Barclays Select 2014 Series – U.S. Utility CEO Asia Week
September 29 & October 1, 2014

Content
• How it Works
• Upsides
• Partners
• Investment
• Passion to Improve

Ludington Pumped Storage
Fourth largest in the world

Jackson Gas Plant
Lowest acquisition cost ever

Cross Winds® Energy Park
#1 in renewables in the Great Lakes area
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, 2013 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 and Consumers Energy post important financial information using the investor relations section of the CMS Energy website, www.cmsenergy.com and Securities and Exchange Commission filings.
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<td>Energy Law</td>
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<td>Governor’s Race</td>
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<td>Constructive Regulation</td>
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<td></td>
<td>Sustainability</td>
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<td>Appendix</td>
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<td></td>
<td>56-58</td>
</tr>
<tr>
<td></td>
<td>GAAP</td>
</tr>
</tbody>
</table>
CMS Energy at a Glance . . .

Consistent Performance

- Targeting twelfth year of industry-leading financial performance
- $15 billion investment plan ahead – self-funded!
- Strong cost control – a top performer!
- Conservative planning – upsides not in plan
- Supportive regulation – top tier

EPS a) “Real” Growth (No “Resets”)

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual EPS</th>
<th>Target 5% - 7%</th>
<th>Target 6% - 8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>-11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>+7%</td>
<td>+7%</td>
<td>+5%</td>
</tr>
<tr>
<td>2005</td>
<td>+12%</td>
<td>+7%</td>
<td>+6%</td>
</tr>
<tr>
<td>2006</td>
<td>+4%</td>
<td>+8%</td>
<td>+7%</td>
</tr>
<tr>
<td>2007</td>
<td>+8%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2008</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2009</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2010</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2011</td>
<td>+6%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2012</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2013</td>
<td>+7%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>2014</td>
<td>+5%</td>
<td>+7%</td>
<td>+7%</td>
</tr>
</tbody>
</table>

Adjusted EPS (non-GAAP) excluding MTM in 2004-2006

. . . . . visible, predictable long-term growth.
HOW IT WORKS -- Model . . . .

Self-Imposed Limits

- Sustainable base rates < 2% inflation
- Investment “Needed Not Wanted”

Investment

- Ten year - $15 billion
- Small, bite size projects
- None “Bet The Company”
- Self-funded

RESULTS

Consistent Predictable

Catalysts

- Capex >$15 billion
- PPA’s expire = 2,000 MW
- Zone 7 capacity shortfall
- Capacity price increases
- Conservative sales planning
- Continuous cost reductions

. . . . benefits customers AND owners.
**Overview**

*Fourth largest combination utility in the United States!*

**Electric Utility**
- 1.8 million electric customers
- 8,600 MW of capacity

**Gas Utility**
- 1.7 million gas customers
- 312 TBtu gas storage (3rd biggest in US)

---

... one of largest investors and employers in Michigan.
Average Annual O&M Change

<table>
<thead>
<tr>
<th>Year</th>
<th>Peers</th>
<th>CMS</th>
<th>Peers</th>
<th>CMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-2013</td>
<td>+6%</td>
<td>-1%</td>
<td>+2%</td>
<td>+2%</td>
</tr>
<tr>
<td>2012</td>
<td>+2%</td>
<td>-3%</td>
<td>+6%</td>
<td>-3%</td>
</tr>
<tr>
<td>2013</td>
<td>-2%</td>
<td>-8%</td>
<td>+2%</td>
<td>-2%</td>
</tr>
<tr>
<td>2014</td>
<td>+2%</td>
<td>-5%</td>
<td>-2%</td>
<td>+2%</td>
</tr>
<tr>
<td>2014-2018</td>
<td>+2%</td>
<td>-8%</td>
<td>-2%</td>
<td>+2%</td>
</tr>
</tbody>
</table>

-8% Before reinvestment

Plan Conservatively

Continuous Cost Reductions

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Reduction</th>
<th>Reinvest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>-8%</td>
<td>+5%</td>
</tr>
<tr>
<td>2013</td>
<td>-8%</td>
<td>+6%</td>
</tr>
</tbody>
</table>

Upside?

-8% Before reinvestment

* O&M change excluding 2013 major storms

which allows us to make customer-focused investments.
**UPSIDES -- Customer-Focused O&M Reinvestment . . . .**

**Adjusted EPS (non-GAAP)**

2013

2013 Cold Winter & Cost Savings

2012 Warm Winter

2012 Cost Saving

**2013 Reinvestment**

<table>
<thead>
<tr>
<th>Reinvestment</th>
<th>Amount (mils)</th>
<th>EPS (cents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric reliability</td>
<td>$14</td>
<td>3¢</td>
</tr>
<tr>
<td>Gas reliability</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Generation &amp; Corp “pull-aheads”</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Service restoration cost &amp; other</td>
<td>21</td>
<td>5</td>
</tr>
<tr>
<td>Subtotal - pre-Nov/Dec Storms</td>
<td><strong>$58</strong></td>
<td><strong>14¢</strong></td>
</tr>
<tr>
<td>November Service Restoration</td>
<td>15</td>
<td>3</td>
</tr>
</tbody>
</table>

**Icy Late December**

O&M B/(W) Than Forecast (mils)

- Storm (total $50 M) $(37)
- Insurance 16
- Lower contributions 9
- Sales-weather 12
- Total 0

**2012 Hot Summer**

Reinvested earlier

2012 Cold Winter & Cost Savings

$1.66 +7%

**. . . maximizes benefit for customers AND investors.**
Gross Domestic Product – 2010 through 2013


U.S. Total = 8.4%

Michigan’s Recovery . . . . . among the best in the nation.
PARTNERS -- Michigan Governor’s Race . . .

Mark Schauer
Democrat, Challenger

Rick Snyder
Republican, Incumbent

Campaign Issues
- Education
- Jobs
- Roads
- Detroit

On Energy...

As Senate Democratic Leader, Mark played a key role in the successful passage of the 2008 Energy Law.

On ROA...

“Choice creates a lot of challenges and problems, essentially trying to arbitrage markets.”

-Governor Rick Snyder

. . . . focus on non-energy issues.
• Historical test year
• 12-18 months regulatory lag
• No cap on ROA

Before 2008

• 10% renewables by 2015
• Energy efficiency standards
• File-and-implement
• 10% ROA cap

TODAY

• Adaptability
• Reliability
• Affordability
• Environmental protection

2015 Improvements

Before 2008 builds on visionary 2008 Law!

Update

• Gov. signed new rate design bill
• Legislative workgroups formed to study 2015 Energy Law improvements
INVESTMENT -- Ten-Year Plan Expanding . . .

2013-2022
10-Year Plan

$15 Billion

Opportunity Level

$20+ Billion

Opportunity

Amount (bils)

- Generation capacity
  - PPA replacement: $1.7
  - ROA return: .3
- Higher renewables: 1.0
- Gas conversions & expansion: 2.0
- Total Opportunities: $5.0

Rate Base
- up 5% to 7%

Customer base rates
- <2

. . . . . driving long-term, organic growth, while keeping base rates below inflation.
INVESTMENT -- Capacity Opportunities . . . .

Capacity Growth Over Next Ten Years

- Potential for ~3,000 MW of owned capacity
- PPA’s Expire
- Future
  - MISO Zone 7 Shortage 2016 2,000 MW

Today
- Jackson Plant Replaces Classic Seven
- ROA Eliminated?
- Palisades PPA Expires 2022
- MCV PPA Expires 2025
- Owned 6,000
- 800 MW
- 410 MW Shortfall
- 540 MW

Future
- PPA 580
- Owned 8,820
- 1,240 MW
- 780 MW
- Not in plan

- Potential for ~8,600 MW
- 11,000 MW
- 7,500 MW
- 5,000 MW

. . . . emerging with replacement not yet in plan.
INVESTMENT -- Capacity Price Increases . . . .

Today
(mils)

Future Scenarios
(mils)

Opportunity

$5

+$30

$35

+$50

$55

$0.50

$4.50

$7.50

Capacity price
($ kW per month)

<$0.50

$4.50

$7.50

Recent Contracts

• DIG “energy” contract
• 9 years
• 250 MW @ $4.06 kW per month

Upside: Capacity and energy contracts layered in over time

. . . . could add value to the 700 MW “DIG” plant.
PASSION TO IMPROVE -- Includes Lasting . . .

Cost Control

Utility O&M
+15%

Down 10% 2014-2018

Peers

CMS

Down 5%

Customer Satisfaction

Residential

First

Second

Third

Fourth

Electric

Gas

Employee Engagement

1st Quartile

1st Quartile

2011 2013 2018

2011 2014 2016

2011 2012 2013

. . . . premier cost control, customer satisfaction, and employee engagement.
CMS ENERGY

THANK YOU
for your support

better than we found it
Cross Winds Energy Park

- Fourth largest in the world
- Lowest acquisition cost ever
- #1 in renewables in the Great Lakes area

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**Consumers Energy**

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- 8,600 MW of capacity

**Gas Utility**
- 1.7 million gas customers
- 312 TBtu gas storage (3rd biggest in US)

**Territory**

- **Electric**
- **Gas**
- **Combination**

**Premium Regulatory Environment**

**. . . . one of largest investors and employers in Michigan.**
**HOW IT WORKS -- Model . . . .**

---

**Investment**
- Ten year - $15 billion
- Small, bite size projects
- None “Bet The Company”
- Self-funded

---

**RESULTS**
- Consistent
- Predictable

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**Self-Imposed Limits**
- Sustainable base rates < 2% inflation
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**Catalysts**
- Capex >$15 billion
- PPA’s expire = 2,000 MW
- Zone 7 capacity shortfall
- Capacity price increases
- Conservative sales planning
- Continuous cost reductions

---

. . . . benefits customers AND owners.
INVESTMENT -- “Catch-Up” . . .

Investment Criteria:
✓ Reduces fuel cost
✓ Lowers O&M
✓ Adds customer value
✓ Meets state & federal mandates

Source: 10K; actual amounts through 2013 smoothed for illustration

creating an opportunity for the next ten years.
INVESTMENT -- Ten-Year Plan Expanding . . . .

2013-2022
10-Year Plan

Opportunity Level

$20+ Billion

$15 Billion

Opportunity

Amount
(bils)

Generation capacity
- PPA replacement $1.7
- ROA return

Higher renewables .3
Gas conversions & expansion 1.0
Electric reliability 2.0

Total Opportunities $5.0

Rate Base up 5% to 7%

Customer base rates <2

. . . . . driving long-term, organic growth, while keeping base rates below inflation.
INVESTMENT -- **Customer-Driven** . . .

**Clean Power**
- Environmental
- Renewable energy
- Ludington Pumped Storage
- Gas conversion

**Capacity**
- Jackson gas plant
- Gas transmission

**Reliability**
- Consumers Smart Energy
- Gas storage
- Electric reliability

**Infrastructure**
- Gas distribution
- Propane switching
- Electric distribution
- Gas combined cycle
- Gas infrastructure

**Opportunity**
- Opportunity
- Higher renewables

. . . . remains small and incremental, with no big bets.
INVESTMENT -- Capacity Opportunities . . . .

Capacity Growth Over Next Ten Years

- Potential for ~3,000 MW of owned capacity
- PPA’s Expire
- Owned 8,820
- PPA 580
- MISO Zone 7 Shortage 2016 2,000 MW

- 11,000 MW
- 7,500 MW
- 5,000 MW
- 2,600 MW capacity ~30%
- ~8,600 MW
- 410 MW Shortfall
- 540 MW
- 410 MW
- 780 MW
- 1,240 MW
- 7,500 MW
- 410 MW
- 540 MW
- 410 MW
- 7,500 MW
- 410 MW
- 540 MW

Today
- Jackson Plant Replaces Classic Seven
- ROA Eliminated?
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- MISO Zone 7 Shortage 2016 2,000 MW

Future
- Not in plan

. . . . emerging with replacements not yet in plan!
**INVESTMENT -- New Capacity Ops . . . .**

<table>
<thead>
<tr>
<th>Replace PPA With New Build</th>
<th>Customer Bill (mils)</th>
<th>Investor (EPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 MW of PPA’s expire</td>
<td>- $325</td>
<td>0 ¢</td>
</tr>
<tr>
<td>Add 1,000 MW owned capacity</td>
<td>+ 325</td>
<td>+ 5</td>
</tr>
</tbody>
</table>

**Impact**

- ≈ Flat
- + 5¢
- 2 points

**Upside: Capacity Options**

- Build - Thetford
- Expand - Zeeland
- Buy - ?
- LT PPA

. . . . add earnings growth, without increasing bills!
As of June 2, 2014

(in GW)

2016 Resources 2016 Resource Requirement Expected Shortfall

22.8 3.2 24.8

21.6

Reserves Demand

2.0

Source: MISO

MISO Zones

. . . . shortfall expected to be 2,000 MW in 2016.
Gross Domestic Product – 2010 through 2013


U.S. Total = 8.4%

Highest quintile
Fourth quintile
Third quintile
Second quintile
Lowest quintile

Michigan Top 10 state

Grand Rapids 15.3%
Top 10% of All Cities!

...... among the best in the nation.
### Economic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Grand Rapids</th>
<th>Michigan</th>
<th>U.S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Permits*</td>
<td>+42%</td>
<td>+18%</td>
<td>+9%</td>
</tr>
<tr>
<td>GDP (real) 2010 thru 2013</td>
<td>15.3</td>
<td>11.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Population 2010 Census thru July 2013</td>
<td>3</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Unemployment July 2014</td>
<td>5.3</td>
<td>7.7</td>
<td>6.2</td>
</tr>
</tbody>
</table>

*Annualized numbers thru July 2014

---

### Annual Electric Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>-2.0%</td>
<td>-3.0%</td>
<td>1.7%</td>
<td>1.3%</td>
<td>0.7%</td>
<td>0.3%</td>
<td>2.5%</td>
<td>&lt;1/2%</td>
</tr>
</tbody>
</table>

*Weather normalized vs prior year

---

**CMS**

- Recession: -5% to -6%
- Recovery: 5% to 2%
- 2014: 8%

**U.S. Utilities**

- 2010-2012: 2%

---

**Conservative 2015-18 Plan Assumptions**

- Planned conservatively.
Examples of New Business

Recent Announcement

Plasan Carbon Composites
- High performance auto body parts
- 620 new jobs
- $29 million investment
- Phased in next 3 years

Recent Announcement

Dicastal North America, Inc.
- World’s largest maker of alloy wheels
- 300 new jobs
- $140 million investment
- Production begins in 2015

Top Ten (MW)

<table>
<thead>
<tr>
<th>Company</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brembo</td>
<td>24</td>
</tr>
<tr>
<td>Enbridge Energy</td>
<td>19</td>
</tr>
<tr>
<td>GM Assembly</td>
<td>10</td>
</tr>
<tr>
<td>MSU FRIB</td>
<td>9</td>
</tr>
<tr>
<td>WKW Roof Rack Systems</td>
<td>8</td>
</tr>
<tr>
<td>Plasan Carbon Composites</td>
<td></td>
</tr>
<tr>
<td>GM Assembly</td>
<td>10</td>
</tr>
<tr>
<td>Dart Container</td>
<td>5</td>
</tr>
<tr>
<td>MACI</td>
<td>5</td>
</tr>
<tr>
<td>Magna-Cosma Casting</td>
<td>4</td>
</tr>
<tr>
<td>Durolast Roofing</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>~96</td>
</tr>
</tbody>
</table>

. . . . . almost 2% of sales growth, layered in over time.
**UPSIDES -- O&M Cost Control . . . .**

**Average Annual O&M Change**

- **Peers**
  - +6%
  - +2%
  - +2%
  - +2%
  - -1%
  - -2%
  - -2%
  - -3%

- **CMS**
  - -8%
  - +2%
  - +2%
  - +2%
  - +2%
  - -1%
  - -2%
  - -2%

- **Actual/Plan (exc 2013 major storms)**
  - +5%
  - +5%
  - +5%
  - +5%
  - +5%

- **Plan**
  - Conservatively
  - 2006-2013
  - 2012
  - 2013
  - 2014
  - 2014-2018

- **Upside?**

**Continuous Cost Reductions**

- **Cost reduction**
  - 2012
  - -8%
  - +5%
  - +5%

- **Reinvest**
  - 2013
  - -8%

- **Cost reduction**
  - 2014

- **Reinvest**
  - +6%

- **O&M change excluding 2013 major storms**

---

. . . . allows us to make customer-focused investments.
Average Annual O&M Change

- Peers: +6%
- CMS: +2%
- Actual/Plan (exc 2013 major storms): +2%

Future Examples

Fuel Mix

- 2016 Retire Coal: -950 MW, -300 Employees
- 2016 Add GCC: +540 MW, +20 Employees
- Total: -410 MW, -280 Employees
- Future Savings (mils): $25
- 2014-2018

Benefits

- 2002-2012 Actions completed: $25
- 2013 EGWP, OPEB & other: $50
- Future Savings: $75
- Fuel and Benefits: $100

---

-. provides headroom for conservative planning ahead.
Adjusted EPS (non-GAAP)

2013

2013 Cold Winter & Cost Savings

2012

2012 Warm Winter

2012 Cost Saving

2012 Hot Summer

Reinvested earlier

Icy Late December

O&M B/(W) Than Forecast (mils)

Storm (total $50 M)

Insurance

Lower contributions

Sales-weather

Total

November Service Restoration

-13¢

+$1.66

+7%
**UPSIDES -- Customer-Focused O&M Reinvestment . . . .**

*Adjusted EPS (non-GAAP)*

**2014**

1. **+18¢**
2. **2nd QTR**
3. **+15¢**
4. **+9¢**

**Good choices ahead**

- **Weather** 22¢
- **Cost savings** 4¢
- **Reinvest & other (11)**
- **Total** 15¢

- **Sales & other** 2¢
- **O&M Reinvestment:**
  - **Reliability** (3)¢
  - **Parent debt prefunding** (2)¢

**Guidance**

- January
- March 31
- June 30
- December

**7%-6%**

**. . . delivers for both customers AND owners.**

Before 2008
- Historical test year
- 12-18 months regulatory lag
- No cap on ROA

TODAY
- 10% renewables by 2015
- Energy efficiency standards
- File-and-implement
- 10% ROA cap

2015 Improvements
- Adaptability
- Reliability
- Affordability
- Environmental protection

Update
- Gov. signed new rate design bill
- Legislative workgroups formed to study 2015 Energy Law improvements

. . . . builds on visionary 2008 Law!
PARTNERS -- Michigan Governor's Race . . .

Mark Schauer
Democrat, Challenger

Rick Snyder
Republican, Incumbent

Campaign Issues
- Education
- Jobs
- Roads
- Detroit

On Energy...
As Senate Democratic Leader, Mark played a key role in the successful passage of the 2008 Energy Law.

On ROA...
“Choice creates a lot of challenges and problems, essentially trying to arbitrage markets.”
-Governor Rick Snyder

... focus on non-energy issues.
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

- Greg White (I)
  Term Ends: July 2, 2015

Tier 1 State Ranking

1. Michigan
2. 10
3. 18
4. 10
5. 6

Barclays Research
JD Power Survey - 2014

Gas Residential Customers

Consumers 2014

Consumers 2013

Results by Category

Points 950

2014 Improvement

Customer Service

Communication

Corporate Citizenship

Price

Billing & Payment

2014 Midwest Average

Consumers 2013

Gas Residential Customers

Consumers 2014

2014 Improvement

1st Quartile!

1st Quartile!

1st Quartile!

1st Quartile!

. . . . the most improved gas utility in the U.S.!
Consumers Energy ranks among top energy providers in the world.

**Recent Performance**

- Ranked 14th out of 226 energy providers worldwide

- Improvement in all categories:
  - Social: +12
  - Environment: +10
  - Governance: +2

Sustainalytics is an independent research firm that provides information to investors.
. . . . premier cost control, customer satisfaction, and employee engagement.
Mindset . . .

\[
\text{Adjusted EPS (non-GAAP) excluding MTM in 2004-2006}
\]

\[
\text{\$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock}
\]

\[
\text{\ldots drives consistent “no excuse” growth, without resets.}
\]
Environmental Strategy

- CMS is moving towards a balanced generation portfolio with more gas and renewables, reducing our carbon footprint.
- Plan to have full controls on all five larger coal plants:
  - Mercury
  - Sulfur
  - Nitrogen oxide
  - Particulate matter
- Plan to comply with all state and federal regulations.

Agreement

Settlement

- Spending $2 billion in upgrades at power plants
- Invest $7.7 million in environmental mitigation projects
- Pay $2.75 million penalty

Financial Impact

- No impact to 2014 guidance
- Full reserve established in 2013
- Potential to capitalize
- No change to 10-year capex plan

... keeping our promise to make it better than we found it.
### 2015 Gas Rate Case

#### Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (Mils)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment</td>
<td>$144</td>
</tr>
<tr>
<td>Cost &amp; Other</td>
<td>(56)</td>
</tr>
<tr>
<td>Request</td>
<td>$88</td>
</tr>
</tbody>
</table>

#### Residential Gas Customer Cost

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (per day)</th>
<th>GCR</th>
<th>Base Rate</th>
<th>June 2012</th>
<th>June 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>Projected 9% decrease!</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **ROE**: 10.3% (2012), 10.7% (2015)
- **Equity - Regulatory**: 41.3 (2012), 41.7 (2015)
- **Equity - Financial**: 50.9 (2012), 52.5 (2015)

### . . . . supports capital investment offset partially by lower costs.
House Bill 5476

- Signed into law on June 17th, 2014
- Directs MPSC to develop cost of service allocation and rate design methods
- Company to include new rate design in next electric rate case
- MPSC to approve rate design within 270 days

Industrial Electric Rate (vs Midwest Average)

- Consumers higher than Midwest peer avg
- Rate design, regulatory
- ROA Policy, legislation
- Below Midwest peers

. . . . being taken to maintain competitive bills & improve industrial rates.
Consumers Appears... . . .

Carbon Tonnage Reduction

(Preliminary)

2005 Baseline

Clean Power Plan

Consumers Energy

“Implied”
EPA Target

Projected emission level

Million Tons of CO₂

2014 2020 2025 2030

25 23 21 19 17 15

. . . . to be in a good carbon position.
Capacity Diversity . . . . evolving to cleaner generation while becoming more cost competitive.
combined cycle gas is the most attractive new source of supply.
Electric Distribution . . .

Demand
$ 1.0 Billion

Reliability
$ 0.7 Billion

Capacity
$ 0.3 Billion

Total
$ 2.0 Billion

. . . . . investing $2 billion over the next 5 years.
Cleaner Generation . . . .

Diverse Capacity

- Renewables
  - Lake Winds® Energy Park
    - 100 MW
  - Pumped Storage
    - Ludington Pumped Storage Plant
      - 1,872 MW
- Clean Coal
  - Karn Generating Plant
    - 515 MW
- Renewables
  - Cross Winds® Energy Park
    - 105 MW
- Gas
  - Jackson Plant
    - 540 MW
- Gas
  - Campbell Generating Plant
    - 1,455 MW

Balanced Portfolio

<table>
<thead>
<tr>
<th>Capacity %</th>
<th>2005</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>Renewables</td>
<td>3%</td>
<td>8%</td>
</tr>
<tr>
<td>Coal</td>
<td>11%</td>
<td>6%</td>
</tr>
<tr>
<td>Pumped Storage</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Renewables</td>
<td>41%</td>
<td>24%</td>
</tr>
<tr>
<td>Coal</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>Gas</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Pumped Storage</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Renewable</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Coal</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

. . . . . puts us in a good position to meet carbon regulations.
Credit Ratings . . . .

<table>
<thead>
<tr>
<th>Scale</th>
<th>S&amp;P / Fitch</th>
<th>Moody’s (March)</th>
<th>Moody’s (January)</th>
<th>Fitch (February)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>A1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A-</td>
<td>A3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB+</td>
<td>Baa1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>Baa2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB-</td>
<td>Baa3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB+</td>
<td>Ba1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB</td>
<td>Baa2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BBB-</td>
<td>Baa3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BB+</td>
<td>Ba1</td>
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<td></td>
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<td>B1</td>
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</tr>
<tr>
<td>B</td>
<td>B2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-</td>
<td>B3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reflects

- Consistent Performance
- Less Risk
- Customer Focus
- Constructive Regulation
- Good Energy Policy

. . . . just upgraded, more ahead?
Operating Cash Flow Growth . . .

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

Investment Gross operating cash flow\(^{\text{a}}\) up $0.1 billion per year

Self-funds investment and strategy.
Electric Customer Base Diversified . . .

Top Ten Customers

- Hemlock Semiconductor (zero margin)
- General Motors
- Nexteer Automotive Corporation
- Gerdau Macsteel
- Denso International America
- Meijer
- Packaging Corp of America
- State of Michigan
- Spectrum Health
- AT&T

Percentage of electric gross margin is 2.5%

2013 ranked by deliveries

2013 Electric Gross Margin

- Residential, 50%
- Commercial, 32%
- Industrial, 14%
- Other 4%

$2.1 Billion

. . . . “autos” 5% of 2013 electric gross margin.
## Capital Expenditures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New Generation (includes Renewables)</td>
<td>$136</td>
<td>$222</td>
<td>$61</td>
<td>$213</td>
<td>$44</td>
<td>$676</td>
<td>$1,105</td>
<td>$1,781</td>
</tr>
<tr>
<td>Environmental</td>
<td>314</td>
<td>280</td>
<td>201</td>
<td>122</td>
<td>114</td>
<td>1,031</td>
<td>420</td>
<td>1,451</td>
</tr>
<tr>
<td>Gas</td>
<td>172</td>
<td>227</td>
<td>237</td>
<td>215</td>
<td>188</td>
<td>1,039</td>
<td>1,435</td>
<td>2,474</td>
</tr>
<tr>
<td>Smart Energy</td>
<td>69</td>
<td>84</td>
<td>134</td>
<td>174</td>
<td>120</td>
<td>581</td>
<td>-</td>
<td>581</td>
</tr>
<tr>
<td>Electric Reliability</td>
<td>160</td>
<td>244</td>
<td>259</td>
<td>157</td>
<td>179</td>
<td>999</td>
<td>1,405</td>
<td>2,404</td>
</tr>
<tr>
<td>Maintenance</td>
<td>601</td>
<td>600</td>
<td>605</td>
<td>601</td>
<td>598</td>
<td>3,005</td>
<td>3,645</td>
<td>6,650</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,452</strong></td>
<td><strong>$1,657</strong></td>
<td><strong>$1,497</strong></td>
<td><strong>$1,482</strong></td>
<td><strong>$1,243</strong></td>
<td><strong>$7,331</strong></td>
<td><strong>$8,010</strong></td>
<td><strong>$15,341</strong></td>
</tr>
</tbody>
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<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>$1,049</td>
<td>$1,212</td>
<td>$1,004</td>
<td>$1,003</td>
<td>$797</td>
<td>$5,065</td>
<td>$5,378</td>
<td>$10,443</td>
</tr>
<tr>
<td>Gas</td>
<td>403</td>
<td>445</td>
<td>493</td>
<td>479</td>
<td>446</td>
<td>2,266</td>
<td>2,632</td>
<td>4,898</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,452</strong></td>
<td><strong>$1,657</strong></td>
<td><strong>$1,497</strong></td>
<td><strong>$1,482</strong></td>
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<td><strong>$7,331</strong></td>
<td><strong>$8,010</strong></td>
<td><strong>$15,341</strong></td>
</tr>
</tbody>
</table>
### Electric Utility

#### Financial & Operating Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
<th>Operating Income</th>
<th>Depreciation &amp; Amortization</th>
<th>Electric Sales Revenue</th>
<th>Total Electric Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$2,311</td>
<td>$3,034</td>
<td>$1,216</td>
<td>$5,182</td>
<td>$4,805</td>
</tr>
<tr>
<td>2009</td>
<td>$2,036</td>
<td>$3,134</td>
<td>$1,343</td>
<td>$5,320</td>
<td>$4,830</td>
</tr>
<tr>
<td>2010</td>
<td>$1,767</td>
<td>$3,019</td>
<td>$1,343</td>
<td>$5,191</td>
<td>$4,872</td>
</tr>
<tr>
<td>2011</td>
<td>$1,450</td>
<td>$2,999</td>
<td>$1,343</td>
<td>$5,170</td>
<td>$4,862</td>
</tr>
<tr>
<td>2012</td>
<td>$1,000</td>
<td>$2,741</td>
<td>$1,343</td>
<td>$4,957</td>
<td>$4,716</td>
</tr>
<tr>
<td>2013</td>
<td>$1,514</td>
<td>$3,075</td>
<td>$1,343</td>
<td>$5,457</td>
<td>$4,912</td>
</tr>
</tbody>
</table>

#### Electric Revenue and Power Costs ($ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric Revenue</th>
<th>Power Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$2,311</td>
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</tr>
<tr>
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</tr>
<tr>
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<td>$1,343</td>
</tr>
</tbody>
</table>

### Gas Utility

#### Financial & Operating Statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
<th>Operating Income</th>
<th>Depreciation &amp; Amortization</th>
<th>Gas Sales Revenue</th>
<th>Total Gas Sales Revenue</th>
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#### Gas Revenue and Power Costs ($ Million)

<table>
<thead>
<tr>
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<td>$1,343</td>
</tr>
<tr>
<td>2013</td>
<td>$1,514</td>
<td>$1,343</td>
</tr>
</tbody>
</table>

### Notes

- Electric sales revenue includes generation and marketing of electric energy.
- Gas sales revenue includes marketing of gas energy.

---

**Cooling Degree Days**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Degree Days</th>
<th>Normal Degree Days</th>
<th>Normal Degree Days in December Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>760</td>
<td>613</td>
<td>660</td>
</tr>
<tr>
<td>2009</td>
<td>732</td>
<td>613</td>
<td>660</td>
</tr>
<tr>
<td>2010</td>
<td>704</td>
<td>613</td>
<td>660</td>
</tr>
<tr>
<td>2011</td>
<td>677</td>
<td>613</td>
<td>660</td>
</tr>
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<td>2012</td>
<td>647</td>
<td>613</td>
<td>660</td>
</tr>
<tr>
<td>2013</td>
<td>618</td>
<td>613</td>
<td>660</td>
</tr>
</tbody>
</table>

---

**Heat Balance (MWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>7/1/01</th>
<th>7/1/02</th>
<th>7/1/03</th>
<th>7/1/04</th>
<th>7/1/05</th>
<th>7/1/06</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
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<tr>
<td>2009</td>
<td>1,258</td>
<td>1,258</td>
<td>1,258</td>
<td>1,258</td>
<td>1,258</td>
<td>1,258</td>
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<tr>
<td>2010</td>
<td>1,247</td>
<td>1,247</td>
<td>1,247</td>
<td>1,247</td>
<td>1,247</td>
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<tr>
<td>2011</td>
<td>1,236</td>
<td>1,236</td>
<td>1,236</td>
<td>1,236</td>
<td>1,236</td>
<td>1,236</td>
</tr>
<tr>
<td>2012</td>
<td>1,225</td>
<td>1,225</td>
<td>1,225</td>
<td>1,225</td>
<td>1,225</td>
<td>1,225</td>
</tr>
<tr>
<td>2013</td>
<td>1,214</td>
<td>1,214</td>
<td>1,214</td>
<td>1,214</td>
<td>1,214</td>
<td>1,214</td>
</tr>
</tbody>
</table>

---

**Electric Customers Bill (Last December 31)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Industrial</th>
<th>Commercial</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
<tr>
<td>2009</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
<tr>
<td>2010</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
<tr>
<td>2011</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
<tr>
<td>2012</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
<tr>
<td>2013</td>
<td>1,592</td>
<td>1,269</td>
<td>1,269</td>
<td>1,269</td>
</tr>
</tbody>
</table>

---

**Average Electric Revenue (per kWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Industrial</th>
<th>Commercial</th>
<th>Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
<tr>
<td>2009</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
<tr>
<td>2010</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
<tr>
<td>2011</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
<tr>
<td>2012</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
<tr>
<td>2013</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
<td>$0.11</td>
</tr>
</tbody>
</table>
## Financial & Operating Statistics

### Electric Utility

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Costs (Per MW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Costs (Per MW)</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
<td>247</td>
</tr>
</tbody>
</table>

### Power Generated (Millions of KWs)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Power Generated</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
<tr>
<td>Fuel Allowances</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Coal</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Peak Power Capability (%)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Demonstrated Capability at Peak (MW)</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
<tr>
<td>Peak Power Capability</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
</tbody>
</table>

### Pumped Storage

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Storage</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
</tr>
<tr>
<td>Pumped Storage</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Available Storage (MW)</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
</tr>
</tbody>
</table>

### NET DEMONSTRATED CAPABILITY AT PEAK (MW)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net power supply</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
<tr>
<td>Total net generation</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
<tr>
<td>Net interchanges</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Power Available (MW)</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
</tbody>
</table>

### Power Generated (Per MW)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Storage (MW)</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
</tr>
<tr>
<td>Net Available Storage</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
<td>9864</td>
</tr>
<tr>
<td>Total Power Generated</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
<td>1718</td>
</tr>
</tbody>
</table>

### Fuel Base for Generation (%)

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
<td>1800</td>
</tr>
<tr>
<td>Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financial & Operating Statistics

- Includes bundling service customers.
- Produces retail generation.
- Access customers.
- Consumer portion of the Lucin cogeneration power facility.
### Natural Gas Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas delivery (Bcf)</td>
<td>1,076</td>
<td>1,181</td>
<td>1,254</td>
</tr>
<tr>
<td>Increase (decrease) from normal in</td>
<td>109</td>
<td>170</td>
<td>1,157</td>
</tr>
<tr>
<td>Natural gas sales</td>
<td>936</td>
<td>926</td>
<td>926</td>
</tr>
<tr>
<td>Normal gas sales in calendar year</td>
<td>867</td>
<td>936</td>
<td>926</td>
</tr>
</tbody>
</table>

**Average Gas Revenue ($ per MCF)^2**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gas sales and transportation revenues</td>
<td>$1,908</td>
<td>$1,910</td>
<td>$1,911</td>
</tr>
<tr>
<td>Total gas revenue</td>
<td>$1,858</td>
<td>$1,860</td>
<td>$1,861</td>
</tr>
<tr>
<td>Net income</td>
<td>$180</td>
<td>$182</td>
<td>$183</td>
</tr>
</tbody>
</table>

### Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas acquisition and transportation</td>
<td>$96</td>
<td>$96</td>
<td>$96</td>
</tr>
<tr>
<td>Gas delivery and transportation</td>
<td>$1,149</td>
<td>$1,151</td>
<td>$1,152</td>
</tr>
<tr>
<td>Total gas sales and transportation revenues</td>
<td>$1,908</td>
<td>$1,910</td>
<td>$1,911</td>
</tr>
<tr>
<td>Net income</td>
<td>$180</td>
<td>$182</td>
<td>$183</td>
</tr>
</tbody>
</table>

### Financial & Operating Statistics

- **Gas Utility:**
  - **Gas Revenue:**
    - 2008: $1,911 million
    - 2009: $1,911 million
    - 2010: $1,911 million
    - 2011: $1,911 million
    - 2012: $1,911 million
    - 2013: $1,911 million
  - **Cost of Gas:**
    - 2008: $1,861 million
    - 2009: $1,861 million
    - 2010: $1,861 million
    - 2011: $1,861 million
    - 2012: $1,861 million
    - 2013: $1,861 million

- **Utilities:**
  - **Net Income:**
    - 2008: $180 million
    - 2009: $182 million
    - 2010: $183 million
    - 2011: $183 million
    - 2012: $183 million
    - 2013: $183 million
GAAP Reconciliation
### Earnings Per Share By Year GAAP Reconciliation (Unaudited)

<table>
<thead>
<tr>
<th>Reported earnings (loss) per share - GAAP</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>(dollars)</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>
</tr>
<tr>
<td>After-tax items:</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>
</tr>
<tr>
<td>Enterprises</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>
</tr>
<tr>
<td>Corporate interest and other</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>
</tr>
<tr>
<td>Discontinued operations (income) loss</td>
<td>(0.16)</td>
<td>0.02</td>
<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>
</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>
</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>
</tr>
<tr>
<td>Adjusted earnings per share, including MTM - non-GAAP</td>
<td>$0.81</td>
<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>
</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>
</tr>
<tr>
<td>Adjusted earnings per share, excluding MTM - non-GAAP</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>
</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)

(imals)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumers Operating Income + Depreciation &amp; Amortization</td>
<td>$1,635</td>
<td>$1,740</td>
<td>$1,820</td>
<td>$1,876</td>
<td>$1,952</td>
<td>$2,054</td>
<td>$2,162</td>
</tr>
<tr>
<td>Enterprises Project Cash Flows</td>
<td>17</td>
<td>16</td>
<td>25</td>
<td>30</td>
<td>28</td>
<td>35</td>
<td>36</td>
</tr>
<tr>
<td><strong>Gross Operating Cash Flow</strong></td>
<td>$1,652</td>
<td>$1,756</td>
<td>$1,845</td>
<td>$1,906</td>
<td>$1,980</td>
<td>$2,089</td>
<td>$2,198</td>
</tr>
<tr>
<td>Other operating activities including taxes, interest payments and working capital</td>
<td>(411)</td>
<td>(335)</td>
<td>(395)</td>
<td>(356)</td>
<td>(730)</td>
<td>(739)</td>
<td>(748)</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>$1,241</td>
<td>$1,421</td>
<td>$1,450</td>
<td>$1,550</td>
<td>$1,250</td>
<td>$1,350</td>
<td>$1,450</td>
</tr>
</tbody>
</table>

(a) excludes $(59) million 2012 disallowance related to electric decoupling