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DELTA REPORT

10-Q

CMS PR B - CONSUMERS ENERGY CO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2005
CHANGES	249
DELETIONS	1067
ADDITIONS	689

REFINITIV

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2023 March 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____to_____

Commission File Number No.	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-9513	CMS_Logo.jpg **CMS ENERGY CORPORATION** (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550 (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550	38-2726431
1-5611	CE_Logo_JPEG.jpg **CONSUMERS ENERGY COMPANY** (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550 (A Michigan Corporation) One Energy Plaza, Jackson, Michigan 49201 (517) 788-0550	38-0442310

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
CMS Energy Corporation Common Stock, $0.01 par value	CMS	New York Stock Exchange
CMS Energy Corporation 5.625% Junior Subordinated Notes due 2078	CMSA	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2078	CMSC	New York Stock Exchange
CMS Energy Corporation 5.875% Junior Subordinated Notes due 2079	CMSD	New York Stock Exchange
CMS Energy Corporation Depositary Shares, each representing a 1/1,000th interest in a share of 4.200% Cumulative Redeemable Perpetual Preferred Stock, Series C	CMS PRC	New York Stock Exchange
Consumers Energy Company Cumulative Preferred Stock, $100 par value: $4.50 Series	CMS-PB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CMS Energy Corporation: Yes ☒ No ☐ **Consumers Energy Company:** Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

CMS Energy Corporation: Yes ☒ No ☐ **Consumers Energy Company:** Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

CMS Energy Corporation:		**Consumers Energy Company:**	
Large accelerated filer	☒	Large accelerated filer	☐
Non-accelerated filer	☐	Non-accelerated filer	☒
Accelerated filer	☐	Accelerated filer	☐
Smaller reporting company	☐	Smaller reporting company	☐
Emerging growth company	☐	Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

CMS Energy Corporation:	☐	**Consumers Energy Company:**	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

CMS Energy Corporation:	Yes ☐	No ☒	**Consumers Energy Company:**	Yes ☐	No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock at October 9, 2023 April 8, 2024:

CMS Energy Corporation:	
CMS Energy Corporation Common Stock, $0.01 par value	291,763,567 298,635,428
Consumers Energy Company:	
Consumers Common Stock, $10 par value, privately held by CMS Energy Corporation	84,108,789

CMS Energy Corporation

Consumers Energy Company

Quarterly Report Reports on Form 10-Q to the Securities and Exchange Commission for the Period Ended September 30, 2023 March 31, 2024

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Glossary

Certain terms used in the text and financial statements are defined below.

2016 Energy Law

Michigan's Public Acts 341 and 342 of 2016

2022 2023 Form 10-K

Each of CMS Energy's and Consumers' Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023

2023 Energy Law

Michigan's Public Acts 229, 230, 231, 233, 234, and 235 of 2023

3G

Third generation technology

4G

Fourth generation technology

ABATE

Association of Businesses Advocating Tariff Equity

Aviator Wind

Aviator Wind Holdings, LLC, a VIE in which Aviator Wind Equity Holdings holds a Class B membership interest

Aviator Wind Equity Holdings

Aviator Wind Equity Holdings, LLC, a VIE in which Grand River Wind, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 51-percent interest

Bay Harbor

A residential/commercial real estate area located near Petoskey, Michigan, in which CMS Energy sold its interest in 2002

bcf

Billion cubic feet

CCR

Coal combustion residual

CEO

Chief Executive Officer

CERCLA

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended

CFO

Chief Financial Officer

Clean Air Act

Federal Clean Air Act of 1963, as amended

Clean Energy Plan

Consumers' long-term strategy for delivering clean, reliable, resilient, and affordable energy to its customers; this plan was originally outlined and approved in Consumers' 2018 integrated resource plan and subsequently updated and approved through its 2021 integrated resource plan

Clean Water Act

Federal Water Pollution Control Act of 1972, as amended

CMS Energy

CMS Energy Corporation and its consolidated subsidiaries, unless otherwise noted; the parent of Consumers and NorthStar Clean Energy

CMS Land

CMS Land Company, a wholly owned subsidiary of CMS Capital, L.L.C., a wholly owned subsidiary of CMS Energy

Consumers

Consumers Energy Company and its consolidated subsidiaries, unless otherwise noted; a wholly owned subsidiary of CMS Energy

Consumers 2014 Securitization Funding

Consumers 2014 Securitization Funding LLC, a wholly owned consolidated bankruptcy-remote subsidiary of Consumers and special-purpose entity organized for the sole purpose of purchasing and owning securitization property, issuing securitization bonds, and pledging its interest in securitization property to a trustee to collateralize the securitization bonds

Consumers 2023 Securitization Funding

Consumers 2023 Securitization Funding LLC, a wholly owned consolidated bankruptcy-remote subsidiary of Consumers and special-purpose entity organized for the sole purpose of purchasing and owning securitization property, issuing securitization bonds, and pledging its interest in securitization property to a trustee to collateralize the securitization bonds

Covert Generating Facility Station

A 1,200-MW natural gas-fueled generation facility station that was acquired by Consumers in May 2023 from New Covert Generating Company, LLC, a non-affiliated company

Craven

Craven County Wood Energy Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent 50-percent interest

CSAPR

Cross-State Air Pollution Rule of 2011, as amended

DB Pension Plans

Defined benefit pension plans of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries

DB SERP

Defined Benefit Supplemental Executive Retirement Plan

DIG

Dearborn Industrial Generation, L.L.C., a wholly owned subsidiary of Dearborn Industrial Energy, L.L.C., a wholly owned subsidiary of NorthStar Clean Energy

Dodd-Frank Act

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

DTE Electric

DTE Electric Company, a non-affiliated company

EGLE

Michigan Department of Environment, Great Lakes, and Energy

Endangered Species Act

Endangered Species Act of 1973, as amended

energy waste reduction

The reduction of energy consumption through energy efficiency and demand-side energy conservation, as established under the 2016 Energy Law Michigan law

EPA

U.S. Environmental Protection Agency

EPS

Earnings per share

Exchange Act

Securities Exchange Act of 1934

Federal Power Act

Federal Power Act of 1920

FERC

Federal Energy Regulatory Commission

FTR

Financial transmission right

GAAP

U.S. Generally Accepted Accounting Principles

Genesee

Genesee Power Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

Good Neighbor Plan

A plan issued by the EPA which secures significant reductions in ozone-forming emissions of NOx from power plants and industrial facilities

Grayling

Grayling Generating Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

IRS

Internal Revenue Service

kWh

Kilowatt-hour, a unit of energy equal to one thousand watt-hours

Ludington

Ludington pumped-storage plant, jointly owned by Consumers and DTE Electric

MATS

Mercury and Air Toxics Standards, which limit mercury, acid gases, and other toxic pollution from coal-fueled and oil-fueled power plants

MD&A

Management's Discussion and Analysis of Financial Condition and Results of Operations

MGP

Manufactured gas plant

Migratory Bird Treaty Act

Migratory Bird Treaty Act of 1918, as amended

MISO

Midcontinent Independent System Operator, Inc.

mothball

To place a generating unit into a state of extended reserve shutdown in which the unit is inactive and unavailable for service for a specified period, during which the unit can be brought back into service after receiving appropriate notification and completing any necessary maintenance or other work; generation owners in MISO must request approval to mothball a unit, and MISO then evaluates the request for reliability impacts

MPSC

Michigan Public Service Commission

MW

Megawatt, a unit of power equal to one million watts

NAAQS

National Ambient Air Quality Standards

Natural Gas Act

Natural Gas Act of 1938

Newport Solar Holdings

Newport Solar Holdings III, LLC, a VIE in which Newport Solar Equity Holdings LLC, a wholly owned subsidiary of Grand River Solar, LLC, a wholly owned subsidiary of NorthStar Clean Energy, holds a Class B membership interest

NorthStar Clean Energy

NorthStar Clean Energy Company, a wholly owned subsidiary of CMS Energy, formerly known as CMS Enterprises Company

NOx

Nitrogen oxides

NPDES

National Pollutant Discharge Elimination System, a permit system for regulating point sources of pollution under the Clean Water Act

NREPA

Part 201 of Michigan's Natural Resources and Environmental Protection Act of 1994, as amended

NWO Holdco

NWO Holdco, L.L.C., a VIE in which NWO Holdco I, LLC, a wholly owned subsidiary of Grand River Wind, LLC, a wholly owned subsidiary of NorthStar Clean Energy, holds a Class B membership interest

OPEB

Other post-employment benefits

OPEB Plan

Postretirement health care and life insurance plans of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries

PCB

Polychlorinated biphenyl

PPA

Power purchase agreement

RCRA

Federal Resource Conservation and Recovery Act of 1976

REC

Renewable energy credit

ROA

Retail Open Access, which allows electric generation customers to choose alternative electric suppliers pursuant to Michigan's Public Acts 141 and 142 of 2000, as amended

SEC

U.S. Securities and Exchange Commission

securitization

A financing method authorized by statute and approved by the MPSC which allows a utility to sell its right to receive a portion of the rate payments received from its customers for the repayment of securitization bonds issued by a special-purpose entity affiliated with such utility

SOFR

Secured overnight financing rate calculated and published by the Federal Reserve Bank of New York and selected as the recommended alternative to replace the London Interbank Offered Rate for dollar-denominated financial contracts by the Alternative Reference Rates Committee

TAES

Toshiba America Energy Systems Corporation, a non-affiliated company

TBJH

TBJH Inc., a non-affiliated company

TCJA

Tax Cuts and Jobs Act of 2017

Term SOFR

The rate per annum that is a forward-looking term rate based on SOFR

T.E.S. Filer City

T.E.S. Filer City Station Limited Partnership, a VIE in which HYDRA-CO Enterprises, Inc., a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

Toshiba

Toshiba Corporation, a non-affiliated company

VIE

Variable interest entity

Wolverine Power

Wolverine Power Supply Cooperative, Inc., a non-affiliated company

Filing Format

This combined Form 10-Q is separately filed by CMS Energy and Consumers. Information in this combined Form 10-Q relating to each individual registrant is filed by such registrant on its own behalf. Consumers makes no representation regarding information relating to any other companies affiliated with CMS Energy other than its own subsidiaries.

CMS Energy is the parent holding company of several subsidiaries, including Consumers and NorthStar Clean Energy. None of CMS Energy, NorthStar Clean Energy, nor any of CMS Energy's other subsidiaries (other than Consumers) has any obligation in respect of Consumers' debt securities or preferred stock and holders of such securities should not consider the financial resources or results of operations of CMS Energy, NorthStar Clean Energy, nor any of CMS Energy's other subsidiaries (other than Consumers and its own subsidiaries (in relevant circumstances)) in making a decision with respect to Consumers' debt securities or preferred stock. Similarly, neither Consumers nor any other subsidiary of CMS Energy has any obligation in respect of securities of CMS Energy.

This report should be read in its entirety. No one section of this report deals with all aspects of the subject matter of this report. This report should be read in conjunction with the consolidated financial statements and related notes and with MD&A included in the 2022 2023 Form 10-K.

Available Information

CMS Energy's internet address is www.cmsenergy.com. CMS Energy routinely posts important information on its website and considers the Investor Relations section, www.cmsenergy.com/investor-relations, a channel of distribution for material information. Information contained on CMS Energy's website is not incorporated herein.

Forward-looking Statements and Information

This Form 10-Q and other CMS Energy and Consumers disclosures may contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. The use of "will, "anticipates," "might, "assumes," "may, "believes," "could," "should," "anticipates," "believes," "estimates," "expects," "intends," "plans," "seeks," "projects," "forecasts," "predicts," "assumes," "goals," "targets, "guidance," "intends," "may," "might," "objectives," "guidance, "plans," "possible," "potential," "predicts," "projects," "seeks," "should," "targets," "will," and other similar words is intended to identify forward-looking statements that involve risk and uncertainty. This discussion of potential risks and uncertainties is designed to highlight important factors that may impact CMS Energy's and Consumers' businesses and financial outlook. CMS Energy and Consumers have no obligation to update or revise forward-looking statements regardless of whether new information, future events, or any other factors affect the information contained in the statements. These forward-looking statements are subject to various factors that could cause CMS Energy's and Consumers' actual results to differ materially from the results anticipated in these statements. These factors include, but are not limited to, the following, all of which are potentially significant:

- the impact and effect of recent events, such as worsening trade relations, geopolitical tensions, war, acts of terrorism, and the responses to these events, and related economic disruptions including, but not limited to, inflation, energy price volatility, and supply chain disruptions
- the impact of new regulation by the MPSC, FERC, and other applicable governmental proceedings and regulations, including any associated impact on electric or gas rates or rate structures
- potentially adverse regulatory treatment, effects of a failure to receive timely regulatory orders that are or could come before the MPSC, FERC, or other governmental authorities, or effects of a government shutdown
- changes in the performance of or regulations applicable to MISO, Michigan Electric Transmission Company, LLC (a non-affiliated company), pipelines, railroads, vessels, or other service providers that CMS Energy, Consumers, or any of their affiliates rely on to serve their customers
- the adoption of or challenges to federal or state laws or regulations or changes in applicable laws, rules, regulations, principles, or practices, or in their interpretation, such as those related to energy policy, ROA, the Public Utility Regulatory Policies Act of 1978, infrastructure integrity or security, cybersecurity, gas pipeline safety, gas pipeline capacity, energy waste reduction, the environment, regulation or deregulation, reliability, health care reforms, taxes, accounting matters, climate change, air emissions, renewable energy, the Dodd-Frank Act, and other business issues that could have an impact on CMS Energy's, Consumers', or any of their affiliates' businesses or financial results
- factors affecting, disrupting, interrupting, or otherwise impacting CMS Energy's or Consumers' facilities, utility infrastructure, operations, or backup systems, such as costs and availability of personnel, equipment, and materials; weather and climate, including catastrophic weather-related damage and extreme temperatures; natural disasters; fires; smoke; scheduled or unscheduled equipment outages; maintenance or repairs; contractor performance; environmental incidents; failures of equipment or materials; electric transmission and distribution or gas pipeline system constraints; interconnection requirements; political and social unrest; general strikes; the government and/or paramilitary response to political or social events; changes in trade policies or regulations; accidents; explosions; physical disasters; global pandemics; cyber incidents; vandalism; war or terrorism; and the ability to obtain or maintain insurance coverage for these events
- the ability of CMS Energy and Consumers to execute cost-reduction strategies
- potentially adverse regulatory or legal interpretations or decisions regarding environmental matters, or delayed regulatory treatment or permitting decisions that are or could come before agencies such as EGLE, the EPA, FERC, and/or the U.S. Army Corps of Engineers, and potential environmental remediation costs associated with these interpretations or decisions, including those that may affect Consumers' coal ash management or routine maintenance, repair, and replacement classification under New Source Review, a construction-permitting program under the Clean Air Act

- changes in energy markets, including availability, price, and seasonality of electric capacity and the timing and extent of changes in commodity prices and availability and deliverability of coal, natural gas, natural gas liquids, electricity, oil, gasoline, diesel fuel, and certain related products
- the price of CMS Energy common stock, the credit ratings of CMS Energy and Consumers, capital and financial market conditions, and the effect of these market conditions on CMS Energy's and Consumers' interest costs and access to the capital markets, including availability of financing to CMS Energy, Consumers, or any of their affiliates
- the ability of CMS Energy and Consumers to execute their financing strategies
- the investment performance of the assets of CMS Energy's and Consumers' pension and benefit plans, the discount rates, mortality assumptions, and future medical costs used in calculating the plans' obligations, and the resulting impact on future funding requirements
- the impact of the economy, particularly in Michigan, and potential future volatility in the financial and credit markets on CMS Energy's, Consumers', or any of their affiliates' revenues, ability to collect accounts receivable from customers, or cost and availability of capital
- changes in the economic and financial viability of CMS Energy's and Consumers' suppliers, customers, and other counterparties and the continued ability of these third parties, including those in bankruptcy, to meet their obligations to CMS Energy and Consumers
- population changes in the geographic areas where CMS Energy and Consumers conduct business
- national, regional, and local economic, competitive, and regulatory policies, conditions, and developments
- loss of customer demand for electric generation supply to alternative electric suppliers, increased use of self-generation including distributed generation, energy waste reduction, or energy storage
- loss of customer demand for natural gas due to alternative technologies or fuels or electrification
- the ability of Consumers to meet increased renewable energy demand due to customers seeking to meet their own sustainability goals in a timely and cost-efficient manner
- the reputational or other impact on CMS Energy and Consumers of the failure to achieve or make timely progress on their greenhouse gas reduction goals related to reducing their impact on climate change
- adverse consequences of employee, director, or third-party fraud or non-compliance with codes of conduct or with laws or regulations
- federal regulation of electric sales, including periodic re-examination by federal regulators of CMS Energy's and Consumers' market-based sales authorizations
- any event, change, development, occurrence, or circumstance that could impact the implementation of the Clean Energy Plan, including any action by a regulatory authority or other third party to prohibit, delay, or impair the implementation of the Clean Energy Plan
- the availability, cost, coverage, and terms of insurance, the stability of insurance providers, and the ability of Consumers to recover the costs of any insurance from customers
- the effectiveness of CMS Energy's and Consumers' risk management policies, procedures, and strategies, including strategies to hedge risk related to interest rates and future prices of electricity, natural gas, and other energy-related commodities
- factors affecting development of electric generation projects, gas transmission, and gas and electric distribution infrastructure replacement, conversion, and expansion projects, including factors related to project site identification, construction material pricing, schedule delays, availability of qualified construction personnel, permitting, acquisition of property rights, community opposition, environmental regulations, and government actions
- changes or disruption in fuel supply, including but not limited to supplier bankruptcy and delivery disruptions

- potential costs, lost revenues, reputational harm, or other consequences resulting from misappropriation of assets or sensitive information, corruption of data, or operational disruption in connection with a cyberattack or other cyber incident
- potential disruption to, interruption or failure of, or other impacts on information technology backup or disaster recovery systems
- technological developments in energy production, storage, delivery, usage, and metering
- the ability to implement and integrate technology successfully, including artificial intelligence
- the impact of CMS Energy's and Consumers' integrated business software system and its effects on their operations, including utility customer billing and collections
- adverse consequences resulting from any past, present, or future assertion of indemnity or warranty claims associated with assets and businesses previously owned by CMS Energy or Consumers, including claims resulting from attempts by foreign or domestic governments to assess taxes on or to impose environmental liability associated with past operations or transactions
- the outcome, cost, and other effects of any legal or administrative claims, proceedings, investigations, or settlements
- the reputational impact on CMS Energy and Consumers of operational incidents, violations of corporate policies, regulatory violations, inappropriate use of social media, and other events
- restrictions imposed by various financing arrangements and regulatory requirements on the ability of Consumers and other subsidiaries of CMS Energy to transfer funds to CMS Energy in the form of cash dividends, loans, or advances
- earnings volatility resulting from the application of fair value accounting to certain energy commodity contracts or interest rate contracts
- changes in financial or regulatory accounting principles or policies (e.g., the adoption of the hypothetical liquidation at book value method of accounting for certain non-regulated renewable energy projects)
- other matters that may be disclosed from time to time in CMS Energy's and Consumers' SEC filings, or in other public documents

All forward-looking statements should be considered in the context of the risk and other factors described above and as detailed from time to time in CMS Energy's and Consumers' SEC filings. For additional details regarding these and other uncertainties, see Part I—Item 1. Financial Statements—MD&A—Outlook and Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments; and Part I—Item 1A. Risk Factors in the 2022 2023 Form 10-K.10-K.

Part I—Financial Information

Item 1. Financial Statements

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CMS Energy Corporation

Consumers Energy Company

Management's Discussion and Analysis of Financial Condition and Results of Operations

This MD&A is a combined report of CMS Energy and Consumers.

Executive Overview

CMS Energy is an energy company operating primarily in Michigan. It is the parent holding company of several subsidiaries, including Consumers, an electric and gas utility, and NorthStar Clean Energy, primarily a domestic independent power producer and marketer. Consumers' electric utility operations include the generation, purchase, distribution, and sale of electricity, and Consumers' gas utility operations include the purchase, transmission, storage, distribution, and sale of natural gas. Consumers' customer base consists of a mix of primarily residential, commercial, and diversified industrial customers. NorthStar Clean Energy, through its subsidiaries and equity investments, is engaged in domestic independent power production, including the development and operation of renewable generation, and the marketing of independent power production.

CMS Energy and Consumers manage their businesses by the nature of services each provides. CMS Energy operates principally in three business segments: electric utility; gas utility; and NorthStar Clean Energy, its non-utility operations and investments. Consumers operates principally in two business segments: electric utility and gas utility. CMS Energy’s and Consumers’ businesses are affected primarily by:

- regulation and regulatory matters
- state and federal legislation
- economic conditions
- weather
- energy commodity prices
- interest rates
- their securities’ credit ratings

The Triple Bottom Line

CMS Energy’s and Consumers’ purpose is to achieve world class performance while delivering hometown service. In support of this purpose, CMS Energy and Consumers employ the “CE Way,” a lean operating model designed to improve safety, quality, cost, delivery, and employee morale.

CMS Energy and Consumers measure their progress toward the purpose by considering their impact on the “triple bottom line” of people, planet, and profit, which is underpinned by performance; this consideration takes into account not only the economic value that CMS Energy and Consumers create for customers and investors, but also their responsibility to social and environmental goals. The triple bottom line balances the interests of employees, customers, suppliers, regulators, creditors, Michigan’s residents,

the investment community, and other stakeholders, and it reflects the broader societal impacts of CMS Energy’s and Consumers’ activities.

cms.jpg

CMS Energy’s Environmental, Social, Governance and Sustainability Report, which is available to the public, describes CMS Energy’s and Consumers’ progress toward world class performance measured in the areas of people, planet, and profit.

People: The people element of the triple bottom line represents CMS Energy’s and Consumers’ commitment to their employees, their customers, the residents of local communities in which they do business, and other stakeholders.

The safety of employees, customers, and the general public is a priority of CMS Energy and Consumers. Accordingly, CMS Energy and Consumers have worked to integrate a set of safety principles into their business operations and culture. These principles include complying with applicable safety, health, and security regulations and implementing programs and processes aimed at continually improving safety and security conditions. Over the last ten years, Consumers’ Occupational Safety and Health Administration recordable incident rate has decreased by 34 20 percent.

CMS Energy and Consumers also place a high priority on customer value and on providing a hometown customer experience. Consumers’ customer-driven investment program is aimed at improving safety and increasing electric and gas reliability.

In September 2023, Consumers filed its Reliability Roadmap, an update to its previous Electric Distribution Infrastructure Investment Plan filed in 2021, with the MPSC. The Reliability Roadmap outlines a five-year strategy to improve Consumers’ electric distribution system and the reliability of the grid. The plan proposes the following spending for projects designed to reduce the number and duration of power outages to customers through investment in infrastructure upgrades, forestry management, and grid modernization:

- capital expenditures of $7 billion over the next five years; this amount is $3 billion higher than proposed in the previous plan
- maintenance and operating spending of $1.7 billion over the next five years, reflecting an increase of $300 million over the previous plan

Consumers will request rate recovery of these proposed expenditures in future electric rate cases.

Central to Consumers' commitment to its customers are the initiatives it has undertaken to keep electricity and natural gas affordable, including:

- replacement of coal-fueled generation and PPAs with a cost-efficient mix of renewable energy, less-costly dispatchable generation sources, and energy waste reduction and demand response programs
- targeted infrastructure investment to reduce maintenance costs and improve reliability and safety
- supply chain optimization
- economic development to increase sales and reduce overall rates
- information and control system efficiencies
- employee and retiree health care cost sharing
- tax planning
- cost-effective financing
- workforce productivity enhancements

While CMS Energy and Consumers have experienced some supply chain disruptions and inflationary pressures, they have taken steps to mitigate the impact on their ability to provide safe and reliable service to customers.

Planet: The planet element of the triple bottom line represents CMS Energy's and Consumers' commitment to protect the environment. This commitment extends beyond compliance with various state and federal environmental, health, and safety laws and regulations. Management considers climate change and other environmental risks in strategy development, business planning, and enterprise risk management processes.

CMS Energy and Consumers continue to focus on opportunities to protect the environment and to reduce their carbon footprint. As a result of actions already taken through 2022, footprint from owned generation. CMS Energy, and including Consumers, have:

- has decreased their its combined percentage of electric supply (self-generated and purchased) from coal by 17 25 percentage points since 2015 2015. Additionally, as a result of actions already taken through 2023, Consumers has:
- reduced carbon dioxide emissions by over 30 nearly 40 percent since 2005
- reduced methane emissions by more than 20 25 percent since 2012
- reduced the amount volume of water used to generate electricity by over 35 more than 50 percent since 2012
- reduced landfill waste disposal by over 1.7 more than 1.8 million tons since 1992
- enhanced, restored, or protected over 6,500 more than 8,800 acres of land since 2017

Since 2005, Consumers has reduced its sulfur dioxide and particulate matter emissions by over 90 more than 95 percent and its NOx emissions by over 80 nearly 88 percent. Consumers began tracking mercury emissions in 2007; since that time, it has reduced such emissions by nearly 90 93 percent.

The 2016 In November 2023, Michigan enacted the 2023 Energy Law: Law, which among other things:

- raised raises the renewable portfolio energy standard from the present 15-percent requirement to 15 50 percent in 2021; Consumers has met the 15- by 2030 and 60 percent requirement and expects by 2035; renewable energy generated anywhere within MISO may be applied to continue meeting the requirement going forward this standard, with a combination of newly generated RECs and previously generated RECs carried over from prior years certain limitations
- established sets a goal clean energy standard of 35- 80 percent combined renewable by 2035 and 100 percent by 2040; low- or zero-carbon emitting resources, such as nuclear generation and natural gas generation coupled with carbon capture, are considered clean energy and energy waste reduction by 2025; Consumers achieved 33-percent combined renewable energy and energy waste reduction through 2022 sources under this standard
- authorized enhances existing incentives for demand response programs and energy efficiency programs referring to the combined initiatives as energy waste reduction programs and returns earned on competitively bid PPAs
- established an integrated planning process for creates a new energy storage standard that requires electric capacity and utilities to file plans by 2029 to obtain new energy resources storage that will contribute to a Michigan target of 2,500 MW based on their pro rata share
  - expands the statutory cap on distributed generation resources to ten percent

Consumers' Clean Energy Plan details Consumers is required to file updates to its strategy to meet customers' long-term amended renewable energy needs. The Clean Energy Plan was most recently revised plan before or in November 2024 and approved by the MPSC in June 2022. Under its Clean Energy Plan Consumers before or in 2027. Together, these updated plans will meet outline a path to meeting the requirements of the 2016 2023 Energy Law using its clean and lean strategy, which focuses by focusing on increasing the generation of renewable energy, deploying energy storage, helping customers use less energy, and offering demand response programs to reduce demand during critical peak times.

Consumers' Clean Energy Plan details its strategy to meet customers' long-term energy needs and was most recently revised and approved by the MPSC in 2022 under Michigan's integrated resource planning process. The Clean Energy Plan outlines Consumers' long-term strategy for delivering clean, reliable, resilient, and affordable energy to its customers, including plans to:

- end the use of coal-fueled generation in 2025, 15 years sooner than initially planned
- purchase the Covert Generating Facility, Station, a natural gas-fueled generation generating facility with 1,200 MW of nameplate capacity, allowing Consumers to continue to provide controllable sources of electricity to customers; this purchase was completed in May 2023
- solicit up to 700 MW of capacity through PPAs from sources able to deliver to Michigan's Lower Peninsula beginning in 2025
- expand its investment in renewable energy, adding nearly 8,000 MW of solar generation by 2040

Under the Clean Energy Plan, and as enhanced by the 2023 Energy Law, Consumers earns a return equal to its pre-tax weighted-average cost of capital on permanent capital structure on payments made under new competitively bid PPAs with non-non-affiliated entities approved by the MPSC.

The Clean Energy Plan will allow Consumers to exceed its breakthrough goal of at least 50-percent combined renewable energy and energy waste reduction by 2030.

Presented in the following illustration is Consumers' 2021 capacity portfolio and its future capacity portfolio under its Clean Energy Plan. Plan, which does not yet incorporate the requirements of the 2023 Energy Law. This illustration includes the effects of purchased capacity and energy waste reduction customer programs and uses the nameplate capacity for all energy sources:

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1 Does not include RECs.

2 Includes energy waste reduction, demand response, and conservation voltage reduction programs.

2 3 These amounts and fuel sources will vary and are dependent on a one-time competitive solicitation to acquire up to 700 MW of capacity through PPAs from sources able to deliver to Michigan's Lower Peninsula beginning in 2025.

In addition to Consumers' plan to eliminate its use of coal-fueled generation in 2025, CMS Energy and Consumers have set the net-zero emissions goals discussed below.

Net-zero methane emissions from natural gas delivery system by 2030: Under its Methane Reduction Plan, Consumers plans to reduce methane emissions from its system by about 80 percent, from 2012 baseline levels, by accelerating the replacement of aging pipe, rehabilitating or retiring outdated infrastructure, and adopting new technologies and practices. The remaining emissions will likely be offset by purchasing and/or producing renewable natural gas. To date, Consumers has reduced methane emissions by more than 20 25 percent.

Net-zero carbon emissions from electric business by 2040: This goal includes not only emissions from owned generation, but also emissions from the generation of power purchased through long-term PPAs and from the MISO energy market. Consumers expects to meet 90 percent of its customers' needs with clean energy sources by 2040 through execution of its Clean Energy Plan. New technologies and carbon offset measures including, but not limited to, carbon sequestration, methane emission capture, forest preservation, and reforestation may be used to close the gap to achieving net-zero carbon emissions.

Net-zero greenhouse gas emissions target for the entire business by 2050: This goal announced in March 2022, incorporates greenhouse gas emissions from Consumers' natural gas delivery system, including suppliers and customers, and has an interim goal of reducing customer emissions by 20 percent by 2030. Consumers expects to meet this goal through carbon offset measures, renewable natural gas, energy efficiency and demand response programs, and the adoption of cost-effective emerging technologies once proven and commercially available.

Additionally, to advance its environmental stewardship in Michigan and to minimize the impact of future regulations, Consumers set the following targets in 2022: goals for the five-year period 2023 through 2027:

- to enhance, restore, or protect 6,500 acres of land by 2026; in 2022, 2027; Consumers has enhanced, restored, or protected over 700 more than 2,000 acres of land towards this goal
- to reduce water usage by 1.5 1.7 billion gallons by 2026; in 2022, 2027; Consumers has reduced water usage by more than 750 660 million gallons towards this goal
- to increase the rate annually divert a minimum of 90 percent of waste diverted from landfills (through waste reduction, recycling, and reuse) to 90 percent from a baseline of 88 percent through 2023; in 2022, ; during 2023, Consumers' rate of waste diverted from landfills was 92 91 percent

CMS Energy and Consumers are monitoring numerous legislative, policy, and regulatory initiatives, including those to regulate and report greenhouse gases, and related litigation. While CMS Energy and Consumers cannot predict the outcome of these matters, which could affect them materially, they intend to continue to move forward with their clean and lean strategy.

Profit: The profit element of the triple bottom line represents CMS Energy's and Consumers' commitment to meeting their financial objectives and providing economic development opportunities and benefits in the communities in which they do business. CMS Energy's and Consumers' financial strength allows them to maintain solid investment-grade credit ratings and thereby reduce funding costs for the benefit of customers and investors, to attract and retain talent, and to reinvest in the communities they serve.

For the nine three months ended September 30, 2023 March 31, 2024, CMS Energy's net income available to common stockholders was $571 $285 million, and diluted EPS were $1.96. $0.96. This compares with net income available to common stockholders of $659 $202 million and diluted EPS of $2.27 $0.69 for the nine three months ended September 30, 2022 March 31, 2023. In 2023, lower gas and electric sales, due primarily to unfavorable weather, and higher service restoration costs attributable to storms were partially offset by 2024, gas and electric rate increases, lower service restoration costs, and gains on the extinguishment of debt. debt were offset partially by higher interest charges and income tax expense. A more detailed discussion of the factors affecting CMS Energy's and Consumers' performance can be found in the Results of Operations section that follows this Executive Overview.

Over the next five years, Consumers expects weather-normalized electric and gas deliveries to remain relatively stable compared to 2022. 2023. This outlook reflects modest growth in electric and gas demand, offset by the effects of energy waste reduction programs offset largely by modest growth in electric and gas demand. programs.

Performance: Impacting the Triple Bottom Line

CMS Energy and Consumers remain committed to achieving world class performance while delivering hometown service and positively impacting the triple bottom line of people, planet, and profit. During 2023, CMS Energy met all requirements for inclusion in the MSCI ESG Leaders Indexes; these indexes are designed to represent the performance of companies that have high environmental, social, and governance ratings relative to their sector peers. Additionally, Consumers:

- were was selected to receive a $100 million grant from the U.S. Department of Energy to fund investments in its electric distribution system, improving the reliability of Michigan's electric grid
- participated in the state's economic development efforts that have resulted in commitments by large third-party manufacturers to construct facilities for electric vehicle batteries and battery components in Michigan
- met all requirements for inclusion in the MSCI ESG Leaders Indexes; these indexes are designed to represent the performance of companies that have high Environmental, Social, and Governance ratings relative to their sector peers

- announced plans for an 85-MW solar array to be constructed at the former D.E. Karn coal-generating facilities, which were retired earlier in 2023
- grew its voluntary large customer renewable energy program to approximately 365 MW
- opened a state-of-the-art natural gas training facility in Flint, Michigan that will facilitate facilitates employee training that is critical to keeping workers, customers, and the public safe
- announced plans to install more than 120 automatic transfer reclosers to improve electric reliability and help prevent power outages
- completed the first phase of its Mid-Michigan Pipeline Project, part of Consumers' commitment to providing safe, reliable, and affordable natural gas to Michigan homes and businesses
- announced new efforts to install electric vehicle chargers at apartment buildings, condominiums, and overnight community locations across the state of Michigan
- was one of 15 recipients of the U.S. Department of Defense's 2023 Secretary of Defense Employer Support Freedom Award, an honor to employers for support of National Guard and Reserve employees

CMS Energy and Consumers will continue to utilize the CE Way to enable them to achieve world class performance and positively impact the triple bottom line. Consumers' investment plan and the regulatory environment in which it operates also drive its ability to impact the triple bottom line.

Investment Plan: Over the next five years, Consumers expects to make significant expenditures on infrastructure upgrades, replacements, and clean generation. While it has a large number of potential investment opportunities that would add customer value, Consumers has prioritized its spending based on the criteria of enhancing public safety, increasing reliability, maintaining affordability for its customers, and advancing its environmental stewardship. Consumers' investment program, which is subject to approval through general rate case and other MPSC proceedings, is expected to result in annual rate-base growth of over more than seven percent. This rate-base growth, together with cost-control measures, should allow Consumers to maintain affordable customer prices.

Presented in the following illustration are Consumers' planned capital expenditures through 2027 2028 of $15.5 billion, which does not yet incorporate incremental capital spending proposed in our updated Reliability Roadmap: $17.0 billion:

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Of this amount, Consumers plans to spend $12.4 $13.6 billion over the next five years primarily to primarily maintain and upgrade its gas infrastructure and electric distribution systems and gas infrastructure in order to enhance safety and reliability, improve customer satisfaction, reduce energy waste on those systems, and facilitate its clean energy transformation. Electric distribution and other projects comprise $7.3 billion primarily to strengthen circuits and substations, replace poles, and interconnect clean energy resources. The gas infrastructure projects comprise $6.3 billion to sustain deliverability, enhance pipeline integrity and safety, and reduce methane emissions. Electric distribution and other projects comprise $6.1 billion primarily to strengthen circuits and substations, replace poles, and interconnect clean energy resources. Consumers also expects to spend $3.1 $3.4 billion on clean generation, which includes investments in wind, solar, and hydroelectric generation resources.

Regulation: Regulatory matters are a key aspect of Consumers' business, particularly rate cases and regulatory proceedings before the MPSC, which permit recovery of new investments while helping to ensure that customer rates are fair and affordable. Important regulatory events and developments not already discussed are summarized below.

2022 Gas 2023 Electric Rate Case: *Case*: In December 2022, Consumers filed an application with March 2024, the MPSC seeking issued an annual rate increase of $212 million, based on a 10.25-percent authorized return on equity for the projected 12-month period ending September 30, 2024. In June 2023, Consumers reduced its requested annual rate increase to $175 million, based on a 10.25-percent authorized return on equity. In August 2023, the MPSC approved a settlement agreement order authorizing an annual rate increase of $95 $92 million, based on which is inclusive of a 9.9-percent authorized return on equity, effective October 1, 2023.

2023 Electric Rate Case: In May 2023, Consumers filed an application with the MPSC seeking a rate increase of $216 $9 million made up of two components. First, Consumers requested a $207 million annual rate increase, based on an authorized return on equity of 10.25 percent for the projected 12-month period ending February 28, 2025. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability and cleaner energy resources. Second, Consumers requested approval of a surcharge for the recovery of $9 million of select distribution investments made in 2022 that exceeded the rates authorized in accordance with the December 2021 electric rate order. The approved rate increase is based on a 9.9-percent authorized return on equity. The new rates became effective March 15, 2024.

2023 Gas Rate Case: In September December 2023, Consumers revised its requested increase to $169 million.

2022 Electric Rate Case: In January 2023, filed an application with the MPSC approved a settlement agreement authorizing seeking an annual rate increase of $155 $136 million based on a 9.9- 10.25-percent authorized return on equity. The MPSC also approved a surcharge equity for the recovery of $6 million of depreciation, property tax, projected 12-month period ending September 30, 2025. The filing requests authority to recover new infrastructure investment and interest expense related costs that are expected to distribution investments made in 2021 that exceeded what was authorized in rates in accordance with the December 2020 electric rate order. The new rates became effective January 20, 2023. allow Consumers to continue to provide safe, reliable, affordable, and increasingly cleaner natural gas service.

Looking Forward

CMS Energy and Consumers will continue to consider the impact on the triple bottom line of people, planet, and profit in their daily operations as well as in their long-term strategic decisions. Consumers will continue to seek fair and timely regulatory treatment that will support its customer-driven investment plan, while pursuing cost-control measures that will allow it to maintain sustainable customer base rates. The CE Way is an important means of realizing CMS Energy's and Consumers' purpose of achieving world class performance while delivering hometown service.

Results of Operations

CMS Energy Consolidated Results of Operations

In Millions, Except Per Share Amounts

	In Millions, Except Per Share Amounts						
	In Millions, Except Per Share Amounts						
		Three Months Ended			Nine Months Ended		
September 30		2023	2022	Change	2023	2022	Change
Three Months Ended March 31							
Three Months Ended March 31							
Three Months Ended March 31							
Net Income Available to Common Stockholders							
Net Income Available to Common Stockholders							
Net Income Available to Common Stockholders	Net Income Available to Common Stockholders	$ 174	$ 163	$ 11	$ 571	$ 659	$ (88)

Basic Earnings Per Average Common Share	Basic Earnings Per Average Common Share	$0.60	$0.56	$ 0.04	$1.96	$2.27	$(0.31)

Basic Earnings Per Average Common Share

Basic Earnings Per Average Common Share

Diluted Earnings Per Average Common Share	Diluted Earnings Per Average Common Share	$0.60	$0.56	$ 0.04	$1.96	$2.27	$(0.31)

Diluted Earnings Per Average Common Share

Diluted Earnings Per Average Common Share

In Millions

In Millions

In Millions

		Three Months Ended			Nine Months Ended		
September 30		2023	2022	Change	2023	2022	Change

Three Months Ended March 31

Three Months Ended March 31

Three Months Ended March 31

Electric utility

Electric utility

Electric utility	Electric utility	$187	$194	$ (7)	$404	$501	$ (97)
Gas utility	Gas utility	4	(13)	17	181	239	(58)

Gas utility

Gas utility

NorthStar Clean Energy

NorthStar Clean Energy

NorthStar Clean Energy	NorthStar Clean Energy	16	11	5	26	26	—
Corporate interest and other	Corporate interest and other	(33)	(29)	(4)	(40)	(107)	67

Corporate interest and other

Corporate interest and other

Net Income Available to Common Stockholders	Net Income Available to Common Stockholders	$174	$163	$ 11	$571	$659	$ (88)

Net Income Available to Common Stockholders
Net Income Available to Common Stockholders

Amounts in the following tables are presented pre-tax, with the exception of income tax changes.

Presented in the following table is a summary of changes to net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

								In Millions
	Three Months Ended				Nine Months Ended			
September 30, 2022			$	163			$	659
Reasons for the change								
Consumers electric utility and gas utility								
Electric sales	$	(28)			$	(108)		
Gas sales		—				(100)		
Electric rate increase		74				147		
Gas rate increase		21				119		
Lower other maintenance and operating expenses		18				24		
Higher other income, net of expenses		2				19		
Lower income tax expense		14				14		
Higher service restoration costs		(35)				(93)		
Higher interest charges		(29)				(84)		
Higher depreciation and amortization		(17)				(37)		
2023 voluntary separation program expenses		(5)				(33)		
Higher property taxes, reflecting higher capital spending, and other		(5)				(23)		
			$	10			$	(155)
NorthStar Clean Energy				5				—
Corporate interest and other				(4)				67
September 30, 2023			$	174			$	571

					In Millions
Three Months Ended March 31, 2023				$	202
Reasons for the change					
Consumers electric utility and gas utility					
Electric sales	$	18			
Gas sales		(9)			
Electric rate increase		32			
Gas rate increase		40			
Lower service restoration costs		30			
Higher other income, net of expenses		5			
Lower other maintenance and operating expenses		4			
Higher interest charges		(27)			
Higher income tax expense		(26)			
Higher property taxes, reflecting higher capital spending, and other		(13)			
Higher depreciation and amortization		(12)			
				$	42
NorthStar Clean Energy					24
Corporate interest and other					17
Three Months Ended March 31, 2024				$	285

Consumers Electric Utility Results of Operations

Presented in the following table are the detailed changes to the electric utility's net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

								In Millions
	Three Months Ended				Nine Months Ended			
September 30, 2022			$	194			$	501
Reasons for the change								
Electric deliveries[1] and rate increases								
Rate increase, including return on higher renewable capital spending	$	74			$	147		
Higher energy waste reduction program revenues		6				24		
Lower revenue due primarily to unfavorable weather and sales mix		(30)				(103)		
Higher (lower) other revenues		2				(5)		
			$	52			$	63
Maintenance and other operating expenses								
Lower distribution and generation expenses		5				14		
Higher service restoration costs due primarily to increased storm activity		(35)				(93)		
Higher energy waste reduction program costs		(6)				(24)		
2023 voluntary separation program expenses		(3)				(20)		
Lower mutual insurance distribution		—				(9)		
Higher other maintenance and operating expenses		—				(10)		
				(39)				(142)
Depreciation and amortization								

Increased plant in service, reflecting higher capital spending		(15)		(24)
General taxes				
Higher property taxes, reflecting higher capital spending, and other		(4)		(13)
Other income, net of expenses				
Higher interest income	5		15	
Higher non-operating retirement benefits expenses	(4)		(6)	
Higher other income, net of expenses	2		11	
		3		20
Interest charges		(17)		(49)
Income taxes				
Lower electric utility pre-tax earnings	5		37	
Deferred tax liability reversal[2]	—		9	
Lower renewable energy tax credits	—		(6)	
Lower other income taxes	8		8	
		13		48
September 30, 2023		$ 187		$ 404

		In Millions
Three Months Ended March 31, 2023		$ 70
Reasons for the change		
Electric deliveries[1] and rate increases		
Rate increase, including return on higher renewable capital spending	$ 32	
Higher revenue due primarily to non-weather sales	14	
Lower energy waste reduction program revenues	(7)	
Higher other revenues	4	
		$ 43
Maintenance and other operating expenses		
Lower service restoration costs	30	
Lower energy waste reduction program costs	7	
Lower other maintenance and operating expenses	4	
		41
Depreciation and amortization		
Increased plant in service, reflecting higher capital spending		(21)
General taxes		
Higher property taxes, reflecting higher capital spending, and other		(6)
Other income, net of expenses		3
Interest charges		(17)
Income taxes		
Higher renewable energy tax credits	3	
Higher electric utility pre-tax earnings	(11)	
Absence of 2023 deferred tax liability reversal[2]	(9)	
Lower other income taxes	1	
		(16)
Three Months Ended March 31, 2024		$ 97

1 For the three months ended September 30, deliveries Deliveries to end-use customers were 9.8 8.9 billion kWh in 2023 2024 and 10.2 8.8 billion kWh in 2022. For the nine months ended September 30, deliveries to end-use customers were 27.5 billion kWh in 2023 and 28.5 billion kWh in 2022. 2023.

2 See Note 7, Income Taxes.

Consumers Gas Utility Results of Operations

Presented in the following table are the detailed changes to the gas utility's net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

				In Millions
	Three Months Ended		Nine Months Ended	
September 30, 2022		$ (13)		$ 239
Reasons for the change				
Gas deliveries[1] and rate increases				
Rate increase	$ 21		$ 119	
Higher energy waste reduction program revenues	4		12	
Lower revenue due primarily to unfavorable weather	(2)		(105)	
Higher other revenues	2		5	
		$ 25		$ 31
Maintenance and other operating expenses				
Lower distribution, transmission, and compression expenses	9		18	
Absence of 2022 Ray Compressor Station impairment	—		10	
2023 voluntary separation program expenses	(2)		(13)	
Higher energy waste reduction program costs	(4)		(12)	
Lower other maintenance and operating expenses	4		1	
		7		4
Depreciation and amortization				
Increased plant in service, reflecting higher capital spending		(2)		(13)
General taxes				
Higher property taxes, reflecting higher capital spending, and other		(1)		(10)
Other income, net of expenses				
Higher non-operating retirement benefits expenses	(5)		(11)	
Higher other income, net of expenses	4		10	
		(1)		(1)
Interest charges		(12)		(35)
Income taxes				
Lower (higher) gas utility pre-tax earnings	(4)		6	
Deferred tax liability reversal[2]	—		4	
Absence of 2022 accelerated tax amortizations[2]	3		(46)	
Lower other income taxes	2		2	
		1		(34)
September 30, 2023		$ 4		$ 181

		In Millions
Three Months Ended March 31, 2023		$ 154
Reasons for the change		
Gas deliveries[1] and rate increases		
Rate increase	$ 40	
Higher energy waste reduction program revenues	10	
Lower revenue due primarily to unfavorable weather	(9)	
		$ 41
Maintenance and other operating expenses		
Higher energy waste reduction program costs		(10)
Depreciation and amortization		
Lower depreciation rates, offset partially by higher capital spending		9
General taxes		
Higher property taxes, reflecting higher capital spending		(7)
Other income, net of expenses		2
Interest charges		(10)
Income taxes		
Higher gas utility pre-tax earnings	(6)	
Absence of 2023 deferred tax liability reversal[2]	(4)	
		(10)
Three Months Ended March 31, 2024		$ 169

1 For the three months ended September 30, deliveries Deliveries to end-use customers were 30 117 bcf in 2023 2024 and 31 119 bcf in 2022. For the nine months ended September 30, deliveries to end-use customers were 198 bcf in 2023 and 222 bcf in 2022. 2023.

2 See Note 7, Income Taxes.

NorthStar Clean Energy Results of Operations

Presented in the following table are the detailed changes to NorthStar Clean Energy's net income available to common stockholders for the three and nine months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

		In Millions
	Three Months Ended	Nine Months Ended
September 30, 2022	$ 11	$ 26
Reason for the change		
Higher renewable energy tax credits	$ 9	$ 9
Lower operating earnings, primarily at DIG	(5)	(6)
Other income tax benefit (expense)	1	(3)
September 30, 2023	$ 16	$ 26

		In Millions
Three Months Ended March 31, 2023	$	7
Reason for the change		
Higher earnings from renewable projects	$	16
Higher operating earnings, primarily at DIG		7
Higher renewable energy tax credits		1
Three Months Ended March 31, 2024	$	31

Corporate Interest and Other Results of Operations

Presented in the following table are the detailed changes to corporate interest and other results for the three and nine months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

				In Millions
	Three Months Ended		Nine Months Ended	
September 30, 2022	$	(29)	$	(107)
Reasons for the change				
Gain on extinguishment of debt[1]	$	17	$	101
Higher interest earnings and other		5		11
Higher income tax expense due to higher pre-tax earnings		(19)		(30)
Higher interest charges		(7)		(12)
Lower discontinued operations		—		(3)
September 30, 2023	$	(33)	$	(40)

		In Millions
Three Months Ended March 31, 2023	$	(29)
Reasons for the change		
Gain on extinguishment of debt[1]	$	22
Higher income tax expense due to higher pre-tax earnings		(3)
Other		(2)
Three Months Ended March 31, 2024	$	(12)

1 See Note 3, Financings and Capitalization.

Cash Position, Investing, and Financing

At September 30, 2023 March 31, 2024, CMS Energy had $184 $861 million of consolidated cash and cash equivalents, which included $27 $59 million of restricted cash and cash equivalents. At September 30, 2023 March 31, 2024, Consumers had $34 $666 million of consolidated cash and cash equivalents, which included $27 $59 million of restricted cash and cash equivalents.

Operating Activities

Presented in the following table are specific components of net cash provided by operating activities for the nine three months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

In Millions

CMS Energy, including Consumers		
Nine Three Months Ended September 30, 2022 March 31, 2023	$	667 1,040
Reasons for the change		
Lower Higher net income	$	(93) 69
Non-cash transactions[1]		(28) 20
Favorable Unfavorable impact of changes in core working capital,[2] due primarily to higher lower collections higher and lower prices on gas sold to customers and lower prices on gas purchased in 2023		1,306 (195)
Favorable impact of changes in other assets and liabilities due primarily to recovery in 2023 of 2022 power supply costs,[3] offset partially by higher voluntary separation program payments		52 22
Nine Three Months Ended September 30, 2023 March 31, 2024	$	1,904 956
Consumers		
Nine Three Months Ended September 30, 2022 March 31, 2023	$	761 1,070
Reasons for the change		
Lower Higher net income	$	(168) 43
Non-cash transactions[1]		74 28
Favorable Unfavorable impact of changes in core working capital,[2] due primarily to higher lower collections higher and lower prices on gas sold to customers and lower prices on gas purchased in 2023		1,304 (177)
Unfavorable Favorable impact of changes in other assets and liabilities due primarily to higher income tax payments to CMS Energy and voluntary separation program payments, offset partially by recovery in 2023 of 2022 power supply costs[3]		(5) 15
Nine Three Months Ended September 30, 2023 March 31, 2024	$	1,966 979

1 Non-cash transactions comprise depreciation and amortization, changes in deferred income taxes and investment tax credits, and other non-cash operating activities and reconciling adjustments.

2 Core working capital comprises accounts receivable, accrued revenue, inventories, accounts payable, and accrued rate refunds.

3 For information regarding the underrecovery of power supply costs, see Note 1, Regulatory Matters.

Investing Activities

Presented in the following table are specific components of net cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

	In Millions
CMS Energy, including Consumers	
Nine Three Months Ended September 30, 2022 March 31, 2023	$ (1,808) (651)
Reasons for the change	
Higher Lower capital expenditures	$ (61) 4
Other investing activities primarily absence of proceeds from sale of assets in 2022	(56) 10
Nine Three Months Ended September 30, 2023 March 31, 2024	$ (2,737) (637)
Consumers	
Nine Three Months Ended September 30, 2022 March 31, 2023	$ (1,715) (588)
Reasons for the change	
Higher capital expenditures	$ (16) (29)
Other investing activities primarily absence of proceeds from sale of assets in 2022	(49) 10
Nine Three Months Ended September 30, 2023 March 31, 2024	$ (2,592) (607)

1 See Note 12, Transition Activities.

Financing Activities

Presented in the following table are specific components of net cash provided by (used in) financing activities for the nine three months ended September 30, 2023 March 31, 2024 versus 2022: 2023:

		In Millions
CMS Energy, including Consumers		
Nine Three Months Ended September 30, 2022 March 31, 2023	$	860 27
Reasons for the change		
Higher Lower debt issuances	$	1,556 (606)
Lower debt retirements		681
Higher debt retirements repayments of notes payable		(1,754) (73)
Higher issuances of notes payable common stock		227 268
Higher payments of dividends on common stock		(25) (11)
Other financing activities primarily higher debt issuance costs, offset partially by the absence of a payment of a long-term contract liability		(1) 8
Nine Three Months Ended September 30, 2023 March 31, 2024	$	835 294
Consumers		
Nine Three Months Ended September 30, 2022 March 31, 2023	$	1,020 (199)
Reasons for the change		
Higher Lower debt issuances	$	671 (521)
Lower debt retirements		1,000
Higher debt retirements		(1,625)
Higher issuances repayments of notes payable		227 (73)
Lower repayments Absence of a repayment of borrowings from CMS Energy in 2023		392 75
Lower Higher stockholder contribution from CMS Energy		(210) 245
Return of stockholder contribution to CMS Energy		(320)
Lower payments of dividends on common stock		132 22
Other financing activities primarily higher debt issuance costs		(7) 9
Nine Three Months Ended September 30, 2023 March 31, 2024	$	600 238

Capital Resources and Liquidity

CMS Energy and Consumers expect to have sufficient liquidity to fund their present and future commitments. CMS Energy uses dividends and tax-sharing payments from its subsidiaries and external financing and capital transactions to invest in its utility and non-utility businesses, retire debt, pay dividends, and fund its other obligations. The ability of CMS Energy's subsidiaries, including Consumers, to pay dividends to CMS Energy depends upon each subsidiary's revenues, earnings, cash needs, and other factors. In addition, Consumers' ability to pay dividends is restricted by certain terms included in its articles of incorporation and potentially by FERC requirements and provisions under the Federal Power Act and the Natural Gas Act. For additional details on Consumers' dividend restrictions, see Notes to the Unaudited Consolidated Financial Statements—Note 3, Financings and Capitalization—Dividend Restrictions. During the nine three months ended September 30, 2023 March 31, 2024, Consumers paid $461 $265 million in dividends on its common stock to CMS Energy.

Consumers uses cash flows generated from operations and external financing transactions, as well as stockholder contributions from CMS Energy, to fund capital expenditures, retire debt, pay dividends, and fund its other obligations. Consumers also uses these sources of funding to contribute to its employee benefit plans.

Financing and Capital Resources: CMS Energy and Consumers rely on the capital markets to fund their robust capital plan. Barring any sustained market dislocations or disruptions, CMS Energy and Consumers expect to continue to have ready access to the financial and capital markets and will continue to explore possibilities to take advantage of market opportunities as they arise with respect to future funding needs. If access to these markets were to diminish or otherwise become restricted, CMS Energy and Consumers would implement contingency plans to address debt maturities, which could include reduced capital spending.

In 2023, CMS Energy has entered into forward sales transactions that an equity offering program under which it may either settle physically by issuing sell shares of its common stock at the then-applicable forward sale price specified by the agreement or settle net by delivering or receiving cash or shares. CMS Energy may settle the contracts at any time through their maturity dates, and presently intends to physically settle the contracts by delivering shares of its common stock. As of September 30, 2023, these contracts have having an aggregate sales price of $444 million, maturing up to $1 billion in privately negotiated transactions, in "at the market" offerings, or through December 2024. For more information on these forward sale contracts, see Notes to the Unaudited Consolidated Financial Statements—Note 3, Financings and Capitalization—Issuance sales transactions. There have been no sales of Common Stock. securities under this program.

At September 30, 2023 March 31, 2024, CMS Energy had $530 $521 million of its revolving credit facility available and Consumers had $1.3 billion available under its revolving credit facilities. CMS Energy and Consumers use these credit facilities for general working capital purposes and to issue letters of credit. An additional source of liquidity is Consumers' commercial paper program, which allows Consumers to issue, in one or more placements, up to $500 million in aggregate principal amount of commercial paper notes with maturities of up to 365 days at market interest rates. These issuances are supported by Consumers' revolving credit facilities. While the amount of outstanding commercial paper does not reduce the available capacity of the revolving credit facilities, Consumers does not intend to issue commercial paper in an amount exceeding the available capacity of the facilities. At September 30, 2023 March 31, 2024, there were $247 million no commercial paper notes outstanding under this program. For additional details on CMS Energy's and Consumers' secured revolving credit facilities and commercial paper program, see Notes to the Unaudited Consolidated Financial Statements—Note 3, Financings and Capitalization.

Certain of CMS Energy's and Consumers' credit agreements contain covenants that require CMS Energy and Consumers to maintain certain financial ratios, as defined therein. At September 30, 2023 March 31, 2024, no default had occurred with respect to any financial covenants contained in CMS Energy's and Consumers' credit agreements. CMS Energy and Consumers were each in compliance with these covenants as of September 30, 2023 March 31, 2024, as presented in the following table:

	Limit	Actual
CMS Energy, parent only		
Debt to Capital[1]	≤ 0.70 to 1.0	0.59 0.57 to 1.0
Consumers		
Debt to Capital[2]	≤ 0.65 to 1.0	0.50 to 1.0

1 Applies to CMS Energy's revolving credit agreement and letter of credit reimbursement agreement, and a term loan agreement of a subsidiary of NorthStar Clean Energy. agreement.

2 Applies to Consumers' revolving credit agreements.

Outlook

Several business trends and uncertainties may affect CMS Energy's and Consumers' financial condition and results of operations. These trends and uncertainties could have a material impact on CMS Energy's and Consumers' consolidated income, cash flows, or financial position. For additional details regarding these and other uncertainties, see Forward-looking Statements and Information; Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments; and Part II—Item 1A. Risk Factors.

Consumers Electric Utility Outlook and Uncertainties

Clean Energy Plan: Consumers' Clean Energy Plan details its strategy to meet customers' long-term energy needs and provides the foundation for its goal to achieve net-zero carbon emissions from its electric business by 2040. Under this net-zero goal, Consumers plans to eliminate the impact of carbon emissions created by the electricity it generates or purchases for customers. Additionally, through its Clean Energy Plan, Consumers continues to make progress on expanding its customer programs, namely its demand response, energy efficiency, and conservation voltage reduction programs, as well as increasing its renewable energy and pumped storage generation.

The Clean Energy Plan was most recently revised and approved by the MPSC in June 2022. Under this plan, Consumers will eliminate the use of coal-fueled generation in 2025 and expects to meet 90 percent of its customers' needs with clean energy sources by 2040. Specifically, the Clean Energy Plan provides for:

- the retirement of the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity; these units closed in June 2023
- the retirement of the J.H. Campbell coal-fueled generating units, totaling 1,407 MW of nameplate capacity, in 2025
- the retirement of the D.E. Karn oil and gas-fueled generating units, totaling 1,219 MW of nameplate capacity, in 2031

The MPSC has authorized Consumers to issue securitization bonds to finance the recovery of and return on the D.E. Karn coal-fueled generating units. units; Consumers plans to issue securitization issued these bonds in the fourth quarter of December 2023. Additionally, the MPSC has authorized regulatory asset treatment for Consumers to recover the remaining book value of the J.H. Campbell coal-fueled generating units, as well as a 9.0-percent return on equity, commencing in 2025.

Under the Clean Energy Plan, Consumers:

- purchased the Covert Generating Facility, Station, a natural gas-fueled generation generating facility with 1,200 MW of nameplate capacity in Van Buren County, Michigan in May 2023
- conducted a one-time competitive solicitation for and is evaluating the acquisition of up to 700 MW of capacity through PPAs from sources able to deliver to Michigan's Lower Peninsula beginning in 2025; of this amount, 2025 (including up to 500 MW was solicited from dispatchable sources sources)

These actions are expected to help Consumers continue to provide controllable sources of electricity to customers while expanding its investment in renewable energy. The Clean Energy Plan forecasts renewable energy capacity levels of 30 percent in 2025, 43 percent in 2030, and 61 percent in 2040, including the addition of nearly 8,000 MW of solar generation. Additionally, Consumers plans to deploy battery storage beginning in 2024, with 75 MW of energy storage expected by 2027 and an additional 475 MW by 2040. The 2023 Energy Law, enacted in November 2023, set more ambitious standards for renewable energy and energy storage. Consumers is required to file updates to its amended renewable energy plan before or in November 2024 and its Clean Energy Plan before or in 2027. Together, these updated plans will outline a path to meeting these accelerated timelines.

Under its Clean Energy Plan, Consumers bids new capacity competitively and will expects to own and operate approximately 50 percent of new capacity, with the remainder being built and owned by third parties. Additionally, Consumers earns a return equal to its pre-tax weighted-average cost of capital on permanent capital structure on payments made under new competitively bid PPAs with non-non-affiliated entities approved by the MPSC.

As a result of requests for proposals, Consumers has entered into PPAs to purchase renewable capacity, energy, and RECs from solar generating facilities and build transfer agreements to purchase solar generating facilities. Presented in the following illustration is the aggregate renewable capacity that Consumers expects to add to its portfolio as a result of these agreements:

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In support Additionally, as a result of its Clean Energy Plan, one-time solicitation, Consumers issued entered into a request for proposals in September 2022 to acquire up to 700 20-year PPA under which it will purchase 100 MW of capacity, through PPAs energy and RECs from sources able a battery storage facility to deliver be constructed in Branch County, Michigan. The facility is expected to Michigan's Lower Peninsula beginning be operational in 2025. Specifically, Consumers solicited offers continues to acquire 500 MW evaluate the acquisition of capacity from dispatchable sources and 200 MW of additional capacity from intermittent resources and dispatchable, non-intermittent clean capacity resources (including battery storage resources). Any contracts entered into as a result of the one-time solicitation are subject to MPSC approval.

Renewable Energy Plan: Michigan has established a 15-The 2023 Energy Law raises the renewable energy standard from the present 15-percent requirement to 50 percent renewable portfolio standard. Under this standard, by 2030 and 60 percent by 2035. Consumers is required to submit RECs, which represent proof that the associated electricity was generated from a renewable energy resource, in an amount equal to at least 15 percent the required percentage of Consumers' electric sales volume each year. Under its renewable energy plan, Consumers has met the 15-percent requirement and expects to continue meeting the to meet its renewable energy requirement going forward each year with a combination of newly generated RECs and previously generated RECs carried over from prior years.

Under Consumers' renewable energy plan, the The MPSC has approved the acquisition of up to 525 MW of new wind generation projects and authorized Consumers to earn a 10.7-percent return on equity on any projects approved by the MPSC. MPSC under Consumers' amended renewable energy plan. Specifically, the MPSC has approved the following:

- purchase and construction of a 150-MW wind generation project in Gratiot County, Michigan; the project became operational and Consumers took full ownership in 2020
- purchase of a 166-MW wind generation project in Hillsdale, Michigan; the project became operational and Consumers took full ownership in 2021
- purchase of a 201-MW wind generation project under development, with capacity of up to 201 MW, in Gratiot County, Michigan; the project became operational and Consumers expects to take took full ownership and begin commercial operation of the project in the fourth quarter of December 2023

The MPSC also approved the execution of a 20-year PPA under which Consumers will purchase 100 MW of renewable capacity, energy, and RECs from a 149-MW solar generating facility to be constructed in Calhoun County, Michigan; the facility is targeted to be operational in 2024.

Voluntary Large Customer Renewable Energy Program: Consumers provides service under a program that provides large full-service electric customers with the opportunity to advance the development of renewable energy beyond the requirements of the 2016 Energy Law. present 15-percent requirement. In 2021, the MPSC approved Consumers' request September 2023, Consumers filed an application to amend its renewable energy plan to plan. Among other things, Consumers requested that the MPSC remove the annual subscription 1,000-MW limit associated with this program. The MPSC also approved up to 1,000 MW of on new wind and solar generation, projects between 2024 and 2027 which will allow Consumers to meet growing customer demand for the program. Consumers will competitively solicit solicits for additional renewable energy assets based on customer applications and will construct the assets based on customer subscriptions to the program.

As part of this program, a 2022 request for proposals resulted in the execution of a build transfer agreement for a 309-MW solar generating facility to be constructed in Calhoun County, Michigan; the facility is targeted to be operational in 2025. The build transfer agreement was approved by the MPSC in September 2023. Additionally, the request for proposals resulted in the selection of a solar generation project that Consumers will develop and construct at its D.E. Karn generating site, with a capacity of up to 85 MW. The facility is expected to be operational in 2026.

Electric Customer Deliveries and Revenue: Consumers' electric customer deliveries are seasonal and largely dependent on Michigan's economy. The consumption of electric energy typically increases in the summer months, due primarily to the use of air conditioners and other cooling equipment. In addition, Consumers' electric rates, which follow a seasonal rate design, are higher in the summer months than in the remaining months of the year. Each year in June, electric residential customers transition to a summer peak time-of-use rate that allows them to take advantage of lower-cost energy during off-peak times during the summer months. Thus, customers can reduce their electric bills by shifting their consumption from on-peak to off-peak times.

Over the next five years, Consumers expects weather-normalized electric deliveries to remain relatively stable compared to 2022. 2023. This outlook reflects modest growth in electric demand, offset by the effects of energy waste reduction programs offset largely by modest growth in electric demand. programs. Actual delivery levels will depend on:

- energy conservation measures and results of energy waste reduction programs
- weather fluctuations
- Michigan's economic conditions, including utilization, expansion, or contraction of manufacturing industrial facilities, population trends, electric vehicle adoption, and housing activity

Electric ROA: Michigan law allows electric customers in Consumers' service territory to buy electric generation service from alternative electric suppliers in an aggregate amount capped at ten percent of Consumers' sales, with certain exceptions. At September 30, 2023 March 31, 2024, electric deliveries under the ROA program were at the ten-percent limit. Of Consumers' 1.9 million electric customers, fewer Fewer than 300 or 0.02 percent, of Consumers' electric customers purchased electric generation service under the ROA program.

TheIn 2016, Energy Law Michigan law established a path to ensure that forward capacity is secured for all electric customers in Michigan, including customers served by alternative electric suppliers under ROA. The law

also authorized the MPSC to ensure that alternative electric suppliers have procured enough capacity to cover their anticipated capacity requirements for the four-year forward period. In 2017, the MPSC issued an order establishing a state reliability mechanism for Consumers. Under this mechanism, if an alternative electric supplier does not demonstrate that it has procured its capacity requirements for the four-year forward period, its customers will pay a set charge to the utility for capacity that is not provided by the alternative electric supplier.

During 2017, the MPSC issued orders finding that it has statutory authority to determine and implement a local clearing requirement, which requires all electric suppliers to demonstrate that a portion of the capacity used to serve customers is located in the MISO footprint in Michigan's Lower Peninsula. In 2020, the Michigan Supreme Court affirmed the MPSC's statutory authority to implement a local clearing requirement on individual electric providers.

In 2020, ABATE and another intervenor filed a complaint against the MPSC in the U.S. District Court for the Eastern District of Michigan challenging the constitutionality of a local clearing requirement. The complaint requests the federal court to issue a permanent injunction prohibiting the MPSC from implementing a local clearing requirement on individual electric providers. In February 2023, the U.S. District Court for the Eastern District of Michigan dismissed the complaint. In March 2023, ABATE and the other intervenor filed a claim of appeal of the Eastern District Court's decision with the U.S. Court of Appeals for the Sixth Circuit. Oral arguments are scheduled for occurred in December 2023.

Hydroelectric Facilities: In February 2024, Consumers issued a request for proposals to explore the possibility of selling its 13 hydroelectric dams located throughout Michigan. Consumers has solicited community feedback on the dams' futures, as federal operating licenses for the dams begin to expire in 2034. Consumers continues to evaluate each dam's future, options for which include, but are not limited to, renewing operating licenses, transferring ownership, or removing the facilities.

Electric Rate Matters: Rate matters are critical to Consumers' electric utility business. For additional details on rate matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

MPSC Distribution System Audit: In October 2022, the MPSC ordered the state's two largest electric utilities, including Consumers, to report on their compliance with regulations and past MPSC orders governing the utilities' response to outages and downed lines. Consumers responded to the

MPSC's order in November 2022. as directed.

Additionally, as directed by the MPSC, the MPSC Staff has engaged a third-third-party auditor to review all equipment and operations of the two utilities' distribution systems; this audit began in August 2023. The MPSC Staff released a report prepared by the third-party auditor must file a summary report on to summarize the audit's progress by the end of in December 2023, with and a final report is expected in late summer 2024. Consumers is committed to working with the third-party auditor and the MPSC to continue improving electric reliability and safety in Michigan.

2023 Electric Rate Case: In May 2023, Consumers filed an application with the MPSC seeking a rate increase of $216 million, made up of two components. First, Consumers requested a $207 million annual rate increase, based on an authorized return on equity of 10.25 percent for the projected 12-month period ending February 28, 2025. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability and cleaner energy resources. Second, Consumers requested approval of a surcharge for the recovery of $9 million of distribution investments made in 2022 that exceeded the rates authorized in accordance with the December 2021 electric rate order.

In September 2023, Consumers revised its requested increase to $169 million, primarily to reflect the delay of certain capital expenditures beyond the test year. Presented in the following table are the components of the revised requested increase in revenue:

		In Millions
Projected 12-Month Period Ending February 28		2025
Components of the requested rate increase		
Investment in rate base	$	101
Operating and maintenance costs		(14)
Sales and other revenue		(4)
Cost of capital		77
Subtotal	$	160
Surcharge		9
Total	$	169

Retention Incentive Program: Under its Clean Energy Plan, Consumers will retire the J.H. Campbell coal-fueled generating units in 2025. Consumers implemented a retention incentive program In order to ensure necessary staffing at the facility J.H. Campbell through retirement. retirement, Consumers has implemented a retention incentive program. The aggregate cost of the J.H. Campbell program through 2025 is estimated to be $50 million; Consumers expects to recognize $16 $10 million of retention benefit costs in 2023. 2024. The MPSC has approved deferred accounting treatment for these costs; these expenses are deferred as a regulatory asset. For additional details on this program, see Notes to the Unaudited Consolidated Financial Statements—Note 12, Transition Exit Activities.

Electric Environmental Outlook: Consumers' electric operations are subject to various federal, state, and local environmental laws and regulations. Consumers estimates that it will incur capital expenditures of $210 $240 million from 2023 2024 through 2027 2028 to continue to comply with RCRA, the Clean Air Act, and numerous other environmental regulations. Consumers expects to recover these costs in customer rates, but cannot guarantee this result. Multiple environmental laws and regulations are subject to litigation. Consumers' primary environmental compliance focus includes, but is not limited to, the following matters.

Air Quality: Multiple air quality regulations apply, or may apply, to Consumers' electric utility.

In 2012, the EPA published MATS, emission standards for electric generating units known as MATS, published by the EPA based on Section 112 of the Clean Air Act. Consumers Act, continue to apply to Consumers. The company has complied, and continues to comply, with the MATS regulation and does not expect MATS to materially impact its environmental strategy.

CSAPR requires Michigan and many other states to improve air quality by reducing power plant emissions that, according to EPA modeling, contribute to ground-level ozone in other downwind states. Since its 2015 effective date, CSAPR has been revised several times. In June 2023, the EPA published the "Good Good Neighbor Plan," a revision to CSAPR. This regulation tightens allowance budgets for electric generating units in

Michigan between 2023 and 2029 and changes the mechanism for allocating such allowances on a year-over-year basis beginning in 2026. Consumers' initial evaluation of this regulation indicates that it will have minimal financial and operational impact in the near term. Additionally, Consumers does not expect any major financial and operational impact in the long term. However, due to the dynamic nature of this regulation, it is difficult to forecast the long-term impact.

In 2015, the EPA lowered the NAAQS for ozone and made it more difficult to construct or modify power plants and other emission sources in areas of the country that do not meet the ozone standard. As of May 2023, three counties in western Michigan have been designated as not meeting the ozone standard.

None of Consumers' fossil-fuel-fired generating units are located in these areas.

Additionally, in January 2023, March 2024, the EPA proposed lowering the published a lower fine particulate matter NAAQS, for particulate matter. which will likely result in newly designated nonattainment areas in Michigan starting in 2026. Consumers does not expect this rule to have significant impacts on its fossil-fuel-fired generating assets or its clean energy strategy. Consumers will continue to monitor NAAQS rulemakings and evaluate potential impacts to its generating assets.

Consumers continues to evaluate these rules in conjunction with other EPA and EGLE rulemakings, litigation, executive orders, treaties, and congressional actions. This evaluation could result in:

- a change in Consumers' fuel mix
- changes in the types of generating units Consumers may purchase or build in the future
- changes in how certain units are operated, including the installation of additional emission control equipment
- the retirement, mothballing, or repowering with an alternative fuel of some of Consumers' generating units
- changes in Consumers' environmental compliance costs
- the purchase or sale of allowances

Greenhouse Gases: There have been numerous legislative and regulatory initiatives at the state, regional, national, and international levels that involve the potential regulation and reporting of greenhouse gases. Consumers continues to monitor and comment on these initiatives, as appropriate.

In May 2023, the EPA released its proposed rule to address greenhouse gas emissions from existing fossil-fuel-fired electric generating units. Under its Clean Energy Plan, Consumers will eliminate the use of coal-fueled generation in 2025. Therefore, this proposed rule will not materially impact Consumers over the remaining operating lives of these coal-fueled facilities. The proposed rule has had requirements for existing natural gas-fueled facilities however, that could have had a material impact on Consumers' natural gas-fueled facilities. The However, the EPA is scheduled to finalize announced in March 2024 that the final rule, expected in April 2024. or May 2024, will not cover existing natural gas-fueled facilities.Instead, the EPA expects to cover those facilities in a future rulemaking.Consumers will continue to follow the finalization of this rule and any subsequent rules to control greenhouse gases and will continue to evaluate potential impacts to its Clean Energy Plan.

Under the Paris Agreement, an international agreement addressing greenhouse gas emissions, the U.S. has committed to reduce greenhouse gas emissions by 50 to 52 percent from 2005 levels by 2030. Under its Clean Energy Plan, Consumers plans to reduce carbon emissions from its electric business by 60 percent from 2005 levels in 2025. At this time, Consumers does not expect any adverse changes to its environmental strategy as a result of this event, as its plans exceed the nationally committed reduction. The commitment made by the U.S. is not binding without new Congressional legislation.

In 2020, Michigan's Governor signed an executive order creating the Michigan Healthy Climate Plan, which outlines goals for Michigan to achieve economy-wide net-zero greenhouse gas emissions and to be carbon neutral by 2050. The executive order aims for a 28-percent reduction below 2005 levels of greenhouse gas emissions by 2025. These goals are aspirational in nature and any changes in law or regulation to achieve these goals would need to be approved by the Michigan Legislature or the relevant regulatory agency. Additionally, Consumers has already surpassed the 28-percent reduction milestone for its owned electric generation and previously announced a goal of achieving net-zero carbon emissions from its electric business by 2040. Consumers does not expect any adverse changes to its environmental strategy as a result The 2023 Energy Law codifies much of this event. the Governor's goals. For additional details on the 2023 Energy Law, see the Planet section of the Executive Overview.

Increased frequency or intensity of severe or extreme weather events, including those due to climate change, could materially impact Consumers' facilities, energy sales, and results of operations. Consumers is unable to predict these events or their financial impact; events; however, Consumers evaluates the potential physical impacts of climate change on its operations, including increased frequency or intensity of storm activity; increased precipitation; increased temperature; and changes in lake and river levels. Consumers released a report addressing the physical risks of climate change on its infrastructure in 2022. Consumers is taking steps to mitigate these risks as appropriate.

While Consumers cannot predict the outcome of changes in U.S. policy or of other legislative, executive, or regulatory initiatives involving the potential regulation or reporting of greenhouse gases, it intends to move forward with its Clean Energy Plan, its present net-zero goals, and its emphasis on reliable and resilient supply. Litigation, international treaties, executive orders, federal laws and regulations (including regulations by the EPA), and state laws and regulations, if enacted or ratified, could ultimately impact Consumers. Consumers may be required to:

- replace equipment
- install additional emission control equipment
- purchase emission allowances or credits (including potential greenhouse gas offset credits)
- curtail operations
- arrange for alternative sources of supply
- purchase or build facilities that generate fewer emissions
- mothball, sell, or retire facilities that generate certain emissions
- pursue energy efficiency or demand response measures more swiftly
- take other steps to manage, sequester, or lower the emission of greenhouse gases

Although associated capital or operating costs relating to greenhouse gas regulation or legislation could be material and cost recovery cannot be assured, Consumers expects to recover these costs in rates consistent with the recovery of other reasonable costs of complying with environmental laws and regulations.

CCRs: In 2015, the EPA published a rule regulating CCRs under RCRA. This rule adopts minimum standards for the disposal of non-hazardous CCRs in CCR landfills and surface impoundments and criteria for the beneficial use of CCRs. The rule also sets out conditions under which some CCR units would be forced to cease receiving CCR wastewater and initiate closure. Due to continued litigation, many aspects of the rule have been remanded to the EPA, resulting in more proposed and final rules.

Separately, Congress passed legislation in 2016 allowing participating states to develop permitting programs for CCRs under RCRA Subtitle D. The EPA was granted authority to review these permitting programs to determine if permits issued under the proposed program would be as protective as the federal rule. Once approved, permits issued from an authorized state would replace the requirement to certify compliance with each aspect of the CCR rule. In 2020, EGLE submitted a regulatory package for Michigan's permit program to the EPA for its review, which is still pending.

Consumers, with agreement from EGLE, completed the work necessary to initiate closure by excavating CCRs or placing a final cover over each of its relevant CCR units prior to the closure initiation deadline. Consumers has historically been authorized to recover in electric rates costs related to coal ash disposal sites.

Water: Multiple water-related regulations apply, or may apply, to Consumers.

The EPA regulates cooling water intake systems of existing electric generating plants under Section 316(b) of the Clean Water Act. The rules seek to reduce alleged harmful impacts on aquatic organisms, such as fish. In 2018, Consumers submitted to EGLE for approval all required studies and recommended plans to comply with Section 316(b) for its coal-fueled units, but has not yet received final approval.

The EPA also regulates the discharge of wastewater through its effluent limitation guidelines for steam electric generating plants. In 2020, the EPA revised previous guidelines related to the discharge of certain wastewater, but allowed for extension of the compliance deadline from the end of 2023 to the end of 2025, upon approval by EGLE through the NPDES permitting process. Consumers received such an extension to 2025 for its J.H. Campbell coal-fueled generating facility, units, which it plans to retire in 2025. In March 2023, the EPA released a proposed rule seeking to replace its 2020 rule and corresponding effluent limitation guidelines. Consumers is evaluating the proposed effluent limitation guidelines for its potential impacts on its generating facilities.

In recent years, the EPA and the U.S. Army Corps of Engineers have proposed changes to the scope of federal jurisdiction over bodies of water and to the frequency of dual jurisdiction in states with authority to regulate the same waters; Michigan is one such state. A 2022 rule changed the definition of “Waters of the United States,” which defines the scope of waters protected under the Clean Water Act. Additionally, in May 2023, the U.S. Supreme Court issued a decision reducing the scope of “Waters of the United States.” Consumers does not expect adverse changes to its environmental strategy as a result of the current interpretations and court decision.

Many of Consumers’ facilities maintain NPDES permits, which are vital to the facilities’ operations. Consumers applies for renewal of these permits every five years. Failure of EGLE to renew any NPDES permit, a successful appeal against a permit, a change in the interpretation or scope of NPDES permitting, or onerous terms contained in a permit could have a significant detrimental effect on the operations of a facility.

Protected Wildlife: Multiple regulations apply, or may apply, to Consumers relating to protected species and habitats.

Statutes like the federal Endangered Species Act, the Migratory Bird Treaty Act, and the Bald and Golden Eagle Protection Act of 1940 may impact operations at Consumers’ facilities. In 2021, the U.S. Fish and Wildlife Service announced its intent to regulate incidental take under the Migratory Bird Treaty Act. Similarly, the U.S. Fish and Wildlife Service in February 2024 published a final rule providing for bald eagle general permits for wind farms and electric distribution systems. Any resulting permitting and monitoring fees and/or restrictions on operations could impact Consumers’ existing and future operations, including wind and solar generation facilities.

Additionally, Consumers is monitoring proposed changes to the listing status of several species within its operational area due to an increase in wildlife-related regulatory activity at federal and state levels. A change in species listed under the Endangered Species Act may impact Consumers’ costs to mitigate its impact on protected species and habitats at certain existing facilities as well as siting choices for new facilities.

Other Matters: Other electric environmental matters could have a material impact on Consumers’ outlook. For additional details on other electric environmental matters, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Consumers Electric Utility Contingencies—Electric Environmental Matters.

Consumers Gas Utility Outlook and Uncertainties

Gas Deliveries: Consumers’ gas customer deliveries are seasonal. The peak demand for natural gas typically occurs in the winter due to colder temperatures and the resulting use of natural gas as heating fuel.

Over the next five years, Consumers expects weather-normalized gas deliveries to remain stable relative to 2022. 2023. This outlook reflects modest growth in gas demand, offset by the effects of energy waste reduction programs offset largely by modest growth in gas demand. programs. Actual delivery levels will depend on:

- weather fluctuations
- use by power producers
- availability and development of renewable energy sources
- gas price changes
- Michigan’s economic conditions, including population trends and housing activity
- the price or demand of competing energy sources or fuels
- energy efficiency and conservation impacts

Gas Rate Matters: Rate matters are critical to Consumers’ gas utility business. For additional details on rate matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

2022 2023 Gas Rate Case: In December 2022, 2023, Consumers filed an application with the MPSC seeking an annual rate increase of $212 $136 million based on a 10.25-10.25-percent authorized return on equity for the projected 12-12-month period ending September 30, 2024. In

June 2023, Consumers reduced its requested annual rate increase to $175 million, based on a 10.25-percent authorized return on equity. In August 2023, the MPSC approved a settlement agreement authorizing an annual rate increase of $95 million, based on a 9.9-percent authorized return on equity, effective October 1, 2023 September 30, 2025. The MPSC also authorized the use of a cost deferral mechanism filing requests authority to recover new infrastructure investment and related costs that will are expected to allow Consumers to defer for future recovery continue to provide safe, reliable, affordable, and increasingly cleaner natural gas service.

Presented in the following table are the components of the requested increase in revenue:

		In Millions
Projected 12-Month Period Ending September 30		2025
Components of the requested rate increase		
Investment in rate base	$	75
Operating and maintenance costs		(14)
Cost of capital		45
Sales and other revenue		30
Subtotal	$	136
Home products credit[1]		(14)
Total	$	122

[1] Consumers has proposed to share voluntarily half of the gain to be recognized on the sale of its unregulated appliance service plan program (discussed below).

The MPSC must issue a final order in this case before or refund pension and OPEB expense above the amounts used in October 2024.

Gain Sharing Application: In February 2024, Consumers signed an agreement to set existing rates.

Postretirement Benefits Expense Accounting Application: *sell its unregulated appliance service plan program to a non-affiliated company. Also in February 2024, Consumers* In January 2023, Consumers filed an application requesting the MPSC's approval to share voluntarily with customers half of the MPSC, requesting authority gain, net of transaction costs, to defer be recognized on this sale. In Consumers' 2023 gas rate case, it has proposed sharing the future recovery or refund of pension and OPEB expenses above or below the amounts used to set existing rates, respectively. Consumers requested this accounting treatment to begin in 2023 and to continue until rates are reset gain with customers over five years in the 2022 gas rate case. In March 2023, form of a surcharge credit.

The sale was completed in April 2024. Consumers received proceeds of $124 million from the MPSC denied Consumers' application, instead recommending that this would transaction and expects to recognize a pre-tax gain of approximately $55 million in the second quarter of 2024, both of which may be more appropriately considered as part of Consumers' 2022 gas rate case. impacted by customary post-closing adjustments.

Gas Pipeline and Storage Integrity and Safety: The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration has published various rules that expand federal safety standards for gas transmission pipelines and underground storage facilities. Initial expanded requirements for transmission pipelines took effect in 2020, with additional requirements released in 2023. There are also proposed rules expanding requirements for gas distribution systems pending. To comply with these rules, Consumers will incur increased capital and operating and maintenance costs to install and remediate pipelines and to expand inspections, maintenance, and monitoring of its existing pipelines and storage facilities.

Although associated capital or operating and maintenance costs relating to these regulations could be material and cost recovery cannot be assured, Consumers expects to recover such costs in rates consistent with the recovery of other reasonable costs of complying with laws and regulations.

Gas Environmental Outlook: Consumers expects to incur response activity costs at a number of sites, including 23 former MGP sites. For additional details, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Consumers Gas Utility Contingencies—Gas Environmental Matters. Contingencies.

Consumers' gas operations are subject to various federal, state, and local environmental laws and regulations. Multiple environmental laws and regulations are subject to litigation. Consumers' primary environmental compliance focus includes, but is not limited to, the following matters.

Air Quality: Multiple air quality regulations apply, or may apply, to Consumers' gas utility.

In June 2023, the EPA published the "Good Neighbor Plan," a revision to CSAPR that impacts Michigan. This regulation will reduce interstate air pollution transport issues that EPA modeling suggests contribute to downwind states attaining or maintaining compliance with the NAAQS for ozone. While prior CSAPR

regulations focused only on electric generating units, this latest rule includes other emission sources, including engines at natural gas compressor stations. Compliance with new NOx emission limits is required by May 2026, unless the EPA approves an extension. Consumers expects to incur costs to retrofit or replace equipment at some of its compressor stations.

In 2015, the EPA lowered the NAAQS for ozone and made it more difficult to construct or modify natural gas compressor stations and other emission sources in areas of the country that do not meet the ozone standard. As of May 2023, three counties in western Michigan have been designated as not meeting the ozone standard. One of Consumers' compressor stations is located in an ozone nonattainment area. Consequently, Consumers has initiated plans to retrofit equipment at this compressor station to lower NOx emissions and comply with a rule proposed by the State of Michigan, as required for a source located in a moderate ozone nonattainment area. Additionally, in January 2023, the EPA proposed lowering the NAAQS for particulate matter. Consumers will continue to monitor NAAQS rulemakings and evaluate potential impacts to its compressor stations and other applicable natural gas storage and delivery assets.

Greenhouse Gases: There is increasing interest at the federal, state, and local levels in potential regulation of greenhouse gases or their sources. Such In January 2024, the EPA proposed a new fee for emitting certain waste from petroleum and natural gas systems, as directed under the Inflation Reduction Act of 2022. The proposed fees could apply to methane emissions from transmission pipeline, compression, or underground storage that exceed annual thresholds; however, initial analysis indicates Consumers would not be subject to fees under its routine operations. This regulation or others, if adopted, may involve requirements to reduce methane emissions from Consumers' gas utility operations and carbon dioxide emissions from customer use of natural gas. No such measures apply Consumers will continue to Consumers at monitor this time. proposed rule for potential impacts.

In 2020, Michigan's Governor signed an executive order creating the Michigan Healthy Climate Plan, which outlines goals for Michigan to achieve economy-wide net-zero greenhouse gas emissions and to be carbon neutral by 2050. The executive order aims for a 28-percent reduction below 2005 levels of greenhouse gas emissions by 2025. For additional details on the executive order, see Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

Under the Paris Agreement, an international agreement addressing greenhouse gas emissions, the U.S. has committed to reduce greenhouse gas emissions by 50 to 52 percent from 2005 levels by 2030. The commitment made by the U.S. is not binding without new Congressional legislation. Consumers continues to monitor these initiatives and comment as appropriate. Consumers cannot predict the impact of any potential future legislation or regulation on its gas utility.

Consumers is making voluntary efforts to reduce its gas utility's methane emissions. Under its Methane Reduction Plan, Consumers has set a goal of net-zero methane emissions from its natural gas delivery system by 2030. Consumers plans to reduce methane emissions from its system by about 80 percent, from 2012 baseline levels, by accelerating the replacement of aging pipe, rehabilitating or retiring outdated infrastructure, and adopting new technologies and practices. The remaining emissions will likely be offset by purchasing and/or producing renewable natural gas. To date, Consumers has reduced methane emissions by more than 20 25 percent.

In March 2022, Consumers also announced a net-zero greenhouse gas emissions target for its entire natural gas system by 2050. This includes suppliers and customers, and has an interim goal of reducing customer emissions by 20 percent by 2030. Consumers' Natural Gas Delivery Plan, a rolling ten-year strategic investment plan to deliver safe, reliable, clean, and affordable natural gas to customers, outlines ways in which Consumers can make early progress toward these goals in a cost-effective manner, including energy waste reduction, or energy efficiency, carbon offsets, and renewable natural gas supply.

Consumers has already initiated work in these key areas, continuing to expand its energy waste reduction targets, launching a program allowing gas customers to purchase carbon offset credits on a voluntary basis, and announcing plans to begin development of renewable natural gas facilities that will capture methane from manure generated at Michigan-based farms and convert it into renewable natural gas.

Consumers is evaluating and monitoring newer technologies to determine their role in achieving Consumers' interim and long-term net-zero goals, including hydrogen, biofuels, and synthetic methane; carbon capture sequestration systems; and other innovative technologies.

NorthStar Clean Energy Outlook and Uncertainties

CMS Energy's primary focus with respect to its NorthStar Clean Energy businesses is to maximize the value of generating assets, its share of which represents 1,658 MW of capacity, and to pursue opportunities for the development of renewable generation projects.

In August 2023, NorthStar Clean Energy sold a Class A membership interest in Newport Solar Holdings to tax equity investors. Newport Solar Holdings wholly owns Newport Solar, LLC, a 180-MW solar generation project located in Jackson County, Arkansas. The tax equity investors contributed $17 million to Newport Solar Holdings in August 2023 and $69 million in October 2023, after the project became commercially operational. All of the project's nameplate capacity has been committed under a 15-year PPA. NorthStar Clean Energy retained a Class B membership interest in Newport Solar Holdings. Earnings, tax attributes, and cash flows generated by Newport Solar Holdings will be allocated among and distributed to the membership classes in accordance with the ratios specified in the associated limited liability company operating agreement; these ratios change over time and are not representative of the ownership interest percentages of each membership class.

NorthStar Clean Energy's operations may be subject to various federal, state, and local environmental laws and regulations. Multiple environmental laws and regulations are subject to litigation. NorthStar Clean Energy's primary environmental compliance focus includes, but is not limited to, the following matters.

CSAPR requires Michigan and many other states to improve air quality by reducing power plant emissions that, according to EPA modeling, contribute to ground-level ozone in other downwind states. Since its 2015 effective date, CSAPR has been revised several times. In June 2023, the EPA published the "Good Good Neighbor Plan," a revision to CSAPR. This regulation tightens allowance budgets for electric generating units in Michigan between 2023 and 2029 and changes the mechanism for allocating such allowances on a year-over-year basis beginning in 2026. NorthStar Clean Energy is evaluating this rule and its impact on NorthStar Clean Energy's emission sources and may incur increased costs in allowance purchases to purchase allowances or equipment retrofits.

In 2015, the EPA lowered the NAAQS for ozone and made it more difficult to construct or modify power plants and other emission sources in areas of the country that do not meet the ozone standard. As of May 2023, three counties in western Michigan have been designated as not meeting the ozone standard. None of NorthStar Clean Energy's facilities are located in the nonattainment counties. retrofit equipment.

For additional details regarding the ozone or fine particulate matter NAAQS or CSAPR, rule, including the Good Neighbor Plan, see Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

In May 2023, the EPA released its proposed rule to address greenhouse gas emissions from existing fossil-fuel-fired and natural gas-fueled electric generating units. This However, the EPA announced in March 2024 that the final rule, expected in April or May 2024, will not cover existing natural gas-fueled facilities.Instead, the EPA expects to cover those facilities in a future rulemaking. If these proposed regulation regulations ultimately apply to NorthStar Clean Energy's facilities, they could have a material financial and operational impact on impact. NorthStar Clean Energy if will continue to follow the regulation ultimately applies finalization of this rule and any subsequent rules to control greenhouse gases and will continue to evaluate potential impacts to its facilities. The EPA is scheduled to finalize the rule in April 2024. operations.

Many of NorthStar Clean Energy's facilities maintain NPDES permits, which are vital to the facilities' operations. NorthStar Clean Energy applies for renewal of these permits every five years. Failure of EGLE to renew any NPDES permit, a successful appeal against a permit, a change in the interpretation or scope of NPDES permitting, or onerous terms contained in a permit could have a significant detrimental effect on the operations of a facility.

Trends, uncertainties, and other matters related to NorthStar Clean Energy that could have a material impact on CMS Energy's consolidated income, cash flows, or financial position include:

- investment in and financial benefits received from renewable energy and energy storage projects
- changes in energy and capacity prices
- severe weather events and climate change associated with increasing levels of greenhouse gases
- changes in commodity prices on certain derivative contracts that do not qualify for hedge accounting and must be marked to market through earnings
- changes in various environmental laws, regulations, principles, or practices, or in their interpretation
- indemnity obligations assumed in connection with ownership interests in facilities that involve tax equity financing
- representations, warranties, and indemnities provided by CMS Energy in connection with sales of assets
- delays or difficulties in obtaining environmental permits for facilities located in areas associated with environmental justice concerns

For additional details regarding NorthStar Clean Energy's uncertainties, see Notes to the Unaudited Consolidated Financial Statements—Note 2, Contingencies and Commitments—Guarantees.

Other Outlook and Uncertainties

Litigation: CMS Energy, Consumers, and certain of their subsidiaries are named as parties in various litigation matters, as well as in administrative proceedings before various courts and governmental agencies, arising in the ordinary course of business. For additional details regarding these and other legal matters, see Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

Employee Separation Program: In April 2023, CMS Energy and Consumers announced a voluntary separation program for non-union employees. For the nine months ended September 30, 2023, CMS Energy and Consumers recorded a pre-tax charge of $33 million related to the program, under which more than 400 employees were approved for and accepted early separation.

New Accounting Standards

There are no new accounting standards issued but not yet effective that are expected to have a material impact on CMS Energy's or Consumers' consolidated financial statements.

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CMS Energy Corporation

Consolidated Statements of Income (Unaudited)

				In Millions, Except Per Share Amounts
	Three Months Ended		Nine Months Ended	
September 30	2023	2022	2023	2022
Operating Revenue	$ 1,673	$ 2,024	$ 5,512	$ 6,318
Operating Expenses				
Fuel for electric generation	162	312	409	720
Purchased and interchange power	377	572	1,060	1,510
Purchased power – related parties	21	21	57	56
Cost of gas sold	42	118	673	802
Maintenance and other operating expenses	447	413	1,284	1,139
Depreciation and amortization	262	243	870	830
General taxes	91	87	330	308
Total operating expenses	1,402	1,766	4,683	5,365
Operating Income	271	258	829	953
Other Income (Expense)				
Non-operating retirement benefits, net	45	54	135	154
Other income	34	5	152	11
Other expense	(2)	(5)	(8)	(20)
Total other income	77	54	279	145
Interest Charges				
Interest on long-term debt	158	127	454	370
Interest expense – related parties	3	3	9	9
Other interest expense	4	—	10	2
Allowance for borrowed funds used during construction	(1)	—	(2)	(1)
Total interest charges	164	130	471	380
Income Before Income Taxes	184	182	637	718
Income Tax Expense	11	19	81	72
Income From Continuing Operations	173	163	556	646
Income From Discontinued Operations, Net of Tax of $—, $—, $—, and $1	—	—	1	4
Net Income	173	163	557	650
Loss Attributable to Noncontrolling Interests	(3)	(2)	(21)	(16)
Net Income Attributable to CMS Energy	176	165	578	666
Preferred Stock Dividends	2	2	7	7
Net Income Available to Common Stockholders	$ 174	$ 163	$ 571	$ 659

In Millions, Except Per Share Amounts				
	Three Months Ended		Nine Months Ended	
September 30	2023	2022	2023	2022
Basic Earnings Per Average Common Share				
Income from continuing operations per average common share available to common stockholders	$ 0.60	$ 0.56	$ 1.96	$ 2.26
Income from discontinued operations per average common share available to common stockholders	—	—	—	0.01
Basic earnings per average common share	$ 0.60	$ 0.56	$ 1.96	$ 2.27
Diluted Earnings Per Average Common Share				
Income from continuing operations per average common share available to common stockholders	$ 0.60	$ 0.56	$ 1.96	$ 2.26
Income from discontinued operations per average common share available to common stockholders	—	—	—	0.01
Diluted earnings per average common share	$ 0.60	$ 0.56	$ 1.96	$ 2.27

In Millions, Except Per Share Amounts		
Three Months Ended March 31	2024	2023
Operating Revenue	$ 2,176	$ 2,284
Operating Expenses		
Fuel for electric generation	156	137
Purchased and interchange power	314	341
Purchased power – related parties	18	19
Cost of gas sold	351	547
Maintenance and other operating expenses	402	431
Depreciation and amortization	368	353
General taxes	155	142
Total operating expenses	1,764	1,970
Operating Income	412	314
Other Income (Expense)		
Non-operating retirement benefits, net	44	45
Other income	44	15
Other expense	(2)	(4)
Total other income	86	56
Interest Charges		
Interest on long-term debt	172	144
Interest expense – related parties	3	3
Other interest expense	2	—
Total interest charges	177	147
Income Before Income Taxes	321	223
Income Tax Expense	58	29
Net Income	263	194
Loss Attributable to Noncontrolling Interests	(24)	(10)
Net Income Attributable to CMS Energy	287	204

Preferred Stock Dividends		2		2
Net Income Available to Common Stockholders	$	285	$	202
Basic Earnings Per Average Common Share	$	0.96	$	0.69
Diluted Earnings Per Average Common Share	$	0.96	$	0.69

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions

In Millions

In Millions

		Three Months Ended		Nine Months Ended	
September 30		2023	2022	2023	2022
Three Months Ended March 31					
Three Months Ended March 31					
Three Months Ended March 31					
Net Income					
Net Income					
Net Income	**Net Income**	$173	$ 163	$557	$650
Retirement Benefits Liability	**Retirement Benefits Liability**				
Net gain (loss) arising during the period, net of tax of $—, $(1), $—, and $—		—	(1)	1	1
Retirement Benefits Liability					
Retirement Benefits Liability					
Net gain arising during the period, net of tax of $— for both periods					
Net gain arising during the period, net of tax of $— for both periods					
Net gain arising during the period, net of tax of $— for both periods					
Amortization of net actuarial loss, net of tax of $1, $—, $1, and $1		—	1	1	3
Amortization of prior service credit, net of tax of $— for all periods		—	—	(1)	—
Amortization of net actuarial loss, net of tax of $— for both periods					
Amortization of net actuarial loss, net of tax of $— for both periods					

Amortization of net actuarial loss, net of tax of $— for both periods					
Derivatives					
Unrealized gain on derivative instruments, net of tax of $—, $—, $—, and $1		—	—	—	2
Reclassification adjustments included in net income, net of tax of $— for all periods		—	—	—	1
Other Comprehensive Income					
Other Comprehensive Income					
Other Comprehensive Income	**Other Comprehensive Income**	—	—	1	7
Comprehensive Income	**Comprehensive Income**	173	163	558	657
Comprehensive Income					
Comprehensive Income					
Comprehensive Loss Attributable to Noncontrolling Interests					
Comprehensive Loss Attributable to Noncontrolling Interests					
Comprehensive Loss Attributable to Noncontrolling Interests	**Comprehensive Loss Attributable to Noncontrolling Interests**	(3)	(2)	(21)	(16)
Comprehensive Income Attributable to CMS Energy	**Comprehensive Income Attributable to CMS Energy**	$176	$ 165	$579	$673
Comprehensive Income Attributable to CMS Energy					
Comprehensive Income Attributable to CMS Energy					

The accompanying notes are an integral part of these statements.

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CMS Energy Corporation

Consolidated Statements of Cash Flows (Unaudited)

In Millions

Nine Months Ended September 30	2023	2022
		In Millions
		In Millions
Three Months Ended March 31		
Cash Flows from Operating Activities		
Cash Flows from Operating Activities		
Cash Flows from Operating Activities		
Net income	$ 557	$ 650
Net income		
Net income		
Adjustments to reconcile net income to net cash provided by operating activities		
Adjustments to reconcile net income to net cash provided by operating activities		
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	870	830
Depreciation and amortization		
Depreciation and amortization		
Deferred income taxes and investment tax credits		
Deferred income taxes and investment tax credits		

Deferred income taxes and investment tax credits	Deferred income taxes and investment tax credits	96	58
Other non-cash operating activities and reconciling adjustments	Other non-cash operating activities and reconciling adjustments	(171)	(65)
Other non-cash operating activities and reconciling adjustments			
Other non-cash operating activities and reconciling adjustments			
Changes in assets and liabilities			
Changes in assets and liabilities			
Changes in assets and liabilities	*Changes in assets and liabilities*		
Accounts receivable and accrued revenue	Accounts receivable and accrued revenue	497	(257)
Accounts receivable and accrued revenue			
Accounts receivable and accrued revenue			
Inventories			
Inventories			
Inventories	Inventories	63	(637)
Accounts payable and accrued rate refunds	Accounts payable and accrued rate refunds	(123)	25
Accounts payable and accrued rate refunds			
Accounts payable and accrued rate refunds			
Other current assets and liabilities			
Other current assets and liabilities			
Other current assets and liabilities	Other current assets and liabilities	(56)	18

Other non-current assets and liabilities	Other non-current assets and liabilities	171	45
Other non-current assets and liabilities			
Other non-current assets and liabilities			
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash provided by operating activities	Net cash provided by operating activities	1,904	667
Cash Flows from Investing Activities	**Cash Flows from Investing Activities**		
Cash Flows from Investing Activities			
Cash Flows from Investing Activities			
Capital expenditures (excludes assets placed under finance lease)	Capital expenditures (excludes assets placed under finance lease)	(1,799)	(1,738)
Covert Generating Facility acquisition		(812)	—
Capital expenditures (excludes assets placed under finance lease)			
Capital expenditures (excludes assets placed under finance lease)			
Cost to retire property and other investing activities			
Cost to retire property and other investing activities			
Cost to retire property and other investing activities	Cost to retire property and other investing activities	(126)	(70)
Net cash used in investing activities	Net cash used in investing activities	(2,737)	(1,808)
Net cash used in investing activities			
Net cash used in investing activities			

Cash Flows from Financing Activities			
Cash Flows from Financing Activities			
Cash Flows from Financing Activities	**Cash Flows from Financing Activities**		
Proceeds from issuance of debt	Proceeds from issuance of debt	2,905	1,349
Proceeds from issuance of debt			
Proceeds from issuance of debt			
Retirement of debt			
Retirement of debt			
Retirement of debt	Retirement of debt	(1,846)	(92)
Increase in notes payable		227	—
Decrease in notes payable			
Decrease in notes payable			
Decrease in notes payable			
Issuance of common stock			
Issuance of common stock			
Issuance of common stock	Issuance of common stock	10	10
Payment of dividends on common and preferred stock	Payment of dividends on common and preferred stock	(435)	(410)
Proceeds from the sale of membership interest in VIE to tax equity investor		17	49
Contribution from noncontrolling interest		6	2
Payment of dividends on common and preferred stock			
Payment of dividends on common and preferred stock			
Other financing costs			
Other financing costs			
Other financing costs	Other financing costs	(49)	(48)
Net cash provided by financing activities	Net cash provided by financing activities	835	860

Net Increase (Decrease) in Cash and Cash Equivalents, Including Restricted Amounts	2	(281)

Net cash provided by financing activities

Net cash provided by financing activities

Net Increase in Cash and Cash Equivalents, Including Restricted Amounts

Net Increase in Cash and Cash Equivalents, Including Restricted Amounts

Net Increase in Cash and Cash Equivalents, Including Restricted Amounts

Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period

Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period

Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	**Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period**	182	476
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	**Cash and Cash Equivalents, Including Restricted Amounts, End of Period**	$ 184	$ 195

Cash and Cash Equivalents, Including Restricted Amounts, End of Period

Cash and Cash Equivalents, Including Restricted Amounts, End of Period

Other Non-cash Investing and Financing Activities

Other Non-cash Investing and Financing Activities

Other Non-cash Investing and Financing Activities

Non-cash transactions	*Non-cash transactions*

Non-cash transactions

Non-cash transactions

Capital expenditures not paid

Capital expenditures not paid

Capital expenditures not paid	Capital expenditures not paid	$ 268	$ 227

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Balance Sheets (Unaudited)

ASSETS *In Millions*

		September 30 2023	December 31 2022	March 31 2024	March 31 2024	December 31 2023
Current Assets	**Current Assets**					
Cash and cash equivalents	Cash and cash equivalents	$ 157	$ 164			
Cash and cash equivalents						
Cash and cash equivalents						
Restricted cash and cash equivalents	Restricted cash and cash equivalents	27	18			
Accounts receivable and accrued revenue, less allowance of $26 in 2023 and $27 in 2022		681	1,564			
Accounts receivable and accrued revenue, less allowance of $23 in 2024 and $21 in 2023						
Accounts receivable – related parties	Accounts receivable – related parties	9	16			
Accounts receivable – related parties						
Accounts receivable – related parties						
Inventories at average cost	*Inventories at average cost*					
Inventories at average cost						
Inventories at average cost						
Gas in underground storage						
Gas in underground storage						

Gas in underground storage	Gas in underground storage	725	840
Materials and supplies	Materials and supplies	255	212
Generating plant fuel stock	Generating plant fuel stock	80	65
Deferred property taxes	Deferred property taxes	255	384
Regulatory assets	Regulatory assets	169	57
Prepayments and other current assets	Prepayments and other current assets	91	113
Prepayments and other current assets			
Prepayments and other current assets			
Total current assets	Total current assets	2,449	3,433
Plant, Property, and Equipment	**Plant, Property, and Equipment**		
Plant, property, and equipment, gross			
Plant, property, and equipment, gross			
Plant, property, and equipment, gross	Plant, property, and equipment, gross	31,997	30,491
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	8,929	8,960
Plant, property, and equipment, net	Plant, property, and equipment, net	23,068	21,531
Construction work in progress	Construction work in progress	1,626	1,182
Total plant, property, and equipment	Total plant, property, and equipment	24,694	22,713
Other Non-current Assets	**Other Non-current Assets**		
Regulatory assets	Regulatory assets	3,793	3,595

Regulatory assets			
Regulatory assets			
Accounts receivable	Accounts receivable	30	23
Investments	Investments	74	71
Postretirement benefits	Postretirement benefits	1,307	1,208
Other	Other	166	310
Other			
Other			
Total other non-current assets	Total other non-current assets	5,370	5,207
Total Assets	**Total Assets**	$ 32,513	$31,353

LIABILITIES AND EQUITY *In Millions*

		September 30 2023	December 31 2022
March 31 2024		March 31 2024	December 31 2023
Current Liabilities	**Current Liabilities**		
Current portion of long-term debt and finance leases			
Current portion of long-term debt and finance leases			
Current portion of long-term debt and finance leases	Current portion of long-term debt and finance leases	$ 1,043	$ 1,099
Notes payable	Notes payable	247	20
Accounts payable	Accounts payable	839	928
Accounts payable – related parties	Accounts payable – related parties	7	8
Accrued rate refunds	Accrued rate refunds	29	—
Accrued interest	Accrued interest	157	122
Accrued taxes	Accrued taxes	159	538
Regulatory liabilities	Regulatory liabilities	75	104
Other current liabilities	Other current liabilities	163	166
Other current liabilities			
Other current liabilities			

Total current liabilities	Total current liabilities	2,719	2,985
Non-current Liabilities	**Non-current Liabilities**		
Long-term debt			
Long-term debt			
Long-term debt	Long-term debt	14,114	13,122
Non-current portion of finance leases	Non-current portion of finance leases	63	68
Regulatory liabilities	Regulatory liabilities	3,889	3,796
Postretirement benefits	Postretirement benefits	105	108
Asset retirement obligations	Asset retirement obligations	768	746
Deferred investment tax credit	Deferred investment tax credit	127	129
Deferred income taxes	Deferred income taxes	2,541	2,407
Other non-current liabilities	Other non-current liabilities	429	397
Other non-current liabilities			
Other non-current liabilities			
Total non-current liabilities	Total non-current liabilities	22,036	20,773
Commitments and Contingencies (Notes 1 and 2)	**Commitments and Contingencies** (Notes 1 and 2)		**Commitments and Contingencies** (Notes 1 and 2)
Equity	**Equity**		
Common stockholders' equity	*Common stockholders' equity*		
Common stock, authorized 350.0 shares; outstanding 291.8 shares in 2023 and 291.3 shares in 2022		3	3
Common stockholders' equity			
Common stockholders' equity			
Common stock, authorized 350.0 shares in both periods; outstanding 298.6 shares in 2024 and 294.4 shares in 2023			
Common stock, authorized 350.0 shares in both periods; outstanding 298.6 shares in 2024 and 294.4 shares in 2023			
Common stock, authorized 350.0 shares in both periods; outstanding 298.6 shares in 2024 and 294.4 shares in 2023			

Other paid-in capital	Other paid-in capital	5,515	5,490
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(51)	(52)
Retained earnings	Retained earnings	1,495	1,350
Total common stockholders' equity	Total common stockholders' equity	6,962	6,791
Cumulative redeemable perpetual preferred stock, Series C, authorized 9.2 depositary shares; outstanding 9.2 depositary shares in both periods	Cumulative redeemable perpetual preferred stock, Series C, authorized 9.2 depositary shares; outstanding 9.2 depositary shares in both periods	224	224
Total stockholders' equity	Total stockholders' equity	7,186	7,015
Noncontrolling interests	Noncontrolling interests	572	580
Total equity	Total equity	7,758	7,595
Total Liabilities and Equity	**Total Liabilities and Equity**	$ 32,513	$31,353

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consolidated Statements of Changes in Equity (Unaudited)

				In Millions, Except Per Share Amounts
	Three Months Ended		Nine Months Ended	
September 30	2023	2022	2023	2022
Total Equity at Beginning of Period	$ 7,706	$ 7,471	$ 7,595	$ 7,188
Common Stock				
At beginning and end of period	3	3	3	3
Other Paid-in Capital				
At beginning of period	5,506	5,417	5,490	5,406
Common stock issued	9	6	32	27
Common stock repurchased	—	—	(7)	(10)
At end of period	5,515	5,423	5,515	5,423
Accumulated Other Comprehensive Loss				

At beginning of period	(51)	(52)	(52)	(59)
Retirement benefits liability				
At beginning of period	(51)	(52)	(52)	(56)
Net gain (loss) arising during the period	—	(1)	1	1
Amortization of net actuarial loss	—	1	1	3
Amortization of prior service credit	—	—	(1)	—
At end of period	(51)	(52)	(51)	(52)
Derivative instruments				
At beginning of period	—	—	—	(3)
Unrealized gain on derivative instruments	—	—	—	2
Reclassification adjustments included in net income	—	—	—	1
At end of period	—	—	—	—
At end of period	(51)	(52)	(51)	(52)
Retained Earnings				
At beginning of period	1,463	1,286	1,350	1,057
Net income attributable to CMS Energy	176	165	578	666
Dividends declared on common stock	(142)	(134)	(426)	(401)
Dividends declared on preferred stock	(2)	(2)	(7)	(7)
At end of period	1,495	1,315	1,495	1,315
Cumulative Redeemable Perpetual Preferred Stock, Series C				
At beginning and end of period	224	224	224	224
Noncontrolling Interests				
At beginning of period	561	593	580	557
Sale of membership interest in VIE to tax equity investor	17	—	17	49
Contribution from noncontrolling interest	—	—	6	2
Loss attributable to noncontrolling interests	(3)	(2)	(21)	(16)
Distributions and other changes in noncontrolling interests	(3)	—	(10)	(1)
At end of period	572	591	572	591
Total Equity at End of Period	$ 7,758	$ 7,504	$ 7,758	$ 7,504

In Millions, Except Per Share Amounts

In Millions, Except Per Share Amounts

In Millions, Except Per Share Amounts

	Three Months Ended		Nine Months Ended	
September 30	2023	2022	2023	2022
Three Months Ended March 31				
Three Months Ended March 31				
Three Months Ended March 31				
Total Equity at Beginning of Period				
Total Equity at Beginning of Period				

Total Equity at Beginning of Period
Common Stock
Common Stock
Common Stock
At beginning and end of period
At beginning and end of period
At beginning and end of period
Other Paid-in Capital
Other Paid-in Capital
Other Paid-in Capital
At beginning of period
At beginning of period
At beginning of period
Common stock issued
Common stock issued
Common stock issued
Common stock repurchased
Common stock repurchased
Common stock repurchased
At end of period
At end of period
At end of period
Accumulated Other Comprehensive Income (Loss)
Accumulated Other Comprehensive Income (Loss)
Accumulated Other Comprehensive Income (Loss)
Retirement benefits liability
Retirement benefits liability
Retirement benefits liability
At beginning of period
At beginning of period
At beginning of period
Net gain arising during the period
Net gain arising during the period
Net gain arising during the period
Amortization of net actuarial loss
Amortization of net actuarial loss
Amortization of net actuarial loss
At end of period
At end of period
At end of period
Retained Earnings
Retained Earnings

Retained Earnings
At beginning of period
At beginning of period
At beginning of period
Net income attributable to CMS Energy
Net income attributable to CMS Energy
Net income attributable to CMS Energy
Dividends declared on common stock
Dividends declared on common stock
Dividends declared on common stock
Dividends declared on preferred stock
Dividends declared on preferred stock
Dividends declared on preferred stock
At end of period
At end of period
At end of period
Cumulative Redeemable Perpetual Preferred Stock, Series C
Cumulative Redeemable Perpetual Preferred Stock, Series C
Cumulative Redeemable Perpetual Preferred Stock, Series C
At beginning and end of period
At beginning and end of period
At beginning and end of period
Noncontrolling Interests
Noncontrolling Interests
Noncontrolling Interests
At beginning of period
At beginning of period
At beginning of period
Loss attributable to noncontrolling interests
Loss attributable to noncontrolling interests
Loss attributable to noncontrolling interests
Other changes in noncontrolling interests

Other changes in noncontrolling interests									
Other changes in noncontrolling interests									
At end of period									
At end of period									
At end of period									
Total Equity at End of Period									
Total Equity at End of Period									
Total Equity at End of Period									
Dividends declared per common share									
Dividends declared per common share									
Dividends declared per common share	**Dividends declared per common share**	$	0.4875	$	0.4600	$	1.4625	$	1.3800
Dividends declared per preferred stock Series C depositary share	**Dividends declared per preferred stock Series C depositary share**	$	0.2625	$	0.2625	$	0.7875	$	0.7875
Dividends declared per preferred stock Series C depositary share									
Dividends declared per preferred stock Series C depositary share									

The accompanying notes are an integral part of these statements.

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Consumers Energy Company

Consolidated Statements of Income (Unaudited)

In Millions

In Millions

In Millions

		Three Months Ended		Nine Months Ended	
September 30		2023	2022	2023	2022
Three Months Ended March 31					
Three Months Ended March 31					
Three Months Ended March 31					
Operating Revenue					
Operating Revenue					
Operating Revenue	**Operating Revenue**	$1,596	$1,886	$5,291	$5,971
Operating Expenses	**Operating Expenses**				
Operating Expenses					
Operating Expenses					
Fuel for electric generation					
Fuel for electric generation					
Fuel for electric generation	Fuel for electric generation	131	233	314	530
Purchased and interchange power	Purchased and interchange power	364	556	1,024	1,461
Purchased and interchange power					
Purchased and interchange power					
Purchased power – related parties					
Purchased power – related parties					
Purchased power – related parties	Purchased power – related parties	21	21	57	56
Cost of gas sold	Cost of gas sold	41	114	670	792
Cost of gas sold					

Cost of gas sold					
Maintenance and other operating expenses					
Maintenance and other operating expenses					
Maintenance and other operating expenses	Maintenance and other operating expenses	425	393	1,214	1,076
Depreciation and amortization	Depreciation and amortization	250	233	839	802
Depreciation and amortization					
Depreciation and amortization					
General taxes					
General taxes					
General taxes	General taxes	90	84	323	299
Total operating expenses	Total operating expenses	1,322	1,634	4,441	5,016
Total operating expenses					
Total operating expenses					
Operating Income	**Operating Income**	274	252	850	955
Operating Income					
Operating Income					
Other Income (Expense)					
Other Income (Expense)					
Other Income (Expense)	**Other Income (Expense)**				
Non-operating retirement benefits, net	Non-operating retirement benefits, net	43	52	128	146
Non-operating retirement benefits, net					
Non-operating retirement benefits, net					
Other income					
Other income					
Other income	Other income	13	4	40	12
Other expense	Other expense	(3)	(5)	(8)	(19)
Other expense					
Other expense					
Total other income					
Total other income					
Total other income	Total other income	53	51	160	139
Interest Charges	**Interest Charges**				
Interest Charges					

Interest Charges					
Interest on long-term debt					
Interest on long-term debt					
Interest on long-term debt	Interest on long-term debt	106	81	306	231
Interest expense – related parties	Interest expense – related parties	6	3	13	9
Interest expense – related parties					
Interest expense – related parties					
Other interest expense	Other interest expense	3	1	9	2
Allowance for borrowed funds used during construction		(1)	—	(2)	(1)
Other interest expense					
Other interest expense					
Total interest charges					
Total interest charges					
Total interest charges	Total interest charges	114	85	326	241
Income Before Income Taxes	**Income Before Income Taxes**	213	218	684	853
Income Before Income Taxes					
Income Before Income Taxes					
Income Tax Expense	**Income Tax Expense**	35	29	107	108
Net Income		178	189	577	745
Preferred Stock Dividends		—	—	1	1
Income Tax Expense					
Income Tax Expense					
Net Income Available to Common Stockholder	**Net Income Available to Common Stockholder**	$ 178	$ 189	$ 576	$ 744
Net Income Available to Common Stockholder					
Net Income Available to Common Stockholder					

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Comprehensive Income (Unaudited)

In Millions

	In Millions				
	In Millions				
		Three Months Ended		Nine Months Ended	
September 30		2023	2022	2023	2022
Three Months Ended March 31					
Three Months Ended March 31					
Three Months Ended March 31					
Net Income	**Net Income**	$178	$ 189	$577	$745
Retirement Benefits Liability					
Net Income					
Net Income					
Amortization of net actuarial loss, net of tax of $— for all periods		1	1	1	2
Other Comprehensive Income					
Other Comprehensive Income					
Other Comprehensive Income	**Other Comprehensive Income**	1	1	1	2
Comprehensive Income	**Comprehensive Income**	$179	$ 190	$578	$747
Comprehensive Income					
Comprehensive Income					

The accompanying notes are an integral part of these statements.

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Consumers Energy Company

Consolidated Statements of Cash Flows (Unaudited)

In Millions

Nine Months Ended September 30		2023	2022
			In Millions
			In Millions
Three Months Ended March 31			
Cash Flows from Operating Activities			
Cash Flows from Operating Activities			
Cash Flows from Operating Activities	**Cash Flows from Operating Activities**		
Net income	Net income	$ 577	$ 745
Net income			
Net income			
Adjustments to reconcile net income to net cash provided by operating activities			
Adjustments to reconcile net income to net cash provided by operating activities			
Adjustments to reconcile net income to net cash provided by operating activities	*Adjustments to reconcile net income to net cash provided by operating activities*		
Depreciation and amortization	Depreciation and amortization	839	802
Depreciation and amortization			
Depreciation and amortization			
Deferred income taxes and investment tax credits			
Deferred income taxes and investment tax credits			

Deferred income taxes and investment tax credits	Deferred income taxes and investment tax credits	107	79
Other non-cash operating activities and reconciling adjustments	Other non-cash operating activities and reconciling adjustments	(48)	(57)
Other non-cash operating activities and reconciling adjustments			
Other non-cash operating activities and reconciling adjustments			
Changes in assets and liabilities			
Changes in assets and liabilities			
Changes in assets and liabilities	*Changes in assets and liabilities*		
Accounts and notes receivable and accrued revenue	Accounts and notes receivable and accrued revenue	474	(242)
Accounts and notes receivable and accrued revenue			
Accounts and notes receivable and accrued revenue			
Inventories			
Inventories			
Inventories	Inventories	64	(636)
Accounts payable and accrued rate refunds	Accounts payable and accrued rate refunds	(114)	(2)
Accounts payable and accrued rate refunds			
Accounts payable and accrued rate refunds			
Other current assets and liabilities			
Other current assets and liabilities			

Other current assets and liabilities	Other current assets and liabilities	(85)	38
Other non-current assets and liabilities	Other non-current assets and liabilities	152	34
Other non-current assets and liabilities			
Other non-current assets and liabilities			
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash provided by operating activities	Net cash provided by operating activities	1,966	761
Cash Flows from Investing Activities	**Cash Flows from Investing Activities**		
Cash Flows from Investing Activities			
Cash Flows from Investing Activities			
Capital expenditures (excludes assets placed under finance lease)	Capital expenditures (excludes assets placed under finance lease)	(1,658)	(1,642)
Covert Generating Facility acquisition		(812)	—
Capital expenditures (excludes assets placed under finance lease)			
Capital expenditures (excludes assets placed under finance lease)			
Cost to retire property and other investing activities			
Cost to retire property and other investing activities			
Cost to retire property and other investing activities	Cost to retire property and other investing activities	(122)	(73)

Net cash used in investing activities	Net cash used in investing activities	(2,592)	(1,715)
Net cash used in investing activities			
Net cash used in investing activities			
Cash Flows from Financing Activities			
Cash Flows from Financing Activities			
Cash Flows from Financing Activities	**Cash Flows from Financing Activities**		
Proceeds from issuance of debt	Proceeds from issuance of debt	2,020	1,349
Proceeds from issuance of debt			
Proceeds from issuance of debt			
Retirement of debt	Retirement of debt	(1,639)	(14)
Increase in notes payable		227	—
Retirement of debt			
Retirement of debt			
Decrease in notes payable			
Decrease in notes payable			
Decrease in notes payable			
Decrease in notes payable – related parties			
Decrease in notes payable – related parties			
Decrease in notes payable – related parties	Decrease in notes payable – related parties	—	(392)
Stockholder contribution	Stockholder contribution	475	685
Payment of dividends on common and preferred stock		(462)	(594)
Stockholder contribution			
Stockholder contribution			
Return of stockholder contribution			
Return of stockholder contribution			
Return of stockholder contribution			
Payment of dividends on common stock			
Payment of dividends on common stock			

Payment of dividends on common stock			
Other financing costs	Other financing costs	(21)	(14)
Net cash provided by financing activities		600	1,020
Net Increase (Decrease) in Cash and Cash Equivalents, Including Restricted Amounts		(26)	66
Other financing costs			
Other financing costs			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net cash provided by (used in) financing activities			
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts			
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts			
Net Increase in Cash and Cash Equivalents, Including Restricted Amounts			
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period			
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period			
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	**Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period**	60	44
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	**Cash and Cash Equivalents, Including Restricted Amounts, End of Period**	$ 34	$ 110
Cash and Cash Equivalents, Including Restricted Amounts, End of Period			
Cash and Cash Equivalents, Including Restricted Amounts, End of Period			

Other Non-cash Investing and Financing Activities			
Other Non-cash Investing and Financing Activities			
Other Non-cash Investing and Financing Activities			
Non-cash transactions	*Non-cash transactions*		
Non-cash transactions			
Non-cash transactions			
Capital expenditures not paid			
Capital expenditures not paid			
Capital expenditures not paid	Capital expenditures not paid	$ 264	$ 216

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Balance Sheets (Unaudited)

ASSETS *In Millions*

		September 30 2023	December 31 2022	March 31 2024	December 31 2023
March 31 2024					
Current Assets	**Current Assets**				
Current Assets					
Cash and cash equivalents	Cash and cash equivalents	$ 7	$ 43		
Restricted cash and cash equivalents	Restricted cash and cash equivalents	27	17		
Accounts receivable and accrued revenue, less allowance of $26 in 2023 and $27 in 2022		658	1,524		
Accounts receivable and accrued revenue, less allowance of $23 in 2024 and $21 in 2023					

Accounts and notes receivable – related parties	Accounts and notes receivable – related parties	9	10
Accounts and notes receivable – related parties			
Accounts and notes receivable – related parties			
Inventories at average cost	*Inventories at average cost*		
Inventories at average cost			
Inventories at average cost			
Gas in underground storage			
Gas in underground storage			
Gas in underground storage	Gas in underground storage	725	840
Materials and supplies	Materials and supplies	245	206
Generating plant fuel stock	Generating plant fuel stock	77	59
Deferred property taxes	Deferred property taxes	255	384
Regulatory assets	Regulatory assets	169	57
Prepayments and other current assets	Prepayments and other current assets	77	96
Total current assets	Total current assets	2,249	3,236
Plant, Property, and Equipment	**Plant, Property, and Equipment**		**Plant, Property, and Equipment**
Plant, property, and equipment, gross	Plant, property, and equipment, gross	30,825	29,342
Less accumulated depreciation and amortization	Less accumulated depreciation and amortization	8,730	8,791
Plant, property, and equipment, net	Plant, property, and equipment, net	22,095	20,551
Construction work in progress	Construction work in progress	1,321	994

Total plant, property, and equipment	Total plant, property, and equipment	23,416	21,545	
Other Non-current Assets	**Other Non-current Assets**			**Other Non-current Assets**
Regulatory assets	Regulatory assets	3,793	3,595	
Accounts receivable	Accounts receivable	36	29	
Accounts and notes receivable – related parties	Accounts and notes receivable – related parties	96	99	
Postretirement benefits	Postretirement benefits	1,217	1,126	
Other	Other	134	286	
Total other non-current assets	Total other non-current assets	5,276	5,135	
Total Assets	**Total Assets**	$ 30,941	$29,916	

LIABILITIES AND EQUITY

In Millions

		September 30 2023	December 31 2022	March 31 2024	March 31 2024	December 31 2023
Current Liabilities	**Current Liabilities**					
Current portion of long-term debt and finance leases	Current portion of long-term debt and finance leases	$ 622	$ 1,000			
Current portion of long-term debt and finance leases						
Current portion of long-term debt and finance leases						
Notes payable	Notes payable	247	20			
Notes payable – related parties		75	75			
Accounts payable						
Accounts payable						
Accounts payable	Accounts payable	801	864			
Accounts payable – related parties	Accounts payable – related parties	12	15			
Accrued rate refunds	Accrued rate refunds	29	—			
Accrued interest	Accrued interest	116	90			
Accrued taxes	Accrued taxes	168	556			

Regulatory liabilities	Regulatory liabilities	75	104	
Other current liabilities	Other current liabilities	133	147	
Total current liabilities	Total current liabilities	2,278	2,871	
Non-current Liabilities	**Non-current Liabilities**			
Long-term debt				
Long-term debt				
Long-term debt	Long-term debt	9,644	9,192	
Long-term debt – related parties	Long-term debt – related parties	294	—	
Non-current portion of finance leases	Non-current portion of finance leases	40	45	
Regulatory liabilities	Regulatory liabilities	3,889	3,796	
Postretirement benefits	Postretirement benefits	77	79	
Asset retirement obligations	Asset retirement obligations	736	722	
Deferred investment tax credit	Deferred investment tax credit	127	129	
Deferred income taxes	Deferred income taxes	2,729	2,585	
Other non-current liabilities	Other non-current liabilities	381	342	
Total non-current liabilities	Total non-current liabilities	17,917	16,890	
Commitments and Contingencies (Notes 1 and 2)	**Commitments and Contingencies** (Notes 1 and 2)			**Commitments and Contingencies** (Notes 1 and 2)
Equity	**Equity**			
Common stockholder's equity	*Common stockholder's equity*			
Common stockholder's equity				
Common stockholder's equity				
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods				
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods				
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods	Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods	841	841	

Other paid-in capital	Other paid-in capital	7,759	7,284
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(14)	(15)
Retained earnings	Retained earnings	2,123	2,008
Total common stockholder's equity	Total common stockholder's equity	10,709	10,118
Cumulative preferred stock, $4.50 series, authorized 7.5 shares; outstanding 0.4 shares in both periods	Cumulative preferred stock, $4.50 series, authorized 7.5 shares; outstanding 0.4 shares in both periods	37	37
Total equity	Total equity	10,746	10,155
Total Liabilities and Equity	**Total Liabilities and Equity**	$ 30,941	$29,916

The accompanying notes are an integral part of these statements.

Consumers Energy Company

Consolidated Statements of Changes in Equity (Unaudited)

In Millions

In Millions					
In Millions					
		Three Months Ended		Nine Months Ended	
September 30		2023	2022	2023	2022
Three Months Ended March 31					
Three Months Ended March 31					
Three Months Ended March 31					
Total Equity at Beginning of Period	**Total Equity at Beginning of Period**	$10,723	$10,087	$10,155	$ 9,279
Total Equity at Beginning of Period					
Total Equity at Beginning of Period					
Common Stock					
Common Stock					
Common Stock	**Common Stock**				
At beginning and end of period	At beginning and end of period	841	841	841	841

At beginning and end of period					
At beginning and end of period					
Other Paid-in Capital					
Other Paid-in Capital					
Other Paid-in Capital	**Other Paid-in Capital**				
At beginning of period	At beginning of period	7,759	7,284	7,284	6,599
At beginning of period					
At beginning of period					
Stockholder contribution	Stockholder contribution	—	—	475	685
Stockholder contribution					
Stockholder contribution					
Return of stockholder contribution					
Return of stockholder contribution					
Return of stockholder contribution					
At end of period	At end of period	7,759	7,284	7,759	7,284
At end of period					
At end of period					
Accumulated Other Comprehensive Loss					
Accumulated Other Comprehensive Loss					
Accumulated Other Comprehensive Loss	**Accumulated Other Comprehensive Loss**				
Retirement benefits liability	*Retirement benefits liability*				
At beginning of period		(15)	(31)	(15)	(32)
Retirement benefits liability					
Amortization of net actuarial loss		1	1	1	2
Retirement benefits liability					
At end of period		(14)	(30)	(14)	(30)
Retained Earnings					
At beginning and end of period					
At beginning and end of period					
At beginning and end of period					
Retained Earnings (Accumulated Deficit)					
Retained Earnings (Accumulated Deficit)					
Retained Earnings (Accumulated Deficit)					
At beginning of period					
At beginning of period					

At beginning of period	At beginning of period	2,101	1,956	2,008	1,834
Net income	Net income	178	189	577	745
Net income					
Net income					
Dividends declared on common stock	Dividends declared on common stock	(156)	(160)	(461)	(593)
Dividends declared on preferred stock		—	—	(1)	(1)
Dividends declared on common stock					
Dividends declared on common stock					
At end of period	At end of period	2,123	1,985	2,123	1,985
At end of period					
At end of period					
Cumulative Preferred Stock					
Cumulative Preferred Stock					
Cumulative Preferred Stock	**Cumulative Preferred Stock**				
At beginning and end of period	At beginning and end of period	37	37	37	37
At beginning and end of period					
At beginning and end of period					
Total Equity at End of Period	**Total Equity at End of Period**	$10,746	$10,117	$10,746	$10,117
Total Equity at End of Period					
Total Equity at End of Period					

The accompanying notes are an integral part of these statements.

CMS Energy Corporation

Consumers Energy Company

Notes to the Unaudited Consolidated Financial Statements

These interim consolidated financial statements have been prepared by CMS Energy and Consumers in accordance with GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. As a result, CMS Energy and Consumers have condensed or omitted certain information and note disclosures normally included in consolidated financial statements prepared in accordance with GAAP. CMS Energy and Consumers have reclassified certain prior period amounts to conform to the presentation in the present period.

CMS Energy and Consumers are required to make estimates using assumptions that may affect reported amounts and disclosures; actual results could differ from these estimates. In management's opinion, the unaudited information contained in this report reflects all adjustments of a normal recurring nature necessary to ensure that CMS Energy's and Consumers' financial position, results of operations, and cash flows for the periods presented are fairly stated. The notes to the unaudited consolidated financial statements and the related unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the 2022 2023 Form 10-K. Due to the seasonal nature of CMS Energy's and Consumers' operations, the results presented for this interim period are not necessarily indicative of results to be achieved for the fiscal year.

1: Regulatory Matters

Regulatory matters are critical to Consumers. The Michigan Attorney General, ABATE, the MPSC Staff, residential customer advocacy groups, environmental organizations, and certain other parties typically participate in MPSC proceedings concerning Consumers, such as Consumers' rate cases and PSCR power supply cost recovery and gas cost recovery processes. Intervenors also participate in certain FERC matters, including FERC's regulation of certain wholesale rates that affect Consumers' power supply costs. These parties often challenge various aspects of those proceedings, including the prudence of Consumers' policies and practices, and seek cost disallowances and other relief. The parties also have appealed significant MPSC orders. Depending upon the specific issues, the outcomes of rate cases and proceedings, including judicial proceedings challenging MPSC and FERC orders or other actions, could negatively affect CMS Energy's and Consumers' liquidity, financial condition, and results of operations. Consumers cannot predict the outcome of these proceedings.

There are multiple appeals pending that involve various issues concerning cost recovery from customers,**2023 Electric Rate Case:** In May 2023, Consumers filed an application with the MPSC's MPSC seeking a rate increase of $216 million, based on an authorized return on equity of 10.25 percent for the projected 12-month period ending February 28, 2025. In September 2023, Consumers revised its requested increase to $169 million. The filing requested authority to approve voluntary revenue refunds, recover costs related to new infrastructure investment primarily in distribution system reliability and other matters. Consumers is unable to predict the outcome of these appeals. cleaner energy resources.

2022 Electric Rate Case: In January 2023, March 2024, the MPSC approved a settlement agreement issued an order authorizing an annual rate increase of $155 $92 million, which is inclusive of a $9 million surcharge for the recovery of select distribution investments made in 2022 that exceeded the rates authorized in accordance with the December 2021 electric rate order. The approved rate increase is based on a 9.9-percent authorized return on equity. The MPSC also approved a surcharge for the recovery of $6 million of depreciation, property tax, and interest expense related to distribution investments made in 2021 that exceeded what was authorized in rates in accordance with the December 2020 electric rate order. The new rates became effective January 20, 2023 March 15, 2024.

Voluntary Refund Mechanism: In December 2022, the MPSC issued an order authorizing Consumers to refund $22 million voluntarily to utility customers. In April 2023, the MPSC approved the refund of $5 million in the form of contributions to programs that assist vulnerable gas customers. In May 2023, the MPSC approved the refund of $9 million in the form of bill assistance to support vulnerable electric customers and the refund of $8 million in the form of incremental vegetation management.

2022 PSCR Underrecovery: Due to rising fuel prices during 2022, the cost of electric generation increased, resulting in higher market prices for electricity. Accordingly, Consumers' power supply costs for 2022 were significantly higher than those projected in its 2022 PSCR plan. Consumers included a projection of its full-year 2022 underrecovery in the 2023 PSCR plan filed with the MPSC in September 2022.

In January 2023, Consumers filed a motion for a temporary order in its 2023 PSCR plan, requesting that the MPSC approve only a third of the 2022 underrecovery amount for recovery in 2023, with the remaining amount to be recovered equally during 2024 and 2025. The MPSC approved Consumers' motion in February 2023. Recovering the 2022 underrecovery over three years has provided immediate relief to electric customers, and the financial impact will be neutral to Consumers' earnings.

Meter Investigation: In July 2023, the MPSC issued an order initiating an investigation into Consumers' handling of malfunctioning meters and meters requiring transition from 3G to 4G, technology, estimated billing, and

new service installations. The order directed Consumers to provide information on such meters and their replacement, meter-reading performance, communications with customers and the MPSC regarding these issues, and other information; Consumers provided this information in August 2023.

As directed in the order, the MPSC Staff analyzed this information and made recommendations, including continued monitoring of Consumers' performance in these areas and penalties for failure to comply with MPSC service rules.

In October 2023, information. Subsequently, the MPSC issued a show-cause order directing Consumers to provide further information on consecutive estimated billings, the provision of actual meter readings, and new service installation issues.

In April 2024, Consumers signed an agreement with the MPSC Staff and Attorney General settling this matter. Under the settlement agreement, Consumers will pay a $1 million penalty to the MPSC and will return to customers a minimum of $3 million, which may be satisfied with amounts received through an associated claim Consumers has filed against a vendor. The MPSC also ordered Consumers to show cause why it should not be found to be in violation of rules governing billing and service quality and reliability. Consumers cannot predict the outcome of this matter, but it could be settlement agreement is subject to regulatory penalties that are not expected to have a material effect on Consumers' results of operations and Consumers could be subject to increased regulatory scrutiny. MPSC approval.

2: Contingencies and Commitments

CMS Energy and Consumers are involved in various matters that give rise to contingent liabilities. Depending on the specific issues, the resolution of these contingencies could negatively affect CMS Energy's and Consumers' liquidity, financial condition, and results of operations. In their disclosures of these matters, CMS Energy and Consumers provide an estimate of the possible loss or range of loss when such an estimate can be made. Disclosures stating that CMS Energy or Consumers cannot predict the outcome of a matter indicate that they are unable to estimate a possible loss or range of loss for the matter.

CMS Energy Contingencies

Bay Harbor: CMS Land retained environmental remediation obligations for the collection and treatment of leachate at Bay Harbor after selling its interests in the development in 2002. Leachate is produced when water enters into cement kiln dust piles left over from former cement plant operations at the site. In 2012, CMS Land and EGLE finalized an agreement establishing the final remedies and the future water quality criteria at the site. CMS Land completed all construction necessary to implement the remedies required by the agreement and will continue to maintain and operate a system to discharge treated leachate into Little Traverse Bay under an NPDES permit, which is valid through 2025.

At September 30, 2023 March 31, 2024, CMS Energy had a recorded liability of $44 million for its remaining obligations for environmental remediation. CMS Energy calculated this liability based on discounted projected costs,

using a discount rate of 4.34 percent and an inflation rate of one percent on annual operating and maintenance costs. The undiscounted amount of the remaining obligation is $54 $56 million. CMS Energy expects to pay the following amounts for long-term leachate disposal and operating and maintenance costs during the remainder of 2023 2024 and in each of the next five years:

In Millions

		2023	2024	2025	2026	2027	2028
CMS Energy	CMS Energy						
Long-term leachate disposal and operating and maintenance costs	Long-term leachate disposal and operating and maintenance costs	$ 1	$ 4	$ 4	$ 4	$ 4	$ 4

	2024	2024	2025	2026	2027	2028	2029
Long-term leachate disposal and operating and maintenance costs							

Long-term leachate disposal and operating and maintenance costs	

CMS Energy's estimate of response activity costs and the timing of expenditures could change if there are changes in circumstances or assumptions used in calculating the liability. Although a liability for its present estimate of remaining response activity costs has been recorded, CMS Energy cannot predict the ultimate financial impact or outcome of this matter.

Consumers Electric Utility Contingencies

Electric Environmental Matters: Consumers' operations are subject to environmental laws and regulations. Historically, Consumers has generally been able to recover, in customer rates, the costs to operate its facilities in compliance with these laws and regulations.

Cleanup and Solid Waste: Consumers expects to incur remediation and other response activity costs at a number of sites under NREPA. Consumers believes that these costs should be recoverable in rates, but cannot guarantee that outcome. Consumers estimates its liability for NREPA sites for which it can estimate a range of loss to be between $2 $4 million and $4 $5 million. At September 30, 2023 March 31, 2024, Consumers had a recorded liability of $2 $4 million, the minimum amount in the range of its estimated probable NREPA liability, as no amount in the range was considered a better estimate than any other amount.

Consumers is a potentially responsible party at a number of contaminated sites administered under CERCLA. CERCLA liability is joint and several. In 2010, Consumers received official notification from the EPA that identified Consumers as a potentially responsible party for cleanup of PCBs at the Kalamazoo River CERCLA site. The notification claimed that the EPA had reason to believe that Consumers disposed of PCBs and arranged for the disposal and treatment of PCB-containing materials at portions of the site. In 2011, Consumers received a follow-up letter from the EPA requesting that Consumers agree to participate in a removal action plan along with several other companies for an area of lower Portage Creek, which is connected to the Kalamazoo River. All parties asked to participate in the removal action plan, including Consumers, declined to accept liability. Until further information is received from the EPA, Consumers is unable to estimate a range of potential liability for cleanup of the river.

Based on its experience, Consumers estimates its share of the total liability for known CERCLA sites to be between $3 million and $8 million. Various factors, including the number and creditworthiness of potentially responsible parties involved with each site, affect Consumers' share of the total liability. At September 30, 2023 March 31, 2024, Consumers had a recorded liability of $3 million for its share of the total liability at these sites, the minimum amount in the range of its estimated probable CERCLA liability, as no amount in the range was considered a better estimate than any other amount.

The timing of payments related to Consumers' remediation and other response activities at its CERCLA and NREPA sites is uncertain. Consumers periodically reviews these cost estimates. A change in the underlying assumptions, such as an increase in the number of sites, different remediation techniques, the nature and extent of contamination, and legal and regulatory requirements, could affect its estimates of NREPA and CERCLA liability.

Ludington Plant Overhaul Contract Dispute: Consumers and DTE Electric, co-owners of Ludington, are parties to a 2010 engineering, procurement, and construction agreement with TAES, under which TAES contracted to perform a major overhaul and upgrade of Ludington. The overhauled Ludington units are operational, but TAES' work has been defective and non-conforming. Consumers and DTE Electric have demanded that TAES provide a comprehensive plan to resolve quality control concerns, those matters, including adherence to its warranty commitments and other contractual obligations. Consumers and DTE Electric have taken extensive efforts to resolve these issues with TAES, including a formal demand to TAES' parent, Toshiba, Corporation, a non-affiliated company, under a parent guaranty it provided in the contract. provided. TAES has not provided a comprehensive plan or otherwise met its performance obligations.

In order to enforce the contract, Consumers and DTE Electric filed a complaint against TAES and Toshiba Corporation in the U.S. District Court for the Eastern District of Michigan in April 2022. In June 2022, TAES and Toshiba Corporation filed a motion to dismiss the complaint, along with an answer and counterclaims seeking approximately $15 million in damages related to payments allegedly owed under the parties' contract. As a co-owner of

Ludington, Consumers would be liable for 51 percent of any such damages. In September 2022, the damages, if liability and damages were proven. The court denied the motion to dismiss filed by TAES and Toshiba Corporation. Toshiba. The parties are engaged in ongoing litigation, including discovery, pursuant to a court-ordered schedule. Consumers believes the counterclaims filed by TAES and Toshiba Corporation are without merit, but cannot predict the financial impact or outcome of this matter. An unfavorable outcome could have a material adverse effect on CMS Energy's and Consumers' financial condition, results of operations, or liquidity.

Toshiba has announced that, through a common stock purchase, TBJH became the majority shareholder and new parent company of Toshiba. TBJH is a subsidiary of a Japanese private equity firm. Consumers and DTE Electric continue to monitor this development, but do not believe that this affects their rights under the parent guaranty provided by Toshiba.

In May 2023, the MPSC approved Consumers' and DTE Electric's jointly-filed request for authority to defer as a regulatory asset the costs associated with repairing or replacing the defective work performed by TAES while the litigation with TAES and Toshiba Corporation moves forward; such costs will be offset by potential future litigation proceeds received from TAES or Toshiba Corporation. Toshiba. Consumers and DTE Electric will have the opportunity to seek appropriate recovery and ratemaking treatment for amounts recorded as a regulatory asset following resolution of the litigation. litigation, but cannot predict the financial impact or outcome of such proceedings.

J.H. Campbell 3 Plant Retirement Contract Dispute: In May 2022, Consumers filed a complaint against Wolverine Power in the Ottawa County Circuit Court and requested a ruling that Consumers has sole authority to decide to retire the J.H. Campbell 3 coal-fueled generating unit under Consumers' and Wolverine Power's agreement to jointly own and operate the unit's Joint Ownership and Operating Agreement. In July 2022, unit. Wolverine Power filed an answer, affirmative defenses, and a counterclaim seeking approximately $37 million in damages allegedly caused by Consumers' decision to retire the unit before the end of its useful life. In October 2022, the The state circuit court judge found that Consumers may, in its sole discretion, retire the J.H. Campbell 3, coal-fueled generating unit, provided that Consumers continues to operate and make necessary improvements to the unit while the litigation concerning Wolverine Power's claim for damages is pending. In May 2023, the circuit court judge issued an order granting Consumers' Motion motion for Clarification clarification confirming that Consumers may continue to operate and invest in J.H. Campbell 3 consistent with the May 2025 retirement date.

In March 2024, the circuit court judge issued an order denying Wolverine Power's motion for partial summary disposition and granting in part and denying in part Consumers' motion for summary disposition. The judge granted Consumers' motion for summary disposition on Wolverine Power's claim that Consumers acted in bad faith in deciding to retire J.H. Campbell 3 early, finding no evidence to support that claim. The judge held that Wolverine Power did identify a genuine issue of material fact as to whether Consumers breached the joint ownership and operating agreement by failing to notify and consult with Wolverine Power regarding the unit's early retirement.

Consumers believes Wolverine Power's claim has no merit, but cannot predict the final impact or outcome on this matter. An unfavorable outcome could have a material adverse effect on CMS Energy's and Consumers' financial condition, results of operations, or liquidity.

Consumers Gas Utility Contingencies

Gas Environmental Matters: Consumers expects to incur remediation and other response activity costs at a number of sites under NREPA. These sites include 23 former MGP facilities. Consumers operated the facilities on these sites for some part of their operating lives. For some of these sites, Consumers has no present ownership interest or may own only a portion of the original site.

At September 30, 2023 March 31, 2024, Consumers had a recorded liability of $63 $62 million for its remaining obligations for these sites. Consumers expects to pay the following amounts for remediation and other response activity costs during the remainder of 2023 2024 and in each of the next five years:

In Millions

2023 2024 2025 2026 2027 2028						
2024	2024	2025	2026	2027	2028	2029
Consumers **Consumers**						

Remediation and other response activity costs	Remediation and other response activity costs	$ 1	$ 2	$ 1	$ 7	$10	$25
Remediation and other response activity costs							
Remediation and other response activity costs							

Consumers periodically reviews these cost estimates. Any significant change in the underlying assumptions, such as an increase in the number of sites, changes in remediation techniques, or legal and regulatory requirements, could affect Consumers' estimates of annual response activity costs and the MGP liability.

Pursuant to orders issued by the MPSC, Consumers defers its MGP-related remediation costs and recovers them from its customers over a ten-year period. At September 30, 2023 March 31, 2024, Consumers had a regulatory asset of $102 $97 million related to the MGP sites.

Consumers estimates that its liability to perform remediation and other response activities at NREPA sites other than the MGP sites could reach $3 million. At September 30, 2023, Consumers had a recorded liability of less than $1 million, the minimum amount in the range of its estimated probable liability, as no amount in the range was considered a better estimate than any other amount.

Guarantees

Presented in the following table are CMS Energy's and Consumers' guarantees at September 30, 2023 March 31, 2024:

In Millions

Guarantee Description	Guarantee Description	Issue Date	Expiration Date	Maximum Obligation	Carrying Amount	Guarantee Description	Issue Date	Expiration Date	Maximum Obligation	Carrying Amount
CMS Energy, including Consumers	**CMS Energy, including Consumers**									
Indemnity obligations from sale of membership interests in VIEs[1]	Indemnity obligations from sale of membership interests in VIEs[1]	various	indefinite	$ 318	$ —					
Indemnity obligations from sale of membership interests in VIEs[1]										
Indemnity obligations from sale of membership interests in VIEs[1]										
Indemnity obligations from stock and asset sale agreements[2]	Indemnity obligations from stock and asset sale agreements[2]	various	indefinite	153	1					
Guarantee[3]	Guarantee[3]	2011	indefinite	30	—					
Consumers	**Consumers**									
Guarantee[3]	Guarantee[3]	2011	indefinite	$ 30	$ —					
Guarantee[3]										
Guarantee[3]										

1 These obligations arose from the sale of membership interests in NWO Holdco, Aviator Wind, and Newport Solar Holdings, and NWO Holdco to tax equity investors. NorthStar Clean Energy provided certain indemnity obligations that protect the tax equity investors against losses incurred as a result of breaches of representations and warranties under the associated limited liability company agreements. These

obligations are generally capped at an amount equal to the tax equity investor's capital contributions plus a specified return, less any distributions and tax benefits it receives, in connection with its membership interest. For any indemnity obligations related to Aviator Wind, NorthStar Clean Energy would recover 49 percent of any amounts paid to the tax equity investor from the other owner of Aviator Wind Equity Holdings. Additionally, Aviator Wind holds insurance coverage that would partially protect against losses incurred as a result of certain failures to qualify for production tax credits. For further details on NorthStar Clean Energy's ownership

interest in NWO Holdco, Aviator Wind, and Newport Solar Holdings, and NWO Holdco, see Note 11, Variable Interest Entities.

2 These obligations arose from stock and asset sale agreements under which CMS Energy or a subsidiary of CMS Energy indemnified the purchaser for losses resulting from various matters, including claims related to taxes. The maximum obligation amount is mostly related to an Equatorial Guinea tax claim.

3 This obligation comprises a guarantee provided by Consumers to the U.S. Department of Energy in connection with a settlement agreement regarding damages resulting from the department's failure to accept spent nuclear fuel from nuclear power plants formerly owned by Consumers.

Additionally, in the normal course of business, CMS Energy, Consumers, and certain other subsidiaries of CMS Energy have entered into various agreements containing tax and other indemnity provisions for which they are unable to estimate the maximum potential obligation. CMS Energy and Consumers consider the likelihood that they would be required to perform or incur substantial losses related to these indemnities and those disclosed in the table to be remote.

Other Contingencies

In addition to the matters disclosed in this Note and Note 1, Regulatory Matters, there are certain other lawsuits and administrative proceedings before various courts and governmental agencies, as well as unasserted claims that may result in such proceedings, arising in the ordinary course of business to which CMS Energy, Consumers, and certain other subsidiaries of CMS Energy are parties. These other lawsuits, proceedings, and unasserted claims may involve personal injury, property damage, contracts, environmental matters, federal and state taxes, rates, licensing, employment, and other matters. Further, CMS Energy and Consumers occasionally self-report certain regulatory non-compliance matters that may or may not eventually result in administrative proceedings. CMS Energy and Consumers believe that the outcome of any one of these proceedings and potential claims will not have a material negative effect on their consolidated results of operations, financial condition, or liquidity.

3: Financings and Capitalization

Financings: Presented in the following table is a summary of major long-term debt issuances during the nine three months ended September 30, 2023 March 31, 2024:

	Principal (In Millions)	Interest Rate (%)	Issuance Date	Maturity Date
CMS Energy, parent only				
Convertible senior notes	$ 800	3.375	May 2023	May 2028
Total CMS Energy, parent only	$ 800			

NorthStar Clean Energy, including subsidiaries					
Term loan facility[1]	$	85	variable	February 2023	November 2023
Total NorthStar Clean Energy, including subsidiaries	$	85			
Consumers					
First mortgage bonds	$	425	4.650	January 2023	March 2028
First mortgage bonds		700	4.625	February 2023	May 2033
First mortgage bonds		115	5.240	May 2023	May 2026
First mortgage bonds		50	5.070	May 2023	May 2029
First mortgage bonds		95	5.170	May 2023	May 2032
First mortgage bonds		140	5.380	May 2023	May 2037
First mortgage bonds		500	4.900	August 2023	February 2029
Total Consumers	$	2,025			
Total CMS Energy	$	2,910			

1 In December 2022, a subsidiary of NorthStar Clean Energy entered into a $185 million unsecured term loan credit agreement. Under this credit agreement, a subsidiary of NorthStar Clean Energy borrowed $85 million in 2023.

Issuance of Convertible Senior Notes: In May 2023, CMS Energy issued an aggregate principal amount of $800 million convertible senior notes that bear an interest rate of 3.375 percent and mature in May 2028 unless redeemed, repurchased, or converted earlier. Unamortized debt costs associated with this issuance were $12 million at September 30, 2023. The convertible senior notes rank equal in right of payment to any of CMS Energy’s unsecured indebtedness that is not subordinated. There are no sinking fund requirements for the notes.

Holders of the convertible senior notes may convert their notes at their option in accordance with the conditions outlined in the related indenture. CMS Energy will settle conversions of the notes by paying cash up to the aggregate principal amount of the notes to be converted and paying or delivering, as the case may be, cash, shares of CMS Energy common stock, or a combination of cash and shares of CMS Energy common stock, at its election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the notes being converted. The conversion rate for the notes is initially 13.5194 shares of common stock per$1,000 principal amount of notes which is equivalent to an initial conversion price of approximately $73.97 per share of common stock. The conversion rate will be subject to adjustment for anti-dilutive events and fundamental change and redemption provisions as described in the related indenture.

CMS Energy may redeem for cash all or any portion of the notes, at its option, on or after May 6, 2026 if the last reported sale price of its common stock has been at least 130 percent of the conversion price then

in effect for at least20trading days during any 30consecutive trading day period. Holders of the convertible senior notes may require CMS Energy to repurchase for cash all or any portion of their notes if a fundamental change, as outlined in the related indenture, occurs. In both cases, CMS Energy will redeem or repurchase the notes at a price equal to 100 percent of the principal amount of the notes to be redeemed or repurchased, plus accrued and unpaid interest.

		Principal (In Millions)	Interest Rate (%)	Issuance Date	Maturity Date
Consumers					
First Mortgage Bonds	$	600	4.600	January 2024	May 2029
Total Consumers	$	600			

Retirements: Presented in the following table is a summary of major long-term debt retirements during the nine three months ended September 30, 2023 March 31, 2024:

		Principal (In Millions)	Interest Rate (%)	Retirement Date	Maturity Date
NorthStar Clean Energy, including subsidiaries					
Term loan facility[1]	$	14	variable	August 2023	November 2023
Total NorthStar Clean Energy, including subsidiaries	$	14			
Consumers					
Term loan facility	$	1,000	variable	February 2023	January 2024
First mortgage bonds		300	0.350	June 2023	June 2023
First mortgage bonds		325	3.375	August 2023	August 2023
Total Consumers	$	1,625			

		Principal (In Millions)	Interest Rate (%)	Retirement Date	Maturity Date
CMS Energy, parent only					
Senior Notes	$	250	3.875	January 2024	March 2024
CMS Energy, parent only	$	250			

[1] As of September 30, 2023, there was $171 million of loans outstanding bearing an interest rate of 6.416 percent under the unsecured term loan credit agreement.

In October 2023, a subsidiary of NorthStar Clean Energy repaid $66 million of its term loan of with a maturity of November 2023.

CMS Energy's Purchase of Consumers' First Mortgage Bonds: During the nine three months ended September 30, 2023 March 31, 2024, CMS Energy purchased the following Consumers' first mortgage bonds with a principal balance of $91 million in exchange for $192 million:

Repurchase Date			Principal *(In Millions)*	Interest Rate (%)
May 2023	First mortgage bonds due 2060	$	150	2.500
May 2023	First mortgage bonds due 2052		88	2.650
August 2023	First mortgage bonds due 2050		23	3.750
August 2023	First mortgage bonds due 2052		15	2.650
September 2023	First mortgage bonds due 2050		18	3.100
September 2023	First mortgage bonds due 2051		3	3.500

cash of $69 million. On a consolidated basis, CMS Energy's repurchase of Consumers' first mortgage bonds was accounted for as a debt extinguishment and resulted in a pre-tax gain of $17 million for the three months ended September 30, 2023 and a pre-tax gain of $101 million for the nine months ended September 30, 2023, $22 million. which were recorded in other income on its consolidated statements of income.

Consumers' outstanding debt held by its parent as a result of CMS Energy's repurchase of Consumers' first mortgage bonds was $294 million, net of unamortized discount and fees, which was recorded as long-term debt – related parties on Consumers' consolidated balance sheet at September 30, 2023.

Credit Facilities: The following credit facilities with banks were available at September 30, 2023 March 31, 2024:

In Millions

Expiration Date	Expiration Date	Amount of Facility	Amount Borrowed	Letters of Credit Outstanding	Amount Available	Expiration Date	Amount of Facility	Amount Borrowed	Letters of Credit Outstanding	Amount Available
CMS Energy, parent only	**CMS Energy, parent only**									
December 14, 2027[1]	December 14, 2027[1]	$ 550	$ —	$ 20	$ 530					
December 14, 2027[1]										
December 14, 2027[1]										
September 22, 2024	September 22, 2024	50	—	50	—					
NorthStar Clean Energy, including subsidiaries	**NorthStar Clean Energy, including subsidiaries**									
September 25, 2025[2]	September 25, 2025[2]	$ 37	$ —	$ 37	$ —					
September 25, 2025[2]										
September 25, 2025[2]										
Consumers[3]	**Consumers[3]**									
December 14, 2027	December 14, 2027	$1,100	$ —	$ 27	$ 1,073					
November 18, 2024		250	—	68	182					
December 14, 2027										
December 14, 2027										
November 18, 2025										

1 There were no borrowings under this facility during the nine three months ended September 30, 2023 March 31, 2024.

2 This letter of credit facility is available to Aviator Wind Equity Holdings. For more information regarding Aviator Wind Equity Holdings, see Note 11, Variable Interest Entities.

3 Obligations under these facilities are secured by first mortgage bonds of Consumers. There were no borrowings under these facilities during the nine three months ended September 30, 2023 March 31, 2024.

Regulatory Authorization for Financings: Consumers is required to maintain FERC authorization for financings. Its current authorization ends on March 31, 2025. Any long-term issuances during the authorization period are exempt from FERC's competitive bidding and negotiated placement requirements. In March 2023, FERC granted 2024, Consumers the filed an application for authority to issue securities between April 1, 2023 May 1, 2024 and March 31, 2025 April 30, 2026.

Short-term Borrowings: Under Consumers' commercial paper program, Consumers may issue, in one or more placements, investment-grade commercial paper notes with maturities of up to 365 days at market interest rates. These issuances are supported by Consumers' revolving credit facilities and may have an aggregate principal amount outstanding of up to $500 million. While the amount of outstanding commercial paper does not reduce the available capacity of the revolving credit facilities, Consumers does not intend to issue commercial paper in an amount exceeding the available capacity of the facilities. At September 30, 2023 March 31, 2024, there were $247 million no commercial paper notes outstanding under this program with a weighted-average annual interest rate of 5.529 percent, recorded as current notes payable on the consolidated balance sheets of CMS Energy and Consumers. program.

In December 2022, 2023, Consumers renewed a short-term credit agreement with CMS Energy, permitting Consumers to borrow up to $500 million at an interest rate of the prior month's average one-month Term SOFR minus 0.100 percent. At September 30, 2023 March 31, 2024, there were $63 million no outstanding borrowings under the agreement bearing an interest rate of 5.218 percent.

An unregulated subsidiary of Consumers entered into a short-term credit agreement with NorthStar Clean Energy, permitting it to borrow up to $40 million, from NorthStar Clean Energy, at an interest rate of one-month Term SOFR plus 1.750 percent. At September 30, 2023, outstanding borrowings under the agreement were $12 million bearing an interest rate of 7.079 percent.

Consumers' Supplier Financing Program: Under a supplier financing program, Consumers agrees to pay a bank, acting as its payment agent, the stated amount of confirmed invoices from participating suppliers on the original maturity dates of the invoices. The supplier invoices that have been confirmed as valid under the program require payment in full within 60 days of the invoice date.Consumers does not

provide collateral or a guarantee to the bank in support of its payment obligations under the agreement, nor does it pay a fee for the service. Consumers or the bank may terminate the supplier financing program agreement upon 30 days prior written notice to the other party. There were no trade payables outstanding under the program in accounts payable on CMS Energy's and Consumers' consolidated balance sheets at September 30, 2023, and less than $1 million at December 31, 2022. agreement.

Dividend Restrictions: At September 30, 2023 March 31, 2024, payment of dividends by CMS Energy on its common stock was limited to $7.0 $7.7 billion under provisions of the Michigan Business Corporation Act of 1972.

Under the provisions of its articles of incorporation, at September 30, 2023 March 31, 2024, Consumers had $2.0 $2.1 billion of unrestricted retained earnings available to pay dividends on its common stock to CMS Energy. Provisions of the Federal Power Act and the Natural Gas Act appear to restrict dividends payable by Consumers to the amount of Consumers' retained earnings. Several decisions from FERC suggest that, under a variety of circumstances, dividends from Consumers on its common stock would not be limited to amounts in Consumers' retained earnings. Any decision by Consumers to pay dividends on its common stock in excess of retained earnings would be based on specific facts and circumstances and would be subject to a formal regulatory filing process.

During the nine three months ended September 30, 2023 March 31, 2024, Consumers paid $461 $265 million in dividends on its common stock to CMS Energy.

Issuance of Common Stock: Presented in the following table are details of In 2023, CMS Energy's forward sales contracts under its Energy entered into an equity offering program at September 30, 2023:

			Forward Price Per Share			
Contract Date	Maturity Date	Number of Shares		Initial		September 30, 2023
August 3, 2022	December 31, 2024	2,944,207	$	67.59	$	68.54
August 24, 2022	December 31, 2024	1,677,938		69.46		70.54
August 29, 2022	December 31, 2024	1,783,388		68.18		69.18

Under these contracts, CMS Energy under which it may either settle physically by issuing sell shares of its common stock at having an aggregate sales price of up to $1 billion in privately negotiated transactions, in "at the then-applicable market" offerings, or through forward sales transactions. There have been no sales of securities under this program. In January 2024, CMS Energy settled the remaining forward sale contracts issued under its previous equity offering program by issuing shares at a weighted average price specified by the agreement or settle of $70.31 per share, resulting in net by delivering or receiving cash or shares. CMS Energy may settle the contracts at any time through their maturity dates, and presently intends to physically settle the contracts by delivering shares of its common stock.

The initial forward price in the forward equity sale contracts includes a deduction for commissions and will be adjusted on a daily basis over the term based on an interest rate factor and decreased on certain dates by certain predetermined amounts to reflect expected dividend payments. No amounts are recorded on CMS Energy's consolidated balance sheets until settlements of the forward equity sale contracts occur. If CMS Energy had elected to net share settle or net cash settle the contracts as of September 30, 2023, CMS Energy would not have been required to deliver shares or pay cash.

proceeds of $266 million.

4: Fair Value Measurements

Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. When measuring fair value, CMS Energy and Consumers are required to incorporate all assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. A fair value hierarchy prioritizes inputs used to measure fair value according to their observability in the market. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable, market-based inputs, other than Level 1 prices. Level 2 inputs may include quoted prices for similar assets or liabilities in active markets, quoted prices in inactive markets, and inputs derived from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs that reflect CMS Energy's or Consumers' own assumptions about how market participants would value their assets and liabilities.

CMS Energy and Consumers classify fair value measurements within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement in its entirety.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Presented in the following table are CMS Energy's and Consumers' assets and liabilities recorded at fair value on a recurring basis:

In Millions

		CMS Energy, including Consumers		Consumers	
		September 30 2023	December 31 2022	September 30 2023	December 31 2022
	CMS Energy, including Consumers March 31 2024	CMS Energy, including Consumers March 31 2024	CMS Energy, including Consumers December 31 2023	Consumers March 31 2024	Consumers December 31 2023
Assets[1]	*Assets*[1]				
Cash equivalents					
Cash equivalents					
Cash equivalents	Cash equivalents	$ 8	$ —	$ —	$ —
Restricted cash equivalents	Restricted cash equivalents	27	18	27	17
Nonqualified deferred compensation plan assets	Nonqualified deferred compensation plan assets	27	24	20	18
Derivative instruments	Derivative instruments	3	2	3	2
Total assets	Total assets	$ 65	$ 44	$ 50	$ 37

Liabilities[1]	*Liabilities*[1]								
Nonqualified deferred compensation plan liabilities	Nonqualified deferred compensation plan liabilities	$	27	$	24	$	20	$	18
Nonqualified deferred compensation plan liabilities									
Nonqualified deferred compensation plan liabilities									
Total liabilities	Total liabilities	$	27	$	24	$	20	$	18
Total liabilities									
Total liabilities									

1 All assets and liabilities were classified as Level 1 with the exception of derivative contracts, which were classified as Level 3.

Cash Equivalents: Cash equivalents and restricted cash equivalents consist of money market funds with daily liquidity.

Nonqualified Deferred Compensation Plan Assets and Liabilities: The nonqualified deferred compensation plan assets consist of mutual funds, which are bought and sold only at the discretion of plan participants.The assets are valued using the daily quoted net asset values. CMS Energy and Consumers value their nonqualified deferred compensation plan liabilities based on the fair values of the plan assets, as they reflect the amount owed to the plan participants in accordance with their investment elections. CMS Energy and Consumers report the assets in other non-current assets and the liabilities in other non-current liabilities on their consolidated balance sheets.

Derivative Instruments: CMS Energy and Consumers value their derivative instruments using either a market approach that incorporates information from market transactions, or an income approach that discounts future expected cash flows to a present value amount. CMS Energy's and Consumers' derivatives are classified as Level 3.

The majority of derivatives classified as Level 3 are FTRs held by Consumers. Due to the lack of quoted pricing information, Consumers determines the fair value of its FTRs based on Consumers' average historical settlements. There was no material activity within the Level 3 categories of assets and liabilities during the periods presented.

5: Financial Instruments

Presented in the following table are the carrying amounts and fair values, by level within the fair value hierarchy, of CMS Energy's and Consumers' financial instruments that are not recorded at fair value. The table excludes cash, cash equivalents, short-term financial instruments, and trade accounts receivable and payable whose carrying amounts approximate their fair values. For information about assets and liabilities recorded at fair value and for additional details regarding the fair value hierarchy, see Note 4, Fair Value Measurements.

In Millions

	September 30, 2023					December 31, 2022				
		Fair Value					Fair Value			
			Level					Level		
	Carrying Amount	Total	1	2	3	Carrying Amount	Total	Carrying Amount	2	3

	March 31, 2024					December 31, 2023				
		Fair Value					Fair Value			
			Level					Level		
	Carrying Amount	Total	1	2	3	Carrying Amount	Total	1	2	3
CMS Energy, including Consumers										
Assets										
Long-term receivables[1]	$ 12	$ 12	$ —	$ —	$ 12	$ 14	$ 14	$ —	$ —	$ 14
Liabilities										
Long-term debt[2]	15,151	12,927	1,013	9,842	2,072	14,212	12,384	987	8,741	2,656
Long-term payables[3]	13	13	—	—	13	9	7	—	—	7
Consumers										
Assets										
Long-term receivables[1]	$ 12	$ 12	$ —	$ —	$ 12	$ 14	$ 14	$ —	$ —	$ 14
Notes receivable – related party[4]	98	98	—	—	98	101	101	—	—	101
Liabilities										
Long-term debt[5]	10,260	8,463	—	6,562	1,901	10,183	8,728	—	6,172	2,556

March 31, 2024
CMS Energy, including Consumers
Assets
Assets
Assets
Long-term receivables[1]
Long-term receivables[1]
Liabilities
Liabilities
Liabilities
Long-term debt[2]
Long-term debt[2]
Consumers
Assets
Assets
Assets
Long-term receivables[1]
Long-term receivables[1]
Notes receivable – related party[4]
Notes receivable – related party[4]
Liabilities
Long-term debt[5]
Long-term debt[5]

Long-term debt – related party	Long-term debt – related party	294	170	—	170	—	—	—	—	—	—
Long-term payables	Long-term payables	6	6	—	—	6	—	—	—	—	—

1 Includes current portion of long-term accounts receivable and notes receivable of $5 million at March 31, 2024 and $6 million at September 30, 2023 and $7 million at December 31, 2022 December 31, 2023.

2 Includes current portion of long-term debt of $1,037 $767 million at September 30, 2023 March 31, 2024 and $1,090 $975 million at December 31, 2022 December 31, 2023.

3 Includes current portion of long-term payables of $1 million $1 millionat September 30, 2023 and $2 million at December 31, 2022 March 31, 2024.

4 Includes current portion of notes receivable – related party of $7 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

5 Includes current portion of long-term debt of $616 $767 million at September 30, 2023 March 31, 2024 and $991 $725 million at December 31, 2022 December 31, 2023.

Notes receivable – related party represents Consumers' portion of the DB SERP demand note payable issued by CMS Energy to the DB SERP rabbi trust. The demand note bears interest at an annual rate of 4.10 percent and has a maturity date of 2028.

6: Retirement Benefits

CMS Energy and Consumers provide pension, OPEB, and other retirement benefits to employees under a number of different plans.

Costs: Presented in the following table are the costs (credits) and other changes in plan assets and benefit obligations incurred in CMS Energy's and Consumers' retirement benefit plans:

In Millions

In Millions

In Millions

	DB Pension Plans				OPEB Plan				DB Pension Plans	OPEB Plan
	Three Months Ended		Nine Months Ended		Three Months Ended		Nine Months Ended			
September 30	2023	2022	2023	2022	2023	2022	2023	2022		
Three Months Ended March 31										
Three Months Ended March 31										
Three Months Ended March 31										
CMS Energy, including Consumers										
CMS Energy, including Consumers										

CMS Energy, including Consumers	CMS Energy, including Consumers								
Net periodic credit	*Net periodic credit*								
Net periodic credit									
Net periodic credit									
Service cost	Service cost	$ 7	$ 9	$ 22	$ 32	$ 2	$ 4	$ 8	$ 13
Service cost									
Service cost									
Interest cost									
Interest cost									
Interest cost	Interest cost	27	21	80	59	11	7	33	21
Expected return on plan assets	Expected return on plan assets	(55)	(51)	(165)	(155)	(26)	(29)	(77)	(87)
Expected return on plan assets									
Expected return on plan assets									
Amortization of:									
Amortization of:									
Amortization of:	*Amortization of:*								
Net loss	Net loss	2	5	8	32	3	—	9	1
Net loss									
Net loss									
Prior service cost (credit)	Prior service cost (credit)	1	1	3	3	(10)	(12)	(31)	(38)
Prior service cost (credit)									
Prior service cost (credit)									
Settlement loss									
Settlement loss									
Settlement loss	Settlement loss	3	2	8	6	—	—	—	—
Net periodic credit	Net periodic credit	$ (15)	$ (13)	$ (44)	$ (23)	$ (20)	$ (30)	$ (58)	$ (90)
Net periodic credit									
Net periodic credit									
Consumers									
Consumers									
Consumers	**Consumers**								
Net periodic credit	*Net periodic credit*								
Net periodic credit									
Net periodic credit									
Service cost									
Service cost									

Service cost	Service cost	$ 7	$ 9	$ 21	$ 32	$ 2	$ 4	$ 8	$ 13
Interest cost	Interest cost	24	20	75	56	10	6	31	20
Interest cost									
Interest cost									
Expected return on plan assets									
Expected return on plan assets									
Expected return on plan assets	Expected return on plan assets	(52)	(48)	(156)	(147)	(23)	(26)	(71)	(80)
Amortization of:	*Amortization of:*								
Amortization of:									
Amortization of:									
Net loss									
Net loss									
Net loss	Net loss	3	5	8	30	3	—	9	—
Prior service cost (credit)	Prior service cost (credit)	1	1	3	3	(10)	(13)	(30)	(38)
Prior service cost (credit)									
Prior service cost (credit)									
Settlement loss									
Settlement loss									
Settlement loss	Settlement loss	3	2	8	6	—	—	—	—
Net periodic credit	Net periodic credit	$ (14)	$ (11)	$ (41)	$ (20)	$ (18)	$ (29)	$ (53)	$ (85)
Net periodic credit									
Net periodic credit									

In Consumers' 2022 electric and gas rate case, cases, the MPSC approved a mechanism allowing Consumers to defer the future recovery or refund of pension and OPEB expenses above or below the amounts used to set existing rates, respectively, beginning in 2023. rates. The regulatory deferral will be collected from or refunded to customers over ten years. At September 30, 2023 March 31, 2024, CMS Energy, including Consumers, had deferred $9 $5 million of pension credits and $17 less than $1 million of OPEB costs under this mechanism. mechanism related to 2024 expense.

7: Income Taxes

Presented in the following table is a reconciliation of the statutory U.S. federal income tax rate to the effective income tax rate from continuing operations:

Nine Months Ended September 30	2023	2022
Three Months Ended March 31		
Three Months Ended March 31		
Three Months Ended March 31		
CMS Energy, including Consumers		

CMS Energy, including Consumers					
CMS Energy, including Consumers	**CMS Energy, including Consumers**				
U.S. federal income tax rate	U.S. federal income tax rate	21.0	%	21.0	%
U.S. federal income tax rate					
U.S. federal income tax rate					
Increase (decrease) in income taxes from:					
Increase (decrease) in income taxes from:					
Increase (decrease) in income taxes from:	*Increase (decrease) in income taxes from:*				
State and local income taxes, net of federal effect[1]	State and local income taxes, net of federal effect[1]	1.7		5.6	
State and local income taxes, net of federal effect[1]					
State and local income taxes, net of federal effect[1]					
Renewable energy tax credits	Renewable energy tax credits	(6.9)		(5.8)	
TCJA excess deferred taxes[2]		(3.9)		(7.2)	
Renewable energy tax credits					
Renewable energy tax credits					
TCJA excess deferred taxes					
TCJA excess deferred taxes					
TCJA excess deferred taxes					
Taxes attributable to noncontrolling interests					
Taxes attributable to noncontrolling interests					
Taxes attributable to noncontrolling interests					
Accelerated flow-through of regulatory tax benefits[3]		—		(4.3)	
Other, net					
Other, net					
Other, net	Other, net	0.8		0.7	
Effective tax rate	Effective tax rate	12.7	%	10.0	%
Effective tax rate					
Effective tax rate					
Consumers					
Consumers					
Consumers	**Consumers**				
U.S. federal income tax rate	U.S. federal income tax rate	21.0	%	21.0	%
U.S. federal income tax rate					
U.S. federal income tax rate					
Increase (decrease) in income taxes from:					
Increase (decrease) in income taxes from:					
Increase (decrease) in income taxes from:	*Increase (decrease) in income taxes from:*				
State and local income taxes, net of federal effect[1]	State and local income taxes, net of federal effect[1]	2.9		5.3	
State and local income taxes, net of federal effect[1]					

State and local income taxes, net of federal effect[1]					
Renewable energy tax credits	Renewable energy tax credits	(4.5)		(4.3)	
TCJA excess deferred taxes[2]		(3.7)		(5.9)	
Renewable energy tax credits					
Renewable energy tax credits					
TCJA excess deferred taxes					
TCJA excess deferred taxes					
TCJA excess deferred taxes					
Accelerated flow-through of regulatory tax benefits[3]		—		(3.5)	
Other, net					
Other, net					
Other, net	Other, net	(0.1)		0.1	
Effective tax rate	Effective tax rate	15.6	%	12.7	%
Effective tax rate					
Effective tax rate					

1 CMS Energy initiated a plan to divest immaterial business activities in a non-Michigan jurisdiction and will no longer have a taxable presence within that jurisdiction after 2023. jurisdiction. As a result of these actions, in the first quarter of 2023, CMS Energy reversed a $13 million non-Michigan reserve, all of which was recognized at Consumers.

2 In 2020, the MPSC authorized Consumers to accelerate the amortization of the gas portion of its regulatory liability associated with unprotected, non-property-related excess deferred income taxes resulting from the TCJA. This portion of the regulatory liability was fully amortized in 2022.

3 In 2020, the MPSC authorized Consumers to accelerate the amortization of income tax benefits associated with the cost to remove gas plant assets. These tax benefits were fully amortized in 2022.

8: Earnings Per Share—CMS Energy

Presented in the following table are CMS Energy's basic and diluted EPS computations based on income from continuing operations:

In Millions, Except Per Share Amounts

In Millions, Except Per Share Amounts				
In Millions, Except Per Share Amounts				
	Three Months Ended		Nine Months Ended	
September 30	2023	2022	2023	2022
Three Months Ended March 31				
Three Months Ended March 31				
Three Months Ended March 31				
Income available to common stockholders				
Income available to common stockholders				

Income available to common stockholders	*Income available to common stockholders*				
Income from continuing operations	Income from continuing operations	$ 173	$ 163	$ 556	$ 646
Income from continuing operations					
Income from continuing operations					
Less loss attributable to noncontrolling interests					
Less loss attributable to noncontrolling interests					
Less loss attributable to noncontrolling interests	Less loss attributable to noncontrolling interests	(3)	(2)	(21)	(16)
Less preferred stock dividends	Less preferred stock dividends	2	2	7	7
Less preferred stock dividends					
Less preferred stock dividends					
Income from continuing operations available to common stockholders – basic and diluted					
Income from continuing operations available to common stockholders – basic and diluted					
Income from continuing operations available to common stockholders – basic and diluted	Income from continuing operations available to common stockholders – basic and diluted	$ 174	$ 163	$ 570	$ 655
Average common shares outstanding	*Average common shares outstanding*				
Average common shares outstanding					
Average common shares outstanding					
Weighted-average shares – basic					
Weighted-average shares – basic					
Weighted-average shares – basic	Weighted-average shares – basic	291.0	289.6	290.9	289.5

Add dilutive nonvested stock awards	Add dilutive nonvested stock awards	0.4	0.4	0.4	0.4
Add dilutive forward equity sale contracts		—	0.1	—	0.1
Add dilutive nonvested stock awards					
Add dilutive nonvested stock awards					
Weighted-average shares – diluted					
Weighted-average shares – diluted					
Weighted-average shares – diluted	Weighted-average shares – diluted	291.4	290.1	291.3	290.0
Income from continuing operations per average common share available to common stockholders	*Income from continuing operations per average common share available to common stockholders*				
Income from continuing operations per average common share available to common stockholders					
Income from continuing operations per average common share available to common stockholders					
Basic					
Basic					
Basic	Basic	$0.60	$0.56	$1.96	$2.26
Diluted	Diluted	0.60	0.56	1.96	2.26
Diluted					
Diluted					

Nonvested Stock Awards

CMS Energy’s nonvested stock awards are composed of participating and non-participating securities. The participating securities accrue cash dividends when common stockholders receive dividends. Since the recipient is not required to return the dividends to CMS Energy if the recipient forfeits the award, the nonvested stock awards are considered participating securities. As such, the participating nonvested stock awards were included in the computation of basic EPS. The non-participating securities accrue stock dividends that vest concurrently with the stock award. If the recipient forfeits the award, the stock dividends accrued on the non-participating securities are also forfeited. Accordingly, the non-participating awards and stock dividends were included in the computation of diluted EPS, but not in the computation of basic EPS.

Forward Equity Sale Contracts

In January 2024, CMS Energy has entered into settled the remaining forward sale contracts issued under its previous equity sale contracts. offering program. These forward equity sale contracts are were non-participating securities. While the forward sale price in the forward equity sale contract is was decreased on certain dates by certain predetermined amounts to reflect expected dividend payments, these price adjustments were set upon inception of the agreement and the forward contract does did not give the owner the right to participate in undistributed earnings. Accordingly, the forward equity sale contracts were included in the computation of diluted EPS, but not in the computation of basic EPS. The forward equity sale contracts were anti-dilutive for the three months ended March 31, 2024. For further details on the forward equity sale contracts, see Note 3, Financings and Capitalization.

Convertible Securities

In May 2023, CMS Energy issued an aggregate principal amount of $800 million convertible senior notes. Potentially dilutive common shares issuable upon conversion of the convertible senior notes are determined using the if-converted method for calculating diluted EPS. Upon conversion, the convertible senior notes are required to be paid in cash with only amounts exceeding the principal permitted to be settled in shares. The convertible senior notes were anti-dilutive for the three and nine months ended September 30, 2023 March 31, 2024. For further details on CMS Energy's convertible senior notes, see Note 3, Financings and Capitalization.

9: Revenue

Presented in the following tables are the components of operating revenue:

In Millions

Three Months Ended September 30, 2023		Electric Utility	Gas Utility	NorthStar Clean Energy1	Consolidated
					In Millions
					In Millions
Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy1	Consolidated
CMS Energy, including Consumers					
Consumers utility revenue	Consumers utility revenue	$1,348	$243	$ —	$ 1,591
Other	Other	—	—	48	48
Revenue recognized from contracts with customers	Revenue recognized from contracts with customers	$1,348	$243	$ 48	$ 1,639
Leasing income	Leasing income	—	—	30	30
Financing income	Financing income	2	1	—	3
Consumers alternative-revenue programs	Consumers alternative-revenue programs	1	—	—	1
Total operating revenue – CMS Energy	Total operating revenue – CMS Energy	$1,351	$244	$ 78	$ 1,673

Total operating revenue – CMS Energy					
Total operating revenue – CMS Energy					
Consumers					
Consumers utility revenue	*Consumers utility revenue*				
Residential					
Residential					
Residential	Residential	$ 666	$155		$ 821
Commercial	Commercial	443	38		481
Industrial	Industrial	175	5		180
Other	Other	64	45		109
Revenue recognized from contracts with customers	Revenue recognized from contracts with customers	$1,348	$243		$ 1,591
Financing income	Financing income	2	1		3
Financing income					
Financing income					
Alternative-revenue programs	Alternative-revenue programs	1	—		1
Other non-segment revenue		—	—		1
Total operating revenue – Consumers	Total operating revenue – Consumers	$1,351	$244		$ 1,596
Total operating revenue – Consumers					
Total operating revenue – Consumers					

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $19 $16 million for the three months ended September 30, 2023 March 31, 2024.

In Millions

Three Months Ended September 30, 2022	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
				In Millions

In Millions					
Three Months Ended March 31, 2023	Three Months Ended March 31, 2023	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers					
Consumers utility revenue	Consumers utility revenue	$1,591	$294	$ —	$ 1,885
Other	Other	—	—	70	70
Revenue recognized from contracts with customers	Revenue recognized from contracts with customers	$1,591	$294	$ 70	$ 1,955
Leasing income	Leasing income	—	—	68	68
Financing income	Financing income	3	1	—	4
Consumers alternative-revenue programs		—	(3)	—	(3)
Total operating revenue – CMS Energy					
Total operating revenue – CMS Energy					
Total operating revenue – CMS Energy	Total operating revenue – CMS Energy	$1,594	$292	$ 138	$ 2,024
Consumers					
Consumers utility revenue	*Consumers utility revenue*				
Residential					
Residential					
Residential	Residential	$ 767	$190		$ 957
Commercial	Commercial	515	51		566
Industrial	Industrial	226	10		236
Other	Other	83	43		126
Revenue recognized from contracts with customers	Revenue recognized from contracts with customers	$1,591	$294		$ 1,885
Financing income	Financing income	3	1		4
Alternative-revenue programs		—	(3)		(3)
Financing income					
Financing income					

Total operating revenue – Consumers	Total operating revenue – Consumers	$1,594	$292	$	1,886

Total operating revenue – Consumers
Total operating revenue – Consumers

1 Amounts represent NorthStar Clean Energy’s operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy’s power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy’s leasing income included variable lease payments of $57 $22 million for the three months ended September 30, 2022.

				In Millions
Nine Months Ended September 30, 2023	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 3,552	$ 1,715	$ —	$ 5,267
Other	—	—	134	134
Revenue recognized from contracts with customers	$ 3,552	$ 1,715	$ 134	$ 5,401
Leasing income	—	—	88	88
Financing income	7	5	—	12
Consumers alternative-revenue programs	11	—	—	11
Total operating revenue – CMS Energy	$ 3,570	$ 1,720	$ 222	$ 5,512
Consumers				
Consumers utility revenue				
Residential	$ 1,707	$ 1,160		$ 2,867
Commercial	1,183	353		1,536
Industrial	495	44		539
Other	167	158		325
Revenue recognized from contracts with customers	$ 3,552	$ 1,715		$ 5,267
Financing income	7	5		12
Alternative-revenue programs	11	—		11
Other non-segment revenue	—	—		1
Total operating revenue – Consumers	$ 3,570	$ 1,720		$ 5,291

1 Amounts represent NorthStar Clean Energy’s operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy’s power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy’s leasing income included variable lease payments of $57 million for the nine months ended September 30, 2023.

In Millions

Nine Months Ended September 30, 2022		Electric Utility		Gas Utility		NorthStar Clean Energy[1]		Consolidated
CMS Energy, including Consumers								
Consumers utility revenue	$	4,151	$	1,809	$	—	$	5,960
Other		—		—		155		155
Revenue recognized from contracts with customers	$	4,151	$	1,809	$	155	$	6,115
Leasing income		—		—		192		192
Financing income		8		5		—		13
Consumers alternative-revenue programs		1		(3)		—		(2)
Total operating revenue – CMS Energy	$	4,160	$	1,811	$	347	$	6,318
Consumers								
Consumers utility revenue								
Residential	$	1,955	$	1,239			$	3,194
Commercial		1,319		371				1,690
Industrial		601		53				654
Other		276		146				422
Revenue recognized from contracts with customers	$	4,151	$	1,809			$	5,960
Financing income		8		5				13
Alternative-revenue programs		1		(3)				(2)
Total operating revenue – Consumers	$	4,160	$	1,811			$	5,971

[1] Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities. Certain of NorthStar Clean Energy's power sales agreements are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. NorthStar Clean Energy's leasing income included variable lease payments of $154 million for the nine months ended September 30, 2022 March 31, 2023.

Electric and Gas Utilities

Consumers Utility Revenue: Consumers recognizes revenue primarily from the sale of electric and gas utility services at tariff-based rates regulated by the MPSC. Consumers' customer base consists of a mix of residential, commercial, and diversified industrial customers. Consumers' tariff-based sales performance obligations are described below.

- Consumers has performance obligations for the service of standing ready to deliver electricity or natural gas to customers, and it satisfies these performance obligations over time. Consumers recognizes revenue at a fixed rate as it provides these services. These arrangements generally do not have fixed terms and remain in effect as long as the customer consumes the utility service. The rates are set by the MPSC through the rate-making process and represent the stand-alone selling price of Consumers' service to stand ready to deliver.

- Consumers has performance obligations for the service of delivering the commodity of electricity or natural gas to customers, and it satisfies these performance obligations upon delivery. Consumers recognizes revenue at a price per unit of electricity or natural gas delivered, based on the tariffs established by the MPSC. These arrangements generally do not have fixed terms and remain in effect as long as the customer consumes the utility service. The rates are set by the MPSC through the rate-making process and represent the stand-alone selling price of a bundled

  product comprising the commodity, electricity or natural gas, and the service of delivering such commodity.

In some instances, Consumers has specific fixed-term contracts with large commercial and industrial customers to provide electricity or gas at certain tariff rates or to provide gas transportation services at contracted rates. The amount of electricity and gas to be delivered under these contracts and the associated future revenue to be received are generally dependent on the customers' needs. Accordingly, Consumers recognizes revenues at the tariff or contracted rate as electricity or gas is delivered to the customer. Consumers also has other miscellaneous contracts with customers related to pole and other property rentals, appliance service plans, and utility contract work. Generally, these contracts are short term or evergreen in nature.

Accounts Receivable and Unbilled Revenues: Accounts receivable comprise trade receivables and unbilled receivables. CMS Energy and Consumers record their accounts receivable at cost less an allowance for uncollectible accounts. The allowance is increased for uncollectible accounts expense and decreased for account write-offs net of recoveries. CMS Energy and Consumers establish the allowance based on historical losses, management's assessment of existing economic conditions, customer payment trends, and reasonable and supported forecast information. CMS Energy and Consumers assess late payment fees on trade receivables based on contractual past-due terms established with customers. Accounts are written off when deemed uncollectible, which is generally when they become six months past due.

CMS Energy and Consumers recorded uncollectible accounts expense of $15 $10 million for the three months ended September 30, 2023 March 31, 2024 and $13 $9 million for the three months ended September 30, 2022 March 31, 2023. CMS Energy and Consumers recorded uncollectible accounts expense of $32 million for the nine months ended September 30, 2023 and $31 million for the nine months ended September 30, 2022.

Consumers' customers are billed monthly in cycles having billing dates that do not generally coincide with the end of a calendar month. This results in customers having received electricity or natural gas that they have not been billed for as of the month-end. Consumers estimates its unbilled revenues by applying an average billed rate to total unbilled deliveries for each customer class. Unbilled revenues, which are recorded as accounts receivable and accrued revenue on CMS Energy's and Consumers' consolidated balance sheets, were $321 $472 million at September 30, 2023 March 31, 2024 and $663 $494 million at December 31, 2022 December 31, 2023.

Alternative-revenue Programs: Program: Under a demand response incentive Consumers accounts for its financial compensation mechanism Consumers earns a financial incentive when it meets demand response targets set by the MPSC. as an alternative-revenue program. Consumers recognizes revenue related to this program once demand response incentive objectives the financial compensation mechanism as payments are complete, the incentive amount is calculable, and the incentive revenue will be collected within a 24-month period.

Under a gas revenue decoupling mechanism authorized by the MPSC, Consumers is allowed to adjust future gas rates for differences between Consumers' actual weather-normalized, non-fuel revenues and the revenues approved by the MPSC. Consumers accounts for this program as an alternative-revenue program that meets the criteria for recognizing the effects of decoupling adjustments made on revenue as gas is delivered.

MPSC-approved PPAs. Consumers does not reclassify revenue from its alternative-revenue program to revenue from contracts with customers at the time the amounts are collected from customers.

10: Reportable Segments

Reportable segments consist of business units defined by the products and services they offer. CMS Energy and Consumers evaluate the performance of each segment based on its contribution to net income available to CMS Energy's common stockholders.

CMS Energy

The segments reported for CMS Energy are:

- electric utility, consisting of regulated activities associated with the generation, purchase, distribution, and sale of electricity in Michigan
- gas utility, consisting of regulated activities associated with the purchase, transmission, storage, distribution, and sale of natural gas in Michigan
- NorthStar Clean Energy, consisting of various subsidiaries engaging in domestic independent power production, including the development and operation of renewable generation, and the marketing of independent power production

CMS Energy presents corporate interest and other expenses, discontinued operations, and Consumers' other consolidated entities within other reconciling items.

Consumers

The segments reported for Consumers are:

- electric utility, consisting of regulated activities associated with the generation, purchase, distribution, and sale of electricity in Michigan
- gas utility, consisting of regulated activities associated with the purchase, transmission, storage, distribution, and sale of natural gas in Michigan

Consumers' other consolidated entities are presented within other reconciling items.

Presented in the following tables is financial information by segment:

In Millions

In Millions

In Millions

		Three Months Ended		Nine Months Ended			
September 30		2023	2022	2023	2022		
Three Months Ended March 31							
Three Months Ended March 31							
Three Months Ended March 31						2024	2023
CMS Energy, including Consumers	**CMS Energy, including Consumers**						
Operating revenue	*Operating revenue*						
Operating revenue							
Operating revenue							
Electric utility							
Electric utility							
Electric utility	Electric utility	$1,351	$1,594	$3,570	$4,160		
Gas utility	Gas utility	244	292	1,720	1,811		
NorthStar Clean Energy	NorthStar Clean Energy	78	138	222	347		
Total operating revenue – CMS Energy	Total operating revenue – CMS Energy	$1,673	$2,024	$5,512	$6,318		

Total operating revenue – CMS Energy					
Total operating revenue – CMS Energy					
Consumers	**Consumers**				
Operating revenue	*Operating revenue*				
Operating revenue					
Operating revenue					
Electric utility					
Electric utility					
Electric utility	Electric utility	$1,351	$1,594	$3,570	$4,160
Gas utility	Gas utility	244	292	1,720	1,811
Other reconciling items	Other reconciling items	1	—	1	—
Total operating revenue – Consumers	Total operating revenue – Consumers	$1,596	$1,886	$5,291	$5,971
CMS Energy, including Consumers	**CMS Energy, including Consumers**				
Net income (loss) available to common stockholders	*Net income (loss) available to common stockholders*				
Net income (loss) available to common stockholders					
Net income (loss) available to common stockholders					
Electric utility					
Electric utility					
Electric utility	Electric utility	$ 187	$ 194	$ 404	$ 501
Gas utility	Gas utility	4	(13)	181	239
NorthStar Clean Energy	NorthStar Clean Energy	16	11	26	26
Other reconciling items	Other reconciling items	(33)	(29)	(40)	(107)
Other reconciling items					
Other reconciling items					

Total net income available to common stockholders – CMS Energy	Total net income available to common stockholders – CMS Energy	$ 174	$ 163	$ 571	$ 659
Consumers	**Consumers**				
Net income (loss) available to common stockholder					
Net income available to common stockholder					
Net income available to common stockholder					
Net income available to common stockholder					
Electric utility					
Electric utility					
Electric utility	Electric utility	$ 187	$ 194	$ 404	$ 501
Gas utility	Gas utility	4	(13)	181	239
Other reconciling items	Other reconciling items	(13)	8	(9)	4
Total net income available to common stockholder – Consumers	Total net income available to common stockholder – Consumers	$ 178	$ 189	$ 576	$ 744

In Millions

		September 30, 2023	December 31, 2022	
	March 31, 2024		March 31, 2024	December 31, 2023
CMS Energy, including Consumers	**CMS Energy, including Consumers**			
Plant, property, and equipment, gross	*Plant, property, and equipment, gross*			
Plant, property, and equipment, gross				
Plant, property, and equipment, gross				
Electric utility[1]				

Electric utility[1]			
Electric utility[1]	Electric utility[1]	$ 18,802	$ 17,870
Gas utility[1]	Gas utility[1]	11,985	11,443
NorthStar Clean Energy	NorthStar Clean Energy	1,179	1,148
Other reconciling items	Other reconciling items	31	30
Other reconciling items			
Other reconciling items			
Total plant, property, and equipment, gross – CMS Energy	Total plant, property, and equipment, gross – CMS Energy	$ 31,997	$ 30,491
Consumers	**Consumers**		
Plant, property, and equipment, gross	*Plant, property, and equipment, gross*		
Plant, property, and equipment, gross			
Plant, property, and equipment, gross			
Electric utility[1]			
Electric utility[1]			
Electric utility[1]	Electric utility[1]	$ 18,802	$ 17,870
Gas utility[1]	Gas utility[1]	11,985	11,443
Other reconciling items	Other reconciling items	38	29
Total plant, property, and equipment, gross – Consumers	Total plant, property, and equipment, gross – Consumers	$ 30,825	$ 29,342
CMS Energy, including Consumers	**CMS Energy, including Consumers**		
Total assets	*Total assets*		
Total assets			
Total assets			
Electric utility[1]			
Electric utility[1]			

Electric utility[1]	Electric utility[1]	$ 18,856	$ 17,907
Gas utility[1]	Gas utility[1]	11,934	11,873
NorthStar Clean Energy	NorthStar Clean Energy	1,575	1,464
Other reconciling items	Other reconciling items	148	109
Other reconciling items			
Other reconciling items			
Total assets – CMS Energy	Total assets – CMS Energy	$ 32,513	$ 31,353
Consumers	**Consumers**		
Total assets	*Total assets*		
Total assets			
Total assets			
Electric utility[1]			
Electric utility[1]			
Electric utility[1]	Electric utility[1]	$ 18,915	$ 17,968
Gas utility[1]	Gas utility[1]	11,979	11,918
Other reconciling items	Other reconciling items	47	30
Total assets – Consumers	Total assets – Consumers	$ 30,941	$ 29,916

1 Amounts include a portion of Consumers' other common assets attributable to both the electric and gas utility businesses.

11: Variable Interest Entities

In August 2023,**Consolidated VIEs:** NorthStar Clean Energy sold a Class A membership interest in Newport Solar Holdings to tax equity investors. Newport Solar Holdings consolidates certain entities that it does not wholly owns Newport Solar, LLC, a 180-MW solar generation project located in Jackson County, Arkansas. The tax equity investors contributed $17 million to Newport Solar Holdings in August 2023 own, but for which it manages and $69 million in October 2023, after controls the project became commercially operational.

entities' operating activities. NorthStar Clean Energy holds is the primary beneficiary of these entities because it has the power to direct the activities that most significantly impact the economic performance of the companies, as well as the obligation to absorb losses or the right to receive benefits from the companies. Presented in the following table is information about the VIEs NorthStar Clean Energy consolidates:

Consolidated VIE	NorthStar Clean Energy's ownership interest	Description of VIE
Aviator Wind Equity Holdings	51-percent ownership interest[1]	Holds a Class B membership interest in Aviator Wind
Aviator Wind	Class B membership interest[2]	Holding company of a 525-MW wind generation project in Coke County, Texas
Newport Solar Holdings	Class B membership interest[2]	Holding company of a 180-MW solar generation project in Jackson County, Arkansas
NWO Holdco	Class B membership interest[2]	Holding company of a 100-MW wind generation project in Paulding County, Ohio

1 The remaining 49-percent interest in NWO Holdco, which wholly owns Northwest Ohio Wind, LLC, a 100-MW wind generation project in Paulding County, Ohio. is presented as noncontrolling interest on CMS Energy's consolidated balance sheets.

2 The Class A membership interest in NWO Holdco the entity is held by a tax equity investor.

NorthStar Clean Energy has a 51-percent ownership investor and is presented as noncontrolling interest in Aviator Wind Equity Holdings, which holds a Class B membership interest in Aviator Wind, on CMS Energy's consolidated balance sheets. Under the holding associated limited liability company of a 525-MW wind generation project in Coke County, Texas. The Class A membership interest in Aviator Wind is held by a agreement, the tax equity investor.

investor is guaranteed preferred returns from the entity.

Earnings, tax attributes, and cash flows generated by Newport Solar Holdings, NWO Holdco, and Aviator Wind the entities in which NorthStar Clean Energy holds a Class B membership are allocated among and distributed to the membership classes in accordance with the ratios specified in the associated limited liability company agreements; these ratios change over time and are not representative of the ownership interest percentages of each membership class. Since these entities' income and cash flows are not distributed among their investors based on ownership interest percentages, NorthStar Clean Energy allocates the entities' income (loss) among the investors by applying the hypothetical liquidation at book value method. This method calculates each investor's earnings based on a hypothetical liquidation of the entities at the net book value of underlying assets as of the balance sheet date. The liquidation tax gain (loss) is allocated to each investor's capital account, resulting in income (loss) equal to the period change in the investor's capital account balance.

Newport Solar Holdings, NWO Holdco, Aviator Wind Equity Holdings,

Presented in the following table are the carrying values of the VIEs' assets and Aviator Wind are VIEs. In accordance with liabilities included on CMS Energy's consolidated balance sheets:

				In Millions
		March 31, 2024		December 31, 2023
Current				
Cash and cash equivalents	$	24	$	28
Accounts receivable		5		3
Prepayments and other current assets		5		4
Non-current				
Plant, property, and equipment, net		1,055		1,064
Other non-current assets		3		3
Total assets[1]	$	1,092	$	1,102
Current				
Accounts payable	$	5	$	12
Non-current				

Non-current portion of finance leases		23		23
Asset retirement obligations		32		32
Total liabilities	$	60	$	67

1 Assets may be used only to meet VIEs' obligations and commitments.

NorthStar Clean Energy is obligated under certain indemnities that protect the tax equity investors against losses incurred as a result of breaches of representations and warranties under the associated limited liability company agreements, the tax agreements. For additional details on these indemnity obligations, see Note 2, Contingencies and Commitments—Guarantees.

Consumers' wholly-owned subsidiaries, Consumers 2014 Securitization Funding and Consumers 2023 Securitization Funding, are VIEs designed to collateralize Consumers' securitization bonds. These entities are considered VIEs primarily because their equity investors are guaranteed preferred returns from these entities. However, NorthStar Clean Energy manages and controls the entities' operating activities. As a result, NorthStar Clean Energy capitalization is insufficient to support their operations. Consumers is the primary beneficiary of and consolidates these VIEs, as it has the power to direct the activities that most significantly impact the economic performance of the companies, as well as the obligation to absorb losses or the right to receive benefits from the companies. NorthStar Clean Energy consolidates Newport Solar Holdings, NWO Holdco, Aviator Wind Equity Holdings, and Aviator Wind and presents the Class A membership interests and 49 percent of the Class B membership interest in Aviator Wind as noncontrolling interests.

Presented in the following table are the carrying values of the The VIEs' primary assets and liabilities included on CMS Energy's consolidated balance sheets:

				In Millions
	September 30, 2023		December 31, 2022	
Current				
Cash and cash equivalents	$	34	$	43
Accounts receivable		4		7
Prepayments and other current assets		3		7
Non-current				
Plant, property, and equipment, net		835		850
Construction work in progress		242		156
Total assets[1]	$	1,118	$	1,063
Current				
Current portion of long-term debt[2]	$	—	$	100
Accounts payable		19		33
Non-current				
Non-current portion of finance leases		23		23
Asset retirement obligations		32		24
Total liabilities	$	74	$	180

1 Assets may be used only to meet VIEs' obligations comprise regulatory assets and commitments.

2 Following long-term debt. The carrying value of the sale of a Class A membership interest in Newport Solar Holdings, the associated term loan credit agreement remains regulatory assets were $750 million at March 31, 2024 and $778 million at December 31, 2023. The securitization bonds outstanding at a separate subsidiary of NorthStar Clean Energy. For details on the term loan credit agreement, see Note 3, Financings and Capitalization.

NorthStar Clean Energy is obligated under certain indemnities that protect the tax equity investors against losses incurred as a result of breaches of representations and warranties under the associated limited liability company agreements. For additional details on these indemnity obligations, see Note 2, Contingencies VIEs were $787 million at March 31, 2024 and Commitments—Guarantees. December 31, 2023.

Other Non-consolidated VIEs: CMS Energy has variable interests in T.E.S. Filer City, Grayling, Genesee, and Craven. While CMS Energy owns 50 percent of each partnership, it is not the primary beneficiary of any of these partnerships because decision making is shared among unrelated parties, and no one party has the ability to direct the activities that most significantly impact the entities' economic performance, such as operations and maintenance, plant dispatch, and fuel strategy. The partners must agree on all major decisions for each of the partnerships.

Presented in the following table is information about these partnerships:

Name	Nature of the Entity	Nature of CMS Energy's Involvement
T.E.S. Filer City	Coal-fueled power generator	Long-term PPA between partnership and Consumers Employee assignment agreement
Grayling	Wood waste-fueled power generator	Long-term PPA between partnership and Consumers Reduced dispatch agreement with Consumers[1] Operating and management contract
Genesee	Wood waste-fueled power generator	Long-term PPA between partnership and Consumers Reduced dispatch agreement with Consumers[1] Operating and management contract
Craven	Wood waste-fueled power generator	Operating and management contract

1 Reduced dispatch agreements allow the facilities to be dispatched based on the market price of power compared with the cost of production of the plants. This results in fuel cost savings that each partnership shares with Consumers' customers.

The creditors of these partnerships do not have recourse to the general credit of CMS Energy or Consumers. CMS Energy's maximum risk exposure to these partnerships is generally limited to its investment in the partnerships, which is included in investments on its consolidated balance sheets in the amount of $71 million at March 31, 2024 and $74 million at September 30, 2023 and $71 million at December 31, 2022 December 31, 2023.

12: Transition Exit Activities

Asset Acquisition: In May 2023, Consumers purchased the Covert Generating Facility, a natural gas-fueled generation facility with 1,200 MW of nameplate capacity in Van Buren County, Michigan for $810 million. In August 2023, Consumers paid an additional $2 million as a result of a post-closing adjustment required under the purchase agreement.

Consumers accounted for the purchase as an asset acquisition, allocating the purchase price to the assets acquired and liabilities assumed based on their relative fair value. The original cost of the plant was $665 million and the seller had recognized $225 million of accumulated depreciation. Upon acquisition, Consumers recorded the net book value of $440 million and a plant acquisition adjustment of $370 million, resulting in an increase to plant, property, and equipment of $810 million. The remainder of the purchase price was allocated among various working capital accounts.

Exit Activities: In accordance with its Clean Energy Plan, Consumers retired the D.E. Karn coal-fueled electric generating units in June 2023. In 2019, when the MPSC approved the retirement of these units, Consumers removed from total plant, property, and equipment an amount representing the projected remaining book value of the two coal-fueled electric generating units upon their retirement, and recorded it as a regulatory asset. As of September 30, 2023, Consumers has recorded a regulatory asset of $655 million representing the remaining book value of these units.

Through a 2020 securitization financing order, the MPSC authorized Consumers to issue securitization bonds in order to finance the recovery of the remaining book value of the two coal-fueled electric generating units upon their retirement. Until securitization, which is expected in the fourth quarter of 2023, the book value of the generating units will remain in rate base and receive full regulatory returns in general rate cases.

Under its Clean Energy Plan, Consumers also plans to retire the J.H. Campbell coal-fueled generating units in 2025. In order to ensure necessary staffing at both D.E. Karn and J.H. Campbell through retirement, Consumers has implemented a retention incentive programs. The aggregate cost of the D.E. Karn program, which is now complete, was $32 million. program. The aggregate cost of the J.H. Campbell program through 2025 is estimated to be $50 million. The MPSC has approved deferred accounting treatment for these costs; these expenses are deferred as a regulatory asset.

As of September 30, 2023 March 31, 2024, the cumulative cost incurred and charged to expense related to the D.E. Karn retention incentive program was $16 million. Additionally, an amount of $4 million was capitalized as a cost of plant, property, and equipment and an amount of $12 million was deferred as a regulatory asset. The cumulative cost incurred and deferred as a regulatory asset related to the J.H. Campbell retention incentive program was $32 $38 million. The regulatory assets for both programs asset will be collected from customers over three years.

Presented in the following table is a reconciliation of the retention benefit liability recorded in other liabilities on Consumers' consolidated balance sheets:

In Millions

In Millions				
In Millions				
	Nine Months Ended			
September 30	2023	2022		
Three Months Ended March 31				
Three Months Ended March 31				[1]
Three Months Ended March 31			2024	2023
Retention benefit liability at beginning of period				
Retention benefit liability at beginning of period	$ 21	$ 14		
Costs deferred as a regulatory asset[1]	14	14		
Costs deferred as a regulatory asset				
Costs paid or settled	(13)	—		
Costs deferred as a regulatory asset				
Costs deferred as a regulatory asset				
Retention benefit liability at the end of the period[2]				
Retention benefit liability at the end of the period[2]	$ 22	$ 28		
Retention benefit liability at the end of the period[2]				
Retention benefit liability at the end of the period[2]				

1 Includes $4 million for amounts associated with a retention incentive program at the three months ended September 30, 2023 and $11 million for D.E. Karn coal-fueled generating units; this program concluded following the three months ended September 30, 2022. units' retirement in June 2023.

2 Includes current portion of other liabilities of $11 $8 million at September 30, 2023 March 31, 2024 and $25 $16 million at September 30, 2022 March 31, 2023.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations for CMS Energy and Consumers is contained in Part I—Item 1. Financial Statements—MD&A, which is incorporated by reference herein.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to market risk as previously disclosed in Part II—Item 7A. Quantitative and Qualitative Disclosures About Market Risk, in the 2022 2023 Form 10-K.

Item 4. Controls and Procedures

CMS Energy

Disclosure Controls and Procedures: CMS Energy's management, with the participation of its CEO and CFO, has evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, CMS Energy's CEO and CFO have concluded that, as of the end of such period, its disclosure controls and procedures are effective.

Internal Control Over Financial Reporting: There have not been any changes in CMS Energy's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Consumers

Disclosure Controls and Procedures: Consumers' management, with the participation of its CEO and CFO, has evaluated the effectiveness of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, Consumers' CEO and CFO have concluded that, as of the end of such period, its disclosure controls and procedures are effective.

Internal Control Over Financial Reporting: There have not been any changes in Consumers' internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Part II—Other Information

Item 1. Legal Proceedings

CMS Energy, Consumers, and certain of their affiliates are parties to various lawsuits and regulatory matters in the ordinary course of business. For information regarding material legal proceedings, including updates to information reported under Part I—Item 3. Legal Proceedings of the 2022 2023 Form 10-K, see Part I—Item 1. Financial Statements—Notes to the Unaudited Consolidated Financial Statements—Note 1, Regulatory Matters and Note 2, Contingencies and Commitments.

Item 1A. Risk Factors

There have been no material changes to the Risk Factors as previously disclosed in Part I—Item 1A. Risk Factors in the 2022 2023 Form 10-K, which Risk Factors are incorporated herein by reference.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

Presented in the following table are CMS Energy's repurchases of common stock for the three months ended September 30, 2023 March 31, 2024:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs
July 1, 2023 to July 31, 2023	24	$ 58.75	—	—
August 1, 2023 to August 31, 2023	1,178	60.43	—	—
September 1, 2023 to September 30, 2023	317	56.40	—	—
Total	1,519	$ 59.56	—	—

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet Be Purchased Under Publicly Announced Plans or Programs
January 1, 2024 to January 31, 2024	74,595	$ 56.44	—	—
February 1, 2024 to February 29, 2024	1,898	58.84	—	—
March 1, 2024 to March 31, 2024	102,834	58.97	—	—
Total	179,327	$ 57.92	—	—

1 All of the common shares were repurchased to satisfy the minimum statutory income tax withholding obligation for common shares that have vested under the Performance Incentive Stock Plan. The value of shares repurchased is based on the market price on the vesting date.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

CMS Energy’s and Consumers’ Exhibit Index

The agreements included as exhibits to this Form 10-Q filing are included solely to provide information regarding the terms of the agreements and are not intended to provide any other factual or disclosure information about CMS Energy, Consumers, or other parties to the agreements. The agreements may contain representations and warranties made by each of the parties to each of the agreements that were made exclusively for the benefit of the parties involved in each of the agreements and should not be treated as statements of fact. The representations and warranties were made as a way to allocate risk if one or more of those statements prove to be incorrect. The statements were qualified by disclosures of the parties to each of the agreements that may not be reflected in each of the agreements. The agreements may apply standards of materiality that are different than standards applied to other investors. Additionally, the statements were made as of the date of the agreements or as specified in the agreements and have not been updated. The representations and warranties may not describe the actual state of affairs of the parties to each agreement.

Additional information about CMS Energy and Consumers may be found in this filing, at www.cmsenergy.com, at www.consumersenergy.com, and through the SEC's website at www.sec.gov.

Exhibits		Description
4.1	—	150th 151stSupplemental Indenture dated as of August 4, 2023 January 9, 2024, between Consumers and TheBank of New York Mellon, as Trustee (Exhibit 4.1 to Form 8-K filed August 4, 2023 January 9, 2024, and incorporated herein by reference)
10.1[1]	—	Annual Employee Incentive Compensation Defined Contribution Supplemental Executive Retirement Plan, amended December21,2023, effective January1,2024 (Exhibit10.5 to Form10-K for Consumers, as amended, effective as of July 1, 2023 fiscal year ended December31,2023, and incorporated herein by reference)
10.2[1]	—	Annual NorthStar Clean Energy Employee Incentive Compensation Plan as for Consumers amended and restated effective as of July 1, 2023 January1,2024 (Exhibit10.22 to Form10-K for fiscal year ended December31,2023 and incorporated herein by reference)
31.1	—	CMS Energy's certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	—	CMS Energy's certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	—	Consumers' certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	—	Consumers' certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of2002
32.1	—	CMS Energy's certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	—	Consumers' certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibits		Description
101.INS	—	Inline XBRL Instance Document
101.SCH	—	Inline XBRL Taxonomy Extension Schema
101.CAL	—	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	—	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	—	Inline XBRL Taxonomy Extension Labels Linkbase
101.PRE	—	Inline XBRL Taxonomy Extension Presentation Linkbase
104	—	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

[1] Management contract or compensatory plan or arrangement.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiary.

CMS ENERGY CORPORATION

Dated: October 26, 2023 April 25, 2024 By: /s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

CONSUMERS ENERGY COMPANY

Dated: October 26, 2023 April 25, 2024 By: /s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer

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Exhibit 10.1

ANNUALEMPLOYEE INCENTIVE COMPENSATION PLAN FOR CONSUMERS ENERGY COMPANY

ANNUAL EMPLOYEE INCENTIVE COMPENSATION PLAN FOR CONSUMERS ENERGY COMPANY

I. GENERAL PROVISIONS

1.1 Purpose. The purpose of the Annual Employee Incentive Compensation Plan ("EICP" or "Plan") is to provide an equitable and competitive level of compensation that will permit Consumers Energy Company ("Company") and its subsidiaries to attract, retain and motivate their employees.

1.2 Effective Date. The Plan as described herein is amended and restated effective as of March 14, 2014 and revised August 4, 2017, December 1, 2018, December 1, 2019, December 1, 2021, January 27, 2022, and July 1, 2023.

1.3 Eligibility. Regular non-union U.S. employees who have received a performance rating of at least "Fully Effective" (also known as "Effective" or "Meets Expectations" or "Satisfactory" or "Fully Contributing") for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal are eligible for participation in the EICP. Any regular non-union employee who has received a performance rating of less than "Highly Effective" (also known as

“Fully Effective” or “Meets Expectations” or “Satisfactory” or “Fully Contributing”) or under-performing (also known as “under-contributing” or (“U”) for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal is not eligible for participation in the EICP.

II. CORPORATE PERFORMANCE GOALS

Each year the President and CEO of CMS Energy Corporation will establish the Corporate Performance Goals ("Goals") for the EICP. The Goals will consist of between five and fifteen utility specific performance criteria relating to such items as customer service, safety and reliability. When establishing the Goals for a Performance Year, the President and CEO will include the total number of criteria to be used for the year as well as the award percent for achievement of a specified number of the established criteria. The specific Goals will be communicated to employees no later than March 31st of the Performance Year. The Award Formula may include additional adjustments based on financial performance goals relating to CMS Energy Corporation as determined by the Compensation and Human Resources Committee of the Company Board of Directors (the “Committee”).

III. ANNUAL AWARD FORMULA

3.1 Annual Awards. Except as provided in Section 3.2,Annual Awards for each eligible EICP participant shall be equal to the sum of the 1st Half Award and 2nd Half Award. The Standard Award Amounts and Standard Target $ Amounts are subject to adjustment by the President and CEO of CMS Energy Corporation as indicated by market practices.

(a) 1st Half Award. The 1st Half Award is applicable for service provided by the eligible EICP participant from January 1, 2023 through June 30, 2023 (for exempt employees) or July 2, 2023 (for non-exempt employees) (“1st Half

Period”). The total amount of an eligible EICP participant’s 1st Half Award will be computed based upon the applicable Standard Award Amount set forth in the Salary Grade Table and according to the following award formula (the “Salary Grade Award Formula”):

1st Half Award = Standard Award Amount* x Operational Award Level x 50% Plus Standard Target Amount x Financial Award Level x 50%

*prorated based on number of days of service provided during the 1st Half Period

SALARY GRADE AWARD TABLE

Salary Grade	Fulltime Standard Award Amount	Part time Standard Award Amount
25	$18,500	$9,250
24	$18,250	$9,125
23	$11,250	$5,625
22	$11,000	$5,500
21	$6,750	$3,375
20	$6,500	$3,250
19	$6,250	$3,125
18	$1,000	$500
17	$875	$438
16	$750	$375
15	$675	$338
14	$600	$300
13	$575	$288
12	$550	$275
11	$525	$263
10	$500	$250

9	$475	$238
8	$450	$225
7	$425	$213
6	$400	$200
5	$375	$188
4	$350	$175
3	$325	$163
2	$300	$150
1	$275	$138

(b) 2nd Half Award. The 2nd Half Award is applicable for service provided by the eligible EICP participant from July 1, 2023 (for exempt employees) or July 3, 2023 (for non-exempt employees) through December 31, 2023 ("2nd Half Period"). Except as provided in Section 3.1(c), the 2nd Half Award will be equal to the greater of the award amount:

(1) calculated under the Salary Grade Award Formula; or

(2) computed based upon the applicable Standard Target $ Amount set forth in the Career Stream Target Table and according to the following award formula ("Career Stream Target Formula"):

2nd Half Award = (Standard Target $ Amount* x Operational Award Level x 50% Plus Standard Target Amount x Financial Award Level x 50%)

*prorated based on number of days of service provided during the 2nd Half Period

CAREER STREAM AWARD TABLE

Management		Individual Contributor (Technical & Professional)		Individual Contributor (Support)	
JOB LEVEL	**Standard Target $ Amount**	**JOB LEVEL**	**Standard Target $ Amount**	**JOB LEVEL**	**Standard Target $ Amount**
Executive Director	$ 18,000	Fellow	$ 6,000	Senior Lead	$ 800
Director	$ 11,000	Senior Principal	$ 4,000	Lead	$ 700
Senior Manager	$ 8,000	Principal	$ 3,000	Senior	$ 600
Manager	$ 6,500	Senior	$ 1,500	Career	$ 500
Supervisor	$ 6,000	Career	$ 800	Entry	$ 400
		Entry	$ 700		

Note: Part-time employees will receive a Standard Target $ Amount multiplied by their work schedule percentage. For example, if the Standard Target $ Amount based on Career Stream and Level is $500 and the part-time employees works 35 hours per week (87.5% of a standard 40 hour per week schedule), then their Standard Target $ Amount will be $437.50.

(c) 2nd Half Award upon Change in Job Status. If an eligible EICP participant has a change in job status on or after July 1, 2023 (for exempt employees) or July 3, 2023 (for non-exempt employees), then the award amount will be calculated under the Career Stream Target Formula beginning on the effective date of the change in job status with respect to days of service provided on or after the change in job status through December 31, 2023. Section 3.1(b) will apply for purposes of calculating the 2nd Half Award from July 1, 2023 (for exempt employees) or July 3, 2023 (for non-exempt employees) through the date prior to the change in job status.

Example: Individual is an exempt employee who provided services as an EICP participant from January 1, 2023 through December 31, 2023. The EICP participant had a change in job status effective September 1, 2023. The EICP participant's Annual Award for 2023 is calculated as follows: Section 3.1(a) applies for the 1st Half Period. Section

3.1(b) applies from the period beginning July 1, 2023 through August 31, 2023. The award amount is calculated under the Career Stream Target Formula for the period beginning September 1, 2023 through December 31, 2023.

3.2 **Annuals Awards for New Hires On or After July 1, 2023**. Annual Awards for each eligible EICP participant hired or rehired on or after July 1, 2023 (for exempt employees) or July 3, 2023 (for non-exempt employees) shall be equal to an award amount calculated under the Career Stream Target Formula.

IV. PAYMENT OF ANNUAL AWARDS

4.1 **Cash Annual Award.** All Annual Awards for a Performance Year will be paid in cash no later than March 15th of the calendar year following the Performance Year provided that the Annual Award for a particular Performance Year has not been deferred voluntarily pursuant to Section 4.2. The amounts required by law to be withheld for income and employment taxes will be deducted from the Annual Award payments. All Annual Awards become the obligation of the company on whose payroll the employee is enrolled at the time the Committee makes the Annual Award.

4.2Deferred Annual Awards.

(a) The payment of all or any portion (rounded to an even multiple of 10%) of a cash Annual Award may be deferred voluntarily at the election of individual participants in salary grades 19-25 or Career Stream Management. Any such deferral will be net of any applicable FICA or FUTA taxes. A separate irrevocable election must be made prior to the Performance Year. Any Annual Award made by the Committee after termination of employment of a participant or retirement of a participant will be paid in accordance with any deferral election made within the enrollment period.

(b) At the time the participant makes a deferral election he or she must select the payment options (including the Payment Event as set forth at (c) below and the Payment Term as set forth at (d) below) applicable to the Deferred Annual Award for the Performance Year, as well as any earnings or income attributable to such amounts. The payment options elected will apply only to that year’s Deferred Annual Award and will not apply to any previous Deferred Annual Award or to any subsequent Deferred Annual Award. Any participant who elects to defer all or a portion of an Annual Award and who fails to select a Payment Event, or a Payment Term will be presumed to have elected a Payment Event of Separation from Service in accordance with paragraph (c)(i) below and/or a Payment Term of a single sum.

(c) The Payment Event elected can be either:

(i) Separation from Service for any reason other than death. Payment will be made, or begin, in the later of: (1) January of the year following the year of the Separation from Service; or (2) the seventh month after the month of the Separation from Service. Later installments, if any, will be paid in January of the succeeding years. Effective for amounts deferred in 2019 and succeeding years, payment will be made, or begin, in the seventh month after the month of Separation from Service. Later installments, if any, will be paid in the same month of the succeeding years;

(ii) Payment upon attainment of a date certain that is more than 1 year after the last day of the applicable Performance Year. Later installments, if any, will be paid in the same month of the succeeding years; or

(iii) The later to occur of (i) or (ii) above.

(d) Payment Term. At the time of electing to defer an Annual Award, the participant must also elect how he or she wishes to receive any such payment from among the following options (the participant may elect a separate Payment Term for each Payment Event elected):

(i) Payment in a single sum upon occurrence of the Payment Event.

(ii) Payment of a series of annual installment payments over a period from two (2) years to fifteen (15) years following the Payment Event. Each installment payment shall be equal to a fractional amount of the balance in the account the numerator of which is one and the denominator of which is the number of installment payments remaining. Although initially such installment payments will be identical, actual payments may vary based upon investment performance. For example, a series of 5 installment payments will result in a payout of 1/5 of the account balance in the first installment, ¼ of the account balance (including investment gains or losses since the first installment date) in the second installment, etc.

(e) Changes to Payment Options. Once a payment option has been elected, subsequent changes which would accelerate the receipt of benefits from the Plan are not permitted, except that the Plan Administrator, which is the Benefit Administration Committee as defined in the Savings Plan for Employees of Consumers Energy and other CMS Energy Companies (the “Savings Plan”), may at its discretion accelerate payments to the extent permitted by Code Section 409A and applicable regulations. A subsequent election to change the payment options related to a Payment Event, in order to delay a payment or to change the form of a payment, can only be made when all of the following conditions are satisfied:

(i) such election may not take effect until at least 12 months after the date on which the election is made;

(ii) the payment(s) with respect to which such election is made is deferred for a period of not less than 5 years from the date such payment would otherwise have been made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred (and the related earnings) prior to January 1, 2016, 5 years from the date the first installment was scheduled to be paid); and

(iii) such election must be made not less than 12 months before the date the payment was previously scheduled to be made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred (and the related earnings) prior to January 1, 2016, 12 months before the first installment was scheduled to be paid), if the participant’s previous commencement date was a specified date.

Effective January 1, 2016, the right to a series of installment payments is to be treated as a right to a series of separate payments to the extent permissible under Code Section 409A and any applicable regulations. When making a subsequent election with respect to the payment of any post-December 31, 2015 deferral, the participant may make a separate election with respect to each separate payment, provided that such election must result in all of the applicable Performance Year’s deferral with related earnings being paid in a single sum or in a series of annual payments over a period from two (2) to fifteen (15) consecutive years.

(f) Investments. At the time of electing to voluntarily defer payment, the participant must elect how the Deferred Annual Award will be treated by the Company or Subsidiary. To the extent that any amounts deferred are placed in a rabbi trust with an independent Record Keeper, a participant who has previously deferred amounts under this Plan will automatically have his or her existing investment profile apply to this deferral also. Record Keeper means the person(s) or entity named as such by the Plan Administrator. All determinations of the available investment options by the Plan Administrator are final and binding upon participants. A participant may change the investment elections at any time prior to the payment of the benefit, subject to any restrictions imposed by the Plan Administrator, the plan Record Keeper or by any applicable laws and regulations. A participant not making an election will have amounts deferred treated as if in a Lifestyle Fund as defined in the Savings Plan applicable to the participant's age 65, rounded up, or such other investment as determined by the Plan Administrator. All gains and losses will be based upon the performance of the investments selected by the participant from the date the deferral is first credited to the nominal account. If the Company elects to fund its obligation as discussed below, then investment performance will be based on the balance as determined by the Record Keeper.

(g) The amount of any Deferred Annual Award is to be satisfied from the general corporate funds of the company on whose payroll the Plan participant was enrolled prior to the payout beginning and are subject to the claims of general creditors of the company. This is an unfunded nonqualified deferred compensation plan. To the extent the Company elects to place funds with a trustee to pay its future obligations under this Plan, such amounts are placed for the convenience of the Company or Subsidiary, remain the property of the Company or Subsidiary and the participant shall have no right to such funds until properly paid in accordance with the provisions of this Plan. For administrative ease and convenience, such amounts may be referred to as participant accounts, but as such are a notional account only and are not the property of the participant. Such amounts remain subject to the claims of the creditors of the Company or Subsidiary.

(h) Payment in the Event of an Unforeseeable Emergency. The participant may request that payments commence immediately upon the occurrence of an Unforeseeable Emergency as that term is defined in Code Section 409A and any applicable regulations. Generally, an unforeseeable emergency is a severe financial hardship resulting from an illness or accident of the participant or the participant's spouse or dependent, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the participant's assets (without causing severe financial hardship), or by cessation of deferrals under this arrangement, the Savings Plan or other arrangements. Distributions because of an unforeseeable emergency shall not exceed the amount permitted under Section 409A and accordingly are limited to the amount reasonably necessary to satisfy the emergency need (after use of insurance proceeds, liquidation of assets, etc.) plus an amount to pay taxes reasonably anticipated as a result of the distribution. In the event any payment is made due to an unforeseeable emergency, all deferral elections for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year. For any participant receiving a hardship withdrawal under the Savings Plan, all deferral elections under this Plan for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year.

4.3 Payment in the Event of Death.

(a) A participant may name the beneficiary of his or her choice on a beneficiary form provided by the Company or Record Keeper, and the beneficiary shall receive, within 90 days of the participant's death, in a single sum, all payments credited to the participant in the event that the participant dies prior to receipt of Deferred Annual Awards. If there is no beneficiary named at the time of participant's death or if the beneficiary does not survive the participant, the payment will be made to the participant's estate. In no event may any recipient designate a year of payment for an amount payable upon the death of the participant.

(b) A participant may change beneficiaries at any time, and the change will be effective as of the date the plan Record Keeper or the Company accepts the form as complete. The Company will not be liable for any payments made before receipt and acceptance of a written beneficiary request.

V. CHANGE OF STATUS

Payments in the event of a change in status will not be made if no Annual Awards are made for the Performance Year.

5.1 Pro-Rata Annual Awards. A new EICP participant, whether hired or promoted to the position, or an EICP employee promoted to a higher salary grade / job level during the Performance Year will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular salary grade / job level.An EICP participant whose salary grade / job level has been lowered, but whose employment is not terminated during the Performance Year will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular salary grade / job level. Awards will also be prorated for any change in full time or part time work status.

5.2 Termination. An EICP participant whose employment is terminated pursuant to a violation of the Company code of conduct or other corporate policies will not be considered for or receive an Annual Award.

5.3 Resignation. An EICP participant who resigns prior to payment (during or after a Performance Year) will not be eligible for an Annual Award. If the resignation is due to reasons such as a downsizing or reorganization, or the ill health of the employee or ill health in the immediate family, the employee may petition the Plan Administrator and may be considered, in the discretion of the Plan Administrator, for a pro rata Annual Award. The Plan Administrator's decision to approve or deny the request for a pro rata Annual Award shall be final.

5.4 **Death, Disability, Retirement, Leave of Absence.** An EICP participant whose status as an active employee is changed during the Performance Year due to death, Disability, Retirement, or Leave of Absence (as determined by the Plan Administrator) will receive a pro rata Annual Award. An EICP participant whose employment is terminated following the Performance Year but prior to payment due to death, Disability or Retirement will continue to be eligible for an Annual Award for the Performance Year. Any such payment or Annual Award payable due to the death of the EICP participant will be made to the named beneficiary, or if no beneficiary is named or if the beneficiary doesn't survive the EICP participant, then to the EICP participant's estate no later than March 15 following the applicable Performance Year. Notwithstanding the above, an EICP participant who retires, is on disability or leave of absence and who becomes employed by a competitor of CMS Energy or Consumers Energy or their subsidiaries or affiliates prior to award payout will forfeit all rights to an Annual Award, unless prior approval of such employment has been granted by the Committee. A "competitor" shall mean an entity engaged in the business of (1) selling (a) electric power or natural gas at retail or wholesale within the State of Michigan or (b) electric power at wholesale within the market area in which an electric generating plant owned by a subsidiary or affiliate of CMS Enterprises is located or (2) developing an electric generating plant within the State of Michigan or a market area in which an electric generating plant owned by a subsidiary.

5.5 **Payment Following Leave of Absence.** Payment of an award for an EICP participant who is on leave of absence or Family Medical Leave Act leave at the time of payment shall be paid in the same payroll period as active employees. Payment of an award for an EICP participant who is laid-off at the time of payment shall be paid in the payroll period that is within an administratively reasonable time after returning to work, but no later than March 15 of the year following the year the participant has returned to work.

VI. MISCELLANEOUS

6.1 **Impact on Benefit Plans.** Payments made under the Plan will be considered as earnings for the Supplemental Executive Retirement Plans (Salary Grades 24 and 25 or Career Stream Management – Job Level Executive Director) but not for purposes of the Employees' Savings Plan, Pension Plan, or other employee benefit programs.

6.2 **Impact on Employment**. Neither the adoption of the Plan nor the granting of any Annual Award under the Plan will be deemed to create any right in any individual to

be retained or continued in the employment of the Company or any corporation within the Company's control group.

6.3 **Termination or Amendment of the Plan.** The Company may amend or terminate the Plan at any time. Upon termination, any Deferred Annual Award accrued under the Plan and vested will remain in the Plan and be paid out in accordance with the Payment Elections previously selected. The Plan Administrator is authorized to make any amendments that are deemed necessary or desirable to comply with any applicable laws, regulations or orders or as may be advised by counsel or to clarify the terms and operation of the Plan. The Company may terminate the Plan and accelerate any benefits under the Plan, at its discretion, if it acts consistent in all manners with the requirements of Code Section 409A and any applicable regulations with respect to when a terminated plan may accelerate payment to a participant.

6.4 **Governing Law**. The Plan will be governed and construed in accordance with the laws of the State of Michigan.

6.5 **Dispute Resolution**. Any disputes related to the Plan must be brought to the Plan Administrator. The Plan Administrator is granted full discretionary authority to apply the terms of the Plan, make administrative rulings, interpret the Plan and make any other determinations with respect to the Plan. If the Plan Administrator makes a determination and the participant disagrees with or wishes to appeal the determination, the participant must appeal the decision to the Plan Administrator, in writing and not later than 60 days from when the determination was mailed to the participant. If the participant does not timely appeal the original determination, the participant has no further rights under the Plan with respect to the matter presented in the claim. If the participant appeals the original determination and that appeal does not result in a mutually agreeable resolution, then the dispute shall be subject to final and binding arbitration before a single arbitrator selected by the parties to be conducted in Jackson, Michigan, provided the participant makes such request for arbitration in writing within 30 days of the final decision by the Plan Administrator. The arbitration will be conducted and finished within 90 days of the selection of the arbitrator. The parties shall share equally the cost of the arbitrator and of conducting the arbitration proceeding, but each party shall bear the cost of its own legal counsel and experts and other out-of-pocket expenditures. The arbitrator must use an arbitrary and capricious standard of review when considering any determinations and findings by the Plan Administrator.

VII. AMENDMENT TO REFLECT CODE SECTION 409A

7.1 Code Section 409A. This Plan has been amended, effective as of January 1, 2005, to comply with the requirements of Section 409A of the Code. To the extent counsel determines additional amendments may be reasonable or desirable in order to comply with Code Section 409A, and any other applicable rules, laws and regulations, such changes shall be authorized with the approval of the Plan Administrator.

Exhibit 10.2

ANNUAL NORTHSTAR CLEAN ENERGY EMPLOYEE INCENTIVE COMPENSATION PLAN

ANNUAL NORTHSTAR CLEAN ENERGY EMPLOYEE INCENTIVE COMPENSATION PLAN

I. GENERAL PROVISIONS

1.1 Purpose. The purpose of the Annual NorthStar Clean Energy Employee Incentive Compensation Plan (“Plan”) is to provide an equitable and competitive level of compensation that will permit NorthStar Clean Energy and its subsidiaries to attract, retain and motivate their employees.

1.2 Effective Date. The Plan as described herein is effective as of January 1, 2014, as amended and revised January 1, 2016; August 4, 2017; December 1, 2018; December 1, 2019; February 1, 2020; May 16, 2021; December 1, 2021; January 27, 2022; August 22, 2022 and July 1, 2023.

1.3 Eligibility. Except as otherwise provided in this Section 1.3, regular non-union U.S. employees and NorthStar Clean Energy Officers who do not participate in a broad-based incentive plan contingent upon objectives and performance unique to the employees’ or NorthStar Clean Energy Officers’ subsidiary, affiliate, site and/or business unit, are eligible for participation in the Plan. An individual listed on the Company payroll records as a contract employee is not eligible for this Plan. Eligible regular non-union U.S. employees and NorthStar Clean Energy Officers who have received a performance rating of at least

"Fully Effective" (also known as "Effective" or "Meets Expectations" or "Satisfactory" or "Fully Contributing") for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal are eligible for participation in the Plan. Any regular non-union employee or NorthStar Clean Energy Officer who has received a performance rating of less than "Fully Effective" (as defined above), such as under-performing (also known as "Needs Improvement", "Under Performing", "under-contributing" or ("U")) for the Performance Year as documented on their annual performance, evaluation, feedback and development appraisal is not eligible for participation in the Plan.

1.4<u>Definitions</u>. As used in this Plan, the following terms have the meaning described below:

(a) "Annual Award" means an annual incentive award granted under the Plan.

(b) "Base Salary" means regular straight-time salary or wages paid to the employee or NorthStar Clean Energy Officer.

(c) "CMS Energy" means CMS Energy Corporation, the parent of Consumers Energy Company and NorthStar Clean Energy.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Company" means NorthStar Clean Energy.

(f) "Deferred Annual Award" means the amount deferred pursuant to Section 4.2.

(g) "Disability" means that a participant has terminated employment with the Company or a Subsidiary and is disabled, as that term is defined under Code Section 409A and any applicable regulations.

(h) "NorthStar Clean Energy" means NorthStar Clean Energy Company, a wholly owned subsidiary of CMS Energy.

(i) "NorthStar Clean Energy Officer" for purposes of this Plan means an elected officer of NorthStar Clean Energy.

(j) "Leave of Absence" for purposes of this Plan means a leave of absence that has been approved by the Company.

(k) "Payment Event" means the time at which a Deferred Annual Award may be paid pursuant to Section 4.2.

(l) "Payment Term" means the length of time for payment of a Deferred Annual Award under Section 4.2.

(m) "Pension Plan" means the Pension Plan for Employees of Consumers Energy and Other CMS Energy Companies.

(n) "Performance Year" means the calendar year prior to the year in which an Annual Award is made under this Plan.

(o) "Plan Administrator" is the Benefits Administration Committee appointed by the CMS Energy Chief Executive Officer and the CMS Energy Chief Financial Officer.

(p) "Record Keeper" means the person(s) or entity named as such by the Plan Administrator.

(q) “Retirement” means that a Plan participant is no longer an active employee or NorthStar Clean Energy Officer and qualifies for a retirement benefit other than a deferred vested retirement benefit under the Pension Plan. For a participant ineligible for coverage under the Pension Plan and covered instead under the Defined Company Contribution Plan, retirement occurs when there is a Separation from Service on or after age 55 with 5 or more years of service.

(r) “Separation from Service” means an employee or NorthStar Clean Energy Officer retires or otherwise has a separation from service from the Company as defined under Code Section 409A and any applicable regulations. The Plan Administrator will determine, consistent with the requirements of Code Section 409A and any applicable regulations, to what extent a person on a leave of absence, including on paid sick leave pursuant to Company policy, has incurred a Separation from Service. Notwithstanding the above, a Separation from Service will occur consistent with Treasury Regulation Section 1.409A-1(h) when it is reasonably anticipated that the level of service provided by the employee or NorthStar Clean Energy Officer will be no more than 45% of the average level of bona fide service performed by the employee or NorthStar Clean Energy Officer over the immediately preceding 36-month period.

(s) “Standard Award Percentage” means the target award amount as a percentage of Base Salary as set forth in Section 3.1 of this Plan.

(t) “Subsidiary” means any direct or indirect subsidiary of the Company.

II. CORPORATE PERFORMANCE GOALS

2.1 In General. Each year the President of NorthStar Clean Energy will establish the Performance Goals ("Goals") for the Plan. The Goals will consist of between three and ten company specific performance criteria relating to such items as net income, cash flow, gross margin, revenue, customer service, safety and reliability. When establishing the Goals for a Performance Year, the President of NorthStar Clean Energy will include the total number of criteria to be used for the year as well as the award percent for achievement of a specified number of the established criteria. The specific Goals will be communicated to employees and NorthStar Clean Energy Officers no later than March 31st of the Performance Year. The Award Formula may include additional adjustments based on financial performance goals relating to CMS Energy Corporation as determined by the Compensation and Human Resources Committee of the CMS Energy Board of Directors.

2.2 Plan Performance. The adjustments, if applicable, based on financial performance goals relating to CMS Energy used to calculate an Annual Award is capped at two times the applicable Standard Award Percentage. The Goals for a Performance Year are established in a table relating specific performance results to specific performance goals. This table shall be created by the President of NorthStar Clean Energy for each Performance Year.

III. ANNUAL AWARD FORMULA

3.1 Annual Awards. Annual Awards for each eligible Plan participant shall be equal to the sum of the 1st Half Award and 2nd Half Award (with the exception of the NorthStar Clean Energy Officer participants, which will be set forth in Section 3.2). The Standard Award Percentages stated in this Section 3.1 are subject to adjustment by the President of NorthStar Clean Energy as indicated by market practices.

(a) 1st Half Award. The 1st Half Award is applicable for service provided by the eligible Plan participant from January 1, 2023 through June 30, 2023 (for exempt employees) or July 2, 2023 (for non-exempt employees) ("1st Half Period"). The total amount of an eligible Plan participant's 1st Half Award will be computed based upon the applicable Standard Award Percentage set forth in the Salary Grade Table and according to the following award formula (the "Salary Grade Award Formula"):

1st Half Award = Standard Award Percentage* X Award percent for achievement of actual number of award criteria X Weighting for each award criteria

*prorated based on number of days of service provided during the 1st Half Period

SALARY GRADE AWARD TABLE

Salary Grade	Standard Award Percentage of Base Salary	
	Full time	Part time
25	25%	25%
24	25%	25%
23	15%	15%
22	15%	15%
21	12%	12%
20	12%	12%
19	12%	12%
18	10%	10%
17	6%	6%
16	3%	3%
15	3%	3%
14	3%	3%
13	3%	3%
12	3%	3%
11	3%	3%
10	3%	3%
9	3%	3%
8	3%	3%
7	3%	3%
6	3%	3%
5	3%	3%
4	3%	3%
3	3%	3%
2	3%	3%
1	3%	3%

(b) 2nd Half Award. The 2nd Half Award is applicable for service provided by the eligible Plan participant from July 1, 2023 (for exempt employees) or July 3, 2023 (for non-exempt employees) through December 31, 2023 ("2nd Half Period"). The total amount of an eligible Plan participant's 2nd Half Award will be computed based upon the applicable Standard Award Percentage set forth in the Career Stream Target Table and according to the following award formula ("Career Stream Target Formula"):

2nd Half Award = Standard Award Percentage* X Award percent for achievement of actual number of award criteria X Weighting for each award criteria

*prorated based on number of days of service provided during the 2nd Half Period

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CAREER STREAM AWARD TABLE

Career Stream	Job Level	Standard Award % of Base Salary
Management	Supervisor	6.0%
Management	Manager	10.0%
Management	Senior Manager	12.0%
Management	Director	15.0%
Management	Executive Director	25.0%
Technical	Entry	3.0%
Technical	Career	3.0%
Technical	Senior	6.0%
Technical	Principal	10.0%
Technical	Senior Principal	12.0%
Technical	Fellow	15.0%
Professional	Entry	3.0%
Professional	Career	3.0%
Professional	Senior	6.0%
Professional	Principal	10.0%
Professional	Senior Principal	12.0%
Support	Entry	3.0%
Support	Career	3.0%
Support	Senior	3.0%
Support	Lead	3.0%
Support	Senior Lead	3.0%

Note: Part-time employees will receive the Standard Award Percentage multiplied by their work week schedule percentage. For example if a part-time employee works 30 hours per week (75% of a standard 40 hour per week schedule), then Standard Award Percentage would be multipled by 75%.

3.2 NorthStar Clean Energy Officer Annual Awards. Annual Awards for each eligible Plan NorthStar Clean Energy Officer participant will be based upon a standard award percentage as set forth in the table below:

Officer	Standard Award Percentage of Base Salary
President ofCMS NorthStar Clean Energy	40%
Chief Operating Officer of CMS NorthStar Clean Energy	35%
Vice President of CMS NorthStar Clean Energy Development	30%

IV. ADMINISTRATION OF THE PLAN

(a) The Plan is administered by the President of CMS NorthStar Clean Energy under the general direction of the CMS Energy Chief Executive Officer, Senior Vice President People & Culture, and Senior Vice President of Strategy

(b) Each year, normally in January, but no later than March 30th of the Performance Year, the Senior Vice President of Strategy will approve the established Performance Goals for the Performance Year.

(c) The Senior Vice President of Strategy, no later than March 31st of the calendar year following the Performance Year, will review for approval proposed Annual Awards as recommended by the President of CMS NorthStar Clean Energy.

(d) The CMS Energy Chief Executive Officer reserves the right to modify the established Performance Goals with respect to unforeseeable circumstances or otherwise exercise discretion with respect to proposed Annual Awards as he or she deems necessary to maintain the spirit and intent of the Plan, provided that if such discretion increases the Annual Award it does not exceed the computed performance factor by more than 20%. The CMS Energy Chief Executive Officer also reserves the right in his or her discretion to not pay Annual Awards or to reduce the amount of Annual Awards for a Performance Year. All decisions of the CMS Energy Chief Executive Officer are final.

V. PAYMENT OF ANNUAL AWARDS

5.1 Cash Annual Award. All Annual Awards for a Performance Year will be paid in cash no later than March 15th of the calendar year following the Performance Year provided that the Annual Award for a particular Performance Year has not been deferred voluntarily pursuant to Section 4.2. The amounts required by law to be withheld for income and employment taxes will be deducted from the Annual Award payments. All Annual Awards become the obligation of the company on whose payroll the employee or NorthStar Clean Energy Officer is enrolled at the time CMS NorthStar Clean Energy makes the Annual Award.

5.2Deferred Annual Awards.

(a) The payment of all or any portion (rounded to an even multiple of 10%) of a cash Annual Award may be deferred voluntarily at the election of individual participants in salary grades 19-25 or Career Stream Management. Any such deferral will be net of any applicable FICA or FUTA taxes. A separate irrevocable election must be made prior to the

Performance Year. Any Annual Award made by CMS NorthStar Clean Energy after termination of employment of a participant or retirement of a participant will be paid in accordance with any deferral election made within the enrollment period.

(b) At the time the participant makes a deferral election he or she must select the payment options (including the Payment Event as set forth at (c) below and the Payment Term as set forth at (d) below) applicable to the Deferred Annual Award for the Performance Year, as well as any earnings or income attributable to such amounts. The payment options elected will apply only to that year's Deferred Annual Award and will not apply to any previous Deferred Annual Award or to any subsequent Deferred Annual Award. Any participant who

elects to defer all or a portion of an Annual Award and who fails to select a Payment Event or a Payment Term will be presumed to have elected a Payment Event of Separation from Service in accordance with paragraph (c)(i) below and/or a Payment Term of a single sum.

(c) The Payment Event elected can be either:

(i) Separation from Service for any reason other than death. Payment will be made, or begin, in the later of: (1) January of the year following the year of the Separation from Service; or (2) the seventh month after the month of the Separation from Service. Later installments, if any, will be paid in January of the succeeding years. Effective for amounts deferred in 2019 and succeeding years, payment will be made, or begin, in the seventh month after the month of Separation from Service. Later installments, if any, will be paid in the same month of the succeeding years;

(ii) Payment upon attainment of a date certain that is more than 1 year after the last day of the applicable Performance Year. Later installments, if any, will be paid in the same month of the succeeding years; or

(iii) The later to occur of (i) or (ii) above.

(d) Payment Term. At the time of electing to defer an Annual Award, the participant must also elect how he or she wishes to receive any such payment from among the following options (the participant may elect a separate Payment Term for each Payment Event elected):

(i) Payment in a single sum upon occurrence of the Payment Event.

(ii) Payment of a series of annual installment payments over a period from two (2) years to fifteen (15) years following the Payment Event. Each installment payment shall be equal to a fractional amount of the balance in the account the numerator of which is one and the denominator of which is the number of installment payments remaining. Although initially such installment payments will be identical, actual payments may vary based upon investment performance. For example, a series of 5 installment payments will result in a payout of 1/5 of the account balance in the first installment, ¼ of the account balance (including investment gains or losses since the first installment date) in the second installment, etc.

(e) Changes to Payment Options. Once a payment option has been elected, subsequent changes which would accelerate the receipt of benefits from the Plan are not permitted, except that the Plan Administrator, which is the Benefit

Administration Committee as defined in the Savings Plan for Employees of Consumers Energy and other CMS Energy Companies (the “Savings Plan”), may at its discretion accelerate payments to the extent permitted by Code Section 409A and applicable regulations. A subsequent election to change the payment options related to a Payment Event, in order to delay a payment or to change the form of a payment, can only be made when all of the following conditions are satisfied:

(i) such election may not take effect until at least 12 months after the date on which the election is made;

(ii) the payment(s) with respect to which such election is made is deferred for a period of not less than 5 years from the date such payment would otherwise have been made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred (and the related earnings) prior to January 1, 2016, 5 years from the date the first installment was scheduled to be paid); and

(iii) such election must be made not less than 12 months before the date the payment was previously scheduled to be made (or, in the case of installment payments under Section 4.2(d)(ii) with regard to amounts deferred (and the related earnings) prior to January 1, 2016, 12 months before the first installment was scheduled to be paid), if the participant’s previous commencement date was a specified date.

Effective January 1, 2016, the right to a series of installment payments is to be treated as a right to a series of separate payments to the extent permissible under Code Section 409A and any applicable regulations. When making a subsequent election with respect to the payment of any post-December 31, 2015 deferral, the participant may make a separate election with respect to each separate payment, provided that such election must result in all of the applicable Performance Year’s deferral with related earnings being paid in a single sum or in a series of annual payments over a period from two (2) to fifteen (15) consecutive years.

(f) Investments. At the time of electing to voluntarily defer payment, the participant must elect how the Deferred Annual Award will be treated by CMS NorthStar Clean Energy. To the extent that any amounts deferred are placed in a rabbi trust with an independent Record Keeper, a participant who has previously deferred amounts under this Plan will automatically have his or her existing investment profile apply to this deferral also. All determinations of the available investment options by the Plan Administrator are final and binding upon participants. A participant may change the investment elections at any time prior to the payment of the benefit, subject to any restrictions imposed by the Plan Administrator, the plan Record Keeper or by any applicable laws and regulations. A participant not making an election will have amounts deferred treated as if in a Lifestyle Fund as defined in the Savings Plan applicable to the participant's age 65, rounded up, or such other investment as determined by the Plan Administrator. All gains and losses will be based upon the performance of the investments selected by the participant from the date the deferral is first credited to the nominal account. If the Company elects to fund its obligation as discussed below, then investment performance will be based on the balance as determined by the Record Keeper.

(g) The amount of any Deferred Annual Award is to be satisfied from the general corporate funds of the company on whose payroll the Plan participant was enrolled prior to the payout beginning and are subject to the claims of general creditors of the Company. This is an unfunded nonqualified deferred compensation plan. To the extent the Company elects to place funds with a trustee to pay its future obligations under this Plan, such amounts are placed for the convenience of CMS NorthStar Clean Energy, remain the property of CMS NorthStar Clean Energy and the participant shall have no right to such funds until properly paid in accordance with the provisions of this Plan. For administrative ease and convenience, such amounts may be referred to as participant accounts, but as such are a notional account only and are not the

property of the participant. Such amounts remain subject to the claims of the creditors of CMS NorthStar Clean Energy.

(h) Payment in the Event of an Unforeseeable Emergency. The participant may request that payments commence immediately upon the occurrence of an Unforeseeable Emergency as that term is defined in Code Section 409A and any applicable regulations. Generally, an unforeseeable emergency is a severe financial hardship resulting from an illness or accident of the participant or the participant's spouse or dependent, loss of the participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the participant's assets (without causing severe financial hardship), or by cessation of deferrals under this arrangement, the Savings Plan or other arrangements. Distributions because of an unforeseeable emergency shall not exceed the amount permitted under Section 409A and accordingly are limited to the amount reasonably necessary to satisfy the emergency need (after use of insurance proceeds, liquidation of assets, etc.) plus an amount to pay taxes reasonably anticipated as a result of the distribution. In the event any payment is made due to an unforeseeable emergency, all deferral elections for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year. For any participant receiving a hardship withdrawal under the Savings Plan, all deferral elections under this Plan for the current Performance Year will cease and the participant will not be eligible to make any deferral elections under this Plan for the following Performance Year.

5.3 Payment in the Event of Death.

(a) A participant may name the beneficiary of his or her choice on a beneficiary form provided by the Company or record keeper, and the beneficiary shall receive, within 90 days of the participant's death, in a single sum, all payments credited to the participant in the event that the participant dies prior to receipt of Deferred Annual Awards. If there is no beneficiary named at the time of participant's death or if the beneficiary does not survive the participant, the payment will be made to the participant's estate. In no event may any recipient designate a year of payment for an amount payable upon the death of the participant.

(b) A participant may change beneficiaries at any time, and the change will be effective as of the date the plan record keeper or the Company accepts the form as complete. The Company will not be liable for any payments made before receipt and acceptance of a written beneficiary request.

VI. CHANGE OF STATUS

Payments in the event of a change in status will not be made if no Annual Awards are made for the Performance Year.

6.1 Pro-Rata Annual Awards. A new Plan participant, whether hired or promoted to the position, or an Plan participant promoted to a higher salary grade/job level or to an NorthStar Clean Energy Officer position during the Performance Year will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular salary grade/job level or NorthStar Clean Energy Officer position.A Plan participant whose salary grade/job level has been lowered or who is no longer an NorthStar Clean Energy Officer, but whose employment is not terminated during the Performance Year, will receive a pro rata Annual Award based on the percentage of the Performance Year in which the employee is in a particular salary grade/job level or NorthStar Clean Energy Officer position. Awards will also be prorated for any change in full time or part time work status.

6.2 **Termination.** An Plan participant whose employment is terminated pursuant to a violation of the Company code of conduct or other corporate policies will not be considered for or receive an Annual Award**.**

6.3 **Resignation**. An Plan participant who resigns prior to payment (during or after a Performance Year) will not be eligible for an Annual Award. If the resignation is due to reasons such as a downsizing or reorganization, or the ill health of the participant or ill health in the immediate family, the participant may petition the Plan Administrator and may be considered, in the discretion of the Plan Administrator, for a pro rata Annual Award. The Plan Administrator's decision to approve or deny the request for a pro rata Annual Award shall be final.

6.4 **Death, Disability, Retirement, Leave of Absence.** An Plan participant whose status as an active employee or NorthStar Clean Energy Officer is changed during the Performance Year due to death, Disability, Retirement, or Leave of Absence (as determined by the Plan Administrator) will receive a pro rata Annual Award. An Plan participant whose employment is terminated following the Performance Year but prior to payment due to death, Disability or Retirement will continue to be eligible for an Annual Award for the Performance Year. Any such payment or Annual Award payable due to the death of the Plan participant will be made to the named beneficiary, or if no beneficiary is named or if the beneficiary doesn't survive the Plan participant, then to the Plan participant's estate no later than March 15 following the applicable Performance Year. Notwithstanding the above, an Plan participant who retires, is on Disability or Leave of Absence and who becomes employed by a competitor of CMS Energy or its subsidiaries or affiliates prior to award payout will forfeit all rights to an Annual Award, unless prior approval of such employment has been granted by the Chief Financial Officer of CMS Energy. A "competitor" shall mean an entity engaged in the business of (1) selling (a) electric power or natural gas at retail or wholesale within the State of Michigan or (b) electric power at wholesale within the market area in which an electric generating plant owned by a subsidiary or affiliate of CMS Energy is located or (2) developing an electric generating plant within the State of Michigan or a market area in which an electric generating plant owned by a subsidiary or affiliate of CMS Energy is located.

6.5 **Payment Following Leave of Absence.** Payment of an award for an Plan participant who is on leave of absence or Family Medical Leave Act leave at the time of payment shall be paid in the same payroll period as active participants. Payment of an award for an Plan participant who is laid-off at the time of payment shall be paid in the payroll period that is within an administratively reasonable time after returning to work, but no later than March 15 of the year following the year the participant has returned to work.

VII. MISCELLANEOUS

7.1 Impact on Benefit Plans. Payments for eligible participants made under the Plan will be considered as earnings for the Supplemental Executive Retirement Plans but not for purposes of the Employees' Savings Plan, Pension Plan, or other employee benefit programs.

7.2 Impact on Employment. Neither the adoption of the Plan nor the granting of any Annual Award under the Plan will be deemed to create any right in any individual to be retained or continued in the employment of the Company or any corporation within the Company's control group.

7.3 Termination or Amendment of the Plan. The Company may amend or terminate the Plan at any time. Upon termination, any Deferred Annual Award accrued under the Plan and vested will remain in the Plan and be paid out in accordance with the payment elections previously selected. The Plan Administrator is authorized to make any amendments that are deemed necessary or desirable to comply with any applicable laws, regulations or orders or as may be advised by counsel or to clarify the terms and operation of the Plan. The Company may terminate the Plan and accelerate any benefits under the Plan, at its discretion, if it acts consistent in all manners with the requirements of Code Section 409A and any applicable regulations with respect to when a terminated plan may accelerate payment to a participant.

7.4 Governing Law. The Plan will be governed and construed in accordance with the laws of the State of Michigan.

7.5 Dispute Resolution. Any disputes related to the Plan must be brought to the Plan Administrator. The Plan Administrator is granted full discretionary authority to apply the terms of the Plan, make administrative rulings, interpret the Plan and make any other determinations with respect to the Plan. If the Plan Administrator makes a determination and the participant disagrees with or wishes to appeal the determination, the participant must appeal the decision to the Plan Administrator, in writing and not later than 60 days from when the determination was mailed to the participant. If the participant does not timely appeal the original determination, the participant has no further rights under the Plan with respect to the matter presented in the claim. If the participant appeals the original determination and that appeal does not result in a mutually agreeable resolution, then the dispute shall be subject to final and binding arbitration before a single arbitrator selected by the parties to be conducted in Jackson, Michigan, provided the participant makes such request for arbitration in writing within 30 days of the final decision by the Plan Administrator. The arbitration will be conducted and finished within 90 days of the selection of the arbitrator. The parties shall share equally the cost of the arbitrator and of conducting the arbitration proceeding, but each party shall bear the cost of its own legal counsel and experts and other out-of-pocket expenditures. The arbitrator must use an arbitrary and capricious standard of review when considering any determinations and findings by the Plan Administrator.

VIII. AMENDMENT TO REFLECT CODE SECTION 409A

8.1 Code Section 409A. To the extent counsel determines amendments may be reasonable or desirable in order to comply with Code Section 409A, and any other applicable rules, laws and regulations, such changes shall be authorized with the approval of the Plan Administrator.

Exhibit 31.1

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CMS Energy Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024	By:	/s/ Garrick J. Rochow
		Garrick J. Rochow
		President and Chief Executive Officer

Exhibit 31.2

Certification of Rejji P. Hayes

I, Rejji P. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CMS Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and

15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024	By:	/s/ Rejji P. Hayes
		Rejji P. Hayes
		Executive Vice President and Chief Financial Officer

Exhibit 31.3

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumers Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024 By: /s/ Garrick J. Rochow

Garrick J. Rochow

President and Chief Executive Officer

Exhibit 31.4

Certification of Rejji P. Hayes

I, Rejji P. Hayes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Consumers Energy Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: October 26, 2023 April 25, 2024	By:	/s/ Rejji P. Hayes
		Rejji P. Hayes
		Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of CMS Energy Corporation (the "Company") for the quarterly period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Garrick J. Rochow, as President and Chief Executive Officer of the Company, and Rejji P. Hayes, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Garrick J. Rochow

Name:	Garrick J. Rochow
Title:	President and Chief Executive Officer
Date:	October 26, 2023 April 25, 2024

/s/ Rejji P. Hayes

Name:	Rejji P. Hayes
Title:	Executive Vice President and Chief Financial Officer
Date:	October 26, 2023 April 25, 2024

Exhibit 32.2

Certification of CEO and CFO Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Consumers Energy Company (the "Company") for the quarterly period ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Garrick J. Rochow, as President and Chief Executive Officer of the Company, and Rejji P. Hayes, as Executive Vice President and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Garrick J. Rochow

Name:	Garrick J. Rochow
Title:	President and Chief Executive Officer
Date:	October 26, 2023 April 25, 2024

/s/ Rejji P. Hayes

Name:	Rejji P. Hayes
Title:	Executive Vice President and Chief Financial Officer
Date:	October 26, 2023 April 25, 2024

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

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