

DTE Energy®



**2010 Supply Chain Supplier Symposium
Supplier Awards**

Presented by Ken Cash

Distribution Operations Procurement Manager

June 22, 2010



Supplier Awards

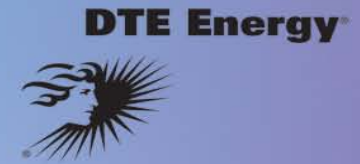
Cost Savings Award



Medco Health Solutions, Inc. – Cost Savings Award

- Medco is one of the largest pharmaceutical benefits managers in the country.
- Medco is providing DTE Energy and its employees with significant cost savings and high customer satisfaction while managing DTE Energy's pharmaceutical benefits program.
- Medco is providing DTE Energy approximately 20% savings over 2010-2012.
- Medco regularly brings new cost savings ideas to DTE Energy for consideration. E.g. voluntary genetics testing to determine appropriate drug treatments

Medco Health Solutions, Inc. – Cost Savings Award

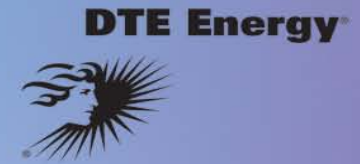




ERMCO – Cost Savings Award

- ERMCO is the primary transformer supplier for Distribution Operations.
- ERMCO provided the company with a significant 11% cost savings in 2009.
- ERMCO maintains lower transformer costs than their competitors, at a time when DOE transformer efficiency requirements have driven prices upward due to efficiency gains on transformer redesigns.
- ERMCO is a key contributor to the success of inventory reduction (\$4M) within the Distribution Operations.
 - Developed a forecasting model that was utilized to help in determining transformer requirement
 - Adjusted their production schedule to allow flexibility in demand changes.
 - Maintained inventory in their facility to support emergent needs.
 - Reduced lead times to less than two weeks to support unexpected demand spikes.

ERMCO – Cost Savings Award





R.L. Coolsaet Construction Company – Cost Savings Award

- RL Coolsaet consistently meets and exceeds cost savings expectations while fully understanding critical scopes of work for MichCon Asset Management.
- RL Coolsaet successfully won two major project bids in 2010, offering cost savings of over 8% on each.
- RL Coolsaet has over 70 years in the underground contracting space. MichCon appreciates RL Coolsaet for their extensive experience and dedication to quality and commitment to excellence.
- In Michigan's tough economic climate, suppliers like RL Coolsaet make it possible to progress as a utility by exceeding cost savings targets and maintaining customer focus.

R.L. Coolsaet Construction Company – Cost Savings Award

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Supplier Awards

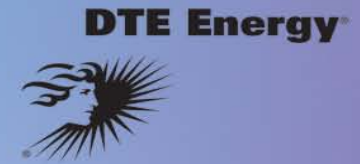
Supplier Safety Award



Choctaw Kaul – Supplier Safety Award

- Choctaw Kaul, a local and certified MBE, is DTE's primary MRO safety product supplier and has demonstrated over and over their commitment to providing DTE with safe, reliable and cost effective products.
- Choctaw Kaul works in step with DTE to identify recall products and purge them from the DTE inventory system.
- Recently Choctaw Kaul enabled DTE to save over \$100,000 by working jointly with a DTE cross-functional safety task team to standardize hard hats throughout the company. Similar efforts are underway for eye protection and gloves.

Choctaw Kaul – Supplier Safety Award





Kappen Tree Services – Supplier Safety Award

- Kappen Tree Service has been a leader in safety performance and is committed to environmentally sensitive and safe practices.
- Kappen Tree Service received the CET Gold Award for outstanding safety and health record from the Michigan Occupational Safety and Health Administration (MIOSHA).
- Kappen Tree Service's outstanding safety and health record came from several areas, including significant employer commitment and job safety analysis (JSA) to identify hazards.
- Kappen Tree Service promotes regular safety and health training and are dedicated to changing their safety culture.

Kappen Tree Services – Supplier Safety Award

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Corby Energy Services – Supplier Safety Award

- Corby Energy Services is one of the primary Underground Construction contractors for both MichCon and Distribution Operations.
- Corby has demonstrated exemplary safety performance for MichCon by achieving a zero OSHA rating for 2009 and 2010 YTD. They continue to provide timely concise documentation.
- Corby employees are committed to safe job practices and frequently engage in DTE continuous improvement initiatives to improve productivity and efficiency.

Corby Energy Services – Supplier Safety Award





Supplier Awards

Diversity Supplier Award



Ideal Contracting LLC – Diversity Supplier Award

- A certified minority supplier; Ideal performed the foundation work for Scrubbers (FGDs) for units 3/4 at MNPP during the first phase (2005 to 2009) of the build out for Environmental Projects.
- Ideal leveraged tier I & II suppliers to optimize savings; met cash flow objectives thru innovative solutions for material ordering delivery, storing, and invoicing.
- Ideal cooperated in reducing overall costs by optimizing installation of other contractors work when it was more efficiently performed by them even though it was not in their scope of work.
- Played a significant part in meeting the schedule for tie-in outages and met all the project metrics including Safety and Quality.

Ideal Contracting LLC – Diversity Supplier Award





Utility Resource Group – Diversity Supplier Award

- Utility Resource Group is a full service underground utility minority contractor for Distribution Operations.
- URG created competition in our service territory, which led to achieved cost savings in 2009.
- URG provided DTE Energy with real time updates of ticket information by providing access into their system.
- Utility Resource Group's collaborative efforts with DTE Energy, helped to expand their business into other states.

Utility Resource Group – Diversity Supplier Award

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Supplier Awards

Diversity Champion Award



URS Corporation – Diversity Champion Award

- The EPC (Engineer Procure Construct) Alliance with URS (formerly WGI) played a key role in DTE Energy completing the build out of Scrubbers for Units 3 and 4 at the Monroe Power plant.
- URS helped DTE Energy source about \$29 Million of spend with them locally and most of it with Michigan based diverse vendors. This provided the linkage to an economic boost to the diverse business owners in our community.
- Identified and mentored diverse vendors; held vendor events to inform diverse vendors of opportunities
- Completely aligned with DTE diversity goals.

URS Corporation – Diversity Champion Award

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Supplier Awards

Continuous Improvement Award

NG Gilbert Corporation – Continuous Improvement Award

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All State Fastener - Continuous Improvement Award

- All State Fastener is a local Michigan based MRO supplier providing fasteners supporting all Detroit Edison, MichCon and affiliate locations.
- Besides All State providing DTE with a quality product, their business ethics are unsurpassed. Their level of service is to the highest standard ensuring consistent quality and pricing . They continually strive to improve their operations to meet DTE's expectations and to ensure goals are properly aligned.
- All State Fastener meets regularly with individual Business Unit groups and Strategy Managers performing self audits of competitive pricing, exceptional service levels and value add improvements to our operations.
- We commend All State Fastener for their continued partnership with DTE as a supplier of high integrity and business standards and a true partner for continuous improvement..

All State Fastener - Continuous Improvement Award

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Elster American Meter – Continuous Improvement Award

- Elster American Meter proved an invaluable team member during a recent swarm designed to improve the MichCon ordering and planning replenishment process for residential meters.
- Elster American Meter has a history of design innovations that have consistently improved the accuracy and service life of gas meters.
- Elster was instrumental in the swarm, offering benchmarking ideas from peer utilities further ahead in the forecasting and planning replenishment process, a space MichCon wishes to achieve by the end of 2010.
- Through collaboration, Michcon improved their forecasting and planning process and now proactively provides an 8 week lead-time forecast to the vendor. Reduced meter backorders and increased current fill rate to 95%.

Elster American Meter – Continuous Improvement Award

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Supplier Awards

Supplier Innovation Award



Michigan CAT – Supplier Innovation Award

- Michigan CAT collaborated with DTE to provide an innovative approach to equipment rental, maintenance and scheduling that focuses on the right equipment at the right time, delivered at the right cost, to both DTE and our contractors.
- This strategic approach helps DTE control cost through increased focus on scheduled needs vs. equipment availability, dedicated on-site equipment specialists and a continued collaborative approach to solutions utilizing the C1 – C4 Process Improvement Swarm methodology.
- Measureable, significant cost savings are realized on an annual basis as a result of this approach.
- We salute Michigan CAT on their ability to provide customized solutions to support the equipment needs of DTE Energy.

Michigan CAT – Supplier Innovation Award

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Power Line Supply – Supplier Innovation Award

- Power Line Supply, headquartered in Reed City, MI is a leader with extensive experience in the electric utility industry.
- Power Line Supply performs Vendor Managed Inventory Services for over 1000 line items for Distribution Operations. PLS ships material direct to PTM contractors and supplies material to UG contractors
- PLS actively explores new alternatives with DTE to improve business processes, while helping to lower supply chain costs. PLS provided cost savings in 2009 and 2010.

Power Line Supply – Supplier Innovation Award

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MRC McJunkin Red Man Corporation – Supplier Innovation Award

- McJunkin Red Man is a critical parts distributor vendor to the Energy Gas Business and demonstrates what it means to deliver on innovation.
- McJunkin Red Man will partner with an Underground Construction contractor to launch a contractor furnished materials program with MichCon servicing the GRMI North, North central regions in June, 2010.
- Their efforts will provide a reduction of O & M costs for M&L labor, transportation and expenses. Projected sustainable inventory reduction of over \$1M.
- We salute their ability to provide customized solutions to support MichCon's needs.

MRC McJunkin Red Man Corporation – Supplier Innovation Award





DTE Energy Supply Chain Team Awards

Supplier Diversity Advocate



Matthew Brunette – Supplier Diversity Advocate Award

- Matthew Brunette works as a Category Manager within DTE Energy Corporate Purchasing with a focus on HR Benefits
- Matt works in a very difficult spend category that has very few diversity suppliers available and those that are find it difficult to compete
- Matt plays a pivotal role in bringing diversity suppliers to the table and providing opportunities (ie vision care, third party insurers)
- A tireless seeker of women owned and minority owned companies, Matt exemplifies the behavior and results of a tremendous advocate for diversity suppliers

Matthew Brunette – Supplier Diversity Advocate Award

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Lori Taylor-Wallace – Supplier Diversity Advocate Award

- **Lori responsibilities have included the development of sourcing strategies and contracts for overhead construction, line clearance, power plant material and services, underground gas and electric construction, substation construction, etc**
- **In 2008, Lori was responsible for sourcing over \$70M of which \$20M (30%) was awarded to diverse suppliers**
- **Lori helped facilitate the DTE Renewable Supplier Event at the MGM Grand in support of providing Michigan diverse and small business providers the opportunity to network with large wind developers, solar system installers and energy optimization providers. Over 400 local suppliers attended this event.**
- **Lori was instrumental in the award of a 1-year, \$18M solar engineering, procurement and construction contract to a diverse supplier in Novi, MI. Nova Consulting is executing the contract which utilizes 100% Michigan labor. Additionally, Nova has been instrumental in assisting DTE identify additional Michigan diverse and non-diverse companies that can support our various renewable energy programs.**
- **Please congratulate Lori as a tremendous advocate for the diversity supplier community**

Lori Taylor-Wallace – Supplier Diversity Advocate Award

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