

## **GAAP Reconciliation**

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP EPS to Non-GAAP Adjusted EPS by Segment**  
**(Unaudited)**

	<i>In Millions, Except Per Share Amounts</i>			
	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>6/30/19</u>	<u>6/30/18</u>	<u>6/30/19</u>	<u>6/30/18</u>
<b>Electric Utility</b>				
Reported net income per share	\$ 0.32	\$ 0.46	\$ 0.69	\$ 0.95
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.32</u>	<u>\$ 0.46</u>	<u>\$ 0.69</u>	<u>\$ 0.95</u>
<b>Gas Utility</b>				
Reported net income per share	\$ 0.03	\$ 0.07	\$ 0.45	\$ 0.44
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	-	-	-	-
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.07</u>	<u>\$ 0.45</u>	<u>\$ 0.44</u>
<b>Enterprises</b>				
Reported net income per share	\$ 0.03	\$ 0.05	\$ 0.04	\$ 0.11
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	<u>\$ 0.03</u>	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.10</u>
<b>Corporate Interest and Other</b>				
Reported net loss per share	\$ (0.05)	\$ (0.09)	\$ (0.10)	\$ (0.15)
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Adjusted net loss per share – non-GAAP	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ (0.10)</u>	<u>\$ (0.15)</u>
<b>Consolidated</b>				
Reported net income per share	\$ 0.33	\$ 0.49	\$ 1.08	\$ 1.35
<i>Reconciling items:</i>				
Other exclusions from adjusted earnings	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
Gain on assets previously sold	-	(0.01)	(*)	(0.01)
Tax impact	-	*	*	*
Adjusted net income per share – non-GAAP	<u>\$ 0.33</u>	<u>\$ 0.48</u>	<u>\$ 1.08</u>	<u>\$ 1.34</u>
<b>Average Common Shares Outstanding – Diluted</b>	<u>284.0</u>	<u>282.6</u>	<u>283.8</u>	<u>282.4</u>

\* Less than \$0.01 per share.

**CMS ENERGY CORPORATION**  
**Weather Impact on Year Over Year Earnings**  
**(Unaudited)**

	<i>In Millions, Except Per Share Amounts</i>		
	<b>Three Months Ended</b>		
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>Change</u>
<b>Net Income Available to Common Stockholders</b>	\$ 93	\$ 139	\$ (46)
<i>Reconciling items:</i>			
Other exclusions from adjusted earnings	*	1	(1)
Tax impact	(*)	(*)	*
Gain on assets previously sold	-	(4)	4
Tax impact	-	1	(1)
<b>Adjusted Net Income</b>	<u>\$ 93</u>	<u>\$ 137</u>	<u>\$ (44)</u>
<i>Reconciling items:</i>			
Non-normal weather impact	23	(44)	67
Tax impact	(6)	11	(17)
<b>Non-Normal Weather Impact (Net)</b>	<u>\$ 17</u>	<u>\$ (33)</u>	<u>\$ 50</u>
<b>Adjusted Weather-Normalized Net Income</b>	<u><u>\$ 110</u></u>	<u><u>\$ 104</u></u>	<u><u>\$ 6</u></u>
<b>Reported Net Income Per Share</b>	\$ 0.33	\$ 0.49	\$ (0.16)
<i>Reconciling items:</i>			
Other exclusions from adjusted earnings	*	*	(*)
Tax impact	(*)	(*)	*
Gain on assets previously sold	-	(0.01)	0.01
Tax impact	-	*	(*)
<b>Adjusted Net Income Per Share</b>	\$ 0.33	\$ 0.48	\$ (0.15)
<i>Reconciling items:</i>			
Non-normal weather impact	0.08	(0.15)	0.23
Tax impact	(0.02)	0.04	(0.06)
<b>Non-Normal Weather Impact (Net)</b>	<u>\$ 0.06</u>	<u>\$ (0.11)</u>	<u>\$ 0.17</u>
<b>Adjusted Weather-Normalized Net Income Per Share</b>	<u><u>\$ 0.39</u></u>	<u><u>\$ 0.37</u></u>	<u><u>\$ 0.02</u></u> <u>5%</u>
<b>Average Common Shares Outstanding - Diluted</b>	<b>284.0</b>	<b>282.6</b>	

\* Less than \$0.5 million or \$0.01 per share.

**CONSUMERS ENERGY COMPANY**

**Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA  
(Unaudited)**

	<i>In Millions</i>		
	<u>Twelve Months Ended</u>		
	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>
<b>Net Income Available to Common Stockholder</b>	\$ 633	\$ 703	\$ 709
<i>Reconciling items:</i>			
Income tax expense	151	142	256
Interest on long-term debt	279	276	265
Interest expense - related parties	3	-	-
Other interest expense	14	16	17
Allowance for borrowed funds used during construction	(4)	(3)	(1)
Preferred stock dividends	2	2	2
Tax reform	<u>2</u>	<u>2</u>	<u>33</u>
<b>EBIT – Non-GAAP</b>	1,080	1,138	1,281
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>949</u>	<u>921</u>	<u>895</u>
<b>EBITDA – Non-GAAP</b>	<u>\$ 2,029</u>	<u>\$ 2,059</u>	<u>\$ 2,176</u>

**CMS ENERGY CORPORATION**  
**Reconciliations of GAAP Net Income to Non-GAAP EBIT and EBITDA**  
**(Unaudited)**

	<i>In Millions</i>		
	<u>Twelve Months Ended</u>		
	<u>6/30/19</u>	<u>12/31/18</u>	<u>6/30/18</u>
<b>Net Income Available to Common Stockholders</b>	\$ 583	\$ 657	\$ 549
<i>Reconciling items:</i>			
Income tax expense	118	115	346
Interest on long-term debt	425	412	406
Interest expense - related parties	3	-	-
Other interest expense	63	49	39
Allowance for borrowed funds used during construction	(4)	(3)	(1)
Income attributable to noncontrolling interests	2	2	2
Restructuring costs and other	8	9	3
Gain on assets previously sold	-	(4)	(4)
Tax reform	<u>(4)</u>	<u>(4)</u>	<u>148</u>
<b>EBIT – Non-GAAP</b>	1,194	1,233	1,488
<i>Additional reconciling items:</i>			
Depreciation and amortization	<u>964</u>	<u>933</u>	<u>905</u>
<b>EBITDA – Non-GAAP</b>	<u>\$2,158</u>	<u>\$2,166</u>	<u>\$2,393</u>

**CMS ENERGY CORPORATION**  
**Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income**  
**by Quarter**  
**(Unaudited)**

	<i>In Millions, Except Per Share Amounts</i>	
	<b>2019</b>	
	<u>1Q</u>	<u>2Q</u>
<b>Net Income Available to Common Stockholders</b>	\$ 213	\$ 93
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(*)	*
Tax impact	*	(*)
Corporate interest and other	*	*
Tax impact	(*)	(*)
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 213</u>	<u>\$ 93</u>
<b>Average Common Shares Outstanding – Diluted</b>	283.6	284.0
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.75	\$ 0.33
<i>Reconciling items:</i>		
Electric utility and gas utility	-	-
Tax impact	-	-
Enterprises	(*)	*
Tax impact	*	(*)
Corporate interest and other	*	*
Tax impact	(*)	(*)
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 0.75</u>	<u>\$ 0.33</u>

	<i>In Millions, Except Per Share Amounts</i>			
	<b>2018</b>			
	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
<b>Net Income Available to Common Stockholders</b>	\$ 241	\$ 139	\$ 169	\$ 108
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	2
Enterprises	*	(3)	*	8
Tax impact	(*)	1	(*)	(5)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(1)
<b>Adjusted Net Income – Non-GAAP</b>	<u>\$ 241</u>	<u>\$ 137</u>	<u>\$ 169</u>	<u>\$ 112</u>
<b>Average Common Shares Outstanding – Diluted</b>	282.2	282.6	283.2	283.3
<b>Diluted Earnings Per Average Common Share</b>	\$ 0.86	\$ 0.49	\$ 0.59	\$ 0.38
<i>Reconciling items:</i>				
Electric utility and gas utility	-	-	-	-
Tax impact	-	-	-	*
Enterprises	*	(0.01)	*	0.03
Tax impact	(*)	*	(*)	(0.01)
Corporate interest and other	*	*	*	*
Tax impact	(*)	(*)	(*)	(*)
<b>Adjusted Diluted Earnings Per Average Common Share – Non-GAAP</b>	<u>\$ 0.86</u>	<u>\$ 0.48</u>	<u>\$ 0.59</u>	<u>\$ 0.40</u>

\* Less than \$0.5 million or \$0.01 per share.

**CMS ENERGY CORPORATION**  
**Earnings Per Share By Year GAAP Reconciliation**  
**(Unaudited)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	GAAP 2018 over 2003 CAGR NM	GAAP 2018 over 2017 Growth 41%
<b>Reported earnings (loss) per share - GAAP</b>	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74	\$1.89	\$1.98	\$1.64	\$2.32		
<b>Pretax items:</b>																		
Electric and gas utility	0.32	(0.60)	-	-	(0.06)	0.08	0.55	0.05	-	0.27	-	-	-	0.04	-	-		
Tax impact	(0.11)	0.21	-	-	(0.01)	(0.03)	(0.22)	(0.02)	-	(0.10)	-	-	-	(0.01)	0.12 (b)	0.01		
Enterprises	0.93	0.97	0.06	(0.12)	1.67	(0.02)	0.14	(0.05)	*	(0.01)	*	0.05	*	*	*	0.02		
Tax impact	(0.19)	(0.35)	(0.02)	0.10	(0.42)	*	(0.05)	0.02	(0.11)	*	(*)	(0.02)	(*)	(*)	0.20 (b)	(0.02)		
Corporate interest and other	0.25	(0.06)	0.06	0.45	0.17	0.01	0.01	*	-	*	*	*	*	*	0.02	0.01		
Tax impact	(0.09)	0.03	(0.02)	(0.18)	(0.49)	(0.03)	(*)	(*)	(0.01)	(*)	(*)	(*)	(*)	(0.01)	0.20 (b)	(*)		
Discontinued operations (income) loss, net	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)	(*)	*	*	(*)		
Asset impairment charges	-	-	2.80	1.07	0.93	-	-	-	-	-	-	-	-	-	-	-		
Tax impact	-	-	(0.98)	(0.31)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	<b>Adjusted</b>	<b>Adjusted</b>
Cumulative accounting changes	0.25	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>2018 over</b>	<b>2018 over</b>
Tax impact	(0.09)	(0.01)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>2003</b>	<b>2017</b>
<b>Adjusted earnings per share, including MTM - non-GAAP</b>	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77	\$1.89	\$2.02	\$2.17	\$2.33	<b>CAGR</b>	<b>Growth</b>
Mark-to-market		0.04	(0.65)	0.80													<b>7%</b>	<b>7%</b>
Tax impact		(0.01)	0.22	(0.29)														
<b>Adjusted earnings per share, excluding MTM - non-GAAP</b>	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA		

\* Less than \$0.01 per share.

(a) \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock.

(b) Reflects the impact of tax reform.

NM is not calculable

**Consumers Energy**  
**Reconciliation of Annual O&M Expense**  
**(Unaudited)**

	<i><u>In Millions</u></i>	
	<u>12/31/2017</u>	<u>12/31/2018</u>
<b>Maintenance &amp; Other Operating Expenses (GAAP)</b>	<b>\$ 1,113</b>	<b>\$ 1,287</b>
<b>Less:</b>		
<b>Energy Waste Reduction Spending</b>	<b>128</b>	<b>185</b>
<b>Job Work &amp; Other</b>	<u><b>12</b></u>	<u><b>9</b></u>
<b>Maintenance &amp; Other Operating Expenses (Non-GAAP)</b>	<u><b>\$ 973</b></u>	<u><b>\$ 1,093</b></u>