CMS MODEL: CONSISTENT PAST WITH A SUSTAINABLE FUTURE
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, 2016 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. References to future plans and forecasts refer to such plans and forecasts as discussed during the CMS Energy Third Quarter 2017 Results and Outlook webcast held on October 26, 2017.

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](http://www.cmsenergy.com).

CMS Energy provides historical financial results on both a reported (GAAP) and adjusted (non-GAAP) basis. During an oral presentation, references to “earnings” are on an adjusted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items. Management views adjusted earnings as a key measure of the company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings. Similarly, management views adjusted operating and maintenance (O&M) expenses as an important measure of operating efficiency. This measure excludes expenses related to energy efficiency because they have no impact on net income, as well as certain historical amounts that reduce comparability to the current period. Other adjustments could include restructuring costs and regulatory items from prior years. Because the company is not able to estimate the impact of specific line items that have the potential to significantly impact reported maintenance and other operating expenses, the company is not providing a reconciliation for the comparable future period expenses. Adjusted weather-normalized earnings are provided to show the impact of deviations from normal weather.

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](http://www.cmsenergy.com/investor-relations), a channel of distribution.
Overview
### CMS Energy Overview

#### Corporate Structure

- **consumers Energy**
- **enterprises**
- **EnerBank**

#### Key Information

**2016 Financial Statistics**
- **Based in Jackson, Mi**
- **~7,800** Employees (40% unionized)
- **$6.4 B** Revenue
- **$563 MM** Adjusted net income \(^{\text{a)}\}
- **~62%** Dividend payout ratio
- **7% EPS\(^{\text{a)}\)** Growth for past 14 years

#### Senior Management Team

- **Patti Poppe**
  - CEO
- **Rejji Hayes**
  - CFO
- **Cathy Reynolds**
  - General Counsel
- **Cathy Hendrien**
  - Human Resources
- **DV Rao**
  - Strategy & Planning
- **Garrick Rochow**
  - Operations
- **Brian Rich**
  - CIO & Customer Experience
- **JF Brossoit**
  - Engineering
- **Brandon Hofmeister**
  - Gov’t & Regulatory Affairs

---

\(^{\text{a)}\) Non-GAAP
The Triple Bottom Line . . .

PEOPLE • PLANET • PROFIT

PERFORMANCE

. . . world class performance delivering hometown service.
Overview

- 4th largest combination utility (electric and gas) in the country
- 2016 revenue = $6.1 billion
- 2016 earnings = $614 million
- Fuel mix
  - 36% gas; 21% coal; 12% pumped storage;
  - 10% renewables; 21% other
- Fastest coal reduction in U.S.

Our Service Territory

- Electric Utility
  - 1.8 million electric customers
  - 8,331 MW of capacity
- Gas Utility
  - 1.8 million gas customers
  - 309 bcf gas storage (#1 in the U.S.)
- Serving 6.7 million residents

... is a world class utility.
Michigan Offers . . .

- Economic growth (taxes, skilled labor, balanced budget)
- Forward-looking test year (10-month rate case)
- Energy efficiency incentive (20% of spend)
- Attractive renewable investment framework
- Constructive ROEs

. . . economic and energy policies that support our business.
MPSC Commissioners

Sally Talberg (I), Chairman
Term Ends: July 2, 2021

Norm Saari (R)
Term Ends: July 2, 2019

Rachael Eubanks (I)
Term Ends: July 2, 2023

Tier 1 Ranking

1. Michigan
   2013 - Present

2. 2012

3. 2008

4. 8

5. 6

Barclays Research, 2017 state rankings

...provides constructive energy policies.
“DIG” (750 MW) & Peakers (200 MW)...

Pre-Tax Income (MM)

2015 2016 2017

$12 $30 $35

Outage pull-ahead Better Performance

Contracts (layering in over time)

Opportunities

Future

$75 $55 $40

$4.50 $7.50

Capacity ($/kw-mth)

\[ \approx 1.00 \quad \approx 2.00 \quad \approx 3.00 \quad 4.50 \quad 7.50 \]

Available:

- Energy
  - 0%
  - 0%
  - 0%

- Capacity
  - 0%
  - 0%
  - 0%

25% 50% - 90%

... capacity contracted for 2017.
Simple, Perhaps Unique Model . . .

Customer investment (reliability, costs, enviro mandates) 6% - 8%

Self Funding:

- O&M cost reductions \(^{a)}\) 2 - 3 pts
- Sales growth 1
- No “block” equity dilution & other 2

INVESTMENT SELF-FUNDED 5 - 6 pts

Rate increase “at or below inflation” < 2%

\(^{a)}\) Consumers non-GAAP

. . . provides sustainable long-term growth.
Customer Investment...

Capex
$ (Bn)

**Gas**
8

**Electric**
10

**Total Plan**
18

Opportunities
7

Plan With Ops
$25

Clean AND Lean

Electric Distribution

Gas Infrastructure & Maintenance

Supply

More renewables

Opportunities

Grid modernization

PPA replacement

$25 billion!

$18 billion

... driven by a large and aging system.
Modular Customer Investment Plan...

Last 10 Years
$13 Bn

Next 10 Years
$18 Bn

% of projects <$200 MM

~75% ➔ >90%\(^a\)\(^j\)

\(^a\) Plan assumes a modular renewable build-out with individual projects less than $200 million.

. . . is robust and highly achievable.
Cost Reduction Strategy . . .

Capital-Enabled

- Gas Replacements
- Pole-top Hardening

Clean & Lean

Technology-Enabled

- Smart Grid
- Mobility
- Digital

Structural/Process Changes

- CE Way
- PPAs
- Retirements

Customer Benefits

- Safety
- Reliability
- Better Service
- Affordable Bills

. . . largely funds customer investments.
Actual Cost Reduction
(Peers 2016 over 2006)

Peer Average ~4½%

Consumers
-3% a year

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

New Annual Cost Savings

<table>
<thead>
<tr>
<th>Good Business Decisions</th>
<th>Three-Year Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>- 2016</td>
<td>- 20</td>
</tr>
<tr>
<td>- 2016</td>
<td>- 10</td>
</tr>
<tr>
<td>- 2016</td>
<td>- 4</td>
</tr>
</tbody>
</table>

“Consumers Energy Way”

- 15  - 20

<table>
<thead>
<tr>
<th>Increases</th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortality, Disc. Rates, &amp;</td>
<td>+20</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Upgr./Inflation</td>
<td>+10</td>
<td>+30</td>
</tr>
</tbody>
</table>

Net savings
- 35  - 20

Percent savings
> 3% 2%
a year! a year!

Offers credibility for future savings.

O&M Reduction Track Record...
Our Entire Cost Structure . . .

Cost Components

- Fuel and Power Costs
- O&M Operating Costs
- Taxes
- Capital Investments
- Cost of Capital

Above Market Costs

- PPA
- Fuel

Source: FERC Form 1, 2016 & 2011

O&M Reductions in Rates

- $659
- $572

Down $166 MM or 7% annually
Down $87 MM or 3% annually

. . . provides opportunities to lower costs and create headroom.
Operating Cash Flow Funds...

- Up $1.8 billion since 2004!
- NOLs avoid need for block equity

Gross operating cash flow\(\text{a,} \text{J}\) up > $0.1 billion per year

Interest, working capital and taxes

Cash flow before dividend

NOLs & Credits

- 2015: $0.7
- 2016: $0.9
- 2017: $0.9
- 2018: $0.9
- 2019: $0.6
- 2020: $0.5
- 2021: $0.2

... investments without block equity.
Economic Development is... robust and helps drive our model.

Our Service Territory\textsuperscript{a,b} Outperforms

<table>
<thead>
<tr>
<th></th>
<th>Grand Rapids</th>
<th>Mi.</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Permits</td>
<td>+315%</td>
<td>19</td>
<td>14</td>
</tr>
<tr>
<td>GDP 2010→2016</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population 2010→2016</td>
<td>6</td>
<td>½</td>
<td>4</td>
</tr>
<tr>
<td>Unemployment (10/17)</td>
<td>4.0</td>
<td>4.5</td>
<td>4.1</td>
</tr>
</tbody>
</table>

\textsuperscript{a} Grand Rapids
\textsuperscript{b} Annualized numbers November 2010→November 2017

New Load

- \(~2,000\text{ Gwh}~
- 6\% of Sales

Near-Term Pipeline

- 2014
- 2015
- 2016
- 2017

-. . . robust and helps drive our model.
Consistent Growth Through . . .

7% CAGR

EPS

Dividend

Recession

Weather

Help

Hurt


Cold winter  Mild summer  Hot summer  Warm winter  Mild summer  Cold winter  Summer “less”  Hot summer  Hot summer  Warm winter  Mild summer  Polar vortex  Cold Feb.  Warm Dec.  Warm Winter  Warm Winter

Governor (D)  Governor (R)

Commission (D)  Commission (D)  Commission (R)  Commission (I)

. . . recessions, adverse weather, and leadership changes.
Compelling Investment Thesis

Aging Infrastructure

Diversified Service Territory

Strong Cash Flow & Healthy Balance Sheet

Cost Controls

Constructive Regulation

18

Tier 1 Ranking

<table>
<thead>
<tr>
<th>Tier</th>
<th>Michigan 2013 - Present</th>
<th>Consumers non-GAAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
<td>2012</td>
</tr>
<tr>
<td>2</td>
<td>9</td>
<td>2008</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
<td>2012</td>
</tr>
<tr>
<td>4</td>
<td>9</td>
<td>2008</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>2008</td>
</tr>
</tbody>
</table>
Top of Mind
Top of Mind...

- Federal Tax Reform
- Energy Law Implementation (IRP & SRM)
- Pending Rate Cases
- Renewables & Capacity
- Economic Development

... for Utility Week.
Long-Term Regulatory Planning... provides significant customer value and investment certainty.

Second Half 2017

Energy Law
- 11/21: Capacity charge set at 115% of CONE

Gas
- 7/31: Final order; $29 MM; ROE 10.1%
- 10/31: Filed new case, $178 MM
- $47 MM
- $18 tracker 2018

Electric
- 10/1: Self-impl.; $130 MM
- 3/1: File 5-yr electric dist. plan

2018

Q2: File long-term generation plan (IRP)

1/1: Gas investment tracker $18 MM

By 8/31: Final order

Customer Benefits

- Transparency
- Safety
- Reliability
Primarily for Investment $(MM)$

- $158$ for Investment costs
- $20$ for Cost of capital & other
- $178$ for Filed 10/31

~$90\%$ for investment

Within the Request

- 12-month test year ending June 2019
- Rate base of $5.5 billion; 10.5\% ROE
- Investment Recovery Mechanism effective July 1, 2019
- Non-fuel revenue decoupling mechanism

Order by August 31st, 2018

... for gas infrastructure improvements.
Reduction in Coal Intensity... 

Coal Energy

- 49% in 2005
- 22% in 2016
- 15% in Future

Shut down coal

Renewable Energy

- 10% in 2016
- 15% in Future

Demand from customers

Meets RPS

Notes:

- CMS Energy
- Includes Classic 7, includes PPA contracts
- Excludes Classic 7, includes PPA contracts
- Based on ten-year plan with opportunities

... AND adding more renewables
Customer Investment
### Customer Investment...

#### Detail

<table>
<thead>
<tr>
<th>Capex $ (Bn)</th>
<th>Electric</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gas</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Plan</strong></td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan With Ops</strong></td>
<td>$25</td>
</tr>
</tbody>
</table>

- **Gas Meter Installations (2019):** 1.1 MM
- **Gas Distribution:** 25 years of replacements
- **Gas Transmission:** 75% of miles pre-1970
- **Electric HVD System:** 1/3 past useful life
- **Electric LVD System:** Older than avg. utility

... improves reliability and safety...
Electric System Investment . . .

- Electric Dist. $6 Bn
- Gas Infra. & Maint.
- Supply $4 Bn

- HVD System $1 Bn
- Substations $1 Bn
- LVD System $4 Bn

. . . consists of needed and modular projects
Age of Electric Distribution...

Replacements needed to renew our system

Supply

Electric Dist. $6 Bn

Gas Infra. & Maint.

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

Consumers Energy

Source: FERC Form 1, remaining book value divided by original cost

... requires substantial investment to improve reliability.
Electric Distribution Investment Opportunities ...

- **LVD System**
  - 56,000 miles
  - $200,000 to rebuild one mile
  - 1.5 MM poles
  - ~5,000 per year in plan
  - $3,500 per pole replacement

- **Substations**
  - 1,200 substations
  - $1 MM avg per upgrade
  - ($7 - $8 MM to replace)

- **HVD System**
  - 72,500 poles
  - ~33% are past 60 year life
  - $13,000 per pole replacement
  - 4,500 miles
  - $330,000 to rebuild one mile

... are substantial, prioritized, and modular in nature.
Electric Supply Investments . . .

Renewables in Plan

- **Renewables (15% RPS)**: $1 Bn
- **Maintenance & upgrades**: $3 Bn

In the Plan

Current Supply

- PPAs
- Owned

Clean & Lean Opportunities

- Palisades expires 2022
- MCV expires 2025
- Average age of coal plants >50 years; potential future shutdowns

$3 - $4 Bn Opportunity

. . . reflect our Clean & Lean strategy.
Matches supply with demand in a modular way.
... competitive for residential and improving for industrial customers.

Residential Bills

- Residential bills below U.S. average
- (12)%
- Source: EIA through 2015, 2% growth assumed thereafter

Industrial Rates

- Industrial rates improving rapidly
- 26%
- 8%
- Better
- Worse
Gas System Investment...

Electric Dist.  Supply
Gas Infra. & Maint. $8 Bn

Transmission
$4 Bn

Transmission Field
#1 Underground storage

Compression and Storage
$1 Bn

Distribution
$3 Bn

U.S. LDC Rank, Source: DOT

... up 40% from the last 10 years.
Gas Transmission

Projects in Plan

- **Saginaw Trail (2800)**
  - 94 miles, 24"
  - $636 MM

- **Mid-Michigan (100A)**
  - 54 miles, 36"
  - $385 MM

- **South Oakland (3100)**
  - 22 miles

1,670 miles of transmission pipelines

... significant investment over time.
Gas Distribution . . .

Main Replacement
- Started in 2012
- 25-year program
- $75 MM capex per year

Service Line Replacement
- 185,000 replacements needed
- Only 2% complete
- 20,000 per year at $3,500 each

Benefits
- Customer safety
- Reduced leaks
- Lower future O&M

Gas Distribution . . . replacement work underway, long runway left to go.
Affordable Gas Bills...

Capex Provides
- Safety
- Reliability
- Economic Growth

Avg. Res. Bill ($/ month)

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. Res. Bill ($/ month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$89</td>
</tr>
<tr>
<td>2017E</td>
<td>$57</td>
</tr>
</tbody>
</table>

-36%

Source: Internal July Forecast

Henry Hub $/ MCF

~$4.40 → <$3.00

Source: EIA.gov (Historical Annual Average & Current); Bloomberg (Future)

... have enabled needed investments.
Financial Update
# First Nine Months of 2017...

## Results

<table>
<thead>
<tr>
<th>Year-to-Date</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS – (GAAP)</td>
<td>$1.70</td>
<td>$1.65</td>
</tr>
<tr>
<td>Adjustment</td>
<td>0.03</td>
<td>0.01</td>
</tr>
<tr>
<td>Adjusted (non-GAAP)</td>
<td>$1.73</td>
<td>$1.66</td>
</tr>
<tr>
<td>Weather-normalized&lt;sup&gt;a&lt;/sup&gt;</td>
<td>$1.71</td>
<td>$1.84</td>
</tr>
</tbody>
</table>

## By Business Segment

<table>
<thead>
<tr>
<th></th>
<th>EPS&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
</tr>
<tr>
<td>Utility</td>
<td>$1.76</td>
</tr>
<tr>
<td>Enterprises</td>
<td>0.10</td>
</tr>
<tr>
<td>Interest &amp; other</td>
<td>(0.20)</td>
</tr>
<tr>
<td>Company</td>
<td>$1.66</td>
</tr>
</tbody>
</table>

## Third Quarter

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS – (GAAP)</td>
<td>67¢</td>
<td>61¢</td>
</tr>
<tr>
<td>Adjustment</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Adjusted (non-GAAP)</td>
<td>70¢</td>
<td>62¢</td>
</tr>
<tr>
<td>Weather-normalized&lt;sup&gt;a&lt;/sup&gt;</td>
<td>60¢</td>
<td>64¢</td>
</tr>
</tbody>
</table>

<sup>a</sup>Adjusted EPS (non-GAAP)

...substantially stronger than plan.
Managing Work Every Year . . .

EPS[^1]
$2.20
$2.00
$1.80
$1.60
$1.40
$1.20
$1.00


Cost productivity above plan
Reinvestment
Hot Summer
Mild Winter
Cost productivity
Reinvestment
Hot Summer
Mild Summer
Cost productivity
“Summerless” Summer
Cost productivity
Mild Summer
Cost productivity
Cost productivity
Storms
Cost productivity
Reinvestment
HOT
MILD
WARM
RECORD
OFFSETS
2013 – 2016
Customer O&M Reinvestment = $340 million
(Source: ½ cost; ½ weather)

[^1] Adjusted EPS (non-GAAP)

... maximizes benefits for customers AND investors.
Credit Quality Highlights . . .

Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Return on regulated investment
- Supportive regulatory environment

... consistent, upward climb.
Debt Maturities are Manageable . . .

<table>
<thead>
<tr>
<th>Amount (MM)</th>
<th>Today vs. Five Years Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighted Avg Interest (bps)</td>
</tr>
<tr>
<td>Consumers</td>
<td>(66)</td>
</tr>
<tr>
<td>CMS</td>
<td>(114)</td>
</tr>
</tbody>
</table>

Existing coupons

---

a Includes Consumers Energy securitizations; b Excludes EnerBank, Enterprises; data as of October 31, 2017.

. . . and offer cost reduction opportunities.
Sustainable Future...

Opportunities

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

People

- Plan
- Customer Investment (Bn): $18
- O&M Reductions: (10)%
- Coal Capacity: 21%

Planet

- Gas Infra.
- More Renewables

Profit

- New Energy
- Grid Modernization
- PPA Replacements
- More Renewables

...driven largely by customer investment and cost performance.
Appendix
## CMS Energy Coal Reduction

<table>
<thead>
<tr>
<th></th>
<th>Pre - Classic 7</th>
<th>Post - Classic 7</th>
<th>Post - Classic 7</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gwh</td>
<td>% Coal</td>
<td>Gwh</td>
</tr>
<tr>
<td>Coal</td>
<td>10,245</td>
<td>45%</td>
<td>8,851</td>
</tr>
<tr>
<td>Other</td>
<td>12,417</td>
<td></td>
<td>12,417</td>
</tr>
<tr>
<td>Total</td>
<td>22,662</td>
<td>45%</td>
<td>21,268</td>
</tr>
<tr>
<td>PPAs*</td>
<td>19,495</td>
<td>(21)</td>
<td>19,495</td>
</tr>
<tr>
<td>Total</td>
<td>42,157</td>
<td>24%</td>
<td>40,763</td>
</tr>
</tbody>
</table>

### Future Opportunities

#### Wind, Filer City, & Potential Coal Shutdown

<table>
<thead>
<tr>
<th></th>
<th>Gwh</th>
<th>% Coal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>6,181</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>15,207</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21,388</td>
<td>29%</td>
</tr>
<tr>
<td>PPAs*</td>
<td>19,495</td>
<td>(14)</td>
</tr>
<tr>
<td>Total</td>
<td>40,883</td>
<td>15%</td>
</tr>
</tbody>
</table>

* PPAs uniquely large -- built by CMS AND controlled (most of the energy) by CMS.
... combined cycle gas and wind are the most attractive new source of supply.
### CMS ENERGY CORPORATION

**Earnings Per Share By Year GAAP Reconciliation**

(Unaudited)

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported diluted 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>
<td>$1.89</td>
<td>$1.98</td>
</tr>
<tr>
<td><strong>Pretax items:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Electric and gas utility</td>
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<td>-</td>
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<td>0.08</td>
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<td>(0.03)</td>
<td>(0.22)</td>
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<td>1.67</td>
<td>(0.02)</td>
<td>0.14</td>
<td>(0.05)</td>
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<td>(0.01)</td>
<td>*</td>
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<td>(0.35)</td>
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<td>(0.42)</td>
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<td>(0.11)</td>
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<td>(0.01)</td>
<td>*</td>
<td>(0.02)</td>
<td>(*)</td>
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<td>Corporate interest and other</td>
<td>0.25</td>
<td>(0.06)</td>
<td>0.06</td>
<td>0.45</td>
<td>0.17</td>
<td>0.01</td>
<td>0.01</td>
<td>*</td>
<td>-</td>
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<td>*</td>
<td>*</td>
<td>*</td>
<td>0.02</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(0.09)</td>
<td>0.03</td>
<td>(0.02)</td>
<td>(0.18)</td>
<td>(0.49)</td>
<td>(0.03)</td>
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<td>(*)</td>
<td>(0.01)</td>
<td>(*)</td>
<td>(*)</td>
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<td>(*)</td>
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<td>(0.07)</td>
<td>(0.03)</td>
<td>0.40</td>
<td>(*)</td>
<td>(0.08)</td>
<td>0.08</td>
<td>(0.01)</td>
<td>(0.03)</td>
<td>*</td>
<td>(*)</td>
<td>(*)</td>
<td>(*)</td>
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<td>0.93</td>
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<td>(0.31)</td>
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<tr>
<td>Tax impact</td>
<td>(0.09)</td>
<td>(0.01)</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Adjusted earnings per share, including MTM - non-GAAP</strong></td>
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<td>$0.87</td>
<td>$1.39</td>
<td>$0.57</td>
<td>$0.84</td>
<td>$1.21</td>
<td>(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>
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<td>Mark-to-market</td>
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<td>(0.65)</td>
<td>0.80</td>
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<tr>
<td>Tax impact</td>
<td>(0.01)</td>
<td>0.22</td>
<td>(0.29)</td>
<td></td>
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<td></td>
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<td></td>
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<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>
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<td>NA</td>
<td>NA</td>
<td>NA</td>
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</tr>
</tbody>
</table>

* Less than $0.01 per share.

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

## Earnings By Quarter and Year GAAP Reconciliation

(Reflects Amounts, Except Per Share Amounts)

(Reflects Amounts, Except Per Share Amounts)

<table>
<thead>
<tr>
<th>(In Millions, Except Per Share Amounts)</th>
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<th>2017</th>
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<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
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<tr>
<td>Net Income Available to Common Stockholders Reported - GAAP</td>
<td>$164</td>
<td>$124</td>
</tr>
<tr>
<td>Pretax items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric and gas utility</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax impact</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enterprises</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>Corporate interest and other</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>Discontinued operations (income) loss</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Adjusted net income - non-GAAP</td>
<td>$164</td>
<td>$124</td>
</tr>
<tr>
<td>Average shares outstanding, diluted</td>
<td>277.9</td>
<td>279.3</td>
</tr>
<tr>
<td>Reported earnings per share - GAAP</td>
<td>$0.59</td>
<td>$0.45</td>
</tr>
<tr>
<td>Pretax items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric and gas utility</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax impact</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Enterprises</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Corporate interest and other</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Tax impact</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>Discontinued operations (income) loss</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Adjusted earnings per share - non-GAAP</td>
<td>$0.59</td>
<td>$0.45</td>
</tr>
</tbody>
</table>

Note: Year-to-date (YTD) EPS may not equal sum of quarters due to share count differences.
* Represents net (after-tax) impact of less than $500 thousand or $0.01 per share (unless segment is specifically referenced by tax impacts).
CMS Energy
Reconciliation of Gross Operating Cash Flow to GAAP Operating Activities
( unaudited)
(mils)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers Operating Income + Depreciation &amp; Amortization</td>
<td>$1,866</td>
<td>$2,037</td>
<td>$2,134</td>
<td>$2,246</td>
<td>$2,547</td>
<td>$2,678</td>
<td>$2,816</td>
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<tr>
<td>Enterprises Project Cash Flows</td>
<td>20</td>
<td>46</td>
<td>58</td>
<td>58</td>
<td>53</td>
<td>53</td>
<td>54</td>
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<tr>
<td>Gross Operating Cash Flow</td>
<td>$1,886</td>
<td>$2,083</td>
<td>$2,192</td>
<td>$2,304</td>
<td>$2,600</td>
<td>$2,731</td>
<td>$2,870</td>
</tr>
<tr>
<td>Other operating activities including taxes, interest payments and working capital</td>
<td>(246)</td>
<td>(454)</td>
<td>(542)</td>
<td>(554)</td>
<td>(750)</td>
<td>(781)</td>
<td>(820)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$1,640</td>
<td>$1,629</td>
<td>$1,650</td>
<td>$1,750</td>
<td>$1,850</td>
<td>$1,950</td>
<td>$2,050</td>
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CMS ENERGY CORPORATION
Summary of Consolidated Earnings
Reconciliations of GAAP Net Income to Non-GAAP Adjusted Net Income
(In Millions, Except Per Share Amounts)

<table>
<thead>
<tr>
<th></th>
<th>Third Quarter</th>
<th>Nine Months</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
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<tr>
<td>Net Income Available to Common Stockholders</td>
<td>$172</td>
<td>$186</td>
</tr>
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<td></td>
<td></td>
<td>$463</td>
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<td>Reconciling Items:</td>
<td></td>
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<tr>
<td>Discontinued Operations (Income) Loss</td>
<td>*</td>
<td>(*)</td>
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<tr>
<td>Voluntary Separation Program</td>
<td>-</td>
<td>11</td>
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<tr>
<td>Tax Impact</td>
<td>-</td>
<td>- (4)</td>
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<tr>
<td>Restructuring Costs and Other</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(1)</td>
</tr>
<tr>
<td>Adjusted Net Income - Non-GAAP Basis</td>
<td>$173</td>
<td>$194</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$465</td>
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<tr>
<td>Non-Normal Weather Impacts</td>
<td>10</td>
<td>(48)</td>
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<tr>
<td>Tax Impact</td>
<td>- (4)</td>
<td>18</td>
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<tr>
<td>Adjusted Weather-Normalized Net Income - Non-GAAP Basis</td>
<td>$179</td>
<td>$164</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$510</td>
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<tr>
<td>Average Number of Common Shares Outstanding</td>
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<tr>
<td>Basis</td>
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<td>278</td>
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<td></td>
<td>280</td>
<td>278</td>
</tr>
<tr>
<td>Diluted</td>
<td>282</td>
<td>279</td>
</tr>
<tr>
<td></td>
<td>281</td>
<td>279</td>
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<tr>
<td>Basic Earnings Per Average Common Share</td>
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<td>Net Income Per Share as Reported</td>
<td>$0.61</td>
<td>$0.67</td>
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<td></td>
<td></td>
<td>$1.65</td>
</tr>
<tr>
<td>Reconciling Items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discontinued Operations (Income) Loss</td>
<td>*</td>
<td>(*)</td>
</tr>
<tr>
<td>Voluntary Separation Program</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>- (0.01)</td>
<td>- (0.01)</td>
</tr>
<tr>
<td>Restructuring Costs and Other</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(1)</td>
</tr>
<tr>
<td>Adjusted Net Income Per Share - Non-GAAP Basis</td>
<td>$0.62</td>
<td>$0.70</td>
</tr>
<tr>
<td></td>
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<td>$1.66</td>
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<td>Non-Normal Weather Impacts</td>
<td>0.03</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(0.01)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Adjusted Weather-Normalized Net Income Per Share - Non-GAAP Basis</td>
<td>$0.64</td>
<td>$0.62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1.84</td>
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<tr>
<td>Diluted Earnings Per Average Common Share</td>
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<tr>
<td>Net Income Per Share as Reported</td>
<td>$0.61</td>
<td>$0.67</td>
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<td></td>
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<td>$1.65</td>
</tr>
<tr>
<td>Reconciling Items:</td>
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<td></td>
</tr>
<tr>
<td>Discontinued Operations (Income) Loss</td>
<td>*</td>
<td>(*)</td>
</tr>
<tr>
<td>Voluntary Separation Program</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>- (0.01)</td>
<td>- (0.01)</td>
</tr>
<tr>
<td>Restructuring Costs and Other</td>
<td>0.01</td>
<td>-</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(1)</td>
</tr>
<tr>
<td>Adjusted Net Income Per Share - Non-GAAP Basis</td>
<td>$0.62</td>
<td>$0.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1.66</td>
</tr>
<tr>
<td>Non-Normal Weather Impacts</td>
<td>0.03</td>
<td>(0.17)</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(0.01)</td>
<td>(0.07)</td>
</tr>
<tr>
<td>Adjusted Weather-Normalized Net Income Per Share - Non-GAAP Basis</td>
<td>$0.64</td>
<td>$0.62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1.84</td>
</tr>
</tbody>
</table>

Note: Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company’s present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, regulatory items from prior years, or other items detailed in these summary financial statements. Adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings. Adjusted weather-normalized earnings are provided to show the impact of deviations from normal weather.

* Less than $500 thousand or $0.01 per share.
# CMS ENERGY CORPORATION
## Segment Earnings Per Share GAAP Reconciliation
### (Unaudited)

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<th>September 30</th>
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<th>Nine Months Ended</th>
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<tr>
<td><strong>Electric Utility</strong></td>
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<tr>
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<td>$0.69</td>
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<td>Voluntary Separation Program</td>
<td>-</td>
<td>0.03</td>
</tr>
<tr>
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<td>(0.01)</td>
<td>-</td>
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<td>Adjusted</td>
<td>$0.63</td>
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<tr>
<td><strong>Gas Utility</strong></td>
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<td>$0.01</td>
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<td>0.01</td>
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<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$0.02</td>
<td>$0.02</td>
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<tr>
<td><strong>Enterprise</strong></td>
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<td>$0.03</td>
<td>$0.03</td>
</tr>
<tr>
<td>Voluntary Separation Program</td>
<td>-</td>
<td>*</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring Costs and Other</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(*)&amp;</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$0.03</td>
<td>$0.03</td>
</tr>
<tr>
<td><strong>Corporate Interest and Other</strong></td>
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<td></td>
</tr>
<tr>
<td>Reported</td>
<td>$(0.07)</td>
<td>$(0.06)</td>
</tr>
<tr>
<td>Restructuring Costs and Other</td>
<td>0.01</td>
<td>*</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$(0.06)</td>
<td>$(0.05)</td>
</tr>
<tr>
<td><strong>Discontinued Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reported</td>
<td>(*)</td>
<td>*</td>
</tr>
<tr>
<td>Discontinued Operations (Income) Loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Adjusted</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
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<tr>
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<td>$0.61</td>
<td>$0.67</td>
</tr>
<tr>
<td>Discontinued Operations (Income) Loss</td>
<td>-</td>
<td>(*)</td>
</tr>
<tr>
<td>Voluntary Separation Program</td>
<td>-</td>
<td>0.04</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(0.01)</td>
<td>-</td>
</tr>
<tr>
<td>Restructuring Costs and Other</td>
<td>0.01</td>
<td>*</td>
</tr>
<tr>
<td>Tax Impact</td>
<td>(*)</td>
<td>(*)</td>
</tr>
<tr>
<td>Adjusted</td>
<td>$0.62</td>
<td>$0.70</td>
</tr>
</tbody>
</table>

**Average Common Shares Outstanding - Diluted (in millions)**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>261.6</td>
<td>279.2</td>
<td>280.6</td>
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* Less than 50.01 per share
### CONSUMERS ENERGY

#### Reconciliation of Cost Reductions

<table>
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<tr>
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<th>2006</th>
<th>2016</th>
<th>CAGR</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>(mils)</td>
<td>(mils)</td>
<td></td>
</tr>
<tr>
<td>Maintenance &amp; Other Operating Expenses (GAAP)</td>
<td>$ (1,179)</td>
<td>$ (1,090)</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas &amp; Energy Efficiency</td>
<td></td>
<td></td>
<td>-2.7%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
<td></td>
<td></td>
<td><strong>-2.2%</strong></td>
</tr>
<tr>
<td><strong>Cost Reductions (3% a year)</strong></td>
<td></td>
<td></td>
<td><strong>-3.0%</strong></td>
</tr>
</tbody>
</table>

### CONSUMERS ENERGY

#### Reconciliation of O&M Costs (Annual decrease %)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2016</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(mils)</td>
<td>(mils)</td>
<td></td>
</tr>
<tr>
<td>Maintenance &amp; Other Operating Expenses (GAAP)</td>
<td>$ (1,174)</td>
<td>$ (1,090)</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Costs &amp; Other</td>
<td></td>
<td></td>
<td>-1.1%</td>
</tr>
<tr>
<td><strong>O&amp;M Costs (Annual Decrease %)</strong></td>
<td></td>
<td></td>
<td><strong>-3.5%</strong></td>
</tr>
</tbody>
</table>
CONSUMERS ENERGY

Reconciliation of Distribution Cost per Customer

<table>
<thead>
<tr>
<th>Maintenance &amp; Other Operating Expenses (GAAP)- mils</th>
<th>$ (1,090)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Customers (mils)</td>
<td>1.80</td>
</tr>
<tr>
<td>Maintenance &amp; Other Operating Expenses per Customer</td>
<td>$ (604)</td>
</tr>
</tbody>
</table>

Less:
- Gas & maintenance & other operating expenses not associated with Distribution $ 501
- Other $ 7

Total Adjustments $ 508

2016 “Distribution O&M” Cost per Customer $ (96)

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Reconciliation of O&M Costs per Customer

<table>
<thead>
<tr>
<th>Maintenance &amp; Other Operating Expenses (GAAP)- mils</th>
<th>$ (1,090)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric Customers (mils)</td>
<td>1.80</td>
</tr>
<tr>
<td>Maintenance &amp; Other Operating Expenses per Customer</td>
<td>$ (604)</td>
</tr>
</tbody>
</table>

Less:
- Other including energy efficiency & gas maintenance & other operating expenses $ 275

2016 "Total O&M" Cost per Customer $ (329)
CONSUMERS ENERGY

Reconciliation of Annual O&M Spend

<table>
<thead>
<tr>
<th>2016 (mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance &amp; Other Operating Expenses (GAAP)</td>
</tr>
<tr>
<td>Less:</td>
</tr>
<tr>
<td>Energy Efficiency &amp; Other</td>
</tr>
<tr>
<td>O&amp;M Spend</td>
</tr>
<tr>
<td>Rounded</td>
</tr>
</tbody>
</table>
Aging Infrastructure . . .

Large & Aging Infrastructure . . .

- Gas Transmission: 75% of miles pre-1970
- Electric LVD System: Older than avg. utility
- Gas Meter Installations: 1.1 MM
- Electric HVD System: 1/3 past useful life
- Gas Distribution: 25 years of replacements

. . . requires significant investment.

. . . Requires Investment . . .

Customer Investment . . .

- Gas
- Electric
- Total Plan

Opportunities
- Plan With Ops

Clean AND Lean
- More renewables • Opportunities • Gas Infrastructure & Maintenance
- Electric Distribution
- Supply
- Grid modernization

$18 billion

$25 billion

. . . driven by a large and aging system.

. . . While Keeping Bills Affordable.

Simple, Perhaps Unique Model . . .

2017+

Customer investment (reliability, costs, enviro mandates) 6% - 8%

Self Funding:
- O&M cost reductions
- Sales growth
- No “block” equity dilution & other

INVESTMENT SELF-FUNDED

Rate increase “at or below inflation” < 2%

. . . provides sustainable long-term growth.
Long-Term Regulatory Planning...

**Second Half 2017**

- **Energy Law**
  - 11/21: Capacity charge set at 115% of CONE

- **Gas**
  - 7/31: Final order; $520 MM, ROE 10.1%
  - 10/31: Final order; $178 MM
  - 10/1: Self-impl., $130 MM

- **Electric**
  - 3/1: File 5-yr electric dist. plan

2018

- **Customer Benefits**
  - **Transparency**
  - **Safety**
  - **Reliability**

...provides significant customer value and investment certainty.

Managing Work Every Year...

**Customer O&M Reinvestment = $340 million**

(Source: ½ cost; ½ weather)

Sustainable Future...

**7% CAGR**

- **EPS**
- **TSR**
- **Dividend**

- **Opportunities**
  - Grid Modernization
  - PPA Replacements
  - More Renewables

- **Performance**
  - **People**
  - **Planet**
  - **Profit**

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