

DTE ENERGY CO
Form 8-K
February 07, 2013
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 6, 2013

| Commission File Number | Exact Name of Registrant as Specified in its Charter, State of Incorporation, Address of Principal Executive Offices and Telephone Number | IRS Employer Identification No. |
|---------------------------|---|------------------------------------|
| 1-11607 | DTE Energy Company (a Michigan corporation) One Energy Plaza Detroit, Michigan 48226-1279 313-235-4000 | 38-3217752 |

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Annual Incentive Plan

On February 6, 2013, the Organization and Compensation Committee of the Board of Directors of DTE Energy Company approved 2013 performance measures, weightings and metrics under the Company's Annual Incentive Plan ("AIP"). Gerard M. Anderson, David E. Meador, Steven E. Kurmas, Gerardo Norcia and Bruce D. Peterson are the Company's "named executive officers" disclosed in our 2012 proxy statement. The following table summarizes the annual measures for 2013 under the AIP for Messrs. Anderson, Meador and Peterson in determining their total annual incentive award:

| Measures | Weight |
|---|--------|
| DTE Energy Adjusted Earnings Per Share | 25% |
| DTE Energy Adjusted Cash Flow | 25% |
| Customer Satisfaction Index | 7% |
| Customer Satisfaction Improvement Program | 7% |
| Michigan Public Service Commission ("MPSC") Customer Complaints | 4% |
| Employee Engagement-Gallup | 8% |
| OSHA Recordable Incident Rate (RIR) | 8% |
| Utility Operating Excellence Index | 16% |

The following table summarizes the annual measures for 2013 under the AIP for Mr. Kurmas in determining his total annual incentive award:

| Measures | Weight |
|---|--------|
| DTE Energy Adjusted Earnings Per Share | 10% |
| DTE Electric Company ("DTE Electric") Adjusted Net Income | 20% |
| DTE Electric Adjusted Cash Flow | 20% |
| Customer Satisfaction Index | 7% |
| Customer Satisfaction Improvement Program | 7% |
| MPSC Customer Complaints | 4% |
| Employee Engagement-Gallup DTE Electric | 8% |
| OSHA Recordable Incident Rate (RIR) | 8% |
| Electric Distribution Reliability | 6% |
| Power Plant Reliability | 5% |
| Nuclear Power Plant Reliability | 5% |

The following table summarizes the annual measures for 2013 under the AIP for Mr. Norcia in determining his total annual incentive award:

| Measures | Weight |
|---|--------|
| DTE Energy Adjusted Earnings Per Share | 10% |
| DTE Gas Company (“DTE Gas”) Adjusted Net Income | 14% |
| DTE Gas Adjusted Cash Flow | 14% |
| Customer Satisfaction Index | 4.9% |
| Customer Satisfaction Improvement Program | 4.9% |
| MPSC Customer Complaints | 2.8% |
| Employee Engagement-Gallup DTE Gas | 5.6% |
| OSHA Recordable Incident Rate (RIR) | 5.6% |
| Gas Distribution System Improvement | 4.2% |
| Inside Meters Removal Program | 3.5% |
| Main Line Renewal Program | 3.5% |
| Gas Storage and Pipelines (“GSP”) Adjusted Net Income | 10.5% |
| GSP Adjusted Cash Flow | 6% |
| GSP New Project Development | 10.5% |

Based on market comparisons, each officer position is assigned a target award expressed as a percentage of base salary. Targets for these officers range from 60% to 100%, including the Chief Executive Officer. Award amounts paid to each officer are determined as follows: (1) the executive's most recent year-end base salary is multiplied by an AIP target percentage to arrive at the target award; (2) the overall performance payout percentage, which can range from 0% to 175%, is determined based on final results compared to threshold, target and maximum levels for each objective; (3) the target award is then multiplied by the performance payout percentage to arrive at the calculated award; and (4) the calculated award is then adjusted by an individual performance modifier (assessment of an individual executive's achievements for the year), which can range from 0% to 150%, to arrive at the final award.

Long-Term Incentive Plan

On February 6, 2013, the Organization and Compensation Committee of the Company's Board of Directors approved 2015 performance measures, weightings and metrics for executive officers under the DTE Energy Company 2006 Long Term Incentive Plan (“LTIP”). The LTIP, which was approved by our shareholders, rewards long-term growth and profitability by providing a vehicle through which officers, other key employees and outside directors may receive stock-based compensation. Stock-based compensation directly links individual performance with shareholder interests. Based on market comparisons, each officer position is assigned a target award expressed as a percentage of base salary. The target award may be modified by the Organization and Compensation Committee and is then delivered in the form of restricted stock, stock options and performance shares. Targets for these officers range from 135% to 340%, including the Chief Executive Officer.

Performance shares: Performance shares entitle the executive to receive a specified number of shares, or a cash payment equal to the fair market value of the shares, or a combination thereof, depending on the level of achievement of performance measures. The performance measurement period for the 2015 award is January 1, 2013 through December 31, 2015. Payments earned under the 2015 award can range from 0% to 200% of target, based upon achievement of performance measures. The two measures and weightings for Messrs. Anderson, Meador and Peterson are: (1) total shareholder return vs. total shareholder return of peer group companies (80%), and (2) ratio of funds from operations to debt (20%). The three measures and weightings for Mr. Kurmas are: (1) total shareholder return vs. total shareholder return of peer group companies (60%),

(2) ratio of funds from operations to debt (20%) and (3) DTE Electric 3 year average return on equity (20%). The five measures and weightings for Mr. Norcia are: (1) total shareholder return vs. total shareholder return of peer group companies (54%), (2) ratio of funds from operations to debt (17%), (3) DTE Gas 3 year average return on equity (14%), (4) GSP 3 year average net income (12%), and (5) GSP 3 year average return on invested capital (3%).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 7, 2013
DTE ENERGY COMPANY
(Registrant)

/s/ Larry E. Steward

Larry E. Steward
Vice President