

Tax Reform Impact...

	Impacts	Takeaway
Utility	• Lower customer rates create capex headroom (up to 4%)	✓ Facilitates self-funding strategy
Enterprises & EnerBank	• Lower tax rate improves earnings	✓ Offers modest diversification
Parent interest	• Largely offset by EnerBank interest income	✓ Unique tax shield
Corporate expense	• Modest reduction of tax shield value at the Parent	✓ Manageable risk
AMT credits	• Mitigates near-term OCF impact	✓ Strong countermeasure

Impact (5-Yr Plan) Near-term: Tax planning partially offsets OCF impact
Long-term: Utility earnings growth driven by rate headroom

... is accretive to our long-term plan.

2018 Guidance^{a1} Raised: \$2.30 - \$2.34
LT Growth: 6% to 8%

CMS' Performance Exemplifies...

PEOPLE ✓

- Safest year on record
- #1 Diverse Utility in the Nation and #1 Employer for Diversity in Michigan by Forbes Magazine
- Best place to work in Michigan by Forbes Magazine
- Highest customer satisfaction ever!

PLANET ✓

- #1 Company in Michigan in Newsweek's 'Green Rankings'
- Highest U.S. utility score for sustainability performance by Sustainalytics
- Expanded CrossWinds® Energy Park (44 MW) to support the Green Tariff

PROFIT ✓

- 15 years of +7% EPS^{d1} growth
- Raised dividend 7% YOY, 12 years of growth
- Credit upgraded; ~20% FFO/avg. debt^{b1} at year-end
- Attracted 69 MW of new load through economic development efforts

2017 Among Best Ever Results

New Goals Announced in 2018!

Clean Energy Goals

CARING FOR OUR COMMUNITIES → 80% REDUCTION IN CARBON & ZERO COAL BY 2040 → CAPITAL INVESTMENT OPPORTUNITIES

... world class performance delivering hometown service.

Credit Metrics Maintained...

S&P / Fitch	Moody's	S&P (Dec. '16)	Moody's (Apr. '17)	Fitch (Jul. '17)	Outlook
AA-	Aa3				Stable
A+	A1				
A	A2				
A-	A3				
BBB+	Baa1				Stable
BBB	Baa2				
BBB-	Baa3				
BB+	Ba1				
BBB+	Baa1				Stable
BBB	Baa2				
BBB-	Baa3				
BB+	Ba1				
BB	Ba2				Stable
BB-	Ba3				
B+	B1				
B	B2				
B-	B3				

Legend: ● Present, ○ Prior, ○ 2002

Target Range: 17% - 19%
2018 (w/ Tax Reform): ~18%
HoldCo Debt: < 30%

... at solid investment-grade levels.

Sustainable Future...

7% CAGR

Opportunities

TSR^{b1}, EPS^{d1}, Dividend

NEW ENERGY LAW

PPA Replacements, Grid Modernization, Gas Infra., More Renewables

	Plan	Ops
• Customer Investment (Bn)	\$10	>\$50
• Cost Reductions	(10%)	(15%)
• Coal Energy	26%	0%

People, Planet, Profit

2003 - 2017 - Future

... driven largely by customer investment and cost performance.

Simple, Perhaps Unique Model...

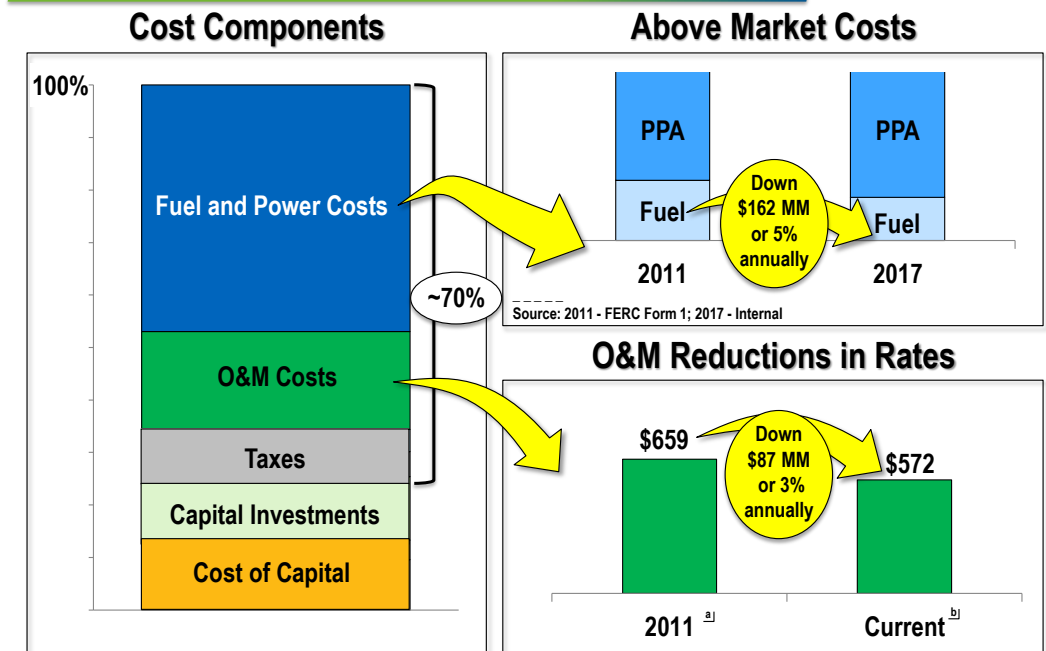


	Plan
EPS Growth^{a1}	6% - 8%
Self Funding:	
- Cost reductions	2 - 3 pts
- Sales growth (continued economic development)	1
- Other (Enterprises, tax planning, etc.)	2
INVESTMENT SELF-FUNDED	5 - 6 pts
Customer Prices "at or below inflation"	<2%

^{a1}Adjusted EPS (non-GAAP)

... enhanced with tax reform.

Our Entire Cost Structure...



^{a1} Case U-16191 ^{b1} Case U-17990, 2016 Order

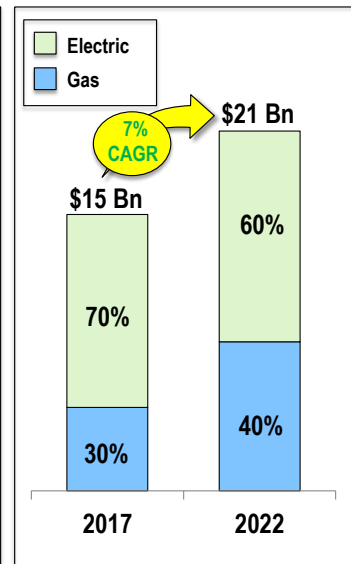
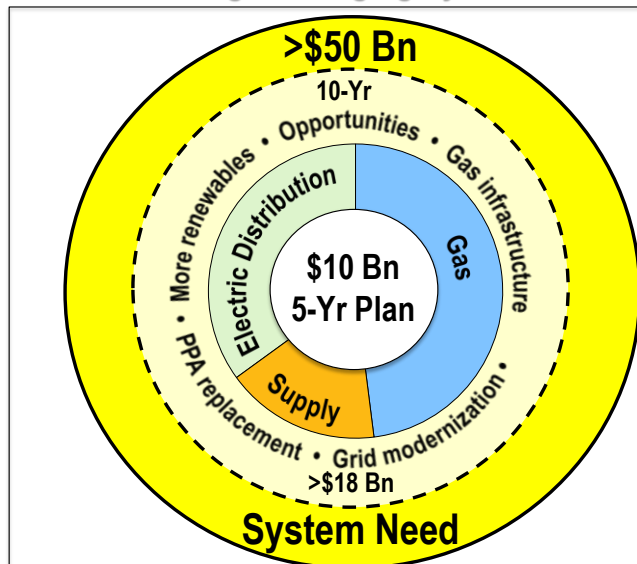
... provides opportunities to lower costs and create headroom.

Needed Customer Investment...



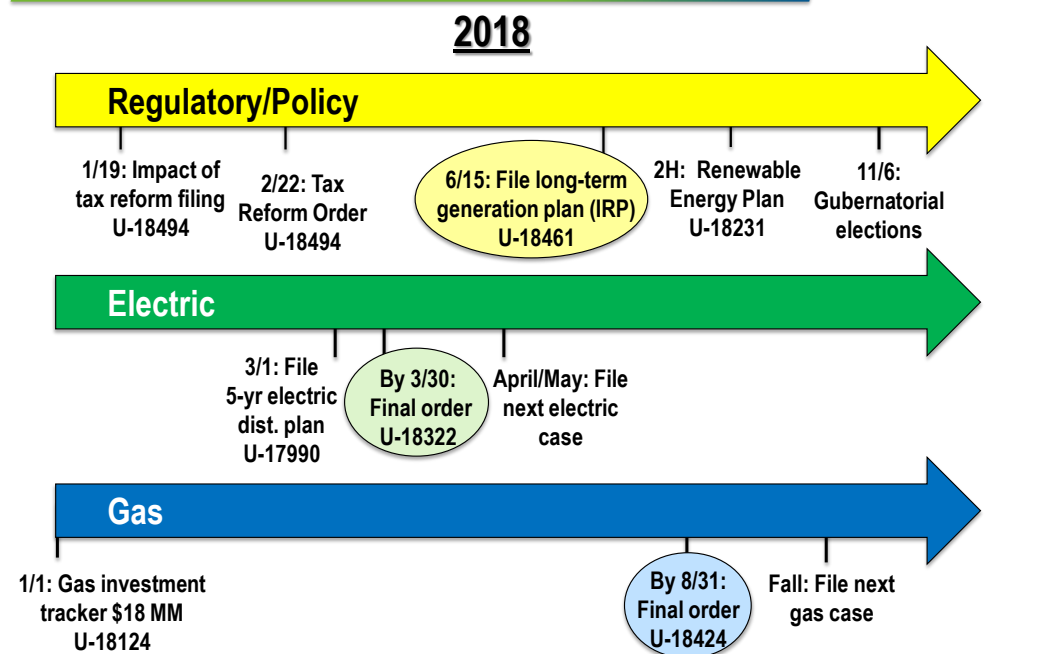
Large and Aging System

Rate Base Growth



... potentially pulled forward by tax reform.

Long-Term Regulatory Planning...



... provides significant customer value and long-term visibility.