



**DTE Energy is among the nation's top three coal marketers and transporters.**

## **TREND: Infrastructure Investment**

According to the Energy Information Administration, U.S. demand for electricity is expected to grow at an annual average rate of 1.8 percent through 2025, for a total increase of about 50 percent. That's the equivalent of nearly 1,000 new power plants.

Michigan mirrors this trend despite its economic challenges. According to the Capacity Needs Forum sponsored by the Michigan Public Service Commission, Michigan may need one or two new base-load plants by 2014.

No new base-load generating plant has been built in Michigan in almost 20 years, and the current regulatory environment is not conducive to this type of investment. Only when regulators and legislators create a mechanism for utilities to recover their investments will we see any activity to site

and construct new base-load generation. DTE Energy is preparing for that time.

## **We're investing in our electric system.**

We spent nearly \$400 million to improve the reliability of our electric distribution system in 2005. We installed three new substations, upgraded an additional 10 substations, and improved circuits throughout our service area to relieve overload and low-voltage conditions.

At our power plants we spent nearly \$122 million on capital improvements in 2005. If the regulatory environment improves, our plan is to grow our capacity gradually as electric load materializes. In the long term, we may have an opportunity to invest \$1 billion to \$2 billion to build a new base-load power plant in Michigan.

## **We're investing in our natural gas infrastructure.**

We continued to repair and upgrade our existing pipeline, inspecting 35 miles in 2005, or 8 percent of our pipeline subject to federal pipeline safety regulations. This contributes to a safe, reliable and cost-efficient operation.

## Foundation, Focus, Future



### IN THE PIPELINE

*Today, with nearly a quarter-million customers, Grand Rapids, Mich., ranks as MichCon's second largest service region. Add a recently built highway, hospital and health complex, and Grand Rapids becomes a thriving market with rapidly growing infrastructure needs.*

*The Jamestown Pipeline, 28 miles of 30-inch steel piping, will meet market demand. When complete, it will allow MichCon to supply natural gas to 220,000 residential customers.*



Surveying the Jamestown Pipeline in Grand Rapids, Mich., are Jerry Beland (left), manager of public improvement and right-of-way, and Bruce Nieman, manager, main renewal and construction.

### **TREND:** Infrastructure Investment *(continued)*

MichCon attracts approximately 17,000 new customers each year. As a result of this growth, we're installing a new natural gas pipeline near Grand Rapids to serve western Michigan. Construction will begin this spring. (See "In the Pipeline," left.)

Infrastructure investments at both our utilities increases their rate bases, giving Detroit Edison and MichCon the opportunity to grow, while helping to power Michigan's economy.