

**Consumers Energy**  
**2008 Cash Flow GAAP Reconciliation (in millions)**

<b>Presentation Sources and Uses</b>		<b>Reclassifications From Sources and Uses to Statement of Cash Flows</b>							<b>Consolidated Statements of Cash Flows</b>	
<b>Description</b>	<b>non-GAAP Amount</b>	<b>Tax Sharing Operating</b>	<b>Interest Payments as Operating</b>	<b>Accts/Rec Financing as Operating</b>	<b>Capital Lease Pymts as Financing</b>	<b>Securitization Debt Pymts as Financing</b>	<b>Preferred Dividends as Financing</b>	<b>Common Dividends as Financing</b>	<b>GAAP Amount</b>	<b>Description</b>
Cash at year end 2007	\$ 195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195	Cash at year end 2007
<b>Sources</b>										
Operating	\$ 1,325	\$ (83)	\$ (193)	\$ 325	\$ 16	\$ 32	\$ -	\$ -	\$ 1,422	<b>Net cash provided by operating activities</b>
Other working capital	(430)	-	-	-	-	-	-	-	(430)	
Sources	<b>\$ 895</b>	<b>\$ (83)</b>	<b>\$ (193)</b>	<b>\$ 325</b>	<b>\$ 16</b>	<b>\$ 32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 992</b>	
<b>Uses</b>										
Interest and preferred dividends	\$ (195)	\$ -	\$ 193	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	<b>Net cash provided by investing activities</b>
Capital expenditures	(925)	-	-	-	-	-	-	-	(925)	
Dividends/tax sharing to CMS	(395)	83	-	-	-	-	-	312	-	
Uses	<b>\$ (1,515)</b>	<b>\$ 83</b>	<b>\$ 193</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ 312</b>	<b>\$ (925)</b>	
<b>Cash flow</b>	<b>\$ (620)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 325</b>	<b>\$ 16</b>	<b>\$ 32</b>	<b>\$ 2</b>	<b>\$ 312</b>	<b>\$ 67</b>	<b>Cash flow from operating and investing activities</b>
<b>Financing</b>										
New Issues	\$ 590	\$ -	\$ -	\$ (325)	\$ -	\$ -	\$ (2)	\$ -	\$ 263	<b>Net cash provided by financing activities</b>
Retirements	(505)	-	-	-	(16)	(32)	-	(312)	(865)	
Net short-term financing	380	-	-	-	-	-	-	-	380	
Financing	<b>\$ 465</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (325)</b>	<b>\$ (16)</b>	<b>\$ (32)</b>	<b>\$ (2)</b>	<b>\$ (312)</b>	<b>\$ (222)</b>	
<b>Net change in cash</b>	<b>\$ (155)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (155)</b>	<b>Net change in cash</b>
<b>Cash at year end 2008</b>	<b>\$ 40</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40</b>	<b>Cash at year end 2008</b>

**CMS Energy Parent**  
**2008 Cash Flow GAAP Reconciliation (in millions)**

<u>Presentation Sources and Uses</u>		<u>Reclassifications From Sources and Uses to Statement of Cash Flows</u>						<u>Consolidated Statements of Cash Flows</u>	
<u>Description</u>	<u>non-GAAP Amount</u>	<u>Interest Payments as Operating</u>	<u>Overheads &amp; Tax Payments as Operating</u>	<u>DIG Settlement as Operating</u>	<u>Other Uses (a) as Operating</u>	<u>Preferred Dividends as Financing</u>	<u>Cash From Consolidated Companies</u>	<u>GAAP Amount</u>	<u>Description</u>
Cash at year end 2007	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ 153	Cash at year end 2007
<b>Sources</b>									
Consumers Energy dividends/tax sharing	\$ 395	\$ (124)	\$ (25)	\$ -	\$ -	\$ -	\$ -	\$ 246	Net cash provided by operating activities
Enterprises	15	-	-	(275)	10	-	-	(250)	
Sources	<b>\$ 410</b>	<b>\$ (124)</b>	<b>\$ (25)</b>	<b>\$ (275)</b>	<b>\$ 10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4)</b>	
<b>Uses</b>									
Interest and preferred dividends	\$ (135)	\$ 124	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ -	Net cash provided by investing activities
Overhead and Federal tax payments	(25)	-	25	-	-	-	-	-	
DIG settlement	(275)	-	-	275	(10)	-	(53)	(63)	
Uses (a)	<b>\$ (425)</b>	<b>\$ 124</b>	<b>\$ 25</b>	<b>\$ 275</b>	<b>\$ (10)</b>	<b>\$ 11</b>	<b>\$ (53)</b>	<b>\$ (53)</b>	
<b>Cash flow</b>	<b>\$ (15)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11</b>	<b>\$ (53)</b>	<b>\$ (57)</b>	Cash flow from operating and investing activities
<b>Financing and dividends</b>									
New Issues	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ (11)	\$ 53	\$ 52	Net cash provided by financing activities
Retirements	(150)	-	-	-	-	-	-	(150)	
Net short-term financing	150	-	-	-	-	-	-	150	
Common dividend	(80)	-	-	-	-	-	-	(80)	
Financing	<b>\$ (70)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11)</b>	<b>\$ 53</b>	<b>\$ (28)</b>	
<b>Net change in cash</b>	<b>\$ (85)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (85)</b>	Net change in cash
<b>Cash at year end 2008</b>	<b>\$ 51</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17</b>	<b>\$ 68</b>	Cash at year end 2008

(a) Includes other

**Consolidated CMS Energy**  
**2008 Consolidation of Consumers Energy and CMS Energy Parent Statements of Cash Flow (in millions)**

<u>Statements of Cash Flows</u>	<u>Eliminations/Reclassifications to Arrive at the Consolidated Statement of Cash Flows</u>				<u>Consolidated Statements of Cash Flows</u>	
	Consumers	CMS Parent	Consumers	Equity		
Description	Amount	Amount	Common Dividend as Financing	Infusions to Consumers		
Cash at year end 2007	\$ 195	\$ 153	\$ -	\$ -	\$ 348	Cash at year end 2007
Net cash provided by operating activities	\$ 992	\$ (4)	\$ (312)	\$ -	\$ 676	Net cash provided by operating activities
Net cash provided by investing activities	(925)	(53)	-	-	(978)	Net cash provided by investing activities
Cash flow from operating and investing activities	\$ 67	\$ (57)	\$ (312)	\$ -	\$ (302)	Cash flow from operating and investing activities
Net cash provided by financing activities	\$ (222)	\$ (28)	\$ 312	\$ -	\$ 62	Net cash provided by financing activities
Net change in cash	\$ (155)	\$ (85)	\$ -	\$ -	\$ (240)	Net change in cash
Cash at year end 2008	<u>\$ 40</u>	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108</u>	Cash at year end 2008

**CMS Energy**  
**2008 Free Cash Flow GAAP Reconciliation**

<b>Statement of cash flows</b>	<b><u>Amount</u></b> (mils)	
Operating activities	\$ 787	
Investing activities	(948)	
<b>Cash flow from operating and investing activities</b>	<b><u>\$ (161)</u></b>	SCF changes
<b>Adjustments to reconcile free cash flow</b>		
Reclassify financing activities as operating		
Capital lease payments	\$ (16)	
Securitization debt retirements	(32)	
Preferred dividend payments	(11)	
Reclassify operating activities as financing		
Accounts receivable financing	(325)	
<b>Total free cash flow before dividends</b>	<b><u>\$ (545)</u></b>	Free cash flow changes
Addback capex		
Consumers Energy	920	
Enterprises	28	
Rounding	(3)	
<b>Free cash flow before dividends and capex</b>	<b><u><u>\$ 400</u></u></b>	