

CASE # 10-414-EL-CRS
Response to C-4

CORPORATE GUARANTY

TO: Columbus Southern Power Company ("CSP"), and Ohio Power Company ("Ohio Power"), their respective successors and assigns, and any of their subsidiaries ("AEP").

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, and to induce AEP to do business with DTE Energy Supply, Inc., a Michigan corporation ("Debtor"), the undersigned DTE Energy Company ("Guarantor"), hereby unconditionally and absolutely guarantees the full and prompt payment and performance of all present and future obligations of Debtor to AEP, up to an aggregate amount of Three Million U.S. Dollars (\$3,000,000) (the "Guaranty Cap"), arising from Debtor's participation in AEP's retail choice program, whether such obligations are due or to become due, secured or unsecured, absolute or contingent, joint or several (collectively, the "Obligations"). GUARANTOR'S OBLIGATION UNDER THIS CORPORATE GUARANTY ("GUARANTY") IS A GUARANTY OF PAYMENT AND NOT OF COLLECTION. SHOULD ANY PRESENT OR FUTURE OBLIGATIONS INCURRED BY DEBTOR NOT BE PAID WHEN DUE, AEP MAY PROCEED AGAINST THE GUARANTOR FOR SUCH INDEBTEDNESS AT ANY TIME, WITHOUT NOTICE AND WITHOUT ANY PROCEEDING OR ACTION AGAINST DEBTOR, AND GUARANTOR HEREBY WAIVES ANY DEMAND FOR PAYMENT. This Guaranty is a primary obligation of Guarantor and shall be construed as an unconditional, absolute and continuing guaranty, irrespective of the validity or enforceability of the underlying agreements between AEP and Debtor or any other guaranteed amount, the absence of any action to enforce the same or any circumstances which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

Guarantor hereby waives notice of acceptance of this Guaranty, notice of the transactions between AEP and Debtor, notice of the execution and delivery, amendment, extension or renewal of any present or future instrument pertaining to Obligations, diligence, presentment, demand for payment, protest, notice of default by Debtor, and any other notice not expressly required by this Guaranty. Guarantor further consents, without further notice, to any extension or extensions of the time or times of payment of said Obligations, or any portion thereof, and to any change in form or amount, or renewal at any time, of such Obligations, or any portion thereof, in each case up to the Guaranty Cap.

This Guaranty shall continue in full force and effect until fifteen (15) days after the date that AEP receives written notice of termination from the Guarantor. It is understood and agreed, however, that notwithstanding any such termination, this Guaranty shall continue in full force and effect with respect to all Obligations arising prior to the effective date of such termination. In the event that any payment to AEP in respect of the Obligations is rescinded or must otherwise be returned for any reason whatsoever, Guarantor shall remain liable hereunder in respect of such Obligations as if such payment had not been made. Guarantor reserves the right to assert defenses that Debtor may have to payment of any Obligation other than defenses arising from the bankruptcy or insolvency of Debtor or similar proceedings affecting Debtor and other defenses expressly waived hereby.

Guarantor's obligations hereunder with respect to the Obligations shall not be affected by the existence, validity, enforceability, perfection or extent of any collateral for such Obligations covered hereunder, nor by any extension, or the acceptance of any sum or sums on account of Debtor, or of any note or draft of Debtor and/or any third party, or security from Debtor. AEP shall not be obligated to file any claim relating to the Obligations owing to it in the event that Debtor becomes subject to bankruptcy, insolvency, reorganization, liquidation, dissolution, or similar proceedings affecting Debtor (whether voluntary or involuntary), and the failure of AEP to so file shall not affect Guarantor's obligations hereunder.

Should any present or future Obligations incurred by Debtor not be paid when due or at the time to which the same may be extended, AEP may proceed against Guarantor for such Obligations at any time, without notice and without any proceeding or action against Debtor. Guarantor agrees that AEP may resort to Guarantor for payment of any of the Obligations, whether or not AEP shall have resorted to any collateral security, or shall have proceeded against any other debtor principally or secondarily obligated with respect to any of the Obligations or any other guarantor thereof.

Guarantor shall not exercise any rights, which it may have or acquire by way of subrogation until all of the Obligations are paid in full to AEP. If any amounts are paid to Guarantor in violation of the foregoing limitation, then such amounts shall be held in trust for the benefit of AEP and shall forthwith be paid to AEP by Guarantor to reduce the amount of outstanding Obligations, whether matured or unmatured. Subject to the foregoing, upon payment of all of the Obligations to AEP, Guarantor shall be subrogated to the rights of AEP against Debtor, and AEP agrees to take at Guarantor's expense such actions as Guarantor may reasonably require to implement such subrogation.

This Guaranty shall not be affected by any change in the entity status or business structure of Debtor.

This Guaranty shall inure to and be binding upon the parties, their representatives, successors and assigns, provided that Guarantor may not assign or otherwise transfer any of its obligations under this Guaranty, whether by operation of law or otherwise, without the prior written consent of AEP, which consent may not be unreasonably withheld. AEP may assign this Guaranty in its sole discretion.

In the event AEP engages in litigation to enforce this Guaranty, Guarantor agrees to pay, subject to the Guaranty Cap, any and all reasonable costs and expenses incurred by AEP (including reasonable attorneys' fees) in successfully enforcing this Guaranty.

Guarantor represents and warrants that, at the time of execution and delivery of the Guaranty, nothing (whether financial condition or any other condition or situation) exists to impair in any way the obligations and liabilities of Guarantor to AEP under this Guaranty. Guarantor further represents and warrants to AEP that: (a) it is a corporation duly organized, validly existing and in good standing in its jurisdiction of incorporation, with full power and authority to make and deliver this Guaranty; (b) that the execution, delivery and performance of this Guaranty by Guarantor have been duly authorized by all requisite corporate action of Guarantor, and does not

and will not violate provisions of any applicable law or Guarantor's certificate of incorporation or bylaws; and (c) that the person signing this Guaranty on Guarantor's behalf has been properly authorized by corporate action to do so.

This Guaranty constitutes the entire agreement among the parties and supersedes and cancels any prior agreements, undertakings, declarations and representations, whether written or oral, regarding the subject matter of this Guaranty. If any provision of this Guaranty is found by a court of competent jurisdiction to be void, illegal or otherwise unenforceable in that jurisdiction, such provision, to the extent of its invalidity, shall be severed from this Guaranty and be ineffective in that jurisdiction; provided, however, that such finding shall not affect the validity, legality or enforceability of such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Guaranty.

The rights and duties of the Guarantor and AEP under this Guaranty shall be construed and enforced in accordance with, and governed by the laws of, the State of Ohio.

IN WITNESS WHEREOF, the Guarantor has duly executed this Guaranty on this 14th day of July, 2010.

[GUARANTOR]

DTE Energy Company,

By: 

Name: David R. Murphy

Title: Assistant Treasurer

Guarantor's Address: DTE Energy Company
414 South Main Street, 2nd Floor
Ann Arbor, Michigan 48104
Attn: Credit Risk Management