-84%</b>
<b>Cumulative Effect of Accounting Changes</b>			
Asset Retirement Obligations (FAS 143)	6	-	n/m
<b>Unusual Item</b>			
Loss on Sale of Steam Heating Business	14	-	n/m
<b>Operating Net Income</b>	<b>\$ 35</b>	<b>\$ 92</b>	<b>-62%</b>

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, Form 10K, and Form 10Q.

n/m - not meaningful



**Michigan Consolidated Gas Company**  
**Consolidated Statement of Operations (Preliminary/Unaudited)**

(Dollars in Millions)

	3 Months - March		
	2003	2002	% Change
<b>Operating Revenues</b>	\$ 625	\$ 590	6%
<b>Operating Expenses</b>			
Cost of gas	\$ 421	\$ 384	10%
Operation and maintenance	78	66	18%
Depreciation and amortization	25	27	-7%
Taxes other than income	17	17	0%
<b>Total Operating Expenses</b>	<b>\$ 541</b>	<b>\$ 494</b>	<b>10%</b>
<b>Operating Income</b>	<b>\$ 84</b>	<b>\$ 96</b>	<b>-13%</b>
<b>Other Income and (Deductions)</b>			
Interest on long-term debt	(14)	(15)	-7%
Interest income	2	3	-33%
Equity in earnings of joint ventures	1	1	0%
Other	1	(1)	n/m
<b>Total Other Income and (Deductions)</b>	<b>\$ (10)</b>	<b>\$ (12)</b>	<b>-17%</b>
<b>Income Before Income Taxes</b>	<b>\$ 74</b>	<b>\$ 84</b>	<b>-12%</b>
Income Tax Provision	15	30	-50%
<b>Reported Net Income</b>	<b>\$ 59</b>	<b>\$ 54</b>	<b>9%</b>
<b>Unusual Item</b>			
Disallowance of gas costs	17	-	n/m
<b>Operating Net Income</b>	<b>\$ 76</b>	<b>\$ 54</b>	<b>41%</b>

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, Form 10K, and Form 10Q.

n/m - not meaningful



# Sales Analysis

## Electric - Detroit Edison Service Area (MWh)

	<u>Q1 2003</u>	<u>Q1 2002</u>	<u>%</u>
Residential	3,856	3,720	3.7%
Commercial	4,126	4,342	-5.0%
Industrial	3,085	3,333	-7.4%
Other	683	655	4.3%
<b>TOTAL SYSTEM</b>	<b>11,750</b>	<b>12,050</b>	<b>-2.5%</b>
Choice Sales	1,192	321	271.3%
<b>TOTAL SALES</b>	<b>12,942</b>	<b>12,371</b>	<b>4.6%</b>
Interconnection Sales (not included above)	701	125	460.8%

## Gas - MichCon Service Area (Mcf)

	<u>Q1 2003</u>	<u>Q1 2002</u>	<u>% Change</u>
Residential	60,229,684	58,148,090	3.6%
Commercial	19,292,592	17,613,192	9.5%
Industrial	506,582	585,770	-13.5%
End Use Transportation	43,271,049	44,721,921	-3.2%
Choice - Residential	11,699,081	1,984,552	489.5%
Choice - Commercial	5,659,473	1,341,054	322.0%
Choice - Industrial	142,547	11,472	1142.6%
<b>TOTAL SALES</b>	<b>140,801,008</b>	<b>124,406,051</b>	<b>13.2%</b>

## Weather

### Heating Degree Days

	<u>Q1 2003</u>	<u>Q1 2002</u>	<u>% Change</u>
Actuals	3,444	2,812	22%
Normal	3,216	3,216	
Deviation from normal	7.1%	-12.6%	