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DTE - Q2 2017 DTE Energy Co Earnings Call

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PRESENTATION

Operator

Good day, everyone, and welcome to the DTE Energy 2017 Q2 Earnings Call. Today's conference is being recorded.

At this time, I would like to turn the conference over to Barbara Tuckfield. Please go ahead, ma'am.

Barbara Tuckfield

Thank you, Lisa, and good morning, everyone. Before we get started, I would like to remind everyone to read the safe harbor statement on Page 2, including the reference to forward-looking statements. Our presentation also includes references to operating earnings, which is a non-GAAP financial measure. Please refer to the reconciliation of non-GAAP net income to operating earnings provided in the appendix.

With us this morning are: Gerry Anderson, Chairman and CEO; Jerry Norcia, President and COO; and Peter Oleksiak, Senior Vice President and CFO. We also have members of the management team to call on during the Q&A.

Now I'll turn it over to Gerry to start the call.

Gerard M. Anderson - DTE Energy Company - Chairman and CEO

All right. Well, thank you, Barb, and good morning, everyone. Thanks for joining us today. So this morning, I will give you a recap of our performance for the second quarter, including some updates on a few key developments at the company. And then I'll hand it over to Jerry Norcia, who will provide a bit more detail on our progress, particularly on our non-utility businesses. And then finally, Peter will provide a financial review, wrap things up, and then we'll take the Q&A.

So moving on to Slide 5. On the first quarter call, I said that we were off to a really strong start in 2017, and I will just reiterate that at the halfway point of the year. This past quarter was successful on a number of fronts for the company, including our financial performance. So I feel very good about our financial results over the first half of the year. And based on those results, we are increasing our 2017 earnings guidance midpoint by



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\$0.11 a share to \$5.42. I'll also say that I'm confident in our ability to deliver on that increased guidance and on our ability to continue to deliver similar results longer term.

So I think many of you are aware that back in May, we announced a sustainability initiative that commits DTE to reducing its carbon emissions by over 80% by 2050 with interim commitments to reduce levels on the path along the way to that ultimate goal. So this announcement was a defining event for DTE. It set the course for our power generation investments for many years to come. Interestingly, the announcement was really widely covered in the press with over 200 articles and publications nationwide picking it up. The sentiment of the coverage was very positive. And I'll talk a little bit more about the specifics of the carbon reduction initiative here in a few minutes.

Investment in our utilities, of course, is central to the growth of the company. And we continue to execute our plan to invest both to transform our generation fleet and also to fundamentally improve reliability in both our gas and electric distribution operations. A commitment to minimizing the impact of those investments on customer rates is a key part of the plan. And it's critical to us continuing to be highly ranked in customer satisfaction amongst our peers. And in that vein, I'm proud to say that our electric utility ranked second in J.D. Power's Residential Customer Satisfaction Study that was announced earlier this month. And that marked the seventh consecutive year that DTE has ranked in the top quartile for large Midwest electric utilities. And we've improved our absolute customer satisfaction score every year for the past 5 years.

Moving on to the non-utility front. As I said, I'll touch briefly on a few things, and then Jerry will provide more detail. Our Bluestone Pipeline achieved a considerable milestone this quarter. The pipe is now delivering 1 Bcf of gas per day, which is more than 3x the amount of gas it delivered 5 years ago when we put the pipe into service. It was delivering 0.3 Bcf back then, so we've seen quite amazing growth. And that growth at Bluestone has been driven by the quality of the reserves that it serves. And this growth gives us confidence in the potential for future expansions at Link and NEXUS, which we believe serve similarly strong geology and strong reserves.

Moving on to a NEXUS update. I know many of you are interested in the progress and the timing of this project. So before I get into that and get into the timing, I'll reiterate what I said on the first quarter call. And that is that the precise in-service date for NEXUS doesn't materially impact our 2017, 2018 or long-term EPS profile. So we want to get moving on the project, but near-term earnings are not the driver of that desire.

So that said, as you know, the FERC quorum has not yet been restored. And as I said on the first quarter call, we expected a year-end 2017 in-service date if we receive the FERC certificate by the end of the second quarter or sometime within reach of mid-year. We also said on the first quarter call that if the FERC certificate wasn't received within that time frame, then the project might push into 2018. Well, that's where we are now with an in-service date in 2018. And Jerry Norcia will give more color on the FERC dynamics in a few minutes.

But even though the process is taking longer than we'd like, we're still feeling very good about the project itself. We continue to make progress on the pipeline in the interim. So we have all the materials and equipment, nearly all the right-of-way easements. We're in the final stages of attaining the necessary permits and our construction contracts are in place. So to put it plainly, we're completing the steps that are in our control to complete during this period. And once we receive the FERC certificate, we will go immediately to work. And we will, at that time, provide a more precise projected in-service date.

Moving on to our power and industrial business. A quick summary is that we closed on a second landfill gas plant and are close to finalizing the agreement on the large-scale central plant that we announced last quarter. And these projects, along with the landfill gas acquisition that we announced last quarter, will help cover the REF earnings roll-off that begins in 4 to 5 years.

So now moving on to Slide 6. I want to tell you more about the sustainability initiative and the carbon emission reduction goals that we recently announced. So as I mentioned, we are committed to reducing carbon emissions by more than 80% by 2015 -- or by 2050. And that's the target and the time frame that scientists have broadly settled on.

So the slide shows our CO2 emission reduction plan versus 2005 levels. 2005 is the year everybody uses as the benchmark. We'll achieve a 30% reduction by the early 2020s when we retire several coal-fired plants and start up, I guess, combined cycle plant; a 45% reduction by 2030; a 75% reduction by 2040, when our final coal plant closes; and a more than 80% reduction by 2050. These reductions interestingly exceed the targets established by the now shelved Clean Power Plan.



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To replace our aging coal facilities, we'll add about 3,500 megawatts of natural gas-fired capacity that will supply the 24/7 power and ensure reliability. The first of these gas plants is in motion now. So we have received several bids in response to our request for proposal for the acquisition of existing generation plants, and we're currently evaluating those bids as we look also at a self-build option, and then compare the 2 to determine the best solution to meet the needs of our customers. And our final decision will be integrated into the Certificate of Necessity filing that will be made at the end of this month, so in a matter of days. We're also planning to construct on the order of 4,000 megawatts of additional renewable energy capacity over time. The next major renewable investments on that path will occur in 2018 and in 2020.

And as I said earlier, I believe this carbon reduction plan is a defining initiative for DTE. And I also believe that our sector more broadly would be well served to get out in front of the carbon issue and take it head-on. And I say this because ultimately the transition from coal to natural gas and renewables and from oil to electricity in the transportation sector is one of the best and strongest growth opportunities that our industry has. And further, I'm convinced that we and the industry can pull off this transition in a way that maintains affordability, that maintains the currently strong competitive position of the U.S. energy complex.

And I feel confident saying that because the plan we've announced has been in the works for several years. And we have studied and modeled the transition very, very carefully. If there's anything we do at DTE, we run the numbers. And we're convinced that it can be done affordably. So don't get me wrong, there are ways to go about this transition that could be expensive for customers. Other countries have proven that. Germany is a clear example, they blew it. But it doesn't have to be that way. And in Michigan, we're committed to going about this transition the right way to ensure that we achieve not only the sustainability goals but the affordability goals as well.

And with that, I'll hand it over to Jerry Norcia, who will give you an update on our non-utility businesses. Jerry, over to you.

Gerardo Norcia - DTE Energy Company - President and COO

Thanks, Gerry, and good morning, everyone. I'll be giving an update on the non-utility growth businesses, GSP and P&I. I'll start with GSP and our Bluestone Pipeline & Gathering assets on Slide 8.

As Gerry mentioned, Bluestone achieved a major milestone in the second quarter. For the first time, the system is delivering 1 Bcf of natural gas per day to the Millennium and Tennessee interstate pipelines. This landmark achievement is significant for a couple of reasons. It is an important achievement for our DTE team as the system started with an initial capacity of 0.3 Bcf per day. And through a lot of work and multiple expansions, we have more than tripled the capacity in just over 5 years.

The other reason is that it is a clear sign of the abundance of low-cost natural gas in the region closest to the nation's largest gas markets, enabling the build of new natural gas-fired plants. Our Millennium Pipeline is moving toward completing an additional 0.2 Bcf per day expansion in the second half of 2018, bringing its total capacity to 1 Bcf per day. The success of our Bluestone and Millennium Pipelines gives me confidence that we will see similar results when we move our new projects forward.

The Link Lateral & Gathering project continues to receive significant market interest. Big producers continued to bring on additional wells online and other producers will soon be doing the same. This is consistent with our expectations and supports the positive momentum for Link. We're also on ongoing discussions with producers to fill and expand the pipe. Gerry provided an update on the NEXUS Pipeline. I want to reiterate that we are ready for construction with right-of-way acquisition significantly completed and most of our permits received. As soon as FERC nominations play out and we then receive the certificate, we will begin construction. Projects of this scope take 7 to 10 months to construct. We will be able to be more specific about in-service date after the first 2 items occur. And we'll do that as soon as we are able to.

Regarding the FERC nomination process, there has been good progress on that front as well. Neil Chatterjee and Rob Powelson have been approved by the Senate Energy and Natural Resources Committee, both by a very strong bipartisan vote. The 2 nominees now await a final vote by the full Senate. Recently, President Trump announced his intent to nominate 2 more commissioners, Richard Glick and Kevin McIntyre, with McIntyre expected to serve as chair. Once approved, the commission will have 5 members, which is fully staffed. We see strong bipartisan support for the nominees currently before the Senate and are hopeful the Senate will schedule a vote on at least 2 nominees prior to its scheduled August recess. So again, once we receive our FERC certificate, we will provide a more specific 2018 in-service date.



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Moving on to Slide 9. I'll give you a brief update on some of the projects we discussed on our first quarter call. We are excited about what's happening in the P&I space and have made significant strides with our new project. We began operations with the landfill gas plant we acquired a few months ago. The second landfill gas project, the construction of a new plant, is progressing very well. We signed a contract in May and expect the facility to be in service in the first half of next year.

As we previously mentioned, we are in advanced discussions for several additional landfill gas opportunities. The other project we mentioned was the construction of a new large-scale central energy plant. This plant is expected to be in service in the second half of 2019 and will provide a large industrial customer of both combined heat and power as well as chilled and hot water. This project received board approval from both companies and we are currently in the late stages of finalizing the contract.

All of these projects fit really well within our P&I portfolio and help shore up our long-term growth plan filling in earnings when a portion of REF earnings roll off in 2021. We'll continue to develop other opportunities, and we'll provide updates on this project as well as other projects as they progress.

And now I'll turn it over to Peter Oleksiak, who will provide a financial update for the quarter.

Peter B. Oleksiak - DTE Energy Company - CFO and SVP

Thanks, Jerry, and good morning, everyone. Let's start out on Slide 11, where this slide shows our quarter-over-quarter operating earnings by segment. DTE had a strong second quarter driven by growth in our non-utility segments. And unlike my Detroit Tigers, who are struggling to hit the .500 mark and are rebuilding, DTE just keeps winning and outperforming. Operating earnings for the second quarter were \$1.07 per share. And for reference, reported earnings were \$0.99 per share. And for a detailed breakdown of EPS by segment, including a reconciliation to GAAP reported earnings, please refer to Slide 23 of the appendix.

Now starting on top of the page with our 2 utilities. DTE Electric's earnings were \$148 million for the quarter, up \$13 million compared to the second quarter last year. We've implemented new rates, which were partially offset by a return to normal weather in May this year. A further breakdown of DTE Electric's quarter-over-quarter results can be found in the appendix on Slide 16. For DTE Gas, earnings were \$1 million, down \$12 million quarter-over-quarter, primarily driven by a warmer-than-normal April, higher rate base growth and O&M related to benefit expenses, partially offset by new rates implemented last November.

At DTE Gas, one thing we are seeing because of the last rate case is that the shape of earnings is different than what we have seen historically. As I mentioned on the first quarter call, our earnings will be higher in the first and fourth quarter and lower in the second and third quarter because rates are now more volumetric in nature. The third quarter will be most affected, where earnings could be lower by as much as \$10 million to \$20 million quarter-over-quarter, including base rate increases. On this change in timing, earnings has no impact on our full year results and we are still tracking guidance for the segment.

Now on to the non-utilities. Our Gas Storage and Pipelines earnings were \$40 million for the quarter, up \$5 million over last year, driven by growth in our pipeline and gathering earnings. Moving down the slide, earnings at Power and Industrial Projects were \$30 million for the quarter, up \$13 million from the quarter last year. This increase was primarily driven by higher REF volumes at new sites coming online and steel-related earnings. Earnings for Corporate and Other were negative \$32 million for the quarter, \$9 million unfavorable versus last year, largely due to timing of taxes. And so earnings overall for both segments in the second quarter were \$187 million or \$1.05 per share compared to \$177 million or \$0.98 per share last year.

Rounding out our running operating earnings, our Energy Trading business had a solid first half of the year. Our second quarter operating earnings were \$4 million. And this is up \$4 million from the first quarter of last year. And as always, we have in the appendix on Slide 22 our standard Energy Trading reconciliation, showing both economic and accounting performance.

So let's discuss guidance on Slide 12. As Gerry Anderson mentioned, based on our financial results for the first half of the year, we are increasing the midpoint of our 2017 EPS guidance by \$0.11 from \$5.31 to \$5.42. Our EPS guidance range for DTE Energy now is \$5.26 to \$5.57 and \$5.21 and



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\$5.46 for our growth segments. Our guidance increases are indicated by the green arrows and are driven by strong start of the year at our non-utility segments, which carry -- which we believe will carry through the rest of the year. For our Gas Storage and Pipelines, we are seeing favorable results across all business platforms. At P&I, we're seeing higher REF volumes as well as higher steel-related earnings. As I mentioned on the prior slide, Energy Trading business is off to a strong start.

Now I'll wrap it up on Slide 13, then open the line for questions. Once again, we had a strong second quarter. We're committed to transforming our generation fleet and with our plans in motion to reduce carbon emissions by more than 80%. The strength of our utilities and the growth of our non-utility businesses gives me confidence and our management team confidence that we'll continue to deliver premium shareholder returns.

And with that, I'd like to thank everyone for joining us this morning. So Lisa, if you can open up the line for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from Mike Weinstein with Crédit Suisse.

Michael Weinstein - *Crédit Suisse AG, Research Division - United States Utilities Analyst*

So I just wanted to confirm that it looks like all of the increasing guidance is from the -- mostly from the pipeline segments or mostly from the P&I landfill gas. Is that basically ahead of schedule? Is that why we're raising guidance at this point?

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

You're talking about 2018 -- the increase we just gave in 2017?

Michael Weinstein - *Crédit Suisse AG, Research Division - United States Utilities Analyst*

For 2017, yes.

Peter B. Oleksiak - *DTE Energy Company - CFO and SVP*

For our both segments, for our Gas Storage and Pipeline segment, it is across the platform of businesses and both our gathering pipeline since it's had strong results, which will carry throughout the year. And then for our P&I segment, it's a combination of steel-related, which is coke battery volumes as well as REF volumes as well, which is tied to coal plants that we have our REF sites on.

Michael Weinstein - *Crédit Suisse AG, Research Division - United States Utilities Analyst*

And I think you mentioned that you're in talks to expand Link further with producers. Can you give us an indication of how far along those discussions are? And at what point may you be able to discuss an actual expansion with some numbers around it?



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Gerardo Norcia - *DTE Energy Company - President and COO*

Well, we're seeing the producers -- it's Jerry Norcia. We're seeing the producers drill and fill their capacity positions. And we are in a number of conversations that could lead to an expansion. But we haven't secured any of those at this point. But we're feeling very good about the volumes and the drilling ramp that we're seeing and the reserves that these producers are drilling into. It's certainly proceeding well in line with clients.

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

One thing to remember about that pipeline is it had capacity available for producers to expand into. So one of the key jobs was to fill up that volume. And as Jerry just said, we're feeling very encouraged by the pace of drilling and the level of activity in the area and the growth we're seeing in the pipe.

Michael Weinstein - *Crédit Suisse AG, Research Division - United States Utilities Analyst*

And just to confirm also that we're still at 1.75 Bcf -- 1.75 for the backlog of interconnect agreements, right, on NEXUS? Has that number changed? Or are we still 2/3 contracted at this point?

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

Still 2/3 contracted. And yes, the 1.75 Bcf of interconnect agreements is what we have.

Operator

Our next question comes from Shar Pourreza with Guggenheim Partners.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - Director and Senior Equity Analyst*

So just let me ask you a follow-up question on NEXUS. What's the inflection point on the additional firm capacity? So I guess what I'm trying to get at is knowing what you know now, do you expect additional interconnection agreements to transfer to firm as you get a FERC certificate? Or do you expect the additional demand pull to come when you're well underway in construction?

Gerardo Norcia - *DTE Energy Company - President and COO*

Yes, we've got -- as you mentioned, we've got significant interconnectivity along the NEXUS Pipeline that I think will yield more firm contracts. In terms of timing, a lot of the conversations are evolving around providing those potential shippers with certainty as when the pipeline will go into service. And I think the moment that we get our FERC certificate and we start construction, we'll start to move to close on some of those firm service agreements.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - Director and Senior Equity Analyst*

Excellent. And then Gerry, I think we've discussed you pursuing a bit of -- some sort of a capital tracking mechanism on the electric side. Is there any status there? And when do you expect this study due? And then how does that sort of fit as far as your coal retirement and your carbon reduction targets?



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Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

So I think step 1 in working with the commission is work we're doing on a distribution investment plan. So we were asked by the commission to file a 5-year look at distribution investments. And we took that as a very positive collaborative effort. They understand that we need to invest to modernize the system, to automate the system, to improve reliability and so forth. And it's a significant investment. So the filing is really for them to understand it better and for the commission and DTE to be on the same page, that's step 1. The second question is how to fund that construction. And I think there is some interest on both sides for alternative mechanisms for the portions of that build that are straightforward and well understood, once the plan is well understood. But I guess, I'd say I wouldn't put the cart before the horse, so to speak. We want to get a good plan that's understood by the commission. And then if we can put a recovery mechanism in place that helps both sides, that's great. If not, we'll proceed as normal. I'd expect those sorts of discussions to be about recovery mechanisms to potentially be playing out next year after we work our way through the distribution plan this year.

Shahriar Pourreza - *Guggenheim Securities, LLC, Research Division - Director and Senior Equity Analyst*

Got it. And then if successful, if you get a capital tracking mechanism and under the assumption that it's something that's substantial, expect to stay out of a rate case for multiple years?

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

Well, that would be one of the advantages, would be to spread out the time between cases and keep the cases focused on the things that really are out of normal, so to speak. So if we can have routine things covered in tracking mechanisms and the nonroutine things covered in cases, that would be ideal. But again, I think that's an agenda we'll work next year once we've got greater clarity on an agreement on the investment agenda itself.

Operator

Our next question comes from Anthony Crowdell with Jefferies.

Anthony Christopher Crowdell - *Jefferies LLC, Research Division - Equity Associate*

Just quickly on P&I, do the stronger expected earnings at P&I also go away as the REF credits expire? Or is there a higher expected ending point in, when is that, 2021?

Peter B. Oleksiak - *DTE Energy Company - CFO and SVP*

Yes. Our REF units will expire in tranches. The first one is the end of 2020, so 2021 and the other one being 2022. So this is tied to those units and the credits that will expire in that time frame. (inaudible) show earnings and cash for us in the short term, which is very positive.

Anthony Christopher Crowdell - *Jefferies LLC, Research Division - Equity Associate*

Okay. More earnings and cash in the near term, but the uptick here also rolls off in 2021?

Peter B. Oleksiak - *DTE Energy Company - CFO and SVP*

That's correct.



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Operator

We'll move on to our next question from John Barta with KeyBanc.

John Joseph Barta - *KeyBanc Capital Markets Inc., Research Division - Research Associate*

Can we just talk about the -- are there any drivers in the 3% or down 3% industrial growth year-to-date or just some of the puts and takes there?

Peter B. Oleksiak - *DTE Energy Company - CFO and SVP*

Yes, some of it is related to the auto production. There is some retooling as they move over to new models, that's part of it. The other is the steel-related earnings, which we make very little margin on, were down quarter-over-quarter.

John Joseph Barta - *KeyBanc Capital Markets Inc., Research Division - Research Associate*

Okay. And then just lastly, I didn't see a mention of the 5% to 7% EPS growth rate. Is everything still intact there? Is it just kind of lumpy from year-to-year, just given the last 2 strong years?

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

We're still on track for 5% to 7%, that's the plan.

Operator

(Operator Instructions) We'll take our next question from Charles Fishman with Morningstar.

Charles J. Fishman - *Morningstar Inc., Research Division - Equity Analyst*

Gerry, I heard the other day that the Senate leadership was talking about putting all 4 of the nominees forward at the same time, even though only 2 have gone through committee. Have you heard anything like that? Or is it even worth wasting time at trying to figure out what's going on in the Senate?

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

So I'd say a couple of things. Without wanting to be too specific, I'd say, number one, we're very close to this. We've got, not surprisingly, people who are working closely with our senators and with members of the Energy Committee and people close to the whole discussion. Second, I can tell you that the discussion is very active. So the Senate leadership gets it that there's -- the country's business waiting to be done as not only these nominees but other nominees sit out there unconfirmed. So they get it. And that has led to very active discussions about deals and approaches that could move things along, hopefully move things along in packages and so forth. But I guess I would say that the discussions are fluid. And I'm not going to try to be overly specific in terms of how it might play out. I think we've got to leave that to McConnell, Schumer and company, but hopefully -- I guess the last thing I would say is you'd be concerned if there was kind of radio silence on the other side as they dealt with some of the big issues that they're dealing with. That's not the case. Their discussions are very active on this and there's a lot of interest in getting this done, hopefully. I think there is hope that, that would be before the August recess. But if not, quickly after they come back in early September.



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Operator

Our next question comes from Angie Storzynski with Macquarie.

Angieszka Anna Storzynski - *Macquarie Research - Head of US Utilities and Alternative Energy*

I wanted to go back to NEXUS. I know you've already answered a number of questions about it. But is there any takeaway for NEXUS from what's going on with Rover? I mean, I understand that there's delays in that pipeline. But it seems like a shipper might feel a bit relieved that the delays are happening because they actually don't have enough gas to feed in that pipe. I mean, is this the same phenomenon for NEXUS? And how do you think about the project if you were not to sign any additional contracts besides what you already have?

Gerardo Norcia - *DTE Energy Company - President and COO*

So we're very aware of -- this is Jerry Norcia -- very aware of the technical issues that Rover is experiencing. What I will tell you is that Enbridge/Spectra and ourselves have been involved in many pipeline projects and have a tremendous amount of experience of building pipelines. And we feel that we'll proceed in a way that's environmentally responsible and follow best practices in the industry. So we have not in our past experienced these types of problems. And we don't expect to experience any of them on this pipeline either, our pipeline.

Angieszka Anna Storzynski - *Macquarie Research - Head of US Utilities and Alternative Energy*

Well, that addresses any construction issues. But I'm asking more about the contracting concerns, simply given that the drilling activity is actually not that intense around the area.

Gerardo Norcia - *DTE Energy Company - President and COO*

So we've got -- our current commitments are underpinned 50% by LDCs. So it's a demand pull. And our LDCs are actively in the region looking to secure supply. And we have not had any issues in that regard. The other half of our commitments is from producers. And as we converse with our producers, they are prepared when we go into service to build the pipe.

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

So we're not seeing issues on that front. I mean, you really asked 2 questions, construction, and Jerry said, "Look, we've built a lot of pipes in the past and we plan to do it the right way, plan to do it in an environmentally responsible, well-planned way." And on production, they're going to put drilling activity in place when they need to, to meet their commitments on the pipe. They're not going to let a commitment on a pipe sit empty. So we are in active discussions. They plan to do that. And as Jerry said, we and the Canadian utilities are in active discussions to secure supply to fulfill our commitments. And that's going well, too.

Operator

And that is all the questions we have. I would like to turn the conference back over to Gerry Anderson for any closing or additional remarks.

Gerard M. Anderson - *DTE Energy Company - Chairman and CEO*

I'll just close the way I opened, which is to say the year is off to a really good start halfway through, increasing guidance by \$0.11. And as I said, I feel very good about our ability to meet that and our ability to continue the pattern of the 5% to 7% earnings growth that we have demonstrated. And we look forward to doing that for you. Thanks very much for joining us this morning. We'll look forward to updating you soon.



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Operator

And that does conclude today's presentation. Thank you for your participation, and you may now disconnect.

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