



## Top of Mind

- Why Invest?
- Elections
- Capex Plan
- Upsides
- O&M
- Regulatory

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

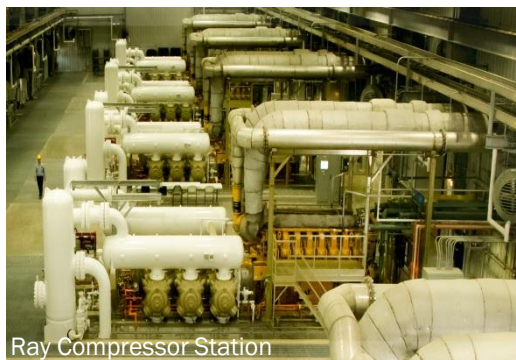
# Investor Meeting

November 5, 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.

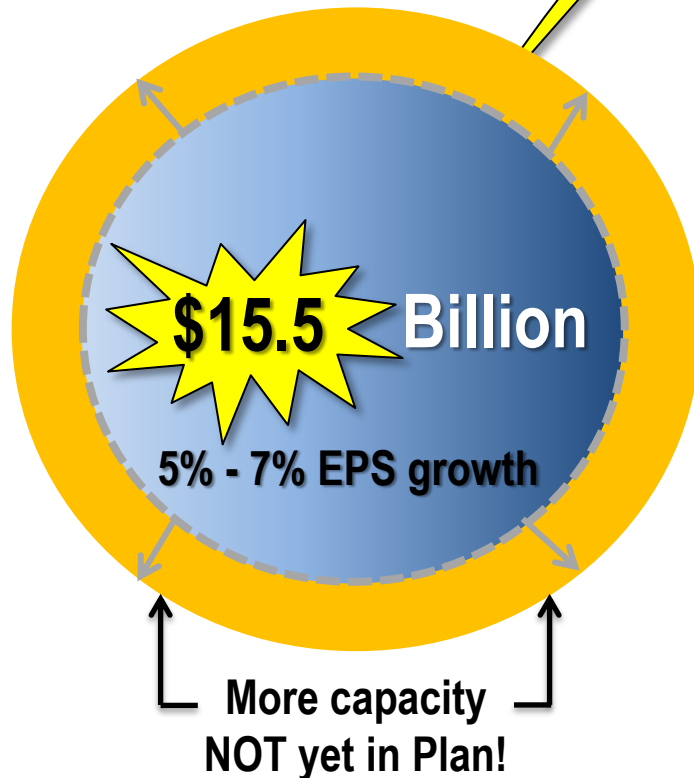
The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at [www.cmsenergy.com](http://www.cmsenergy.com).

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.

## 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.



**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 ...**

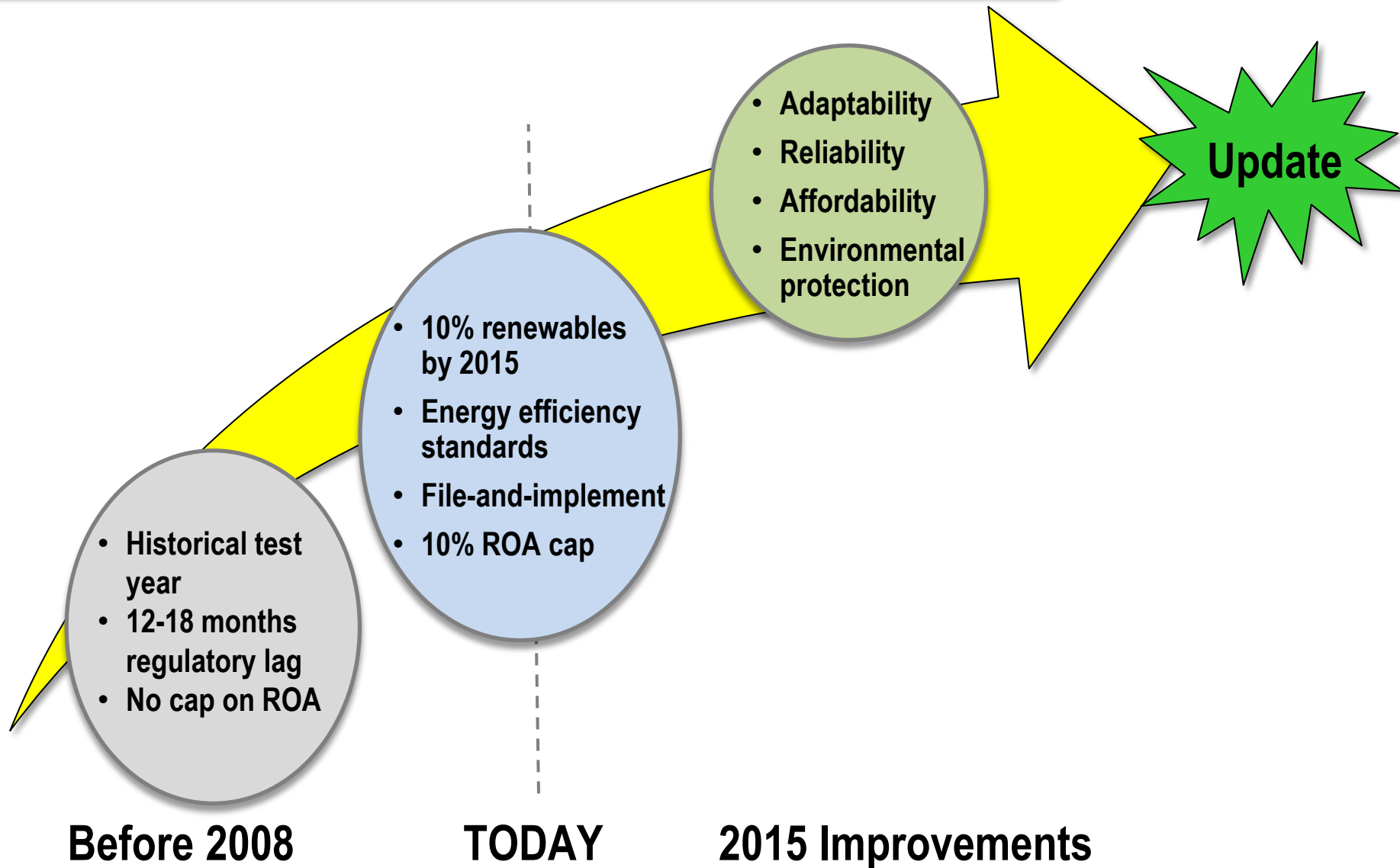
“Choice creates a lot of challenges and problems, essentially trying to arbitrage markets.”

## **Campaign Issues**

- Education
- Jobs
- Roads
- Detroit

-Governor Rick Snyder

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

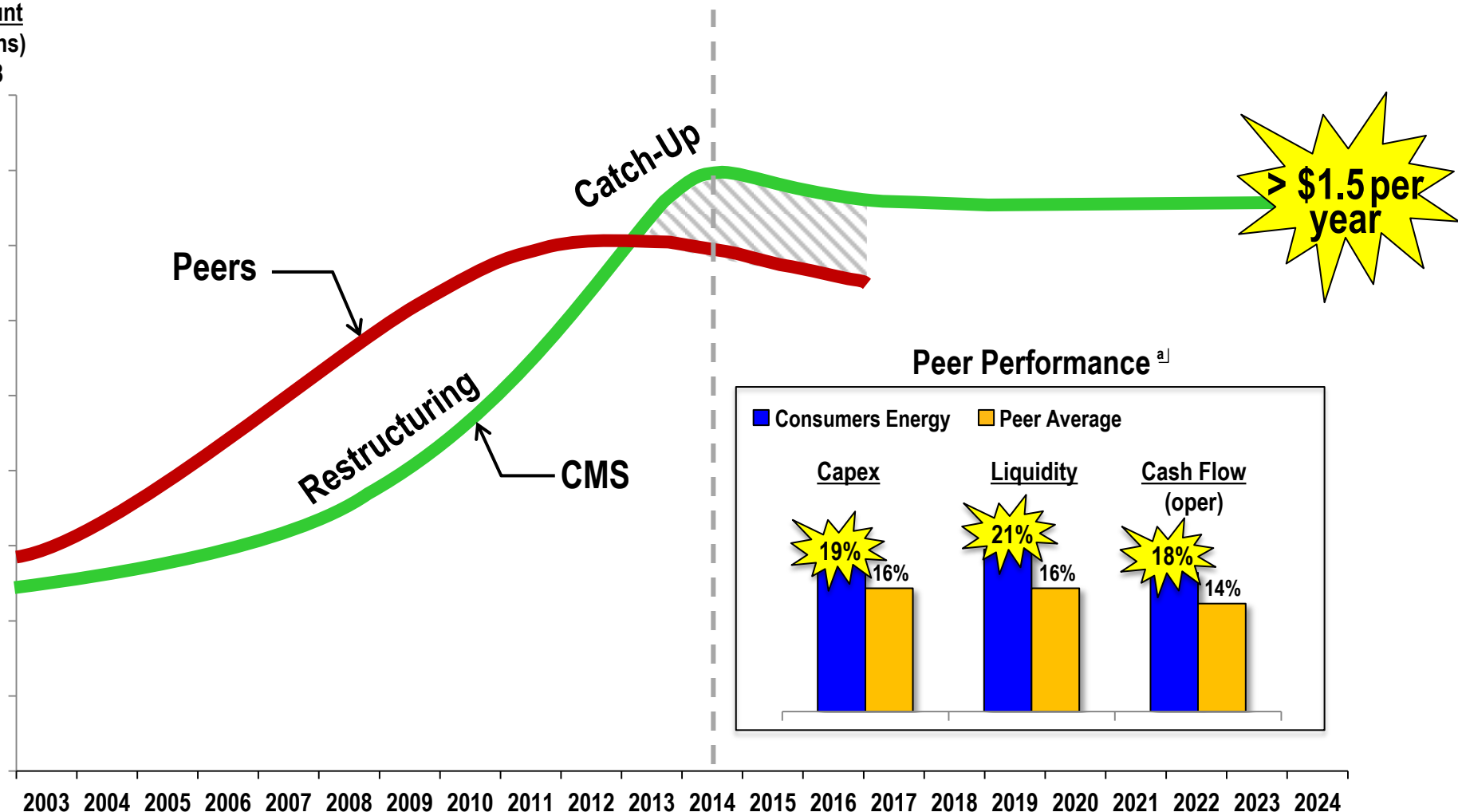


**.... builds on visionary 2008 Law!**

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

CMS ENERGY

Amount  
(billions)  
\$1.8



<sup>a)</sup> Based on June 2014 information percent of market cap

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

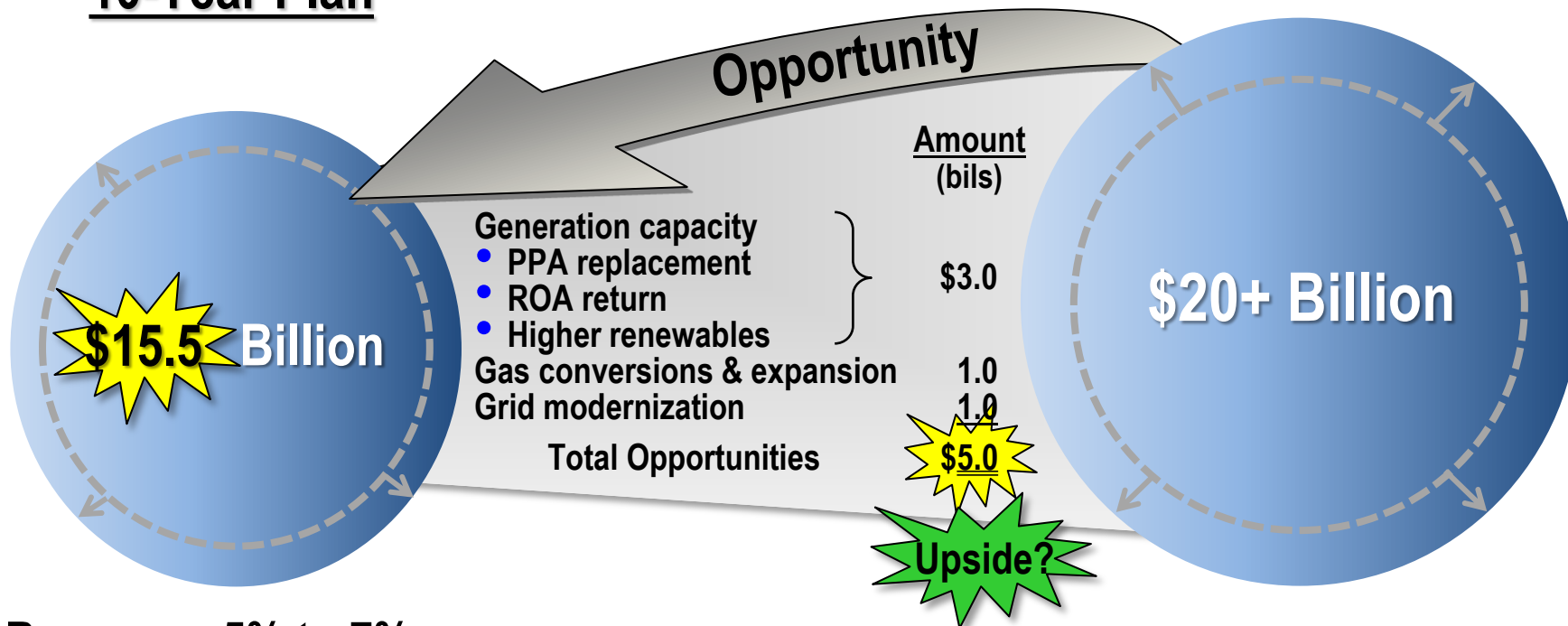
... creating an opportunity for the next ten years.

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

CMS ENERGY

**2015-2024  
10-Year Plan**

**Opportunity Level**



**Rate Base up 5% to 7%**

**Customer  
base rates**

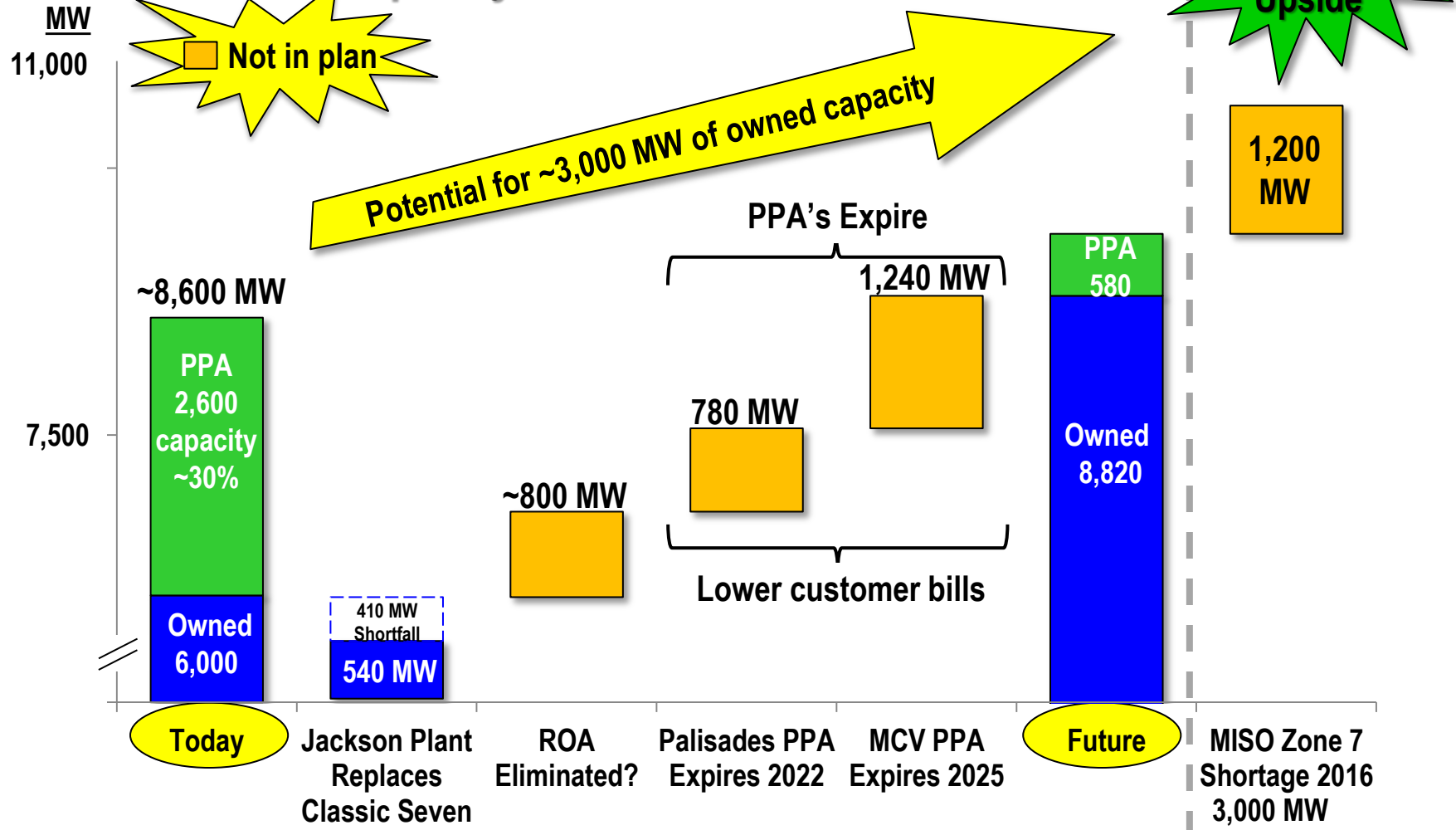


**... driving long-term, organic growth, while keeping base rates well below inflation.**

# INVESTMENT -- Capacity Opportunities....

CMS ENERGY

## Capacity Growth Over Next Ten Years

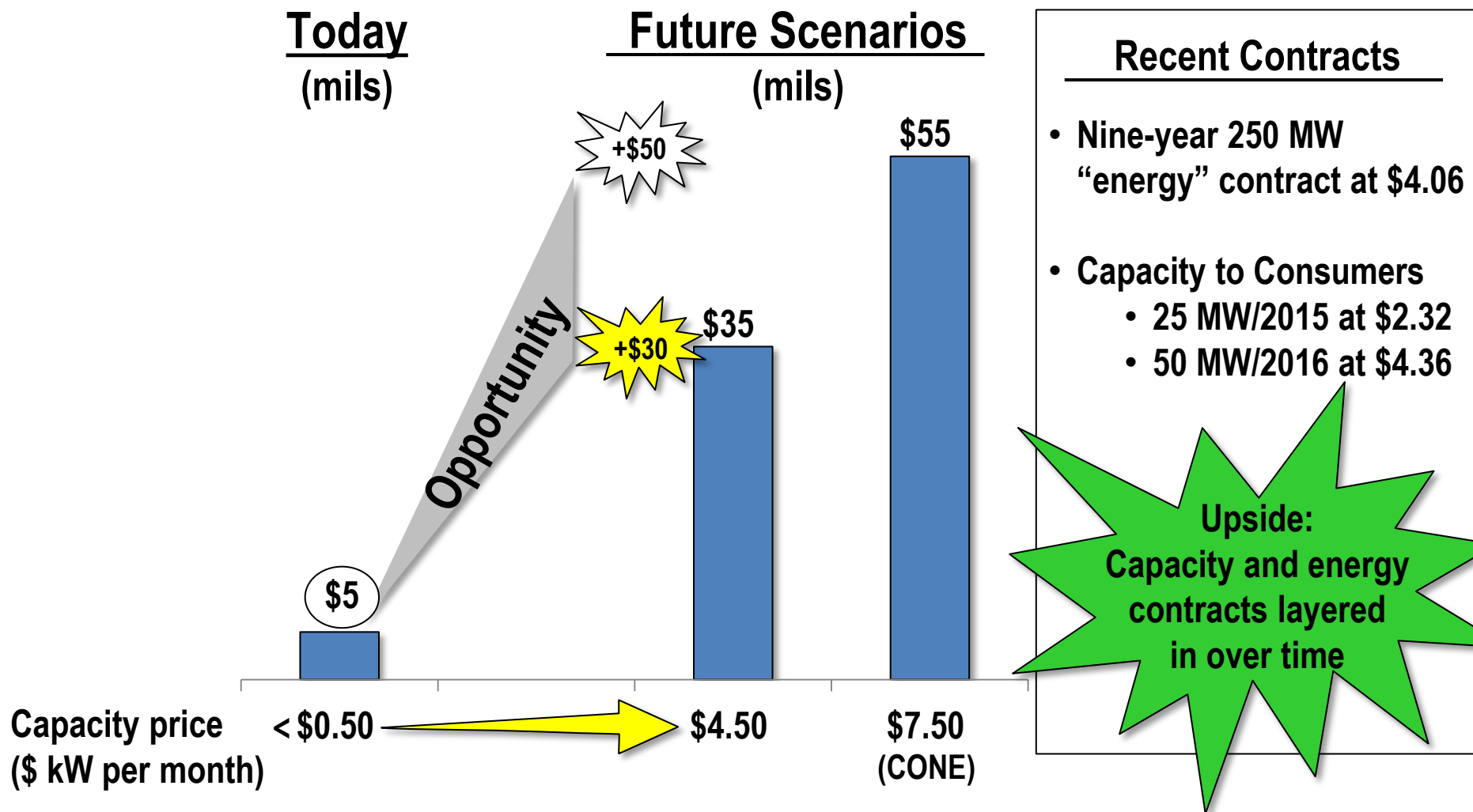


.... emerging with replacements not yet in plan!



# UPSIDES -- Capacity Price Increases....

CMS ENERGY

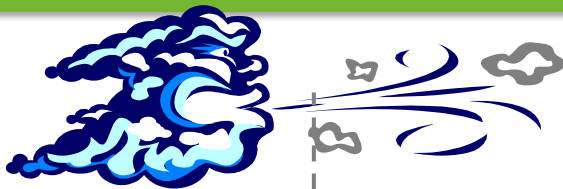


.... could add value to the 700 MW “DIG” plant.

# 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¢

+4¢

Good  
Choices

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

Guidance

January

March 31

June 30

September 30

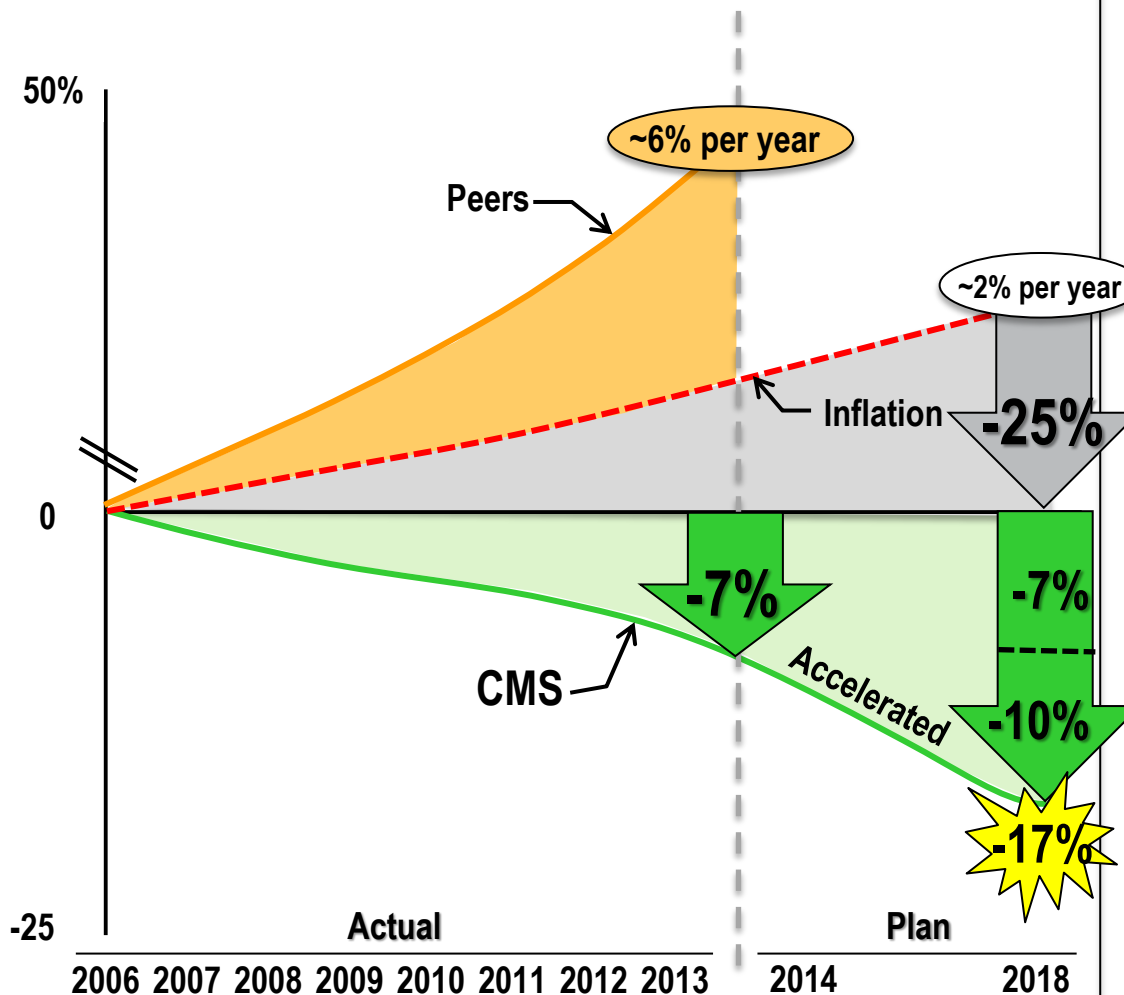
Plan

December

.... AND provides sustainable growth for investors.

# 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
• Inflation	+100

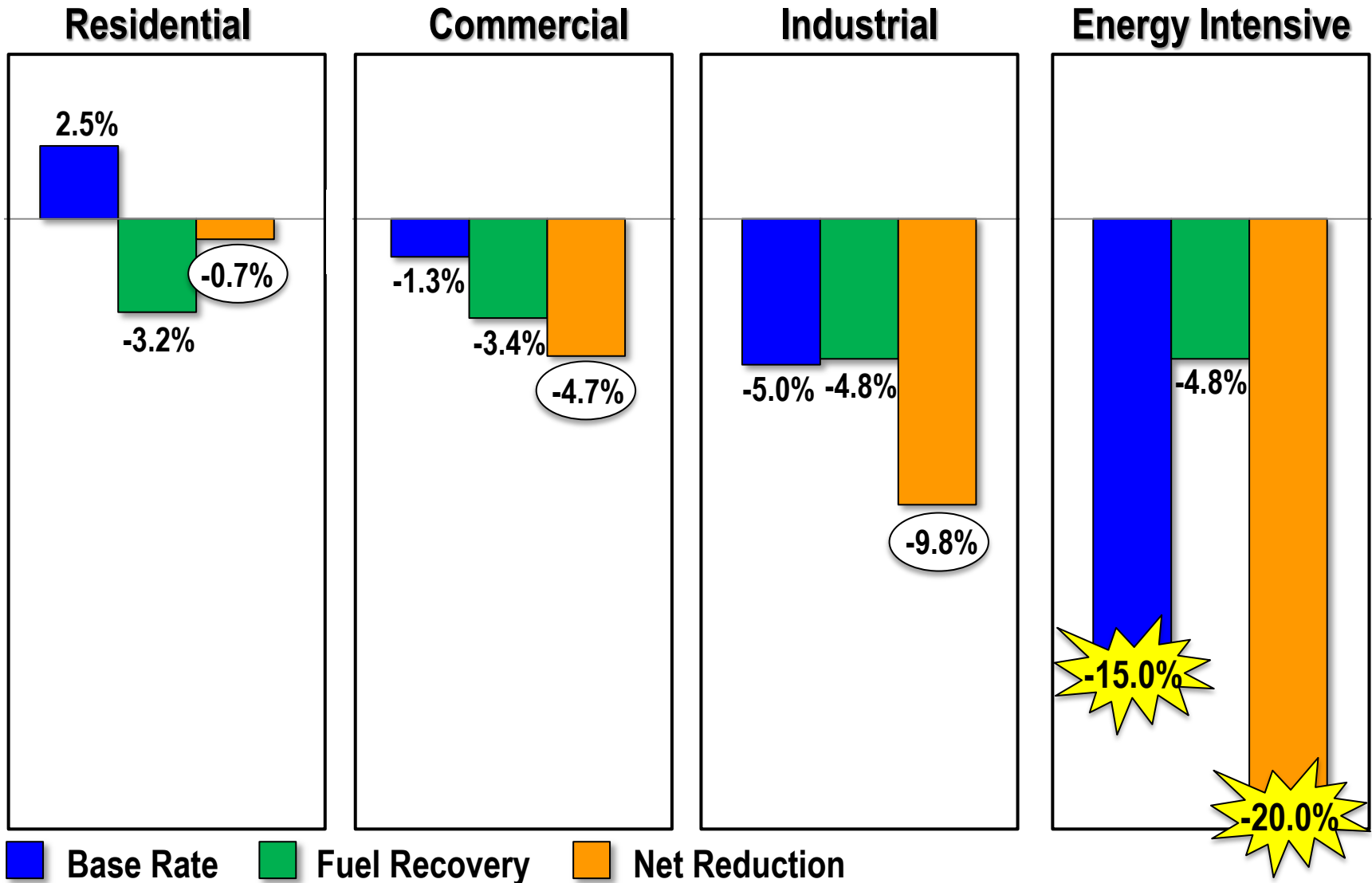
**2018 below 2013 \$-100**

**Savings -10%**

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

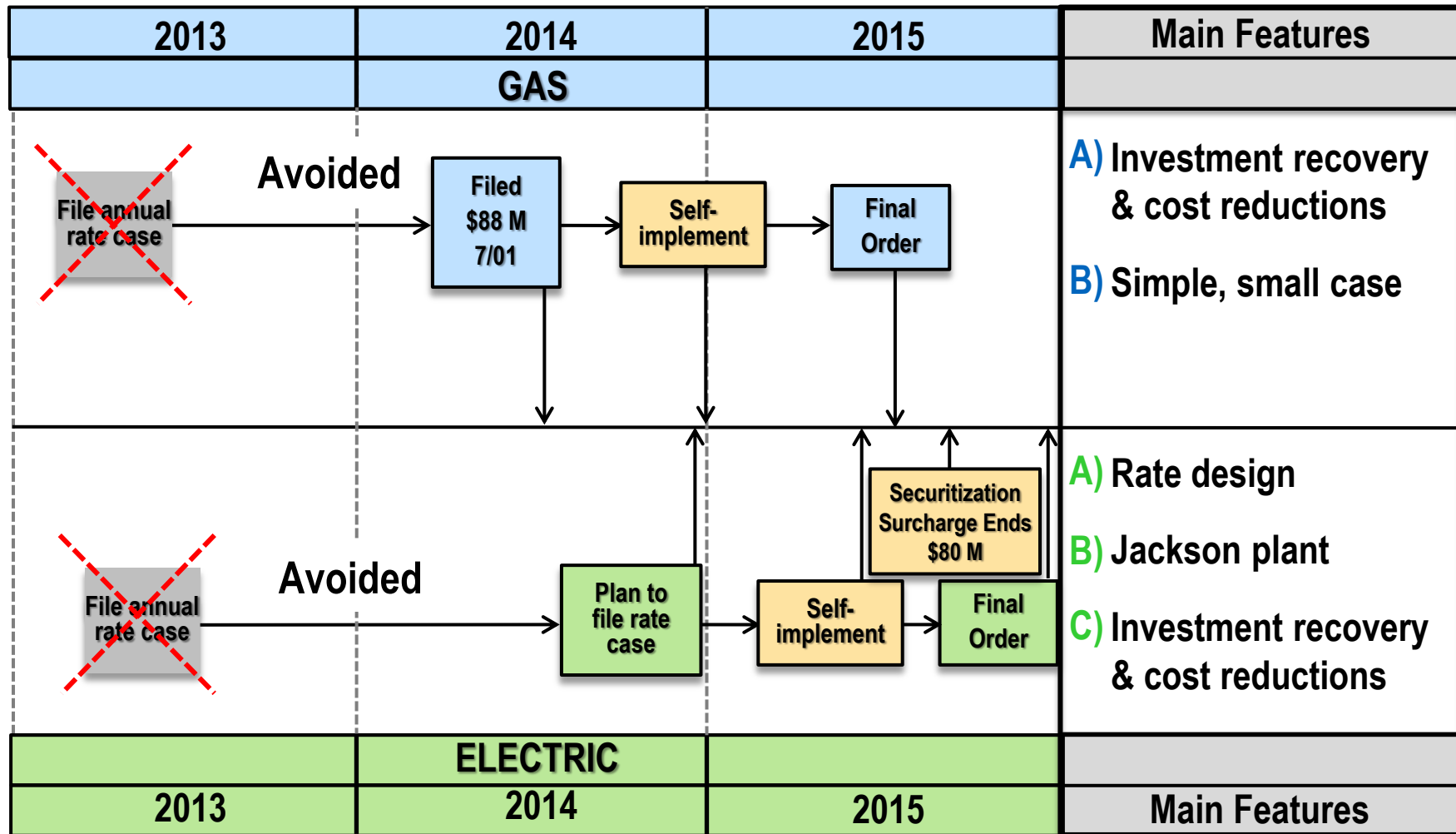
# New Electric Rate Design....

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

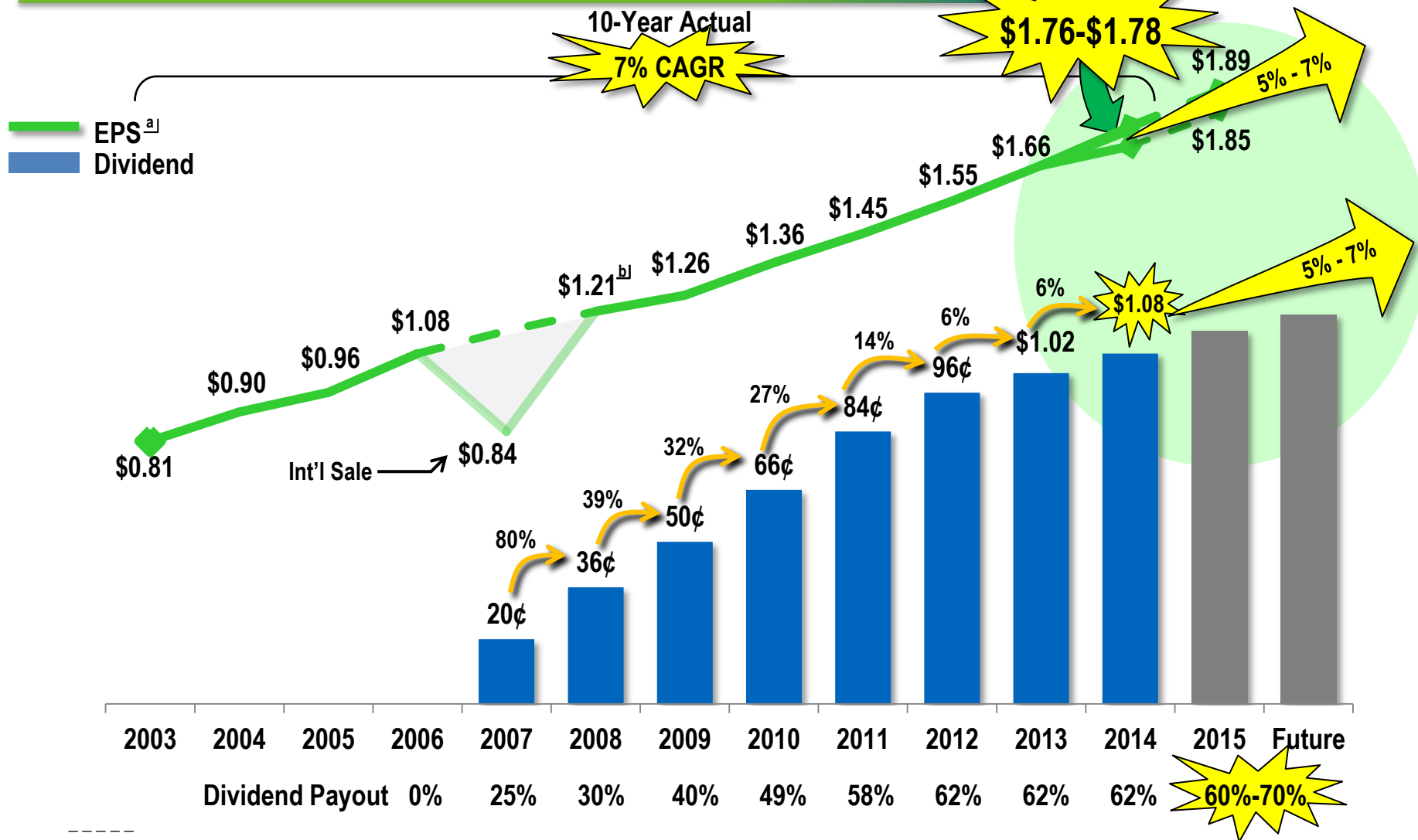
# Gas and Electric Rate Cases ....



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

# PASSION TO IMPROVE -- Mindset....

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

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

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

## **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-GAA</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-GAA</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.