

American Gas Association

May 18 & 19, 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

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 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.

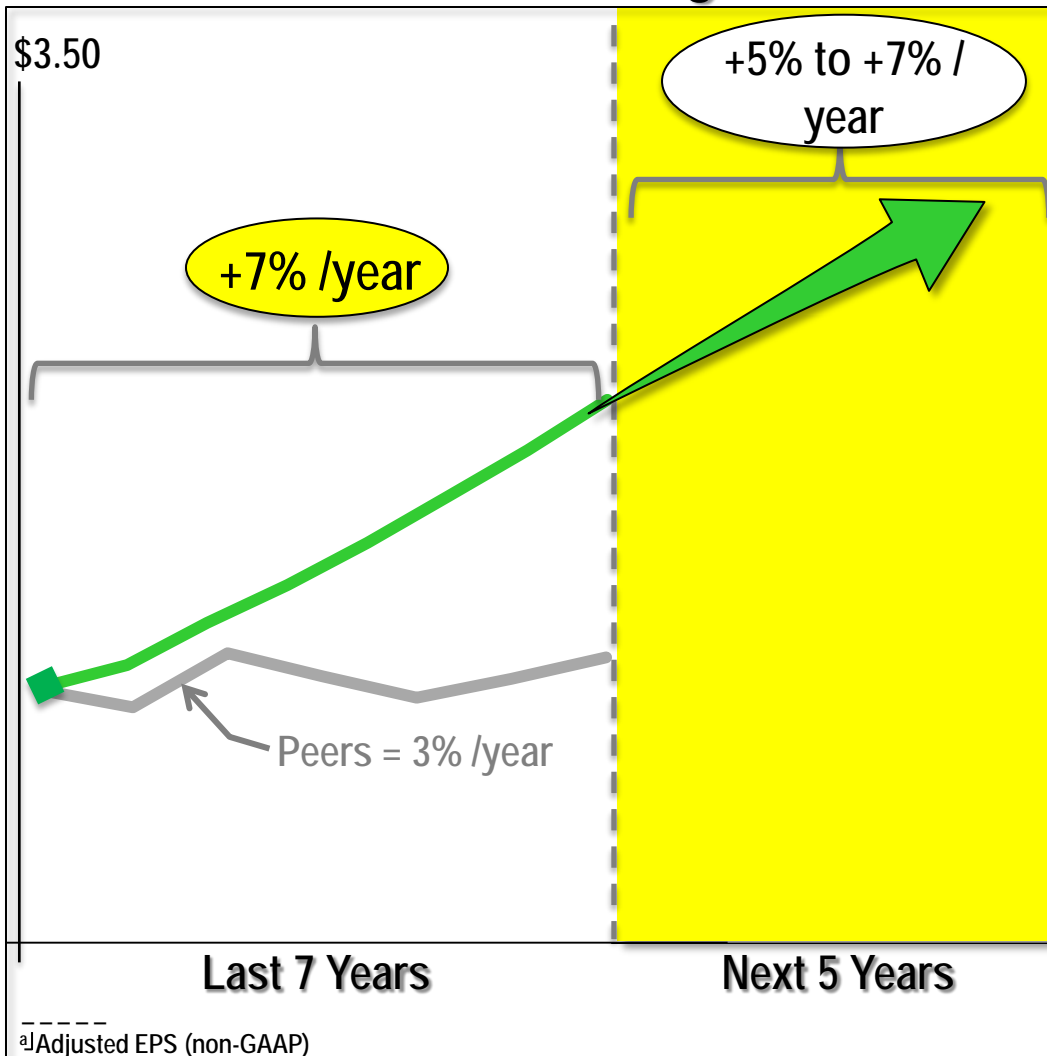
Who Has the....

- Best track record of consistent, high-end EPS growth?
- Biggest O&M cost reduction track record?
- Highest capital investment growth?
- No need for block equity (dilution) over five years?
- “World-class” regulation and energy law?

The logo for CMS Energy features the company name in a bold, blue, italicized sans-serif font. The text is centered within a horizontal, light green swoosh that tapers at both ends, resembling a stylized 'C' or a protective shield.

CMS ENERGY

Future Shines Bright^{a)}



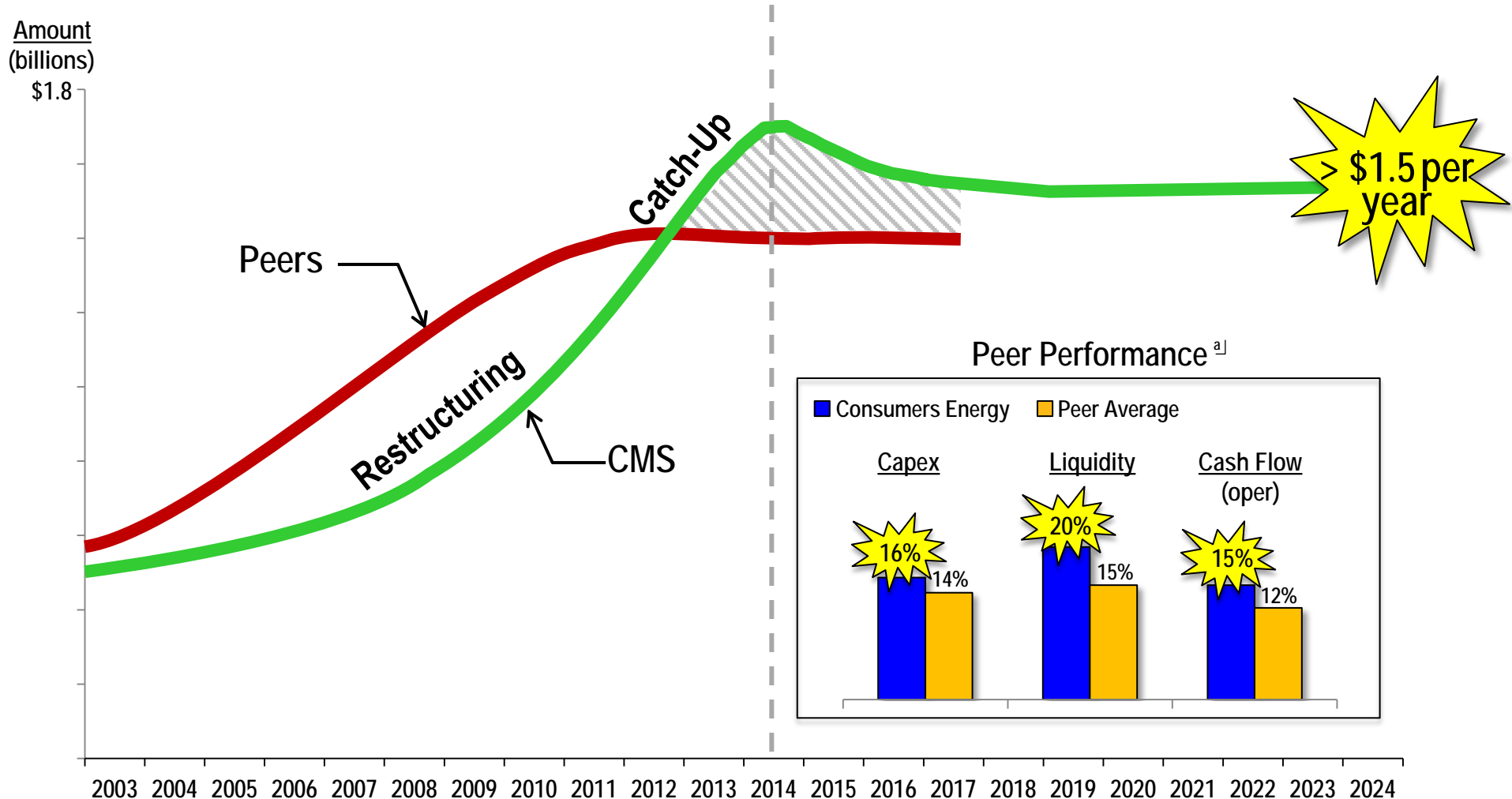
Sustainable Future Growth

	Past Performance	Next 5 Years
• Investment (bils) (2010-2014)	\$6.4	\$7.6 Capacity Op!
• O&M Reductions (2006-2014)	(10)%	(7)% Conservative
• Sales Growth (2010-2014)	+1%	+1/2 % Conservative
• Energy Policy	2008 Law	Improved Law

.... even easier, with lots of upsides.

Investment "Catch-up"....

CMS ENERGY



^{a)} 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.

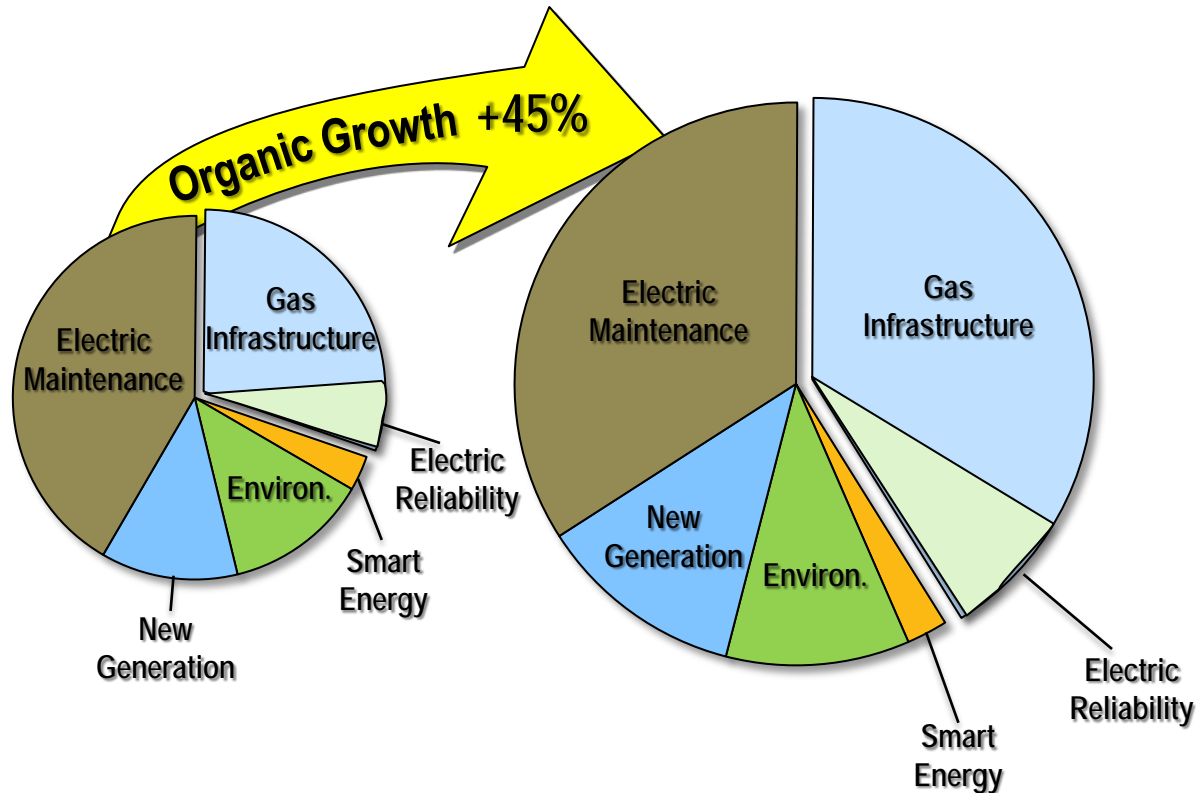
Capex Up 45%....

2005-2014

\$10.7 bil

2015-2024

\$15.5 bil



.... driven by gas infrastructure and reliability.

Opportunity for Another 30%....

CMS ENERGY

2005-2014

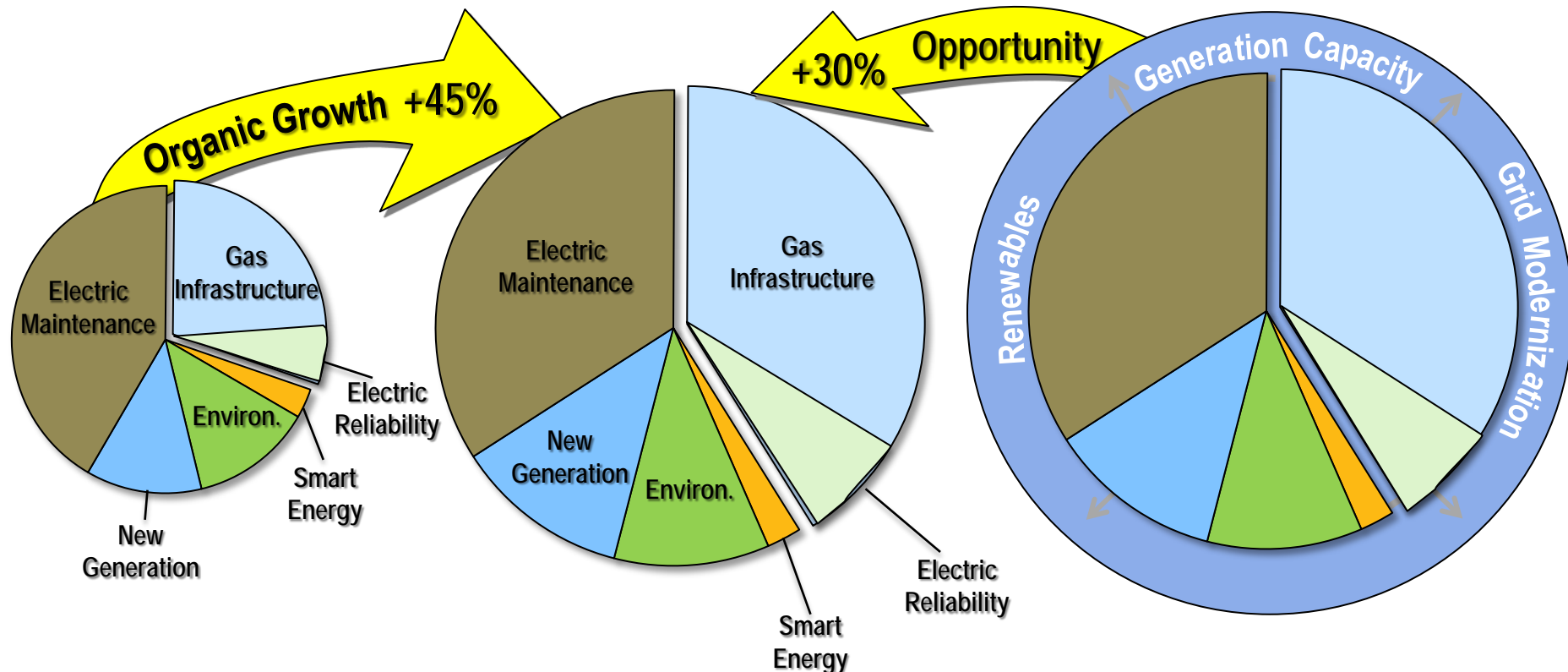
\$10.7 bil

2015-2024

\$15.5 bil

Opportunity

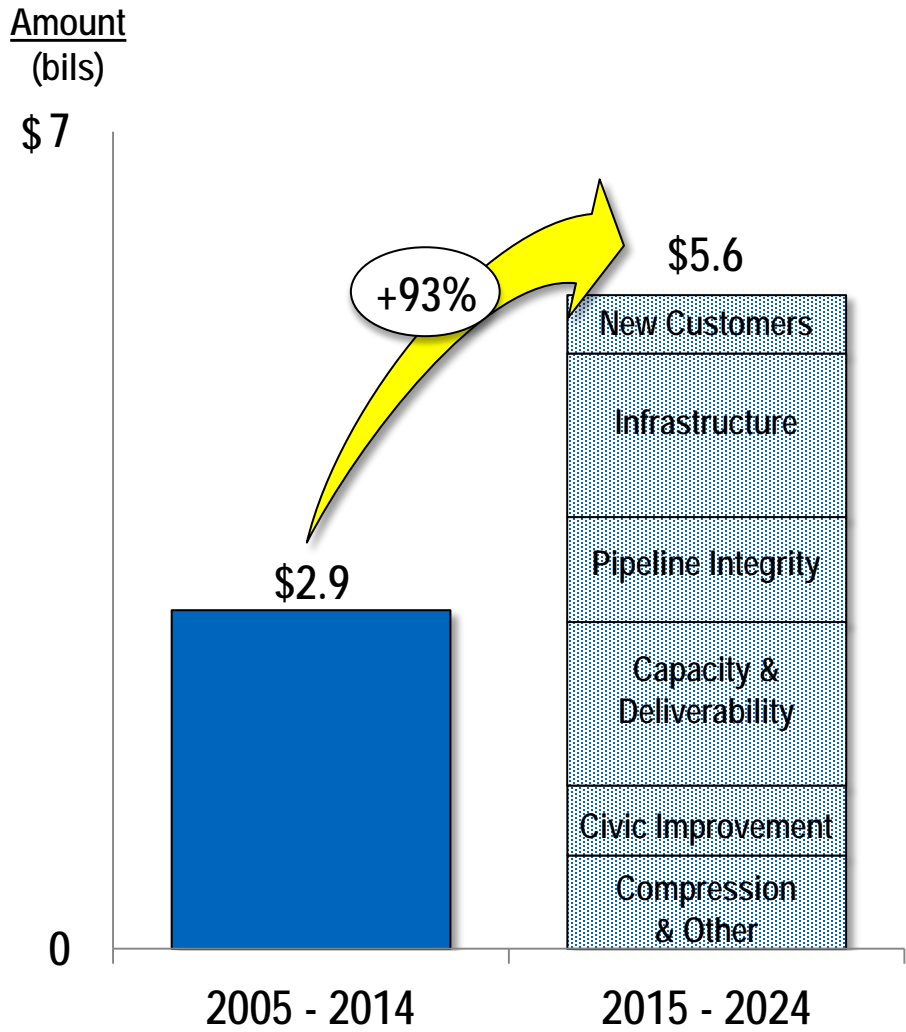
\$20 + bil



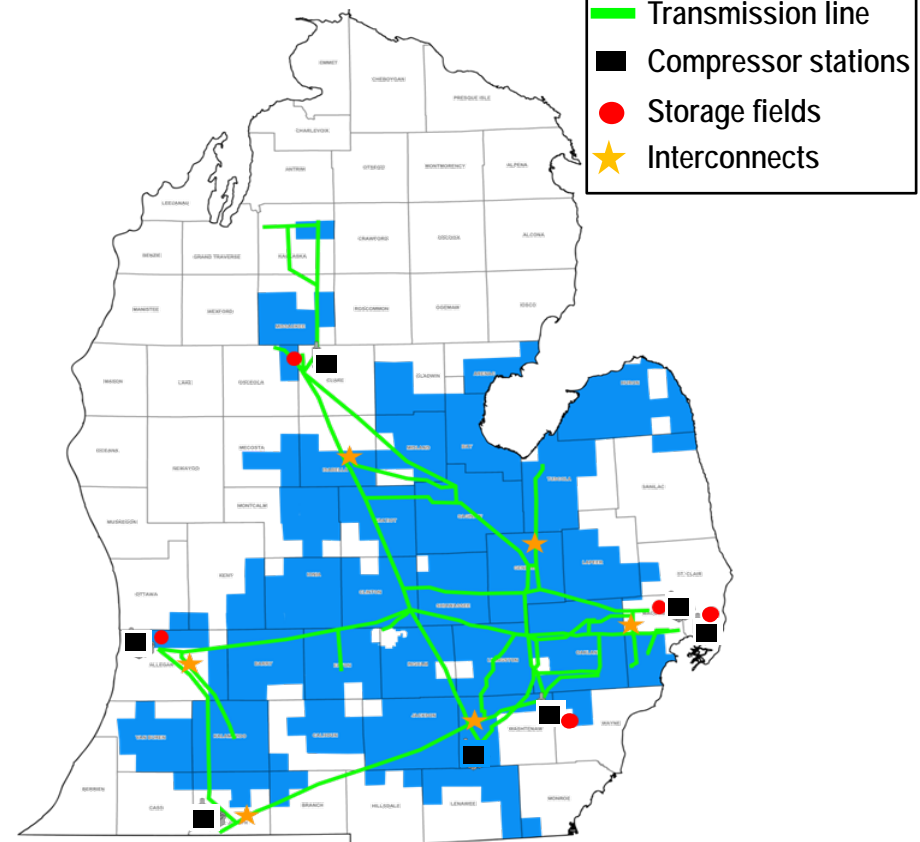
.... with no "big bets" over ten years!

Capital Investment

Gas Service Territory



- 1.7 million customers
- 28,854 miles of distribution and transmission
- 309 Bcf gas storage capacity



.... expanding one of the largest systems in the country.

Gas Infrastructure....

CMS ENERGY

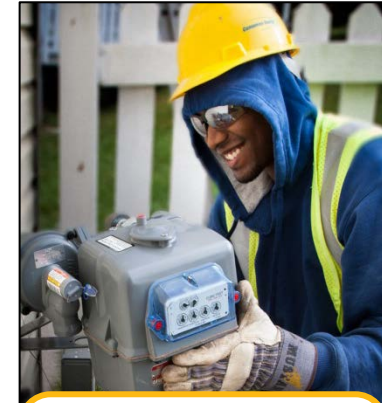
WHAT'S IN



Main Replacements
800 miles
\$1 billion



Compression
35,000 hp
\$300 million



New Connections
100,000 customers
\$550 million

WHAT'S NOT

Modernization
6 city gates, 7 regulation stations,
24 relief valves



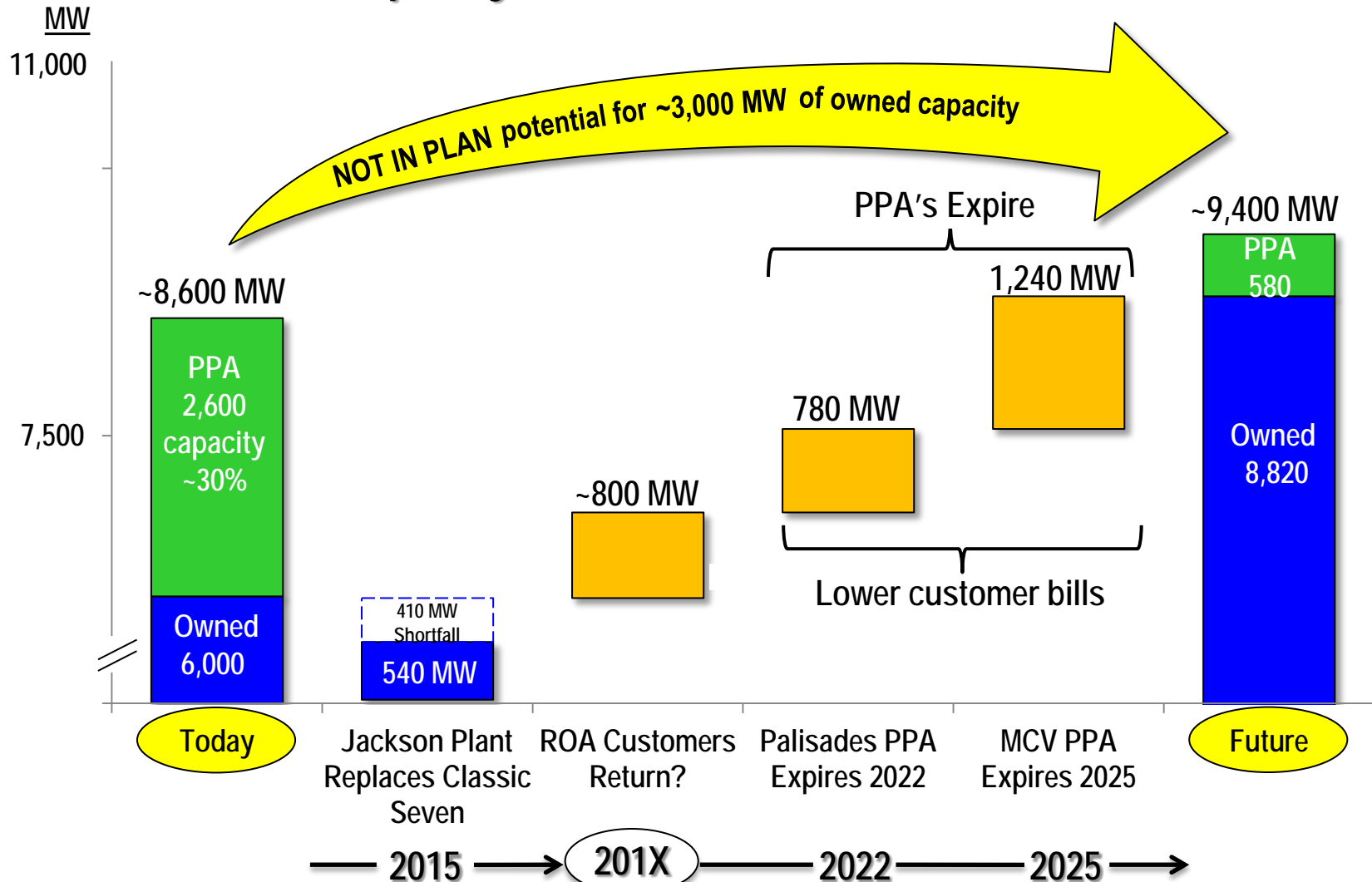
More Conversions
70,000 customers



Replace Transmission Mains
275 miles

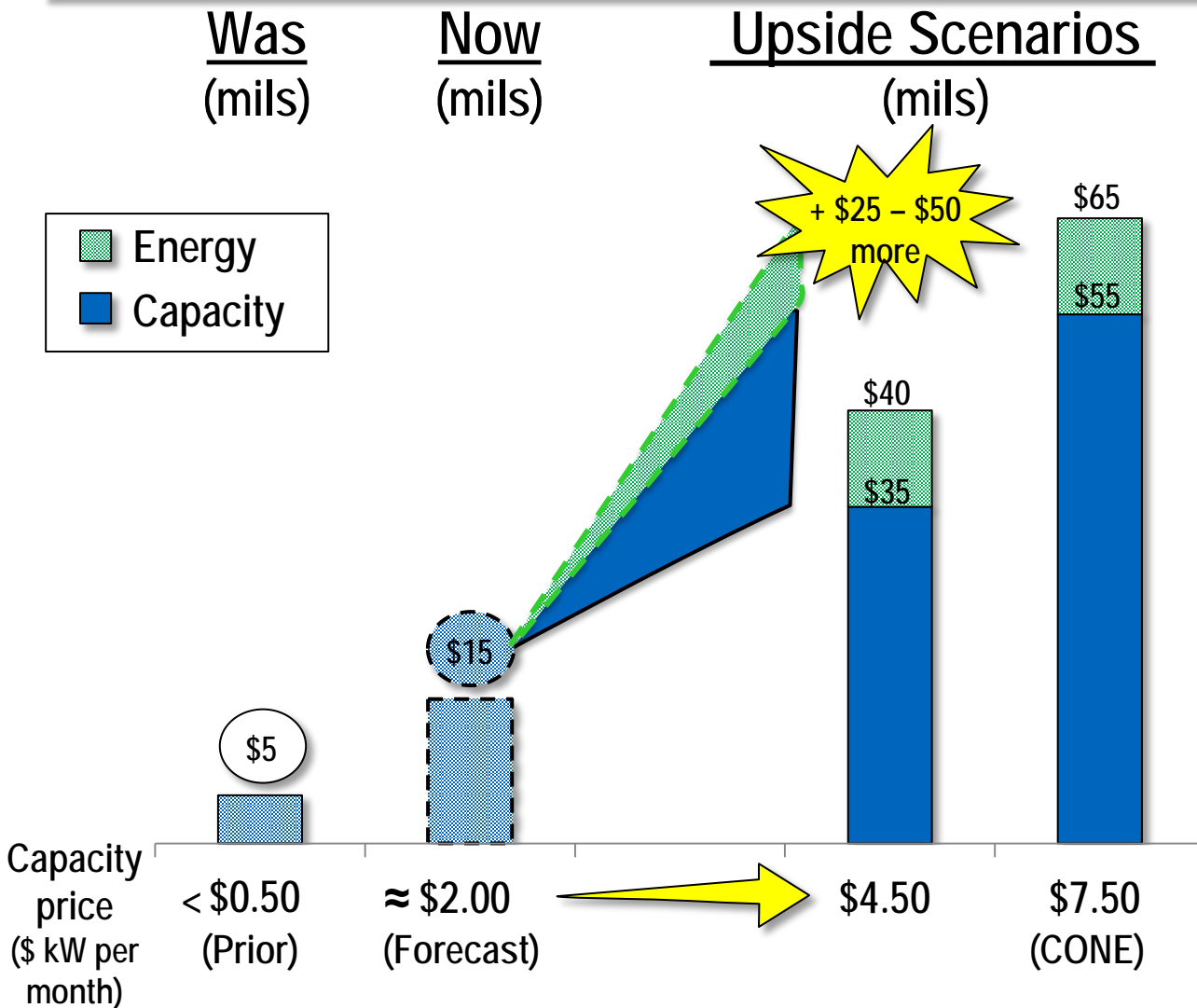
.... investing \$5.6 billion over the next 10 years.

Capacity Growth Over Next Ten Years



... emerging incrementally with replacements not yet in plan!

Capacity & Energy Price Increases



New Business

- Long-term Energy
 - 250 MW at \$4.00 per kWm (6/14)
 - 250 MW at \$6.02 per kWm (4/15)
- Recent Capacity
 - Long-term > \$3.30
 - Near-term ≈ \$4.50

Upside:
Capacity and energy
contracts layered
in over time

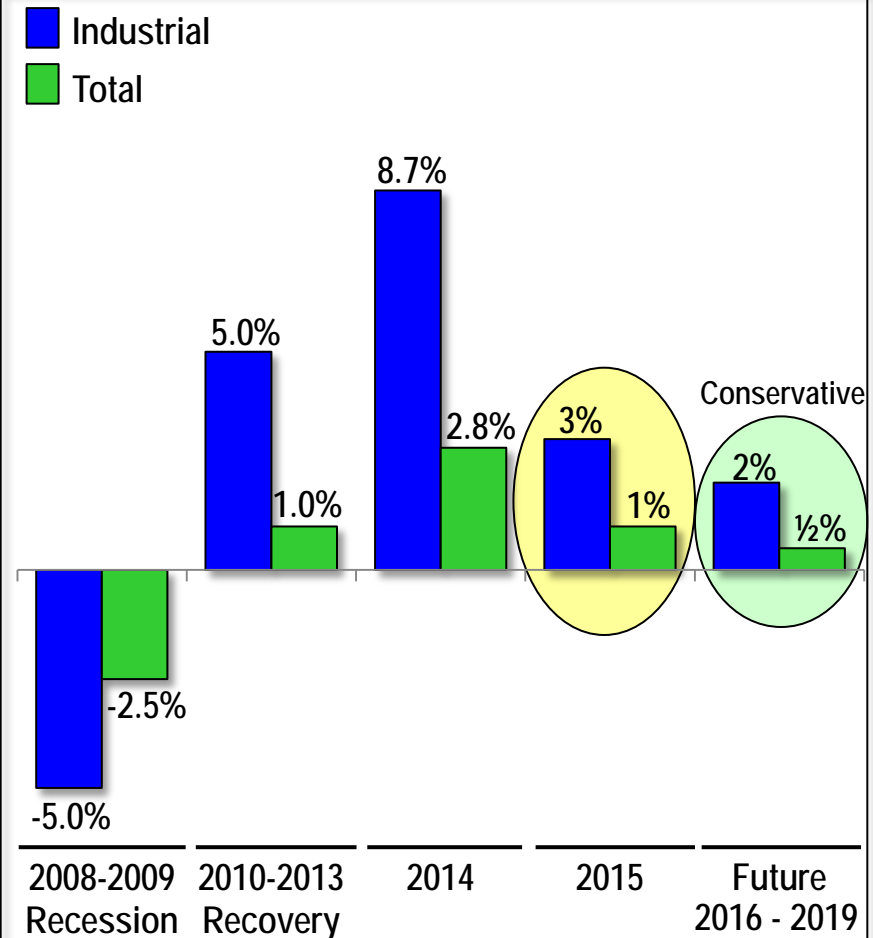
. . . . adding value to our "DIG" plant.

Economic Indicators

	<u>Grand Rapids</u>	<u>Michigan</u>	<u>U.S</u>
Building Permits*	+28%	+6%	+7%
GDP 2010 → 2013	15	11	8
Population 2011 → 2014	3	0	2
Unemployment (3/15)	3.9	5.6	5.5

*Annualized numbers thru March 2015

Annual Electric Sales^{a)}



^{a)} Weather normalized vs. prior year

.... suggests upside to conservative plan.

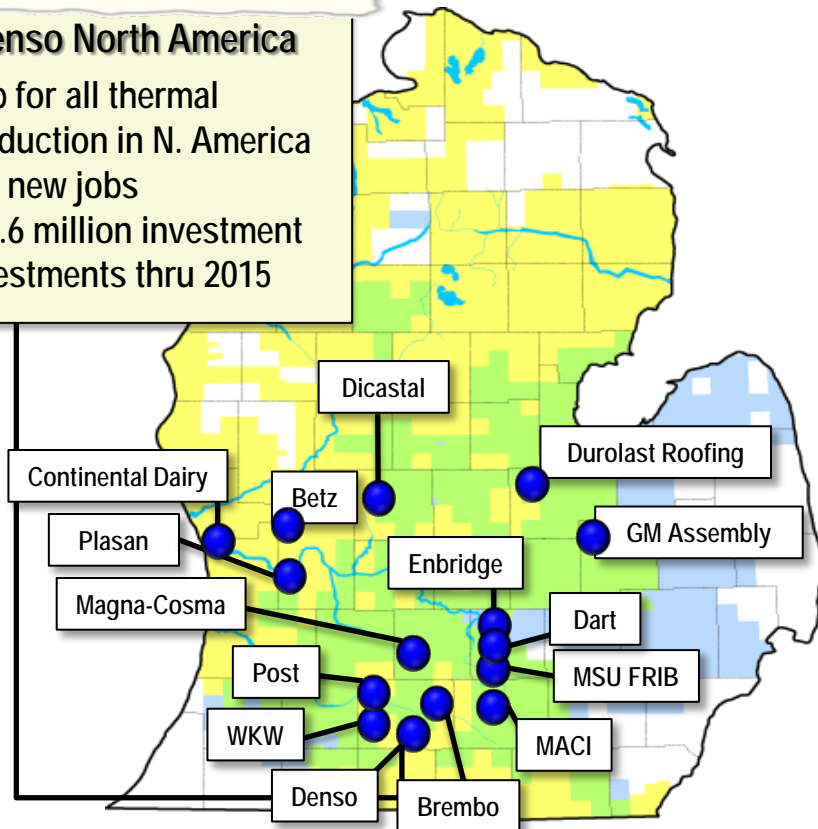
Examples of New Business

Electric Gas Combination

Announcement

Denso North America

- Hub for all thermal production in N. America
- 100 new jobs
- \$53.6 million investment
- Investments thru 2015



Michigan

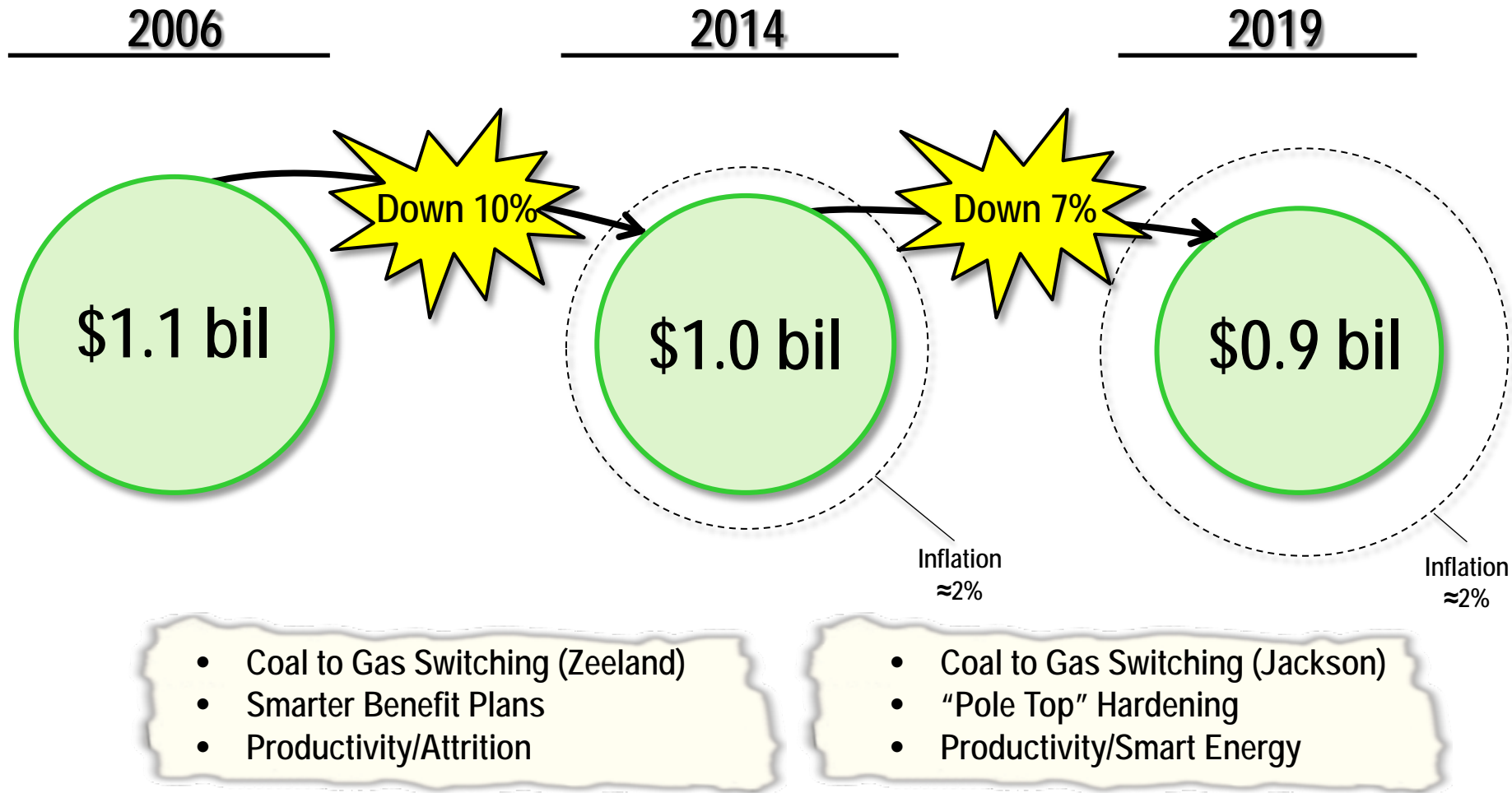
#1 Midwest Job Creation
-Michigan.gov

#2 in U.S. Improved Economy
-Bloomberg

#7 in U.S. Site Selection
-Site Selection Magazine

13 year Low Jobless Rate
-Michigan.gov

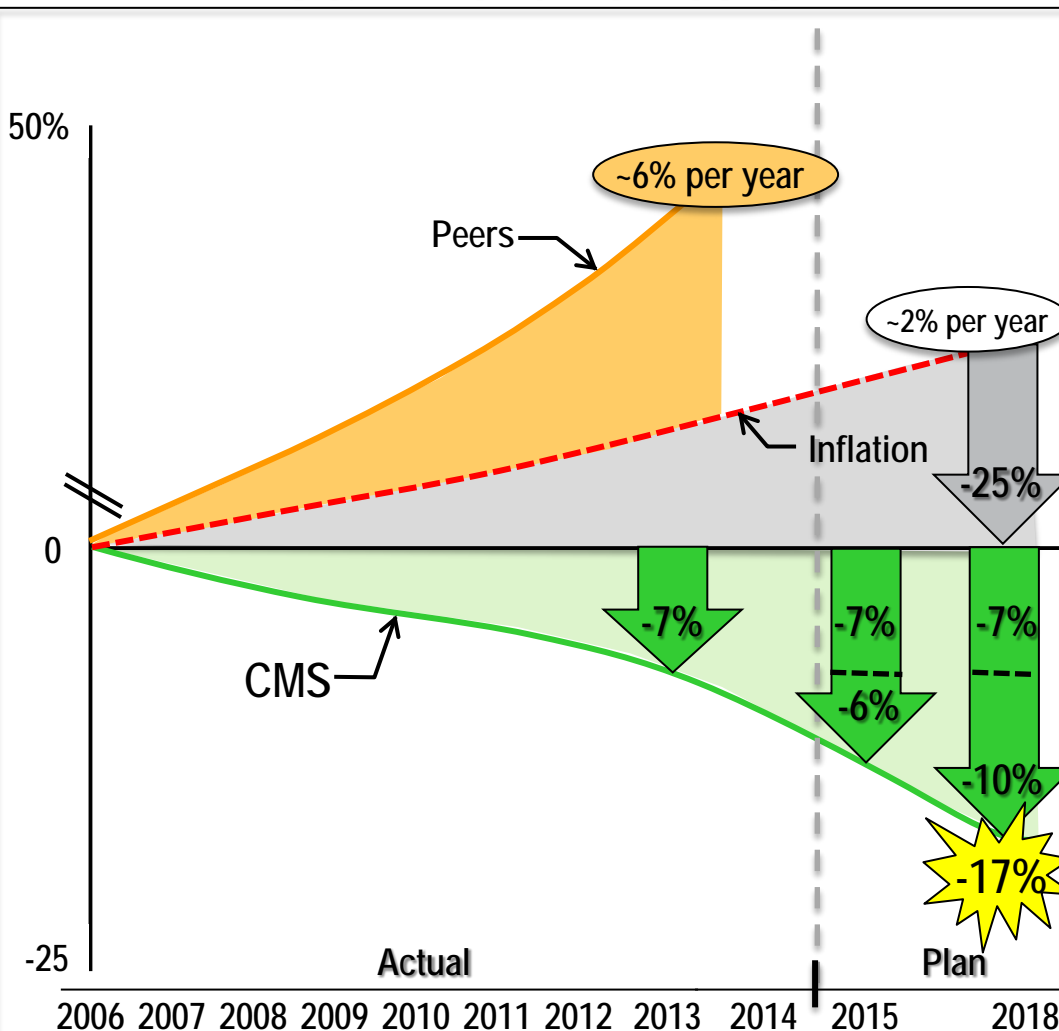
.... continues in Michigan.



.... provide more headroom for more capital investment.

O&M Trend vs Peers

O&M Cost Savings



Lines smoothed for illustrative purposes

	2014 & 2015 (mils)	2014→ 2018 (mils)
• Attrition	\$ - 35	\$ - 75
• Productivity (Coal → Gas)	- 35	- 50
• "Pole Top" Hardening	- 30	- 30
• Smart Meters	- 5	- 25
• Eliminate Waste (UA's)	- 15	- 20
• Mortality Tables & Discount Rates	+50	+ 50
• Service Upgrades	+10	+ 50

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

FAST START!

.... accelerated; funding investment and reducing risk.

"Reinvestment" Helps Customers....

CMS ENERGY

Adjusted EPS
(non-GAAP)

- Increase forestry
- Accelerate "DIG" Outage to 2015
 - \$8 mil cost in 2015; \$10 mil benefit in 2016
 - Capacity increase 38 MW

2015

17¢

Weather	14¢
Natural Offsets	(1)
Cost & Other	<u>4</u>
Total	<u>17¢</u>

2014

\$1.77 +7%

Guidance

January

March 31

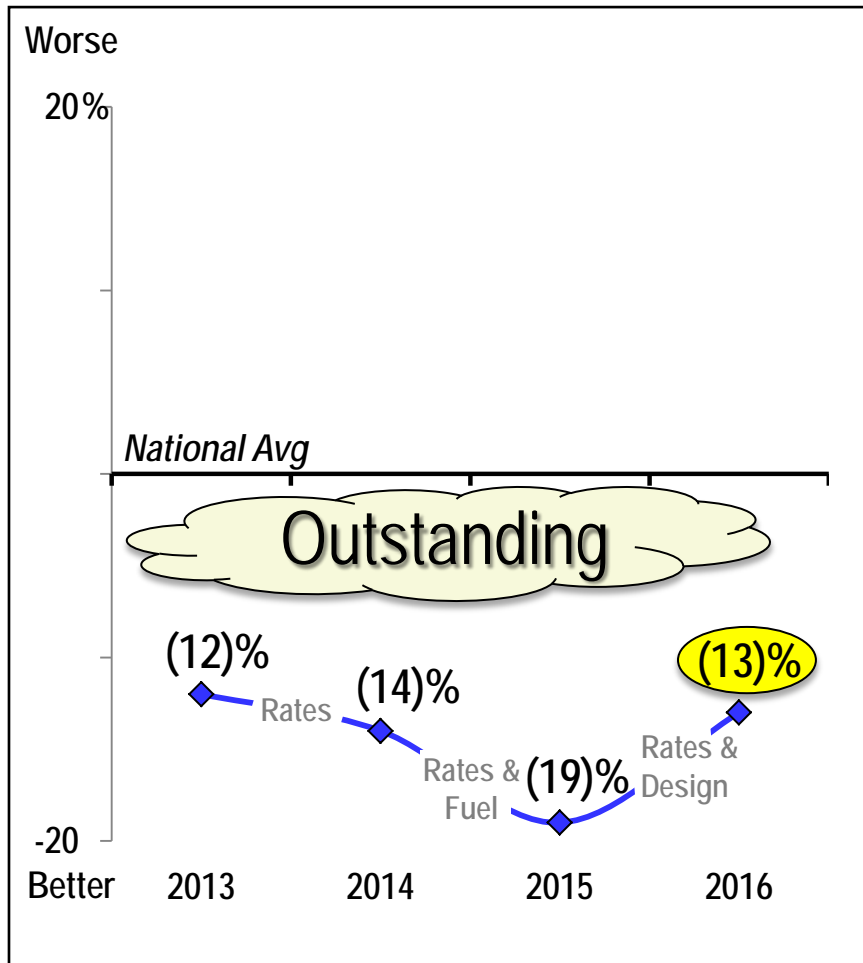
June 30

September 30

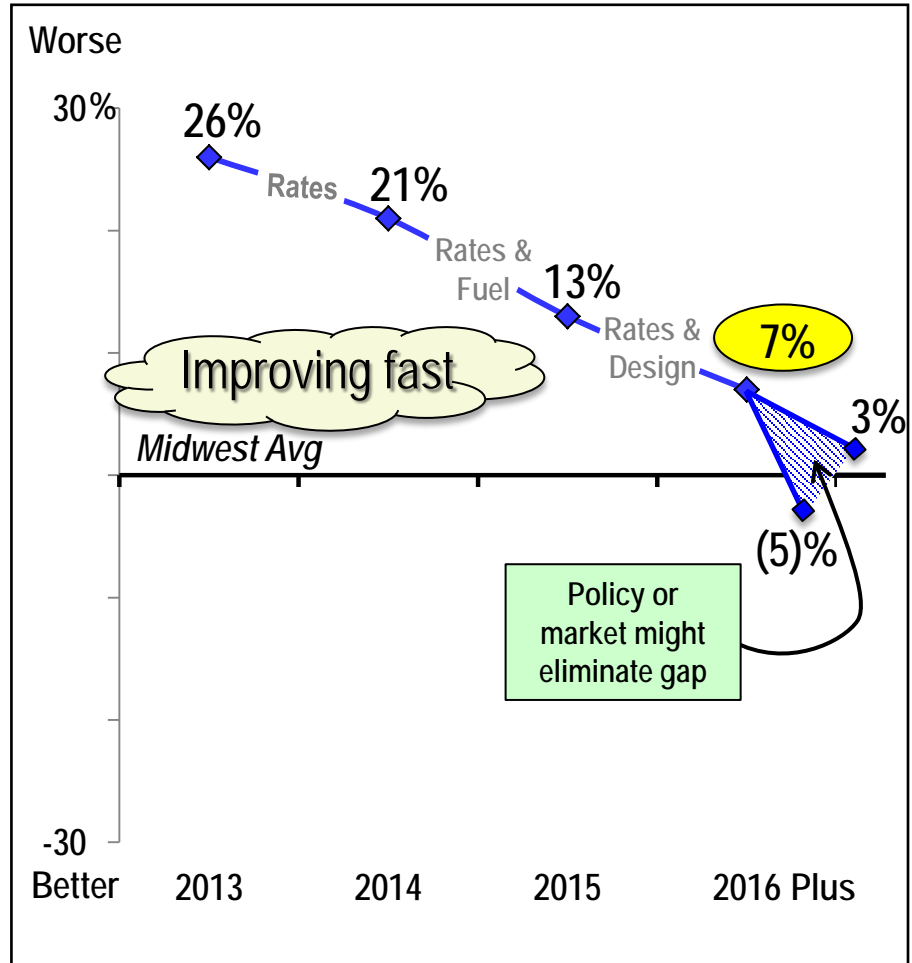
December

.... AND provides sustainable, premium growth for INVESTORS.

Residential Bills

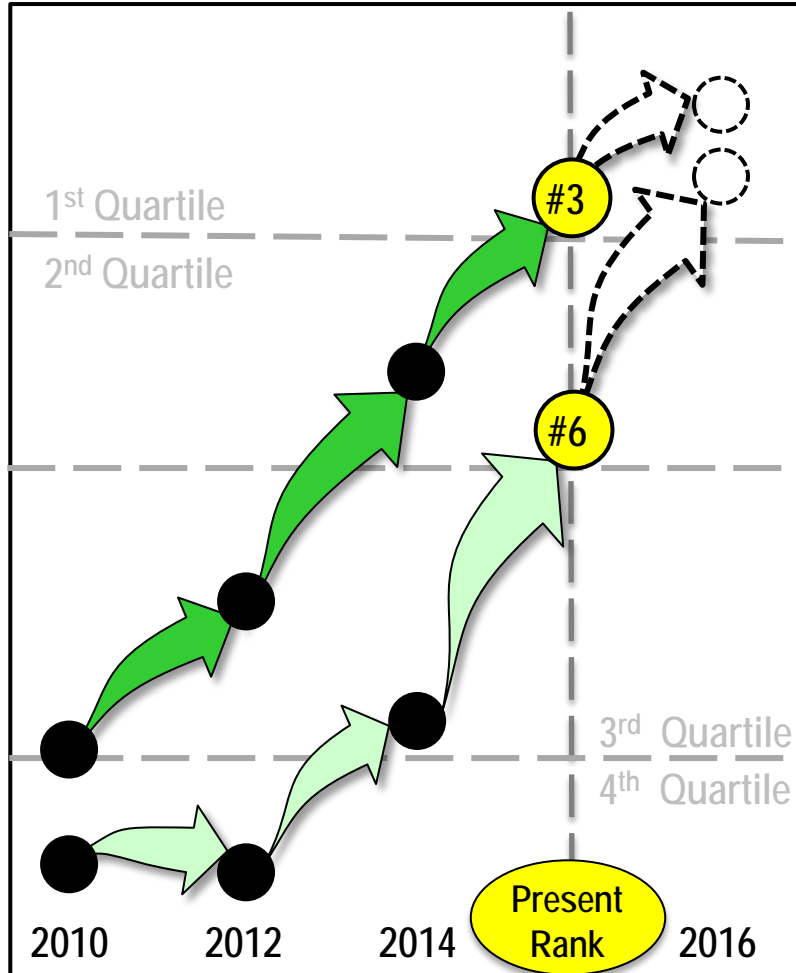


Industrial Rates



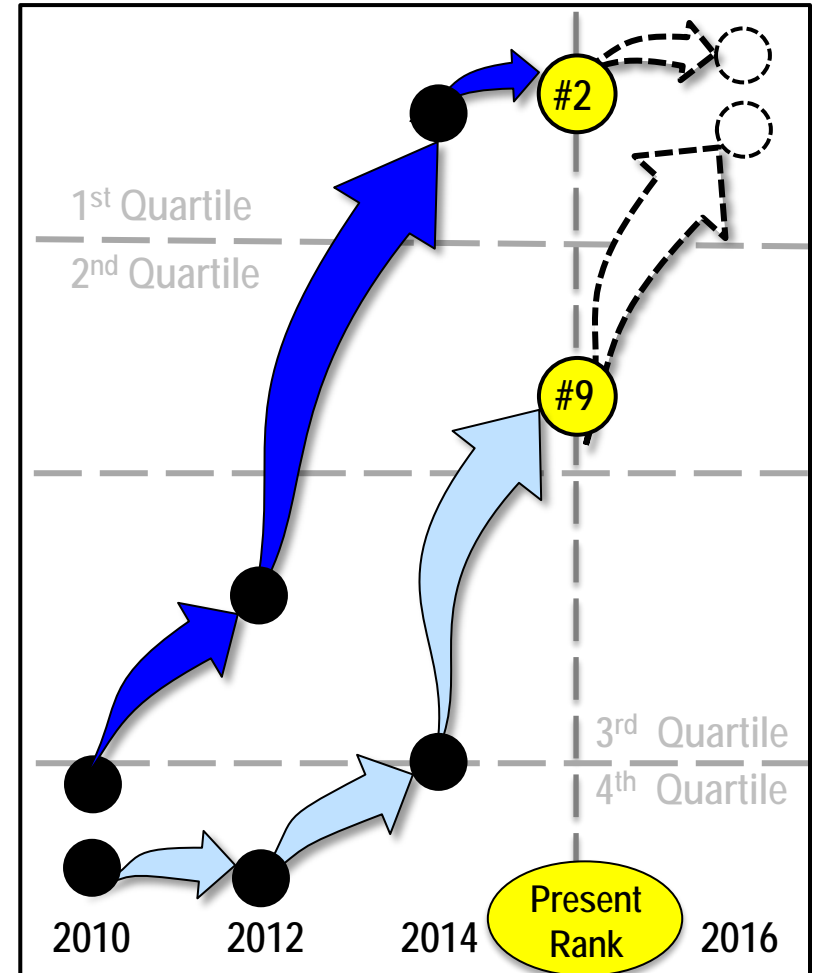
... competitive for residential and improving for industrial customers.

Electric



Residential Business

Gas



Residential Business

.... continues to improve rapidly.

Governor Snyder's Four Pillars

Adaptability

- IRP process to determine generation mix

Reliability

- Ensure adequate supply

Affordability

- Reduce waste by 15%

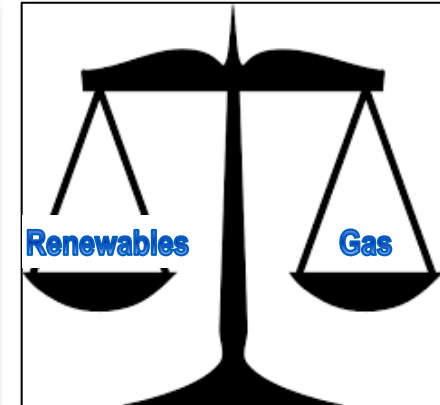
Environmentally protective

- Consider environment in energy decisions

How We Could Get There



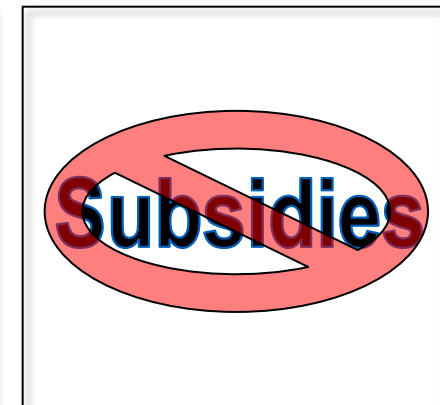
-15% waste



Resource planning

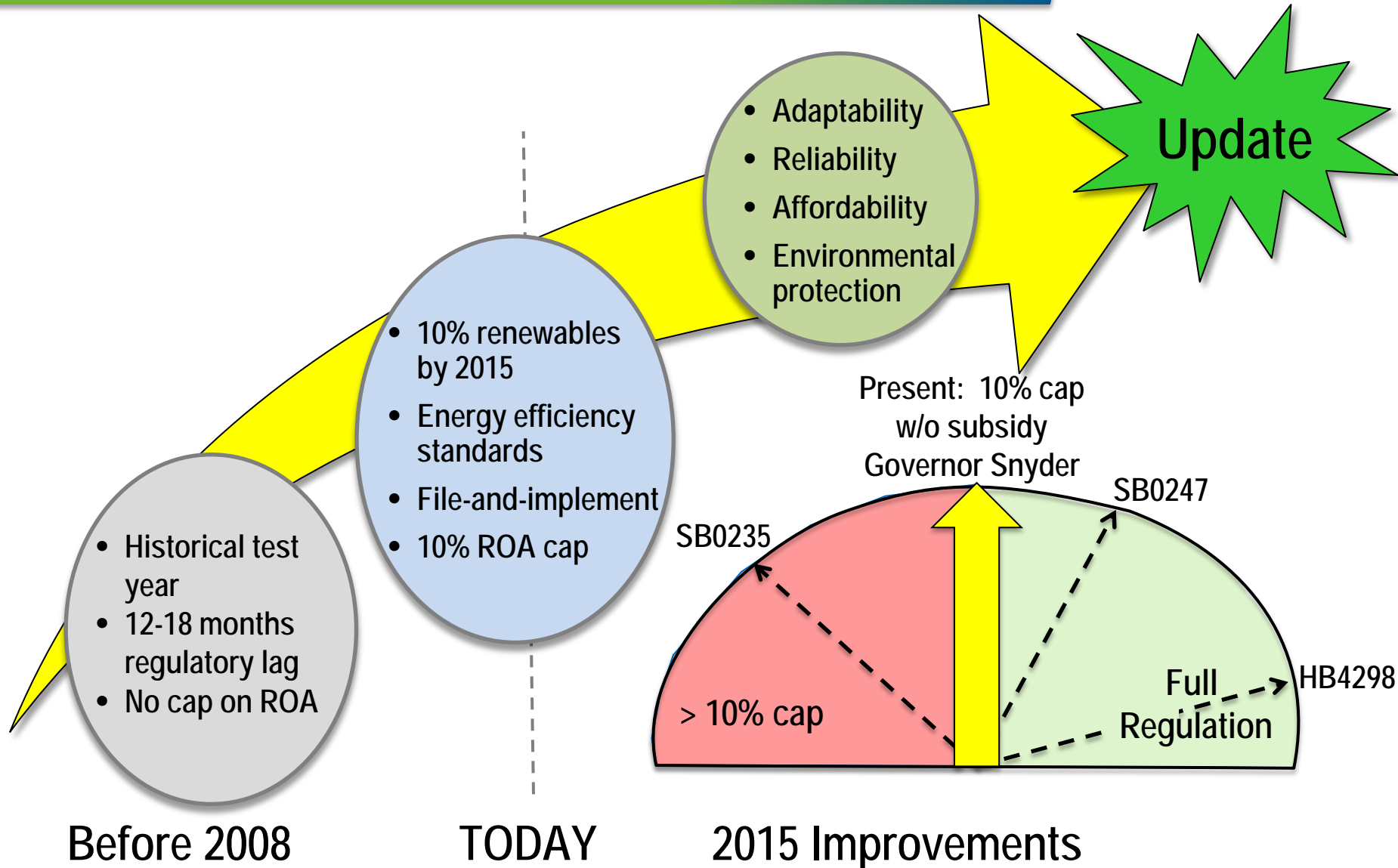


Enablers



Fair Choice

.... is good for Michigan customers and investors.



.... builds on 2008 Law!

Governor Rick Snyder



Powering Michigan's
Comeback

Commission



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

Energy Committee Chairs



House Rep.
Aric Nesbitt

Senator
Mike Nofs



Consistent
Leadership!

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



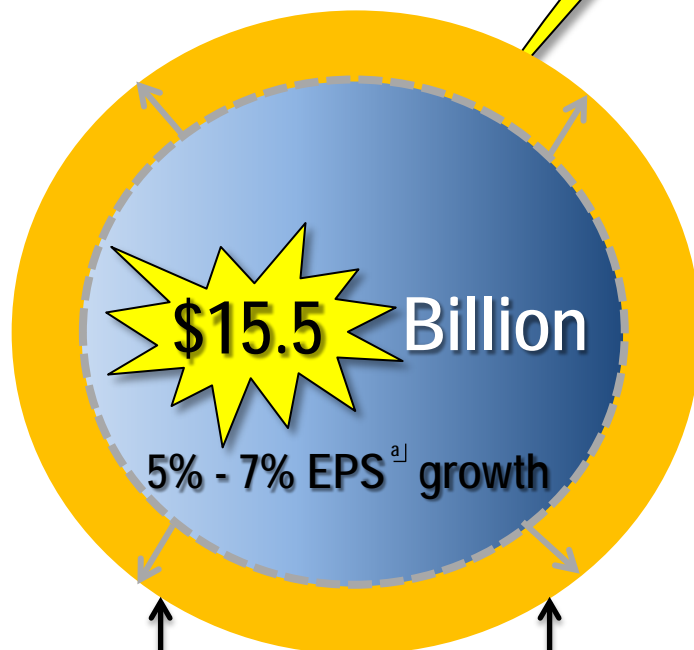
Greg White (I)
Term Ends: July 2, 2015



.... provide stability.

Our Growth Engine (2015-2024 Capex)

Supported By



More "upside"
\$5 bil NOT yet in Plan!

- UPSIDES create headroom
(Investment, Sales, Cost, & DIG)
- PARTNERS in progress
(Customers, Regulators, & Policy Makers)
- PASSION to improve for customers AND owners
(Value, Reliability, & Environment)
- SELF-FUNDED!

^{a)} Adjusted EPS (non-GAAP)

... next 10 years even brighter than last 10 year record!

Appendix

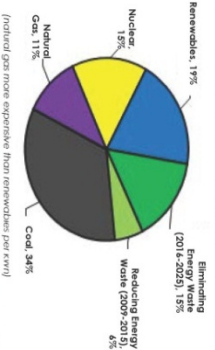
MICHIGAN'S ENERGY FUTURE

Ensuring **affordable**, **reliable**, **adaptable**, and **environmentally protective** energy

••2015••

ADAPTABILITY

Goals for our Future: Michigan's Potential Electricity Mix in 2025



- It's important to act now to make sure we have the tools to solve our own problems and keep decision-making in Michigan, not in Washington D.C.
- Michigan should meet **30 to 40 percent** of its power needs from our cleanest sources by 2025.
- We must reduce coal and replace it with newer, cleaner technologies.
- Michigan is a top 10 state in terms of dependence on coal. We can do better.

RELIABILITY



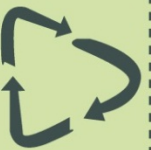
- 2011: Average of **1.13** outages a year per customer. Today, it's **0.8**. There's still more to do.
- Deploy **smart meters** to help locate outages and restore power more quickly.
- **More investments** to keep our power grid and pipeline system working smoothly and safely.
- Make changes to our electric market structure to ensure **we never experience massive outages** due to lack of supply.
- Empower regulators to determine when we may face a shortage, tools to address it, and ensure that all electric providers are required to protect their customers by ensuring the infrastructure we need will be there to serve them.

AFFORDABILITY

- Eliminate energy waste by investing in our homes and businesses – achieving at least **15 percent more** of Michigan's energy portfolio in the next decade.
- Allow **on-bill financing**, helping families and businesses replace old furnaces and water heaters.
- Help utilities and large job creators **reduce waste** by encouraging pricing to suggest heavy use during off-peak hours

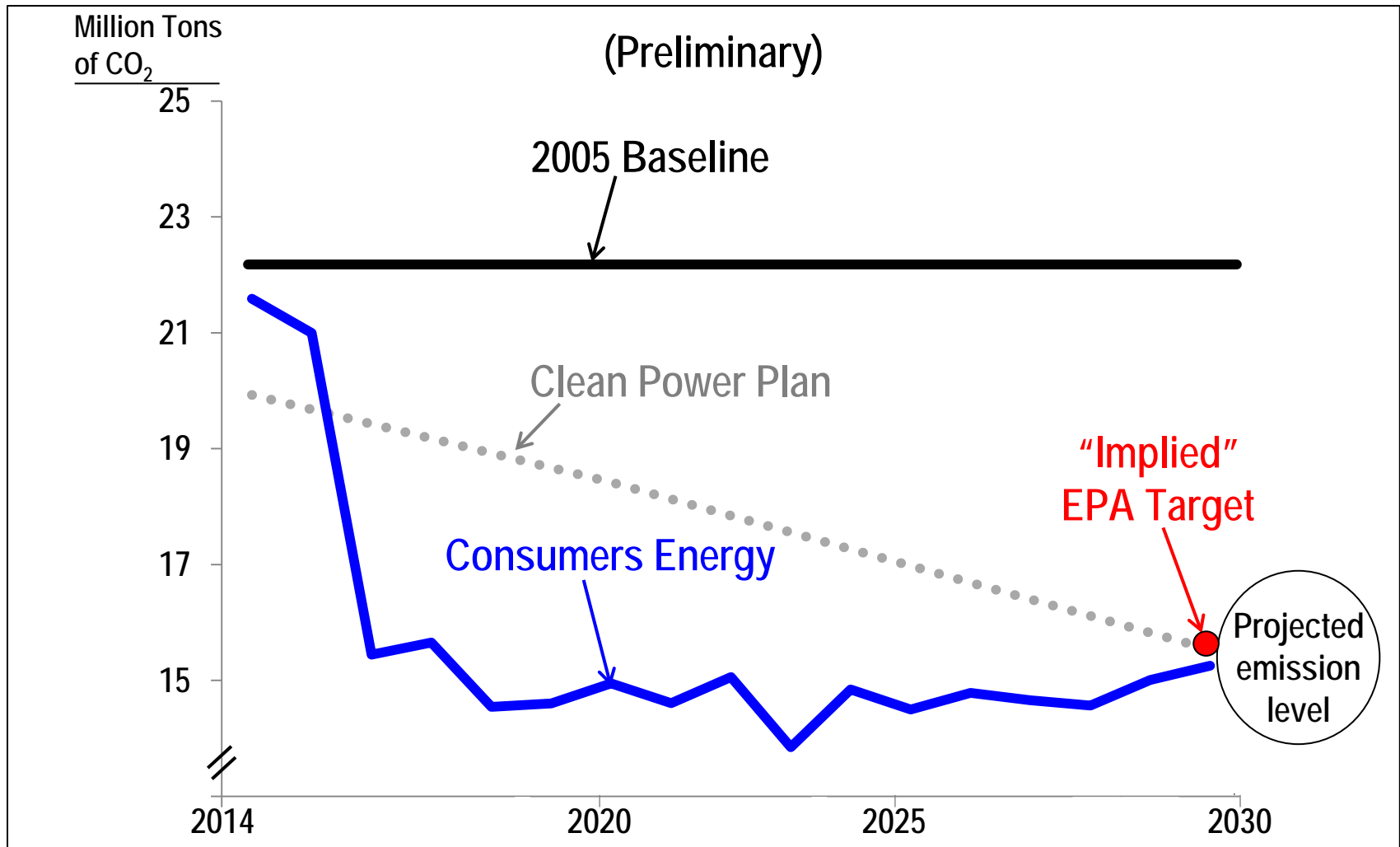


ENVIRONMENTALLY PROTECTIVE



- Reducing mercury emissions, pollution that creates acid rain, and particles in the air for the **health of Michigan**.
- **Take environment into account** when making energy decisions and ensure our energy portfolio continues to get better over time in controlling pollutants.
- Propose new rules for volume hydraulic fracturing to help **strengthen protection of our water**.

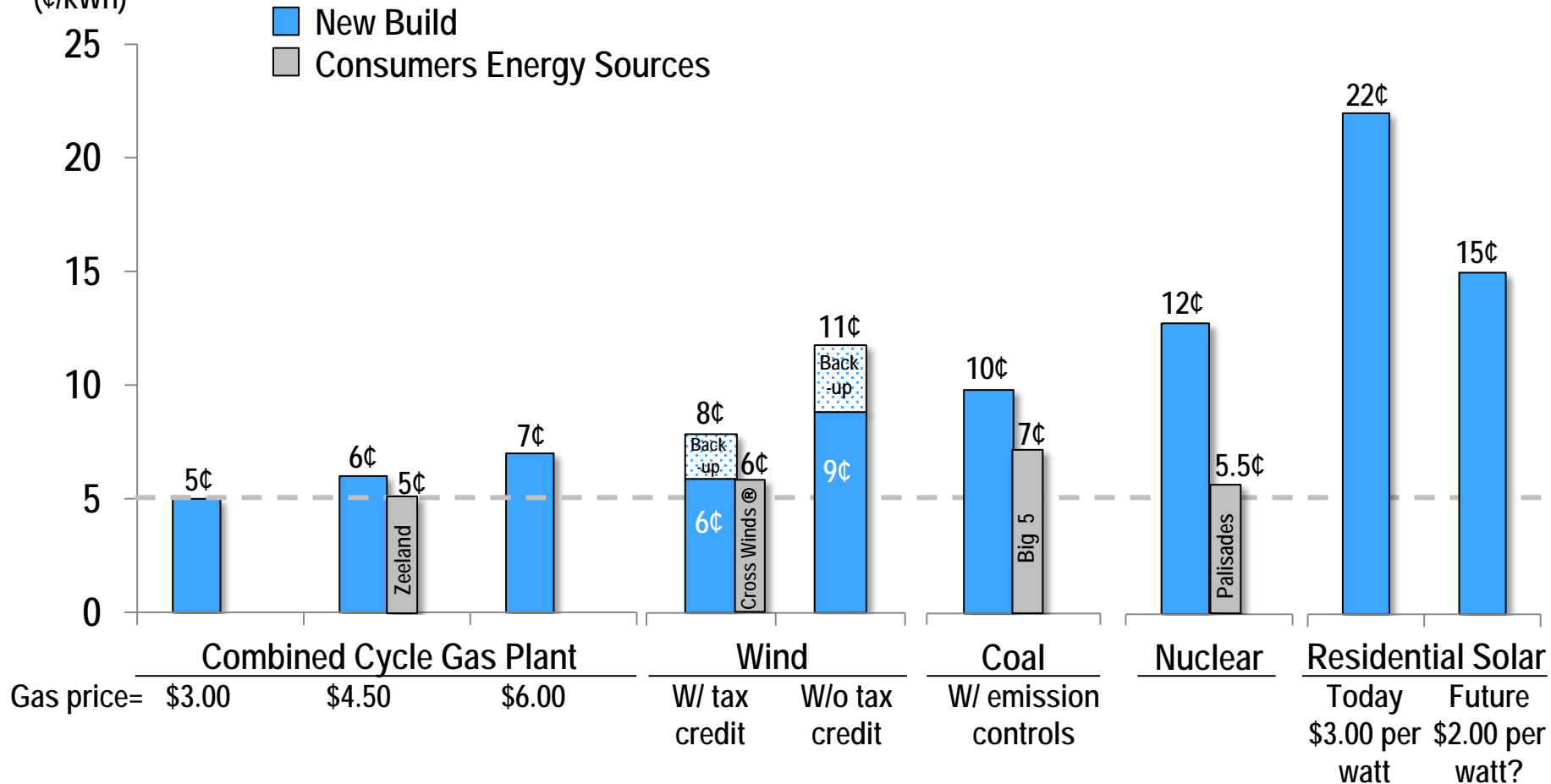
Carbon Tonnage Reduction



.... to be in a good carbon position.

Generation Strategy: New Supply Sources....

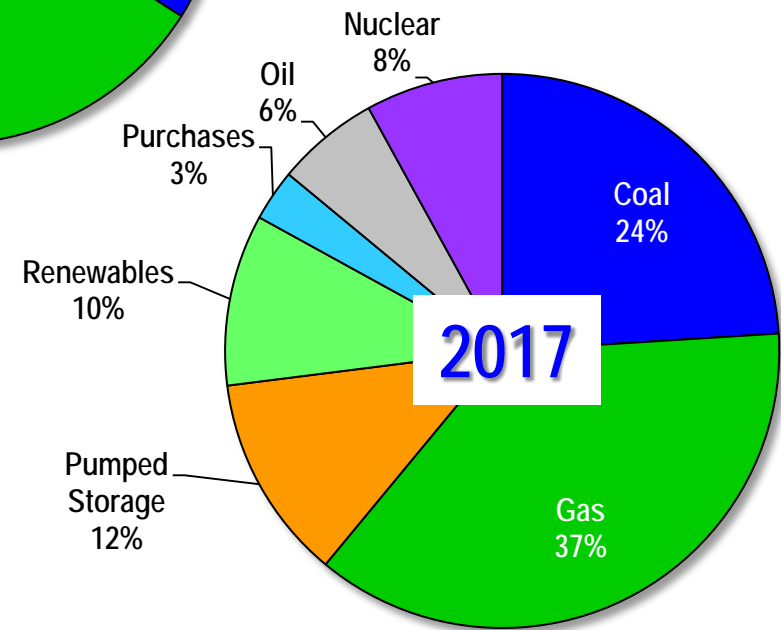
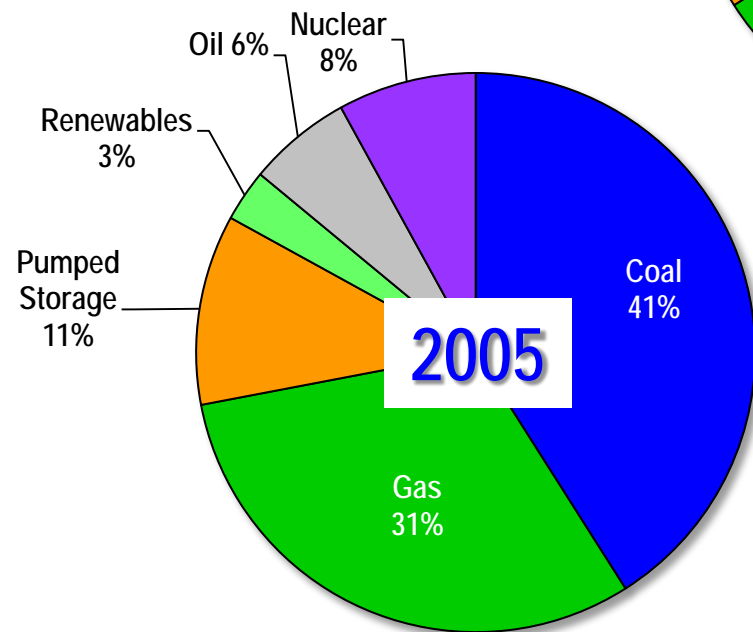
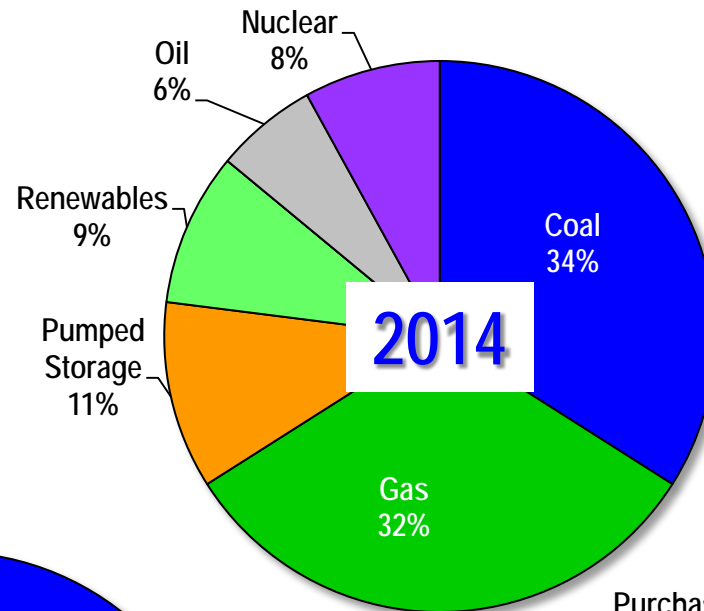
Levelized cost
of new build
(¢/kWh)



.... combined cycle gas is the most attractive new source of supply.

Capital Expenditures

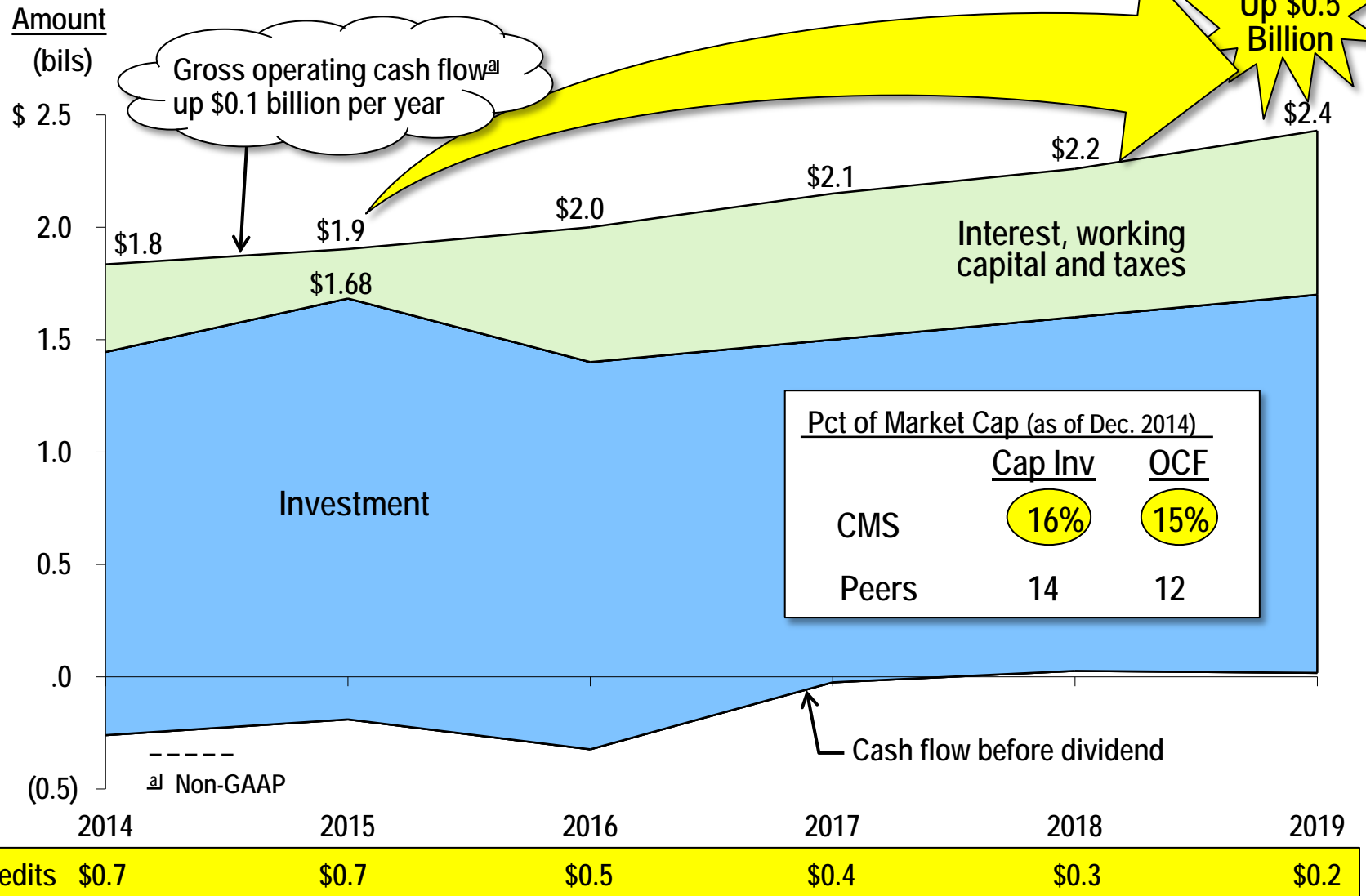
	2015	2016	2017	2018	2019	2015-2019	2020-2024	2015-2024
	(mils)	(mils)	(mils)	(mils)	(mils)	Subtotal	Subtotal	Total
						(mils)	(mils)	(mils)
New Generation (includes Renewables)	\$ 70	\$ 224	\$ 52	\$ 64	\$ 134	\$ 544	\$ 612	\$ 1,156
Environmental	254	98	136	153	212	853	139	992
Gas Infrastructure	237	216	200	159	138	950	1,454	2,404
Smart Energy	130	177	164	43	22	536	-	536
Electric Reliability & Distribution	196	198	208	262	255	1,119	1,575	2,694
Maintenance (Electric & Gas)	714	700	650	774	786	3,624	4,094	7,718
Total	<u>\$ 1,601</u>	<u>\$ 1,613</u>	<u>\$ 1,410</u>	<u>\$ 1,455</u>	<u>\$ 1,547</u>	<u>\$ 7,626</u>	<u>\$ 7,874</u>	<u>\$ 15,500</u>
Electric	\$ 1,088	\$ 1,116	\$ 911	\$ 983	\$ 1,073	\$ 5,171	\$ 4,704	\$ 9,875
Gas	<u>513</u>	<u>497</u>	<u>499</u>	<u>472</u>	<u>474</u>	<u>2,455</u>	<u>3,170</u>	<u>5,625</u>
Total	<u>\$ 1,601</u>	<u>\$ 1,613</u>	<u>\$ 1,410</u>	<u>\$ 1,455</u>	<u>\$ 1,547</u>	<u>\$ 7,626</u>	<u>\$ 7,874</u>	<u>\$ 15,500</u>



.... evolving to cleaner generation while becoming more cost competitive.

Operating Cash Flow Growth....

CMS ENERGY



.... up \$½ billion or 30% over five years!

2015 Cash Flow Forecast (non-GAAP)

CMS ENERGY

CMS Energy Parent

Consumers Energy

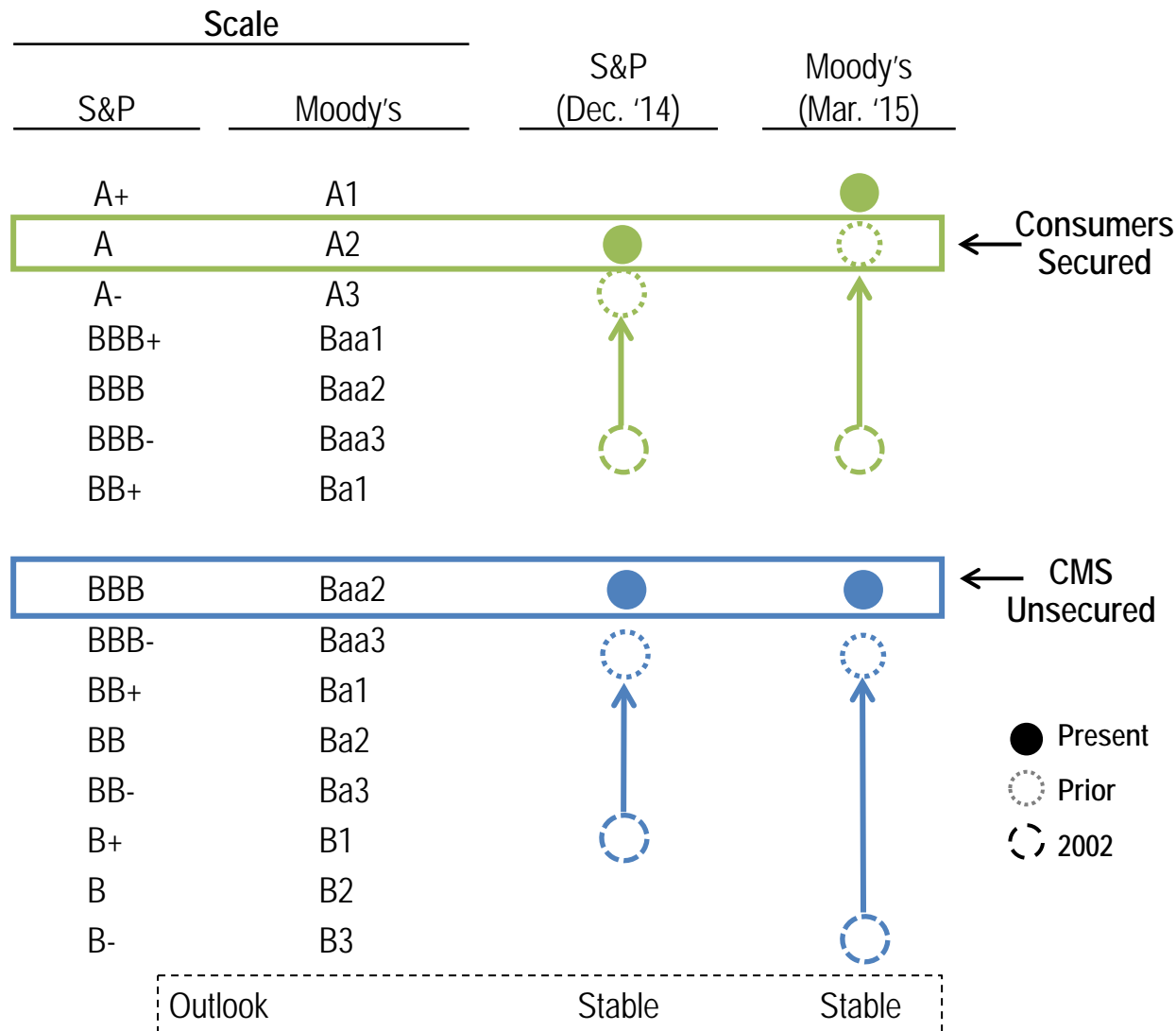
Cash at year end 2014	\$ 95
<u>Sources</u>	
Consumers Energy dividend and tax sharing	\$ 355
Enterprises	20
Sources	\$ 375
<u>Uses</u>	
Interest and preferred dividend	\$ (130)
Overhead and Federal tax payments	(10)
Equity infusion	(150)
Pension contribution	0
Uses ^{a]}	\$ (340)
Cash flow	\$ 35
<u>Financing and Dividend</u>	
New issues	\$ 150
Retirements	-
DRP, continuous equity	45
Net short-term financing & other	20
Common dividend	(320)
Financing	\$ (105)
Cash at year end 2015	\$ 25
Bank Facility (\$550) available	\$ 527

	Amount (mils)
Cash at year end 2014	\$ 71
<u>Sources</u>	
Operating (depreciation & amortization \$675)	\$ 1,940
Other working capital	(135)
Sources	\$ 1,805
<u>Uses</u>	
Interest and preferred dividend	\$ (235)
Capital expenditures ^{b]}	(1,585)
Dividend and tax sharing \$(150) from CMS	(355)
Pension contribution	0
Uses	\$ (2,175)
Cash flow	\$ (370)
<u>Financing</u>	
Equity	\$ 150
New issues	250
Retirements	(50)
Net short-term financing & other	(26)
Financing	\$ 324
Cash at year end 2015	\$ 25
Bank Facility (\$650) available	\$ 595
AR Facility (\$250) available	\$ 250

^{a]} Includes other

^{b]} Includes cost of removal and capital leases

Credit Ratings....



Reflects

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

.... show continuous improvement.

2015 Sensitivities....

	<u>Status</u>	<u>Sensitivity</u>	<u>2015 Impact</u>	
			<u>EPS</u>	<u>OCF</u> (mils)
Sales ^{a)}				
• Electric (38,093 GWh)	☺	± 1%	± \$0.05	± \$ 20
• Gas (302.6 Bcf)		± 5	± 0.07	± 30
Gas prices (NYMEX)	☺	± 50¢	± 0	± 55
ROE (authorized)				
• Electric (10.3%)	☺	± 10 bps	± 0.01	± 5
• Gas (10.3%)		± 20	± 0.01	± 4
Interest Rates	☺	±100 bps	± < 0.01	± 0
Capital Investment	☺	±\$100 mil	± 0.01	± 10
O&M Cost	☺	± 2%	± 0.04	± 20

^{a)} Reflect 2015 sales forecast; weather adjusted

.... reflect strong risk mitigation.

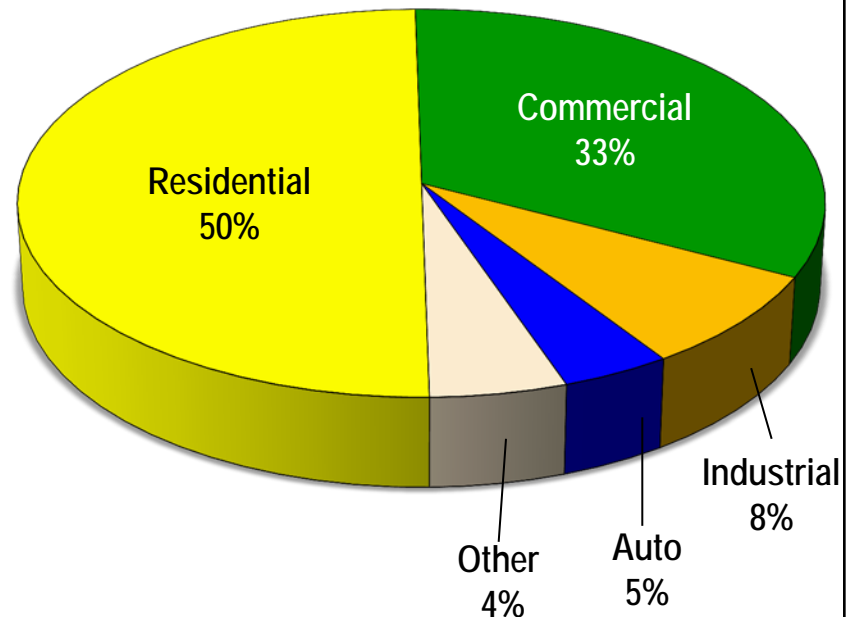
Top Ten Customers

(2014 Ranked by Deliveries)

- Hemlock Semiconductor
- General Motors
- Nexteer Automotive Corporation
- Gerdau MacSteel
- Denso International
- Packaging Corporation of America
- Meijer
- State of Michigan
- Spectrum Health
- AT&T

Percentage of electric gross margin is 2.4%

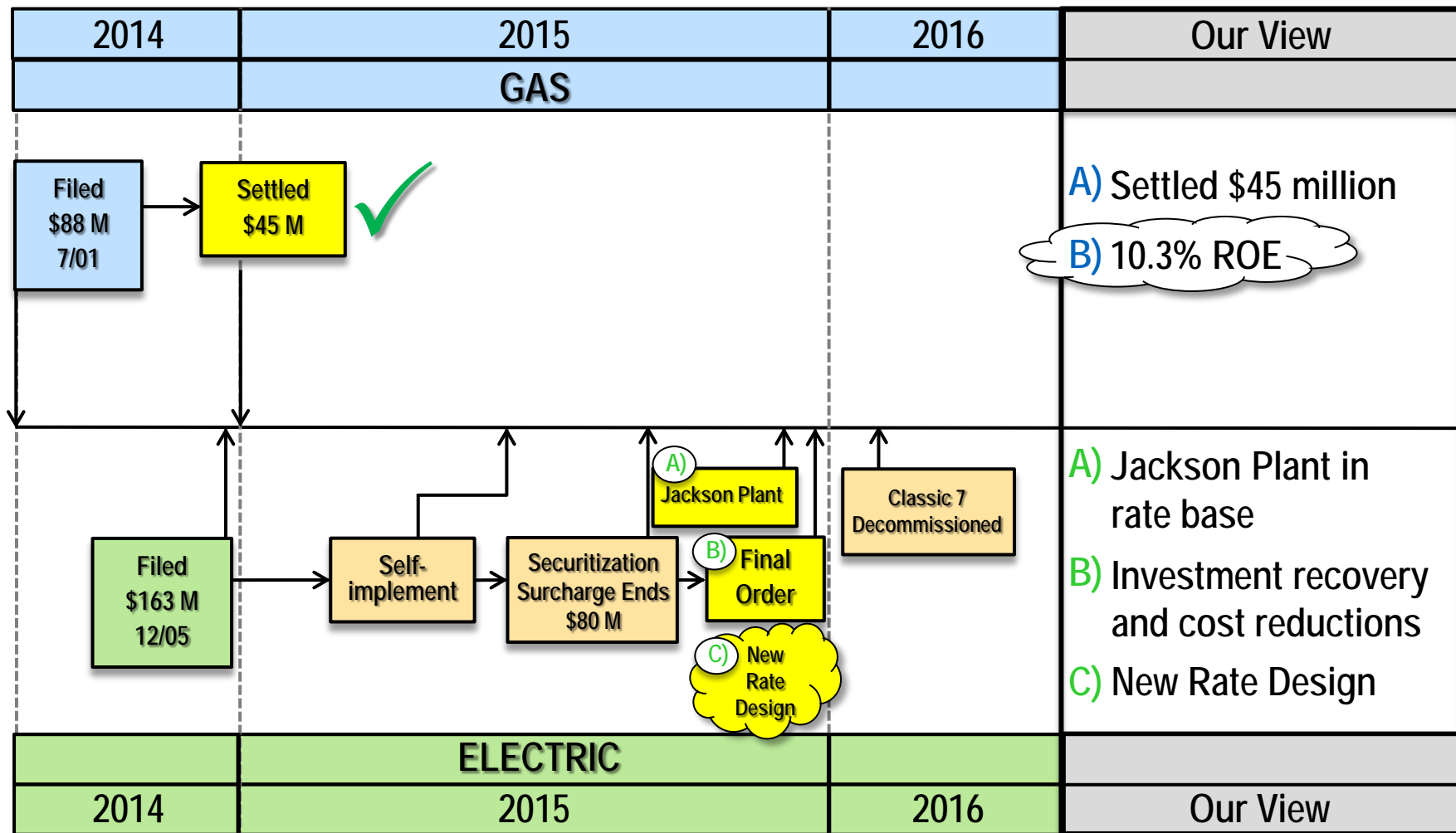
2014 Electric Gross Margin



\$2.3 Billion

.... "autos" only 5% of gross margin.

2015 Gas And Electric Rate Cases....



.... primarily for customer improvement with large O&M offsets.

GAAP Reconciliation

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Reported earnings (loss) per share - GAAP	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66	\$1.74
After-tax items:												
Electric and gas utility	0.21	(0.39)	-	-	(0.07)	0.05	0.33	0.03	-	0.17	-	-
Enterprises	0.74	0.62	0.04	(0.02)	1.25	(0.02)	0.09	(0.03)	(0.11)	(0.01)	*	0.03
Corporate interest and other	0.16	(0.03)	0.04	0.27	(0.32)	(0.02)	0.01	*	(0.01)	*	*	*
Discontinued operations (income) loss	(0.16)	0.02	(0.07)	(0.03)	0.40	(*)	(0.08)	0.08	(0.01)	(0.03)	*	(*)
Asset impairment charges, net	-	-	1.82	0.76	0.60	-	-	-	-	-	-	-
Cumulative accounting changes	0.16	0.01	-	-	-	-	-	-	-	-	-	-
Adjusted earnings per share, including MITM - non-GAAP	\$0.81	\$0.87	\$1.39	\$0.57	\$0.84	\$1.21 (a)	\$1.26	\$1.36	\$1.45	\$1.55	\$1.66	\$1.77
Mark-to-market impacts		0.03	(0.43)	0.51								
Adjusted earnings per share, excluding MITM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	NA	NA	NA	NA	NA	NA	NA	NA

* 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.

Consumers Energy
2015 Forecasted Cash Flow GAAP Reconciliation (in millions) (unaudited)

Presentation Sources and Uses		Reclassifications From Sources and Uses to Statement of Cash Flows						Consolidated Statements of Cash Flows	
		Tax Sharing Operating	Interest/ Other Financing Payments as Operating	Other Working Capital as Investing	Capital Lease Pymts and Other as Financing	Securitization Debt Pymts as Financing	Common Dividends as Financing	GAAP Amount	Description
Cash at year end 2014	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71	Cash at year end 2014
Sources									
Operating (dep & amort \$675)	\$ 1,940								
Other working capital	(135)								
Sources	\$ 1,805	\$ 150	\$ (235)	\$ 44	\$ 23	\$ 74	\$ -	\$ 1,861	Net cash provided by operating activities
Uses									
Interest and preferred dividends	\$ (235)								
Capital expenditures ^a	(1,585)								
Dividends/tax sharing to CMS	(355)								
Pension Contribution	-				-				
Uses	\$ (2,175)	\$ (150)	\$ 235	\$ (44)	\$ -	\$ -	\$ 505	\$ (1,629)	Net cash used in investing activities
Cash flow	\$ (370)	\$ -	\$ -	\$ -	\$ 23	\$ 74	\$ 505	\$ 232	Cash flow from operating and investing activities
Financing									
Equity	\$ 150								
New Issues	250								
Retirements	(50)								
Net short-term financing & other	(26)	-	-	-					
Financing	\$ 324	\$ -	\$ -	\$ -	\$ (23)	\$ (74)	\$ (505)	\$ (278)	Net cash used in financing activities
Net change in cash	\$ (46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (46)	Net change in cash
Cash at year end 2015	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25	Cash at year end 2015

^aIncludes cost of removal and capital leases

CMS Energy Parent
2015 Forecasted Cash Flow GAAP Reconciliation (in millions) (unaudited)

Reclassifications From Sources and Uses to Statement of Cash Flows					
Presentation Sources and Uses		Non Equity Uses		Consolidated Statements of Cash Flows	
Description	non-GAAP Amount	as Operating	Other	GAAP Amount	Description
Cash at year end 2014	\$ 95	\$ -	\$ (95)	\$ -	Cash at year end 2014
Sources					
Consumers Energy dividends/tax sharing	\$ 355				
Enterprises	20				
Sources	\$ 375	\$ (190)	\$ 127	\$ 312	Net cash provided by operating activities
Uses					
Interest and preferred dividends	\$ (130)				
Overhead and Federal tax payments	(10)				
Equity infusions	(150)				
Pension Contribution	-				
Uses (a)	\$ (340)	\$ 190	\$ (32)	\$ (182)	Net cash used in investing activities
Cash flow	\$ 35	\$ -	\$ 95	\$ 130	Cash flow from operating and investing activities
Financing and dividends					
New Issues	\$ 150				
Retirements	-				
Equity programs (DRP, continuous equity)	45				
Net short-term financing & other	20	-	-		
Common dividend	(320)				
Financing	\$ (105)	\$ -	\$ -	\$ (105)	Net cash used in financing activities
Net change in cash	\$ (70)	\$ -	\$ 95	\$ 25	Net change in cash
Cash at year end 2015	\$ 25	\$ -	\$ -	\$ 25	Cash at year end 2015

(a) Includes other

Consolidated CMS Energy

2015 Forecasted Consolidation of Consumers Energy and CMS Energy Parent Statements of Cash Flow (in millions) (unaudited)

Statements of Cash Flows			Eliminations/Reclassifications/Consolidation to Arrive at the Consolidated Statement of Cash			Consolidated Statements of Cash Flows	
Description	Consumers Amount	CMS Parent Amount	Other Consolidated Entities	Consumers Common Dividend as Financing	Equity Infusions to Consumers	Amount	Description
Cash at year end 2014	\$ 71	\$ -	\$ 136	\$ -	\$ -	\$ 207	Cash at year end 2014
Net cash provided by operating activities	\$ 1,861	\$ 312	\$ 12	\$ (505)	\$ -	\$ 1,680	Net cash provided by operating activities
Net cash used in investing activities	(1,629)	(182)	(333)	-	150	(1,994)	Net cash used in investing activities
Cash flow from operating and investing activities	\$ 232	\$ 130	\$ (321)	\$ (505)	\$ 150	\$ (314)	Cash flow from operating and investing activities
Net cash used in financing activities	\$ (278)	\$ (105)	\$ 277	\$ 505	\$ (150)	\$ 249	Net cash provided by financing activities
Net change in cash	\$ (46)	\$ 25	\$ (44)	\$ -	\$ -	\$ (65)	Net change in cash
Cash at year end 2015	\$ 25	\$ 25	\$ 92	\$ -	\$ -	\$ 142	Cash at year end 2015

CMS Energy
Reconciliation of Gross Operating Cash Flow to GAAP Operating Activities
(unaudited)
(mils)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Consumers Operating Income + Depreciation & Amortization	\$ 1,813	\$ 1,940	\$ 1,955	\$ 2,081	\$ 2,194	\$ 2,358
Enterprises Project Cash Flows	20	20	28	50	52	55
Gross Operating Cash Flow	<u>\$ 1,833</u>	<u>\$ 1,960</u>	<u>\$ 1,983</u>	<u>\$ 2,131</u>	<u>\$ 2,246</u>	<u>\$ 2,413</u>
Other operating activities including taxes, interest payments and working capital	(386)	(280)	(583)	(631)	(646)	(713)
Net cash provided by operating activities	<u>\$ 1,447</u>	<u>\$ 1,680</u>	<u>\$ 1,400</u>	<u>\$ 1,500</u>	<u>\$ 1,600</u>	<u>\$ 1,700</u>