CMS ENERGY

CMS LISTED NYSE

Investor Meeting

April 13, 2016

Jackson Gas Plant

Among lowest acquisition cost ever

Ludington Pumped Storage

Fourth largest in the world

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, 2015. 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 (GAAP) 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 routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution.

Recent News . . . .

- 13 years of consistent, 7% EPS growth
- Planned CEO succession
- Raised 10-year capex from $15.5 billion to $17 billion
- Closing 950 MW of coal plants April 15, 2016
- Lowest natural gas prices in 18 years
- Fitch/Moody's raised CMS and Consumers Energy ratings/outlook
- Filed $225 million electric rate case on March 1, 2016

. . . . reflects sustainable business model.

Simple, Perhaps Unique Model . . . .

	2017+ Plan
Capital investment (reliability, costs, enviro mandates)	6% - 8%
- O&M cost reductions	2 - 3 pts
- Sales growth	1
- No "block" equity dilution & other	2
INVESTMENT SELF-FUNDED	5 - 6 pts
Rate increase at or below inflation	< 2 %

Possible with base rates less than inflation

. . . . drives sustainable growth with upside opportunities.

Capex Expanded to $17 billion . . . .

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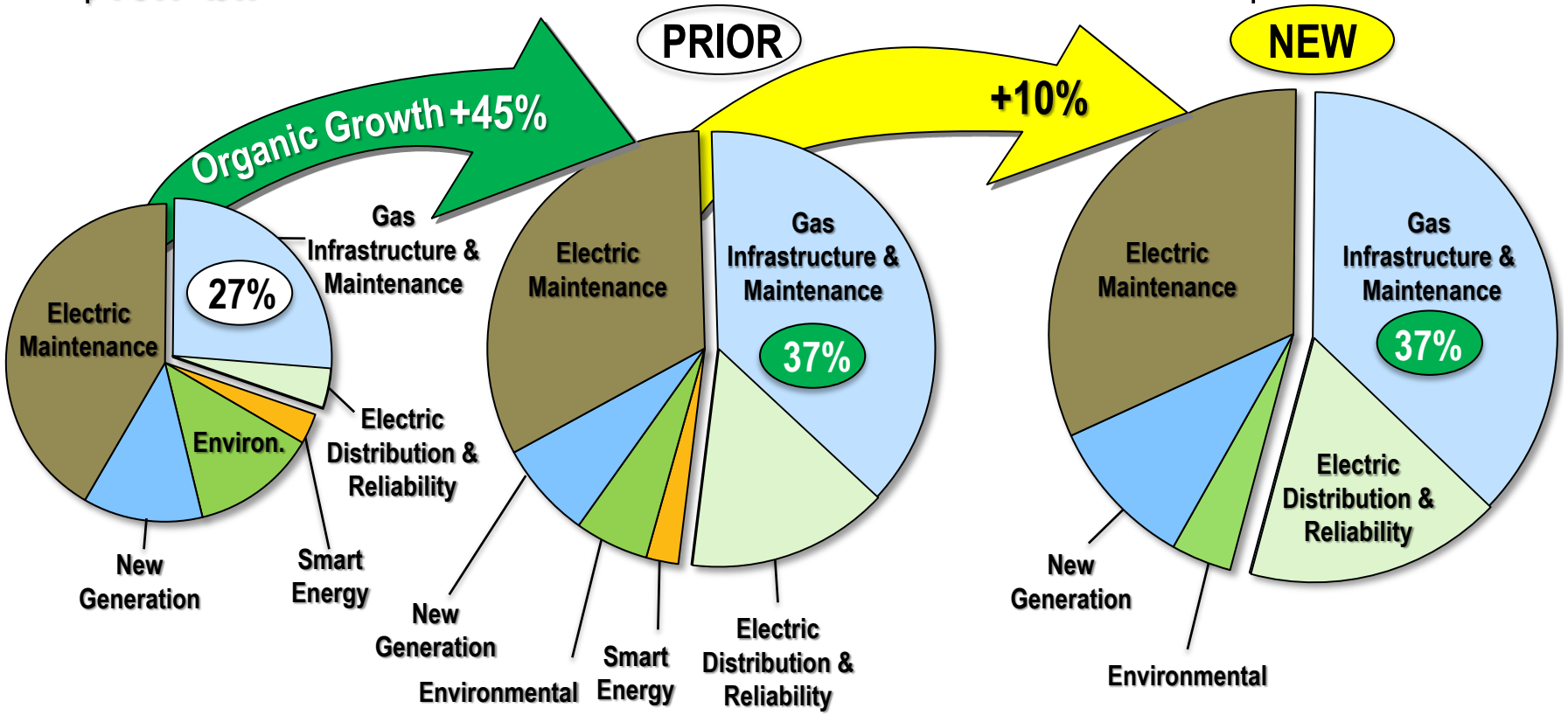
2005-2014	2015-2024	2016-2025
$10.7 bil	$15.5 bil	$17 bil



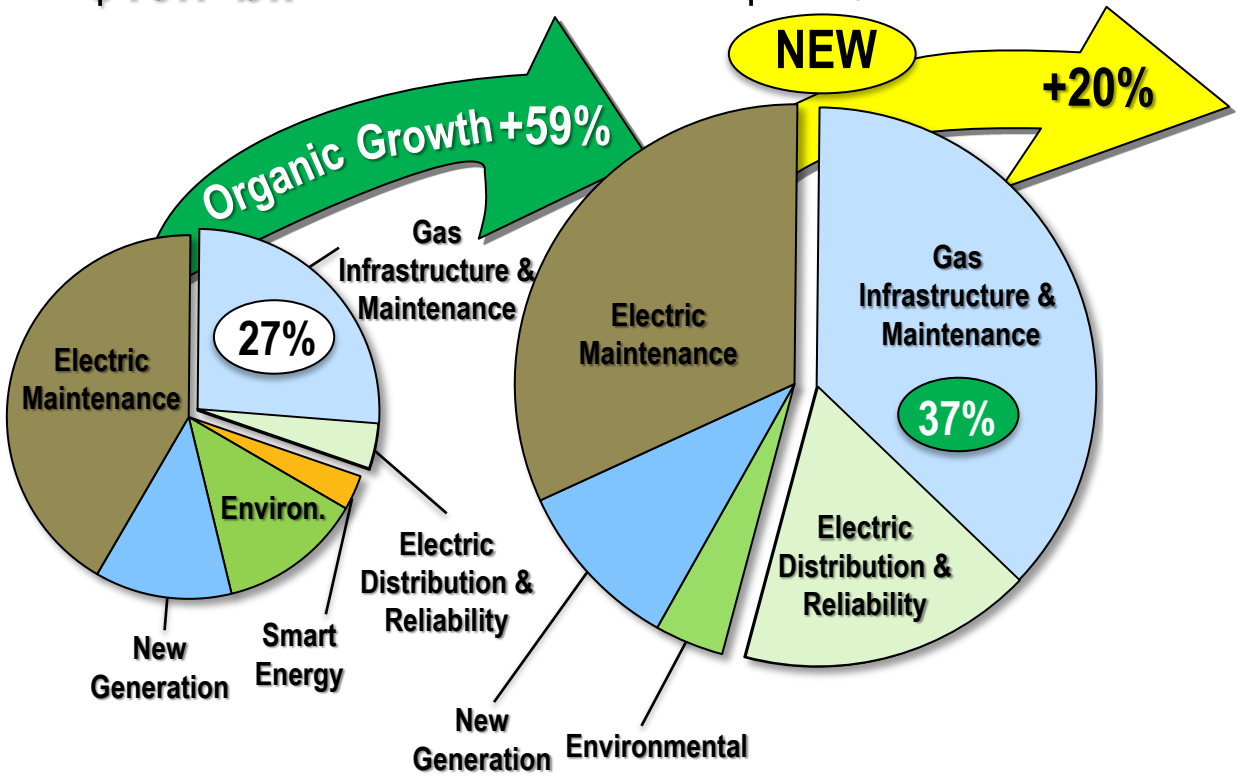
Additional Capex

✓ Clean Energy ✓ Gas Infrastructure ✓ Electric Distribution

. . . . naturally, without raising rates above inflation.

Capex Opportunities Remain . . . .

2005-2014	2016-2025	Opportunities
$10.7 bil	$17 bil	$3+ bil



- PPA Replacements (2,000 MW)
- Clean Power
- Gas Infrastructure
- Grid Modernization

Capex Opportunities

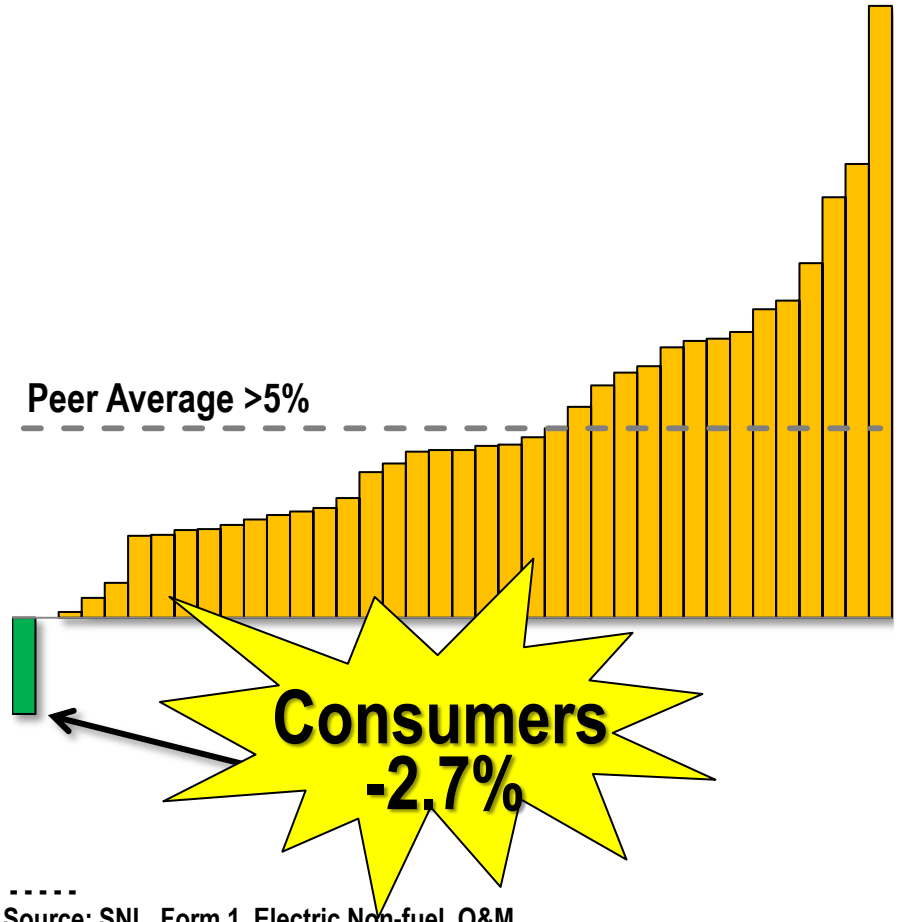
✓ Renewables ✓ PPAs Expire ✓ Gas Infrastructure

. . . . some possible without rate pressure.

O&M Cost Performance . . . .

Actual Cost Reduction

(2014 over 2006)



Source: SNL, Form 1, Electric Non-fuel O&M

New Cost Savings

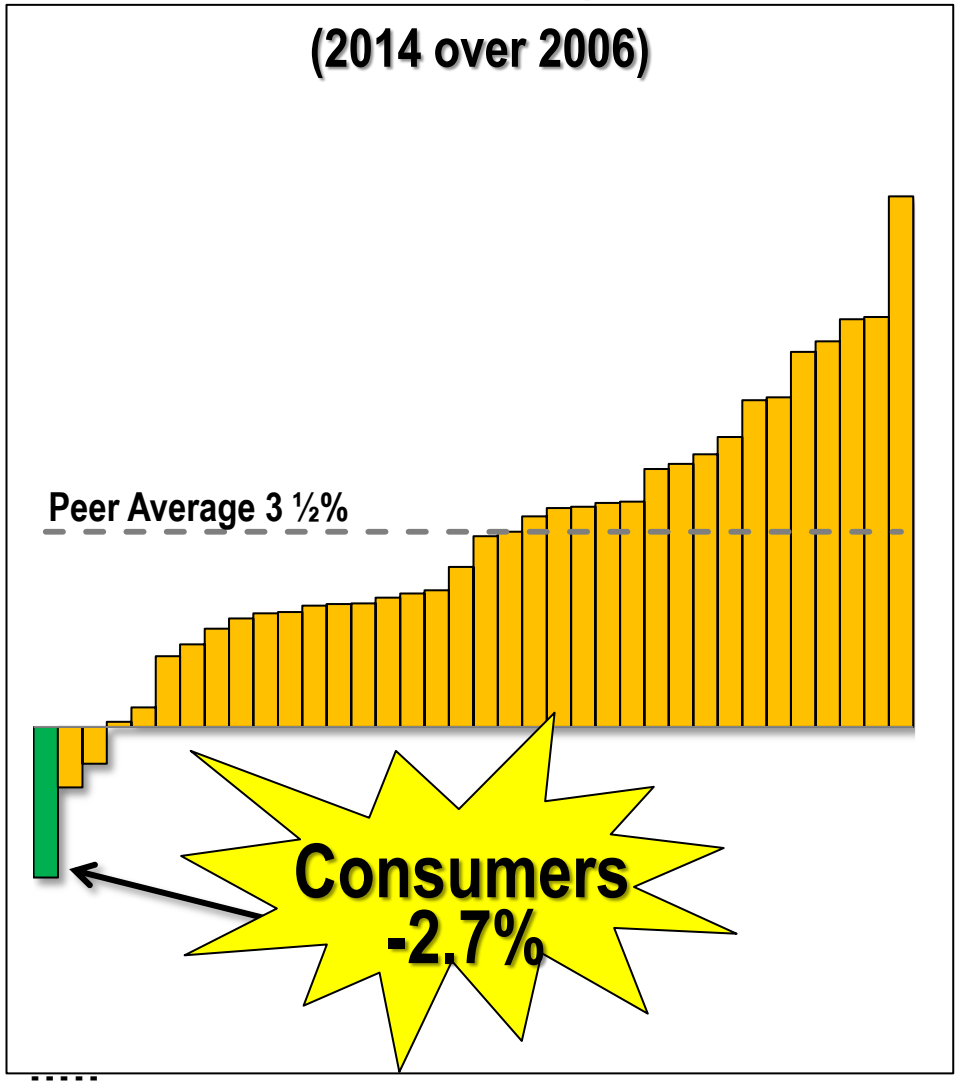
	2014 & 2015 (mils)	2016 & 2017 (mils)
• Attrition	$ - 35	$ - 35
• Productivity (Coal → Gas)	- 35	- 15
• "Pole Top" Hardening	- 20	- 10
• Smart Meters	- 5	- 20
• Eliminate Waste (UA's) & Work Management	- 15	- 20
• Mortality Tables & Discount Rates	+50	0
• Service Upgrades	+20	+ 40
Net Savings	**$ - 40**	**$ - 60**
Percent Savings	**- 4%**	**- 6%**

3% a year!

. . . . better than peers, with substantial upside.

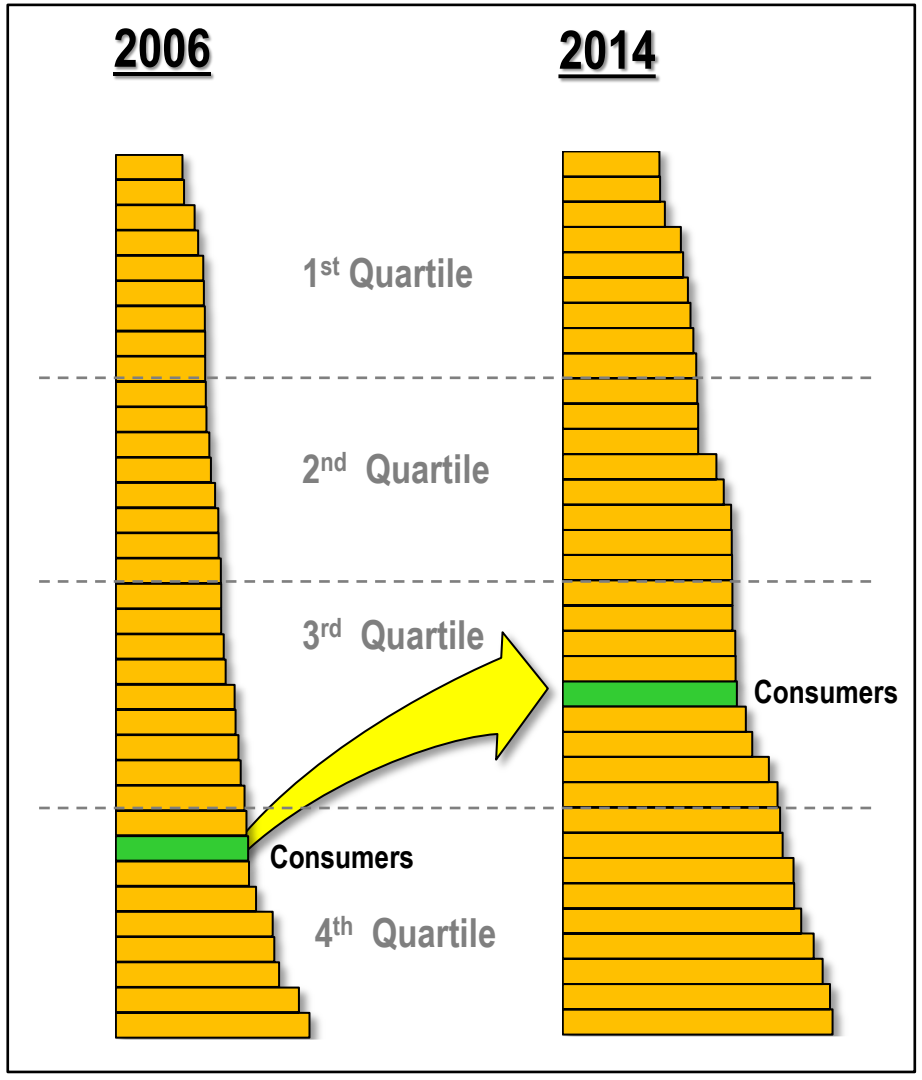
O&M Cost Performance . . . .

Actual Cost Reduction per Customer (2014 over 2006)



Source: SNL, Form 1, Electric Non-fuel O&M

Distribution Cost Per Customer



. . . . opportunities to improve distribution cost per customer.

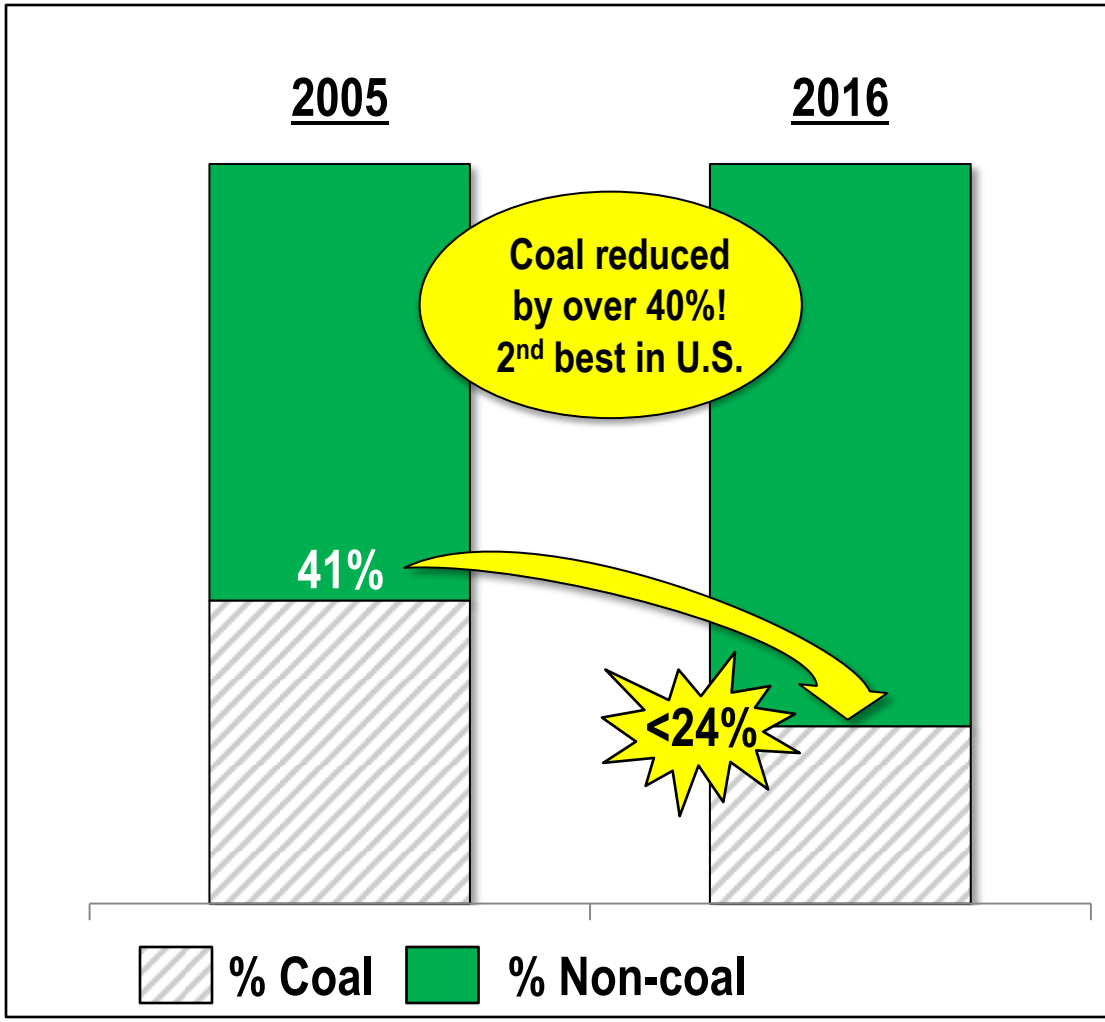
Sustainability . . . .

A "Green" Strategy

- 2nd most coal reduction in the U.S. (>40% reduction)
- Among Michigan's best & brightest sustainable companies in 2015
- #2 ranked in U.S. by Sustainalytics (out of 50)

Positioned well for carbon compliance

Reduced Coal Dependence



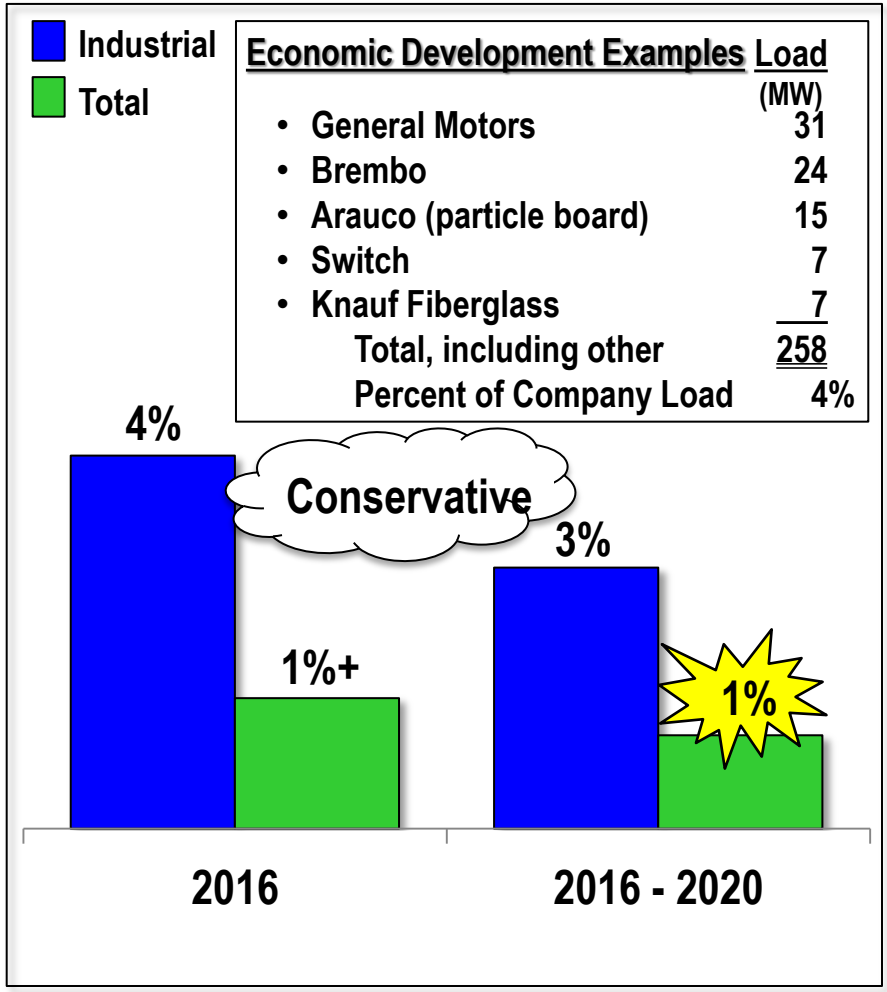
. . . . leaving it better than we found it.

Sales Growth . . . .

Our Service Territory[a] Outperforms

	Grand Rapids	Michigan	U.S
Building Permits[b]	+209%	+204%	+110%
Annual GDP 2010 ⟶ 2014	4.0%	2.6%	1.9%
Population 2010 ⟶ 2015	+5%	½%	4%
Unemployment (1/16)	3.0%	4.9%	4.9%

Annual Electric Sales[c]



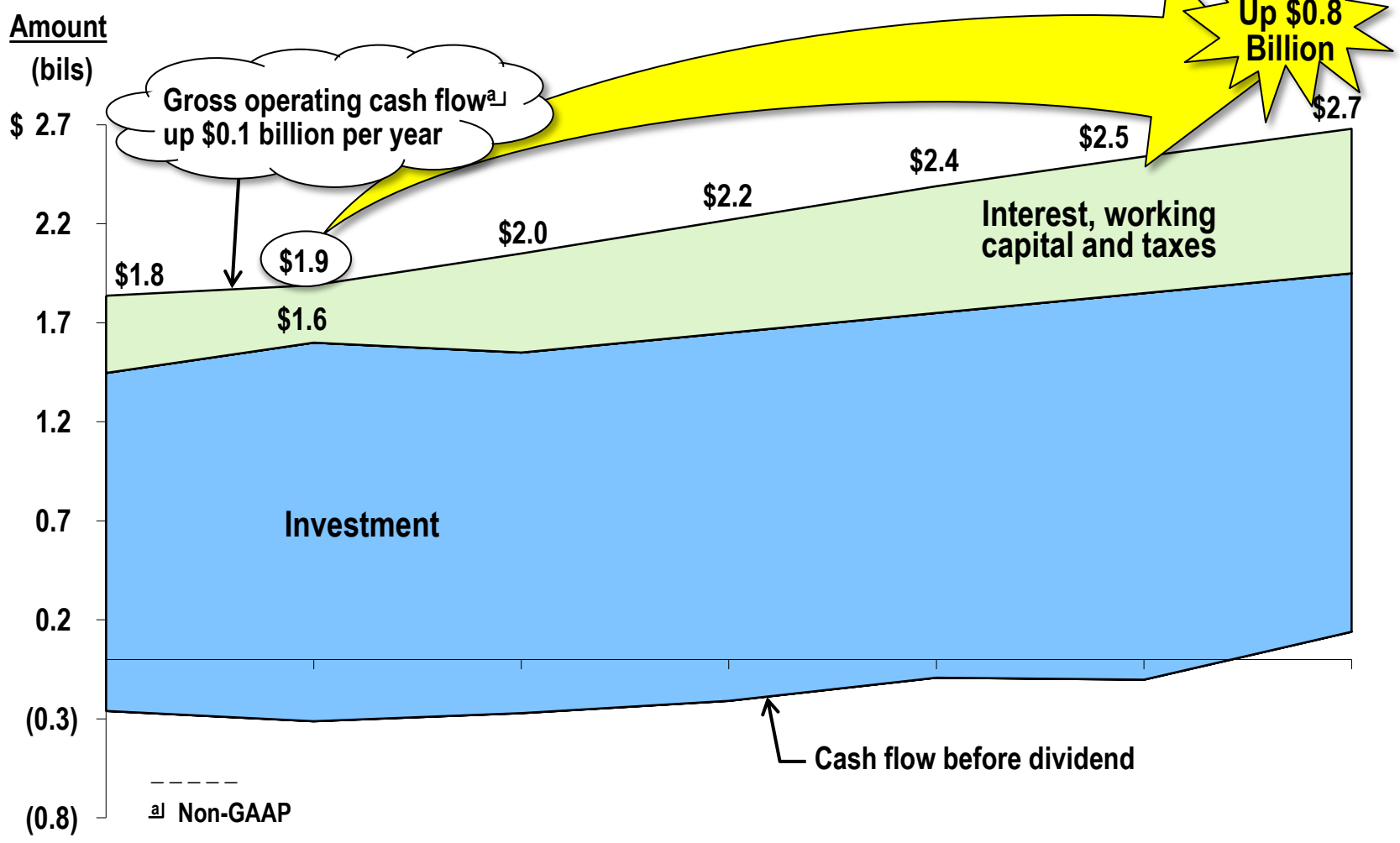
[a] Grand Rapids

[b] Annualized numbers February 2010→February 2016

[c] Weather normalized vs. prior year

. . . . planned conservatively.

Operating Cash Flow Growth . . . .



	2014	2015	2016	2017	2018	2019	2020
NOLs & Credits	$0.7	$0.7	$0.9	$0.8	$0.7	$0.5	$0.2

. . . . up $0.8 billion or 40% over five years!

Consistent Growth Through . . . .

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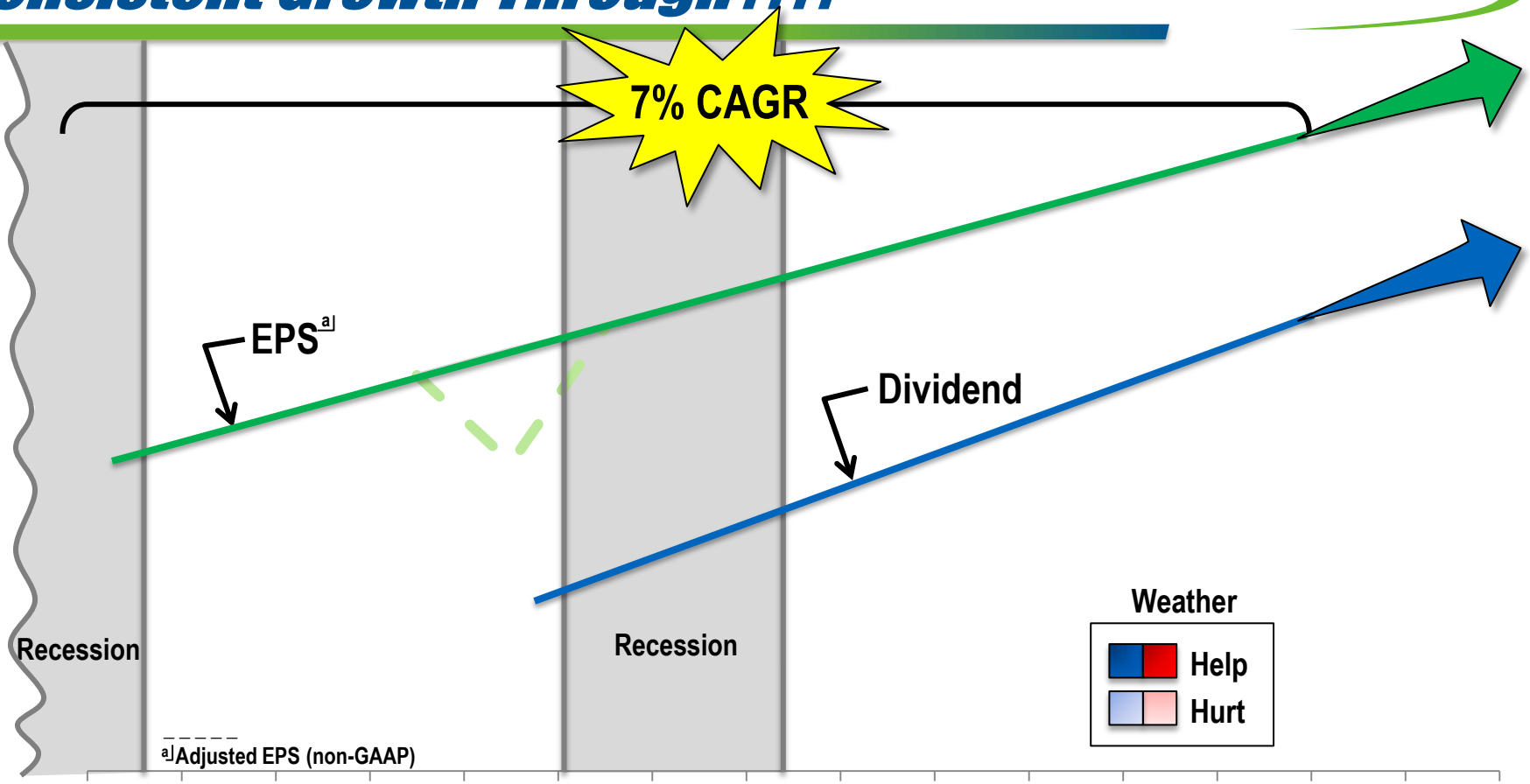
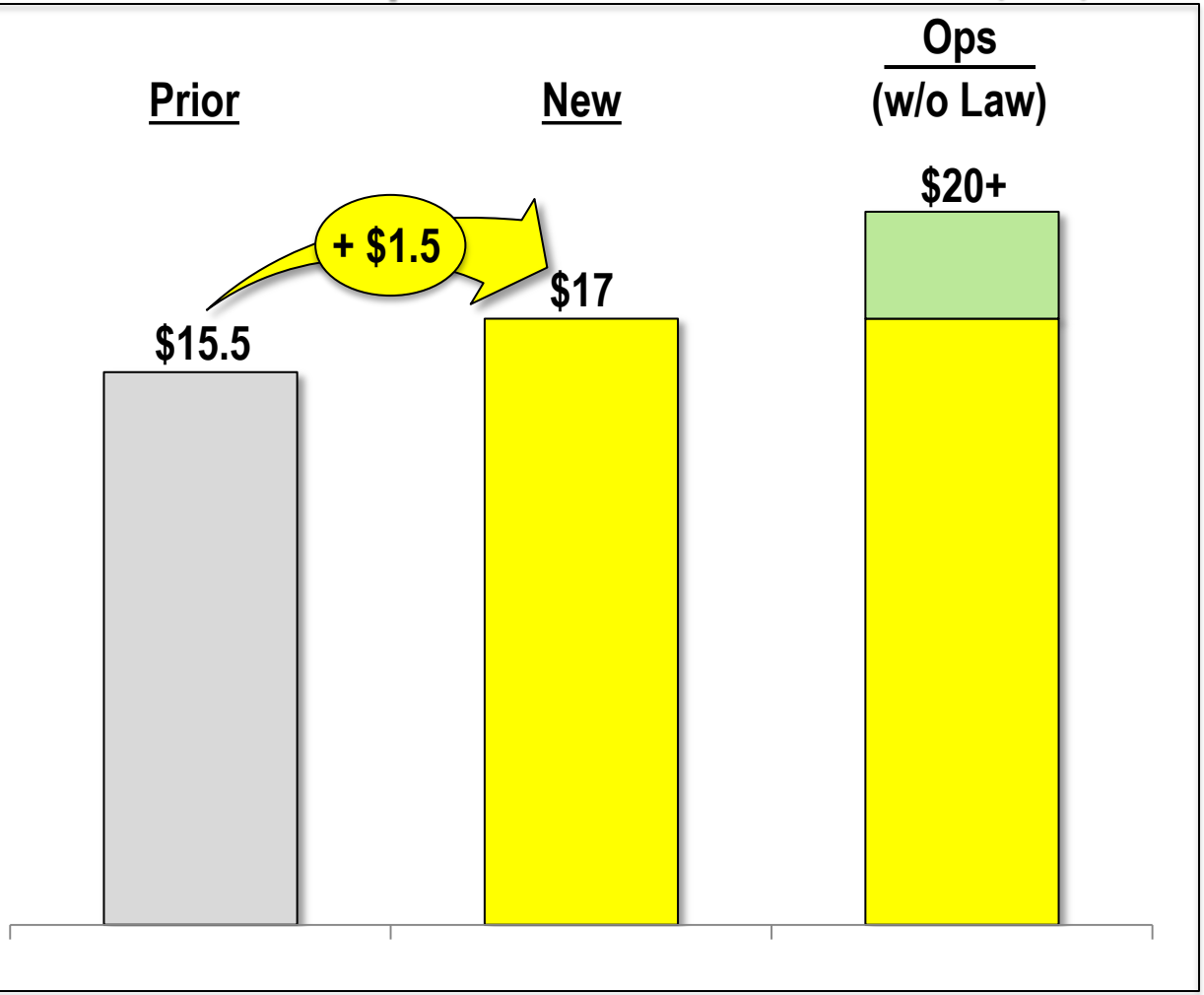


2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Cold winter	Mild summer	Hot summer	Warm winter	Mild summer	Cold winter	Summer-"less"	Hot summer	Hot summer	Warm winter	Mild summer	Polar vortex	Cold Feb.		
Governor (D)								Governor (R)						
Commission (D)							Commission (D)			Commission (R)			New Commission	
Whipple		Joos						Russell					Poppe	

. . . . recessions, adverse weather, and policy leadership.

Capital Investment Grows . . . .

Ten-Year Capital Investment Growth (bils)



Details

	Capex (bils)
New vs Prior	
Electric reliability	$0.4
Gas infrastructure	0.4
Clean power	0.7
New	$1.5
Ops	
Replace expiring PPAs; generation	$2.0
Reliability & pipes	1.0
Ops	$3.0+

. . . . regardless of the law update.

New "Incremental" Capex . . . .

Electric

+$400 mil

- 2,900 poles (+60%)
- 2.4 HVD miles (+120%)
- 30 substations (+50%)
- Improve SAIDI performance

Gas

+$400 mil

- 75 transmission miles (+35%)
- Install more remote valves
- Reduce system risk and increase capacity

Renewables

+$700 mil

- Add 300 MW of new wind to support future compliance

. . . . adds $1.5 billion to our capital investment plan.

Customer Driven Investment . . . .

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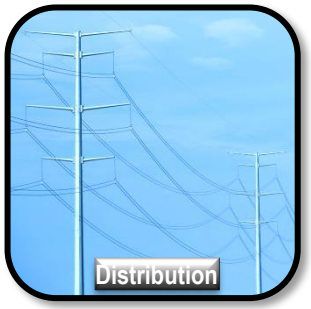
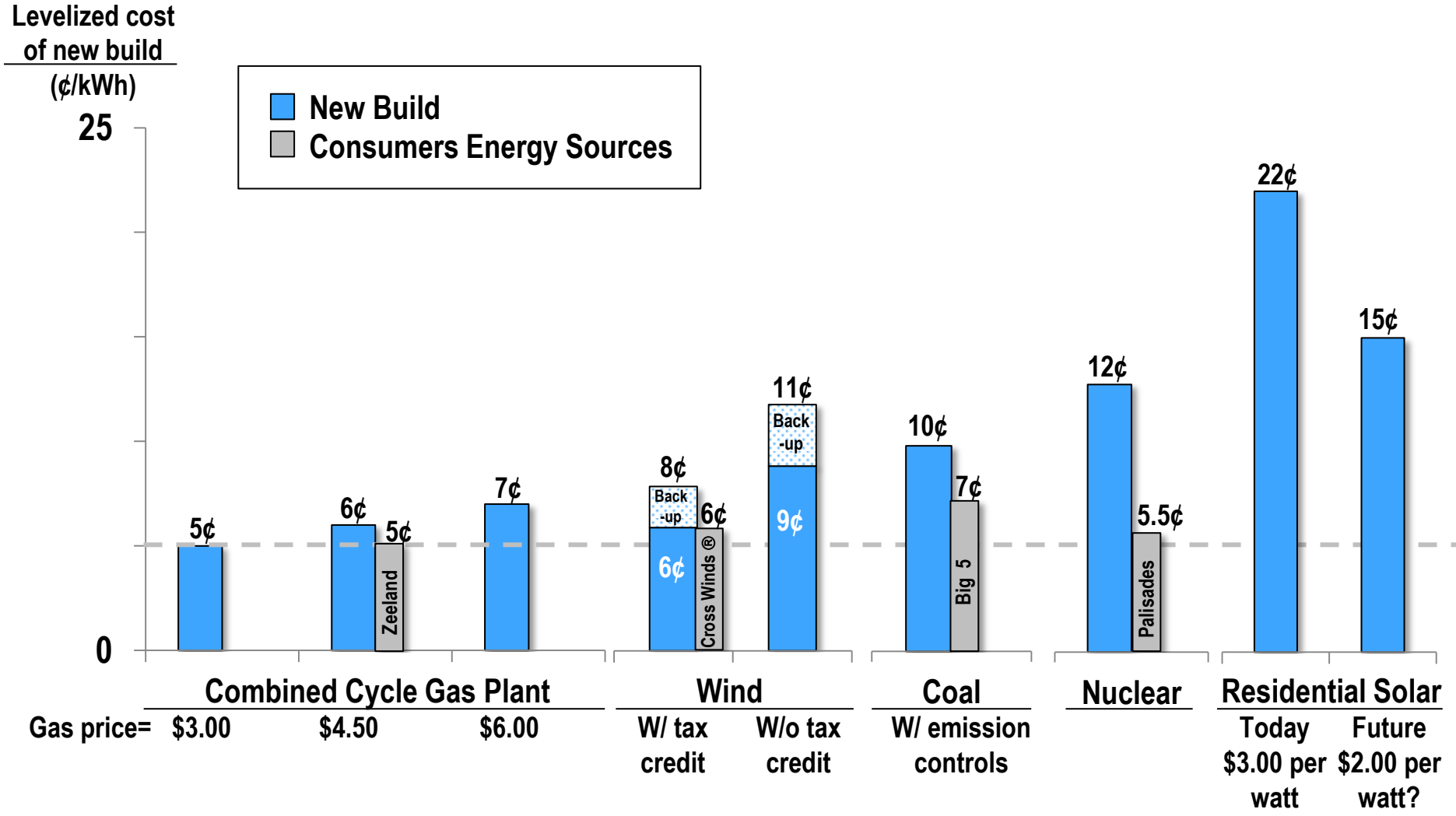
Clean Power $1.9 Billion	Capacity $2.8 Billion	Reliability $3.0 Billion	Infrastructure $3.6 Billion	Maintenance $5.7 Billion
Environmental	New business development	Grid Modernization	Gas distribution	Technology
Clean energy	Gas expansion	Gas storage	New customers & switching	 Distribution
Ludington Pumped Storage	New gas capacity	Electric reliability	Electric distribution	Generation

. . . . remains small and incremental, with no “big bets” and opportunity to grow.

CMS Capital Expenditures

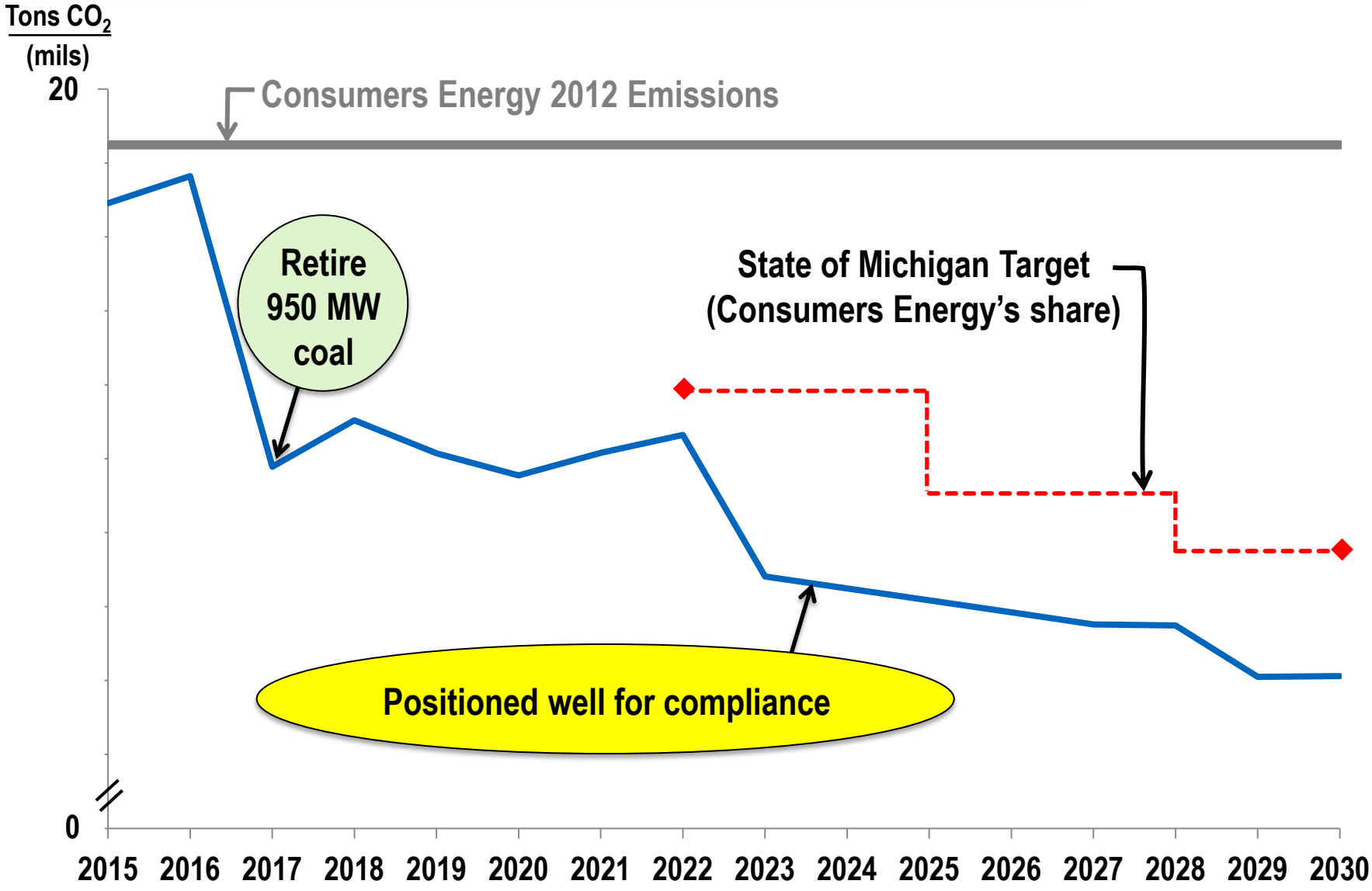
	2016 (mils)	2017 (mils)	2018 (mils)	2019 (mils)	2020 (mils)	2016-2020 Subtotal (mils)	2021-2025 Subtotal (mils)	2016-2025 Total (mils)
New Generation (includes Renewables)	$ 87	$ 72	$ 59	$ 43	$ 31	$ 292	$ 1,378	$ 1,670
Environmental	122	143	121	178	133	697	2	699
Electric Reliability & Distribution	443	416	351	417	370	1,997	1,414	3,411
Electric Maintenance	442	433	477	472	454	2,278	2,714	4,992
Total Electric	$ 1,094	$ 1,064	$ 1,008	$ 1,110	$ 988	$ 5,264	$ 5,508	$ 10,772
Gas Infrastructure	$ 237	$ 353	$ 397	$ 398	$ 377	$ 1,762	$ 1,132	$ 2,894
Gas Maintenance	331	322	307	304	299	1,563	1,771	3,334
Total Gas	$ 568	$ 675	$ 704	$ 702	$ 676	$ 3,325	$ 2,903	$ 6,228
Total Electric & Gas	$ 1,662	$ 1,739	$ 1,712	$ 1,812	$ 1,664	$ 8,589	$ 8,411	$ 17,000

Generation Strategy: New Supply Sources . . . .



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

Clean Power Plan . . . .



. . . . recently stayed by the U.S. Supreme Court.

Air Quality Improvement . . . .

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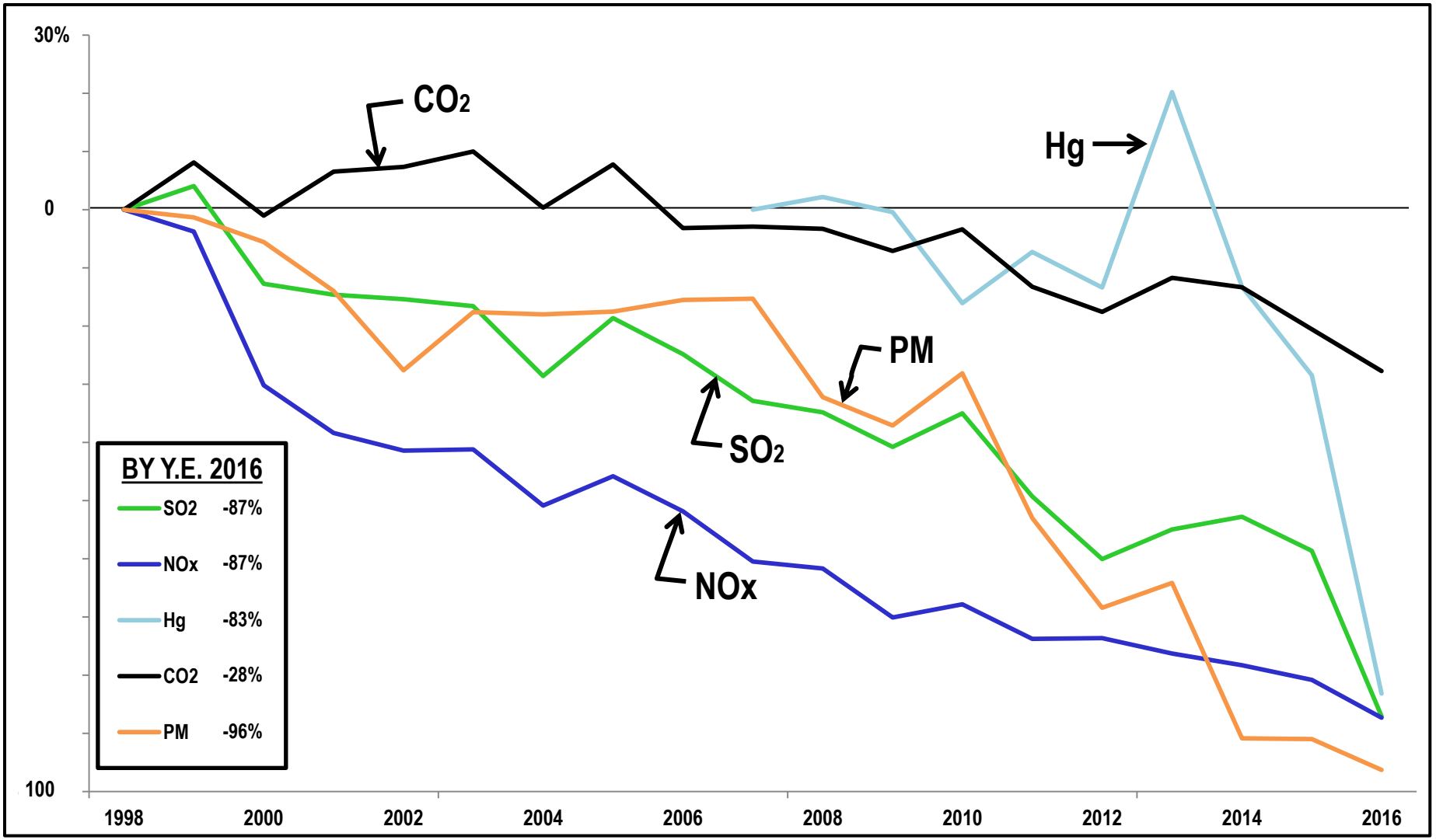
Historical Actual Emissions



. . . . significant reduction.

Cleaner Energy Portfolio . . . .

Apple Blossom Wind Farm

- Competitive price
- 100 MW
- Commercial operation by 2018
- Capacity, energy, and renewable credits
- PPA with option to purchase

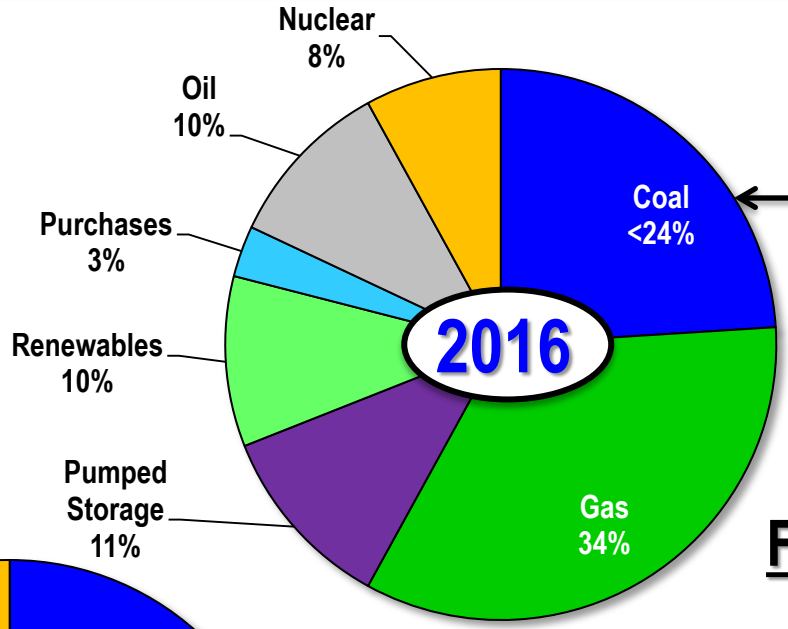
Community Solar Gardens

- Utility Scale Solar
  - Grand Valley State University, 3 MW
  - Western Michigan University, 1 MW

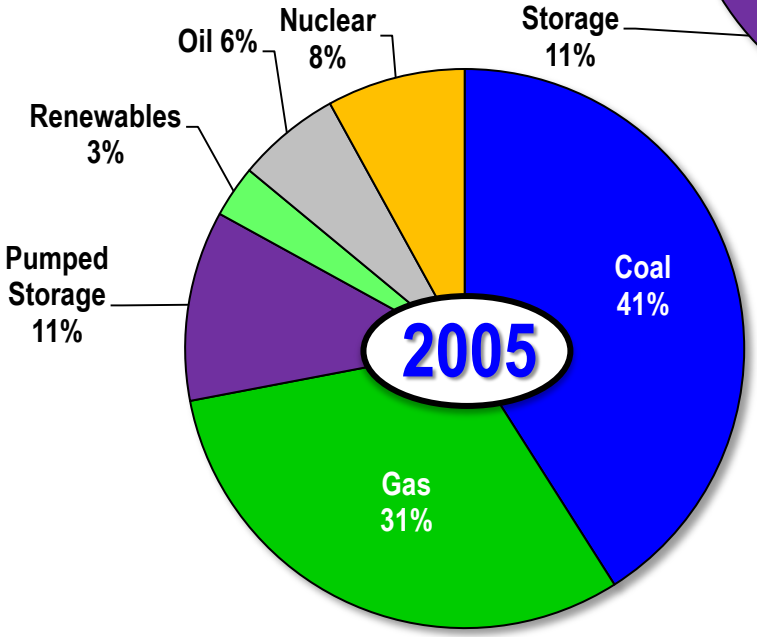
Digital rendering of Grand Valley's campus

. . . . demonstrates ability to grow green generation.

Capacity Diversity . . . .



Coal reduced by over 40%! 2nd best in U.S.



Future Capacity Mix

- More Renewables
- Expanded Pumped Storage
- Clean Energy Resources

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

Michigan Energy Law . . . .

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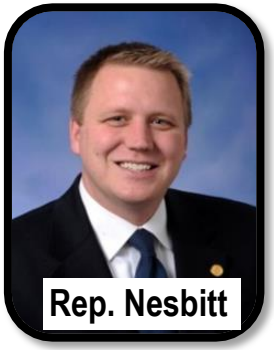
2008 Law

- 10% renewables by 2015
  (Currently at 10%)
- Energy efficiency standards
  (1% per year)
- File-and-implement
  (Forward test year)
- 10% ROA cap
  (Capped)

Has been working well

Key Players

House



✓ Committee Vote

✓ Full vote

Senate

✓ Committee Vote

✓ Full vote

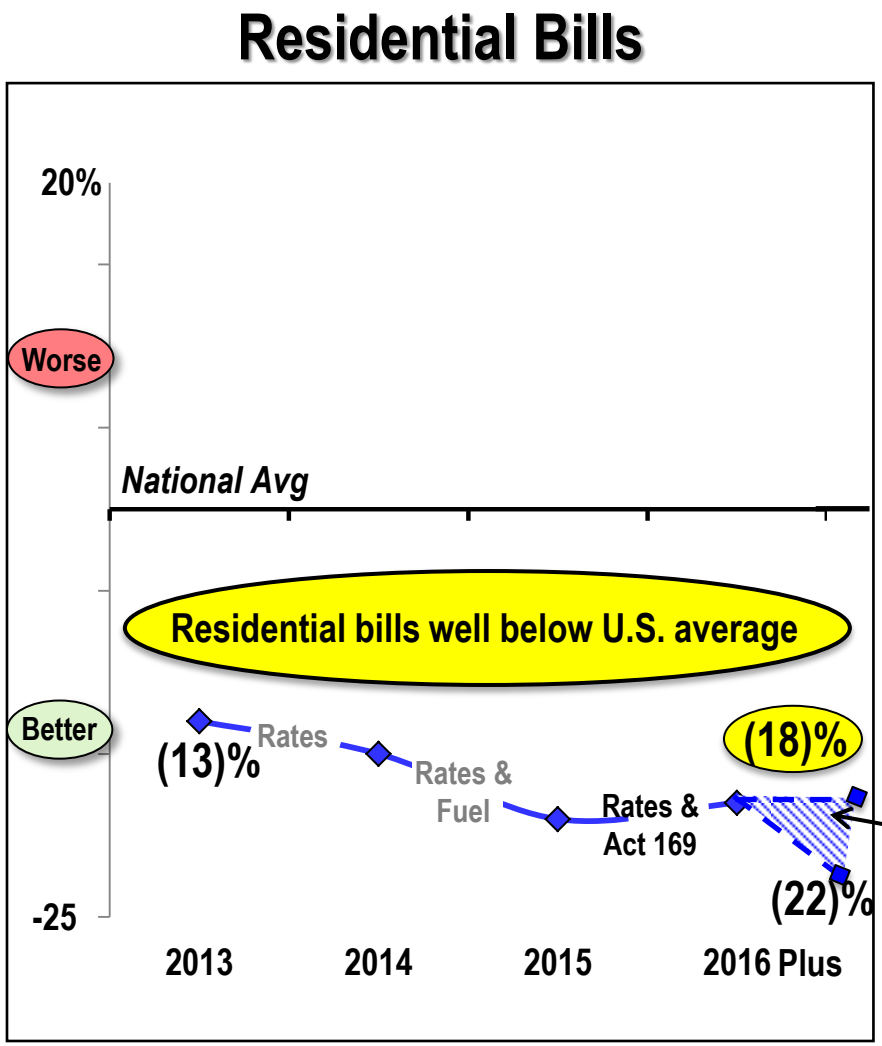
Updates

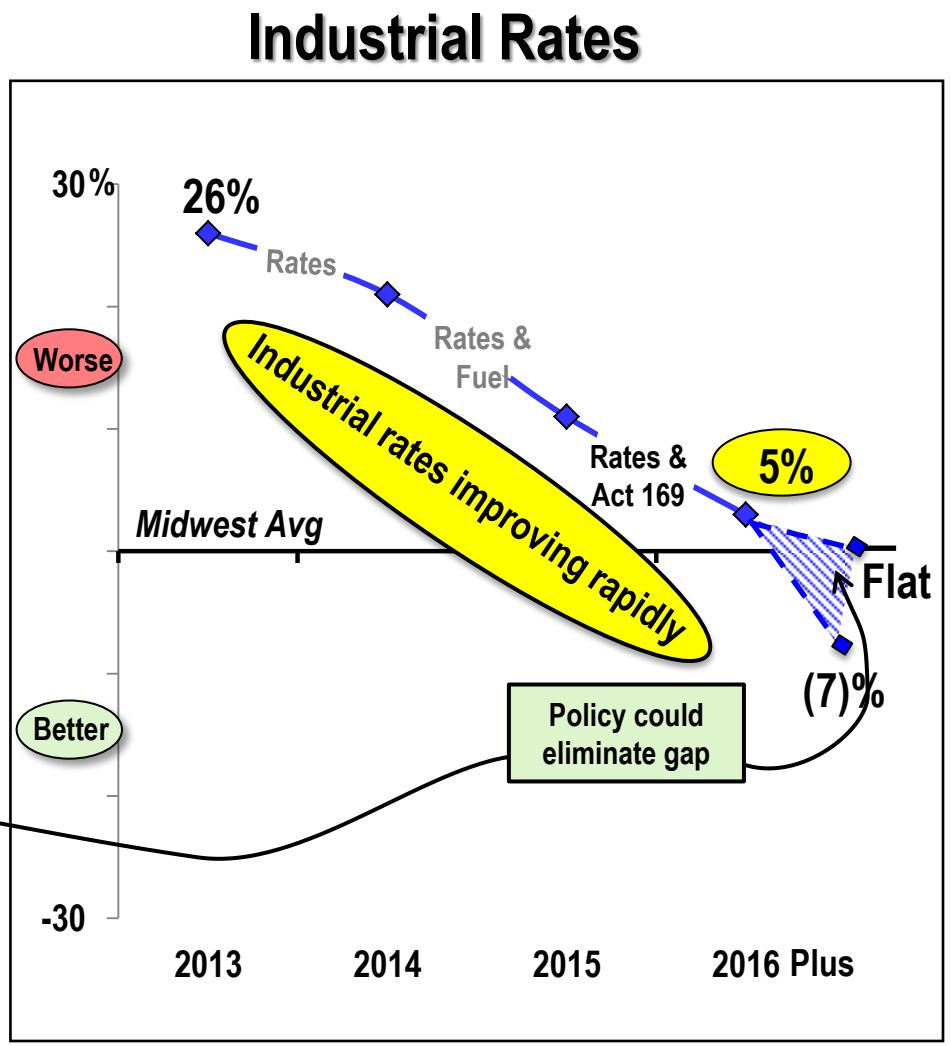
- ROA -- Fair choice; no subsidy
- Efficiency -- Eliminate waste
- Renewables -- Integrated Resource Plan (IRP)

NOT IN PLAN!

. . . . progress continues.

Electric Customer Prices . . . .

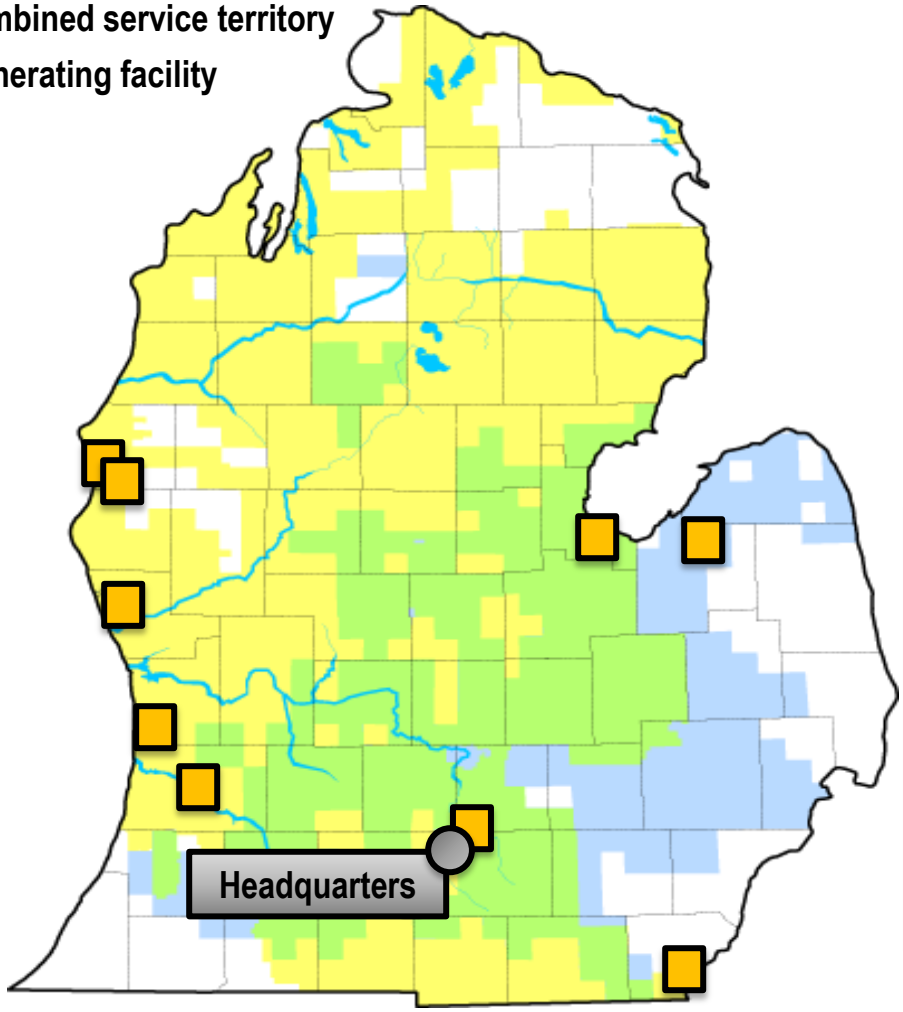




. . . . affordable for residential and improving for industrial customers.

CMS Energy . . . .

- Electric service territory
- Natural gas service territory
- Combined service territory
- Generating facility



Overview

#4 Combination utility (electric and gas) in the country

#383 Fortune 500 company

#2 Investor in Michigan

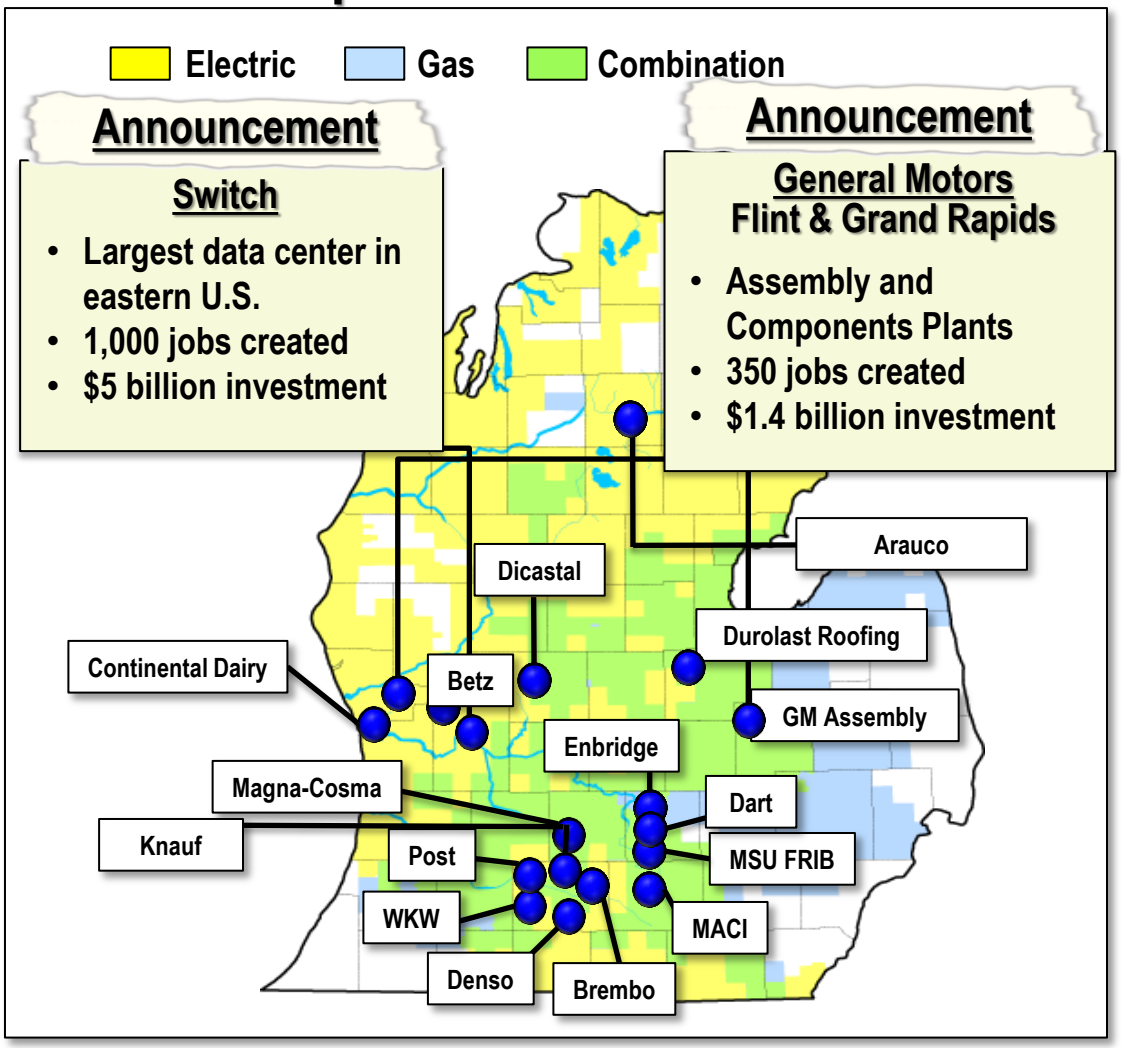
Our Service Territory

- Electric Utility
  - 1.8 million electric customers
  - 8,900 MW of capacity
- Gas Utility
  - 1.7 million gas customers
  - 309 bcf gas storage (#1 in the U.S.)

. . . . serving customers for 130 years.

Economic Development Growth . . . .

Examples of New Business



Industries

	MW
Auto	71
Food	20
Manufacturing	53
Metal	28
Petroleum	19
Plastics	18
Others	49
Total	**Up ~258**

. . . . includes 4% of additional sales growth.

Michigan's Recovery . . . .

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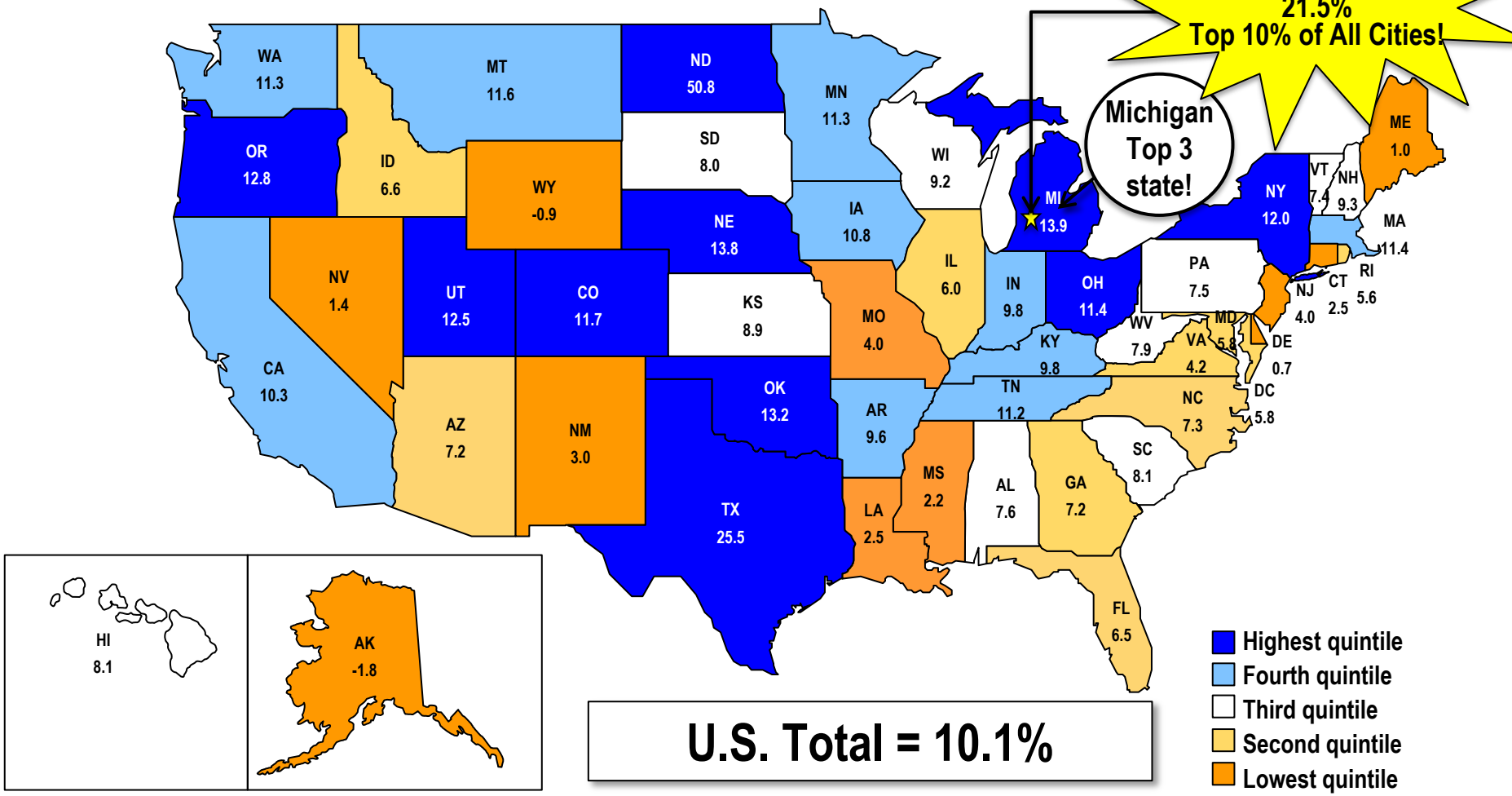
Gross Domestic Product – 2010 through 2014



Source: U.S. Department of Commerce – bea.gov, real GDP 2009 chained dollars, 2014 advance and 2009 – 2013 revised, 9/25/15

. . . . among the best in the nation.

Electric Customer Base Diversified . . . .

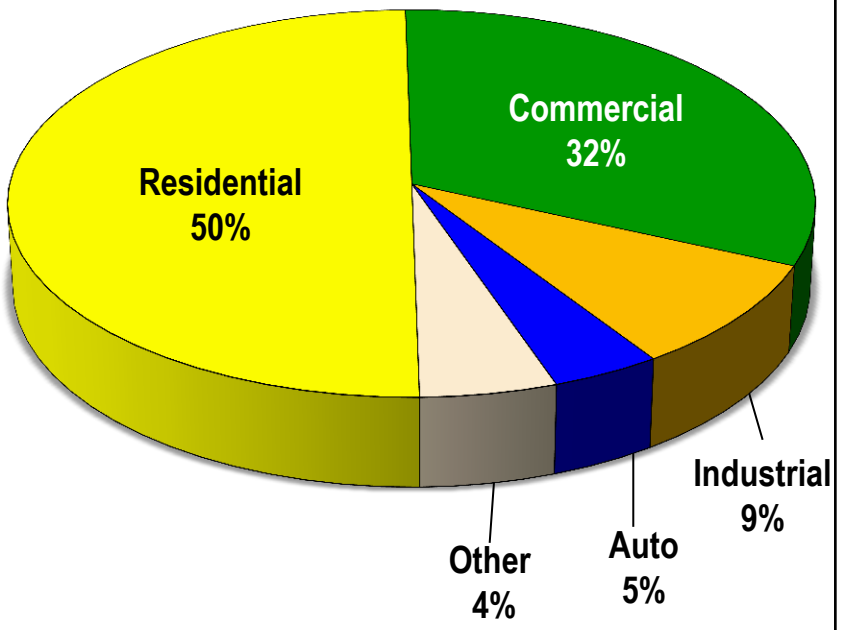
Top Ten Customers

(2015 Ranked by Deliveries)

1. Hemlock Semiconductor
2. General Motors
3. Nexteer Automotive Corporation
4. Gerdau
5. Denso International
6. Meijer
7. State of Michigan
8. Spectrum Health
9. AT&T
10. Packaging Corp. of America

Percentage of electric gross margin is 2.8%

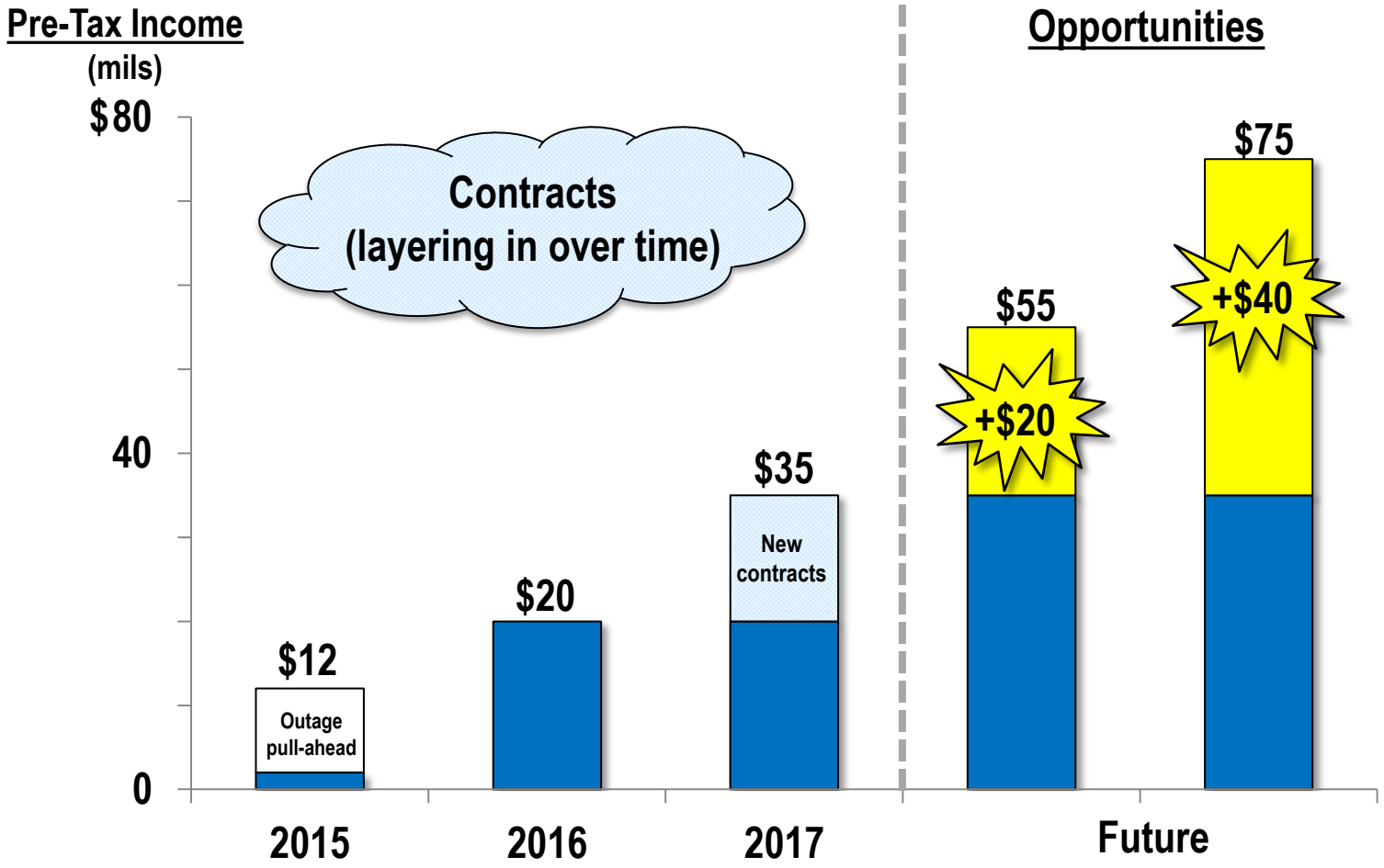
2015 Electric Gross Margin



$2.3 Billion

. . . . "Autos" only 5% of gross margin.

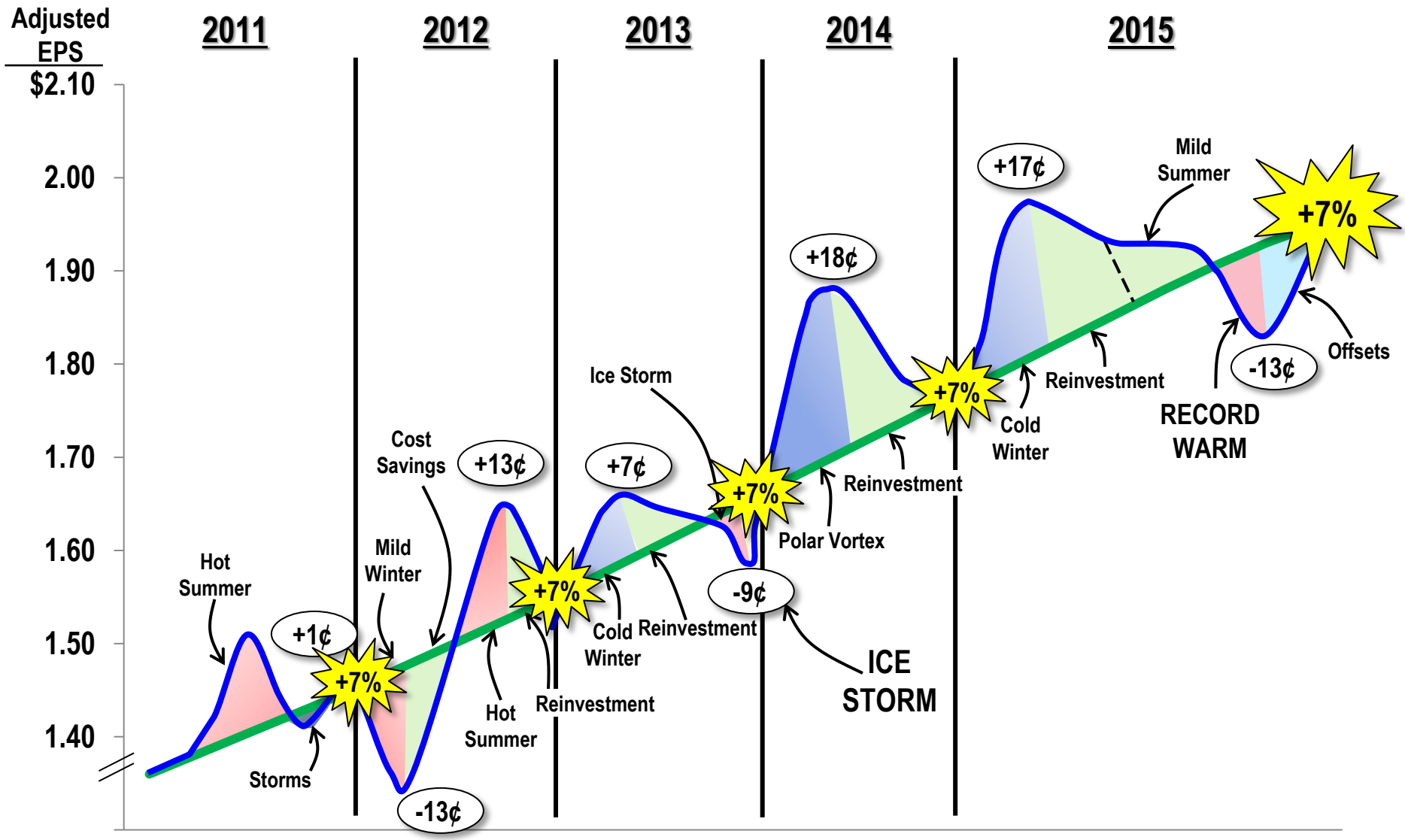
"DIG" (750 MW) & Peakers (200 MW) . . . .



Capacity ($/kw-mth)	≈ $1.00	≈ $2.00	≈ $3.00	$4.50	$7.50
Available:					
• Energy	0%	0%	25%	25%	25%
• Capacity	0	10	25	90	90

. . . . adding value.

Managing Work Every Year . . . .



. . . . maximizes benefits for customers AND investors.

New Bonus Depreciation . . . .

	2016 – 2020 (bils)	2021 – 2025 (bils)
Rate Base Growth		
• Add $1.5 billion	$0.8	$0.7
	$1.5	
• Jackson Plant Backfill (gas and electric infrastructure)	0.2	
• Pension	0.2	
Increase (gross)	$1.2	$0.7
• New Bonus Depreciation	0.6	
Increase (net)	$0.6	$0.7
• Annual EPS Lift	2¢	2¢
	1%	1%

. . . . funds some new capex.

Bonus Depreciation . . . .

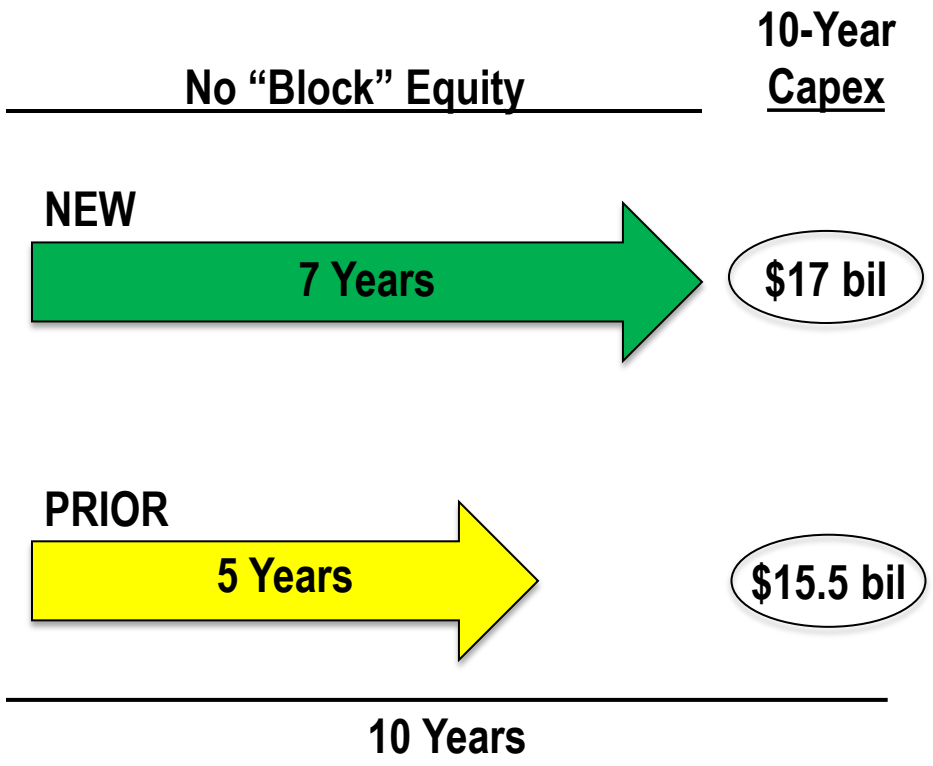
Summary

Bonus Depreciation
- 6 years already
- New 5 years!
  - $600 mil shelter

Capital Investment
- Add $1.5 billion
  - Electric reliability
  - Gas infrastructure
  - Clean energy

NOLs
- Extended point of use
- Avoids "block" equity

Improved Plan



. . . . helpful at CMS.

Financial Targets . . . .

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	2016	2017
Operating cash flow (mils)	$1,550	$1,650
Dividend payout ratio	≥ 62%	≥ 62%
Customer price incr./(decr.)		
Electric (excl. fuel)	~1%	~2%
Gas	~(10)%	~(2)%
FFO/Average debt	18%	19%
Capital investment (bils)	$1.7	$1.7

. . . . transparent, consistent, strong performance.

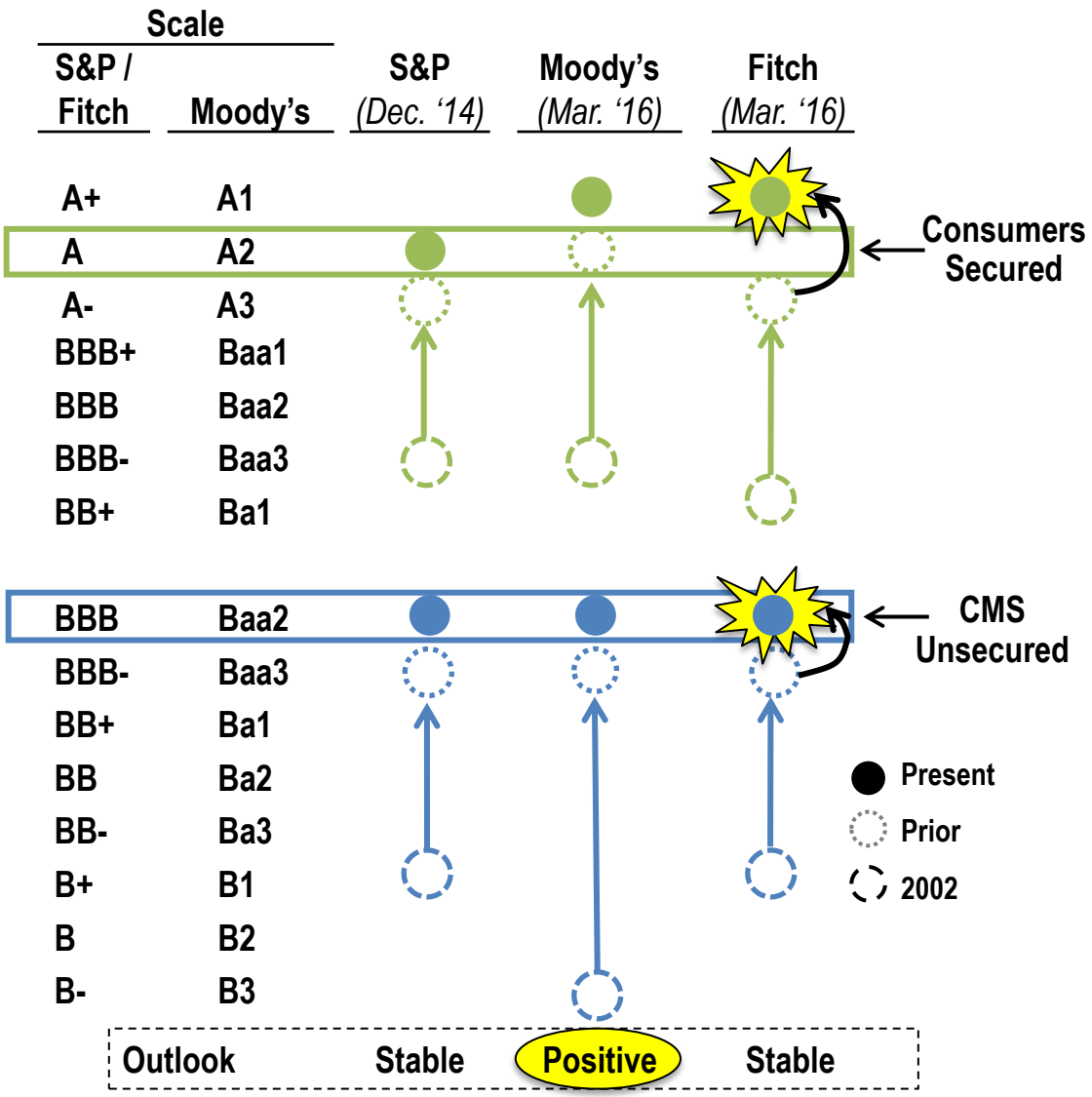
2016 Sensitivities . . . .

	Sensitivity	2016 Impact EPS	2016 Impact OCF (mils)	Status
Sales [a]				
• Electric (38,043 GWh)	± 1%	± $0.05	± $ 20	
• Gas (303 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	± 5	
Capital Investment	+$100 mil	+ 0.01	+ 10	
Law Update	Upside	Not In Plan		

[a] Reflect 2016 sales forecast; weather adjusted

. . . . reflect strong risk mitigation.

Credit Ratings . . . .



Reflects

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

. . . . show continuous improvement.

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	2015
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	$1.89
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-GAA	$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	$1.89
Mark-to-market impacts		0.03	(0.43)	0.51									
Adjusted earnings per share, excluding MTM - non-GAA	NA	$0.90	$0.96	$1.08	NA	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.

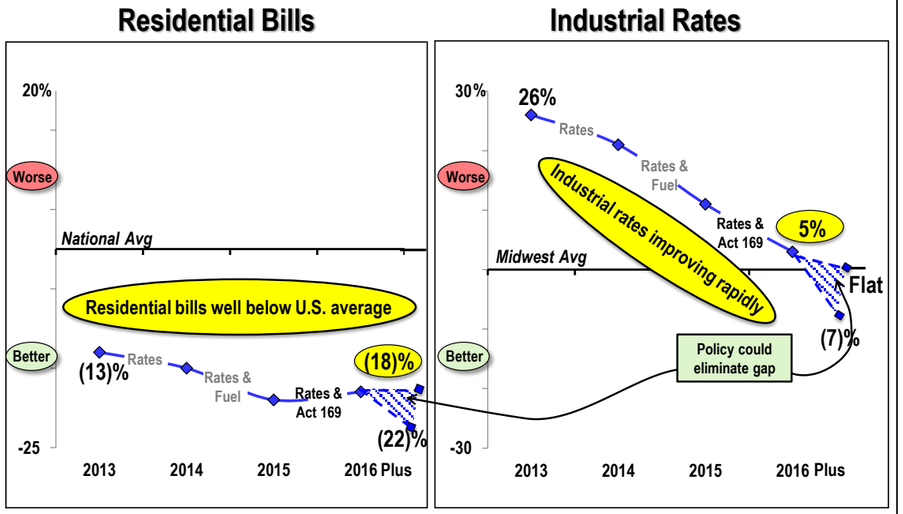
CMS Energy
Reconciliation of Gross Operating Cash Flow to GAAP Operating Activities
(unaudited)
(mils)

	2014	2015	2016	2017	2018	2019	2020
Consumers Operating Income + Depreciation & Amortization	$ 1,813	$ 1,866	$ 2,012	$ 2,161	$ 2,336	$ 2,481	$ 2,613
Enterprises Project Cash Flows	20	20	37	58	58	63	70
Gross Operating Cash Flow	$ 1,833	$ 1,886	$ 2,049	$ 2,219	$ 2,394	$ 2,544	$ 2,683
Other operating activities including taxes, interest payments and working capital	(386)	(246)	(499)	(569)	(644)	(694)	(733)
Net cash provided by operating activities	$ 1,447	$ 1,640	$ 1,550	$ 1,650	$ 1,750	$ 1,850	$ 1,950

AND CUSTOMERS

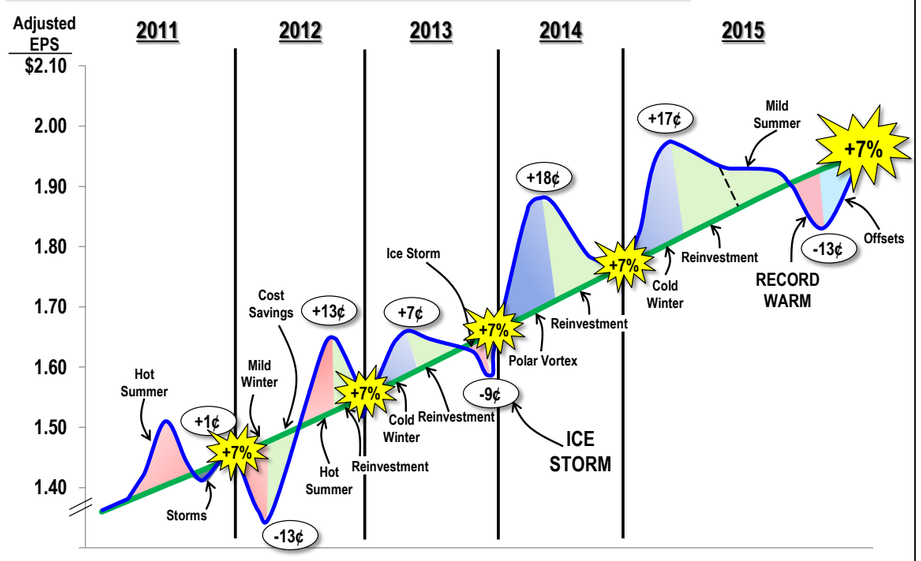
INVESTORS

Electric Customer Prices . . . .



. . . . affordable for residential and improving for industrial customers.

Managing Work Every Year . . . .



. . . . maximizes benefits for customers AND investors.

INVESTOR INFORMATION

CMS Energy Corporation Investor Relations Department One Energy Plaza, Jackson, MI 49201	Phil McAndrews (517) 788-1464 Travis Uphaus (517) 768-3114 www.cmsenergy.com

OUR MODEL; OUR PLAN

OUTPERFORMED FOR A DECADE:
NEXT DECADE EVEN BRIGHTER

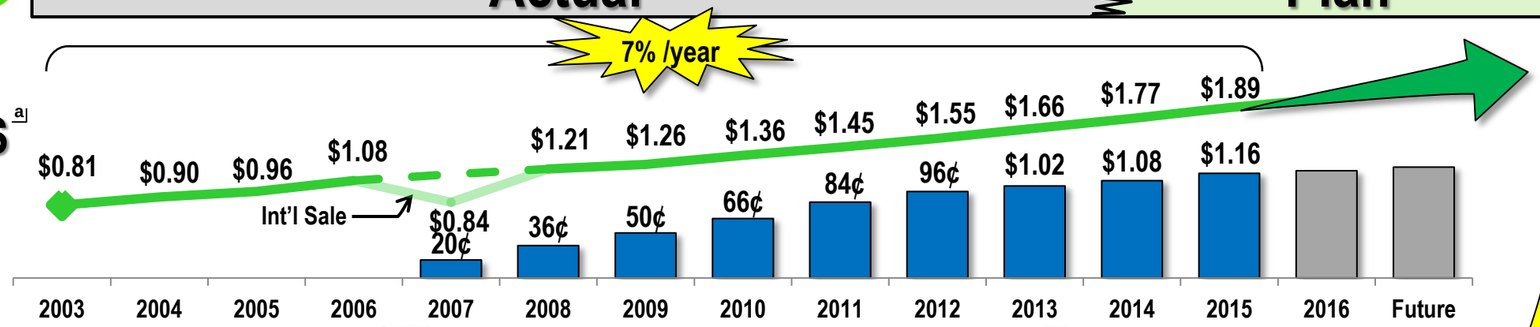
- 13 year track record
  (EPS and dividend growth)
- Capex -- $17 billion, 100% organic
  (increased by $1.5 billion)
- Self-funded -- No block equity
  dilution! (7 years -- up from 5!)
- World-class cost performance
- Conservative sales planning
  (under promise/over deliver)
- $3+ billion capex opportunities
  (w/o Law update!)

April 2016

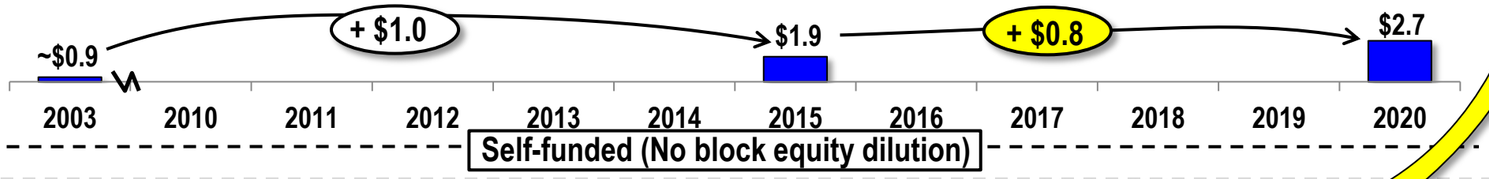
CMS ENERGY

Actual | Plan | Model

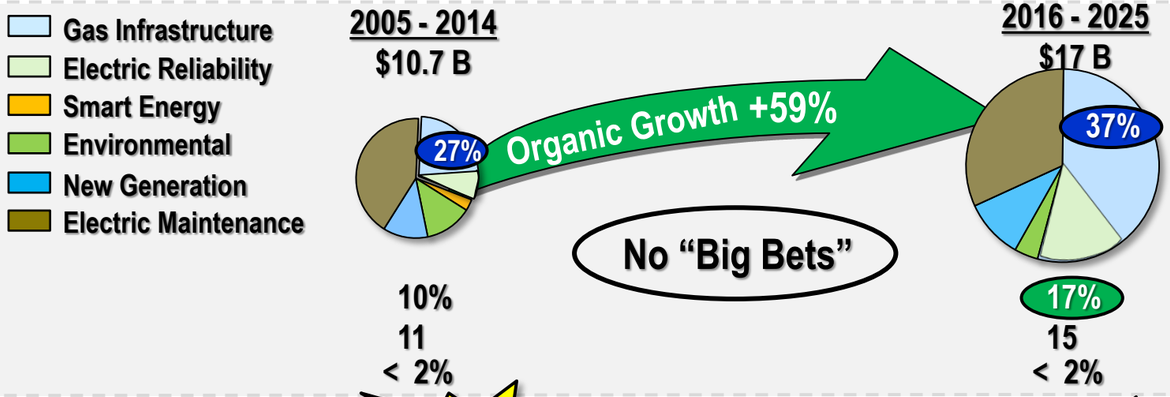
Adjusted EPS[a] / Dividend



Gross OCF[a] (bils)



CapEx



% of Mkt Cap
- CMS
- Peers

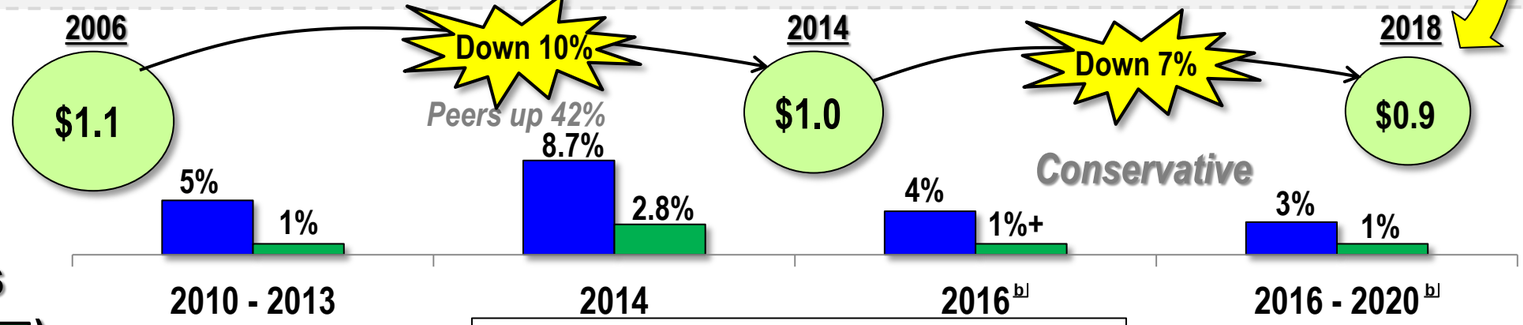
Base Rates

10%
11
< 2%

15
< 2%

Upside
- PPA Replacement
- Clean Power
- Gas infrastructure
- Grid modernization

O&M Cost (bils)



+1% sales = $20 mil OCF = 5¢ EPS

Electric Sales (Ind. ■ /Total ■)

Energy Policy

2008 Law
- Energy efficiency standards
- File and implement
- 10% renewables by 2015
- 10% ROA cap

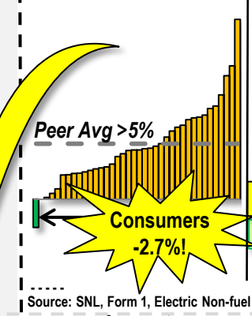
Update Features
- IRP Process
- Fair Prices
  - Eliminate ROA subsidy ($150 million or 4% customer savings)

Model

2017+ Plan

Capital investment	6% - 8%
- O&M cost reductions	2 - 3 pts
- Sales growth	1
- No "block" equity dilution & other	2
INVESTMENT (SELF-FUNDED)	5 - 6 pts
Rate increase	< 2 %

Cost Reduction (2014 over 2006)



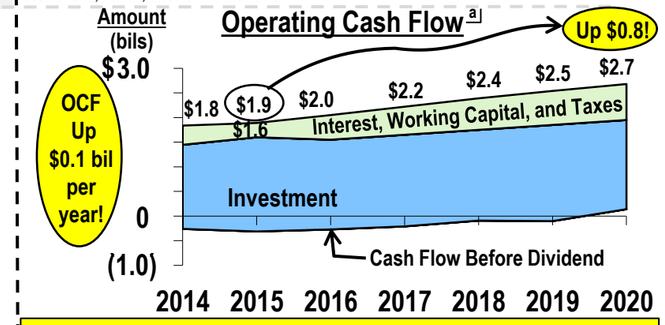
Source: SNL, Form 1, Electric Non-fuel O&M

New Cost Savings (mils)

	2014 & 15	2016 & 17
Attrition	$ - 35	$ - 35
Productivity (Coal Gas)	- 35	- 15
"Pole Top" Hardening	- 20	- 10
Smart Meters	- 5	- 20
Work Management	- 15	- 20
Discount Rates Plus	+50	0
Service Upgrades	+20	+ 40
Net Savings	$ - 40	$ - 60
Percent Savings	- 4%	- 6%

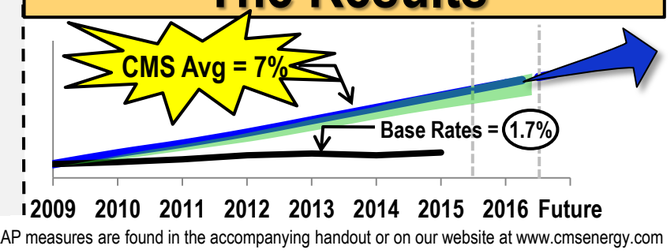
-3%/ yr

Operating Cash Flow[a]



	2014	2015	2016	2017	2018	2019	2020
NOLs & Credits			$0.9	$0.8	$0.7	$0.5	$0.2

The Results[a]



This placemat contains "forward-looking statements"; please refer to our SEC filings for information regarding the risks and uncertainties that could cause our results to differ materially. It also contains non-GAAP measures. Reconciliations to most directly comparable GAAP measures are found in the accompanying handout or on our website at www.cmsenergy.com

[a] Adjusted Non-GAAP as of February 4, 2016 [b] As of January 2016