



Content

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

CMS
LISTED
NYSE

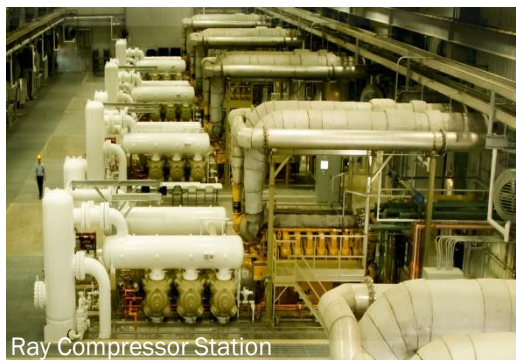
EEl Financial Conference

November 11 - 13, 2014



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.

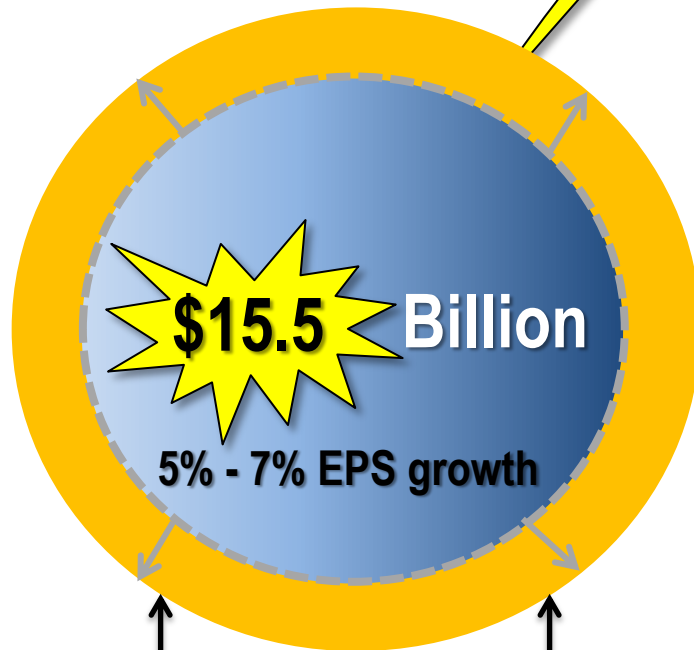
The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

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.

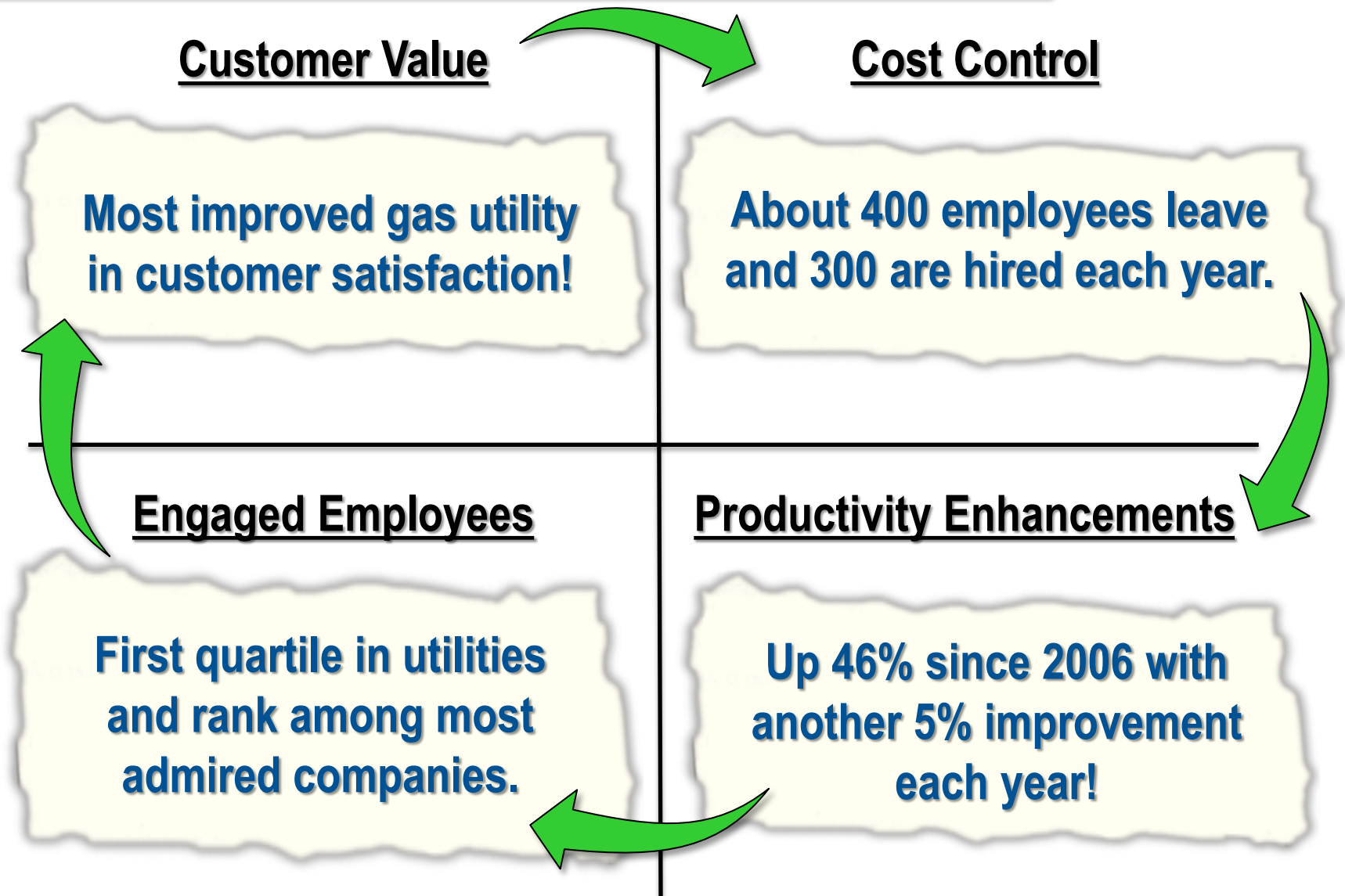
Our Growth Engine (2015-2024 Capex)

Supported By



- **UPSIDES** create headroom
(Investment, Sales, Cost, & DIG)
- **PARTNERS** support good regulation
(Customers, Regulators, & Policy Makers)
- **PASSION** to improve for customers and owners
(Value, Reliability, & Environment)

.... next 10 years brighter than last.

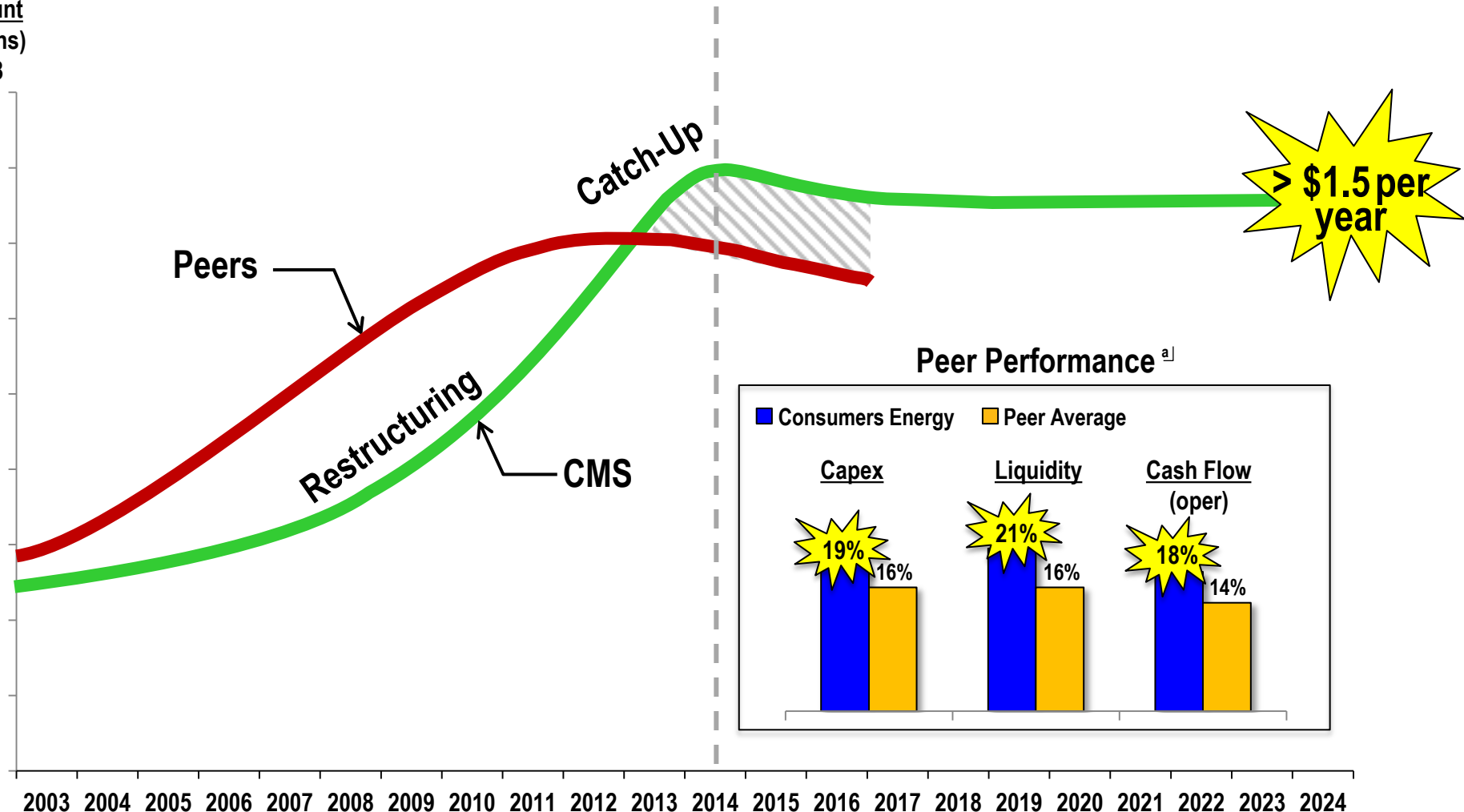


.... provides continuously improving results!

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

CMS ENERGY

Amount
(billions)
\$1.8



^{a)} Based on June 2014 information percent of market cap

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

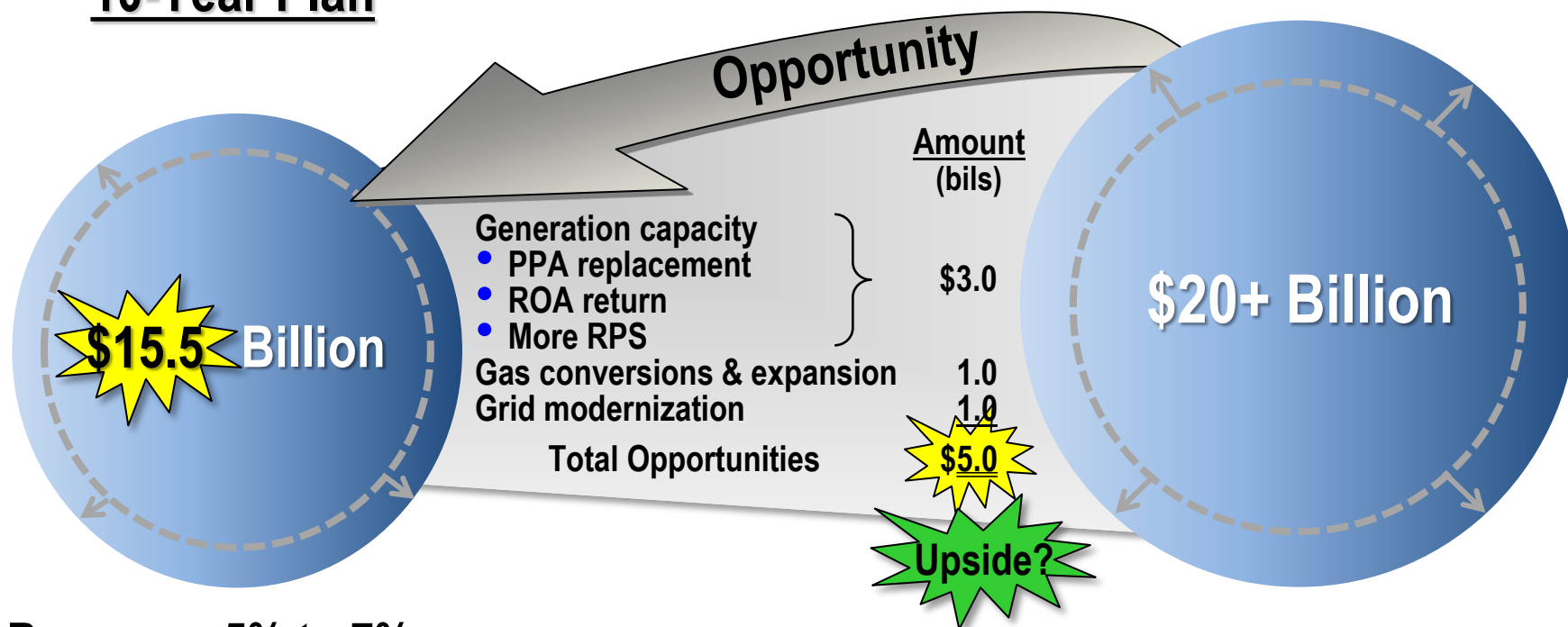
... creating an opportunity for the next ten years.

INVESTMENT -- Ten-Year Capex Plan Expanded....

CMS ENERGY

**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.

INVESTMENT -- Customer-Driven....

CMS ENERGY

Clean Power

\$1.5 Billion



Capacity

\$1.1 Billion



Reliability

\$5.0 Billion



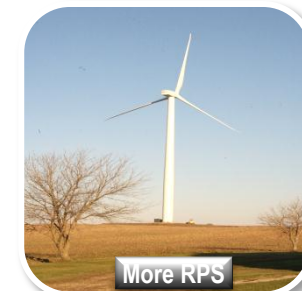
Infrastructure

\$6.1 Billion



Opportunity

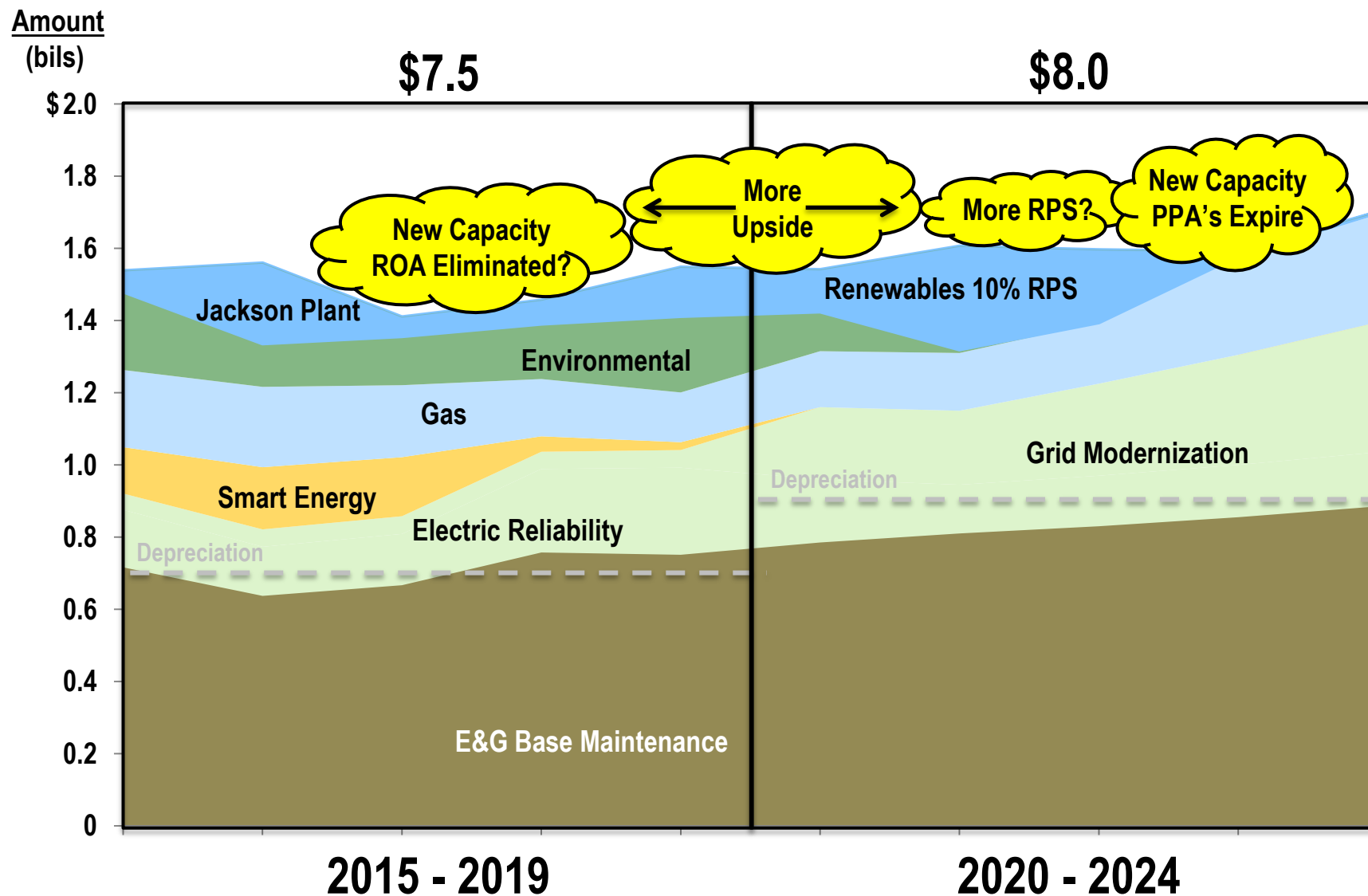
\$5.0 Billion



.... and more in GAS business!

INVESTMENT -- Ten-Year Plan....

CMS ENERGY

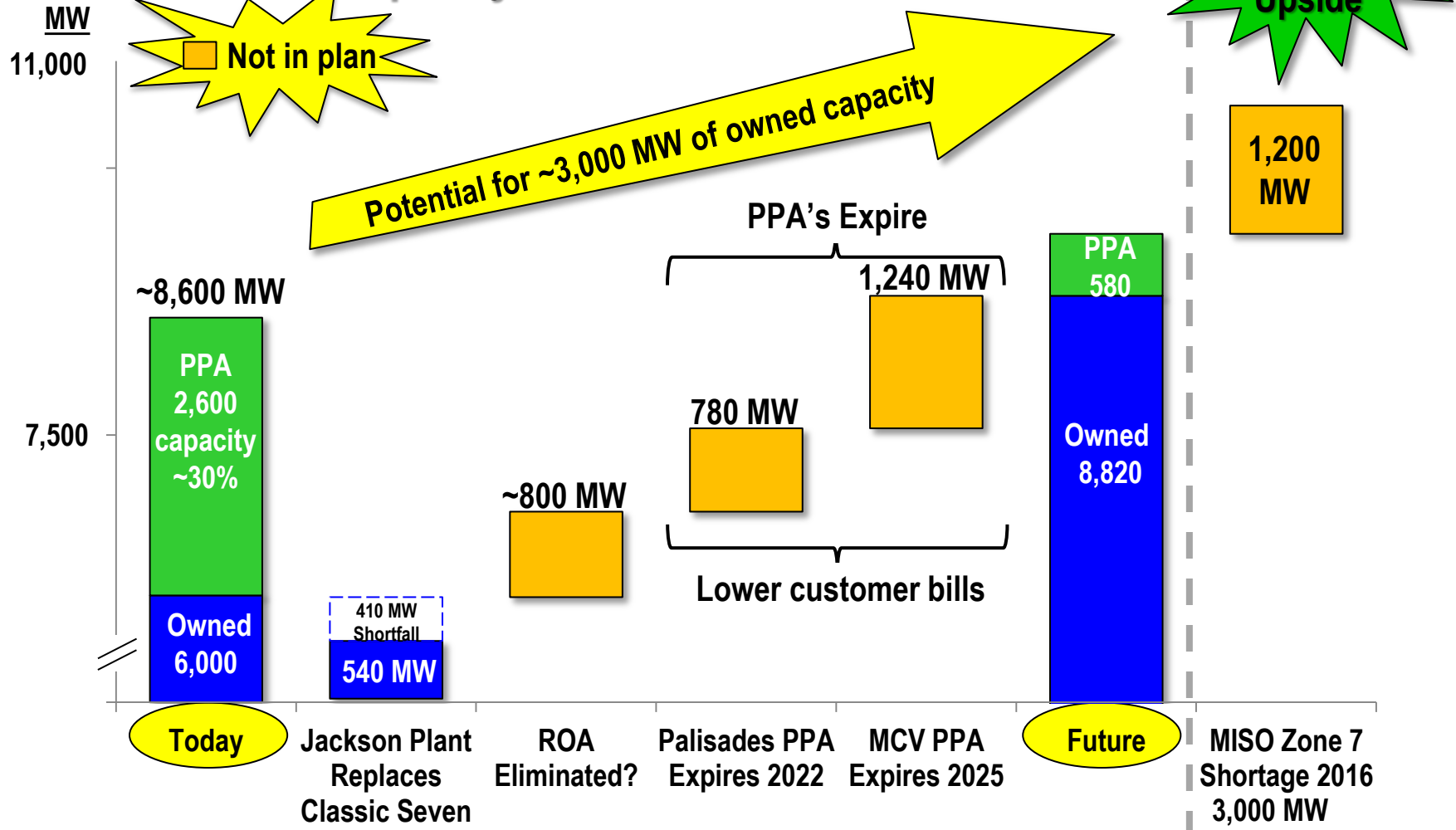


.... clear for next ten years – needed, not just wanted.

INVESTMENT -- Capacity Opportunities....

CMS ENERGY

Capacity Growth Over Next Ten Years



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

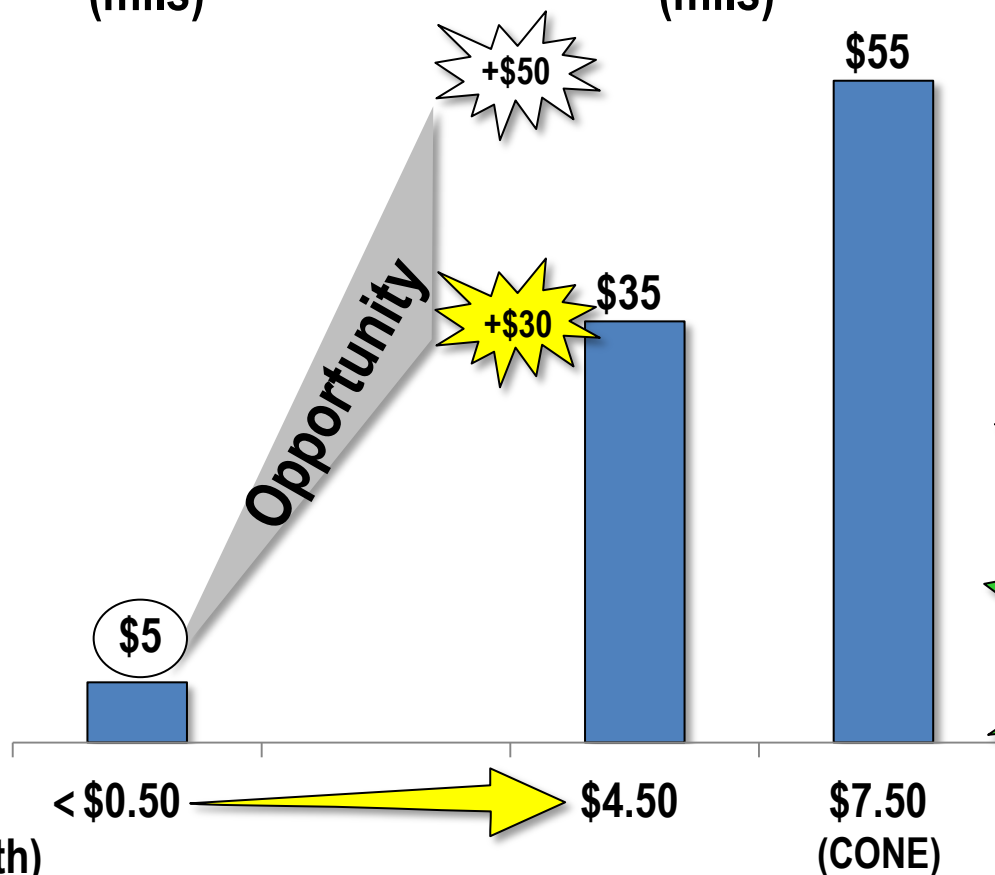
UPSIDES -- Capacity Price Increases....

CMS ENERGY

Today
(mils)

Future Scenarios
(mils)

Recent Contracts



- Nine-year 250 MW “energy” contract at \$4.06
- Capacity to Consumers
 - 25 MW/2015 at \$2.32
 - 50 MW/2016 at \$4.36

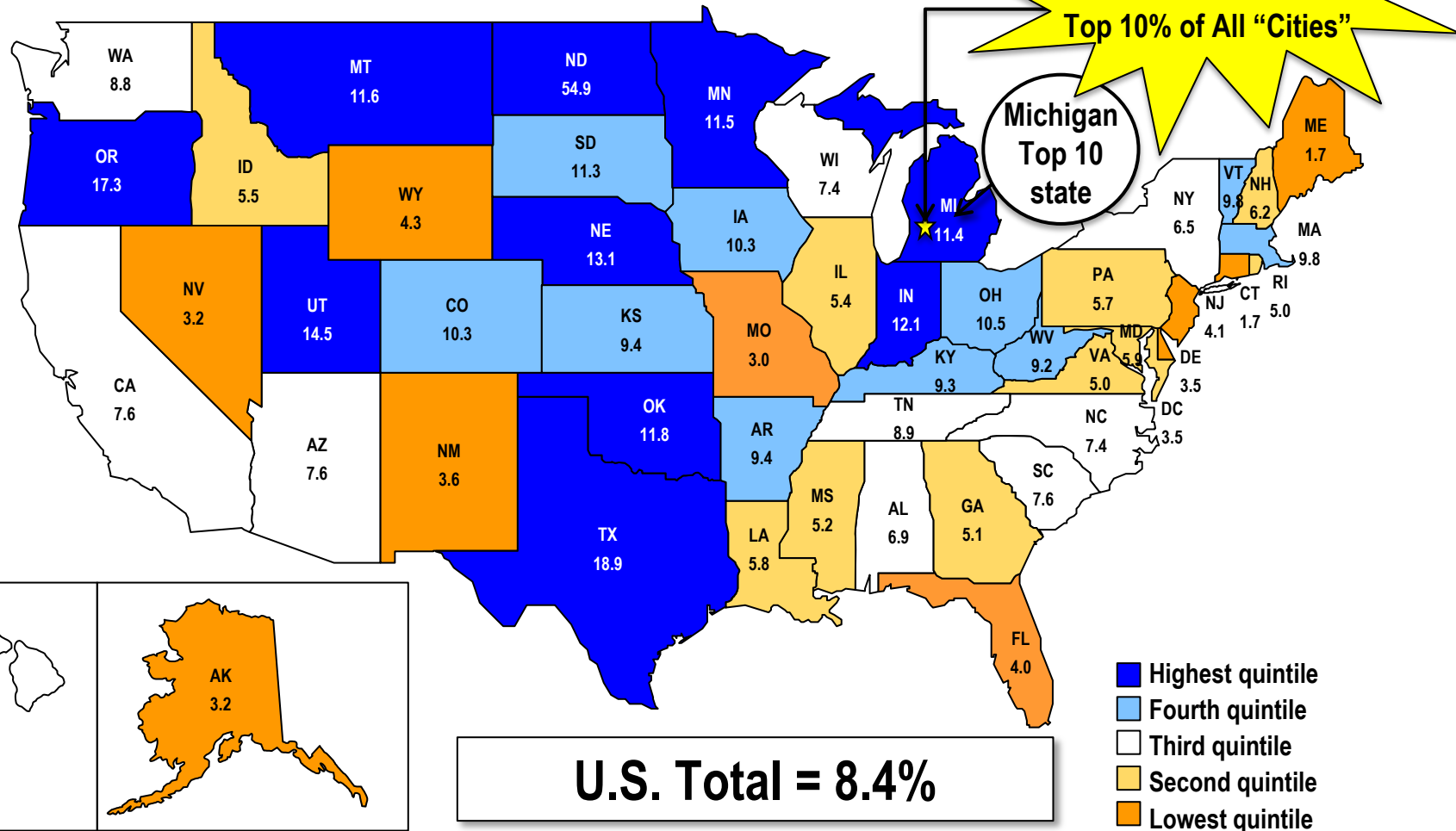
Upside:
Capacity and energy
contracts layered
in over time

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

UPSIDES -- Michigan's Economic Growth....

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.

Examples of New Business

Industries

Electric Gas Combination

Recent Announcement

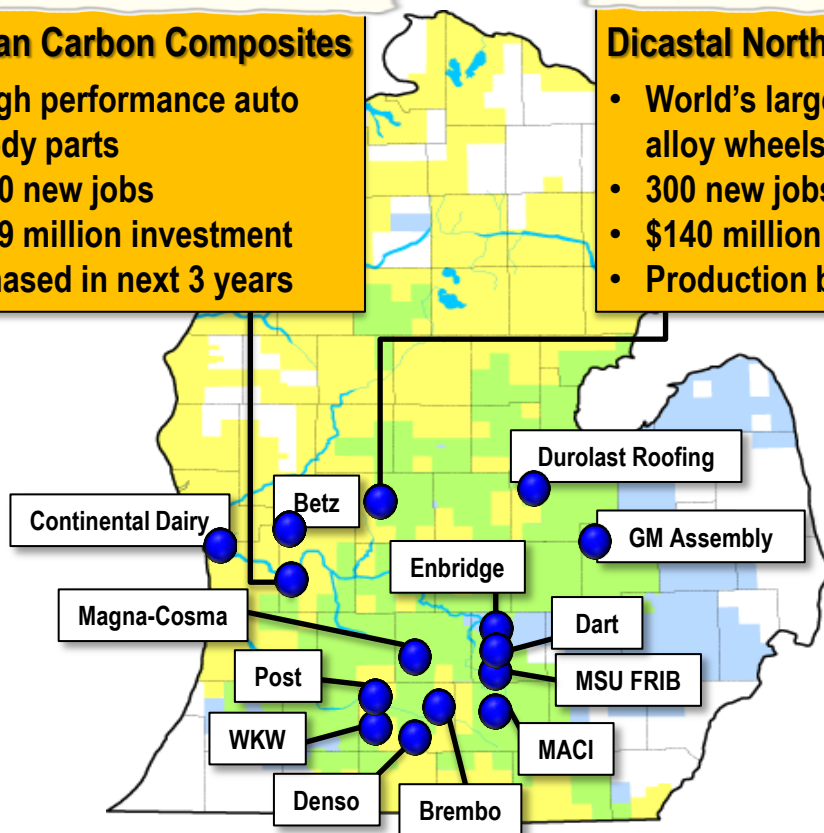
Plasan Carbon Composites

- 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



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

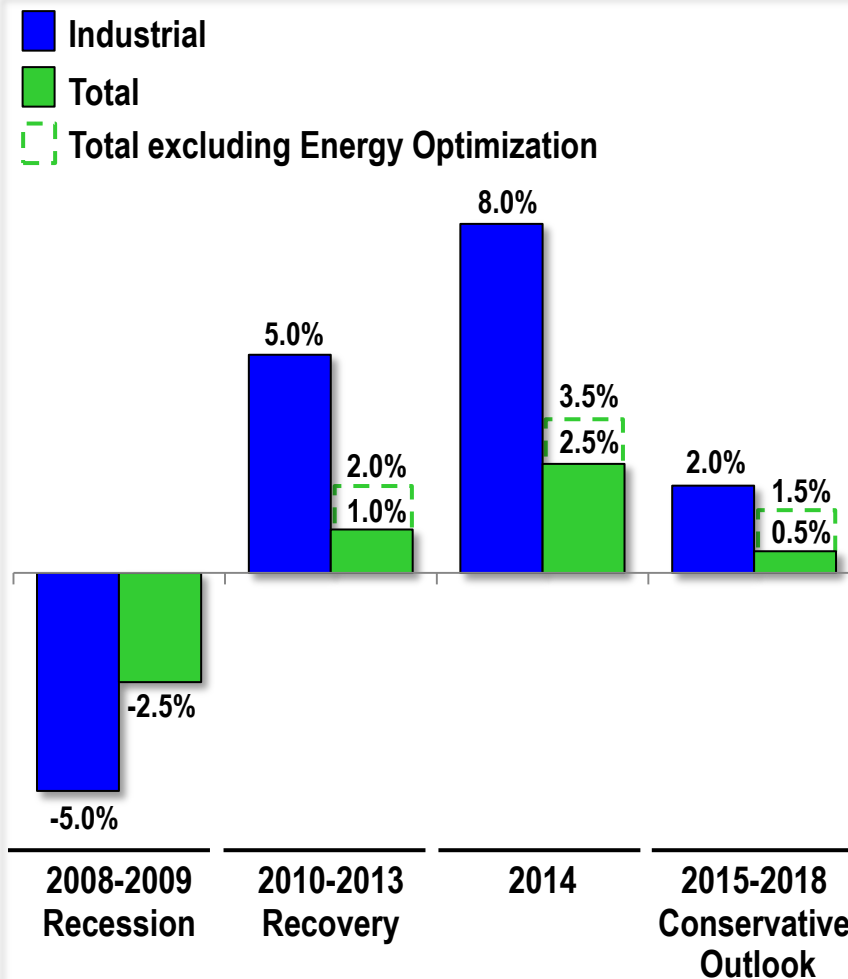
.... another 2.5% of sales growth.

Economic Indicators

	Grand Rapids	Michigan	U.S
Building Permits*	+73%	+9%	+8%
GDP 2010 → 2013	15.3	11.4	8.4
Population 2010 → 2013	3	0	2
Unemployment (9/14)	4.9	7.2	5.9

*Annualized numbers thru September 2014

Annual Electric Sales^{a)}

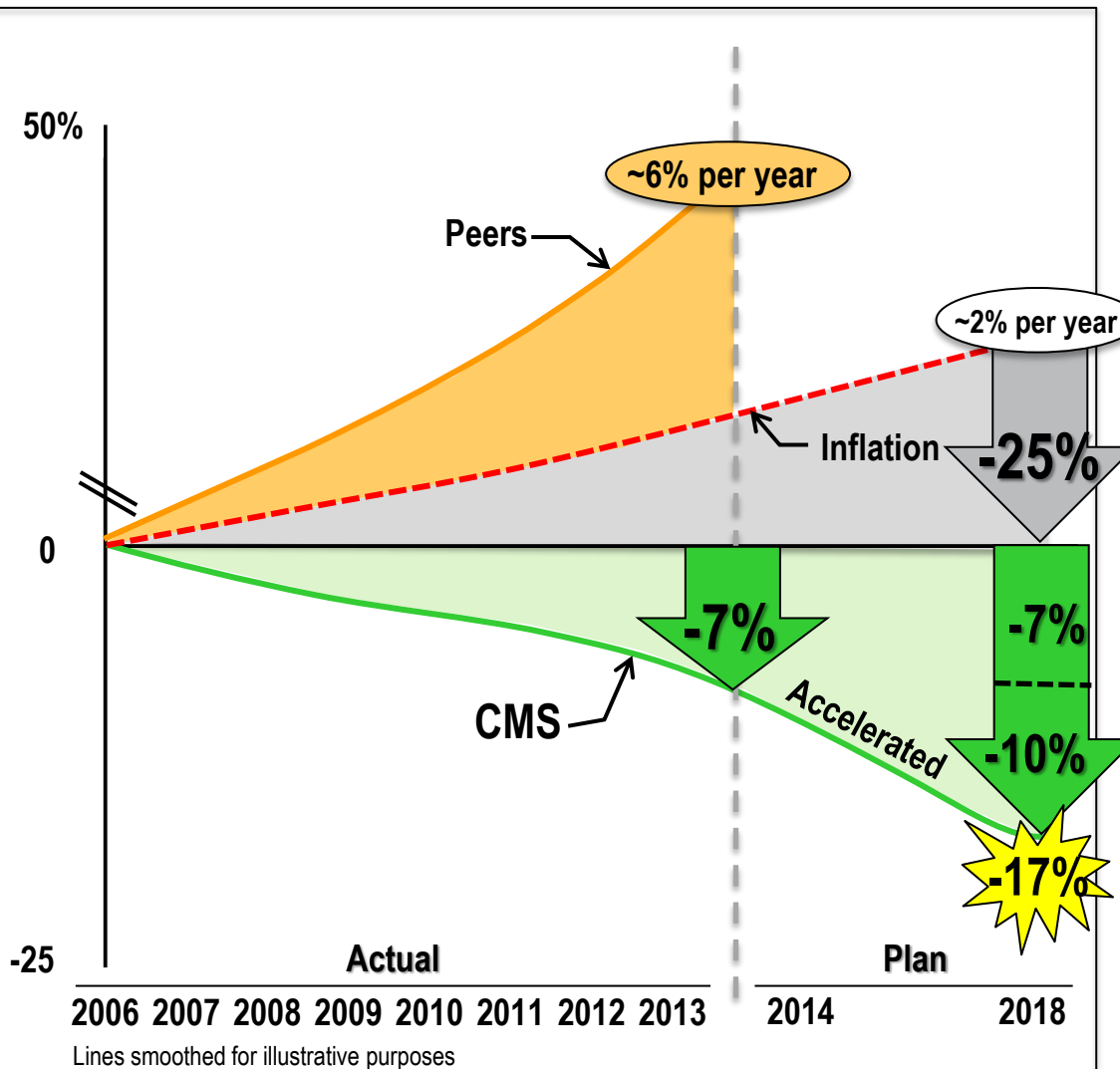


^{a)} Weather normalized vs prior year

... planned conservatively.

UPSIDES -- Trend of O&M Cost Savings.... CMS ENERGY

O&M Trend vs Peers



Future Savings

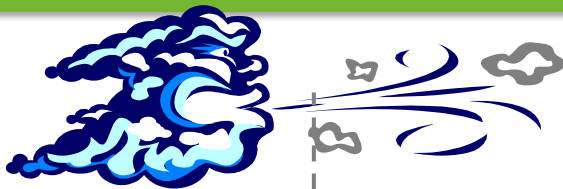
	2018 vs 2013 (mils)
• Fuel mix	\$ - 25
• Benefits	- 75
• Less Expensive New Hires & Lower Headcount	- 75
• Smart Meters	- 25
• Service & Reliability Upgrades	+100
2018 below 2013	<u>\$-100</u>
Savings	-10%

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

UPSIDES -- 2014 Reinvestment Helps Customers....

CMS ENERGY

Adjusted EPS
(non-GAAP)



2014

+18¢

+15¢

Third Quarter

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

First Nine Months

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

Good
Choices

+4¢

\$1.78 +7%
\$1.76 +6%

Guidance

January

March 31

June 30

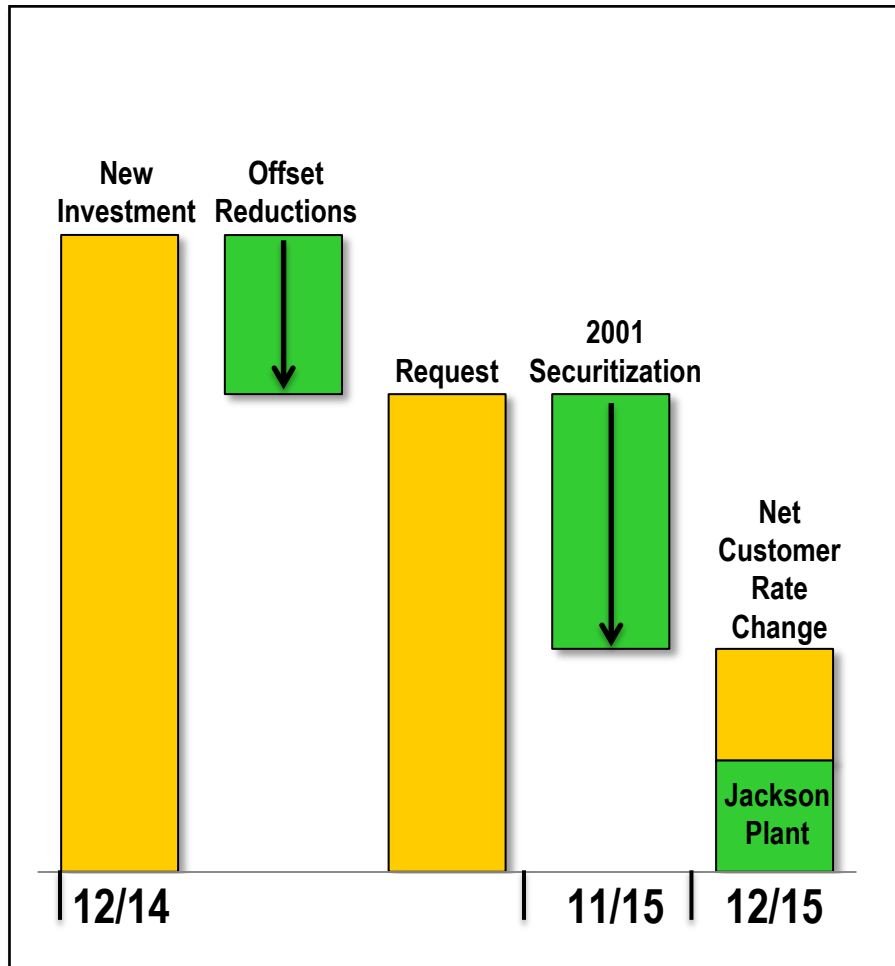
September 30

Plan

December

.... AND provides sustainable growth for investors.

“Win-Win” Rate Case

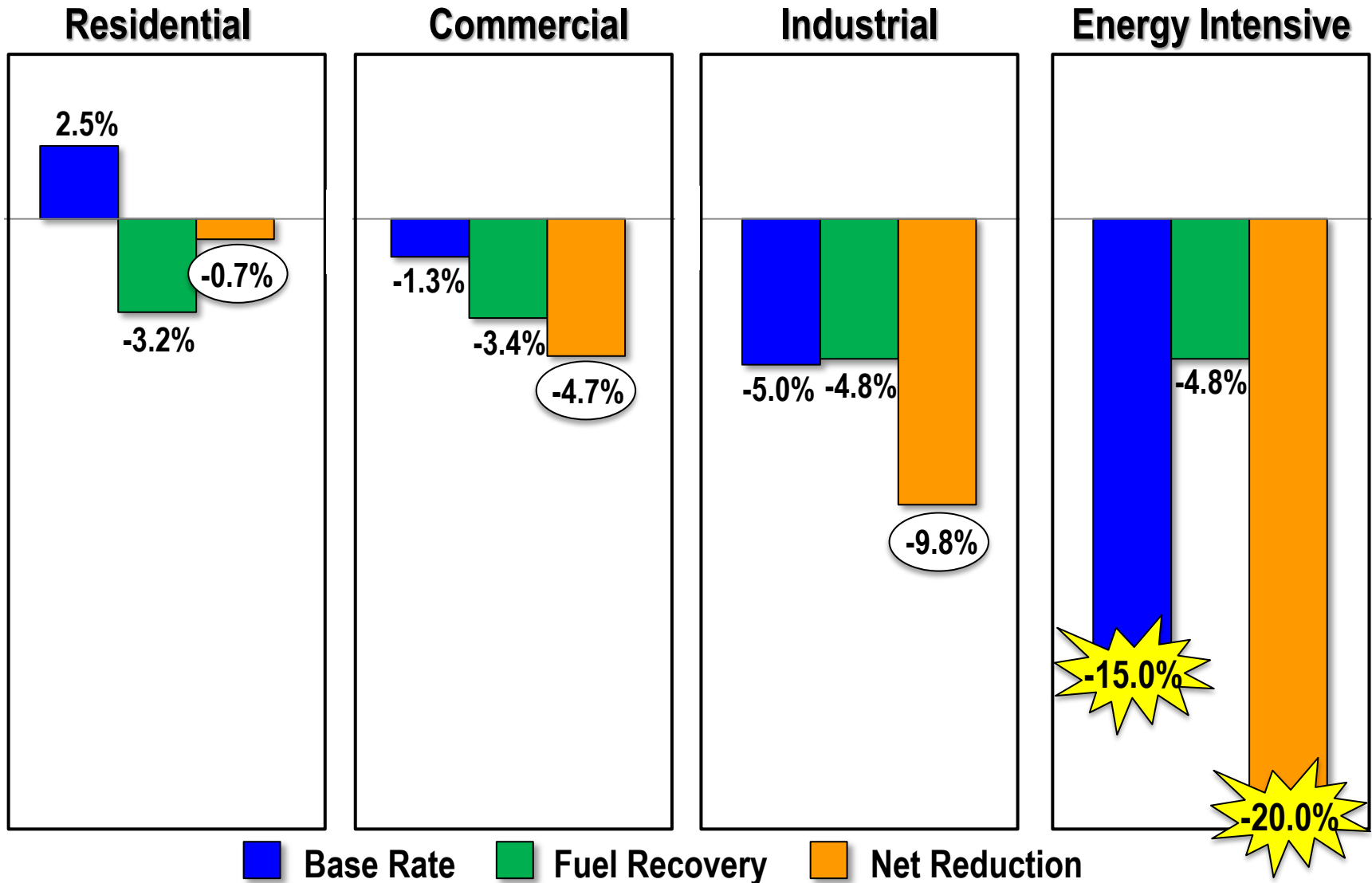


Key Features

- A) New rate design**
(Big users competitive!)
- B) Jackson Plant in rate base**
(Lowest price in many years!)
- C) Investment recovery & cost reductions**
(Industry leader!)

.... largely offset by cost reductions & elimination of old securitization surcharge.

PARTNERS -- New Electric Rate Design.... CMS ENERGY



.... and lower fuel cost have positive impact on average electric rates.

Governor's Race



**Michigan's Comeback
Continues**

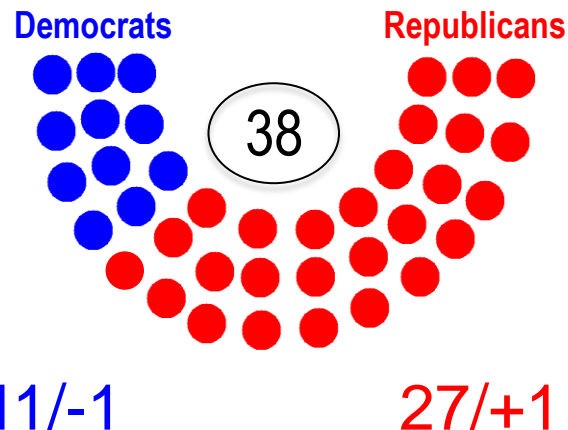
**Governor
Rick Snyder (R)**

- Eliminated state deficit; balanced four budgets ^{a)}
- More than 250,000 jobs since 2010; ^{b)} best recovery in nation! ^{a)}
- Focus on affordable, reliable energy

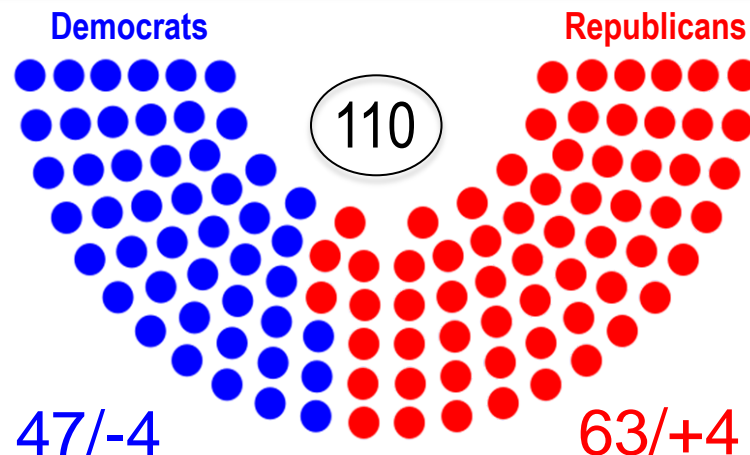
^{a)}Rick for Michigan

^{b)}Business Leaders for Michigan

State Senate



State House



.... Governor Snyder reelected.

Commission



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

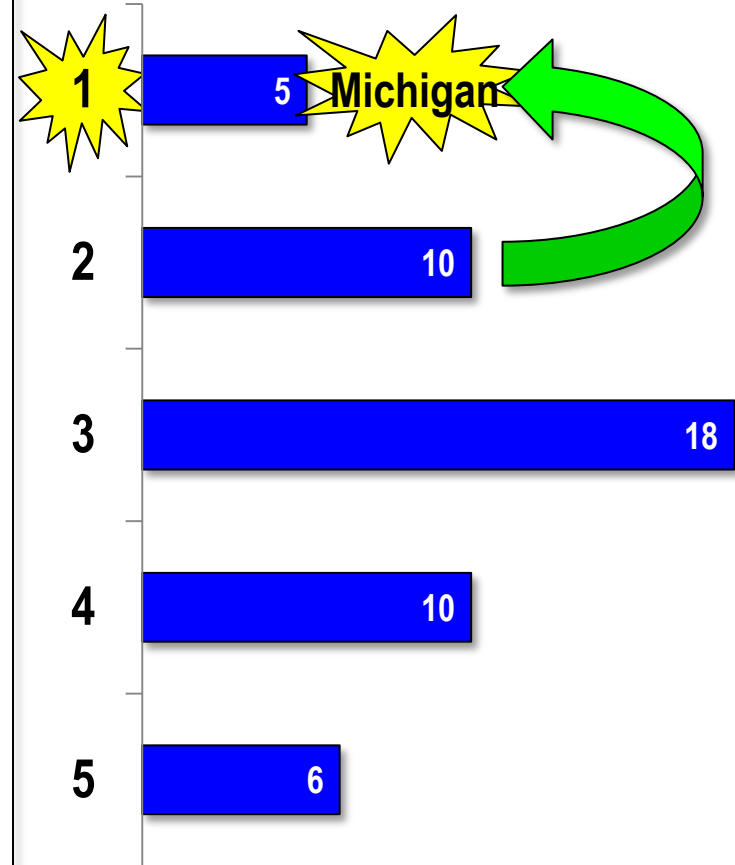


Sally Talberg (I)
Term Ends: July 2, 2019



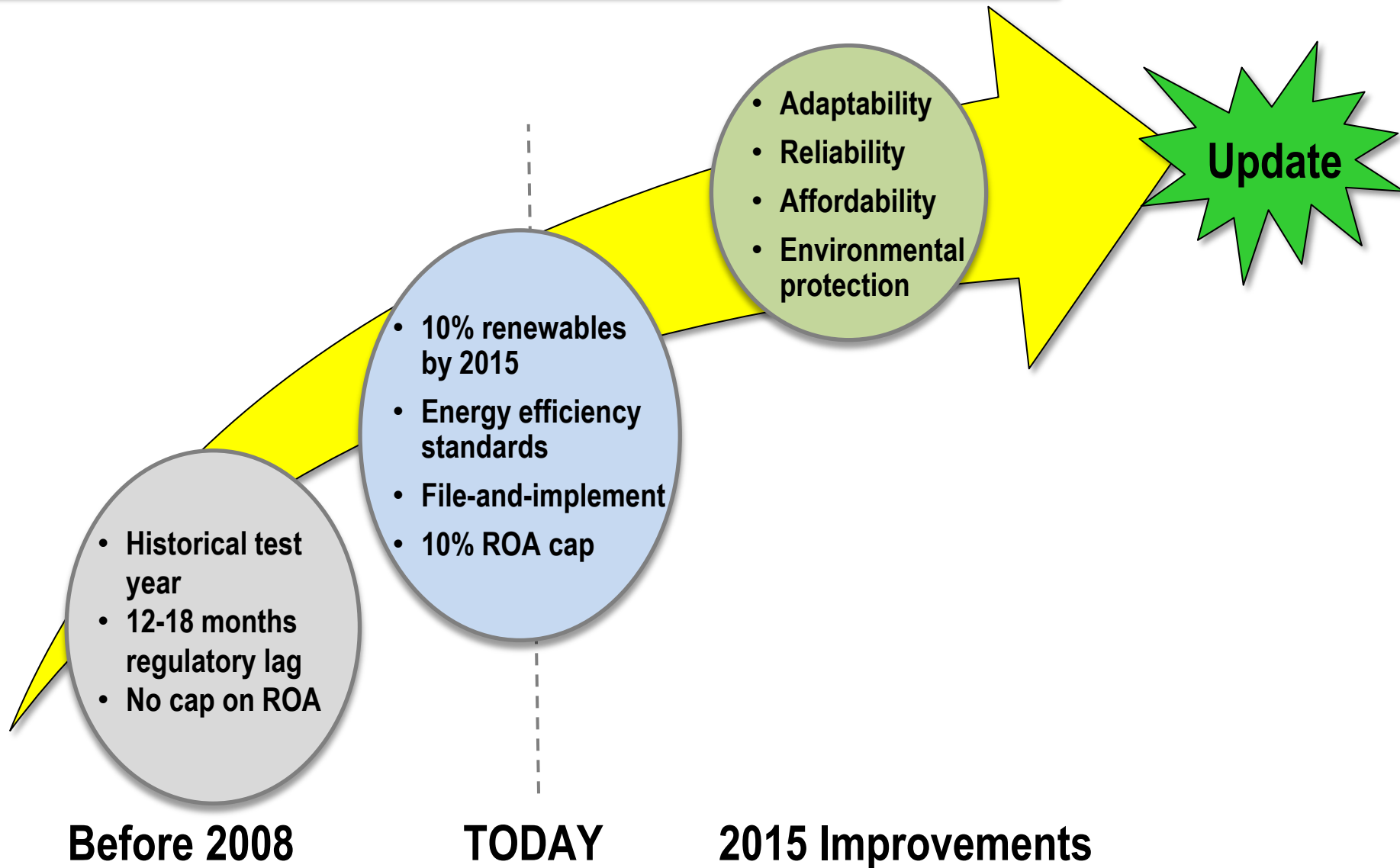
Greg White (I)
Term Ends: July 2, 2015

Tier 1 State Ranking



Barclays Research

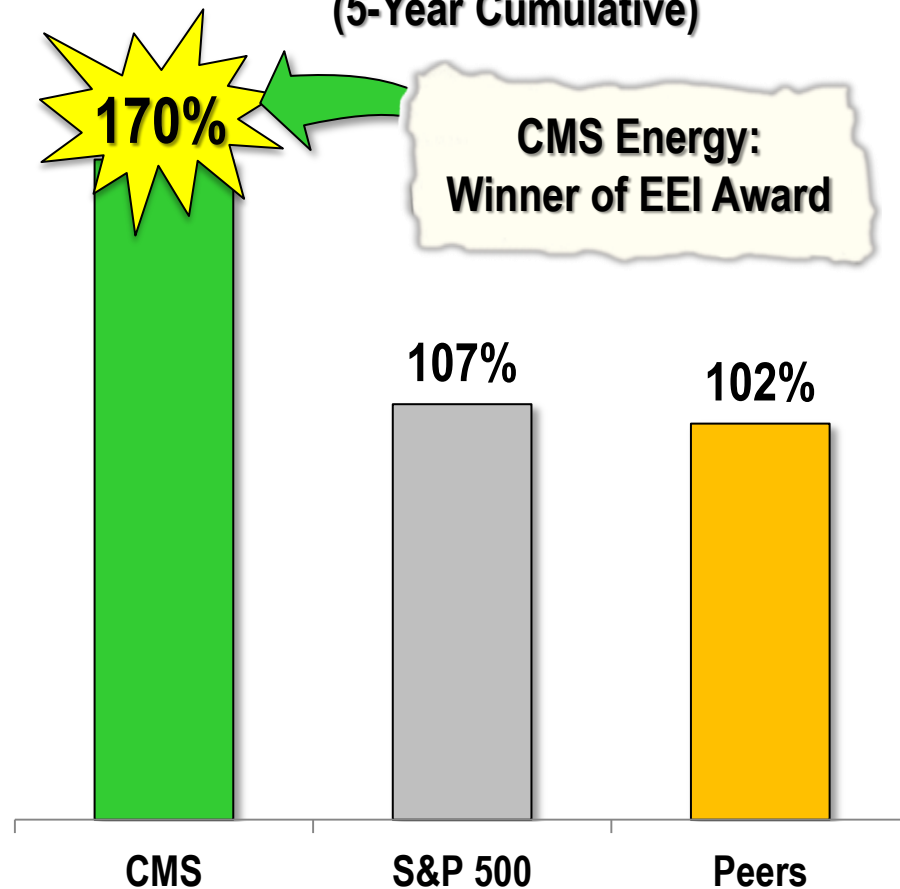
.... is supported by a quality Commission and a strong Law.



.... builds on visionary 2008 Law!

Total Shareowner Return

(5-Year Cumulative)



Source: EEI Index Award, 5-year ended September 30, 2014

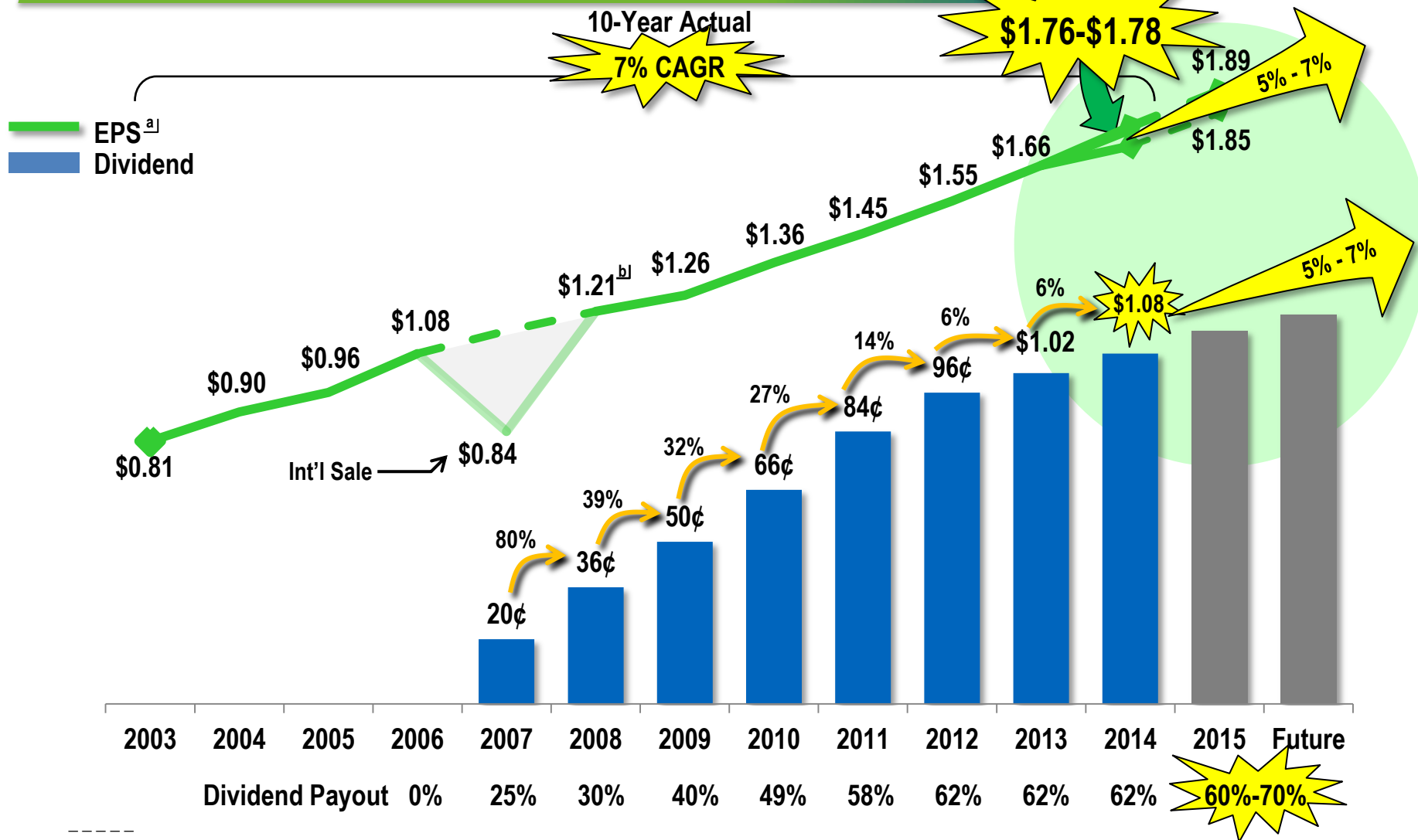
Substantial Future Growth

	Past Performance	Next 5 Years
Capex (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 Tier 1 Ranking	Improved Law

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

PASSION TO IMPROVE -- Mindset....

CMS ENERGY



^aAdjusted EPS (non-GAAP) excluding MTM in 2004-2006

^b\$1.25 excluding discontinued Exeter operations and accounting changes related to convertible debt and restricted stock

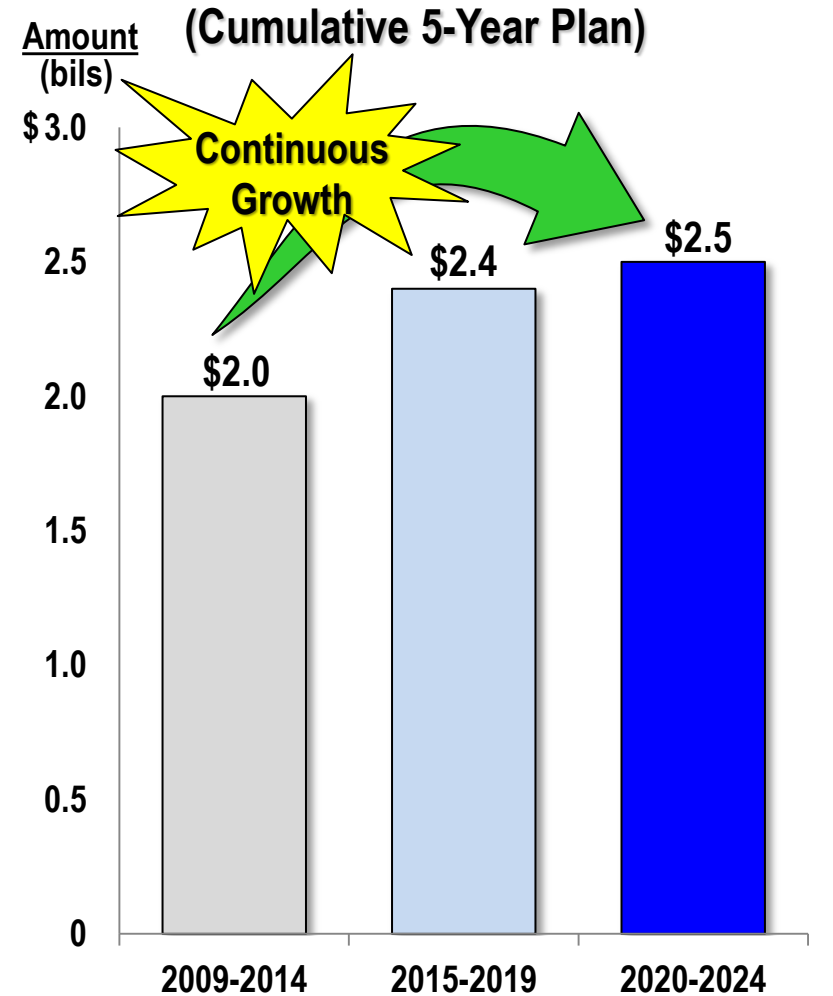
... drives consistent "no excuse" growth, without resets.

Appendix

Gas System

- **#4 largest gas utility in U.S.**
- 50,000 miles of distribution pipes
- 1,700 miles of transmission lines
- 300 bcf gas storage
- 3.5% of all gas storage in U.S.
- 85,000 potential propane conversions

Gas Investment



... accelerating investment opportunities.

New Customers

Includes conversions



50,000 New customers
\$200 Million

Inspection



1,700 Miles
\$100 Million

Storage



23 Wells
\$100 Million

Transmission



32 Miles
\$200 Million

Compression



19,000 + Horsepower
\$400 Million

Commission approved

Main Replacement



800 Miles
\$450 Million

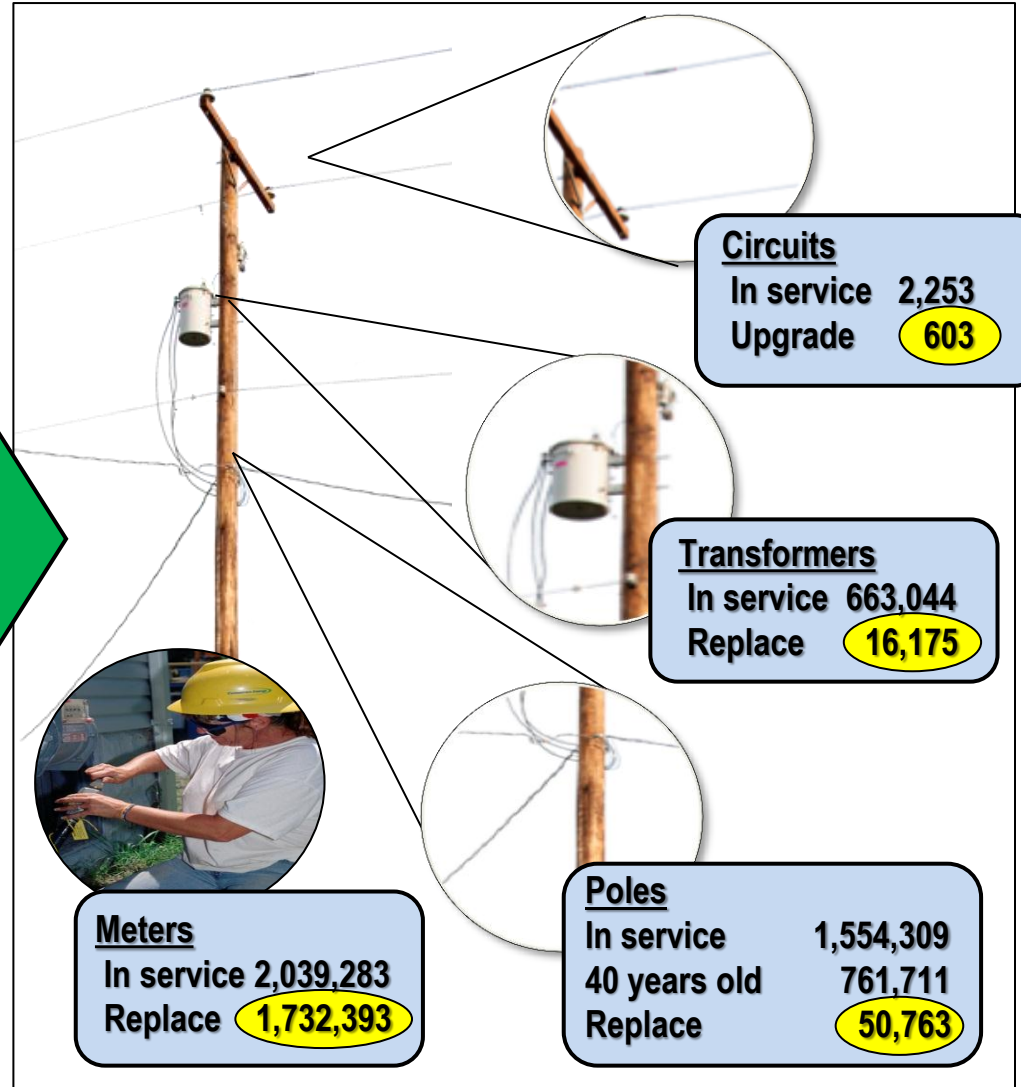
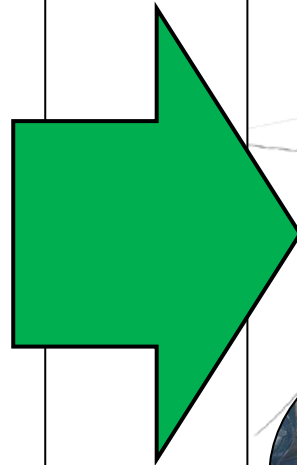
... investing \$2.4 billion over the next 5 years.

Demand
\$ 1.0 Billion

Reliability
\$ 0.7 Billion

Capacity
\$ 0.3 Billion

Total
\$ 2.0 Billion



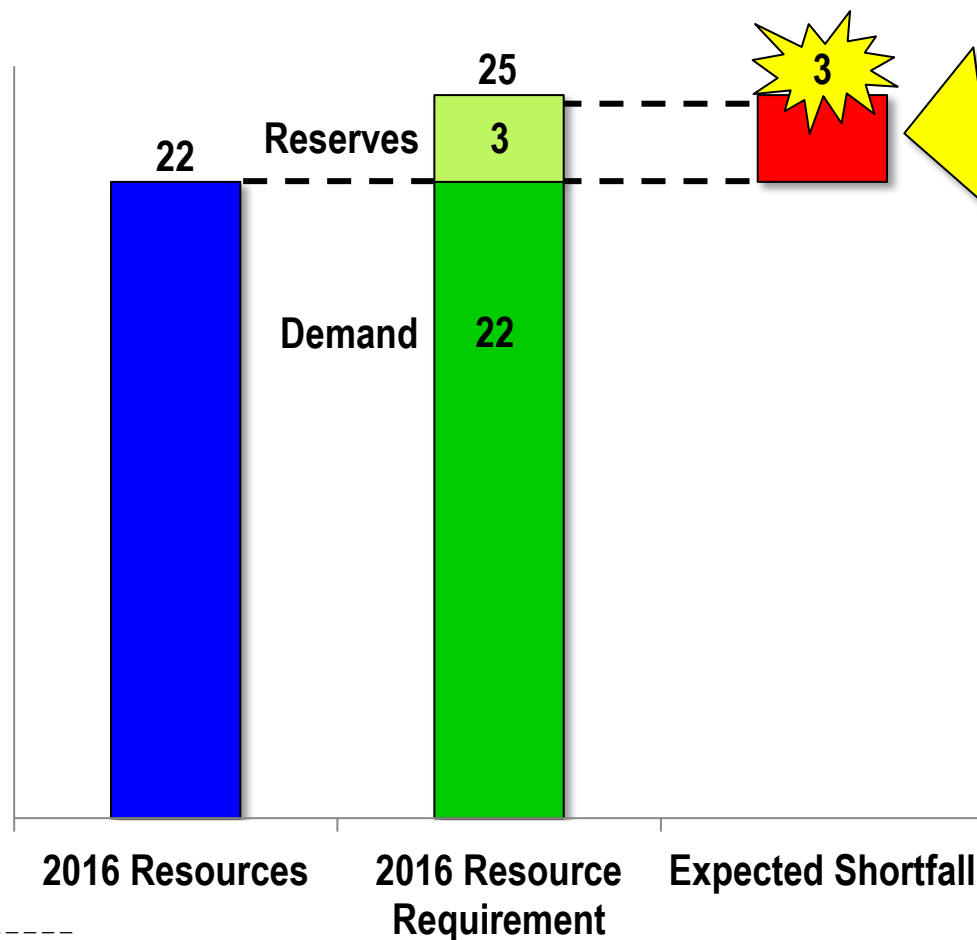
.... investing \$2 billion over the next 5 years.

MISO Zone 7 Capacity....

CMS ENERGY

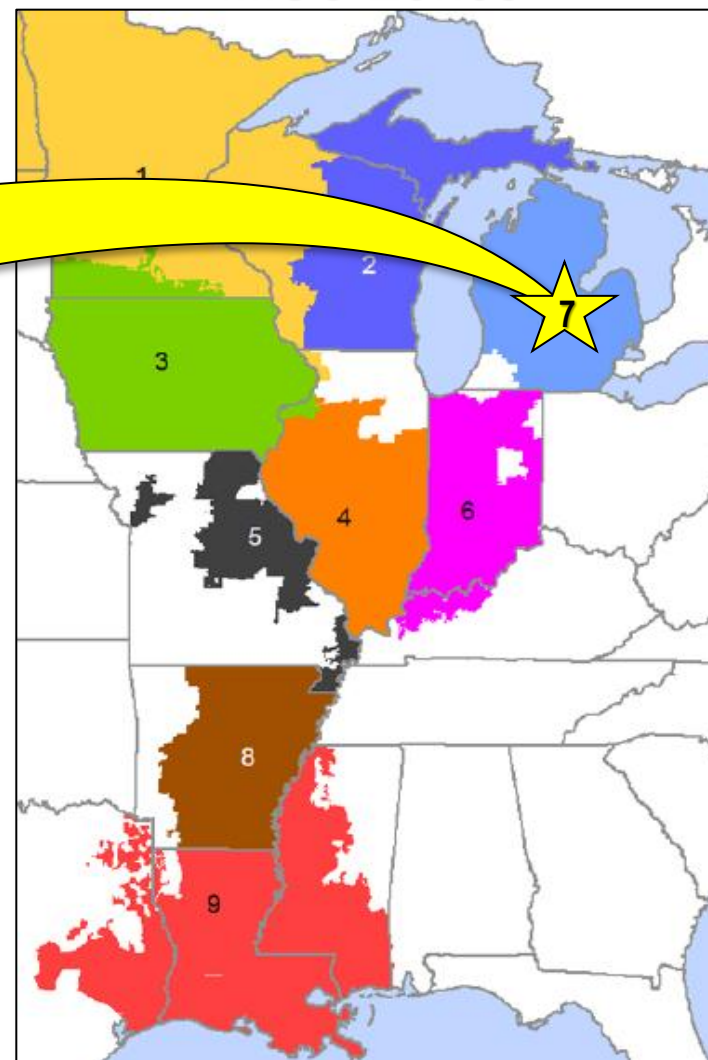
As of October 2014

(in GW)



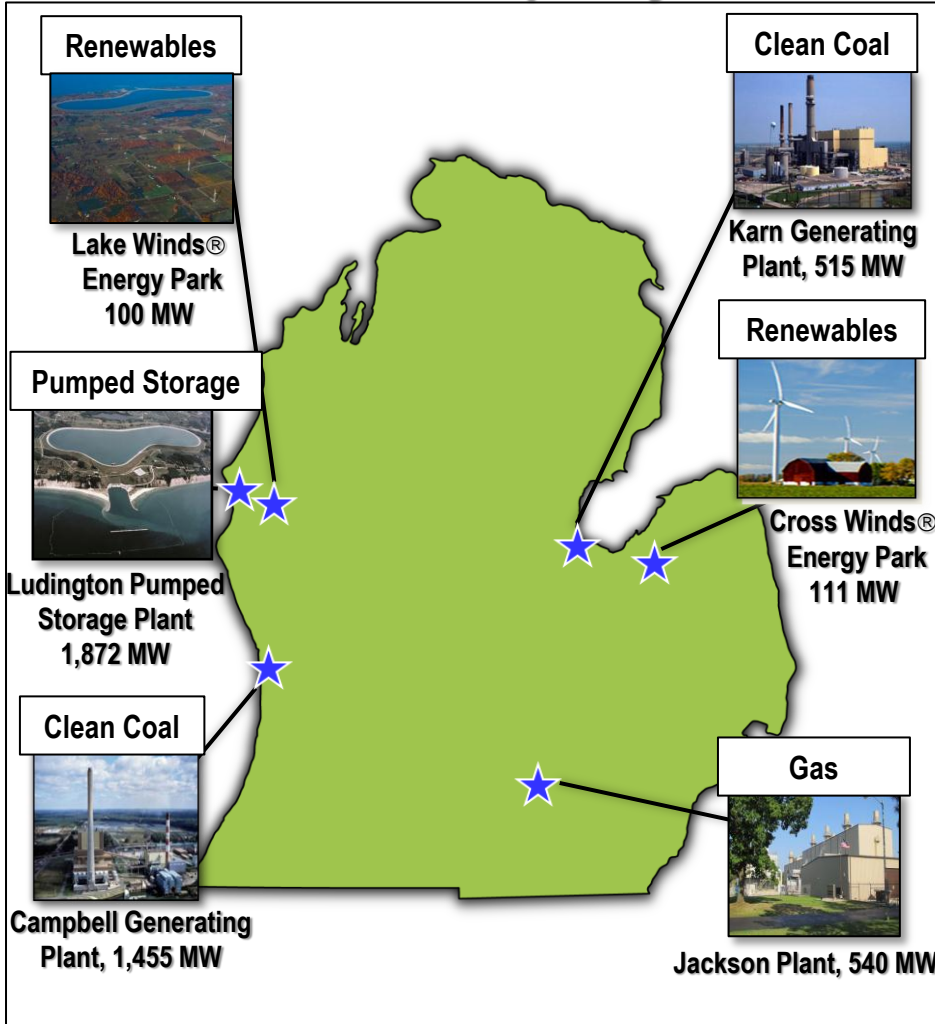
Source: MISO

MISO Zones

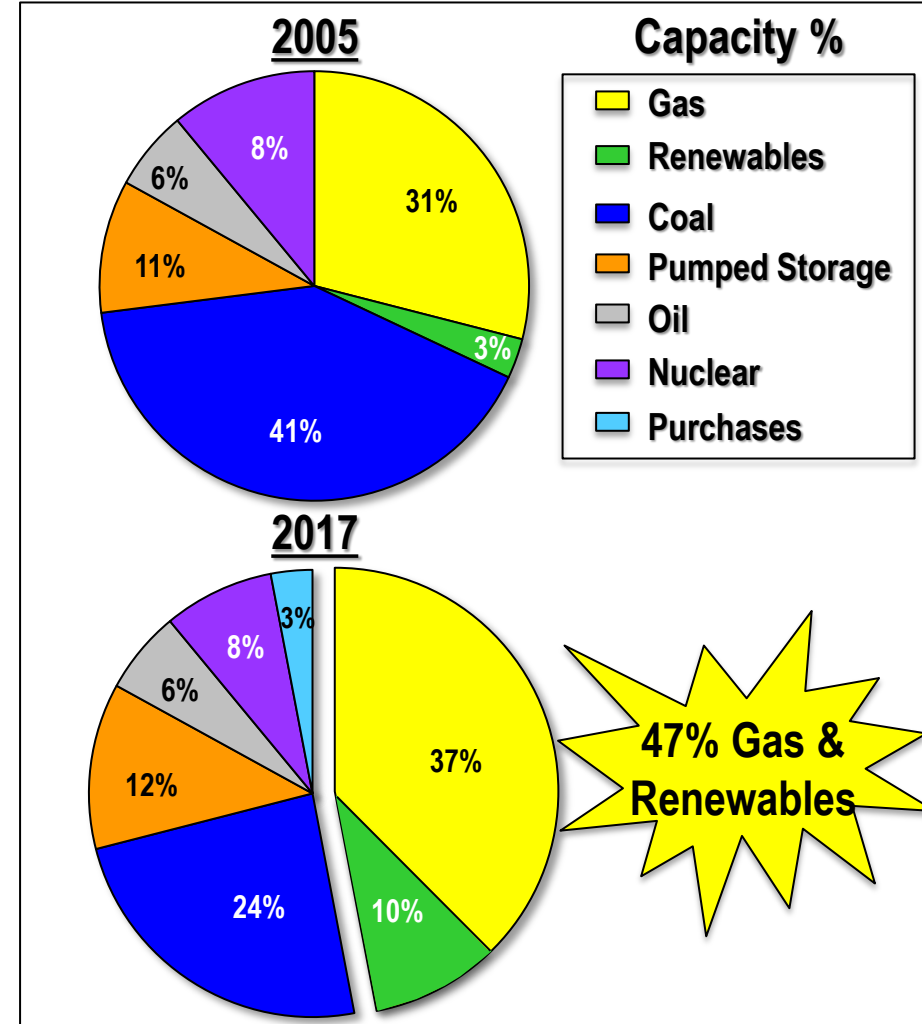


... shortfall expected to be 3,000 MW in 2016.

Diverse Capacity



Balanced Portfolio

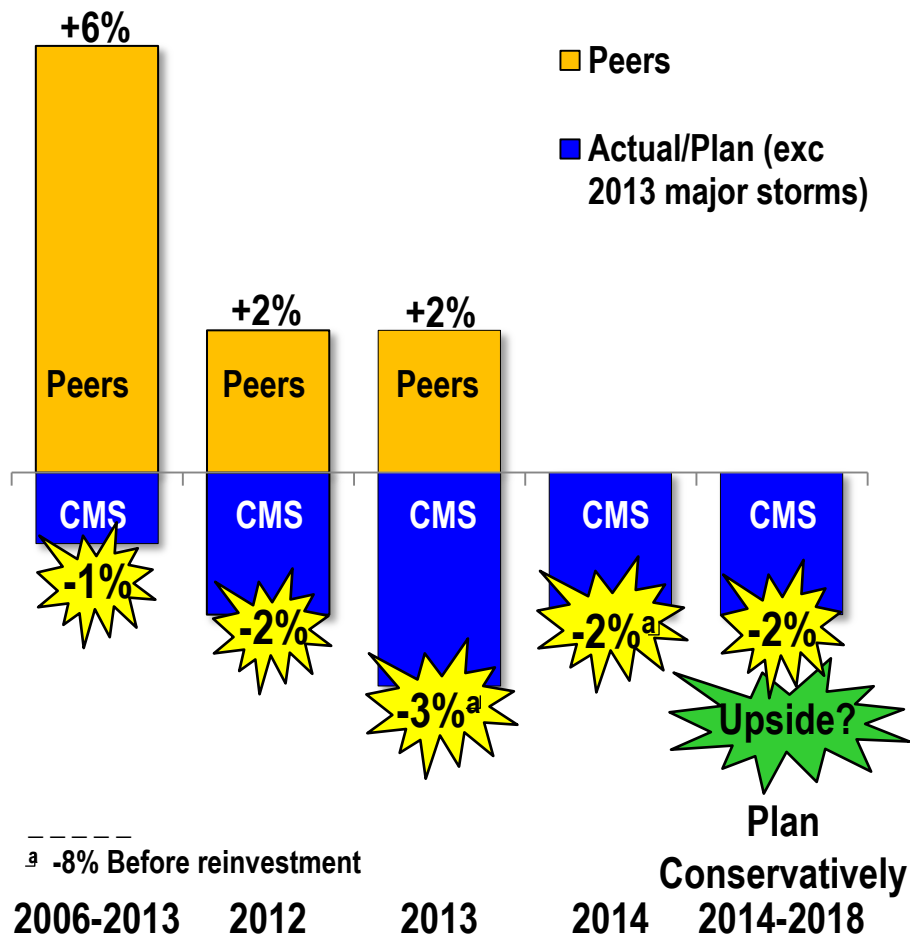


.... puts us in a good position to meet carbon regulations.

Capital Expenditures

	2015	2016	2017	2018	2019	2015-2019 Subtotal	2020-2024 Subtotal	Total 2015-2024
	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)	(mils)
New Generation (includes Renewables)	\$ 56	\$ 222	\$ 52	\$ 64	\$ 134	\$ 528	\$ 610	\$ 1,138
Environmental	217	121	136	153	212	839	120	959
Gas	214	223	199	159	138	933	1,065	1,998
Smart Energy	129	172	164	43	22	530	-	530
Electric Reliability	205	184	191	279	290	1,149	2,070	3,219
Maintenance	716	636	667	758	751	3,528	4,166	7,694
Total	<u>\$ 1,537</u>	<u>\$ 1,558</u>	<u>\$ 1,409</u>	<u>\$ 1,456</u>	<u>\$ 1,547</u>	<u>\$ 7,507</u>	<u>\$ 8,031</u>	<u>\$ 15,538</u>
Electric	\$ 1,018	\$ 1,085	\$ 910	\$ 984	\$ 1,073	\$ 5,070	\$ 5,584	\$ 10,654
Gas	519	473	499	472	474	2,437	2,447	4,884
Total	<u>\$ 1,537</u>	<u>\$ 1,558</u>	<u>\$ 1,409</u>	<u>\$ 1,456</u>	<u>\$ 1,547</u>	<u>\$ 7,507</u>	<u>\$ 8,031</u>	<u>\$ 15,538</u>

Average Annual O&M Change



Future Examples

Fuel Mix

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

Benefits

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

Fuel and Benefits

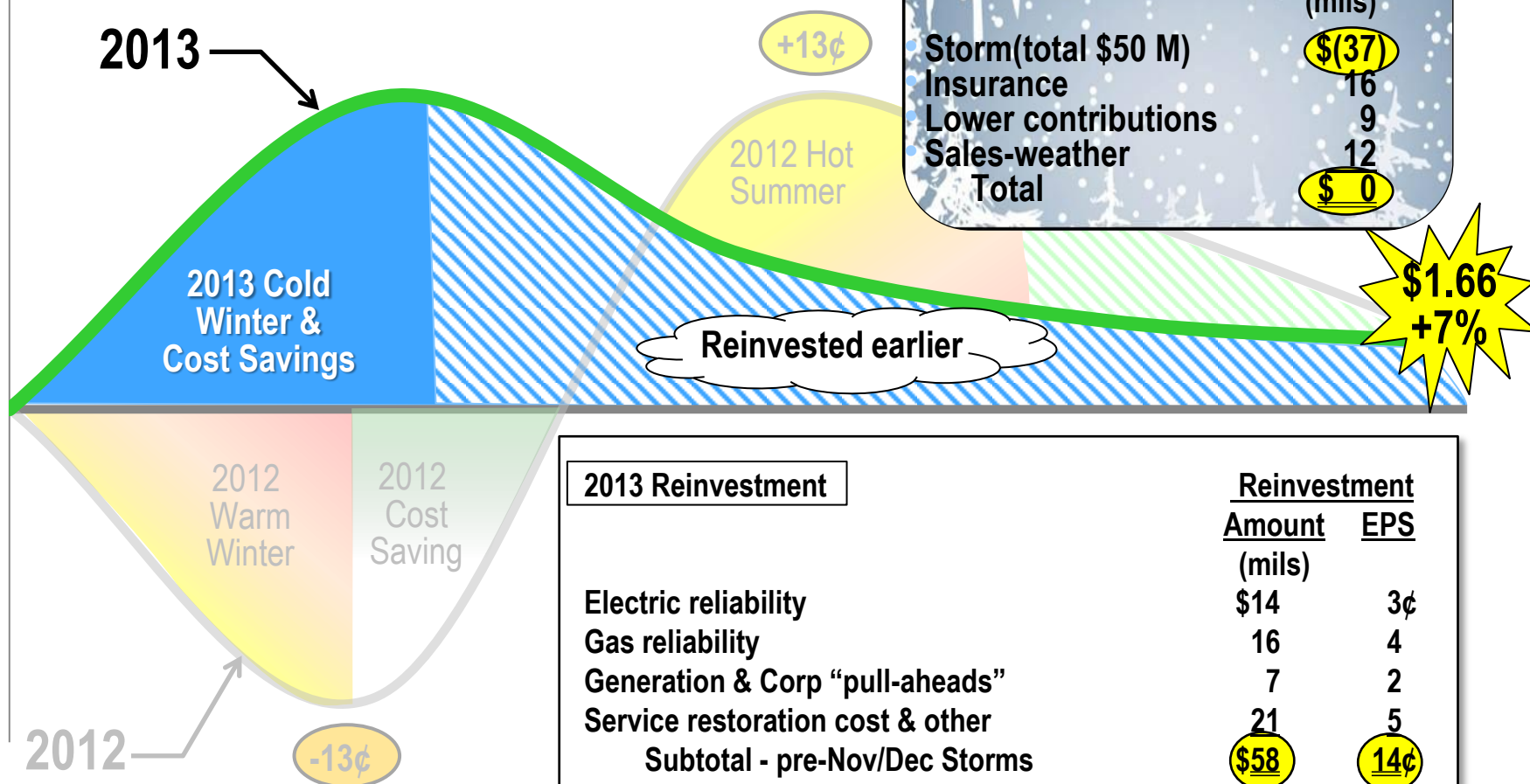
\$100

... provides headroom for conservative planning ahead.

Customer-Focused Reinvestment....

CMS ENERGY

Adjusted EPS
(non-GAAP)

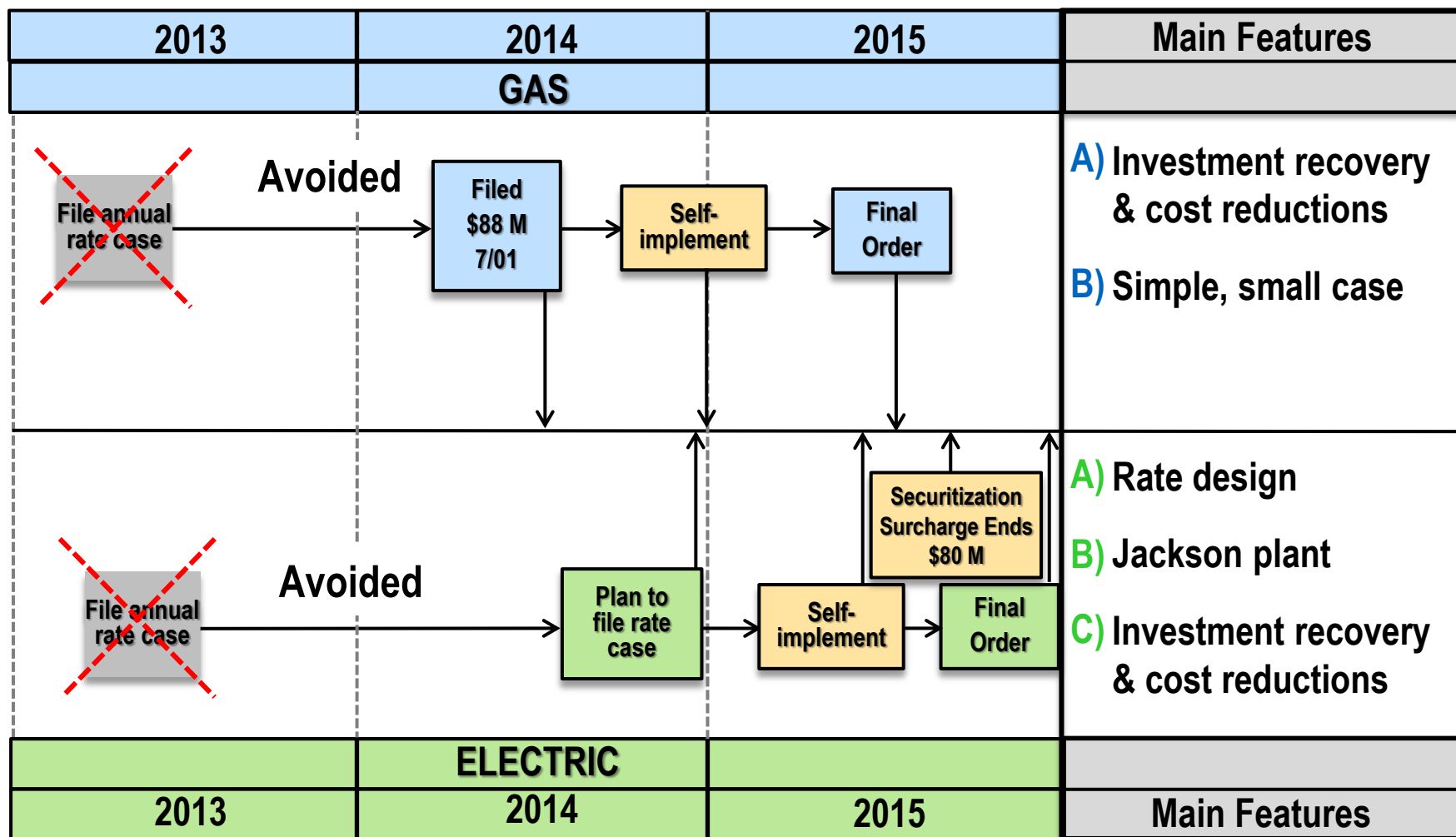


2013 Reinvestment

	Reinvestment Amount (mils)	EPS
Electric reliability	\$14	3¢
Gas reliability	16	4
Generation & Corp "pull-aheads"	7	2
Service restoration cost & other	21	5
Subtotal - pre-Nov/Dec Storms	\$58	14¢
November Service Restoration	15	3

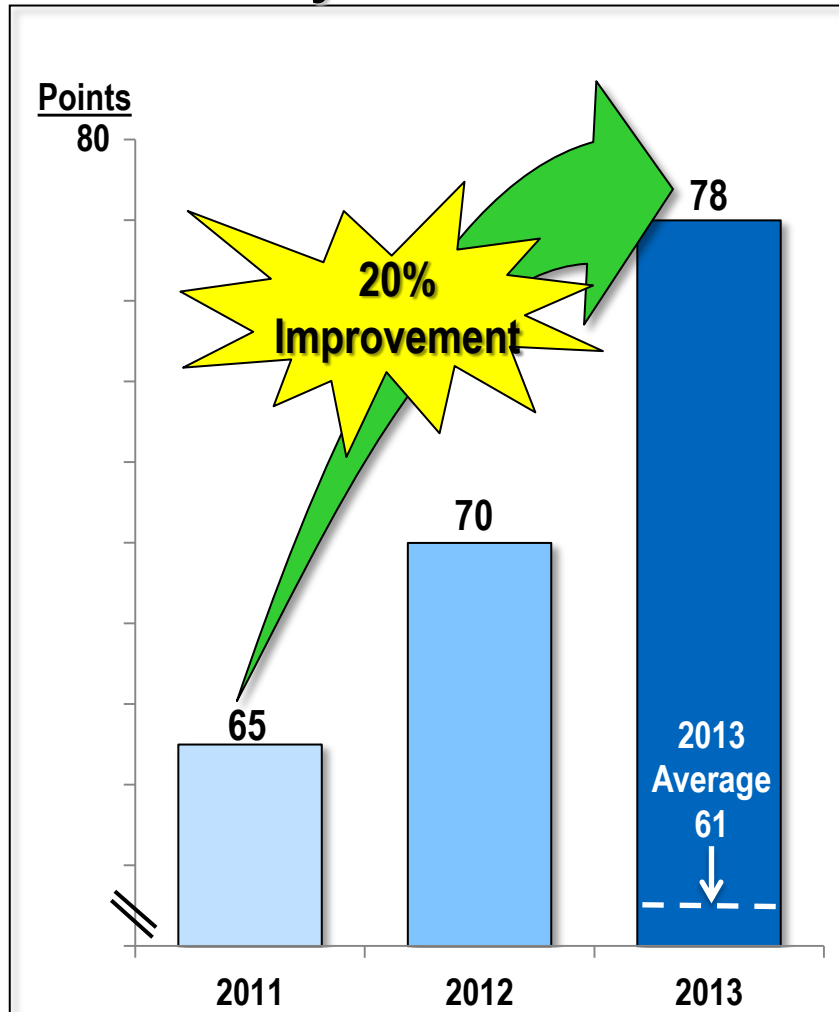
.... has enabled us to manage our work.

Gas and Electric Rate Cases



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

Sustainalytics Overall Score



Sustainalytics is an independent research firm that provides information to investors

Recent Performance

- Ranked 14th out of 226 energy providers worldwide

- Improvement in all categories:

✓ Social ↑ +12

✓ Environment ↑ +10

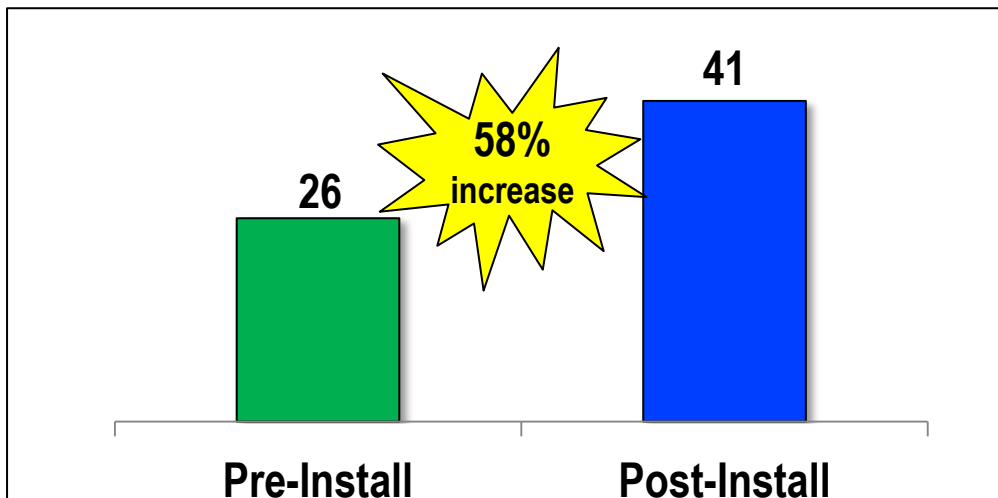
✓ Governance ↑ + 2

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

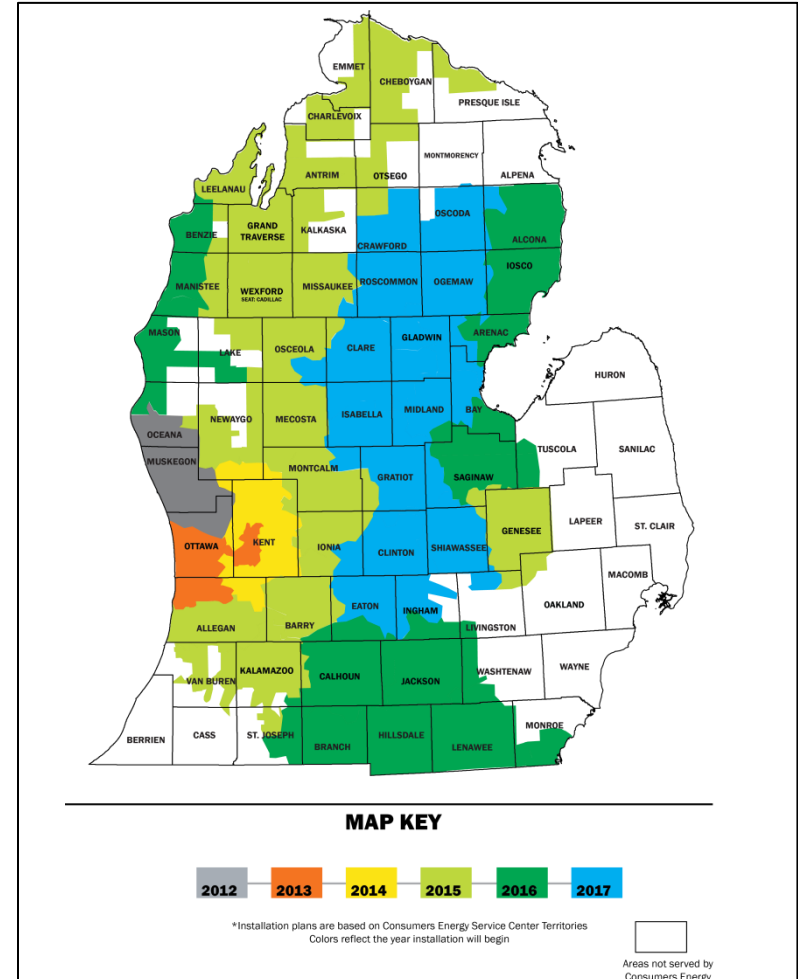
Smart Meter Technology

- ✓ Deliberate pace of program
- ✓ Cellular solution (point-to-point network)
- ✓ 300,000 smart meters installed
- ✓ 99.5% meter read rate
- ✓ Realization of operational benefits

Net Promoter Score



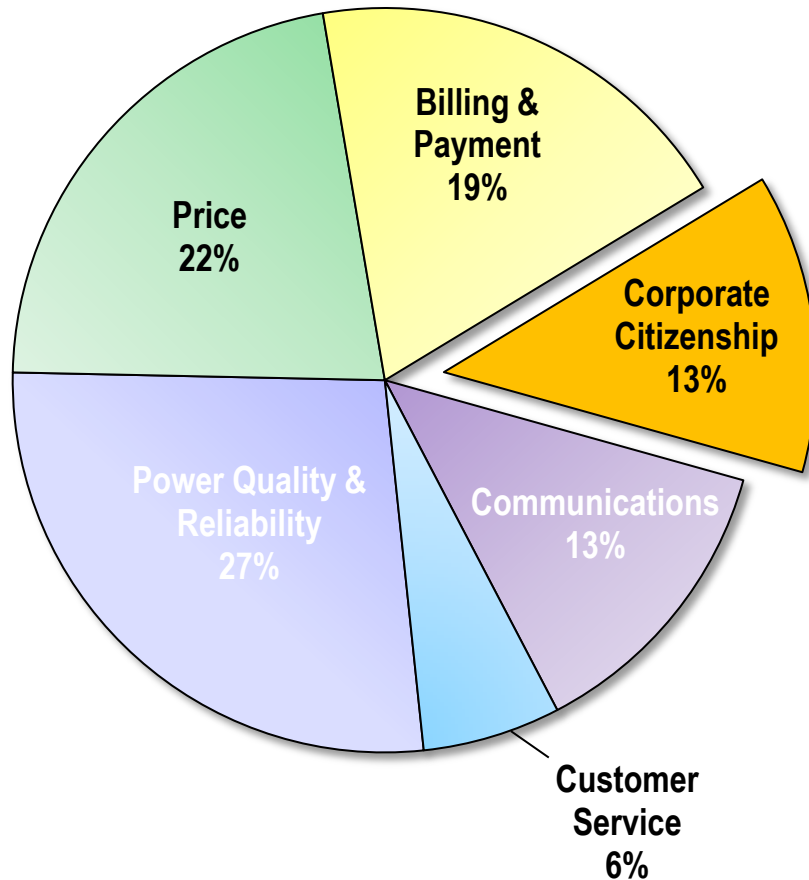
Snapshot



.... with an opt-out rate of less than 1%.

Customer Satisfaction

(Residential Electric)



In the Community



CEO John Russell welcomes Governor Rick Snyder to launch the "Anchor Initiative" in Jackson, Michigan.

MIS recently became the largest company to join Consumers Energy's Green Generation Program.



.... makes an impact on our customers and our community.

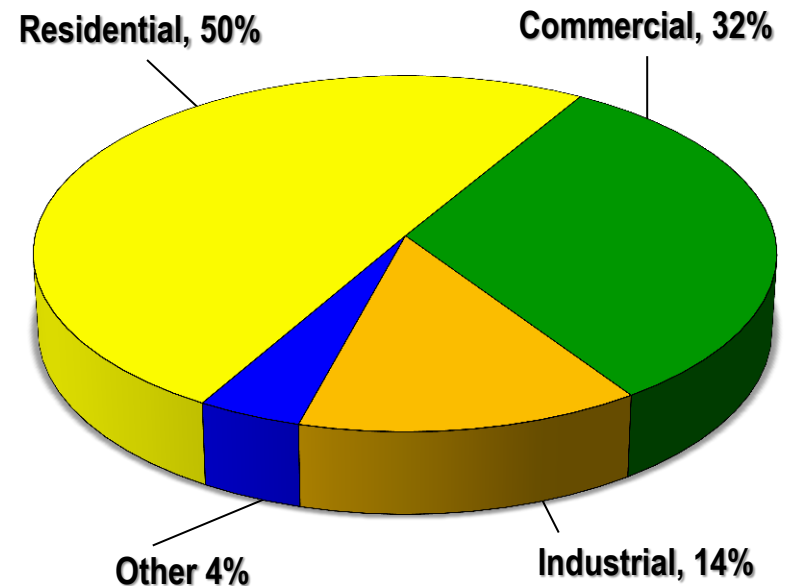
Top Ten Customers

- 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

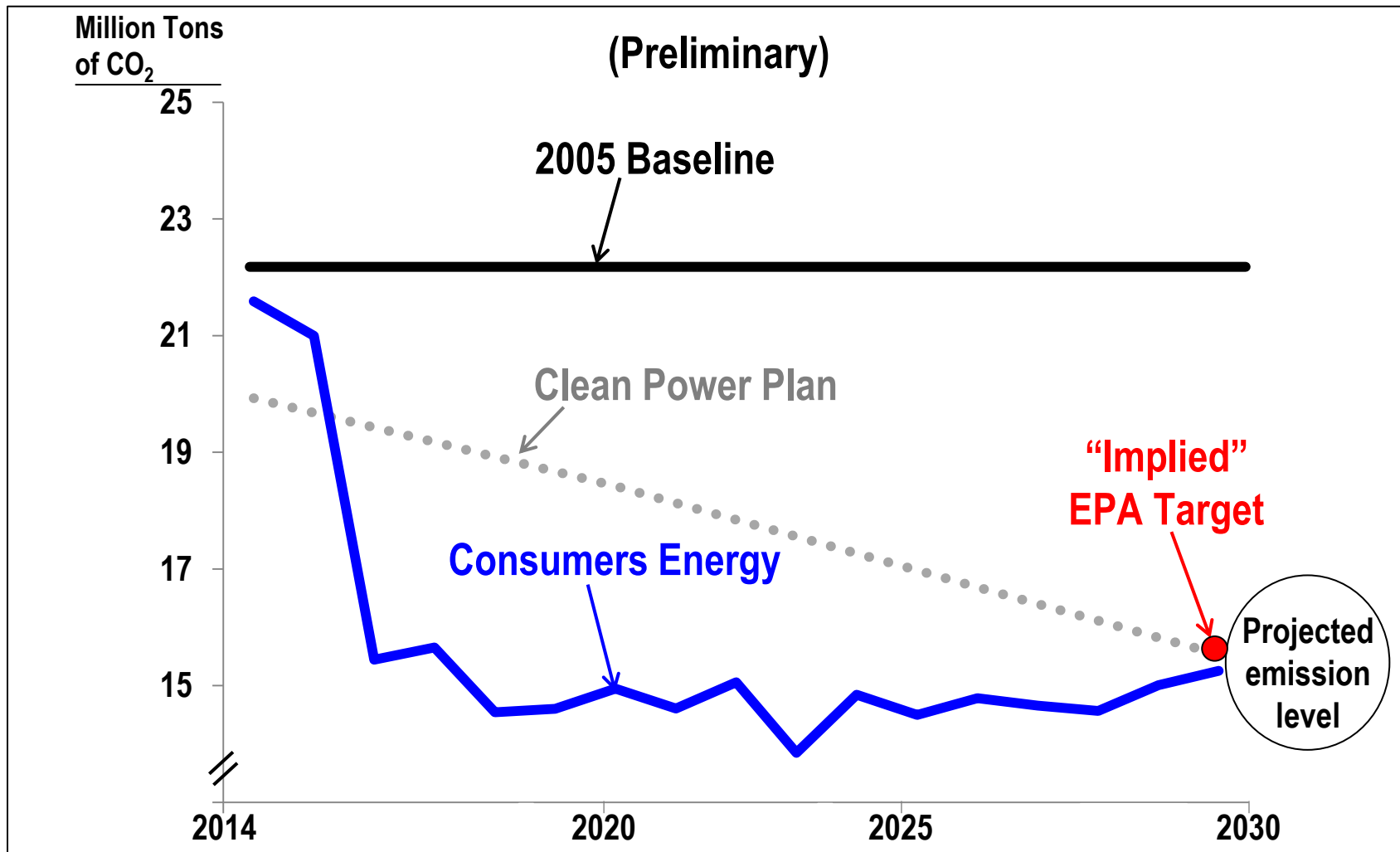
2013 Electric Gross Margin



\$2.1 Billion

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

Carbon Tonnage Reduction



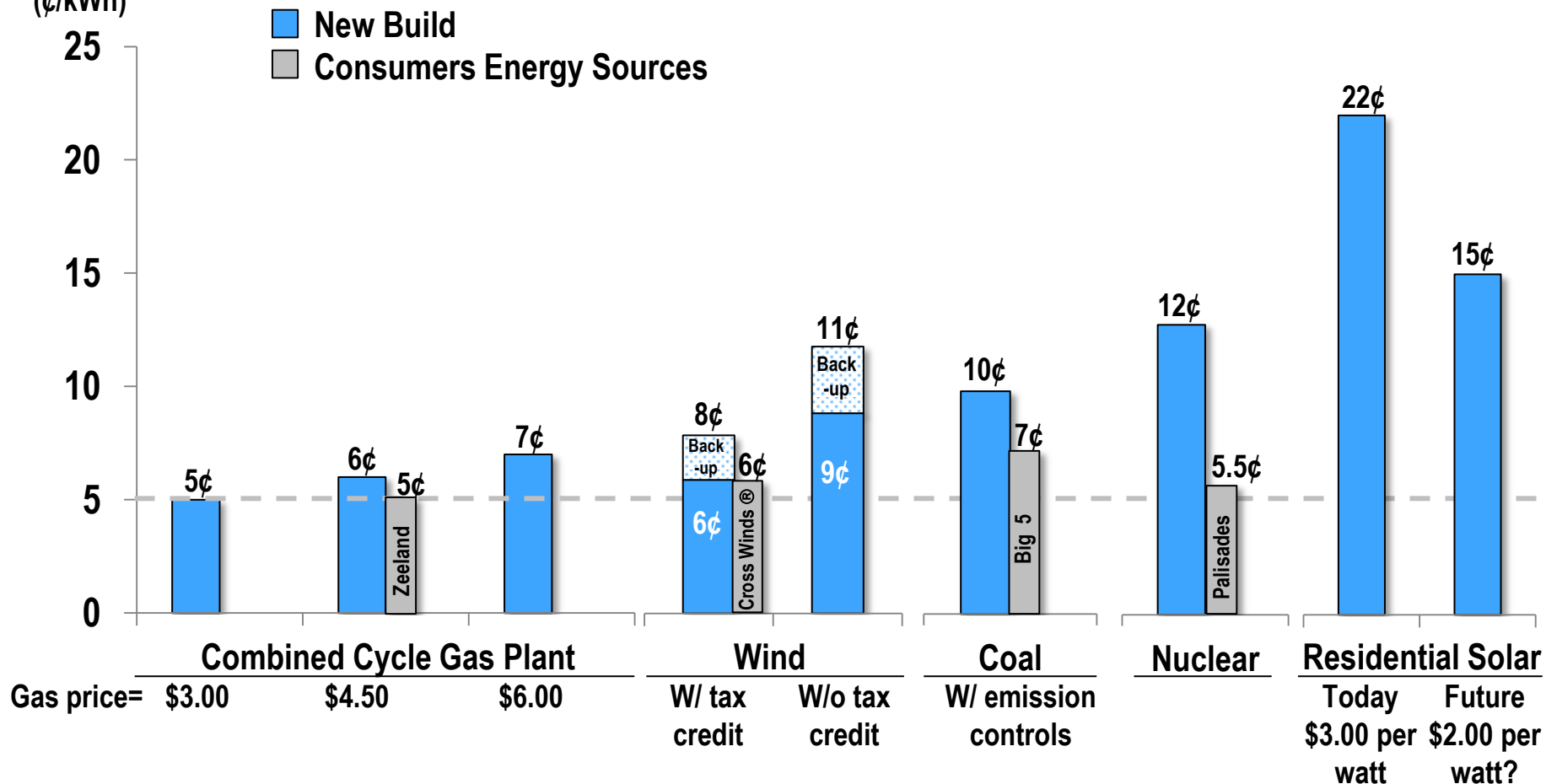
.... to be in a good carbon position.

Generation Strategy: New Supply Sources....

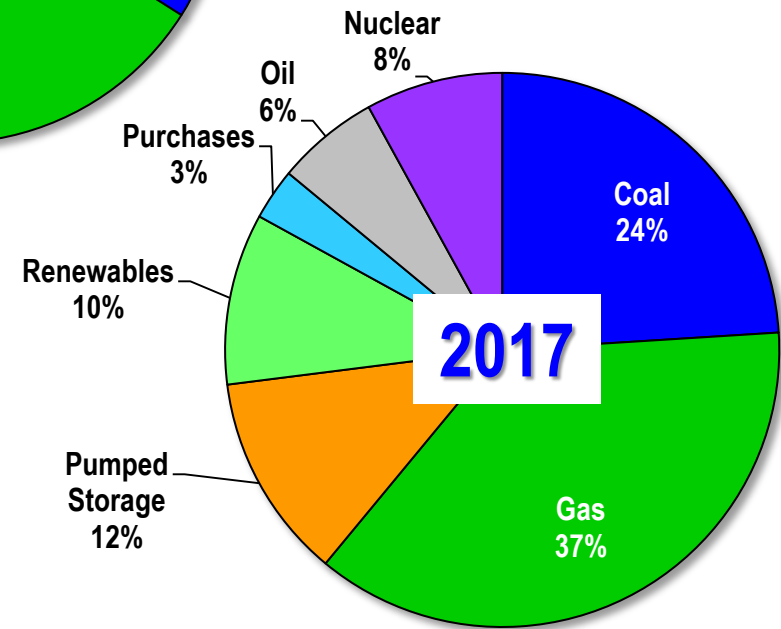
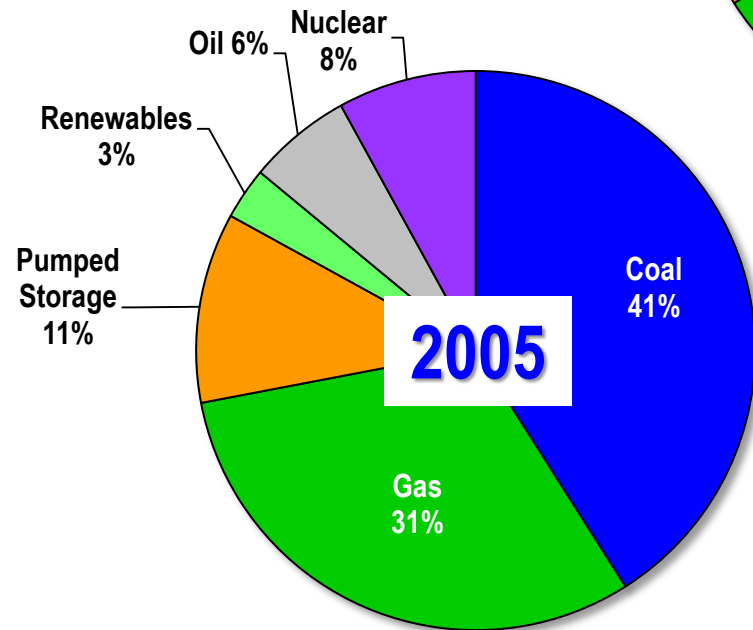
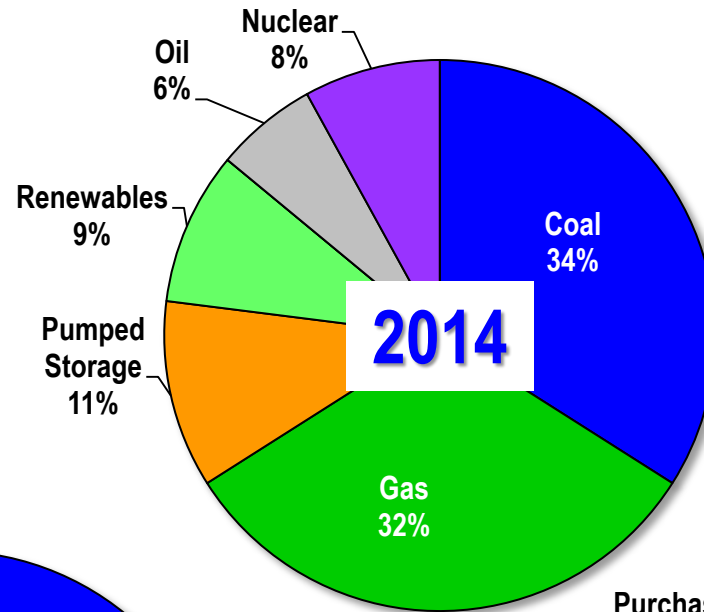
CMS ENERGY

Levelized cost
of new build

(¢/kWh)



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



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

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>
Impact	<u>≈ Flat</u> ✓	+ 5¢ ✶
Incremental Step-up Not in Plan		2 points ✓

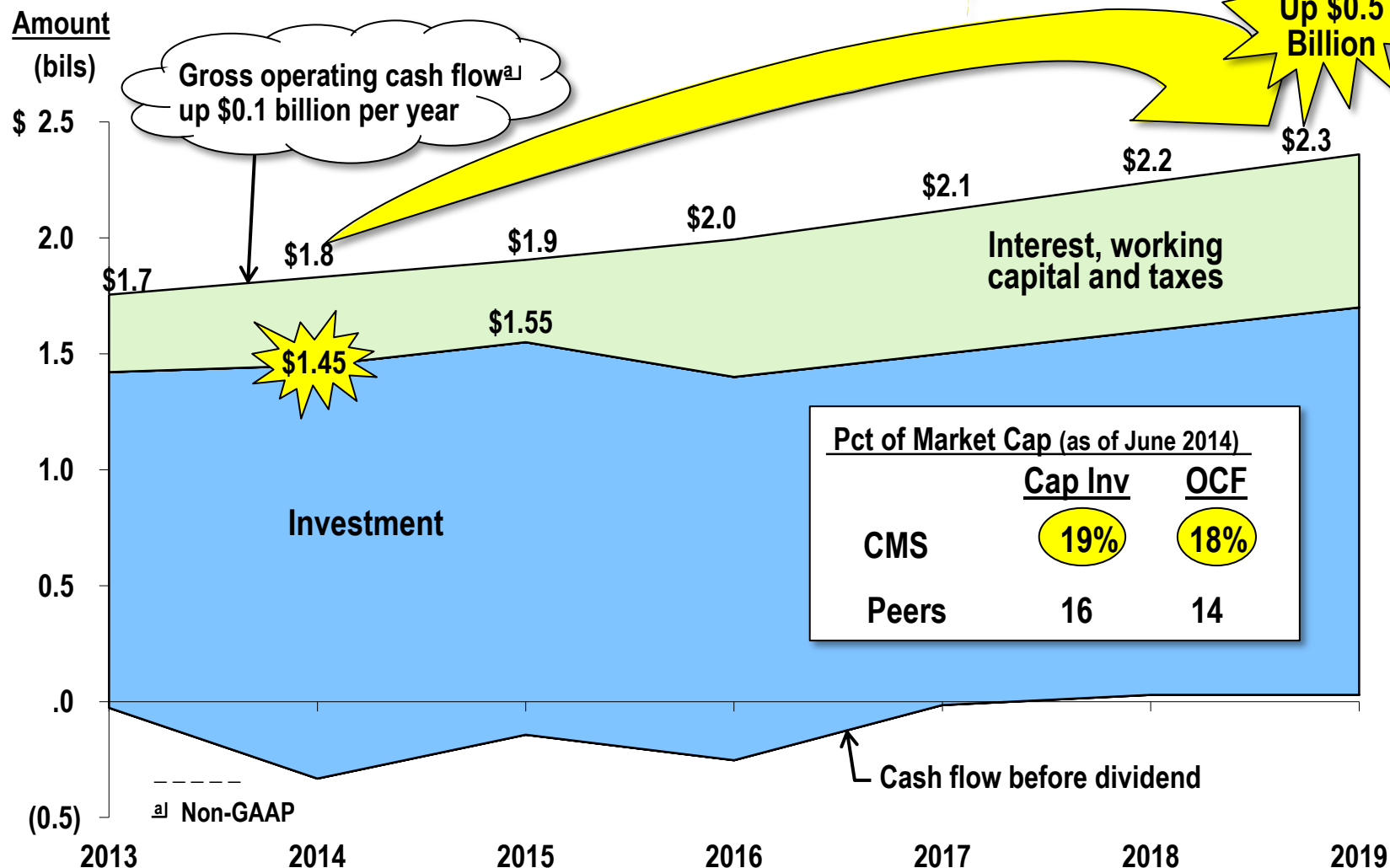
**Upside:
Capacity Options**

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

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

Operating Cash Flow Growth....

CMS ENERGY



NOLs & Credits	2013	2014	2015	2016	2017	2018	2019
	\$0.6	\$0.4	\$0.5	\$0.4	\$0.2	\$0.1	\$0

.... self-funds investment and strategy.

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.

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

	2013	2014	2015	2016	2017	2018	2019
Consumers Operating Income + Depreciation & Amortization	\$ 1,740	\$ 1,810	\$ 1,877	\$ 1,959	\$ 2,065	\$ 2,186	\$ 2,308
Enterprises Project Cash Flows	16	20	28	34	52	55	53
Gross Operating Cash Flow	\$ 1,756	\$ 1,830	\$ 1,905	\$ 1,993	\$ 2,117	\$ 2,241	\$ 2,361
Other operating activities including taxes, interest payments and working capital	(335)	(380)	(355)	(593)	(617)	(641)	(661)
Net cash provided by operating activities	\$ 1,421	\$ 1,450	\$ 1,550	\$ 1,400	\$ 1,500	\$ 1,600	\$ 1,700