

DTE ENERGY CO
Form 424B5
August 02, 2018
Table of Contents

Filed Pursuant to Rule 424b5
Registration No. 333-210556

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated August 2, 2018

Preliminary Prospectus Supplement

(To Prospectus Dated September 28, 2016)

\$

DTE Energy Company

2018 Series D % Senior Notes due

We are offering \$ of our 2018 Series D % Senior Notes due . We will pay interest on the notes on and of each year, beginning , 2019 at the rate of % per year.

The notes will mature on . We may redeem the notes at our option, in whole or in part, at any time at the redemption prices set forth in this prospectus supplement. There is no sinking fund for the notes. The notes will be unsecured and unsubordinated obligations and will rank equally with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

We do not intend to apply for a listing of the notes on any securities exchange or automated quotation system.

Investment in the notes involves risks. You should read carefully this prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors that begins on page S-5 of this prospectus supplement, which describes some of these risks.

	Price to Public	Underwriting Discount	Proceeds to Us Before Expenses
Per Note	%	%	%
Total	\$	\$	\$

Interest on the notes will accrue from the date of original issuance. Purchasers of the notes must pay the accrued interest if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the notes, in book-entry form only, will be made on or about August , 2018.

Joint Book-Running Managers

Citigroup

J.P. Morgan

MUFG

Scotiabank

The date of this prospectus supplement is August , 2018.

Table of Contents

This prospectus supplement and the accompanying prospectus and any free writing prospectus that we file with the Securities and Exchange Commission (SEC) contain and incorporate by reference information you should consider when making your investment decision. We have not, and the underwriters have not, authorized any person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement or the accompanying prospectus or any document incorporated by reference is accurate only as of its date. DTE Energy's business, financial condition, results of operations and prospects may have changed since such date. To the extent that the information in the prospectus supplement differs from the information in the prospectus, you should rely on the information in the prospectus supplement.

References in this prospectus supplement to DTE Energy, we, us, or our refer to DTE Energy Company and its consolidated subsidiaries.

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>Cautionary Statements Regarding Forward-Looking Statements</u>	S-2
<u>Prospectus Supplement Summary</u>	S-3
<u>Risk Factors</u>	S-5
<u>Use of Proceeds</u>	S-11
<u>Ratios of Earnings to Fixed Charges</u>	S-11
<u>Description of Notes</u>	S-12
<u>Material U.S. Federal Income Tax Considerations</u>	S-20
<u>Underwriting (Conflict of Interest)</u>	S-24
<u>Legal Matters</u>	S-29
<u>Experts</u>	S-29

Prospectus

	Page
<u>About This Prospectus</u>	2
<u>Risk Factors</u>	3
<u>Cautionary Statements Regarding Forward-Looking Statements</u>	3
<u>DTE Energy Company</u>	4
<u>Use of Proceeds</u>	5
<u>Ratios of Earnings to Fixed Charges</u>	5
<u>The Securities That We May Offer</u>	5
<u>Description of Capital Stock</u>	6
<u>Description of Debt Securities</u>	8
<u>Description of Stock Purchase Contracts and Stock Purchase Units</u>	24
<u>Book-Entry Securities</u>	25
<u>Plan of Distribution</u>	27

<u>Legal Matters</u>	28
<u>Experts</u>	28
<u>Where You Can Find More Information</u>	28

S-1

Table of Contents

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement or the accompanying prospectus contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the financial condition, results of operations and business of DTE Energy. You can find many of these statements by looking for words such as believes, expects, anticipates, estimates or similar expressions in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein or therein. You are cautioned not to place undue reliance on such statements, which speak only as of the date of this prospectus supplement, the date of the accompanying prospectus or the date of any document incorporated by reference.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties. Our actual results may differ from those expected due to a number of variables as described in our public filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference herein.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation to release publicly any revisions to the forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights important information about DTE Energy Company and this offering. It does not contain all the information that is important to you in connection with your decision to invest in the notes. We encourage you to read this prospectus supplement and the accompanying prospectus in their entirety as well as the information we incorporate by reference before making an investment decision.

DTE Energy Company

DTE Energy Company (DTE Energy) is a Michigan corporation engaged in utility operations through its wholly owned subsidiaries, DTE Electric Company (DTE Electric) and DTE Gas Company (DTE Gas). We also have non-utility operations that are engaged in a variety of energy related businesses.

DTE Electric is a Michigan public utility engaged in the generation, purchase, distribution and sale of electricity to approximately 2.2 million customers in southeastern Michigan.

DTE Gas is a Michigan public utility engaged in the purchase, storage, transportation, distribution and sale of natural gas to approximately 1.3 million customers throughout Michigan and the sale of storage and transportation capacity.

Our non-utility operations consist primarily of Gas Storage and Pipelines, Power and Industrial Projects and Energy Trading. Gas Storage and Pipelines owns natural gas storage fields, lateral and gathering pipeline systems, and has ownership interests in interstate pipelines serving the Midwest, Ontario and Northeast markets. Power and Industrial Projects is comprised primarily of projects that deliver energy and utility-type products and services to industrial, commercial and institutional customers; produce reduced emissions fuel and sell electricity from renewable energy projects. Energy Trading focuses on physical and financial power and gas marketing and trading, structured transactions, enhancement of returns from DTE Energy s asset portfolio, and optimization of contracted natural gas pipeline transportation and storage positions.

The mailing address of DTE Energy s principal executive offices is One Energy Plaza, Detroit, Michigan, 48226-1279, and its telephone number is (313) 235-4000.

The Offering

For a more complete description of the terms of the notes, see Description of Notes.

The Issuer	DTE Energy Company.		
Offered Securities	\$	aggregate principal amount of 2018 Series D Notes due	% Senior
Maturity	The notes will mature on		
Interest Payment Dates			

We will pay interest on the notes in arrears on _____ and _____ of each year, beginning _____, 2019.

Redemption

The notes may be redeemed at our option, in whole or in part, at any time at the redemption prices set forth in this prospectus supplement. The notes will not be entitled to the benefit of any sinking fund. See Description of Notes Redemption.

Table of Contents

Ranking	The notes will be our unsecured and unsubordinated obligations and will rank on a parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. The notes are our obligations exclusively, and are not the obligations of any of our subsidiaries. Because we are a holding company, our obligations on the notes will be effectively subordinated to existing and future liabilities of our subsidiaries. See Risk Factors We rely on cash flows from subsidiaries and Description of Notes Ranking herein, and Description of Debt Securities Ranking in the accompanying prospectus.
Further Issues of the Notes	Initially, the notes will be issued in one series limited to \$ million in aggregate principal amount. We may, subject to the provisions of the indenture, reopen the series of notes and issue additional notes without the consent of the holders of the notes. See Description of Notes General herein.
Use of Proceeds	Net proceeds from the sale of the notes, after expenses and underwriting discount, are expected to be approximately \$ million. We expect to use the proceeds for the repayment of short-term borrowings, which have an average interest rate of approximately 2.3% and maturities under 30 days, and for general corporate purposes.
Conflict of Interest	Certain of the underwriters or their affiliates may hold a portion of the indebtedness that we intend to repay using the net proceeds of this offering. In such event, it is possible that one or more of the underwriters or their affiliates could receive more than 5% of the net proceeds of the offering, and in that case such underwriter would be deemed to have a conflict of interest under FINRA Rule 5121 (Public Offerings of Securities with Conflicts of Interest). In the event of any such conflict of interest, such underwriter would be required to conduct the distribution of the notes in accordance with FINRA Rule 5121. If the distribution is conducted in accordance with FINRA Rule 5121, such underwriter would not be permitted to confirm a sale to an account over which it exercises discretionary authority without first receiving specific written approval from the account holder. See Underwriting Conflict of Interest herein.
Risk Factors	Your investment in the notes will involve risks. You should carefully consider the discussion of risks in Risk Factors in this prospectus supplement and the other information in this prospectus supplement and the accompanying prospectus, including Cautionary Statements Regarding Forward-Looking Statements on page S-2 of this prospectus supplement, before deciding whether an investment in the notes is suitable for you.

S-4

Table of Contents**RISK FACTORS**

An investment in the notes involves risks. You should carefully consider the following information, together with the other information in this prospectus supplement, the accompanying prospectus and the documents that are incorporated by reference in this prospectus supplement and the accompanying prospectus (including the Risk Factors set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2017), about risks concerning our business and the notes, before buying any notes. See also Cautionary Statements Regarding Forward-Looking Statements in this prospectus supplement.

There are various risks associated with the operations of DTE Energy's utility and non-utility businesses. To provide a framework to understand the operating environment of DTE Energy, we are providing a brief explanation of the more significant risks associated with our businesses. Although we have tried to identify and discuss key risk factors, others could emerge in the future. Each of the following risks could affect our performance.

We are subject to rate regulation. Electric and gas rates for our utilities are set by the Michigan Public Service Commission (MPSC) and the Federal Energy Regulatory Commission (FERC) and cannot be changed without regulatory authorization. We may be negatively impacted by new regulations or interpretations by the MPSC, the FERC or other regulatory bodies. Our ability to recover costs may be impacted by the time lag between the incurrence of costs and the recovery of the costs in customers' rates. Our regulators also may decide to disallow recovery of certain costs in customers' rates if they determine that those costs do not meet the standards for recovery under current governing laws and regulations. Our regulators may also disagree with our rate calculations under the various mechanisms that are intended to mitigate the risk to our utilities related to certain aspects of our business. If we cannot agree with our regulators on an appropriate reconciliation of those mechanisms, it may impact our ability to recover certain costs through our customer rates. Our regulators may also decide to eliminate these mechanisms in future rate cases, which may make it more difficult for us to recover our costs in the rates charged to customers. We cannot predict what rates the MPSC will authorize in future rate cases. New legislation, regulations or interpretations could change how our business operates, impact our ability to recover costs through rates or the timing of such recovery, or require us to incur additional expenses.

Changes to Michigan's electric retail access program could negatively impact our financial performance. The State of Michigan currently experiences a hybrid market, where the MPSC continues to regulate electric rates for our customers, while alternative electric suppliers charge market-based rates. MPSC rate orders, and energy legislation enacted by the State of Michigan, have placed a 10% cap on the total potential retail access migration. However, even with the legislated 10% cap on participation, there continues to be legislative and financial risk associated with the electric retail access program. Electric retail access migration is sensitive to market price and full service electric price changes. We are required under current regulation to provide full service to retail access customers that choose to return, potentially resulting in the need for additional generating capacity.

Environmental laws and liability may be costly. We are subject to and affected by numerous environmental regulations. These regulations govern air emissions, water quality, wastewater discharge and disposal of solid and hazardous waste. Compliance with these regulations can significantly increase capital spending, operating expenses and plant down times and can negatively affect the affordability of the rates charged to our customers.

Uncertainty around future environmental regulations creates difficulty planning long-term capital projects in our generation fleet and gas distribution businesses. These laws and regulations require us to seek a variety of environmental licenses, permits, inspections and other regulatory approvals. We could be required to install expensive pollution control measures or limit or cease activities, including the retirement of certain generating plants, based on these regulations. Additionally, we may become a responsible party for environmental cleanup at sites identified by a

regulatory body. We cannot predict with certainty the amount and timing of future expenditures related to environmental matters because of the difficulty of estimating cleanup costs. There is also

S-5

Table of Contents

uncertainty in quantifying liabilities under environmental laws that impose joint and several liability on potentially responsible parties.

We may also incur liabilities as a result of potential future requirements to address climate change issues. Proposals for voluntary initiatives and mandatory controls are being discussed both in the United States and worldwide to reduce greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels. If increased regulation of greenhouse gas emissions are implemented, the operations of our fossil-fueled generation assets may be significantly impacted. Since there can be no assurances that environmental costs may be recovered through the regulatory process, our financial performance may be negatively impacted as a result of environmental matters.

Future environmental regulation of natural gas extraction techniques, including hydraulic fracturing, being discussed both at the United States federal level and by some states may affect the profitability of natural gas extraction businesses, which could affect demand for and profitability of our gas transportation businesses.

Our non-utility businesses may not perform to their expectations. We rely on non-utility operations for an increasing portion of earnings. If our current and contemplated non-utility investments do not perform at expected levels, we could experience diminished earnings and a corresponding decline in shareholder value.

We rely on cash flows from subsidiaries. We are a holding company. Cash flows from the utility and non-utility subsidiaries are required to pay interest expenses and dividends on our debt and securities. Should a major subsidiary not be able to pay dividends or transfer cash flows to us, our ability to pay interest and dividends would be restricted.

Threats of cyber crime, physical security, and terrorism could affect our business. We may be threatened by issues such as cyber crime, physical security, or terrorism that may disrupt our operations, and could harm our operating results.

Cyber crime, which includes the use of malware, computer viruses, and other means for disruption or unauthorized access against companies, including us, has increased in frequency, scope, and potential impact in recent years. Our industry requires the continued operation of sophisticated information technology systems and network infrastructure. Despite implementation of security measures, our technology systems are vulnerable to disability or failures due to cyber crime, physical security threats, acts of war or terrorism, and other causes. If our information technology systems were to fail and they were unable to recover in a timely way, we may be unable to fulfill critical business functions, which could have a material adverse effect on our business, operating results, and financial condition.

In addition, our generation plants and electrical distribution facilities, and our gas pipeline and storage facilities, in particular, may be targets of physical security threats or terrorist activities that could disrupt our ability to produce or distribute some portion of their products. We have increased security as a result of past events and may be required by regulators or by the future threat environment to make investments in security that we cannot currently predict.

Failure to maintain the security of personally identifiable information could adversely affect us. In connection with our business, we collect and retain personally identifiable information of our customers, shareholders, and employees. Customers, shareholders, and employees expect that we will adequately protect their personal information. The regulatory environment surrounding information security and privacy is increasingly demanding. A significant theft, loss, or fraudulent use of customer, shareholder, employee, or our data by cybercrime or otherwise, could adversely impact our reputation, and could result in significant costs, fines, and litigation.

Operation of a nuclear facility subjects us to risk. Ownership of an operating nuclear generating plant subjects us to significant additional risks. These risks include, among others, plant security, environmental

Table of Contents

regulation and remediation, changes in federal nuclear regulation, increased capital expenditures to meet industry requirements, and operational factors that can significantly impact the performance and cost of operating a nuclear facility compared to other generation options. While we maintain insurance for various nuclear-related risks, there can be no assurances that such insurance will be sufficient to cover our costs in the event of an accident or business interruption at our nuclear generating plant, which may affect our financial performance. In addition, while we have a nuclear decommissioning trust fund to finance the decommissioning of the nuclear generating plant, there can be no assurances that such fund will be sufficient to fund the cost of decommissioning. A decline in market value of assets held in decommissioning trust funds due to poor investment performance or other factors may increase the funding requirements for these obligations. Any increase in funding requirements may have a material impact on our liquidity, financial position, or results of operations.

Construction and capital improvements to our power facilities, distribution systems and Gas Storage and Pipelines business subject them to risk. We are managing ongoing, and planning future, significant construction and capital improvement projects at DTE Electric's multiple power generation and distribution facilities, at our gas distribution system, and at our Gas Storage and Pipelines business. Many factors that could cause delays or increased prices for these complex projects are beyond our control, including the cost of materials and labor, subcontractor performance, timing and issuance of necessary permits or approvals (including required certificates from regulatory agencies), construction disputes, impediments to acquiring rights-of-way or land rights on a timely basis and on acceptable terms, cost overruns, and weather conditions. Failure to complete these projects on schedule and on budget for any reason could adversely affect our financial performance, operations, or expected investment returns at the affected facilities, businesses and development projects.

The supply and/or price of energy commodities and/or related services may impact our financial results. We are dependent on coal for much of our electrical generating capacity. Our access to natural gas supplies is critical to ensure reliability of service for our utility gas customers. Our non-utility businesses are also dependent upon supplies and prices of energy commodities and services. Price fluctuations, fuel supply disruptions and changes in transportation costs could have a negative impact on the amounts we charge our utility customers for electricity and gas and on the profitability of our non-utility businesses. We have hedging strategies and regulatory recovery mechanisms in place to mitigate some of the negative fluctuations in commodity supply prices in our utility and non-utility businesses, but there can be no assurances that our financial performance will not be negatively impacted by price fluctuations. The price of energy also impacts the market for our non-utility businesses that compete with utilities and alternative electric suppliers.

Emerging technologies may have a material adverse effect on us. Advances in technology that produce power or reduce power consumption include cost-effective renewable energy technologies, distributed generation, energy efficiency technologies, and energy storage devices. Such developments may impact the price of energy, may affect energy deliveries as customer-owned generation becomes more cost-effective, may require further improvements to our distribution systems to address changing load demands, and could make portions of our electric system power supply and/or distribution facilities obsolete prior to the end of their useful lives. Such technologies could also result in further declines in commodity prices or demand for delivered energy. Each of these factors could materially affect our results of operations, cash flows, or financial position.

The supply and/or price of other industrial raw and finished inputs and/or related services may impact our financial results. We are dependent on supplies of certain commodities, such as copper and limestone, among others, and industrial materials and services in order to maintain day-to-day operations and maintenance of our facilities. Price fluctuations or supply interruptions for these commodities and other items could have a negative impact on the amounts we charge our customers for our utility products and on the profitability of our non-utility businesses.

Adverse changes in our credit ratings may negatively affect us. Regional and national economic conditions, increased scrutiny of the energy industry and regulatory changes, as well as changes in our economic

S-7

Table of Contents

performance, could result in credit agencies reexamining our credit rating. While credit ratings reflect the opinions of the credit agencies issuing such ratings and may not necessarily reflect actual performance, a downgrade in our credit rating below investment grade could restrict or discontinue our ability to access capital markets and could result in an increase in our borrowing costs, a reduced level of capital expenditures and could impact future earnings and cash flows. In addition, a reduction in our credit rating may require us to post collateral related to various physical or financially settled contracts for the purchase of energy-related commodities, products and services, which could impact our liquidity.

Poor investment performance of pension and other postretirement benefit plan assets and other factors impacting benefit plan costs could unfavorably impact our liquidity and results of operations. Our costs of providing non-contributory defined benefit pension plans and other postretirement benefit plans are dependent upon a number of factors, such as the rates of return on plan assets, the level of interest rates used to measure the required minimum funding levels of the plans, future government regulation, and our required or voluntary contributions made to the plans. The performance of the debt and equity markets affects the value of assets that are held in trust to satisfy future obligations under our plans. We have significant benefit obligations and hold significant assets in trust to satisfy these obligations. These assets are subject to market fluctuations and will yield uncertain returns, which may fall below our projected return rates. A decline in the market value of the pension and other postretirement benefit plan assets will increase the funding requirements under our pension and other postretirement benefit plans if the actual asset returns do not recover these declines in the foreseeable future. Additionally, our pension and other postretirement benefit plan liabilities are sensitive to changes in interest rates. As interest rates decrease, the liabilities increase, resulting in increasing benefit expense and funding requirements. Also, if future increases in pension and other postretirement benefit costs as a result of reduced plan assets are not recoverable from our utility customers, our results of operations and financial position could be negatively affected. Without sustained growth in the plan investments over time to increase the value of our plan assets, we could be required to fund our plans with significant amounts of cash. Such cash funding obligations could have a material impact on our cash flows, financial position, or results of operations.

Our ability to access capital markets is important. Our ability to access capital markets is important to operate our businesses and to find capital investments. Turmoil in credit markets may constrain our ability, as well as the ability of our subsidiaries, to issue new debt, including commercial paper, and to refinance existing debt at reasonable interest rates. In addition, the level of borrowing by other energy companies and the market as a whole could limit our access to capital markets. Our long term revolving credit facilities do not expire until 2021, but we regularly access capital markets to refinance existing debt or fund new projects at our utilities and non-utility businesses, and we cannot predict the pricing or demand for those future transactions.

Our participation in energy trading markets subjects us to risk. Events in the energy trading industry have increased the level of scrutiny on the energy trading business and the energy industry as a whole. In certain situations we may be required to post collateral to support trading operations, which could be substantial. If access to liquidity to support trading activities is curtailed, we could experience decreased earnings potential and cash flows. Energy trading activities take place in volatile markets and expose us to risks related to commodity price movements, deviations in weather and other related risks. Our trading business routinely has speculative trading positions in the market, within strict policy guidelines we set, resulting from the management of our business portfolio. To the extent speculative trading positions exist, fluctuating commodity prices can improve or diminish our financial results and financial position. We manage our exposure by establishing and enforcing strict risk limits and risk management procedures. During periods of extreme volatility, these risk limits and risk management procedures may not work as planned and cannot eliminate all risks associated with these activities.

Our ability to utilize production tax credits may be limited. To reduce U.S. dependence on imported oil, the Internal Revenue Code provides production tax credits as an incentive for taxpayers to produce fuels and electricity from

alternative sources. We generated production tax credits from coke production, landfill gas recovery, reduced emission fuel, renewable energy generation and gas production operations. If our production tax credits were disallowed in whole or in part as a result of an IRS audit or changes in tax law there could be

S-8

Table of Contents

additional tax liabilities owed for previously recognized tax credits that could significantly impact our earnings and cash flows.

Weather significantly affects operations. Deviations from normal hot and cold weather conditions affect our earnings and cash flow. Mild temperatures can result in decreased utilization of our assets, lowering income and cash flow. At DTE Electric, ice storms, tornadoes, or high winds can damage the electric distribution system infrastructure and power generation facilities and require us to perform emergency repairs and incur material unplanned expenses. The expenses of storm restoration efforts may not be fully recoverable through the regulatory process. DTE Gas can experience higher than anticipated expenses from emergency repairs on our gas distribution infrastructure required as a result of weather related issues.

Unplanned power plant outages may be costly. Unforeseen maintenance may be required to safely produce electricity or comply with environmental regulations. As a result of unforeseen maintenance, we may be required to make spot market purchases of electricity that exceed our costs of generation. Our financial performance may be negatively affected if we are unable to recover such increased costs.

Renewable portfolio standards and energy efficiency programs may affect our business. We are subject to existing Michigan and potential future federal legislation and regulation requiring us to secure sources of renewable energy. We have complied with the existing federal and state legislation, but we do not know what requirements may be added by federal or state legislation in the future. In addition, we expect to comply with new Michigan legislation increasing the percentage of power required to be provided by renewable energy sources. We cannot predict the financial impact or costs associated with complying with potential future legislation and regulations. Compliance with these requirements can significantly increase capital expenditures and operating expenses and can negatively affect the affordability of the rates we charge to our customers.

We are also required by Michigan legislation to implement energy efficiency measures and provide energy efficiency customer awareness and education programs. These requirements necessitate expenditures and implementation of these programs creates the risk of reducing our revenues as customers decrease their energy usage. We cannot predict how these programs will impact our business and future operating results.

Regional, national and international economic conditions can have an unfavorable impact on us. Our utility and non-utility businesses follow the economic cycles of the customers we serve and credit risk of counterparties with whom we do business. Should the financial conditions of some of our significant customers deteriorate as a result of regional, national or international economic conditions, reduced volumes of electricity and gas, and demand for energy services we supply, collections of accounts receivable, reductions in federal and state energy assistance funding, and potentially higher levels of lost gas or stolen gas and electricity could result in decreased earnings and cash flow.

Failure to attract and retain key executive officers and other skilled professional and technical employees could have an adverse effect on our operations. Our business is dependent on our ability to attract and retain skilled employees. Competition for skilled employees in some areas is high and the inability to attract and retain these employees could adversely affect our business and future operating results. In addition, we have an aging utility workforce and the failure of a successful transfer of knowledge and expertise could negatively impact our operations.

A work interruption may adversely affect us. There are several bargaining units for the Company's approximately 5,000 represented employees. The majority of represented employees are under contracts that expire in 2020 and 2021. A union choosing to strike would have an impact on our business. We are unable to predict the effect a work stoppage would have on our costs of operation and financial performance.

If our goodwill becomes impaired, we may be required to record a charge to earnings. We annually review the carrying value of goodwill associated with acquisitions made by the Company for impairment. Factors

S-9

Table of Contents

that may be considered for purposes of this analysis include any change in circumstances indicating that the carrying value of our goodwill may not be recoverable such as a decline in stock price and market capitalization, future cash flows, and slower growth rates in our industry. We cannot predict the timing, strength or duration of any economic slowdown or subsequent recovery, worldwide or in the economy or markets in which we operate; however, when events or changes in circumstances indicate that the carrying value of these assets may not be recoverable, we may take a non-cash impairment charge, which could potentially materially impact our results of operations and financial position.

Our business has safety risks. Our electric distribution system, power plants, renewable energy equipment, and other facilities, and our gas distribution system, gas infrastructure, and other facilities, could be involved in incidents that result in injury, death, or property loss to employees, customers, or the public. Although we have insurance coverage for many potential incidents, depending upon the nature and severity of any incident, we could experience financial loss, damage to our reputation, and negative consequences from regulatory agencies or other public authorities.

We may not be fully covered by insurance. We have a comprehensive insurance program in place to provide coverage for various types of risks, including catastrophic damage as a result of acts of severe weather or other natural disasters, war, terrorism, or a combination of other significant unforeseen events that could impact our operations. Economic losses might not be covered in full by insurance or our insurers may be unable to meet contractual obligations.

There is no existing market for the notes and we cannot assure that such a market will develop. There is no existing market for the notes, and we do not intend to apply for listing of the notes on any securities exchange. We cannot assure that an active trading market for the notes will develop. There can be no assurances as to the liquidity of any market that may develop for the notes, the ability of noteholders to sell their notes or the price at which the noteholders may be able to sell their notes. Future trading prices of the notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Generally, the liquidity of, and trading market for, the notes may also be materially and adversely affected by declines in the market for similar debt securities. Such a decline may materially and adversely affect such liquidity and trading independent of our financial performance and prospects.

Table of Contents**USE OF PROCEEDS**

We estimate the net proceeds from the sale of the notes in this offering will be approximately \$ million after deducting the underwriting discounts and estimated offering expenses. We expect to use the proceeds for the repayment of short-term borrowings, which have an average interest rate of approximately 2.3% and maturities under 30 days, and for general corporate purposes.

RATIOS OF EARNINGS TO FIXED CHARGES

Our ratios of earnings to fixed charges were as follows for the periods indicated in the table below:

	Six Months Ended	Year Ended December 31,				
	June 30, 2018	2017	2016	2015	2014	2013
Ratios of Earnings to Fixed Charges	3.31	3.26	3.29	3.00	3.78	2.94

Our ratios of earnings to fixed charges were computed based on:

earnings, which consist of consolidated income plus income taxes and fixed charges, except capitalized interest; and

fixed charges, which consist of consolidated interest on indebtedness, including capitalized interest, amortization of debt discount and expense and the estimated portion of rental expense attributable to interest.

Table of Contents

DESCRIPTION OF NOTES

The following summary sets forth the specific terms and provisions of the notes. The following description of the specific terms of the notes supplements, and, to the extent inconsistent, replaces, the description of the general terms and provisions of the debt securities and the indenture governing the notes set forth in the accompanying prospectus under Description of Debt Securities. The following summary is qualified in its entirety by reference to the terms and provisions of the notes and the indenture, which are incorporated in this prospectus supplement and the accompanying prospectus by reference. Capitalized terms not otherwise defined in this section, or in the accompanying prospectus, have the meanings given to them in the notes and in the indenture.

General

We will issue the notes as a series of our senior unsecured debt securities under the indenture described in the accompanying prospectus.

The indenture does not limit the amount of senior notes or other debt securities we may issue under it. As of June 30, 2018, approximately \$3.8 billion aggregate principal amount of senior debt securities were issued and outstanding under the indenture. We may also reopen the series of notes to issue additional notes having the same ranking, interest rate, maturity, and other terms (other than the date of issuance, price to public and, in some circumstances, interest accrual dates) as the notes, without the consent of the holders. Any such additional notes will, together with the existing notes of that series, constitute a single series of debt securities under the indenture; provided that if any such additional notes are not fungible for U.S. federal income tax purposes with the applicable notes offered hereby, such notes will be issued under a separate CUSIP number.

We will issue the notes in the form of one or more fully registered global notes registered in the name of Cede & Co., as The Depository Trust Company's (DTC) nominee. Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Clearstream Banking, Société Anonyme and Euroclear Bank, S.A./N.V., as operator of the Euroclear System, will hold interests on behalf of their participants through their respective U.S. depositaries, which in turn will hold such interests in accounts as participants of DTC. Except in the limited circumstances described in this prospectus supplement, owners of beneficial interests in the notes will not be entitled to have notes registered in their names, will not receive or be entitled to receive notes in definitive form and will not be considered holders of notes under the indenture. See Book-Entry Securities below and in accompanying prospectus.

The notes will be issued only in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Ranking

The notes will be our unsecured and unsubordinated obligations and will rank on a parity in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding, including amounts, if any, outstanding under our \$1.2 billion revolving credit agreement as well as our guarantees of non-regulated affiliate obligations. The notes are our obligations exclusively, and are not the obligations of any of our subsidiaries. Because we are a holding company that conducts substantially all of our operations through our subsidiaries, the notes will be effectively subordinated to claims of creditors and preferred stockholders of those subsidiaries, including their trade creditors, debtholders, secured creditors, taxing authorities and guarantee holders, if any.

At June 30, 2018, the total amount of DTE Energy's outstanding unsecured and unsubordinated indebtedness (excluding guarantees and short-term borrowings), on an unconsolidated basis, was approximately

Table of Contents

\$3.8 billion. At June 30, 2018, our principal subsidiaries, DTE Electric and DTE Gas, had approximately \$7.8 billion of outstanding indebtedness (excluding guarantees and short-term borrowings), consisting primarily of secured indebtedness, which would effectively rank senior to the notes. We and our subsidiaries may incur additional indebtedness and other liabilities in the future.

Maturity and Payment

The notes will mature on _____ and will bear interest at the rate set forth on the cover page of this prospectus supplement from the date of original issuance, or the most recent interest payment date to which interest has been paid or duly provided for. We will pay interest in arrears on _____ and _____ of each year, beginning _____, 2019. Interest on the notes will be paid to the persons in whose names the applicable notes are registered at the close of business on the date (whether or not such day is a business day) fifteen calendar days immediately preceding the applicable interest payment date. The amount of interest payable will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Business day means any day other than a day on which banking institutions in the state of New York or the state of Michigan are authorized or obligated pursuant to law or executive order to close. In the event that any interest payment date, redemption date or maturity date is not a business day, then the required payment of principal, premium, if any, and interest will be made on the next succeeding day that is a business day (and without any interest or other payment in respect of any such delay).

Optional Redemption

The notes may be redeemed at our option, in whole, at any time or in part from time to time. At any time prior to the Par Call Date, the optional redemption price will be equal to the greater of:

100% of the principal amount of the notes being redeemed on the redemption date; and

the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed on that redemption date (not including any portion of any payments of interest accrued to the redemption date) until stated maturity, discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus _____ basis points, as determined by the Quotation Agent (as defined below);

plus, in each case, accrued and unpaid interest thereon to the redemption date. At any time on or after the Par Call Date, the optional redemption price will be equal to 100% of the principal amount of the notes being redeemed on the redemption date, plus accrued and unpaid interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on notes that are due and payable on interest payment dates falling on or prior to a redemption date will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to the notes and the indenture. The redemption price will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

If notice has been given as provided in the indenture and funds for the redemption of any notes called for redemption have been made available on the redemption date, such notes will cease to bear interest on the date fixed for redemption. Thereafter, the only right of the holders of such notes will be to receive payment of the redemption price.

Notice of any redemption will be given to holders at their addresses, as shown in the security register for such notes, not more than 60 nor less than 30 days prior to the date fixed for redemption. The notice of redemption will specify, among other items, the redemption price and the principal amount of the notes held by such holder to be redeemed.

We will notify the trustee at least 60 days prior to giving notice of redemption (or such shorter period as is satisfactory to the trustee) of the aggregate principal amount of notes to be redeemed and their redemption date.

S-13

Table of Contents

If less than all of the notes of a series are to be redeemed, the trustee shall select which notes are to be redeemed in a manner it deems to be fair and appropriate.

Adjusted Treasury Rate means, with respect to any optional redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (as defined below), calculated on the third business day preceding the redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (as defined below) for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized (assuming, for this purpose, that the notes mature on the Par Call Date), at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

Comparable Treasury Price means, with respect to any optional redemption date:

the average of the Reference Treasury Dealer Quotations (as defined below) for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or

if the Quotation Agent obtains fewer than three such Reference Treasury Dealer Quotations, the average of all such quotations, or

if only one Reference Treasury Dealer Quotation is received, such quotation.

Par Call Date means _____, 20__.

Quotation Agent means one of the Reference Treasury Dealers appointed by us.

Reference Treasury Dealer means:

each of Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Scotia Capital (USA) Inc. and a Primary Treasury Dealer selected by MUFG Securities Americas Inc. (or their respective affiliates which are Primary Treasury Dealers), and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. government securities dealer in the United States (a Primary Treasury Dealer), we will substitute therefor another Primary Treasury Dealer and

any other Primary Treasury Dealer(s) we select.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any optional redemption date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding such

redemption date.

The notes will not be entitled to the benefit of any sinking fund.

Limitation on Secured Debt

The limitation on secured debt set forth in the indenture (see Section 1009) and described in the accompanying prospectus will be applicable to the notes. See Description of Debt Securities Covenants Limitation on Secured Debt in the accompanying prospectus.

S-14

Table of Contents

Defeasance

We may defease a series of the notes or certain covenants relating to a series of the notes as described under Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying prospectus.

Concerning the Trustee

The Bank of New York Mellon Trust Company, N.A. is the successor trustee under the indenture. In addition to acting as trustee under the indenture and in certain other capacities as described in the accompanying prospectus, affiliates of The Bank of New York Mellon Trust Company, N.A. also act as a lender and provide other banking services in the ordinary course of business to DTE Energy and its affiliates.

Book-Entry Securities

The notes will be issued in fully registered form and will be represented by one or more global certificates (the Global Security) registered in the name of Cede & Co., as DTC's nominee. The Global Security representing the notes will be deposited with, or on behalf of, DTC. Investors may elect to hold interests in the Global Security through DTC, Clearstream Banking, *Société Anonyme*, which we refer to as Clearstream, Luxembourg, or Euroclear Bank S.A./N.V., as operator of the Euroclear System, which we refer to as Euroclear, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank will act as depositary for Euroclear, which we refer to in such capacities as the U.S. Depositaries. The notes will not be exchangeable for certificates issued in definitive, registered form (Certificated Notes) at the option of the holder and, except as set forth below, will not otherwise be issuable in definitive form.

DTC has advised us and the underwriters as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (Participants) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a bank. Clearstream, Luxembourg holds securities for its customers, which we refer to as Clearstream, Luxembourg Customers, and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg Customers through electronic book-entry transfers between their accounts. Clearstream, Luxembourg provides to Clearstream, Luxembourg Customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic securities markets in over 30 countries through established depository and custodial relationships. As a bank,

Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector, also known as the Commission de

S-15

Table of Contents

Surveillance du Secteur Financier. Clearstream, Luxembourg Customers are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Clearstream, Luxembourg Customers in the United States are limited to securities brokers and dealers and banks. Indirect access to Clearstream, Luxembourg is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg Customer.

Distributions with respect to the notes held through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg Customers in accordance with its rules and procedures, to the extent received by the U.S. Depository of Clearstream, Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for its participants, which we refer to as Euroclear Participants, and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V., which we refer to as the Euroclear Operator, under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation, which we refer to as the Cooperative. All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, which we refer to collectively as the Terms and Conditions. The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Euroclear further advises that investors that acquire, hold and transfer interests in the notes by book-entry through accounts with the Euroclear Operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the Global Security.

The Euroclear Operator advises that, under Belgian law, investors that are credited with securities on the records of the Euroclear Operator have a co-property right in the fungible pool of interests in securities on deposit with the Euroclear Operator in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of the Euroclear Operator, Euroclear Participants would have a right under Belgian law to the return

of the amount and type of interests in securities credited to their accounts with the Euroclear Operator. If the Euroclear Operator did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all Euroclear Participants credited with such interests in

S-16

Table of Contents

securities on the Euroclear Operator's records, all Participants having an amount of interests in securities of such type credited to their accounts with the Euroclear Operator would have the right under Belgian law to the return of their pro rata share of the amount of interest in securities actually on deposit.

The Euroclear Operator advises that, under Belgian law, the Euroclear Operator is required to pass on the benefits of ownership in any interests in securities on deposit with it, such as dividends, voting rights and other entitlements, to any person credited with such interests in securities on its records.

Purchases of notes under the DTC system must be made by or through Direct Participants. Upon the issuance by us of the notes, DTC will credit, on its book-entry system, the respective principal amounts of the notes to the accounts of Participants. The accounts to be credited shall be designated by the underwriters. The ownership interest of each actual purchaser of each note (a Beneficial Owner) will be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the notes are expected to be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in notes, except as set forth below. To facilitate subsequent transfers, all notes deposited by Participants with DTC will be registered in the name of DTC's partnership nominee, Cede & Co. The deposit of notes with DTC and their registration in the name of Cede & Co. will not affect any change in beneficial ownership. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in the Global Security.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream, Luxembourg, Euroclear or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream, Luxembourg and within Euroclear and between Clearstream, Luxembourg and Euroclear in accordance with procedures established for these purposes by Clearstream, Luxembourg and Euroclear. Book-entry interests in the notes may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfers of book-entry interests in the notes among Clearstream, Luxembourg and Euroclear and DTC may be effected in accordance with procedures established for this purpose by Clearstream, Luxembourg, Euroclear and DTC.

So long as DTC, or its nominee, is the registered owner of the Global Security, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the notes for all purposes under the indenture. Except as provided below, Beneficial Owners of the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of notes in definitive form and will not be considered the owners or holders thereof under the indenture. Unless and until it is exchanged in whole or in part for individual certificates evidencing the notes represented thereby, the Global Security may not be transferred except as a whole by DTC for the Global Security to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by DTC or any nominee to a successor Depository or any nominee of such successor.

We expect that conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. In addition, neither DTC nor Cede & Co. will consent or vote with respect to notes. We have been advised that DTC's usual procedure is to mail an omnibus proxy to us as soon as possible after the record date with respect to such consent or vote. The omnibus proxy would assign Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the notes are credited on such record date (identified in a listing attached to the omnibus proxy).

S-17

Table of Contents

Payments of principal of and interest, if any, on the notes registered in the name of DTC or its nominee will be made by us through the paying agent to DTC or its nominee, as the case may be, as the registered owner of the Global Security. Neither we, the trustee, any paying agent nor the registrar for the notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We have been advised that DTC will credit the accounts of Direct Participants with payment in amounts proportionate to their respective holdings in principal amount of interest in the Global Security as shown on the records of DTC. We have been advised that DTC's practice is to credit Direct Participants' accounts on the applicable payment date unless DTC has reason to believe that it will not receive payment on such date. We expect that payments by Participants to Beneficial Owners will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers. Such payments will be the responsibility of such Participants.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us. Under those circumstances, in the event that a successor securities depository is not obtained, Certificated Notes will be printed and delivered to the holders of record. Additionally, we may decide to discontinue use of the system of book entry transfers through DTC (or a successor depository) with respect to the notes. Upon receipt of a withdrawal request from us, DTC will notify its participants of the receipt of a withdrawal request from us reminding participants that they may utilize DTC's withdrawal procedures if they wish to withdraw their securities from DTC, and DTC will process withdrawal requests submitted by participants in the ordinary course of business. To the extent that the book-entry system is discontinued, Certificated Notes will be printed and delivered to the holders of record. We have no responsibility for the performance by DTC or its Direct and Indirect Participants of their respective obligations as described in this prospectus supplement or under the rules and procedures governing their respective operations.

Global Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream, Luxembourg Customers and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream, Luxembourg Customers or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC's rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines, in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering interests in the notes to or receiving interests in the notes from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg Customers and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of interests in the notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions involving interests in such notes settled during such processing will be reported to the relevant Clearstream,

S-18

Table of Contents

Luxembourg Customers or Euroclear Participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of interests in the notes by or through a Clearstream, Luxembourg Customer or a Euroclear Participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Table of Contents

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes the material U.S. federal income tax considerations relevant to the acquisition, ownership and disposition of the notes, and does not purport to be a complete analysis of all potential U.S. federal income tax considerations. This discussion is based upon provisions of the U.S. Internal Revenue Code of 1986, as amended (the Code), applicable Treasury regulations, administrative rulings and judicial decisions currently in effect, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service (the IRS) or the courts so as to result in U.S. federal income tax conse