

Reconciliation of CMS/Consumers Non-GAAP Cash Flow

**to
CMS Energy Consolidated GAAP Cash Flow
(\$ Mills)**

	CMS Energy Non-GAAP	Consumers Non-GAAP	Total Non-GAAP	Non-GAAP reclasses to GAAP Consumers Energy	Non-GAAP reclasses to GAAP CMS Energy and Enterprises	Eliminations due to Consolidation	CMS Consolidated GAAP		
Cash from Operating Activities									
Operating		\$ 638	\$ 638	\$ (326)	(a) \$ (496)	(a) \$ (31)	\$ (215)	Net Income (Loss)	
Depreciation		514	514	10	(a) 21	(a)	545	Depreciation, depletion and amortization	
			-	55	(a) (276)	(a)	(221)	Deferred income taxes and ITC	
			-	-	(10)	(a)	(10)	Minority obligations, net	
			-	-	204	(a)	204	Asset impairment charges, net of insurance recoveries	
			-	124	(a) 7	(a)	131	Postretirement benefits expense	
			-	-	279	(a)	279	Electric sales contract termination	
			-	(31)	(a) -		(31)	Regulatory return on capital expenditures	
			-	44	(a) 11	(a)	55	Capital lease and other amortization	
			-	33	(a) 4	(a)	37	Bad debt expense	
			-	(2)	(a) 114	(a)	112	Loss (gain) on sale of assets	
			-	-	(40)	(a)	(40)	Earnings from equity method investees	
Interest	(182)	(202)	(384)	202	(a) 182	(a)	-		
			-	-	18		18	Cash distributions from equity method investees	
Preferred dividends	(11)	-	(11)	-	11	(b)	-		
Pension contribution		(103)	(103)	(70)	(11)		(184)	Postretirement benefits contributions	
Shareholder settlement	(125)		(125)				(125)	Shareholder class action settlement payment	
Core working capital		34	34	(405)	(b) 6	(42)	(407)		
Overhead and Federal tax payments	(50)		(50)		50		-		
Other	(136)		(136)	(71)	(b) 13	(b)	(121)	Changes in other assets and liabilities	
Consumer dividends & tax sharing	254	(254)	-				-		
Enterprises dividends & distributions	36		36		(36)		-		
				\$ (437)	\$ 51	\$ -	\$ 27	Net cash provided by operating activities	
Cash from Investing Activities									
Capital expenditures		(738)	(738)	\$ (1)	\$ (5)		\$ (744)	Capital expenditures	
Zeeland purchase		(519)	(519)				(519)	Capital expenditures - Zeeland purchase	
Capital expenditures - cost to retire		(41)	(41)	13	(b)		(28)	Cost to retire property	
			-	32	(b)	17	(c)	49	Restricted cash and restricted short-term investments
			-	(1)			(1)	Investments in nuclear decommissioning trust funds	
Net decommissioning proceeds		245	245	88	(b)		333	Proceeds from nuclear decommissioning trust funds	
			-	(31)		(37)	(68)	Purchases of available-for-sale SERP investments	
			-	29		35	64	Proceeds from available-for-sale SERP investments	
Asset sales proceeds	1,498	305	1,803	32	(b) (118)	(b)	1,717	Proceeds from sale of assets	
			-		(113)	(d)	(113)	Cash relinquished from sale of assets	
			-		(32)	(b)	(32)	Decrease (increase) in non-current notes receivable	
			-	2	(2)		-	Other investing activities	
Intercompany loan	42		42			(42)	-		
Equity to Consumers Energy	(650)		(650)			650	-		
Cash Flow	\$ 676	\$ (121)	\$ 555	\$ 163	\$ (255)	\$ 608	\$ 658	Net cash provided by investing activities	
Cash from Financing Activities									
New Issues - debt	400		400		\$ 115	(b) \$ -	\$ 515	Proceeds from notes, bonds and other long-term debt	
Equity infusion		650	650			(650)	-		
New Issues - equity	19		19		(4)	(b)	15	Issuance of common stock	
Retirements - debt	(1,060)	(370)	(1,430)	293	(b)	-	(1,095)	Retirement of bonds and long-term debt	
Retirements - redemption	(14)		(14)		(18)	(c)	(32)	Redemption of preferred stock	
Common dividends	(44)		(44)		(1)		(45)	Payment of common stock dividends	
			-		(11)	(b)	(11)	Payment of preferred stock dividends	
			-	(20)	(b)		(20)	Payment of capital and finance lease obligations	
Retirements - debt fees	(29)		(29)		12	(b)	(17)	Debt issuance costs, financing fees and other	
Financing	\$ (728)	\$ 280	\$ (448)	\$ 273	\$ 93	\$ (608)	\$ (690)	Net cash used in financing activities	
Effects of Exchange Rates on Cash	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2		
Net Increase (Decrease) in Cash	\$ (52)	\$ 159	\$ 107	\$ (1)	\$ (109)	\$ -	\$ (3)	Net Increase (Decrease) in Cash and Cash Equivalents	
Cash at beginning of year	\$ 188	\$ 36	\$ 224	\$ 1	\$ 126	(d) \$ -	\$ 351	Cash and Cash Equivalents at Beginning of Period	
Cash at end of year	\$ 136	\$ 195	\$ 331	\$ -	\$ 17	(d) \$ -	\$ 348	Cash and Cash Equivalents at End of Period	

The above adjustments were made to conform for GAAP reporting purposes. Their description follows:

- (a) For GAAP purposes, amounts reflected in net income (loss) under operating activities.
- (b) For GAAP purposes, certain cash and non-cash impacts to non-GAAP operating earnings and working capital are reclassified between operating, investing, and financing activities.
- (c) For GAAP purposes, certain cash impacts are reclassified between investing and financing activities.
- (d) For GAAP purposes, includes cash held-for-sale at 12/31/06, cash sold in 2007, and cash from other consolidating entities.