



Leading the **CLEAN ENERGY TRANSFORMATION**

Investor Meetings



May 2023

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 most recent Form 10-K and as updated in reports CMS Energy and Consumers Energy file with the Securities and Exchange Commission. 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.

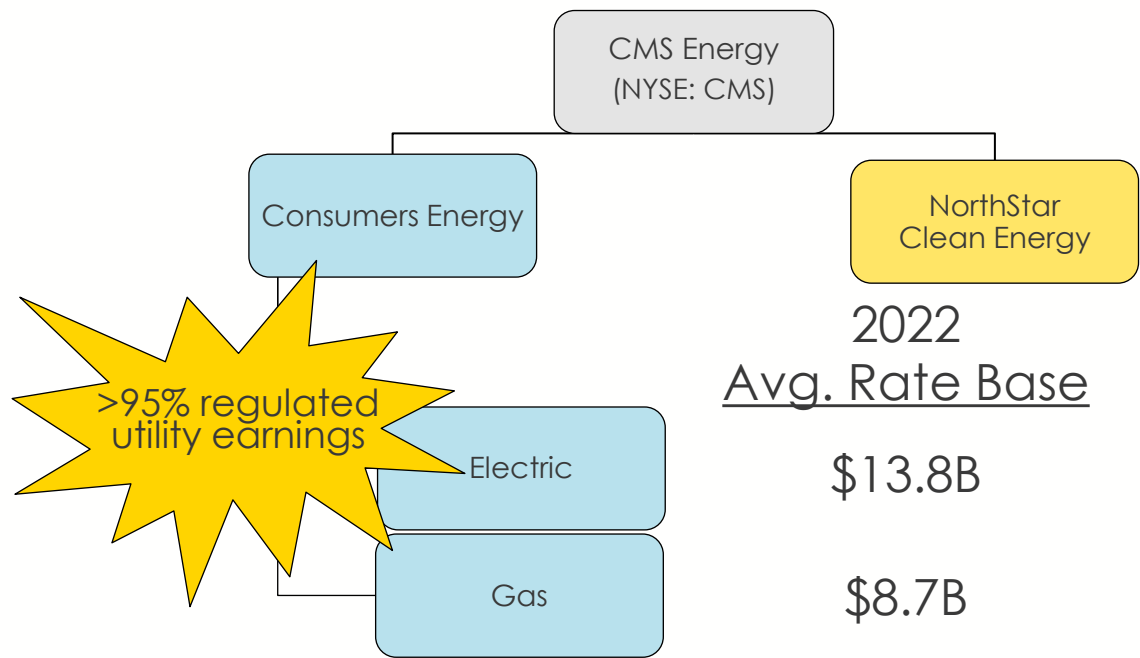
The presentation also includes non-GAAP measures when describing CMS Energy’s results of operations and financial performance. A reconciliation of each of these measures to the most directly comparable GAAP measure is included in the appendix and posted on our website at www.cmsenergy.com.

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.

Presentation endnotes are included after the appendix.

CMS Energy Overview

Corporate Structure



2022
Avg. Rate Base

\$13.8B

\$8.7B

Key Information

2022 Financial Statistics

Based in Jackson, MI

~8,500 Employees (41% unionized)^a

\$8.6B Revenue

\$838M Adjusted net income^b

20 years Industry-leading financial performance

6% to 8% Long-term adj. EPS^b growth

6% to 8% Long-term DPS^c growth

Senior Management Team

Garrick Rochow
CEO

Reiji Hayes
CFO

Shaun Johnson
General Counsel

Cathy Hendrian
People & Culture

DV Rao
Strategy & Planning

LeeRoy Wells
Operations

Brian Rich
Customer Experience & Tech

Tonya Berry
Transformation & Engineering

Brandon Hofmeister
Gov't & Regulatory Affairs

Consumers Energy Positioned Well . . .

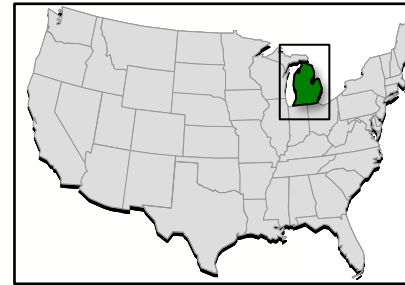
4th Largest Combination Utility

- Electric Utility
1.9M electric customers
7,526 MW of capacity
- Gas Utility
1.8M gas customers
309 Bcf gas storage
- Serving 6.7M Michigan residents

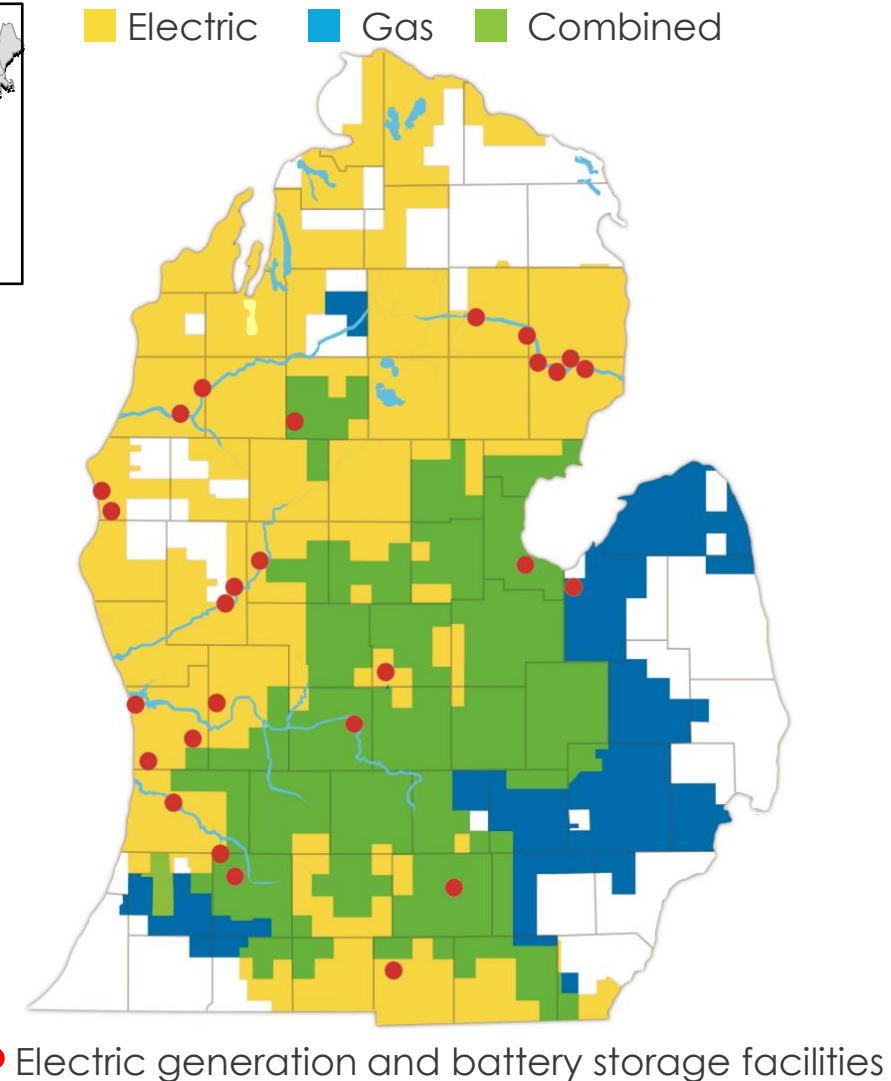
Planet Goals^a

- Exit coal in 2025
- Net zero methane emissions by 2030
- Net zero carbon emissions by 2040
- Net zero GHG emissions by 2050

Presentation endnotes are included after the appendix.



Attracted
>750 MW
of new or
expanding
load since
2015^b



. . . to lead the Clean Energy Transformation.

Renewable Platform

- 368 MW of wind (OH, TX)
- 64 MW of biomass (MI, NC)
- 30 MW of solar (MI, WI)

DIG & Other

- >1,000 MW in MI (including DIG & Peakers)
- Upside: tightening supply with future retirements

NorthStar Clean Energy helps companies with sustainability targets decarbonize through customized green energy and decarbonization solutions. Based in Michigan, NorthStar Clean Energy works alongside its commercial and industrial clients as one team to reduce emissions.



Presentation endnotes are included after the appendix.

. . . providing solutions to help companies meet their decarbonization targets.

Over 135 years of Sustainable Business Practices. . .



Founded by the
Foote Brothers in 1886

Exiting Coal in 2025 and
adding 8 GW of solar by 2040

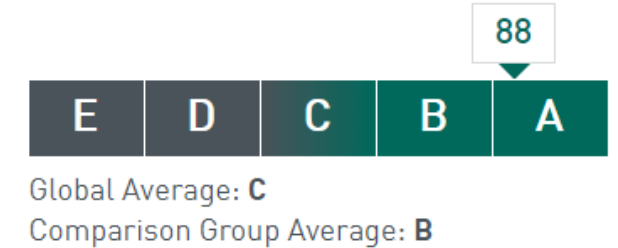


. . . now cleaner and leaner than ever.

Our Commitment to Sustainability . . .

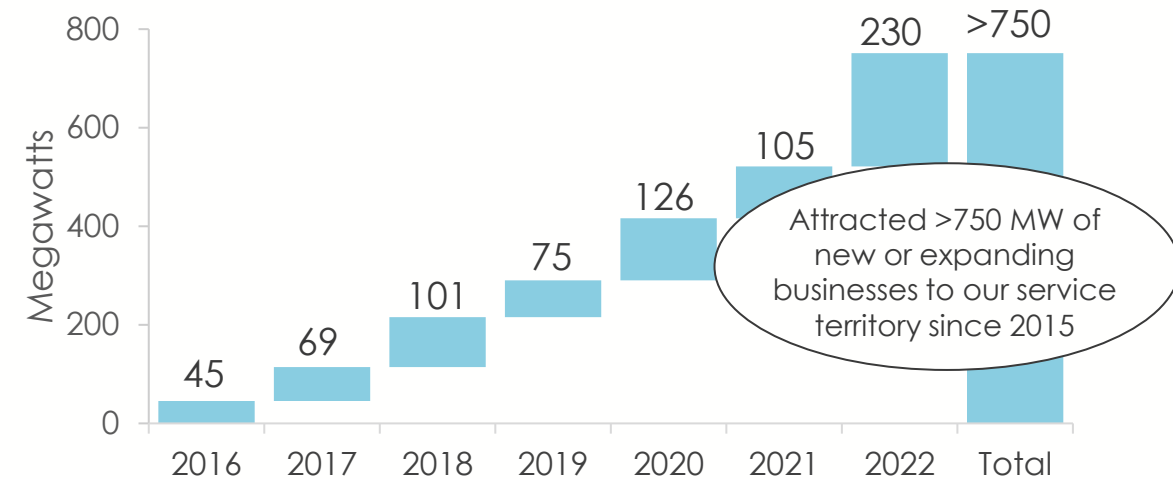


GRESB Public Disclosure Level



Received U.S. Environmental Protection Agency 2022 Energy Star® Partner of the Year Sustained Excellence Award

Economic Development^a



Presentation endnotes are included at the end of the presentation.

. . . is recognized globally.

ESG Disclosures are Transparent . . .



- [CMS Energy & Consumers Energy Websites](#)
- SEC Filings ([10-K](#) & [Proxy](#))
- Carbon Disclosure Project
 - [Report Scope 1, 2 & 3 Emissions](#)
 - [Water](#)
- [Climate Assessment Report](#)
 - Considers TCFD Guidelines
- [Waste and Landfill Avoidance Report](#)
- [Sustainability Report](#)
- [DE&I Website](#)
- [EEO1 Report](#)
- [SASB Index \(Electric Utilities & Power Generation\)](#)
- [SASB Index \(Gas Utilities & Distributors\)](#)
- [TCFD Index](#)
- [UNSDG Index](#)
- [Political Engagement](#)



. . . and aligned with SASB, TCFD and CDP reporting frameworks.

The background image shows a large, modern building with a classical portico and a tall, curved glass tower. In the foreground, there is a green lawn with a paved path, several trees, and a black lamppost. A person is walking on the path. The sky is clear blue.

INVESTMENT THESIS

Investment Thesis . . .



Industry-leading net zero commitments

Excellence through the ***CE WAY***

Top-tier regulatory jurisdiction^a

Premium total shareholder return
6% to 8% adjusted EPS growth + ~3% dividend yield

Presentation endnotes are included after the appendix.

. . . is simple, clean and lean.

Needed Infrastructure Renewal . . .



Electric distribution system is *older* than peers

Goal to improve $\geq 1K$ miles annually



Exiting coal in 2025 and adding 8 GW of solar by 2040



25 years of main replacement through our Enhanced Infrastructure Replacement Program



>\$500M of vegetation management spend over 5 years to improve reliability^a

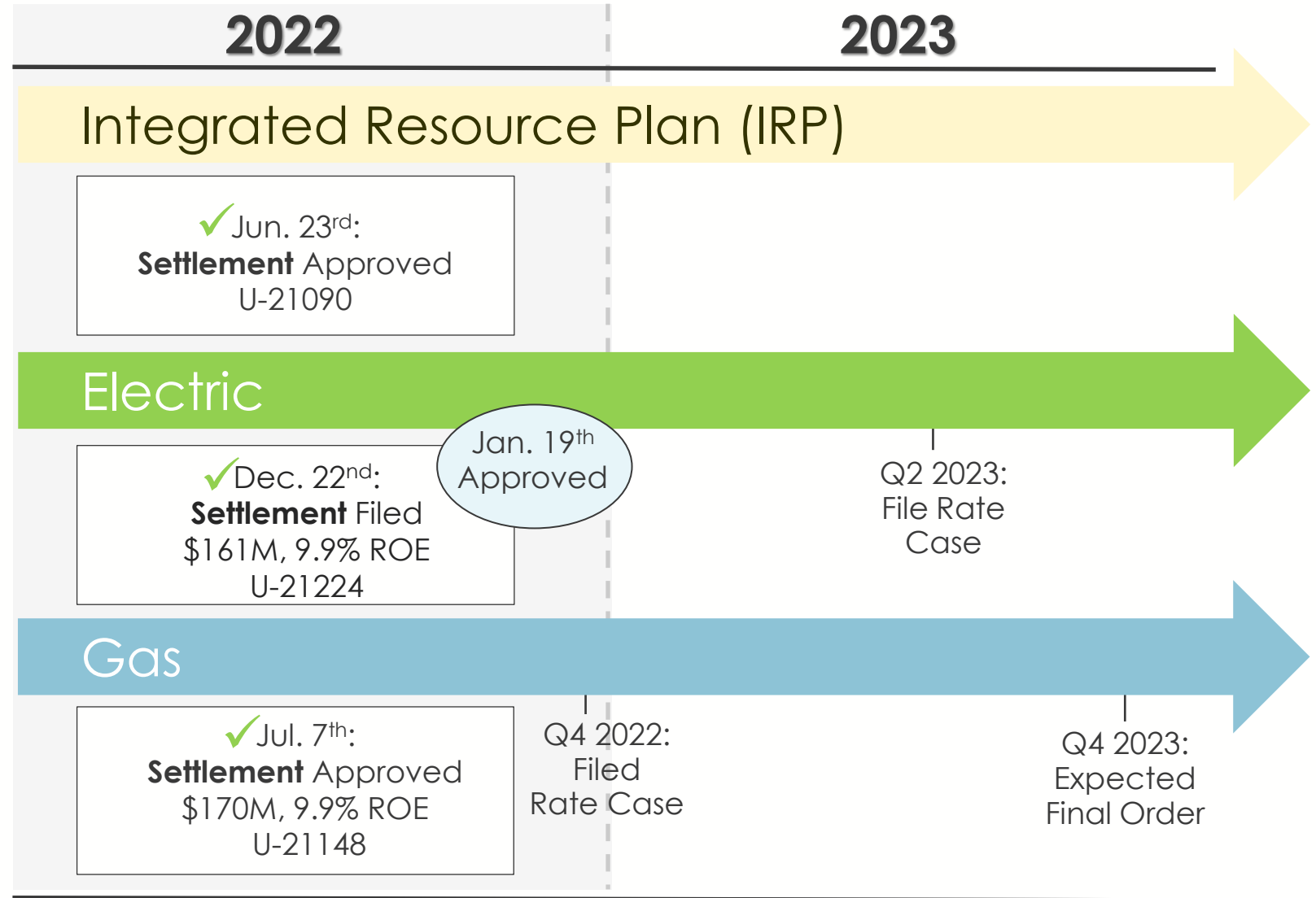
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. . . requires significant customer investment.

Michigan's Strong Regulatory Environment . . .

Supportive Energy Law

- Timely recovery of investments
 - ✓ Forward-looking test years
 - ✓ 10-month rate cases
 - ✓ Earn authorized ROEs
 - ✓ Monthly fuel adjustment trackers (PSCR/GCR)
- Supportive incentives
 - ✓ Constructive ROEs
 - ✓ 10.7% ROE for Renewable Portfolio Standard
 - ✓ Energy efficiency incentive (>\$50M/yr)
 - ✓ FCM adder on PPAs
- Appointed Commissioners



Presentation endnotes are included after the appendix.

. . . is ranked top-tier^a and ensures forward-looking visibility.

De-risking Inflationary Pressures . . .



Near-term Risk Mitigation

<u>Global Risks</u>	<u>Countermeasures</u>
Labor	<ul style="list-style-type: none"> ✓ Executed 5-yr union contracts in 2020 (>40% unionized) ✓ ~95% non-union retention rate^a
Materials	<ul style="list-style-type: none"> ✓ Manageable supply chain risk ✓ ~90% of material costs capitalized ✓ Modular solar build-out
Commodities	<ul style="list-style-type: none"> ✓ Owned generation hedges market volatility ✓ Manageable power supply costs ✓ Leverage gas storage assets

Episodic Cost Savings

<u>Year</u>	<u>Event</u>	<u>Savings</u>
2022	Palisades retirement	>\$90M
2023	Karn 1 & 2 coal unit retirements ^b	\$30M
2025	MCV contract change	>\$60M
2025	Campbell coal unit retirements ^b	>\$60M
>\$200M identified future cost savings		

~\$150M in **CE WAY** savings since 2020

Presentation endnotes are included after the appendix.

. . . with opportunities for near- and long-term customer savings.

Credit Metrics Maintained . . .



Consumers Energy	S&P	Moody's	Fitch
Senior Secured	A	A1	A+
Commercial Paper	A-2	P-2	F-2
Outlook	Stable	Stable	Stable
CMS Energy			
Senior Unsecured	BBB	Baa2	BBB
Junior Subordinated	BBB-	Baa3	BB+
Outlook	Stable	Stable	Stable
Last Review	✓ Oct. 2022	✓ May 2022	✓ Jan. 2023

Ratings Drivers

- Strong financial position
- Growing operating cash flow
- Constructive return on regulated investment
- Supportive regulatory environment
- Lower business risk

. . . at solid investment-grade levels.

Expansive Economic Development Efforts . . .



■ Electric ■ Gas ■ Combined
● 2022 New Load

Gotion

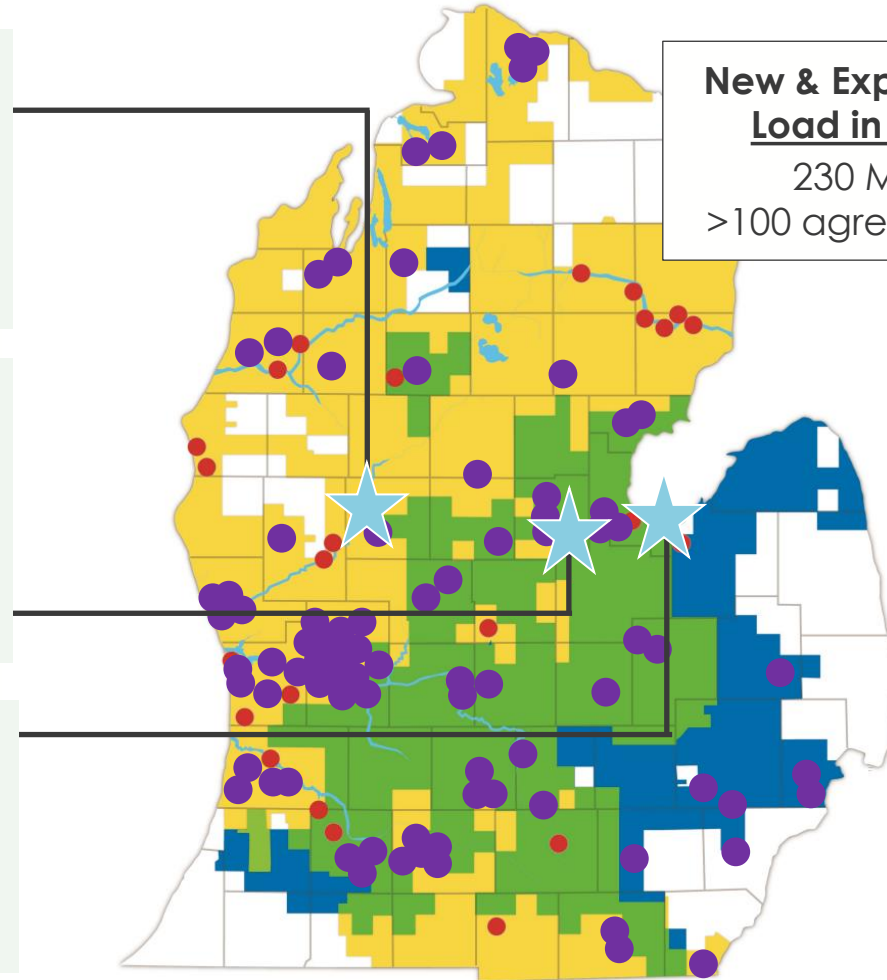
Global EV Battery
Manufacturer
~\$2,400M investment
>2,000 jobs

Hemlock Semiconductor

Leading Provider
of Polysilicon
~\$375M investment
~170 jobs

SK Siltron CSS

Leading Edge Silicon Carbide
Materials and Products
>\$300M investment
~150 jobs



**New & Expanding
Load in 2022**

230 MW
>100 agreements

● Electric generation and battery storage facilities



Gotion



Hemlock Semiconductor

. . . drive growth across Michigan.

Net Zero Commitments Drive Decarbonization . . .



2025 **Zero coal**
~60% carbon emissions reduction^a



2030 **Net zero methane emissions for our gas delivery system and 20% gas customer emissions reduction^b**
Accelerating vintage main and service replacements
Renewable natural gas



2040 **Net zero carbon emissions for our electric business (includes PPAs and MISO market purchases)**
Adding ~8 GW of new solar and ~2.5 GW of demand-side resources



2050 **Net zero GHG emissions for our entire business**
Hydrogen fuel mix opportunities
Carbon offsets

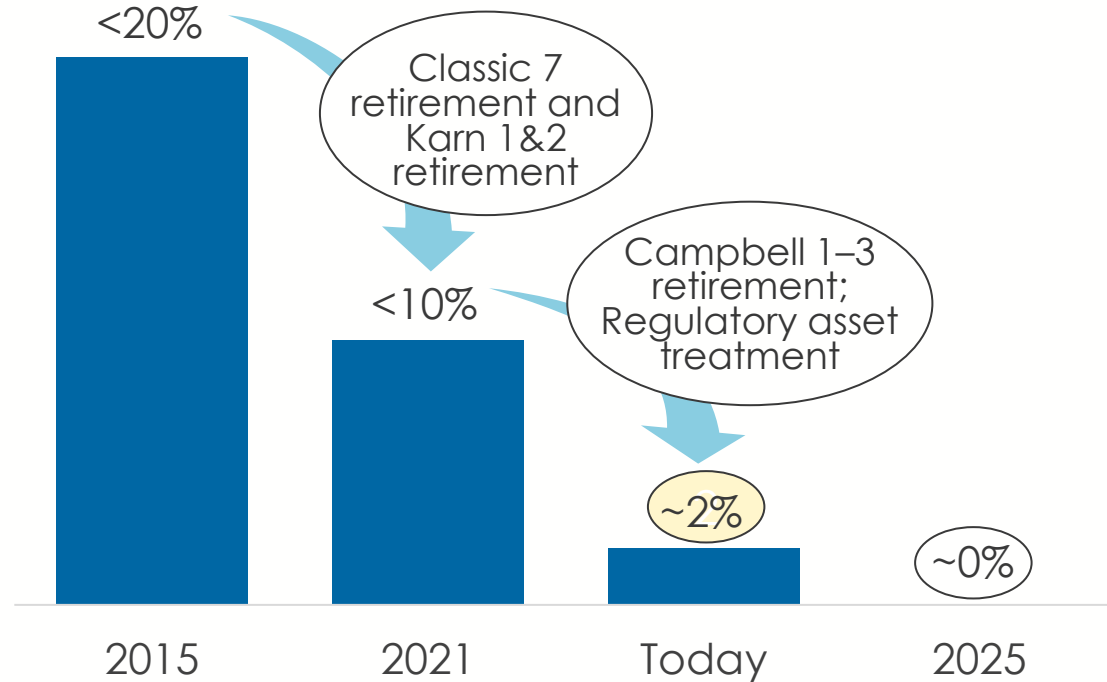
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. . . and support growth while delivering on the Clean Energy Transformation.

Our Clean Energy Transformation . . .



Exit Coal in 2025... (Coal % PP&E^a)



Carbon Emissions Reductions^b

2016	2023	2025	2040
~(33)%	~(40)%	~(60)%	Net Zero

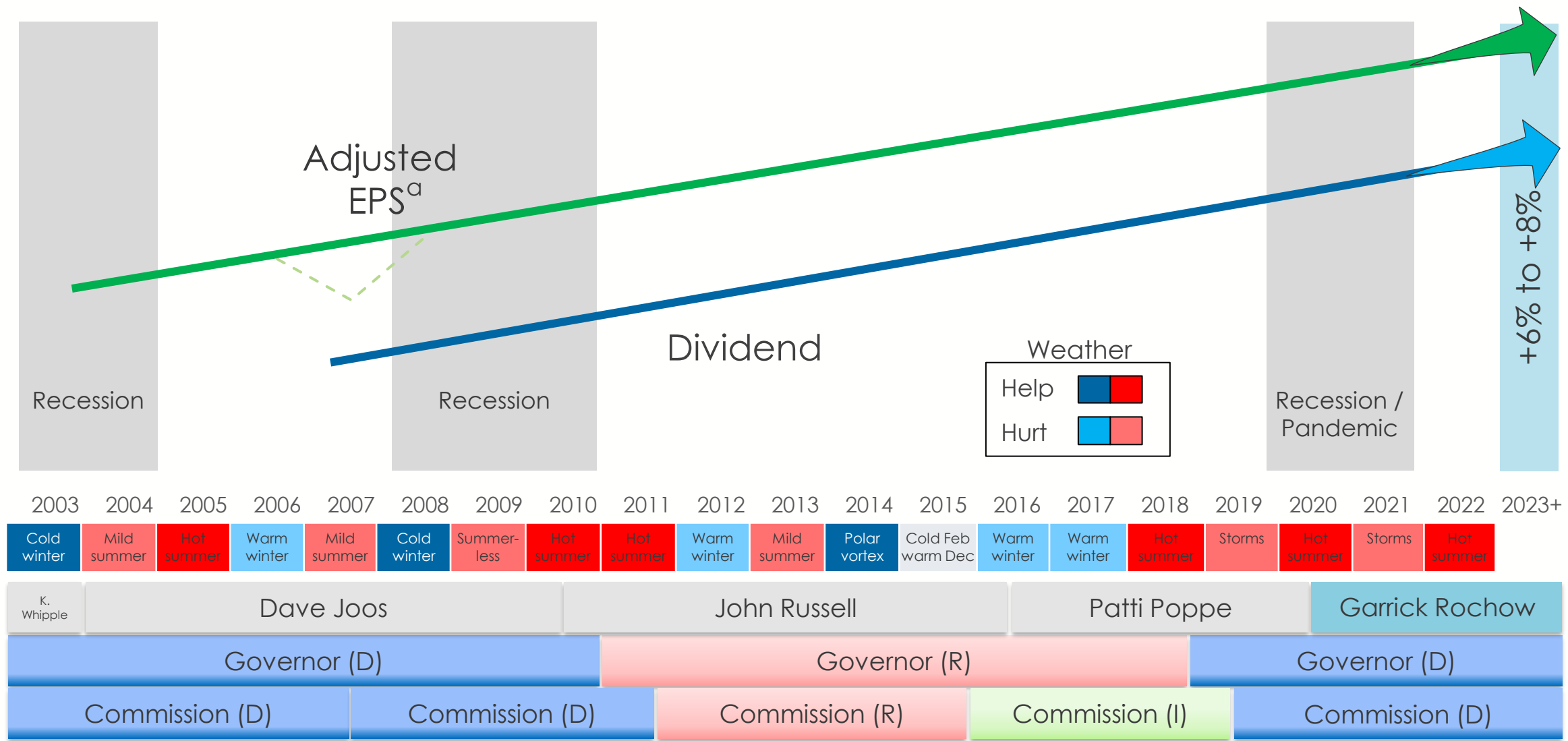
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...While Ensuring Reliability

- Purchase ~1.2 GW of existing gas capacity (Covert)
- RFP 700 MW of PPAs (500 MW of dispatchable resources)
- Maintain ~1.2 GW of peaking capacity through 2031 (Karn 3&4)
- Ongoing Energy Efficiency and Demand Response efforts
- Add 8 GW of solar and >0.5 GW of battery storage by 2040
- Additional decarbonization efforts include: CCS, H₂, Storage

... eliminates coal and supports growth while improving reliability.

Industry-Leading Financial Performance . . .



Presentation endnotes are included after the appendix.

. . . for two decades, regardless of conditions.

A photograph of three business professionals in an office setting. A woman with blonde hair is seated on the left, smiling. A woman with short red hair and glasses stands behind her, also smiling. A man with a beard and a blue polo shirt is seated on the right, looking towards the laptop. They are all looking at a laptop screen which is partially visible at the bottom. The background shows vertical blinds and a bright light source.

We integrate oversight by the board, our enterprise risk management (ERM) program and robust strategic and business planning processes when addressing ESG matters.

GOVERNANCE

Exceptional Board Governance . . .



11 Members

91% Independent



. . . led by an independent Chair and highly skilled, diverse Board.

Diverse, Engaged and Experienced Board . . .



Diversity

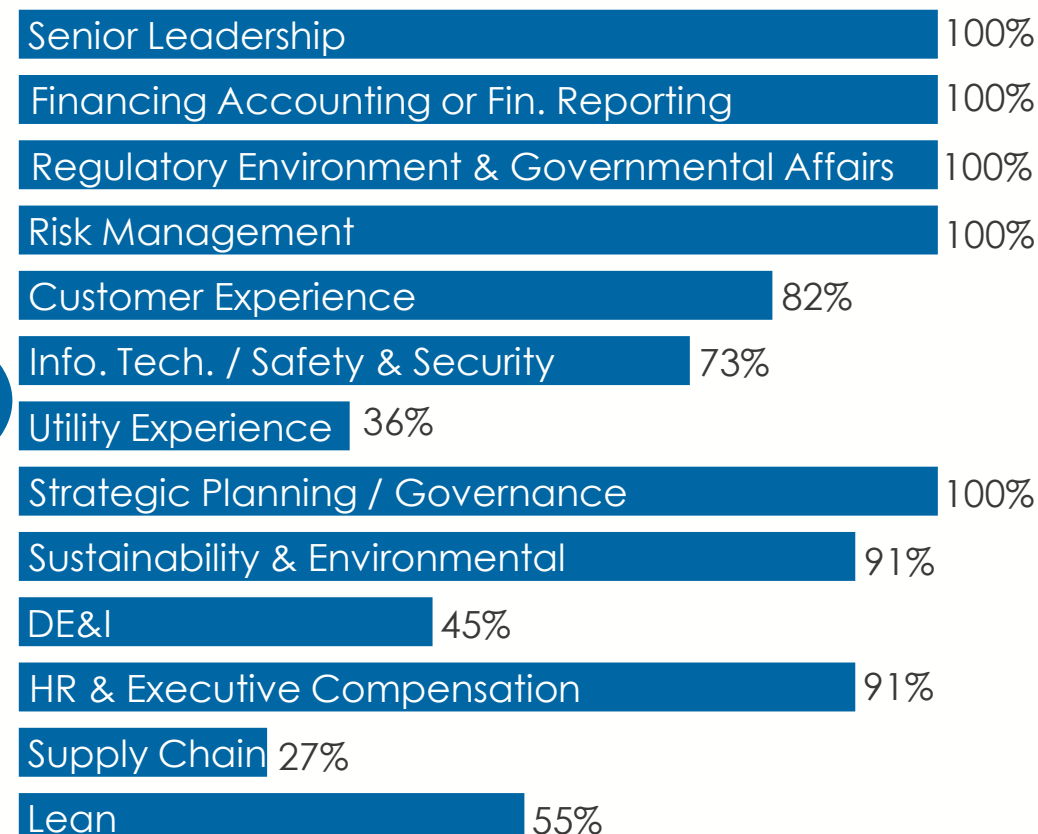
63 Average age

36% Female Compared to 32% for the S&P 500^a

27% Ethnically Diverse Compared to 22% for the S&P 500^a

45% Gender, racial & ethnic diversity

Experience



Presentation endnotes are included after the appendix.

. . . enhances the quality of governance.

Committee Membership . . .

✓ Member
✓ Chairperson

100% Independent

Political contributions
>\$10K need
Board approval

Governance,
Sustainability, &
Public Responsibility

Compensation &
Human Resources

Executive

Finance

Name

Audit

Jon E. Barfield		✓			✓
Deborah H. Butler	✓			✓	
Kurt L. Darrow		✓	✓		✓
William D. Harvey		✓	✓		✓
John G. Russell			✓		
Suzanne F. Shank	✓			✓	
Myrna M. Soto	✓		✓		✓
John G. Sznewajs	✓		✓	✓	
Ronald J. Tanski		✓		✓	
Laura H. Wright	✓		✓	✓	

. . . is focused on key strengths of each Board member.

Committee Responsibilities



Audit

- Oversees:
 - Integrity of financial statements & information
 - Compliance with legal & regulatory requirements
 - Risk management policies, controls & exposures
- Reviews:
 - Performance of internal audit function



Compensation & Human Resources

- Review & Approve:
 - Executive compensation structure & policies
 - Grant of stock & other stock-based awards
 - Financial & business goals pursuant to incentive plans
 - Officer stock ownership policy



Executive

- Exercise Power & Authority of the Board:
 - During the intervals between Board meetings as necessary



Finance

- Review:
 - Financing & investment plans & policies
 - Potential project investments & monitor progress
- Approve:
 - Short & Long-term financing plans
 - Financial policies relating to cash flow, capex & dividends



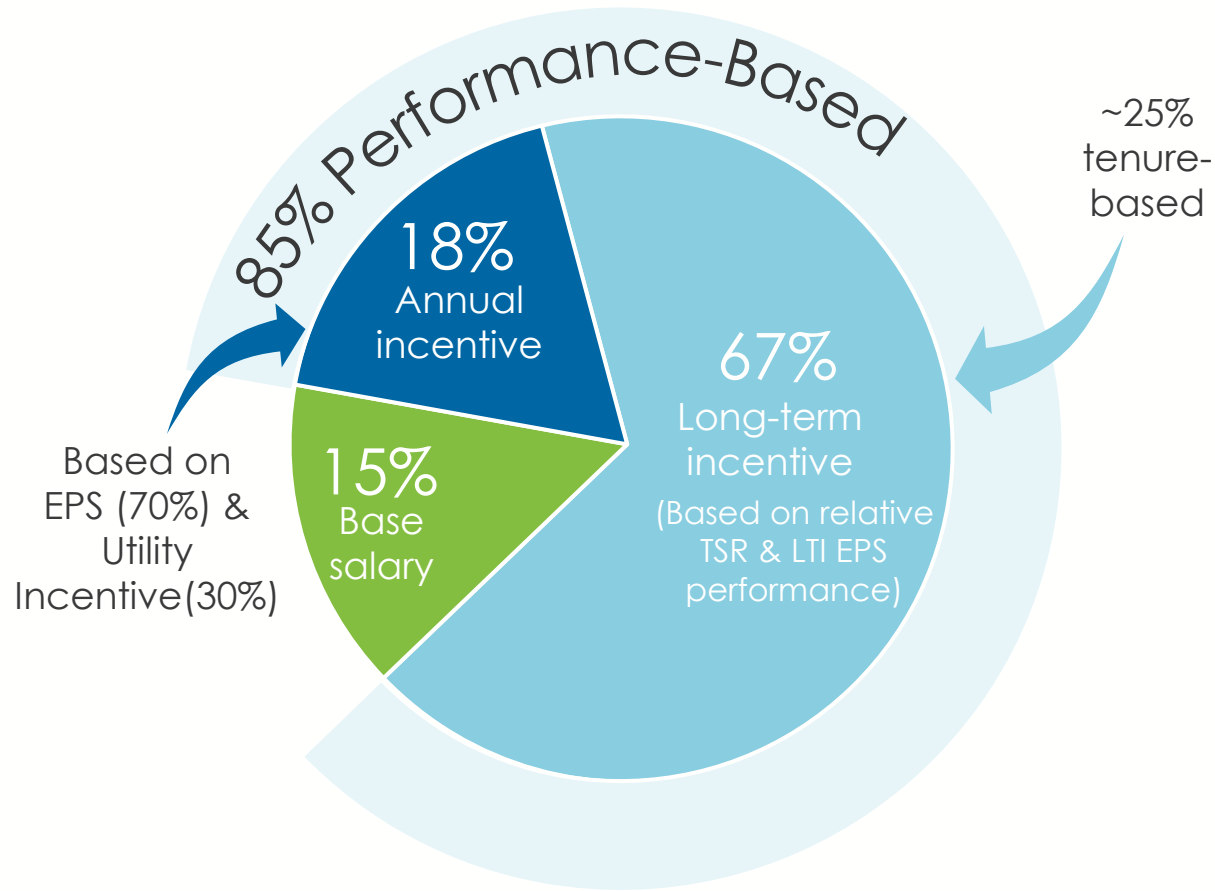
Governance, Sustainability, & Public Responsibility

- Review:
 - Political & charitable contributions
 - Stakeholder outreach, stewardship & corporate social responsibility & sustainability matters
 - Operation & performance of Board & Committees



CEO Compensation . . .

Compensation Mix for CEO



Operational Goals

PEOPLE	<ul style="list-style-type: none">Employee SafetyCulture IndexCustomer Experience IndexElectric Reliability
PLANET	<ul style="list-style-type: none">Methane Emission Reduction
PROFIT	<ul style="list-style-type: none">Waste Elimination

. . . is 85% performance-based.

Risks are Carefully Considered . . .

Risks

Mitigation Efforts

Regulatory Environment

- Participation in legislative and regulatory policy development

Climate
Carbon Emissions
(Regulation)

- Settled the Clean Energy Plan case approving transitioning out of all coal in 2025 and expansion of renewable build-out
- Energy Efficiency, Demand Response, and Renewable Energy Programs

Severe Weather
(Ice, Thunder, Snow)

- Increased investment in infrastructure and smart electric systems

Water Levels

- Monitor lake levels at generation plants

Natural Disasters

- Geographically located in low-risk area

Economic Conditions

- Targeting efforts via donations to reduce uncollectible accounts
- Helping local businesses navigate federal and state assistance programs

. . . and countermeasures are deployed to mitigate those risks.

Political Giving . . .

Political Giving Focus

- Meeting Michigan's energy needs
- Helping the state's communities thrive
- Providing safe, reliable, affordable and increasingly clean energy-related services



Enhanced Disclosures

- Publishing annually on the company's website:
 - Expenditures made to influence the outcome of ballot initiatives
 - Direct corporate contributions to an entity organized under Section 527 and Section 501(c)(4) of the Internal Revenue Code, and non-deductible portion of trade association and other organization dues when annual contributions or mandatory membership dues are >\$25K
- All corporate political contributions come from general funds and are not recovered in customer rates
- The Board of Directors oversees political engagement policies, programs and practices

Click [Here](#) for link to Corporate Political Engagement

. . . focuses on critical company and industry-related issues.

Appendix

Approved 2021 IRP . . .



Key Objectives

- Exit Coal Operations**

Retire:
Karn 1&2
Campbell 1&2/3

One of the 1st in
the nation

~60% carbon
emission reduction
in 2025^a

2021 IRP

In 2025

2023
2025

2018 IRP

By 2040

2023
2031/39

- Reliable, Affordable, Capital Upside**

Covert \$815M / >1 GW
RFP PPAs ~700 MW

No new dispatchable
units

~\$600M in
customer
savings^b

- Expanded Clean Energy Investment**

New solar
Solar ownership
FCM on PPAs
Energy efficiency
Battery

~8 GW
At least 50% owned
Same
Same
Beginning in 2024

~6 GW
50/50 (own/PPA)
After-tax WACC
1.1 GW
Beginning in 2032

- Regulatory Asset Treatment^c**

Reg. asset treatment
9% ROE

Securitization of retired
units

Presentation endnotes are included after the appendix.

. . . accelerates decarbonization and provides significant customer savings.

2022 Business Mix

	Total PP&E	
	(\$M)	(%)
Electric		
Generation	\$3,277	14%
Coal	477	~2%
Wind, solar, hydro	2,013	9
Gas & other	787	3
Distribution	8,294	37
Other	781	3
Total electric	\$12,352	~54%
Gas		
Distribution	\$5,473	24%
Transmission	2,230	10
Underground storage facilities	1,067	4½
Other	396	1½
Total gas	\$9,166	~40%
Other non-utility property	\$27	<1%
NorthStar Clean Energy	\$1,168	5%
Plant, property, and equipment, net	\$22,713	100%

~2% coal of
total PP&E in
2022

Financial Results & Outlook . . .



Q1 2023 Results

Amount

Commentary

Adjusted EPS

\$0.70

Managing through weather

2023 Outlook

Adjusted EPS Guidance

\$3.06 – \$3.12

Toward the high end

Annual Dividend Per Share

\$1.95

Up 11¢

Long-Term Outlook

Adjusted EPS Growth

+6% to +8%

Toward the high end

Dividend Per Share Growth

+6% to +8%

Committed to growth

5-yr Capital Plan (\$B)

\$15.5

Up \$1.2

. . . on track to deliver in 2023 and beyond.

Utility Customer Investment Plan



5-Year Plan (\$B)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>	
Clean Energy Generation	\$0.7	\$0.6	\$0.8	\$0.5	\$0.5	\$3.1	59% Electric utility investment
Electric Distribution, Covert & Other	1.8	1.0	1.1	1.1	1.1	6.1	
Gas Utility	<u>1.2</u>	<u>1.3</u>	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>	<u>6.3</u>	
Total	<u>\$3.7</u>	<u>\$2.9</u>	<u>\$3.2</u>	<u>\$2.9</u>	<u>\$2.8</u>	<u>\$15.5</u>	
Depreciation & Amortization ^a	\$1.1	\$1.2	\$1.3	\$1.4	\$1.5	\$6.5	

Presentation endnotes are included after the appendix.

ENDNOTES

Presentation Endnotes



Slide 3: ^aExcludes seasonal and contract workers ^bAdjusted, (non-GAAP) ^cDividend per share

Slide 4: ^aNet zero methane emissions for our gas delivery system, net zero carbon emissions for our electric business (includes PPAs and MISO market purchases), net zero GHG emissions for our entire business ^bNew or expanding load since 2015 as of December 31, 2022

Slide 5: ^aRepresents the amount of capacity related to CMS Energy's ownership interest

Slide 7: ^aNew or expanding load since 2015 as of December 31, 2022

Slide 10: ^aUBS Research, 2022 state rankings and D.C.

Slide 11: ^a2023-2027

Slide 12: ^aUBS Research, 2022 state rankings and D.C

Slide 13: ^aConsumers Energy, non-union employees, average 5-yr retention rate ^bAdjusted O&M savings, excludes potential fuel savings

Slide 16: ^aExcludes discontinued operations

Slide 17: ^aFrom 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements ^bCarbon emissions from a 2020 baseline for natural gas end-use customers

Slide 18: ^aPP&E associated with coal based on calendar year; Today refers to 2022, \$477M of fully depreciated total remaining utility coal assets ^bNet zero carbon emissions for our electric business (includes PPAs and MISO market purchases) from 2005 baseline

Slide 21: ^aSpencer Stuart – 2022 S&P 500 Board Diversity Snapshot

Slide 28: ^aFrom 2005 baseline including utility-owned generation, PPAs and MISO purchases, post coal retirements ^b2021 IRP vs. prior plan ^cRegulatory asset treatment for Campbell units 1-3 as approved in 2021 IRP, securitization for Karn units 1&2 as approved in 2018 IRP

Slide 31: ^aIncludes securitization amortization of ~\$100M/yr

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. During an oral presentation, references to “earnings” are on an adjusted basis. All references to net income refer to net income available to common stockholders and references to earnings per share are on a diluted basis. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense, or other items. Management views adjusted earnings as a key measure of the company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the company uses adjusted earnings to measure and assess performance. Because the company is not able to estimate the impact of specific line items, which have the potential to significantly impact, favorably or unfavorably, the company's reported earnings in future periods, the company is not providing reported earnings guidance nor is it providing a reconciliation for the comparable future period earnings. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for the reported earnings.

GAAP Reconciliation

CMS ENERGY CORPORATION
Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income
(Unaudited)



	<i>In Millions, Except Per Share Amounts</i>	
	Three Months Ended	
	3/31/23	3/31/22
Net Income Available to Common Stockholders	\$ 202	\$ 351
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(5)
Tax impact	-	1
Other exclusions from adjusted earnings**	3	(1)
Tax impact	(1)	*
Adjusted net income – non-GAAP	<u>\$ 204</u>	<u>\$ 346</u>
Average Common Shares Outstanding - Diluted	291.2	289.9
Diluted Earnings Per Average Common Share		
Reported net income per share	\$ 0.69	\$ 1.21
<i>Reconciling items:</i>		
Disposal of discontinued operations gain	-	(0.01)
Tax impact	-	*
Other exclusions from adjusted earnings**	0.01	(*)
Tax impact	(*)	*
Adjusted net income per share – non-GAAP	<u>\$ 0.70</u>	<u>\$ 1.20</u>

* Less than \$0.5 million or \$0.01 per share.

** Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.

CMS ENERGY CORPORATION
Reconciliation of GAAP Cash Flows from Operating Activities to Non-GAAP Funds from Operations
Reconciliation of GAAP Indebtedness to Non-GAAP Adjusted Debt
(Unaudited)



FUNDS FROM OPERATIONS

In millions
Year Ended
12/31/2022

Net Cash Provided by Operating Activities	\$ 855
<i>Reconciling items:</i>	
Changes in assets and liabilities	
Accounts receivable and accrued revenue	677
Inventories	450
Accounts payable and accrued rate refunds	<u>(4)</u>
Adjusted operating cash flow; pre-working capital	\$ 1,978
50% of interest charges on Junior subordinated notes	<u>52</u>
FFO - Non-GAAP	<u>\$ 2,030</u>

In millions
As of
12/31/2022

ADJUSTED DEBT

Indebtedness

Current portion of long-term debt and finance leases	\$ 1,099
Notes payable	20
Long-term debt	13,122
Non-current portion of finance leases	<u>68</u>
Total Indebtedness	\$ 14,309
<i>Reconciling items:</i>	
50% of Junior subordinated notes	<u>(1,005)</u>
Adjusted Debt - Non-GAAP	<u>\$ 13,304</u>

CMS ENERGY CORPORATION
Reconciliation of GAAP Net Income to Non-GAAP Adjusted Net Income
(Unaudited)

	<i>In Millions, Except Per Share Amounts</i>			
	Three Months Ended		Twelve Months Ended	
	12/31/22	12/31/21	12/31/22	12/31/21
Net Income Available to Common Stockholders	\$ 168	\$ 637	\$ 827	\$ 1,348
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(665)	(5)	(657)
Tax impact	-	145	1	143
Discontinued operations income	-	-	-	(115)
Tax impact	-	-	-	27
Other exclusions from adjusted earnings**	9	*	8	(1)
Tax impact	(2)	(*)	(2)	*
Loss on fleet impairment	-	29	-	29
Tax impact	-	(7)	-	(7)
Voluntary separation program	1	-	12	-
Tax impact	(*)	-	(3)	-
Adjusted net income – non-GAAP	<u>\$ 176</u>	<u>\$ 139</u>	<u>\$ 838</u>	<u>\$ 767</u>
Average Common Shares Outstanding				
Diluted	290.1	289.7	290.0	289.5
Diluted Earnings Per Average Common Share				
Reported net income per share	\$ 0.58	\$ 2.20	\$ 2.85	\$ 4.66
<i>Reconciling items:</i>				
Disposal of discontinued operations gain	-	(2.30)	(0.01)	(2.27)
Tax impact	-	0.50	*	0.49
Discontinued operations income	-	-	-	(0.39)
Tax impact	-	-	-	0.09
Other exclusions from adjusted earnings**	0.03	*	0.03	(*)
Tax impact	(0.01)	(*)	(0.01)	*
Loss on fleet impairment	-	0.10	-	0.10
Tax impact	-	(0.03)	-	(0.03)
Voluntary separation program	*	-	0.04	-
Tax impact	(*)	-	(0.01)	-
Adjusted net income per share – non-GAAP	<u>\$ 0.60</u>	<u>\$ 0.47</u>	<u>\$ 2.89</u>	<u>\$ 2.65</u>

* Less than \$0.5 million or \$0.01 per share.

** Includes restructuring costs, business optimization initiative, and unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense.

Management views adjusted (non-Generally Accepted Accounting Principles) earnings as a key measure of the Company's present operating financial performance and uses adjusted earnings for external communications with analysts and investors. Internally, the Company uses adjusted earnings to measure and assess performance. Adjustments could include items such as discontinued operations, asset sales, impairments, restructuring costs, business optimization initiative, changes in accounting principles, changes in federal tax policy, regulatory items from prior years, unrealized gains or losses from mark-to-market adjustments, recognized in net income related to NorthStar Clean Energy's interest expense, or other items. The adjusted earnings should be considered supplemental information to assist in understanding our business results, rather than as a substitute for reported earnings.