

Investor Meetings

June 9 & 10, 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.

Future Shines Bright^{a)}



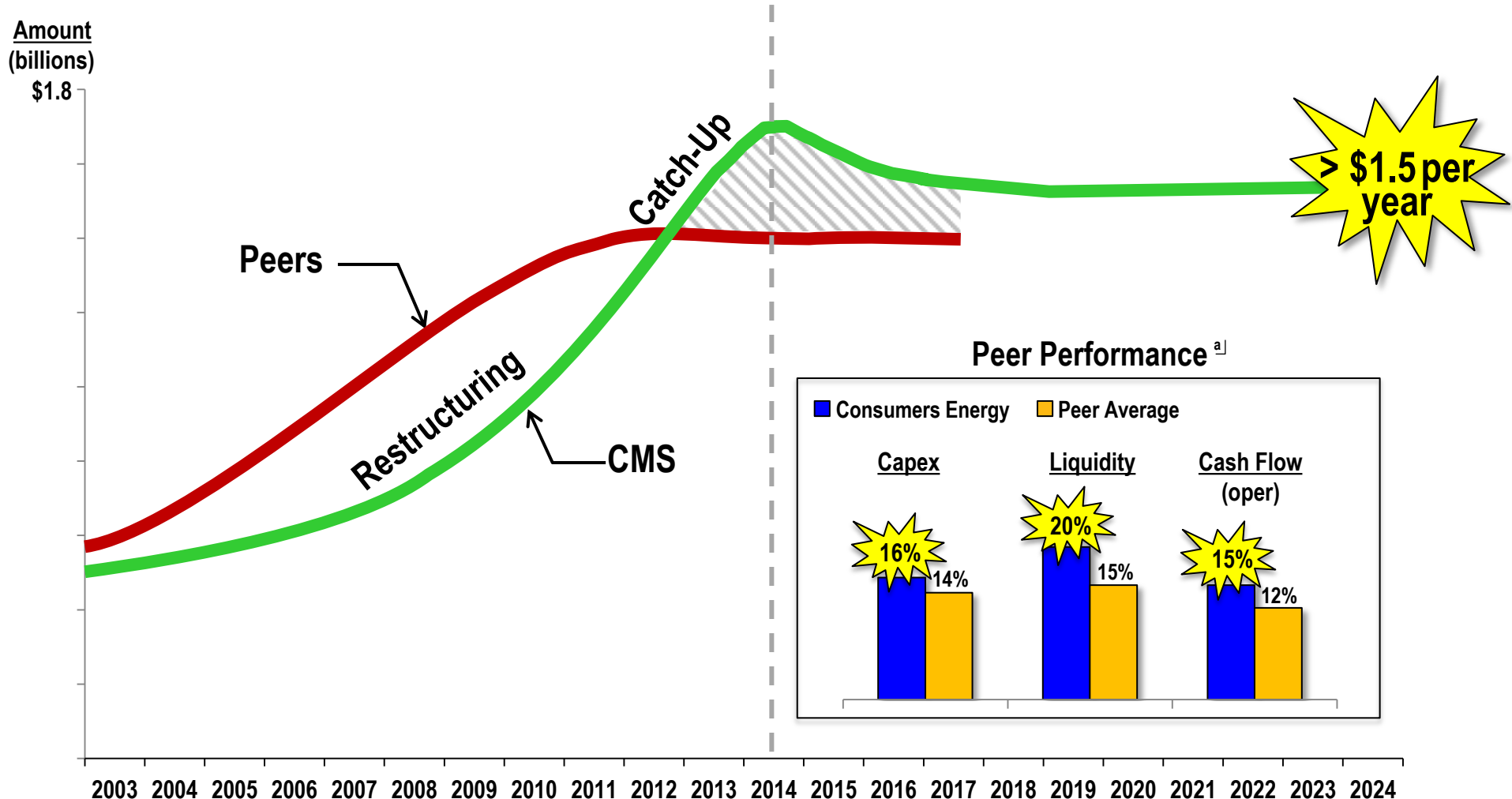
Sustainable Future Growth

	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.

2005-2014

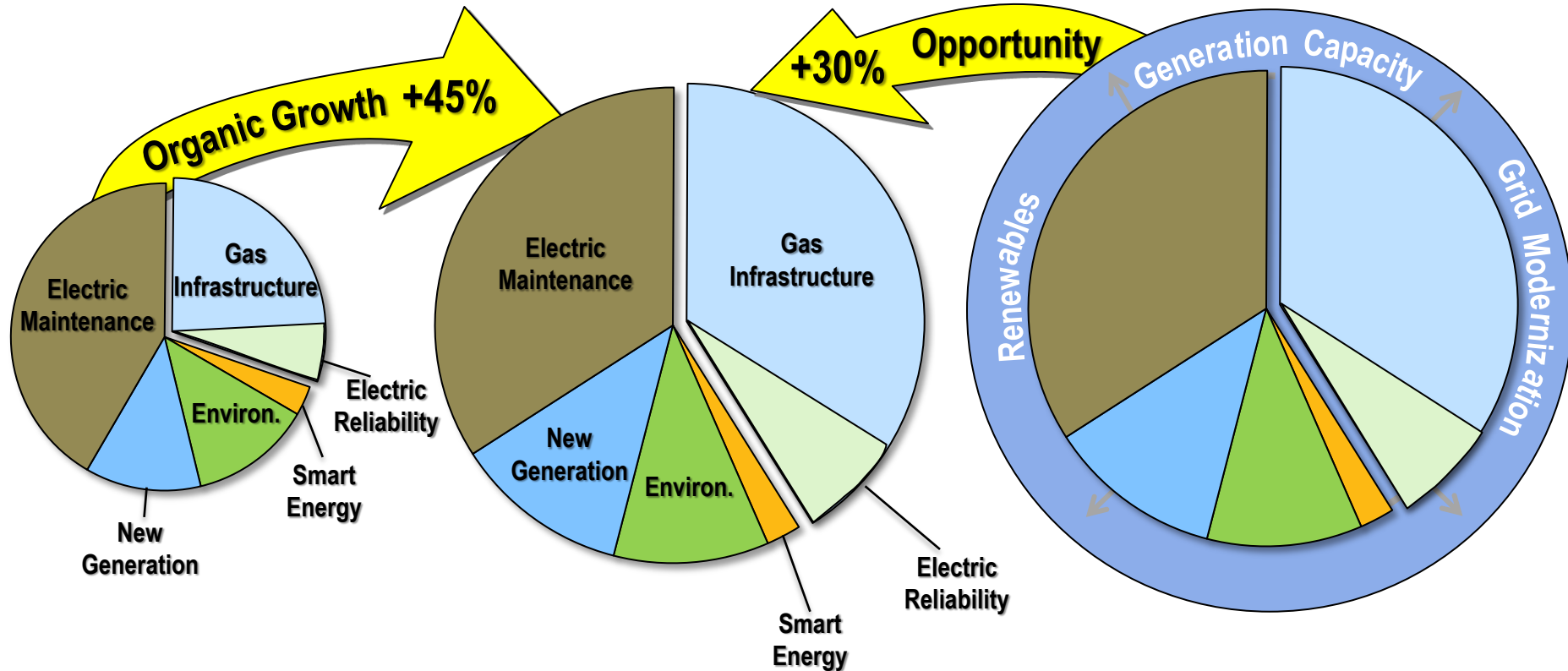
\$10.7 bil

2015-2024

\$15.5 bil

Opportunity

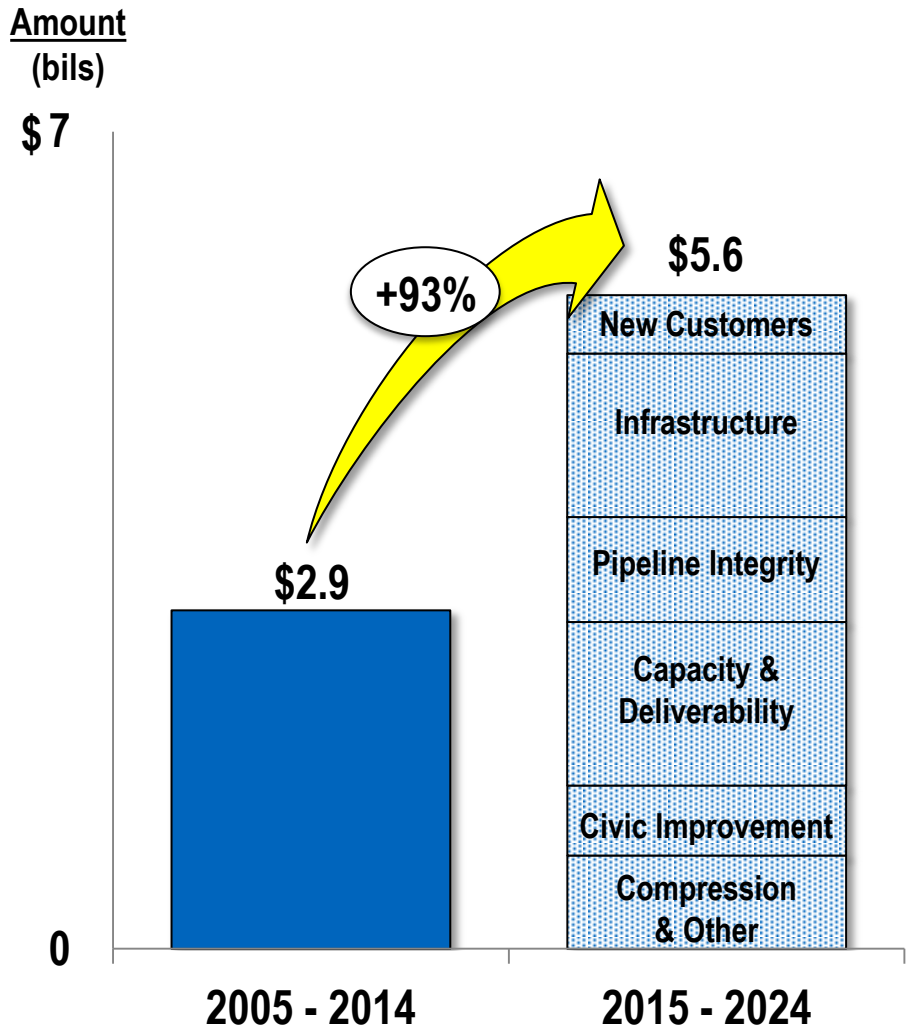
\$20 + bil



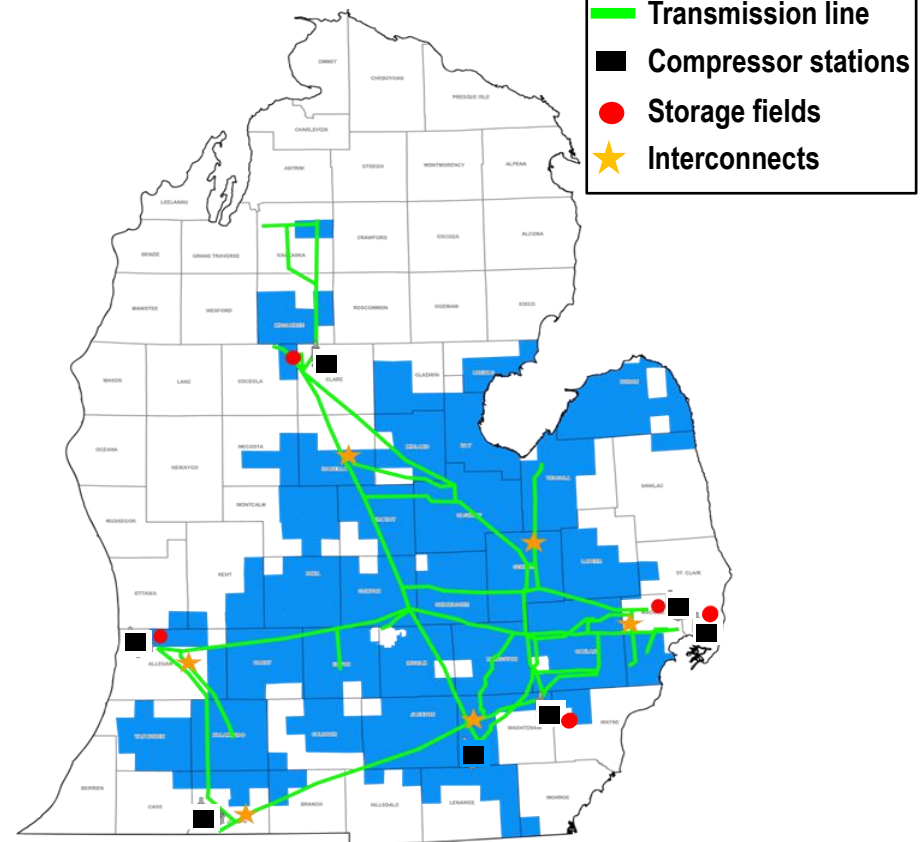
.... opportunity for another 30%, with no "big bets" over ten years!

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



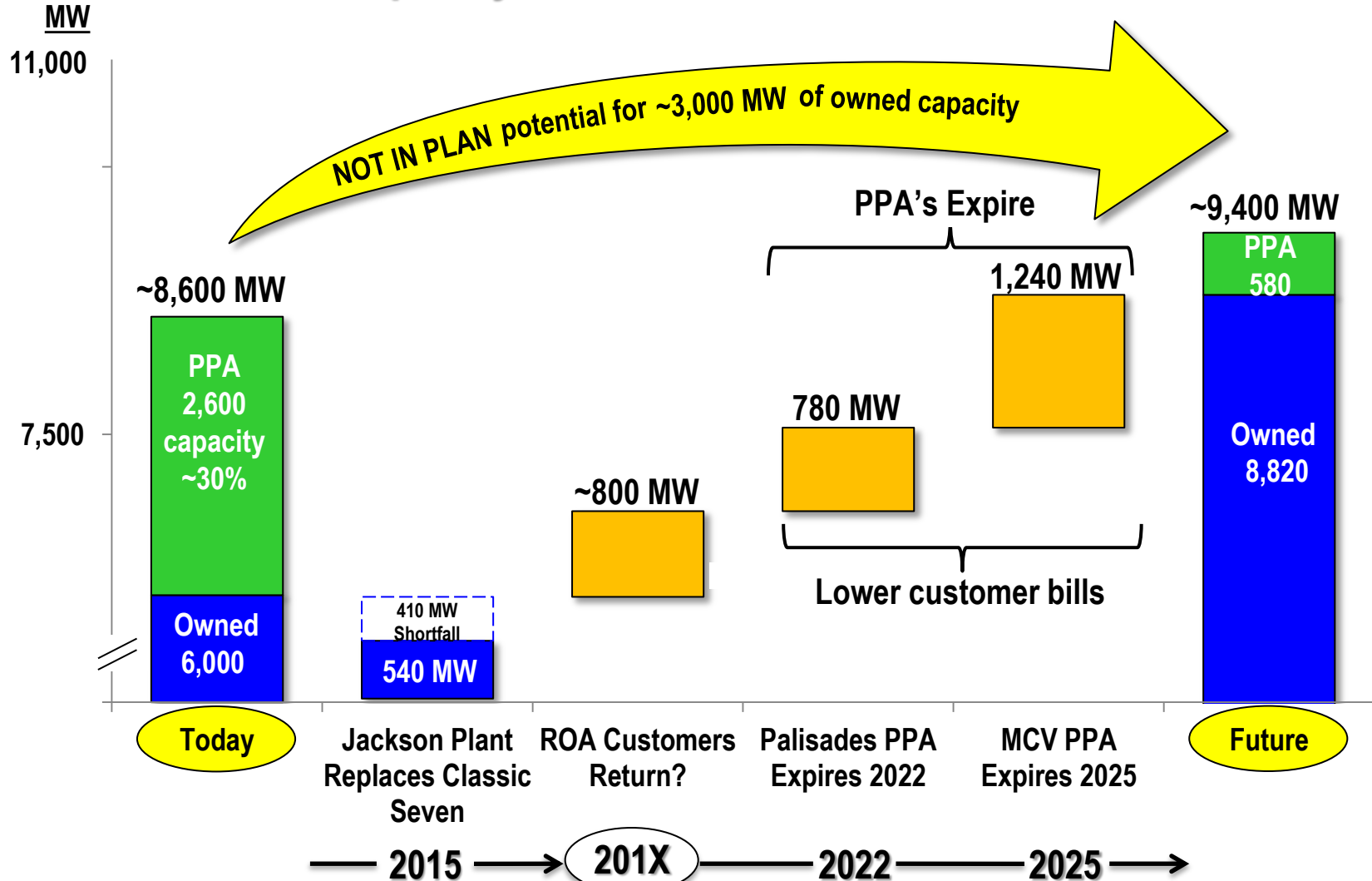
More Conversions
70,000 customers



Replace Transmission Mains
275 miles

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

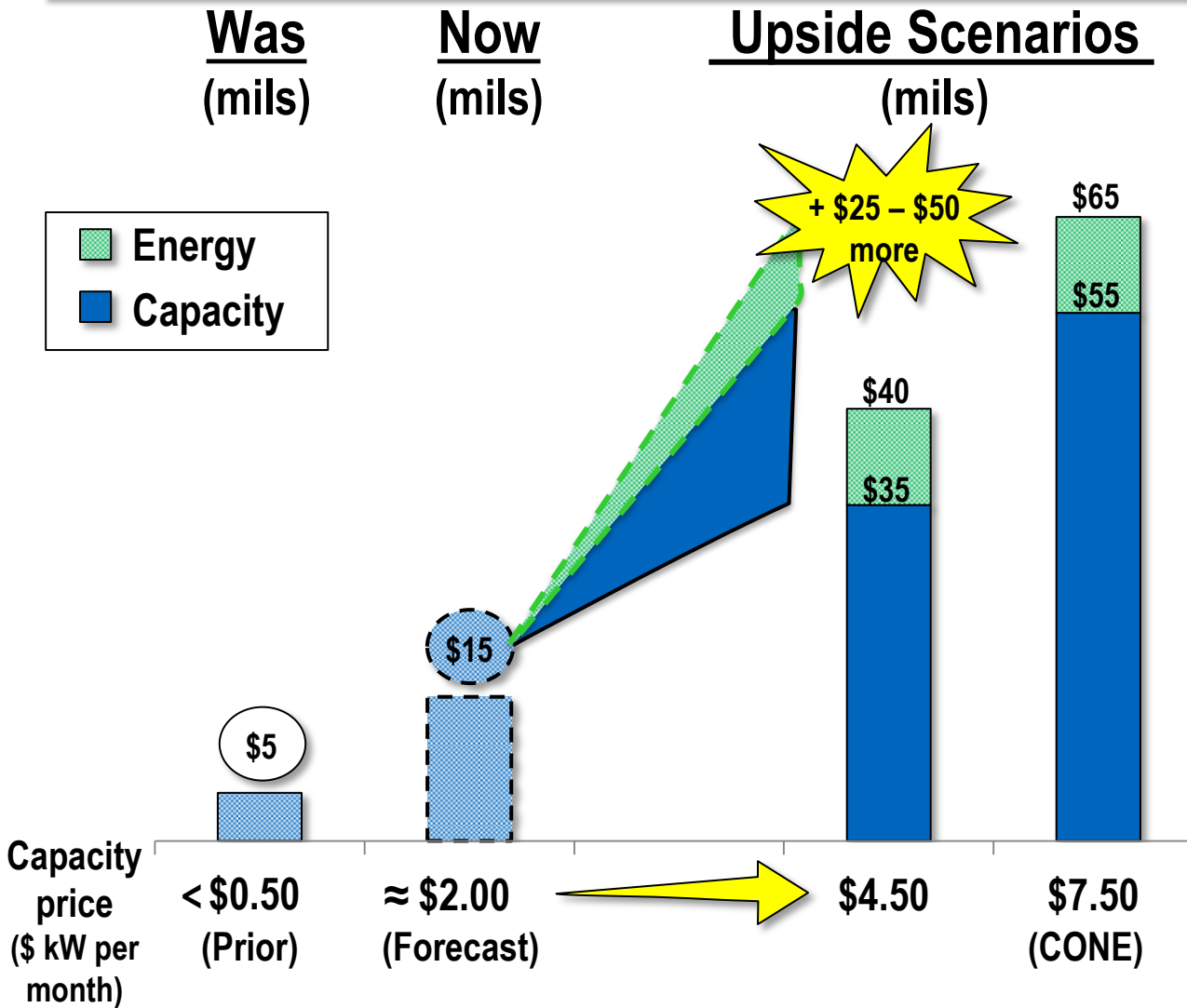
Capacity Growth Over Next Ten Years



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

Capacity & Energy Price Increases....

CMS ENERGY



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

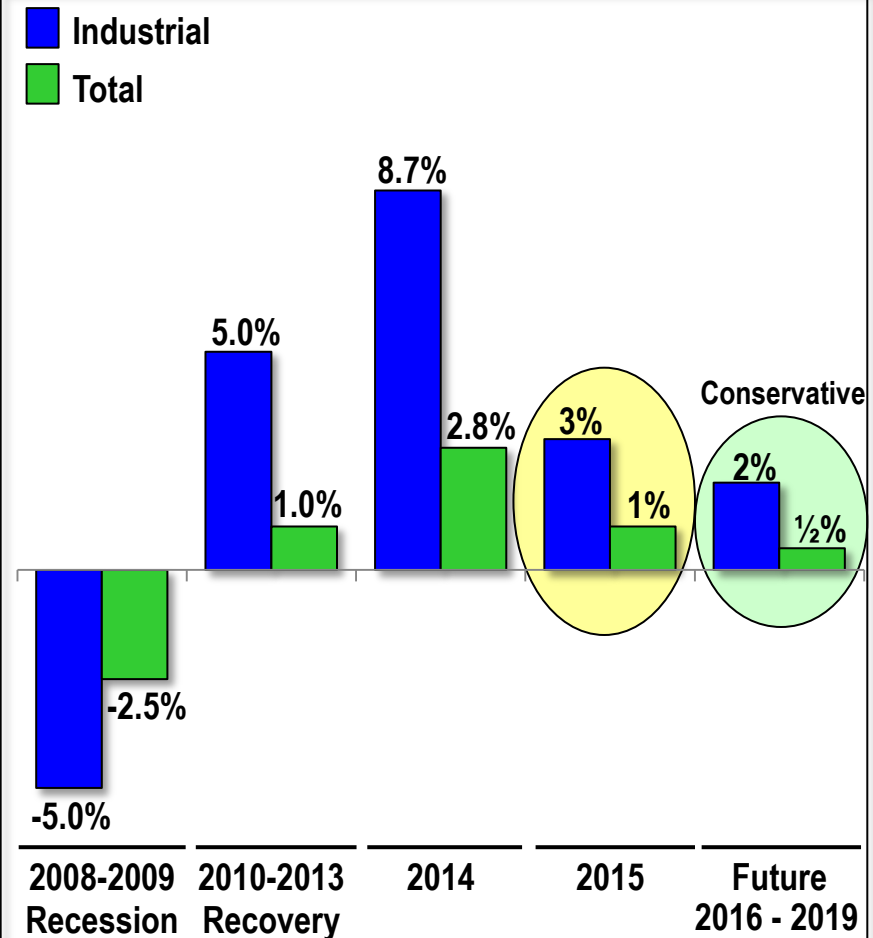
.... adding value to our "DIG" plant.

Economic Indicators

	Grand Rapids	Michigan	U.S
Building Permits*	+29%	+12%	+7%
GDP 2010 → 2013	15	11	8
Population 2011 → 2014	3	0	2
Unemployment (4/15)	3.3	5.4	5.4

*Annualized numbers thru April 2015

Annual Electric Sales^a



^a Weather normalized vs. prior year

.... suggests upside to conservative plan.

Examples of New Business

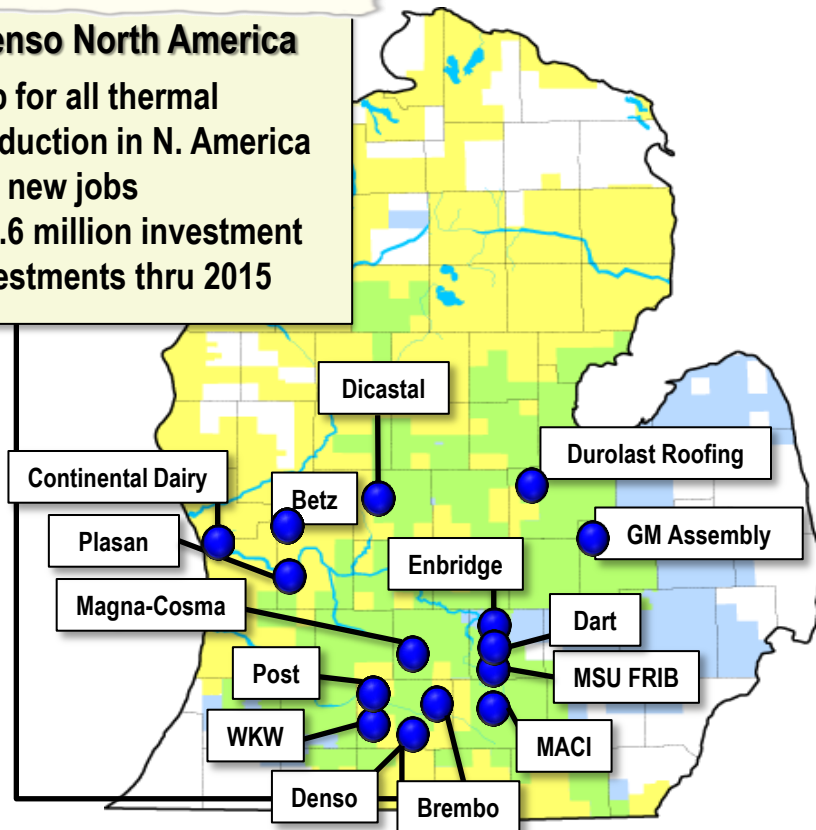
Industries

Electric
 Gas
 Combination

Announcement

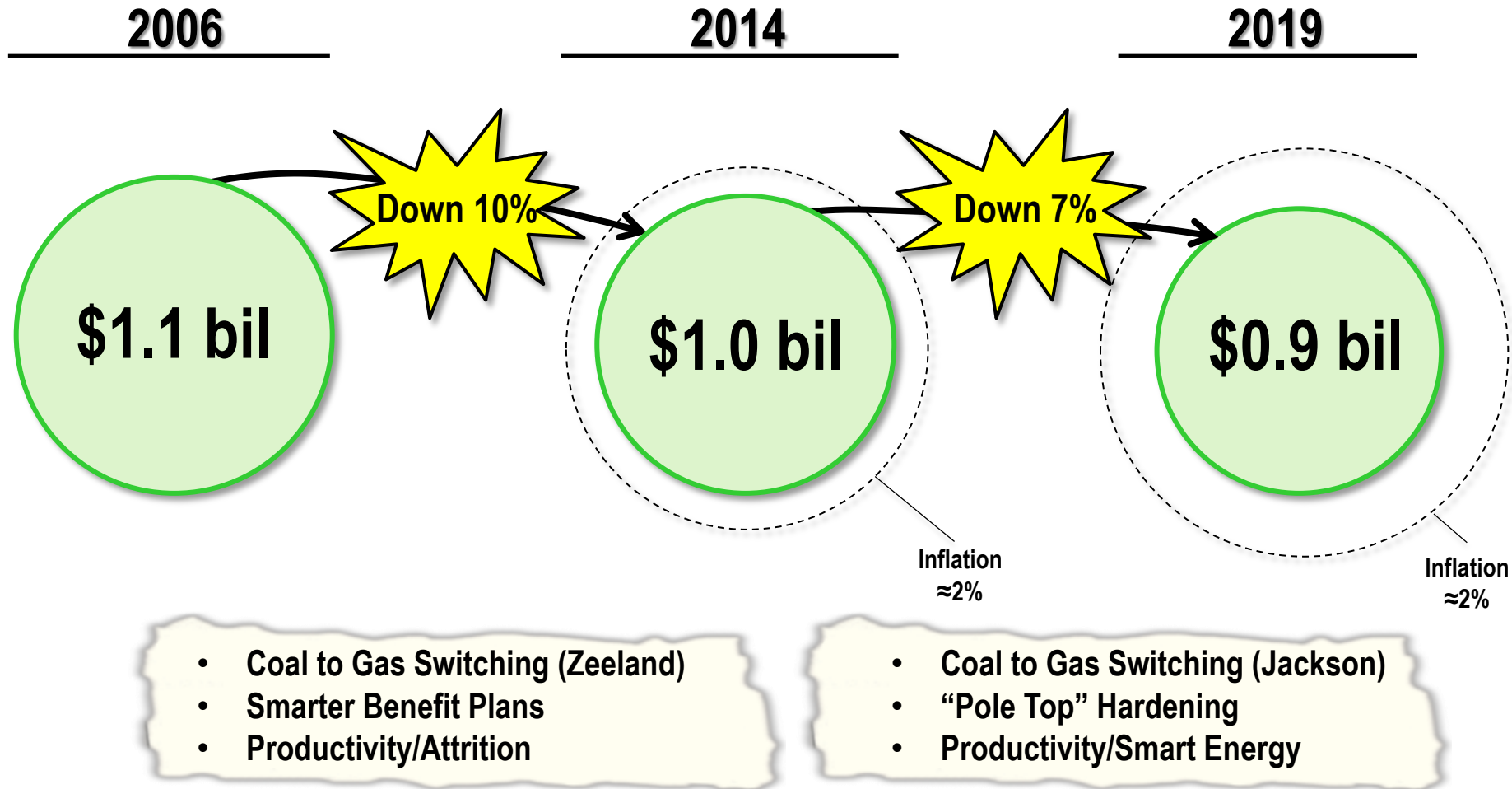
Denso North America

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



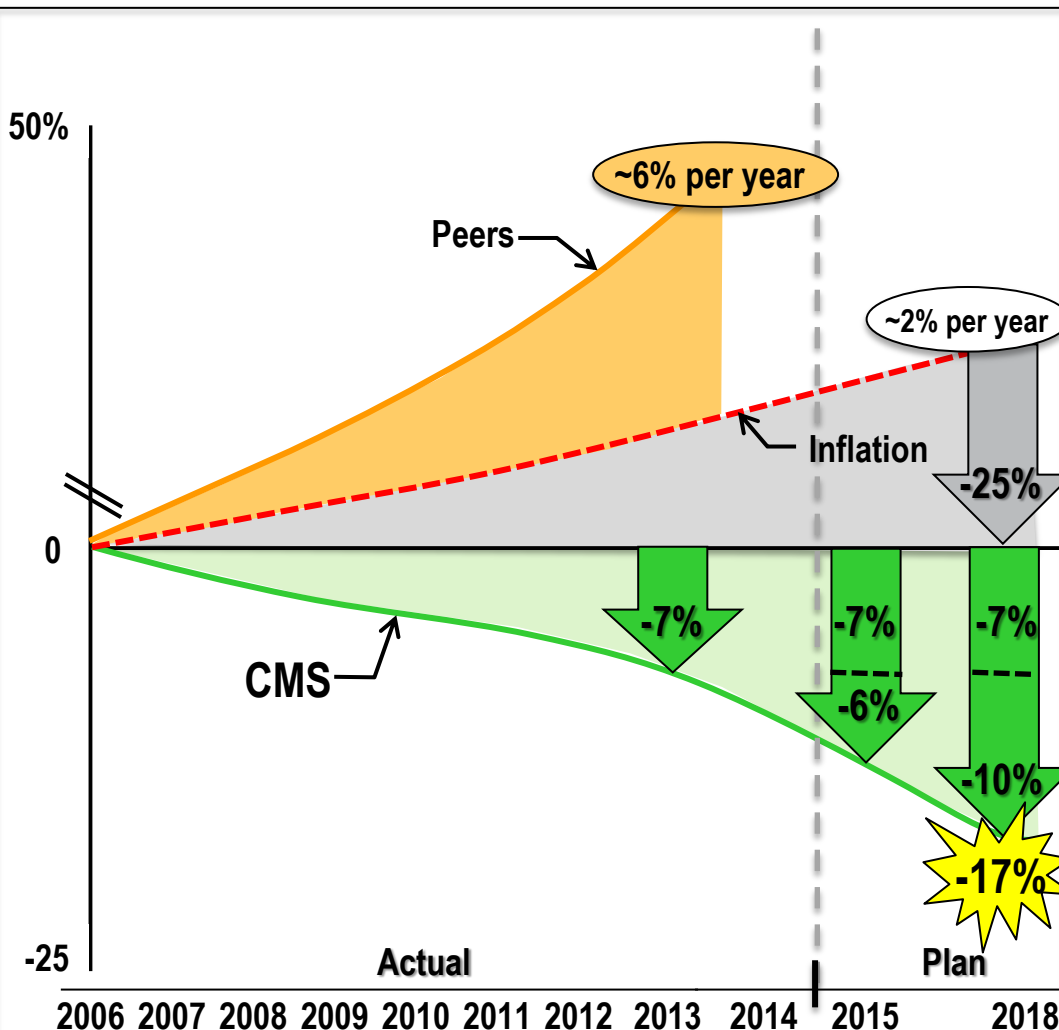
	<u>MW</u>
Auto	50
Food	7
Manufacturing	21
Metal	20
Petroleum	19
Plastics	19
Others	19
Total	Up <u>155</u>

.... another 2½% of sales growth.



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

O&M Trend vs Peers



Lines smoothed for illustrative purposes

O&M Cost Savings

	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
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><u>17¢</u></u>

2014

\$1.77 +7%

Guidance

January

March 31

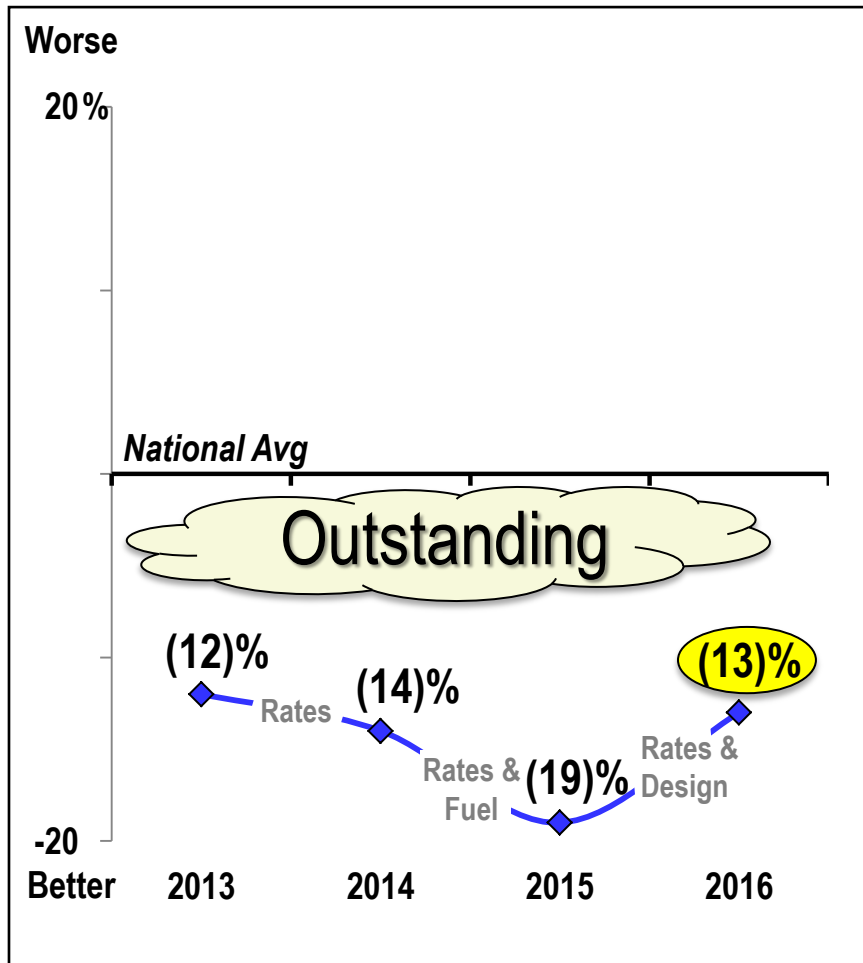
June 30

September 30

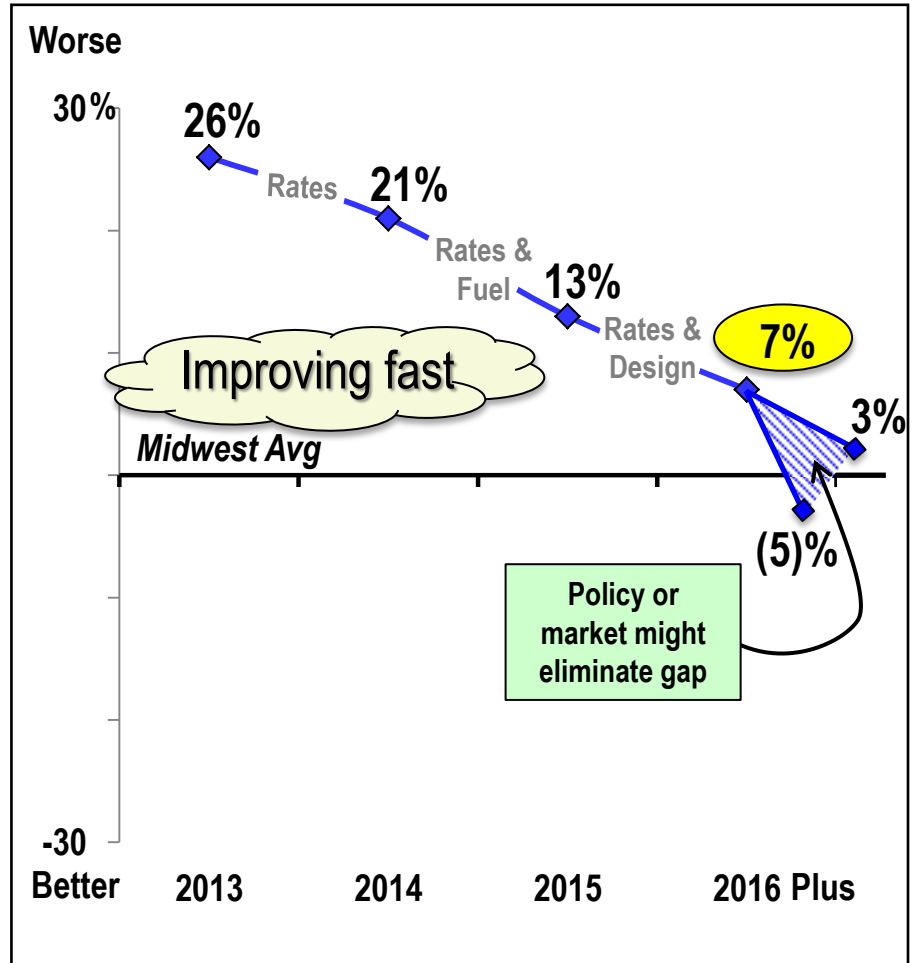
December

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

Residential Bills

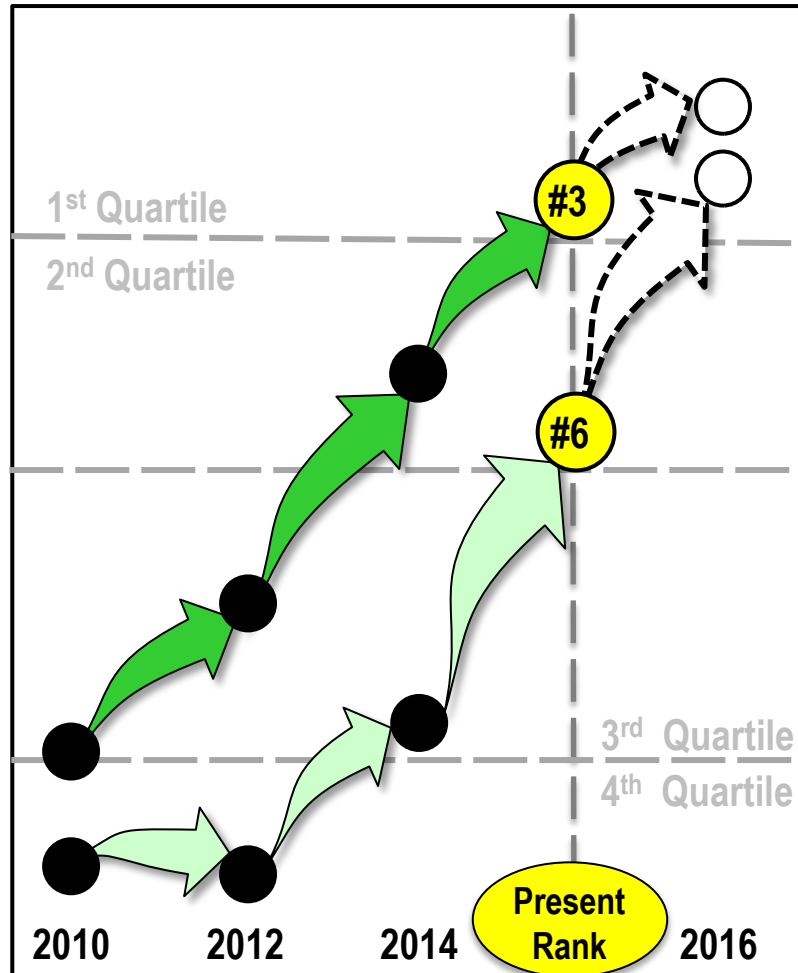


Industrial Rates



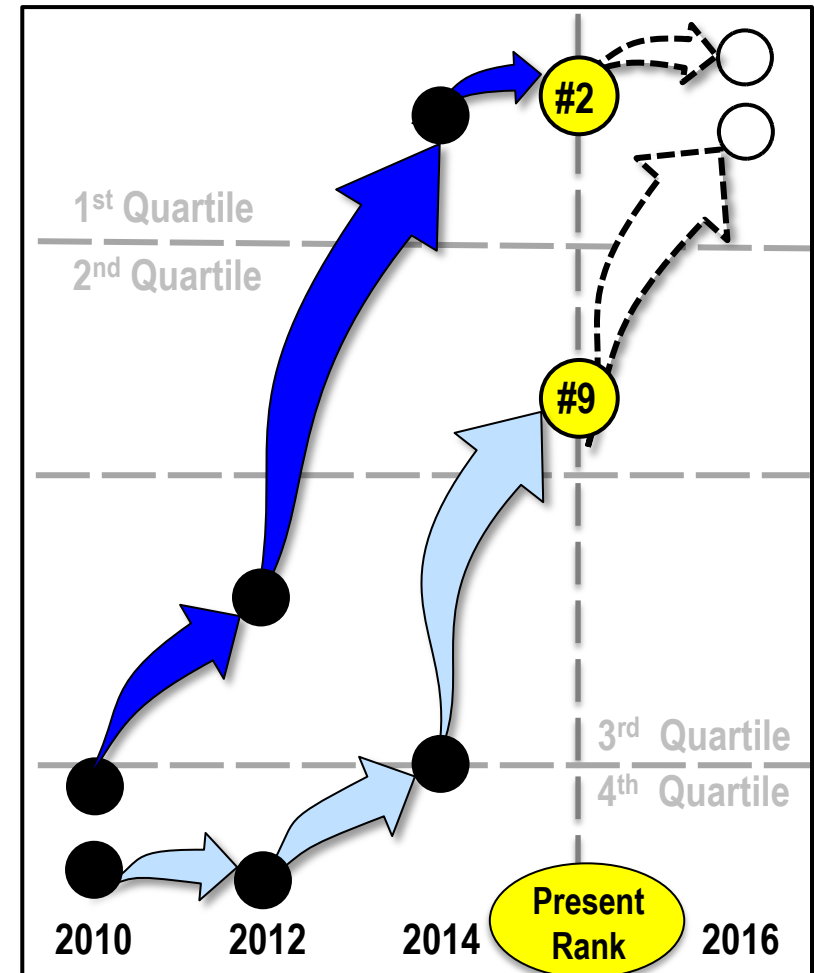
... competitive for residential and improving for industrial customers.

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%

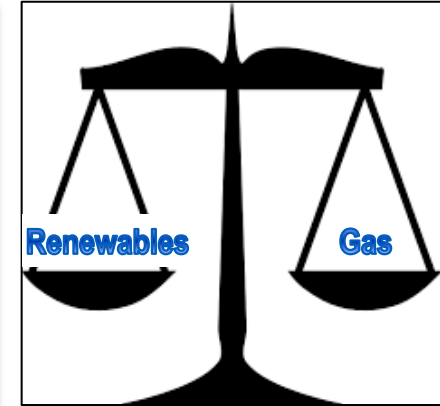
Environmentally protective

- Consider environment in energy decisions

How We Could Get There



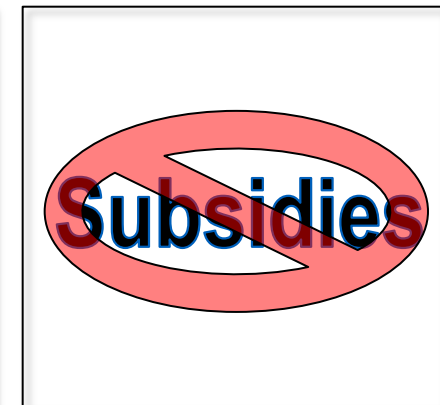
-15% waste



Resource planning

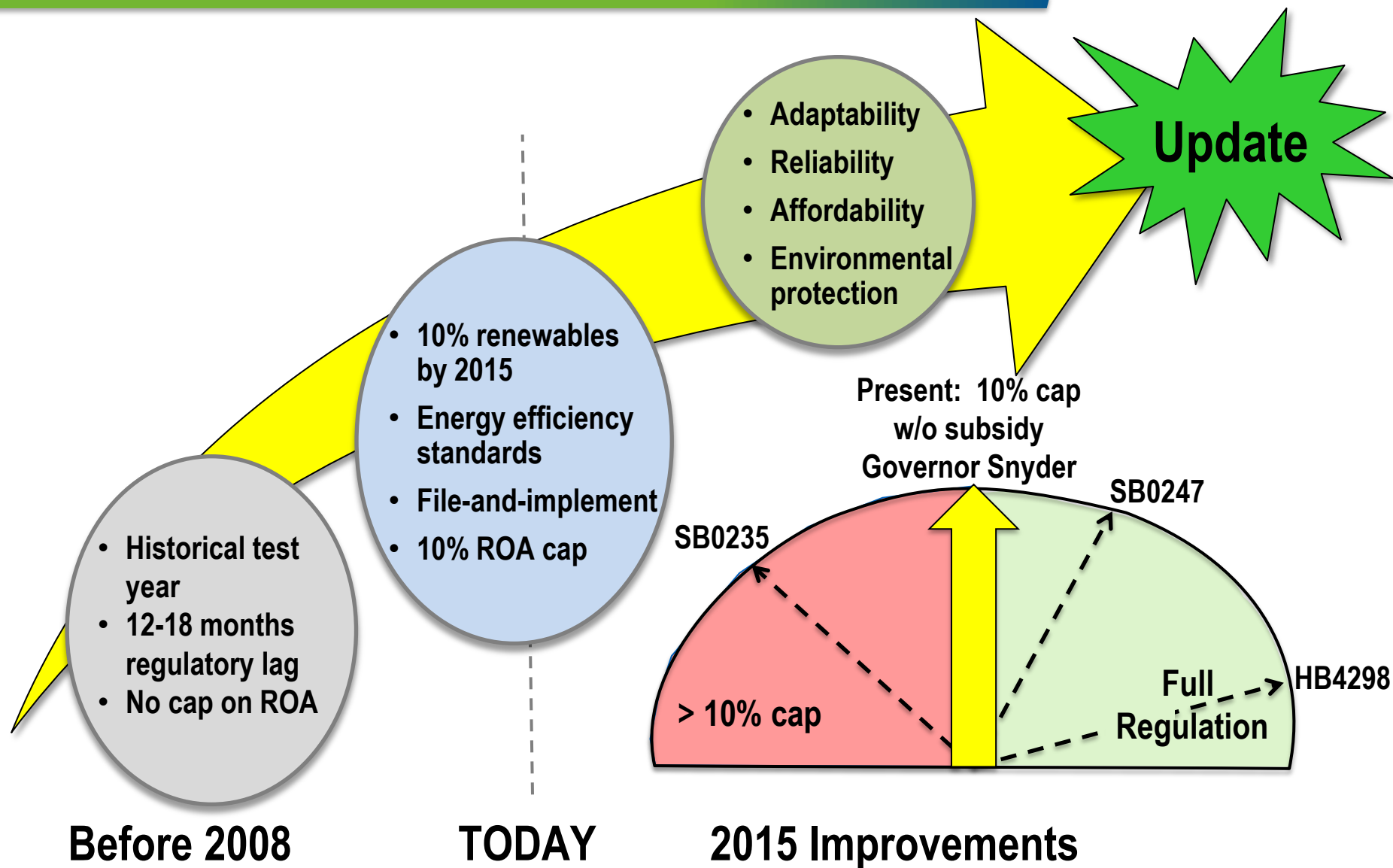


Enablers



Fair Choice

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



.... builds on 2008 Law!

Governor Rick Snyder



Powering Michigan's
Comeback

Commission

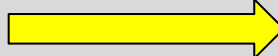


John Quackenbush (R),
Chairman
Term Ends: July 2, 2017

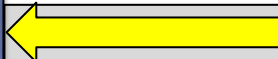
Energy Committee Chairs



Senator
Mike Nofs



House Rep.
Aric Nesbitt



Consistent
Leadership!

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



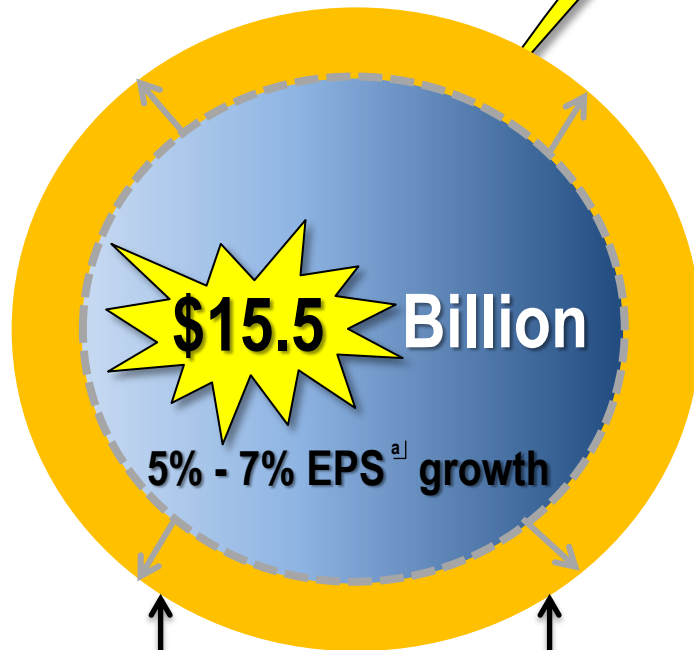
Greg White (I)
Term Ends: July 2, 2015



.... provide stability.

Our Growth Engine (2015-2024 Capex)

Supported By

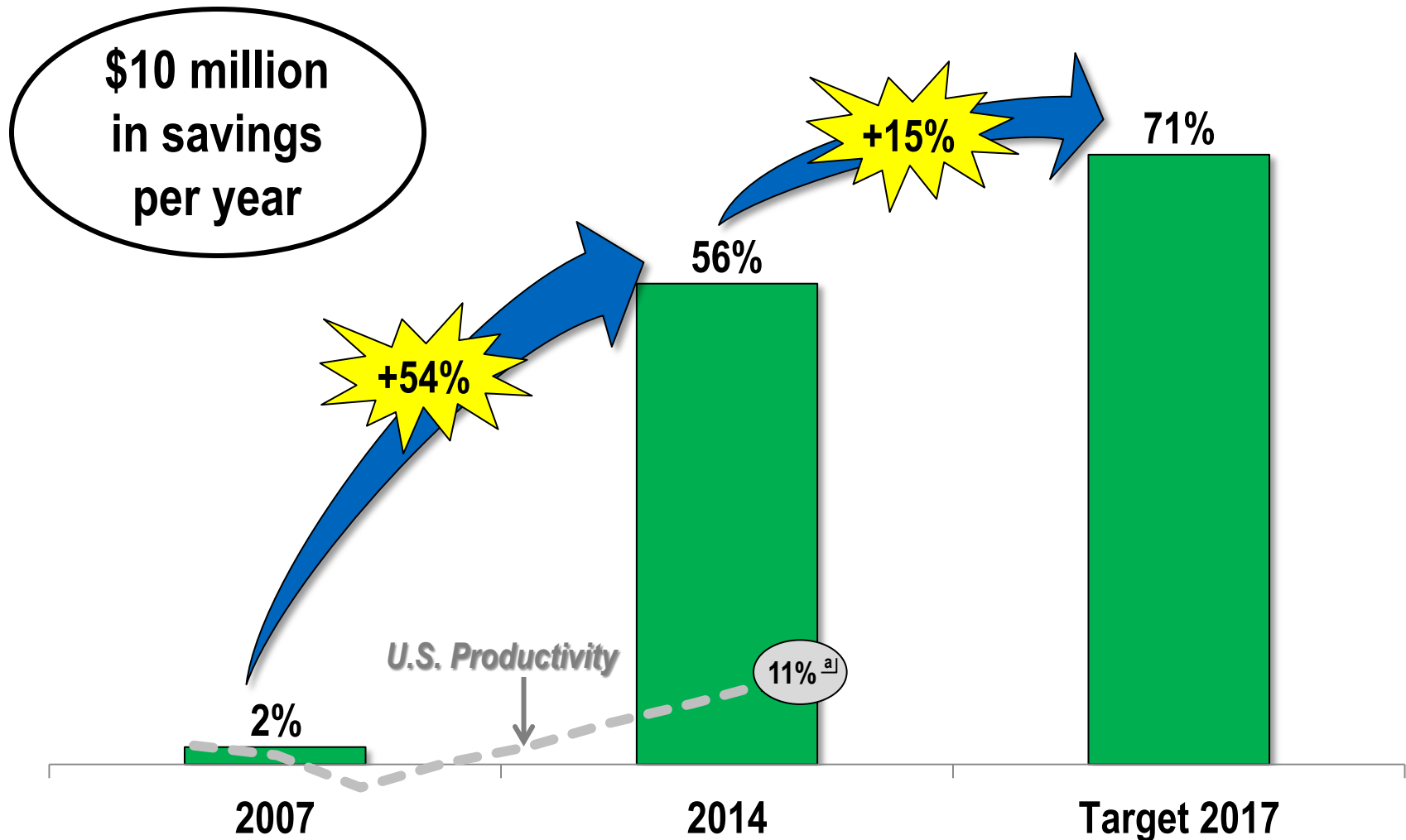


- **UPSIDES** create headroom
(Investment, Sales, Cost, & DIG)
- **PARTNERS** in progress
(Customers, Regulators, & Policy Makers)
- **PASSION** to improve for customers AND owners
(Value, Reliability, & Environment)
- **SELF-FUNDED!**

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

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

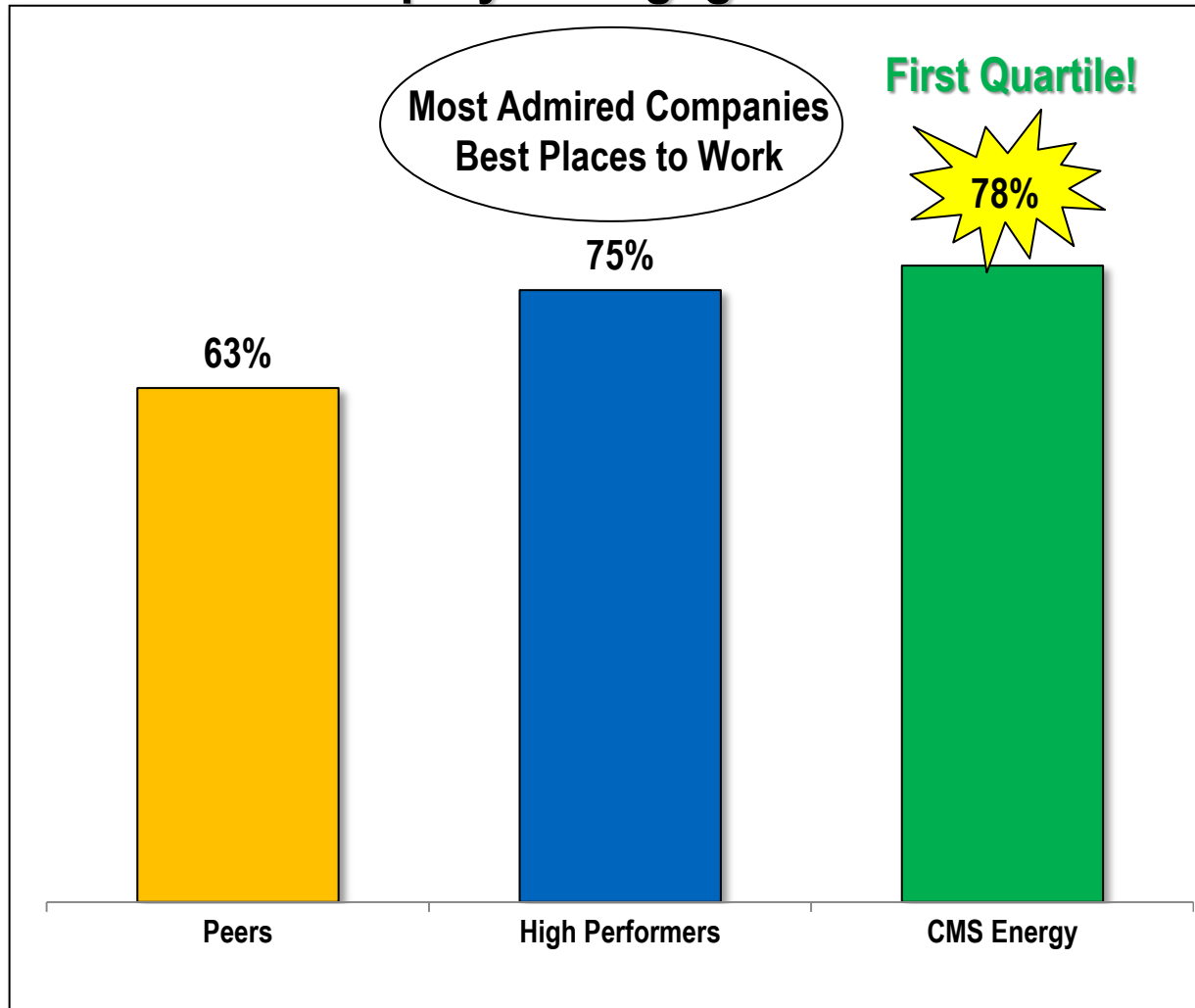
Appendix



^{a)}Source: United State Dept. of Labor Bureau of Labor Statistics; U.S. Nonfarm

... enhance productivity and reduce costs.

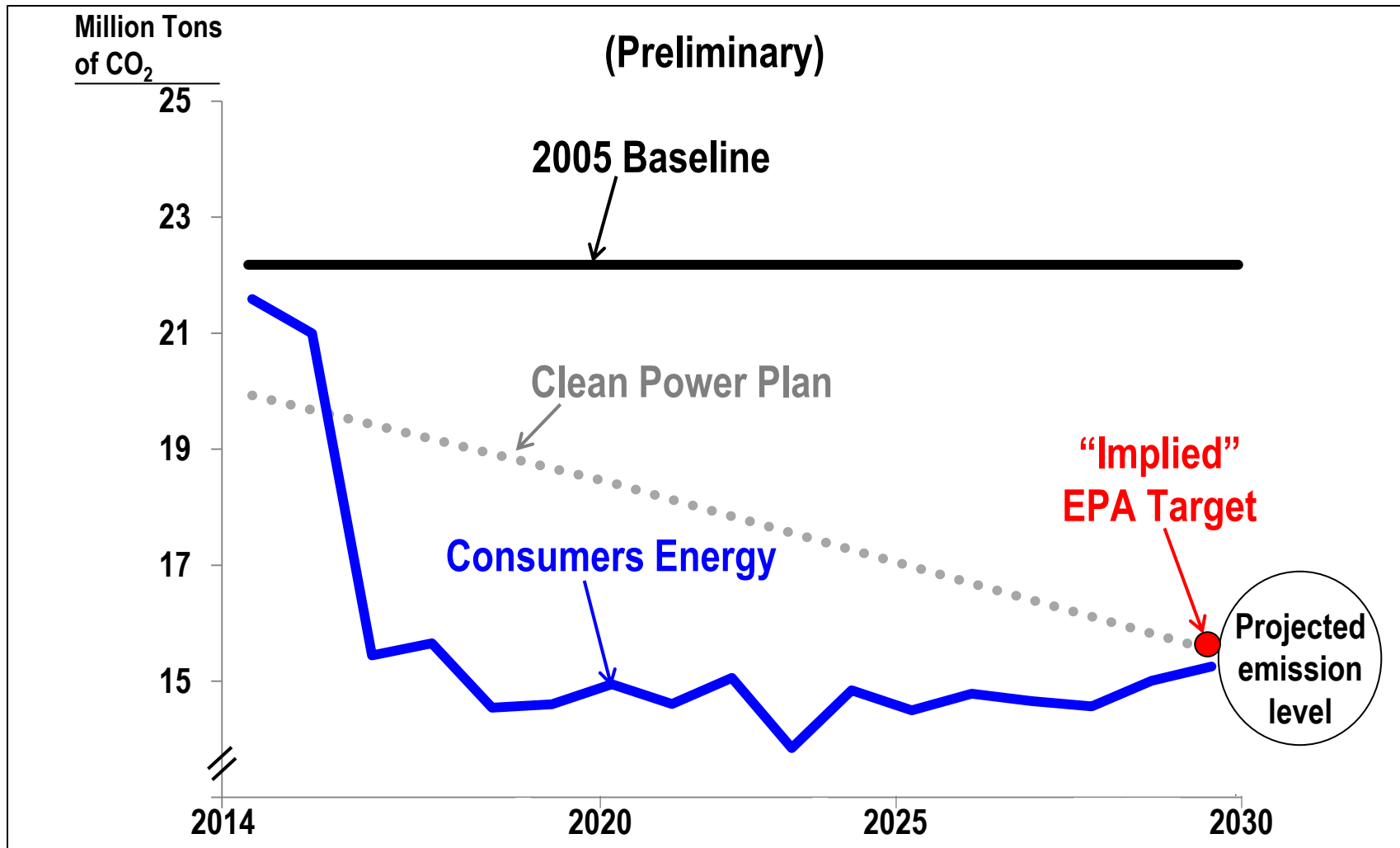
Employee Engagement



- First quartile performance
- Engagement scores at levels higher than most admired companies
- Target to maintain high level of engagement

.... include actively engaged employees.

Carbon Tonnage Reduction



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

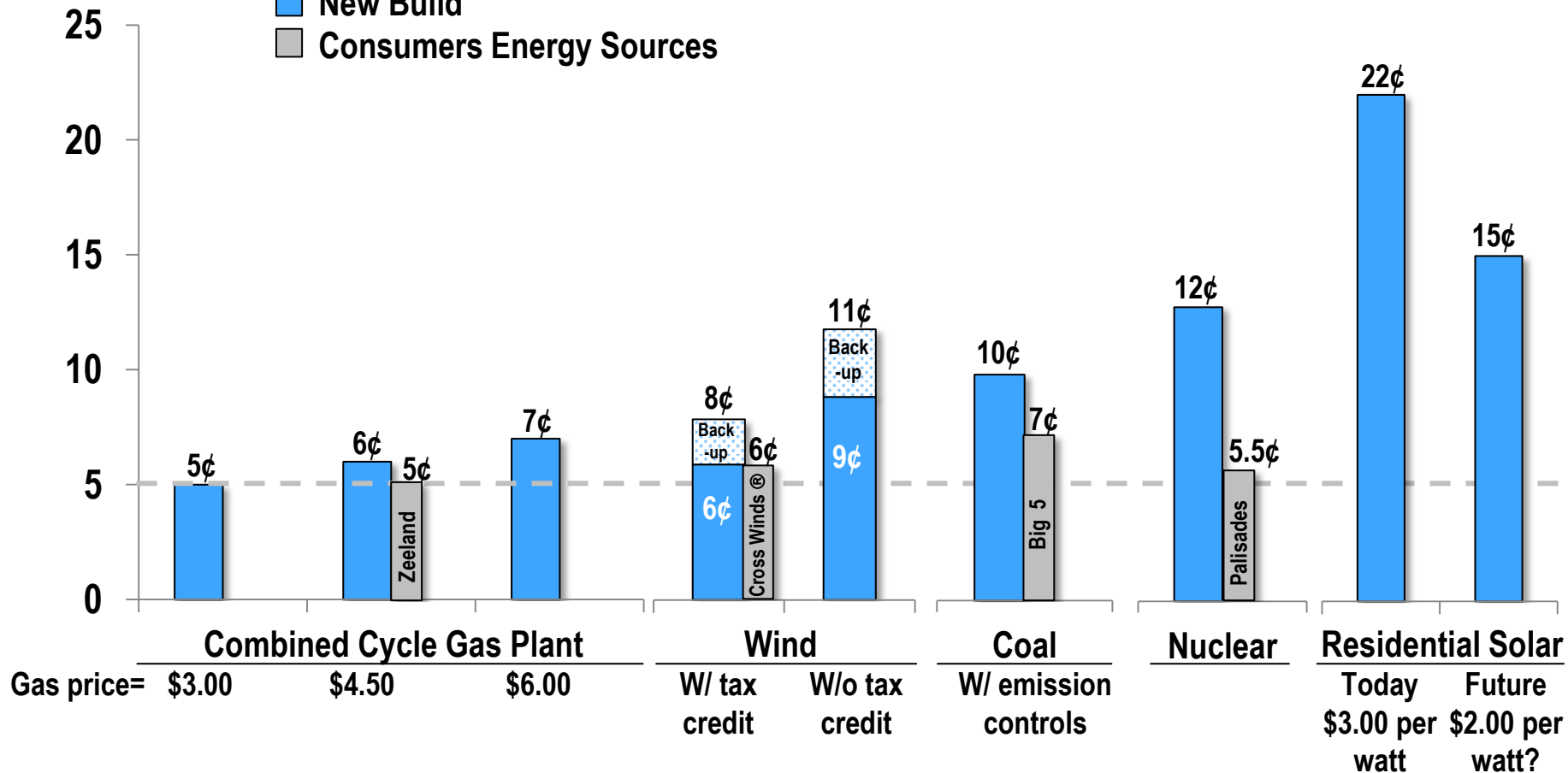
Generation Strategy: New Supply Sources....

CMS ENERGY

Levelized cost
of new build

(¢/kWh)

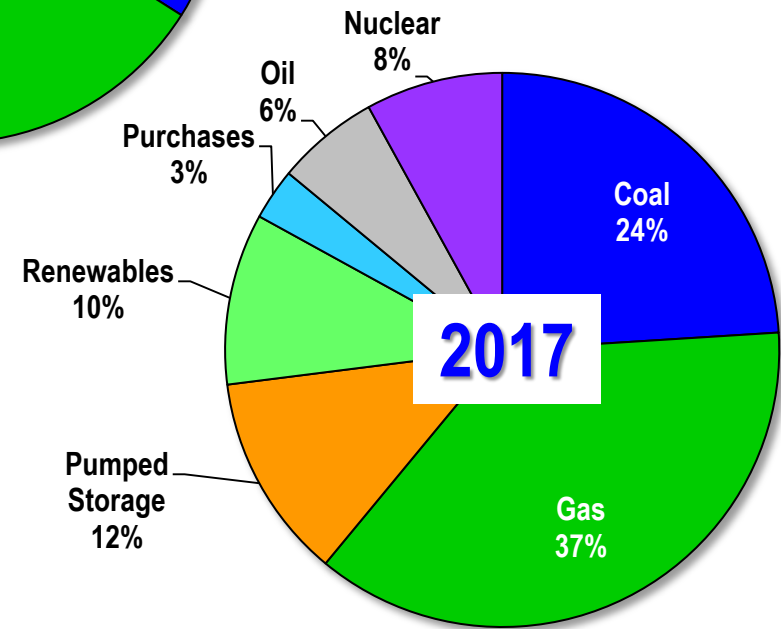
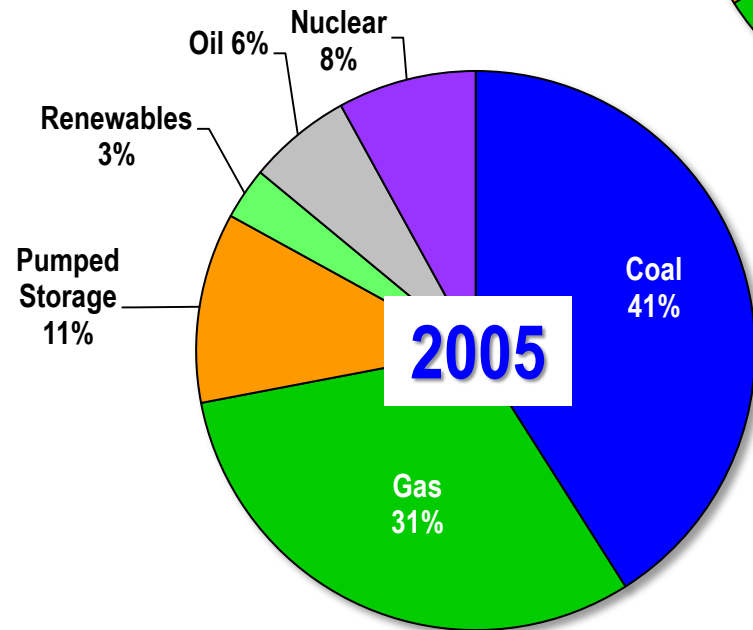
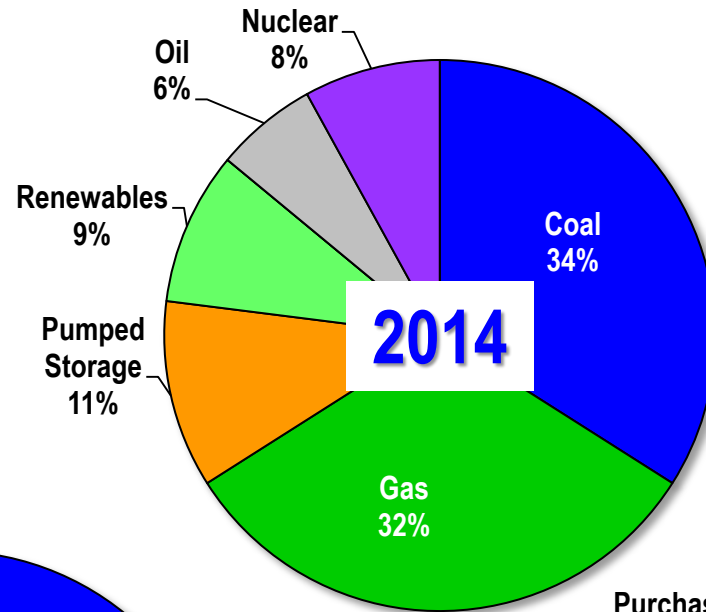
■ New Build
■ Consumers Energy Sources



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

Capital Expenditures

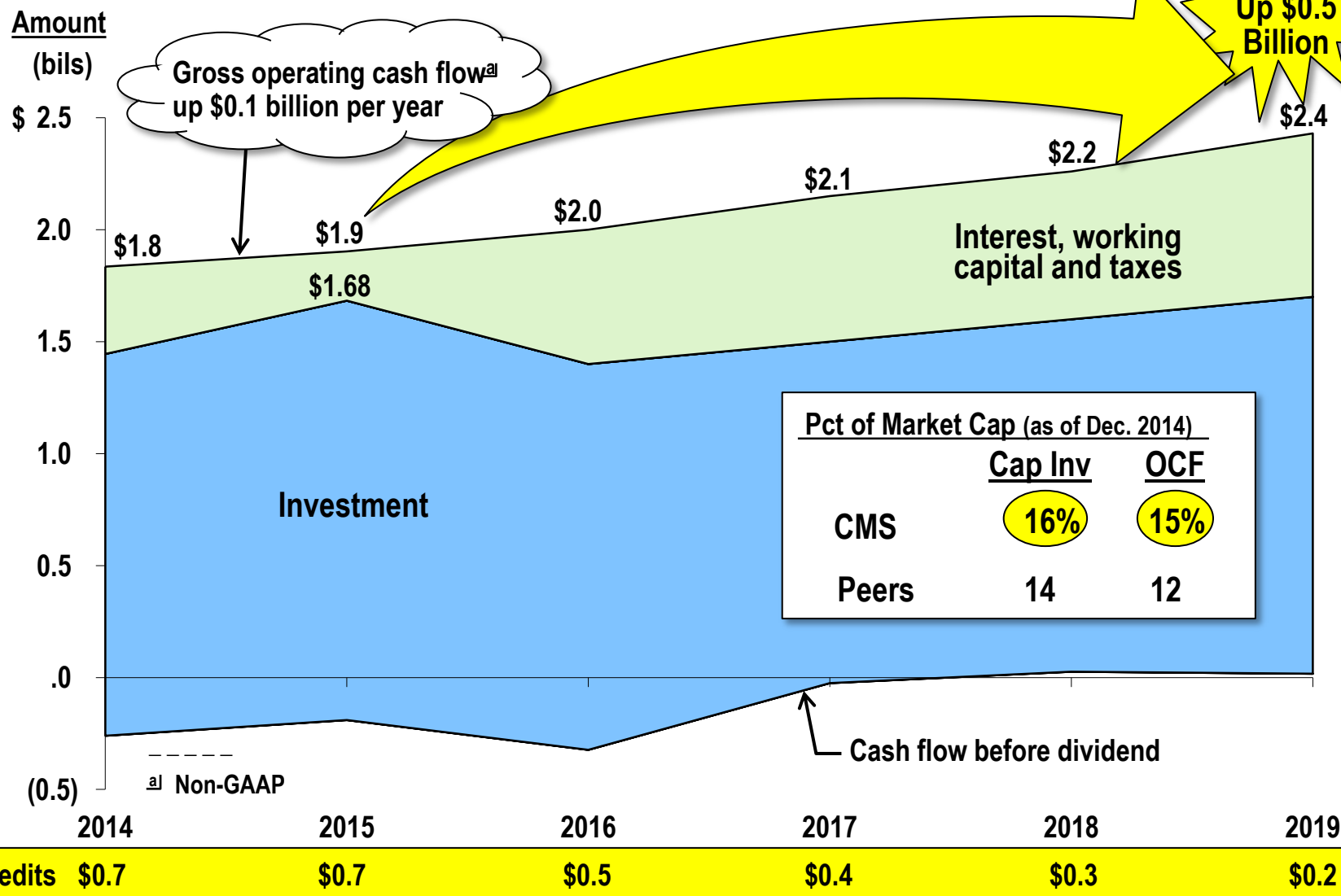
	2015	2016	2017	2018	2019	2015-2019 Subtotal	2020-2024 Subtotal	2015-2024 Total
	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)
New Generation (includes Renewables)	\$ 70	\$ 224	\$ 52	\$ 64	\$ 134	\$ 544	\$ 612	\$ 1,156
Environmental	254	98	136	153	212	853	139	992
Gas Infrastructure	237	216	200	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	\$ 1,601	\$ 1,613	\$ 1,410	\$ 1,455	\$ 1,547	\$ 7,626	\$ 7,874	\$ 15,500
Electric	\$ 1,088	\$ 1,116	\$ 911	\$ 983	\$ 1,073	\$ 5,171	\$ 4,704	\$ 9,875
Gas	513	497	499	472	474	2,455	3,170	5,625
Total	\$ 1,601	\$ 1,613	\$ 1,410	\$ 1,455	\$ 1,547	\$ 7,626	\$ 7,874	\$ 15,500



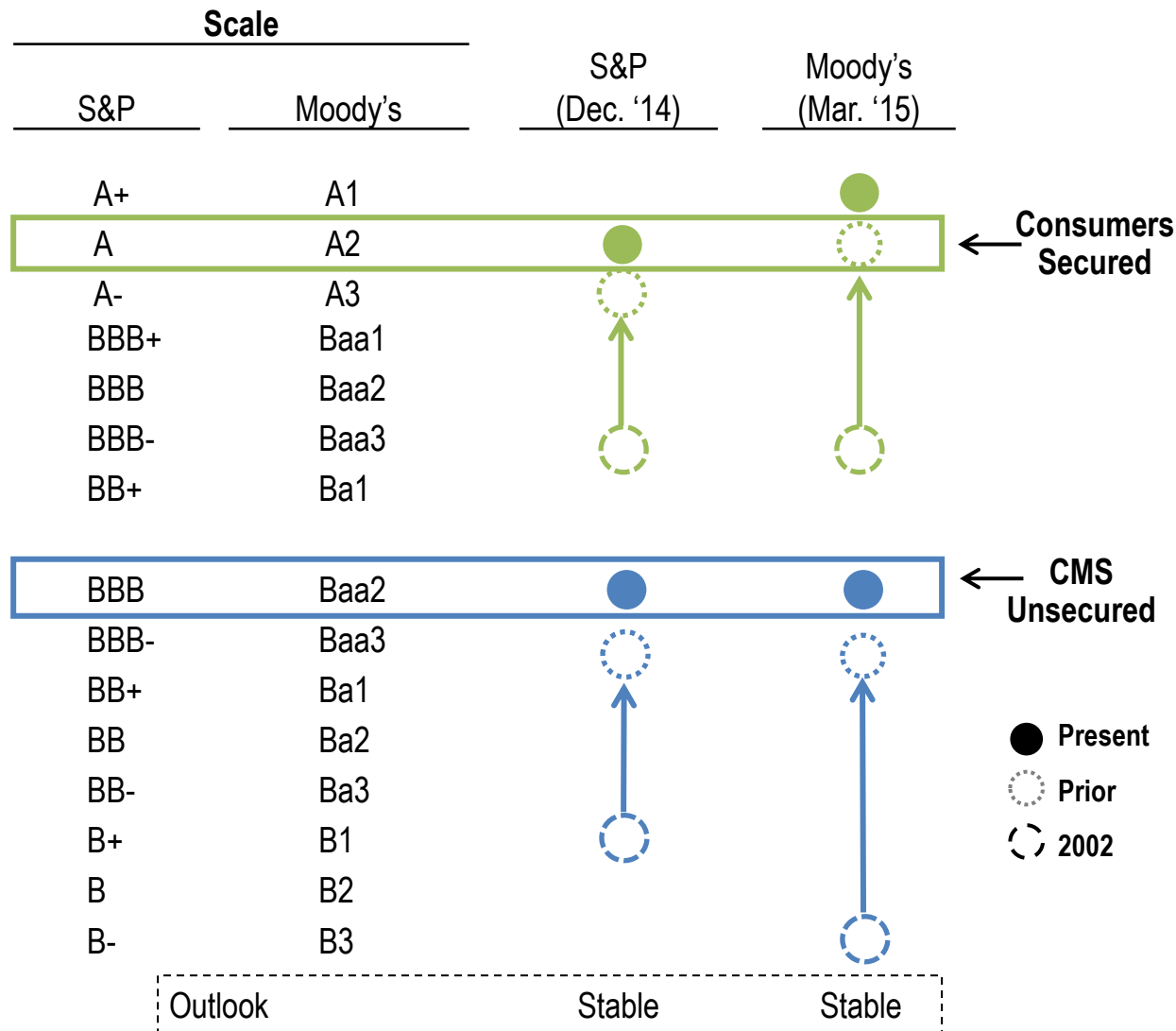
.... evolving to cleaner generation while becoming more cost competitive.

Operating Cash Flow Growth....

CMS ENERGY



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









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.

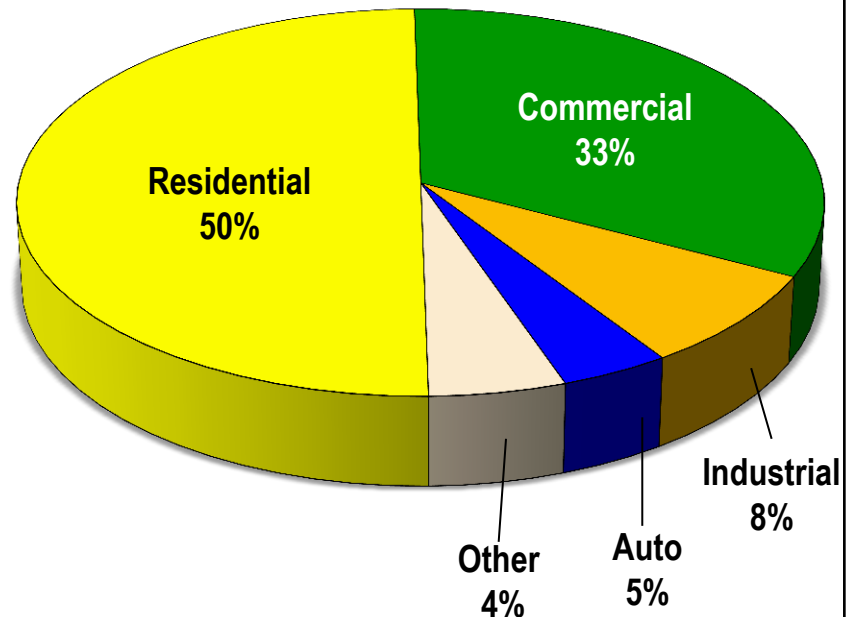
Top Ten Customers

(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%

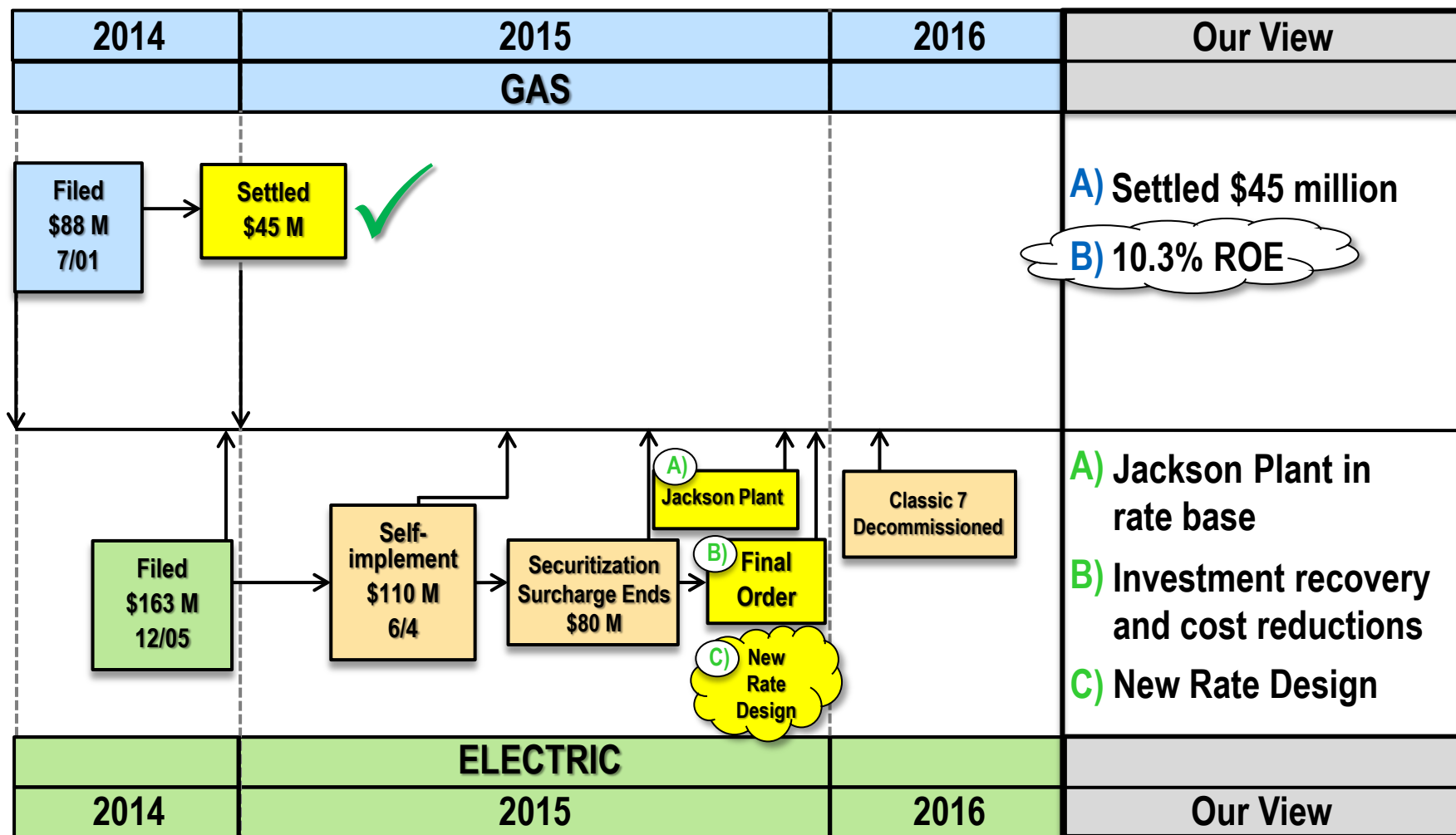
2014 Electric Gross Margin



\$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 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	\$1.77
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	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.

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	\$ 1,833	\$ 1,960	\$ 1,983	\$ 2,131	\$ 2,246	\$ 2,413
Other operating activities including taxes, interest payments and working capital	(386)	(280)	(583)	(631)	(646)	(713)
Net cash provided by operating activities	\$ 1,447	\$ 1,680	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,700