



## Content

- How it Works
- Upsides
- Partners
- Investment
- Passion to Improve

**CMS**  
**LISTED**  
**NYSE**

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



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](http://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](http://www.cmsenergy.com) and Securities and Exchange Commission filings.

## Quick Update

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7	Customer-Focused O&M Reinvestment
8	Michigan's Recovery
9	Governor's Race
10	Energy Law
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14	Passion to Improve

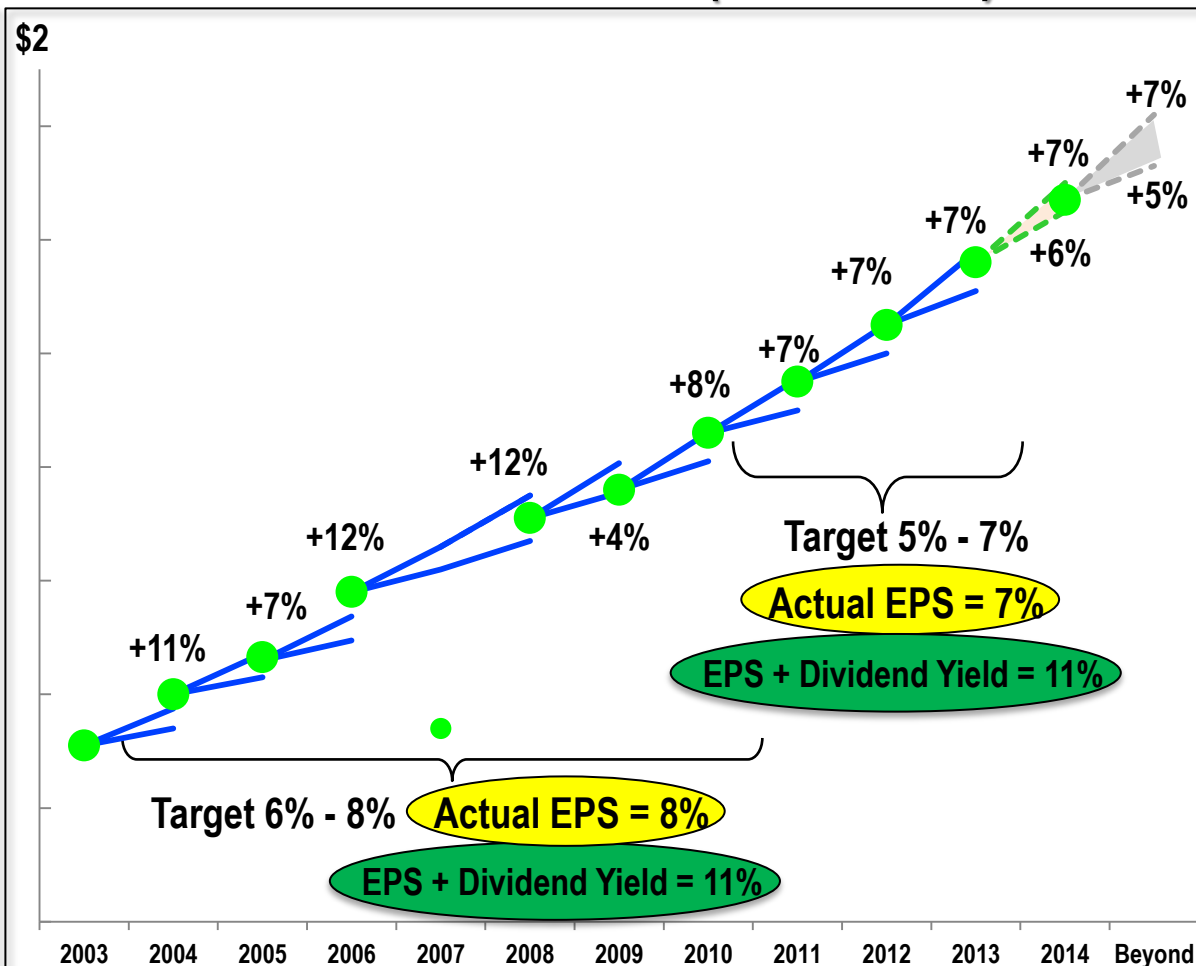
## Detailed Update

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## 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
- ✓ 2008 visionary Energy Law – improvements in 2014/2015

## EPS <sup>a</sup> “Real” Growth (No “Resets”)



<sup>a</sup> Adjusted EPS (non-GAAP) excluding MTM in 2004-2006

.... visible, predictable long-term growth.

## RESULTS

Consistent  
Predictable

## Investment

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

## Self-Imposed Limits

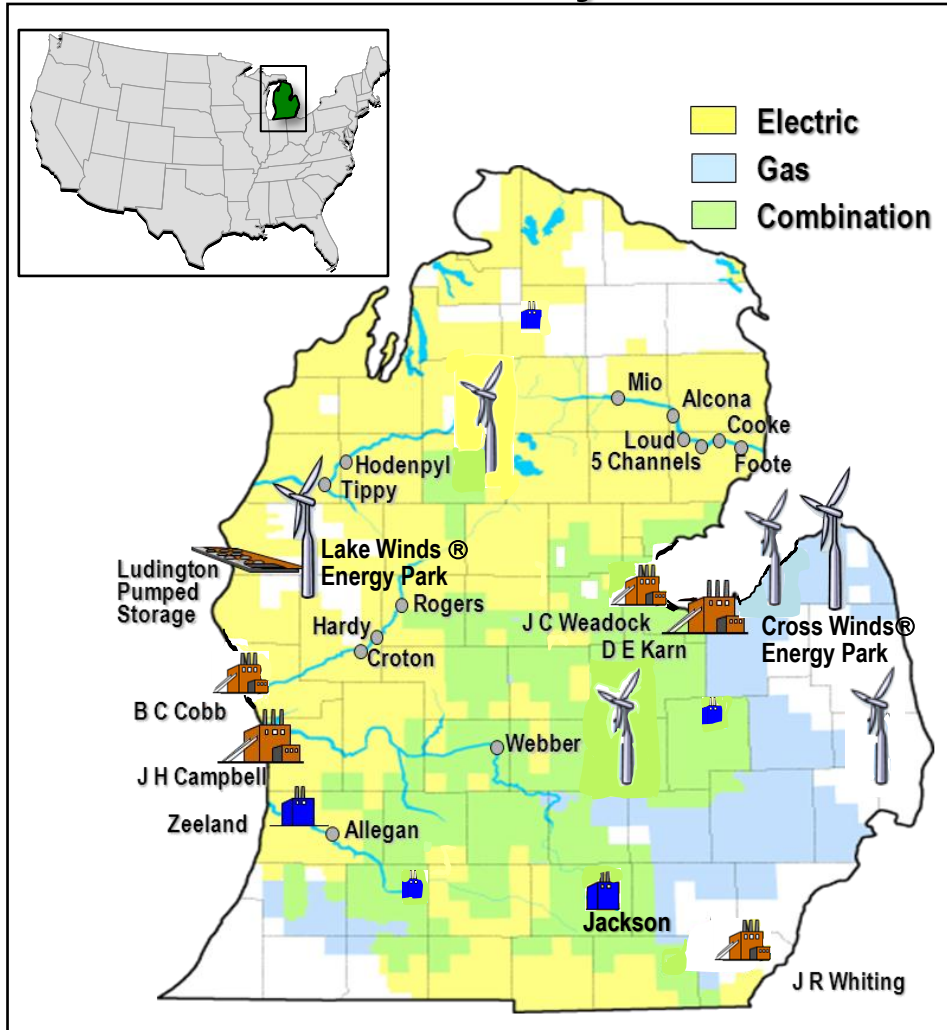
- Sustainable base rates < 2% inflation
- Investment "Needed Not Wanted"

## 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.

## Territory



## 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 (3<sup>rd</sup> biggest in US)

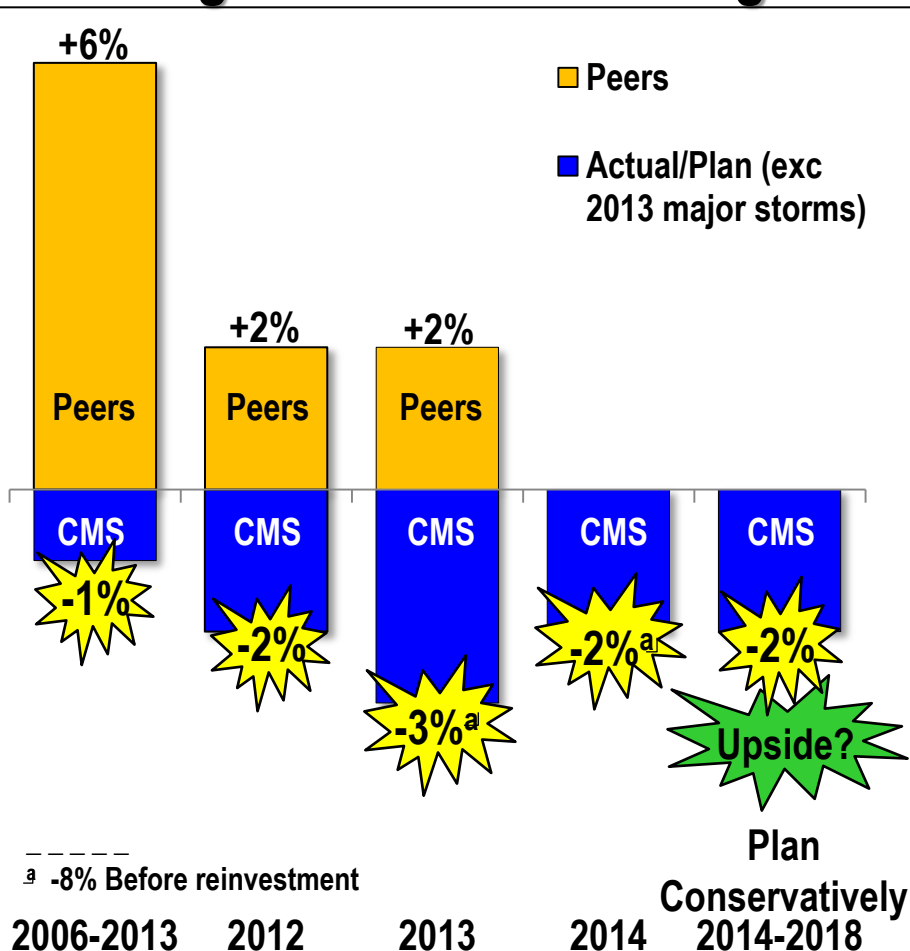
**Premium Regulatory Environment**

.... one of largest investors and employers in Michigan.

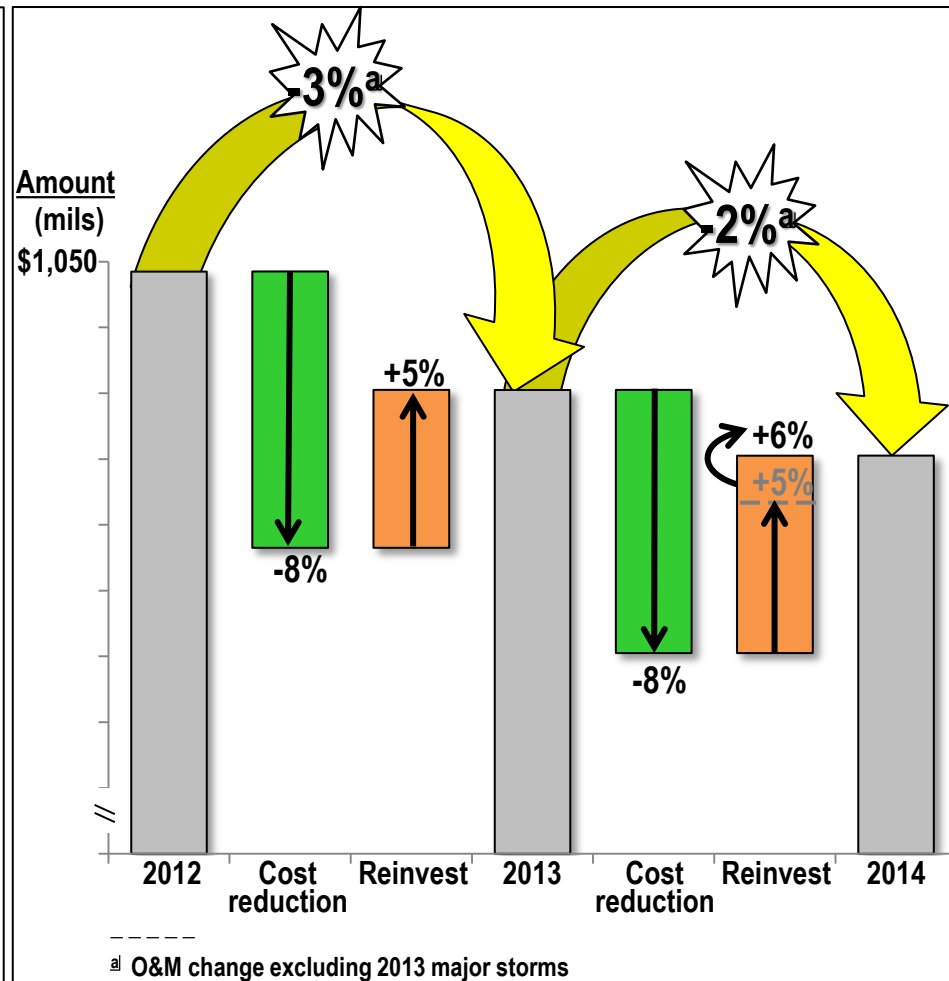
# UPSIDES -- Include O&M Cost Control....

CMS ENERGY

## Average Annual O&M Change



## Continuous Cost Reductions



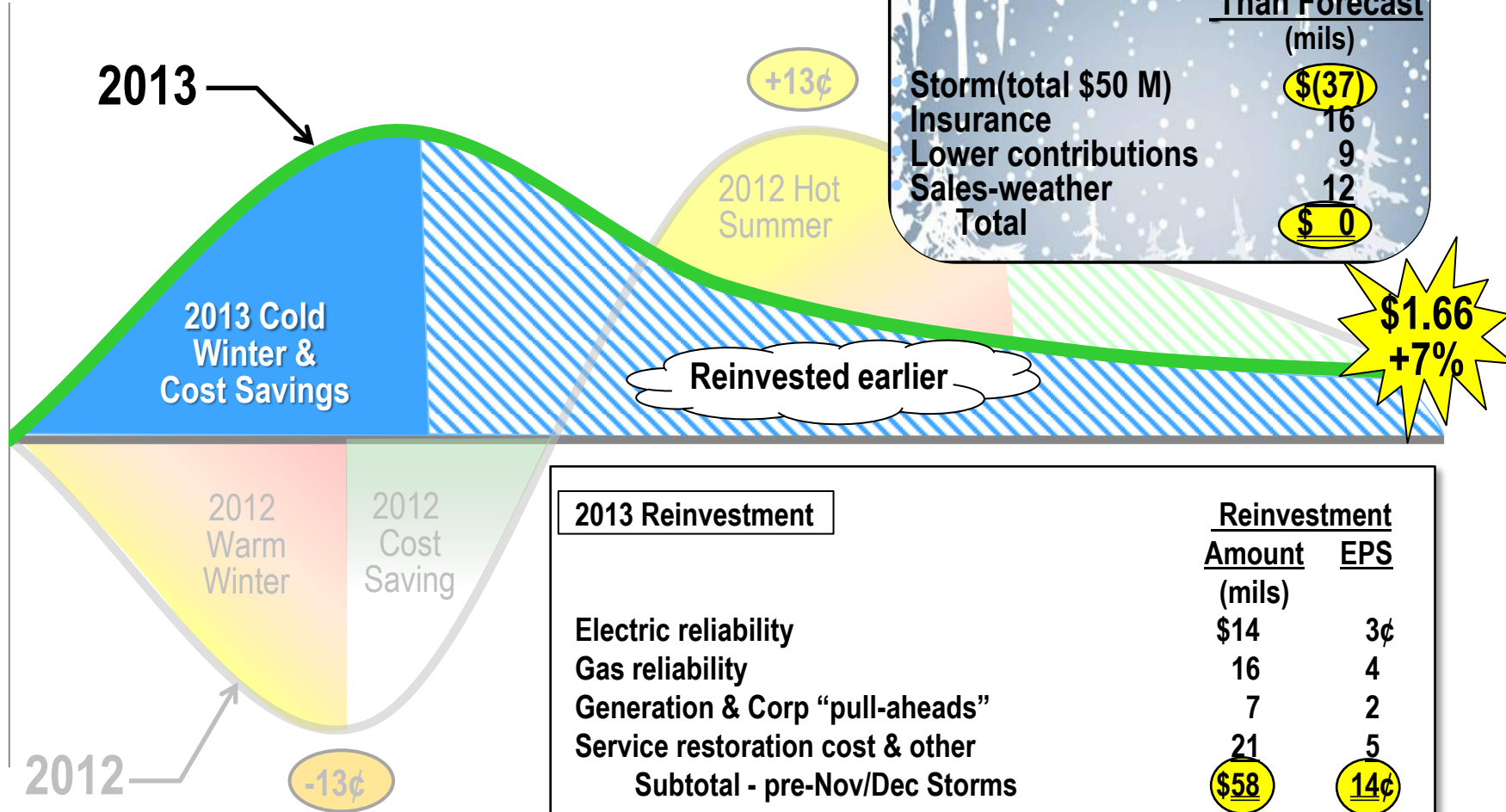
... which allows us to make customer-focused investments.



# UPSIDES -- Customer-Focused O&M Reinvestment....

CMS ENERGY

Adjusted EPS  
(non-GAAP)



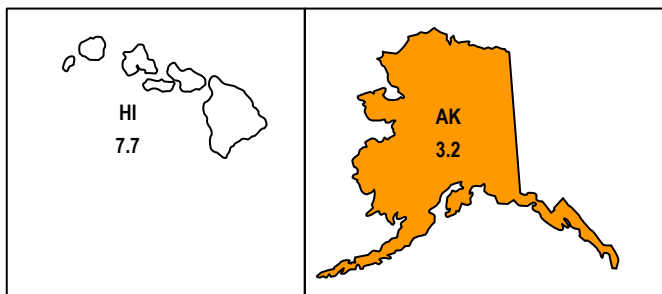
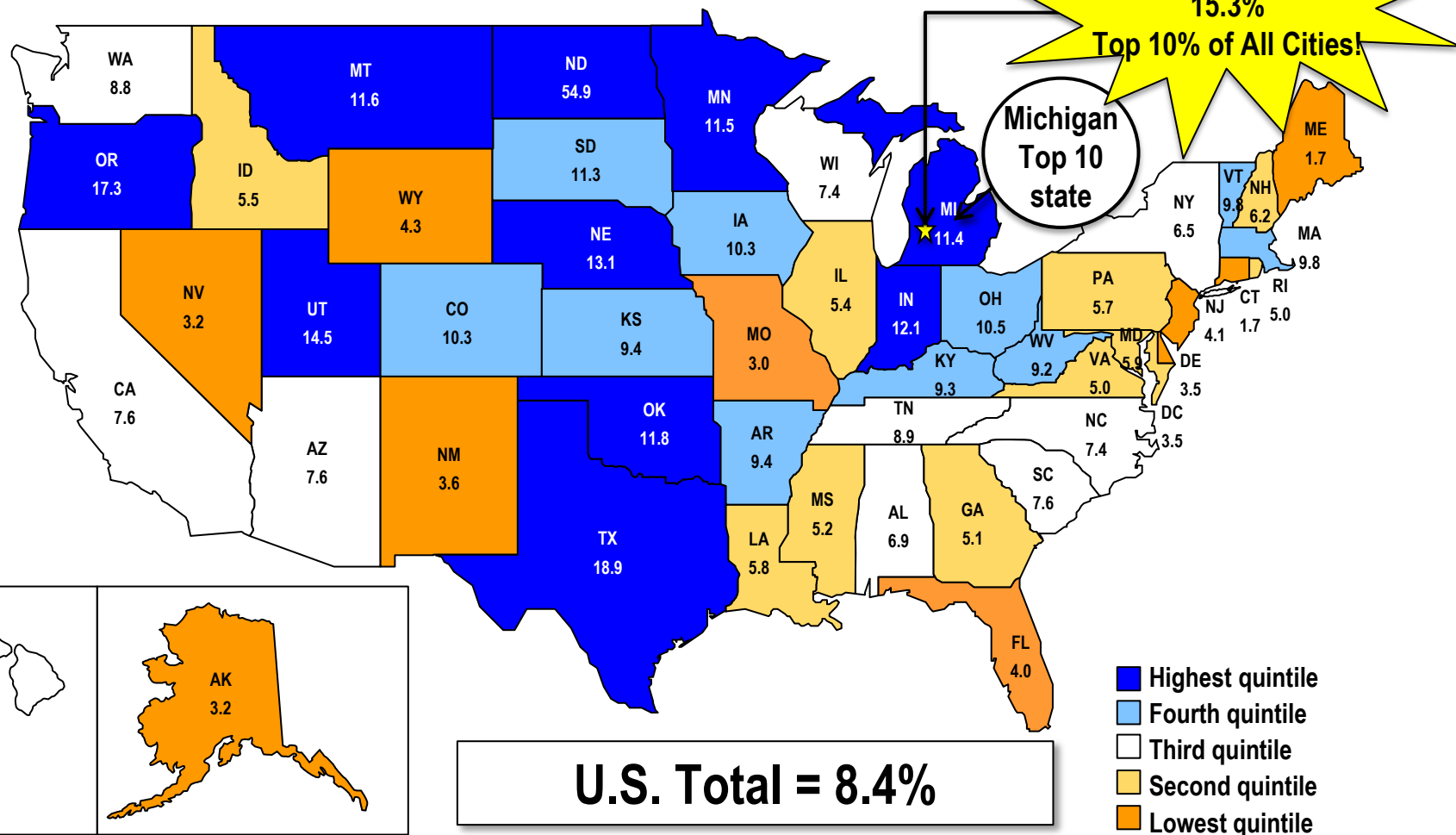
.... maximizes benefit for customers AND investors.



# UPSIDES -- Michigan's Recovery....

CMS ENERGY

## Gross Domestic Product – 2010 through 2013



Source: U.S. Department of Commerce – bea.gov, real GDP 2009 chained dollars, 2013 advance and 2009 – 2012 revised, 6/12/14

.... among the best in the nation.



**Mark Schauer**  
**Democrat, Challenger**

## **On Energy...**

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

**Rick Snyder**  
**Republican, Incumbent**



## **On ROA ...**

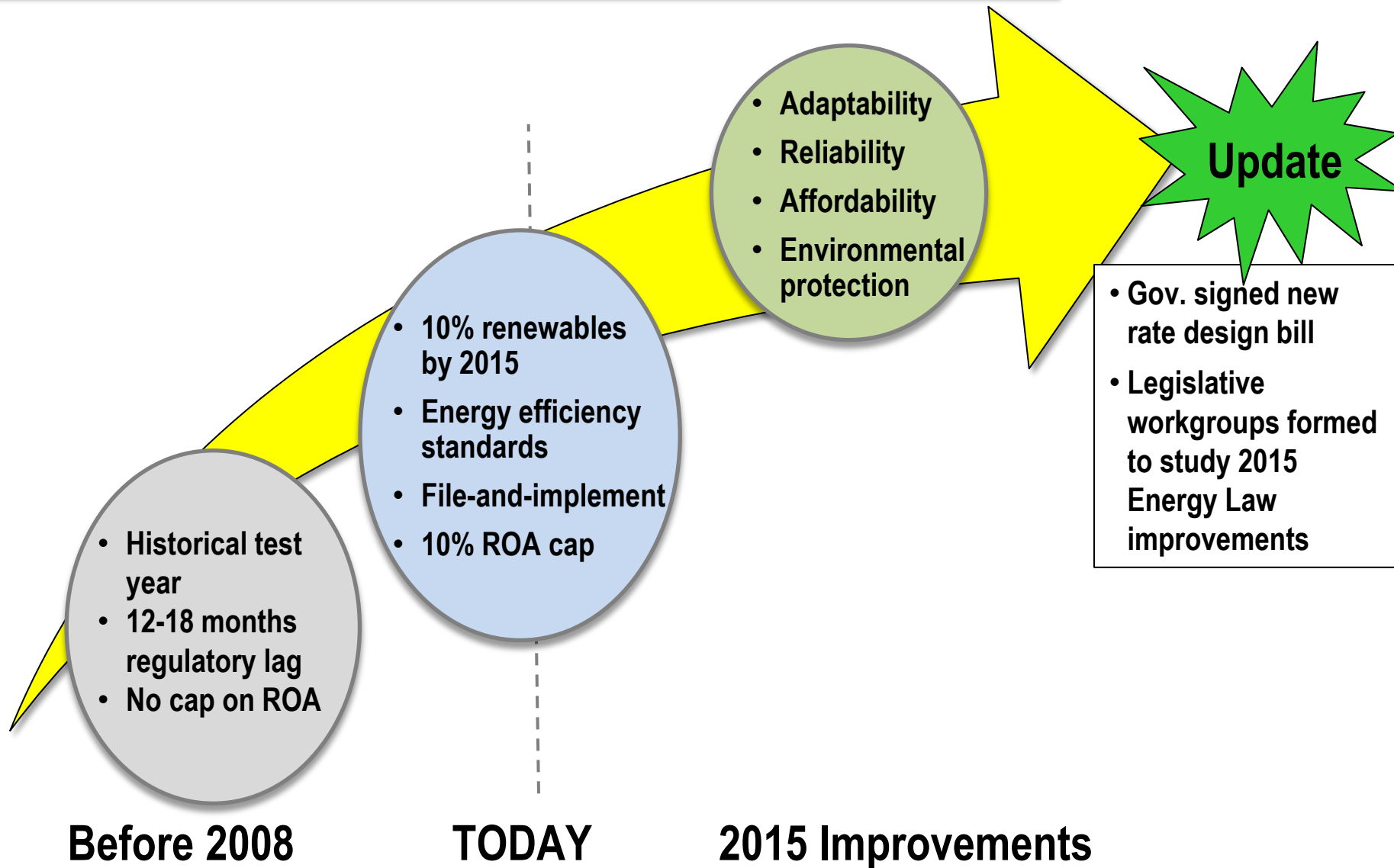
“Choice creates a lot of challenges and problems, essentially trying to arbitrage markets.”

## **Campaign Issues**

- Education
- Jobs
- Roads
- Detroit

-Governor Rick Snyder

**.... focus on non-energy issues.**

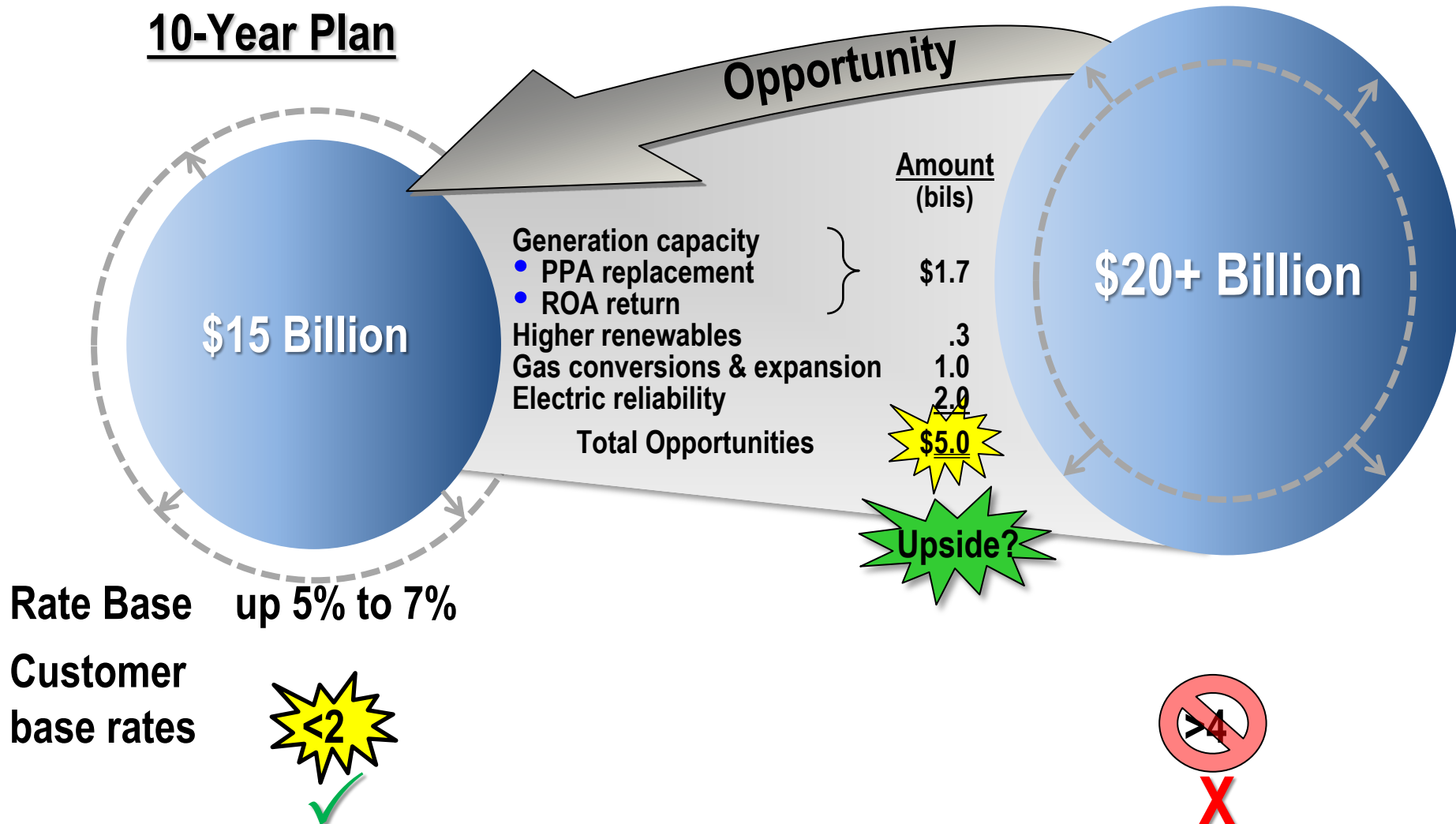


**.... builds on visionary 2008 Law!**

# INVESTMENT -- *Ten-Year Plan Expanding....* CMS ENERGY

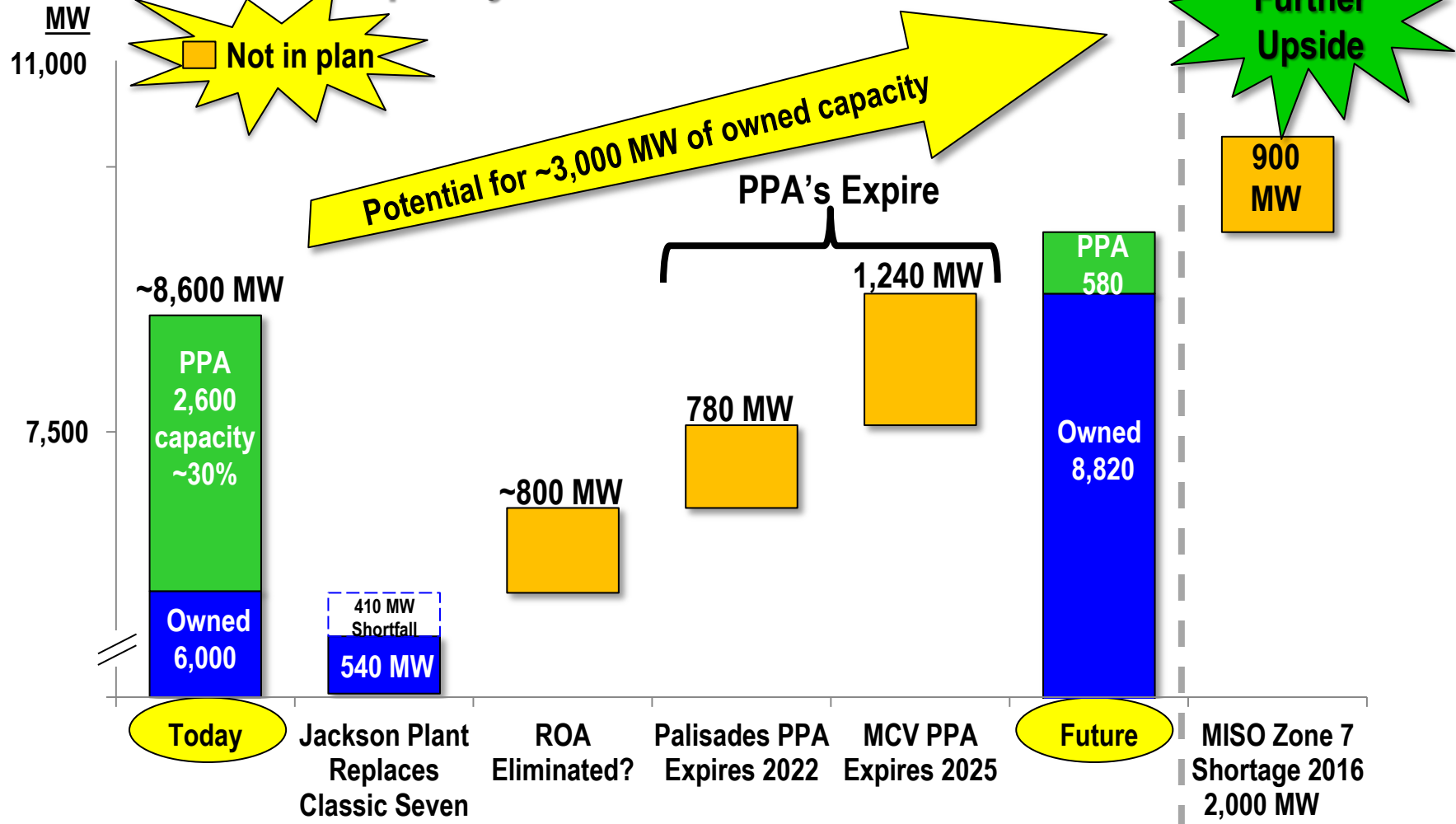
**2013-2022**  
**10-Year Plan**

**Opportunity Level**



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

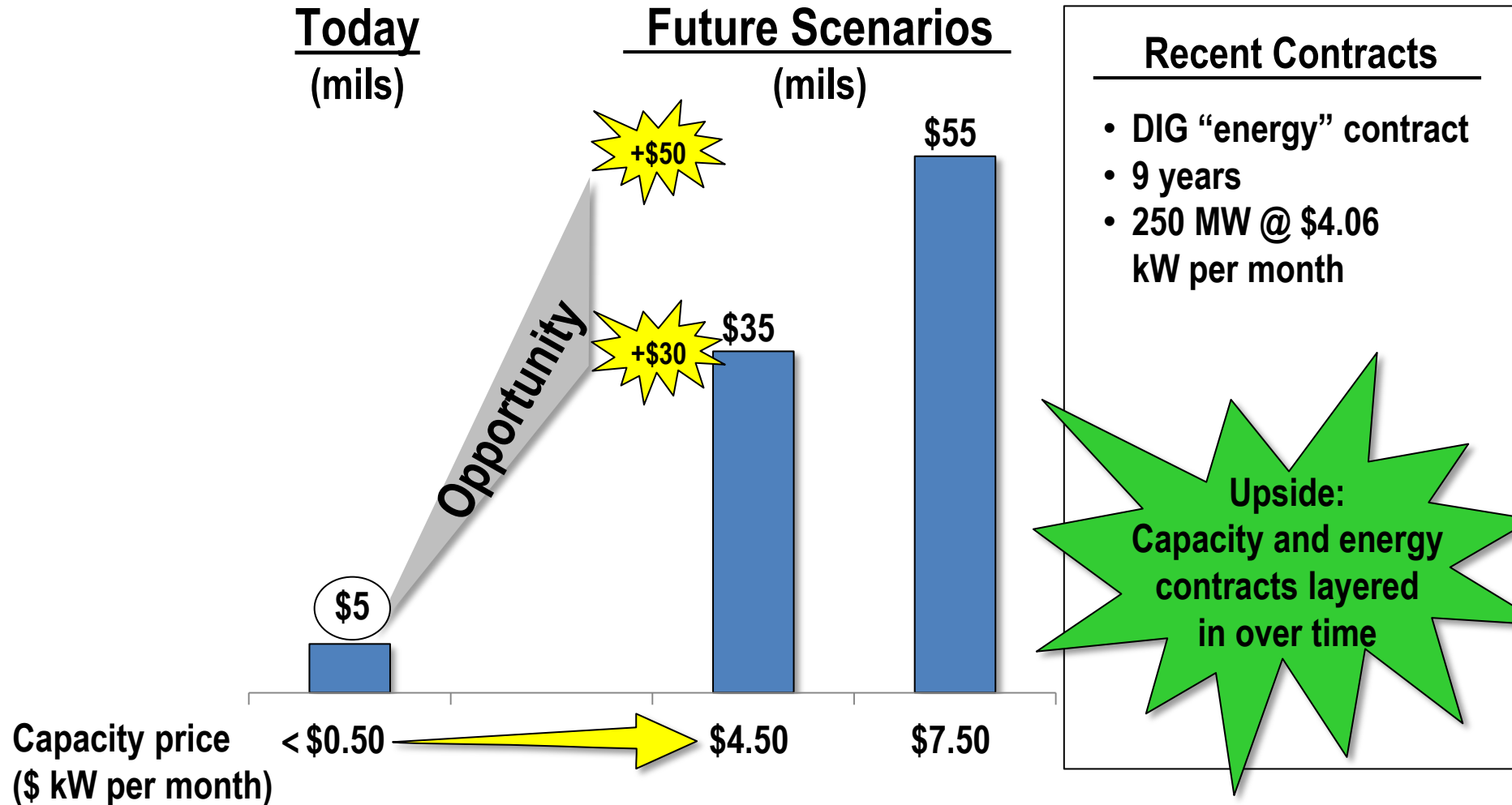
## Capacity Growth Over Next Ten Years



.... emerging with replacement not yet in plan.

# INVESTMENT -- Capacity Price Increases....

CMS ENERGY

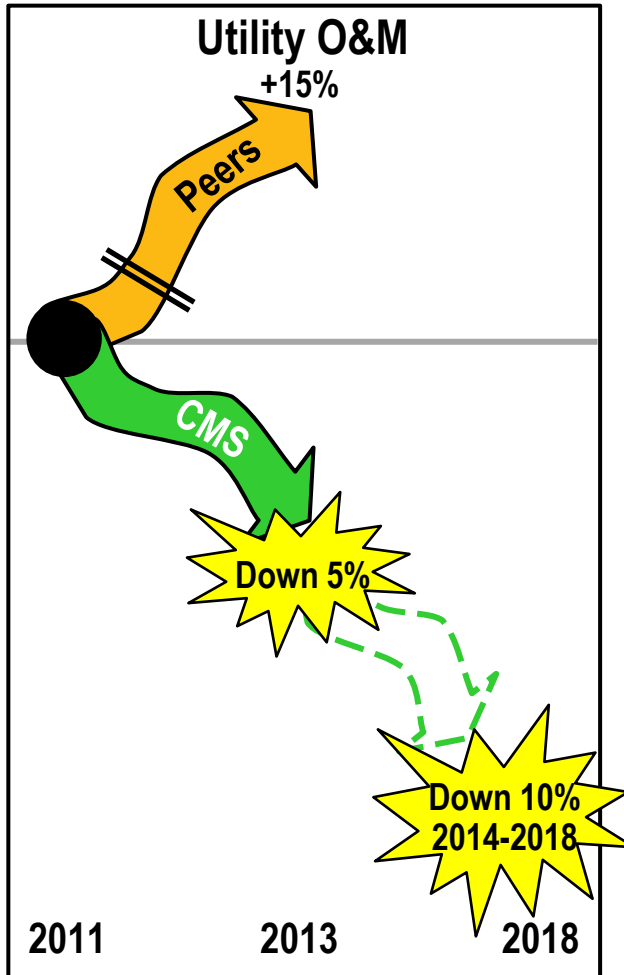


.... could add value to the 700 MW "DIG" plant.

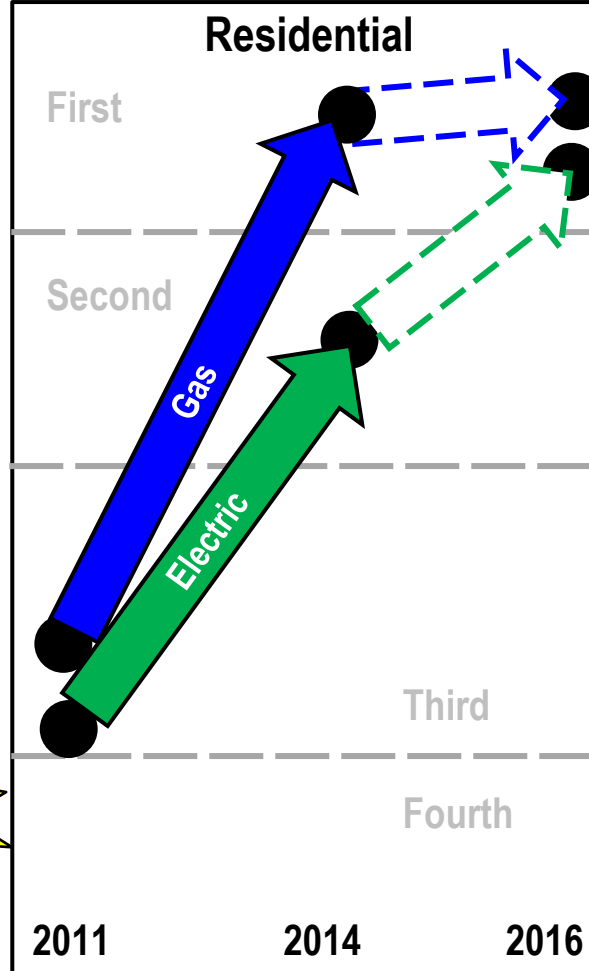


# ***PASSION TO IMPROVE -- Includes Lasting....*** **CMS ENERGY**

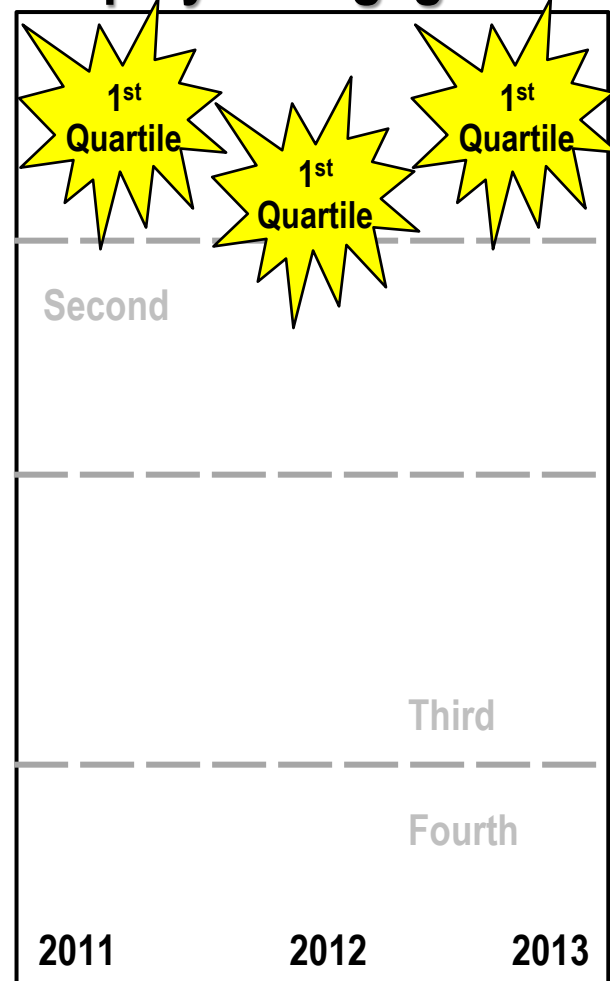
## **Cost Control**



## **Customer Satisfaction**



## **Employee Engagement**



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





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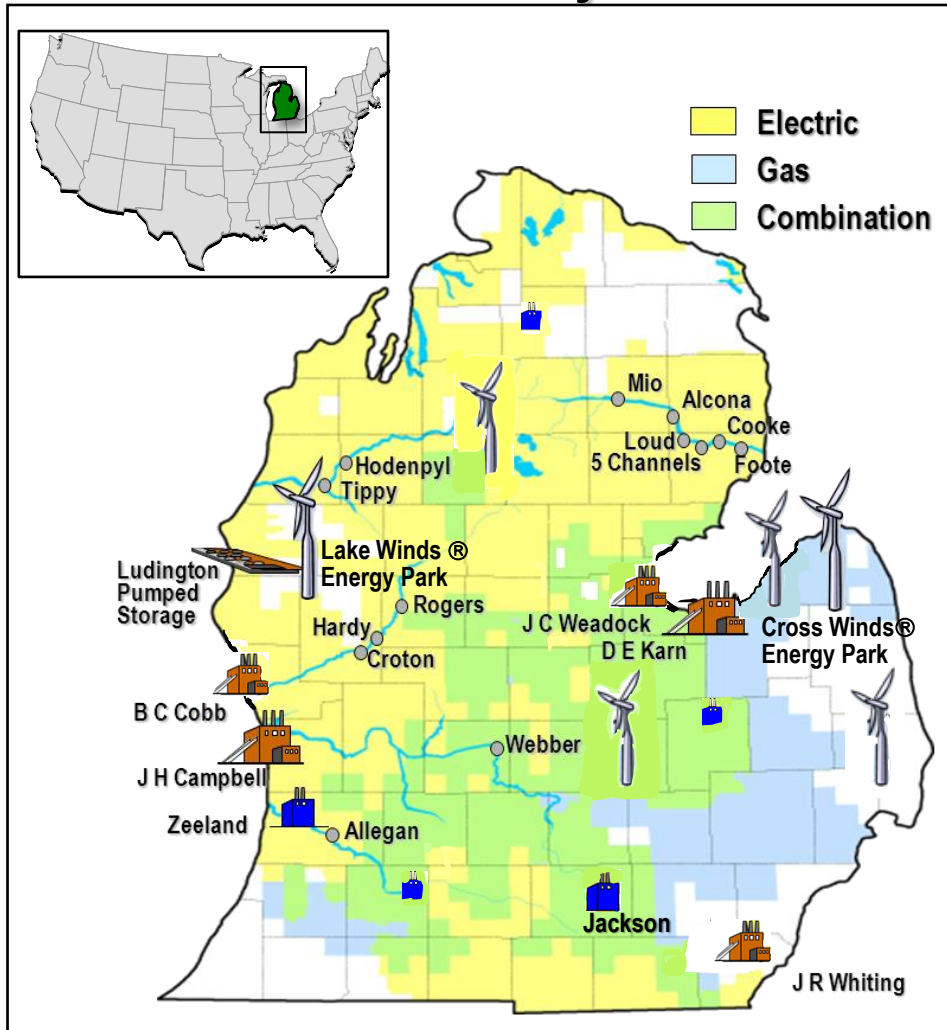


Cross Winds® Energy Park

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## RESULTS

Consistent  
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## Investment

- Ten year - \$15 billion
- Small, bite size projects
- None “Bet The Company”
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## Self-Imposed Limits

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

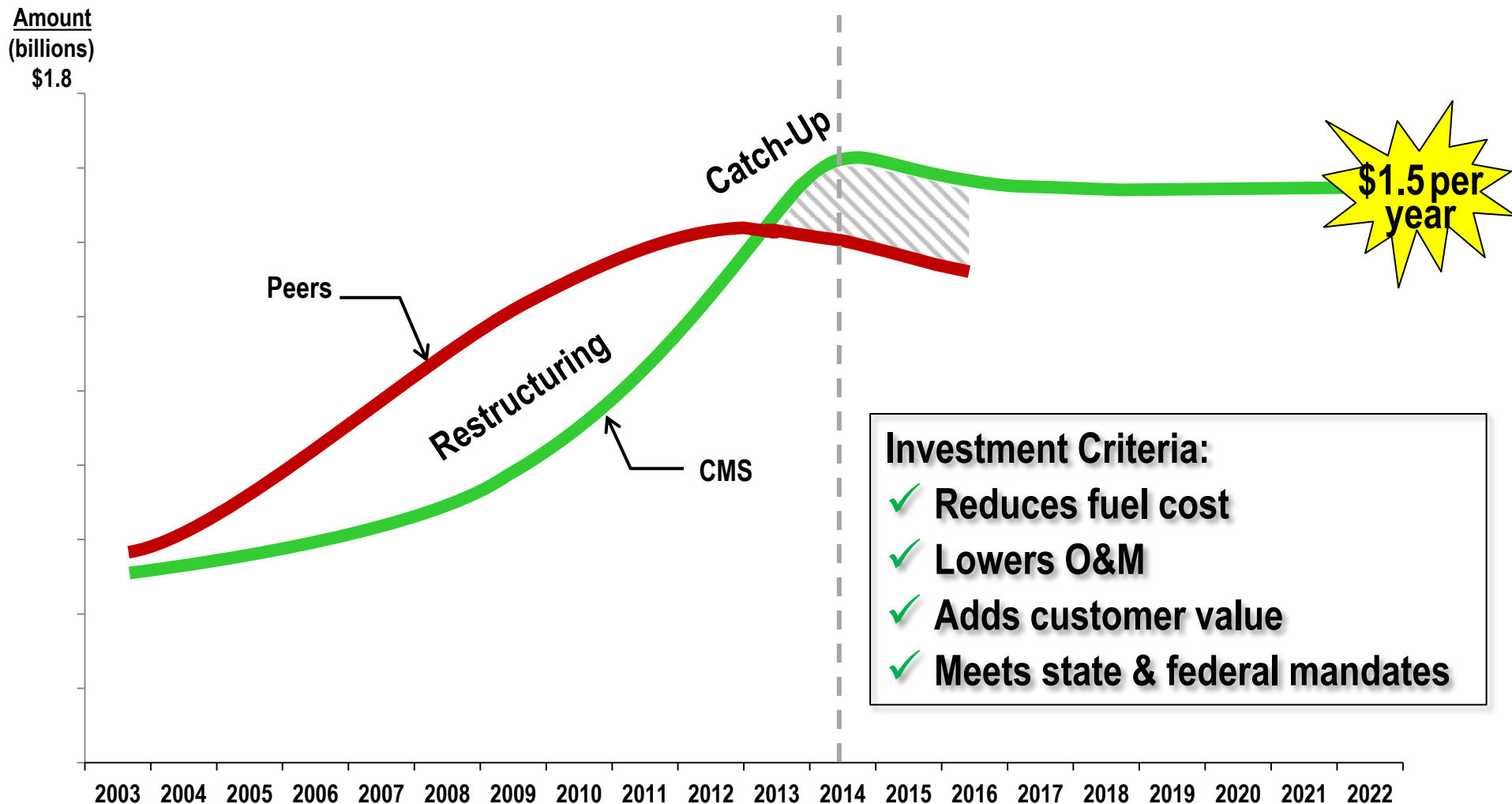
## Catalysts

- ✓ 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"....

CMS ENERGY



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

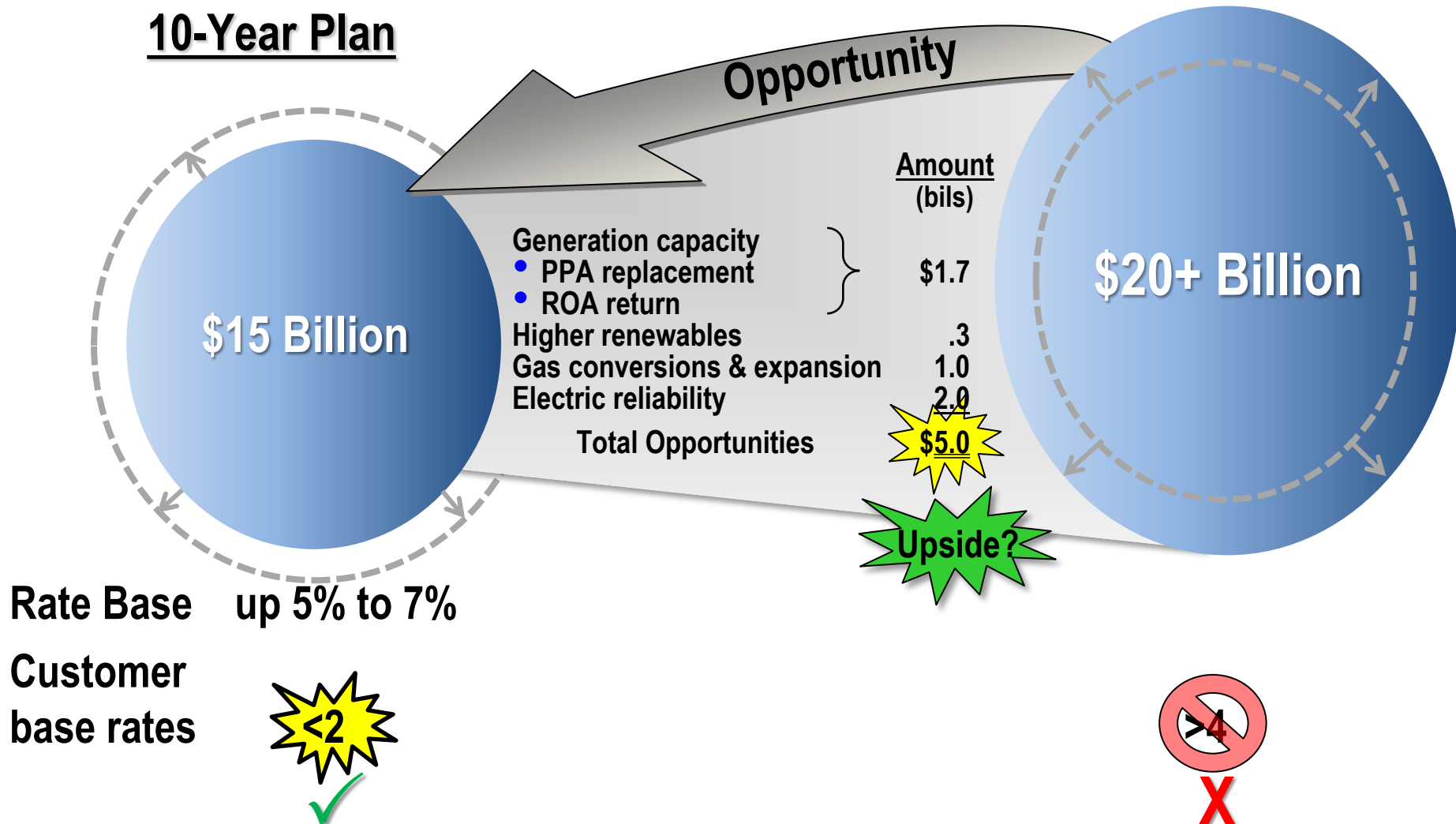
... creating an opportunity for the next ten years.



# INVESTMENT -- *Ten-Year Plan Expanding....* CMS ENERGY

**2013-2022**  
**10-Year Plan**

**Opportunity Level**



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

# INVESTMENT -- Customer-Driven....

CMS ENERGY

## Clean Power

\$2.3 Billion



## Capacity

\$1.6 Billion



## Reliability

\$4.2 Billion



## Infrastructure

\$5.4 Billion



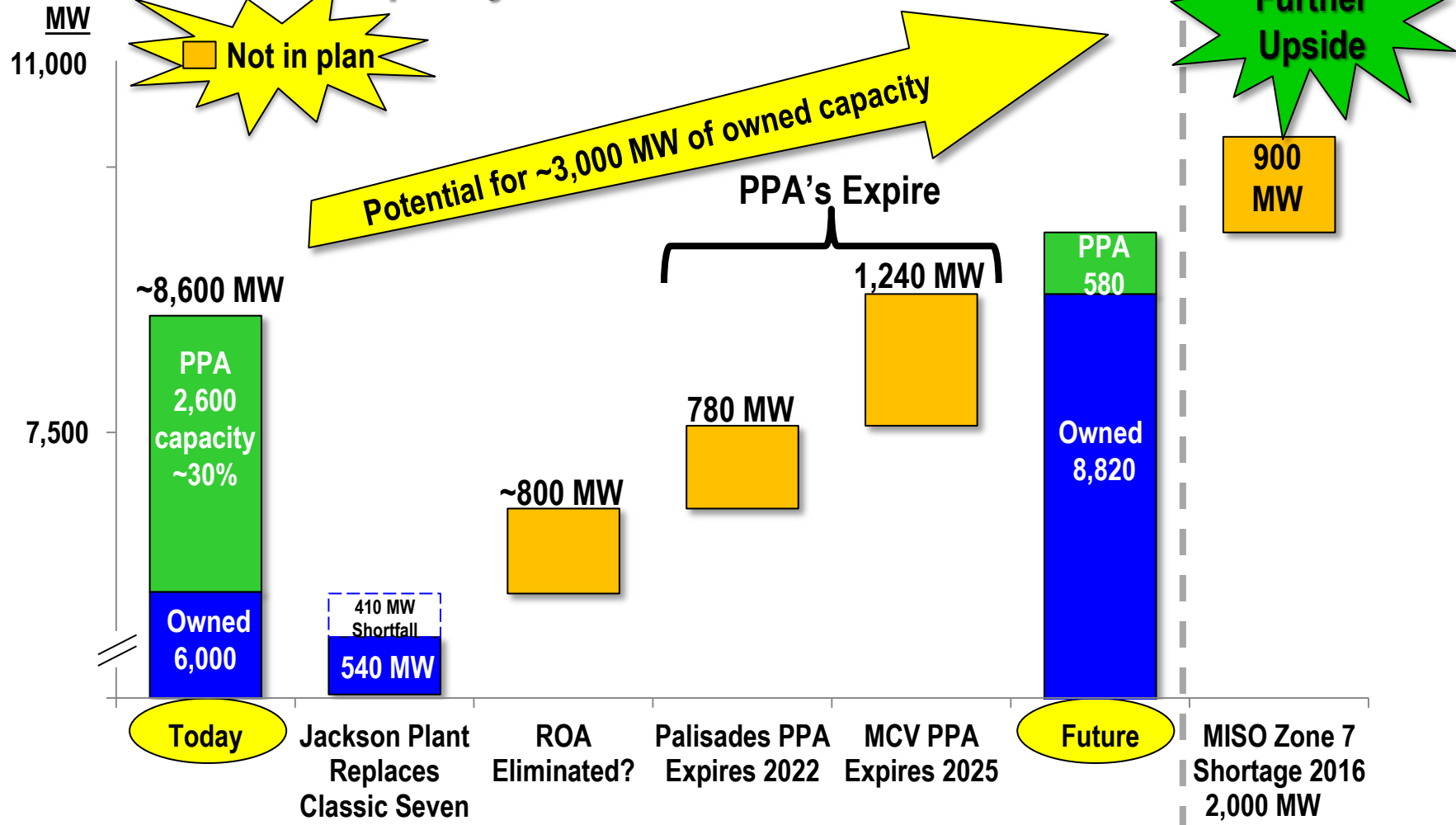
## Opportunity

\$5 Billion



... remains small and incremental, with no big bets.

## Capacity Growth Over Next Ten Years



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

## Full Year Impact

Replace PPA With New Build	Customer Bill (mils)	Investor (EPS)
1,000 MW of PPA's expire	- \$325	0 ¢
Add 1,000 MW owned capacity	+ <u>325</u>	+ <u>5</u>
<b>Impact</b>	<u>≈ Flat</u> ✓	<b>+ 5¢</b> ✶
<b>Incremental Step-up Not in Plan</b>		<b>2 points</b> ✓

**Upside:  
Capacity Options**

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

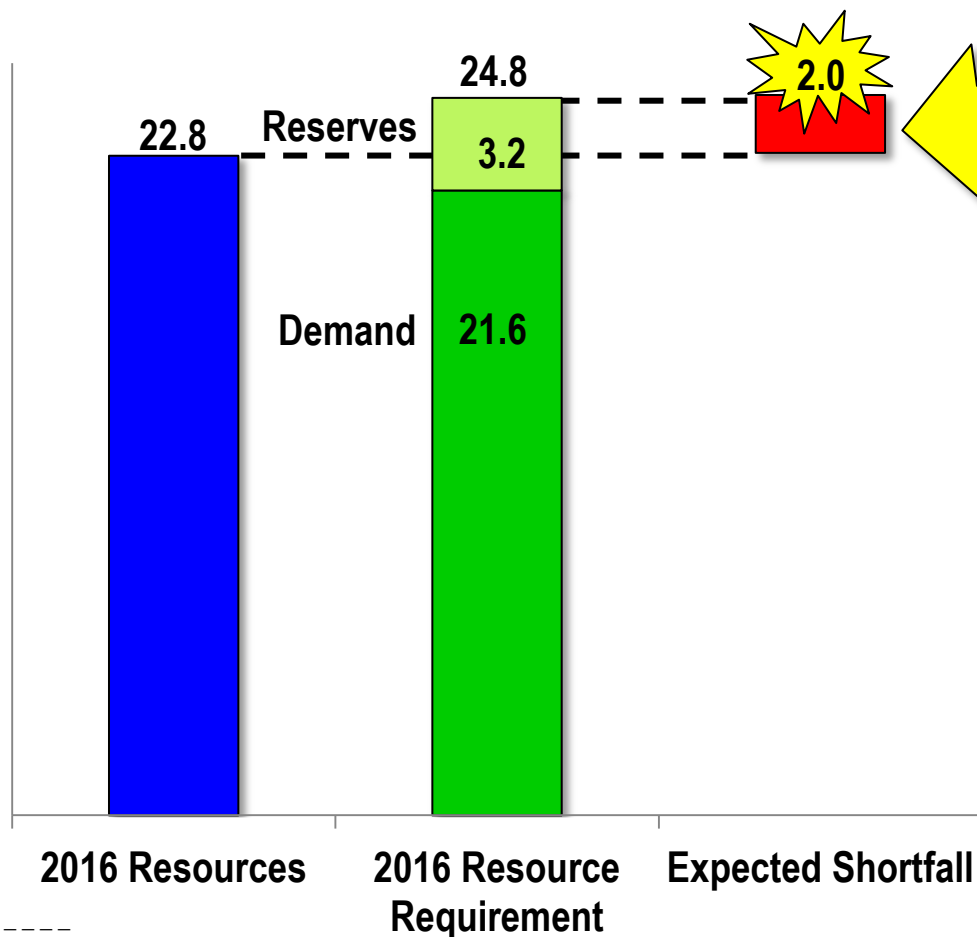
.... add earnings growth, without increasing bills!

# INVESTMENT -- MISO Zone 7 Capacity....

CMS ENERGY

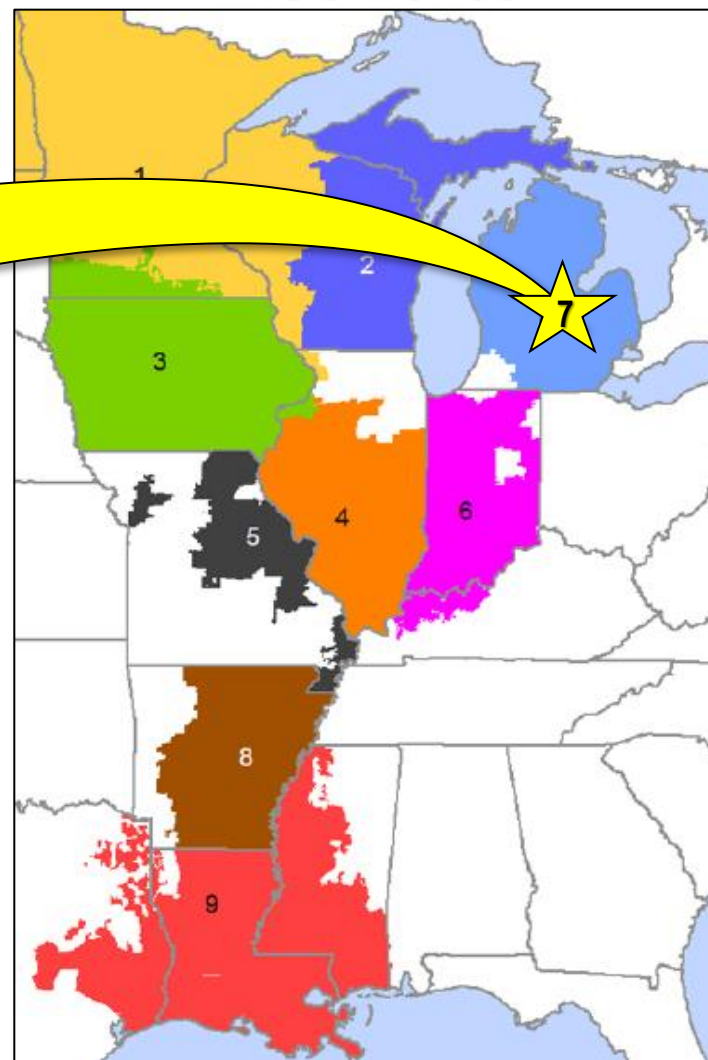
As of June 2, 2014

(in GW)



Source: MISO

MISO Zones



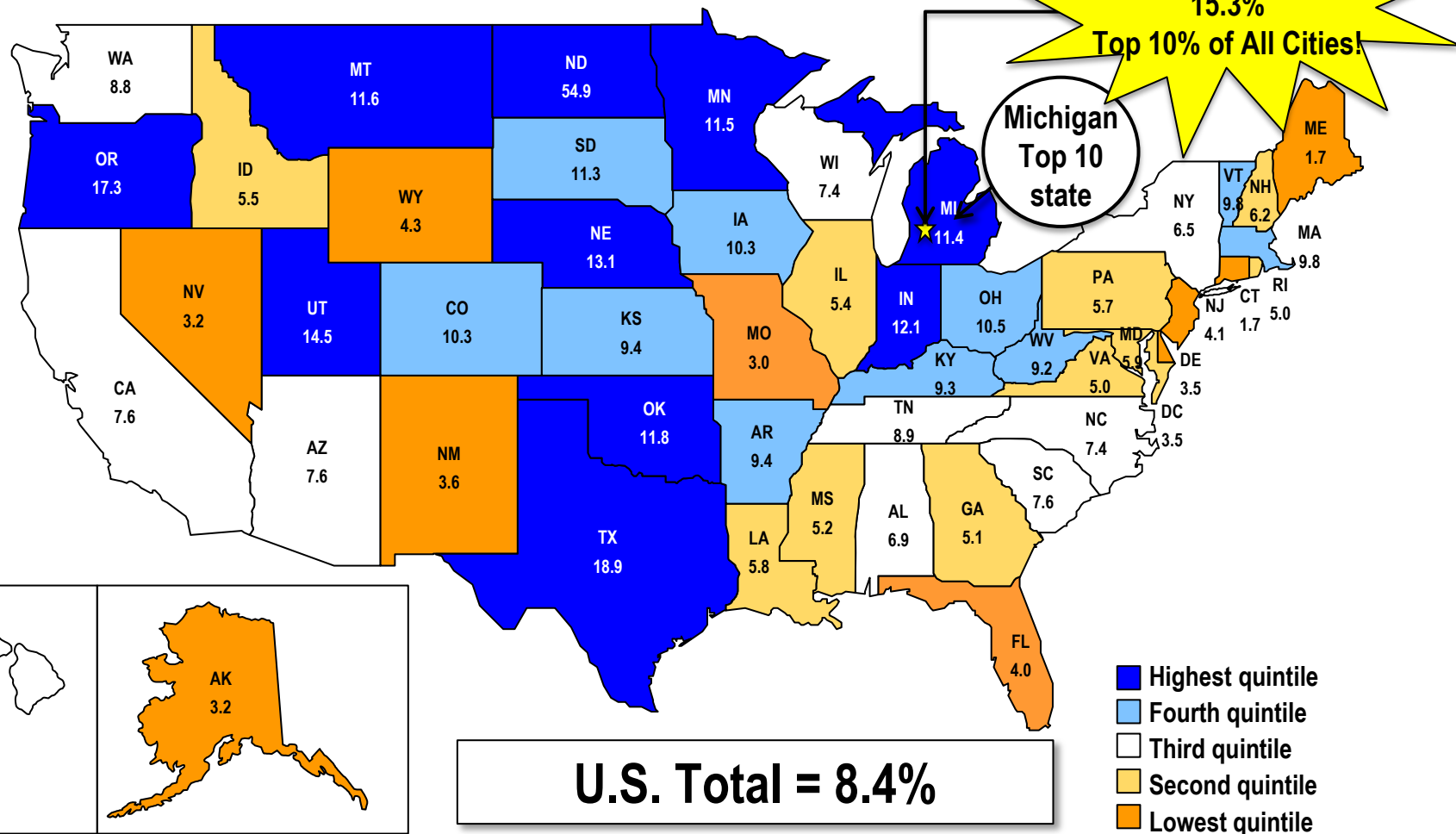
... shortfall expected to be 2,000 MW in 2016.



# UPSIDES -- Michigan's Recovery....

CMS ENERGY

## Gross Domestic Product – 2010 through 2013



Source: U.S. Department of Commerce – bea.gov, real GDP 2009 chained dollars, 2013 advance and 2009 – 2012 revised, 6/12/14

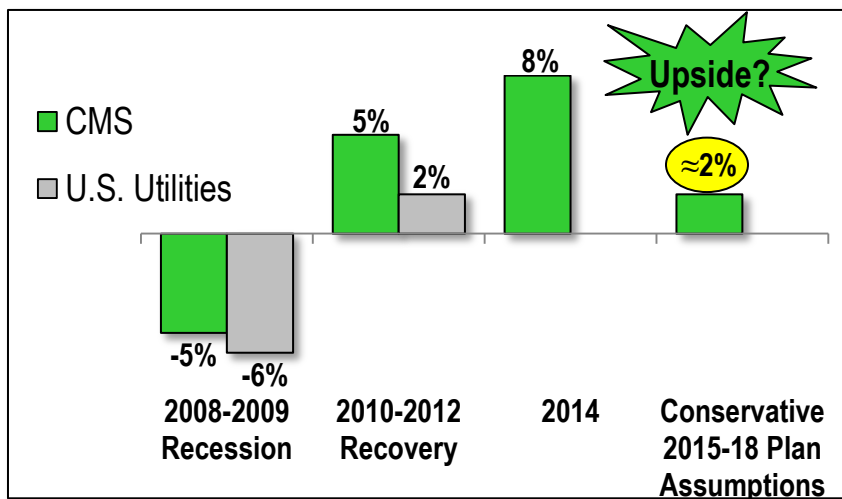
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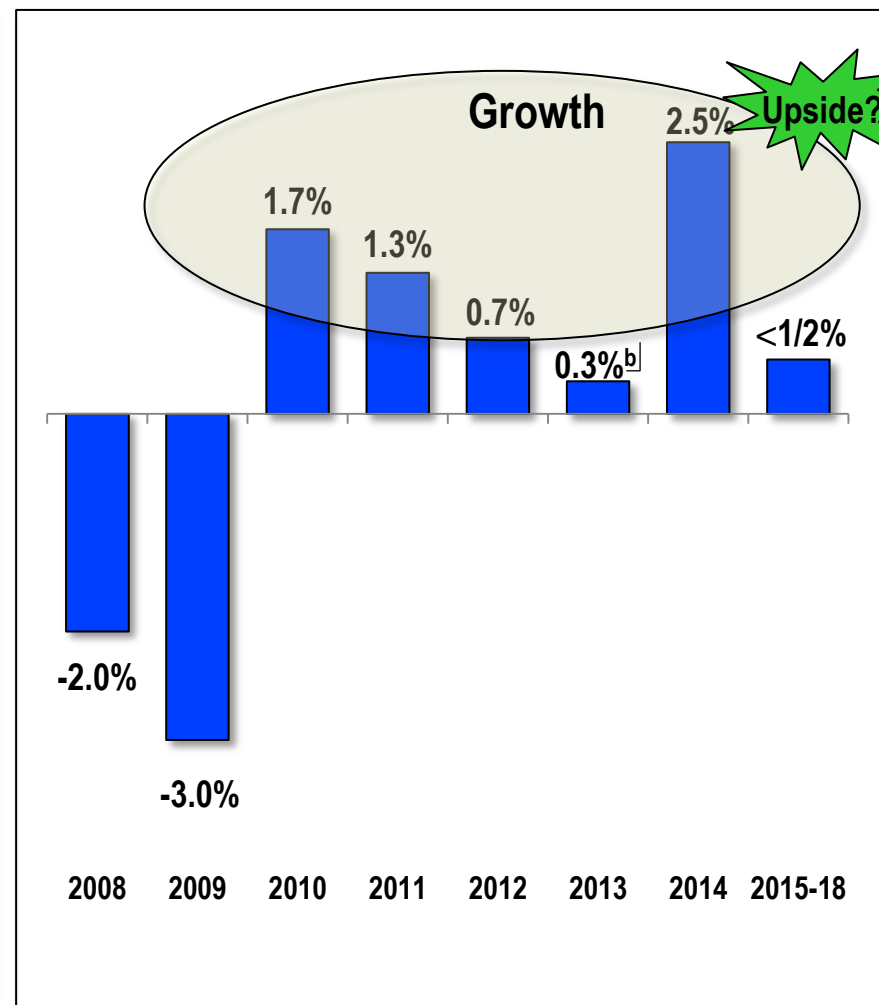
## Economic Indicators

	Grand Rapids	Michigan	U.S.
Building Permits*	+42%	+18%	+9%
GDP (real) 2010 thru 2013	15.3	11.4	8.4
Population 2010 Census thru July 2013	3	0	2
Unemployment July 2014	5.3	7.7	6.2

\*Annualized numbers thru July 2014



## Annual Electric Sales<sup>a</sup>



<sup>a</sup> Weather normalized vs prior year

<sup>b</sup> Negative with "E1"

... planned conservatively.

## Examples of New Business

Electric Gas Combination

### Recent Announcement

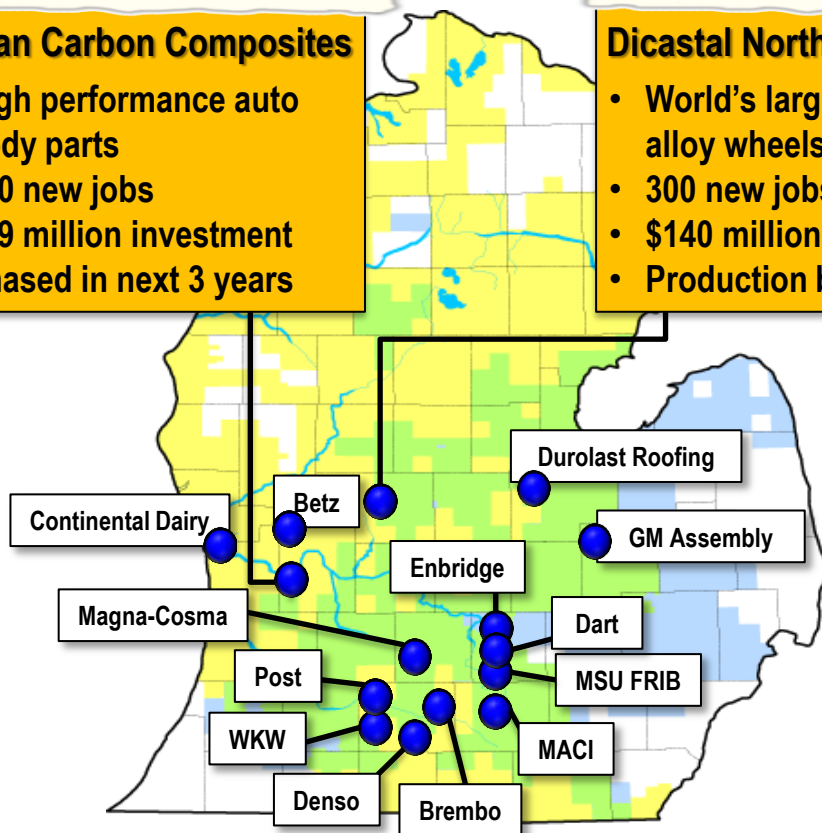
#### Plasan Carbon Composites

- 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

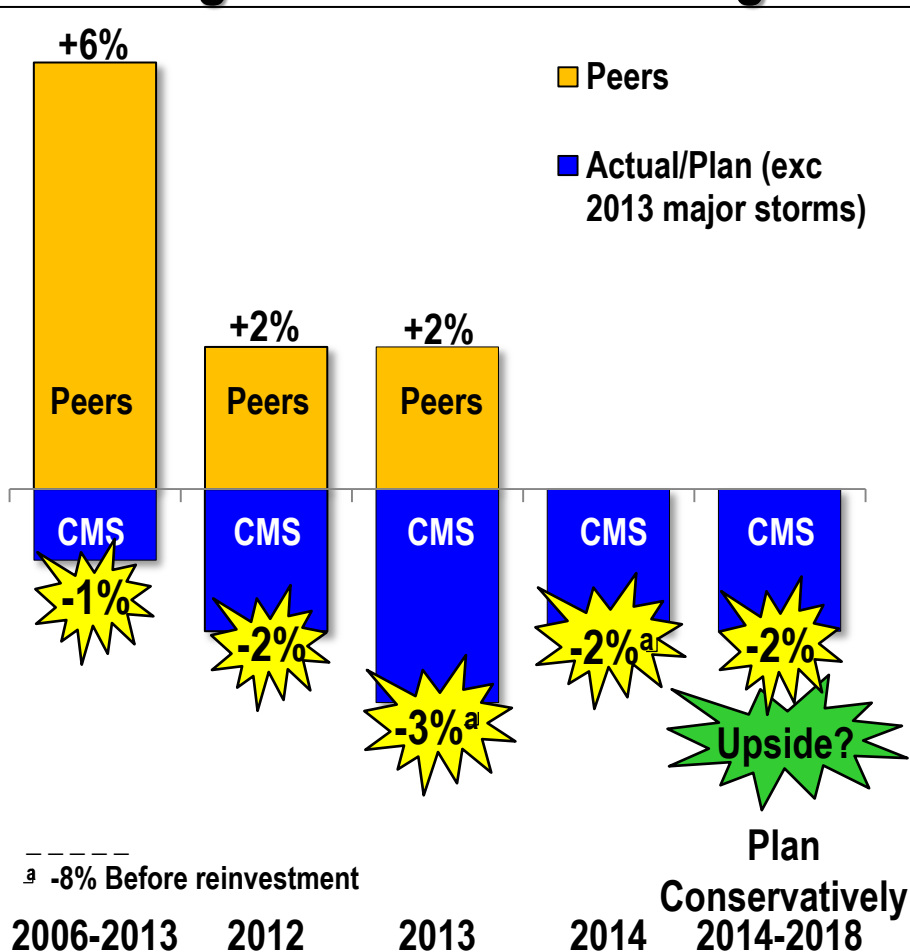


## Top Ten (MW)

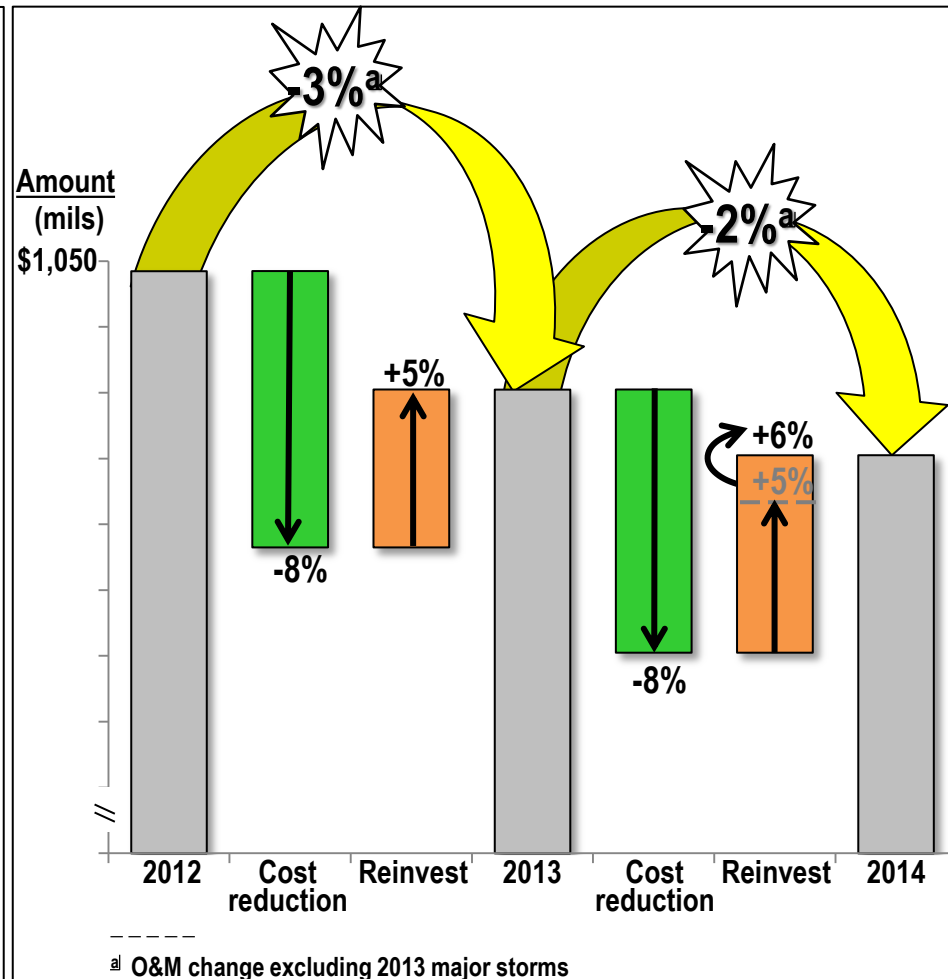
Brembo	24 MW
Enbridge Energy	19
GM Assembly	10
MSU FRIB	9
WKW Roof Rack Systems	8
Betz Industries	8
Dart Container	5
MACI	5
Magna-Cosma Casting	4
Durolast Roofing	4
<b>Total</b>	<b>~ 96 MW</b>

.... almost 2% of sales growth, layered in over time.

## Average Annual O&M Change

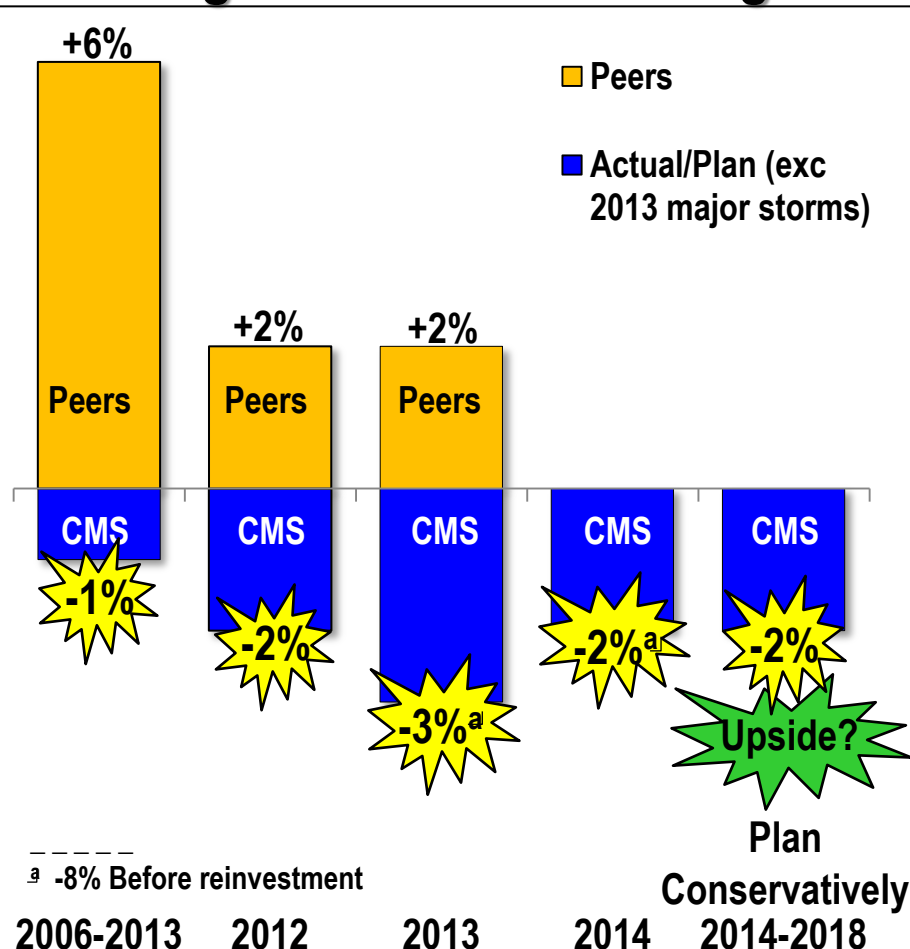


## Continuous Cost Reductions



.... allows us to make customer-focused investments.

## Average Annual O&M Change



## Future Examples

### Fuel Mix

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

### Benefits

2002-2012	Actions completed	\$25
2013	EGWP, OPEB & other	50
	Future Savings	\$75

### Fuel and Benefits

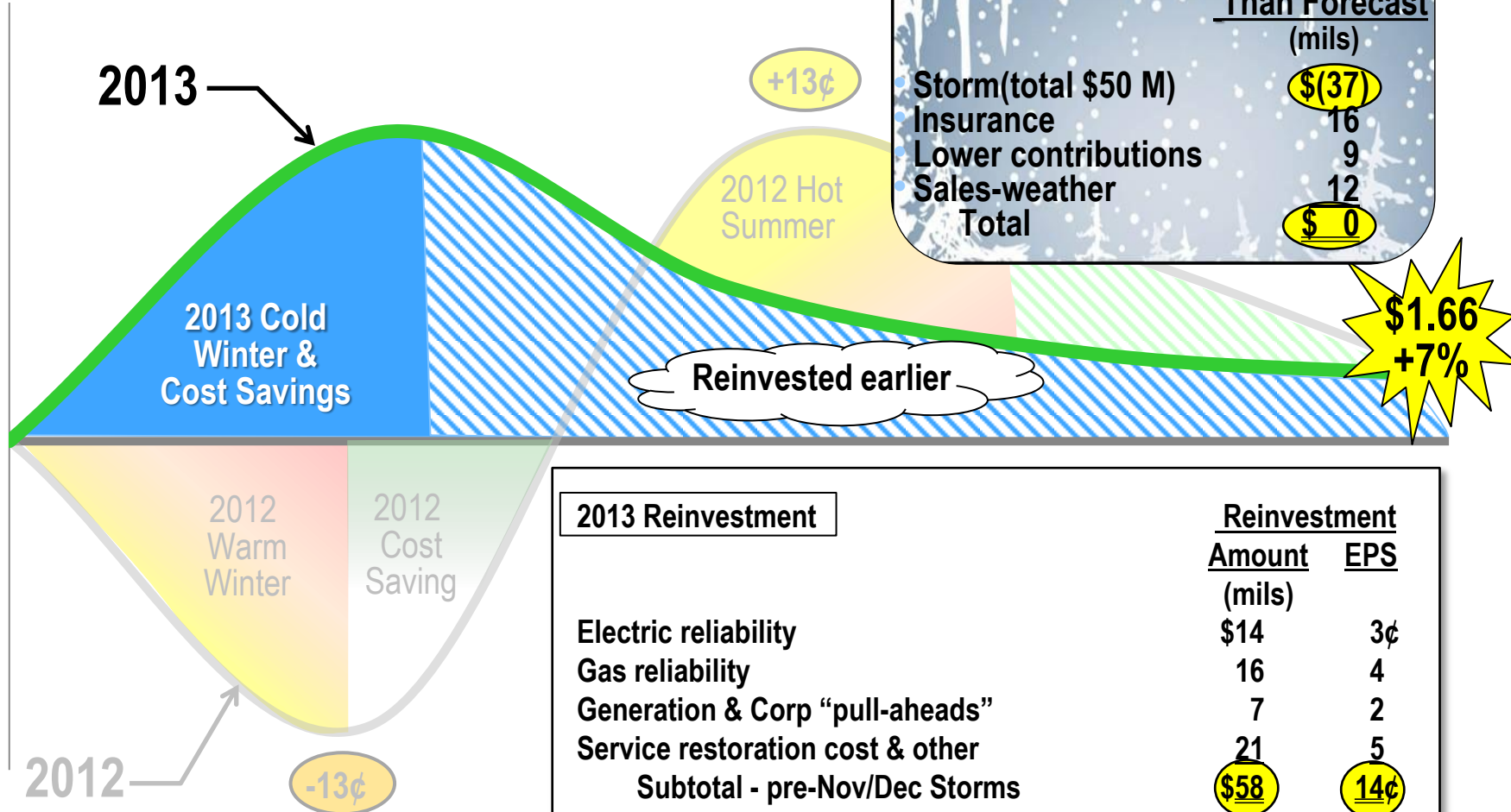
\$100

... provides headroom for conservative planning ahead.

# UPSIDES -- Customer-Focused O&M Reinvestment....

CMS ENERGY

Adjusted EPS  
(non-GAAP)

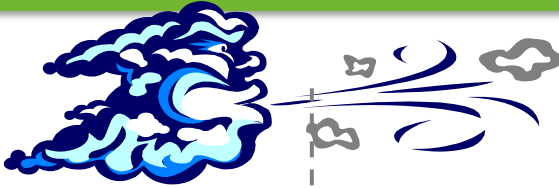


.... maximizes benefit for customers AND investors.

# UPSIDES -- Customer-Focused O&M Reinvestment....

CMS ENERGY

Adjusted EPS  
(non-GAAP)



• Sales & other	2¢	} (3)¢
<b>O&amp;M Reinvestment:</b>		
• Reliability	(3)	
• Parent debt prefunding	(2)	

2014

+18¢

2nd QTR

+15¢

+14¢

+9¢

Good choices  
ahead

Weather	22¢
Cost savings	4
Reinvest & other	(11)
<b>Total</b>	<b>15¢</b>

2013

7%  
6%

Guidance

January

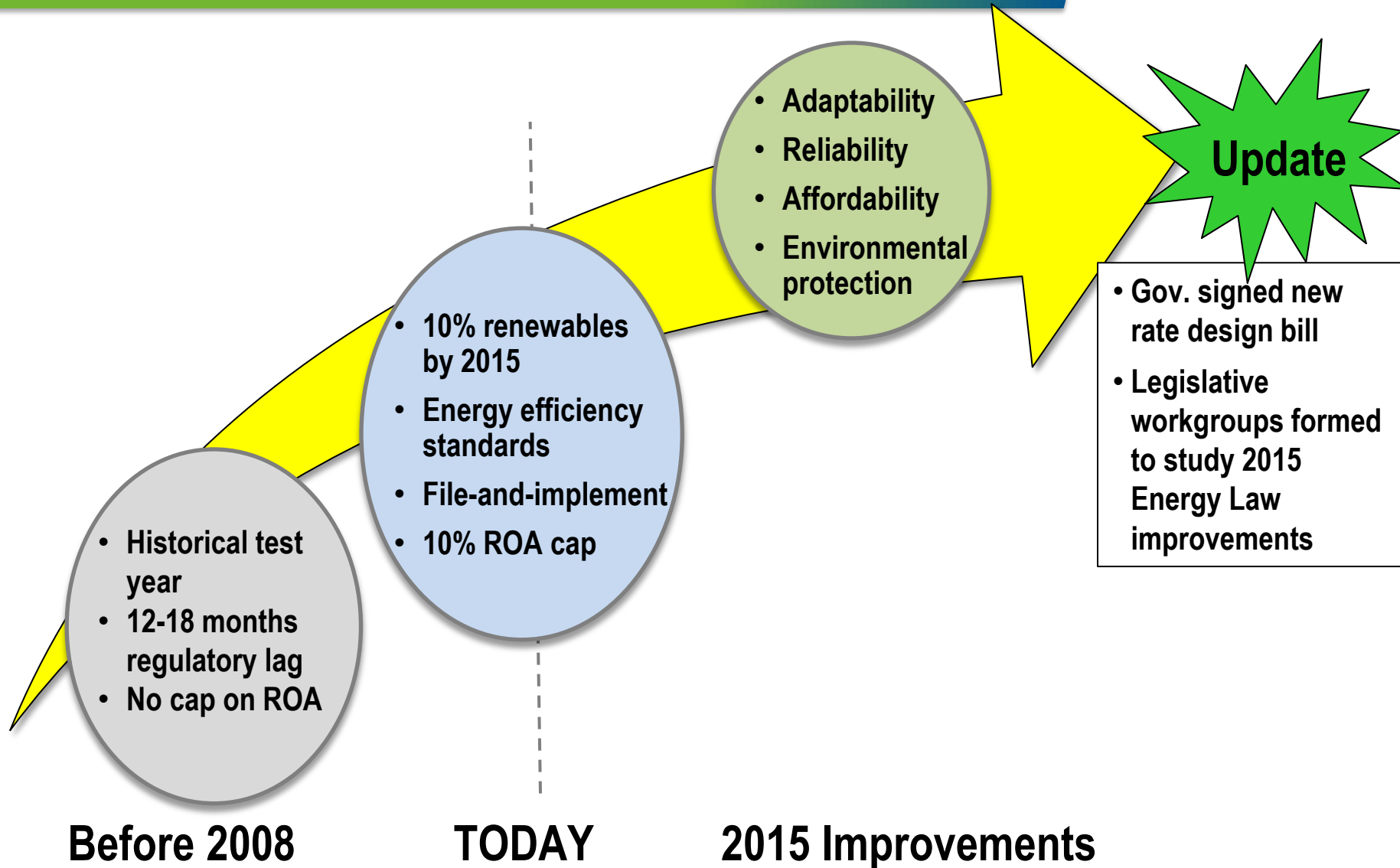
March 31

June 30

December

.... delivers for both customers AND owners.





**.... builds on visionary 2008 Law!**



**Mark Schauer**  
**Democrat, Challenger**

## **On Energy...**

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

**Rick Snyder**  
**Republican, Incumbent**



## **On ROA ...**

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

## **Campaign Issues**

- Education
- Jobs
- Roads
- Detroit

-Governor Rick Snyder

**.... focus on non-energy issues.**

## Commission



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

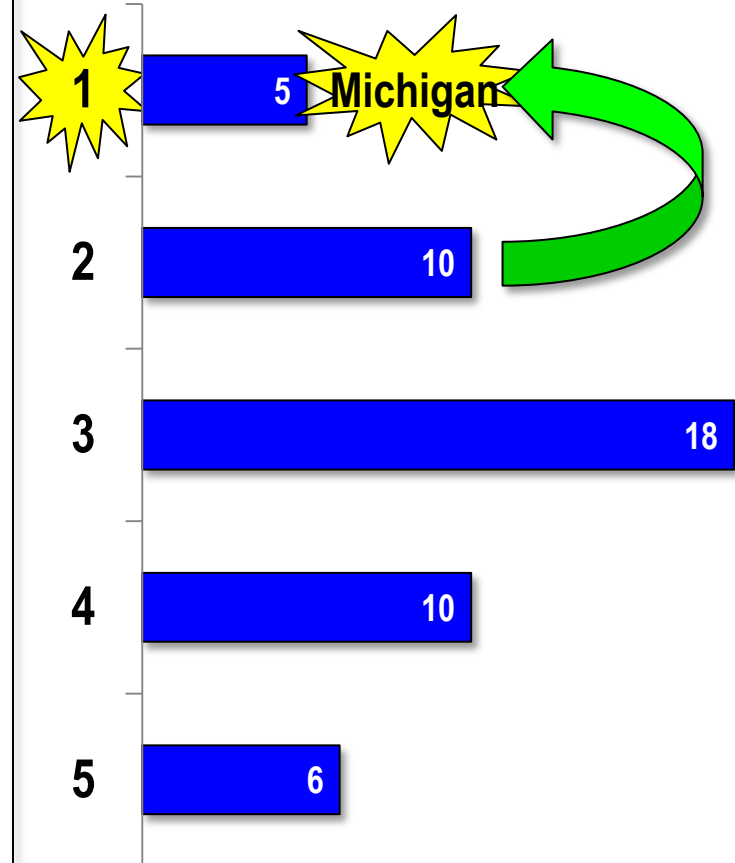


**Sally Talberg (I)**  
Term Ends: July 2, 2019



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

## Tier 1 State Ranking



Barclays Research

.... is supported by a quality Commission and a strong Law.

## JD Power Survey - 2014

### Gas Residential Customers

Consumers 2014

666

**+33**

Consumers 2013

633

2014 Midwest  
Average

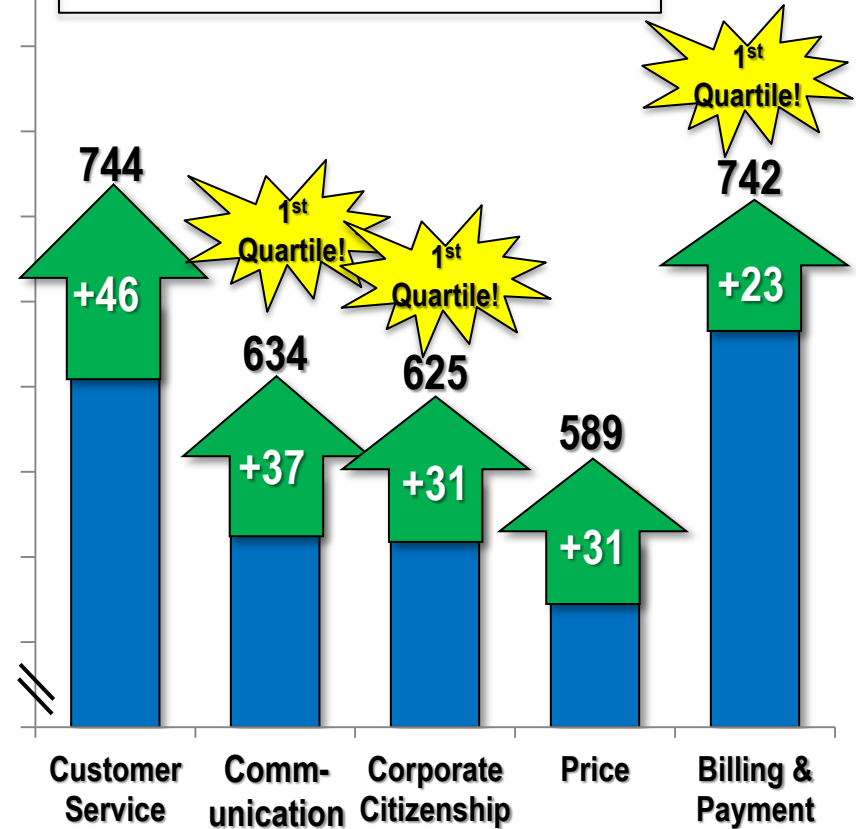
## Results by Category

Points

950

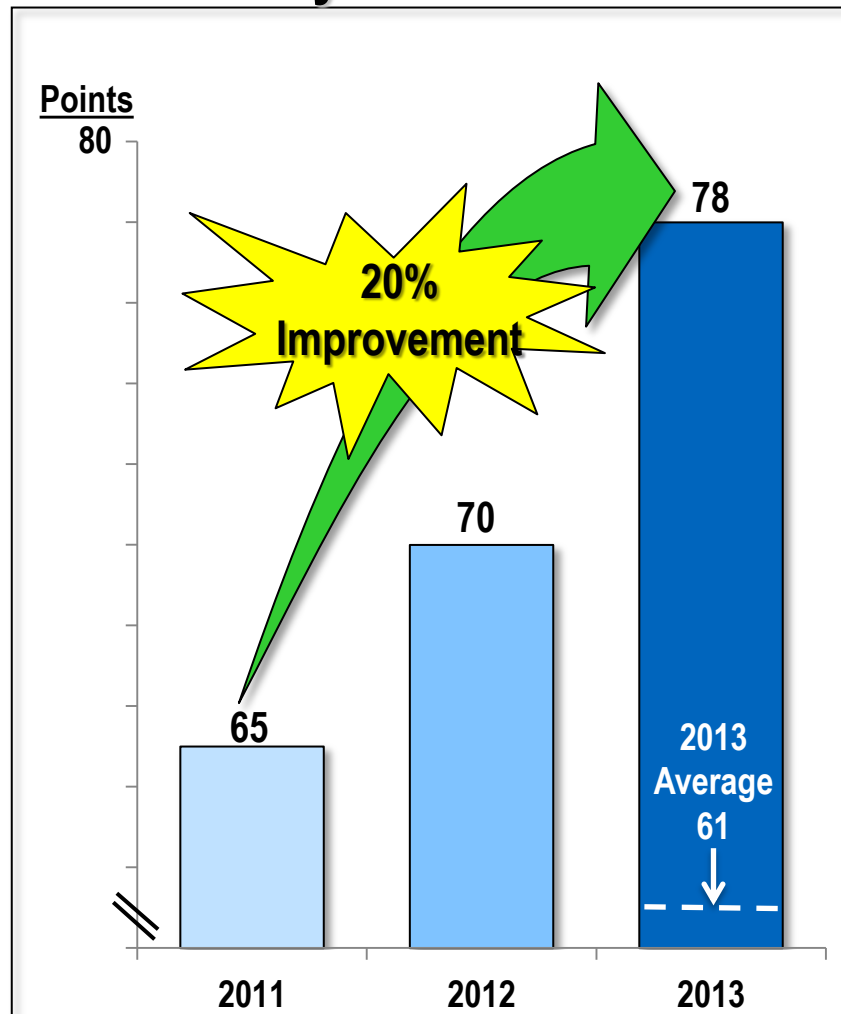


2014 Improvement



.... the most improved gas utility in the U.S.!

## **Sustainalytics Overall Score**



Sustainalytics is an independent research firm that provides information to investors

## **Recent Performance**

- Ranked 14<sup>th</sup> out of 226 energy providers worldwide

- Improvement in all categories:

✓ Social ↑ +12

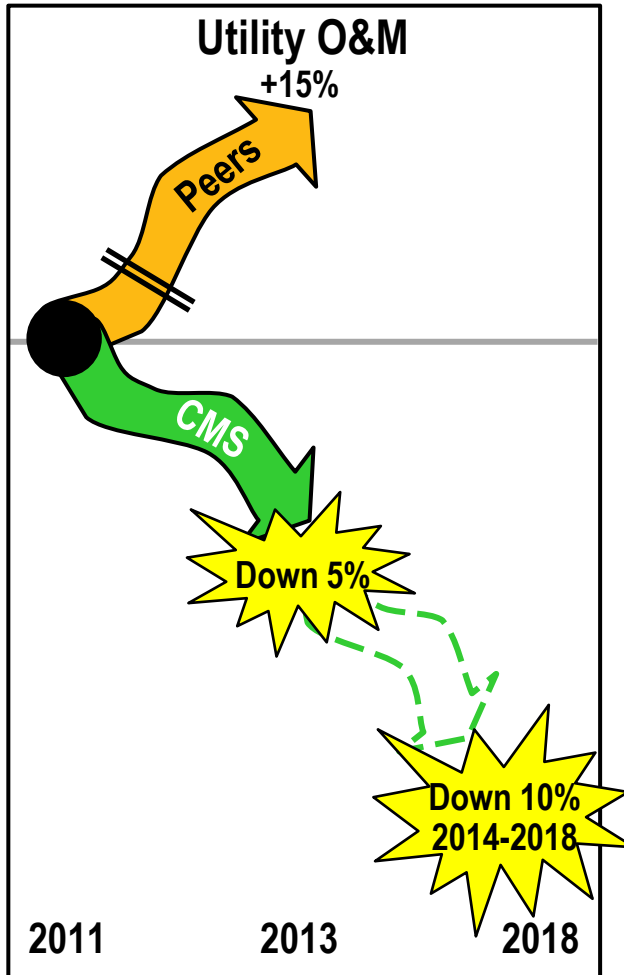
✓ Environment ↑ +10

✓ Governance ↑ + 2

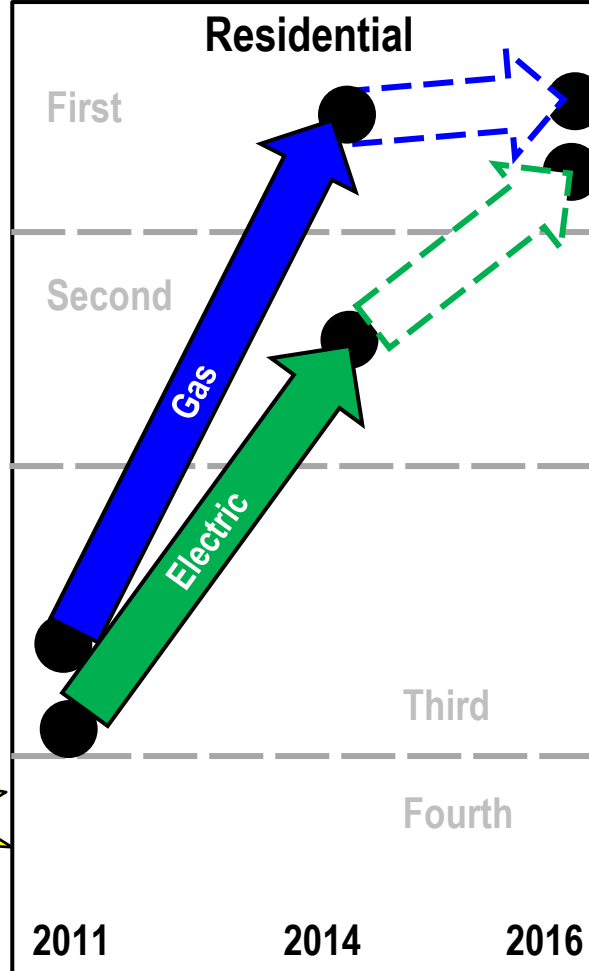
**.... Consumers Energy ranks among top energy providers in the world.**

# ***PASSION TO IMPROVE -- Includes Lasting....*** CMS ENERGY

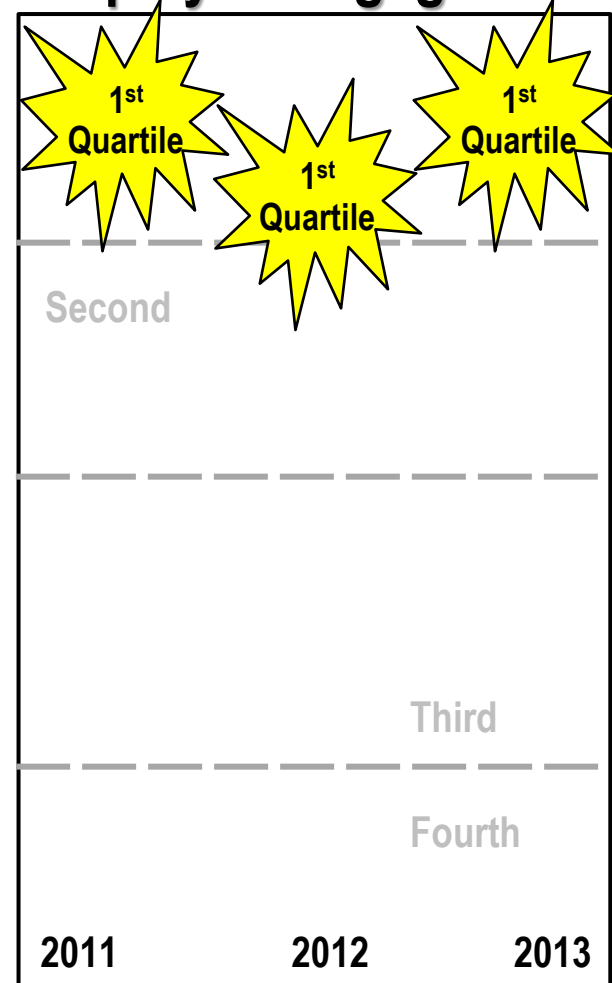
## **Cost Control**



## **Customer Satisfaction**

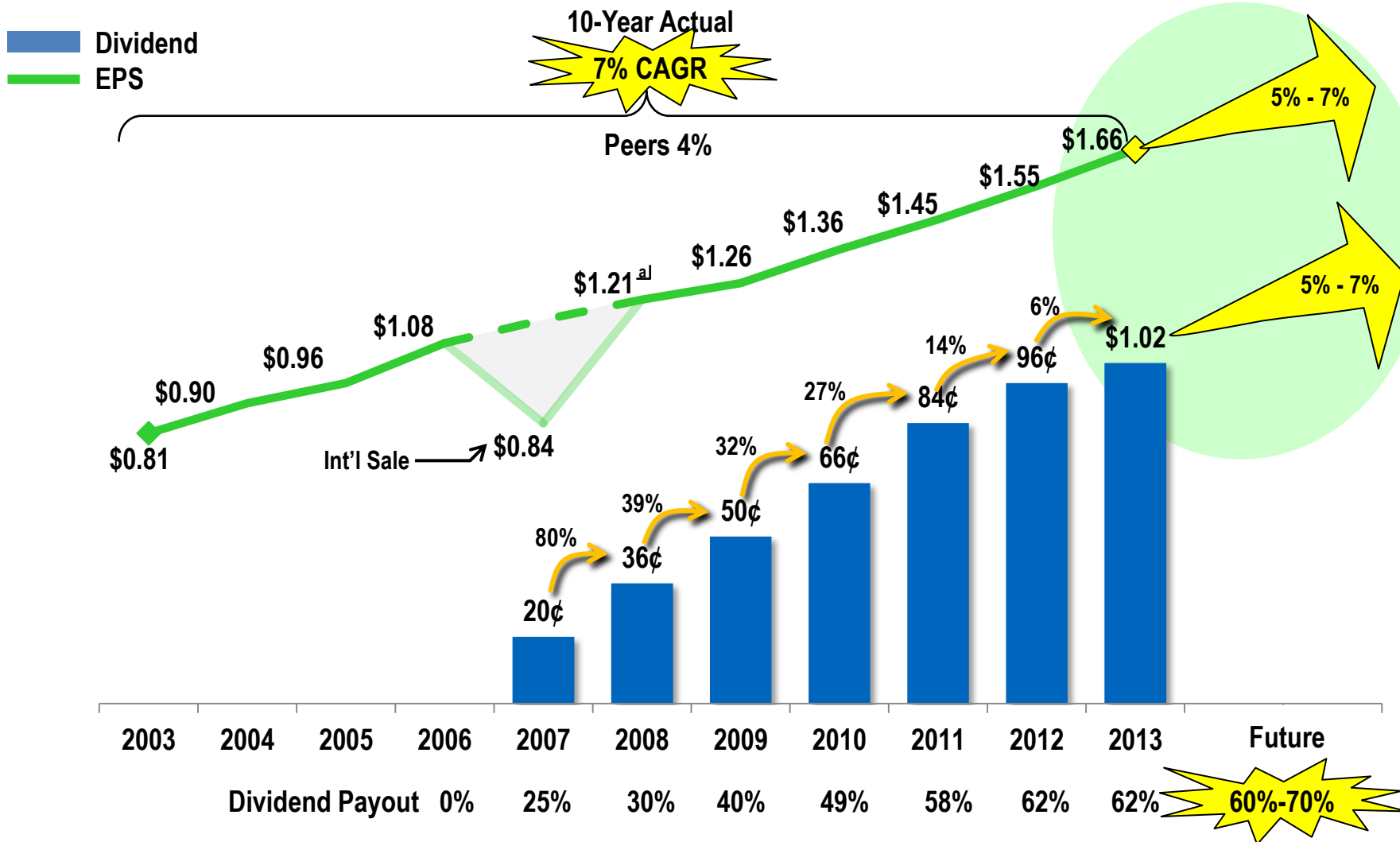


## **Employee Engagement**



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





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

<sup>aj</sup> \$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock

... drives consistent "no excuse" growth, without resets.

## Appendix

## **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.**

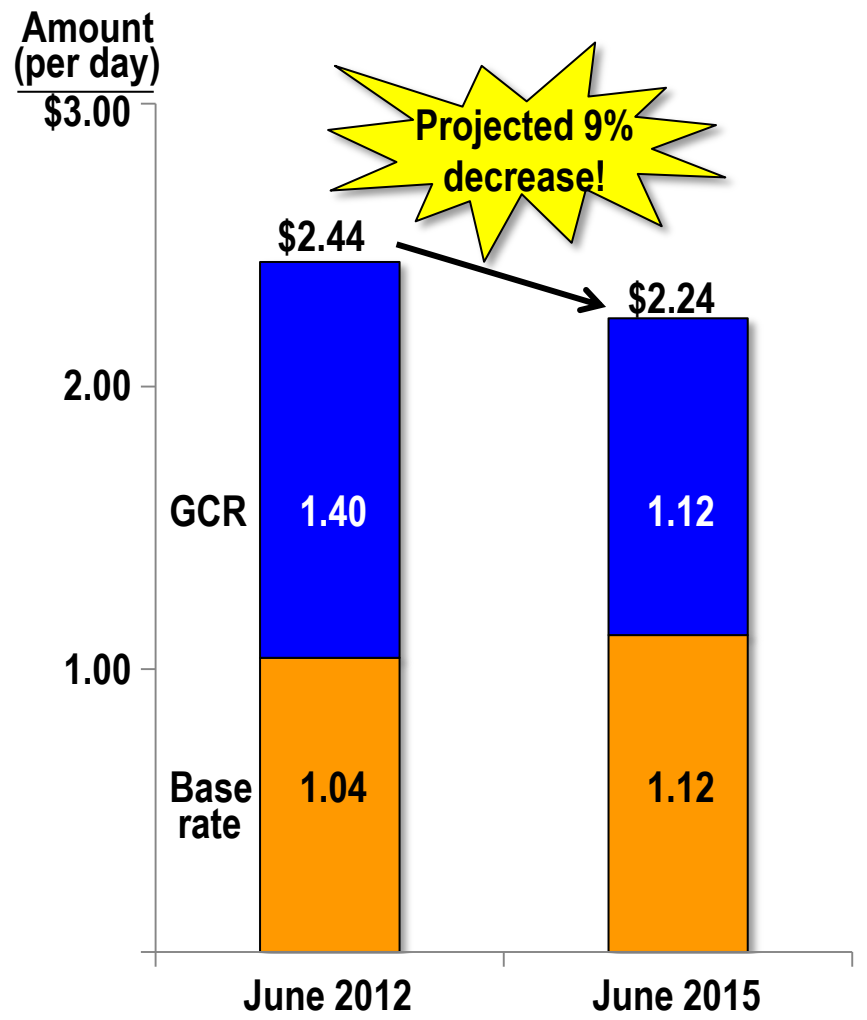
## Overview

	<u>Amount</u> (Mils)
Capital Investment	\$ 144 ✓
Cost & Other	(56)
Request	<u>\$ 88</u>

2016-2017 Investment Recovery Mechanism	\$ 92
---	-------

	<u>Existing</u> (2012)	<u>Request</u> (2015)
Rate Base (bils)	\$3.14	\$3.65
ROE	10.3%	10.7%
Equity - Regulatory	41.3	41.7
Equity - Financial	50.9	52.5

## Residential Gas Customer Cost

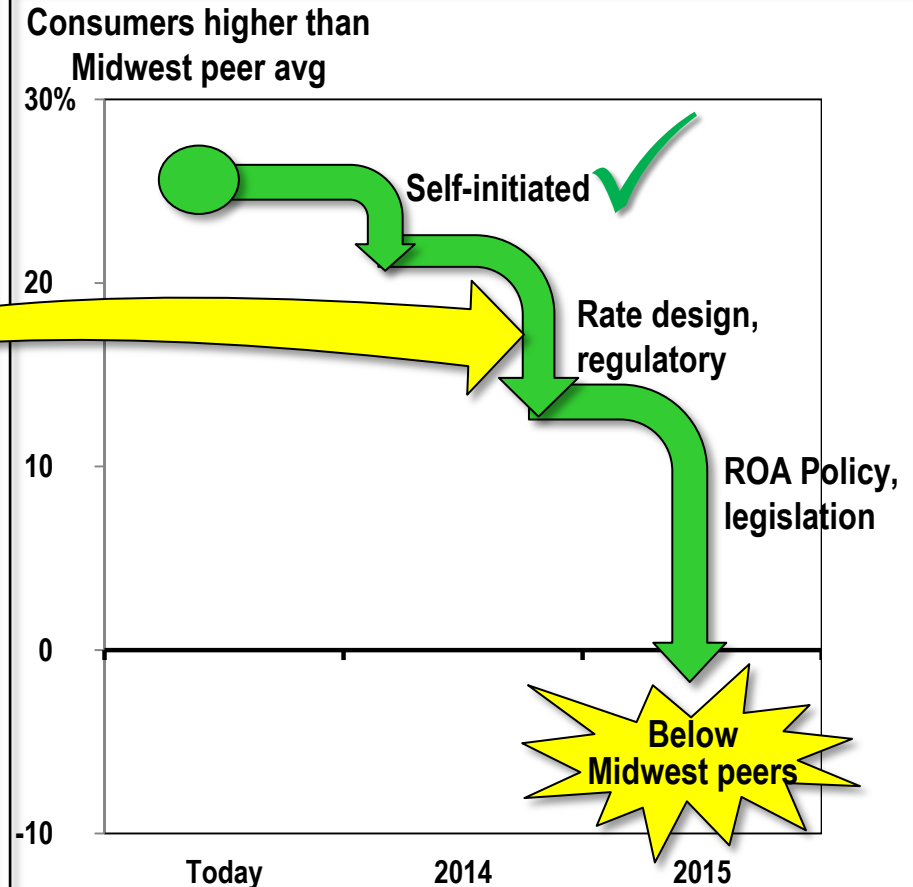


.... supports capital investment offset partially by lower costs.

## House Bill 5476

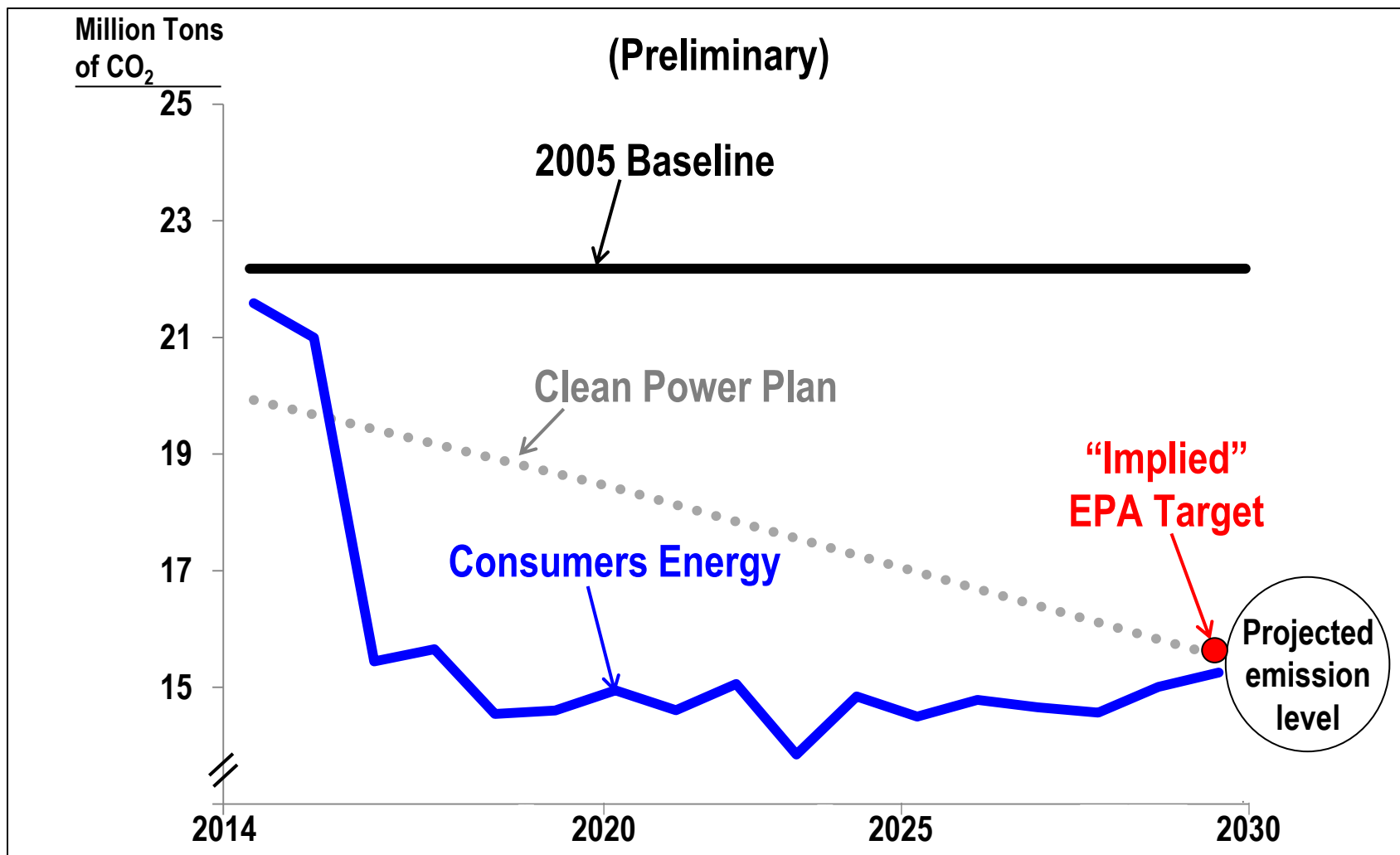
- ✓ Signed into law on June 17<sup>th</sup>, 2014
- ✓ Directs MPSC to develop cost of service allocation and rate design methods
- ✓ Company to include new rate design in next electric rate case
- ✓ MPSC to approve rate design within 270 days

## Industrial Electric Rate (vs Midwest Average)



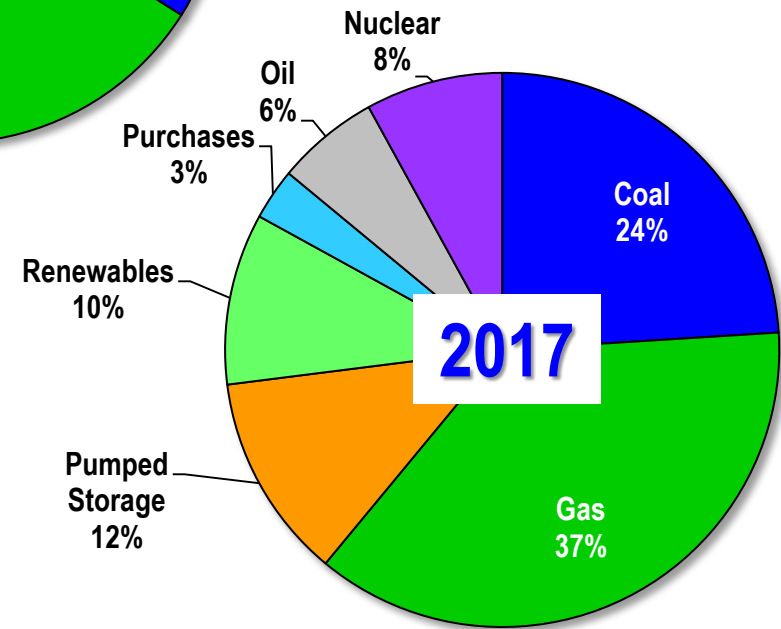
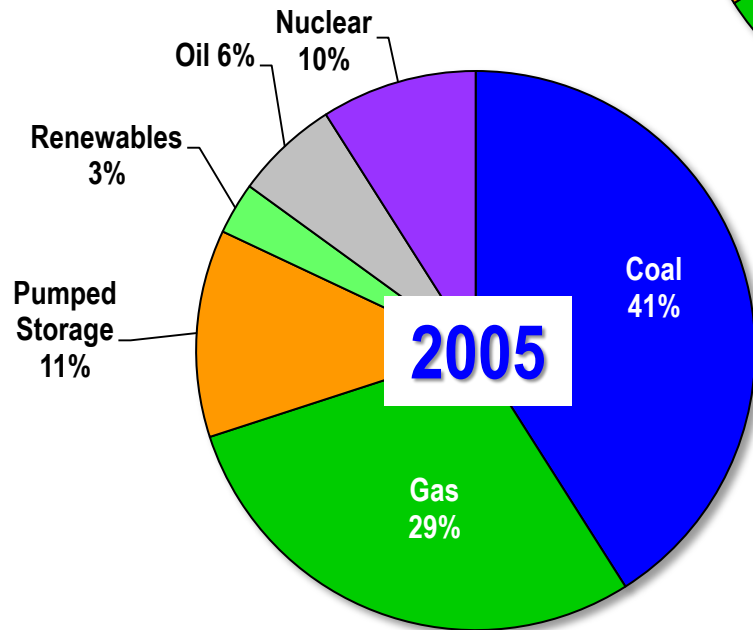
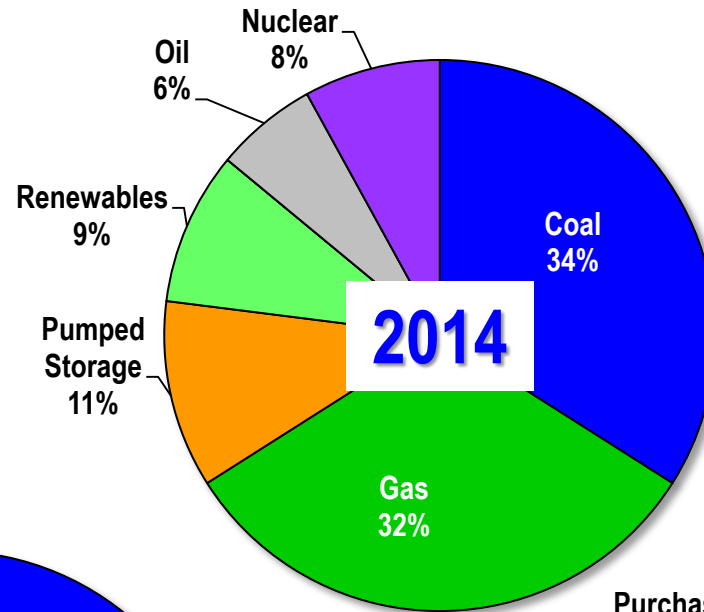
.... being taken to maintain competitive bills & improve industrial rates.

## Carbon Tonnage Reduction



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





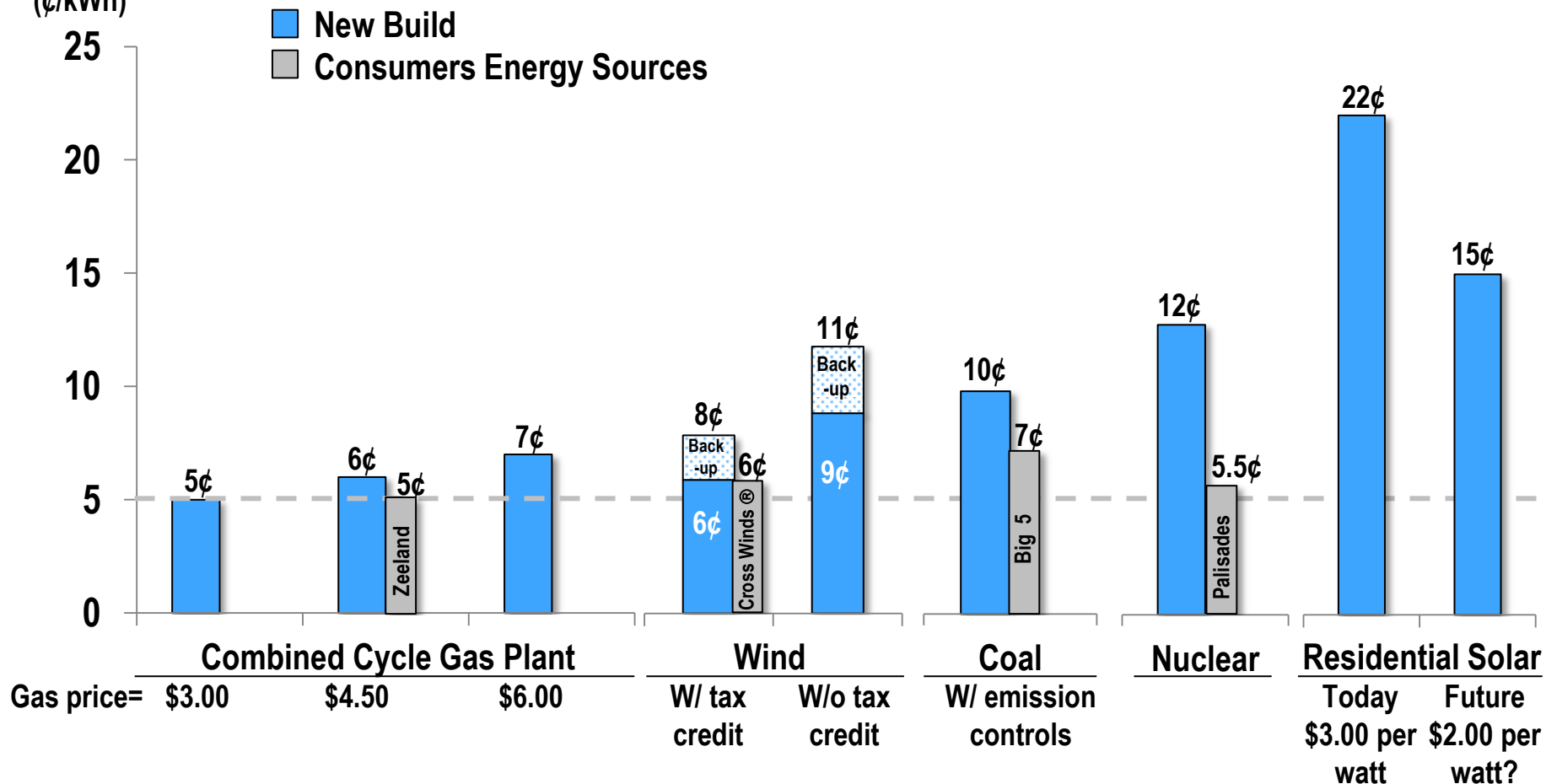
.... evolving to cleaner generation while becoming more cost competitive.

# Generation Strategy: New Supply Sources....

CMS ENERGY

Levelized cost  
of new build

(¢/kWh)



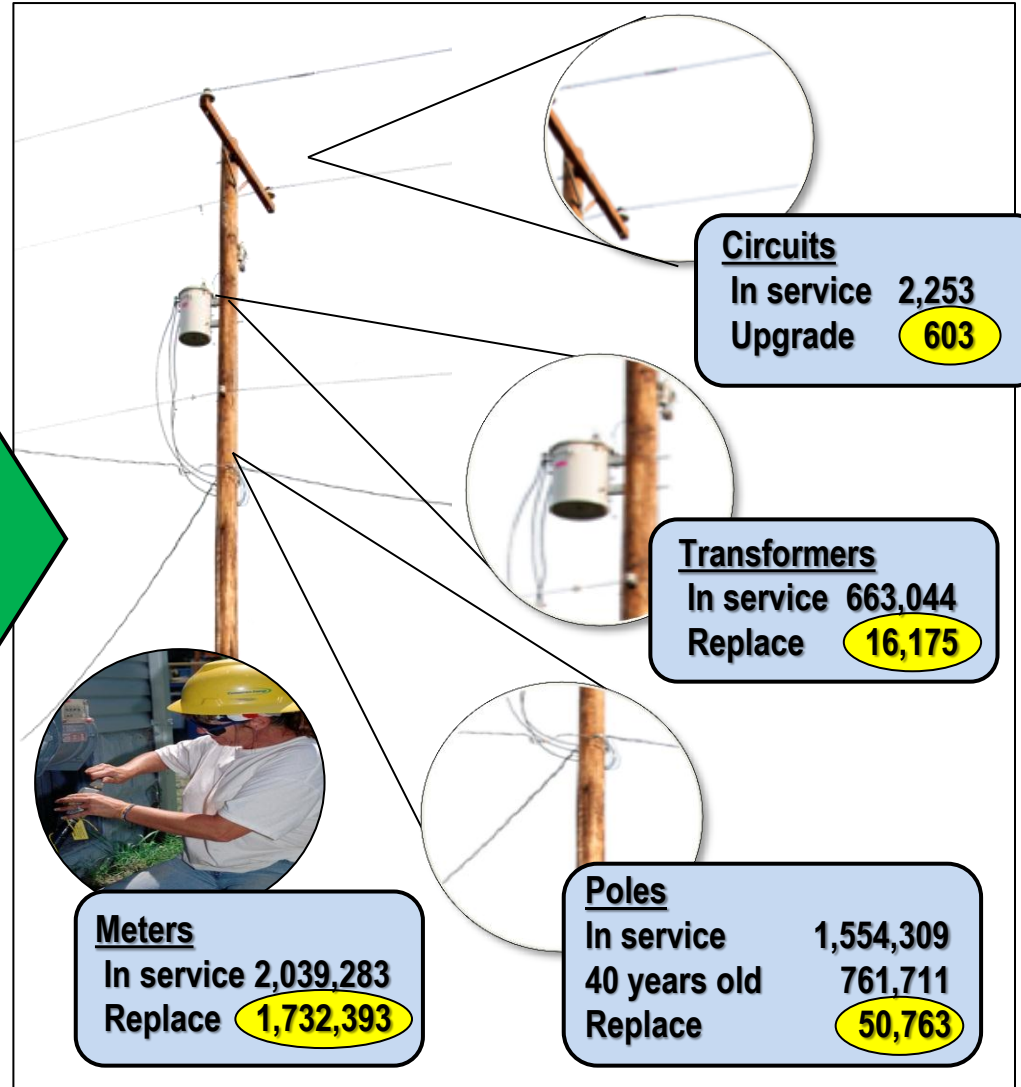
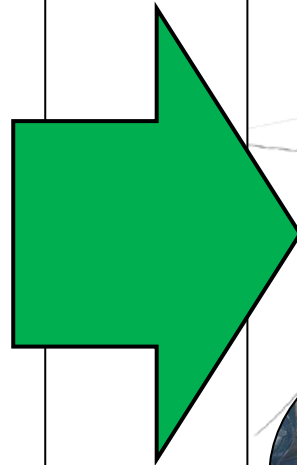
.... combined cycle gas is the most attractive new source of supply.

**Demand**  
**\$ 1.0 Billion**

**Reliability**  
**\$ 0.7 Billion**

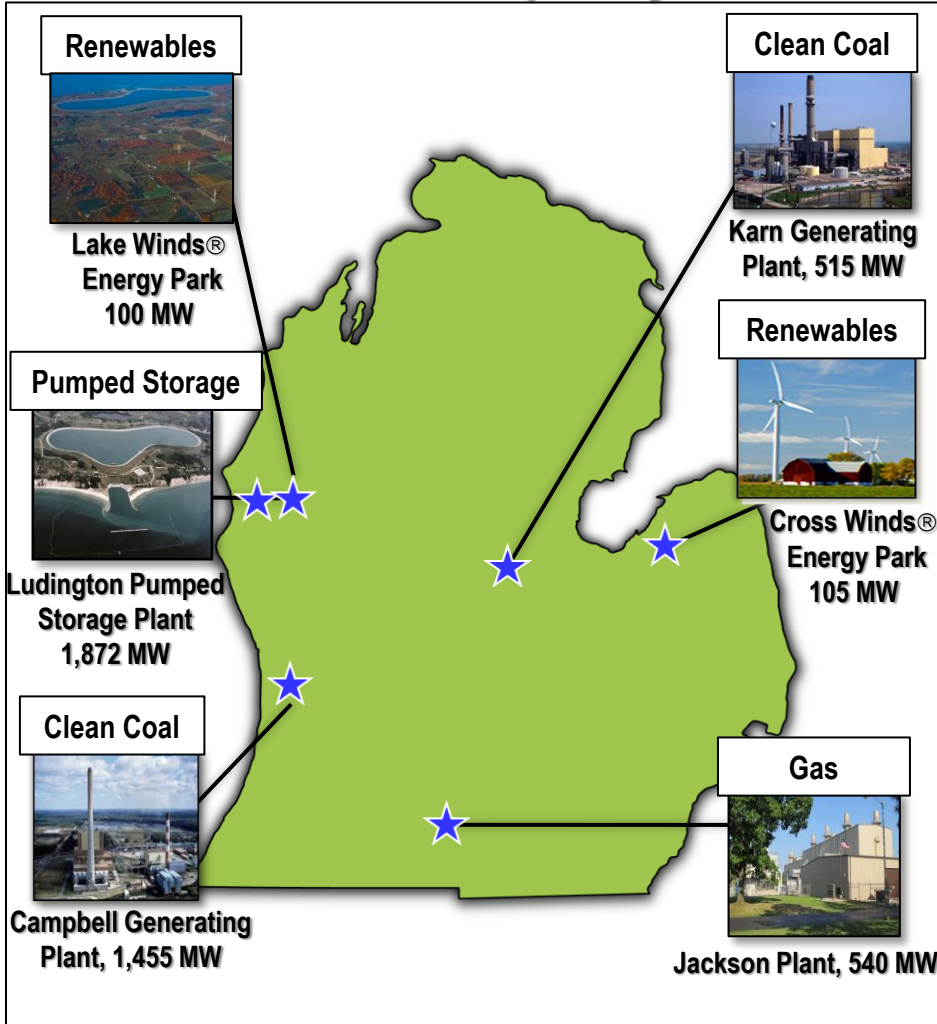
**Capacity**  
**\$ 0.3 Billion**

**Total**  
**\$ 2.0 Billion**

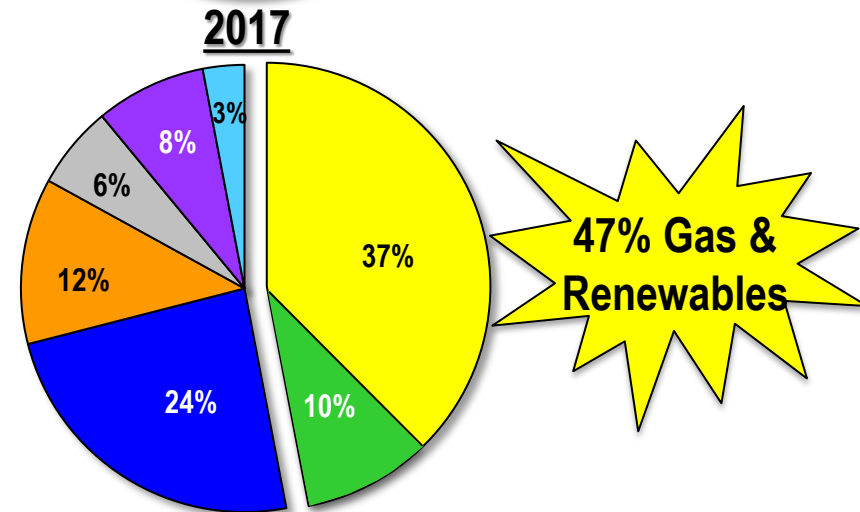
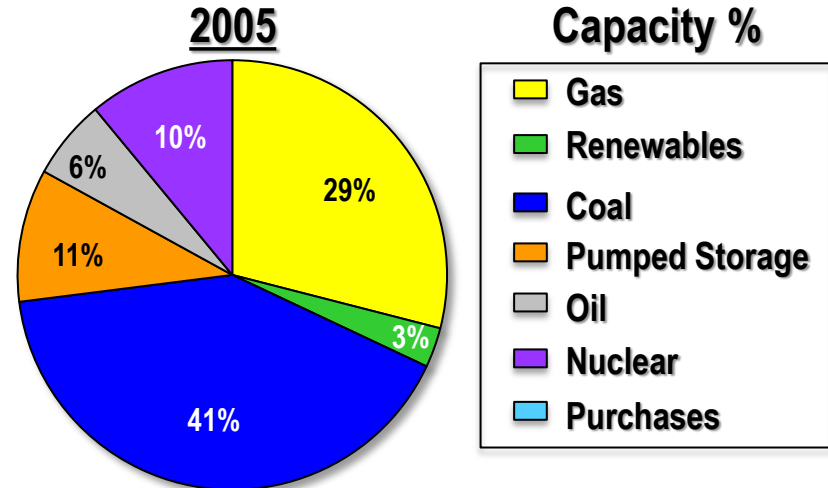


.... investing \$2 billion over the next 5 years.

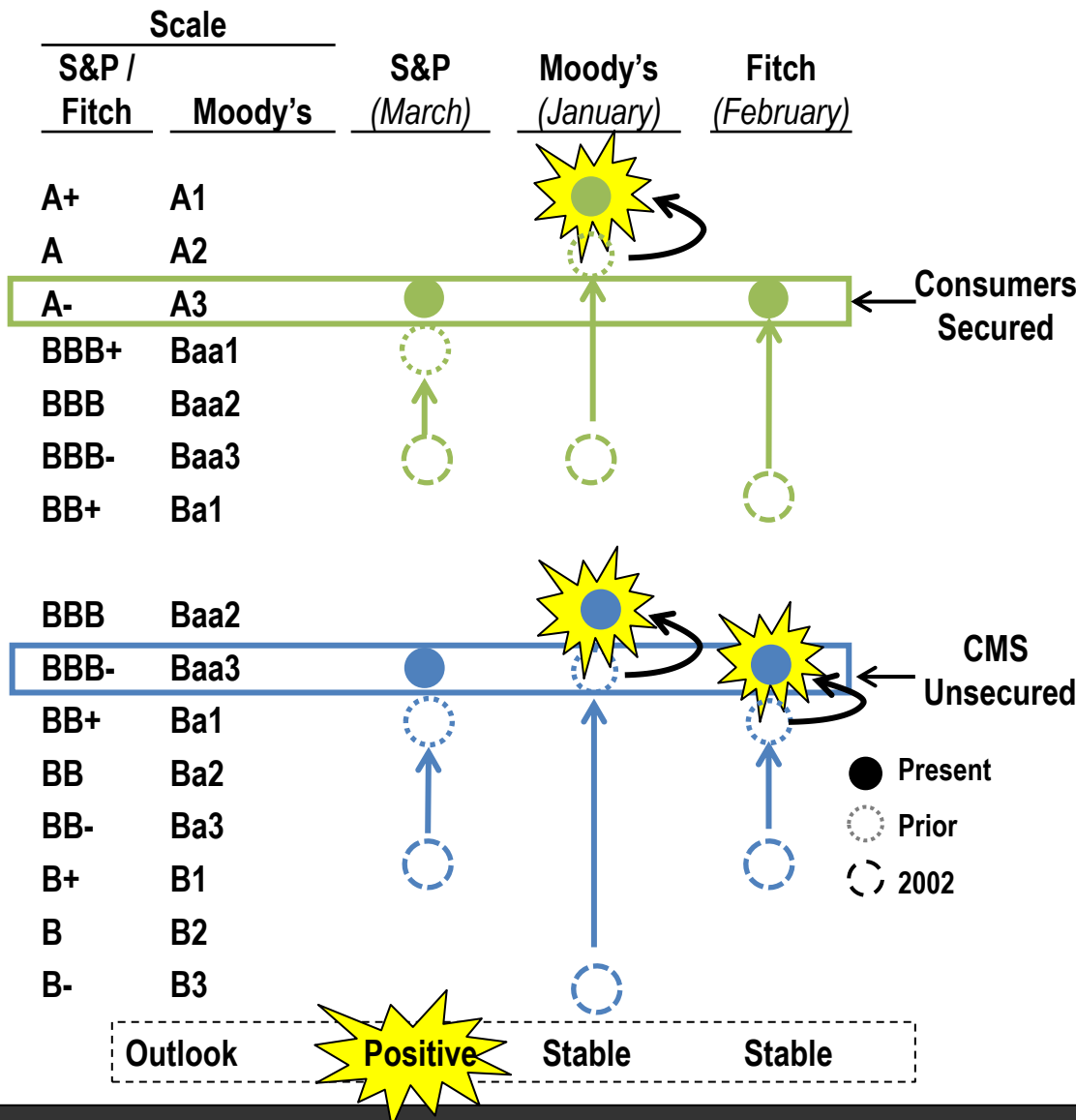
## Diverse Capacity



## Balanced Portfolio



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



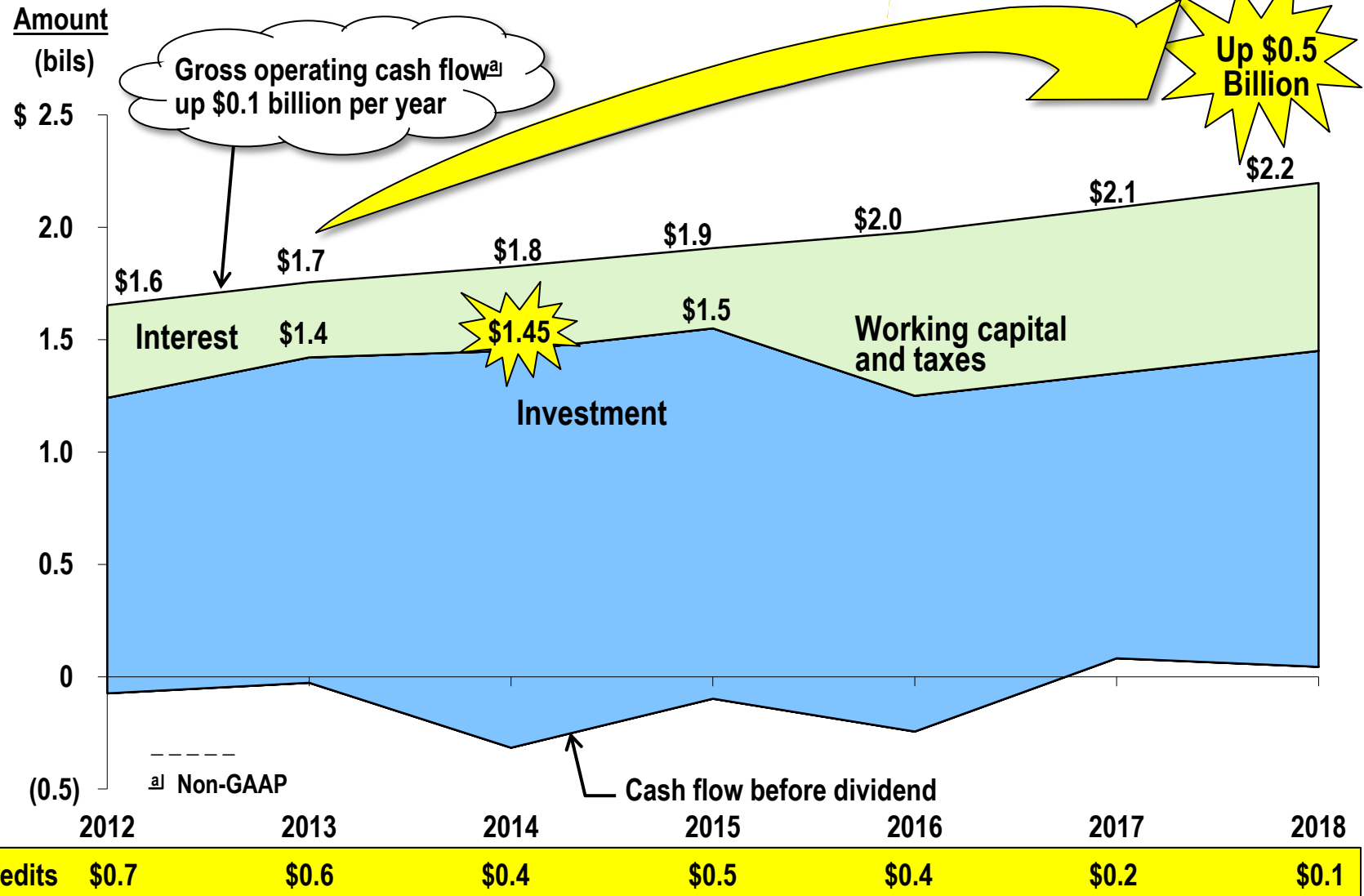
## Reflects

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

.... just upgraded, more ahead?

# Operating Cash Flow Growth....

CMS ENERGY



.... self-funds investment and strategy.



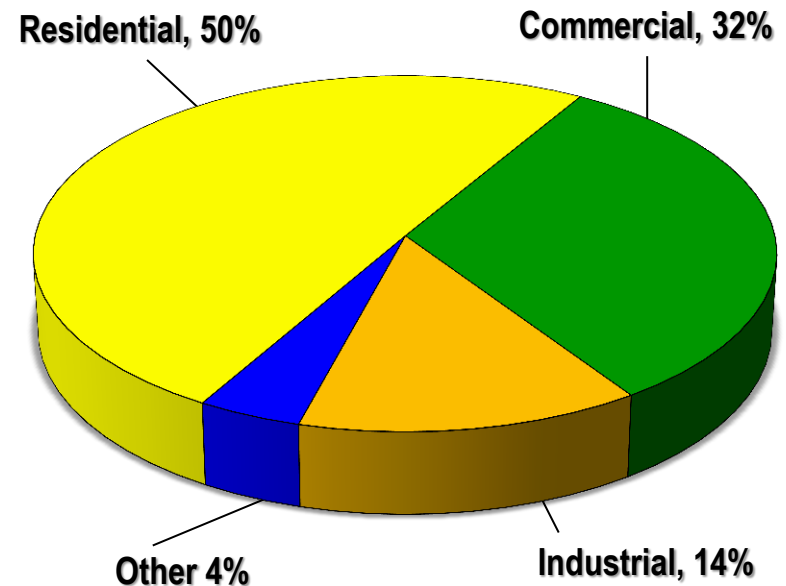
## Top Ten Customers

- 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



\$2.1 Billion

.... "autos" 5% of 2013 electric gross margin.

# Capital Expenditures

	2013	2014	2015	2016	2017	2013-2017	2018-2022	Total
	(mils)	(mils)	(mils)	(mils)	(mils)	Subtotal	Subtotal	2013-2022
						(mils)	(mils)	(mils)
New Generation (includes Renewables)	\$ 136	\$ 222	\$ 61	\$ 213	\$ 44	\$ 676	\$ 1,105	\$ 1,781
Environmental	314	280	201	122	114	1,031	420	1,451
Gas	172	227	237	215	188	1,039	1,435	2,474
Smart Energy	69	84	134	174	120	581	-	581
Electric Reliability	160	244	259	157	179	999	1,405	2,404
Maintenance	601	600	605	601	598	3,005	3,645	6,650
Total	<u>\$ 1,452</u>	<u>\$ 1,657</u>	<u>\$ 1,497</u>	<u>\$ 1,482</u>	<u>\$ 1,243</u>	<u>\$ 7,331</u>	<u>\$ 8,010</u>	<u>\$ 15,341</u>
Electric	\$ 1,049	\$ 1,212	\$ 1,004	\$ 1,003	\$ 797	\$ 5,065	\$ 5,378	\$ 10,443
Gas	<u>403</u>	<u>445</u>	<u>493</u>	<u>479</u>	<u>446</u>	<u>\$ 2,266</u>	<u>2,632</u>	<u>4,898</u>
Total	<u>\$ 1,452</u>	<u>\$ 1,657</u>	<u>\$ 1,497</u>	<u>\$ 1,482</u>	<u>\$ 1,243</u>	<u>\$ 7,331</u>	<u>\$ 8,010</u>	<u>\$ 15,341</u>

# Electric Utility

## Financial & Operating Statistics



Years Ended December 31	2013	2012	2011	2010	2009	2008
<b>ELECTRIC REVENUE AND POWER COSTS (\$ Millions)</b>						
Residential	\$1,819	\$1,785	\$1,678	\$1,614	\$1,387	\$1,414
Commercial	1,301	1,228	1,197	1,166	1,099	1,129
Industrial	772	781	794	749	677	810
Other	34	38	39	40	36	32
Total revenue from customers	\$3,926	\$3,832	\$3,698	\$3,569	\$3,199	\$3,385
Wholesale	24	23	21	20	19	22
Retail open access/direct access	46	53	43	54	31	15
Intersystem	114	64	91	99	94	113
Miscellaneous	63	59	60	60	64	59
Total electric utility revenue	\$4,173	\$4,031	\$3,913	\$3,802	\$3,407	\$3,594
Fuel for electric generation	\$541	\$517	\$559	\$520	\$460	\$483
Purchased and interchange power	1,450	1,425	1,348	1,308	1,232	1,388
<b>DEPRECIATION AND AMORTIZATION</b>	<b>\$484</b>	<b>\$459</b>	<b>\$412</b>	<b>\$450</b>	<b>\$441</b>	<b>\$438</b>
<b>OPERATING INCOME</b>	<b>\$783</b>	<b>\$743</b>	<b>\$712</b>	<b>\$672</b>	<b>\$488</b>	<b>\$576</b>
<b>NET INCOME</b>	<b>\$363</b>	<b>\$325</b>	<b>\$333</b>	<b>\$303</b>	<b>\$194</b>	<b>\$271</b>
<b>DELIVERIES (Million kWhs)</b>						
System sales						
Residential	12,793	12,901	12,931	12,968	12,386	12,854
Commercial	10,908	10,950	10,903	11,026	11,211	11,969
Industrial	8,647	9,685	9,544	9,061	9,290	10,563
Other	209	220	224	235	230	225
Total sales to ultimate customers	32,557	33,756	33,602	33,290	33,117	35,611
Wholesale	341	347	332	325	328	333
Retail open access/direct access	3,996	3,981	3,901	4,079	2,326	1,541
Intersystem	2,379	1,711	1,349	1,394	1,277	1,176
Total electric system deliveries	39,273	39,795	39,184	39,088	37,048	38,661
<b>AVERAGE ELECTRIC REVENUE (¢ per kWh)</b>						
Residential	14.22	13.84	12.98	12.45	11.20	11.00
Commercial	11.93	11.21	10.98	10.58	9.80	9.43
Industrial	8.93	8.06	8.21	8.27	7.29	7.67
Other	16.27	17.27	17.41	17.02	15.65	14.22
Total	12.06	11.35	11.01	10.72	9.86	9.51
<b>ELECTRIC CUSTOMERS BILLED (At December 31)</b>						
Residential	1,573,802	1,571,873	1,571,319	1,569,183	1,566,980	1,584,752
Commercial	206,396	206,627	207,490	209,464	210,223	208,931
Industrial	8,588	8,706	8,691	8,702	8,770	8,505
Retail open access/direct access	1,081	1,065	1,078	1,095	861	642
Other	1,363	1,320	1,300	1,287	1,282	2,045
Total	1,791,230	1,789,591	1,789,878	1,789,731	1,788,116	1,804,875
<b>AUTHORIZED RETURN ON EQUITY</b>	<b>10.30%</b>	<b>10.30%</b>	<b>10.70%</b>	<b>10.70%</b>	<b>10.70%</b>	<b>10.70%</b>
<b>EARNED RETURN ON EQUITY-FINANCIAL</b>	<b>10.90%</b>	<b>10.20%</b>	<b>11.00%</b>	<b>10.60%</b>	<b>6.40%</b> <sup>1</sup>	<b>9.40%</b>
<b>RATE BASE (\$ Millions) 13 month average</b>	<b>\$8,314</b>	<b>\$7,741</b>	<b>\$7,442</b>	<b>\$6,815</b>	<b>\$6,459</b>	<b>\$6,175</b>
<b>COOLING DEGREE DAYS<sup>2</sup></b>						
Normal degree days in calendar year	665	607	584	571	578	579
Actual degree days	675	942	767	884	379	542
Warmer (colder) than normal (%)	2	55	31	55	(34)	(6)
Increase (decrease) from normal in:						
Electric deliveries (millions of kWh)	395	502	513	855	(461)	146
<b>HEADCOUNT (total utility)</b>	<b>7,435</b>	<b>7,221</b>	<b>7,452</b>	<b>7,551</b>	<b>7,787</b>	<b>7,727</b>

<sup>1</sup> 9.1% excluding Big Rock Decommissioning refund

<sup>2</sup> CDD base 65 degrees, Lansing weather station, normal equals average of preceding 15 year time period

# Electric Utility

## Financial & Operating Statistics



Years Ended December 31	2013	2012	2011	2010	2009	2008
<b>FUEL COST (\$ per MMBtu)</b>						
Coal	2.90	2.98	2.94	2.51	2.37	2.01
Oil	19.47	19.08	18.55	10.98	9.59	11.54
Gas	4.68	3.16	4.95	5.57	6.57	10.94
Weighted average for all fuels	3.07	3.05	3.18	2.71	2.56	2.47
<b>FUEL COST FOR GENERATION (%)</b>						
Coal	89.2	84.9	83.5	88.2	90.6	81.0
Oil	1.8	1.5	2.1	3.3	2.5	4.1
Gas	8.6	13.6	14.3	8.4	6.8	14.6
Nox allowances	0.4	0.0	0.1	0.1	0.1	0.3
<b>POWER GENERATED (Millions of kWhs)</b>						
Coal	15,951	14,027	15,468	17,879	17,255	17,701
Oil	4	6	7	21	14	41
Gas	1,415	3,003	1,912	1,043	565	804
Renewable energy (hydro, wind <sup>1,2</sup> )	704	433	425	365	466	454
Net pumped storage <sup>1</sup>	(371)	(295)	(365)	(366)	(303)	(382)
Total net generation	17,703	17,174	17,447	18,942	17,997	18,618
<b>Purchased and interchange:</b>						
Non-utility generation	13,121	14,539	12,674	12,003	11,538	13,643
Net interchange power	3,656	4,151	6,825	6,045	6,925	6,653
Total net purchased and interchange power	16,777	18,690	19,499	18,048	18,463	20,296
Total net power supply	34,480	35,864	36,946	36,990	36,460	38,914
<b>POWER GENERATED (%)</b>						
Total net generation	51.3	47.9	47.2	51.2	49.4	47.8
Non-utility generation	38.1	40.5	34.3	32.5	31.6	35.1
Net interchange power	10.6	11.6	18.5	16.3	19.0	17.1
Total net purchased and interchange power	48.7	52.1	52.8	48.8	50.6	52.2
Total net power supply	100.0	100.0	100.0	100.0	100.0	100.0
<b>NET DEMONSTRATED CAPABILITY AT PEAK (MW)</b>						
Coal	2,799	2,846	2,823	2,828	2,850	2,850
Oil and gas	1,795	1,795	1,810	1,814	1,814	1,997
Combustion turbine	348	348	465	517	661	661
Renewable energy (hydro, wind <sup>1,2</sup> )	89	176	77	74	74	73
Pumped storage	953	954	955	955	955	955
Total owned generation	5,984	6,119	6,130	6,188	6,354	6,536
P&I power capability	2,619	2,488	2,458	3,058	2,600	3,050
Total owned and P&I	8,603	8,607	8,588	9,246	8,954	9,586
<b>NET DEMONSTRATED CAPABILITY AT PEAK (%)</b>						
Total owned generation	69.6	71.1	71.4	66.9	71.0	68.2
P&I power capability	30.4	28.9	28.6	33.1	29.0	31.8
Total owned and P&I	100.0	100.0	100.0	100.0	100.0	100.0
Peak load (MM) <sup>2</sup>	8,509	9,006	8,930	8,190	7,756	7,705
Reserve capacity (%)	6	4	4	11	17	22
Net demonstrated capacity, summer (MM)	5,984	6,119	6,091	6,151	6,353	6,353
Load factor (%) <sup>3</sup>	52.4	48.7	50.8	55.3	55.9	59.2

<sup>1</sup> Consumers' portion of the Ludington pumped storage facility

<sup>2</sup> Includes Retail Open Access customers

<sup>3</sup> Includes bundled service customers

# Gas Utility

## Financial & Operating Statistics



Years Ended December 31	2013	2012	2011	2010	2009	2008
<b>GAS REVENUE AND COST OF GAS (\$ Millions)</b>						
Residential	\$1,515	\$1,415	\$1,655	\$1,677	\$1,808	\$1,971
Commercial	399	351	438	449	511	598
Industrial	69	65	89	88	101	124
Other	2	2	3	3	3	5
Total sales revenue	\$1,985	\$1,833	\$2,185	\$2,217	\$2,423	\$2,698
Transportation fees	62	58	60	53	48	45
Miscellaneous	101	91	95	84	85	84
Total gas utility revenue	\$2,148	\$1,982	\$2,340	\$2,354	\$2,556	\$2,827
Cost of gas sold	1,187	1,110	1,438	1,516	1,778	2,079
Gas utility revenue, net of cost of gas	\$961	\$872	\$902	\$838	\$778	\$748
<b>DEPRECIATION, DEPLETION AND AMORTIZATION</b>	<b>\$138</b>	<b>\$133</b>	<b>\$130</b>	<b>\$122</b>	<b>\$118</b>	<b>\$136</b>
<b>OPERATING INCOME</b>	<b>\$334</b>	<b>\$240</b>	<b>\$272</b>	<b>\$252</b>	<b>\$201</b>	<b>\$190</b>
<b>NET INCOME</b>	<b>\$168</b>	<b>\$110</b>	<b>\$130</b>	<b>\$127</b>	<b>\$96</b>	<b>\$89</b>
<b>SALES AND DELIVERIES (Bcf)</b>						
Residential	169	139	157	152	163	171
Commercial	54	44	50	47	52	57
Industrial	10	9	11	10	11	12
Total gas sales <sup>1</sup>	233	192	218	209	226	240
Gas transportation deliveries	119	137	119	108	93	98
Total gas sales and transportation deliveries	352	329	337	317	319	338
<b>GAS CUSTOMERS BILLED (at December 31)</b>						
Residential	1,589,407	1,582,123	1,579,835	1,576,520	1,574,246	1,577,863
Commercial	119,441	118,781	118,223	117,860	118,199	118,870
Industrial	6,026	6,437	6,721	6,938	7,073	6,961
Transportation	3,523	3,347	3,179	3,005	2,725	2,507
Total customers	1,718,397	1,710,688	1,707,958	1,704,323	1,702,243	1,706,201
<b>AVERAGE GAS REVENUE (\$ per Mcf)</b>						
Residential	\$8.96	\$10.18	\$10.54	\$11.03	\$11.09	\$11.53
Commercial	7.39	7.98	8.76	9.55	9.83	10.49
Industrial	6.90	7.22	8.09	8.80	9.18	10.33
Transportation <sup>2</sup>	0.83	0.87	0.88	0.82	0.82	0.70
<b>GAS SUPPLY (MMcf)</b>						
Gas cost recovery	175,812	145,400	175,431	176,247	205,329	219,848
Gas customer choice	62,807	48,923	48,338	36,389	26,816	25,211
Total	238,619	194,323	223,769	212,636	232,145	245,059
<b>WORKING GAS STORAGE CAPACITY (Bcf)</b>						
Total	143	143	142	142	142	142
<b>AVERAGE COST OF GAS SOLD (\$ per Mcf)<sup>3</sup></b>						
Gas cost recovery	\$4.93	\$5.84	\$6.42	\$7.09	\$7.57	\$8.36
Gas customer choice	5.17	5.41	6.56	7.48	8.72	9.99
<b>AUTHORIZED RETURN ON EQUITY</b>	<b>10.30%</b>	<b>10.30%</b>	<b>10.50%</b>	<b>10.55%</b>	<b>10.55%</b>	<b>10.55%</b>
<b>EARNED RETURN ON EQUITY-FINANCIAL</b>	<b>12.30%</b>	<b>8.60%</b>	<b>10.50%</b>	<b>10.90%</b>	<b>9.90%</b>	<b>9.20%</b>
<b>RATE BASE (\$ Millions)<sup>4</sup></b>	<b>\$3,187</b>	<b>\$3,138</b>	<b>\$3,110</b>	<b>\$2,867</b>	<b>\$2,778</b>	<b>\$2,638</b>
<b>HEATING DEGREE DAYS<sup>4</sup></b>						
Normal degree days in calendar year	6,516	6,626	6,678	6,731	6,732	6,741
Actual degree days	6,924	5,714	6,606	6,305	6,913	6,965
Colder (warmer) than normal (%)	6.3	(13.8)	(1.1)	(6.3)	2.7	3.3
Increase (decrease) from normal in:						
Gas deliveries (Bcf)	16.5	(22.9)	(0.4)	(6.4)	4.8	4.1

<sup>1</sup> Includes Gas Customer Choice sales

<sup>2</sup> Average gas revenue for transportation excludes amounts related to MCV and off-system transportation

<sup>3</sup> Includes pipeline transportation charges

<sup>4</sup> HDD base 65 degrees, seven weather station average, normal equals average of preceding 15 year time period



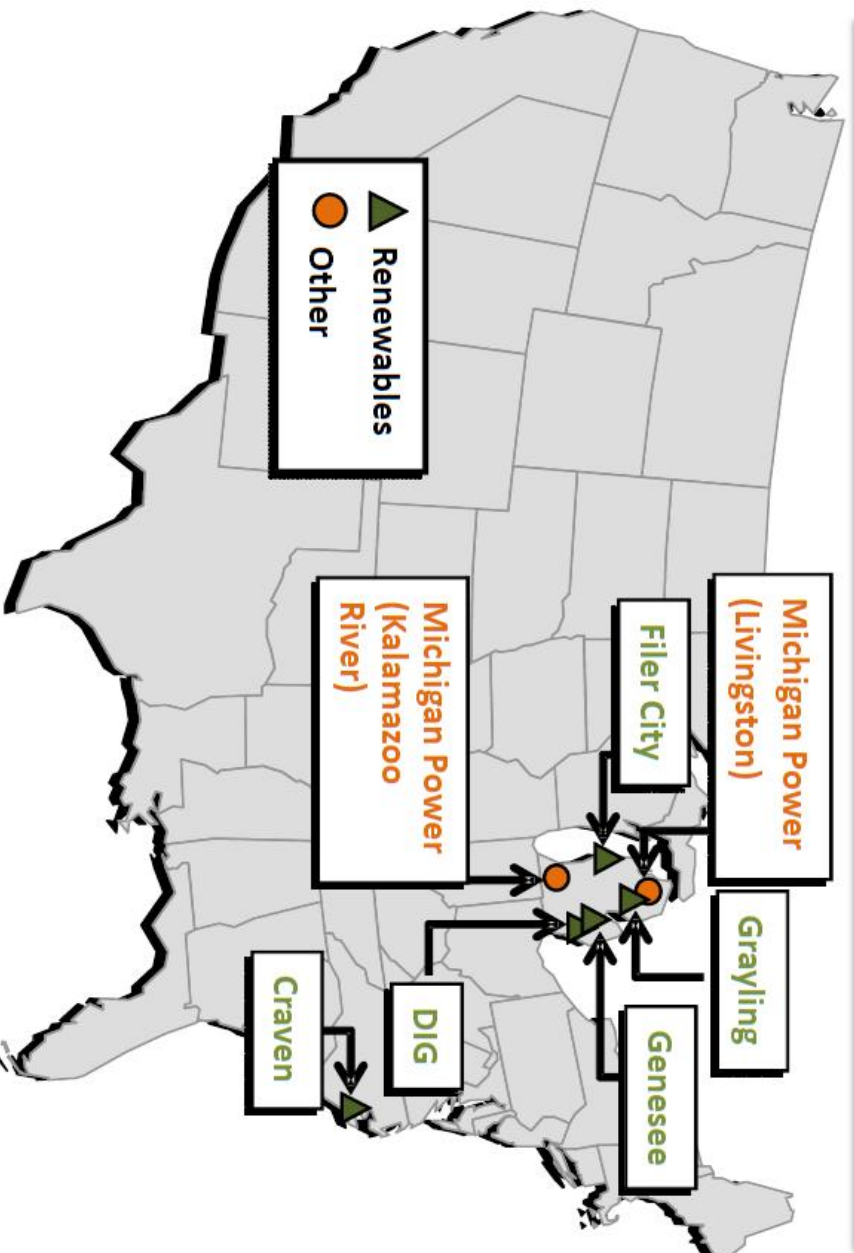
# Enterprises



*As of December 31, 2013*

## Independent Power Production

<u>Plant</u>	<u>Primary Fuel</u>	<u>Ownership Interest</u>	<u>Gross Capacity</u>	<u>In-Service Year</u>	<u>Capacity Under LT Contract</u>		<u>State</u>
Craven	Wood	50%	50	1990	100%		NC
DIG	Natural Gas	100	710	2001	61		MI
Filer City	Coal	50	73	1990	100		MI
Genesee	Wood	50	40	1996	100		MI
Grayling	Wood	50	38	1992	100		MI
MI Power	Natural Gas	100	224	1999	40		MI
<b>Total MW</b>		<b>1,034 (net owned)</b>	<b>1,135</b>				





## **GAAP Reconciliation**

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Reported earnings (loss) per share - GAAP</b>	(\$0.30)	\$0.64	(\$0.44)	(\$0.41)	(\$1.02)	\$1.20	\$0.91	\$1.28	\$1.58	\$1.42	\$1.66
<b>After-tax items:</b>											
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	-	-	-	-	-	-	-	-	-
<b>Adjusted earnings per share, including MTM - non-GAAP</b>	\$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							
<b>Adjusted earnings per share, excluding MTM - non-GAAP</b>	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.

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

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

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