UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2025

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
CMS Energy Corporation: Yes ☒ No ☐ **Consumers Energy Company:** Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
CMS Energy Corporation: Yes ☐ No ☒ **Consumers Energy Company:** Yes ☐ No ☒

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 has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.
CMS Energy Corporation: ☒ **Consumers Energy Company:** ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.
CMS Energy Corporation: ☐ **Consumers Energy Company:** ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).
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 ☒

The aggregate market value of CMS Energy voting and non-voting common equity held by non-affiliates was $20.644 billion for the 297,980,694 CMS Energy Corporation Common Stock shares outstanding on June 30, 2025 based on the closing sale price of $69.28 for CMS Energy Corporation Common Stock, as reported by the New York Stock Exchange on such date. There were no shares of Consumers common equity held by non-affiliates as of June 30, 2025.

There were 306,420,901 shares of CMS Energy Corporation Common Stock outstanding on January 16, 2026. On January 16, 2026, CMS Energy held all 84,108,789 outstanding shares of common stock of Consumers.

Documents incorporated by reference in Part III: CMS Energy’s and Consumers’ proxy statement relating to their 2026 Annual Meetings of Shareholders to be held May 8, 2026.

CMS Energy Corporation
Consumers Energy Company
Annual Reports on Form 10-K to the Securities and Exchange Commission for the Year Ended December 31, 2025

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Glossary

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

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

ABATE
Association of Businesses Advocating Tariff Equity

ABO
Accumulated benefit obligation; the liabilities of a pension plan based on service and pay to date, which differs from the PBO in that it does not reflect expected future salary increases

AFUDC
Allowance for borrowed and equity funds used during construction

AOCI
Accumulated other comprehensive income (loss)

ARO
Asset retirement obligation

ASC 715
Financial Accounting Standards Board Accounting Standards Codification Topic 715, Compensation—Retirement Benefits

ASC 740
Financial Accounting Standards Board Accounting Standards Codification Topic 740, Income Taxes

ASP
Appliance Service Plan

ASU
Financial Accounting Standards Board Accounting Standards Update

Audit Committee
The Audit Committee of the Board, which is composed entirely of independent directors.

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

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

Board
Board of Directors of CMS Energy and Consumers

CAO
Chief Accounting Officer

CCR
Coal combustion residual

CEO
Chief Executive Officer

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

CFO
Chief Financial Officer

CIO
Chief Information Officer

City-gate contract
An arrangement made for the point at which a local distribution company physically receives gas from a supplier or pipeline

Clean Air Act
Federal Clean Air Act of 1963, as amended

Clean Water Act
Federal Water Pollution Control Act of 1972, as amended

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

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

CMS ERM
CMS Energy Resource Management Company a wholly owned subsidiary of NorthStar Clean Energy

CMS Gas Transmission
CMS Gas Transmission Company, a wholly owned subsidiary of 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 Station
A 1,200-MW natural gas-fueled generation station that was acquired by Consumers in 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 interest

CSAPR

Cross-State Air Pollution Rule of 2011, as amended

DB Pension Plan A

Defined benefit pension plan of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries, created as of December 31, 2017 for active employees who were covered under the defined benefit pension plan that closed in 2005

DB Pension Plan B

Defined benefit pension plan of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries, amended as of December 31, 2017 to include only retired and former employees who were covered under the defined benefit pension plan that closed in 2005

DB Pension Plans

Defined benefit pension plans of CMS Energy and Consumers, comprising DB Pension Plan A and DB Pension Plan B

DB SERP

Defined Benefit Supplemental Executive Retirement Plan

DCCP

Defined Company Contribution Plan

DC SERP

Defined Contribution Supplemental Executive Retirement Plan

Delta Solar Equity Holdings

Delta Solar Equity Holdings, LLC, a VIE in which Grand River Solar, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

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

DOE

U.S. Department of Energy

DTE Electric

DTE Electric Company, a non-affiliated company

EEI
Edison Electric Institute, an association representing all U.S. investor-owned electric companies

EGLE
Michigan Department of Environment, Great Lakes, and Energy

Electric Supply Plan
Consumers' long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers; this plan is outlined in Consumers' integrated resource plan and incorporates the Renewable Energy Plan

Endangered Species Act
Federal Endangered Species Act of 1973, as amended

EnerBank
EnerBank USA, a wholly owned subsidiary of CMS Capital until October 1, 2021

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

EPA
U.S. Environmental Protection Agency

EPS
Earnings per share

ERCOT
Electric Reliability Council of Texas

ERP
Enterprise Resource Planning software

Exchange Act
Securities Exchange Act of 1934

Federal Power Act
Federal Power Act of 1920

FERC
Federal Energy Regulatory Commission

First Mortgage Bond Indenture
Indenture dated as of September 1, 1945 between Consumers and The Bank of New York Mellon, as Trustee, as amended and supplemented

FTR
Financial transmission right

GAAP
U.S. Generally Accepted Accounting Principles

GCC
Gas Customer Choice, which allows gas customers to purchase gas from alternative suppliers

GCR
Gas cost recovery

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

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

GW
Gigawatt, a unit of energy equal to 1 billion watts

GWh
Gigawatt-hour, a unit of energy equal to 1 billion watt-hours

Internal Revenue Code
Internal Revenue Code of 1986, as amended

IRS
Internal Revenue Service

IT
Information technology

J.H. Campbell

J.H. Campbell Generating Complex, a three-unit coal-fueled electric generating facility comprised of Units 1 and 2, which are wholly owned by Consumers, and Unit 3, which Consumers jointly owns with the Michigan Public Power Agency, holding a 4.80-percent interest, and Wolverine Power, holding a 1.89-percent interest, each a non-affiliated company

kV

Thousand volts, a unit used to measure the difference in electrical pressure along a current

kVA

Thousand volt-amperes, a unit used to reflect the electrical power capacity rating of equipment or a system

kWh

Kilowatt-hour, a unit of energy equal to 1,000 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

MCV Facility

A 1,647-MW natural gas-fueled, combined-cycle cogeneration facility operated by the MCV Partnership

MCV Partnership

Midland Cogeneration Venture Limited Partnership, a non-affiliated company

MCV PPA

PPA between Consumers and the MCV Partnership

METC

Michigan Electric Transmission Company, LLC, a non-affiliated company

MGP

Manufactured gas plant

Migratory Bird Treaty Act

Migratory Bird Treaty Act of 1918, as amended

MISO

Midcontinent Independent System Operator, Inc.

MISO Tariff
MISO Open Access Transmission, Energy, and Operating Reserve Markets Tariff

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

MRV
Market-related value of plan assets

MW
Megawatt, a unit of power equal to 1 million watts

MWh
Megawatt-hour, a unit of energy equal to 1 million watt-hours

NAAQS
National Ambient Air Quality Standards

Natural Gas Act
Natural Gas Act of 1938

NERC
North American Electric Reliability Corporation, a non-affiliated company responsible for developing and enforcing reliability standards, monitoring the bulk power system, and educating and certifying industry personnel

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

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 NWO Wind Equity Holdings, LLC, holds a Class B membership interest

NWO Wind Equity Holdings
NWO Wind Equity Holdings, LLC, a VIE in which Grand River Wind, LLC, a wholly owned subsidiary of NorthStar Clean Energy, has a 50-percent interest

OBBBA
Federal One Big Beautiful Bill Act of 2025

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

OSHA
Occupational Safety and Health Administration

PBO
Projected benefit obligation

PCB
Polychlorinated biphenyl

PFAS
Per- and polyfluoroalkyl substances

PISP
Performance Incentive Stock Plan

PJM
PJM Interconnection Inc.

PPA
Power purchase agreement

PSCR
Power supply cost recovery

PURPA
Public Utility Regulatory Policies Act of 1978

RCRA
Federal Resource Conservation and Recovery Act of 1976

REC
Renewable energy credit

Reliability Roadmap
Consumers’ five-year strategy to improve its electric distribution system and the reliability of the grid; this plan was filed with the MPSC in 2023, and is an update to Consumers’ previous Electric Distribution Infrastructure Investment Plan filed in 2021

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

S&P
Standard & Poor’s Financial Services LLC

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

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

Toshiba International
Toshiba International Corporation, a non-affiliated company

USW
United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC

UWUA
Utility Workers Union of America, AFL-CIO

VEBA trust
Voluntary employees' beneficiary association trusts accounts established specifically to set aside employer-contributed assets to pay for future expenses of the OPEB Plan

VIE
Variable interest entity

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

Filing Format

This combined Form 10-K is separately filed by CMS Energy and Consumers. Information in this combined Form 10-K 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.

Forward-looking Statements and Information

This Form 10-K 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 "anticipates," "assumes," "believes," "could," "estimates," "expects," "forecasts," "goals," "guidance," "intends," "may," "might," "objectives," "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, tariffs, and supply chain disruptions
- the impact of new or modified 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, METC, pipelines, railroads, vessels, or other service providers that CMS Energy, Consumers, or any of their affiliates rely on to serve their customers
- federal or executive actions, 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 financial compensation mechanism, the environment, regulation or

deregulation, reliability, health care reforms, taxes, tax credits, accounting matters, tariffs, 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, regulations, or tariffs; accidents; explosions; physical disasters; global pandemics; cyber incidents; physical or cyber attacks; 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 and/or convert economic development opportunities
- 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 energy 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, the creation of municipal utilities, 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 meet the renewable or clean energy standards required by the 2023 Energy Law or 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 Electric Supply Plan, including any action by a regulatory authority or other third party to prohibit, delay, or impair the implementation of the Electric Supply Plan
- the ability to meet increases in electric demand associated with data centers, or alternatively, the risk that anticipated demand growth from data center expansion may not materialize as expected
- changes associated with artificial intelligence technologies and related sectors, including the risk that a significant decline in investor confidence could lead to broader economic disruption, reductions in customer demand, tightening of capital markets, higher financing costs, or other downstream impacts
- 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 availability, quality, and pricing, tariffs, embargoes on equipment, supply chain disruptions, schedule delays, interconnection delays, availability of qualified construction personnel, permitting, acquisition of property rights, community opposition, environmental regulations, performance of contractors and counterparties, 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 IT 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 or interpretation of principles or policies
- 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 Item 1A. Risk Factors; Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook; and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

Part I

Item 1. Business

General

CMS Energy

CMS Energy was formed as a corporation in Michigan in 1987 and 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' 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 manages its businesses by the nature of services each provides, and operates principally in three business segments: electric utility; gas utility; and NorthStar Clean Energy, its non-utility operations and investments. Consumers' consolidated operations account for the substantial majority of CMS Energy's total assets, income, and operating revenue. CMS Energy's consolidated operating revenue was $8.5 billion in 2025, and $7.5 billion in 2024 and 2023.

For further information about operating revenue, income, and assets and liabilities attributable to all of CMS Energy's business segments and operations, see Item 8. Financial Statements and Supplementary Data—CMS Energy Consolidated Financial Statements and Notes to the Consolidated Financial Statements.

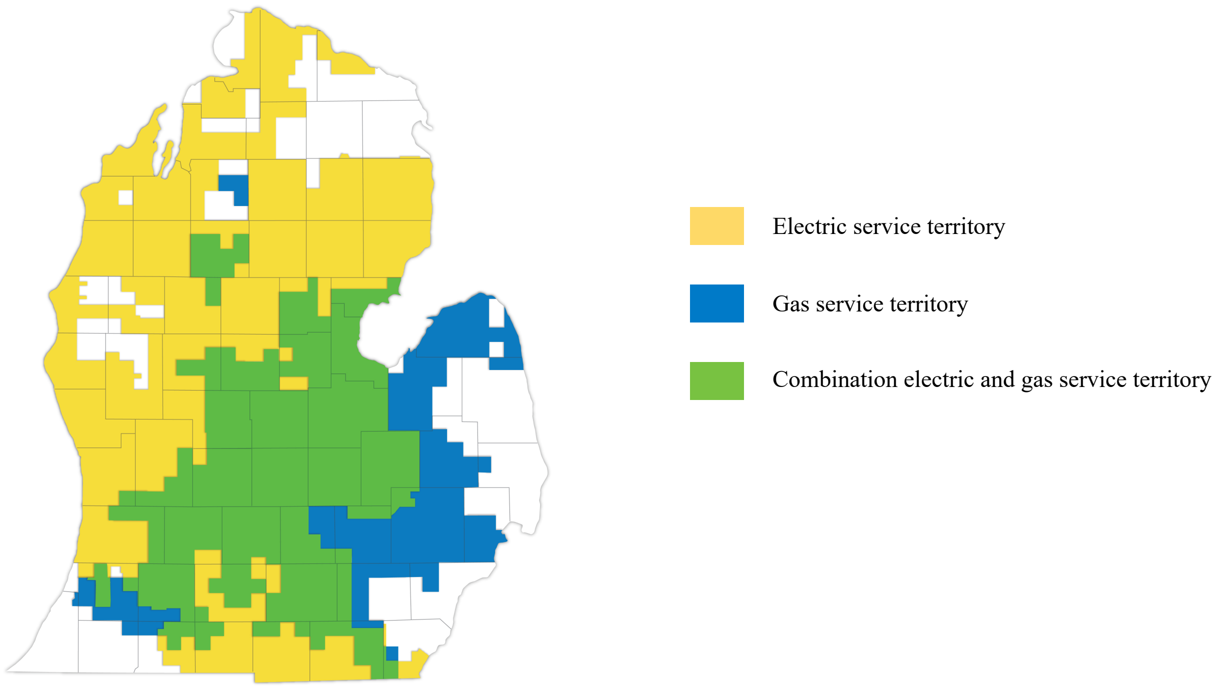
Consumers

Consumers has served Michigan customers since 1886. Consumers was incorporated in Maine in 1910 and became a Michigan corporation in 1968. Consumers owns and operates electric generation and distribution facilities and gas transmission, storage, and distribution facilities. It provides electricity and/or natural gas to 6.8 million of Michigan's 10 million residents. Consumers' rates and certain other aspects of its business are subject to the jurisdiction of the MPSC and FERC, as well as to NERC reliability standards, as described in CMS Energy and Consumers Regulation.

Consumers' consolidated operating revenue was $8.1 billion in 2025, and $7.2 billion in 2024 and 2023. For further information about operating revenue, income, and assets and liabilities attributable to Consumers' electric and gas utility operations, see Item 8. Financial Statements and Supplementary Data—Consumers Consolidated Financial Statements and Notes to the Consolidated Financial Statements.

Consumers owns its principal properties in fee, except that most electric lines, gas mains, and renewable generation projects are located below or adjacent to public roads or on land owned by others and are accessed by Consumers through easements, leases, and other rights. Almost all of Consumers' properties are subject to the lien of its First Mortgage Bond Indenture. For additional information on Consumers' properties, see Business Segments—Consumers Electric Utility—Electric Utility Properties and Consumers Gas Utility—Gas Utility Properties.

In 2025, Consumers served 1.9 million electric customers and 1.8 million gas customers in Michigan's Lower Peninsula. Presented in the following map are Consumers' service territories:



CMS Energy and Consumers—The Triple Bottom Line

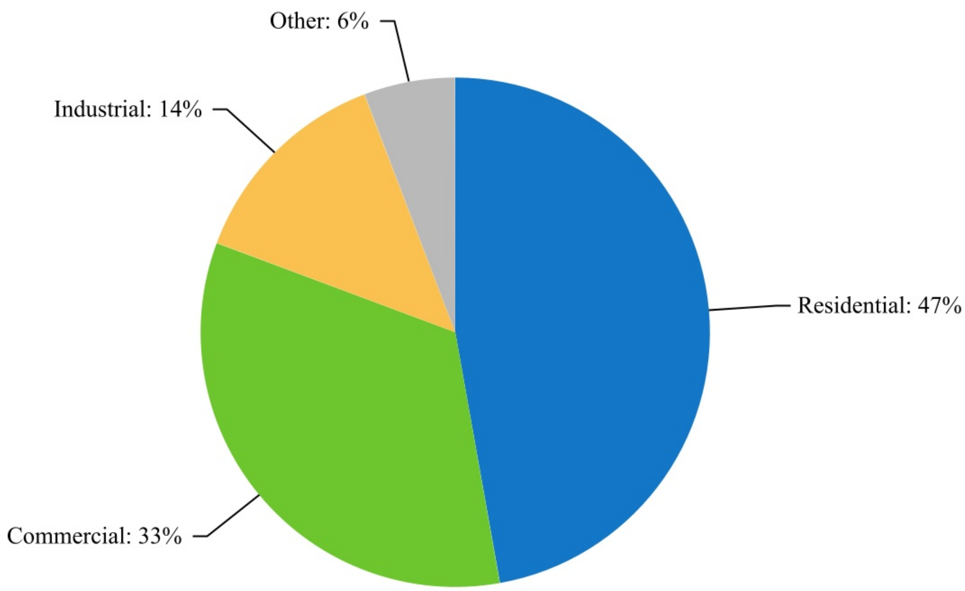
For information regarding CMS Energy's and Consumers' purpose and impact on the "triple bottom line" of people, planet, and prosperity, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview.

Business Segments

Consumers Electric Utility

Electric Utility Operations: Consumers' electric utility operations, which include the generation, purchase, distribution, and sale of electricity, generated operating revenue of $5.6 billion in 2025, $5.1 billion in 2024, and $4.7 billion in 2023. Consumers' electric utility customer base consists of a mix of primarily residential, commercial, and diversified industrial customers in Michigan's Lower Peninsula.

Presented in the following illustration is Consumers' 2025 electric utility operating revenue of $5.6 billion by customer class:

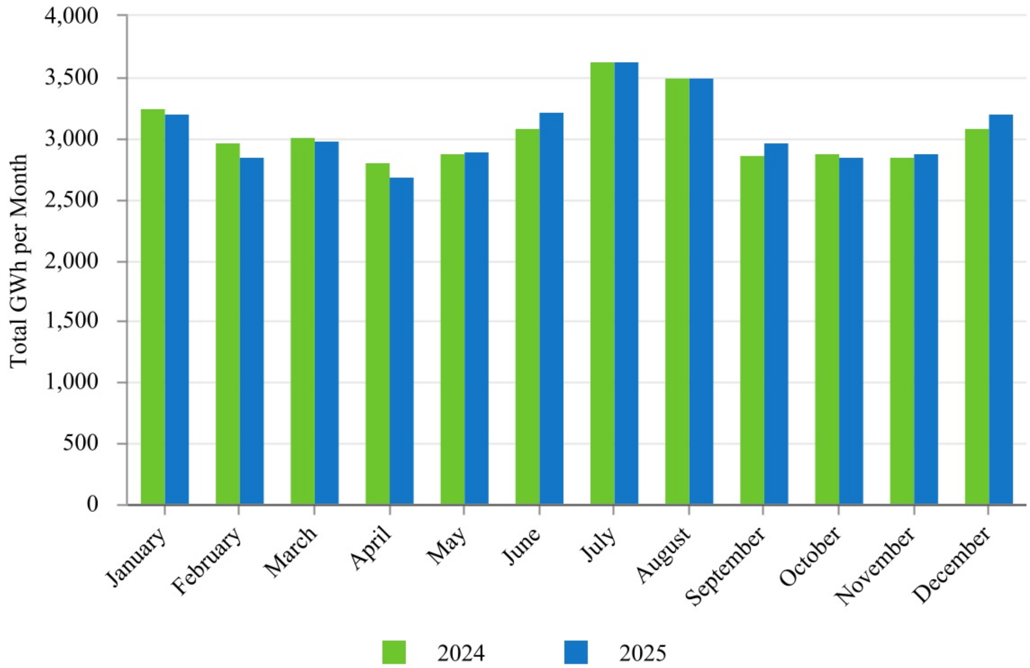


Consumers' electric utility operations are not dependent on a single customer, or even a few customers, and the loss of any one or even a few of Consumers' largest customers is not reasonably likely to have a material adverse effect on Consumers' financial condition.

In 2025, Consumers' electric deliveries were 37 billion kWh, which included ROA deliveries of 3 billion kWh, resulting in net bundled sales of 34 billion kWh. In 2024, Consumers' electric deliveries were 37 billion kWh, which included ROA deliveries of 4 billion kWh, resulting in net bundled sales of 33 billion kWh.

Consumers' electric utility operations are seasonal. The consumption of electric energy typically increases in the summer months, due primarily to the use of air conditioners and other cooling equipment.

Presented in the following illustration are Consumers' monthly weather-normalized electric deliveries (deliveries adjusted to reflect normal weather conditions) to its customers, including ROA deliveries, during 2025 and 2024:



Consumers' 2025 summer peak demand was 8,500 MW, which included ROA demand of 552 MW. For the 2024-2025 winter season, Consumers' peak demand was 5,755 MW, which included ROA demand of 449 MW. As required by MISO reserve margin requirements, Consumers owns or controls, through long-term PPAs, short-term capacity purchases, and auction capacity purchases, all of the capacity required to supply its projected firm peak load and necessary reserve margin for summer 2026.

Electric Utility Properties: Consumers owns and operates electric generation and distribution facilities. For details about Consumers' electric generation facilities, see the Electric Utility Generation and Supply Mix section that follows this Electric Utility Properties section. Consumers' distribution system consists of:

- 263 miles of high-voltage distribution overhead lines operating at 138 kV
- 4 miles of high-voltage distribution underground lines operating at 138 kV
- 4,619 miles of high-voltage distribution overhead lines operating at 46 kV and 69 kV
- 18 miles of high-voltage distribution underground lines operating at 46 kV
- 82,854 miles of electric distribution overhead lines
- 10,027 miles of underground distribution lines
- 1,102 substations with an aggregate transformer capacity of 29 million kVA

Consumers is interconnected to the interstate high-voltage electric transmission system owned by METC and operated by MISO. Consumers is also interconnected to neighboring utilities and to other transmission systems.

Electric Utility Generation and Supply Mix: Consumers' Electric Supply Plan, its long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers, is outlined in its integrated resource plan and incorporates Consumers' Renewable Energy Plan. The Electric Supply Plan is Consumers' blueprint for compliance with Michigan's 2023 Energy Law and for advancing sustainability objectives.

To meet these objectives, Consumers is executing a multi-faceted strategy. This strategy involves taking steps to end the use of coal, including the retirement of the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity, in 2023 and obtaining MPSC approval to retire J.H. Campbell, totaling 1,407 MW of nameplate capacity. The retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. For a more detailed discussion of the emergency orders, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Electric Utility Outlook and Uncertainties—J.H. Campbell Emergency Orders and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

To continue providing controllable sources of electricity to customers, Consumers purchased the Covert Generating Station, representing 1,200 MW of nameplate capacity, in 2023 and has solicited additional capacity from controllable sources of electricity to customers.

Consumers' updates to its Renewable Energy Plan include up to 9,000 MW of both purchased and owned solar energy resources and up to 4,000 MW of wind energy resources. Coupled with updates to its integrated resource plan, these actions position Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040. For further information on Consumers' progress towards reducing carbon emissions and towards meeting the requirements of the 2023 Energy Law, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview and Outlook—Consumers Electric Utility Outlook and Uncertainties.

Presented in the following table are details about Consumers' 2025 electric generation and supply mix:

Name and Location (Michigan)	Number of Units and Year Entered Service	2025 Generation Capacity [1] (MW)	2025 Electric Supply (GWh)
Coal steam generation			
J.H. Campbell 1 & 2 – West Olive[2]	2 Units, 1962-1967	—	2,568
J.H. Campbell 3 – West Olive[2,3]	1 Unit, 1980	—	4,752
		—	7,320
Oil/Gas steam generation			
D.E. Karn 3 & 4 – Essexville	2 Units, 1975-1977	1,189	106
Hydroelectric			
Ludington – Ludington	6 Units, 1973	1,119 [4]	(360) [5]
Conventional hydro generation[6]	35 Units, 1906-1949	75	344
		1,194	(16)
Gas combined cycle			
Covert Generating Station – Covert	3 Units, 2004	1,090	7,357
Jackson – Jackson	1 Unit, 2002	531	1,979
Zeeland – Zeeland	3 Units, 2002	534	3,952
		2,155	13,288
Gas combustion turbines			
Zeeland (simple cycle) – Zeeland	2 Units, 2001	314	1,373
Wind generation			
Crescent Wind Farm – Hillsdale County	2021	150	362
Cross Winds® Energy Park – Tuscola County	2014-2019	231	728
Gratiot Farms Wind Project – Gratiot County	2020	150	345
Heartland Farms Wind Project – Gratiot County	2023	200	470
Lake Winds® Energy Park – Mason County	2012	101	251
		832	2,156
Solar generation			
Solar Gardens – Allendale, Cadillac, Kalamazoo, and Grand Rapids	2016-2021	5	7
Muskegon Solar Energy Center	2025	250	2
		255	9
Battery storage capacity			
Batteries – Grand Rapids, Cadillac, Kalamazoo, and Standish	4 Units, 2021-2022	1	—
Total owned generation		5,940	24,236
Purchased power[7]			
Coal generation – T.E.S. Filer City		63	352
Gas generation – MCV Facility[8]		1,240	7,206
Other gas generation		254	1,233
Wind generation		384	1,026
Solar generation		1,017	1,355
Battery storage		100	(8) [9]
Other renewable generation		192	1,005
		3,250	12,169
Net interchange power[10]		—	(502)
Total purchased and interchange power		3,250	11,667
Total supply		9,190	35,903
Less distribution and transmission loss			2,094
Total net bundled sales			33,809

[1] With the exception of wind and solar generation, the amount represents generation capacity during the summer months (planning year 2025 capacity as reported to MISO and limited by interconnection service limits). For wind and solar generation, the amount represents installed capacity.

[2] Consumers planned to retire these generating units in May 2025. However, the retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. Under those emergency orders, Consumers has continued to operate these units for the benefit of MISO's North and Central regions. Of the 7,320 GWh generated by these units during 2025, Consumers supplied 3,608 GWh of electricity to MISO in order to comply with the emergency orders. For a more detailed discussion of the emergency orders, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Electric Utility Outlook and Uncertainties—J.H. Campbell Emergency Orders and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

[3] Represents Consumers' share of the electric supply of the J.H. Campbell 3 unit, net of the 6.69-percent ownership interest of the Michigan Public Power Agency and Wolverine Power, each a non-affiliated company.

[4] Represents Consumers' 51-percent share of the capacity of Ludington. DTE Electric holds the remaining 49-percent ownership interest.

[5] Represents Consumers' share of net pumped-storage generation. The pumped-storage facility consumes electricity to pump water during off-peak hours for storage in order to generate electricity later during peak-demand hours.

[6] In 2025, Consumers entered an agreement to sell the 13 hydroelectric dams that comprise the 35 generating units. For a more detailed discussion of this transaction, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 20, Exit Activities and Asset Sales.

[7] Represents purchases under long-term PPAs, including capacity purchases.

[8] For information about Consumers' long-term PPA related to the MCV Facility, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Contractual Commitments.

[9] Reflects net delivered energy from storage operations, after accounting for charging losses.

[10] Represents the net amount of generation offered to and purchased from the MISO energy market.

Presented in the following table are the sources of Consumers' electric supply for the last three years:

			GWh
Years Ended December 31	2025	2024	2023
Owned generation			
Gas	14,661	14,856	11,221
Coal	7,320	7,932	6,884
Renewable energy	2,509	2,521	1,993
Oil	106	96	2
Net pumped storage[1]	(360)	(458)	(349)
Total owned generation	24,236	24,947	19,751
Purchased power[2]			
Gas generation	8,439	9,662	7,244
Renewable energy generation	3,386	3,138	2,585
Battery storage[3]	(8)	—	—
Coal generation	352	230	318
Net interchange power[4]	(502)	(2,715)	4,532
Total purchased and interchange power	11,667	10,315	14,679
Total supply	35,903	35,262	34,430

1 Represents Consumers' share of net pumped-storage generation. During 2025, the pumped-storage facility consumed 1,351 GWh of electricity to pump water during off-peak hours for storage in order to generate 991 GWh of electricity later during peak-demand hours.

2 Represents purchases under long-term PPAs, including capacity purchases.

3 Reflects net delivered energy from storage operations, after accounting for charging losses.

4 Represents the net amount of generation offered to and purchased from the MISO energy market.

During 2025, 41 percent of Consumers' electric supply was generated by its natural gas-fueled generating units, which burned 105 Bcf of natural gas and produced a combined total of 14,661 GWh of electricity.

In order to obtain the gas it needs for electric generation fuel, Consumers' electric utility purchases gas from the market near the time of consumption, at prices that allow it to compete in the electric wholesale market. For the Covert Generating Station and Jackson and Zeeland plants, Consumers utilizes an agent that owns firm transportation rights to each plant to purchase gas from the market and transport the gas to the facilities. For units 3 & 4 of D.E. Karn, Consumers holds gas transportation contracts to transport to the plant gas that Consumers or an agent purchase from the market.

During 2025, Consumers acquired 32 percent of its electric supply through long-term PPAs and the MISO energy market. Consumers offers its generation into the MISO energy market on a day-ahead and real-time basis and bids for power in the market to serve the demand of its customers. Consumers supplements its generation capability with purchases from the MISO energy market.

At December 31, 2025, Consumers had future commitments to purchase capacity and energy under long-term PPAs with various generating plants. These contracts require monthly capacity payments based on the plants' availability or deliverability. The payments for 2026 through 2060 are estimated to total $17.0 billion and, for each of the next five years, range from $0.9 billion to $1.0 billion annually. These amounts may vary depending on plant availability and fuel costs. For further information about

Consumers' future capacity and energy purchase obligations, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Resources and Liquidity—Other Material Cash Requirements and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Contractual Commitments.

During 2025, 20 percent of Consumers' electric supply was generated by its coal-fueled generating units, which burned 4 million tons of coal and produced a combined total of 7,320 GWh of electricity. Consumers planned to exit coal generation in 2025 but the retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. Of the 7,320 GWh generated by these units during 2025, Consumers supplied 3,608 GWh of electricity to MISO in order to comply with the emergency orders. For a more detailed discussion of the emergency orders, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Electric Utility Outlook and Uncertainties—J.H. Campbell Emergency Orders and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

In order to obtain the coal it needs, Consumers has historically entered into physical coal supply contracts, leased a fleet of railcars, and secured transportation contracts with various companies to provide rail services for delivery of purchased coal to Consumers' generating facilities. Following the emergency orders, Consumers was able to utilize relationships with existing suppliers in order to procure additional supply and maintain railcar leases and transportation contracts past the planned shutdown date of May 2025. At December 31, 2025, Consumers had future commitments to purchase and deliver coal for the remainder of the then-current emergency order, with options to extend these agreements if needed.

Electric Utility Competition: Consumers' electric utility business is subject to actual and potential competition from many sources, in both the wholesale and retail markets, as well as in electric generation, electric delivery, and retail services.

Michigan law allows electric customers in Consumers' service territory to buy electric generation service from alternative electric suppliers in an aggregate amount capped at 10 percent of Consumers' sales, with certain exceptions. At December 31, 2025, electric deliveries under the ROA program were at the 10-percent limit. Fewer than 300 of Consumers' electric customers purchased electric generation service under the ROA program. For additional information, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Electric Utility Outlook and Uncertainties.

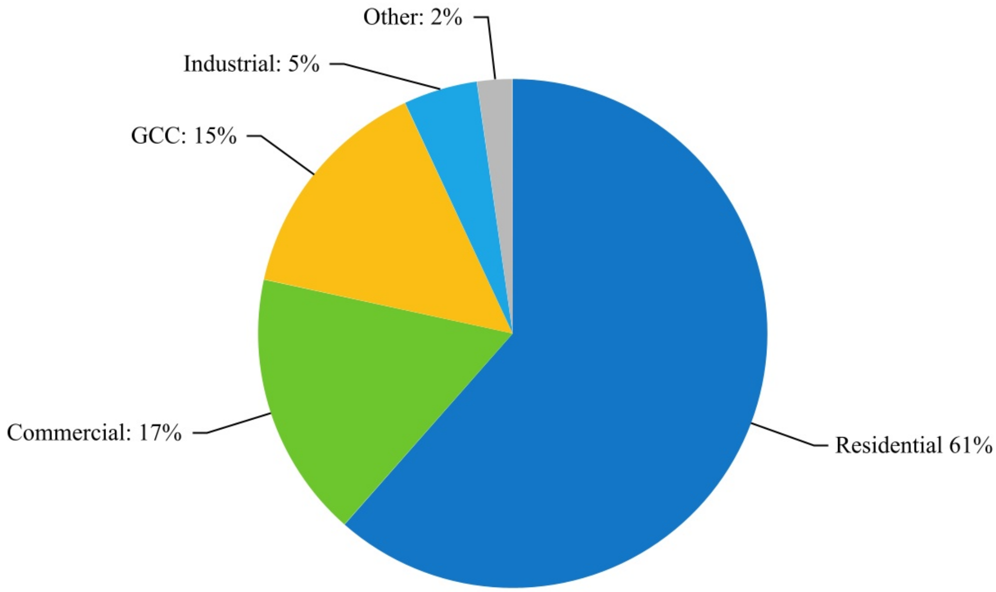
Consumers also faces competition or potential competition associated with data center expansion and industrial customer relocation outside of Consumers' service territory for economic reasons; municipalities owning or operating competing electric delivery systems; and customer self-generation. Consumers addresses this competition in various ways, including:

- aggressively controlling operating, maintenance, power supply, and fuel costs and passing savings on to customers
- providing renewable energy options and energy waste reduction programs
- providing competitive rate-design options, particularly for large energy-intensive customers
- offering tariff-based incentives that support economic development
- monitoring activity in adjacent geographical areas

Consumers Gas Utility

Gas Utility Operations: Consumers' gas utility operations, which include the purchase, transmission, storage, distribution, and sale of natural gas, generated operating revenue of $2.5 billion in 2025, $2.1 billion in 2024, and $2.4 billion in 2023. Consumers' gas utility customer base consists of a mix of primarily residential, commercial, and diversified industrial customers in Michigan's Lower Peninsula.

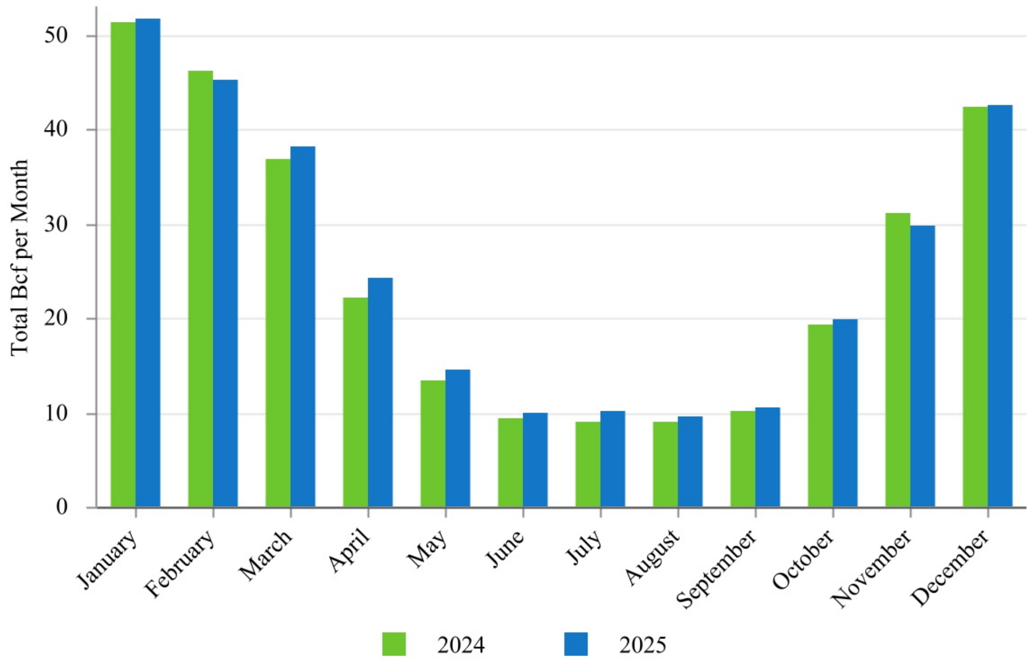
Presented in the following illustration is Consumers' 2025 gas utility operating revenue of $2.5 billion by customer class:



Consumers' gas utility operations are not dependent on a single customer, or even a few customers, and the loss of any one or even a few of Consumers' largest customers is not reasonably likely to have a material adverse effect on Consumers' financial condition.

In 2025, deliveries of natural gas through Consumers' pipeline and distribution network, including off-system transportation deliveries, totaled 396 Bcf, which included GCC deliveries of 31 Bcf. In 2024, deliveries of natural gas through Consumers' pipeline and distribution network, including off-system transportation deliveries, totaled 362 Bcf, which included GCC deliveries of 27 Bcf. Consumers' gas utility operations are seasonal. The consumption of natural gas increases in the winter, due primarily to colder temperatures and the resulting use of natural gas as heating fuel. Consumers injects natural gas into storage during the summer months for use during the winter months. During 2025, 46 percent of the natural gas supplied to all customers during the winter months was supplied from storage.

Presented in the following illustration are Consumers' monthly weather-normalized natural gas deliveries (deliveries adjusted to reflect normal weather conditions) to its customers, including GCC deliveries, during 2025 and 2024:



Gas Utility Properties: Consumers' gas transmission, storage, and distribution system consists of:

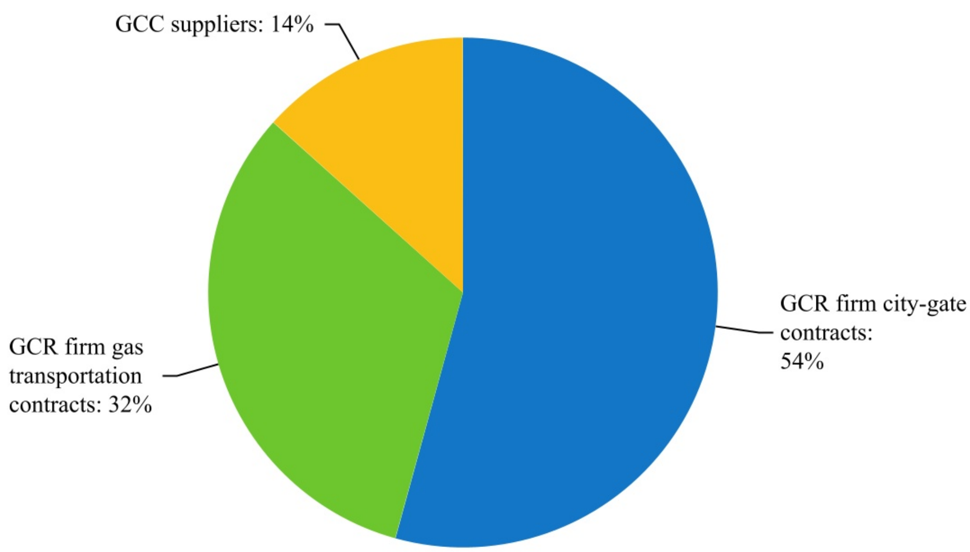
- 2,337 miles of transmission lines
- 14 gas storage fields with a total storage capacity of 300 Bcf and a working gas volume of 153 Bcf
- 28,433 miles of distribution mains
- 8 compressor stations with a total of 147,393 installed and available horsepower

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 through clean fuel alternatives or nature-based carbon removal pathways.

Consumers has also set a goal to reduce customer greenhouse gas emissions by 25 percent by 2035. Consumers' Natural Gas Delivery Plan, a rolling ten-year 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, carbon offsets, and renewable natural gas supply.

Consumers has already initiated work in these key areas by continuing to expand its energy waste reduction targets and by offering gas customers the ability to offset their carbon footprint associated with natural gas use by purchasing renewable natural gas and/or carbon credits associated with Michigan forest preservation. Consumers has renewable natural gas facilities under construction scheduled for commercial operation in 2026 and is monitoring regulatory developments and market conditions closely as part of its ongoing evaluation of the projects. For further information on Consumers' progress towards its net-zero methane emissions goal, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Executive Overview.

Gas Utility Supply: In 2025, Consumers purchased 86 percent of the gas it delivered to its full-service sales customers. The remaining 14 percent was purchased from authorized GCC suppliers and delivered by Consumers to customers in the GCC program. Presented in the following illustration are the supply arrangements for the gas Consumers delivered to GCC and GCR customers during 2025:



Firm city-gate and firm gas transportation contracts are those that define a fixed amount, price, and delivery time frame. Consumers' firm gas transportation contracts are with Panhandle Eastern Pipe Line Company and Trunkline Gas Company, LLC, each a non-affiliated company. Under these contracts, Consumers purchases and transports gas to Michigan for ultimate delivery to its customers. Consumers' firm gas transportation contracts expire on various dates through 2028 with planned contract volumes providing 34 percent of Consumers' total forecasted gas supply requirements for 2026. Consumers purchases the balance of its required gas supply under firm city-gate contracts and through authorized suppliers under the GCC program.

Gas Utility Competition: Competition exists in various aspects of Consumers' gas utility business. Competition comes from GCC and transportation programs; system bypass by new and existing customers; and from alternative fuels and energy sources, such as propane, oil, and electricity.

NorthStar Clean Energy—Non-utility Operations and Investments

NorthStar Clean Energy, through various subsidiaries and certain equity investments, is engaged in domestic independent power production, including the development and operation of renewable generation, and the marketing of independent power production. NorthStar Clean Energy's operating revenue was $408 million in 2025, $316 million in 2024, and $297 million in 2023.

Independent Power Production: Presented in the following table is information about the independent power plants in which CMS Energy had an ownership interest at December 31, 2025:

Location	Ownership Interest (%)	Primary Fuel Type	Gross Capacity [1] (MW)	2025 Net Generation (GWh)
Dearborn, Michigan	100	Natural gas	770	3,965
Jackson County, Arkansas	100	Solar	180	356
Gaylord, Michigan	100	Natural gas	134	22
Comstock, Michigan	100	Natural gas	76	136
Genesee County, Michigan[2]	100	Solar	42	1
Alpena, Michigan[3]	100	Solar	21	27
Saginaw, Michigan[3]	100	Solar	8	10
Paulding County, Ohio	100	Solar and Storage	3	—
Grayling, Michigan[3]	100	Solar	1	—
Coke County, Texas	51	Wind	525	1,697
Paulding County, Ohio[4]	50	Wind	100	299
Filer City, Michigan	50	Coal	73	351
New Bern, North Carolina	50	Wood waste	50	284
Flint, Michigan	50	Wood waste	40	117
Grayling, Michigan	50	Wood waste	38	182
Delta Township, Michigan[4]	50	Solar	24	38
Total			2,085	7,485

1 Represents the intended full-load sustained output of each plant. The amount of capacity relating to CMS Energy's ownership interest was 1,665 MW and net generation relating to CMS Energy's ownership interest was 6,018 GWh at December 31, 2025.

2 This project began operations in December 2025.

3 Represents a behind-the-meter system located on customer premises.

4 NorthStar Clean Energy sold a noncontrolling interest in this plant in 2025. For additional details see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 19, Variable Interest Entities.

The operating revenue from independent power production was $77 million in 2025, $69 million in 2024, and $64 million in 2023.

Energy Resource Management: CMS ERM purchases and sells energy commodities in support of NorthStar Clean Energy's generating facilities with a focus on optimizing the independent power production portfolio. In 2025, CMS ERM marketed 2 Bcf of natural gas and 7,625 GWh of electricity. Electricity marketed by CMS ERM was generated by independent power production of NorthStar Clean

Energy and by unrelated third parties. CMS ERM's operating revenue was $331 million in 2025, $247 million in 2024, and $233 million in 2023.

NorthStar Clean Energy Competition: NorthStar Clean Energy competes with other energy developers, energy retailers, and independent power producers. The needs of this market are driven by current electric demand and available generation, as well as projections of future electric demand and available generation.

CMS Energy and Consumers Regulation

CMS Energy, Consumers, and their subsidiaries are subject to regulation by various federal, state, and local governmental agencies, including those described in the following sections. Rate proceedings and other regulatory actions may affect operations and financial results. If CMS Energy, Consumers, or their subsidiaries failed to comply with applicable laws and regulations, they could become subject to fines, penalties, or disallowed costs, or be required to implement additional compliance, cleanup, or remediation programs, the cost of which could be material. For more information on the potential impacts of government regulation and rate proceedings affecting CMS Energy, Consumers, and their subsidiaries, see Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook, and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

FERC and NERC

CMS Energy and its affiliates and subsidiaries are subject to regulation by FERC in a number of areas. FERC regulates certain aspects of Consumers' electric business, including, but not limited to, compliance with FERC accounting rules, wholesale electric and transmission rates, operation of licensed hydroelectric generating plants, corporate mergers and the sale and purchase of certain assets, issuance of securities, and conduct among affiliates. FERC also regulates the tariff rules and procedures administered by MISO and other independent system operators/regional transmission organizations, including rules governing wholesale electric markets and interconnection of new generating facilities to the transmission system. FERC, in connection with NERC and with regional reliability organizations, also regulates generation and transmission owners and operators, load-serving entities, and others with regard to reliability of the bulk power system.

FERC also regulates limited aspects of Consumers' gas business, principally compliance with FERC capacity release rules, shipping rules, the prohibition of certain buy/sell transactions, and the price-reporting rule.

FERC also regulates holding company matters, interlocking directorates, and other issues affecting CMS Energy. In addition, similar to FERC's regulation of Consumers' electric and gas businesses, FERC has jurisdiction over several independent power plants, PURPA-qualifying facilities, and exempt wholesale generators in which NorthStar Clean Energy has ownership interests, as well as over NorthStar Clean Energy itself, CMS ERM, CMS Gas Transmission, and DIG.

MPSC

Consumers is subject to the jurisdiction of the MPSC, which regulates public utilities in Michigan with respect to retail utility rates, accounting, utility services, certain facilities, certain asset transfers, corporate mergers, and other matters.

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. 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 and FERC orders.

Other Regulation

The U.S. Secretary of Energy regulates imports and exports of natural gas and has delegated various aspects of this jurisdiction to FERC and the DOE's Office of Fossil Fuels. Additionally, the U.S. Secretary of Energy has the authority to issue emergency orders for power plants under section 202(c) of the Federal Power Act. This provision allows the U.S. Secretary of Energy to temporarily alter the operation of the electricity system during emergencies.

The U.S. Department of Transportation's Office of Pipeline Safety regulates the safety and security of gas pipelines through the Natural Gas Pipeline Safety Act of 1968 and subsequent laws.

The Transportation Security Administration, an agency of the U.S. Department of Homeland Security, regulates certain activities related to the safety and security of natural gas pipelines.

Energy Legislation

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

- increased the renewable energy standard from 15 percent to 50 percent by 2030 and 60 percent by 2035; renewable energy generated anywhere within MISO can be applied to meeting this standard, with certain limitations
- established a clean energy standard of 80 percent 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, qualify as clean energy sources under this standard
- authorized the MPSC to grant extensions of the clean energy or renewable energy standards deadlines if compliance is not practically feasible, would be excessively costly to customers, or would cause reliability issues
- increased the energy waste reduction requirement for electric utilities to achieve annual reductions in customers' electricity use from the present 1-percent reduction requirement to 1.5 percent beginning in 2026; beyond this requirement, the law set a goal of a 2-percent reduction and required that such goal be incorporated in an electric utility's integrated resource plan modeling scenarios
- increased the energy waste reduction requirement for gas utilities to achieve annual reductions in customers' gas use from the present 0.75-percent reduction requirement to 0.875 percent beginning in 2026
- enhanced existing incentives for energy efficiency programs and returns earned on new clean or renewable PPAs
- created a new energy storage standard, requiring electric utilities to file plans by 2029 to help achieve a statewide target of 2,500 MW
- expanded the statutory cap on distributed generation resources to 10 percent of the electric utility's five-year average peak load
- expanded the MPSC's scope of considerations in integrated resource plans to include affordability, greenhouse gas emissions, environmental justice considerations, the effects on human health, and other environmental concerns
- provided the MPSC siting authority over large renewable energy projects

Consumers' updates to its Renewable Energy Plan, which were approved by the MPSC in September 2025, and planned updates to its integrated resource plan in 2026 will serve as a blueprint to meeting the requirements of the 2023 Energy Law 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.

CMS Energy and Consumers Environmental Strategy and Compliance

CMS Energy and Consumers are committed to protecting the environment; this commitment extends beyond compliance with applicable laws and regulations. Consumers' Electric Supply Plan, its long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers, is outlined in its integrated resource plan and incorporates Consumers' Renewable Energy Plan. The Electric Supply Plan is Consumers' blueprint for compliance with Michigan's 2023 Energy Law and for advancing sustainability objectives. This plan positions Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040.

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 through clean fuel alternatives or nature-based carbon removal pathways. For additional information on Consumers' Methane Reduction Plan, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Gas Utility Outlook and Uncertainties—Gas Environmental Outlook.

Consumers has also set a goal to reduce customer greenhouse gas emissions by 25 percent by 2035. 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.

CMS Energy's and Consumers' commitment to protecting the environment extends to advancing the principles of environmental justice in current and future operations. These principles center on protecting communities impacted by the companies' operations, especially those communities that are most vulnerable and may have suffered disparate impacts of environmental harm.

Advancing environmental justice comes in a variety of forms. For example, Consumers has conducted an environmental justice analysis to help understand the environmental impacts of its clean energy transformation. Similarly, Consumers is using an environmental justice screening tool provided by the State of Michigan in the planning of improvements to the electric and gas distribution system, including prioritizing investments in more vulnerable communities.

A core tenet of environmental justice is inviting the input of the stakeholders in the local communities where CMS Energy and Consumers operate and invest. The companies are committed to maintaining a transparent dialogue when developing projects, whether in new or existing areas of operation.

CMS Energy, Consumers, and their subsidiaries are subject to various federal, state, and local environmental regulations for solid waste management, air and water quality, and other matters. Consumers expects to recover costs to comply with environmental regulations in customer rates but cannot guarantee this result. For additional information concerning environmental matters, see Item 1A. Risk Factors, Item 7. Management's Discussion and Analysis of Financial Condition and Results of

Operations—Outlook, and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments.

CMS Energy has recorded a $48 million liability for its subsidiaries' obligations associated with Bay Harbor and Consumers has recorded a $59 million liability for its obligations at a number of former MGP sites. For additional information, see Item 1A. Risk Factors and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments.

Costs related to the construction, operation, corrective action, and closure of solid waste disposal facilities for coal ash are significant. Consumers' coal ash disposal areas are regulated under Michigan's solid waste rules and by the EPA's rules regulating CCRs. To address some of the requirements of these rules, Consumers has converted all of its fly ash handling systems to dry conveyance systems. In addition, Consumers' ash facilities have programs designed to protect the environment and are subject to quarterly EGLE inspections. Consumers' estimate of capital and cost of removal expenditures to comply with regulations relating to ash disposal is $241 million from 2026 through 2030. Consumers' future costs to comply with solid waste disposal regulations may vary depending on future legislation, litigation, executive orders, treaties, or rulemaking. These costs may further increase if additional emergency orders necessitate continued operation of the J.H. Campbell plant beyond current expectations. Consumers intends to request recovery of any incremental costs through its ongoing cases before FERC. For additional information, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

For further information concerning estimated capital expenditures related to environmental matters, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook—Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

Insurance

CMS Energy and its subsidiaries, including Consumers, maintain insurance coverage generally similar to comparable companies in the same lines of business. The insurance policies are subject to terms, conditions, limitations, and exclusions that might not fully compensate CMS Energy or Consumers for all losses. A portion of each loss is generally assumed by CMS Energy or Consumers in the form of deductibles and self-insured retentions that, in some cases, are substantial. As CMS Energy or Consumers renews its policies, it is possible that some of the present insurance coverage may not be renewed or obtainable on commercially reasonable terms due to restrictive insurance markets.

Human Capital

CMS Energy and Consumers employ a highly trained and skilled workforce comprised of union and non-union employees. Presented in the following table are the number of employees of CMS Energy and Consumers:

December 31	2025	2024	2023
CMS Energy, including Consumers			
Full-time and part-time employees	8,350	8,324	8,356
Consumers			
Full-time and part-time employees	8,095	8,090	8,144

At December 31, 2025, unions represented 44 percent of CMS Energy’s employees and 45 percent of Consumers’ employees. The UWUA represents Consumers’ and NorthStar Clean Energy’s operating, maintenance, construction employees and Consumers’ customer contact center employees. The USW represents Consumers’ Zeeland plant employees. Consumers’ union agreements expire in 2030 and the majority of NorthStar Clean Energy’s represented employees have an agreement that expires in 2029.

The safety of co-workers, 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. On an annual basis, CMS Energy and Consumers set various safety goals tied to the OSHA recordable incident rate and to high-risk injuries. The companies’ OSHA recordable incident rate was 2.34 in 2025 and 1.71 in 2024. High-risk injuries encompass all recordable and non-recordable incidents with the potential for serious injury or fatality. In 2025, the companies recorded nine high-risk injuries, achieving their goal of less than 12 high-risk injuries. Beginning in 2026, the companies will utilize the serious injury incidence rate to measure and set safety goals. The target serious injury incidence rate for 2026 is 0.037, which, if achieved, would place Consumers within the second quartile of its EEI peer group.

Within the utility industry, there is strong competition for rare, high-demand talent, including those related to electric line work, renewable energy generation, technology, and data analytics. In order to address this competition and to be able to meet their human capital needs, CMS Energy and Consumers provide compensation and benefits that are competitive with industry peers. Furthermore, CMS Energy and Consumers have developed a comprehensive talent strategy, the People Strategy, to attract, develop, and retain highly skilled co-workers. The strategy focuses on three areas, which are summarized below. The first two areas listed below focus on creating an environment that attracts and retains top talent and ensuring that all co-workers can thrive and contribute to the companies’ mission and purpose.

- **Cultivating a Purpose-driven Culture:** This goal aims to ensure all co-workers understand how their work contributes to CMS Energy’s and Consumers’ key strategic goals.
- **Creating a Breakthrough Employee Experience:** A breakthrough employee experience is one that instills pride and ownership in one’s work. To measure progress toward a breakthrough employee experience, CMS Energy and Consumers assess engagement, empowerment, and

diversity, equity, and inclusion efforts using the companies' culture index. For the year ended December 31, 2025, the companies attained scores of:

- 75-percent positive sentiment for engagement, up 3 percentage points from 2024
- 65-percent positive sentiment for empowerment, no change from 2024
- 75-percent positive sentiment for diversity, equity, and inclusion, up 2 percentage points from 2024

CMS Energy and Consumers aim to continuously improve these scores every year.

- **Building Skill Sets at Scale:** With an overarching goal of ensuring co-workers have the right skills to succeed, CMS Energy and Consumers measure progress in this area through achievement of workforce planning and hiring milestones and through a first-time skill attainment index to evaluate the effectiveness of training. CMS Energy and Consumers develop skill sets in co-workers through a variety of means, including union apprenticeship programs and yearly trainings for newly required skills.

This talent strategy allows CMS Energy and Consumers to shape co-workers' experience and enable leaders to coach and develop co-workers, source talent, and anticipate and adjust to changing skill sets in the business environment.

Diversity, Equity, and Inclusion

As a part of their People Strategy, CMS Energy and Consumers employ a broad and holistic diversity, equity, and inclusion strategy focused on embracing differences and creating a sense of belonging for all co-workers. The strategy is aimed at integrating principles of equity and inclusion into every process and co-worker experience. To measure their success, CMS Energy and Consumers utilize select questions in the annual engagement survey to create a diversity, equity, and inclusion index. For the year ended December 31, 2025, the diversity, equity, and inclusion index score was 75 percent.

CMS Energy and Consumers are committed to building an inclusive workplace that embraces the diverse makeup of the communities that they serve. The following table presents the composition of CMS Energy's and Consumers' workforce:

December 31, 2025	CMS Energy, including Consumers	Consumers
Percent female employees	26 %	26 %
Percent racially or ethnically diverse employees	13	13
Percent employees with disabilities	5	5
Percent veteran employees	10	10

Co-workers are also empowered to engage in business employee resource groups and events that encourage candid conversations around diversity, equity, and inclusion. These activities enhance personal growth, build stronger connections among co-workers, and contribute to a more inclusive workplace. There are eight business employee resource groups available to all co-workers; these groups are:

- Women in Energy, working toward an inclusive place for all women in the fields they have chosen, from front line to management
- the Minority Advisory Panel, promoting a culture of diversity and inclusion among all racial and ethnic minorities through education, leadership, development, and networking
- the Veterans Advisory Panel, supporting former and active military personnel and assisting in recruiting and retaining veterans through career development
- Genergy, a multigenerational group designed to bridge the gap of learning, networking, and mentoring across the generations of the workforce
- the Pride Alliance of CMS Energy, promoting an inclusive environment that is safe, supportive, and respectful for lesbian, gay, bi-sexual, and transgender persons and allies
- Capable, aimed at removing barriers and creating pathways to meaningful work for co-workers of all abilities
- Interfaith, a space for co-workers of all backgrounds to gather and celebrate their unique beliefs, creating an environment of understanding and respect for all faiths, religions, and spiritual beliefs, including those with no faith affiliation
- People and Planet Partners, empowering co-workers to drive social benefits for customers and communities and advance environmental improvements, reduce the companies’ environmental footprint, and support the companies’ planet goals

Information About CMS Energy's and Consumers' Executive Officers

Presented in the following table are the company positions held during the last five years for each of CMS Energy's and Consumers' executive officers as of February 10, 2026:

Name, Age, Position(s)	Period
Garrick J. Rochow (age 51)	
CMS Energy	
President, CEO, and Director	12/2020 – Present
Consumers	
President, CEO, and Director	12/2020 – Present
NorthStar Clean Energy	
Chairman of the Board, CEO, and Director	12/2020 – 7/2025
Rejji P. Hayes (age 51)	
CMS Energy	
Executive Vice President and CFO	5/2017 – Present
Consumers	
Executive Vice President and CFO	5/2017 – Present
NorthStar Clean Energy	
Chairman of the Board and Director	7/2025 – Present
Executive Vice President, CFO, and Director	5/2017 – 6/2024
EnerBank	
Chairman of the Board and Director	10/2018 – 10/2021
Tonya L. Berry (age 53)	
CMS Energy	
Executive Vice President and Chief Operating Officer	7/2025 – Present
Senior Vice President	2/2022 – 7/2025
Consumers	
Executive Vice President and Chief Operating Officer	7/2025 – Present
Senior Vice President	2/2022 – 7/2025
Vice President	11/2018 – 2/2022
Shaun M. Johnson (age 47)	
CMS Energy	
Executive Vice President and Chief Legal and Administrative Officer	7/2025 – Present
Senior Vice President and General Counsel	5/2019 – 7/2025
Consumers	
Executive Vice President and Chief Legal and Administrative Officer	7/2025 – Present
Senior Vice President and General Counsel	5/2019 – 7/2025
NorthStar Clean Energy	
Senior Vice President, General Counsel, and Director	4/2019 – 6/2024

Name, Age, Position(s)	Period
Brandon J. Hofmeister (age 49)	
CMS Energy	
Senior Vice President	7/2017 – Present
Consumers	
Senior Vice President	7/2017 – Present
NorthStar Clean Energy	
Senior Vice President	9/2017 – 6/2024
Lauren Snyder (age 44)	
CMS Energy	
Senior Vice President and Chief Customer and Growth Officer	7/2025 – Present
Consumers	
Senior Vice President and Chief Customer and Growth Officer	7/2025 – Present
Vice President	7/2017 – 7/2025
Scott B. McIntosh (age 50)	
CMS Energy	
Vice President, Controller, and CAO	9/2021 – Present
Vice President and Controller	6/2021 – 9/2021
Vice President	9/2015 – 6/2021
Consumers	
Vice President, Controller, and CAO	9/2021 – Present
Vice President and Controller	6/2021 – 9/2021
Vice President	9/2015 – 6/2021
NorthStar Clean Energy	
Vice President, CAO, and Director	6/2024 – Present
Vice President, Controller, and CAO	9/2021 – 6/2024
Vice President and Controller	6/2021 – 9/2021
Vice President	9/2015 – 6/2021

There are no family relationships among executive officers and directors of CMS Energy or Consumers. The list of directors and their biographies will be included in CMS Energy's and Consumers' definitive proxy statement for their 2026 Annual Meetings of Shareholders to be held May 8, 2026. The term of office of each of the executive officers extends to the first meeting of the Board after the next annual election of Directors of CMS Energy and Consumers (to be held on May 8, 2026).

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. CMS Energy's and Consumers' annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act are accessible free of charge on CMS Energy's website. These reports are available soon after they are electronically filed with the SEC. Also on CMS Energy's website are CMS Energy's and Consumers':

- Corporate Governance Principles
- Articles of Incorporation
- Bylaws
- Charters and Codes of Conduct (including the Charters of the Audit Committee, Compensation and Human Resources Committee, Finance Committee, and Governance, Sustainability and Public Responsibility Committee, as well as the Employee, the Board, and Third Party Codes of Conduct)

CMS Energy will provide this information in print to any stockholder who requests it.

The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address is www.sec.gov.

Item 1A. Risk Factors

CMS Energy and Consumers are exposed to a variety of factors, often beyond their control, that are difficult to predict and that involve uncertainties that may materially adversely affect CMS Energy's or Consumers' business, liquidity, financial condition, or results of operations. Additional risks and uncertainties not presently known or that management believes to be immaterial may also adversely affect CMS Energy or Consumers. The risk factors described in the following sections, as well as the other information included in this report and in other documents filed with the SEC, should be considered carefully before making an investment in securities of CMS Energy or Consumers. Risk factors of Consumers are also risk factors of CMS Energy.

Investment/Financial Risks

CMS Energy depends on dividends from its subsidiaries to meet its debt service obligations.

Due to its holding company structure, CMS Energy depends on dividends from its subsidiaries to meet its debt service and other payment obligations. If sufficient dividends were not paid to CMS Energy by its subsidiaries, CMS Energy might not be able to generate the funds necessary to fulfill its payment obligations.

Consumers' ability to pay dividends or acquire its own stock from CMS Energy is limited by restrictions contained in Consumers' preferred stock provisions and potentially by other legal restrictions, such as certain terms in its articles of incorporation and FERC requirements.

CMS Energy has indebtedness that could limit its financial flexibility and its ability to meet its debt service obligations.

The level of CMS Energy’s present and future indebtedness could have several important effects on its future operations, including, among others, that:

- a significant portion of CMS Energy’s cash flow from operations could be dedicated to the payment of principal and interest on its indebtedness and would not be available for other purposes
- covenants contained in CMS Energy’s existing debt arrangements, which require it to meet certain financial tests, could affect its flexibility in planning for, and reacting to, changes in its business
- CMS Energy’s ability to obtain additional financing for working capital, capital expenditures, acquisitions, and general corporate and other purposes could become limited
- CMS Energy could be placed at a competitive disadvantage to its competitors that are less leveraged
- CMS Energy’s vulnerability to adverse economic and industry conditions could increase
- CMS Energy’s future credit ratings could fluctuate

CMS Energy’s ability to meet its debt service obligations and to reduce its total indebtedness will depend on its future performance, which will be subject to general economic conditions, industry cycles, changes in laws or regulatory decisions, and financial, business, and other factors affecting its operations, many of which are beyond its control. CMS Energy cannot make assurances that its businesses will continue to generate sufficient cash flow from operations to service its indebtedness, which could require CMS Energy to sell assets or obtain additional financing.

CMS Energy and Consumers have financing needs and could be unable to obtain bank financing or access the capital markets.

CMS Energy and Consumers rely on the capital markets, as well as on bank syndications, to meet their financial commitments and short-term liquidity needs not otherwise funded internally.

Disruptions in the capital and credit markets, or the inability to obtain required regulatory authorization for issuances of securities including debt, including as may be required from FERC, could adversely affect CMS Energy’s and Consumers’ access to liquidity needed for their businesses. Any liquidity disruption could require CMS Energy and Consumers to take measures to conserve cash including, but not limited to, deferring capital expenditures, changing commodity purchasing strategies to avoid collateral-posting requirements, and reducing or eliminating future share repurchases, dividend payments, or other discretionary uses of cash.

Entering into new financings is subject in part to capital market receptivity to utility industry securities in general and to CMS Energy’s and Consumers’ securities in particular. CMS Energy and Consumers continue to explore financing opportunities to supplement their respective financial strategies. These potential opportunities include refinancing and/or issuing new debt, issuing CMS Energy preferred stock and/or common equity, or entering into commercial paper, bank financing, and leasing arrangements. CMS Energy and Consumers cannot guarantee the capital markets’ acceptance of their securities. CMS Energy and Consumers may also, from time to time, repurchase (either in open market transactions or through privately negotiated transactions), redeem, or otherwise retire outstanding debt. Such activities, if any, will depend on prevailing market conditions, contractual restrictions, and other factors. The amounts involved may or may not be material.

Certain of CMS Energy’s and Consumers’ securities and those of their affiliates are rated by various credit rating agencies. A reduction or withdrawal of one or more of its credit ratings could have a material adverse impact on CMS Energy’s or Consumers’ ability to access capital on acceptable terms and maintain commodity lines of credit, could increase their cost of borrowing, and could cause CMS Energy or Consumers to reduce capital expenditures. If either or both were unable to maintain commodity lines of credit, CMS Energy or Consumers might have to post collateral or make prepayments to certain suppliers under existing contracts. Further, since Consumers provides dividends to CMS Energy, any adverse developments affecting Consumers that result in a lowering of its credit ratings could have an adverse effect on CMS Energy’s credit ratings.

Market performance and other changes could decrease the value of employee benefit plan assets, which then could require substantial funding.

The performance of various markets affects the value of assets that are held in trust to satisfy future obligations under CMS Energy’s and Consumers’ pension and postretirement benefit plans. CMS Energy and Consumers have significant obligations under these plans and hold significant assets in these trusts. These assets are subject to market fluctuations and will yield uncertain returns, which could fall below CMS Energy’s and Consumers’ forecasted return rates. A decline in the market value of the assets or a change in the level of interest rates used to measure the required minimum funding levels could significantly increase the funding requirements of these obligations. Also, changes in demographics, including an increased number of retirements or changes in life expectancy assumptions, could significantly increase the funding requirements of the obligations related to the pension and postretirement benefit plans.

Industry/Regulatory Risks

Changes to ROA could have a material adverse effect on CMS Energy’s and Consumers’ businesses.

Michigan law allows electric customers in Consumers’ service territory to buy electric generation service from alternative electric suppliers in an aggregate amount capped at 10 percent of Consumers’ sales, with certain exceptions. The proportion of Consumers’ electric deliveries under the ROA program and on the ROA waiting list is over 10 percent. Consumers’ rates are regulated by the MPSC, while alternative electric suppliers charge market-based rates, putting competitive pressure on Consumers’ electric supply. Groups are advocating for an ROA-like community solar program that allows third parties to sell directly to customers and offer them a regulated bill credit. If the amount of ROA sales increased, this new ROA-like community solar program were allowed, or electric generation service in Michigan were further deregulated, it could have a material adverse effect on CMS Energy and Consumers.

FERC issued an advance notice of proposed rulemaking in response to the Secretary of the DOE’s direction to FERC to consider the advance notice of proposed rulemaking as a means to standardize and expedite interconnection procedures and agreements for large electric loads. If FERC asserts jurisdiction over the distribution components of large-load customers’ interconnections to the transmission system, or allows large-load customers to directly purchase electricity from wholesale markets, it could have a material adverse effect on CMS Energy and Consumers.

The creation of utilities by municipalities in Consumers’ service territory, or the impairment of Consumers’ franchise rights to serve customers in municipalities, could have a material adverse effect on CMS Energy’s and Consumers’ businesses.

Michigan law allows Consumers’ electric and natural gas utility businesses to serve customers pursuant to franchises granted by municipalities. Michigan law also allows municipalities to create, own, and operate utilities. If one or more municipalities in Consumers' service territory created a new or supplemental utility, or impaired the franchise under which Consumers serves customers in the municipality, it could have a material adverse effect on CMS Energy and Consumers.

Distributed energy resources could have a material adverse effect on CMS Energy's and Consumers' businesses.

Michigan law allows customers to use distributed energy resources for their electric energy needs. These distributed energy resources are connected to Consumers' electric grid. The 2023 Energy Law increases the cap on Consumers' distributed generation program to 10 percent of utilities' peak loads. It also specifies an inflow and outflow rate method that must be implemented by the MPSC. FERC policy allows many customer-owned behind-the-meter and grid-connected distributed energy resources to participate in and receive revenue from wholesale electricity markets, as governed by evolving wholesale market rules subject to FERC oversight. Increased customer use of distributed energy resources could result in a reduction of Consumers' electric sales. Third parties' operations of distributed energy resources could also potentially have a negative impact on the stability of the grid. An increase in customers' use of distributed energy resources, and the rate structure for distributed energy resources customers' use of Consumers' system and Consumers' purchases of their excess generation, could have a material adverse effect on CMS Energy and Consumers.

CMS Energy and Consumers are subject to rate regulation, which could have a material adverse effect on financial results.

CMS Energy and Consumers are subject to rate regulation. Consumers' electric and gas retail rates are set by the MPSC and cannot be changed without regulatory authorization. If rate regulators fail to provide adequate rate relief, it could have a material adverse effect on Consumers or Consumers' plans for making significant capital investments. Additionally, increasing rates could result in additional regulatory scrutiny, regulatory or legislative actions, and increased competitive or political pressures, all of which could have a material adverse effect on CMS Energy's and Consumers' liquidity, financial condition, and results of operations.

Orders of the MPSC could limit recovery of costs of providing service. These orders could also result in adverse regulatory treatment of other matters. For example, MPSC orders could prevent or curtail Consumers from shutting off non-paying customers, could prevent or limit the implementation of an electric or gas revenue mechanism, or could penalize Consumers for not meeting service and reliability standards. Regulators could face competitive or political pressures to avoid or limit rate increases for a number of reasons, including affordability concerns, economic downturn, reliability and economic justice concerns, or decreased customer base, among others.

FERC authorizes certain subsidiaries of CMS Energy, including Consumers, to sell wholesale electricity at market-based rates and to provide certain other wholesale electric services at rates and terms subject to FERC approval. Failure of these subsidiaries to maintain this FERC authority could have a material adverse effect on CMS Energy's and Consumers' liquidity, financial condition, and results of operations. Electric transmission and natural gas pipeline rates paid by Consumers and other CMS Energy subsidiaries are also set by FERC, as are the tariff terms governing the participation of Consumers and other CMS Energy subsidiaries in FERC-regulated wholesale electricity markets operated by regional transmission organizations and independent system operators such as MISO and PJM. At least one CMS Energy subsidiary participates in the wholesale electricity markets operated by ERCOT, over which FERC has limited control.

Consumers also faces regulatory uncertainty resulting from the U.S. Secretary of Energy's emergency orders issued under the Federal Power Act and associated DOE regulations, which direct continued operation of the J.H. Campbell, as well as similar prior or future executive actions, including the January 2025 and April 2025 executive orders related to energy supply and reliability. The Federal Power Act, DOE regulations, and U.S. Secretary of Energy emergency orders all provide for cost recovery associated with continued operations, but there is not currently a FERC-approved MISO Tariff for recovery of compliance costs associated with the continued operation of J.H. Campbell, and continued operation of J.H. Campbell is not contemplated in Consumers' current MPSC rates or rate filings at the MPSC. Consumers is pursuing cost recovery at FERC but cannot predict the outcome of those efforts or the impact of other executive actions.

The various risks associated with the MPSC and FERC regulation of CMS Energy's and Consumers' businesses, which include the risk of adverse decisions in any number of rate or regulatory proceedings before either agency, as well as judicial proceedings challenging any agency decisions, could have a material adverse effect on CMS Energy and Consumers. Changes to the tariffs or business practice manuals of certain wholesale market operators such as MISO, PJM, or ERCOT, or corresponding impacts such as interconnection delays for new electric generation or storage projects, could also have a material adverse effect on CMS Energy and Consumers.

Utility regulation, state or federal legislation, regulation, and compliance could have a material adverse effect on CMS Energy's and Consumers' businesses.

CMS Energy and certain of its subsidiaries, including Consumers, are subject to, or affected by, extensive utility regulation and state and federal legislation and regulation, including through application of policies and rules of numerous state and federal agencies and governmental entities. If it were determined that CMS Energy or Consumers failed to comply with applicable laws and regulations or with applicable tariff provisions, they could become subject to fines, penalties, refund or disgorgement orders, or disallowed costs, or be required to implement additional compliance, cleanup, or remediation programs, the cost of which could be material. CMS Energy and Consumers cannot predict the impact of new laws, rules, regulations, tariffs, principles, orders, or practices by federal or state agencies or wholesale electricity market operators, or challenges or changes to present laws, rules, regulations, tariffs, principles, orders, or practices and the interpretation of any adoption or change. Furthermore, any state or federal legislation, regulation, order, or other action concerning CMS Energy's or Consumers' operations could also have a material adverse effect.

FERC, through NERC and its delegated regional entities, oversees reliability of certain portions of the electric grid. CMS Energy and Consumers cannot predict the impact of the DOE or FERC orders or actions of NERC and its regional entities on electric system reliability. Additionally, natural gas pipeline infrastructure has recently been under scrutiny following disruptions related to extreme weather and cyber incidents. Additional regulation in this area could adversely affect Consumers' gas operations.

CMS Energy and Consumers have announced ambitious plans to reduce their impact on climate change and increase the reliability of their electric distribution system. Achieving these plans depends on numerous factors, many of which are outside of their control.

Consumers has announced a long-term strategy for delivering clean, reliable, resilient, and affordable energy, and other subsidiaries of CMS Energy have plans to develop and operate clean energy assets. The MPSC, FERC, other regulatory authorities, or other third parties may prohibit, delay, or impair some or all of CMS Energy's and Consumers' planned acquisitions or development of owned or purchased electric generation and storage capacity. Consumers' planned electric generation capacity, including renewable generation or storage projects, may be adversely impacted by interconnection delays at MISO or in the footprints of other regional transmission organizations, and/or by interconnection costs. CMS Energy and Consumers and its contractors may be unable to acquire, site, construct timely, and/or permit generation and storage capacity, including some or all of the generation and storage capacity proposed in Consumers' plan. CMS Energy and Consumers' ability to implement their plans may be affected by environmental regulations, global supply chain disruptions, import tariffs, and changes in the cost, availability, and supply of generation and storage capacity. While CMS Energy and Consumers continue to advocate for advances in commercially available technologies required to reduce or eliminate greenhouse gases on a cost-effective basis at scale, such advances are largely outside of CMS Energy's and Consumers' control. Advancements in technology related to items such as battery storage, carbon capture/storage, and electric vehicles may not become commercially available or economically feasible as projected. Customer programs such as energy efficiency and demand response may not realize the projected levels of customer participation.

Consumers has also announced its electric Reliability Roadmap. The Reliability Roadmap includes larger investments in grid hardening, distribution capacity, and automation to deliver better than median reliability to customers given increasingly severe weather and customer adoption of new technologies. The MPSC or other third parties may prohibit, delay, or impair the Reliability Roadmap and some or all of the associated capital investments. Consumers' ability to implement its plan may be affected by global supply chain disruptions and/or workforce availability.

Consumers has also announced its Natural Gas Delivery Plan, a rolling ten-year investment plan to deliver safe, reliable, clean, and affordable natural gas to customers. This plan includes accelerated infrastructure replacements, innovative leak detection technology, and process changes to reduce or eliminate methane emissions. The MPSC, FERC, U.S. Department of Transportation, other regulatory authorities, or other third parties may prohibit, delay, or impair the Natural Gas Delivery Plan and some or all of the associated capital investments. Consumers' ability to implement its plan may be affected by environmental regulations, global supply chain disruptions, import tariffs, and changes in the cost, availability, and supply of natural gas or the ability to deliver natural gas to customers. Advancements in technology related to items such as renewable natural gas may not become commercially available or economically feasible as projected in Consumers' plan.

CMS Energy and Consumers could suffer financial loss, reputational damage, litigation, or other negative repercussions if they are unable to achieve their ambitious plans.

Changes in taxation as well as the inherent difficulty in quantifying potential tax effects of business decisions could negatively impact CMS Energy and Consumers.

CMS Energy and Consumers are required to make judgments regarding the potential tax effects of various financial transactions and results of operations in order to estimate their obligations to taxing authorities. The tax obligations include income taxes, real estate taxes, sales and use taxes, employment-related taxes, and ongoing issues related to these tax matters. The judgments include determining reserves for potential adverse outcomes regarding tax positions that have been taken and may be subject to challenge by the IRS and/or other taxing authorities. Unfavorable settlements of any of the issues related to these reserves or other tax matters at CMS Energy or Consumers could have a material adverse effect. Additionally, changes in federal, state, or local tax rates or other changes in tax laws could have adverse impacts. In July 2025, President Trump signed the OBBBA into law. CMS Energy and Consumers evaluated the provisions of the OBBBA and concluded that the legislation is not expected to have a material impact on their respective financial statements. This conclusion is subject to change as additional guidance or interpretations become available.

CMS Energy and its subsidiaries, including Consumers, must comply with the Dodd-Frank Act and its related regulations.

The Dodd-Frank Act provides for regulation by the Commodity Futures Trading Commission of certain commodity-related contracts. Although CMS Energy, Consumers, and certain subsidiaries of NorthStar Clean Energy qualify for an end-user exception from mandatory clearing of commodity-related swaps, these regulations could affect the ability of these entities to participate in these markets and could add additional regulatory oversight over their contracting activities.

CMS Energy and Consumers could incur substantial costs to comply with environmental requirements.

CMS Energy and Consumers are subject to costly and stringent environmental regulations that may require additional significant capital expenditures for CCR disposal and storage, emission reductions, and PCB remediation. In addition, regulatory action on PFAS at the state and/or federal level could cause CMS Energy and Consumers to further test and remediate some sites if PFAS is present at certain levels. Present and reasonably anticipated state and federal environmental statutes and regulations will continue to have a material effect on CMS Energy and Consumers.

CMS Energy and Consumers have interests in fossil-fuel-fired power plants, other types of power plants, and natural gas systems that emit greenhouse gases. Federal, state, and local environmental laws, regulations and orders, as well as international accords and treaties, could require CMS Energy and Consumers to install additional equipment for emission controls, undertake heat-rate improvement projects, purchase carbon emissions allowances, curtail or extend operations, invest in generating capacity with fewer carbon dioxide emissions, or take other significant steps to manage or lower the emission of greenhouse gases. Similarly, Consumers could be restricted from constructing natural gas infrastructure due to potential environmental regulations, which could require more costly alternatives.

The following risks related to climate change, emissions, and environmental regulations could also have a material adverse impact on CMS Energy and Consumers:

- a change in policy/regulation, regulators' implementation of policy/regulation or litigation originated by third parties against CMS Energy or Consumers due to CMS Energy's or Consumers' greenhouse gas or other emissions or CCR disposal and storage
- impairment of CMS Energy's or Consumers' reputation due to their greenhouse gas or other emissions and public perception of their response to potential environmental regulations, rules, orders, and legislation
- weather that may affect customer demand, company operations, or company infrastructure, including catastrophic weather-related damage and extreme temperatures; natural disasters such as severe storms, floods, and droughts; fires; or smoke
- implementation of state or federal environmental justice requirements

Consumers expects to collect fully from its customers, through the ratemaking process, expenditures incurred to comply with environmental regulations, but cannot guarantee this outcome. There is not currently a FERC-approved MISO Tariff for recovery of compliance costs associated with the continued operation of J.H. Campbell, and continued operation of J.H. Campbell is not contemplated in Consumers' current MPSC rates or rate filings at the MPSC. Consumers is pursuing cost recovery at FERC but cannot predict the outcome of those efforts or the impact of other executive actions. If Consumers were unable to recover these expenditures from customers in rates, CMS Energy or Consumers could be required to seek significant additional financing to fund these expenditures.

For additional information regarding compliance with environmental regulations, see Item 1. Business—CMS Energy and Consumers Environmental Strategy and Compliance and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Outlook.

CMS Energy's and Consumers' businesses could be affected adversely by any delay in meeting environmental requirements.

A delay or failure by CMS Energy or Consumers to obtain or maintain any necessary environmental permits or approvals to satisfy any applicable environmental regulatory requirements or install emission or pollution control equipment could:

- prevent the construction of new facilities
- prevent the continued operation of and sale of energy from existing facilities
- modify the way in which a facility is operated
- prevent the suspension of operations at existing facilities
- prevent the modification of existing facilities
- result in significant additional costs, including fines or penalties

CMS Energy and Consumers expect to incur additional substantial costs related to environmental remediation of former sites.

Consumers expects to incur additional substantial costs related to the remediation of its former MGP sites and other response activity costs at a number of other former sites, including, but not limited to, sites of retired coal-fueled electric generating units and sites containing coal ash and related materials, under NREPA, RCRA, CERCLA and related state and federal regulations. Consumers believes these costs should be recoverable in rates but cannot guarantee that outcome.

Business/Operations Risks

There are risks associated with Consumers' substantial capital investment program planned for the next five years.

Consumers' planned investments include the construction or acquisition of electric generation, electric and gas infrastructure, conversions and expansions, environmental controls, electric grid automation technologies, and other electric and gas investments to upgrade delivery systems, as well as decommissioning of older facilities. The success of these capital investments depends on or could be affected by a variety of factors that include, but are not limited to:

- effective pre-acquisition evaluation of asset values, future operating costs, potential environmental and other liabilities, and other factors beyond Consumers' control
- effective cost and schedule management of new capital projects
- availability of qualified construction personnel, both internal and contracted
- effective and timely contractor performance
- changes in commodity and other prices, applicable tariffs, and/or material and equipment availability
- governmental actions
- interconnection uncertainty, delays, and costs for electric generation projects

- operational performance
- changes in environmental, legislative, and regulatory requirements
- regulatory cost recovery
- inflation of labor rates and material and equipment prices
- supply chain disruptions and increased lead times
- barriers to accessing key materials for renewable projects (solar, battery, and other key equipment) created by geopolitical relations

It is possible that adverse events associated with these factors could have a material adverse effect on Consumers.

CMS Energy and Consumers could be affected adversely by legacy litigation and retained liabilities.

The agreements that CMS Energy and Consumers enter into for the sale of assets can include provisions whereby they are required to:

- retain specified preexisting liabilities, such as for taxes, pensions, or environmental conditions
- indemnify the buyers against specified risks, including the inaccuracy of representations and warranties that CMS Energy and Consumers make
- make payments to the buyers depending on the outcome of post-closing adjustments, litigation, audits, or other reviews, including claims resulting from attempts by foreign or domestic governments to assess taxes on past operations or transactions

Many of these contingent liabilities can remain open for extended periods of time after the sales are closed. Depending on the extent to which the buyers might ultimately seek to enforce their rights under these contractual provisions, and the resolution of any disputes concerning them, there could be a material adverse effect on CMS Energy's or Consumers' liquidity, financial condition, and results of operations.

Consumers is exposed to risks related to general economic conditions in its service territories.

Consumers' electric and gas utility businesses are affected by the economic conditions impacting the customers they serve. If the Michigan economy becomes sluggish or declines, Consumers could experience reduced demand for electricity or natural gas that could result in decreased earnings and cash flow. In addition, economic conditions in Consumers' service territory affect its collections of accounts receivable and levels of lost or stolen gas.

Consumers is exposed to changes in customer usage that could impact financial results.

Technology advances, government incentives and subsidies, and regulatory decisions could increase the cost effectiveness of customer-owned methods of producing electricity and managing energy use resulting in reduced load, cross subsidization, and increased costs.

Customers could also reduce their consumption of electricity and natural gas through energy waste reduction programs. Similarly, customers could also reduce their consumption of natural gas through alternative technologies or fuels or through electrification.

CMS Energy's and Consumers' energy sales and operations are affected by seasonal factors and varying weather conditions from year to year.

CMS Energy's and Consumers' utility operations are seasonal. The consumption of electric energy typically increases in the summer months, due primarily to the use of air conditioners and other cooling equipment, while peak demand for natural gas occurs in the winter due to colder temperatures and the resulting use of natural gas as heating fuel. Accordingly, CMS Energy's and Consumers' overall results may fluctuate substantially on a seasonal basis. Mild temperatures during the summer cooling season and winter heating season as well as the impact of extreme weather events on Consumers' system could have a material adverse effect.

Demand for electricity associated with data center expansion could have a material effect on CMS Energy and Consumers.

Consumers' utility operations are affected by new customers and load growth. Rapid expansion of data centers associated with increasing demand for cloud services, artificial intelligence, and other applications could lead to an unprecedented increase in demand for electric power in MISO and in Consumers' service territory. Data center electric demand could require a rapid and significant increase in generation capacity and grid infrastructure in the MISO footprint as well as in Consumers' service territory, which could have a material effect on CMS Energy and Consumers.

Alternatively, this rapid expansion of data centers and resulting increase in demand for electric power in MISO and in Consumers' service territory may not develop as anticipated. Efforts to attract data center developers could be unsuccessful as other utilities and regions compete for these projects, which may limit future load growth. In addition, local zoning, permitting, land-use constraints, and other external factors outside Consumers' control could impede data center development. If these challenges arise and cannot be effectively mitigated, the anticipated benefits of data center load growth may not materialize. Further, even when data center customers enter into contracts to purchase utility service, there is a risk they may not fulfill their contractual or tariff obligations.

CMS Energy and Consumers are subject to information security risks, risks of unauthorized access to their systems, and technology failures.

In the regular course of business, CMS Energy and Consumers handle a range of sensitive confidential security and customer information. In addition, CMS Energy and Consumers operate in a highly regulated industry that requires the continued operation of sophisticated information and control technology systems and network infrastructure. Despite implementation of security measures, technology systems, including disaster recovery and backup systems, are vulnerable to failure, cyber attacks, unauthorized access, and being disabled. These events could impact the reliability of electric generation and electric and gas delivery and also subject CMS Energy and Consumers to financial harm. Cyber attacks, which include the use of malware, ransomware, computer viruses, and other means for disruption or unauthorized access against companies, including CMS Energy and Consumers, are increasing in frequency, scope, and potential impact. While CMS Energy and Consumers have not been subject to cyber incidents that have had a material impact on their operations to date, their security measures in place may be insufficient to prevent a major cyber incident in the future. If technology systems, including disaster recovery and backup systems, were to fail or be breached, CMS Energy and Consumers might not be able to fulfill critical business functions, and sensitive confidential and proprietary data could be compromised. In addition, because CMS Energy's and Consumers' generation, transmission, and distribution systems are part of an interconnected system, a disruption caused by a cyber incident at another utility, electric generator, system operator, or commodity supplier could also adversely affect CMS Energy or Consumers.

A variety of technological tools and systems, including both company-owned IT and technological services provided by outside parties, support critical functions. The failure of these technologies, including backup systems, or the inability of CMS Energy and Consumers to have these technologies supported, updated, expanded, or integrated into other technologies, could hinder their business operations.

CMS Energy’s and Consumers’ businesses have liability risks.

Assets, equipment, and personnel of CMS Energy and Consumers, including electric and gas delivery systems, power plants, gas infrastructure including storage facilities, wind energy or solar equipment, energy products, energy storage assets, vehicle fleets and equipment, other assets, or employees and contractors, could be involved in incidents, failures, or accidents that result in injury, loss of life, or property loss and damage to customers, employees, or the public. Although CMS Energy and Consumers have insurance coverage for many potential incidents (subject to deductibles, limitations, and self-insurance amounts that could be material), depending upon the nature or severity of any incident, failure, or accident, CMS Energy or Consumers could suffer financial loss, reputational damage, and negative repercussions from regulatory agencies or other public authorities, even where there is no legal liability.

CMS Energy and Consumers are subject to risks that are beyond their control, including but not limited to natural disasters, civil unrest, terrorist attacks and related acts of war, cyber incidents, vandalism, and other catastrophic events.

Natural disasters, severe weather, extreme temperatures, wildfires, fires, smoke, flooding, wars, terrorist acts, civil unrest, vandalism, theft, cyber incidents, government shutdowns, pandemics, and other catastrophic events could result in severe damage to CMS Energy’s and Consumers’ assets beyond what could be recovered through insurance policies (which are subject to deductibles, limitations, and self-insurance amounts that could be material), could require CMS Energy and Consumers to incur significant upfront costs, and could severely disrupt operations, resulting in loss of service to customers. There is also a risk that regulators could, after the fact, conclude that Consumers’ preparedness or response to such an event was inadequate and take adverse actions as a result.

Energy risk management strategies might not be effective in managing fuel and electricity pricing risks, which could result in unanticipated liabilities to CMS Energy and Consumers or increased volatility in their earnings.

CMS Energy and Consumers are exposed to changes in market prices for commodities including, but not limited to, natural gas, coal, electric capacity, electric energy, emission allowances, gasoline, diesel fuel, and RECs. CMS Energy and Consumers manage commodity price risk using established policies and procedures, and they may use various contracts to manage this risk, including swaps, options, futures, and forward contracts. No assurance can be made that these strategies will be successful in managing CMS Energy’s and Consumers’ risk or that they will not result in net liabilities to CMS Energy or Consumers as a result of future volatility.

A substantial portion of Consumers’ operating expenses for its electric generating plants and vehicle fleet consists of the costs of obtaining commodities. The contracts associated with Consumers’ fuel for electric generation and purchased power are executed in conjunction with the PSCR mechanism, which is designed to allow Consumers to recover prudently incurred costs associated with its positions in these commodities. If the MPSC determined that any of these contracts or related contracting policies were imprudent, recovery of these costs could be disallowed.

Natural gas prices in particular have been historically volatile. Consumers routinely enters into contracts for natural gas to mitigate exposure to the risks of demand, market effects of weather, and changes in commodity prices associated with the gas distribution business. These contracts are executed in conjunction with the GCR mechanism, which is designed to allow Consumers to recover prudently incurred costs associated with its natural gas positions. If the MPSC determined that any of these contracts or related contracting policies were imprudent, recovery of these costs could be disallowed.

CMS Energy and Consumers do not always hedge any or all of the exposure of their operations from commodity price volatility. Furthermore, the ability to hedge exposure to commodity price volatility depends on liquid commodity markets. As a result, to the extent the commodity markets are illiquid, CMS Energy and Consumers might not be able to execute their risk management strategies, which could result in larger unhedged positions than preferred at a given time. To the extent that unhedged positions exist, fluctuating commodity prices could have a negative effect on CMS Energy and Consumers. Changes in laws that limit CMS Energy's and Consumers' ability to hedge could also have a negative effect on CMS Energy and Consumers.

CMS Energy and Consumers might not be able to obtain an adequate supply of natural gas or coal, which could limit their ability to operate electric generation facilities or serve Consumers' natural gas customers.

CMS Energy and Consumers have contracts in place for the supply and transportation of the natural gas, coal, and other fuel sources they require for their electric generating capacity. Consumers also has interstate transportation and supply agreements in place to facilitate delivery of natural gas to its customers. Apart from the contractual and monetary remedies available to CMS Energy and Consumers in the event of a counterparty's failure to perform under any of these contracts, there can be no assurances that the counterparties to these contracts will fulfill their obligations to provide natural gas or coal to CMS Energy or Consumers. The counterparties under the agreements could experience financial or operational problems that inhibit their ability to fulfill their obligations to CMS Energy or Consumers. In addition, counterparties under these contracts might not be required to supply natural gas or coal to CMS Energy or Consumers under certain circumstances, such as in the event of a natural disaster or severe weather.

If Consumers were unable to obtain its supply requirements, it could be required to purchase natural gas or coal at higher prices, implement its natural gas curtailment program filed with the MPSC, or purchase replacement power at higher prices.

Unplanned outages or maintenance could be costly for CMS Energy or Consumers.

Unforeseen outages or maintenance of the electric and gas delivery systems, power plants, gas infrastructure including storage facilities and compression stations, wind energy or solar equipment, energy storage assets, and energy products owned in whole or in part by CMS Energy or Consumers may be required for many reasons. When unplanned outages occur, CMS Energy and Consumers will not only incur unexpected maintenance expenses, but may also have to make spot market purchases of electric and gas commodities that may exceed CMS Energy's or Consumers' expected cost of generation or gas supply, be forced to curtail services, or retire a given asset if the cost or timing of the maintenance is not reasonable and prudent. Unplanned generator outages could reduce the capacity credit CMS Energy or Consumers receives from MISO and could cause CMS Energy or Consumers to incur additional capacity costs in future years.

General Risk Factors

CMS Energy and Consumers are exposed to counterparty risk.

Adverse economic conditions or financial difficulties experienced by counterparties with whom CMS Energy and Consumers do business could impair the ability of these counterparties to pay for CMS Energy's and Consumers' services and/or fulfill their contractual obligations, including performance and payment of damages. CMS Energy and Consumers depend on these counterparties to remit payments and perform contracted services in a timely and adequate fashion. In addition, any delay or default in payment or performance, including inadequate performance, of contractual obligations (such as contractual obligations by third parties to purchase utility services, perform work, supply equipment, provide services, and meet related specifications or requirements), could have a material adverse effect on CMS Energy and Consumers.

Volatility and disruptions in capital and credit markets could have a negative impact on CMS Energy's and Consumers' lenders, vendors, contractors, suppliers, customers, and other counterparties, causing them to fail to meet their obligations.

CMS Energy and Consumers are exposed to significant reputational risks.

CMS Energy and Consumers could suffer negative impacts to their reputations as a result of operational incidents, accidents, actual or perceived violations of corporate policies or regulatory violations, inappropriate use of social media, or other events. Reputational damage could have a material adverse effect and could result in negative customer perception and increased regulatory oversight.

A work interruption or other union actions could adversely affect CMS Energy and Consumers.

At December 31, 2025, unions represent 45 percent of Consumers' employees and 22 percent of NorthStar Clean Energy's employees. Consumers' union agreements expire in 2030 and the majority of NorthStar Clean Energy's represented employees have an agreement that expires in 2029. If these employees were to engage in a strike, work stoppage, or other slowdown, CMS Energy or Consumers could experience a significant disruption in its operations and higher ongoing labor costs.

Failure to attract and retain an appropriately qualified workforce could adversely impact CMS Energy's and Consumers' results of operations.

In some areas, competition for skilled employees is high and if CMS Energy and Consumers were unable to match skill sets to future needs, they could encounter operating challenges and increased costs. These challenges could include a lack of resources, loss of knowledge, and delays in skill development. Additionally, higher costs could result from the use of contractors to replace employees, loss of productivity, and safety incidents. Failing to train replacement employees adequately and to transfer internal knowledge and expertise could adversely affect CMS Energy's and Consumers' ability to manage and operate their businesses.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Enterprise Risk Management: CMS Energy and Consumers manage security risks, including cybersecurity risks, through a robust enterprise risk management program that includes people, processes, technology, and governance structures. The enterprise risk management program identifies risks that may significantly impact the business and informs the companies' risk-mitigation strategies. The enterprise risk management program is reviewed with the Board at least annually.

Cybersecurity Program: CMS Energy's and Consumers' security function, led by the Vice President of IT and Security and CIO, is accountable for cyber and physical security and is subject to various state, federal, and industry cybersecurity, physical security, and privacy regulations. Their cybersecurity program is responsible for assessing, identifying, and managing risks from cybersecurity threats using industry frameworks, as well as best practices developed by government and industry partners. All employees and contractors are required to complete annual trainings on a variety of security-related topics. Additionally, the companies continuously upgrade technological investments designed to prevent, detect, and respond to attacks. The companies' electric, natural gas, and corporate systems each follow standards, controls, and requirements designed to maintain compliance with applicable regulations and standards, such as MPSC, NERC critical infrastructure protection, and payment card industry regulations. Technology projects and third-party service providers are reviewed for adherence to cybersecurity requirements.

CMS Energy's and Consumers' cybersecurity program focuses on finding and remediating vulnerabilities in their systems. The companies use third-party firms for penetration testing, audits, and assessments, and conduct technical exercises to practice their response to simulated events as well as tabletop exercises to test that response using their incident command system, including leadership decisions. The companies also have a dedicated, proactive function focused fully on monitoring CMS Energy's and Consumers' systems and responding when cybersecurity attacks occur. This includes regular information sharing with industry partners, peer utilities, and state and federal partners. The companies' incident response plan outlines the individuals responsible, the methods employed, and the timeline for notifying state and federal governmental agencies. The companies retain a third-party cybersecurity firm to assist with potentially significant cybersecurity incidents and have invested in cybersecurity insurance to offset costs incurred from any such cybersecurity incidents. To manage cybersecurity risks associated with the companies' use of third-party service providers, the companies incorporate security requirements into contracts, when deemed applicable, and pursue third-party security certifications for vendors with a higher risk profile.

CMS Energy and Consumers have experienced no material cybersecurity incidents; however, future cybersecurity incidents could materially affect their business strategy, results of operations, or financial condition. For additional details regarding these and other uncertainties, see Item 1A. Risk Factors.

Management's Role: The Vice President of IT and Security and CIO has over 25 years of IT and security experience and, to enhance governance, reports to the Executive Vice President of Business Transformation and Chief Legal and Administrative Officer. The Vice President of IT and Security and CIO is responsible for informing the CEO and other members of senior management, as necessary, about cybersecurity incidents, covering prevention, detection, mitigation, and remediation efforts as they are detected by the cybersecurity team. Cybersecurity incidents are managed using the companies' standard process for critical events. In the event of such cybersecurity incidents, the Vice President of IT and Security and CIO communicates and collaborates with the officers of the companies and subject matter experts to address business continuity, contingency, and recovery plans. Senior management will notify the Board, including the Audit Committee, of any significant cybersecurity incidents.

Board Oversight: As part of the Board's risk oversight process, senior management meets with the Board or Audit Committee at least twice annually to provide updates on and discuss cybersecurity. Such updates include a review of the companies' cybersecurity strategy, a scan of the threat landscape, and recent performance. Additionally, cybersecurity risks are included in the Audit Committee's risk oversight functions, which focus on operating and financial activities that could impact the companies' financial and other disclosure reporting. The Audit Committee's oversight involves reviewing and approving policies on risk assessment, controls, and accounting risk exposure. The Audit Committee also reviews internal audit reports regarding cybersecurity processes, and receives updates that focus on CMS Energy's and Consumers' cybersecurity program, mitigation of cybersecurity risks, and assessments by third-party experts. Of note, two members of the Board have extensive industry experience in cybersecurity and are on CMS Energy's and Consumers' Audit Committee.

Item 2. Properties

Descriptions of CMS Energy's and Consumers' properties are found in the following sections of Item 1. Business, all of which are incorporated by reference in this Item 2:

- General—CMS Energy
- General—Consumers
- Business Segments—Consumers Electric Utility—Electric Utility Properties
- Business Segments—Consumers Electric Utility—Electric Utility Generation and Supply Mix
- Business Segments—Consumers Gas Utility—Gas Utility Properties
- Business Segments—NorthStar Clean Energy—Non-utility Operations and Investments—Independent Power Production

Item 3. Legal Proceedings

For information regarding CMS Energy's and Consumers' significant pending administrative and judicial proceedings involving regulatory, operating, transactional, environmental, and other matters, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

CMS Energy, Consumers, and certain of their affiliates are also parties to routine lawsuits and administrative proceedings incidental to their businesses involving, for example, claims for personal injury and property damage, contractual matters, various taxes, and rates and licensing.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

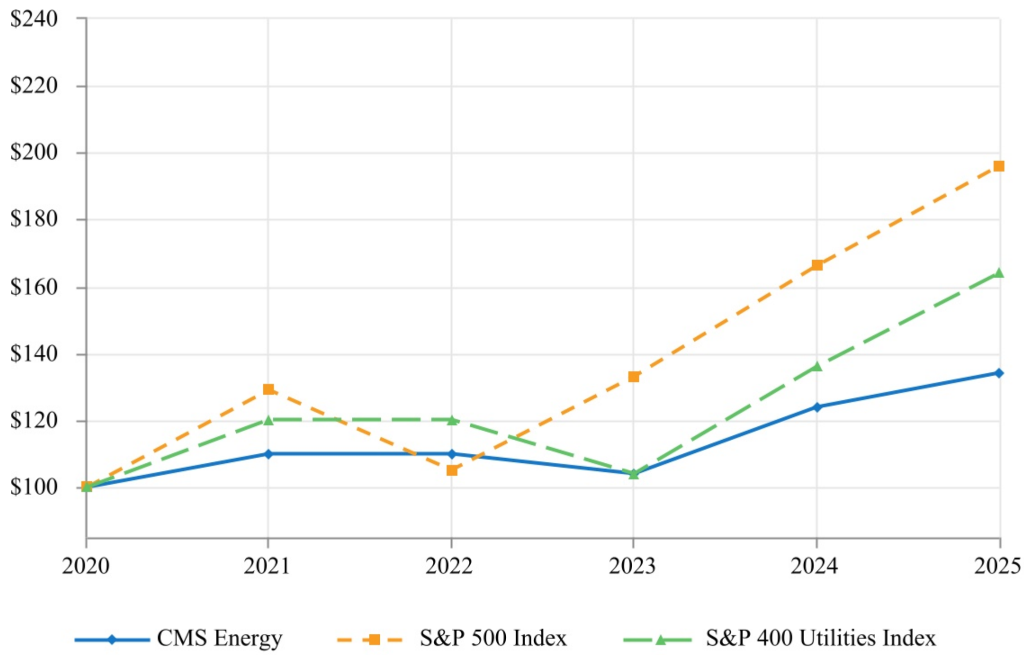
Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

CMS Energy

CMS Energy's common stock is traded on the New York Stock Exchange under the symbol CMS. At January 16, 2026, the number of registered holders of CMS Energy's common stock totaled 22,938, based on the number of record holders.

For additional information regarding securities authorized for issuance under equity compensation plans, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 12, Stock-based Compensation and Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. For additional information regarding dividends and dividend restrictions, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 5, Financings and Capitalization.

Comparison of Five-year Cumulative Total Return



	Five-year Cumulative Total Return					
Company/Index	2020	2021	2022	2023	2024	2025
CMS Energy	$ 100	$ 110	$ 110	$ 104	$ 124	$ 134
S&P 500 Index	100	129	105	133	166	196
S&P 400 Utilities Index	100	120	120	104	136	164

These cumulative total returns assume reinvestments of dividends.

Consumers

Consumers' common stock is privately held by its parent, CMS Energy, and does not trade in the public market.

Issuer Repurchases of Equity Securities

CMS Energy repurchases common stock to satisfy the minimum statutory income tax withholding obligation for common shares that have vested under the PISP. The value of shares repurchased is based on the market price on the vesting date. Presented in the following table are CMS Energy's repurchases of common stock for the three months ended December 31, 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share
October 1, 2025 to October 31, 2025	—	$ —
November 1, 2025 to November 30, 2025	132	73.99
December 1, 2025 to December 31, 2025	320	69.84
Total	452	$ 71.05

As of December 31, 2025, CMS Energy has no other publicly announced plans or programs that permit the repurchase of equity securities.

Unregistered Sales of Equity Securities

None.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

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

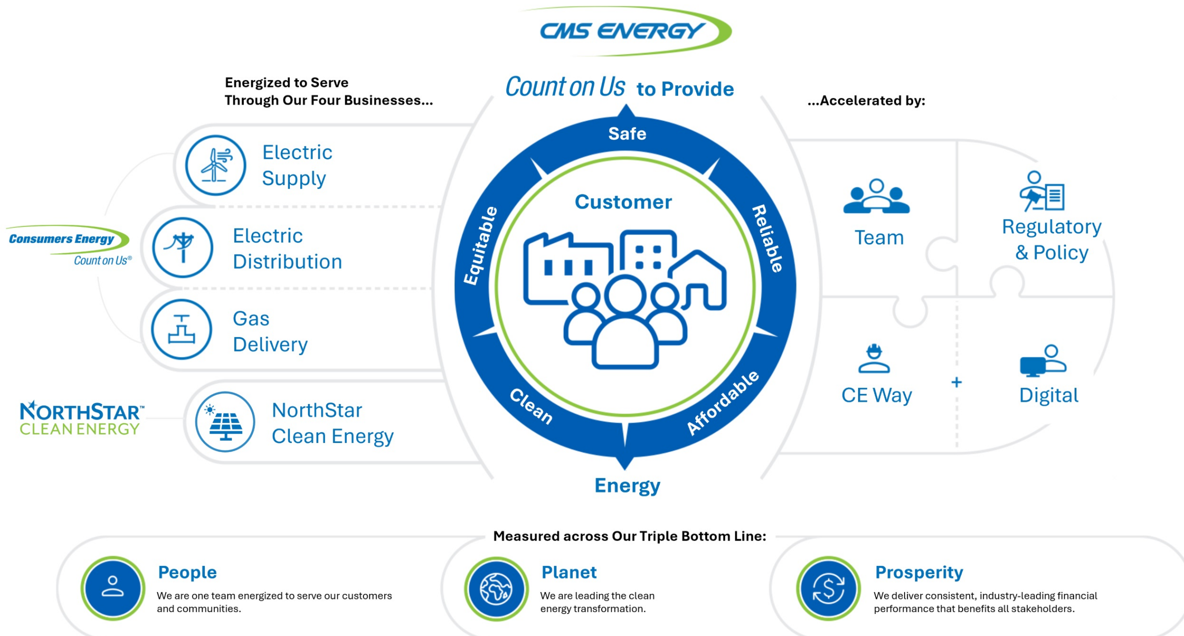
CMS Energy and Consumers manage their businesses by the nature of services each provides. CMS Energy operates principally in three business segments: electric utility; gas utility; and NorthStar Clean Energy, its non-utility operations and investments. Consumers operates principally in two business segments: 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
- load growth
- weather
- energy commodity prices
- interest rates
- their securities' credit ratings

The Triple Bottom Line

CMS Energy's and Consumers' purpose is to provide safe, reliable, affordable, clean, and equitable energy in service of their customers. In support of this purpose, CMS Energy and Consumers couple digital transformation with the "CE Way," a lean operating system 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 prosperity; 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 Energy's 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 prosperity.

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 co-workers, 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.

CMS Energy and Consumers also place a high priority on customer value and on providing reliable, affordable, and equitable energy in service of their customers. Consumers' customer-driven investment program is aimed at improving safety and increasing electric and gas reliability.

In the electric rate case it filed with the MPSC in June 2025, Consumers updated its Reliability Roadmap, a five-year strategy to improve Consumers' electric distribution system and the reliability of the grid. The plan proposes spending through 2029 for projects designed to reduce the number and duration of power outages to customers through investment in infrastructure upgrades, vegetation management, and grid modernization. Consumers has requested rate recovery of the investments needed to achieve the Reliability Roadmap's key objectives in its 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 and reliable 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

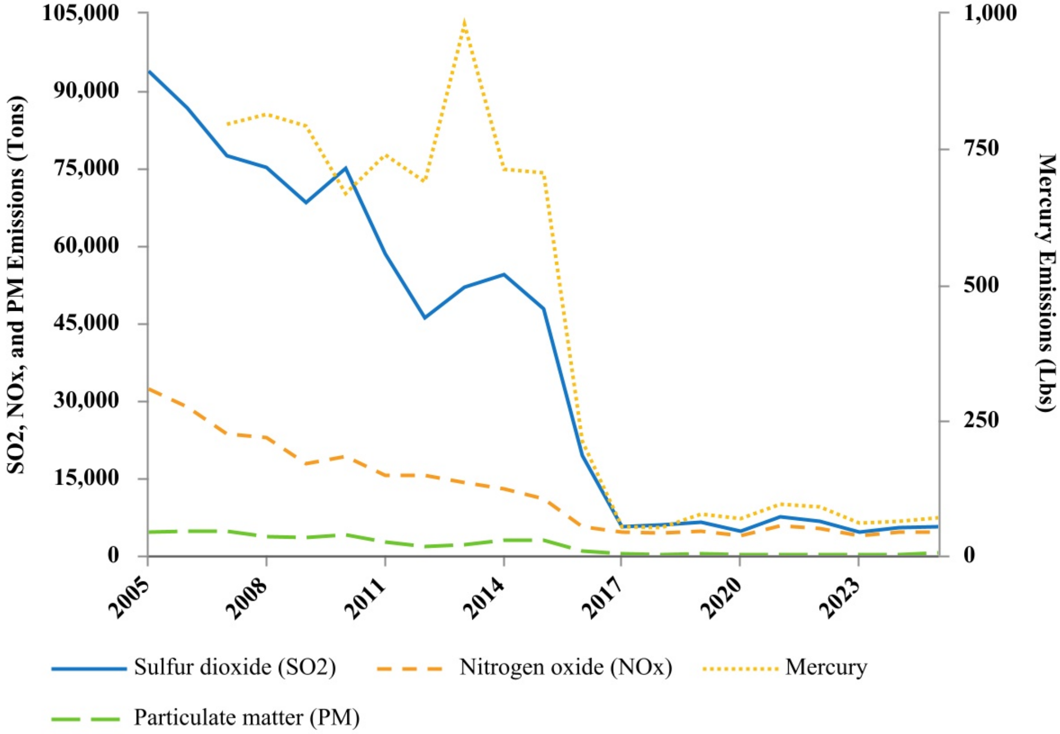
While inflationary pressures and tariffs could impact supply chain availability and pricing, CMS Energy and Consumers are taking steps to help mitigate the impact on their ability to provide safe, reliable, affordable, clean, and equitable energy in service of their customers.

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 reduce their carbon footprint from owned generation. CMS Energy, including Consumers, has decreased its combined percentage of electric supply (self-generated and purchased) from coal by 24 percentage points since 2015. Additionally, as a result of actions already taken through 2025, preliminary data indicates Consumers has:

- reduced carbon dioxide emissions from owned generation by nearly 30 percent since 2005
- reduced methane emissions by more than 40 percent since 2012
- reduced the volume of water used to generate electricity by nearly 60 percent since 2012
- reduced landfill waste disposal by more than 2 million tons since 1992
- enhanced, restored, or protected more than 13,500 acres of land since 2017
- reduced sulfur dioxide and particulate matter emissions by more than 90 percent since 2005
- reduced NOx emissions by more than 85 percent since 2005
- reduced mercury emissions by more than 90 percent since 2007

Presented in the following illustration are Consumers' reductions in these emissions:



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

- increased the renewable energy standard from 15 percent to 50 percent by 2030 and 60 percent by 2035; renewable energy generated anywhere within MISO can be applied to meeting this standard, with certain limitations
- established a clean energy standard of 80 percent 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, qualify as clean energy sources under this standard
- enhanced existing incentives for energy efficiency programs and returns earned on new clean or renewable PPAs
- created a new energy storage standard, requiring electric utilities to file plans by 2029 to help achieve a statewide target of 2,500 MW
- expanded the statutory cap on distributed generation resources to 10 percent of the electric utility's five-year average peak load

Consumers' Electric Supply Plan, its long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers, is outlined in its integrated resource plan and incorporates Consumers' Renewable Energy Plan. The Electric Supply Plan is Consumers' blueprint for compliance with Michigan's 2023 Energy Law and for advancing sustainability objectives.

To meet these objectives, Consumers is executing a multi-faceted strategy. This strategy involves taking steps to end the use of coal, including the retirement of the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity, in 2023 and obtaining MPSC approval to retire J.H. Campbell, totaling 1,407 MW of nameplate capacity. The retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. For a more detailed discussion of the emergency orders, see Consumers Electric Utility Outlook and Uncertainties—J.H. Campbell Emergency Orders and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

To continue providing controllable sources of electricity to customers, Consumers purchased the Covert Generating Station, representing 1,200 MW of nameplate capacity, in 2023 and has solicited additional capacity from controllable sources of electricity to customers.

Consumers' updates to its Renewable Energy Plan include up to 9,000 MW of both purchased and owned solar energy resources and up to 4,000 MW of wind energy resources. Coupled with updates to its integrated resource plan, these actions position Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040, and will also contribute to Consumers' achievement of the emissions reductions goals discussed below.

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 through clean fuel alternatives or nature-based carbon removal pathways. To date, Consumers has reduced methane emissions by more than 40 percent.

Consumers has also set a goal to reduce customer greenhouse gas emissions by 25 percent by 2035. 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 goals for the five-year period 2023 through 2027:

- to enhance, restore, or protect 6,500 acres of land through 2027; Consumers surpassed this goal during the three-year period 2023 through 2025 and enhanced, restored, or protected 6,700 acres of land
- to reduce water usage by 1.7 billion gallons through 2027; Consumers had reduced water usage by more than 1.9 billion gallons towards this goal
- to annually divert a minimum of 90 percent of waste from landfills (through waste reduction, recycling, and reuse); during 2025, Consumers' rate of waste diverted from landfills was 93 percent

CMS Energy and Consumers are monitoring numerous legislative, policy, executive, and regulatory initiatives, including those related to regulation and reporting of 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 a triple-bottom-line approach that focuses on people, planet, and prosperity.

Prosperity: The prosperity 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.

In 2025, CMS Energy's net income available to common stockholders was $1.1 billion, and diluted EPS were $3.53. This compares with net income available to common stockholders of $993 million and diluted EPS of $3.33 in 2024. In 2025, higher gas and electric sales, due primarily to favorable weather, and electric and gas rate increases were offset partially by increased depreciation and property taxes, reflecting higher capital spending, and higher interest charges. 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 deliveries to increase compared to 2025. This outlook reflects strong growth in electric demand, offset partially by the effects of energy waste reduction programs. Weather-normalized gas deliveries are expected to remain stable relative to 2025, reflecting modest growth in gas demand, offset by the effects of energy waste reduction programs.

Performance: Impacting the Triple Bottom Line

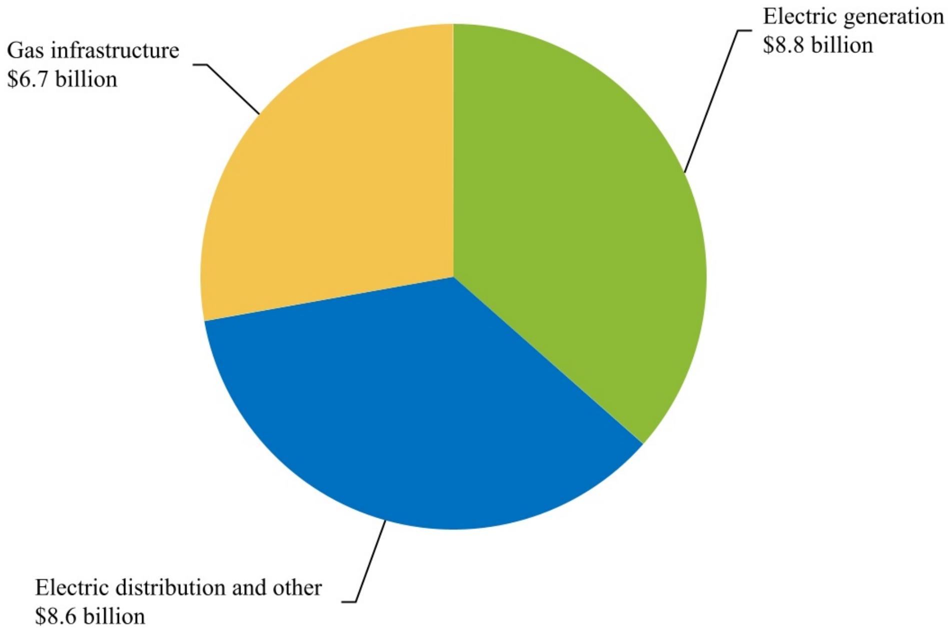
CMS Energy and Consumers remain committed to delivering safe, reliable, affordable, clean, and equitable energy in service of their customers and positively impacting the triple bottom line of people, planet, and prosperity. During 2025, CMS Energy and Consumers:

- connected over 140,000 customers with $60 million in energy-bill assistance and helped make over $100 million in statewide aid available for 2026, reinforcing Consumers' commitment to affordability
- began operations at Muskegon Solar Energy Center, a 1,900-acre project generating 250 MW of clean energy to power 40,000 homes and businesses, supporting Michigan's energy needs and advancing the company's long-term clean energy strategy
- reached an agreement with a new data center expected to add more than 1 GW of incremental load growth in our service territory, supporting long-term sales growth and delivering economic benefits for Michigan
- expanded the use of drone technology enabling faster, safer inspections of 400 miles of hard-to-reach power lines and infrastructure resulting in reduced average outage time per customer and improved storm recovery capabilities
- announced the launch of "Green Giving," a program enabling the general public to contribute to renewable energy while offering financial benefits to low-income customers, along with a new Residential Renewable Energy Program, which allows customers of all income levels to subscribe and match their energy usage with renewable energy sources, supporting clean energy initiatives
- moved forward with an aggressive plan to enhance grid reliability for nearly 2 million homes and businesses by clearing trees along 8,000 miles of power lines and creating a modern, stronger, and more resilient power grid through infrastructure upgrades and technology investments
- deployed eight state-of-the-art vehicles that survey the company's nearly 30,000-mile gas distribution system to find methane emissions, enhancing safety and reliability for Consumers' natural gas customers
- experienced success with the underground power line pilot program in early 2025, with pilot areas seeing 100-percent reduction in storm-related outages and improved customer satisfaction

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 more than 8 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 2030 of $24.1 billion:



Of this amount, Consumers plans to spend $8.8 billion on electric generation, which includes solar, wind, and natural gas-fueled generation, as well as energy storage. Consumers also expects to spend $15.3 billion over the next five years primarily to maintain and upgrade its 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 $8.6 billion primarily to strengthen circuits and substations, replace poles, and interconnect clean energy resources. The gas infrastructure projects comprise $6.7 billion to sustain deliverability, enhance pipeline integrity and safety, and reduce methane emissions.

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.

2024 Electric Rate Case: In March 2025, the MPSC issued an order authorizing an annual rate increase of $176 million, which is inclusive of a $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rate amounts authorized in accordance with previous electric rate orders. The approved rate increase is based on a 9.90-percent authorized return on equity. The new rates became effective in April 2025

2025 Electric Rate Case: In June 2025, Consumers filed an application with the MPSC seeking a rate increase of $460 million, made up of two components. First, Consumers requested a $436 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending April 30, 2027. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability. Second, Consumers requested approval of a $24 million surcharge for the recovery of distribution investments made during the 12 months ended February 28, 2025 that exceeded the rate amounts authorized in accordance with previous electric rate orders. In October 2025, Consumers revised its requested increase to $447 million, which includes the $24 million surcharge to recover deferred distribution investments. The MPSC must issue a final order in this case before or in April 2026.

2024 Gas Rate Case: In September 2025, the MPSC issued an order authorizing an annual rate increase of $157.5 million, based on a 9.80-percent authorized return on equity. The new rates became effective in November 2025.

2025 Gas Rate Case: In December 2025, Consumers filed an application with the MPSC seeking an annual rate increase of $240 million based on a 10.25-percent authorized return on equity for the projected 12-month period ending October 31, 2027. The MPSC must issue a final order in this case before or in October 2026.

Looking Forward

CMS Energy and Consumers will continue to consider the impact on the triple bottom line of people, planet, and prosperity 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 providing safe, reliable, affordable, clean, and equitable energy in service of their customers.

Results of Operations

CMS Energy Consolidated Results of Operations

In Millions, Except Per Share Amounts

Years Ended December 31	2025	2024	Change
Net Income Available to Common Stockholders	$ 1,061	$ 993	$ 68
Basic Earnings Per Average Common Share	$ 3.53	$ 3.34	$ 0.19
Diluted Earnings Per Average Common Share	$ 3.53	$ 3.33	$ 0.20

In Millions

Years Ended December 31	2025	2024	Change
Electric utility	$ 719	$ 681	$ 38
Gas utility	409	328	81
NorthStar Clean Energy	71	63	8
Corporate interest and other	(138)	(79)	(59)
Net Income Available to Common Stockholders	$ 1,061	$ 993	$ 68

For a summary of net income available to common stockholders for 2024 versus 2023, as well as detailed changes by reportable segment, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations, in the Form 10-K for the fiscal year ended December 31, 2024, filed February 11, 2025.

Presented in the following table is a summary of changes to net income available to common stockholders for 2025 versus 2024:

		In Millions
Year Ended December 31, 2024		$ 993
Reasons for the change		
Consumers electric utility and gas utility		
Electric sales	$ 49	
Gas sales	151	
Electric rate increase	210	
Gas rate increase, including gain amortization in lieu of rate relief	71	
Lower coal-fueled generation costs[1]	26	
Higher income tax expenses	(87)	
Higher depreciation and amortization	(63)	
Higher interest charges	(43)	
Higher property taxes, reflecting higher capital spending	(29)	
Higher IT expenses, including early-phase ERP implementation costs	(27)	
Higher service restoration costs, net of 2025 deferred storm expense[2]	(25)	
Higher vegetation management costs	(25)	
Higher other electric distribution costs	(13)	
Higher other electric supply costs	(21)	
Higher other maintenance and operating expenses	(30)	
Impairment of project development assets	(15)	
Absence of ASP revenue, net of expense, due to sale in 2024[3]	(5)	
Lower other income, net of expenses	(5)	
		$ 119
NorthStar Clean Energy		8
Corporate interest and other		(59)
Year Ended December 31, 2025		$ 1,061

1 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Consumers Electric Utility—J.H. Campbell Emergency Order.

2 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Regulatory Assets—Service Restoration Cost Deferral.

3 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Regulatory Liabilities—ASP Gain.

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 2025 versus 2024:

				In Millions
Year Ended December 31, 2024			$	681
Reasons for the change				
Electric deliveries[1] and rate increases				
Rate increase, including return on higher renewable capital spending	$	210		
Higher revenue due primarily to higher sales volume		29		
Lower energy waste reduction program revenues		(8)		
Higher other revenues		20		
			$	251
Maintenance and other operating expenses				
Lower coal-fueled generation costs[2]		26		
Lower energy waste reduction program costs		8		
Higher service restoration costs, net of 2025 deferred storm expense[3]		(25)		
Higher vegetation management costs		(25)		
Higher other supply costs		(21)		
Higher IT expenses, including early-phase ERP implementation costs		(19)		
Higher other distribution costs		(13)		
Higher other maintenance and operating expenses		(11)		
				(80)
Depreciation and amortization				
Increased plant in service, reflecting higher capital spending				(38)
General taxes				
Higher property taxes, reflecting higher capital spending				(16)
Other income, net of expenses				(2)
Interest charges				(29)
Income taxes				
Higher electric utility pre-tax earnings		(25)		
Absence of 2024 deferred tax liability reversals		(11)		
State deferred tax remeasurement[4]		(8)		
Higher other income taxes		(4)		
				(48)
Year Ended December 31, 2025			$	719

1 Deliveries to end-use customers were 37.4 billion kWh in 2025 and 36.8 billion kWh in 2024.

2 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Consumers Electric Utility—J.H. Campbell Emergency Order.

3 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Regulatory Assets—Service Restoration Cost Deferral.

4 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 13, 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 2025 versus 2024:

				In Millions
Year Ended December 31, 2024			$	328
Reasons for the change				
Gas deliveries[1] and rate increases				
Rate increase	$	60		
Higher revenue due primarily to the absence of 2024 unfavorable weather		155		
Higher energy waste reduction program revenues		16		
Absence of ASP business revenue[2]		(19)		
ASP gain customer bill credit[2]		(20)		
Lower other revenues		(3)		
			$	189
Maintenance and other operating expenses				
Amortization of ASP gain[2]		30		
Absence of 2024 ASP business expense[2]		14		
Higher energy waste reduction program costs		(16)		
Impairment of project development assets		(15)		
Higher IT expenses, including early-phase ERP implementation costs		(8)		
Higher maintenance and other operating expenses		(19)		
				(14)
Depreciation and amortization				
Increased plant in service, reflecting higher capital spending				(25)
General taxes				
Higher property taxes, reflecting higher capital spending				(13)
Other income, net of expenses				(3)
Interest charges				(14)
Income taxes				
Higher gas utility pre-tax earnings		(31)		
Absence of 2024 deferred tax liability reversals		(5)		
State deferred tax remeasurement[3]		(4)		
Lower other income taxes		1		
				(39)
Year Ended December 31, 2025			$	409

1 Deliveries to end-use customers were 311 Bcf in 2025 and 268 Bcf in 2024.

2 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters—Regulatory Liabilities—ASP Gain.

3 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 13, 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 2025 versus 2024:

		In Millions
Year Ended December 31, 2024	$	63
Reason for the change		
Higher renewable earnings primarily driven by new project development	$	26
Lower other expenses		7
Higher tax expenses		(3)
Lower operating earnings, due primarily to planned major outage at DIG		(22)
Year Ended December 31, 2025	$	71

Corporate Interest and Other Results of Operations

Presented in the following table are the detailed changes to corporate interest and other results for 2025 versus 2024:

		In Millions
Year Ended December 31, 2024	$	(79)
Reasons for the change		
Higher interest charges	$	(61)
Lower gains on extinguishment of debt[1]		(38)
Higher interest earnings and other		21
Lower tax expense		19
Year Ended December 31, 2025	$	(138)

1 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 5, Financings and Capitalization—CMS Energy's Purchase of Consumers' First Mortgage Bonds.

Cash Position, Investing, and Financing

At December 31, 2025, CMS Energy had $615 million of consolidated cash and cash equivalents, which included $106 million of restricted cash and cash equivalents. At December 31, 2025, Consumers had $111 million of consolidated cash and cash equivalents, which included $86 million of restricted cash and cash equivalents.

For specific components of net cash provided by operating activities, net cash used in investing activities, and net cash provided by financing activities for 2024 versus 2023, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash Position, Investing, and Financing, in the Form 10-K for the fiscal year ended December 31, 2024, filed February 11, 2025.

Operating Activities

Presented in the following table are specific components of net cash provided by operating activities for 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Year Ended December 31, 2024	$	2,370
Reasons for the change		
Higher net income	$	55
Non-cash transactions[1]		133
Unfavorable impact of changes in core working capital,[2] due primarily to fluctuations in gas prices and higher undercollections of PSCR		(107)
Unfavorable impact of changes in other assets and liabilities, due primarily to lower tax-credit sale proceeds and higher service restoration[3] and renewable energy expenditures		(216)
Year Ended December 31, 2025	$	2,235
Consumers		
Year Ended December 31, 2024	$	2,446
Reasons for the change		
Higher net income	$	120
Non-cash transactions[1]		(26)
Unfavorable impact of changes in core working capital,[2] due primarily to fluctuations in gas prices and higher undercollections of PSCR		(102)
Unfavorable impact of changes in other assets and liabilities, due primarily to higher income tax payments to CMS Energy and service restoration[3] and renewable energy expenditures		(200)
Year Ended December 31, 2025	$	2,238

1 Non-cash transactions comprise depreciation and amortization, changes in deferred income taxes and investment tax credits, bad debt expense, 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 See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

Investing Activities

Presented in the following table are specific components of net cash used in investing activities for 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Year Ended December 31, 2024	$	(3,054)
Reasons for the change		
Higher capital expenditures	$	(806)
Absence of proceeds from sale of ASP business in 2024		(124)
Other investing activities, primarily higher cost to retire property		(54)
Year Ended December 31, 2025	$	(4,038)
Consumers		
Year Ended December 31, 2024	$	(2,872)
Reasons for the change		
Higher capital expenditures	$	(472)
Absence of proceeds from sale of ASP business in 2024		(124)
Other investing activities, primarily higher cost to retire property		(67)
Year Ended December 31, 2025	$	(3,535)

Financing Activities

Presented in the following table are specific components of net cash provided by financing activities for 2025 versus 2024:

		In Millions
CMS Energy, including Consumers		
Year Ended December 31, 2024	$	614
Reasons for the change		
Higher debt issuances	$	1,647
Higher debt retirements		(198)
Higher repayments of notes payable		(37)
Higher issuances of common stock		239
Higher payments of dividends on common stock		(37)
Proceeds from sale of membership interests in VIEs		59
Lower contributions from noncontrolling interest		(1)
Higher distributions to noncontrolling interest		(2)
Other financing activities, primarily higher debt issuance costs		(44)
Year Ended December 31, 2025	$	2,240
Consumers		
Year Ended December 31, 2024	$	489
Reasons for the change		
Lower debt issuances	$	(174)
Lower debt retirements		274
Higher repayments of notes payable		(37)
Borrowings from CMS Energy		340
Higher stockholder contribution from CMS Energy		185
Absence of return of stockholder contribution to CMS Energy in 2024		320
Higher payments of dividends on common stock		(103)
Other financing activities		(5)
Year Ended December 31, 2025	$	1,289

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 Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 5, Financings and Capitalization—Dividend Restrictions. During the year ended December 31, 2025, Consumers paid $898 million in dividends on its common stock to CMS Energy.

Consumers uses cash flows generated from operations, external financing transactions, and the monetization of tax credits, along with 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 entered into an equity offering program under which it may sell shares of its common stock having an aggregate sales price of up to $1 billion in privately negotiated transactions, in "at the market" offerings, or through forward sales transactions. During the year ended December 31, 2025, CMS Energy settled forward sale contracts issued under this program, resulting in net proceeds of $497 million. Following these settlements, CMS Energy has $8 million in outstanding forward contracts under the program, maturing November 30, 2026.

CMS Energy, NorthStar Clean Energy, and Consumers use revolving credit facilities for general working capital purposes and to issue letters of credit. At December 31, 2025, CMS Energy had $715 million of its revolving credit facility available, NorthStar Clean Energy had $5 million available under its revolving credit facility, and Consumers had $1.4 billion available under its revolving credit facilities.

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 December 31, 2025, there were no commercial paper notes outstanding under this program.

For additional details about these programs and facilities, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 5, Financings and Capitalization.

Certain of CMS Energy's, NorthStar Clean Energy's, and Consumers' credit agreements contain covenants that require each entity to maintain certain financial ratios, as defined therein. At December 31, 2025, no default had occurred with respect to any of the financial covenants contained in these credit agreements. Each of the entities was in compliance with the covenants contained in their respective credit agreements as of December 31, 2025, as presented in the following table:

	Limit	Actual
CMS Energy, parent only		
Debt to capital[1]	≤ 0.70 to 1.0	0.56 to 1.0
NorthStar Clean Energy		
Debt to capital[2]	≤ 0.50 to 1.0	0.14 to 1.0
Debt service coverage[2]	≥ 2.00 to 1.0	5.03 to 1.0
Pledged equity interests to aggregate commitment[2,3]	≥ 2.00 to 1.0	2.06 to 1.0
Consumers		
Debt to capital[4]	≤ 0.65 to 1.0	0.51 to 1.0

1 Applies to CMS Energy's revolving credit agreement and letter of credit reimbursement agreement.

2 Applies to NorthStar Clean Energy's revolving credit agreement.

3 The aggregate book value of the pledged equity interests under the revolving credit agreement was at least two-times the aggregate commitment under the revolving credit agreement at December 31, 2025.

4 Applies to Consumers' revolving credit agreements and certain letter of credit reimbursement agreements.

Material Cash Requirements: Based on the present investment plan, during 2026, CMS Energy, including Consumers, projects capital expenditures of $4.4 billion and Consumers projects capital expenditures of $4.1 billion. CMS Energy's 2026 contractual commitments comprise $2.4 billion of purchase obligations and $1.8 billion of principal and interest payments on long-term debt. Consumers' 2026 contractual commitments comprise $2.1 billion of purchase obligations and $1.1 billion of principal and interest payments on long-term debt.

Components of CMS Energy's and Consumers' cash management plan include controlling operating expenses and capital expenditures and evaluating market conditions for financing and refinancing opportunities. CMS Energy's and Consumers' present level of cash and expected cash flows from operating activities, together with access to sources of liquidity, are anticipated to be sufficient to fund contractual obligations and other material cash requirements for 2026 and beyond.

Capital Expenditures: Over the next five years, CMS Energy and Consumers expect to make substantial capital investments. The companies may revise their forecast of capital expenditures periodically due to a number of factors, including environmental regulations, MPSC approval or disapproval, business opportunities, market volatility, economic trends, and the ability to access capital. Presented in the following table are CMS Energy's and Consumers' estimated capital expenditures, including lease commitments, for 2026 through 2030:

In Billions

	2026	2027	2028	2029	2030	Total
CMS Energy, including Consumers						
Consumers	$ 4.1	$ 5.4	$ 5.7	$ 5.0	$ 3.9	$ 24.1
NorthStar Clean Energy	0.3	0.4	0.5	0.4	0.1	1.7
Total CMS Energy	$ 4.4	$ 5.8	$ 6.2	$ 5.4	$ 4.0	$ 25.8
Consumers						
Electric utility operations	$ 3.0	$ 4.1	$ 4.4	$ 3.5	$ 2.4	$ 17.4
Gas utility operations	1.1	1.3	1.3	1.5	1.5	6.7
Total Consumers	$ 4.1	$ 5.4	$ 5.7	$ 5.0	$ 3.9	$ 24.1

Other Material Cash Requirements: Presented in the following table are CMS Energy's and Consumers' material cash obligations from known contractual and other legal obligations:

In Billions

	Payments Due	
December 31, 2025	Less Than One Year	Total
CMS Energy, including Consumers		
Long-term debt	$ 1.0	$ 18.9
Interest payments on long-term debt	0.8	15.1
Purchase obligations	2.4	20.6
AROs	0.1	2.7
Total obligations	$ 4.3	$ 57.3
Consumers		
Long-term debt	$ 0.6	$ 13.2
Interest payments on long-term debt	0.5	8.0
Purchase obligations	2.1	19.7
AROs	0.1	2.6
Total obligations	$ 3.3	$ 43.5

Purchase obligations arise from long-term contracts for the purchase of commodities and related services, primarily long-term PPAs, and construction and service agreements. For more information on CMS Energy's and Consumers' purchase obligations, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Contractual Commitments.

CMS Energy, Consumers, and certain of their subsidiaries enter into various arrangements in the normal course of business to facilitate commercial transactions with third parties. These arrangements include indemnities, surety bonds, letters of credit, and financial and performance guarantees. For additional details on indemnity and guarantee arrangements, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Guarantees. For additional details on letters of credit and CMS Energy's forward sales contracts, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 5, Financings and Capitalization.

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.

During 2025, the federal government took numerous executive actions related to tariffs and trade, alleviating regulatory burdens, and environmental regulations and enforcement, among other areas of potential impact. Many of these actions require further implementation by federal agencies and departments, and some of these actions will likely be subject to further judicial review. CMS Energy and Consumers continue to monitor these executive actions and will continue taking steps to deliver consistently on the triple bottom line.

For additional details regarding these and other uncertainties, see Forward-looking Statements and Information; Item 1A. Risk Factors; and Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

Consumers Electric Utility Outlook and Uncertainties

Energy Supply: Consumers' Electric Supply Plan, its long-term strategy for delivering safe, reliable, affordable, clean, and equitable energy to its customers, is outlined in its integrated resource plan and incorporates Consumers' Renewable Energy Plan. The Electric Supply Plan is Consumers' blueprint for compliance with Michigan's 2023 Energy Law and for advancing sustainability objectives.

Among other things, the 2023 Energy Law:

- increased the renewable energy standard from 15 percent to 50 percent by 2030 and 60 percent by 2035
- established a clean energy standard of 80 percent 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, qualify as clean energy sources under this standard
- created a new energy storage standard, requiring electric utilities to file plans by 2029 to help achieve a statewide target of 2,500 MW; the MPSC Staff has indicated that Consumers' share of this target is 817 MW

Consumers' integrated resource planning process provides a clear path toward these goals. Updates to its integrated resource plan will be filed in 2026 to reinforce and expand that pathway, while recent updates to the Renewable Energy Plan—approved by the MPSC in September 2025—position Consumers to achieve 60-percent renewable energy by 2035 and 100-percent clean energy by 2040.

To meet these objectives, Consumers is executing a multi-faceted strategy:

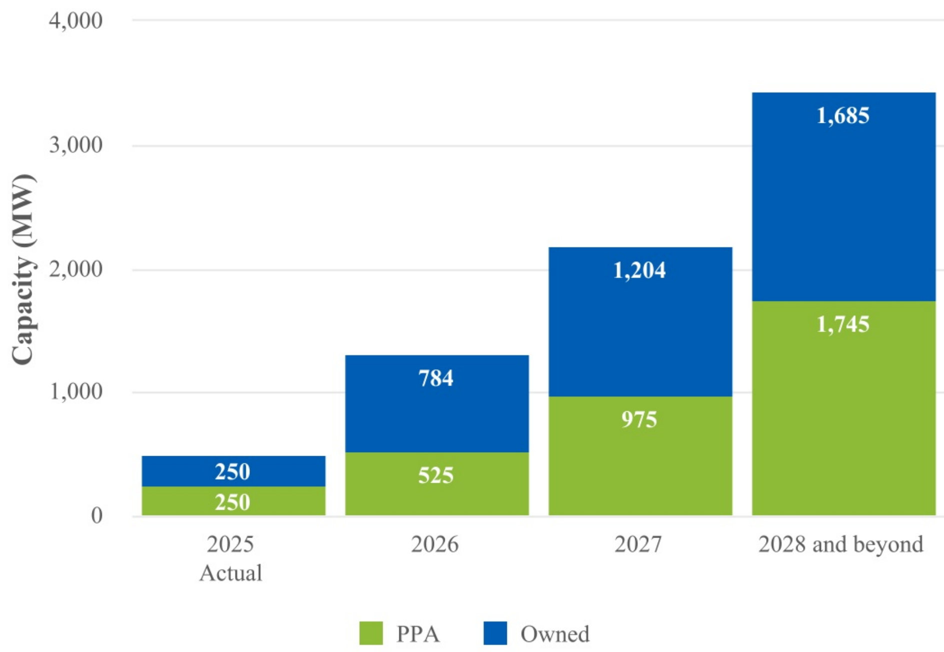
- Ending the use of coal—In 2023, Consumers retired the D.E. Karn coal-fueled generating units, totaling 515 MW of nameplate capacity, and as authorized by the MPSC, issued securitization bonds to finance the recovery of and return on those units. Additionally, Consumers obtained MPSC approval to retire J.H. Campbell in May 2025, totaling 1,407 MW of nameplate capacity, and to recover its remaining book value plus a 9.0-percent return on equity through regulatory asset treatment upon its retirement. As discussed further below, the retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy.

- Resource adequacy and reliability—To maintain reliability during the transition, Consumers purchased the Covert Generating Station, representing 1,200 MW of nameplate capacity, in 2023. Additionally, in September 2025, Consumers entered into a new 10-year PPA with the MCV Partnership for the purchase of up to 1,240 MW of capacity and associated energy from the MCV Facility, effective June 1, 2030.

- Energy storage investments—Consumers has contracted to purchase 850 MW of capacity from battery storage facilities to be located in Michigan's Lower Peninsula and with expected commercial operation dates through 2028.

- Renewable expansion—Recent Renewable Energy Plan updates include up to 4,000 MW of wind energy resources and up to 9,000 MW of both purchased and owned solar energy resources, of which 1,060 MW will support Consumers' voluntary green pricing program.

Presented in the following illustration is the aggregate renewable capacity that Consumers expects to add to its portfolio through PPAs and owned generation under its integrated resource plan, voluntary green pricing program, and Renewable Energy Plan updates:



The company earns a return equal to its pre-tax weighted-average cost of capital on permanent capital structure for payments under new clean, renewable, or energy storage PPAs with non-affiliated entities.

Consumers will continue to competitively bid new capacity and energy resources, ensuring a balanced portfolio of intermittent renewables and dispatchable clean resources. Any resulting contracts are subject to MPSC approval. Through these integrated plans, Consumers is advancing Michigan's clean energy transition while maintaining system reliability, affordability, and regulatory compliance.

J.H. Campbell Emergency Orders: In May 2025, before the planned closure of J.H. Campbell, the U.S. Secretary of Energy issued an emergency order under section 202(c) of the Federal Power Act requiring J.H. Campbell to continue operating for 90 days, through August 20, 2025. Subsequently, the

U.S. Secretary of Energy issued two additional emergency orders for 90 days each, ultimately requiring continued operation of J.H. Campbell through February 17, 2026. These orders stated that continued operation of J.H. Campbell was required to meet an energy emergency across MISO's North and Central regions. Consistent with the Federal Power Act and DOE regulations, the orders authorize Consumers to obtain cost recovery at FERC.

As directed, Consumers has continued to make J.H. Campbell available in the MISO market and, in June 2025, filed a complaint at FERC seeking a modification of the MISO Tariff to establish a mechanism for recovery and allocation of the cost to comply with this order. In August 2025, FERC granted Consumers' complaint and ordered MISO to revise its tariff accordingly. MISO submitted a compliance filing with FERC in September 2025, and FERC approval of the compliance filing remains pending. For additional discussion of this FERC proceeding and Consumers' request for recovery, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

Following the May 2025 emergency order, several third-party stakeholders, including the Michigan Attorney General, the Organization of MISO States, and a group of environmental and public interest groups, asked the U.S. Secretary of Energy to reconsider the May 2025 emergency order. In July 2025, after the U.S. Secretary of Energy took no action on those requests, several parties filed petitions for review of the May 2025 emergency order in federal court. The requests for rehearing were subsequently denied, and similar challenges to the August and November 2025 orders are underway. The U.S. Secretary of Energy may issue more orders to require the continued operation of J.H. Campbell. While the timing and content of future orders and the outcome of third-party legal challenges are not yet known, Consumers is committed to pursuing cost recovery as provided for under applicable laws, orders, and proceedings.

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 increase compared to 2025. This outlook reflects strong growth in electric demand, offset partially by the effects of energy waste reduction programs. Actual delivery levels will depend on:

- energy conservation measures and results of energy waste reduction programs
- weather fluctuations
- Michigan's economic conditions, including data center expansion; utilization, expansion, or contraction of large commercial and industrial facilities; economic development; 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 10 percent of Consumers' sales, with certain exceptions. At December 31, 2025, electric deliveries under the ROA program were at the 10-percent limit. Fewer than 300 of Consumers' electric customers purchased electric generation service under the ROA program.

In 2016, 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 requested the federal court to issue a permanent injunction prohibiting the MPSC from implementing a local clearing requirement on individual electric providers. In 2023, the U.S. District Court for the Eastern District of Michigan dismissed the complaint. 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.

In January 2025, the Sixth Circuit Court of Appeals issued an opinion finding that the MPSC's imposition of a local clearing requirement on individual electric suppliers would discriminate against interstate commerce. The Court of Appeals remanded to the District Court for a determination of whether the local clearing requirement discriminated against interstate commerce and whether the MPSC's regulation survives a strict scrutiny standard, which depends on a determination of whether the local clearing requirement is the only means of achieving the state's goal of securing reliable energy supply. In January 2025, Consumers filed a petition for rehearing and en banc review with the Sixth Circuit Court of Appeals, requesting the Court to reconsider and reverse the panel's opinion. In February 2025, the Sixth Circuit Court of Appeals issued an order denying Consumers' petition for rehearing and en banc review. The case has therefore been remanded to the District Court for the Eastern District of Michigan for consideration of whether the MPSC's local clearing requirement meets the strict scrutiny standard pursuant to the Court of Appeals' decision. The remanded proceeding has begun at the Eastern District Court; there is no deadline for decision.

Sale of Hydroelectric Facilities: In September 2025, Consumers signed an agreement to sell its 13 river hydroelectric dams, which are located throughout Michigan, to a non-affiliated company. Additionally, Consumers signed an agreement to purchase power generated by the facilities for 30 years, at a price that reflects the counterparty's acceptance of the risks and rewards of ownership of the facilities, including FERC licensing obligations. The agreements are contingent upon MPSC and FERC approval, for which Consumers filed in October 2025. Timing of the regulatory review process is uncertain and could extend 12 to 18 months or longer. In Consumers' most recent electric rate case, the MPSC approved deferred accounting treatment for costs of owning and operating the hydroelectric dams pending and until completion of the transaction. At December 31, 2025, the net book value of the hydroelectric facilities was immaterial.

To ensure necessary staffing at the hydroelectric facilities through the anticipated sale, Consumers has provided current employees at the facilities with a retention incentive program. Subsequently, to ensure continued safe operation of the facilities after the sale, the buyer will offer employment to the current hydroelectric employees for a period of at least a year. The retention incentive benefits are contingent upon MPSC and FERC approval of the sale transaction.

Electric Rate Matters: Rate matters are critical to Consumers' electric utility business. For additional details on rate matters, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

MPSC Distribution System Audit: In 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 as directed.

Additionally, as directed by the MPSC, the MPSC Staff engaged a third-party auditor to review all equipment and operations of the two utilities' distribution systems. In September 2024, the MPSC Staff released the third-party auditor's final report on its audit of Consumers' distribution system. The report included several recommendations to improve Consumers' distribution system and associated processes and procedures. Consumers filed a response to the audit report in November 2024. In June 2025, the MPSC issued an order adopting the audit's findings and recommendations. Consumers is committed to working with the MPSC to continue improving electric reliability and safety in Michigan.

Performance-based Financial Incentives/Disincentives Mechanism: In February 2025, the MPSC issued an order establishing a mechanism through which the state's largest electric utilities, including Consumers, could realize up to $10 million each in incentives or penalties annually for meeting or failing to meet reliability benchmarks, beginning in 2026. As directed, Consumers filed proposed company-specific baseline metrics for the performance mechanism in April 2025; the MPSC approved Consumers' proposed metrics in December 2025.

2025 Electric Rate Case: In June 2025, Consumers filed an application with the MPSC seeking a rate increase of $460 million, made up of two components. First, Consumers requested a $436 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending April 30, 2027. The filing requested authority to recover costs related to new infrastructure investment primarily in distribution system reliability. Second, Consumers requested approval of a $24 million surcharge for the recovery of distribution investments made during the 12 months ended February 28, 2025 that exceeded the rate amounts authorized in accordance with previous electric rate orders.

In October 2025, Consumers revised its requested increase to $447 million. Presented in the following table are the components of the revised requested increase in revenue:

		In Millions
Projected 12-Month Period Ending April 30		2027
Investment in rate base	$	192
Operating and maintenance costs		157
Cost of capital		67
Sales and other revenue		7
Subtotal	$	423
Surcharge		24
Total	$	447

The MPSC must issue a final order in this case before or in April 2026.

Large-load Tariff: In November 2025, the MPSC approved changes to Consumers' standard large-customer tariff to govern service for new large electricity users such as data centers. Consumers sought these changes to protect existing customers. The changes apply to customers with a minimum service threshold of 100 MW and require a minimum 15-year contract (beyond the construction period), an 80-percent minimum demand billing obligation, upfront fees, and strong collateral and exit-fee protections to ensure these large customers fully cover their own costs of service and do not shift risk or costs to existing customers. Each large-load contract must receive MPSC approval before taking effect. The MPSC also directed Consumers to present multiple cost-allocation and rate-design options before its next rate case to ensure that large-load customers pay their fair share of system costs going forward.

Depreciation Rate Case: In December 2025, Consumers filed a depreciation case related to its electric and common utility property. In this case, Consumers requested to increase depreciation expense, and its recovery of that expense of $34 million annually based on December 31, 2024 balances.

Retention Incentive Program: The retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. As a result, Consumers has implemented retention measures to ensure appropriate staffing levels and expects to incur up to $4 million during each 90-day emergency order period. Consumers will seek recovery of these retention costs from FERC, consistent with rate recovery sought for other costs of complying with the emergency orders. For additional details on this program, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 20, Exit Activities and Asset Sales. For additional details on the emergency orders, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

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 $245 million from 2026 through 2030 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.

MATS, emission standards for electric generating units published by the EPA based on Section 112 of the Clean Air Act, continue to apply to Consumers. In June 2025, the EPA issued a proposed rule to repeal changes made to the MATS rule in 2024. The company has complied, and continues to comply, with the MATS regulation and both the 2024 and proposed 2025 versions of MATS have minimal impacts on Consumers' electric generating units. Consumers 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. Consumers complies with this regulation and expects it to have minimal financial and operational impact in the near and/or long term.

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 2023, three counties in western Michigan have been designated as not meeting the ozone standard. Based on recent data, the EPA reclassified these counties from "moderate" to "serious" nonattainment. Additionally, a December 2025 court decision vacated the EPA's 2023 redesignation of a seven-county area in southeast Michigan from moderate ozone nonattainment to attainment. None of Consumers' fossil-fuel-fired generating units are located in these areas. Consumers will continue to monitor the impact of the recent court decision on the seven-county area in southeast Michigan, including resulting agency actions, but does not anticipate it will have any impact on Consumers' generating assets.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which could result in newly designated nonattainment areas in Michigan starting in 2026. In 2025, EGLE proposed nonattainment areas for Kalamazoo and Wayne counties, with a decision by the EPA expected in 2026. Consumers does not have any fossil-fuel-fired generating assets in these counties and therefore does not expect this rule to have significant impacts on its existing generating assets or its clean energy strategy. Consumers will continue to monitor NAAQS rulemakings and litigation to evaluate potential impacts to its generating assets.

In January 2026, the EPA published a final rule amending new source performance standards for new, modified, and reconstructed stationary combustion turbines to lower emission limits for NOx. This final rule requires new large simple-cycle turbine units with higher capacity factors to install control equipment for NOx emissions. Consumers is evaluating this rule to determine its impact.

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, extended operation, or repowering with an alternative fuel of some of Consumers' generating units
- changes in Consumers' environmental compliance costs
- the purchase or sale of emission allowances

Greenhouse Gases: There have been numerous legislative, executive, 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 September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by eliminating the reporting obligations from numerous emission sources, including Consumers' electric generation sites and distribution equipment. Reporting of carbon dioxide to the EPA, however, will continue for sources subject to the Clean Air Act Acid Rain Program, which includes Consumers' fossil-fuel-fired electric generation. This change could result in inconsistent approaches in voluntary greenhouse gas accounting for industrial sources.

In April 2024, the EPA finalized its rule under Section 111 of the Clean Air Act to address greenhouse gas emissions from new combustion turbine electric generating units and existing coal-, gas-, and oil-fueled steam electric generating units. These rules do not address existing combustion turbine electric generating units. In June 2025, the EPA issued a proposed rule containing two different pathways to rescind these requirements. Consumers does not expect these proposed changes will have a significant impact on its existing gas- and oil-fueled steam electric generating assets. Consumers will continue to follow the EPA rules that address greenhouse gas emissions and will continue to evaluate potential impacts to its operations.

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; 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 compliance with Michigan's clean energy requirements, its own sustainability goals, and its emphasis on reliable and resilient electric 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 or modify existing facility retirement schedules
- 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 CCRs and related process water and to initiate closure. Due to continued litigation, many aspects of the rule have been remanded to the EPA, resulting in more proposed and final rules.

In May 2024, the EPA finalized a rule regulating legacy CCR surface impoundments and CCR management units in response to litigation that exempted inactive impoundments at inactive facilities from the 2015 CCR rule. The new rule adopts minimum standards for impoundments at electric generating facilities that became inactive before the 2015 CCR rule's effective date. During 2024, owners and operators were required to assess whether an inactive facility contains a legacy surface impoundment and then, for identified locations, proceed with the compliance schedule.

Additionally, the EPA established groundwater monitoring, corrective action, closure, and post-closure care requirements for CCR surface impoundments and landfills closed prior to the effective date of the 2015 CCR rule, but that do not meet the closure technical and performance standards of the May 2024 rule. These include inactive CCR landfills that were previously exempted from regulation but that are now considered CCR management units. Owners are required to conduct an evaluation at active facilities or any inactive facilities with at least one legacy impoundment to identify CCR management units and determine an appropriate course of action (closure, groundwater treatment, etc.) for each identified unit according to established compliance milestone schedules. In February 2026, the EPA issued a final rule extending the compliance milestone schedule for CCR management units. This extension does not have a material impact on Consumers' compliance strategy.

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 serve as the basis for compliance, replacing the requirement to self-certify each aspect of the 2015 CCR rule.

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 set forth in the 2015 CCR rule. Consumers has historically been authorized to recover in electric rates costs related to coal ash disposal sites that supported power generation. Consumers completed an assessment of inactive facilities as required by the 2024 CCR rule, and did not identify any legacy impoundments. Consumers is continuing evaluations related to CCR management units and 2024 CCR rule impacts on the state permit program.

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 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. Consumers has submitted the appropriate notices of planned participation in compliance with this rule. Consumers has also submitted timely NPDES permit applications and will be working with EGLE to incorporate applicable provisions during the permit renewal process.

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 and changes to permitting may impact operations at Consumers' facilities. In February 2024, the U.S. Fish and Wildlife Service published a final rule providing for bald eagle general permits for qualifying wind farms and electric distribution systems. Consumers has received, or is pursuing, bald eagle general permits for all its wind farms. While any resulting permitting and monitoring fees and/or restrictions on operations could impact Consumers' existing and future operations, Consumers does not expect any material changes to its environmental strategy or Electric Supply Plan as a result of this rule.

Additionally, Consumers regularly monitors proposed changes to the listing status of several species within its operational area. A change in species listed under the Endangered Species Act, or under Michigan's equivalent law, 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 Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, 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 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 2025. This outlook reflects modest growth in gas demand, offset by the effects of energy waste reduction 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 Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

2025 Gas Rate Case: In December 2025, Consumers filed an application with the MPSC seeking an annual rate increase of $240 million based on a 10.25-percent authorized return on equity for the projected 12-month period ending October 31, 2027.

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

		In Millions
Projected 12-Month Period Ending October 31		2027
Investment in rate base	$	108
Operating and maintenance costs		65
Cost of capital		66
Sales/gross margin		1
Total	$	240

The MPSC must issue a final order in this case before or in October 2026.

Gas Pipeline and Storage Integrity and Safety: Consumers' gas operations are governed by federal and state pipeline safety rules, and there are robust processes and procedures in place to maintain compliance with these regulations. The U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration has published various rules that revise federal safety standards for gas transmission pipelines and underground storage facilities. Consumers has implemented measures to achieve compliance with the revised rules. There are also proposed rules expanding requirements for gas safety, although these rules are subject to reconsideration by the current administration. Under the proposed rules, Consumers will incur increased capital and increased operating and maintenance costs to install and remediate pipelines and to expand inspections, maintenance, and monitoring of 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 Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Consumers Gas Utility 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 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 2023, three counties in western Michigan have been designated as not meeting the ozone standard. Based on recent data, the EPA reclassified these counties from "moderate" to "serious" nonattainment, which has more stringent requirements. One of Consumers' compressor stations is in a serious ozone nonattainment area. Consequently, Consumers has initiated plans to retrofit equipment at this compressor station to lower NOx emissions.

Additionally, a December 2025 court decision vacated the EPA's 2023 redesignation of the seven-county area in southeast Michigan from moderate ozone nonattainment to attainment. Four of Consumers' compressor stations are located in these counties, with one station having assets that may be impacted by the redesignation change. Consumers will continue to monitor the recent court decision's impact on the seven-county area in southeast Michigan, including resulting agency actions, and the potential impacts to compressor station assets.

Consumers will continue to monitor NAAQS rulemakings and litigation, and evaluate potential impacts to its compressor stations and other applicable natural gas storage and delivery assets.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which could result in newly designated nonattainment areas in Michigan starting in 2026. In 2025, EGLE proposed nonattainment areas for Kalamazoo and Wayne counties, with a decision by the EPA expected in 2026. Consumers has one compressor station located in Wayne County and will continue to monitor NAAQS rulemakings and litigation to evaluate potential impacts to the natural gas compressor station assets.

Greenhouse Gases: Some interest exists at the various levels of government in regulating greenhouse gases or their sources. Future regulations, if adopted, may involve requirements to reduce methane emissions from Consumers' gas utility operations and carbon dioxide emissions from customer use of natural gas. Consumers will continue to monitor such potential rules for impacts.

In September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by removing the natural gas distribution segment from the reporting obligations under the petroleum and natural gas source category, and proposed to delay the reporting obligations until 2034 for the remaining sources in this category. If this proposal is finalized as proposed, it could result in inconsistent approaches in voluntary greenhouse gas accounting for industrial sources.

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 through clean fuel alternatives or nature-based carbon removal pathways. To date, Consumers has reduced methane emissions by more than 40 percent.

Consumers has also set a goal to reduce customer greenhouse gas emissions by 25 percent by 2035. Consumers' Natural Gas Delivery Plan, a rolling ten-year 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, carbon offsets, and renewable natural gas supply.

Consumers has already initiated work in these key areas by continuing to expand its energy waste reduction targets and by offering gas customers the ability to offset their carbon footprint associated with natural gas use by purchasing renewable natural gas and/or carbon credits associated with Michigan forest preservation. Consumers has renewable natural gas facilities under construction scheduled for commercial operation in 2026 and is monitoring regulatory developments and market conditions closely as part of its ongoing evaluation of the projects. As part of this evaluation, two early-phase renewable natural gas development projects have been paused indefinitely, and Consumers recognized an impairment charge of $15 million related to these projects in 2025. Consumers is evaluating and monitoring newer technologies to determine their role in achieving Consumers' interim and long-term net-zero goals, including biofuels, geothermal, 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 representing 1,665 MW of capacity, and to pursue opportunities for the development of renewable generation projects, including leveraging strategic partnerships and available tax incentives.

In December 2025, NorthStar Clean Energy sold a Class A membership interest in BG Solar Holdings to a tax equity investor. BG Solar Holdings is the holding company of a 200-MW solar generation project being constructed in Branch County, Michigan. All of the project's nameplate capacity has been committed under a 15-year renewable energy purchase agreement. The tax equity investor contributed $15 million and recognized a deemed contribution of $35 million associated with BG Solar Holdings' sale of investment tax credits related to a portion of the project placed into service for tax purposes in 2025. The tax equity investor will contribute additional amounts upon commercial operation of the project in 2026.

NorthStar Clean Energy retained a Class B membership interest in BG Solar Holdings. Earnings, tax attributes, and cash flows generated by BG 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. For additional details, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 19, Variable Interest Entities.

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, including changes to tax and trade policy
- delays or difficulties in financing, constructing, and developing projects, including those arising from the performance of contractors, suppliers, or other counterparties
- changes in energy, capacity, and other commodity prices
- severe weather events and climate change associated with increasing levels of greenhouse gases
- 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 in connection with sales of assets
- delays or difficulties in obtaining environmental permits

For additional details regarding NorthStar Clean Energy's uncertainties, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments—Guarantees.

NorthStar Clean Energy Environmental Outlook: NorthStar Clean Energy's operations are 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. NorthStar Clean Energy complies with this regulation and expects it to have minimal financial and operational impact in the near and/or long term.

In March 2024, the EPA published a lower fine particulate matter NAAQS, which could result in newly designated nonattainment areas in Michigan starting in 2026. In 2025, EGLE proposed nonattainment areas for Kalamazoo and Wayne counties, with a decision by the EPA expected in 2026. NorthStar Clean Energy has two fossil-fuel-fired generating units in these counties and therefore will continue to monitor NAAQS rulemaking and litigation to evaluate potential impacts to its generating assets.

In January 2026, the EPA published a final rule amending new source performance standards for new, modified, and reconstructed stationary combustion turbines to lower emission limits for NOx. This final rule requires new large simple-cycle turbine units with higher capacity factors to install control equipment for NOx emissions. NorthStar Clean Energy will monitor this rulemaking.

A December 2025 court decision vacated the EPA's 2023 redesignation of the seven-county area in southeast Michigan from moderate ozone nonattainment to attainment. NorthStar Clean Energy has one electric generating station located within this area. NorthStar Clean Energy will continue to monitor the recent court decision's impact on the seven-county area in southeast Michigan, including resulting agency actions, and the potential impacts to compressor station assets.

For additional details regarding the ozone NAAQS, see Consumers Electric Utility Outlook and Uncertainties—Electric Environmental Outlook.

In September 2025, the EPA proposed a rule to reconsider the Greenhouse Gas Reporting Program by eliminating the reporting obligations from numerous emission sources. Reporting of carbon dioxide to the

EPA, however, will continue for sources subject to the Clean Air Act Acid Rain Program. This change could result in inconsistent approaches in voluntary greenhouse gas accounting for industrial sources.

In April 2024, the EPA finalized its rule under Section 111 of the Clean Air Act to address greenhouse gas emissions from new combustion turbine electric generating units and existing coal-, gas-, and oil-fueled steam electric generating units. These rules do not address existing combustion turbine electric generating units. In June 2025, the EPA issued a proposed rule containing two different pathways to rescind these requirements. Neither pathway impacts NorthStar Clean Energy's existing facilities. NorthStar Clean Energy will continue to follow the EPA rules that address greenhouse gas emissions and will continue to evaluate potential impacts to its 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.

Other Outlook and Uncertainties

Tax Legislation: CMS Energy and Consumers are subject to changing tax laws. In July 2025, President Trump signed into law the OBBBA. The legislation allows for the immediate expensing of domestic research and development costs and includes changes to clean energy tax credits enacted by the Inflation Reduction Act of 2022. While the OBBBA restores, and makes permanent, the 100-percent bonus depreciation deduction, it also retains a provision that allows utilities to take a full deduction of interest expense in lieu of 100-percent bonus depreciation. CMS Energy and Consumers evaluated the provisions of the OBBBA and concluded that the legislation is not expected to have a material impact on their respective financial statements. This conclusion is subject to change as additional guidance or interpretations become available.

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 certain legal matters, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters and Note 4, Contingencies and Commitments.

Critical Accounting Estimates

The following information is important to understand CMS Energy's and Consumers' results of operations and financial condition. For additional accounting policies, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 1, Significant Accounting Policies.

In the preparation of CMS Energy's and Consumers' consolidated financial statements, estimates and assumptions are used that may affect reported amounts and disclosures. CMS Energy and Consumers use accounting estimates for asset valuations, unbilled revenue, depreciation, amortization, financial and derivative instruments, employee benefits, stock-based compensation, the effects of regulation, indemnities, contingencies, and AROs. Actual results may differ from estimated results due to changes in the regulatory environment, regulatory decisions, lawsuits, competition, and other factors. CMS Energy and Consumers consider all relevant factors in making these assessments.

Accounting for the Effects of Industry Regulation: Because Consumers has regulated operations, it uses regulatory accounting to recognize the effects of the regulators' decisions on its financial statements. Consumers continually assesses whether future recovery of its regulatory assets is probable by considering communications and experience with its regulators and changes in the regulatory environment. If Consumers determined that recovery of a regulatory asset were not probable, Consumers would be required to write off the asset and immediately recognize the expense in earnings. For additional information, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

Contingencies: CMS Energy and Consumers make judgments regarding the future outcome of various matters that give rise to contingent liabilities. For such matters, they record liabilities when they are considered probable and reasonably estimable, based on all available information. In particular, CMS Energy and Consumers are participating in various environmental remediation projects for which they have recorded liabilities. The recorded amounts represent estimates that may take into account such considerations as the number of sites, the anticipated scope, cost, and timing of remediation work, the available technology, applicable regulations, and the requirements of governmental authorities. For remediation projects in which the timing of estimated expenditures is considered reliably determinable, CMS Energy and Consumers record the liability at its net present value, using a discount rate equal to the interest rate on monetary assets that are essentially risk-free and have maturities comparable to that of the environmental liability. The amount recorded for any contingency may differ from actual costs incurred when the contingency is resolved. For additional details, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 4, Contingencies and Commitments.

Income Taxes: The amount of income taxes paid by CMS Energy is subject to ongoing audits by federal, state, and foreign tax authorities, which can result in proposed assessments. An estimate of the potential outcome of any uncertain tax issue is highly judgmental. CMS Energy believes adequate reserves have been provided for these exposures; however, future results may include favorable or unfavorable adjustments to the estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitation on potential assessments expire. Additionally, CMS Energy's judgment as to the ability to recover its deferred tax assets may change. CMS Energy believes the valuation allowances related to its deferred tax assets are adequate, but future results may include favorable or unfavorable adjustments. As a result, CMS Energy's effective tax rate may fluctuate significantly over time. For additional details, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 13, Income Taxes.

Pension and OPEB: CMS Energy and Consumers provide retirement pension benefits to certain employees under non-contributory DB Pension Plans, and they provide postretirement health and life benefits to qualifying retired employees under an OPEB Plan.

CMS Energy and Consumers record liabilities for pension and OPEB on their consolidated balance sheets at the present value of the future obligations, net of any plan assets. The calculation of the liabilities and associated expenses requires the expertise of actuaries, and requires many assumptions, including:

- life expectancies
- discount rates
- expected long-term rate of return on plan assets
- rate of compensation increases
- expected health care costs

A change in these assumptions could change significantly CMS Energy's and Consumers' recorded liabilities and associated expenses.

Presented in the following table are estimates of credits and cash contributions through 2028 for the DB Pension Plans and OPEB Plan. Actual future costs, credits, and contributions will depend on future investment performance, discount rates, and various factors related to the participants of the DB Pension Plans and OPEB Plan. CMS Energy and Consumers will, at a minimum, contribute to the plans as needed to comply with federal funding requirements.

In Millions

	DB Pension Plans		OPEB Plan	
	Credit	Contribution	Credit	Contribution
CMS Energy, including Consumers				
2026	$ (86)	$ —	$ (109)	$ —
2027	(87)	—	(99)	—
2028	(100)	—	(92)	—
Consumers[1]				
2026	$ (81)	$ —	$ (101)	$ —
2027	(81)	—	(91)	—
2028	(94)	—	(84)	—

1 Consumers' pension and OPEB costs are recoverable through its general ratemaking process.

Lowering the expected long-term rate of return on the assets of the DB Pension Plans by 25 basis points would increase estimated pension cost for 2026 by $8 million for both CMS Energy and Consumers. Lowering the PBO discount rates by 25 basis points would decrease estimated pension cost for 2026 by $1 million for both CMS Energy and Consumers. Pension and OPEB costs above or below the amounts used to set existing rates will be deferred as a regulatory asset or liability in accordance with Consumers' postretirement benefits expense deferral mechanism; for more information, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 3, Regulatory Matters.

Pension and OPEB plan assets are accounted for and disclosed at fair value. Fair value measurements incorporate assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Development of these assumptions may require judgment.

For additional details on postretirement benefits, including the fair value measurements for the assets of the DB Pension Plans and OPEB Plan, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 11, Retirement Benefits.

Unbilled Revenues: 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. Consumers records unbilled revenues as accounts receivable and accrued revenue on its consolidated balance sheet. For additional information on unbilled revenues, see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 15, Revenue.

New Accounting Standards

For details regarding new accounting standards issued but not yet effective, See Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 2, New Accounting Standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

CMS Energy and Consumers are exposed to market risks including, but not limited to, changes in interest rates, commodity prices, and investment security prices. They may enter into various risk management contracts to mitigate exposure to these risks, including swaps, options, futures, and forward contracts. CMS Energy and Consumers enter into these contracts using established policies and procedures, under the direction of an executive oversight committee consisting of certain officers and a risk committee consisting of those and other officers and business managers.

The following risk sensitivity illustrates the potential loss in fair value, cash flows, or future earnings from financial instruments, assuming a hypothetical adverse change in market rates or prices of 10 percent. Potential losses could exceed the amounts shown in the sensitivity analyses if changes in market rates or prices were to exceed 10 percent.

Long-term Debt: CMS Energy and Consumers are exposed to interest-rate risk resulting from issuing fixed-rate and variable-rate debt instruments. CMS Energy and Consumers use a combination of these instruments, and may also enter into interest-rate swap agreements, in order to manage this risk and to achieve a reasonable cost of capital.

Presented in the following table is a sensitivity analysis of interest-rate risk on CMS Energy's and Consumers' debt instruments (assuming an adverse change in market interest rates of 10 percent):

In Millions

December 31	2025	2024
Fixed-rate financing—potential loss in fair value		
CMS Energy, including Consumers	$ 792	$ 717
Consumers	535	543

The fair value losses in the above table could be realized only if CMS Energy and Consumers transferred all of their fixed-rate financing to other creditors. The annual earnings exposure related to variable-rate financing was immaterial for both CMS Energy and Consumers at December 31, 2025 and 2024, assuming an adverse change in market interest rates of 10 percent. For additional details on financial instruments see Item 8. Financial Statements and Supplementary Data—Notes to the Consolidated Financial Statements—Note 7, Financial Instruments.

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Item 8. Financial Statements and Supplementary Data

Index to Financial Statements

CMS Energy Corporation
Consolidated Statements of Income

In Millions, Except Per Share Amounts

Years Ended December 31	2025	2024	2023
Operating Revenue	$ 8,539	$ 7,515	$ 7,462
Operating Expenses			
Fuel for electric generation	657	624	561
Purchased and interchange power	1,706	1,333	1,375
Purchased power – related parties	94	71	75
Cost of gas sold	809	640	902
Maintenance and other operating expenses	1,727	1,638	1,687
Depreciation and amortization	1,306	1,240	1,180
General taxes	513	482	447
Total operating expenses	6,812	6,028	6,227
Operating Income	1,727	1,487	1,235
Other Income (Expense)			
Non-operating retirement benefits, net	186	169	180
Other income	151	207	195
Other expense	(27)	(32)	(13)
Total other income	310	344	362
Interest Charges			
Interest on long-term debt	798	700	616
Interest expense – related parties	11	12	12
Other interest expense	(9)	14	18
Allowance for borrowed funds used during construction	(11)	(18)	(3)
Total interest charges	789	708	643
Income Before Income Taxes	1,248	1,123	954
Income Tax Expense	246	176	147
Income From Continuing Operations	1,002	947	807
Income From Discontinued Operations, Net of Tax of $— for all periods	—	—	1
Net Income	1,002	947	808
Loss Attributable to Noncontrolling Interests	(69)	(56)	(79)
Net Income Attributable to CMS Energy	1,071	1,003	887
Preferred Stock Dividends	10	10	10
Net Income Available to Common Stockholders	$ 1,061	$ 993	$ 877
Basic Earnings Per Average Common Share	$ 3.53	$ 3.34	$ 3.01
Diluted Earnings Per Average Common Share	$ 3.53	$ 3.33	$ 3.01

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consolidated Statements of Comprehensive Income

In Millions

Years Ended December 31	2025	2024	2023
Net Income	$ 1,002	$ 947	$ 808
Retirement Benefits Liability			
Net gain arising during the period, net of tax of $2, $1, and $2	4	2	5
Prior service credit adjustment, net of tax of $— for all periods	—	1	—
Amortization of net actuarial loss, net of tax of $— for all periods	2	2	2
Amortization of prior service credit, net of tax of $— for all periods	(1)	—	(1)
Other Comprehensive Income	5	5	6
Comprehensive Income	1,007	952	814
Comprehensive Loss Attributable to Noncontrolling Interests	(69)	(56)	(79)
Comprehensive Income Attributable to CMS Energy	$ 1,076	$ 1,008	$ 893

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consolidated Statements of Cash Flows

In Millions

Years Ended December 31	2025	2024	2023
Cash Flows from Operating Activities			
Net income	$ 1,002	$ 947	$ 808
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,306	1,240	1,180
Deferred income taxes and investment tax credits	202	142	157
Bad debt expense	40	33	34
Postretirement benefits contributions	(16)	(13)	(12)
Other non-cash operating activities and reconciling adjustments	(238)	(241)	(274)
Changes in assets and liabilities			
Accounts receivable and accrued revenue	(251)	(155)	241
Inventories	(28)	164	185
Accounts payable and accrued rate refunds	196	15	(136)
Other current assets and liabilities	78	42	(21)
Other non-current assets and liabilities	(56)	196	147
Net cash provided by operating activities	2,235	2,370	2,309
Cash Flows from Investing Activities			
Capital expenditures (excludes assets placed under finance lease)	(3,824)	(3,018)	(2,407)
Covert Generating Station acquisition	—	—	(812)
Proceeds from sale of ASP business	—	124	—
Cost to retire property and other investing activities	(214)	(160)	(167)
Net cash used in investing activities	(4,038)	(3,054)	(3,386)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	3,609	1,962	3,551
Retirement of debt	(1,150)	(952)	(2,132)
Increase (decrease) in notes payable	(65)	(28)	73
Issuance of common stock	525	286	192
Payment of dividends on common and preferred stock	(663)	(626)	(579)
Proceeds from the sale of membership interests in VIEs	44	—	—
Proceeds from the sale of membership interest in VIE to tax equity investor	15	—	86
Contributions from noncontrolling interests	4	5	6
Distributions to noncontrolling interests	(14)	(12)	(12)
Other financing costs	(65)	(21)	(42)
Net cash provided by financing activities	2,240	614	1,143
Net Increase (Decrease) in Cash and Cash Equivalents, Including Restricted Amounts	437	(70)	66
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	178	248	182
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	$ 615	$ 178	$ 248

In Millions

Years Ended December 31		2025		2024		2023
Other Cash Flow Activities and Non-cash Investing and Financing Activities						
Cash transactions						
Interest paid (net of amounts capitalized)	$	741	$	677	$	607
Income taxes paid (proceeds from sale of renewable energy tax credits), net		(20)		(69)		15
Non-cash transactions						
Capital expenditures not paid	$	662	$	517	$	265
Deemed contribution from sale of membership interest		35		—		—

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consolidated Balance Sheets

ASSETS

In Millions

December 31	2025	2024
Current Assets		
Cash and cash equivalents	$ 509	$ 103
Restricted cash and cash equivalents	106	75
Accounts receivable and accrued revenue, less allowance of $27 in 2025 and $23 in 2024	1,306	1,049
Accounts receivable – related parties	17	14
Inventories at average cost		
Gas in underground storage	427	435
Materials and supplies	329	299
Generating plant fuel stock	35	35
Deferred property taxes	479	448
Regulatory assets	104	229
Prepayments and other current assets	160	103
Total current assets	3,472	2,790
Plant, Property, and Equipment		
Plant, property, and equipment, gross	37,763	34,932
Less accumulated depreciation and amortization	10,135	9,569
Plant, property, and equipment, net	27,628	25,363
Construction work in progress	3,052	2,098
Total plant, property, and equipment	30,680	27,461
Other Non-current Assets		
Regulatory assets	3,355	3,569
Accounts receivable	18	20
Investments	61	69
Postretirement benefits	1,957	1,627
Other	398	384
Total other non-current assets	5,789	5,669
Total Assets	$ 39,941	$ 35,920

LIABILITIES AND EQUITY

In Millions

December 31	2025	2024
Current Liabilities		
Current portion of long-term debt and finance leases	$ 956	$ 1,195
Notes payable	—	65
Accounts payable	1,395	1,085
Accounts payable – related parties	9	8
Accrued rate refunds	28	38
Accrued interest	182	156
Accrued taxes	708	654
Regulatory liabilities	85	111
Other current liabilities	185	209
Total current liabilities	3,548	3,521
Non-current Liabilities		
Long-term debt	17,807	15,194
Non-current portion of finance leases	135	112
Regulatory liabilities	4,091	4,067
Postretirement benefits	95	96
AROs	792	728
Deferred investment tax credit	118	122
Deferred income taxes	3,252	2,925
Other non-current liabilities	392	407
Total non-current liabilities	26,682	23,651
Commitments and Contingencies (Notes 3 and 4)		
Equity		
Common stockholders' equity		
Common stock, authorized 350.0 shares in both periods; outstanding 306.4 shares in 2025 and 298.8 shares in 2024	3	3
Other paid-in capital	6,510	6,009
Accumulated other comprehensive loss	(36)	(41)
Retained earnings	2,443	2,035
Total common stockholders' equity	8,920	8,006
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	9,144	8,230
Noncontrolling interests	567	518
Total equity	9,711	8,748
Total Liabilities and Equity	$ 39,941	$ 35,920

The accompanying notes are an integral part of these statements.

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CMS Energy Corporation
Consolidated Statements of Changes in Equity

In Millions, Except Number of Shares in Thousands and Per Share Amounts

	Number of Shares					
Years Ended December 31	2025	2024	2023	2025	2024	2023
Total Equity at Beginning of Period				$ 8,748	$ 8,125	$ 7,595
Common Stock						
At beginning and end of period				3	3	3
Other Paid-in Capital						
At beginning of period	298,790	294,440	291,268	6,009	5,705	5,490
Common stock issued	7,839	4,673	3,355	548	315	222
Common stock repurchased	(181)	(181)	(119)	(13)	(11)	(7)
Common stock reacquired	(39)	(142)	(64)	—	—	—
Adjustment for sale of membership interests in VIEs				(34)	—	—
At end of period	306,409	298,790	294,440	6,510	6,009	5,705
Accumulated Other Comprehensive Loss						
Retirement benefits liability						
At beginning of period				(41)	(46)	(52)
Net gain arising during the period				4	2	5
Prior service credit adjustment				—	1	—
Amortization of net actuarial loss				2	2	2
Amortization of prior service credit				(1)	—	(1)
At end of period				(36)	(41)	(46)
Retained Earnings						
At beginning of period				2,035	1,658	1,350
Net income attributable to CMS Energy				1,071	1,003	887
Dividends declared on common stock				(653)	(616)	(569)
Dividends declared on preferred stock				(10)	(10)	(10)
At end of period				2,443	2,035	1,658
Cumulative Redeemable Perpetual Preferred Stock, Series C						
At beginning and end of period				224	224	224
Noncontrolling Interests						
At beginning of period				518	581	580
Sale of membership interests in VIEs				78	—	—
Sale of membership interest in VIE to tax equity investor				50	—	86
Contributions from noncontrolling interests				4	5	6
Distributions to noncontrolling interests				(14)	(12)	(12)
Loss attributable to noncontrolling interests				(69)	(56)	(79)
At end of period				567	518	581
Total Equity at End of Period				$ 9,711	$ 8,748	$ 8,125
Dividends declared per common share				$ 2.170	$ 2.060	$ 1.950
Dividends declared per preferred stock Series C depositary share				$ 1.050	$ 1.050	$ 1.050

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Income

In Millions

Years Ended December 31	2025	2024	2023
Operating Revenue	$ 8,132	$ 7,200	$ 7,166
Operating Expenses			
Fuel for electric generation	535	511	435
Purchased and interchange power	1,564	1,285	1,331
Purchased power – related parties	94	71	75
Cost of gas sold	803	637	897
Maintenance and other operating expenses	1,614	1,520	1,586
Depreciation and amortization	1,254	1,191	1,137
General taxes	499	470	437
Total operating expenses	6,363	5,685	5,898
Operating Income	1,769	1,515	1,268
Other Income (Expense)			
Non-operating retirement benefits, net	175	157	171
Other income	55	85	49
Other expense	(22)	(30)	(12)
Total other income	208	212	208
Interest Charges			
Interest on long-term debt	521	488	415
Interest expense – related parties	41	31	20
Other interest expense	8	12	16
Allowance for borrowed funds used during construction	(10)	(13)	(3)
Total interest charges	560	518	448
Income Before Income Taxes	1,417	1,209	1,028
Income Tax Expense	288	200	161
Net Income	1,129	1,009	867
Preferred Stock Dividends	2	2	2
Net Income Available to Common Stockholder	$ 1,127	$ 1,007	$ 865

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Comprehensive Income

In Millions

Years Ended December 31	2025	2024	2023
Net Income	$ 1,129	$ 1,009	$ 867
Retirement Benefits Liability			
Net gain (loss) arising during the period, net of tax of $(1), $1, and $—	(2)	3	(1)
Amortization of net actuarial loss, net of tax of $— for all periods	—	1	1
Other Comprehensive Income (Loss)	(2)	4	—
Comprehensive Income	$ 1,127	$ 1,013	$ 867

The accompanying notes are an integral part of these statements.

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Consumers Energy Company
Consolidated Statements of Cash Flows

In Millions

Years Ended December 31	2025	2024	2023
Cash Flows from Operating Activities			
Net income	$ 1,129	$ 1,009	$ 867
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,254	1,191	1,137
Deferred income taxes and investment tax credits	48	115	156
Bad debt expense	40	33	34
Postretirement benefits contributions	(10)	(9)	(9)
Other non-cash operating activities and reconciling adjustments	(165)	(137)	(123)
Changes in assets and liabilities			
Accounts and notes receivable and accrued revenue	(235)	(153)	219
Inventories	(24)	164	186
Accounts payable and accrued rate refunds	187	19	(127)
Other current assets and liabilities	104	75	(35)
Other non-current assets and liabilities	(90)	139	125
Net cash provided by operating activities	2,238	2,446	2,430
Cash Flows from Investing Activities			
Capital expenditures (excludes assets placed under finance lease)	(3,314)	(2,842)	(2,248)
Covert Generating Station acquisition	—	—	(812)
Proceeds from sale of ASP business	—	124	—
Cost to retire property and other investing activities	(221)	(154)	(141)
Net cash used in investing activities	(3,535)	(2,872)	(3,201)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	1,123	1,297	2,666
Retirement of debt	(115)	(389)	(1,654)
Increase (decrease) in notes payable	(65)	(28)	73
Increase (decrease) in notes payable – related parties	340	—	(75)
Stockholder contribution	920	735	475
Return of stockholder contribution	—	(320)	—
Payment of dividends on common and preferred stock	(900)	(797)	(697)
Other financing costs	(14)	(9)	(21)
Net cash provided by financing activities	1,289	489	767
Net Increase (Decrease) in Cash and Cash Equivalents, Including Restricted Amounts	(8)	63	(4)
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	119	56	60
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	$ 111	$ 119	$ 56

In Millions

Years Ended December 31	2025	2024	2023
Other Cash Flow Activities and Non-cash Investing and Financing Activities			
Cash transactions			
Interest paid (net of amounts capitalized)	$ 526	$ 484	$ 417
Income taxes paid (proceeds from sale of renewable energy tax credits), net	161	(19)	31
Non-cash transactions			
Capital expenditures not paid	$ 533	$ 395	$ 264

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Balance Sheets

ASSETS

In Millions

December 31	2025	2024
Current Assets		
Cash and cash equivalents	$ 25	$ 44
Restricted cash and cash equivalents	86	75
Accounts receivable and accrued revenue, less allowance of $27 in 2025 and $23 in 2024	1,210	1,019
Accounts and notes receivable – related parties	15	17
Inventories at average cost		
Gas in underground storage	427	435
Materials and supplies	316	291
Generating plant fuel stock	31	30
Deferred property taxes	479	448
Regulatory assets	104	229
Prepayments and other current assets	132	86
Total current assets	2,825	2,674
Plant, Property, and Equipment		
Plant, property, and equipment, gross	36,120	33,434
Less accumulated depreciation and amortization	9,842	9,310
Plant, property, and equipment, net	26,278	24,124
Construction work in progress	2,354	1,766
Total plant, property, and equipment	28,632	25,890
Other Non-current Assets		
Regulatory assets	3,355	3,569
Accounts receivable	24	26
Accounts and notes receivable – related parties	88	92
Postretirement benefits	1,821	1,514
Other	346	323
Total other non-current assets	5,634	5,524
Total Assets	$ 37,091	$ 34,088

LIABILITIES AND EQUITY

In Millions

December 31	2025	2024
Current Liabilities		
Current portion of long-term debt and finance leases	$ 579	$ 456
Notes payable	—	65
Notes payable – related parties	340	—
Accounts payable	1,229	917
Accounts payable – related parties	14	12
Accrued rate refunds	28	38
Accrued interest	149	130
Accrued taxes	747	678
Regulatory liabilities	85	111
Other current liabilities	163	185
Total current liabilities	3,334	2,592
Non-current Liabilities		
Long-term debt	11,524	10,818
Long-term debt – related parties	1,005	823
Non-current portion of finance leases	81	69
Regulatory liabilities	4,091	4,067
Postretirement benefits	70	70
AROs	753	694
Deferred investment tax credit	118	122
Deferred income taxes	3,201	3,053
Other non-current liabilities	336	349
Total non-current liabilities	21,179	20,065
Commitments and Contingencies (Notes 3 and 4)		
Equity		
Common stockholder's equity		
Common stock, authorized 125.0 shares; outstanding 84.1 shares in both periods	841	841
Other paid-in capital	9,094	8,174
Accumulated other comprehensive loss	(13)	(11)
Retained earnings	2,619	2,390
Total common stockholder's equity	12,541	11,394
Cumulative preferred stock, $4.50 series, authorized 7.5 shares; outstanding 0.4 shares in both periods	37	37
Total equity	12,578	11,431
Total Liabilities and Equity	$ 37,091	$ 34,088

The accompanying notes are an integral part of these statements.

Consumers Energy Company
Consolidated Statements of Changes in Equity

In Millions

Years Ended December 31	2025	2024	2023
Total Equity at Beginning of Period	$ 11,431	$ 10,800	$ 10,155
Common Stock			
At beginning and end of period	841	841	841
Other Paid-in Capital			
At beginning of period	8,174	7,759	7,284
Stockholder contribution	920	735	475
Return of stockholder contribution	—	(320)	—
At end of period	9,094	8,174	7,759
Accumulated Other Comprehensive Loss			
Retirement benefits liability			
At beginning of period	(11)	(15)	(15)
Net gain (loss) arising during the period	(2)	3	(1)
Amortization of net actuarial loss	—	1	1
At end of period	(13)	(11)	(15)
Retained Earnings			
At beginning of period	2,390	2,178	2,008
Net income	1,129	1,009	867
Dividends declared on common stock	(898)	(795)	(695)
Dividends declared on preferred stock	(2)	(2)	(2)
At end of period	2,619	2,390	2,178
Cumulative Preferred Stock			
At beginning and end of period	37	37	37
Total Equity at End of Period	$ 12,578	$ 11,431	$ 10,800

The accompanying notes are an integral part of these statements.

CMS Energy Corporation
Consumers Energy Company
Notes to the Consolidated Financial Statements

1: Significant Accounting Policies

Principles of Consolidation: CMS Energy and Consumers prepare their consolidated financial statements in conformity with GAAP. CMS Energy's consolidated financial statements comprise CMS Energy, Consumers, NorthStar Clean Energy, and all other entities in which CMS Energy has a controlling financial interest or is the primary beneficiary. Consumers' consolidated financial statements comprise Consumers and all other entities in which it has a controlling financial interest. CMS Energy uses the equity method of accounting for investments in companies and partnerships that are not consolidated, where they have significant influence over operations and financial policies but are not the primary beneficiary. CMS Energy and Consumers eliminate intercompany transactions and balances.

Use of Estimates: CMS Energy and Consumers are required to make estimates using assumptions that may affect reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents and Restricted Cash and Cash Equivalents: Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less. Restricted cash and cash equivalents are held primarily for the repayment of securitization bonds and funds held in escrow. These amounts are classified as current assets since they relate to payments that could or will occur within one year.

Contingencies: CMS Energy and Consumers record estimated loss contingencies on their consolidated financial statements when it is probable that a loss has been incurred and when the amount of loss can be reasonably estimated. For environmental remediation projects in which the timing of estimated expenditures is considered reliably determinable, CMS Energy and Consumers record the liability at its net present value, using a discount rate equal to the interest rate on monetary assets that are essentially risk-free and have maturities comparable to that of the environmental liability. Unless regulatory accounting applies, CMS Energy and Consumers expense legal fees as incurred; fees incurred but not yet billed are accrued based on estimates of work performed.

Debt Issuance Costs, Discounts, Premiums, and Refinancing Costs: Upon the issuance of long-term debt, CMS Energy and Consumers defer issuance costs, discounts, and premiums and amortize those amounts over the terms of the associated debt. Debt issuance costs are presented as a direct deduction from the carrying amount of long-term debt on the balance sheet. Upon the refinancing of long-term debt, Consumers, as a regulated entity, defers any remaining unamortized issuance costs, discounts, and premiums associated with the refinanced debt and amortizes those amounts over the term of the newly issued debt. For the non-regulated portions of CMS Energy's business, any remaining unamortized issuance costs, discounts, and premiums associated with extinguished debt are charged to earnings.

Derivative Instruments: In order to support ongoing operations, CMS Energy and Consumers may enter into contracts for the future purchase and sale of various commodities, such as electricity, natural gas, and coal. These forward contracts are generally long-term in nature and result in physical delivery of the commodity at a contracted price. Most of these contracts are not subject to derivative accounting for one or more of the following reasons:

- they do not have a notional amount (that is, a number of units specified in a derivative instrument, such as MWh of electricity or Bcf of natural gas)
- they qualify for the normal purchases and sales exception
- they cannot be net settled due in part to the absence of an active market for the commodity

Consumers also uses FTRs to manage price risk related to electricity transmission congestion. An FTR is a financial instrument that entitles its holder to receive compensation or requires its holder to remit payment for congestion-related transmission charges. Consumers accounts for FTRs as derivatives and changes in the fair value of FTRs are deferred as regulatory assets or liabilities. For details regarding CMS Energy's and Consumers' derivative instruments recorded at fair value, see Note 6, Fair Value Measurements.

Electricity Market Transactions: Wholesale electricity market operators require the submission of hourly day-ahead and real-time bids and offers for energy at locations across each region. CMS Energy and Consumers account for such transactions on a net hourly basis in each of the real-time and day-ahead markets, netted across all locations in the energy market. CMS Energy and Consumers record net hourly purchases in purchased and interchange power and net hourly sales in operating revenue on their consolidated statements of income. They record net billing adjustments upon receipt of settlement statements, record accruals for future net purchases and sales adjustments based on historical experience, and reconcile accruals to actual expenses and sales upon receipt of settlement statements.

EPS: CMS Energy calculates basic and diluted EPS using the weighted-average number of shares of common stock and dilutive potential common stock outstanding during the period. Potential common stock, for purposes of determining diluted EPS, includes the effects of nonvested stock awards, forward equity sales, and convertible securities. CMS Energy computes the effect on potential common stock using the treasury stock method. Potentially dilutive common shares issuable upon conversion of the convertible senior notes are determined using the if-converted method for calculating diluted EPS. Diluted EPS excludes the impact of antidilutive securities, which are those securities resulting in an increase in EPS or a decrease in loss per share. For EPS computations, see Note 14, Earnings Per Share—CMS Energy.

Impairment of Long-lived Assets and Equity Method Investments: CMS Energy and Consumers perform tests of impairment if certain triggering events occur that indicate the carrying amount of an asset may not be recoverable or that there has been a decline in value that may be other than temporary.

CMS Energy and Consumers evaluate long-lived assets held in use for impairment by calculating the undiscounted future cash flows expected to result from the use of the asset and its eventual disposition. If the undiscounted future cash flows are less than the carrying amount, CMS Energy and Consumers recognize an impairment loss equal to the amount by which the carrying amount exceeds the fair value. CMS Energy and Consumers estimate the fair value of the asset using quoted market prices, market prices of similar assets, or discounted future cash flow analyses.

CMS Energy also assesses equity method investments for impairment whenever there has been a decline in value that is other than temporary. This assessment requires CMS Energy to determine the fair value of the equity method investment. CMS Energy determines fair value using valuation methodologies, including discounted cash flows, and assesses the ability of the investee to sustain an earnings capacity that justifies the carrying amount of the investment. CMS Energy records an impairment if the fair value is less than the carrying amount and the decline in value is considered to be other than temporary.

Investment Tax Credits: CMS Energy and its subsidiaries use the flow-through method of accounting for investment tax credits. Under the flow-through method, the credit is recognized as a reduction to income tax expense when the related plant, property, and equipment is placed into service. For its regulated utility assets, Consumers amortizes its investment tax credits over the life of the related property in accordance with regulatory treatment.

Inventory: CMS Energy and Consumers use the weighted-average cost method for valuing working gas, recoverable base gas in underground storage facilities, and materials and supplies inventory. CMS Energy and Consumers also use this method for valuing coal inventory, and they classify these amounts as generating plant fuel stock on their consolidated balance sheets.

CMS Energy and Consumers account for RECs and other environmental credits as inventory and use the weighted-average cost method to remove amounts from inventory. RECs and other environmental credits are used to satisfy compliance obligations related to the generation of power and in support of sustainability commitments. CMS Energy and Consumers classify these amounts within other assets on their consolidated balance sheets.

CMS Energy and Consumers evaluate inventory for impairment as required to ensure that its carrying value does not exceed the lower of cost or net realizable value.

Property Taxes: Property taxes are based on the taxable value of CMS Energy's and Consumers' real and personal property assessed by local taxing authorities. CMS Energy and Consumers record property tax expense over the fiscal year of the taxing authority for which the taxes are levied. The deferred property tax balance represents the amount of CMS Energy's and Consumers' accrued property tax that will be recognized over future governmental fiscal periods.

Other: For additional accounting policies, see:

- Note 3, Regulatory Matters
- Note 8, Plant, Property, and Equipment
- Note 9, Leases
- Note 10, Asset Retirement Obligations
- Note 11, Retirement Benefits
- Note 12, Stock-based Compensation
- Note 13, Income Taxes
- Note 14, Earnings Per Share—CMS Energy
- Note 15, Revenue
- Note 19, Variable Interest Entities

2: New Accounting Standards

Implementation of New Accounting Standards

ASU 2023-09, Incomes Taxes (Topic 740): Improvements to Income Tax Disclosures: This standard, which was effective on January 1, 2025 for CMS Energy and Consumers, requires expanded annual disclosures of the income taxes, including a more detailed reconciliation of the effective tax rate and disaggregated information on federal and state income taxes. The standard also requires disclosure of significant reconciling items and qualitative information about state and local jurisdictions contributing to income tax expense. The adoption of the new standard did not impact CMS Energy's or Consumers' liquidity, financial condition, or results of operations. The expanded disclosures required by this standard are included in Note 13, Income Taxes.

New Accounting Standards Not Yet Effective

ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses: This standard requires public companies to provide disaggregated information about certain expense categories presented on the income statement. The guidance calls for annual and interim disclosures that separate specified components, such as employee compensation, depreciation, and amortization, within relevant expense line items in the notes to the financial statements. The standard is effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. CMS Energy and Consumers will adopt the guidance upon the effective date. The standard will not have an impact on CMS Energy's or Consumers' consolidated net income, cash flows, or financial position.

ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software: This standard updates guidance for capitalizing costs related to internal-use software development. The amendments remove references to the previous "project stage" model and clarify the threshold for when capitalization should begin, focusing on whether completion of the project is probable. The amendments are effective for annual and interim reporting periods beginning after December 15, 2027. The guidance may be applied on a prospective, retrospective, or modified transition basis. Early adoption is permitted. CMS Energy and Consumers are currently evaluating the new standard.

3: 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 and GCR 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 and FERC 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.

Regulatory Assets and Liabilities

Consumers is subject to the actions of the MPSC and FERC and therefore prepares its consolidated financial statements in accordance with the provisions of regulatory accounting. A utility must apply regulatory accounting when its rates are designed to recover specific costs of providing regulated services. Under regulatory accounting, Consumers records regulatory assets or liabilities for certain transactions that would have been treated as expense or revenue by non-regulated businesses.

Presented in the following table are the regulatory assets and liabilities on Consumers' consolidated balance sheets:

In Millions

December 31		2025		2024
Regulatory assets				
Current				
Energy waste reduction plan incentive[1]	$	66	$	60
Retention incentive program[2]		10		18
2022 PSCR underrecovery[3]		—		126
Other		28		25
Total current regulatory assets	$	104	$	229
Non-current				
Costs of coal-fueled electric generating units to be retired[3]	$	1,179	$	1,266
Postretirement benefits[2]		589		747
Securitized costs[3]		549		666
ARO[4]		379		366
Decommissioning costs[2]		197		158
Unamortized loss on reacquired debt[3]		89		92
MGP sites[3]		82		90
Energy waste reduction plan incentive[1]		64		64
Ludington overhaul contract dispute[2]		60		31
Service restoration cost deferral[4]		52		—
Energy waste reduction plan[3]		26		31
Postretirement benefits expense deferral mechanism[2]		22		21
Renewable Energy Plan[3]		7		—
Retention incentive program[2]		6		12
Other		54		25
Total non-current regulatory assets	$	3,355	$	3,569
Total regulatory assets	$	3,459	$	3,798
Regulatory liabilities				
Current				
Income taxes, net	$	47	$	53
ASP gain		28		47
Other		10		11
Total current regulatory liabilities	$	85	$	111
Non-current				
Cost of removal	$	2,727	$	2,665
Income taxes, net		1,118		1,163
Energy waste reduction plan		68		41
Green giving program		41		—
Postretirement benefits expense deferral mechanism		40		37
Renewable energy grant		38		40
ASP gain		19		46
Renewable Energy Plan		—		51
Other		40		24
Total non-current regulatory liabilities	$	4,091	$	4,067
Total regulatory liabilities	$	4,176	$	4,178

[1] These regulatory assets have arisen from an alternative-revenue program and are not associated with incurred costs or capital investments. Therefore, the MPSC has provided for recovery without a return.

[2] This regulatory asset is included in rate base, thereby providing a return.

[3] The MPSC has provided a specific return on these regulatory assets.

[4] These regulatory assets represent incurred costs for which the MPSC has provided recovery without a return on investment.

Regulatory Assets

Energy Waste Reduction Plan Incentive: The energy waste reduction incentive mechanism provides a financial incentive if the energy savings of Consumers' customers exceed annual targets established by the MPSC. Consumers accounts for this program as an alternative-revenue program that meets the criteria for recognizing revenue related to the incentive as soon as energy savings exceed the annual targets established by the MPSC.

In January 2026, the MPSC approved a settlement agreement authorizing Consumers to collect $64 million during 2026 as an incentive for exceeding its statutory savings targets in 2024. Consumers recognized incentive revenue under this program of $64 million in 2024.

Consumers also exceeded its statutory savings targets in 2025, achieved certain other goals, and will request the MPSC's approval to collect $64 million in the energy waste reduction reconciliation to be filed in May 2026. Consumers recognized incentive revenue under this program of $64 million in 2025.

Retention Incentive Program: To ensure necessary staffing at the D.E. Karn and J.H. Campbell coal-fueled generating units through their retirement, Consumers established retention incentive programs. The MPSC has approved deferred accounting treatment for the retention and severance costs incurred under these programs and has allowed for recovery over three years. These MPSC-approved retention plans concluded in November 2025. For additional details regarding retention incentive programs, see Note 20, Exit Activities and Asset Sales.

2022 PSCR Underrecovery: As a result of rising fuel prices during 2022, Consumers' power supply costs for 2022 were significantly higher than those projected in its 2022 PSCR plan. At the end of 2022, Consumers had recorded $401 million of under-recovered power supply costs. In 2023, the MPSC authorized Consumers to recover the 2022 underrecovery amount over three years, providing immediate relief to electric customers.

Costs of Coal-fueled Electric Generating Units to be Retired: In 2022, the MPSC approved Consumers' plans to retire the J.H. Campbell coal-fueled generating units in 2025. The MPSC authorized regulatory asset treatment for Consumers to recover the remaining book value of the units upon their retirement, as well as a 9.0-percent return on equity, through 2040, the units' original retirement date. Accordingly, in 2022, Consumers removed from total plant, property, and equipment an amount of $1.3 billion, representing the projected remaining book value of the electric generating units upon their retirement, and recorded it as a non-current regulatory asset on its consolidated balance sheets.

As discussed further below, the retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. Such orders authorize Consumers to obtain cost recovery at FERC; thus, Consumers has deferred the costs of complying with these orders as a regulatory asset.

Postretirement Benefits: As part of the ratemaking process, the MPSC allows Consumers to recover the costs of postretirement benefits. Accordingly, Consumers defers the net impact of actuarial losses and gains, prior service costs and credits, and settlements associated with postretirement benefits as a regulatory asset or liability. The asset or liability will decrease as the deferred items are amortized and recognized as components of net periodic benefit cost. For details about the amortization periods, see Note 11, Retirement Benefits.

Securitized Costs: The MPSC has issued securitization financing orders authorizing Consumers to issue securitization bonds in order to finance the recovery of the remaining book value of three smaller natural gas-fueled electric generating units that Consumers retired in 2015, seven smaller coal-fueled electric generating units that Consumers retired in 2016, and the D.E. Karn coal-fueled electric generating units that Consumers retired in 2023. Consumers has removed from plant, property, and equipment and recorded as a regulatory asset the book value of these units. Consumers is amortizing the regulatory asset over the life of the related securitization bonds, which it issued through subsidiaries in 2014 and 2023. For additional details regarding the securitization bonds, see Note 5, Financings and Capitalization—Securitization Bonds.

ARO: The recovery of the underlying asset investments and related removal and monitoring costs of recorded AROs is approved by the MPSC in depreciation rate cases. Consumers records a regulatory asset and a regulatory liability for timing differences between the recognition of AROs for financial reporting purposes and the recovery of these costs from customers. The recovery period approximates the useful life of the assets to be removed.

Decommissioning Costs: In Consumers' electric depreciation and general rate cases, the MPSC has authorized Consumers to remove from depreciation rates the costs of decommissioning the D.E. Karn coal-fueled electric generating units, and instead defer those costs as a regulatory asset to be recovered through 2031. Additionally, ash disposal costs related to Consumers' retired coal-fueled generating units may be deferred as a regulatory asset and collected over a ten-year period. In its 2022 order approving Consumers' integrated resource plan, the MPSC authorized similar treatment for the decommissioning and ash disposal costs associated with the J.H. Campbell coal-fueled generating units that were planned for retirement in 2025.

Unamortized Loss on Reacquired Debt: Under regulatory accounting, any unamortized discount, premium, or expense related to debt redeemed with the proceeds of new debt is deferred and amortized over the life of the new debt.

MGP Sites: Consumers is incurring environmental remediation and other response activity costs at 23 former MGP facilities. The MPSC allows Consumers to recover from its natural gas customers over a ten-year period the costs incurred to remediate the MGP sites. For additional information, see Note 4, Contingencies and Commitments—Consumers Gas Utility Contingencies.

Ludington Overhaul Contract Dispute: The MPSC has authorized Consumers to defer as a regulatory asset costs associated with correcting incomplete, nonconforming, and defective work performed by TAES during a major overhaul and upgrade of Ludington. Consumers will defer such costs while post-verdict proceedings and any appeals in the litigation with TAES and Toshiba continue; such costs will be offset, in part or in whole, by future litigation proceeds received from TAES or Toshiba. Consumers has also deferred replacement power costs due to outages resulting from correcting this work. Consumers will have the opportunity to seek appropriate recovery and ratemaking treatment for amounts recorded as a regulatory asset following resolution of the litigation. During 2025, cash expenditures associated with the Ludington overhaul contract dispute were $30 million. For additional details on the contract dispute, see Note 4, Contingencies and Commitments—Consumers Electric Utility Contingencies.

Service Restoration Cost Deferral: As a result of catastrophic storms in Consumers' electric service territory, Consumers incurred significant service restoration costs during March and April 2025. In April 2025, Consumers filed with the MPSC an ex parte application requesting approval to defer, as a regulatory asset, operating and maintenance expenses associated with the storms. In June 2025, the MPSC approved the application, authorizing the deferral of these expenses for accounting purposes. Recovery of this regulatory asset will be requested in a future case.

Energy Waste Reduction Plan: Michigan law requires electric and gas utilities to implement programs that reduce energy consumption through energy efficiency and demand-side energy conservation. Utilities may recover the cost of achieving specified reductions in customers' electricity and gas use through surcharges. The amount of spending incurred in excess of surcharges collected is recorded as a regulatory asset and amortized as surcharges are collected from customers over the plan period. The amount of surcharges collected in excess of spending incurred is recorded as a regulatory liability and amortized as costs are incurred.

Postretirement Benefits Expense Deferral Mechanism: In Consumers' general rate cases, the MPSC approved a mechanism allowing Consumers to defer for future recovery or refund pension and OPEB expenses above or below the amounts used to set existing rates. Amounts deferred will be collected from or refunded to customers over ten years.

Renewable Energy Plan: Under Michigan law, renewable energy standards specify how much electricity must come from renewable sources and which technologies, such as wind, solar, and certain biomass, qualify. Utilities may recover compliance costs, including renewable power purchases (and related financial mechanisms), depreciation, property taxes, interest, and other operating and maintenance expenses for company-owned renewable assets, along with a return on those assets. The MPSC allows Consumers to transfer and collect a portion of these costs through its PSCR process. Incremental costs may be collected through surcharges. If spending exceeds amounts collected, the difference is recorded as a regulatory asset and amortized as recovered from customers; this excludes amounts related to return on equity. If collections exceed spending, the excess is recorded as a regulatory liability and amortized as future costs are incurred for operating renewable facilities and purchasing RECs under renewable energy agreements.

Regulatory Liabilities

Income Taxes, Net: Consumers records regulatory assets and liabilities to reflect the difference between deferred income taxes recognized for financial reporting purposes and amounts previously reflected in Consumers' rates. This net balance will decrease over the remaining life of the related temporary differences and flow through income tax expense. The majority of the net regulatory liability recorded related to income taxes is associated with plant assets that are subject to normalization, which is governed by the Internal Revenue Code, and will be returned to customers over the remaining book life of the related plant assets. For additional details on deferred income taxes, see Note 13, Income Taxes.

ASP Gain: In April 2024, Consumers sold its unregulated ASP business to a non-affiliated company, resulting in a $110 million gain. In July 2024, the MPSC approved the utilization of $27.5 million, or one-fourth, of the gain on the sale as an offset to the revenue deficiency in lieu of additional rate relief during the 12-month period beginning October 1, 2024, with the remaining three-fourths of the gain, or $82.5 million, to be credited to customers as a bill credit over a three-year period beginning October 1, 2024.

Cost of Removal: The MPSC allows Consumers to collect amounts from customers to fund future asset removal activities. This regulatory liability is reduced as costs are incurred to remove the assets at the end of their useful lives.

Green Giving Program: In conjunction with Consumers' voluntary green pricing program, the MPSC has directed Consumers to use surplus program funds to support renewable-energy participation by low-income customers.

Renewable Energy Grant: In 2013, Consumers received a $69 million renewable energy grant for Lake Winds® Energy Park, which began operations in 2012. This grant reduces Consumers' cost of complying with Michigan's renewable portfolio standard and, accordingly, reduces the overall renewable energy surcharge to be collected from customers. The regulatory liability recorded for the grant will be amortized over the life of Lake Winds® Energy Park. Consumers presents the amortization as a reduction to maintenance and other operating expenses on its consolidated statements of income.

Consumers Electric Utility

2024 Electric Rate Case: In May 2024, Consumers filed an application with the MPSC seeking a rate increase of $325 million, made up of two components. First, Consumers requested a $303 million annual rate increase, based on a 10.25-percent authorized return on equity for the projected 12-month period ending February 28, 2026. 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 $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rates authorized in accordance with previous electric rate orders.

In October 2024, Consumers revised its requested increase to $277 million, primarily to reflect the removal of projected capital investments associated with certain solar facilities that Consumers incorporated into its amended Renewable Energy Plan.

In March 2025, the MPSC issued an order authorizing an annual rate increase of $176 million, which is inclusive of a $22 million surcharge for the recovery of distribution investments made in 2023 that exceeded the rate amounts authorized in accordance with previous electric rate orders. The approved rate increase is based on a 9.90-percent authorized return on equity. The new rates became effective in April 2025

J.H. Campbell Emergency Order: In May 2025, before the planned closure of J.H. Campbell, the U.S. Secretary of Energy issued an emergency order under section 202(c) of the Federal Power Act requiring J.H. Campbell to continue operating for 90 days, through August 20, 2025. Subsequently, the U.S. Secretary of Energy issued two additional emergency orders for 90 days each, ultimately requiring continued operation of J.H. Campbell through February 17, 2026. These orders stated that continued operation of J.H. Campbell was required to meet an energy emergency across MISO's North and Central regions. Consistent with the Federal Power Act and DOE regulations, the orders authorize Consumers to obtain cost recovery at FERC.

As directed, Consumers has continued to make J.H. Campbell available in the MISO market and, in June 2025, filed a complaint at FERC seeking a modification of the MISO Tariff that would enable Consumers to recover the costs of complying with the emergency orders. Consumers' complaint sought a mechanism in the MISO Tariff that would allow allocation of those compliance costs across the MISO North and Central regions, consistent with the nature of the energy emergency declared in the U.S. Secretary of Energy orders. In August 2025, FERC granted Consumers' complaint and ordered MISO to revise its tariff accordingly. MISO submitted a compliance filing with FERC in September 2025, and FERC approval of the compliance filing remains pending.

In January 2026, Consumers filed a request at FERC seeking recovery of the net financial impact of complying with the May 2025 emergency order, which was $42 million after applying MISO revenues of $78 million. This filing encompasses recovery sought by the joint owners of J.H. Campbell.

For the second emergency order period through December 31, 2025, the net financial impact of compliance was $93 million after applying MISO revenues of $77 million. Consumers will seek recovery of these compliance costs at a later date, consistent with rate recovery sought for the May 2025 emergency order. The ultimate financial impact remains subject to the outcome of the FERC proceeding and any future guidance or interpretation.

Consumers Gas Utility

2024 Gas Rate Case: In December 2024, Consumers filed an application with the MPSC seeking an annual rate increase of $248 million based on a 10.25-percent authorized return on equity for the projected 12-month period ending October 31, 2026. In July 2025, Consumers revised its requested increase to $217 million. In September 2025, the MPSC issued an order authorizing an annual rate increase of $157.5 million, based on a 9.80-percent authorized return on equity. The new rates became effective in November 2025.

PSCR and GCR

The PSCR and GCR ratemaking processes are designed to allow Consumers to recover all of its power supply and purchased natural gas costs if incurred under reasonable and prudent policies and practices. The MPSC reviews these costs, policies, and practices in annual plan and reconciliation proceedings. Consumers adjusts its PSCR and GCR billing charges monthly, subject to ceiling factor limitations, in order to minimize the underrecovery or overrecovery amount in the annual reconciliations. Underrecoveries represent power supply and purchased natural gas costs that will be recovered from customers; overrecoveries represent previously collected revenues that will be refunded to customers.

Presented in the following table are the liabilities for PSCR and GCR underrecoveries and overrecoveries reflected on Consumers' consolidated balance sheets:

In Millions

December 31	2025	2024
Assets		
PSCR underrecoveries	$ 38	$ —
Accounts receivable and accrued revenue	$ 38	$ —
Liabilities		
PSCR overrecoveries	$ —	$ 13
GCR overrecoveries	28	25
Accrued rate refunds	$ 28	$ 38

4: 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

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 was valid through 2025. CMS Land submitted a renewal request in March 2025, and will continue to operate under the existing permit until a renewal is issued.

At December 31, 2025, CMS Energy had a recorded liability of $48 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 1 percent on annual operating and maintenance costs. The undiscounted amount of the remaining obligation is $62 million. CMS Energy expects to pay the following amounts for long-term leachate disposal and operating and maintenance costs in each of the next five years:

In Millions

	2026	2027	2028	2029	2030
Long-term leachate disposal and operating and maintenance costs	$ 4	$ 4	$ 4	$ 4	$ 4

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 million and $3 million. At December 31, 2025, Consumers had a recorded liability of $2 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 December 31, 2025, 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 Overhaul Contract Dispute: Consumers and DTE Electric, co-owners of Ludington, entered into a 2010 engineering, procurement, and construction agreement with Toshiba International, under which Toshiba International contracted to perform a major overhaul and upgrade of Ludington. Toshiba International later assigned the contract and all of its obligations to TAES. TAES' work under the contract was incomplete, defective, and non-conforming. Consumers and DTE Electric repeatedly documented TAES' failure to perform under the contract and demanded that TAES provide a comprehensive plan to resolve those matters, including adherence to its warranty commitments and other contractual obligations. Consumers and DTE Electric engaged in extensive efforts to resolve these issues with TAES, including a formal demand to TAES' parent, Toshiba, under a parent guaranty it provided. TAES did not provide a comprehensive plan or otherwise meet its performance obligations. As a result of TAES' defaults, Consumers and DTE Electric terminated the contract.

In order to enforce their rights under the contract and parent guaranty, and to pursue appropriate damages, Consumers and DTE Electric filed a complaint against TAES and Toshiba in the U.S. District Court for the Eastern District of Michigan in 2022. TAES and Toshiba 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. The court denied the motion to dismiss filed by TAES and Toshiba.

The case against TAES went to trial before a jury and, in December 2025, the jury rendered a verdict in Consumers' and DTE Electric's favor. The jury found that TAES breached the parties' contract and awarded damages of $383 million. The parties separately stipulated to $11 million in additional liquidated damages for late performance by TAES. These amounts are subject to pre- and post-judgment interest. In addition, the jury rejected TAES' counterclaim, determining that Consumers and DTE Electric did not breach the contract. The parent guaranty provided by Toshiba allows Consumers and DTE Electric to recover legal costs in addition to damages. The parties are still engaged in post-verdict proceedings at the District Court and the jury verdict may be appealed; these processes could take two years or more to conclude with finality. The jury verdict was a favorable outcome for Consumers but an unfavorable outcome in these additional proceedings could have a material adverse effect on CMS Energy's and Consumers' financial condition, results of operations, or liquidity. Consumers and DTE Electric must still also resolve their claim against Toshiba under the parent guaranty, which is still pending but which was bifurcated by the Court from the claims against TAES.

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

With MPSC approval, Consumers and DTE Electric were authorized 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 remains pending. Consumers currently estimates that its share of repair, replacement, and other damages resulting from TAES' defective work is approximately $350 million, which is expected to be offset in part or entirely by future litigation proceeds received from TAES or 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, including any amounts not recovered from TAES or Toshiba. Consumers cannot predict the financial impact or outcome of such proceedings.

Consumers Gas Utility Contingencies

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 December 31, 2025, Consumers had a recorded liability of $59 million for its remaining obligations for these sites. Consumers expects to pay the following amounts for remediation and other response activity costs in each of the next five years:

In Millions

	2026	2027	2028	2029	2030
Remediation and other response activity costs	$ 3	$ 8	$ 25	$ 11	$ 3

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 December 31, 2025, Consumers had a regulatory asset of $82 million related to the MGP sites.

Guarantees

Presented in the following table are CMS Energy's and Consumers' guarantees at December 31, 2025:

In Millions

Guarantee Description	Issue Date	Expiration Date	Maximum Obligation	Carrying Amount
CMS Energy, including Consumers				
Indemnity obligations from sale of membership interests in VIEs[1]	various	various	$ 230	$ —
Indemnity obligations from stock and asset sale agreements[2]	various	indefinite	152	—
Guarantee[3]	2011	indefinite	30	—
Consumers				
Guarantee[3]	2011	indefinite	$ 30	$ —

1 These obligations arose from the sale of membership interests in Aviator Wind, BG Solar Holdings, 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 these entities, see Note 19, 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 DOE 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 3, 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. Certain of these matters, while potentially substantial, are covered by insurance and the insurer or insurers are involved in the relevant proceedings. 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.

Contractual Commitments

Purchase Obligations: Purchase obligations arise from long-term contracts for the purchase of commodities and related services, primarily long-term PPAs, and construction and service agreements. Related-party PPAs are between Consumers and certain affiliates of NorthStar Clean Energy. Presented in the following table are CMS Energy's and Consumers' contractual purchase obligations at December 31, 2025 for each of the periods shown:

In Millions

	Payments Due						
	Total	2026	2027	2028	2029	2030	Beyond 2030
CMS Energy, including Consumers							
Total PPAs	$ 16,983	$ 873	$ 904	$ 930	$ 942	$ 1,011	$ 12,323
Other	3,582	1,511	762	468	391	303	147
Total purchase obligations	20,565	2,384	1,666	1,398	1,333	1,314	12,470
Consumers							
PPAs							
MCV PPA	$ 5,539	$ 339	$ 312	$ 316	$ 308	$ 395	$ 3,869
Related-party PPAs	62	32	30	—	—	—	—
Other PPAs	11,382	502	562	614	634	616	8,454
Total PPAs	$ 16,983	$ 873	$ 904	$ 930	$ 942	$ 1,011	$ 12,323
Other	2,700	1,185	599	363	266	232	55
Total purchase obligations	19,683	2,058	1,503	1,293	1,208	1,243	12,378

MCV PPA: Consumers has a PPA with the MCV Partnership giving Consumers the right to purchase up to 1,240 MW of capacity and energy produced by the MCV Facility through May 2030. The MCV PPA provides for:

- a capacity charge of $10.14 per MWh of available capacity through March 2025 and $5.00 per MWh of available capacity from March 2025 through the termination date of the PPA
- a fixed energy charge of $6.30 per MWh for on-peak hours and $6.00 for off-peak hours
- a variable energy charge based on the MCV Partnership's cost of production for energy delivered to Consumers
- a $5 million annual contribution by the MCV Partnership to a renewable resources program through March 2025

Capacity and energy charges under the MCV PPA were $360 million in 2025, $358 million in 2024, and $340 million in 2023.

In September 2025, Consumers entered into a new ten-year PPA with the MCV Partnership for the purchase of up to 1,240 MW of capacity and associated energy from the MCV Facility, effective June 1, 2030. Under the terms of the new agreement, Consumers will pay a monthly capacity charge of $5.00 per MWh of available capacity. Energy payments include a fixed component designed to recover non-fuel operating costs and a variable component based on the MCV Partnership's cost of production for energy delivered to Consumers. The agreement, which is subject to MPSC approval, supports Consumers' ongoing resource adequacy and energy supply planning efforts.

Other PPAs: Consumers has PPAs expiring through 2060 with various counterparties. The majority of the PPAs have capacity and energy charges for delivered energy. Capacity and energy charges under these PPAs were $603 million in 2025, $565 million in 2024, and $498 million in 2023. In addition, CMS Energy and Consumers account for several of their PPAs as leases. See Note 9, Leases for more information about CMS Energy's and Consumers' lease obligations.

5: Financings and Capitalization

Presented in the following table is CMS Energy's long-term debt at December 31:

In Millions, Except Interest Rate and Maturity

	Interest Rate (%)	Maturity	2025	2024
CMS Energy, including Consumers				
CMS Energy, parent only				
Senior notes	3.600	2025	$ —	$ 250
	3.000	2026	300	300
	2.950	2027	275	275
	3.450	2027	350	350
	4.700	2043	250	250
	4.875	2044	300	300
			$ 1,475	$ 1,725
Convertible senior notes[1]	3.375 [2]	2028	$ 800	$ 800
	3.125 [3]	2031	1,000	—
			$ 1,800	$ 800
Junior subordinated notes[4]	4.750 [5]	2050	$ 500	$ 500
	3.750 [6]	2050	400	400
	6.500 [7]	2055	1,000	—
	5.625	2078	200	200
	5.875	2078	280	280
	5.875	2079	630	630
			$ 3,010	$ 2,010
Term loan facilities	variable	2025	$ —	$ 90
	variable	2025	—	400
			$ —	$ 490
Total CMS Energy, parent only			$ 6,285	$ 5,025
CMS Energy subsidiaries				
Consumers			$ 12,196	$ 11,370
NorthStar Clean Energy				
Revolving credit facility	variable [8]	2028	235	150
Construction financing agreement[9]	variable	Five years after conversion date	223	—
Total principal amount outstanding			$ 18,939	$ 16,545
Current amounts			(950)	(1,192)
Unamortized discounts			(28)	(29)
Unamortized issuance costs			(154)	(130)
Total CMS Energy long-term debt			$ 17,807	$ 15,194

1 Holders of the convertible senior notes may convert their notes at their option in accordance with the conditions outlined in the related indentures. CMS Energy will settle conversions of the notes in accordance with the terms outlined in the related indentures. The conversion rate will be subject to adjustment for

anti-dilutive events and fundamental change and redemption provisions as described in the related indentures. There are no sinking fund requirements for the notes.

[2] At December 31, 2025, the conversion price for the notes was $73.61 per share of common stock. Unamortized debt costs associated with this issuance were $6 million at December 31, 2025 and $9 million at December 31, 2024.

[3] At December 31, 2025, the conversion price for the notes was $90.61 per share of common stock. Unamortized debt costs associated with this issuance were $12 million at December 31, 2025.

[4] These unsecured obligations rank subordinate and junior in right of payment to all of CMS Energy's existing and future senior indebtedness.

[5] On June 1, 2030, and every five years thereafter, the notes will reset to an interest rate equal to the five-year treasury rate plus 4.116 percent.

[6] On December 1, 2030, and every five years thereafter, the notes will reset to an interest rate equal to the five-year treasury rate plus 2.900 percent.

[7] On June 1, 2035, and every five years thereafter, the notes will reset to an interest rate equal to the five-year treasury rate plus 1.961 percent.

[8] Loans under this facility have an interest rate of one-month Term SOFR plus 1.750 percent less an adjustment of 0.050 percent for green credit advances. At December 31, 2025, the weighted-average interest rate for the loans issued under this facility was 5.436 percent.

[9] Loans under this facility have an interest rate of one-month Term SOFR plus 2.250 percent. At December 31, 2025, the weighted-average interest rate for the loans issued under this facility was 6.476 percent. At completion of project construction, scheduled for the first half of 2026, a portion of this financing will convert into a term loan that will mature five years after the conversion date.

Presented in the following table is Consumers' long-term debt at December 31:

In Millions, Except Interest Rate and Maturity

	Interest Rate (%)	Maturity	2025	2024
Consumers				
First mortgage bonds	5.240	2026	$ 115	$ 115
	3.680	2027	100	100
	3.390	2027	35	35
	4.650	2028	425	425
	3.800	2028	300	300
	4.900	2029	500	500
	5.070	2029	50	50
	4.600	2029	600	600
	4.700	2030	700	700
	4.500	2031	500	—
	5.170	2032	95	95
	3.600	2032	350	350
	3.180	2032	100	100
	4.625	2033	700	700
	5.050	2035	625	—
	5.800	2035	175	175
	5.380	2037	140	140
	3.520	2037	335	335
	4.010	2038	215	215
	6.170	2040	50	50
	4.970	2040	50	50
	4.310	2042	263	263
	3.950	2043	425	425
	4.100	2045	250	250
	3.250	2046	450	450
	3.950	2047	350	350
	4.050	2048	550	550
	4.350	2049	550	550
	3.750	2050	300	300
	3.100	2050	550	550
	3.500	2051	575	575
	2.650	2052	300	300
	4.200	2052	450	450
	3.860	2052	50	50
	4.280	2057	185	185
	2.500	2060	525	525
	4.350	2064	250	250
	variable [1]	2069	76	76
	variable [1]	2070	134	134
	variable [1]	2070	127	127
			$ 12,520	$ 11,395

In Millions, Except Interest Rate and Maturity

	Interest Rate (%)	Maturity	2025	2024
Tax-exempt revenue bonds	0.875 [2]	2035	$ 35	$ 35
	3.350 [3]	2049	75	75
			$ 110	$ 110
2014 Securitization bonds	3.528 [4]	2029 [5]	$ 81	$ 112
2023 Securitization bonds	5.281 [6]	2028-2031 [5]	504	588
			$ 585	$ 700
Total principal amount outstanding			$ 13,215	$ 12,205
Current amounts			(573)	(452)
Long-term debt – related parties[7] principal amount outstanding		2043-2060	(1,019)	(835)
Unamortized discounts			(26)	(27)
Unamortized issuance costs			(73)	(73)
Total long-term debt			$ 11,524	$ 10,818

1 The variable-rate bonds bear interest quarterly at a rate of three-month SOFR minus 0.038 percent, subject to a zero-percent floor. At December 31, 2025, the interest rates were 3.685 percent for bonds due September 2069, 3.851 percent for bonds due May 2070, and 3.897 percent for bonds due October 2070. The interest rate for the variable-rate bonds at December 31, 2024 were 4.320 percent, 4.483 percent, and 4.551 percent, respectively. The holders of these variable-rate bonds may put them to Consumers for redemption on certain dates prior to their stated maturity, including dates within one year of December 31, 2025.

2 The interest rate on these tax-exempt revenue bonds will reset on October 8, 2026.

3 The interest rate on these tax-exempt revenue bonds will reset on October 1, 2027.

4 The weighted-average interest rate for Consumers' securitization bonds issued through its subsidiary, Consumers 2014 Securitization Funding, was 3.528 percent at December 31, 2025 and 2024.

5 Principal and interest payments are made semiannually.

6 The weighted-average interest rate for Consumers' securitization bonds issued through its subsidiary, Consumers 2023 Securitization Funding, was 5.281 percent at December 31, 2025 and 5.322 percent at December 31, 2024.

7 Long-term debt – related parties reflects Consumers' outstanding debt held by its parent as a result of CMS Energy's repurchase of Consumers' first mortgage bonds. Unamortized discounts associated with the repurchase of Consumers' first mortgage bonds were $5 million at December 31, 2025 and 2024. Unamortized issuance costs were $9 million at December 31, 2025 and $7 million at December 31, 2024.

Financings: Presented in the following table is a summary of major long-term debt issuances during 2025:

		Principal (In Millions)	Interest Rate (%)	Issuance Date	Maturity Date
CMS Energy, parent only					
Junior subordinated notes	$	1,000	6.500	February 2025	June 2055
Term loan credit agreement		110	variable	February 2025	December 2025
Convertible senior notes		1,000	3.125	November 2025	May 2031
Total CMS Energy, parent only	$	2,110			
NorthStar Clean Energy					
Construction financing agreement	$	223	variable	February 2025	Five years after conversion date
Total NorthStar Clean Energy	$	223			
Consumers					
First mortgage bonds	$	500	4.500	May 2025	January 2031
First mortgage bonds		625	5.050	May 2025	May 2035
Total Consumers	$	1,125			
Total CMS Energy	$	3,458			

Retirements: Presented in the following table is a summary of major long-term debt retirements during 2025:

		Principal (In Millions)	Interest Rate (%)	Retirement Date	Maturity Date
CMS Energy, parent only					
Term loan credit agreement	$	400	variable	February 2025	September 2025
Term loan credit agreement		200	variable	February 2025	December 2025
Senior notes		250	3.600	November 2025	November 2025
Total CMS Energy, parent only	$	850			
Total CMS Energy	$	850			

CMS Energy's Purchase of Consumers' First Mortgage Bonds: CMS Energy purchased Consumers' first mortgage bonds with a principal balance of $184 million during 2025 in exchange for cash of $109 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 $72 million during 2025, which was recorded in other income on CMS Energy's consolidated statements of income. Interest expense related to the repurchased bonds was $28 million for the year ended December 31, 2025, which was recorded in interest expense – related parties on Consumers' consolidated statements of income.

In 2024, CMS Energy purchased Consumers' first mortgage bonds with a principal balance of $404 million in exchange for cash of $289 million. On a consolidated basis, CMS Energy's repurchase of Consumers' first mortgage bonds resulted in a pre-tax gain of $110 million for the year ended December 31, 2024. Interest expense related to the repurchased bonds was $19 million for the year ended December 31, 2024.

In 2023, CMS Energy purchased Consumers' first mortgage bonds with a principal balance of $431 million in exchange for cash of $293 million. On a consolidated basis, CMS Energy's repurchase of Consumers' first mortgage bonds resulted in a pre-tax gain of $131 million for the year ended

December 31, 2023. Interest expense related to the repurchased bonds was $5 million for the year ended December 31, 2023.

Regulatory Authorization for Financings: Consumers is required to maintain FERC authorization for financings. Any long-term issuances during the authorization period are exempt from FERC's competitive bidding and negotiated placement requirements. Its short-term authorization ends on May 2, 2026. In January 2026, Consumers filed an application with FERC for authority to issue long-term and short-term debt securities between May 1, 2026 and April 30, 2028.

First Mortgage Bonds: Consumers secures its first mortgage bonds by a mortgage and lien on substantially all of its property. Consumers' ability to issue first mortgage bonds is restricted by certain provisions in the First Mortgage Bond Indenture and the need for regulatory approvals under federal law. Restrictive issuance provisions in the First Mortgage Bond Indenture include achieving a two-times interest coverage ratio and having sufficient unfunded net property additions.

Securitization Bonds: Certain regulatory assets held by Consumers' subsidiaries, Consumers 2014 Securitization Funding and Consumers 2023 Securitization Funding, collateralize Consumers' securitization bonds. Consumers 2014 Securitization Funding and Consumers 2023 Securitization Funding are distinct subsidiaries. The bondholders of each entity have no recourse to the other's assets or the assets of Consumers. Consumers collects securitization surcharges to cover the principal and interest on the bonds as well as certain other qualified costs. The surcharges collected by Consumers on behalf of each entity are remitted to that subsidiary's account and are not available to creditors of Consumers or creditors of Consumers' affiliates other than the subsidiary that issued the bonds.

Debt Maturities: At December 31, 2025, the aggregate annual maturities for long-term debt for the next five years, based on stated maturities or earlier put dates, were:

In Millions

	2026	2027	2028	2029	2030
CMS Energy, including Consumers					
Long-term debt					
CMS Energy, parent only	$ 300	$ 625	$ 800	$ —	$ —
NorthStar Clean Energy	77	—	235	—	—
Consumers	573	263	843	1,256	812
Total CMS Energy	$ 950	$ 888	$ 1,878	$ 1,256	$ 812
Consumers					
Long-term debt	$ 573	$ 263	$ 843	$ 1,256	$ 812

Credit Facilities: The following credit facilities with banks were available at December 31, 2025:

In Millions

Expiration Date	Amount of Facility	Amount Borrowed	Letters of Credit Outstanding	Amount Available
CMS Energy, parent only				
Unsecured revolving credit facility, expiring November 2030[1]	$ 750	$ —	$ 35	$ 715
Unsecured letter of credit facility, expiring September 2026	50	—	50	—
NorthStar Clean Energy				
Secured revolving credit facility, expiring May 2028[2]	$ 250	$ 235	$ 10	$ 5
Secured letter of credit facility, expiring September 2028[3]	37	—	37	—
Secured letter of credit facility[4]	19	—	12	7
Consumers				
Secured revolving credit facility, expiring November 2030[5,6]	$ 1,100	$ —	$ 6	$ 1,094
Secured revolving credit facility, expiring November 2028[5,6]	300	—	—	300
Secured letter of credit facility, expiring May 2027[5]	100	—	100	—
Unsecured letter of credit facility, expiring March 2028	50	—	43	7
Unsecured letter of credit facility[7]	100	—	97	3
Unsecured letter of credit facility[7]	100	—	100	—

1 There were no borrowings under this facility during the year ended December 31, 2025.

2 Obligations under this facility are secured by certain pledged equity interests in subsidiaries of NorthStar Clean Energy; under the terms of this facility, the interests may not be sold by NorthStar Clean Energy unless there is an agreed-upon substitution for the pledged equity interests. At December 31, 2025, the net book value of the pledged equity interests was $514 million. Also under the terms of this facility, NorthStar Clean Energy may be restricted from remitting cash dividends to CMS Energy in the event of default.

3 This letter of credit facility is available to a subsidiary of Aviator Wind Equity Holdings and is secured by assets of Aviator Wind. For more information regarding Aviator Wind Equity Holdings and Aviator Wind, see Note 19, Variable Interest Entities.

4 The letter of credit facility is available to certain subsidiaries of NorthStar Clean Energy. The letter of credit facility is secured under a construction-to-term financing agreement and will expire five years after the term conversion date.

5 Obligations under these facilities are secured by first mortgage bonds of Consumers.

6 There were no borrowings under these facilities during the year ended December 31, 2025.

7 Uncommitted letter of credit facility with automatic renewal provisions and therefore no expiration.

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 December 31, 2025, there were no commercial paper notes outstanding under this program.

In December 2025, 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 December 31, 2025, outstanding borrowings under the agreement were $340 million bearing interest at 3.859 percent, recorded as current notes payable – related parties on Consumers' consolidated balance sheets.

NorthStar Clean Energy's Supplier Financing Program: Under a supplier financing program, NorthStar Clean Energy agrees to pay a bank that is acting as its payment agent the stated amount of confirmed invoices from participating suppliers on the original maturity dates of the invoices. The bank is required to pay the supplier invoices that have been confirmed as valid under the program in full within 135 days of the invoice date. NorthStar Clean Energy 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. NorthStar Clean Energy or the bank may terminate the supplier financing program agreement upon 30 days prior written notice to the other party. Obligations under this program are accounted for in accounts payable on CMS Energy's consolidated balance sheets.

Presented in the following table is the activity under NorthStar Clean Energy's supplier financing program during the year ended December 31, 2025

In Millions

Year Ended December 31	2025	2024
Balance of payables under suppler financing program at beginning of period	$ 22	$ —
Payables confirmed	158	22
Payments and other adjustments	(102)	—
Balance of payables under suppler financing program at end of period	$ 78	$ 22

Dividend Restrictions: At December 31, 2025, payment of dividends by CMS Energy on its common stock was limited to $8.9 billion under provisions of the Michigan Business Corporation Act of 1972.

Under the provisions of its articles of incorporation, at December 31, 2025, Consumers had $2.5 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 year ended December 31, 2025, Consumers paid $898 million in dividends on its common stock to CMS Energy.

Capitalization: The authorized capital stock of CMS Energy consists of:

- 350 million shares of CMS Energy Common Stock, par value $0.01 per share
- 10 million shares of CMS Energy Preferred Stock, par value $0.01 per share

Issuance of Common Stock: In 2023, CMS Energy entered into an equity offering program under which it may sell shares of its common stock having an aggregate sales price of up to $1 billion in privately negotiated transactions, in "at the market" offerings, or through forward sales transactions.

Under the forward sales transactions, CMS Energy may either settle physically by issuing 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 December 31, 2024, CMS Energy had 0.4 million shares contracted under forward sale agreements at a weighted average initial forward price of $69.43 per share. During the year ended December 31, 2025, CMS Energy entered into forward sale agreements for approximately 6.7 million shares at a weighted average initial forward price of $71.08 per share. During the same period, CMS Energy settled forward sale contracts under this program by issuing approximately 7.0 million shares at a weighted average price of $71.16 per share, resulting in net proceeds of $497 million. Following these transactions, outstanding forward contracts under the program have an aggregate sales price of $8 million, maturing November 30, 2026.

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 December 31, 2025, it would not have been required to deliver shares or pay cash.

Preferred Stock: CMS Energy's Series C preferred stock is traded on the New York Stock Exchange under the symbol CMS PRC. Depositary shares represent a 1/1000th interest in a share of its Series C preferred stock. The Series C preferred stock has no maturity or mandatory redemption date and is not redeemable at the option of the holders. CMS Energy may, at its option, redeem the Series C preferred stock, in whole or in part, at any time on or after July 15, 2026. The Series C preferred stock ranks senior to CMS Energy's common stock with respect to dividend rights and distribution rights upon liquidation. Presented in the following table are details of CMS Energy's Series C preferred stock at December 31, 2025 and 2024:

	Depositary Share Par Value	Depositary Share Optional Redemption Price	Number of Depositary Shares Authorized	Number of Depositary Shares Outstanding
Cumulative, redeemable perpetual	$ 25	$ 25	9,200,000	9,200,000

Preferred Stock of Subsidiary: Consumers' preferred stock is traded on the New York Stock Exchange under the symbol CMS-PB. Presented in the following table are details of Consumers' preferred stock at December 31, 2025 and 2024:

	Par Value	Optional Redemption Price	Number of Shares Authorized	Number of Shares Outstanding
Cumulative, with no mandatory redemption	$ 100	$ 110	7,500,000	373,148

6: 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	
December 31	2025	2024	2025	2024
Assets[1]				
Cash equivalents	$ 154	$ 27	$ —	$ —
Restricted cash equivalents	106	75	86	75
Nonqualified deferred compensation plan assets	36	34	27	25
Derivative instruments	2	2	2	2
Total assets	$ 298	$ 138	$ 115	$ 102
Liabilities[1]				
Nonqualified deferred compensation plan liabilities	$ 36	$ 34	$ 27	$ 25
Derivative instruments	3	—	—	—
Total liabilities	$ 39	$ 34	$ 27	$ 25

1 All assets and liabilities were classified as Level 1 with the exception of derivative contracts, which were classified as Level 2 and 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 2 and 3.

The derivatives classified as Level 2 are interest rate swaps at NorthStar Clean Energy, which are valued using market-based inputs.

In February 2025, a subsidiary of NorthStar Clean Energy entered into floating-to-fixed interest rate swaps to reduce the impact of interest rate fluctuations associated with interest payments on certain future long-term variable-rate debt. The interest rate swaps economically hedge the future variability of interest payments on debt with a notional amount of $109 million. Gains or losses on these swaps are reported in other expense on CMS Energy's consolidated statements of income. The amount recorded in other expense was $3 million for the year ended December 31, 2025. The fair value of these swaps recorded in other non-current liabilities on CMS Energy's consolidated balance sheets totaled $3 million at December 31, 2025.

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. Consumers reports derivatives associated with FTRs in other current assets on its consolidated balance sheets.There was no material activity within the Level 3 category of derivatives during the periods presented.

7: 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 6, Fair Value Measurements.

In Millions

	December 31, 2025					December 31, 2024				
		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]	$ 7	$ 6	$ —	$ —	$ 6	$ 9	$ 8	$ —	$ —	$ 8
Liabilities										
Long-term debt[2]	18,757	17,645	2,042	13,663	1,940	16,386	14,876	1,018	11,952	1,906
Long-term payables[3]	7	7	—	—	7	9	9	—	—	9
Consumers										
Assets										
Long-term receivables[1]	$ 7	$ 6	$ —	$ —	$ 6	$ 9	$ 8	$ —	$ —	$ 8
Notes receivable – related party[4]	90	90	—	—	90	94	94	—	—	94
Liabilities										
Long-term debt[5]	12,097	11,031	—	9,091	1,940	11,270	9,940	—	8,034	1,906
Long-term debt – related party[6]	1,005	657	—	657	—	823	549	—	549	—
Long-term payables	2	2	—	—	2	4	4	—	—	4

1 Includes current portion of long-term accounts receivable and notes receivable of $3 million at December 31, 2025 and $4 million at December 31, 2024.

[2] Includes current portion of long-term debt of $950 million at December 31, 2025 and $1.2 billion at December 31, 2024.

[3] Includes current portion of long-term payables of $2 million at December 31, 2025 and 2024.

[4] Includes current portion of notes receivable – related party of $7 million at December 31, 2025 and 2024. For more information on notes receivable – related party, see Note 18, Related-party Transactions—Consumers

[5] Includes current portion of long-term debt of $573 million at December 31, 2025 and $452 million at December 31, 2024.

[6] For more information on CMS Energy's repurchases of Consumers' first mortgage bonds, see Note 5, Financings and Capitalization—CMS Energy's Purchase of Consumers' First Mortgage Bonds.

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.

8: Plant, Property, and Equipment

Presented in the following table are details of CMS Energy's and Consumers' plant, property, and equipment:

In Millions, Except as Noted

December 31	Estimated Depreciable Life in Years	2025	2024
CMS Energy, including Consumers			
Plant, property, and equipment, gross			
Consumers	3 – 125	$ 36,120	$ 33,434
NorthStar Clean Energy			
Independent power production[1]	3 – 40	1,585	1,452
Assets under finance leases[2]		55	45
Other	3 – 5	3	1
Plant, property, and equipment, gross		$ 37,763	$ 34,932
Construction work in progress		3,052	2,098
Accumulated depreciation and amortization		(10,135)	(9,569)
Total plant, property, and equipment[3]		$ 30,680	$ 27,461
Consumers			
Plant, property, and equipment, gross			
Electric			
Generation[4]	15 – 125	$ 7,171	$ 6,576
Distribution	15 – 75	13,360	12,135
Other	5 – 55	1,209	1,307
Assets under finance leases[2]		131	119
Gas			
Distribution	20 – 85	8,553	7,942
Transmission	17 – 75	3,236	3,081
Underground storage facilities[5]	29 – 75	1,535	1,405
Other	5 – 55	886	828
Assets under finance leases[2]		8	12
Other non-utility property	3 – 51	31	29
Plant, property, and equipment, gross		$ 36,120	$ 33,434
Construction work in progress[6]		2,354	1,766
Accumulated depreciation and amortization		(9,842)	(9,310)
Total plant, property, and equipment[3]		$ 28,632	$ 25,890

1 A portion of independent power production assets are leased to others under operating leases. For information regarding CMS Energy's operating leases of owned assets, see Note 9, Leases.

2 For information regarding the amortization terms of CMS Energy's and Consumers' assets under finance leases, see Note 9, Leases.

3 Consumers' plant additions were $3.1 billion for the year ended December 31, 2025 and $2.1 billion for the year ended December 31, 2024. Consumers' plant retirements were $387 million for the year ended December 31, 2025 and $390 million for the year ended December 31, 2024.

4 Includes 13 hydroelectric dams that Consumers has agreed to sell, contingent upon MPSC and FERC approval. For more information, see Note 20, Exit Activities and Asset Sales.

5 Underground storage includes base natural gas of $24 million at December 31, 2025 and $26 million for the year ended December 31, 2024. Base natural gas is not subject to depreciation.

6 For the year ended December 31, 2025, Consumers fully impaired certain development assets totaling $20 million. Of this amount, $15 million relates to two early-phase renewable natural gas development projects that have been paused indefinitely. The remaining impairment charge was deferred as a regulatory asset and will be recovered through the Renewable Energy Plan.

Intangible Assets: Included in net plant, property, and equipment are intangible assets. Presented in the following table are details about Consumers' intangible assets:

In Millions, Except as Noted

		December 31, 2025		December 31, 2024	
Description	Amortization Life in Years	Gross Cost[1]	Accumulated Amortization	Gross Cost[1]	Accumulated Amortization
Consumers					
Software development	3 – 15	$ 649	$ 492	$ 679	$ 481
Rights of way	50 – 85	274	72	253	68
Franchises and consents	5 – 50	16	12	16	11
Leasehold improvements	various[2]	15	9	13	7
Other intangibles	various	33	17	28	16
Total		$ 987	$ 602	$ 989	$ 583

1 Consumers' intangible asset additions were $62 million for the year ended December 31, 2025 and $90 million for the year ended December 31, 2024. Consumers' intangible asset retirements were $64 million for the year ended December 31, 2025 and $153 million for the year ended December 31, 2024.

2 Leasehold improvements are amortized over the life of the lease, which may change whenever the lease is renewed or extended.

Capitalization: CMS Energy and Consumers record plant, property, and equipment at original cost when placed into service. The cost includes labor, material, applicable taxes, overhead such as pension and other benefits, and AFUDC, if applicable. Consumers' plant, property, and equipment is generally recoverable through its general ratemaking process.

With the exception of utility property for which the remaining book value has been securitized, mothballed utility property stays in rate base and continues to be depreciated at the same rate as before the mothball period. When utility property is retired or otherwise disposed of in the ordinary course of business, Consumers records the original cost to accumulated depreciation, along with associated cost of removal, net of salvage. CMS Energy and Consumers recognize gains or losses on the retirement or disposal of non-regulated assets in income. Consumers records cost of removal collected from customers, but not spent, as a regulatory liability.

Software: CMS Energy and Consumers capitalize the costs to purchase and develop internal-use computer software. These costs are expensed evenly over the estimated useful life of the internal-use computer software. If computer software is integral to computer hardware, then its cost is capitalized and depreciated with the hardware.

AFUDC: Consumers capitalizes AFUDC on regulated major construction projects. AFUDC represents the estimated cost of debt and authorized return-on-equity funds used to finance construction additions. Consumers records the offsetting credit as a reduction of interest for the amount representing the borrowed funds component and as other income for the equity funds component on the consolidated statements of income. When construction is completed and the property is placed in service, Consumers depreciates and recovers the capitalized AFUDC from customers over the life of the related asset. Presented in the following table are Consumers' average AFUDC capitalization rates:

Years Ended December 31	2025	2024	2023
Electric	6.9%	6.9%	6.5%
Gas	5.9	5.8	5.8

Assets Under Finance Leases: Presented in the following table are further details about changes in CMS Energy's and Consumers' assets under finance leases:

In Millions

Years Ended December 31		2025		2024
CMS Energy, including Consumers				
Balance at beginning of period	$	176	$	136
Additions		53		55
Net retirements and other adjustments		(36)		(15)
Balance at end of period	$	193	$	176
Consumers				
Balance at beginning of period	$	131	$	112
Additions		22		34
Net retirements and other adjustments		(15)		(15)
Balance at end of period	$	138	$	131

Assets under finance leases are presented as gross amounts. CMS Energy's, including Consumers', accumulated amortization of assets under finance leases was $53 million at December 31, 2025 and $57 million at December 31, 2024. Consumers' accumulated amortization of assets under finance leases was $48 million at December 31, 2025 and $55 million at December 31, 2024.

Depreciation and Amortization: Presented in the following table are further details about CMS Energy's and Consumers' accumulated depreciation and amortization:

In Millions

Years Ended December 31		2025		2024
CMS Energy, including Consumers				
Utility plant assets	$	9,838	$	9,307
Non-utility plant assets		297		262
Consumers				
Utility plant assets	$	9,838	$	9,307
Non-utility plant assets		4		3

Consumers depreciates utility property on an asset-group basis, in which it applies a single MPSC-approved depreciation rate to the gross investment in a particular class of property within the electric and gas segments. Consumers performs depreciation studies periodically to determine appropriate group lives. Presented in the following table are the composite depreciation rates for Consumers' segment properties:

Years Ended December 31	2025	2024	2023
Electric utility property	3.6%	3.6%	3.8%
Gas utility property	2.5	2.5	2.8
Other property	7.0	7.1	7.8

CMS Energy and Consumers record property repairs and minor property replacement as maintenance expense. CMS Energy and Consumers record planned major maintenance activities as operating expense unless the cost represents the acquisition of additional long-lived assets or the replacement of an existing long-lived asset.

Presented in the following table are the components of CMS Energy's and Consumers' depreciation and amortization expense:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Depreciation expense – plant, property, and equipment	$ 1,099	$ 1,041	$ 1,050
Amortization expense			
Software	75	81	92
Other intangible assets	7	5	5
Other regulatory assets	8	2	—
Securitized regulatory assets	117	111	33
Total depreciation and amortization expense	$ 1,306	$ 1,240	$ 1,180
Consumers			
Depreciation expense – plant, property, and equipment	$ 1,047	$ 992	$ 1,007
Amortization expense			
Software	75	81	92
Other intangible assets	7	5	5
Other regulatory assets	8	2	—
Securitized regulatory assets	117	111	33
Total depreciation and amortization expense	$ 1,254	$ 1,191	$ 1,137

Presented in the following table is Consumers' estimated amortization expense on intangible assets for each of the next five years:

In Millions

	2026	2027	2028	2029	2030
Consumers					
Intangible asset amortization expense	$ 77	$ 66	$ 55	$ 50	$ 49

Jointly Owned Regulated Utility Facilities

Presented in the following table are Consumers' investments in jointly owned regulated utility facilities at December 31, 2025:

In Millions, Except Ownership Share

	J.H. Campbell Unit 3	Ludington	Other
Ownership share	93.3%	51.0%	various
Utility plant in service	$ 1,726	$ 620	$ 481
Accumulated provision for depreciation	(916)	(253)	(97)
Plant under construction	—	37	17
Net investment	$ 810	$ 404	$ 401

Consumers includes its share of the direct expenses of the jointly owned plants in operating expenses. Consumers shares operation, maintenance, and other expenses of these jointly owned utility facilities in proportion to each participant's undivided ownership interest. Consumers is required to provide only its share of financing for the jointly owned utility facilities.

Consumers plans to retire J.H. Campbell and, in 2022, removed an amount representing the projected remaining book value of the electric generating units upon their retirement from total plant, property, and equipment and recorded it as a regulatory asset on its consolidated balance sheets. The retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. For additional details, see Note 3, Regulatory Matters.

Consumers and DTE Electric engaged in litigation with TAES and Toshiba related to TAES' incomplete, defective, and nonconforming work during a major overhaul and upgrade of Ludington. For additional details on this dispute, see Note 4, Contingencies and Commitments—Ludington Overhaul Contract Dispute.

9: Leases

Lessee

CMS Energy and Consumers lease various assets from third parties, including coal-carrying railcars, real estate, service vehicles, and gas pipeline capacity. In addition, CMS Energy and Consumers account for several of their PPAs as leases.

CMS Energy and Consumers do not record right-of-use assets or lease liabilities on their consolidated balance sheets for rentals with lease terms of 12 months or less, most of which are for the lease of real estate and service vehicles. Lease expense for these rentals is recognized on a straight-line basis over the lease term.

CMS Energy and Consumers include future payments for all renewal options, fair market value extensions, and buyout provisions reasonably certain of exercise in their measurement of lease right-of-use assets and lease liabilities. In addition, certain leases for service vehicles contain end-of-lease adjustment clauses based on proceeds received from the sale or disposition of the vehicles. CMS Energy and Consumers also include executory costs in the measurement of their right-of-use assets and lease liabilities, except for maintenance costs related to their coal-carrying railcar leases.

Most of Consumers' PPAs contain provisions at the end of the initial contract terms to renew the agreements annually under mutually agreed-upon terms at the time of renewal. Energy and capacity payments that vary depending on quantities delivered are recognized as variable lease costs when incurred. Consumers accounts for a PPA with one of CMS Energy's equity method subsidiaries as a finance lease.

Presented in the following table is information about CMS Energy's and Consumers' lease right-of-use assets and lease liabilities:

In Millions, Except as Noted

	CMS Energy, including Consumers		Consumers	
December 31	2025	2024	2025	2024
Operating leases				
Right-of-use assets[1]	$ 22	$ 24	$ 18	$ 20
Lease liabilities				
Current lease liabilities[2]	3	3	3	3
Non-current lease liabilities[3]	19	21	15	17
Finance leases				
Right-of-use assets	140	119	90	76
Lease liabilities[4]				
Current lease liabilities	6	4	6	4
Non-current lease liabilities	135	112	81	69
Weighted-average remaining lease term (in years)				
Operating leases	20	20	20	19
Finance leases	24	26	19	22
Weighted-average discount rate				
Operating leases	5.3%	5.3%	5.4%	5.4%
Finance leases[5]	5.9%	5.8%	4.9%	4.8%

1 CMS Energy's and Consumers' operating right-of-use lease assets are reported as other non-current assets on their consolidated balance sheets.

2 The current portion of CMS Energy's and Consumers' operating lease liabilities are reported as other current liabilities on their consolidated balance sheets.

3 The non-current portion of CMS Energy's and Consumers' operating lease liabilities are reported as other non-current liabilities on their consolidated balance sheets.

4 Includes related-party lease liabilities of $22 million, of which $1 million was current, at December 31, 2025 and 2024.

5 This rate excludes the impact of Consumers' pipeline agreements and long-term PPAs accounted for as finance leases. The required capacity payments under these agreements, when compared to the underlying fair value of the leased assets, result in effective interest rates that exceed market rates for leases with similar terms.

CMS Energy and Consumers report operating, variable, and short-term lease costs as operating expenses on their consolidated statements of income, except for certain amounts that may be capitalized to other assets. Presented in the following table is a summary of CMS Energy's and Consumers' total lease costs:

		In Millions
Years Ended December 31	2025	2024
CMS Energy, including Consumers		
Operating lease costs	$ 4	$ 6
Finance lease costs		
Amortization of right-of-use assets	8	6
Interest on lease liabilities	18	16
Variable lease costs	115	107
Short-term lease costs	25	13
Total lease costs	$ 170	$ 148
Consumers		
Operating lease costs	$ 4	$ 5
Finance lease costs		
Amortization of right-of-use assets	6	5
Interest on lease liabilities	14	13
Variable lease costs	115	107
Short-term lease costs	24	12
Total lease costs	$ 163	$ 142

Presented in the following table is supplemental cash flow information related to CMS Energy's and Consumers' lease liabilities:

		In Millions
Years Ended December 31	2025	2024
CMS Energy, including Consumers		
Cash paid for amounts included in the measurement of lease liabilities		
Cash used in operating activities for operating leases	$ 4	$ 6
Cash used in operating activities for finance leases	17	15
Cash used in financing activities for finance leases	5	6
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	1	3
Finance leases	22	55
Consumers		
Cash paid for amounts included in the measurement of lease liabilities		
Cash used in operating activities for operating leases	$ 4	$ 5
Cash used in operating activities for finance leases	14	13
Cash used in financing activities for finance leases	6	5
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	1	1
Finance leases	22	34

Presented in the following table are the minimum rental commitments under CMS Energy's and Consumers' non-cancelable leases:

In Millions

		Finance Leases		
December 31, 2025	Operating Leases	Pipelines and PPAs	Land and Other	Total
CMS Energy, including Consumers				
2026	$ 4	$ 17	$ 6	$ 23
2027	2	17	6	23
2028	2	17	5	22
2029	2	17	6	23
2030	1	17	6	23
2031 and thereafter	27	2	200	202
Total minimum lease payments	$ 38	$ 87	$ 229	$ 316
Less discount	16	42	133	175
Present value of minimum lease payments	$ 22	$ 45	$ 96	$ 141
Consumers				
2026	$ 4	$ 17	$ 3	$ 20
2027	2	17	3	20
2028	1	17	2	19
2029	1	17	2	19
2030	1	17	2	19
2031 and thereafter	22	2	72	74
Total minimum lease payments	$ 31	$ 87	$ 84	$ 171
Less discount	13	42	42	84
Present value of minimum lease payments	$ 18	$ 45	$ 42	$ 87

Lessor

CMS Energy and Consumers are the lessor under power sales and natural gas delivery agreements that are accounted for as leases.

CMS Energy has power sales agreements that are accounted for as operating leases. In addition to fixed payments, these agreements have variable payments based on energy delivered. For the year ended December 31, 2025, lease revenue from these power sales agreements was $149 million, which included variable lease payments of $105 million. For the year ended December 31, 2024, lease revenue from these power sales agreements was $105 million, which included variable lease payments of $61 million. These non-cancelable operating leases expire in 2026; remaining minimum rental payments amount to $18 million.

Consumers has a natural gas transportation agreement with a subsidiary of CMS Energy that extends through 2038, related to a pipeline owned by Consumers. This agreement is accounted for as a direct finance lease and will automatically extend annually unless terminated by either party. The effects of the lease are eliminated on CMS Energy's consolidated financial statements.

Minimum rental payments to be received under Consumers' direct financing lease are $1 million for each of the next five years and $6 million for the years thereafter. The lease receivable was $5 million as of December 31, 2025, which does not include unearned income of $5 million.

10: Asset Retirement Obligations

CMS Energy and Consumers record the fair value of the cost to remove assets at the end of their useful lives, if there is a legal obligation to remove them. If a reasonable estimate of fair value cannot be made in the period in which the ARO is incurred, such as for assets with indeterminate lives, the liability is recognized when a reasonable estimate of fair value can be made. CMS Energy and Consumers have not recorded liabilities associated with the closure of their hydroelectric facilities and certain gas wells that have an indeterminate life or for assets that have immaterial cumulative disposal costs, such as substation batteries.

CMS Energy and Consumers calculate the fair value of ARO liabilities using an expected present-value technique that reflects assumptions about costs and inflation, and uses a credit-adjusted risk-free rate to discount the expected cash flows. CMS Energy's ARO liabilities are primarily at Consumers.

Presented below are the categories of assets that CMS Energy and Consumers have legal obligations to remove at the end of their useful lives and for which they have an ARO liability recorded:

ARO Description	Long-lived Assets
Closure of coal ash disposal areas	Generating plants coal ash areas
Gas distribution cut, purge, and cap	Gas distribution mains and services
Asbestos abatement	Electric and gas utility plant
Closure of renewable generation assets	Wind and solar generation facilities
Capping and partial filling of water intake line	Generating plant water intake line
Gas wells plug and abandon	Gas transmission and storage

In May 2024, the EPA finalized a rule regulating CCR impoundments at electric generating facilities that became inactive prior to the effective date of a rule published in 2015 regulating CCRs under RCRA. Additionally, the EPA established groundwater monitoring, corrective action, closure, and post-closure care requirements for CCR surface impoundments and landfills closed prior to the effective date of the 2015 CCR rule, but that do not meet the closure technical and performance standards of the May 2024 rule. These include inactive CCR landfills that were previously exempted from regulation but that are now considered CCR management units.

In response to the new rule, Consumers has been performing its review of legacy impoundments and of other aspects of the 2024 rule in accordance with the timelines prescribed by the rule, including the requirement to determine and report the presence of any CCR management units to the EPA by February 2027. Consumers has been recording incremental AROs for legacy impoundments and CCR management units when a reasonable estimate of the fair value of the associated costs can be made, and the ultimate amount of any resulting ARO could be material. In February 2026, the EPA issued a final rule extending the compliance milestone schedule for CCR management units. This extension does not have a material impact on Consumers' compliance strategy. Consumers has historically been authorized to recover in electric rates costs related to coal ash disposal sites.

Presented in the following tables are the changes in CMS Energy's and Consumers' ARO liabilities:

In Millions

Company and ARO Description	ARO Liability 12/31/2024	Incurred	Settled	Accretion	Cash Flow Revisions	ARO Liability 12/31/2025
CMS Energy, including Consumers						
Consumers	$ 694	$ 27	$ (73)	$ 32	$ 73	$ 753
Renewable generation assets	34	4	—	1	—	39
Total CMS Energy	$ 728	$ 31	$ (73)	$ 33	$ 73	$ 792
Consumers						
Coal ash disposal areas	$ 230	$ —	$ (37)	$ 10	$ 60 [1]	$ 263
Gas distribution cut, purge, and cap	295	10	(13)	15	—	307
Asbestos abatement	37	—	(2)	2	—	37
Renewable generation assets	105	17	—	3	—	125
Generating plant water intake line	—	—	—	1	18 [2]	19
Gas wells plug and abandon	27	—	(21)	1	(5)	2
Total Consumers	$ 694	$ 27	$ (73)	$ 32	$ 73	$ 753

[1] The increase in the AROs associated with coal ash disposal areas was primarily the result of incremental remedies required by EGLE for certain ash disposal ponds and incremental AROs recorded in response to reviews of legacy CCR impoundments.

[2] The increase in AROs associated with water intake lines, which were previously immaterial, was primarily the result of changes in the expected scope of required capping following the finalization of decommissioning plans with the local jurisdiction.

In Millions

Company and ARO Description	ARO Liability 12/31/2023	Incurred	Settled	Accretion	Cash Flow Revisions	ARO Liability 12/31/2024
CMS Energy, including Consumers						
Consumers	$ 739	$ 1	$ (69)	$ 33	$ (10)	$ 694
Renewable generation assets	32	—	—	2	—	34
Total CMS Energy	$ 771	$ 1	$ (69)	$ 35	$ (10)	$ 728
Consumers						
Coal ash disposal areas	$ 268	$ 1	$ (51)	$ 12	$ —	$ 230
Gas distribution cut, purge, and cap	290	—	(9)	15	(1)	295
Asbestos abatement	51	—	(7)	2	(9)	37
Renewable generation assets	102	—	—	3	—	105
Gas wells plug and abandon	28	—	(2)	1	—	27
Total Consumers	$ 739	$ 1	$ (69)	$ 33	$ (10)	$ 694

11: Retirement Benefits

Benefit Plans: CMS Energy and Consumers provide pension, OPEB, and other retirement benefits to eligible employees under a number of different plans. These plans include:

- non-contributory, qualified DB Pension Plans (closed to new non-union participants as of July 1, 2003 and closed to new union participants as of September 1, 2005)
- a non-contributory, qualified DCCP for employees hired on or after July 1, 2003
- benefits to certain management employees under a non-contributory, nonqualified DB SERP (closed to new participants as of March 31, 2006)
- a non-contributory, nonqualified DC SERP for certain management employees hired or promoted on or after April 1, 2006
- a contributory, qualified defined contribution 401(k) plan
- health care and life insurance benefits under an OPEB Plan

DB Pension Plans: Participants in the pension plans include present and former employees of CMS Energy and Consumers, including certain present and former affiliates and subsidiaries. Pension plan trust assets are not distinguishable by company. Effective December 31, 2017, CMS Energy's and Consumers' then-existing pension plan was amended to include only retired and former employees already covered; this amended plan is referred to as DB Pension Plan B. Also effective December 31, 2017, active employees were moved to a newly created pension plan, referred to as DB Pension Plan A, whose benefits mirror those provided under DB Pension Plan B. Maintaining separate plans for the two groups allows CMS Energy and Consumers to employ a more targeted investment strategy and provides additional opportunities to mitigate risk and volatility.

DCCP: CMS Energy and Consumers provide an employer contribution to the DCCP 401(k) plan for employees hired on or after July 1, 2003. The contribution ranges from 5 percent to 10 percent of base pay, depending on years of service and employee class. Employees are not required to contribute in order to receive the plan's employer contribution. DCCP expense for CMS Energy, including Consumers, was $57 million for the year ended December 31, 2025, $53 million for the year ended December 31, 2024, and $51 million for the year ended December 31, 2023. DCCP expense for Consumers was $55 million for the year ended December 31, 2025, $52 million for the year ended December 31, 2024, and $50 million for the year ended December 31, 2023.

DB SERP: The DB SERP is a nonqualified plan as defined by the Internal Revenue Code. DB SERP benefits are paid from a rabbi trust. The trust assets are not considered plan assets under ASC 715. DB SERP rabbi trust earnings are taxable. Presented in the following table are the fair values of trust assets and ABO for CMS Energy's and Consumers' DB SERP:

In Millions

Years Ended December 31	2025	2024
CMS Energy, including Consumers		
Trust assets	$ 122	$ 127
ABO	104	105
Consumers		
Trust assets	$ 92	$ 95
ABO	76	76

Neither CMS Energy nor Consumers made any contributions to the DB SERP in 2025 or 2024.

DC SERP: On April 1, 2006, CMS Energy and Consumers implemented a DC SERP and froze further new participation in the DB SERP. The DC SERP provides participants benefits ranging from 5 percent to 15 percent of total compensation. The DC SERP requires a minimum of five years of participation before vesting. CMS Energy's and Consumers' contributions to the plan, if any, are placed in a grantor trust. For CMS Energy and Consumers, trust assets were $18 million at December 31, 2025 and $17 million at December 31, 2024. DC SERP assets are included in other non-current assets on CMS Energy's and Consumers' consolidated balance sheets. CMS Energy's and Consumers' DC SERP expense was $1 million for the years ended December 31, 2025, 2024, and 2023.

401(k) Plan: The 401(k) plan employer match equals 4 to 6 percent of employee eligible contributions based on an employee's wages and class. The total 401(k) plan cost for CMS Energy, including Consumers, was $46 million for the year ended December 31, 2025, and $41 million for the years ended December 31, 2024 and 2023. The total 401(k) plan cost for Consumers was $44 million for the year ended December 31, 2025, $39 million for the year ended December 31, 2024, and $40 million for the year ended December 31, 2023.

Health-related OPEB Plan: Participants in the health-related OPEB Plan include regular full-time employees covered by the employee health care plan on the day before retirement from either CMS Energy or Consumers at age 55 or older with at least ten full years of applicable continuous service and hired before January 1, 2007 for non-union participants and hired before September 1, 2010 for union participants. Regular full-time employees who qualify for disability retirement under the DB Pension Plans or are disabled and covered by the DCCP and who have 15 years of applicable continuous service may also participate in the health-related OPEB Plan if hired before January 1, 2007 for non-union participants and hired before September 1, 2010 for union participants. Retiree health care costs were based on the assumption that costs would increase 8.00 percent in 2026 and 8.50 percent in 2025 for those under 65 and would increase 9.75 percent in 2026 and 10.25 percent in 2025 for those over 65. The rate of increase was assumed to decline to 4.75 percent by 2034 and thereafter for all retirees.

Assumptions: Presented in the following table are the weighted-average assumptions used in CMS Energy's, including Consumers', retirement benefit plans to determine benefit obligations and net periodic benefit cost:

December 31	2025	2024	2023
Weighted average for benefit obligations[1]			
Discount rate[2]			
DB Pension Plan A	5.58%	5.73%	5.05%
DB Pension Plan B	5.28	5.59	4.95
DB SERP	5.22	5.56	4.94
OPEB Plan	5.50	5.69	5.02
Rate of compensation increase			
DB Pension Plan A	3.70	3.70	3.60
Weighted average for net periodic benefit cost[1]			
Service cost discount rate[2,3]			
DB Pension Plan A	5.77%	5.08%	5.27%
DB SERP[4]	—	—	5.18
OPEB Plan	5.85	5.12	5.31
Interest cost discount rate[2,3]			
DB Pension Plan A	5.43	4.93	5.12
DB Pension Plan B	5.30	4.87	5.06
DB SERP	5.29	4.87	5.06
OPEB Plan	5.39	4.91	5.10
Expected long-term rate of return on plan assets[5]			
DB Pension Plans	7.30	7.50	7.20
OPEB Plan	7.15	7.50	7.20
Rate of compensation increase			
DB Pension Plan A	3.70	3.60	3.60
DB SERP[4]	—	—	5.50

1 The mortality assumption for benefit obligations and net periodic benefit cost was based on the Pri-2012 Mortality Table, with improvement scale MP-2021.

2 The discount rate reflects the rate at which benefits could be effectively settled and is equal to the equivalent single rate resulting from a yield-curve analysis. This analysis incorporated the projected benefit payments specific to CMS Energy's and Consumers' DB Pension Plans and OPEB Plan and the yields on high-quality corporate bonds rated Aa or better.

3 CMS Energy and Consumers have elected to use a full-yield-curve approach in the estimation of service cost and interest cost; this approach applies individual spot rates along the yield curve to future projected benefit payments based on the time of payment.

4 The last active participant in the DB SERP retired in 2023. Thus, the determination of the associated net periodic benefit cost no longer assumes a service cost discount rate nor a rate of compensation increase.

5 CMS Energy and Consumers determined the long-term rate of return using historical market returns, the present and expected future economic environment, the capital market principles of risk and return, and the expert opinions of individuals and firms with financial market knowledge. CMS Energy and Consumers considered the asset allocation of the portfolio in forecasting the future expected total return of the portfolio. The goal was to determine a long-term rate of return that could be incorporated into the planning

of future cash flow requirements in conjunction with the change in the liability. Annually, CMS Energy and Consumers review for reasonableness and appropriateness the forecasted returns for various classes of assets used to construct an expected return model. CMS Energy's and Consumers' expected long-term rate of return on the assets of the DB Pension Plans was 7.30 percent in 2025. The actual return on the assets of the DB Pension Plans was 12.7 percent in 2025, 3.6 percent in 2024, and 12.6 percent in 2023.

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

	DB Pension Plans and DB SERP			OPEB Plan		
Years Ended December 31	2025	2024	2023	2025	2024	2023
CMS Energy, including Consumers						
Net periodic credit						
Service cost	$ 25	$ 28	$ 29	$ 8	$ 11	$ 12
Interest cost	114	109	112	43	43	44
Expected return on plan assets	(229)	(234)	(220)	(111)	(115)	(103)
Amortization of:						
Net loss	11	12	12	3	4	12
Prior service cost (credit)	4	4	4	(34)	(31)	(41)
Settlement loss	11	11	11	—	—	—
Net periodic credit	$ (64)	$ (70)	$ (52)	$ (91)	$ (88)	$ (76)
Consumers						
Net periodic credit						
Service cost	$ 24	$ 27	$ 28	$ 8	$ 11	$ 11
Interest cost	106	102	105	42	41	42
Expected return on plan assets	(215)	(221)	(208)	(104)	(107)	(95)
Amortization of:						
Net loss	10	11	11	3	4	12
Prior service cost (credit)	4	4	4	(33)	(30)	(40)
Settlement loss	11	11	11	—	—	—
Net periodic credit	$ (60)	$ (66)	$ (49)	$ (84)	$ (81)	$ (70)

In Consumers' electric and gas rate cases, the MPSC approved a mechanism allowing Consumers to defer for future recovery or refund pension and OPEB expenses above or below the amounts used to set existing rates. Amounts deferred will be collected from or refunded to customers over ten years. At December 31, 2025, CMS Energy, including Consumers, had deferred $3 million of pension costs and $6 million of OPEB credits under this mechanism related to 2025 expense. At December 31, 2024, CMS Energy, including Consumers, had deferred $15 million of pension credits and $11 million of OPEB credits under this mechanism related to 2024 expense. At December 31, 2023, CMS Energy, including Consumers, had deferred $11 million of pension credits and $23 million of OPEB costs under this mechanism related to 2023 expense.

CMS Energy and Consumers amortize net gains and losses in excess of 10 percent of the greater of the PBO or the MRV over the average remaining service period for DB Pension Plan A and the OPEB Plan and over the average remaining life expectancy of participants for DB Pension Plan B. For DB Pension Plan A, the estimated period of amortization of gains and losses was seven years for the year ended December 31, 2025, and eight years for the years ended December 31, 2024 and 2023. For DB Pension Plan B, the estimated period of amortization of gains and losses was 17 years for the years ended

December 31, 2025, 2024, and 2023. For the OPEB Plan, the estimated amortization period was nine years for the years ended December 31, 2025, 2024, and 2023.

Prior service cost (credit) amortization is established in the year in which the prior service cost (credit) first occurred, and is based on the same amortization period for all future years until the prior service cost (credit) is fully amortized. CMS Energy and Consumers had new prior service costs for OPEB in 2024. The estimated period of amortization of these new prior service costs is seven years.

CMS Energy and Consumers determine the MRV for the assets of the DB Pension Plans as the fair value of plan assets on the measurement date, adjusted by the gains or losses that will not be admitted into the MRV until future years. CMS Energy and Consumers reflect each year’s gain or loss in the MRV in equal amounts over a five-year period beginning on the date the original amount was determined. CMS Energy and Consumers determine the MRV for OPEB Plan assets as the fair value of assets on the measurement date.

Reconciliations: Presented in the following table are reconciliations of the funded status of CMS Energy’s and Consumers’ retirement benefit plans with their retirement benefit plans’ liabilities:

In Millions

	DB Pension Plans		DB SERP		OPEB Plan	
Years Ended December 31	2025	2024	2025	2024	2025	2024
CMS Energy, including Consumers						
Benefit obligation at beginning of period	$ 2,094	$ 2,195	$ 105	$ 114	$ 831	$ 900
Service cost	25	28	—	—	8	11
Interest cost	109	104	5	5	43	43
Plan amendments	—	—	—	—	—	(25)
Actuarial loss (gain)	53 [1]	(91) [1]	4	(4)	2 [1]	(40) [1]
Benefits paid	(158)	(142)	(10)	(10)	(54)	(58)
Benefit obligation at end of period	$ 2,123	$ 2,094	$ 104	$ 105	$ 830	$ 831
Plan assets at fair value at beginning of period	$ 2,964	$ 3,004	$ —	$ —	$ 1,588	$ 1,559
Actual return on plan assets	371	102	—	—	197	86
Company contribution	—	—	10	10	—	—
Actual benefits paid	(158)	(142)	(10)	(10)	(52)	(57)
Plan assets at fair value at end of period	$ 3,177	$ 2,964	$ —	$ —	$ 1,733	$ 1,588
Funded status	$ 1,054 [2]	$ 870 [2]	$ (104)	$ (105)	$ 903	$ 757
Consumers						
Benefit obligation at beginning of period			$ 76	$ 83	$ 801	$ 867
Service cost			—	—	8	11
Interest cost			4	4	42	41
Plan amendments			—	—	—	(24)
Actuarial loss (gain)			3	(4)	1 [1]	(38) [1]
Benefits paid			(7)	(7)	(51)	(56)
Benefit obligation at end of period			$ 76	$ 76	$ 801	$ 801
Plan assets at fair value at beginning of period			$ —	$ —	$ 1,479	$ 1,453
Actual return on plan assets			—	—	184	80
Company contribution			7	7	—	—
Actual benefits paid			(7)	(7)	(50)	(54)
Plan assets at fair value at end of period			$ —	$ —	$ 1,613	$ 1,479
Funded status			$ (76)	$ (76)	$ 812	$ 678

1 The actuarial losses for 2025 for the DB Pension Plans and OPEB Plans were primarily the result of lower discount rates. The actuarial gains for 2024 for the DB Pension Plans and OPEB Plan were primarily the result of higher discount rates.

2 The total funded status of the DB Pension Plans attributable to Consumers, based on an allocation of expenses, was $1.0 billion at December 31, 2025 and $836 million at December 31, 2024.

Presented in the following table is the classification of CMS Energy’s and Consumers’ retirement benefit plans’ assets and liabilities:

		In Millions
December 31	2025	2024
CMS Energy, including Consumers		
Non-current assets		
DB Pension Plans	$ 1,054	$ 870
OPEB Plan	903	757
Current liabilities		
DB SERP	10	10
Non-current liabilities		
DB SERP	94	95
Consumers		
Non-current assets		
DB Pension Plans	$ 1,009	$ 836
OPEB Plan	812	678
Current liabilities		
DB SERP	7	7
Non-current liabilities		
DB SERP	69	69

The ABO for the DB Pension Plans was $1.9 billion at December 31, 2025 and $1.9 billion at December 31, 2024. At December 31, 2025 and 2024, the PBO and ABO did not exceed plan assets for any of the defined benefit pension plans.

Items Not Yet Recognized as a Component of Net Periodic Benefit Cost: Presented in the following table are the amounts recognized in regulatory assets and AOCI that have not been recognized as components of net periodic benefit cost. For additional details on regulatory assets see Note 3, Regulatory Matters.

In Millions

	DB Pension Plans and DB SERP		OPEB Plan	
December 31	2025	2024	2025	2024
CMS Energy, including Consumers				
Regulatory assets				
Net loss	$ 548	$ 653	$ 93	$ 176
Prior service cost (credit)	9	12	(61)	(94)
Regulatory assets	$ 557	$ 665	$ 32	$ 82
AOCI				
Net loss (gain)	57	60	(7)	(3)
Prior service credit	—	—	(2)	(2)
Total amounts recognized in regulatory assets and AOCI	$ 614	$ 725	$ 23	$ 77
Consumers				
Regulatory assets				
Net loss	$ 548	$ 653	$ 93	$ 176
Prior service cost (credit)	9	12	(61)	(94)
Regulatory assets	$ 557	$ 665	$ 32	$ 82
AOCI				
Net loss	18	15	—	—
Total amounts recognized in regulatory assets and AOCI	$ 575	$ 680	$ 32	$ 82

Plan Assets: Presented in the following tables are the fair values of the assets of CMS Energy's, including Consumers', DB Pension Plans and OPEB Plan, by asset category and by level within the fair value hierarchy. For additional details regarding the fair value hierarchy, see Note 6, Fair Value Measurements.

In Millions

	DB Pension Plans					
	December 31, 2025			December 31, 2024		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Cash and short-term investments	$ 162	$ 162	$ —	$ 148	$ 148	$ —
Mutual funds	—	—	—	—	—	—
	$ 162	$ 162	$ —	$ 148	$ 148	$ —
Pooled funds	3,015			2,816		
Total	$ 3,177			$ 2,964		

In Millions

	OPEB Plan					
	December 31, 2025			December 31, 2024		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Cash and short-term investments	$ 72	$ 72	$ —	$ 35	$ 35	$ —
U.S. government and agencies securities	15	—	15	13	—	13
Corporate debt	69	—	69	68	—	68
State and municipal bonds	4	—	4	2	—	2
Foreign bonds	16	—	16	15	—	15
Common stocks	215	215	—	170	170	—
Mutual funds	75	75	—	53	53	—
	$ 466	$ 362	$ 104	$ 356	$ 258	$ 98
Pooled funds	1,267			1,232		
Total	$ 1,733			$ 1,588		

Cash and Short-term Investments: Cash and short-term investments consist of money market funds with daily liquidity.

U.S. Government and Agencies Securities: U.S. government and agencies securities consist of U.S. Treasury notes and other debt securities backed by the U.S. government and related agencies. These securities are valued based on quoted market prices.

Corporate Debt: Corporate debt investments consist of investment grade bonds of U.S. issuers from diverse industries. These securities are valued based on quoted market prices, when available, or yields available on comparable securities of issuers with similar credit ratings.

State and Municipal Bonds: State and municipal bonds are valued using a matrix-pricing model that incorporates Level 2 market-based information. The fair value of the bonds is derived from various observable inputs, including benchmark yields, reported securities trades, broker/dealer quotes, bond ratings, and general information on market movements for investment grade state and municipal securities normally considered by market participants when pricing such debt securities.

Foreign Bonds: Foreign corporate and government debt securities are valued based on quoted market prices, when available, or on yields available on comparable securities of issuers with similar credit ratings.

Common Stocks: Common stocks in the OPEB Plan consist of equity securities that are actively managed and tracked to the S&P 500 Index and MSCI All Country World ex-US. These securities are valued at their quoted closing prices.

Mutual Funds: Mutual funds represent shares in registered investment companies that are priced based on the daily quoted net asset values that are publicly available and are the basis for transactions to buy or sell shares in the funds.

Pooled Funds: Pooled funds include both common and collective trust funds as well as special funds that contain only employee benefit plan assets from two or more unrelated benefit plans. These funds primarily consist of U.S. and foreign equity securities, but also include U.S. and foreign fixed-income securities and multi-asset investments. Since these investments are valued at their net asset value as a practical expedient, they are not classified in the fair value hierarchy.

Asset Allocations: Presented in the following table are the investment components of the assets of CMS Energy's DB Pension Plans and OPEB Plan as of December 31, 2025:

	DB Pension Plans	OPEB Plan
Fixed-income securities	39.2%	37.6%
Equity securities	38.7	42.4
Real asset investments	9.3	8.8
Return-seeking fixed income	7.1	5.6
Liquid alternative investments	4.3	3.7
Cash and cash equivalents	1.4	1.9
	100.0%	100.0%

CMS Energy's target 2025 asset allocation for the assets of the DB Pension Plans was 40-percent fixed income, 38-percent equity, 11-percent real assets, 7-percent return-seeking fixed income, and 4-percent liquid alternatives.

CMS Energy established union and non-union VEBA trusts to fund future retiree health and life insurance benefits known as OPEB. These trusts are funded through the ratemaking process for Consumers and through direct contributions from the non-utility subsidiaries. CMS Energy's target 2025 asset allocation for OPEB trusts was 40-percent fixed income, 38-percent equity, 11-percent real assets, 7-percent return-seeking fixed income, and 4-percent liquid alternatives.

The goal of these target allocations was to maximize the long-term return on plan assets, while maintaining a prudent level of risk. The level of acceptable risk is a function of the liabilities of the plans. Equity investments are diversified mostly across the S&P 500 Index, with lesser allocations to the S&P MidCap and SmallCap Indexes and Foreign Equity Funds. Fixed-income investments are diversified across investment grade instruments of government and corporate issuers, as well as high-yield and global bond funds. Return-seeking fixed-income investments are diversified exposure to high-yield bonds, emerging market debt, and bank loans. Real asset investments are diversified across core real estate and real estate investment trusts. Liquid alternatives are investments in private funds comprised of different and independent hedge funds with various investment strategies. CMS Energy uses annual liability measurements, quarterly portfolio reviews, and periodic asset/liability studies to evaluate the need for adjustments to the portfolio allocations.

Contributions: Contributions comprise required amounts and discretionary contributions. Neither CMS Energy nor Consumers made any contributions in 2025 or 2024, or plans to contribute to the DB Pension Plans or OPEB Plan in 2026. Actual future contributions will depend on future investment performance, discount rates, and various factors related to the participants of the DB Pension Plans and OPEB Plan. CMS Energy and Consumers will, at a minimum, contribute to the plans as needed to comply with federal funding requirements.

Benefit Payments: Presented in the following table are the expected benefit payments for each of the next five years and the five-year period thereafter:

In Millions

	DB Pension Plans	DB SERP	OPEB Plan
CMS Energy, including Consumers			
2026	$ 164	$ 10	$ 59
2027	165	10	61
2028	164	10	62
2029	164	9	62
2030	164	9	62
2031-2035	801	41	305
Consumers			
2026	$ 154	$ 7	$ 57
2027	155	7	58
2028	154	7	59
2029	155	6	59
2030	154	6	60
2031-2035	756	29	292

Collective Bargaining Agreements: At December 31, 2025, unions represented 44 percent of CMS Energy's employees and 45 percent of Consumers' employees. The UWUA represents Consumers' and NorthStar Clean Energy's operating, maintenance, construction employees and Consumers' customer contact center employees. The USW represents Consumers' Zeeland plant employees. Consumers' union agreements expire in 2030 and the majority of NorthStar Clean Energy's represented employees have an agreement that expires in 2029.

12: Stock-based Compensation

CMS Energy and Consumers provide a PISP to officers, employees, and non-employee directors based on their contributions to the successful management of the company. The PISP has a ten-year term, expiring in May 2030.

In 2025, all awards were in the form of restricted stock or restricted stock units. The PISP also allows for unrestricted common stock, stock options, stock appreciation rights, phantom shares, performance units, and incentive options, none of which was granted in 2025, 2024, or 2023.

Shares awarded or subject to stock options, phantom shares, or performance units may not exceed 6.5 million shares from June 2020 through May 2030. CMS Energy and Consumers may issue awards of up to 3,965,601 shares of common stock under the PISP as of December 31, 2025. Shares for which payment or exercise is in cash, as well as shares that expire, terminate, or are canceled or forfeited, may be awarded or granted again under the PISP.

All awards under the PISP vest fully upon death. Upon a change of control of CMS Energy or termination under an officer separation agreement, the awards will vest in accordance with specific officer agreements. If stated in the award, for restricted stock recipients who terminate employment due to retirement or disability, a pro-rata portion of the award will vest upon termination, with any market-based award also contingent upon the outcome of the market condition and any performance-based award contingent upon the outcome of the performance condition. The pro-rata portion is equal to the portion of the service period served between the award grant date and the employee's termination date. The remaining portion of the awards will be forfeited. All awards for directors vest fully upon retirement. Restricted shares may be forfeited if employment terminates for any other reason or if the minimum service requirements are not met, as described in the award document.

Restricted Stock Awards: Restricted stock awards for employees under the PISP are in the form of performance-based, market-based, and time-lapse restricted stock. Award recipients receive shares of CMS Energy common stock that have dividend and voting rights. The dividends on time-lapse restricted stock are paid in cash or in CMS Energy common stock. The dividends on performance-based and market-based restricted stock are paid in restricted shares equal to the value of the dividends. These additional restricted shares are subject to the same vesting conditions as the underlying restricted stock shares.

Performance-based restricted stock vesting is contingent on meeting at least a 36-month service requirement and a performance condition. The performance condition is based on an adjusted measure of CMS Energy's EPS growth relative to a peer group over a three-year period. The awards granted in 2025, 2024, and 2023 require a 38-month service period. Market-based restricted stock vesting is generally contingent on meeting a three-year service requirement and a market condition. The market condition is based on a comparison of CMS Energy's total shareholder return with the median total shareholder return of a peer group over the same three-year period. Depending on the outcome of the performance condition or the market condition, a recipient may earn a total award ranging from zero to 200 percent of the initial grant. Time-lapse restricted stock generally vests after a service period of three years.

Restricted Stock Units: In 2025, 2024, and 2023, CMS Energy and Consumers granted restricted stock units to certain non-employee directors who elected to defer their restricted stock awards. The restricted stock units generally vest after a service period of one year or, if earlier, at the next annual meeting. The restricted stock units will be distributed to the recipients as shares in accordance with the directors' deferral agreements. Restricted stock units do not have voting rights, but do have dividend rights. In lieu of cash dividend payments, the dividends on restricted stock units are paid in additional units equal to the value of the dividends. These additional restricted stock units are subject to the same vesting and distribution conditions as the underlying restricted stock units. No restricted stock units were forfeited during 2025.

Presented in the following tables is the activity for restricted stock and restricted stock units under the PISP:

	CMS Energy, including Consumers		Consumers	
Year Ended December 31, 2025	Number of Shares	Weighted-average Grant Date Fair Value Per Share	Number of Shares	Weighted-average Grant Date Fair Value Per Share
Nonvested at beginning of period	1,162,787	$ 59.34	1,081,573	$ 59.35
Granted				
Restricted stock	523,663	50.19	480,258	49.86
Restricted stock units	18,491	56.80	17,713	56.80
Vested				
Restricted stock	(450,699)	46.30	(424,830)	46.33
Restricted stock units	(27,035)	51.79	(25,994)	51.82
Forfeited – restricted stock	(38,364)	60.19	(36,119)	60.01
Nonvested at end of period	1,188,843	$ 60.36	1,092,601	$ 60.36

Year Ended December 31, 2025	CMS Energy, including Consumers	Consumers
Granted		
Time-lapse awards	118,842	109,242
Market-based awards	139,248	126,302
Performance-based awards	147,982	134,540
Restricted stock units	14,406	13,800
Dividends on market-based awards	13,484	12,472
Dividends on performance-based awards	14,458	13,389
Dividends on restricted stock units	4,085	3,913
Additional market-based shares based on achievement of condition	5,982	5,624
Additional performance-based shares based on achievement of condition	83,667	78,689
Total granted	542,154	497,971

CMS Energy and Consumers charge the fair value of the restricted stock awards to expense over the required service period and charge the fair value of the restricted stock units to expense immediately. For performance-based awards, CMS Energy and Consumers estimate the number of shares expected to vest at the end of the performance period based on the probable achievement of the performance objective. Performance-based and market-based restricted stock awards have graded vesting features for retirement-eligible employees, and CMS Energy and Consumers recognize expense for those awards on a graded vesting schedule over the required service period. Expense for performance-based and market-based restricted stock awards for non-retirement-eligible employees and time-lapse awards is recognized on a straight-line basis over the required service period.

The fair value of performance-based and time-lapse restricted stock and restricted stock units is based on the price of CMS Energy's common stock on the grant date. The fair value of market-based restricted stock awards is calculated on the grant date using a Monte Carlo simulation. CMS Energy and Consumers base expected volatilities on the historical volatility of the price of CMS Energy common stock. The risk-free rate for valuation of the market-based restricted stock awards was based on the three-year U.S. Treasury yield at the award grant date.

Presented in the following table are the most significant assumptions used to estimate the fair value of the market-based restricted stock awards:

Years Ended December 31	2025	2024	2023
Expected volatility	20.7%	20.2%	30.3%
Expected dividend yield	3.1	3.5	2.9
Risk-free rate	4.2	4.1	3.9

Presented in the following table is the weighted-average grant-date fair value of all awards under the PISP:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Weighted-average grant-date fair value per share			
Restricted stock granted	$ 50.19	$ 44.76	$ 52.62
Restricted stock units granted	56.80	52.43	50.32
Consumers			
Weighted-average grant-date fair value per share			
Restricted stock granted	$ 49.86	$ 44.49	$ 52.42
Restricted stock units granted	56.80	52.46	50.34

Presented in the following table are amounts related to restricted stock awards and restricted stock units:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Fair value of shares that vested during the year	$ 33	$ 28	$ 20
Compensation expense recognized	25	27	28
Income tax benefit recognized	2	3	3
Consumers			
Fair value of shares that vested during the year	$ 32	$ 27	$ 19
Compensation expense recognized	23	25	26
Income tax benefit recognized	2	3	2

At December 31, 2025, $28 million of total unrecognized compensation cost was related to restricted stock for CMS Energy, including Consumers, and $26 million of total unrecognized compensation cost was related to restricted stock for Consumers. CMS Energy and Consumers expect to recognize this cost over a weighted-average period of two years.

13: Income Taxes

CMS Energy and its subsidiaries file a consolidated U.S. federal income tax return as well as a Michigan Corporate Income Tax return for the unitary business group and various other state unitary group combined income tax returns. Income taxes are allocated based on each company's separate taxable income in accordance with the CMS Energy tax sharing agreement.

Presented in the following table is the difference between actual income tax expense on continuing operations and income tax expense computed by applying the statutory U.S. federal income tax rate:

In Millions, Except Tax Rate

	Amount	Percent	Amount	Percent	Amount	Percent
Years Ended December 31	2025		2024		2023	
CMS Energy, including Consumers						
Income from continuing operations before income taxes	$ 1,248		$ 1,123		$ 954	
Income tax expense at statutory rate	262	21.0 %	236	21.0 %	200	21.0 %
Increase (decrease) in income taxes from:						
State and local income taxes, net of federal income tax effect[1]	77	6.2	58	5.1	40	4.2
Tax credits						
Renewable energy tax credits	(68)	(5.4)	(71)	(6.4)	(55)	(5.8)
Other	(6)	(0.5)	(6)	(0.5)	(7)	(0.7)
Nontaxable or nondeductible items	3	0.2	4	0.4	3	0.3
Changes in unrecognized tax benefits	9	0.7	2	0.2	(11)	(1.2)
Other adjustments						
TCJA excess deferred taxes	(42)	(3.4)	(43)	(3.8)	(40)	(4.2)
Deferred tax adjustment[2]	—	—	(16)	(1.4)	—	—
Taxes attributable to noncontrolling interests	15	1.2	12	1.1	17	1.8
Other, net	(4)	(0.3)	—	—	—	—
Income tax expense	$ 246		$ 176		$ 147	
Effective tax rate		19.7 %		15.7 %		15.4 %

In Millions, Except Tax Rate

	Amount	Percent	Amount	Percent	Amount	Percent
Years Ended December 31	2025		2024		2023	
Consumers						
Income from continuing operations before income taxes	$ 1,417		$ 1,209		$ 1,028	
Income tax expense at statutory rate	298	21.0 %	254	21.0 %	216	21.0 %
Increase (decrease) in income taxes from:						
State and local income taxes, net of federal income tax effect[1]	80	5.7	60	5.0	47	4.6
Tax credits						
Renewable energy tax credits	(46)	(3.2)	(51)	(4.2)	(43)	(4.2)
Other	(6)	(0.4)	(6)	(0.5)	(7)	(0.7)
Nontaxable or nondeductible items	3	0.2	3	0.2	3	0.3
Changes in unrecognized tax benefits	9	0.6	1	0.1	(12)	(1.2)
Other adjustments						
TCJA excess deferred taxes	(42)	(3.0)	(43)	(3.6)	(40)	(3.9)
Deferred tax adjustment[2]	—	—	(16)	(1.3)	—	—
Other, net	(8)	(0.6)	(2)	(0.2)	(3)	(0.2)
Income tax expense	$ 288		$ 200		$ 161	
Effective tax rate		20.3 %		16.5 %		15.7 %

1 In June 2025, state deferred tax balances were increased by $12 million to reflect a change in Illinois tax policy that establishes nexus for Consumers. The policy change is effective for tax years beginning January 1, 2026. During 2023, 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. As a result of these actions, CMS Energy reversed a $13 million non-Michigan reserve, all of which was recognized at Consumers.

2 During 2024, Consumers recognized a $16 million tax benefit resulting from the expiration of the statute of limitations associated with audit points for the 2018 and 2019 tax years.

State Income Tax Claim: In February 2025, CMS Energy received an adverse ruling from the Michigan Tax Tribunal in regards to the methodology of state apportionment for Consumers' electricity sales to MISO. In March 2025, CMS Energy filed an appeal with the Michigan Court of Appeals and a hearing was held in February 2026. CMS Energy and Consumers have evaluated and concluded their uncertain tax positions associated with this matter to be sufficient as of December 31, 2025. While CMS Energy and Consumers expect the appeal to prevail, if it were to fail, the companies would be required to revise the estimated value of their state deferred tax liabilities, which could result in a material impact to their results of operations.

Tax Legislation: CMS Energy and Consumers are subject to changing tax laws. In July 2025, President Trump signed into law the OBBBA. The legislation allows for the immediate expensing of domestic research and development costs and includes changes to clean energy tax credits enacted by the Inflation Reduction Act of 2022. While the OBBBA restores, and makes permanent, the 100-percent bonus depreciation deduction, it also retains a provision that allows utilities to take a full deduction of interest expense in lieu of 100-percent bonus depreciation. CMS Energy and Consumers evaluated the provisions of the OBBBA and concluded that the legislation is not expected to have a material impact on their respective financial statements. This conclusion is subject to change as additional guidance or interpretations become available.

Renewable Energy Tax Credits: Under the Inflation Reduction Act of 2022, renewable energy tax credits produced after 2022 are eligible to be transferred to third parties. These sales are accounted for under ASC 740 with the discount from the sale of the tax credits included as a component of income tax expense. Renewable energy tax credits that have been generated and sold are presented as accounts receivable on CMS Energy's and Consumers' consolidated balance sheets until proceeds from the sale are received. Proceeds from the sale of tax credits are presented as operating activities on their consolidated statements of cash flows, consistent with the presentation of cash taxes paid.

During 2025, CMS Energy sold renewable energy tax credits generated in 2025 and received proceeds of $36 million, all of which was recognized at Consumers. CMS Energy also received proceeds of $13 million during 2025 from the 2024 sale of renewable energy tax credits, all of which was recognized at Consumers. CMS Energy will receive an additional $32 million in 2026 from the renewable energy tax credits generated and sold in 2025, of which $10 million will be recognized at Consumers.

Presented in the following table are the significant components of income tax expense on continuing operations:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Current income taxes			
Federal	$ 34	$ 34	$ 5
State and local	9	—	1
	$ 43	$ 34	$ 6
Deferred income taxes			
Federal	107	70	107
State and local	100	76	38
	$ 207	$ 146	$ 145
Deferred income tax credit	(4)	(4)	(4)
Tax expense	$ 246	$ 176	$ 147
Consumers			
Current income taxes			
Federal	$ 207	$ 78	$ 3
State and local	33	7	2
	$ 240	$ 85	$ 5
Deferred income taxes			
Federal	(27)	51	117
State and local	79	68	43
	$ 52	$ 119	$ 160
Deferred income tax credit	(4)	(4)	(4)
Tax expense	$ 288	$ 200	$ 161

Presented in the following table are income taxes paid:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Federal	$ 28	$ 27	$ 15
State	1	1	—
Total	$ 29	$ 28	$ 15
Consumers			
Federal	$ 189	$ 57	$ 23
State	21	—	8
Total	$ 210	$ 57	$ 31

CMS Energy and Consumers are domiciled in the U.S. and are not subject to taxes in any foreign jurisdiction. State income taxes paid (net of refunds) are primarily attributable to the state of Michigan.

Presented in the following table are the principal components of deferred income tax assets (liabilities) recognized:

		In Millions
December 31	2025	2024
CMS Energy, including Consumers		
Deferred income tax assets		
Net regulatory tax liability	$ 294	$ 307
Tax loss and credit carryforwards	139	258
Reserves and accruals	16	27
Total deferred income tax assets	$ 449	$ 592
Valuation allowance	(2)	(1)
Total deferred income tax assets, net of valuation allowance	$ 447	$ 591
Deferred income tax liabilities		
Plant, property, and equipment	$ (2,833)	$ (2,682)
Employee benefits	(558)	(507)
Gas inventory	(24)	(38)
Securitized costs	(137)	(167)
Other	(147)	(122)
Total deferred income tax liabilities	$ (3,699)	$ (3,516)
Total net deferred income tax liabilities	$ (3,252)	$ (2,925)
Consumers		
Deferred income tax assets		
Net regulatory tax liability	$ 294	$ 307
Tax loss and credit carryforwards	18	37
Reserves and accruals	13	24
Total deferred income tax assets	$ 325	$ 368
Deferred income tax liabilities		
Plant, property, and equipment	$ (2,808)	$ (2,658)
Employee benefits	(534)	(489)
Gas inventory	(24)	(38)
Securitized costs	(137)	(167)
Other	(23)	(69)
Total deferred income tax liabilities	$ (3,526)	$ (3,421)
Total net deferred income tax liabilities	$ (3,201)	$ (3,053)

Deferred tax assets and liabilities are recognized for the estimated future tax effect of temporary differences between the tax basis of assets or liabilities and the reported amounts on CMS Energy's and Consumers' consolidated financial statements.

Presented in the following table are the tax loss and credit carryforwards at December 31, 2025:

In Millions

		Tax Attribute	Expiration
CMS Energy, including Consumers			
Michigan net operating loss carryforwards	$	15	2030 – 2033
Arkansas net operating loss carryforwards		2	2033 - 2035
Local net operating loss carryforwards		2	2025 – 2040
General business credits[1]		120	2038 – 2045
Total tax attributes	$	139	
Consumers			
Michigan net operating loss carryforwards	$	10	2030 – 2033
General business credits[1]		8	2038 – 2045
Total tax attributes	$	18	

1 General business credits comprise research and development tax credits and renewable energy tax credits that are not expected to be transferred to third parties.

CMS Energy has provided a valuation allowance of $2 million for state and local tax loss carryforwards. CMS Energy and Consumers expect to utilize fully their tax loss and credit carryforwards for which no valuation allowance has been provided. It is reasonably possible that further adjustments will be made to the valuation allowances within one year.

Presented in the following table is a reconciliation of the beginning and ending amount of uncertain tax benefits:

In Millions

Years Ended December 31		2025		2024		2023
CMS Energy, including Consumers						
Balance at beginning of period	$	24	$	26	$	28
Additions for current-year tax positions		2		1		1
Additions for prior-year tax positions		7		2		—
Reductions for lapse of statute of limitations		(4)		(5)		(3)
Balance at end of period	$	29	$	24	$	26
Consumers						
Balance at beginning of period	$	32	$	36	$	36
Additions for current-year tax positions		1		6		1
Additions for prior-year tax positions		7		1		2
Reductions for lapse of statute of limitations		(4)		(11)		(3)
Balance at end of period	$	36	$	32	$	36

If recognized, all of these uncertain tax benefits would affect CMS Energy’s and Consumers’ annual effective tax rates in future years. One uncertain tax benefit relates to the methodology of state apportionment for Consumers’ electricity sales to MISO. CMS Energy has filed an appeal on an adverse ruling received from the Michigan Tax Tribunal on this methodology and a hearing was held in February 2026.

CMS Energy and Consumers recognize accrued interest and penalties, where applicable, as part of income tax expense. CMS Energy, including Consumers, recognized immaterial interest and penalties for each of the years ended December 31, 2025, 2024, and 2023.

The amount of income taxes paid is subject to ongoing audits by federal, state, local, and foreign tax authorities, which can result in proposed assessments. CMS Energy's federal income tax returns for 2022 and subsequent years remain subject to examination by the IRS. CMS Energy's Michigan Corporate Income Tax returns for 2013 through 2016 and 2021 and subsequent years remain subject to examination by the State of Michigan. CMS Energy's and Consumers' estimate of the potential outcome for any uncertain tax issue is highly judgmental. CMS Energy and Consumers believe that their accrued tax liabilities at December 31, 2025 were adequate for all years.

14: 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

Years Ended December 31	2025	2024	2023
Income available to common stockholders			
Income from continuing operations	$ 1,002	$ 947	$ 807
Less loss attributable to noncontrolling interests	(69)	(56)	(79)
Less preferred stock dividends	10	10	10
Income from continuing operations available to common stockholders – basic and diluted	$ 1,061	$ 993	$ 876
Average common shares outstanding			
Weighted-average shares – basic	300.4	297.6	291.2
Add dilutive nonvested stock awards	0.5	0.7	0.5
Add dilutive forward equity sale contracts	0.1	—	—
Weighted-average shares – diluted	301.0	298.3	291.7
Income from continuing operations per average common share available to common stockholders			
Basic	$ 3.53	$ 3.34	$ 3.01
Diluted	3.53	3.33	3.01

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

CMS Energy has entered into forward equity sale contracts. These forward equity sale contracts are non-participating securities. While the forward sale price in the forward equity sale contract is 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 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 potentially dilutive impact from these forward equity sale contracts is reflected in diluted EPS using the treasury stock method. There will be a dilutive effect on EPS when the average market price of common stock shares is above the applicable adjusted forward sale price. Additionally, any physical settlement or net share settlement of the agreements would dilute EPS. For further details on the forward equity sale contracts, see Note 5, Financings and Capitalization.

Convertible Securities

CMS Energy has issued 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. Accordingly, the convertible senior notes were included in the computation of diluted EPS, but not in the computation of basic EPS. The impact to diluted EPS was de minimis.

15: Revenue

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

In Millions

Year Ended December 31, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 5,578	$ 2,468	$ —	$ 8,046
Other	—	—	259	259
Revenue recognized from contracts with customers	$ 5,578	$ 2,468	$ 259	$ 8,305
Leasing income	—	—	149	149
Financing income	10	6	—	16
Consumers alternative-revenue programs	50	19	—	69
Total operating revenue – CMS Energy	$ 5,638	$ 2,493	$ 408	$ 8,539
Consumers				
Consumers utility revenue				
Residential	$ 2,661	$ 1,701		$ 4,362
Commercial	1,888	538		2,426
Industrial	762	62		824
Other	267	167		434
Revenue recognized from contracts with customers	$ 5,578	$ 2,468		$ 8,046
Financing income	10	6		16
Alternative-revenue programs	50	19		69
Other non-segment revenue	—	—		1
Total operating revenue – Consumers	$ 5,638	$ 2,493		$ 8,132

1 Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities.

In Millions

Year Ended December 31, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 4,995	$ 2,114	$ —	$ 7,109
Other	—	—	211	211
Revenue recognized from contracts with customers	$ 4,995	$ 2,114	$ 211	$ 7,320
Leasing income	—	—	105	105
Financing income	10	5	—	15
Consumers alternative-revenue programs	56	19	—	75
Total operating revenue – CMS Energy	$ 5,061	$ 2,138	$ 316	$ 7,515
Consumers				
Consumers utility revenue				
Residential	$ 2,318	$ 1,429		$ 3,747
Commercial	1,674	440		2,114
Industrial	670	50		720
Other	333	195		528
Revenue recognized from contracts with customers	$ 4,995	$ 2,114		$ 7,109
Financing income	10	5		15
Alternative-revenue programs	56	19		75
Other non-segment revenue	—	—		1
Total operating revenue – Consumers	$ 5,061	$ 2,138		$ 7,200

[1] Amounts represent NorthStar Clean Energy’s operating revenue from independent power production and its sales of energy commodities.

In Millions

Year Ended December 31, 2023	Electric Utility	Gas Utility	NorthStar Clean Energy[1]	Consolidated
CMS Energy, including Consumers				
Consumers utility revenue	$ 4,686	$ 2,394	$ —	$ 7,080
Other	—	—	181	181
Revenue recognized from contracts with customers	$ 4,686	$ 2,394	$ 181	$ 7,261
Leasing income	—	—	116	116
Financing income	10	6	—	16
Consumers alternative-revenue programs	49	20	—	69
Total operating revenue – CMS Energy	$ 4,745	$ 2,420	$ 297	$ 7,462
Consumers				
Consumers utility revenue				
Residential	$ 2,236	$ 1,619		$ 3,855
Commercial	1,550	489		2,039
Industrial	660	60		720
Other	240	226		466
Revenue recognized from contracts with customers	$ 4,686	$ 2,394		$ 7,080
Financing income	10	6		16
Alternative-revenue programs	49	20		69
Other non-segment revenue	—	—		1
Total operating revenue – Consumers	$ 4,745	$ 2,420		$ 7,166

1 Amounts represent NorthStar Clean Energy's operating revenue from independent power production and its sales of energy commodities.

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 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 $40 million for the year ended December 31, 2025, $33 million for the year ended December 31, 2024, and $34 million for the year ended December 31, 2023.

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 $659 million at December 31, 2025 and $584 million at December 31, 2024.

Alternative-revenue Programs: Consumers accounts for its energy waste reduction incentive mechanism, financial compensation mechanism, and demand response incentive mechanism as alternative-revenue programs.

Consumers recognizes revenue related to the energy waste reduction incentive as soon as energy savings exceed the annual targets established by the MPSC. Revenue related to the financial compensation mechanism is recognized as payments are made on MPSC-approved PPAs. Under a demand response incentive mechanism, Consumers earns a financial incentive when it meets demand response targets set by the MPSC. Consumers recognizes revenue related to this program once demand response incentive objectives are complete, the incentive amount is calculable, and the incentive revenue will be collected within a 24-month period. For additional information on these mechanisms, see Note 3, Regulatory Matters.

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.

16: Other Income and Other Expense

Presented in the following table are the components of other income and other expense at CMS Energy and Consumers:

In Millions

Years Ended December 31	2025	2024	2023
CMS Energy, including Consumers			
Other income			
Gain on extinguishment of debt[1]	$ 72	$ 110	$ 131
Interest income	37	50	37
Interest income – related parties	1	—	—
Allowance for equity funds used during construction	23	29	7
Income from equity method investees	5	7	7
All other	13	11	13
Total other income – CMS Energy	$ 151	$ 207	$ 195
Consumers			
Other income			
Interest income	$ 22	$ 42	$ 25
Interest income – related parties	4	5	5
Allowance for equity funds used during construction	23	29	7
All other	6	9	12
Total other income – Consumers	$ 55	$ 85	$ 49
CMS Energy, including Consumers			
Other expense			
Donations	$ (10)	$ (18)	$ (1)
Civic and political expenditures	(7)	(5)	(5)
All other	(10)	(9)	(7)
Total other expense – CMS Energy	$ (27)	$ (32)	$ (13)
Consumers			
Other expense			
Donations	$ (10)	$ (18)	$ (1)
Civic and political expenditures	(5)	(5)	(5)
All other	(7)	(7)	(6)
Total other expense – Consumers	$ (22)	$ (30)	$ (12)

1 For information regarding the gain on extinguishment of debt, see Note 5, Financings and Capitalization—CMS Energy's Purchase of Consumers' First Mortgage Bonds.

17: Reportable Segments

Reportable segments consist of business units defined by the products and services they offer. CMS Energy's and Consumers' chief operating decision-maker is the CEO. The chief operating decision-maker evaluates segment performance and profitability using net income available to CMS Energy's common stockholders. This metric provides a clear, consistent basis for analyzing the financial results of each segment and supports decision-making regarding the allocation of resources.

Resource allocation to CMS Energy's and Consumers' segments begins with the annual budgeting process, which establishes initial funding and resource levels for each segment. The budget incorporates key financial and operational inputs, including anticipated revenues, expenses, and capital requirements, aligning with CMS Energy's and Consumers' strategic objectives and regulatory obligations. The chief operating decision-maker reviews budget-to-actual variances on a monthly basis and makes interim decisions to reallocate resources among segments as needed, ensuring a timely and effective response to changing conditions. For the electric utility and gas utility segments, the chief operating decision-maker uses this assessment to determine whether the segments are achieving their regulatory authorized return on equity.

Accounting policies for CMS Energy's and Consumers' segments are as described in Note 1, Significant Accounting Policies. The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the individual segments when appropriate. Accounts are allocated among the segments when common accounts are attributable to more than one segment. The allocations are based on certain measures of business activities, such as revenue, labor dollars, customers, other operating and maintenance expense, construction expense, leased property, taxes, or functional surveys. For example, customer receivables are allocated based on revenue, and pension provisions are allocated based on labor dollars.

Inter-segment sales and transfers are accounted for at current market prices and are eliminated in consolidated net income available to common stockholders by segment. Inter-segment sales and transfers were immaterial for all periods presented.

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

Year Ended December 31, 2025	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 5,638	$ 2,493	$ 408	$ 8,539	$ —	$ 8,539
Operating expenses						
Power supply cost[1]	2,193	—	264	2,457	—	2,457
Cost of gas sold	—	803	6	809	—	809
Maintenance and other operating expenses	1,146	468	100	1,714	13	1,727
Depreciation and amortization	903	350	52	1,305	1	1,306
General taxes	297	201	14	512	1	513
Total operating expenses	4,539	1,822	436	6,797	15	6,812
Operating Income (Loss)	1,099	671	(28)	1,742	(15)	1,727
Other income[2]	124	83	17	224	86	310
Interest charges	353	206	(7)	552	237	789
Income (Loss) Before Income Taxes	870	548	(4)	1,414	(166)	1,248
Income tax expense (benefit)	150	138	(4)	284	(38)	246
Income (Loss) From Continuing Operations	720	410	—	1,130	(128)	1,002
Other segment items[3]	(1)	(1)	71	69	(10)	59
Net Income (Loss) Available to Common Stockholders	$ 719	$ 409	$ 71	$ 1,199	$ (138)	$ 1,061
Property, plant, and equipment, gross	$ 21,871 [4]	$ 14,218 [4]	$ 1,649	$ 37,738	$ 25	$ 37,763
Investments in equity method investees	—	—	61	61	—	61
Total assets	22,760 [4]	14,188 [4]	2,496	39,444	497	39,941
Capital expenditures[5]	2,408 [6]	1,064 [6]	498	3,970	—	3,970

1 Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

2 Includes income from equity method investees of $5 million attributable to NorthStar Clean Energy. See Note 16, Other Income and Other Expense

3 Other segment items comprise loss attributable to noncontrolling interests and preferred stock dividends.

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

5 Amounts include assets placed under finance lease.

6 Amounts include a portion of Consumers' capital expenditures for plant and equipment attributable to both the electric and gas utility businesses.

In Millions

Year Ended December 31, 2025	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 5,638	$ 2,493	$ 8,131	$ 1	$ 8,132
Operating expenses					
Power supply cost[1]	2,193	—	2,193	—	2,193
Cost of gas sold	—	803	803	—	803
Maintenance and other operating expenses	1,146	468	1,614	—	1,614
Depreciation and amortization	903	350	1,253	1	1,254
General taxes	297	201	498	1	499
Total operating expenses	4,539	1,822	6,361	2	6,363
Operating Income (Loss)	1,099	671	1,770	(1)	1,769
Other income	124	83	207	1	208
Interest charges	353	206	559	1	560
Income (Loss) Before Income Taxes	870	548	1,418	(1)	1,417
Income tax expense	150	138	288	—	288
Net Income (Loss)	720	410	1,130	(1)	1,129
Other segment items[2]	(1)	(1)	(2)	—	(2)
Net Income (Loss) Available to Common Stockholder	$ 719	$ 409	$ 1,128	$ (1)	$ 1,127
Property, plant, and equipment, gross	$ 21,871 [3]	$ 14,218 [3]	$ 36,089	$ 31	$ 36,120
Total assets	22,814 [3]	14,229 [3]	37,043	48	37,091
Capital expenditures[4]	2,408 [5]	1,064 [5]	3,472	—	3,472

1 Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

2 Other segment items comprise preferred stock dividends.

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

4 Amounts include assets placed under finance lease.

5 Amounts include a portion of Consumers' capital expenditures for plant and equipment attributable to both the electric and gas utility businesses.

In Millions

Year Ended December 31, 2024	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 5,061	$ 2,138	$ 316	$ 7,515	$ —	$ 7,515
Operating expenses						
Power supply cost[1]	1,867	—	161	2,028	—	2,028
Cost of gas sold	—	637	3	640	—	640
Maintenance and other operating expenses	1,066	454	101	1,621	17	1,638
Depreciation and amortization	865	325	49	1,239	1	1,240
General taxes	281	188	12	481	1	482
Total operating expenses	4,079	1,604	326	6,009	19	6,028
Operating Income (Loss)	982	534	(10)	1,506	(19)	1,487
Other income[2]	126	86	14	226	118	344
Interest charges	324	192	4	520	188	708
Income (Loss) Before Income Taxes	784	428	—	1,212	(89)	1,123
Income tax expense (benefit)	102	99	(5)	196	(20)	176
Income (Loss) From Continuing Operations	682	329	5	1,016	(69)	947
Other segment items[3]	(1)	(1)	58	56	(10)	46
Net Income (Loss) Available to Common Stockholders	$ 681	$ 328	$ 63	$ 1,072	$ (79)	$ 993
Property, plant, and equipment, gross	$ 20,137 [4]	$ 13,268 [4]	$ 1,506	$ 34,911	$ 21	$ 34,932
Investments in equity method investees	—	—	64	64	—	64
Total assets	20,710 [4]	13,247 [4]	1,893	35,850	70	35,920
Capital expenditures[5]	1,871 [6]	1,141 [6]	288	$ 3,300	1	3,301

1 Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

2 Includes income from equity method investees of $7 million attributable to NorthStar Clean Energy. See Note 16, Other Income and Other Expense.

3 Other segment items comprise loss attributable to noncontrolling interests and preferred stock dividends.

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

5 Amounts include assets placed under finance lease.

6 Amounts include a portion of Consumers’ capital expenditures for plant and equipment attributable to both the electric and gas utility businesses.

In Millions

Year Ended December 31, 2024	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 5,061	$ 2,138	$ 7,199	$ 1	$ 7,200
Operating expenses					
Power supply cost[1]	1,867	—	1,867	—	1,867
Cost of gas sold	—	637	637	—	637
Maintenance and other operating expenses	1,066	454	1,520	—	1,520
Depreciation and amortization	865	325	1,190	1	1,191
General taxes	281	188	469	1	470
Total operating expenses	4,079	1,604	5,683	2	5,685
Operating Income (Loss)	982	534	1,516	(1)	1,515
Other income	126	86	212	—	212
Interest charges	324	192	516	2	518
Income (Loss) Before Income Taxes	784	428	1,212	(3)	1,209
Income tax expense (benefit)	102	99	201	(1)	200
Net Income (Loss)	682	329	1,011	(2)	1,009
Other segment items[2]	(1)	(1)	(2)	—	(2)
Net Income (Loss) Available to Common Stockholder	$ 681	$ 328	$ 1,009	$ (2)	$ 1,007
Property, plant, and equipment, gross	$ 20,137 [3]	$ 13,268 [3]	$ 33,405	$ 29	$ 33,434
Total assets	20,767 [3]	13,289 [3]	34,056	32	34,088
Capital expenditures[4]	1,871 [5]	1,141 [5]	3,012	—	3,012

[1] Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

[2] Other segment items comprise preferred stock dividends.

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

[4] Amounts include assets placed under finance lease.

[5] Amounts include a portion of Consumers' capital expenditures for plant and equipment attributable to both the electric and gas utility businesses.

In Millions

Year Ended December 31, 2023	Electric Utility	Gas Utility	NorthStar Clean Energy	Segments Total	Other Reconciling Items	Consolidated
CMS Energy, including Consumers						
Operating revenue	$ 4,745	$ 2,420	$ 297	$ 7,462	$ —	$ 7,462
Operating expenses						
Power supply cost[1]	1,841	—	170	2,011	—	2,011
Cost of gas sold	—	897	5	902	—	902
Maintenance and other operating expenses	1,075	511	88	1,674	13	1,687
Depreciation and amortization	797	338	43	1,178	2	1,180
General taxes	260	176	10	446	1	447
Total operating expenses	3,973	1,922	316	6,211	16	6,227
Operating Income (Loss)	772	498	(19)	1,251	(16)	1,235
Other income[2]	131	77	12	220	142	362
Interest charges	285	161	2	448	195	643
Income (Loss) Before Income Taxes	618	414	(9)	1,023	(69)	954
Income tax expense (benefit)	67	98	4	169	(22)	147
Income (Loss) From Continuing Operations	551	316	(13)	854	(47)	807
Other segment items[3]	(1)	(1)	80	78	(8)	70
Net Income (Loss) Available to Common Stockholders	$ 550	$ 315	$ 67	$ 932	$ (55)	$ 877

1 Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

2 Includes income from equity method investees of $7 million attributable to NorthStar Clean Energy. See Note 16, Other Income and Other Expense.

3 Other segment items comprise income from discontinued operations, net of tax, loss attributable to noncontrolling interests, and preferred stock dividends.

In Millions

Year Ended December 31, 2023	Electric Utility	Gas Utility	Segments Total	Other Reconciling Items	Consolidated
Consumers					
Operating revenue	$ 4,745	$ 2,420	$ 7,165	$ 1	$ 7,166
Operating expenses					
Power supply cost[1]	1,841	—	1,841	—	1,841
Cost of gas sold	—	897	897	—	897
Maintenance and other operating expenses	1,075	511	1,586	—	1,586
Depreciation and amortization	797	338	1,135	2	1,137
General taxes	260	176	436	1	437
Total operating expenses	3,973	1,922	5,895	3	5,898
Operating Income (Loss)	772	498	1,270	(2)	1,268
Other income	131	77	208	—	208
Interest charges	285	161	446	2	448
Income (Loss) Before Income Taxes	618	414	1,032	(4)	1,028
Income tax expense (benefit)	67	98	165	(4)	161
Net Income	551	316	867	—	867
Other segment items[2]	(1)	(1)	(2)	—	(2)
Net Income Available to Common Stockholder	$ 550	$ 315	$ 865	$ —	$ 865

1 Power supply costs comprise fuel for electric generation, purchased and interchange power, and purchased power – related parties.

2 Other segment items comprise preferred stock dividends.

18: Related-party Transactions—Consumers

Consumers enters into a number of transactions with related parties in the normal course of business. These transactions include but are not limited to:

- purchases of electricity from affiliates of NorthStar Clean Energy
- payments to and from CMS Energy related to parent company overhead costs
- payments of principal and interest when due to CMS Energy related to borrowings under certain credit agreements and CMS Energy's repurchase of Consumers' first mortgage bonds

Transactions involving power supply purchases from certain affiliates of NorthStar Clean Energy are based on state law and competitive bidding. The payment of parent company overhead costs is based on the use of accepted industry allocation methodologies. These payments are for costs that occur in the normal course of business. Purchases of power and capacity from affiliates of NorthStar Clean Energy totaled $94 million in 2025, $71 million in 2024, and $75 million in 2023.

Amounts payable to related parties for purchased power and other services were $19 million at December 31, 2025 and $20 million at December 31, 2024. Accounts receivable from related parties were $13 million at December 31, 2025 and $15 million at December 31, 2024.

CMS Energy has a demand note payable 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. The portion of the demand note attributable to Consumers was recorded as a note receivable – related party on Consumers' consolidated balance sheets at December 31, 2025 and 2024. For more information about Consumers' note receivable – related party, see Note 7, Financial Instruments.

Consumers has a natural gas transportation agreement with a subsidiary of CMS Energy that extends through 2038, related to a pipeline owned by Consumers. For additional details about the agreement, see Note 9, Leases.

CMS Energy has repurchased certain of Consumers' first mortgage bonds. Interest payable to related parties was $9 million at December 31, 2025 and $7 million at December 31, 2024. For more information about these repurchases, see Note 5, Financings and Capitalization—CMS Energy's Purchase of Consumers' First Mortgage Bonds.

In December 2025, Consumers renewed a short-term credit agreement with CMS Energy, permitting Consumers to borrow up to $500 million. For additional details about the agreement, see Note 5, Financings and Capitalization—Short-term Borrowings.

19: Variable Interest Entities

Consolidated VIEs: In March 2025, NorthStar Clean Energy sold a 50-percent interest in NWO Wind Equity Holdings for net proceeds of $36 million. NWO Wind Equity Holdings holds the Class B membership interest in NWO Holdco, the holding company of a 100-MW wind project located in Paulding County, Ohio. Additionally in March 2025, NorthStar Clean Energy sold a 50-percent interest in Delta Solar Equity Holdings for net proceeds of $8 million. Delta Solar Equity Holdings is the holding company of a 24-MW solar project located in Delta Township, Michigan.

In December 2025, NorthStar Clean Energy sold a Class A membership interest in BG Solar Holdings to a tax equity investor. BG Solar Holdings is the holding company of a 200-MW solar generation project being constructed in Branch County, Michigan. All of the project's nameplate capacity has been committed under a 15-year renewable energy purchase agreement. The tax equity investor contributed $15 million and recognized a deemed contribution of $35 million associated with BG Solar Holdings' sale of investment tax credits related to a portion of the project placed into service for tax purposes in 2025. The tax equity investor will contribute additional amounts upon commercial operation of the project in 2026.

NorthStar Clean Energy consolidates these and other entities that it does not wholly own, but for which it manages and controls the entities' operating activities. NorthStar Clean Energy 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
BG Solar Holdings	Class B membership interest[2]	Holding company of a 200-MW solar generation project in Branch County, Michigan
Delta Solar Equity Holdings	50-percent ownership interest[1]	Holding company of a 24-MW solar generation project in Delta Township, Michigan
Newport Solar Holdings	Class B membership interest[2]	Holding company of a 180-MW solar generation project in Jackson County, Arkansas
NWO Wind Equity Holdings	50-percent ownership interest[1]	Holds a Class B membership interest in NWO Holdco
NWO Holdco	Class B membership interest[2]	Holding company of a 100-MW wind generation project in Paulding County, Ohio

1 The remaining ownership interest is presented as noncontrolling interest on CMS Energy's consolidated balance sheets.

2 The Class A membership interest in the entity is held by a tax equity investor and is presented as noncontrolling interest on CMS Energy's consolidated balance sheets. Under the associated limited liability company agreement, the tax equity investor is guaranteed preferred returns from the entity.

Earnings, tax attributes, and cash flows generated by 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.

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

In Millions

December 31	2025	2024
Current		
Cash and cash equivalents	$ 20	$ 18
Restricted cash	19	—
Accounts receivable	42	4
Prepayments and other current assets	5	3
Non-current		
Plant, property, and equipment, net	1,037	1,024
Construction work in progress	357	—
Other non-current assets	5	3
Total assets[1]	$ 1,485	$ 1,052
Current		
Current portion of long-term debt and finance leases	$ 65	$ —
Accounts payable	29	8
Non-current		
Long-term debt	118	—
Non-current portion of finance leases	39	23
AROs	38	33
Other non-current liabilities	3	—
Total liabilities	$ 292	$ 64

[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. For additional details on these indemnity obligations, see Note 4, 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 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. The VIEs' primary assets and liabilities comprise non-current regulatory assets and long-term debt. For more information on these assets and liabilities, see Note 3, Regulatory Matters—Securitized Costs and Note 5, Financings and Capitalization—Securitization Bonds

Non-consolidated VIEs: NorthStar Clean Energy has variable interests in T.E.S. Filer City, Grayling, Genesee, and Craven. While NorthStar Clean 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, which are accounted for using the equity method:

Name	Nature of the Entity	Nature of NorthStar Clean 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, NorthStar Clean Energy, or Consumers. NorthStar Clean Energy's maximum risk exposure to these partnerships is generally limited to its investment in the partnerships, which is included in investments on CMS Energy's consolidated balance sheets in the amount of $54 million at December 31, 2025 and $64 million at December 31, 2024.

20: Exit Activities and Asset Sales

J.H. Campbell Retirement: Under its integrated resource plan, Consumers had planned to retire J.H. Campbell in 2025. In order to ensure necessary staffing at J.H. Campbell through the planned retirement, Consumers implemented a retention incentive program. Consumers made final payments under this retention plan in November 2025. The aggregate cost of this program was $48 million, which has been deferred as a regulatory asset. The MPSC has approved recovery of these retention costs over three years.

The retirement of J.H. Campbell is subject to temporary extensions under emergency orders issued by the U.S. Secretary of Energy. As a result, Consumers has implemented retention measures to ensure appropriate staffing levels and expects to incur up to $4 million during each 90-day emergency order period. Consumers will seek recovery of these retention costs from FERC, consistent with rate recovery sought for other costs of complying with the emergency orders. For additional information on the emergency orders associated with J.H. Campbell, see Note 3, Regulatory Matters.

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

In Millions

Year Ended December 31	2025	2024
Retention benefit liability at beginning of period	$ 14	$ 16
Costs deferred as a regulatory asset	7	8
Costs paid or settled	(19)	(10)
Retention benefit liability at the end of the period	$ 2	$ 14

Sale of Hydroelectric Facilities: In September 2025, Consumers signed an agreement to sell its 13 river hydroelectric dams, which are located throughout Michigan, to a non-affiliated company. Additionally, Consumers signed an agreement to purchase power generated by the facilities for 30 years, at a price that reflects the counterparty's acceptance of the risks and rewards of ownership of the facilities, including FERC licensing obligations. The agreements are contingent upon MPSC and FERC approval, for which Consumers filed in October 2025. Timing of the regulatory review process is uncertain and could extend 12 to 18 months or longer. In Consumers' most recent electric rate case, the MPSC approved deferred accounting treatment for costs of owning and operating the hydroelectric dams pending and until completion of the transaction. At December 31, 2025, the net book value of the hydroelectric facilities was immaterial.

To ensure necessary staffing at the hydroelectric facilities through the anticipated sale, Consumers has provided current employees at the facilities with a retention incentive program. Subsequently, to ensure continued safe operation of the facilities after the sale, the buyer will offer employment to the current hydroelectric employees for a period of at least a year. The retention incentive benefits are contingent upon MPSC and FERC approval of the sale transaction.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of CMS Energy Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of CMS Energy Corporation and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and financial statement schedules listed in the index appearing under Item 15 (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for the Effects of New Regulatory Matters

As described in Note 3 to the consolidated financial statements, the Company is a utility and must apply regulatory accounting when its rates are designed to recover specific costs of providing regulated services. Under regulatory accounting, the Company records regulatory assets or liabilities for certain transactions that would have been treated as expense or revenue by a non-regulated business. As of December 31, 2025 the Company has recognized a total of $3,459 million of regulatory assets, $4,176 million of regulatory liabilities, $38 million of accrued revenues, and $28 million of accrued rate refunds. As described by management, there are multiple participants to rate case proceedings who often challenge various aspects of those proceedings, including the prudence of the Company's policies and practices. These participants often seek cost disallowances and other relief and have appealed significant decisions reached by the regulators. The recovery of regulatory assets and the settlement of regulatory liabilities are contingent upon the outcomes of rate cases and regulatory proceedings. The principal considerations for our determination that performing procedures relating to accounting for the effects of new regulatory matters is a critical audit matter are (i) the high degree of auditor judgment and subjectivity applied to evaluate management's assessment of the potential outcomes and related accounting impacts associated with pending rate case proceedings; (ii) in some cases, the significant audit effort necessary to assess contrary evidence from various parties involved in rate case proceedings; and (iii) the significant audit effort necessary to evaluate audit evidence related to the recovery of regulatory assets and the settlement of regulatory liabilities. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including the probability of recovering incurred costs and the related accounting and disclosure impacts. These procedures also included, among others, (i) evaluating the Company's correspondence with regulators; (ii) evaluating the reasonableness of management's assessment regarding whether recovery of regulatory assets and settlement of regulatory liabilities is probable; (iii) evaluating the sufficiency of the disclosures in the consolidated financial statements; and (iv) testing, on a sample basis, the regulatory assets and liabilities, including those subject to pending rate cases and regulatory proceedings, based on (a) provisions and formulas outlined in rate orders; (b) other regulatory correspondence; and (c) application of relevant regulatory precedents.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan
February 10, 2026

We have served as the Company's auditor since 2007.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Consumers Energy Company

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Consumers Energy Company and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes and financial statement schedule listed in the index appearing under Item 15 (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Accounting for the Effects of New Regulatory Matters

As described in Note 3 to the consolidated financial statements, the Company is a utility and must apply regulatory accounting when its rates are designed to recover specific costs of providing regulated services. Under regulatory accounting, the Company records regulatory assets or liabilities for certain transactions that would have been treated as expense or revenue by a non-regulated business. As of December 31, 2025 the Company has recognized a total of $3,459 million of regulatory assets, $4,176 million of regulatory liabilities, $38 million of accrued revenues, and $28 million of accrued rate refunds. As described by management, there are multiple participants to rate case proceedings who often challenge various aspects of those proceedings, including the prudence of the Company's policies and practices. These participants often seek cost disallowances and other relief and have appealed significant decisions reached by the regulators. The recovery of regulatory assets and the settlement of regulatory liabilities are contingent upon the outcomes of rate cases and regulatory proceedings. The principal considerations for our determination that performing procedures relating to accounting for the effects of new regulatory matters is a critical audit matter are (i) the high degree of auditor judgment and subjectivity applied to evaluate management's assessment of the potential outcomes and related accounting impacts associated with pending rate case proceedings; (ii) in some cases, the significant audit effort necessary to assess contrary evidence from various parties involved in rate case proceedings; and (iii) the significant audit effort necessary to evaluate audit evidence related to the recovery of regulatory assets and the settlement of regulatory liabilities. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of regulatory proceedings, including the probability of recovering incurred costs and the related accounting and disclosure impacts. These procedures also included, among others, (i) evaluating the Company's correspondence with regulators; (ii) evaluating the reasonableness of management's assessment regarding whether recovery of regulatory assets and settlement of regulatory liabilities is probable; (iii) evaluating the sufficiency of the disclosures in the consolidated financial statements; and (iv) testing, on a sample basis, the regulatory assets and liabilities, including those subject to pending rate cases and regulatory proceedings, based on (a) provisions and formulas outlined in rate orders; (b) other regulatory correspondence; and (c) application of relevant regulatory precedents.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan
February 10, 2026

We have served as the Company's auditor since 2007.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

CMS Energy

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures: Under the supervision and with the participation of management, including its CEO and CFO, CMS Energy conducted an evaluation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, CMS Energy's CEO and CFO have concluded that its disclosure controls and procedures were effective as of December 31, 2025.

Management's Annual Report on Internal Control Over Financial Reporting: CMS Energy's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). CMS Energy's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of CMS Energy
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of CMS Energy are being made only in accordance with authorizations of management and directors of CMS Energy
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of CMS Energy's assets that could have a material effect on its financial statements

Management, including its CEO and CFO, does not expect that its internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. In addition, any evaluation of the effectiveness of controls is subject to risks that those internal controls may become inadequate in future periods because of changes in business conditions, or that the degree of compliance with the policies or procedures deteriorates.

Under the supervision and with the participation of management, including its CEO and CFO, CMS Energy conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2025. In making this evaluation, management used the criteria set forth in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, CMS Energy's management concluded that its internal control over financial reporting was effective as of December 31, 2025. The effectiveness of CMS Energy's internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 8. Financial Statements and Supplementary Data.

Changes in Internal Control Over Financial Reporting: There have not been any changes in CMS Energy's internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Consumers

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures: Under the supervision and with the participation of management, including its CEO and CFO, Consumers conducted an evaluation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, Consumers' CEO and CFO have concluded that its disclosure controls and procedures were effective as of December 31, 2025.

Management's Annual Report on Internal Control Over Financial Reporting: Consumers' management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Consumers' internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Consumers
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Consumers are being made only in accordance with authorizations of management and directors of Consumers
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Consumers' assets that could have a material effect on its financial statements

Management, including its CEO and CFO, does not expect that its internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. In addition, any evaluation of the effectiveness of controls is subject to risks that those internal controls may become inadequate in future periods because of changes in business conditions, or that the degree of compliance with the policies or procedures deteriorates.

Under the supervision and with the participation of management, including its CEO and CFO, Consumers conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2025. In making this evaluation, management used the criteria set forth in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, Consumers' management concluded that its internal control over financial reporting was effective as of December 31, 2025. The effectiveness of Consumers' internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 8. Financial Statements and Supplementary Data.

Changes in Internal Control Over Financial Reporting: There have not been any changes in Consumers' internal control over financial reporting during the last fiscal quarter that have materially affected, or are reasonably likely to affect materially, its internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

CMS Energy

CMS Energy has adopted an insider trading compliance policy and program applicable to directors, executive officers and employees, as well as CMS Energy itself. CMS Energy believes this policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the New York Stock Exchange listing standards. A copy of the insider trading policy is filed as Exhibit 19.1 to this Form 10-K. Additional information that is required in Item 10 of this Form 10-K regarding executive officers is included in the Item 1. Business—Information About CMS Energy's and Consumers' Executive Officers section, which is incorporated by reference herein.

Information that is required in Item 10 of this Form 10-K regarding directors, executive officers, and corporate governance is incorporated by reference from CMS Energy's and Consumers' definitive proxy statement for their 2026 Annual Meetings of Shareholders to be held May 8, 2026. The proxy statement will be filed with the SEC, pursuant to Regulation 14A under the Exchange Act, within 120 days after the end of the fiscal year covered by this Form 10-K, all of which information is hereby incorporated by reference in, and made part of, this Form 10-K.

Code of Ethics

CMS Energy has adopted an employee code of ethics, entitled "CMS Energy Code of Conduct and Guide to Ethical Business Behavior" (Employee Code) that applies to its CEO, CFO, and CAO, as well as all other officers and employees of CMS Energy and its affiliates. The Employee Code is administered by the Chief Compliance Officer of CMS Energy, who reports directly to the Audit Committee. CMS Energy has also adopted a director code of ethics entitled "Board of Directors Code of Conduct and Guide to Ethical Business Behavior" (Director Code) that applies to its directors. The Director Code is administered by the Audit Committee. Any alleged violation of the Director Code by a director will be investigated by disinterested members of the Audit Committee, or if none, by disinterested members of the entire Board. The Employee Code and Director Code and any waivers of, or amendments or exceptions to, a provision of the Employee Code that applies to CMS Energy's CEO, CFO, CAO or persons performing similar functions and any waivers of, or amendments or exceptions to, a provision of CMS Energy's Director Code will be disclosed on CMS Energy's website at www.cmsenergy.com/corporate-governance/compliance-and-ethics.

Consumers

Consumers has adopted an insider trading compliance policy and program applicable to directors, executive officers and employees, as well as Consumers itself. Consumers believes this policy is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the New York Stock Exchange listing standards. A copy of the insider trading policy is filed as Exhibit 19.1 to this Form 10-K. Additional information that is required in Item 10 of this Form 10-K regarding executive officers is included in the Item 1. Business—Information About CMS Energy's and Consumers' Executive Officers section, which is incorporated by reference herein.

Information that is required in Item 10 of this Form 10-K regarding directors, executive officers, and corporate governance is incorporated by reference from CMS Energy's and Consumers' definitive proxy statement for their 2026 Annual Meetings of Shareholders to be held May 8, 2026. The proxy statement will be filed with the SEC, pursuant to Regulation 14A under the Exchange Act, within 120 days after the end of the fiscal year covered by this Form 10-K, all of which information is hereby incorporated by reference in, and made part of, this Form 10-K.

Code of Ethics

Consumers has adopted an employee code of ethics, entitled “CMS Energy Code of Conduct and Guide to Ethical Business Behavior” (Employee Code) that applies to its CEO, CFO, and CAO, as well as all other officers and employees of Consumers and its affiliates. The Employee Code is administered by the Chief Compliance Officer of Consumers, who reports directly to the Audit Committee. Consumers has also adopted a director code of ethics entitled “Board of Directors Code of Conduct and Guide to Ethical Business Behavior” (Director Code) that applies to its directors. The Director Code is administered by the Audit Committee. Any alleged violation of the Director Code by a director will be investigated by disinterested members of the Audit Committee, or if none, by disinterested members of the entire Board. The Employee Code and Director Code and any waivers of, or amendments or exceptions to, a provision of the Employee Code that applies to Consumers’ CEO, CFO, CAO or persons performing similar functions and any waivers of, or amendments or exceptions to, a provision of Consumers’ Director Code will be disclosed on Consumers’ website at www.cmsenergy.com/corporate-governance/compliance-and-ethics.

Item 11. Executive Compensation

See the note below.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance Under Equity Compensation Plans

Presented in the following table is information regarding CMS Energy’s equity compensation plans as of December 31, 2025:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights	(b) Weighted-average exercise price of outstanding options, warrants, and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plan approved by shareholders	—	$ —	3,965,601

Also see the note below.

Item 13. Certain Relationships and Related Transactions, and Director Independence

See the note below.

Item 14. Principal Accountant Fees and Services

See the note below.

NOTE: Information that is required by Part III—Items 11, 12, 13, and 14 of this Form 10-K is incorporated by reference from CMS Energy's and Consumers' definitive proxy statement for their 2026 Annual Meetings of Shareholders to be held May 8, 2026. The proxy statement will be filed with the SEC, pursuant to Regulation 14A under the Exchange Act, within 120 days after the end of the fiscal year covered by this Form 10-K, all of which information is hereby incorporated by reference in, and made part of, this Form 10-K.

Part IV

Item 15. Exhibits and Financial Statement Schedules

The following financial statements are filed as part of this report under Item 8. Financial Statements and Supplementary Data:

- Consolidated Statements of Income of CMS Energy for the years ended December 31, 2025, 2024, and 2023
- Consolidated Statements of Comprehensive Income of CMS Energy for the years ended December 31, 2025, 2024, and 2023
- Consolidated Statements of Cash Flows of CMS Energy for the years ended December 31, 2025, 2024, and 2023
- Consolidated Balance Sheets of CMS Energy at December 31, 2025 and 2024
- Consolidated Statements of Changes in Equity of CMS Energy for the years ended December 31, 2025, 2024, and 2023
- Consolidated Statements of Income of Consumers for the years ended December 31, 2025, 2024, and 2023
- Consolidated Statements of Comprehensive Income of Consumers for the years ended December 31, 2025, 2024, and 2023
- Consolidated Statements of Cash Flows of Consumers for the years ended December 31, 2025, 2024, and 2023
- Consolidated Balance Sheets of Consumers at December 31, 2025 and 2024
- Consolidated Statements of Changes in Equity of Consumers for the years ended December 31, 2025, 2024, and 2023
- Notes to the Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm for CMS Energy
- Report of Independent Registered Public Accounting Firm for Consumers

The following financial statement schedules are included below:

- Schedule I — Condensed Financial Information of Registrant, CMS Energy—Parent Company at December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024, and 2023
- Schedule II — Valuation and Qualifying Accounts and Reserves of CMS Energy for the years ended December 31, 2025, 2024, and 2023
- Schedule II — Valuation and Qualifying Accounts and Reserves of Consumers for the years ended December 31, 2025, 2024, and 2023

Schedule I — Condensed Financial Information of Registrant

CMS Energy—Parent Company

Condensed Statements of Income

In Millions

Years Ended December 31	2025	2024	2023
Operating Expenses			
Other operating expenses	$ 9	$ 10	$ 10
Total operating expenses	9	10	10
Operating Loss	(9)	(10)	(10)
Other Income (Expense)			
Equity earnings of subsidiaries	1,189	1,061	929
Nonoperating retirement benefits, net	(1)	(1)	(1)
Other income	69	45	31
Other expense	(2)	—	—
Total other income	1,255	1,105	959
Interest Charges			
Interest on long-term debt	266	205	201
Intercompany interest expense and other	10	10	10
Total interest charges	276	215	211
Income Before Income Taxes	970	880	738
Income Tax Benefit	(39)	(19)	(20)
Net Income Attributable to CMS Energy	1,009	899	758
Preferred Stock Dividends	10	10	10
Net Income Available to Common Stockholders	$ 999	$ 889	$ 748

The accompanying notes are an integral part of these statements.

Schedule I — Condensed Financial Information of Registrant (Continued)

CMS Energy—Parent Company
Condensed Statements of Cash Flows

In Millions

Years Ended December 31	2025	2024	2023
Cash Flows from Operating Activities			
Net cash provided by operating activities	$ 817	$ 774	$ 595
Cash Flows from Investing Activities			
Capital expenditures	(1)	(1)	—
Investment in subsidiaries	(1,062)	(535)	(630)
Investment in debt securities – intercompany	(109)	(288)	(293)
Decrease (increase) in notes receivable – intercompany	(309)	21	55
Proceeds from DB SERP investments	3	—	—
Net cash used in investing activities	(1,478)	(803)	(868)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	2,110	490	800
Issuance of common stock	525	286	192
Retirement of long-term debt	(850)	(250)	—
Payment of dividends on common and preferred stock	(663)	(626)	(579)
Debt issuance costs and financing fees	(39)	(10)	(20)
Change in notes payable – intercompany	3	(6)	(7)
Net cash provided by (used in) financing activities	1,086	(116)	386
Net Increase (Decrease) in Cash and Cash Equivalents, Including Restricted Amounts	425	(145)	113
Cash and Cash Equivalents, Including Restricted Amounts, Beginning of Period	4	149	36
Cash and Cash Equivalents, Including Restricted Amounts, End of Period	$ 429	$ 4	$ 149

The accompanying notes are an integral part of these statements.

Schedule I — Condensed Financial Information of Registrant (Continued)

CMS Energy—Parent Company

Condensed Balance Sheets

ASSETS

In Millions

December 31	2025	2024
Current Assets		
Cash and cash equivalents	$ 429	$ 4
Notes and accrued interest receivable – intercompany	350	40
Accounts receivable – intercompany and related parties	8	8
Prepayments and other current assets	1	1
Total current assets	788	53
Other Non-current Assets		
Property, plant, and equipment	1	1
Deferred income taxes	105	150
Investments in subsidiaries	13,724	12,400
Investment in debt securities – intercompany	710	591
Other investments	8	9
Other	23	21
Total other non-current assets	14,571	13,172
Total Assets	$ 15,359	$ 13,225

LIABILITIES AND EQUITY

		In Millions
December 31	2025	2024
Current Liabilities		
Current portion of long-term debt	$ 300	$ 740
Accounts and notes payable – intercompany	89	74
Accrued interest, including intercompany	43	34
Accrued taxes	41	16
Other current liabilities	8	6
Total current liabilities	481	870
Non-current Liabilities		
Long-term debt	5,906	4,226
Notes payable – intercompany	96	100
Postretirement benefits	13	14
Other non-current liabilities	14	17
Total non-current liabilities	6,029	4,357
Equity		
Common stock	3	3
Other stockholders’ equity	8,622	7,771
Total common stockholders’ equity	8,625	7,774
Preferred stock	224	224
Total equity	8,849	7,998
Total Liabilities and Equity	$ 15,359	$ 13,225

The accompanying notes are an integral part of these statements.

Schedule I — Condensed Financial Information of Registrant (Continued)

CMS Energy—Parent Company

Notes to the Condensed Financial Statements

1: Basis of Presentation

CMS Energy's condensed financial statements have been prepared on a parent-only basis. In accordance with Rule 12-04 of Regulation S-X, these parent-only financial statements do not include all of the information and notes required by GAAP for annual financial statements, and therefore these parent-only financial statements and other information included should be read in conjunction with CMS Energy's audited consolidated financial statements contained within Item 8. Financial Statements and Supplementary Data.

2: Guarantees

CMS Energy has issued guarantees with a maximum potential obligation of $1.3 billion on behalf of some of its wholly owned subsidiaries and related parties. CMS Energy's maximum potential obligation consists primarily of potential payments:

- to third parties under certain commodity purchase and sales agreements entered into by CMS ERM and other subsidiaries of NorthStar Clean Energy
- to tax equity investors that hold membership interests in certain VIEs held by NorthStar Clean Energy
- to EGLE on behalf of CMS Land and CMS Capital, for environmental remediation obligations at Bay Harbor
- to the DOE on behalf of Consumers, in connection with Consumers' 2011 settlement agreement with the DOE regarding damages resulting from the department's failure to accept spent nuclear fuel from nuclear power plants formerly owned by Consumers

The expiration dates of these guarantees vary, depending upon contractual provisions or upon the statute of limitations under the relevant governing law.

Schedule II — Valuation and Qualifying Accounts and Reserves

CMS Energy Corporation

Years Ended December 31, 2025, 2024, and 2023

In Millions

Description	Balance at Beginning of Period	Charged to Expense	Charged to Other Accounts	Deductions	Balance at End of Period
Allowance for uncollectible accounts[1]					
2025	$ 23	$ 40	$ —	$ 36	$ 27
2024	21	33	—	31	23
2023	27	34	—	40	21
Deferred tax valuation allowance					
2025	$ 1	$ 1	$ —	$ —	$ 2
2024	2	—	—	1	1
2023	2	—	—	—	2

[1] Deductions represent write-offs of uncollectible accounts, net of recoveries.

Consumers Energy Company

Years Ended December 31, 2025, 2024, and 2023

In Millions

Description	Balance at Beginning of Period	Charged to Expense	Charged to Other Accounts	Deductions	Balance at End of Period
Allowance for uncollectible accounts[1]					
2025	$ 23	$ 40	$ —	$ 36	$ 27
2024	21	33	—	31	23
2023	27	34	—	40	21

[1] Deductions represent write-offs of uncollectible accounts, net of recoveries.

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Exhibit Index

The agreements included as exhibits to this Form 10-K 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.

	Previously Filed			
Exhibits	With File Number	As Exhibit Number		Description
3.1[1]	1-9513	3.1	—	Restated Articles of Incorporation of CMS Energy, effective June 1, 2004, as amended from time to time (Form 10-Q for the quarterly period ended June 30, 2024)
3.2[1]	1-9513	3.2	—	CMS Energy Bylaws, amended and restated effective February 8, 2016 (Form 8-K filed February 8, 2016)
3.3	1-5611	3(c)	—	Restated Articles of Incorporation of Consumers effective June 7, 2000 (Form 10-K for the fiscal year ended December 31, 2000)
3.4	1-5611	3.2	—	Consumers Bylaws, amended and restated as of January 24, 2013 (Form 8-K filed January 29, 2013)
4.1	2-65973	(b)(1)–4	—	Indenture dated as of September 1, 1945 between Consumers and Chemical Bank (successor to Manufacturers Hanover Trust Company), as Trustee, including therein indentures supplemental thereto through the Forty-third Supplemental Indenture dated as of May 1, 1979 (Form S-16 filed November 13, 1979)
				Indentures Supplemental thereto:
4.1.a	1-5611	4.2	—	104th dated as of 8/11/05 (Form 8-K filed August 11, 2005)
4.1.b	1-5611	4.1	—	112th dated as of 9/1/10 (Form 8-K filed September 7, 2010)
4.1.c	1-5611	4.1	—	113th dated as of 10/15/10 (Form 8-K filed October 20, 2010)
4.1.d	1-5611	4.1	—	114th dated as of 3/31/11 (Form 8-K filed April 6, 2011)
4.1.e	1-5611	4.1	—	120th dated as of 12/17/12 (Form 8-K filed December 20, 2012)
4.1.f	1-5611	4.1	—	121st dated as of 5/17/13 (Form 8-K filed May 17, 2013)
4.1.g	1-5611	4.1	—	123rd dated as of 12/20/13 (Form 8-K filed December 27, 2013)
4.1.h	1-5611	4.1	—	124th dated as of 8/18/2014 (Form 8-K filed August 18, 2014)
4.1.i	1-5611	4.1	—	125th dated as of 11/6/2015 (Form 8-K filed November 6, 2015)
4.1.j	1-5611	4.1	—	127th dated as of 8/10/16 (Form 8-K filed August 10, 2016)

Exhibits	Previously Filed With File Number	Previously Filed As Exhibit Number		Description
4.1.k	1-5611	4.1	—	128th dated as of 2/22/17 (Form 8-K filed February 22, 2017)
4.1.l	1-5611	4.1	—	129th dated as of 9/28/17 (Form 8-K filed September 28, 2017)
4.1.m	1-5611	4.1	—	130th dated as of 11/15/17 (Form 8-K filed November 15, 2017)
4.1.n	1-5611	4.1	—	131st dated as of 5/14/18 (Form 8-K filed May 14, 2018)
4.1.o	1-5611	4.1	—	132nd dated as of 6/5/18 (Form 8-K filed June 5, 2018)
4.1.p	1-5611	4.1	—	133rd dated as of 10/1/18 (Form 8-K filed October 1, 2018)
4.1.q	1-5611	4.1	—	134th dated as of 11/13/18 (Form 8-K filed November 13, 2018)
4.1.r	1-5611	4.1	—	135th dated as of 5/28/19 (Form 8-K filed May 28, 2019)
4.1.s	1-5611	4.1	—	136th dated as of 9/3/19 (Form 8-K filed September 3, 2019)
4.1.t	1-5611	4.1	—	137th dated as of 9/19/19 (Form 8-K filed September 19, 2019)
4.1.u	1-5611	4.3	—	138th dated as of 10/1/19 (Form 10-Q for the quarterly period ended September 30, 2019)
4.1.v	1-5611	4.1	—	139th dated as of 3/26/20 (Form 8-K filed March 26, 2020)
4.1.w	1-5611	4.1	—	140th dated as of 5/13/20 (Form 8-K filed May 13, 2020)
4.1.x	1-5611	4.1	—	141st dated as of 5/20/20 (Form 8-K filed May 20, 2020)
4.1.y	1-5611	4.1	—	142nd dated as of 10/7/20 (Form 8-K filed October 7, 2020)
4.1.z	1-5611	4.1	—	144th dated as of 8/12/21 (Form 8-K filed August 12, 2021)
4.1.aa	1-5611	4.1	—	145th dated as of 8/11/22 (Form 8-K filed August 11, 2022)
4.1.bb	1-5611	4.1	—	146th dated as of 12/14/22 (Form 8-K filed December 15, 2022)
4.1.cc	1-5611	4.1	—	147th dated as of 1/10/23 (Form 8-K filed January 10, 2023)
4.1.dd	1-5611	4.1	—	148th dated as of 2/23/23 (Form 8-K filed February 23, 2023)
4.1.ee	1-5611	4.1	—	149th dated as of 5/30/23 (Form 8-K filed May 30, 2023)
4.1.ff	1-5611	4.1	—	150th dated as of 8/4/23 (Form 8-K filed August 4, 2023)
4.1.gg	1-5611	4.1	—	151st dated as of 1/9/24 (Form 8-K filed January 9, 2024)
4.1.hh	1-5611	4.1	—	152nd dated as of 8/5/24 (Form 8-K filed August 5, 2024)
4.1.ii	1-5611	4.1	—	153rd dated as of 5/2/25 (Form 8-K filed May 2, 2025)
4.1.jj	1-5611	4.1	—	154th dated as of 11/21/25 (Form 8-K filed November 21, 2025)
4.1.kk			—	155th dated as of 11/28/2025
4.2	1-5611	(4)(b)	—	Indenture dated as of January 1, 1996 between Consumers and The Bank of New York Mellon, as Trustee (Form 10-K for the fiscal year ended December 31, 1995)
4.3	1-5611	(4)(c)	—	Indenture dated as of February 1, 1998 between Consumers and The Bank of New York Mellon (formerly The Chase Manhattan Bank), as Trustee (Form 10-K for the fiscal year ended December 31, 1997)
4.4[1]	33-47629	(4)(a)	—	Indenture dated as of September 15, 1992 between CMS Energy and NBD Bank, as Trustee (Form S-3 filed May 1, 1992)
				Indentures Supplemental thereto:
4.4.a[1]	1-9513	4.1	—	29th dated as of 3/22/13 (Form 8-K filed March 22, 2013)
4.4.b[1]	1-9513	4.2	—	31st dated as of 2/27/14 (Form 8-K filed February 27, 2014)

	Previously Filed			
Exhibits	With File Number	As Exhibit Number		Description
4.4.c[1]	1-9513	4.1	—	33rd dated as of 5/5/16 (Form 8-K filed May 5, 2016)
4.4.d[1]	1-9513	4.1	—	34th dated as of 11/3/16 (Form 8-K filed November 3, 2016)
4.4.e[1]	1-9513	4.1	—	35th dated as of 2/13/17 (Form 8-K filed February 13, 2017)
4.5[1]	1-9513	(4a)	—	Indenture dated as of June 1, 1997 between CMS Energy and The Bank of New York Mellon, as Trustee (Form 8-K filed July 1, 1997)
				Indentures Supplemental thereto:
4.5.a[1]	1-9513	4.5.a	—	5th dated as of 2/13/18 (Form 10-K for the fiscal year ended December 31, 2017)
4.5.b[1]	1-9513	4.1	—	6th dated as of 3/8/18 (Form 8-K filed March 8, 2018)
4.5.c[1]	1-9513	4.1	—	7th dated as of 9/26/18 (Form 8-K filed September 26, 2018)
4.5.d[1]	1-9513	4.1	—	8th dated as of 2/20/19 (Form 8-K filed February 20, 2019)
4.5.e[1]	1-9513	4.1	—	9th dated as of 5/28/20 (Form 8-K filed May 28, 2020)
4.5.f[1]	1-9513	4.1	—	10th dated as of 11/25/20 (Form 8-K filed November 25, 2020)
4.5.g[1]	1-9513	4.1	—	11th dated as of 2/21/25 (Form 8-K filed February 21, 2025)
4.6[1]	1-9513	4.1	—	Indenture dated as of May 5, 2023 between CMS Energy and The Bank of New York Mellon, as Trustee (Form 8-K filed May 5, 2023)
4.7[1]	1-9513	4.1	—	Indenture dated as of November 6, 2025 between CMS Energy and The Bank of New York Mellon, as Trustee (Form 8-K filed November 6, 2025)
4.8[1]	1-9513	4.6	—	Description of CMS Energy Securities (Form 10-K for the fiscal year ended December 31, 2021)
4.9	1-5611	4.7	—	Description of Consumers Securities (Form 10-K for the fiscal year ended December 31, 2019)
4.10[1]	1-9513	4.2	—	Deposit Agreement, dated as of July 1, 2021, among CMS Energy, Equiniti Trust Company, and the holders from time to time of the depositary receipts described therein, including Form of Depositary Receipt (Form 8-K filed July 1, 2021)
10.1[2]	1-9513	10.1	—	CMS Energy 2020 Performance Incentive Stock Plan, effective June 1, 2020 (Form 8-K filed May 5, 2020)
10.2[2]	1-9513	10.2	—	CMS Energy's Deferred Salary Savings Plan, as amended and restated, effective January 1, 2022 (Form 10-K for the fiscal year ended December 31, 2023)
10.3[2]	1-9513	10.5	—	CMS Energy and Consumers Directors' Deferred Compensation Plan, effective as of November 30, 2007 (Form 10-K for the fiscal year ended December 31, 2014)
10.4[2]	1-9513	10.6	—	Supplemental Executive Retirement Plan for Employees of CMS Energy/Consumers effective on January 1, 1982 and as amended effective April 1, 2011 (Form 10-Q for the quarterly period ended March 31, 2011)

	Previously Filed			
Exhibits	With File Number	As Exhibit Number		Description
10.5[2]	1-9513	10.5	—	Defined Contribution Supplemental Executive Retirement Plan, amended December 21, 2023, effective January 1, 2024 (Form 10-K for the fiscal year ended December 31, 2023)
10.6[2]	1-9513	10.2	—	Form of Officer Separation Agreement as of July 1, 2023 (Form 10-Q for the quarterly period ended June 30, 2023)
10.7[1]	1-9513	(10)(y)	—	Environmental Agreement dated as of June 1, 1990 made by CMS Energy to The Connecticut National Bank and Others (Form 10-K for the fiscal year ended December 31, 1990)
10.8[1,2]	1-9513	(10)(a)	—	Form of Indemnification Agreement between CMS Energy and its Directors, effective as of November 1, 2007 (Form 10-Q for the quarterly period ended September 30, 2007)
10.9[2]	1-5611	(10)(b)	—	Form of Indemnification Agreement between Consumers and its Directors, effective as of November 1, 2007 (Form 10-Q for the quarterly period ended September 30, 2007)
10.10[2]	1-9513	10.10	—	CMS Incentive Compensation Plan for CMS Energy and Consumers Officers as amended, effective as of January 27, 2022 (Form 10-K for the fiscal year ended December 31, 2021)
10.11[2]	1-9513	10.3	—	Form of Change in Control Agreement as of July 1, 2023 (Form 10-Q for the quarterly period ended June 30, 2023)
10.12[2]	1-9513	10.12	—	Annual Employee Incentive Compensation Plan for Consumers amended December 11, 2023, effective July 1, 2023 (Form 10-K for the fiscal year ended December 31, 2023)
10.13[1,2]	1-9513	10.1	—	Annual NorthStar Clean Energy Employee Incentive Compensation Plan as amended, effective as of May 1, 2025 (Form 10-Q for the quarterly period ended June 30, 2025)
10.14[1]	1-9513	10.1	—	$750 million Sixth Amended and Restated Revolving Credit Agreement dated as of November 21, 2025 among CMS Energy, the Banks, as defined therein, and Barclays Bank PLC, as Agent (Form 8-K filed November 21, 2025)
10.15	1-5611	10.2	—	$1.1 billion Seventh Amended and Restated Revolving Credit Agreement dated as of November 21, 2025 among Consumers, the Banks, as defined therein, and JPMorgan Chase Bank, N.A., as Agent (Form 8-K filed November 21, 2025)
10.16	1-5611	10.1	—	$250 million Amended and Restated Revolving Credit Agreement dated as of November 19, 2018 among Consumers, the Banks, as defined therein, and The Bank of Nova Scotia, as Agent (Form 8-K filed November 20, 2018)
10.16.a	1-5611	10.1	—	Description of the Extension to the Amended and Restated $250 million Secured Revolving Credit Agreement (Form 8-K filed November 19, 2019)
10.16.b	1-5611	10.1	—	Description of the Second Extension to the Amended and Restated $250 million Secured Revolving Credit Agreement (Form 8-K filed November 19, 2020)

	Previously Filed			
Exhibits	With File Number	As Exhibit Number		Description
10.16.c	1-5611	10.1	—	Description of the Third Extension to the Amended and Restated $250 million Secured Revolving Credit Agreement (Form 8-K filed November 22, 2021)
10.16.d	1-5611	10.1	—	First Amendment to the Amended and Restated $250 million Secured Revolving Credit Agreement (Form 8-K filed November 29, 2022)
10.16.e	1-5611	10.1	—	Amendment No. 2 to the Amended and Restated $250 million Secured Revolving Credit Agreement (Form 8-K filed November 29, 2023)
10.16.f	1-5611	10.3	—	Third Amendment to the Amended and Restated $250 Million Secured Revolving Credit Agreement (Form 8-K filed November 21, 2025)
10.17[2]	1-9513	10.1	—	Consumers and other CMS Energy Companies Retired Executives Survivor Benefit Plan for Management/Executive Employees, distributed July 1, 2011 (Form 10-Q for the quarterly period ended September 30, 2011)
10.18	1-5611	10.1	—	Form of Commercial Paper Dealer Agreement between Consumers, as Issuer, and the Dealer party thereto (Form 10-Q for the quarterly period ended September 30, 2014)
10.19	1-5611	10.1	—	Purchase and Sale Agreement dated June 21, 2021 by and among Consumers and New Covert Generating Company, LLC (Form 8-K filed June 23, 2021)
10.19.a	1-5611	10.4	—	Amendment No. 1 dated as of May 31, 2023 to the Purchase and Sale Agreement, dated June 21, 2021 by and among Consumers and New Covert Generating Company, LLC (Form 10-Q for the quarterly period ending June 30, 2023)
10.20[2]	1-9513	10.22	—	Annual Employee Incentive Compensation Plan for Consumers amended and restated effective January 1, 2024 (Form 10-K for the fiscal year ended December 31, 2023)
19.1	1-9513	19.1	—	Policy Prohibiting Illegal Insider Trading (Form 10-K for the fiscal year ended December 31, 2024)
21.1			—	Subsidiaries of CMS Energy and Consumers
23.1			—	Consent of PricewaterhouseCoopers LLP for CMS Energy
23.2			—	Consent of PricewaterhouseCoopers LLP for Consumers
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 of 2002

	Previously Filed			
Exhibits	With File Number	As Exhibit Number		Description
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
97.1[2]	1-9513	97.1	—	CMS Energy/Consumers Clawback Policy (Form 10-K for the fiscal year ended December 31, 2023)
99.1[1]	333-275106	99.1	—	CMS Energy Stock Purchase Plan, as amended and restated October 20, 2023 (Form S-3ASR filed October 20, 2023)
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 Obligations of CMS Energy or its subsidiaries, but not of Consumers.

2 Management contract or compensatory plan or arrangement.

Exhibits that have been previously filed with the SEC, designated above, are incorporated herein by reference and made a part hereof.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, CMS Energy Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/ Garrick J. Rochow

Name:	Garrick J. Rochow
Title:	President and Chief Executive Officer
Date:	February 10, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of CMS Energy Corporation and in the capacities indicated and on February 10, 2026.

/s/ Garrick J. Rochow

Garrick J. Rochow
President, Chief Executive Officer, and Director
(Principal Executive Officer)

/s/ Rejji P. Hayes

Rejji P. Hayes

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Scott B. McIntosh

Scott B. McIntosh

Vice President, Controller, and Chief Accounting Officer
(Controller)

/s/ Deborah H. Butler

Deborah H. Butler, Director

/s/ Ralph Izzo

Ralph Izzo, Director

/s/ John G. Russell

John G. Russell, Director

/s/ Suzanne F. Shank

Suzanne F. Shank, Director

/s/ Myrna M. Soto

Myrna M. Soto, Director

/s/ John G. Sznewajs

John G. Sznewajs, Director

/s/ Ronald J. Tanski

Ronald J. Tanski, Director

/s/ Laura H. Wright

Laura H. Wright, Director

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Consumers Energy Company has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/ Garrick J. Rochow

Name:	Garrick J. Rochow
Title:	President and Chief Executive Officer
Date:	February 10, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of Consumers Energy Company and in the capacities indicated and on February 10, 2026.

/s/ Garrick J. Rochow
Garrick J. Rochow
President, Chief Executive Officer, and Director
(Principal Executive Officer)

/s/ Rejji P. Hayes
Rejji P. Hayes
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Scott B. McIntosh
Scott B. McIntosh
Vice President, Controller, and Chief Accounting Officer
(Controller)

/s/ Deborah H. Butler
Deborah H. Butler, Director

/s/ Ralph Izzo
Ralph Izzo, Director

/s/ John G. Russell
John G. Russell, Director

/s/ Suzanne F. Shank
Suzanne F. Shank, Director

/s/ Myrna M. Soto
Myrna M. Soto, Director

/s/ John G. Sznewajs
John G. Sznewajs, Director

/s/ Ronald J. Tanski
Ronald J. Tanski, Director

/s/ Laura H. Wright
Laura H. Wright, Director

For the purpose of this filing, information is organized under the headings of CMS Energy Corporation (Tier 1), CMS Capital, L.L.C. (Tier 2), NorthStar Clean Energy Company, formerly known as CMS Enterprises Company (Tier 2), CMS Treasury Services, LLC (Tier 2), and Consumers Energy Company (Tier 2). As set forth in detail below, CMS Energy Corporation is the parent company of CMS Capital, L.L.C., NorthStar Clean Energy Company, CMS Treasury Services, LLC, and Consumers Energy Company. All ownership interests are 100 percent unless indicated parenthetically to the contrary and are accurate as of December 31, 2025.

NAME of COMPANY	JURISDICTION of ORGANIZATION
01 CMS ENERGY CORPORATION	Michigan
02 CMS Capital, L.L.C.	Michigan
03 CMS Land Company	Michigan
02 NorthStar Clean Energy Company	Michigan
Conducts business under the following assumed names:	
CMS Enterprises	
CMS Enterprises Company	
NorthStar Clean Energy	
NorthStar Clean Energy, A CMS Company	
NorthStar Clean Energy, A CMS Energy Company	
03 Genesee Solar Energy Holding Company, LLC	Michigan
03 NSCE Development Company, LLC (99%)	Michigan
04 Filer City Carbon Capture, LLC	Michigan
04 Nymphaea Solar, LLC	Delaware
04 Lake Iris Solar, LLC	Delaware
04 Hart Solar Partners, LLC	Delaware
04 Michigan Carbon Free Energy	Michigan
03 NSCE DevCo Partner, LLC	Michigan
04 NSCE Development Company, LLC (1%)	Michigan
03 Dearborn Industrial Energy, L.L.C.	Michigan
04 Dearborn Industrial Generation, L.L.C.	Michigan
03 CMS Energy Resource Management Company	Michigan
04 CMS ERM Michigan LLC	Michigan
03 CMS Enterprises Sustainable Energy, LLC	Michigan
04 NorthStar Onsite, LLC	Delaware
04 Grand River Solar, LLC	Michigan
05 Michigan Solar Holdings, LLC	Michigan
06 BG Solar Equity Holdings, LLC	Michigan
07 BG Solar Holdings I, LLC	Michigan
08 BG Solar Holdings, LLC	Michigan
09 Branch Solar, LLC	Delaware
08 Genesee Solar Holdings Partnership	Michigan
09 Genesee Solar Energy, LLC	Delaware
06 HL Solar Equity Holdings, LLC	Delaware
07 HL Solar Holdings II, LLC	Delaware
07 HL Solar Holdings I, LLC	Delaware
07 HL Solar Holdings, LLC	Delaware

NAME of COMPANY	JURISDICTION of ORGANIZATION
05 Delta Solar Equity Holdings, LLC (50%)	Delaware
06 Delta Solar Power I, LLC	Michigan
06 Delta Solar Power II, LLC	Michigan
05 Hart Solar Holdings II, LLC	Delaware
06 Hart Solar Holdings I, LLC	Delaware
05 Newport Solar Equity Holdings, LLC	Delaware
06 Newport Solar Holdings II, LLC (99%)	Delaware
07 Newport Solar Holdings I, LLC	Delaware
06 Newport Solar Holdings III, LLC	Delaware
07 Newport Solar, LLC	Delaware
06 Newport Solar Holdings IV, Inc.	Delaware
07 Newport Solar Holdings II, LLC (1%)	Delaware
05 Hercules Solar, LLC	Delaware
05 Diamond Solar, LLC	Missouri
05 Allegan Solar, LLC	Michigan
04 Grand River Wind, LLC	Michigan
05 NWO Wind Equity Holdings, LLC (50%)	Delaware
06 NWO Holdco I, LLC	Delaware
07 NWO Holdco, L.L.C.	Delaware
08 Northwest Ohio Wind, LLC	Ohio
09 Northwest Ohio IA, LLC (97%)	Delaware
05 Northwest Ohio Solar, LLC	Delaware
06 Northwest Ohio IA, LLC (3%)	Delaware
05 Aviator Wind Equity Holdings, LLC (51%)	Delaware
06 AW Holdings III, LLC	Delaware
07 AW Holdings II, LLC	Delaware
08 AW Holdings I, LLC	Delaware
09 Aviator Wind Holdings, LLC	Delaware
10 Aviator Wind, LLC	Delaware
03 CMS Gas Transmission Company	Michigan
04 CMS International Ventures, L.L.C. (37.01%) *(See Exhibit A for list of subsidiaries)*	Michigan
03 CMS International Ventures, L.L.C. (61.49%) *(See Exhibit A for list of subsidiaries)*	Michigan
03 HYDRA-CO Enterprises, Inc. *(See Exhibit B for list of subsidiaries)*	New York
02 CMS Treasury Services, LLC	Michigan
02 Consumers Energy Company *Conducts business under the following assumed names:* Consumers Business Energy Services Consumers Energy Consumers Energy Business Services Consumers Energy Consultants	Michigan

NAME of COMPANY	JURISDICTION of ORGANIZATION
Consumers Energy Contractor Network	
Consumers Energy Dealer Network	
Consumers Energy Finance	
Consumers Energy Fitness Audits	
Consumers Energy Group	
Consumers Energy HouseCall	
Consumers Energy HouseCall Services	
Consumers Energy Management	
Consumers Energy Resources	
Consumers Energy Security Services	
Consumers Energy Services	
Consumers Energy Systems	
Consumers Energy Traders	
Consumers Power	
Consumers Power Company	
Laboratory Commercial Services	
Laboratory Services	
Michigan Gas Storage	
Michigan Gas Storage Company	
Technical Training Centers	
Zeeland Power Company	
03 CMS Engineering Co.	Michigan
03 Consumers 2014 Securitization Funding LLC	Delaware
03 Consumers Campus Holdings, LLC	Michigan
03 Consumers Receivables Funding II, LLC	Delaware
03 ES Services Company	Michigan
03 Consumers 2023 Securitization Funding LLC	Delaware

Exhibit A

Subsidiaries of CMS International Ventures, L.L.C. (98.5%)

NAME of COMPANY	JURISDICTION of ORGANIZATION
04 CMS Electric & Gas, L.L.C.	Michigan
05 CMS Venezuela, S.A.	Venezuela
05 ENELMAR S.A.	Venezuela

Exhibit B

Subsidiaries of HYDRA-CO Enterprises, Inc.

NAME of COMPANY	JURISDICTION of ORGANIZATION
04 CMS Generation Filer City, Inc.	Michigan
05 T.E.S. Filer City Station Limited Partnership (50%)	Michigan
04 CMS Generation Filer City Operating LLC	Michigan
04 CMS Generation Genesee Company	Michigan
05 Genesee Power Station Limited Partnership (1% GP)	Delaware
04 CMS Generation Grayling Company	Michigan
05 Grayling Generating Station Limited Partnership (1% GP)	Michigan
06 AJD Forest Products Limited Partnership (49.5% LP)	Michigan
06 GGS Holdings Company	Michigan
07 AJD Forest Products Limited Partnership (0.5% GP)	Michigan
05 Grayling Partners Land Development, L.L.C. (1%)	Michigan
04 CMS Generation Grayling Holdings Company	Michigan
05 Grayling Generating Station Limited Partnership (49% LP)	Michigan
06 AJD Forest Products Limited Partnership (49.5%LP)	Michigan
06 GGS Holdings Company	Michigan
07 AJD Forest Products Limited Partnership (0.5% GP)	Michigan
05 Grayling Partners Land Development, L.L.C. (49%)	Michigan
04 CMS Generation Holdings Company	Michigan
05 Genesee Power Station Limited Partnership (48.75% LP)	Delaware
05 GPS Newco, L.L.C. (50%)	Kansas
06 Genesee Power Station Limited Partnership (0.5% LP)	Delaware
04 CMS Generation Michigan Power L.L.C.	Michigan
05 Kalamazoo Holdco, LLC	Michigan
05 Kalamazoo Generating Station, LLC	Michigan
05 Livingston Holdco, LLC	Michigan
05 Livingston Generating Station, LLC	Michigan
04 CMS Generation Operating Company II, Inc.	New York
04 CMS Generation Operating LLC	Michigan
04 CMS Generation Recycling Company	Michigan
05 Mid-Michigan Recycling, L.C. (50%)	Michigan
04 Craven County Wood Energy Limited Partnership (44.99% LP)	Delaware
04 Dearborn Generation Operating, L.L.C.	Michigan
04 HCE-Biopower, Inc.	New York
05 IPP Investment Partnership (51%)	Michigan
06 Craven County Wood Energy Limited Partnership (0.01% LP)	Delaware
04 IPP Investment Partnership (49%)	Michigan
05 Craven County Wood Energy Limited Partnership (0.01% LP)	Delaware
04 New Bern Energy Recovery, Inc.	Delaware
05 Craven County Wood Energy Limited Partnership (5% GP)	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-275106 and 333-270060) and S-8 (No. 333-238842) of CMS Energy Corporation of our report dated February 10, 2026 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Detroit, Michigan
February 10, 2026

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-270060-01) of Consumers Energy Company of our report dated February 10, 2026 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Detroit, Michigan
February 10, 2026

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 10, 2026

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 annual report on Form 10-K 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: February 10, 2026

By: /s/ Rejji P. Hayes

Rejji P. Hayes
Executive Vice President and Chief Financial Officer

Certification of Garrick J. Rochow

I, Garrick J. Rochow, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 10, 2026	By:	/s/ Garrick J. Rochow
		Garrick J. Rochow
		President and Chief Executive Officer

Certification of Rejji P. Hayes

I, Rejji P. Hayes, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 10, 2026

By: /s/ Rejji P. Hayes

Rejji P. Hayes
Executive Vice President and Chief Financial Officer

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 Annual Report on Form 10-K of CMS Energy Corporation (the "Company") for the annual period ended December 31, 2025 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:	February 10, 2026

/s/ Rejji P. Hayes

Name:	Rejji P. Hayes
Title:	Executive Vice President and Chief Financial Officer
Date:	February 10, 2026

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 Annual Report on Form 10-K of Consumers Energy Company (the "Company") for the annual period ended December 31, 2025 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: February 10, 2026

/s/ Rejji P. Hayes

Name: Rejji P. Hayes
Title: Executive Vice President and Chief Financial Officer
Date: February 10, 2026

ONE HUNDRED FIFTY-FIFTH SUPPLEMENTAL INDENTURE

Providing among other things for

FIRST MORTGAGE BONDS,

2025-2 Collateral Series (Interest Bearing)

Dated as of November 28, 2025

CONSUMERS ENERGY COMPANY

TO

THE BANK OF NEW YORK MELLON,

TRUSTEE

Counterpart ________ of 75

THIS ONE HUNDRED FIFTY-FIFTH SUPPLEMENTAL INDENTURE, dated as of November 28, 2025 (herein sometimes referred to as “this Supplemental Indenture”), made and entered into by and between CONSUMERS ENERGY COMPANY, a corporation organized and existing under the laws of the State of Michigan, with its principal executive office and place of business at One Energy Plaza, in Jackson, Jackson County, Michigan 49201, formerly known as Consumers Power Company (hereinafter sometimes referred to as the “Company”), and THE BANK OF NEW YORK MELLON (formerly known as The Bank of New York), a New York banking corporation, with its corporate trust offices at 240 Greenwich Street, New York, New York 10286 (hereinafter sometimes referred to as the “Trustee”), as Trustee under the Indenture dated as of September 1, 1945 between Consumers Power Company, a Maine corporation (hereinafter sometimes referred to as the “Maine corporation”), and City Bank Farmers Trust Company (Citibank, N.A., successor, hereinafter sometimes referred to as the “Predecessor Trustee”), securing bonds issued and to be issued as provided therein (hereinafter sometimes referred to as the “Indenture”),

WHEREAS, at the close of business on January 30, 1959, City Bank Farmers Trust Company was converted into a national banking association under the title “First National City Trust Company”; and

WHEREAS, at the close of business on January 15, 1963, First National City Trust Company was merged into First National City Bank; and

WHEREAS, at the close of business on October 31, 1968, First National City Bank was merged into The City Bank of New York, National Association, the name of which was thereupon changed to First National City Bank; and

WHEREAS, effective March 1, 1976, the name of First National City Bank was changed to Citibank, N.A.; and

WHEREAS, effective July 16, 1984, Manufacturers Hanover Trust Company succeeded Citibank, N.A. as Trustee under the Indenture; and

WHEREAS, effective June 19, 1992, Chemical Bank succeeded by merger to Manufacturers Hanover Trust Company as Trustee under the Indenture; and

WHEREAS, effective July 15, 1996, The Chase Manhattan Bank (National Association) merged with and into Chemical Bank which thereafter was renamed The Chase Manhattan Bank; and

WHEREAS, effective November 11, 2001, The Chase Manhattan Bank merged with Morgan Guaranty Trust Company of New York and the surviving corporation was renamed JPMorgan Chase Bank; and

WHEREAS, effective November 13, 2004, the name of JPMorgan Chase Bank was changed to JPMorgan Chase Bank, N.A.; and

WHEREAS, effective April 7, 2006, The Bank of New York succeeded JPMorgan Chase Bank, N.A. as Trustee under the Indenture; and

WHEREAS, effective July 1, 2008, the name of The Bank of New York was changed to The Bank of New York Mellon; and

WHEREAS, the Indenture was executed and delivered for the purpose of securing such bonds as may from time to time be issued under and in accordance with the terms of the Indenture, the aggregate principal amount of bonds to be secured thereby being limited to $16,000,000,000 at any one time outstanding (except as provided in Section 2.01 of the Indenture), and the Indenture describes and sets forth the property conveyed thereby and is filed in the Office of the Secretary of State of the State of Michigan and is of record in the Office of the Register of Deeds of each county in the State of Michigan in which this Supplemental Indenture is to be recorded; and

WHEREAS, the Indenture has been supplemented and amended by various indentures supplemental thereto, each of which is filed in the Office of the Secretary of State of the State of Michigan and is of record in the Office of the Register of Deeds of each county in the State of Michigan in which this Supplemental Indenture is to be recorded; and

WHEREAS, the Company and the Maine corporation entered into an Agreement of Merger and Consolidation, dated as of February 14, 1968, which provided for the Maine corporation to merge into the Company; and

WHEREAS, the effective date of such Agreement of Merger and Consolidation was June 6, 1968, upon which date the Maine corporation was merged into the Company and the name of the Company was changed from "Consumers Power Company of Michigan" to "Consumers Power Company"; and

WHEREAS, the Company and the Predecessor Trustee entered into a Sixteenth Supplemental Indenture, dated as of June 4, 1968, which provided, among other things, for the assumption of the Indenture by the Company; and

WHEREAS, said Sixteenth Supplemental Indenture became effective on the effective date of such Agreement of Merger and Consolidation; and

WHEREAS, the Company has succeeded to and has been substituted for the Maine corporation under the Indenture with the same effect as if it had been named therein as the mortgagor corporation; and

WHEREAS, effective March 11, 1997, the name of Consumers Power Company was changed to Consumers Energy Company; and

WHEREAS, the Company has entered into a $100,000,000 Bilateral Letter of Credit Facility dated as of November 28, 2025 (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement") with The Bank of Nova Scotia as agent (in such capacity, the "Agent") for the Banks (as such term is defined in the Agreement), providing for the issuing of Letters of Credit, and pursuant to such Agreement the Company has agreed to issue to the Agent, as evidence of and security for the Obligations (as such term is defined in the Agreement), a new series of bonds under the Indenture; and

WHEREAS, for such purposes the Company desires to issue a new series of bonds, to be designated First Mortgage Bonds, 2025-2 Collateral Series (Interest Bearing), each of which bonds shall also bear the descriptive title "First Mortgage Bond" (hereinafter provided for and hereinafter sometimes referred to as the "2025-2 Collateral Bonds"), the bonds of which series are to be issued as registered bonds without coupons and are to bear interest at the rate per annum specified herein and are to mature on the Termination Date (as such term is defined in the Agreement); and

WHEREAS, each of the registered bonds without coupons of the 2025-2 Collateral Bonds and the Trustee's Authentication Certificate thereon are to be substantially in the following form, to wit:

[FORM OF REGISTERED BOND

OF THE 2025-2 COLLATERAL BONDS]

[FACE]
CONSUMERS ENERGY COMPANY
FIRST MORTGAGE BOND
2025-2 COLLATERAL SERIES (INTEREST BEARING)

No. 1 $100,000,000

CONSUMERS ENERGY COMPANY, a Michigan corporation (hereinafter called the "Company"), for value received, hereby promises to pay to The Bank of Nova Scotia, as agent (in such capacity, the "Agent") for the Banks under and as defined in the $100,000,000 Bilateral Letter of Credit Facility, dated as of November 28, 2025 among the Company, the Banks named therein and from time to time party thereto (the "Banks"), The Bank of Nova Scotia, as the Agent (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Agreement"), or registered assigns, on the Termination Date (defined below) the principal sum of One Hundred Million Dollars ($100,000,000) or such lesser principal amount as shall be equal to the aggregate principal amount of the Reimbursement Obligations (as defined in the Agreement) included in the Obligations (as defined in the Agreement) outstanding on the Termination Date (as defined in the Agreement) (the "Termination Date"), but not in excess, however, of the principal amount of this bond, and to pay interest thereon at the Interest Rate (as defined below) until the principal hereof is paid or duly made available for payment on the Termination Date, or, in the event of redemption of this bond, until the redemption date, or, in the event of default in the payment of the principal hereof, until the Company's obligations with respect to the payment of such principal shall be discharged as provided in the Indenture (as defined on the reverse hereof). Interest on this bond shall be payable on each Interest Payment Date (as defined below), commencing on the first Interest Payment Date next succeeding November 28, 2025. If the Termination Date falls on a day which is not a Business Day, as defined below, principal and any interest and/or fees payable with respect to the Termination Date will be paid on the immediately preceding Business Day. The interest payable, and punctually paid or duly provided for, on any Interest Payment Date will, subject to certain exceptions, be paid to the person in whose name this bond (or one or more predecessor bonds) is registered at the close of business on the Record Date (as defined below); *provided, however,* that interest payable on the Termination Date will be payable to the person to whom the principal hereof shall be payable. Should the Company default in the payment of interest ("Defaulted Interest"), the Defaulted Interest shall be paid to the person in whose name this bond (or one or more predecessor bonds) is registered on a subsequent record date fixed by the Company, which subsequent record date shall be fifteen (15) days prior to the payment of such Defaulted Interest. As used herein, (A) "Business Day" shall mean any day, other than a Saturday or Sunday, on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities and on which interbank wire transfers can be made on the Fedwire system; (B) "Interest Payment Date" shall mean each date on which Obligations constituting interest and/or fees are due and payable from time to time pursuant to the Agreement; (C) "Interest Rate" shall mean a rate of interest per annum, adjusted as necessary, to result in an interest payment equal to the aggregate amount of Obligations constituting interest and fees due under the Agreement on the applicable Interest Payment Date; and (D) "Record Date" with respect to any Interest Payment Date shall mean the day (whether or not a Business Day) immediately next preceding such Interest Payment Date.

Payment of the principal of and interest on this bond will be made in immediately available funds at the office or agency of the Company maintained for that purpose in the City of Jackson, Michigan, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

The provisions of this bond are continued below and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by the Trustee (as defined below) or its successor in trust under the Indenture (as defined below) of the certificate hereon.

IN WITNESS WHEREOF, Consumers Energy Company has caused this bond to be executed in its name by its Chairman of the Board, its President or one of its Vice Presidents by his or her signature or a facsimile thereof, and its corporate seal or a facsimile thereof to be affixed hereto or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries by his or her signature or a facsimile thereof.

CONSUMERS ENERGY COMPANY

Dated:

By: ____________________________

Printed:

Title:

Attest: ____________________________

TRUSTEE'S AUTHENTICATION CERTIFICATE

This is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON, Trustee

By: ____________________________

Authorized Officer

CONSUMERS ENERGY COMPANY

FIRST MORTGAGE BOND 2025-2 COLLATERAL SERIES (INTEREST BEARING)

This bond is one of the bonds of a series designated as First Mortgage Bonds, 2025-2 Collateral Series (Interest Bearing) (sometimes herein referred to as the "2025-2 Collateral Bonds") issued under and in accordance with and secured by an Indenture dated as of September 1, 1945, given by the Company (or its predecessor, Consumers Power Company, a Maine corporation) to City Bank Farmers Trust Company (The Bank of New York Mellon, successor) (hereinafter sometimes referred to as the "Trustee"), together with indentures supplemental thereto, heretofore or hereafter executed, to which indenture and indentures supplemental thereto (hereinafter referred to collectively as the "Indenture") reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security and the rights, duties and immunities thereunder of the Trustee and the rights of the holders of said bonds and of the

Trustee and of the Company in respect of such security, and the limitations on such rights. By the terms of the Indenture, the bonds to be secured thereby are issuable in series which may vary as to date, amount, date of maturity, rate of interest and in other respects as provided in the Indenture.

The 2025-2 Collateral Bonds are to be issued and delivered to the Agent in order to evidence and secure the obligation of the Company under the Agreement to make payments to the Banks under the Agreement and to provide the Banks the benefit of the lien of the Indenture with respect to the 2025-2 Collateral Bonds.

The obligation of the Company to make payments with respect to the principal of 2025-2 Collateral Bonds shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due principal of the Reimbursement Obligations included in the Obligations shall have been fully or partially paid. Satisfaction of any obligation to the extent that payment is made with respect to the Reimbursement Obligations means that if any payment is made on the principal of the Reimbursement Obligations, a corresponding payment obligation with respect to the principal of the 2025-2 Collateral Bonds shall be deemed discharged in the same amount as the payment with respect to the Reimbursement Obligations discharges the outstanding obligation with respect to such Reimbursement Obligations. No such payment of principal shall reduce the principal amount of the 2025-2 Collateral Bonds.

The obligation of the Company to make payments with respect to the interest on 2025-2 Collateral Bonds shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due interest and/or fees under the Agreement shall have been fully or partially paid. Satisfaction of any obligation to the extent that payment is made with respect to the interest and/or fees under the Agreement means that if any payment is made on the interest and/or fees under the Agreement, a corresponding payment obligation with respect to the interest on the 2025-2 Collateral Bonds shall be deemed discharged in the same amount as the payment with respect to the interest and/or fees under the Agreement discharges the outstanding obligation under the Agreement with respect to such interest and/or fees.

The Trustee may at any time and all times conclusively assume that the obligation of the Company to make payments with respect to the principal of and interest on this bond, so far as such payments at the time have become due, has been fully satisfied and discharged unless and until the Trustee shall have received a written notice from the Agent stating (i) that timely payment of principal and interest on the 2025-2 Collateral Bonds has not been made, (ii) that the Company is in arrears as to the payments required to be made by it to the Agent in connection with the Obligations pursuant to the Agreement, and (iii) the amount of the arrearage.

If an Event of Default (as defined in the Agreement) with respect to the payment of the principal of the Reimbursement Obligations shall have occurred, it shall be deemed to be a default for purposes of Section 11.01 of the Indenture in the payment of the principal of the 2025-2 Collateral Bonds equal to the amount of such unpaid principal (but in no event in excess of the principal amount of the 2025-2 Collateral Bonds). If an Event of Default (as defined in the Agreement) with respect to the payment of interest on the Reimbursement Obligations or any fees shall have occurred, it shall be deemed to be a default for purposes of Section 11.01 of the Indenture in the payment of the interest on the 2025-2 Collateral Bonds equal to the amount of such unpaid interest or fees.

This bond is not redeemable except upon written demand of the Agent following the occurrence of an Event of Default under the Agreement and the acceleration of the Obligations, as provided in Section 9.2 of the Agreement. This bond is not redeemable by the operation of the improvement fund or the maintenance and replacement provisions of the Indenture or with the proceeds of released property or in any other manner except as set forth above.

In case of certain defaults as specified in the Indenture, the principal of this bond may be declared or may become due and payable on the conditions, at the time, in the manner and with the effect provided in the Indenture. The holders of certain specified percentages of the bonds at the time outstanding, including in certain cases specified percentages of bonds of particular series, may in certain cases, to the extent and as provided in the Indenture, waive certain defaults thereunder and the consequences of such defaults.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than seventy-five per centum in principal amount of the bonds (exclusive of bonds disqualified by reason of the Company's interest therein) at the time outstanding, including, if more than one series of bonds shall be at the time outstanding, not less than sixty per centum in principal amount of each series affected, to effect, by an indenture supplemental to the Indenture, modifications or alterations of the Indenture and of the rights and obligations of the Company and the rights of the holders of the bonds and coupons; provided, however, that no such modification or alteration shall be made without the written approval or consent of the holder hereof which will (a) extend the maturity of this bond or reduce the rate or extend the time of payment of interest hereon or reduce the amount of the principal hereof, or (b) permit the creation of any lien, not otherwise permitted, prior to or on a parity with the lien of the Indenture, or (c) reduce the percentage of the principal amount of the bonds the holders of which are required to approve any such supplemental indenture.

The Company reserves the right, without any consent, vote or other action by holders of the 2025-2 Collateral Bonds or any other series created after the Sixty-eighth Supplemental Indenture, to amend the Indenture to reduce the percentage of the principal amount of bonds the holders of which are required to approve any supplemental indenture (other than any supplemental indenture which is subject to the proviso contained in the immediately preceding sentence) (a) from not less than seventy-five per centum (including sixty per centum of each series affected) to not less than a majority in principal amount of the bonds at the time outstanding or (b) in case fewer than all series are affected, not less than a majority in principal amount of the bonds of all affected series, voting together.

No recourse shall be had for the payment of the principal of or interest on this bond, or for any claim based hereon, or otherwise in respect hereof or of the Indenture, to or against any incorporator, stockholder, director or officer, past, present or future, as such, of the Company, or of any predecessor or successor company, either directly or through the Company, or such predecessor or successor company, or otherwise, under any constitution or statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of incorporators, stockholders, directors and officers, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Indenture.

This bond shall be exchangeable for other registered bonds of the same series, in the manner and upon the conditions prescribed in the Indenture, upon the surrender of such bonds at the Investor Services Department of the Company, as transfer agent. However, notwithstanding the provisions of Section 2.05 of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of said series other than for any tax or taxes or other governmental charge required to be paid by the Company.

The Agent shall surrender this bond to the Trustee when all of the principal of and interest on the Reimbursement Obligations arising under the Agreement, and all of the fees payable pursuant to the Agreement with respect to the Obligations, shall have been duly paid, and the Agreement (including, without limitation, all Commitments thereunder) shall have been terminated.

[END OF FORM OF REGISTERED BOND

OF THE 2025-2 COLLATERAL BONDS]

AND WHEREAS all acts and things necessary to make the 2025-2 Collateral Bonds (the "Collateral Bonds"), when duly executed by the Company and authenticated by the Trustee or its agent and issued as prescribed in the Indenture, as heretofore supplemented and amended, and this Supplemental Indenture, the valid, binding and legal obligations of the Company, and to constitute the Indenture, as supplemented and amended as aforesaid, as well as by this Supplemental Indenture, a valid, binding and legal instrument for the security thereof, have been done and performed, and the creation, execution and delivery of this Supplemental Indenture and the creation, execution and issuance of bonds subject to the terms hereof and of the Indenture, as so supplemented and amended, have in all respects been duly authorized;

NOW, THEREFORE, in consideration of the premises, of the acceptance and purchase by the holders thereof of the bonds issued and to be issued under the Indenture, as supplemented and amended as above set forth, duly paid by the Trustee to the Company, and of other good and valuable considerations, the receipt whereof is hereby acknowledged, and for the purpose of securing the due and punctual payment of the principal of and premium, if any, and interest on all bonds now outstanding under the Indenture and the $100,000,000 principal amount of the Collateral Bonds and all other bonds which shall be issued under the Indenture, as supplemented and amended from time to time, and for the purpose of securing the faithful performance and observance of all covenants and conditions therein, and in any indenture supplemental thereto, set forth, the Company has given, granted, bargained, sold, released, transferred, assigned, hypothecated, pledged, mortgaged, confirmed, set over, warranted, alienated and conveyed and by these presents does give, grant, bargain, sell, release, transfer, assign, hypothecate, pledge, mortgage, confirm, set over, warrant, alienate and convey unto The Bank of New York Mellon, as Trustee, as provided in the Indenture, and its successor or successors in the trust thereby and hereby created and to its or their assigns forever, all the right, title and interest of the Company in and to all the property, described in Section 11 hereof, together (subject to the provisions of

Article X of the Indenture) with the tolls, rents, revenues, issues, earnings, income, products and profits thereof, excepting, however, the property, interests and rights specifically excepted from the lien of the Indenture as set forth in the Indenture;

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the premises, property, franchises and rights, or any thereof, referred to in the foregoing granting clause, with the reversion and reversions, remainder and remainders and (subject to the provisions of Article X of the Indenture) the tolls, rents, revenues, issues, earnings, income, products and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid premises, property, franchises and rights and every part and parcel thereof;

SUBJECT, HOWEVER, with respect to such premises, property, franchises and rights, to excepted encumbrances as said term is defined in Section 1.02 of the Indenture, and subject also to all defects and limitations of title and to all encumbrances existing at the time of acquisition.

TO HAVE AND TO HOLD all said premises, property, franchises and rights hereby conveyed, assigned, pledged or mortgaged, or intended so to be, unto the Trustee, its successor or successors in trust and their assigns forever;

BUT IN TRUST, NEVERTHELESS, with power of sale for the equal and proportionate benefit and security of the holders of all bonds now or hereafter authenticated and delivered under and secured by the Indenture and interest coupons appurtenant thereto, pursuant to the provisions of the Indenture and of any supplemental indenture, and for the enforcement of the payment of said bonds and coupons when payable and the performance of and compliance with the covenants and conditions of the Indenture and of any supplemental indenture, without any preference, distinction or priority as to lien or otherwise of any bond or bonds over others by reason of the difference in time of the actual authentication, delivery, issue, sale or negotiation thereof or for any other reason whatsoever, except as otherwise expressly provided in the Indenture; and so that each and every bond now or hereafter authenticated and delivered thereunder shall have the same lien, and so that the principal of and premium, if any, and interest on every such bond shall, subject to the terms thereof, be equally and proportionately secured, as if it had been made, executed, authenticated, delivered, sold and negotiated simultaneously with the execution and delivery thereof;

AND IT IS EXPRESSLY DECLARED by the Company that all bonds authenticated and delivered under and secured by the Indenture, as supplemented and amended as above set forth, are to be issued, authenticated and delivered, and all said premises, property, franchises and rights hereby and by the Indenture and indentures supplemental thereto conveyed, assigned, pledged or mortgaged, or intended so to be, are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in the Indenture, as supplemented and amended as above set forth, and the parties hereto mutually agree as follows:

SECTION 1. There is hereby created a series of bonds (the "2025-2 Collateral Bonds" or the "Collateral Bonds") designated as hereinabove provided, which shall also bear the descriptive title "First Mortgage Bond", and the forms thereof shall be substantially as hereinbefore set forth (collectively, the "Sample Bond"). The 2025-2 Collateral Bonds shall be issued in the aggregate principal amount of $100,000,000, shall mature on the Termination Date (as such term is defined in the Agreement) and shall be issued only as registered bonds without coupons in denominations of $1,000 and any multiple thereof. The serial numbers of the Collateral Bonds shall be such as may be approved by any officer of the Company, the execution thereof by any such officer either manually or by facsimile signature to be conclusive evidence of such approval. The Collateral Bonds are to be issued to and registered in the name of the Agent under the Agreement (as such terms are defined in the Sample Bond) to evidence and secure any and all Obligations (as such term is defined in the Agreement) of the Company under the Agreement.

The 2025-2 Collateral Bonds shall bear interest as set forth in the Sample Bond. The principal of and the interest on said bonds shall be payable as set forth in the Sample Bond.

The obligation of the Company to make payments with respect to the principal of 2025-2 Collateral Bonds shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due principal of the Reimbursement Obligations included in the Obligations shall have been fully or partially paid. Satisfaction of any obligation to the extent that payment is made with respect to the Reimbursement Obligations means that if any payment is made on the principal of the Reimbursement Obligations, a corresponding payment obligation with respect to the principal of the 2025-2 Collateral Bonds shall be deemed discharged in the same amount as the payment with respect to the Reimbursement Obligations discharges the outstanding obligation with respect to such Reimbursement Obligations. No such payment of principal shall reduce the principal amount of the 2025-2 Collateral Bonds.

The obligation of the Company to make payments with respect to interest on 2025-2 Collateral Bonds shall be fully or partially, as the case may be, satisfied and discharged to the extent that, at the time that any such payment shall be due, the then due interest and/or fees under the Agreement shall have been fully or partially paid. Satisfaction of any obligation to the extent that payment is made with respect to the interest and/or fees under the Agreement means that if any payment is made on the interest and/or fees under the Agreement, a corresponding payment obligation with respect to the interest on the 2025-2 Collateral Bonds shall be deemed discharged in the same amount as the payment with respect to the interest and/or fees under the Agreement discharges the outstanding obligation under the Agreement with respect to such interest and/or fees.

The Trustee may at any time and all times conclusively assume that the obligation of the Company to make payments with respect to the principal of and interest on the Collateral Bonds, so far as such payments at the time have become due, has been fully satisfied and discharged unless and until the Trustee shall have received a written notice from the Agent stating (i) that timely payment of principal and interest on the 2025-2 Collateral Bonds has not been made, (ii) that the Company is in arrears as to the payments required to be made by it to the Agent pursuant to the Agreement, and (iii) the amount of the arrearage.

The Collateral Bonds shall be exchangeable for other registered bonds of the same series, in the manner and upon the conditions prescribed in the Indenture, upon the surrender of such bonds at the Investor Services Department of the Company, as transfer agent. However, notwithstanding the provisions of Section 2.05 of the Indenture, no charge shall be made upon any registration of transfer or exchange of bonds of said series other than for any tax or taxes or other governmental charge required to be paid by the Company.

SECTION 2. The Collateral Bonds are not redeemable by the operation of the maintenance and replacement provisions of this Indenture or with the proceeds of released property.

SECTION 3. Upon the occurrence of an Event of Default under the Agreement and the acceleration of the Obligations, the Collateral Bonds shall be redeemable in whole upon receipt by the Trustee of a written demand from the Agent stating that there has occurred under the Agreement both an Event of Default and a declaration of acceleration of the Obligations and demanding redemption of the Collateral Bonds (including a description of the amount of principal, interest and fees which comprise such Obligations). The Company waives any right it may have to prior notice of such redemption under the Indenture. Upon surrender of the Collateral Bonds by the Agent to the Trustee, the Collateral Bonds shall be redeemed at a redemption price equal to the aggregate amount of the Obligations subject to the receipt by the Trustee of the redemption price from the Company.

SECTION 4. The Company reserves the right, without any consent, vote or other action by the holder of the Collateral Bonds or of any subsequent series of bonds issued under the Indenture, to make such amendments to the Indenture, as supplemented, as shall be necessary in order to amend Section 17.02 to read as follows:

> SECTION 17.02. With the consent of the holders of not less than a majority in principal amount of the bonds at the time outstanding or their attorneys-in-fact duly authorized, or, if fewer than all series are affected, not less than a majority in principal amount of the bonds at the time outstanding of each series the rights of the holders of which are affected, voting together, the Company, when authorized by a resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or modifying the rights and obligations of the Company and the rights of the holders of any of the bonds and coupons; provided, however, that no such supplemental indenture shall (1) extend the maturity of any of the bonds or reduce the rate or extend the time of payment of interest thereon, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected, or (2) permit the creation of any lien, not otherwise permitted, prior to or on a parity with the lien of this Indenture, without the consent of the holders of all the bonds then outstanding, or (3) reduce the aforesaid percentage of the principal amount of bonds the holders of which are required to approve any such supplemental indenture, without the consent of the holders of all the bonds then outstanding. For the purposes of this

Section, bonds shall be deemed to be affected by a supplemental indenture if such supplemental indenture adversely affects or diminishes the rights of holders thereof against the Company or against its property. The Trustee may in its discretion determine whether or not, in accordance with the foregoing, bonds of any particular series would be affected by any supplemental indenture and any such determination shall be conclusive upon the holders of bonds of such series and all other series. Subject to the provisions of Sections 16.02 and 16.03 hereof, the Trustee shall not be liable for any determination made in good faith in connection herewith.

Upon the written request of the Company, accompanied by a resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of bondholders as aforesaid (the instrument or instruments evidencing such consent to be dated within one year of such request), the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental indenture.

It shall not be necessary for the consent of the bondholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

The Company and the Trustee, if they so elect, and either before or after such consent has been obtained, may require the holder of any bond consenting to the execution of any such supplemental indenture to submit his bond to the Trustee or to ask such bank, banker or trust company as may be designated by the Trustee for the purpose, for the notation thereon of the fact that the holder of such bond has consented to the execution of such supplemental indenture, and in such case such notation, in form satisfactory to the Trustee, shall be made upon all bonds so submitted, and such bonds bearing such notation shall forthwith be returned to the persons entitled thereto.

Prior to the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Company shall publish a notice, setting forth in general terms the substance of such supplemental indenture, at least once in one daily newspaper of general circulation in each city in which the principal of any of the bonds shall be payable, or, if all bonds outstanding shall be registered bonds without coupons or coupon bonds registered as to principal, such notice shall be sufficiently given if mailed, first class, postage prepaid, and registered if the Company so elects, to each registered holder of bonds at the last address of such holder appearing on the registry books, such publication or mailing, as the case may be, to be made not less than thirty days prior to such execution. Any failure of the Company to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

SECTION 5. As supplemented and amended as above set forth, the Indenture is in all respects ratified and confirmed, and the Indenture and all indentures supplemental thereto shall be read, taken and construed as one and the same instrument.

SECTION 6. Nothing contained in this Supplemental Indenture shall, or shall be construed to, confer upon any person other than a holder of bonds issued under the Indenture, as supplemented and amended as above set forth, the Company, the Trustee and the Agent, for the benefit of the Banks (as such term is defined in the Agreement), any right or interest to avail himself of any benefit under any provision of the Indenture, as so supplemented and amended.

SECTION 7. The Trustee assumes no responsibility for or in respect of the validity or sufficiency of this Supplemental Indenture or of the Indenture as hereby supplemented or the due execution hereof by the Company or for or in respect of the recitals and statements contained herein (other than those contained in the tenth and eleventh recitals hereof), all of which recitals and statements are made solely by the Company.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Supplemental Indenture and delivered using Electronic Means; provided, however, that the Company shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Company whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee Instructions using Electronic Means and the Trustee in its reasonable discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling in the absence of negligence or willful misconduct. The Company understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Company shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Company and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. In the absence of negligence or willful misconduct, the Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

"Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

SECTION 8. This Supplemental Indenture may be simultaneously executed in several counterparts and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

SECTION 9. In the event the date of any notice required or permitted hereunder shall not be a Business Day, then (notwithstanding any other provision of the Indenture or of any supplemental indenture thereto) such notice need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date fixed for such notice. “Business Day” means, with respect to this Section 9, any day, other than a Saturday or Sunday, on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities and on which interbank wire transfers can be made on the Fedwire system.

SECTION 10. This Supplemental Indenture and the Collateral Bonds shall be governed by and deemed to be a contract under, and construed in accordance with, the laws of the State of Michigan, and for all purposes shall be construed in accordance with the laws of such state, except as may otherwise be required by mandatory provisions of law.

SECTION 11. Detailed Description of Property Mortgaged:

I.

ELECTRIC GENERATING PLANTS AND DAMS

All the electric generating plants and stations of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, including all powerhouses, buildings, reservoirs, dams, pipelines, flumes, structures and works and the land on which the same are situated and all water rights and all other lands and easements, rights of way, permits, privileges, towers, poles, wires, machinery, equipment, appliances, appurtenances and supplies and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such plants and stations or any of them, or adjacent thereto.

II.

ELECTRIC TRANSMISSION LINES

All the electric transmission lines of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, including towers, poles, pole lines, wires, switches, switch racks, switchboards, insulators and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such transmission lines or any of them or adjacent thereto; together with all real property, rights of way, easements, permits, privileges, franchises and rights for or relating to the construction, maintenance or operation thereof, through, over, under or upon any private property or any public streets or highways, within as well as without the corporate limits of any municipal corporation. Also all the real property, rights of way, easements, permits, privileges and rights for or relating to the construction, maintenance or operation of certain transmission lines, the land and rights for which are owned by the Company, which are either not built or now being constructed.

III.

ELECTRIC DISTRIBUTION SYSTEMS

All the electric distribution systems of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, including substations, transformers, switchboards, towers, poles, wires, insulators, subways, trenches, conduits, manholes, cables, meters and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such distribution systems or any of them or adjacent thereto; together with all real property, rights of way, easements, permits, privileges, franchises, grants and rights, for or relating to the construction, maintenance or operation thereof, through, over, under or upon any private property or any public streets or highways within as well as without the corporate limits of any municipal corporation.

IV.

ELECTRIC SUBSTATIONS, SWITCHING STATIONS AND SITES

All the substations, switching stations and sites of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, for transforming, regulating, converting or distributing or otherwise controlling electric current at any of its plants and elsewhere, together with all buildings, transformers, wires, insulators and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with any of such substations and switching stations, or adjacent thereto, with sites to be used for such purposes.

V.

GAS COMPRESSOR STATIONS, GAS PROCESSING PLANTS,
DESULPHURIZATION STATIONS, METERING STATIONS, ODORIZING STATIONS, REGULATORS AND SITES

All the compressor stations, processing plants, desulphurization stations, metering stations, odorizing stations, regulators and sites of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, for compressing, processing, desulphurizing, metering, odorizing and regulating manufactured or natural gas at any of its plants and elsewhere, together with all buildings, meters and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with any of such purposes, with sites to be used for such purposes.

VI.

GAS STORAGE FIELDS

The natural gas rights and interests of the Company, including wells and well lines (but not including natural gas, oil and minerals), the gas gathering system, the underground gas storage rights, the underground gas storage wells and injection and withdrawal system used in connection therewith, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture: In the Overisel Gas Storage Field, located in the Township of Overisel, Allegan County, and in the Township of Zeeland, Ottawa County, Michigan; in the Northville Gas Storage Field located in the Township of Salem, Washtenaw County, Township of Lyon, Oakland County, and the Townships of Northville and Plymouth and City of Plymouth, Wayne County, Michigan; in the Salem Gas Storage Field, located in the Township of Salem, Allegan County, and in the Township of Jamestown, Ottawa County, Michigan; in the Ray Gas Storage Field, located in the Townships of Ray and Armada, Macomb County, Michigan; in the Lenox Gas Storage Field, located in the Townships of Lenox and Chesterfield, Macomb County, Michigan; in the Ira Gas Storage Field, located in the Township of Ira, St. Clair County, Michigan; in the Puttygut Gas Storage Field, located in the Township of Casco, St. Clair County, Michigan; in the Four Corners Gas Storage Field, located in the Townships of Casco, China, Cottrellville and Ira, St. Clair County, Michigan; in the Swan Creek Gas Storage Field, located in the Townships of Casco and Ira, St. Clair County, Michigan; and in the Hessen Gas Storage Field, located in the Townships of Casco and Columbus, St. Clair County, Michigan.

VII.

GAS TRANSMISSION LINES

All the gas transmission lines of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, including gas mains, pipes, pipelines, gates, valves, meters and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such transmission lines or any of them or adjacent thereto; together with all real property, right of way, easements, permits, privileges, franchises and rights for or relating to the construction, maintenance or operation thereof, through, over, under or upon any private property or any public streets or highways, within as well as without the corporate limits of any municipal corporation.

VIII.

GAS DISTRIBUTION SYSTEMS

All the gas distribution systems of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, including tunnels, conduits, gas mains and pipes, service pipes, fittings, gates, valves, connections, meters and other appliances and equipment, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such distribution systems or any of them or adjacent thereto; together with all real property, rights of way, easements, permits, privileges, franchises, grants and rights, for or relating to the construction, maintenance or operation thereof, through, over, under or upon any private property or any public streets or highways within as well as without the corporate limits of any municipal corporation.

IX.

OFFICE BUILDINGS, SERVICE BUILDINGS, GARAGES, ETC.

All office, garage, service and other buildings of the Company, wherever located, in the State of Michigan, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, together with the land on which the same are situated and all easements, rights of way and appurtenances to said lands, together with all furniture and fixtures located in said buildings.

X.

TELEPHONE PROPERTIES AND
RADIO COMMUNICATION EQUIPMENT

All telephone lines, switchboards, systems and equipment of the Company, constructed or otherwise acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture, used or available for use in the operation of its properties, and all other property, real or personal, forming a part of or appertaining to or used, occupied or enjoyed in connection with such telephone properties or any of them or adjacent thereto; together with all real estate, rights of way, easements, permits, privileges, franchises, property, devices or rights related to the dispatch, transmission, reception or reproduction of messages, communications, intelligence, signals, light, vision or sound by electricity, wire or otherwise, including all telephone equipment installed in buildings used as general and regional offices, substations and generating stations and all telephone lines erected on towers and poles; and all radio communication equipment of the Company, together with all property, real or personal (except any in the Indenture expressly excepted), fixed stations, towers, auxiliary radio buildings and equipment, and all appurtenances used in connection therewith, wherever located, in the State of Michigan.

XI.

OTHER REAL PROPERTY

All other real property of the Company and all interests therein, of every nature and description (except any in the Indenture expressly excepted) wherever located, in the State of Michigan, acquired by it and not heretofore described in the Indenture or any supplement thereto and not heretofore released from the lien of the Indenture. Such real property includes but is not limited to the following described property, such property is subject to any interests that were excepted or reserved in the conveyance to the Company:

ALCONA COUNTY

Certain land in Caledonia Township, Alcona County, Michigan described as:

The East 330 feet of the South 660 feet of the SW 1/4 of the SW 1/4 of Section 8, T28N, R8E, except the West 264 feet of the South 330 feet thereof; said land being more particularly described as follows: To find the place of beginning of this description, commence at the Southwest corner of said section, run thence East along the South line of said section 1243 feet to the place of beginning of this description, thence continuing East along said South line of said section 66 feet to the West 1/8 line of said section, thence N 02 degrees 09’ 30” E along the said West 1/8 line of said section 660 feet, thence West 330 feet, thence S 02 degrees 09’ 30” W, 330 feet, thence East 264 feet, thence S 02 degrees 09’ 30” W, 330 feet to the place of beginning.

ALLEGAN COUNTY

Certain land in Lee Township, Allegan County, Michigan described as:

The NE 1/4 of the NW 1/4 of Section 16, T1N, R15W.

ALPENA COUNTY

Certain land in Wilson and Green Townships, Alpena County, Michigan described as:

All that part of the S’ly 1/2 of the former Boyne City-Gaylord and Alpena Railroad right of way, being the Southerly 50 feet of a 100 foot strip of land formerly occupied by said Railroad, running from the East line of Section 31, T31N, R7E, Southwesterly across said Section 31 and Sections 5 and 6 of T30N, R7E and Sections 10, 11 and the E 1/2 of Section 9, except the West 1646 feet thereof, all in T30N, R6E.

ANTRIM COUNTY

Certain land in Mancelona Township, Antrim County, Michigan described as:

The S 1/2 of the NE 1/4 of Section 33, T29N, R6W, excepting therefrom all mineral, coal, oil and gas and such other rights as were reserved unto the State of Michigan in that certain deed running from the State of Michigan to August W. Schack and Emma H. Schack, his wife, dated April 15, 1946 and recorded May 20, 1946 in Liber 97 of Deeds on page 682 of Antrim County Records.

ARENAC COUNTY

Certain land in Standish Township, Arenac County, Michigan described as:

A parcel of land in the SW 1/4 of the NW 1/4 of Section 12, T18N, R4E, described as follows: To find the place of beginning of said parcel of land, commence at the Northwest corner of Section 12, T18N, R4E; run thence South along the West line of said section, said West line of said section being also the center line of East City Limits Road 2642.15 feet to the W 1/4 post of said section and the place of beginning of said parcel of land; running thence N 88 degrees 26' 00" E along the East and West 1/4 line of said section, 660.0 feet; thence North parallel with the West line of said section, 310.0 feet; thence S 88 degrees 26' 00" W, 330.0 feet; thence South parallel with the West line of said section, 260.0 feet; thence S 88 degrees 26' 00" W, 330.0 feet to the West line of said section and the center line of East City Limits Road; thence South along the said West line of said section, 50.0 feet to the place of beginning.

BARRY COUNTY

Certain land in Johnstown Township, Barry County, Michigan described as:

A strip of land 311 feet in width across the SW 1/4 of the NE 1/4 of Section 31, T1N, R8W, described as follows: To find the place of beginning of this description, commence at the E ¼ post of said section; run thence N 00 degrees 55' 00" E along the East line of said section, 555.84 feet; thence N 59 degrees 36' 20" W, 1375.64 feet; thence N 88 degrees 30' 00" W, 130 feet to a point on the East 1/8 line of said section and the place of beginning of this description; thence continuing N 88 degrees 30' 00" W, 1327.46 feet to the North and South 1/4 line of said section; thence S 00 degrees 39'35" W along said North and South 1/4 line of said section, 311.03 feet to a point, which said point is 952.72 feet distant N'ly from the East and West 1/4 line of said section as measured along said North and South 1/4 line of said section; thence S 88 degrees 30' 00" E, 1326.76 feet to the East 1/8 line of said section; thence N 00 degrees 47' 20" E along said East 1/8 line of said section, 311.02 feet to the place of beginning.

BAY COUNTY

Certain land in Frankenlust Township, Bay County, Michigan described as:

The South 250 feet of the N 1/2 of the W 1/2 of the W 1/2 of the SE 1/4 of Section 9, T13N, R4E.

BENZIE COUNTY

Certain land in Benzonia Township, Benzie County, Michigan described as:

A parcel of land in the Northeast 1/4 of Section 7, Township 26 North, Range 14 West, described as beginning at a point on the East line of said Section 7, said point being 320 feet North measured along the East line of said section from the East 1/4 post; running thence West 165 feet; thence North parallel with the East line of said section 165 feet; thence East 165 feet to the East line of said section; thence South 165 feet to the place of beginning.

BRANCH COUNTY

Certain land in Girard Township, Branch County, Michigan described as:

A parcel of land in the NE 1/4 of Section 23 T5S, R6W, described as beginning at a point on the North and South quarter line of said section at a point 1278.27 feet distant South of the North quarter post of said section, said distance being measured along the North and South quarter line of said section, running thence S89 degrees21’E 250 feet, thence North along a line parallel with the said North and South quarter line of said section 200 feet, thence N89 degrees 21’W 250 feet to the North and South quarter line of said section, thence South along said North and South quarter line of said section 200 feet to the place of beginning.

CALHOUN COUNTY

Certain land in Convis Township, Calhoun County, Michigan described as:

A parcel of land in the SE 1/4 of the SE 1/4 of Section 32, T1S, R6W, described as follows: To find the place of beginning of this description, commence at the Southeast corner of said section; run thence North along the East line of said section 1034.32 feet to the place of beginning of this description; running thence N 89 degrees 39’ 52” W, 333.0 feet; thence North 290.0 feet to the South 1/8 line of said section; thence S 89 degrees 39’ 52” E along said South 1/8 line of said section 333.0 feet to the East line of said section; thence South along said East line of said section 290.0 feet to the place of beginning. (Bearings are based on the East line of Section 32, T1S, R6W, from the Southeast corner of said section to the Northeast corner of said section assumed as North.)

CASS COUNTY

Certain easement rights located across land in Marcellus Township, Cass County, Michigan described as:

The East 6 rods of the SW 1/4 of the SE 1/4 of Section 4, T5S, R13W.

CHARLEVOIX COUNTY

Certain land in South Arm Township, Charlevoix County, Michigan described as:

A parcel of land in the SW 1/4 of Section 29, T32N, R7W, described as follows: Beginning at the Southwest corner of said section and running thence North along the West line of said section 788.25 feet to a point which is 528 feet distant South of the South 1/8 line of said section as measured along the said West line of said section; thence N 89 degrees 30' 19" E, parallel with said South 1/8 line of said section 442.1 feet; thence South 788.15 feet to the South line of said section; thence S 89 degrees 29' 30" W, along said South line of said section 442.1 feet to the place of beginning.

CHEBOYGAN COUNTY

Certain land in Inverness Township, Cheboygan County, Michigan described as:

A parcel of land in the SW frl 1/4 of Section 31, T37N, R2W, described as beginning at the Northwest corner of the SW frl 1/4, running thence East on the East and West quarter line of said Section, 40 rods, thence South parallel to the West line of said Section 40 rods, thence West 40 rods to the West line of said Section, thence North 40 rods to the place of beginning.

CLARE COUNTY

Certain land in Frost Township, Clare County, Michigan described as:

The East 150 feet of the North 225 feet of the NW 1/4 of the NW 1/4 of Section 15, T20N, R4W.

CLINTON COUNTY

Certain land in Watertown Township, Clinton County, Michigan described as:

The NE 1/4 of the NE 1/4 of the SE 1/4 of Section 22, and the North 165 feet of the NW 1/4 of the NE 1/4 of the SE 1/4 of Section 22, T5N, R3W.

CRAWFORD COUNTY

Certain land in Lovells Township, Crawford County, Michigan described as:

A parcel of land in Section 1, T28N, R1W, described as: Commencing at NW corner said section; thence South 89 degrees53’30” East along North section line 105.78 feet to point of beginning; thence South 89 degrees53’30” East along North section line 649.64 feet; thence South 55 degrees 42’30” East 340.24 feet; thence South 55 degrees 44’ 37”“ East 5,061.81 feet to the East section line; thence South 00 degrees 00’ 08”“ West along East section line 441.59 feet; thence North 55 degrees 44’ 37” West 5,310.48 feet; thence North 55 degrees 42’30” West 877.76 feet to point of beginning.

EATON COUNTY

Certain land in Eaton Township, Eaton County, Michigan described as:

A parcel of land in the SW 1/4 of Section 6, T2N, R4W, described as follows: To find the place of beginning of this description commence at the Southwest corner of said section; run thence N 89 degrees 51’ 30” E along the South line of said section 400 feet to the place of beginning of this description; thence continuing N 89 degrees 51’ 30” E, 500 feet; thence N 00 degrees 50’ 00” W, 600 feet; thence S 89 degrees 51’ 30” W parallel with the South line of said section 500 feet; thence S 00 degrees 50’ 00” E, 600 feet to the place of beginning.

EMMET COUNTY

Certain land in Wawatam Township, Emmet County, Michigan described as:

The West 1/2 of the Northeast 1/4 of the Northeast 1/4 of Section 23, T39N, R4W.

GENESEE COUNTY

Certain land in Argentine Township, Genesee County, Michigan described as:

A parcel of land of part of the SW 1/4 of Section 8, T5N, R5E, being more particularly described as follows:

Beginning at a point of the West line of Duffield Road, 100 feet wide, (as now established) distant 829.46 feet measured N01 degrees42’56”W and 50 feet measured S88 degrees14’04”W from the South quarter corner, Section 8, T5N, R5E; thence S88 degrees14’04”W a distance of 550 feet; thence N01 degrees42’56”W a distance of 500 feet to a point on the North line of the South half of the Southwest quarter of said Section 8; thence N88 degrees14’04”E along the North line of South half of the Southwest quarter of said Section 8 a distance 550 feet to a point on the West line of Duffield Road, 100 feet wide (as now established); thence S 01 degrees 42'56"E along the West line of said Duffield Road a distance of 500 feet to the point of beginning.

GLADWIN COUNTY

Certain land in Secord Township, Gladwin County, Michigan described as:

The East 400 feet of the South 450 feet of Section 2, T19N, R1E.

GRAND TRAVERSE COUNTY

Certain land in Mayfield Township, Grand Traverse County, Michigan described as:

A parcel of land in the Northwest 1/4 of Section 3, T25N, R11W, described as follows: Commencing at the Northwest corner of said section, running thence S 89 degrees19'15" E along the North line of said section and the center line of Clouss Road 225 feet, thence South 400 feet, thence N 89 degrees19'15" W 225 feet to the West line of said section and the center line of Hannah Road, thence North along the West line of said section and the center line of Hannah Road 400 feet to the place of beginning for this description.

GRATIOT COUNTY

Certain land in Fulton Township, Gratiot County, Michigan described as:

A parcel of land in the NE 1/4 of Section 7, Township 9 North, Range 3 West, described as beginning at a point on the North line of George Street in the Village of Middleton, which is 542 feet East of the North and South one-quarter (1/4) line of said Section 7; thence North 100 feet; thence East 100 feet; thence South 100 feet to the North line of George Street; thence West along the North line of George Street 100 feet to place of beginning.

HILLSDALE COUNTY

Certain land in Litchfield Village, Hillsdale County, Michigan described as:

Lot 238 of Assessors Plat of the Village of Litchfield.

HURON COUNTY

Certain easement rights located across land in Sebewaing Township, Huron County, Michigan described as:

The North 1/2 of the Northwest 1/4 of Section 15, T15N, R9E.

INGHAM COUNTY

Certain land in Vevay Township, Ingham County, Michigan described as:

A parcel of land 660 feet wide in the Southwest 1/4 of Section 7 lying South of the centerline of Sitts Road as extended to the North-South 1/4 line of said Section 7, T2N, R1W, more particularly described as follows: Commence at the Southwest corner of said Section 7, thence North along the West line of said Section 2502.71 feet to the centerline of Sitts Road; thence South 89 degrees54’45” East along said centerline 2282.38 feet to the place of beginning of this description; thence continuing South 89 degrees54’45” East along said centerline and said centerline extended 660.00 feet to the North-South 1/4 line of said section; thence South 00 degrees07’20” West 1461.71 feet; thence North 89 degrees34’58” West 660.00 feet; thence North 00 degrees07’20” East 1457.91 feet to the centerline of Sitts Road and the place of beginning.

IONIA COUNTY

Certain land in Sebewa Township, Ionia County, Michigan described as:

A strip of land 280 feet wide across that part of the SW 1/4 of the NE 1/4 of Section 15, T5N, R6W, described as follows:

To find the place of beginning of this description commence at the E 1/4 corner of said section; run thence N 00 degrees 05’ 38” W along the East line of said section, 1218.43 feet; thence S 67 degrees 18’ 24” W, 1424.45 feet to the East 1/8 line of said section and the place of beginning of this description; thence continuing S 67 degrees 18’ 24” W, 1426.28 feet to the North and South 1/4 line of said section at a point which said point is 105.82 feet distant N’ly of the center of said section as measured along said North and South 1/4 line of said section; thence N 00 degrees 04’ 47” E along said North and South 1/4 line of said section, 303.67 feet; thence N 67 degrees 18’ 24” E, 1425.78 feet to the East 1/8 line of said section; thence S 00 degrees 00’ 26” E along said East 1/8 line of said section, 303.48 feet to the place of beginning. (Bearings are based on the East line of Section 15, T5N, R6W, from the E 1/4 corner of said section to the Northeast corner of said section assumed as N 00 degrees 05’ 38” W.)

IOSCO COUNTY

Certain land in Alabaster Township, Iosco County, Michigan described as:

A parcel of land in the NW 1/4 of Section 34, T21N, R7E, described as follows: To find the place of beginning of this description commence at the N 1/4 post of said section; run thence South along the North and South 1/4 line of said section, 1354.40 feet to the place of beginning of this description; thence continuing South along the said North and South 1/4 line of said section, 165.00 feet to a point on the said North and South 1/4 line of said section which said point is 1089.00 feet distant North of the center of said section; thence West

440.00 feet; thence North 165.00 feet; thence East 440.00 feet to the said North and South 1/4 line of said section and the place of beginning.

ISABELLA COUNTY

Certain land in Chippewa Township, Isabella County, Michigan described as:

The North 8 rods of the NE 1/4 of the SE 1/4 of Section 29, T14N, R3W.

JACKSON COUNTY

Certain land in Waterloo Township, Jackson County, Michigan described as:

A parcel of land in the North fractional part of the N fractional 1/2 of Section 2, T1S, R2E, described as follows: To find the place of beginning of this description commence at the E 1/4 post of said section; run thence N 01 degrees 03’ 40” E along the East line of said section 1335.45 feet to the North 1/8 line of said section and the place of beginning of this description; thence N 89 degrees 32’ 00” W, 2677.7 feet to the North and South 1/4 line of said section; thence S 00 degrees 59’ 25” W along the North and South 1/4 line of said section 22.38 feet to the North 1/8 line of said section; thence S 89 degrees 59’ 10” W along the North 1/8 line of said section 2339.4 feet to the center line of State Trunkline Highway M-52; thence N 53 degrees 46’ 00” W along the center line of said State Trunkline Highway 414.22 feet to the West line of said section; thence N 00 degrees 55’ 10” E along the West line of said section 74.35 feet; thence S 89 degrees 32’ 00” E, 5356.02 feet to the East line of said section; thence S 01 degrees 03’ 40” W along the East line of said section 250 feet to the place of beginning.

KALAMAZOO COUNTY

Certain land in Alamo Township, Kalamazoo County, Michigan described as:

The South 350 feet of the NW 1/4 of the NW 1/4 of Section 16, T1S, R12W, being more particularly described as follows: To find the place of beginning of this description, commence at the Northwest corner of said section; run thence S 00 degrees 36’ 55” W along the West line of said section 971.02 feet to the place of beginning of this description; thence continuing S 00 degrees 36’ 55” W along said West line of said section 350.18 feet to the North 1/8 line of said section; thence S 87 degrees 33’ 40” E along the said North 1/8 line of said section 1325.1 feet to the West 1/8 line of said section; thence N 00 degrees 38’ 25” E along the said West 1/8 line of said section 350.17 feet; thence N 87 degrees 33’ 40” W, 1325.25 feet to the place of beginning.

KALKASKA COUNTY

Certain land in Kalkaska Township, Kalkaska County, Michigan described as:

The NW 1/4 of the SW 1/4 of Section 4, T27N, R7W, excepting therefrom all mineral, coal, oil and gas and such other rights as were reserved unto the State of Michigan in that certain deed running from the Department of Conservation for the State of Michigan to George Welker and Mary Welker, his wife, dated October 9, 1934 and recorded December 28, 1934 in Liber 39 on page 291 of Kalkaska County Records, and subject to easement for pipeline purposes as granted to Michigan Consolidated Gas Company by first party herein on April 4, 1963 and recorded June 21, 1963 in Liber 91 on page 631 of Kalkaska County Records.

KENT COUNTY

Certain land in Caledonia Township, Kent County, Michigan described as:

A parcel of land in the Northwest fractional 1/4 of Section 15, T5N, R10W, described as follows: To find the place of beginning of this description commence at the North 1/4 corner of said section, run thence S 0 degrees 59' 26" E along the North and South 1/4 line of said section 2046.25 feet to the place of beginning of this description, thence continuing S 0 degrees 59' 26" E along said North and South 1/4 line of said section 332.88 feet, thence S 88 degrees 58' 30" W 2510.90 feet to a point herein designated "Point A" on the East bank of the Thornapple River, thence continuing S 88 degrees 53' 30" W to the center thread of the Thornapple River, thence NW'ly along the center thread of said Thornapple River to a point which said point is S 88 degrees 58' 30" W of a point on the East bank of the Thornapple River herein designated "Point B", said "Point B" being N 23 degrees 41' 35" W 360.75 feet from said above-described "Point A", thence N 88 degrees 58' 30" E to said "Point B", thence continuing N 88 degrees 58' 30" E 2650.13 feet to the place of beginning. (Bearings are based on the East line of Section 15, T5N, R10W between the East 1/4 corner of said section and the Northeast corner of said section assumed as N 0 degrees 59' 55" W.)

LAKE COUNTY

Certain land in Pinora and Cherry Valley Townships, Lake County, Michigan described as:

A strip of land 50 feet wide East and West along and adjoining the West line of highway on the East side of the North 1/2 of Section 13 T18N, R12W. Also a strip of land 100 feet wide East and West along and adjoining the East line of the highway on the West side of following described land: The South 1/2 of NW 1/4, and the South 1/2 of the NW 1/4 of the SW 1/4, all in Section 6, T18N, R11W.

LAPEER COUNTY

Certain land in Hadley Township, Lapeer County, Michigan described as:

The South 825 feet of the W 1/2 of the SW 1/4 of Section 24, T6N, R9E, except the West 1064 feet thereof.

LEELANAU COUNTY

Certain land in Cleveland Township, Leelanau County, Michigan described as:

The North 200 feet of the West 180 feet of the SW 1/4 of the SE 1/4 of Section 35, T29N, R13W.

LENAWEE COUNTY

Certain land in Madison Township, Lenawee County, Michigan described as:

A strip of land 165 feet wide off the West side of the following described premises: The E 1/2 of the SE 1/4 of Section 12. The E 1/2 of the NE 1/4 and the NE 1/4 of the SE 1/4 of Section 13, being all in T7S, R3E, excepting therefrom a parcel of land in the E 1/2 of the SE 1/4 of Section 12, T7S, R3E, beginning at the Northwest corner of said E 1/2 of the SE 1/4 of Section 12, running thence East 4 rods, thence South 6 rods, thence West 4 rods, thence North 6 rods to the place of beginning.

LIVINGSTON COUNTY

Certain land in Cohoctah Township, Livingston County, Michigan described as:

Parcel 1

The East 390 feet of the East 50 rods of the SW 1/4 of Section 30, T4N, R4E.

Parcel 2

A parcel of land in the NW 1/4 of Section 31, T4N, R4E, described as follows: To find the place of beginning of this description commence at the N 1/4 post of said section; run thence N 89 degrees 13’ 06” W along the North line of said section, 330 feet to the place of beginning of this description; running thence S 00 degrees 52’ 49” W, 2167.87 feet; thence N 88 degrees 59’ 49” W, 60 feet; thence N 00 degrees 52’ 49” E, 2167.66 feet to the North line of said section; thence S 89 degrees 13’ 06” E along said North line of said section, 60 feet to the place of beginning.

MACOMB COUNTY

Certain land in Macomb Township, Macomb County, Michigan described as:

A parcel of land commencing on the West line of the E 1/2 of the NW 1/4 of fractional Section 6, 20 chains South of the NW corner of said E 1/2 of the NW 1/4 of Section 6; thence South on said West line and the East line of A. Henry Kotner's Hayes Road Subdivision #15, according to the recorded plat thereof, as recorded in Liber 24 of Plats, on page 7, 24.36 chains to the East and West 1/4 line of said Section 6; thence East on said East and West 1/4 line 8.93 chains; thence North parallel with the said West line of the E 1/2 of the NW 1/4 of Section 6, 24.36 chains; thence West 8.93 chains to the place of beginning, all in T3N, R13E.

MANISTEE COUNTY

Certain land in Manistee Township, Manistee County, Michigan described as:

A parcel of land in the SW 1/4 of Section 20, T22N, R16W, described as follows: To find the place of beginning of this description, commence at the Southwest corner of said section; run thence East along the South line of said section 832.2 feet to the place of beginning of this description; thence continuing East along said South line of said section 132 feet; thence North 198 feet; thence West 132 feet; thence South 198 feet to the place of beginning, excepting therefrom the South 2 rods thereof which was conveyed to Manistee Township for highway purposes by a Quitclaim Deed dated June 13, 1919 and recorded July 11, 1919 in Liber 88 of Deeds on page 638 of Manistee County Records.

MASON COUNTY

Certain land in Riverton Township, Mason County, Michigan described as:

Parcel 1: The South 10 acres of the West 20 acres of the S 1/2 of the NE 1/4 of Section 22, T17N, R17W.

Parcel 2: A parcel of land containing 4 acres of the West side of highway, said parcel of land being described as commencing 16 rods South of the Northwest corner of the NW 1/4 of the SW ¼ of Section 22, T17N, R17W, running thence South 64 rods, thence NE'ly and N'ly and NW'ly along the W'ly line of said highway to the place of beginning, together with any and all right, title, and interest of Howard C. Wicklund and Katherine E. Wicklund in and to that portion of the hereinbefore mentioned highway lying adjacent to the E'ly line of said above described land.

MECOSTA COUNTY

Certain land in Wheatland Township, Mecosta County, Michigan described as:

A parcel of land in the SW 1/4 of the SW 1/4 of Section 16, T14N, R7W, described as beginning at the Southwest corner of said section; thence East along the South line of Section 133 feet; thence North parallel to the West section line 133 feet; thence West 133 feet to the West line of said Section; thence South 133 feet to the place of beginning.

MIDLAND COUNTY

Certain land in Ingersoll Township, Midland County, Michigan described as:

The West 200 feet of the W 1/2 of the NE 1/4 of Section 4, T13N, R2E.

MISSAUKEE COUNTY

Certain land in Norwich Township, Missaukee County, Michigan described as:

A parcel of land in the NW 1/4 of the NW 1/4 of Section 16, T24N, R6W, described as follows: Commencing at the Northwest corner of said section, running thence N 89 degrees 01’ 45” E along the North line of said section 233.00 feet; thence South 233.00 feet; thence S 89 degrees 01’ 45” W, 233.00 feet to the West line of said section; thence North along said West line of said section 233.00 feet to the place of beginning. (Bearings are based on the West line of Section 16, T24N, R6W, between the Southwest and Northwest corners of said section assumed as North.)

MONROE COUNTY

Certain land in Whiteford Township, Monroe County, Michigan described as:

A parcel of land in the SW1/4 of Section 20, T8S, R6E, described as follows: To find the place of beginning of this description commence at the S 1/4 post of said section; run thence West along the South line of said section 1269.89 feet to the place of beginning of this description; thence continuing West along said South line of said section 100 feet; thence N 00 degrees 50’ 35” E, 250 feet; thence East 100 feet; thence S 00 degrees 50’ 35” W parallel with and 16.5 feet distant W’ly of as measured perpendicular to the West 1/8 line of said section, as occupied, a distance of 250 feet to the place of beginning.

MONTCALM COUNTY

Certain land in Crystal Township, Montcalm County, Michigan described as:

The N 1/2 of the S 1/2 of the SE 1/4 of Section 35, T10N, R5W.

MONTMORENCY COUNTY

Certain land in the Village of Hillman, Montmorency County, Michigan described as:

Lot 14 of Hillman Industrial Park, being a subdivision in the South 1/2 of the Northwest 1/4 of Section 24, T31N, R4E, according to the plat thereof recorded in Liber 4 of Plats on Pages 32-34, Montmorency County Records.

MUSKEGON COUNTY

Certain land in Casnovia Township, Muskegon County, Michigan described as:

The West 433 feet of the North 180 feet of the South 425 feet of the SW 1/4 of Section 3, T10N, R13W.

NEWAYGO COUNTY

Certain land in Ashland Township, Newaygo County, Michigan described as:

The West 250 feet of the NE 1/4 of Section 23, T11N, R13W.

OAKLAND COUNTY

Certain land in Wixcom City, Oakland County, Michigan described as:

The E 75 feet of the N 160 feet of the N 330 feet of the W 526.84 feet of the NW 1/4 of the NW 1/4 of Section 8, T1N, R8E, more particularly described as follows: Commence at the NW corner of said Section 8, thence N 87 degrees 14’ 29” E along the North line of said Section 8 a distance of 451.84 feet to the place of beginning for this description; thence continuing N 87 degrees 14’ 29” E along said North section line a distance of 75.0 feet to the East line of the West 526.84 feet of the NW 1/4 of the NW 1/4 of said Section 8; thence S 02 degrees 37’ 09” E along said East line a distance of 160.0 feet; thence S 87 degrees 14’ 29” W a distance of 75.0 feet; thence N 02 degrees 37’ 09” W a distance of 160.0 feet to the place of beginning.

OCEANA COUNTY

Certain land in Crystal Township, Oceana County, Michigan described as:

The East 290 feet of the SE 1/4 of the NW 1/4 and the East 290 feet of the NE 1/4 of the SW 1/4, all in Section 20, T16N, R16W.

OGEMAW COUNTY

Certain land in West Branch Township, Ogemaw County, Michigan described as:

The South 660 feet of the East 660 feet of the NE 1/4 of the NE 1/4 of Section 33, T22N, R2E.

OSCEOLA COUNTY

Certain land in Hersey Township, Osceola County, Michigan described as:

A parcel of land in the North 1/2 of the Northeast 1/4 of Section 13, T17N, R9W, described as commencing at the Northeast corner of said Section; thence West along the North Section line 999 feet to the point of beginning of this description; thence S 01 degrees 54’ 20” E 1327.12 feet to the North 1/8 line; thence S 89 degrees 17’ 05” W along the North 1/8 line 330.89 feet; thence N 01 degrees 54’ 20” W 1331.26 feet to the North Section line; thence East along the North Section line 331 feet to the point of beginning.

OSCODA COUNTY

Certain land in Comins Township, Oscoda County, Michigan described as:

The East 400 feet of the South 580 feet of the W 1/2 of the SW 1/4 of Section 15, T27N, R3E.

OTSEGO COUNTY

Certain land in Corwith Township, Otsego County, Michigan described as:

Part of the NW 1/4 of the NE 1/4 of Section 28, T32N, R3W, described as: Beginning at the N 1/4 corner of said section; running thence S 89 degrees 04’ 06” E along the North line of said section, 330.00 feet; thence S 00 degrees 28’ 43” E, 400.00 feet; thence N 89 degrees 04’ 06” W, 330.00 feet to the North and South 1/4 line of said section; thence N 00 degrees 28’ 43” W along the said North and South 1/4 line of said section, 400.00 feet to the point of beginning; subject to the use of the N’ly 33.00 feet thereof for highway purposes.

OTTAWA COUNTY

Certain land in Robinson Township, Ottawa County, Michigan described as:

The North 660 feet of the West 660 feet of the NE 1/4 of the NW 1/4 of Section 26, T7N, R15W.

PRESQUE ISLE COUNTY

Certain land in Belknap and Pulawski Townships, Presque Isle County, Michigan described as:

Part of the South half of the Northeast quarter, Section 24, T34N, R5E, and part of the Northwest quarter, Section 19, T34N, R6E, more fully described as: Commencing at the East ¼ corner of said Section 24; thence N 00 degrees15’47” E, 507.42 feet, along the East line of said Section 24 to the point of beginning; thence S 88 degrees15’36” W, 400.00 feet, parallel with the North 1/8 line of said Section 24; thence N 00 degrees15’47” E, 800.00 feet, parallel with said East line of Section 24; thence N 88 degrees15’36”E, 800.00 feet, along said North 1/8 line of Section 24 and said line extended; thence S 00 degrees15’47” W, 800.00 feet, parallel with said East line of Section 24; thence S 88 degrees15’36” W, 400.00 feet, parallel with said North 1/8 line of Section 24 to the point of beginning.

Together with a 33 foot easement along the West 33 feet of the Northwest quarter lying North of the North 1/8 line of Section 24, Belknap Township, extended, in Section 19, T34N, R6E.

ROSCOMMON COUNTY

Certain land in Gerrish Township, Roscommon County, Michigan described as:

A parcel of land in the NW 1/4 of Section 19, T24N, R3W, described as follows: To find the place of beginning of this description commence at the Northwest corner of said section, run thence East along the North line of said section 1,163.2 feet to the place of beginning of this description (said point also being the place of intersection of the West 1/8 line of said section with the North line of said section), thence S 01 degrees 01’ E along said West 1/8 line 132 feet, thence West parallel with the North line of said section 132 feet, thence N 01 degrees 01’ W parallel with said West 1/8 line of said section 132 feet to the North line of said section, thence East along the North line of said section 132 feet to the place of beginning.

SAGINAW COUNTY

Certain land in Chapin Township, Saginaw County, Michigan described as:

A parcel of land in the SW 1/4 of Section 13, T9N, R1E, described as follows: To find the place of beginning of this description commence at the Southwest corner of said section; run thence North along the West line of said section 1581.4 feet to the place of beginning of this description; thence continuing North along said West line of said section 230 feet to the center line of a creek; thence S 70 degrees 07’ 00” E along said center line of said creek 196.78 feet; thence South 163.13 feet; thence West 185 feet to the West line of said section and the place of beginning.

SANILAC COUNTY

Certain easement rights located across land in Minden Township, Sanilac County, Michigan described as:

The Southeast 1/4 of the Southeast 1/4 of Section 1, T14N, R14E, excepting therefrom the South 83 feet of the East 83 feet thereof.

SHIAWASSEE COUNTY

Certain land in Burns Township, Shiawassee County, Michigan described as:

The South 330 feet of the E 1/2 of the NE 1/4 of Section 36, T5N, R4E.

ST. CLAIR COUNTY

Certain land in Ira Township, St. Clair County, Michigan described as:

The N 1/2 of the NW 1/4 of the NE 1/4 of Section 6, T3N, R15E.

ST. JOSEPH COUNTY

Certain land in Mendon Township, St. Joseph County, Michigan described as:

The North 660 feet of the West 660 feet of the NW 1/4 of SW 1/4, Section 35, T5S, R10W.

TUSCOLA COUNTY

Certain land in Millington Township, Tuscola County, Michigan described as:

A strip of land 280 feet wide across the East 96 rods of the South 20 rods of the N 1/2 of the SE 1/4 of Section 34, T10N, R8E, more particularly described as commencing at the Northeast corner of Section 3, T9N, R8E, thence S 89 degrees 55’ 35” W along the South line of said Section 34 a distance of 329.65 feet, thence N 18 degrees 11’ 50” W a distance of 1398.67 feet to the South 1/8 line of said Section 34 and the place of beginning for this description; thence continuing N 18 degrees 11’ 50” W a distance of 349.91 feet; thence N 89 degrees 57’ 01” W a distance of 294.80 feet; thence S 18 degrees 11’ 50” E a distance of 350.04 feet to the South 1/8 line of said Section 34; thence S 89 degrees 58’ 29” E along the South 1/8 line of said section a distance of 294.76 feet to the place of beginning.

VAN BUREN COUNTY

Certain land in Covert Township, Van Buren County, Michigan described as:

All that part of the West 20 acres of the N 1/2 of the NE fractional 1/4 of Section 1, T2S, R17W, except the West 17 rods of the North 80 rods, being more particularly described as follows: To find the place of beginning of this description commence at the N 1/4 post of said section; run thence N 89 degrees 29’ 20” E along the North line of said section 280.5 feet to the place of beginning of this description; thence continuing N 89 degrees 29’ 20” E along said North line of said section 288.29 feet; thence S 00 degrees 44’ 00” E, 1531.92 feet; thence S 89 degrees 33’ 30” W, 568.79 feet to the North and South 1/4 line of said section; thence N 00 degrees 44’ 00” W along said North and South 1/4 line of said section 211.4 feet; thence N 89 degrees 29’ 20” E, 280.5 feet; thence N 00 degrees 44’ 00” W, 1320 feet to the North line of said section and the place of beginning.

WASHTENAW COUNTY

Certain land in Manchester Township, Washtenaw County, Michigan described as:

A parcel of land in the NE 1/4 of the NW 1/4 of Section 1, T4S, R3E, described as follows: To find the place of beginning of this description commence at the Northwest corner of said section; run thence East along the North line of said section 1355.07 feet to the West 1/8 line of said section; thence S 00 degrees 22’ 20” E along said West 1/8 line of said section 927.66 feet to the place of beginning of this description; thence continuing S 00 degrees 22’ 20” E along said West 1/8 line of said section 660 feet to the North 1/8 line of said section; thence N 86 degrees 36’ 57” E along said North 1/8 line of said section 660.91 feet; thence N 00 degrees22’ 20” W, 660 feet; thence S 86 degrees 36’ 57” W, 660.91 feet to the place of beginning.

WAYNE COUNTY

Certain land in Livonia City, Wayne County, Michigan described as:

Commencing at the Southeast corner of Section 6, T1S, R9E; thence North along the East line of Section 6 a distance of 253 feet to the point of beginning; thence continuing North along the East line of Section 6 a distance of 50 feet; thence Westerly parallel to the South line of Section 6, a distance of 215 feet; thence Southerly parallel to the East line of Section 6 a distance of 50 feet; thence easterly parallel with the South line of Section 6 a distance of 215 feet to the point of beginning.

WEXFORD COUNTY

Certain land in Selma Township, Wexford County, Michigan described as:

A parcel of land in the NW 1/4 of Section 7, T22N, R10W, described as beginning on the North line of said section at a point 200 feet East of the West line of said section, running thence East along said North section line 450 feet, thence South parallel with said West section line 350 feet, thence West parallel with said North section line 450 feet, thence North parallel with said West section line 350 feet to the place of beginning.

SECTION 12. The Company is a transmitting utility under Section 9501(2) of the Michigan Uniform Commercial Code (M.C.L. 440.9501(2)) as defined in M.C.L. 440.9102(1)(aaaa).

IN WITNESS WHEREOF, said Consumers Energy Company has caused this Supplemental Indenture to be executed in its corporate name by its Chairman of the Board, President, a Vice President or its Treasurer, and said The Bank of New York Mellon, as Trustee as aforesaid, to evidence its acceptance hereof, has caused this Supplemental Indenture to be executed in its corporate name by a Vice President, in several counterparts, all as of the day and year first above written.

CONSUMERS ENERGY COMPANY

By:	/s/ Jason M. Shore
Name:	Jason M. Shore
Title:	Vice President and Treasurer

STATE OF MICHIGAN)
ss.
COUNTY OF JACKSON)

The foregoing instrument was acknowledged before me this 28th day of November, 2025, by Jason M. Shore, Vice President and Treasurer of CONSUMERS ENERGY COMPANY, a Michigan corporation, on behalf of the corporation.

/s/ Lindsey White
Lindsey White, Notary Public
State of Michigan, County of Ingham
My Commissions Expires: February 25, 2027
Acting in the County of Jackson

[SEAL]

THE BANK OF NEW YORK MELLON, AS TRUSTEE

By: /s/ Melissa Matthews
Name: Melissa Matthews
Title: Vice President

STATE OF NEW YORK)
ss.
COUNTY OF NEW YORK)

The foregoing instrument was acknowledged before me this 25th day of November 2025, Melissa Matthews, a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, on behalf of the bank, as trustee.

/s/ Rafal Bar
Rafal Bar, Notary Public
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01BA6293822
Qualified in Kings County
My Commission Expires: 01/31/2026

[SEAL]

Prepared by:
Melissa M. Gleespen
One Energy Plaza, EP12-246
Jackson, MI 49201

When recorded, return to:
Consumers Energy Company
Attn: Lindsey White
One Energy Plaza
Jackson, MI 49201