

Net Income Summary

(Preliminary/Unaudited)

(in millions, except per share amounts)

| | <u>Reported Q3 2004</u> | <u>Adjustments</u> | <u>Operating Q3 2004</u> | <u>Operating Q3 2003</u> | <u>Variance</u> |
|---|-----------------------------|--------------------|------------------------------|------------------------------|------------------|
| Energy Resources | | | | | |
| Regulated - Power Generation | 34 | | 34 | 77 | (43) |
| Non-Regulated | | | | | |
| Energy Services | | | | | |
| Coal Based Fuels | | | | | |
| Synfuels | 55 | - | 55 | 27 | 28 |
| Coke Batteries | 4 | - | 4 | - | 4 |
| On Site Energy Projects | 5 | - | 5 | 2 | 3 |
| Merchant Generation | (6) | - | (6) | (4) | (2) |
| Coal Services | 4 | - | 4 | 2 | 2 |
| Biomass Energy | 1 | - | 1 | 2 | (1) |
| Energy Trading & CoEnergy Portfolio | 12 | - | 12 | 23 | (11) |
| Energy Resources Overheads | (11) | | (11) | (7) | (4) |
| Total Energy Resources Non-Regulated | <u>64</u> | <u>-</u> | <u>64</u> | <u>45</u> | <u>19</u> |
| Total Energy Resources | <u>98</u> | <u>-</u> | <u>98</u> | <u>122</u> | <u>(24)</u> |
| Energy Distribution | | | | | |
| Regulated - Power Distribution | 28 | - | 28 | 35 | (7) |
| Non Regulated (Energy Technologies) | (4) | - | (4) | (3) | (1) |
| Total Energy Distribution | <u>24</u> | <u>-</u> | <u>24</u> | <u>32</u> | <u>(8)</u> |
| Energy Gas | | | | | |
| Regulated | (55) | - | (55) | (45) | (10) |
| Non-Regulated | <u>5</u> | <u>-</u> | <u>5</u> | <u>12</u> | <u>(7)</u> |
| Total Energy Gas | <u>(50)</u> | <u>-</u> | <u>(50)</u> | <u>(33)</u> | <u>(17)</u> |
| Holding Company & Other | | | | | |
| Energy Technology Investments | - | - | - | (2) | 2 |
| Other | <u>21</u> | <u>(24) A</u> | <u>(3)</u> | <u>(5)</u> | <u>2</u> |
| Total Holding Company & Other | <u>21</u> | <u>(24)</u> | <u>(3)</u> | <u>(7)</u> | <u>4</u> |
| Total | | | | | |
| Regulated | | | | | |
| Electric | <u>\$ 62</u> | <u>\$ -</u> | <u>\$ 62</u> | <u>\$ 112</u> | <u>\$ (50)</u> |
| Gas | <u>\$ (55)</u> | <u>\$ -</u> | <u>\$ (55)</u> | <u>\$ (45)</u> | <u>\$ (10)</u> |
| Non-Regulated | <u>\$ 65</u> | <u>\$ -</u> | <u>\$ 65</u> | <u>\$ 52</u> | <u>\$ 13</u> |
| Holding Company/Other | <u>\$ 21</u> | <u>\$ (24)</u> | <u>\$ (3)</u> | <u>\$ (5)</u> | <u>\$ 2</u> |
| Total | <u>\$ 93</u> | <u>\$ (24)</u> | <u>\$ 69</u> | <u>\$ 114</u> | <u>\$ (45)</u> |
| Total Net Income | <u>\$ 93</u> | <u>\$ (24)</u> | <u>\$ 69</u> | <u>\$ 114</u> | <u>\$ (45)</u> |
| Total Diluted EPS | <u>\$ 0.54</u> | | <u>\$ 0.40</u> | <u>\$ 0.67</u> | <u>\$ (0.27)</u> |
| Average Diluted Shares Outstanding | 174 | | 174 | 168 | |

Key:

A - Quarterly Effective Tax Rate Adjustment



DTE ENERGY COMPANY AND SUBSIDIARY COMPANIES

Earnings Variance Analysis (Preliminary/Unaudited)

| | |
|--|---------------|
| Q3 2003 Reported Earnings per Share | \$1.04 |
| Adjust for non-recurring direct costs of blackout | 0.10 |
| Adjust for Q3 2003 Quarterly Effective Tax Rate Adjustment | (0.49) |
| Adjust for discontinued operations | 0.02 |
| Q3 2003 Operating Earnings per Share | \$0.67 |
| Regulated Electric | |
| Regulatory Assets | 0.03 |
| Weather | (0.11) |
| Choice Lost Margin | (0.14) |
| Net Interim Rate Relief Impact | 0.06 |
| Pension/Health Care | (0.06) |
| Generation O&M & DTE2 | (0.07) |
| Regulated Gas | |
| Margin | 0.01 |
| Other | 0.01 |
| Taxes | (0.07) |
| Non-Regulated | |
| Synfuels | 0.16 |
| Coke Batteries | 0.02 |
| Trading & CoEnergy Portfolio | (0.06) |
| Non-Regulated Gas | (0.04) |
| Other | (0.01) |
| Holding Company & Share Dilution | - |
| Q3 2004 Operating Earnings per Share | \$0.40 |
| Effective tax rate adjustment | 0.14 |
| Q3 2004 Reported Earnings per Share | \$0.54 |

DTE ENERGY COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (in Millions) | (Unaudited) September 30 2004 | December 31 2003 |
|---|-------------------------------------|-------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 74 | \$ 54 |
| Restricted cash | 76 | 131 |
| Accounts receivable | | |
| Customer (less allowance for doubtful accounts of \$130 and \$99, respectively)..... | 868 | 877 |
| Accrued unbilled revenues..... | 174 | 316 |
| Other | 431 | 338 |
| Inventories | | |
| Fuel and gas | 568 | 467 |
| Materials and supplies | 159 | 162 |
| Assets from risk management and trading activities..... | 307 | 186 |
| Other | 247 | 181 |
| | <u>2,904</u> | <u>2,712</u> |
| Investments | | |
| Nuclear decommissioning trust funds..... | 557 | 518 |
| Other | 565 | 601 |
| | <u>1,122</u> | <u>1,119</u> |
| Property | | |
| Property, plant and equipment | 18,101 | 17,679 |
| Less accumulated depreciation and depletion | (7,699) | (7,355) |
| | <u>10,402</u> | <u>10,324</u> |
| Other Assets | | |
| Goodwill | 2,064 | 2,067 |
| Regulatory assets | 2,132 | 2,063 |
| Securitized regulatory assets..... | 1,462 | 1,527 |
| Notes receivable..... | 527 | 469 |
| Assets from risk management and trading activities..... | 205 | 88 |
| Prepaid pension assets | 183 | 181 |
| Other | 193 | 203 |
| | <u>6,766</u> | <u>6,598</u> |
| Total Assets | <u><u>\$ 21,194</u></u> | <u><u>\$ 20,753</u></u> |

DTE ENERGY COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | (Unaudited) September 30 2004 | December 31 2003 |
|---|-------------------------------------|---------------------|
| (in Millions, Except Shares) | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable..... | \$ 691 | \$ 625 |
| Accrued interest..... | 111 | 110 |
| Dividends payable | 90 | 87 |
| Accrued payroll | 40 | 51 |
| Income taxes..... | 11 | 185 |
| Short-term borrowings..... | 476 | 370 |
| Current portion of long-term debt, including capital leases | 516 | 477 |
| Liabilities from risk management and trading activities..... | 454 | 326 |
| Other..... | 584 | 593 |
| | <u>2,973</u> | <u>2,824</u> |
| Other Liabilities | | |
| Deferred income taxes..... | 1,071 | 988 |
| Regulatory liabilities | 812 | 817 |
| Asset retirement obligations | 903 | 866 |
| Unamortized investment tax credit..... | 147 | 156 |
| Liabilities from risk management and trading activities..... | 357 | 173 |
| Liabilities from transportation and storage contracts | 397 | 495 |
| Accrued pension liability..... | 237 | 345 |
| Deferred gains from asset sales | 398 | 311 |
| Minority interest | 115 | 156 |
| Nuclear decommissioning | 72 | 67 |
| Other..... | 605 | 599 |
| | <u>5,114</u> | <u>4,973</u> |
| Long-Term Debt (net of current portion) | | |
| Mortgage bonds, notes and other..... | 5,689 | 5,624 |
| Securitization bonds | 1,400 | 1,496 |
| Equity-linked securities | 179 | 185 |
| Trust preferred-linked securities..... | 289 | 289 |
| Capital lease obligations..... | 70 | 75 |
| | <u>7,627</u> | <u>7,669</u> |
| Contingencies | | |
| Shareholders' Equity | | |
| Common stock, without par value, 400,000,000 shares authorized, 173,958,093 and 168,606,522 shares issued and outstanding, respectively | 3,312 | 3,109 |
| Retained earnings | 2,360 | 2,308 |
| Accumulated other comprehensive loss | (192) | (130) |
| | <u>5,480</u> | <u>5,287</u> |
| Total Liabilities and Shareholders' Equity | \$ 21,194 | \$ 20,753 |

DTE ENERGY COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

| | Nine Months Ended September 30 | |
|---|-----------------------------------|---------------------|
| | 2004 | 2003 |
| (in Millions) | | |
| Operating Activities | | |
| Net Income | \$ 318 | \$ 292 |
| Adjustments to reconcile net income to net cash from operating activities: | | |
| Depreciation, depletion and amortization | 536 | 551 |
| Deferred income taxes | 104 | (55) |
| Gain on sale of interests in synfuel projects | (166) | (57) |
| Gain on sale of ITC and other assets, net..... | (27) | (130) |
| Partners' share of synfuel project losses | (158) | (58) |
| Contributions from synfuel partners | 71 | 44 |
| Cumulative effect of accounting changes | - | 27 |
| Changes in assets and liabilities, exclusive of changes shown separately | (88) | (328) |
| Net cash from operating activities | <u>590</u> | <u>286</u> |
| Investing Activities | | |
| Plant and equipment expenditures – regulated | (555) | (504) |
| Plant and equipment expenditures – non-regulated | (52) | (58) |
| Investment in joint ventures | (36) | (5) |
| Proceeds from sale of interests in synfuel projects | 151 | 67 |
| Proceeds from sale of ITC and other assets | 62 | 643 |
| Restricted cash for debt redemptions | 55 | 137 |
| Other investments | (59) | (61) |
| Net cash from (used for) investing activities | <u>(434)</u> | <u>219</u> |
| Financing Activities | | |
| Issuance of long-term debt | 617 | 529 |
| Redemption of long-term debt | (620) | (897) |
| Short-term borrowings, net | 106 | 55 |
| Issuance of common stock | 31 | 33 |
| Dividends on common stock | (265) | (259) |
| Other | (5) | (9) |
| Net cash used for financing activities | <u>(136)</u> | <u>(548)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 20 | (43) |
| Cash and Cash Equivalents at Beginning of the Period | 54 | 133 |
| Cash and Cash Equivalents at End of the Period | <u>\$ 74</u> | <u>\$ 90</u> |

THE DETROIT EDISON COMPANY

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

| (in Millions) | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Operating Revenues | \$ 958 | \$ 1,017 | \$ 2,679 | \$ 2,824 |
| Operating Expenses | | | | |
| Fuel and purchased power | 238 | 288 | 654 | 762 |
| Operation and maintenance | 361 | 316 | 1,063 | 1,025 |
| Depreciation and amortization | 128 | 127 | 364 | 386 |
| Taxes other than income | 62 | 67 | 192 | 204 |
| | <u>789</u> | <u>798</u> | <u>2,273</u> | <u>2,377</u> |
| Operating Income | 169 | 219 | 406 | 447 |
| Other (Income) and Deductions | | | | |
| Interest expense | 72 | 71 | 215 | 217 |
| Other income | (13) | (29) | (43) | (62) |
| Other expenses | 16 | 30 | 61 | 67 |
| | <u>75</u> | <u>72</u> | <u>233</u> | <u>222</u> |
| Income Before Income Taxes | 94 | 147 | 173 | 225 |
| Income Tax Provision | 32 | 51 | 59 | 78 |
| Income Before Accounting Change | 62 | 96 | 114 | 147 |
| Cumulative Effect of Accounting Change | - | - | - | (6) |
| Net Income | 62 | 96 | 114 | 141 |
| Cumulative Effect of Accounting Changes | | | | |
| Asset Retirement Obligations (FAS 143) | - | - | - | 6 |
| Unusual Items | | | | |
| August 2003 Blackout Costs | - | 16 | - | 16 |
| Loss on Sale of Steam Heating Business | - | - | - | 14 |
| Operating Earnings | 62 | 112 | 114 | 177 |
| Regulatory Deferrals Impact: | | | | |
| Regulatory Deferrals (Net of Income Taxes)(1) | 23 | 18 | 65 | 48 |
| Operating Earnings Excluding Regulatory Deferrals | \$ 39 | \$ 94 | \$ 49 | \$ 129 |
| Return on Average Common Equity (2) | | | | |
| Operating Earnings Including Regulatory Deferrals | - | - | 7.4 % | 10.1 % |
| Operating Earnings Excluding Regulatory Deferrals | - | - | 3.8 % | 7.5 % |

The Consolidated Statement of Operations (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

(1) Regulatory deferrals recorded pursuant to Michigan electric restructuring legislation and related Michigan Public Service Commission Orders. The deferrals include Electric Choice lost margin recovery, Electric Choice implementation costs, environmental compliance costs and other.

(2) Reflects reported earnings for the 12-month period ending September 30 and a 13-month average common equity.

MICHIGAN CONSOLIDATED GAS COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

| (in Millions) | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|----------------|-----------------------------------|-----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Operating Revenues | <u>\$ 155</u> | <u>\$ 142</u> | <u>\$ 1,141</u> | <u>\$ 1,078</u> |
| Operating Expenses | | | | |
| Cost of gas | 64 | 56 | 713 | 637 |
| Operation and maintenance | 90 | 90 | 293 | 251 |
| Depreciation, depletion and amortization | 28 | 26 | 81 | 79 |
| Taxes other than income | 12 | 12 | 37 | 42 |
| Property write-down | - | - | - | 5 |
| | <u>194</u> | <u>184</u> | <u>1,124</u> | <u>1,014</u> |
| Operating Income (Loss) | <u>(39)</u> | <u>(42)</u> | <u>17</u> | <u>64</u> |
| Other (Income) and Deductions | | | | |
| Interest expense | 14 | 13 | 41 | 42 |
| Interest income | (2) | (2) | (7) | (8) |
| Other | - | (2) | 1 | (4) |
| | <u>12</u> | <u>9</u> | <u>35</u> | <u>30</u> |
| Income (Loss) Before Income Taxes | (51) | (51) | (18) | 34 |
| Income Tax Provision (Benefit) | 2 | (14) | 2 | 7 |
| Reported Earnings (Loss) | <u>\$ (53)</u> | <u>\$ (37)</u> | <u>\$ (20)</u> | <u>\$ 27</u> |
| Purchase Accounting and Other Adjustments | (1) | (5) | (2) | (5) |
| Disallowance of Gas Costs | - | - | - | (17) |
| Operating Earnings(A) | <u>\$ (54)</u> | <u>\$ (42)</u> | <u>\$ (22)</u> | <u>\$ 5</u> |

The Consolidated Statement of Operations (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

(A) Represents MichCon's results included in the DTE Energy Consolidated Statement of Operations



DTE Energy Debt/Equity Calculation

As of September 30, 2004

(\$ millions)

| | |
|---|---------------|
| short-term borrowings | 476 |
| current portion LTD + cap leases | 516 |
| long-term debt | 5,689 |
| securitization bonds | 1,400 |
| capital leases | 70 |
| less QUIDS | (385) |
| less MichCon short-term debt | (209) |
| less securitization debt, including current portion | (1,496) |
| Total debt | 6,061 |
| Trust preferred | 289 |
| QUIDS | 385 |
| Mandatory convertible | 179 |
| Total preferred/ other | 853 |
| Equity | 5,480 |
| Total capitalization | 12,394 |
| Debt | 48.9% |
| Preferred stock | 6.9% |
| Common shareholders' equity | 44.2% |
| Total | 100.0% |



Sales Analysis

Electric Sales - Detroit Edison Service Area (000's of GWh)

| | Q3 2004 | Q3 2003 | % Change |
|-------------------------------------|-------------------|-------------------|--------------|
| Residential | 4,113,927 | 4,456,931 | -7.7% |
| Commercial | 3,557,384 | 4,162,910 | -14.5% |
| Industrial | 2,854,400 | 3,044,498 | -6.2% |
| Other | 628,397 | 653,532 | -3.8% |
| TOTAL SYSTEM | 11,154,108 | 12,317,871 | -9.4% |
| Interconnection Sales | 1,442,501 | 1,046,630 | 37.8% |
| Choice Sales (Distribution Charge)* | 2,654,802 | 2,141,011 | 24.0% |
| TOTAL SALES | 15,251,411 | 15,505,512 | -1.6% |

* Includes Dearborn Industrial Group sales

Electric Revenue - Detroit Edison Service Area (\$000s)

| | Q3 2004 | Q3 2003 | % Change |
|-------------------------------------|----------------|----------------|---------------|
| Residential | 369,059 | 404,888 | -8.8% |
| Commercial | 294,301 | 338,121 | -13.0% |
| Industrial | 137,412 | 158,683 | -13.4% |
| Other | 29,209 | 29,634 | -1.4% |
| TOTAL SYSTEM | 829,981 | 931,326 | -10.9% |
| Interconnection Sales | 58,090 | 45,384 | 28.0% |
| Choice Sales (Distribution Charge)* | 50,506 | 9,476 | 433.0% ** |
| TOTAL SALES | 938,577 | 986,186 | -4.8% |

* Includes Dearborn Industrial Group sales

** Reflects impact of interim rate order eliminating Choice transition credit & implementing transition charge

Gas Sales - MichCon Service Area (Mcf)

| | Q3 2004 | Q3 2003 | % Change |
|--------------------------|-------------------|-------------------|--------------|
| Residential | 9,180,323 | 9,150,523 | 0.3% |
| Commercial | 2,695,926 | 3,093,001 | -12.8% |
| Industrial | 188,258 | 314,234 | -40.1% |
| | 12,064,507 | 12,557,758 | -3.9% |
| End User Transportation* | 27,441,684 | 26,696,816 | 2.8% |
| TOTAL SALES | 39,506,191 | 39,254,574 | 0.6% |

* includes choice customers

Gas Revenue - MichCon Service Area (Mcf)

| | Q3 2004 | Q3 2003 | % Change |
|--------------------------|--------------------|--------------------|-------------|
| Residential | 96,521,908 | 86,566,132 | 11.5% |
| Commercial | 26,379,204 | 26,021,106 | 1.4% |
| Industrial | 1,651,688 | 2,298,651 | -28.1% |
| | 124,552,800 | 114,885,889 | 8.4% |
| End User Transportation* | 20,818,581 | 18,914,849 | 10.1% |
| TOTAL SALES | 145,371,381 | 133,800,738 | 8.6% |

* includes choice customers

Weather

Cooling Degree Days

Detroit Edison service territory

| | Q3 2004 | Q3 2003 | % Change |
|------------------------------|---------------|-------------|----------|
| Actuals | 470 | 548 | -14% |
| Normal | 537 | 537 | n/m |
| Deviation from normal | -12.5% | 2.0% | |

Heating Degree Days

MichCon service territory

| | Q3 2004 | Q3 2003 | % Change |
|------------------------------|--------------|---------------|----------|
| Actuals | 134 | 165 | -19% |
| Normal* | 147 | 189 | -22% |
| Deviation from normal | -8.8% | -12.7% | |

* 2004 data based on 10-year average, 2003 data based on 30 year average