*ELECTRIC RATE CASE U-21870**

On June 2, 2025, Consumers Energy filed an application with the Michigan Public Service Commission seeking an increase in its electric generation and distribution rates based on a test year ending April 30, 2027. The request seeks authority to recover costs related to new infrastructure investment primarily in distribution system reliability. The proposed overall rate of return is based on a 10.25% authorized return on equity. In addition, Consumers is requesting recovery through a surcharge of $24 million related to certain distribution investments made for the twelve months ending February 28, 2025 above the levels approved in cases No. U-21389 and U-21585. On September 30, 2025 the MPSC Staff filed their position recommending a rate increase of $323 million based on a 9.75% ROE. The MPSC Staff also supported the additional $24 million recovery of certain distribution investments. The variance between Consumers' filed position and the MPSC Staff's position is detailed below.

Item	Company Filing (MM)	MPSC Staff (MM)	MPSC Staff (B/W) (MM)	Explanation of Variance
1. Investment	$194	$173	$(21)	Distribution: $(17); Generation: $(2); IT, Facilities, Fleet, & Other: $(2)
2. O&M	158	138	(20)	Distribution: $(16); Generation: $(3); Compensation/Benefits and IT: $(1)
3. Gross Margin	7	(7)	(14)	Sales Forecast
4. Cost of Capital	77	19	(58)	ROE 10.25% vs. 9.75%: $(43); Capital Structure: $(7); Debt Rates: $(8)
5. Subtotal	$436	$323	(113)	
6. Deferral Surcharge	24	24	(0)	
7. Total	$460	$347	$(113)	

Ratemaking Capital Structure %	Existing (U-21585)	Company Filing	MPSC Staff Filing
Long Term Debt	41.60%	41.55%	42.19%
Short Term Debt	0.96	0.46	0.46
Preferred Stock	0.13	0.12	0.12
Common Equity	41.73[1]	42.94[2]	42.31[3]
Deferred FIT	15.18	14.48	14.47
JDITC/Other	0.40	0.46	0.45
	100%	100%	100%

Rate Base and Return Percentage	Existing (U-21585)	Company Filing	MPSC Staff Filing
Rate Base (billion) [4]	$14.86	$16.46	$16.29
Return on Rate Base (%)	5.97	6.35	6.06[5]
Return on Equity (%)	9.90	10.25	9.75

[1] Equivalent to 50.00% on a financial basis.
[2] Equivalent to 50.75% on a financial basis.
[3] Equivalent to 50.00% on a financial basis.
[4] Excludes RPS renewables of ~$2.1 billion.
[5] Equivalent to 7.47% pre-tax basis.

*Electric Rate Case U-21870 can be accessed at the Michigan Public Service Commission's website: https://mi-psc.my.site.com/s/

Rebuttal Testimony	October 21, 2025	**Reply Briefs**	December 23, 2025
Cross-Exam	November 4 – 12, 2025	**Proposal for Decision**	January 27, 2026
Initial Briefs	December 5, 2025	**Commission Order**	By April 2, 2026