



Top of Mind

- Why Invest?
- Investment
- Upsides
- Partners
- Regulatory
- Passion to Improve

CMS
LISTED
NYSE

Evercore ISI Utility CEO Retreat

January 8-9, 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, 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.

End of Year Observations....

CMS ENERGY

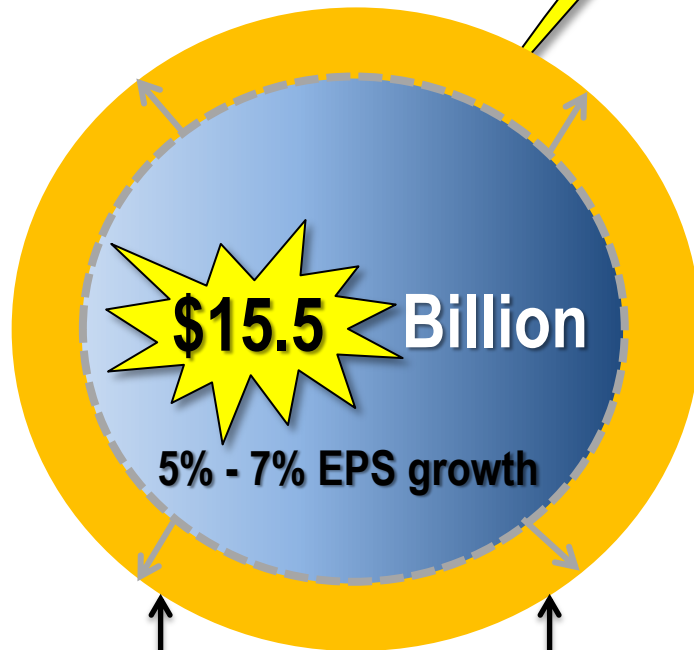
Status

- | | |
|--|--------------------------------|
| <ul style="list-style-type: none">• Financial Results• Customer Satisfaction Up (Gas First Quartile) | January 29
More Progress |
| <ul style="list-style-type: none">• Cross Winds - \$255 mil; SW 36" Pipeline - \$88 mil• Gas Rate Case (Pending MPSC order) | Operational ✓
Settled |
| <ul style="list-style-type: none">• Cost down 7% since 2006• Safety First Quartile | Unequaled ✓
Among Best ✓ |
| <ul style="list-style-type: none">• Politics -- Favorable Elections• 2015 Energy Law | Builds
Moving Forward |
| <ul style="list-style-type: none">• Credit Rating• Employee ENGAGEMENT Continues Top Decile | Raised ✓
7 Years Running! ✓ |

.... among the best, with SUBSTANTIAL room to grow!

Our Growth Engine (2015-2024 Capex)

Supported By



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

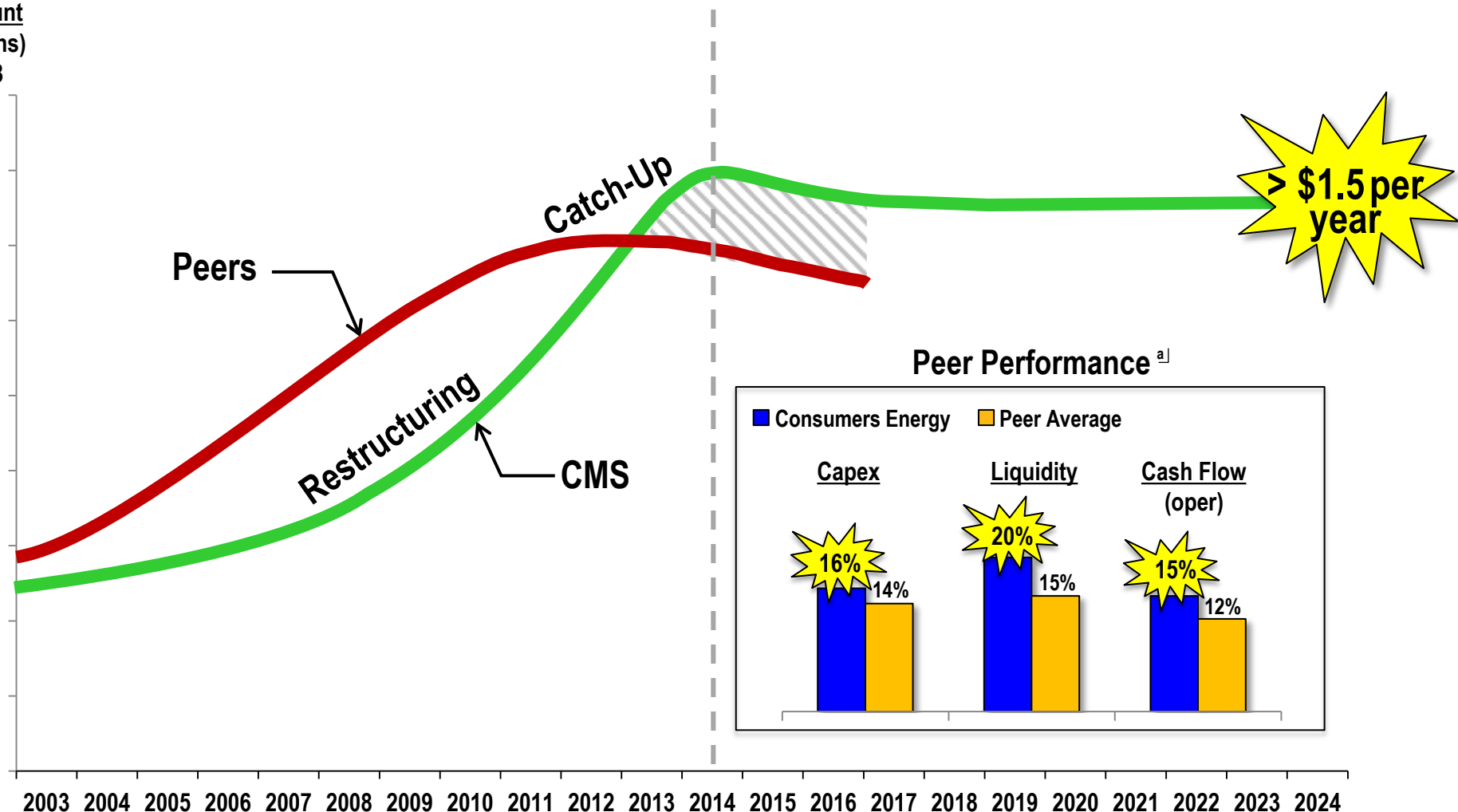
- **UPSIDES** create headroom
(Investment, Sales, Cost, & DIG)
- **PARTNERS** in progress
(Customers, Regulators, & Policy Makers)
- **PASSION** to improve for
customers **AND** owners
(Value, Reliability, & Environment)

.... next 10 years even brighter than last.

INVESTMENT -- "Catch-Up"....

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Amount
(billions)
\$1.8



^{a)} Based on December 31, 2014 information percent of market cap

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

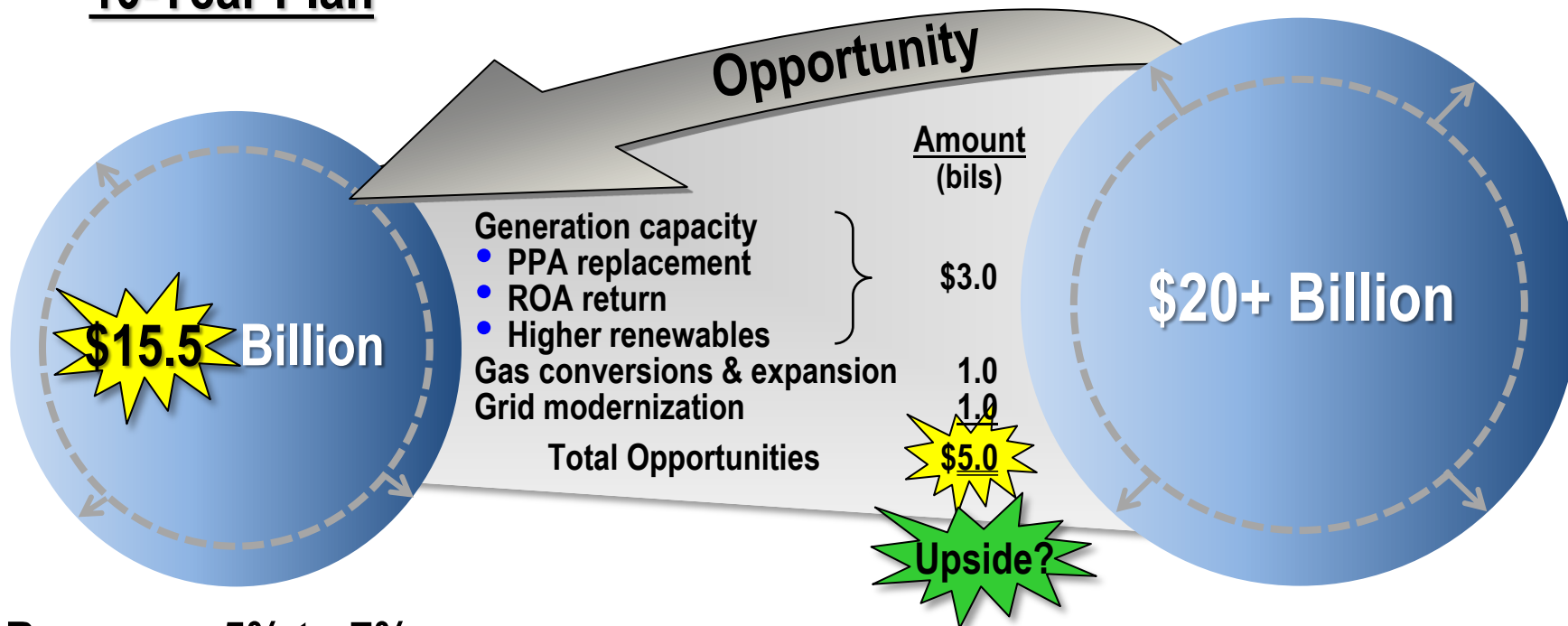
... creating an opportunity for the next ten years.

INVESTMENT -- Ten-Year Capex Plan Can Expand....

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**2015-2024
10-Year Plan**

Opportunity Level



Rate Base up 5% to 7%

**Customer
base rates**

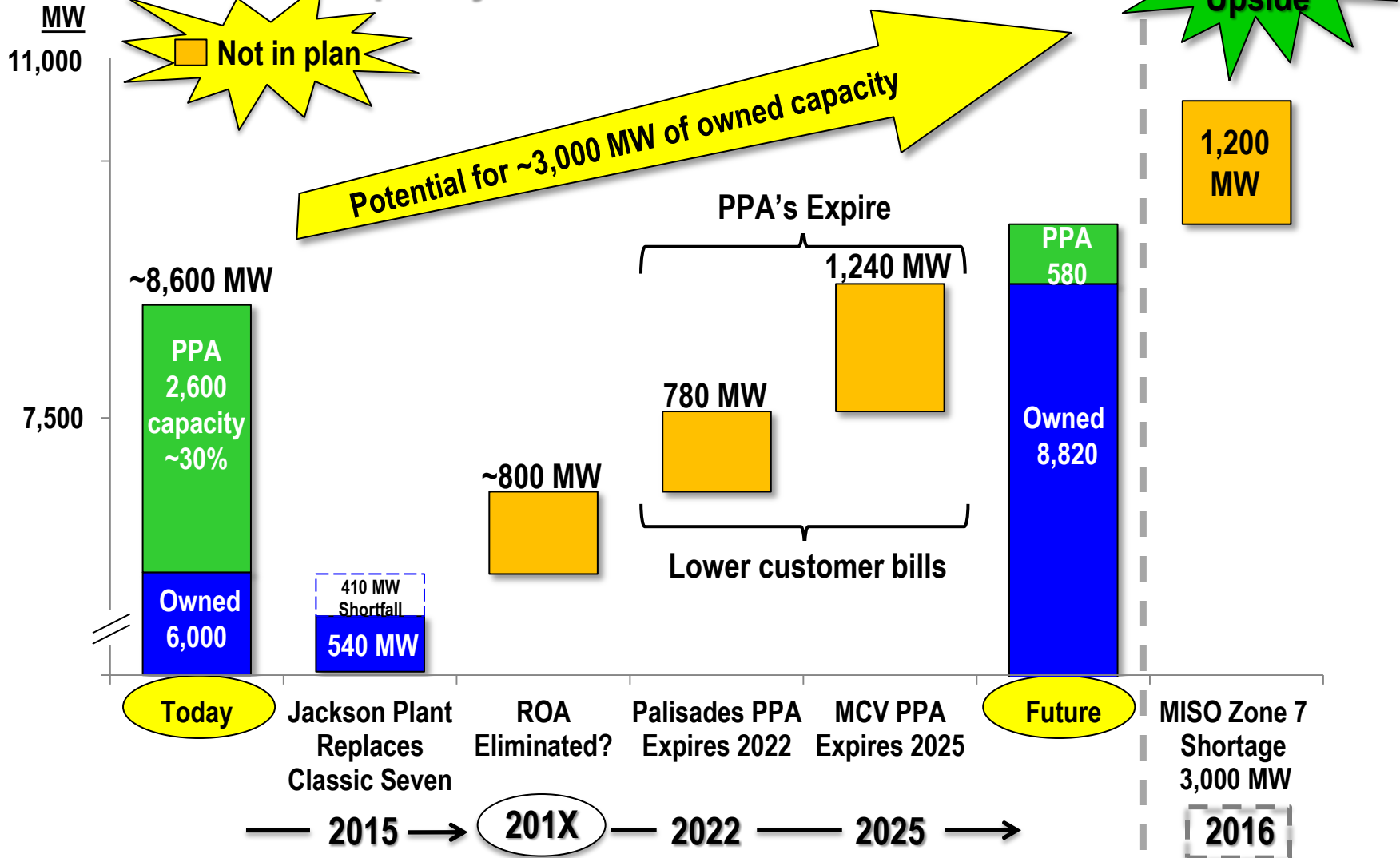


... driving long-term, organic growth, while keeping base rates well below inflation.

UPSIDES -- Capacity Opportunities....

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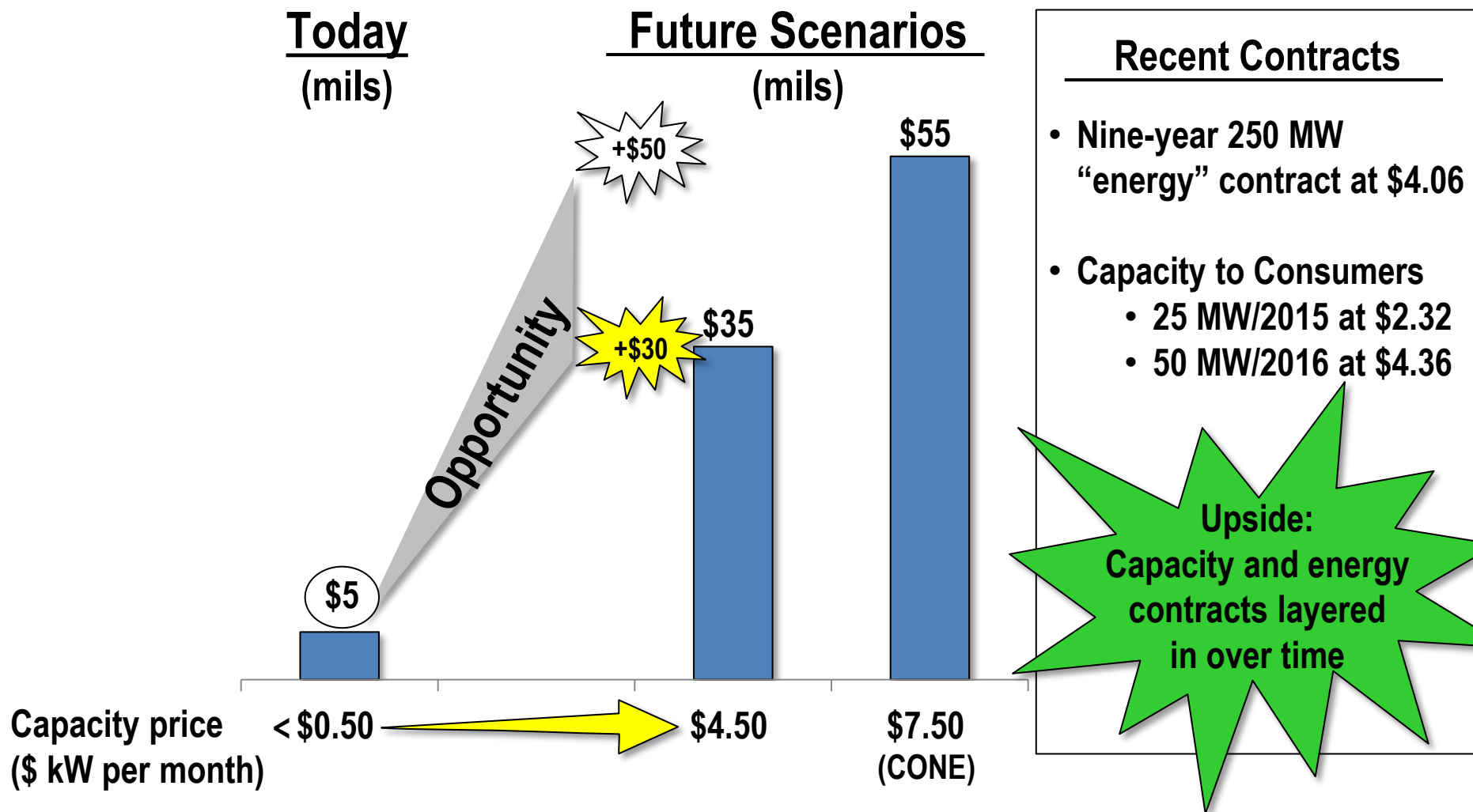
Capacity Growth Over Next Ten Years



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

UPSIDES -- Capacity Price Increases....

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.... could add value to the 700 MW “DIG” plant.

UPSIDES -- Reinvestment Model Helps Customers....

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Adjusted EPS
(non-GAAP)



2014

+18¢

+15¢

October 23rd Status

Third Quarter	EPS
• Weather (Electric)	(6)¢
• Reinvestment	(5)
Total Change	(11)¢

Good
Choices

+4¢

+7%-
+6%

First Nine Months	EPS
• Weather (Gas)	16¢
• Cost savings	4
• Reinvest & other	(16)
Total Change	+ 4¢

Plan

December

September 30

June 30

March 31

January

Guidance

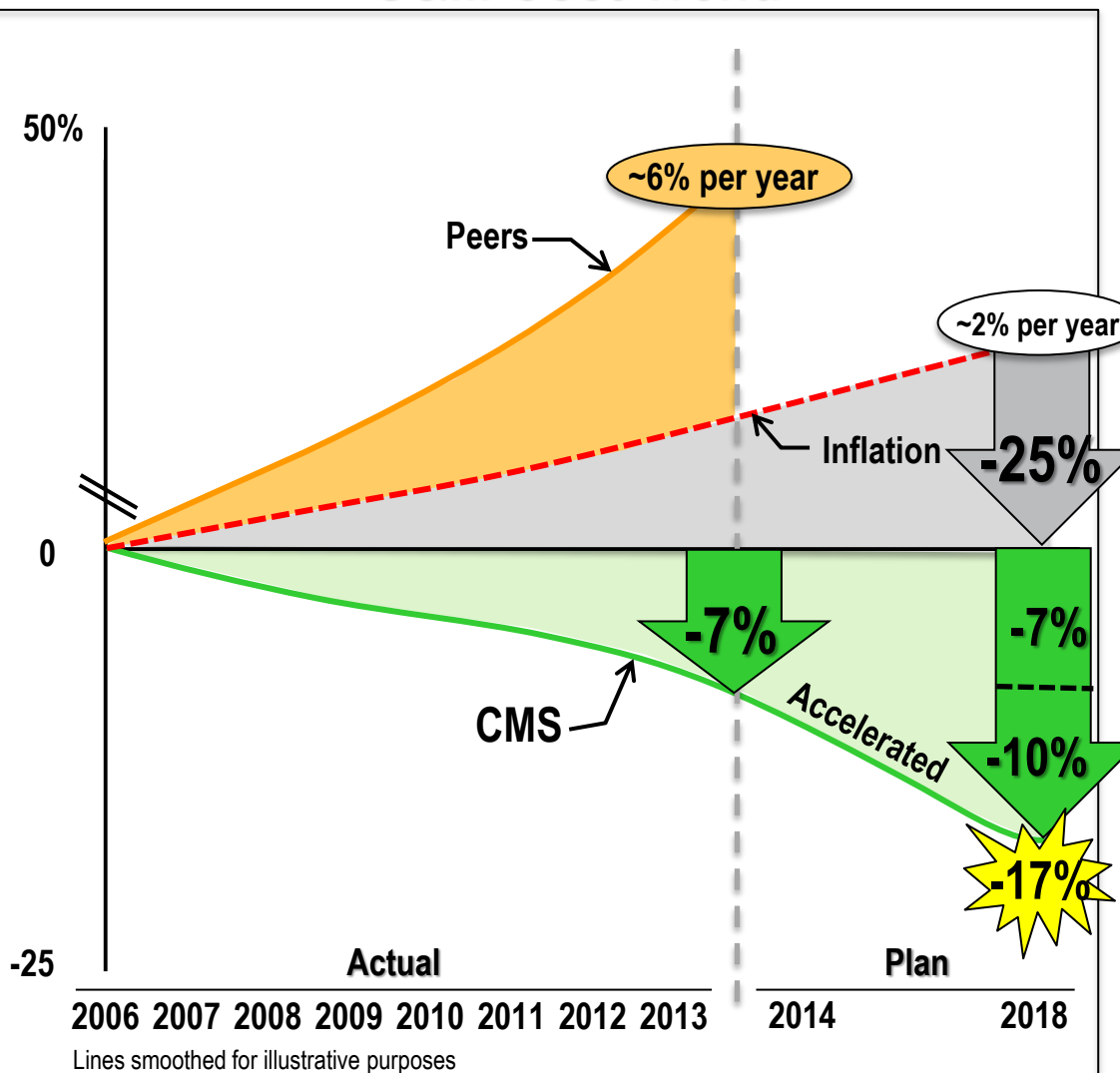
.... AND provides top-end, sustainable growth for investors.

UPSIDES -- Trend of Cost Savings....

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O&M Cost Trend

Future Savings



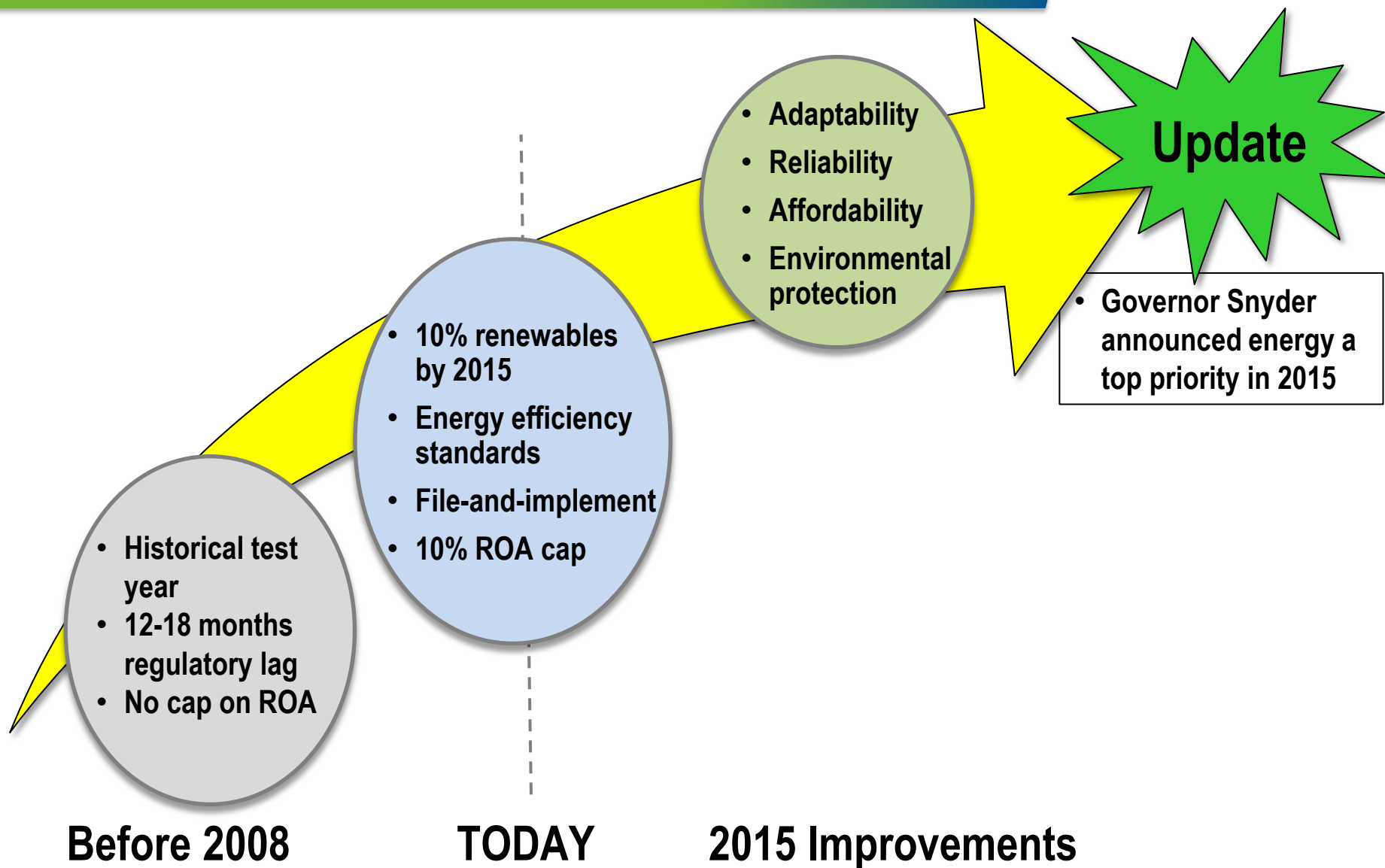
2018 vs 2013 (mils)

- Fuel mix \$ - 25
- Benefits - 75
- Less Expensive New Hires & Lower Headcount - 75
- Smart Meters - 25
- Inflation +100

2018 below 2013 \$-100

Savings -10%

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



.... builds on visionary 2008 Law!

Governor Rick Snyder



Commission remains strong

**Powering Michigan's
Comeback**

Regulation 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



Energy Committee Chairs

**To Be
Announced**

**Senator
Mike Nofs**



Representative

.... for visionary Energy legislation in 2015.

Electric Rate Case

	<u>Amount</u> (mils)
Capital Investment	\$ 185
Cost & Other	- 57
Core Request	\$ 128
Jackson Gas Plant	35
Total Request	\$ 163
2001 Securitization Offset	\$ - 80
Memo: Net Annual Increase	1%

- 2017-2018 Capex Recovery
- Revenue Decoupling

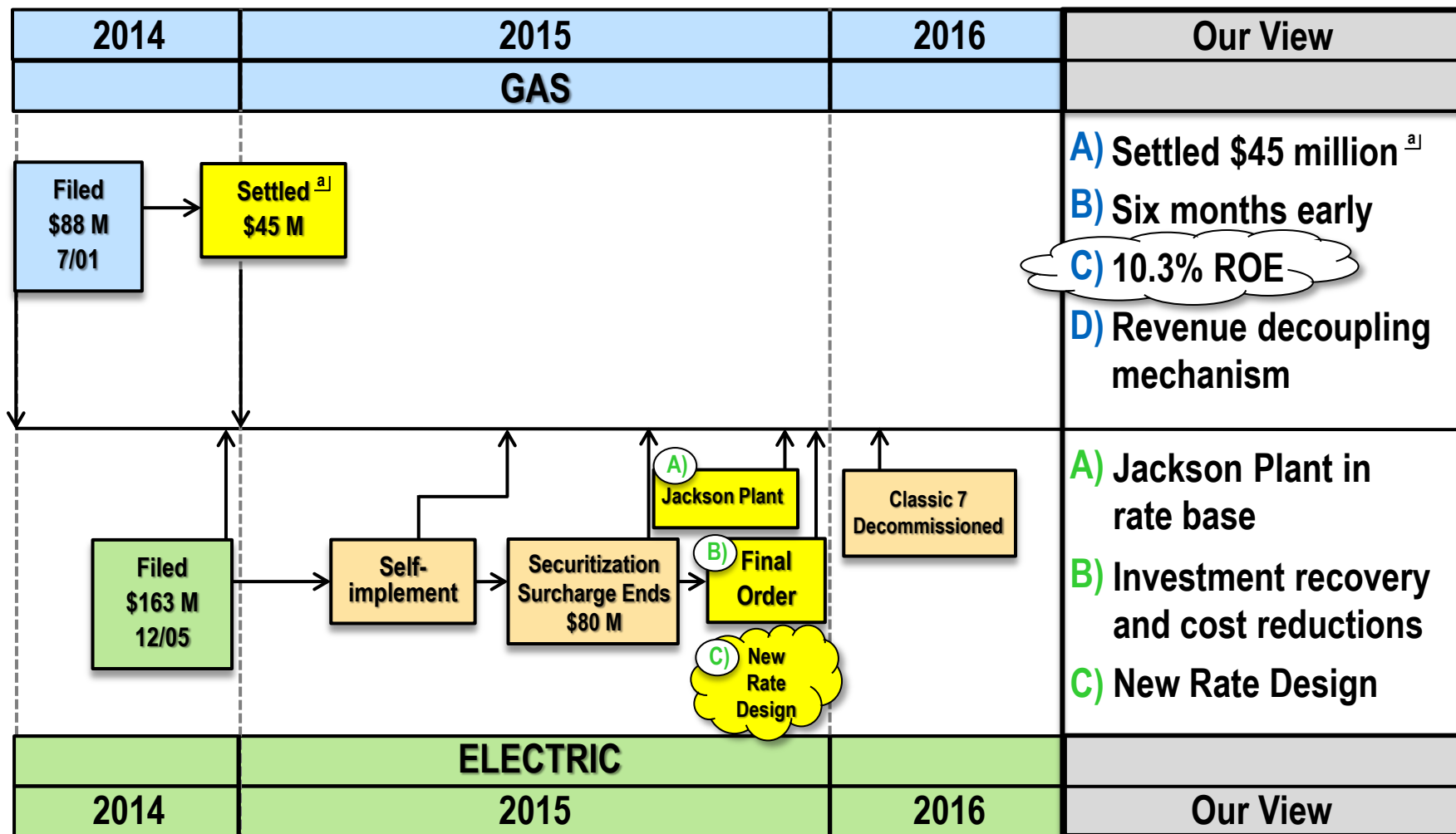
	<u>Existing</u> (2013)	<u>Request</u> (2015)
Rate Base (bils)	\$8.10	\$9.33
ROE	10.3%	10.7%
Equity - Regulatory	41.2	41.9
Equity - Financial	51.4	52.1

Gas Rate Case

- Settled at \$45 million
(Pending MPSC order)

- Six months early!
- 10.3% ROE ✓
- Revenue decoupling
mechanism approved
- Net Annual Increase: 1% ✓

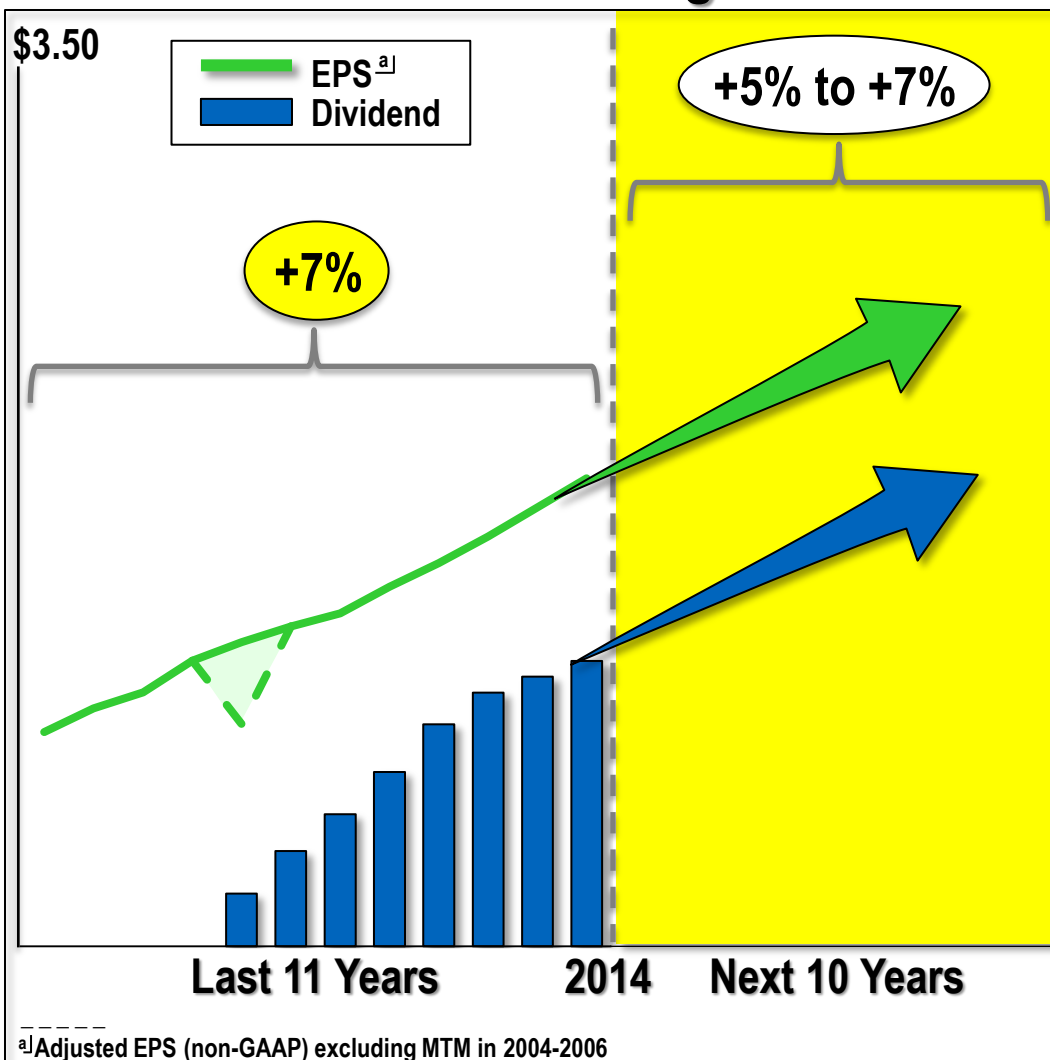
.... primarily for investment recovery with O&M offsets.



^{a)} Pending MPSC order

.... primarily for investment recovery with large O&M offsets.

Future Shines Bright

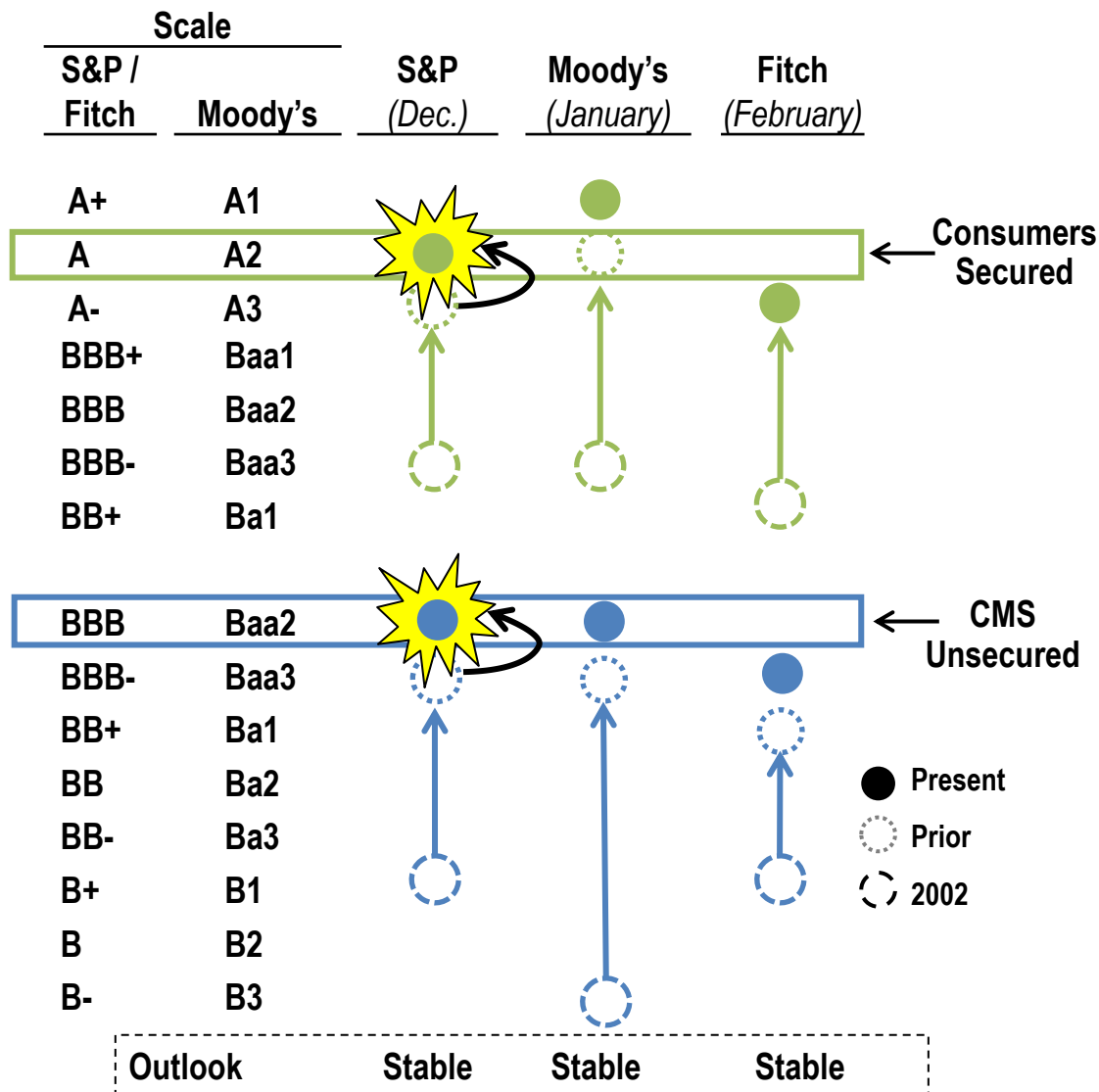


Sustainable Future Growth

	Past Performance	Next 5 Years
• Investment (bils) (2009-2014)	\$6.3	\$7.5 Capacity Op!
• O&M Reductions (2006-2013)	(7)%	(10)% Conservative
• Sales Growth (2010-2013)	+1%	+1/2 % Conservative
• Regulatory	Visionary Law Among Best	Improved Law

.... building on past performance for even brighter future.

Appendix

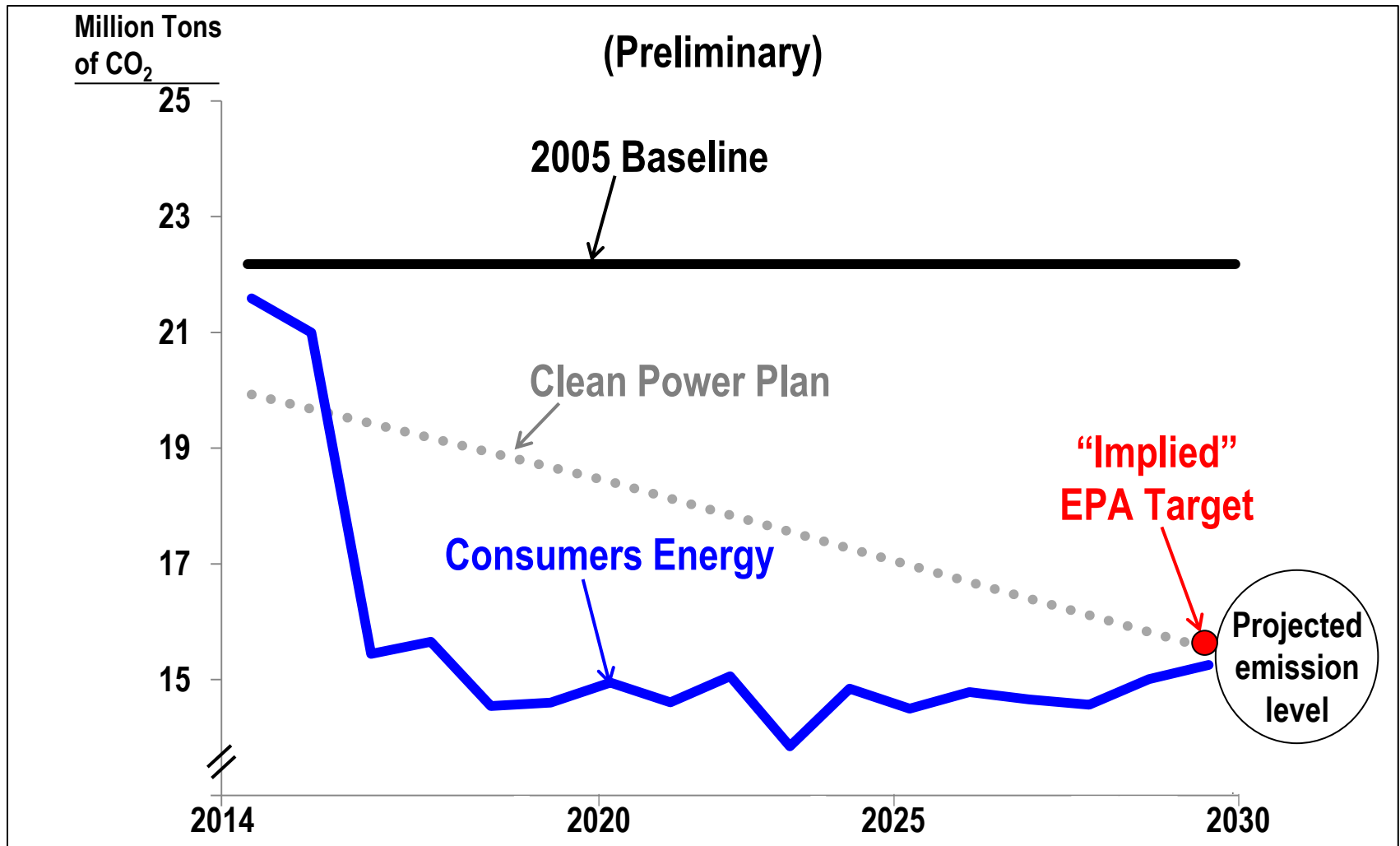


Reflects

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

.... show continuous improvement.

Carbon Tonnage Reduction



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

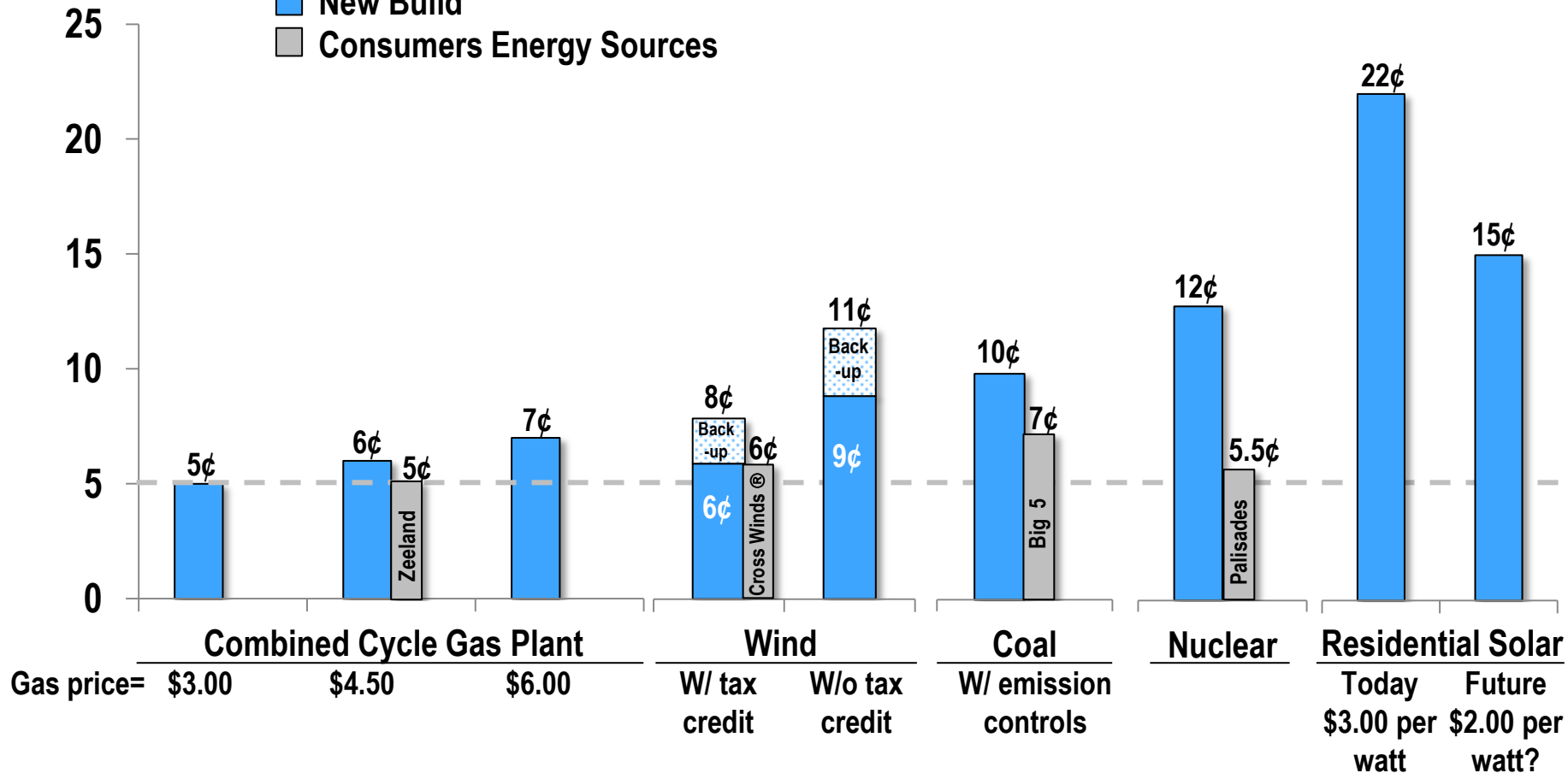
Generation Strategy: New Supply Sources....

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Levelized cost
of new build

(¢/kWh)

■ New Build
■ Consumers Energy Sources



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

GAAP Reconciliation

**Earnings Per Share By Year GAAP Reconciliation
(Unaudited)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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
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)	*
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 MTM - 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
Mark-to-market impacts		0.03	(0.43)	0.51							
Adjusted earnings per share, excluding MTM - non-GAAP	NA	\$0.90	\$0.96	\$1.08	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.