

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

| Presentation Sources and Uses | | Reclassifications From Sources and Uses to Statement of Cash Flows | | | | | | | Consolidated Statements of Cash Flows | |
|--------------------------------------|------------------------|---|---------------------------------------|---|---|---|---|--------------------------------------|--|--|
| Description | non-GAAP Amount | Tax Sharing Operating | Interest Payments as Operating | Accts/Rec Financing as Operating | Capital Lease Pymts as Financing | Securitization Debt Pymts as Financing | Preferred Dividends as Financing | Common Dividends as Financing | GAAP Amount | Description |
| Cash at year end 2007 | \$ 195 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 195 | Cash at year end 2007 |
| Sources | | | | | | | | | | |
| Operating | \$ 1,330 | \$ (70) | \$ (193) | \$ 325 | \$ 16 | \$ 32 | \$ - | \$ - | \$ 1,440 | Net cash provided by operating activities |
| Other working capital | (550) | - | - | - | - | - | - | - | (550) | |
| Sources | <u>\$ 780</u> | <u>\$ (70)</u> | <u>\$ (193)</u> | <u>\$ 325</u> | <u>\$ 16</u> | <u>\$ 32</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 890</u> | |
| Uses | | | | | | | | | | |
| Interest and preferred dividends | \$ (195) | \$ - | \$ 193 | \$ - | \$ - | \$ - | \$ 2 | \$ - | \$ - | Net cash provided by investing activities |
| Capital expenditures | (860) | - | - | - | - | - | - | - | (860) | |
| Dividends/tax sharing to CMS | (380) | 70 | - | - | - | - | - | 310 | - | |
| Uses | <u>\$ (1,435)</u> | <u>\$ 70</u> | <u>\$ 193</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2</u> | <u>\$ 310</u> | <u>\$ (860)</u> | |
| Cash flow | <u>\$ (655)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 325</u> | <u>\$ 16</u> | <u>\$ 32</u> | <u>\$ 2</u> | <u>\$ 310</u> | <u>\$ 30</u> | Cash flow from operating and investing activities |
| Financing | | | | | | | | | | |
| New Issues | \$ 590 | \$ - | \$ - | \$ (325) | - | \$ - | \$ (2) | \$ - | \$ 263 | Net cash provided by financing activities |
| Retirements | (505) | - | - | - | (16) | (32) | - | (310) | (863) | |
| Net short-term financing | 415 | - | - | - | - | - | - | - | 415 | |
| Financing | <u>\$ 500</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (325)</u> | <u>\$ (16)</u> | <u>\$ (32)</u> | <u>\$ (2)</u> | <u>\$ (310)</u> | <u>\$ (185)</u> | |
| Net change in cash | <u>\$ (155)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (155)</u> | Net change in cash |
| Cash at year end 2008 | <u><u>\$ 40</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>\$ 40</u></u> | Cash at year end 2008 |

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

| Presentation Sources and Uses | | Reclassifications From Sources and Uses to Statement of Cash Flows | | | | | | Consolidated Statements of Cash Flows | |
|--|------------------------|---|--|------------------------------------|------------------------------------|---|---|--|--|
| Description | non-GAAP Amount | Interest Payments as Operating | Overheads & Tax Payments as Operating | DIG Settlement as Operating | Other Uses (a) as Operating | Preferred Dividends as Financing | Cash From Consolidated Companies | GAAP Amount | Description |
| Cash at year end 2007 | \$ 136 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17 | \$ 153 | Cash at year end 2007 |
| Sources | | | | | | | | | |
| Consumers Energy dividends/tax sharing | \$ 380 | \$ (124) | \$ (20) | \$ - | \$ - | \$ - | \$ - | \$ 236 | |
| Enterprises | 15 | - | - | (275) | 5 | - | 17 | (238) | |
| Sources | \$ 395 | \$ (124) | \$ (20) | \$ (275) | \$ 5 | \$ - | \$ 17 | \$ (2) | Net cash provided by operating activities |
| Uses | | | | | | | | | |
| Interest and preferred dividends | \$ (135) | \$ 124 | \$ - | \$ - | \$ - | \$ 11 | \$ - | \$ - | |
| Overhead and Federal tax payments | (20) | - | 20 | - | - | - | - | - | |
| DIG settlement | (275) | - | - | 275 | (5) | - | (44) | (49) | |
| Uses (a) | \$ (425) | \$ 124 | \$ 20 | \$ 275 | \$ (5) | \$ 11 | \$ (44) | \$ (44) | Net cash provided by investing activities |
| Cash flow | \$ (30) | \$ - | \$ - | \$ - | \$ - | \$ 11 | \$ (27) | \$ (46) | Cash flow from operating and investing activities |
| Financing and dividends | | | | | | | | | |
| New Issues | \$ 150 | \$ - | \$ - | \$ - | \$ - | \$ (11) | \$ 44 | \$ 183 | |
| Retirements | (150) | - | - | - | - | - | - | (150) | |
| Net short-term financing | 25 | - | - | - | - | - | - | 25 | |
| Common dividend | (80) | - | - | - | - | - | - | (80) | |
| Financing | \$ (55) | \$ - | \$ - | \$ - | \$ - | \$ (11) | \$ 44 | \$ (22) | Net cash provided by financing activities |
| Net change in cash | \$ (85) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 17 | \$ (68) | Net change in cash |
| Cash at year end 2008 | \$ 51 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 34 | \$ 85 | 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) (unaudited)

| <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> | |
|---|---|-------------------------|--------------------------|---|--|---|
| | <u>Description</u> | <u>Consumers Amount</u> | <u>CMS Parent Amount</u> | <u>Consumers Common Dividend as Financing</u> | <u>Equity Infusions to Consumers</u> | <u>Amount</u> |
| Cash at year end 2007 | \$ 195 | \$ 153 | \$ - | \$ - | \$ 348 | Cash at year end 2007 |
| Net cash provided by operating activities | \$ 890 | \$ (2) | \$ (310) | \$ - | \$ 578 | Net cash provided by operating activities |
| Net cash provided by investing activities | (860) | (44) | - | - | (904) | Net cash provided by investing activities |
| Cash flow from operating and investing activities | <u>\$ 30</u> | <u>\$ (46)</u> | <u>\$ (310)</u> | <u>\$ -</u> | <u>\$ (326)</u> | Cash flow from operating and investing activities |
| Net cash provided by financing activities | \$ (185) | \$ (22) | \$ 310 | \$ - | \$ 103 | Net cash provided by financing activities |
| Net change in cash | <u>\$ (155)</u> | <u>\$ (68)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (223)</u> | Net change in cash |
| Cash at year end 2008 | <u><u>\$ 40</u></u> | <u><u>\$ 85</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 125</u></u> | Cash at year end 2008 |

CMS Energy
2008 Free Cash Flow GAAP Reconciliation
(unaudited)

| Statement of cash flows | <u>Amount</u> (mils) | |
|--|--------------------------------|------------------------|
| Operating activities | \$ 578 | |
| Investing activities | (904) | |
| Cash flow from operating and investing activities | <u>\$ (326)</u> | SCF changes |
| Adjustments to reconcile free cash flow | | |
| Reclassify financing activities as operating | | |
| Capital lease payments | \$ (16) | |
| Securitization debt retirements | (32) | |
| Preferred dividend payments | (13) | |
| Reclassify operating activities as financing | | |
| Accounts receivable financing | (325) | |
| Reclassify Consolidating Cash | 27 | |
| Total free cash flow before dividends | <u>\$ (685)</u> | Free cash flow changes |
| Addback capex | | |
| Consumers Energy | 860 | |
| Enterprises | 9 | |
| Rounding | - | |
| Free cash flow before dividends and capex | <u><u>\$ 184</u></u> | |