

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

<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	\$ 1,310	\$ (70)	\$ (193)	\$ 250	\$ 18	\$ 32	\$ -	\$ -	\$ 1,347	
Other working capital	(490)	-	-	-	-	-	-	-	(490)	
Sources	<u>\$ 820</u>	<u>\$ (70)</u>	<u>\$ (193)</u>	<u>\$ 250</u>	<u>\$ 18</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 857</u>	Net cash provided by operating activities
<b>Uses</b>										
Interest and preferred dividends	\$ (195)	\$ -	\$ 193	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	
Capital expenditures	(840)	-	-	-	-	-	-	-	(840)	
Dividends/tax sharing to CMS	(370)	70	-	-	-	-	-	300	-	
Uses	<u>\$ (1,405)</u>	<u>\$ 70</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 300</u>	<u>\$ (840)</u>	Net cash provided by investing activities
<b>Cash flow</b>	<u>\$ (585)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 18</u>	<u>\$ 32</u>	<u>\$ 2</u>	<u>\$ 300</u>	<u>\$ 17</u>	Cash flow from operating and investing activities
<b>Financing</b>										
New Issues	\$ 690	\$ -	\$ -	\$ (250)	-	\$ -	\$ (2)	\$ -	\$ 438	
Retirements	(505)	-	-	-	(18)	(32)	-	(300)	(855)	
Net short-term financing	250	-	-	-	-	-	-	-	250	
Financing	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (250)</u>	<u>\$ (18)</u>	<u>\$ (32)</u>	<u>\$ (2)</u>	<u>\$ (300)</u>	<u>\$ (167)</u>	Net cash provided by financing activities
<b>Net change in cash</b>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (150)</u>	Net change in cash
<b>Cash at year end 2008</b>	<u><u>\$ 45</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45</u></u>	Cash at year end 2008

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

<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>Interest Payments as Operating</b>	<b>Overheads &amp; Tax Payments as Operating</b>	<b>DIG Settlement as Operating</b>	<b>Other Uses (a) as Operating</b>	<b>Preferred Dividends as Financing</b>	<b>Cash From Consolidated Companies</b>	<b>GAAP Amount</b>	<b>Description</b>
Cash at year end 2007	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	\$ 153	Cash at year end 2007
<b>Sources</b>									
Consumers Energy dividends/tax sharing	\$ 370	\$ (124)	\$ (20)	\$ -	\$ -	\$ -	\$ -	\$ 226	<b>Net cash provided by operating activities</b>
Enterprises	20	-	-	(275)	5	-	5	(245)	
Sources	<b>\$ 390</b>	<b>\$ (124)</b>	<b>\$ (20)</b>	<b>\$ (275)</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ (19)</b>	
<b>Uses</b>									
Interest and preferred dividends	\$ (135)	\$ 124	\$ -	\$ -	\$ -	\$ 11	\$ -	\$ -	<b>Net cash provided by investing activities</b>
Overhead and Federal tax payments	(20)	-	20	-	-	-	-	-	
DIG settlement	(275)	-	-	275	(5)	-	(26)	(31)	
Uses (a)	<b>\$ (425)</b>	<b>\$ 124</b>	<b>\$ 20</b>	<b>\$ 275</b>	<b>\$ (5)</b>	<b>\$ 11</b>	<b>\$ (26)</b>	<b>\$ (26)</b>	
<b>Cash flow</b>	<b>\$ (35)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11</b>	<b>\$ (21)</b>	<b>\$ (45)</b>	<b>Cash flow from operating and investing activities</b>
<b>Financing and dividends</b>									
New Issues	\$ 154	\$ -	\$ -	\$ -	\$ -	\$ (11)	\$ 26	\$ 169	<b>Net cash provided by financing activities</b>
Retirements	(150)	-	-	-	-	-	-	(150)	
Net short-term financing	525	-	-	-	-	-	-	525	
Common dividend	(80)	-	-	-	-	-	-	(80)	
Financing	<b>\$ 449</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11)</b>	<b>\$ 26</b>	<b>\$ 464</b>	
<b>Net change in cash</b>	<b>\$ 414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ 419</b>	<b>Net change in cash</b>
<b>Cash at year end 2008</b>	<b>\$ 550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22</b>	<b>\$ 572</b>	<b>Cash at year end 2008</b>

(a) Includes other

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

Statements of Cash Flows	Eliminations/Reclassifications to Arrive at the Consolidated Statement of Cash Flows				Consolidated Statements of Cash Flows	
	Consumers Amount	CMS Parent Amount	Consumers Common Dividend as Financing	Equity Infusions to Consumers	Amount	Description
Description						
Cash at year end 2007	\$ 195	\$ 153	\$ -	\$ -	\$ 348	Cash at year end 2007
Net cash provided by operating activities	\$ 857	\$ (19)	\$ (300)	\$ -	\$ 538	Net cash provided by operating activities
Net cash provided by investing activities	(840)	(26)	-	-	(866)	Net cash provided by investing activities
Cash flow from operating and investing activities	\$ 17	\$ (45)	\$ (300)	\$ -	\$ (328)	Cash flow from operating and investing activities
Net cash provided by financing activities	\$ (167)	\$ 464	\$ 300	\$ -	\$ 597	Net cash provided by financing activities
Net change in cash	\$ (150)	\$ 419	\$ -	\$ -	\$ 269	Net change in cash
Cash at year end 2008	\$ 45	\$ 572	\$ -	\$ -	\$ 617	Cash at year end 2008

**CMS Energy**  
**2008 Forecasted Free Cash Flow GAAP Reconciliation**  
(unaudited)

<b>Statement of cash flows</b>	<b><u>Amount</u></b> (mils)	
Operating activities	\$ 538	
Investing activities	(866)	
<b>Cash flow from operating and investing activities</b>	<b><u>\$ (328)</u></b>	SCF changes
<b>Adjustments to reconcile free cash flow</b>		
Reclassify financing activities as operating		
Capital lease payments	\$ (18)	
Securitization debt retirements	(32)	
Preferred dividend payments	(13)	
Reclassify operating activities as financing		
Accounts receivable financing	(250)	
Reclassify Consolidating Cash	21	
<b>Total free cash flow before dividends</b>	<b><u>\$ (620)</u></b>	Free cash flow changes
Addback capex		
Consumers Energy	841	
Enterprises	4	
Rounding	-	
<b>Free cash flow before dividends and capex</b>	<b><u><u>\$ 225</u></u></b>	