West Coast Meetings
September 9 - 11, 2015

Ludington Pumped Storage
Fourth largest in the world

Ray Compressor Station
#1 LDC in gas storage

Cross Winds Energy Park
#2 in renewable sales in the Great Lakes area

Consistent, Sustainable Growth

Future Shines Bright

Graph showing growth compared to peers.
This presentation is made as of the date hereof and contains “forward-looking statements” as defined in Rule 3b-6 of the Securities Exchange Act of 1934, Rule 175 of the Securities Act of 1933, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. All forward-looking statements should be considered in the context of the risk and other factors detailed from time to time in CMS Energy’s and Consumers Energy’s Securities and Exchange Commission filings. Forward-looking statements should be read in conjunction with “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections of CMS Energy’s and Consumers Energy’s Form 10-K for the year ended December 31, 2014 and as updated in subsequent 10-Qs. CMS Energy’s and Consumers Energy’s “FORWARD-LOOKING STATEMENTS AND INFORMATION” and “RISK FACTORS” sections are incorporated herein by reference and discuss important factors that could cause CMS Energy’s and Consumers Energy’s results to differ materially from those anticipated in such statements. CMS Energy and Consumers Energy undertake no obligation to update any of the information presented herein to reflect facts, events or circumstances after the date hereof.

The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

CMS Energy provides historical financial results on both a reported (Generally Accepted Accounting Principles) and adjusted (non-GAAP) basis and provides forward-looking guidance on an adjusted basis. Management views adjusted earnings as a key measure of the company’s present operating financial performance, unaffected by discontinued operations, asset sales, impairments, regulatory items from prior years, or other items. These items have the potential to impact, favorably or unfavorably, the company’s reported earnings in future periods.

Investors and others should note that CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.
Top of Mind . . . .

1. Senator Nofs introduced energy bill
   - Improvement to 2008 Law

2. Representative Nesbitt introduced energy bill
   - Restores full regulatory model

3. PA 169 (cost of service) approved
   - Improves industrial rate competitiveness by 4%

4. MISO Zone 7 capacity shortfall 1,300 MW
   - More upside to ten-year $15.5 billion capital investment plan

5. EPA Clean Power Plan
   - CMS positioned well for compliance

. . . . business model is delivering results.
<table>
<thead>
<tr>
<th></th>
<th>Plan</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital investment (drives EPS growth)</td>
<td>5% - 7%</td>
<td>6% - 8%</td>
</tr>
<tr>
<td>- O&amp;M cost reductions</td>
<td>-2 pts</td>
<td></td>
</tr>
<tr>
<td>- Sales growth</td>
<td>- ½</td>
<td></td>
</tr>
<tr>
<td>- No “block” equity dilution</td>
<td>-1</td>
<td></td>
</tr>
<tr>
<td>- Surcharges and other</td>
<td>-1½</td>
<td></td>
</tr>
<tr>
<td>INVESTMENT SELF-FUNDED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate increase at or below inflation</td>
<td>&lt;2 %</td>
<td>&lt;2%</td>
</tr>
</tbody>
</table>

Simple, Perhaps Unique CMS Growth Model . . . .

. . . . drives sustainable growth.
Capex Up 45% . . . 

2005-2014
$10.7 bil

2015-2024
$15.5 bil

Opportunity
$20 + bil

EPS Growth
- CMS 7%/yr
- Peers 4

5% -7% /yr
4

6% - 8% /yr

. . . with more opportunity and no “big bets” over ten years!
Electric Annual Growth
(2014 over 2006)

Peer Average >5%

Consumers - 2.7%

Source: SNL, Form 1, Electric Non-fuel O&M

O&M Cost Savings

<table>
<thead>
<tr>
<th></th>
<th>2014 &amp; 2015 (mils)</th>
<th>2018 (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition</td>
<td>$ - 35</td>
<td>$ - 75</td>
</tr>
<tr>
<td>Productivity (Coal ➔ Gas)</td>
<td>- 35</td>
<td>- 50</td>
</tr>
<tr>
<td>“Pole Top” Hardening</td>
<td>- 30</td>
<td>- 30</td>
</tr>
<tr>
<td>Smart Meters</td>
<td>- 5</td>
<td>- 25</td>
</tr>
<tr>
<td>Eliminate Waste (UA's)</td>
<td>- 15</td>
<td>- 20</td>
</tr>
<tr>
<td>Mortality Tables &amp; Discount Rates</td>
<td>+50</td>
<td>+ 50</td>
</tr>
<tr>
<td>Service Upgrades</td>
<td>+10</td>
<td>+ 50</td>
</tr>
</tbody>
</table>

Net Savings $ - 60 $ - 100
Percent Savings - 6% - 10%

ở jaar!

FAST START!

... better than peers with substantial upside.
Sales Growth . . . .

Our Service Territory\(^a\) Outperforms

<table>
<thead>
<tr>
<th>Building Permits (^b)</th>
<th>Grand Rapids</th>
<th>Michigan</th>
<th>U.S</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+28%</td>
<td>+14%</td>
<td>+13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GDP</th>
<th>2010 → 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Population</th>
<th>2011 → 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unemployment (6/15)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Annual Electric Sales \(^c\)

<table>
<thead>
<tr>
<th></th>
<th>2010-2014 Post-Recession</th>
<th>2015 - 2019 Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>1%</td>
<td>1½%</td>
</tr>
</tbody>
</table>

\(^a\) Grand Rapids  
\(^b\) Annualized numbers thru June  
\(^c\) Weather normalized vs. prior year

---

Our Service Territory Outperforms . . . .

---

. . . . planned conservatively.
No “Block Equity” Dilution . . . .

Typical utility Model w/o NOLs

<table>
<thead>
<tr>
<th>Rate Base Growth</th>
<th>Dilution</th>
<th>EPS Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6%</td>
<td>&lt; 5%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

CMS Model w/ NOLs

<table>
<thead>
<tr>
<th>Rate Base Growth</th>
<th>Dilution</th>
<th>EPS Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>0</td>
<td>6%</td>
</tr>
</tbody>
</table>

. . . . under CMS growth model for five years!
Residential bills well below U.S. average

Better
Worse

-20
20%

National Avg

(13)%

2013 2014 2015 2016 Plus

Better
Worse

-30
30%

Midwest Avg

(13)%

26%

2013 2014 2015 2016 Plus

Better
Worse

-30
30%

Flat

Industrial rates improving rapidly

Policy could eliminate gap

(8)%

Residential and improving for industrial customers.
Michigan Energy Law... builds off the 2008 law, adding growth opportunities.

<table>
<thead>
<tr>
<th>“Retail Open Access”</th>
<th>Efficiency</th>
<th>Renewables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keep “cap”</td>
<td>Keep “cap”</td>
<td>End “ROA”</td>
</tr>
<tr>
<td>3-year capacity requirement, “one way door” No subsidy</td>
<td>5-year capacity requirement “Fair choice” No subsidy</td>
<td>Fully regulated</td>
</tr>
<tr>
<td>1%/yr waste reduction through 2018</td>
<td>Eliminate 15% energy waste</td>
<td>Repeal present program</td>
</tr>
</tbody>
</table>

Gov. Snyder

Rep. Nesbitt

Sen. Nofs

IRP process
CMS Energy . . .

2003 to 2015, future

Recession

7% CAGR

+5% to +7% /year

We work with anyone and in any condition

Governor (D)
Commission (D)

Governor (R)
Commission (R)

Consistent growth through recession, adverse weather, changing policy leaders . . .
**Why Invest in CMS Energy?**

**Future Shines Bright**

- **Past Performance**
  - Improved Law (2010-2014)
  - 2008 Law

**Sustainable Future Growth**

- **Past Performance**
  - Investment (bils) $6.4 (2010-2014)
  - O&M Reductions (10)% (2006-2014)
  - Sales Growth (2010-2014) +1%
  - Energy Policy 2008 Law Improved Law

- **Next 5 Years**
  - $7.6
  - Capacity Op! 
  - (7)% Conservative
  - +1/2 % Conservative

- **Last 7 Years**
  - +7% /year

- **Next 5 Years**
  - +5% to +7% / year

- **Adjusted EPS (non-GAAP)** $2.50

---

Why Invest in CMS Energy?

... next 10 years even brighter than last 10 year record!
Constructive Regulation . . . is supported by a quality Commission and a strong Law.

**Commission**

- **John Quackenbush (R), Chairman**
  - Term Ends: July 2, 2017

- **Sally Talberg (I)**
  - Term Ends: July 2, 2019

- **Norm Saari (R)**
  - Term Ends: July 2, 2021
  - Newly appointed!

**Tier 1 State Ranking**

1. Michigan ranked #1
   - 6
2. 8
3. 20
4. 9
5. 6

Barclays Research, 2015 state rankings
Capacity Diversity

Coal 34%
Gas 32%
Pumped Storage 11%
Renewables 9%
Oil 6%
Nuclear 8%

Coal 24%
Gas 37%
Pumped Storage 12%
Renewables 10%
Oil 6%
Nuclear 8%

Purchases 3%

Coal 41%
Gas 31%
Pumped Storage 11%
Renewables 3%
Oil 6%
Nuclear 8%

... evolving to cleaner generation while becoming more cost competitive.
## Capacity & Energy Price Increases

### Capacity & Energy Price Increases

<table>
<thead>
<tr>
<th></th>
<th>Was (mils)</th>
<th>Now (mils)</th>
<th>Future Scenarios (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Was (mils):**
  - Energy: $5
  - Capacity: $15

- **Now (mils):**
  - Energy: $15
  - Capacity: $40

- **Future Scenarios (mils):**
  - $65
  - $55

  + $25 – $50 more

### New Business

- **Long-term Energy**
  - 250 MW at $4.00 per kWm (6/14)
  - 250 MW ≈ $5.75 per kWm (4/15)

- **Recent Capacity**
  - Long-term > $3.30
  - Near-term ≈ $4.50

### Upside:
- Capacity and energy contracts layered in over time

---

... adding value to our “DIG” plant.
PPAs (2,000 MW) Create Unique Opportunity for …

more capacity investment, without increasing bills.
ROA (800 MW) Creates Unique Opportunity for . . .

Potential Return

- $150 million subsidy
- 0.02% of customers on ROA (~300 customers)
- Could lower rates 4% for everyone if all returned
- Build new generation capacity, funded by return

Opportunity

. . . more capacity investment, without increasing bills; 10% return worth five years of growth.
Clean Power Plan . . . .

Projected outlook with 20% renewables -- investment not yet in Plan

Retire 950 MW coal

Consumers Energy 2005 Baseline

State of Michigan Target

. . . . positioned well for compliance.
**Rate Cases...**

**Gas (mils)**

- **Investment**: $64
- **Cost of Capital, Upgrades, & Other**: $21
- **Filed 7/17**: $85

**Electric Track Record**

<table>
<thead>
<tr>
<th>Date</th>
<th>Step</th>
<th>Amount (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2013</td>
<td>Settlement</td>
<td>$89</td>
</tr>
<tr>
<td>2014</td>
<td>Stay out</td>
<td>--</td>
</tr>
<tr>
<td>June 2015</td>
<td>Self-implement</td>
<td>110</td>
</tr>
<tr>
<td>Dec. 2015</td>
<td>Order expected</td>
<td></td>
</tr>
</tbody>
</table>

*2½ years since last order!*

... fair and timely.
Customer Satisfaction . . .

Electric

1st Quartile
2nd Quartile
3rd Quartile
4th Quartile


Residential Business Present Rank

#4

#6

Present Rank

Gas

1st Quartile
2nd Quartile
3rd Quartile
4th Quartile


Residential Business Present Rank

#3

#9

. . . . continues to improve rapidly.
Investment “Catch-up”...

One of first with a ten year plan

$1.5 per year

Capex as a Percent of Market Cap^1

<table>
<thead>
<tr>
<th></th>
<th>2005 - 2014</th>
<th>2015 - 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMS</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>Peers</td>
<td>11</td>
<td>15</td>
</tr>
</tbody>
</table>

^1 Based on December 31, 2014 information percent of market cap
Source: 10K; actual amounts through 2014 smoothed for illustration

.... creating an opportunity for the next ten years.
Rate Base Growth . . . .

10 Years of Growth

Investment

<table>
<thead>
<tr>
<th>Plan Investment</th>
<th>Amount</th>
<th>2015 - 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Infrastructure</td>
<td>$5.8</td>
<td></td>
</tr>
<tr>
<td>&amp; Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Reliability</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Smart Energy</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>New Generation</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Electric Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plan Investment</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$15.5</td>
<td></td>
</tr>
</tbody>
</table>

. . . . . drives EPS growth 5% - 7% a year.
O&M “Reinvestment” Helps CUSTOMERS . . . .

AND provides sustainable, premium growth for INVESTORS . . . .
O&M Cost Reductions...

- Coal to Gas Switching (Zeeland)
- Smarter benefit plans
- Productivity/Attrition

- Coal to Gas Switching (Jackson)
- “Pole Top” Hardening
- Productivity/Smart Energy

. . . . provide more “headroom” for more capital investment.
2016 Forecasted Shortfall (MW)

<table>
<thead>
<tr>
<th>Year</th>
<th>Shortfall (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2014</td>
<td>-3,000</td>
</tr>
<tr>
<td>June 2015</td>
<td>-1,300</td>
</tr>
</tbody>
</table>

Impact

- New capacity to meet shortfall not assumed
- More upside to $15.5 billion capex plan
- Creates upside pressure in capacity prices -- DIG opportunity

Source: MISO
Operating Cash Flow Growth . . . .

Gross operating cash flow\(^a\) up $0.1 billion per year

Interest, working capital and taxes

Investment

Cash flow before dividend

<table>
<thead>
<tr>
<th>Year</th>
<th>NOLs &amp; Credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$0.7</td>
</tr>
<tr>
<td>2015</td>
<td>$0.7</td>
</tr>
<tr>
<td>2016</td>
<td>$0.7</td>
</tr>
<tr>
<td>2017</td>
<td>$0.5</td>
</tr>
<tr>
<td>2018</td>
<td>$0.3</td>
</tr>
<tr>
<td>2019</td>
<td>$0.2</td>
</tr>
<tr>
<td>2020</td>
<td>$0.1</td>
</tr>
</tbody>
</table>

\(^a\) Non-GAAP

. . . . up $0.6 billion or 30% over five years!
... combined cycle gas is the most attractive new source of supply.
GAAP Reconciliation
### CMS ENERGY CORPORATION

**Earnings Per Share By Year GAAP Reconciliation**

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported earnings (loss) per share - GAAP</strong></td>
<td>($0.30)</td>
<td>$0.64</td>
<td>($0.44)</td>
<td>($0.41)</td>
<td>$1.02</td>
<td>$1.20</td>
<td>$0.91</td>
<td>$1.28</td>
<td>$1.58</td>
<td>$1.42</td>
<td>$1.66</td>
<td>$1.74</td>
</tr>
<tr>
<td><strong>After-tax items:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric and gas utility</td>
<td>0.21</td>
<td>(0.39)</td>
<td>-</td>
<td>-</td>
<td>(0.07)</td>
<td>0.05</td>
<td>0.33</td>
<td>0.03</td>
<td>-</td>
<td>0.17</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corporate interest and other</td>
<td>0.74</td>
<td>0.62</td>
<td>0.04</td>
<td>(0.02)</td>
<td>1.25</td>
<td>(0.02)</td>
<td>0.09</td>
<td>(0.03)</td>
<td>(0.11)</td>
<td>(0.01)</td>
<td>*</td>
<td>0.03</td>
</tr>
<tr>
<td>Discontinued operations (income) loss</td>
<td>0.16</td>
<td>(0.03)</td>
<td>0.04</td>
<td>0.27</td>
<td>(0.32)</td>
<td>(0.02)</td>
<td>0.01</td>
<td>*</td>
<td>(0.01)</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Asset impairment charges, net</td>
<td>-</td>
<td>-</td>
<td>1.82</td>
<td>0.76</td>
<td>0.60</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cumulative accounting changes</td>
<td>0.16</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted earnings per share, including MTM - non-GAAP</strong></td>
<td>$0.81</td>
<td>$0.87</td>
<td>$1.39</td>
<td>$0.57</td>
<td>$0.84</td>
<td>$1.21 (a)</td>
<td>$1.26</td>
<td>$1.36</td>
<td>$1.45</td>
<td>$1.55</td>
<td>$1.66</td>
<td>$1.77</td>
</tr>
<tr>
<td>Mark-to-market impacts</td>
<td>0.03</td>
<td>(0.43)</td>
<td>0.51</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted earnings per share, excluding MTM - non-GAAP</strong></td>
<td>NA</td>
<td>$0.90</td>
<td>$0.96</td>
<td>$1.08</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

* Less than $500 thousand or $0.01 per share.

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

### Reconciliation of Gross Operating Cash Flow to GAAP Operating Activities

(unaudited)  

(mils)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers Operating Income + Depreciation &amp; Amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,813</td>
<td>$1,920</td>
<td>$2,027</td>
<td>$2,145</td>
<td>$2,266</td>
<td>$2,401</td>
<td>$2,515</td>
</tr>
<tr>
<td>Enterprises Project Cash Flows</td>
<td>20</td>
<td>20</td>
<td>40</td>
<td>58</td>
<td>62</td>
<td>67</td>
<td>71</td>
</tr>
<tr>
<td>Gross Operating Cash Flow</td>
<td>$1,833</td>
<td>$1,940</td>
<td>$2,067</td>
<td>$2,203</td>
<td>$2,328</td>
<td>$2,468</td>
<td>$2,586</td>
</tr>
<tr>
<td>Other operating activities including taxes, interest payments and working capital</td>
<td>(386)</td>
<td>(390)</td>
<td>(567)</td>
<td>(603)</td>
<td>(628)</td>
<td>(668)</td>
<td>(686)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,447</td>
<td>$1,550</td>
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</tr>
</tbody>
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