

RCG-4

Admitted

Question:

235. Refer to Exhibit A-149 (AJD-14). Please:
- Provide this exhibit in Excel with all formulas intact and supporting data.
 - Provide a copy of the source documents for the amounts shown in column (a).
 - Provide the calculations and basis for the adjustments in columns (b), (d) and (e).
 - Provide the source document showing the equity ratio was 53.4% at year-end 2017.

Response:

- See attached.
- For S&P, the data was taken directly from S&P Global's website, a paid subscription based site. The Company is not in possession of this data in report form. For Moody's, see attached.
- See attached.
- See attached, and also WP-AJD-6. Amounts are from the December 31, 2017 Rate Department Cost of Capital Study.



Andrew Denato
October 9, 2018

Corporate Accounting and Reporting

REC-52

CREDIT OPINION

20 June 2018

Update



RATINGS

Consumers Energy Company

Domicile	Jackson, Michigan, United States
Long Term Rating	(P)A2
Type	Senior Unsec. Shelf - Dom Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Lesley Ritter AVP-Analyst lesley.ritter@moodys.com	+1.212.553.1607
Gidon Eydelnant Associate Analyst gidon.eydelnant@moodys.com	+1.212.553.1775
Laura Schumacher VP-Sr Credit Officer laura.schumacher@moodys.com	+1.212.553.3853
Jim Hempstead MD-Utilities james.hempstead@moodys.com	+1.212.553.4318

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

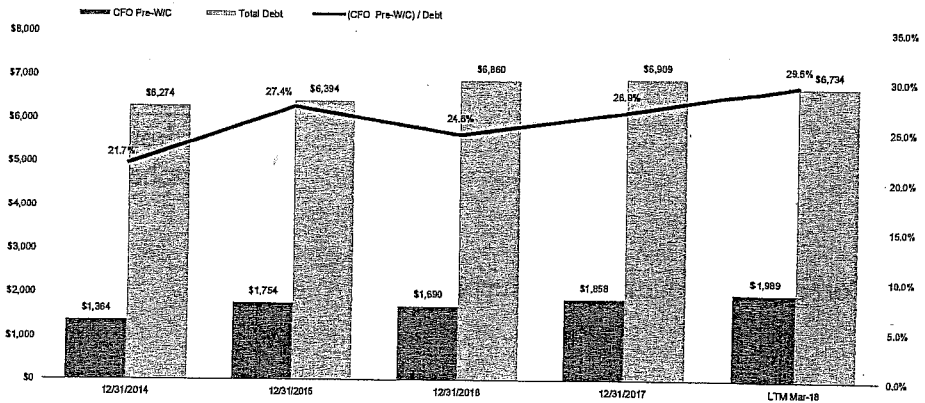
Consumers Energy Company

Update to credit analysis

Summary

Consumers Energy Company's (Consumers) credit profile reflects its operations as an integrated electric and gas utility in an above average regulatory environment that allows for predictability of cash flows and results in strong credit metrics, even while the utility has been making significant investments into its electric and gas utility systems. We expect this phenomenon will continue for the foreseeable future. Consumers' strong stand alone performance has historically been offset by a significant debt load at its parent company CMS Energy (CMS, Baa1 stable) which constrains the utility's credit quality. However, over the past decade, CMS has made progress in reducing its consolidated leverage as well as the percentage of parent debt in its capital structure. All of Consumers' outstanding debt obligations are secured, and in accordance with our standard notching practice for utilities, are rated Aa3, two notches above our view of Consumers' fundamental unsecured credit quality.

Exhibit 1
Historical CFO Pre-W/C, Total Debt and CFO Pre-W/C to Debt (\$MM)



Source: Moody's Financial Metrics™

Credit strengths

- » Supportive regulatory environment with prescriptive suite of recovery mechanisms
- » Financial metrics expected to remain adequate despite tax reform and heightened capex

Credit challenges

- » Parent leverage remains relatively substantial
- » Continued regulatory support will be needed to recover ongoing investment programs

Rating outlook

Consumers' stable outlook reflects our expectation that the Michigan legislative and regulatory environments will remain constructive and allow the utility to recover, and earn a reasonable return on, prudently incurred capital investments such that the utility's financial profile will remain healthy despite the negative cash flow impact from the passage of federal tax reform. For example, we anticipate that over the next 12-18 months, the ratio of cash flow from operations excluding changes in working capital (CFO pre-WC) to total debt will be in the low to mid twenty percent range.

Factors that could lead to an upgrade

- » A sustained increase in cash flow or reduction in leverage leading to CFO pre-WC to debt and interest coverage remaining meaningfully above 25% and 6.5 times
- » A continued reduction in parent holding company debt
- » If the Michigan regulatory environment were to become even more formulaic, transparent or timely with its suite of recovery mechanisms

Factors that could lead to a downgrade

- » A change in Michigan's regulatory support leading to unsupportive outcomes in Consumer's rate cases
- » A sharp deterioration of financial metrics such as CFO pre-WC to debt falling to the high teens
- » An increase in parent-level debt leading to a decline in the credit quality of CMS

Key indicators

Exhibit 2

Consumers Energy Company Indicators

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	3/31/2018(LTM)
CFO pre-WC + Interest / Interest	6.2x	7.4x	6.9x	7.2x	7.6x
CFO pre-WC / Debt	21.7%	27.4%	24.6%	26.9%	29.5%
CFO pre-WC – Dividends / Debt	14.4%	20.0%	17.4%	19.3%	22.2%
Debt / Capitalization	44.7%	43.7%	43.4%	46.1%	44.7%

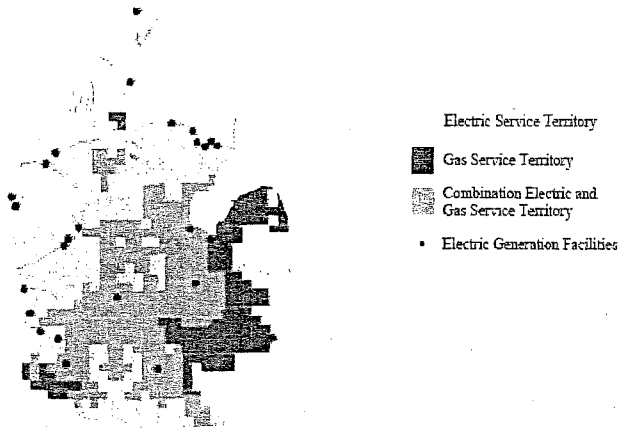
[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.
Source: Moody's Financial Metrics™

Profile

Consumers Energy Company (Consumers) is a vertically integrated electric and gas utility serving approximately 6.7 million customers in the state of Michigan with 2017 operating revenue of approximately \$6.2 billion. Consumer's electric operations account for approximately two thirds of its revenue, cash flow and asset base. Consumers is the primary subsidiary of CMS Energy Corporation (CMS), representing about 95% of its consolidated operating revenue. In addition to Consumers, CMS owns approximately 1,203 gross MW of unregulated, primarily natural gas-fired, generation located mostly within Michigan, and EnerBank, a FDIC-insured industrial bank providing unsecured consumer installment loans for financing home improvements. These businesses contribute modestly to consolidated results, and do not materially increase the company's consolidated business risk profile.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Exhibit 3
Consumers' Service Territory



Source: Company Filings

Detailed credit considerations

Supportive regulatory environment with prescriptive suite of recovery mechanisms

Consumers benefits from an above average regulatory environment within the U.S. in terms of support to long term credit quality. Energy legislation passed by the Michigan legislature in 2008 provided the catalyst for this view as it streamlined the rate case process, reduced regulatory lag, placed a cap on customer participation in electric choice and provided financial support for utility investments. At the end of 2016, additional legislation was enacted to maintain retail energy markets that are competitive, affordable and reliable as the state transitions to a cleaner energy environment. The new legislation, which became effective on April 20, 2017, is also supportive of utility credit quality.

In accordance with the 2016 energy legislation, utility rate cases are still able to be filed on a forward test-year basis but must now be decided within ten months (reduced from twelve) of the date of filing. The offset to a faster rate process was the loss of the ability to self-implement after six months. While Michigan's electricity restructuring had initially contemplated full competition in generation, the 2008 legislation capped the number of customers able to choose an alternative supplier at 10% of the prior year load in the utility's service territory. The December 2016 legislation maintained the 10% retail open access (ROA) cap but also provides the potential for periodic downward adjustments if ROA demand is below the 10% cap. The 2016 legislation also requires, for the first time, that competitive retail suppliers demonstrate adequacy of electric supply for a multi-year period.

The 2016 legislation also provides additional assurance of recovery of utility investment by expanding the certificate of necessity (CON) process, which already included pre-construction approval and determination of rate making parameters for large generating resources, by adding an integrated resource planning (IRP) process. The IRP process will encompass a wide range of factors including fuel cost, demand forecasts, resource adequacy, competitive pricing, environmental mandates and transmission options before constructing major projects. The legislation also lowers the CON threshold for major projects to \$100 million from \$500 million.

Utilities in the state also benefit from numerous formulaic rate adjustment mechanisms that provide a degree of cash flow stability and assurance of recovery. For example, Consumers has forward-looking Power Supply Cost Recovery (PSCR) and Gas Cost Recovery (GCR) mechanisms that are intended to ensure that it can recover prudently incurred power and gas supply costs. The PSCR covers fuel and purchased power costs as well as transmission and emission allowance costs. Differences between actual and forecast costs are deferred for recovery or refunded in the following year. The PSCR is a surcharge mechanism and provides a degree of base rate and cash flow stability, a credit positive. The GCR mechanism may be adjusted monthly within a capped range to minimize over/under recoveries, though interim gas inventory buildup could substantially increase the company's working capital financing when gas prices sharply increase.

Gas utilities in the state also benefit from revenue decoupling mechanisms (RDM) and programs designed to assure recovery of needed infrastructure improvements. Consumers' RDM compares and adjusts for differences between weather normalized actual

and authorized revenues. Consumers' enhanced infrastructure replacement program (EIRP), is a Michigan Public Service Commission (MPSC) authorized 25-year incremental investment program to upgrade natural gas infrastructure, including replacing approximately 540 miles of cast iron pipe and other high-risk components. Consumers currently projects that it will spend about \$75 million per year under the EIRP. These expenditures are recoverable through base rates.

Recent Rate Case Activity

Electric - In March 2018, the MPSC authorized a \$65.8 million electric rate increase for Consumers premised on a 10.0% return on equity (ROE). The increase was slightly less than half of the \$147.7 million requested in Consumers' March 2017 filing, but the order provided for an above average ROE, a credit positive. Overall, we view the rate case outcome as illustrative of the MPSC's continued reasonable regulatory treatment of Consumers.

As part of its rate case, Consumers also requested an investment recovery mechanism (IRM) that would enable it to recover capital investments of \$222 million between 2017 and 2019. The MPSC denied the request and, as a result, Consumers recently filed an application with the MPSC, seeking an increase in its electric rates, based on a test year ending December 2019, of \$58 million predicated on a 10.75% ROE. The request reintroduces the request for an IRM that would provide for an incremental \$49 million in revenues by 2020, and if approved would likely enable Consumers to avoid filing a general rate case every year going forward. The surcharge is designed to recover the incremental annual revenue requirement associated with capital expenditures for distribution infrastructure beyond expenditures incorporated in rates through December 2019. A final decision is required within 10 months, but the utility will not be permitted to implement interim rates following the passage of the aforementioned 2016 energy legislation.

The May 2018 filing reflects the change in the lower marginal corporate tax rate, but neither the March 2018 order nor the May 2018 filing address the overcollection of taxes in current rates or the remeasurement of deferred tax liabilities. These matters will be addressed through separate regulatory proceedings over the balance of 2018.

Gas - In October 2017, Consumers filed an application with the MPSC seeking a \$178 million annual rate increase, subsequently revised downward to \$83 million based on a 10.75% authorized ROE. The \$49 million reduction in revenue requirement results from the change in the marginal corporate tax rate to 21% from 35% following the passage of federal tax reform. The company will address any refunds associated with excess deferred tax collections and backward looking over-collections, in a subsequent filing upon completion of this general rate case.

The largest component of the current request is related to infrastructure investment and related costs that will allow Consumers to improve system safety, capacity, and deliverability. The filing also seeks approval for the continuation of two rate adjustment mechanisms: a revenue decoupling mechanism and an investment recovery mechanism. The revenue decoupling mechanism reconciles Consumers' actual weather-adjusted nonfuel revenues with the revenue approved by the MPSC. The investment recovery mechanism provides for additional annual rate increases of \$39 million beginning in July 2019 and another \$39 million in July 2020 for incremental investments the utility plans to make in those years.

Consumers completed its latest gas general rate case in July 2017. At the time the MPSC issued an order authorizing a \$30 million annual rate increase, versus a request of \$80 million, and granted a 10.1% ROE.

Pathway to decarbonization outlined in the company's first ever Integrated Resource Plan

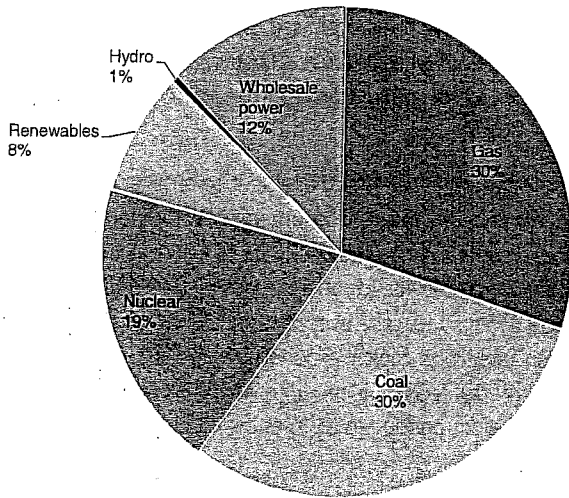
On 15 June 2018, Consumers filed its first ever Integrated Resource Plan (IRP) with the MPSC, in accordance with requirements laid out in the 2016 Energy Legislation. The IRP outlines a series of steps the company will take to reach its goal of an 80% carbon emission reduction, and the elimination of its use of coal generation by 2040. To meet its environmental sustainability goals, Consumers plans to materially increase its renewable energy from 11% to 37% by 2030, and 43% by 2040; and intends to increase its use of energy efficiency and other customer demand management programs. The combination of these programs are expected to ensure that the energy it provides remains reliable and affordable over the long-term.

Prior to filing its IRP, Consumers had been actively reducing its carbon footprint and moving toward more energy efficient, cleaner generating resources. In 2016, the utility closed seven smaller older coal plants (total 900 MW, or 33% of owned coal-fueled generation capacity); in 2015 it closed three small gas peaking plants and acquired the cleaner 540 MW Jackson gas-fired generating

facility. As a result, the company's generating resource base shifted from 41% coal in 2005 to 21% in 2017; over the same time period, renewable capacity (including contracted renewables) increased from 3% to 10%.

Exhibit 4

2017 Sources of Electricity Supply



Source: Company Filings

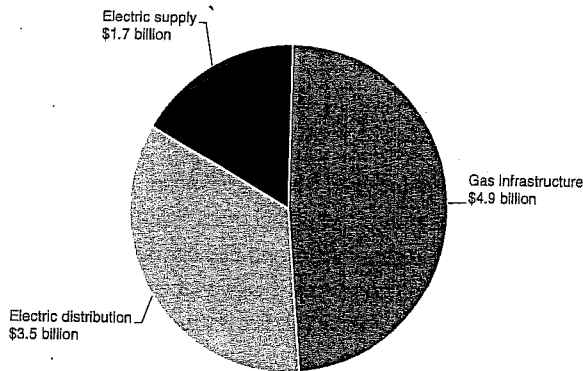
In 2017, over half of Consumers' electric generation was provided through long-term power purchase agreements or market purchases. The majority of this production comes from two power purchase agreements, one with the 1,240 MW MCV gas-fired facility (approximately 13% of 2017 electric supply) that terminates in March 2025, and a second with the 798 MW Palisades nuclear facility (approximately 20% of 2017 electric supply) that is scheduled to terminate in 2022. The Palisades PPA is not expected to be renewed when it expires, while the company is proposing extending the MCV PPA for another five years in its IRP, albeit at a lower price. We expect that the company will replace any ensuing energy and capacity shortfall with a mix of renewable generation and demand side management initiatives.

Michigan state statutes allow utilities to securitize restructuring-related regulatory assets and stranded costs and the MPSC has a history of approving securitization bonds. Most recently, in 2013, the MPSC authorized Consumers' issuance of securitization bonds to finance the recovery of the remaining book value of the seven smaller coal-fired electric generating plants that were retired in April 2016 and three smaller natural gas-fired units that were retired in June 2015. Approximately \$378 million of securitization bonds were issued through a Consumers securitization subsidiary in 2014. Principal and interest payments are made semi-annually through the maturity of the bonds in 2029. We would expect similar regulatory treatment for any future plant retirement.

Capital spending remains elevated

Consumers plans to continue its elevated capital investment program for the foreseeable future. The magnitude of the plan, which is intended to improve reliability and efficiency while moving the company to a less carbon intensive future, will require continued regulatory support in order to maintain the company's financial profile. In 2018, projected investments are approximately \$2.0 billion compared to around \$1.6 billion in 2017 and 2016, and \$1.5 billion in 2015. Over the 2018-2022 period, the utility has projected \$10.1 billion of capital investments which will include maintenance capital of about \$8.4 billion (approximately \$3.5 billion for electric operations and \$4.9 billion for gas utility operations), and \$1.7 billion on electric supply projects, representing new generation, including renewable generation, and environmental investments needed to comply with state and federal laws and regulations.

Exhibit 5
Planned Capital Expenditures 2018 - 2022



Source: Company Filings

Although Consumers' investment program remains quite sizable, we expect the utility will continue its focus on cost containment and operational efficiency in an effort to minimize the rate impact to its customers. Consumers' aim to keep rate increases modest should increase the likelihood of continued regulatory support. Funding for these forecasted expenditures will be provided by internally generated cash flows, the issuance of debt at Consumers' and equity contributions from CMS.

Financial metrics expected to remain adequate despite tax reform and heightened capex

Consumers' capital program increased from about \$1.2 billion in 2012 to about \$1.75 billion in 2017 and, as noted above, is expected to remain elevated and reach roughly \$2 billion per year over the next five years. Through 2017, the utility has maintained strong financial metrics. As of December 2017, its CFO pre-WC to debt was about 27%, slightly stronger than the 25% 3-year average CFO pre-WC to debt realized between 2015 and 2017. Over the next 12-18 months, its financial results are expected to weaken to the low 20% range due to its increased capital expenditure levels, the progressive step-down of the share of equity in its regulatory capital structure from 53% to 50% by 2023 that was agreed to in the last rate case order, and the anticipated negative operating cash flow impact resulting from federal tax reform. That said, we note that the company will likely seek some sort of regulatory relief, particularly since the step down in the equity component of the regulatory capital structure was determined before the passage of federal tax reform. Should the MPSC decide to keep the company's capital structure intact, its financial ratios would benefit and CFO pre-WC to debt would be closer to the mid-20% range.

Michigan's economy is doing well

According to Moody's Economy.com, Michigan's economy is faring well with personal income, industrial production and house prices on an upward trajectory. Job growth remains above the Midwest average despite the state's position as the region's third largest economy. Manufacturing is expected to remain healthy with new investments providing a floor under the state's factory payrolls despite a slowdown in vehicle sales forecasted for 2018. Consumers have shored up their balance sheets following several years of job creation and debt reduction and are anticipated to increase their spending in retail, leisure, and real estate. Longer term, Michigan is expected to slightly underperform the U.S. due to comparatively weak demographics. We expect the Michigan regulatory construct to continue to provide the ability for utilities to recover the cost of needed infrastructure improvements.

Liquidity analysis

Consumers' liquidity profile is adequate. The utility's continuing capital expenditure program and dividend policy results in negative free cash flow for the foreseeable future; however, the company has a reasonable amount of external liquidity, demonstrated market access, and regularly receives capital contributions from its parent.

For the last twelve months ended 31 March 2018, Consumers generated approximately \$1.78 billion of cash from operations (CFO), invested \$1.68 billion in capital investments and up streamed \$493 million in dividend payments to CMS, resulting in a negative free

cash flow (FCF) of approximately \$391 million that was offset by parent contributions of \$300 million and incremental long-term debt. In 2016 Consumers generated CFO of approximately \$1.68 billion, invested \$1.66 billion in capital investments and up streamed about \$500 million in dividend payments, resulting in a negative FCF of \$480 million offset by parent contributions of \$275 million. CMS relies on Consumers upstream dividends to pay its interest expense, which amounted to around \$143 million for full year 2017. Consumers policy is to grow its dividend with earnings, maintaining a payout ratio in the 80% range. After consideration of parent contributions, for LTM 31 March 2018, Consumers' net dividends to its parent equate to about 30% of its net income.

Consumers external liquidity sources include recently amended and extended \$850 million (upsized from \$650 million) secured revolving credit facility expiring June 2023. The facility added a sustainability-linked pricing metric which permits an interest rate reduction by meeting targets related to environmental sustainability, specifically renewable generation, and highlights its commitment to shifting its exposure to a greater renewable content. Consumers also maintains a \$250 million secured credit facility terminating in November 2019, and a \$30 million secured revolving letter of credit facility expiring in September 2019. These credit facilities provide support for working capital needs and act as a backstop to Consumers' \$500 million commercial paper program. The credit facilities do not include a material adverse change representation for new borrowings, and have only one financial covenant, setting the maximum debt to capital at less than 65%. As of 31 March 2018, debt to capital was 46%.

As of 31 March 2018, Consumers had no commercial paper outstanding under its CP program, no borrowings under its various credit facilities and \$52 million in aggregate of letters of credit outstanding. In addition to approximately \$25 million of annual amortization of its securitization bonds, Consumers nearest long-term debt maturity are two first mortgage bonds totaling \$850 million that are due in 2019.

CMS' liquidity needs are supported by a recently amended and extended \$550 million revolving credit facility that expires in June 2023. At 31 March 2018, CMS had \$1 million of letters of credit outstanding, and \$50 million of borrowings under its credit facility. CMS' credit facility has one financial covenant, a maximum twelve-months ending debt to EBITDA of 6.25 times through 2020, decreasing to 6 times thereafter. As of 31 March 2018 debt to EBITDA was well in compliance with its covenant at 4.2 times. CMS' near-term debt maturities include a \$45 million term loan due in 2018, a \$180 million term loan due in 2019, and \$100 million of senior notes due in 2019 (that are scheduled to be called at the end of June 2018).

Structural considerations

Consumers strong stand alone performance has been offset by a significant debt load at its parent company. However, over the past decade, CMS has made slow but steady progress in reducing its consolidated leverage as well as the percentage of parent debt in its capital structure. As of 31 December 2017, including Moody's standard adjustments, CMS had approximately \$4.4 billion of consolidated debt outside of Consumers, or approximately 39% of its consolidated total debt. Of this amount, approximately \$1.245 billion represents deposits of EnerBank, an FDIC-insured industrial bank providing unsecured consumer installment loans for financing home improvements wholly owned by CMS and supported by approximately \$1.3 billion of notes receivable. Excluding self-funding EnerBank, CMS's parent level debt is approximately \$3.1 billion or about 28% of its consolidated total, or about 31% of the total of Consumers plus pure parent level debt. This is significantly lower than the 36% level exhibited at the end of 2006; however, at around 30%, it is still a key driver of the two notch rating differential between Consumers' and CMS' senior unsecured ratings.

Rating methodology and scorecard factors

Exhibit 6

Rating Factors			Moody's 12-18 Month Forward View As of Date Published [3]	
Consumers Energy Company				
Regulated Electric and Gas Utilities Industry Grid [1][2]			Current LTM 3/31/2018	
	Measure	Score	Measure	Score
Factor 1 : Regulatory Framework (25%)				
a) Legislative and Judicial Underpinnings of the Regulatory Framework	A	A	A	A
b) Consistency and Predictability of Regulation	Aa	Aa	Aa	Aa
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Aa	Aa	Aa	Aa
b) Sufficiency of Rates and Returns	A	A	A	A
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	Baa	Baa	Baa	Baa
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	7.2x	Aa	5.2x - 5.6x	A
b) CFO pre-WC / Debt (3 Year Avg)	27.8%	A	20% - 24%	A
c) CFO pre-WC - Dividends / Debt (3 Year Avg)	20.1%	A	11% - 15%	Baa
d) Debt / Capitalization (3 Year Avg)	42.6%	A	42% - 46%	A
Rating:				
Grid-Indicated Rating Before Notching Adjustment		A1		A2
HoldCo Structural Subordination Notching				
a) Indicated Rating from Grid		A1		A2
b) Actual Rating Assigned		(P)A2		(P)A2

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 12/31/2017; Source: Moody's Financial Metrics™

[3] This represents Moody's forward view; not the view of the issuer; and unless noted in the text, does not incorporate significant acquisitions and divestitures.

Source: Moody's Financial Metrics™

Appendix

Exhibit 7

Cash Flow and Credit Measures [1]

CF Metrics	2014	2015	2016	2017	LTM Mar-18
As Adjusted					
FFO	1,606	1,633	1,739	1,825	1,792
+/- Other	(242)	121	(49)	33	197
CFO Pre-W/C	1,364	1,754	1,690	1,858	1,989
+/- ΔWC	(5)	226	64	(65)	(124)
CFO	1,359	1,980	1,754	1,793	1,865
- Div	459	476	500	523	494
- Capex	1,594	1,558	1,673	1,649	1,702
FCF	(694)	(54)	(419)	(379)	(331)
(CFO Pre-W/C) / Debt	21.7%	27.4%	24.6%	26.9%	29.5%
(CFO Pre-W/C - Dividends) / Debt	14.4%	20.0%	17.4%	19.3%	22.2%
FFO / Debt	25.6%	25.5%	25.4%	26.4%	26.6%
RCF / Debt	18.3%	18.1%	18.1%	18.9%	19.3%

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.

Source: Moody's Financial Metrics™

Exhibit 8

Peer Comparison [1]

(in US\$ millions)	Consumers Energy Company (P/A2 Stable)			DTE Electric Company (P/A2 Stable)			DTE Gas Company A2 Negative			Iorthern States Power Company (Minnesota) (P/A2 Stable)			Wisconsin Power and Light Company A2 Negative		
	FYE Dec-16	FYE Dec-17	LTM Mar-18	FYE Dec-16	FYE Dec-17	LTM Mar-18	FYE Dec-16	FYE Dec-17	LTM Mar-18	FYE Dec-16	FYE Dec-17	LTM Mar-18	FYE Dec-16	FYE Dec-17	LTM Mar-18
Revenue	6,064	6,222	6,340	5,225	5,102	5,132	1,308	1,368	1,360	4,800	5,102	5,106	1,459	1,473	1,461
CFO Pre-W/C	1,690	1,858	1,989	1,768	1,804	1,776	264	310	303	1,369	1,461	1,503	569	442	430
Total Debt	6,860	6,909	6,734	7,237	7,348	7,513	1,537	1,784	1,692	5,410	5,467	5,296	1,826	2,097	2,098
(CFO Pre-W/C) / Debt	24.6%	26.9%	29.5%	24.4%	24.6%	23.6%	17.2%	17.4%	17.9%	25.3%	26.7%	28.4%	31.2%	21.1%	20.5%
(CFO Pre-W/C - Dividends) / Debt	17.4%	19.3%	22.2%	18.6%	18.7%	17.8%	10.9%	11.5%	11.6%	18.0%	17.4%	18.6%	23.8%	15.1%	14.3%
Debt / EBITDA	3.4x	3.2x	3.1x	3.5x	3.6x	3.6x	3.9x	4.3x	4.2x	3.2x	3.0x	2.9x	3.2x	3.7x	3.7x
Debt / Book Capitalization	43.4%	46.1%	44.7%	42.6%	46.9%	47.3%	38.8%	46.4%	44.1%	40.3%	44.0%	42.8%	40.5%	46.8%	46.6%

[1] All figures & ratios calculated using Moody's estimates & standard adjustments. FYE = Financial Year-End. LTM = Last Twelve Months. RUR* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.

Source: Moody's Financial Metrics™

Ratings

Exhibit 9

Category	Moody's Rating
CONSUMERS ENERGY COMPANY	
Outlook	Stable
Sr Sec Bank Credit Facility	Aa3
First Mortgage Bonds	Aa3
Senior Secured	Aa3
Senior Unsecured Shelf	(P)A2
Pref. Stock	A3
Commercial Paper	P-1
PARENT: CMS ENERGY CORPORATION	
Outlook	Stable
Sr Sec Bank Credit Facility	A3
Senior Unsecured	Baa1
Jr Subordinate	Baa2

Source: Moody's Investors Service

© 2018 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. AND ITS RATINGS AFFILIATES ("MIS") ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MOODY'S PUBLICATIONS MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS OR MOODY'S PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER. ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing the Moody's publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any rating, agreed to pay to Moody's Investors Service, Inc. for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be reckless and inappropriate for retail investors to use MOODY'S credit ratings or publications when making an investment decision. If in doubt you should contact your financial or other professional adviser.

Additional terms for Japan only: Moody's Japan K.K. ("MJJK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJJK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJJK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJJK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJJK or MSFJ (as applicable) have, prior to assignment of any rating, agreed to pay to MJJK or MSFJ (as applicable) for appraisal and rating services rendered by it fees ranging from JPY200,000 to approximately JPY350,000,000.

MJJK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1118256

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454