CMS ENERGY CORP
Form 424B5
June 27, 2011

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**Filed Pursuant to Rule 424(b)(5)**
**Registration Statement No.333-174906**

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Subject to Completion, dated June 27, 2011**

**PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED JUNE 15, 2011**

**$**

**CMS Energy Corporation**

**% Senior Notes due 20**

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We are offering $ aggregate principal amount of our % Senior Notes due 20 , referred to as the Notes. The Notes will bear interest at the rate of % per year. Interest on the Notes is payable semi-annually in arrears on and , commencing on , 20 . The Notes will mature on , 20 .

We may redeem some or all of the Notes at our option at any time for cash at the redemption prices described in this prospectus supplement, plus accrued and unpaid interest to the redemption date. See Description of the Notes Optional Redemption . Under certain circumstances, holders of the Notes will have the right to require us to repurchase the Notes. See Description of the Notes Purchase of Notes Upon Change of Control . There is no sinking fund for the Notes.

The Notes will be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof. The Notes will be CMS Energy Corporation s unsecured obligations and will rank equally with all of CMS Energy Corporation s other unsecured senior indebtedness.

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**This investment involves risk. See Risk Factors beginning on page S-9 of this prospectus supplement and page 3 of the accompanying prospectus and the Risk Factors section beginning on page 32 of our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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| | Per Note | Total |
|---|---|---|
| Price to the public | % | $ |
| Underwriting discounts and commissions | % | $ |
| Proceeds to CMS Energy Corporation (before expenses) | % | $ |

Interest on the Notes will accrue from , 2011 to the date of delivery.

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We expect to deliver the Notes on or about , 2011 only in book-entry form through the facilities of The Depository Trust Company.

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*Joint Book-Running Managers*

**BNP PARIBAS** **Mitsubishi UFJ Securities** **RBS**
**SunTrust Robinson Humphrey** **UBS Investment Bank**

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*Co-Managers*

**SMBC Nikko** **The Huntington Investment Company**

The date of this prospectus supplement is , 2011.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the Notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which contains a description of the securities registered by us and gives more general information, some of which may not apply to the Notes. To the extent there is a conflict between the information contained or incorporated by reference in this prospectus supplement (or any free writing prospectus), on the one hand, and the information contained or incorporated by reference in the accompanying prospectus, on the other hand, the information contained or incorporated by reference in this prospectus supplement (or any free writing prospectus) shall control.

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission ( **SEC** ) using a shelf registration process as a well-known seasoned issuer . Under the registration statement, we may sell securities, including Notes, of which this offering is a part.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, in making your investment decision. This prospectus supplement and the accompanying prospectus incorporate important business and financial information about us and our subsidiaries that is not included in or delivered with these documents. This information is available without charge to security holders upon written or oral request. See Where You Can Find More Information .

The terms **CMS Energy** , **we** , **our** and **us** as used in this document refer to CMS Energy Corporation and its subsidiaries and predecessors as a combined entity, except where it is made clear that such term means only CMS Energy Corporation.

**You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus required to be filed with the SEC. We have not, and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information contained in this prospectus supplement, the accompanying prospectus, any such free writing prospectus and the documents incorporated by reference herein and therein is accurate only as of their respective dates or on other dates that are specified in those documents, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus. Our business, financial condition, liquidity, results of operations and prospects may have changed since these dates.**

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## SUMMARY

*This summary may not contain all of the information that may be important to you. You should read carefully this prospectus supplement and the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus in their entirety before making an investment decision.*

### CMS Energy Corporation

CMS Energy is an energy company operating primarily in Michigan and is the parent holding company of several subsidiaries, including Consumers Energy Company ( **Consumers** ) and CMS Enterprises Company ( **Enterprises** ). Consumers is an electric and gas utility company serving Michigan s lower peninsula. Consumers owns and operates electric distribution and generation facilities and gas transmission, storage and distribution facilities. Consumers serves individuals and businesses operating in the alternative energy, automotive, chemical, metal and food products industries, as well as a diversified group of other industries. Consumers 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 Michigan Public Service Commission ( **MPSC** ) and the Federal Energy Regulatory Commission. Enterprises, through its subsidiaries and equity investments, is engaged primarily in independent power production and owns power generation facilities fueled mostly by natural gas and biomass. CMS Energy manages its businesses by the nature of services each provides and operates principally in three business segments: electric utility, gas utility, and enterprises, its non-utility operations and investments. CMS Energy s principal executive offices are located at One Energy Plaza, Jackson, Michigan 49201, and CMS Energy s telephone number is (517) 788-0550.

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## The Offering

*The following summary is qualified in its entirety by reference to the more detailed information appearing elsewhere in this prospectus supplement and the accompanying prospectus. For additional information concerning the Notes, see Description of the Notes .*

| | |
|---|---|
| Issuer | CMS Energy Corporation. |
| Securities Offered | $ aggregate principal amount of % Senior Notes due 20 (the **Notes** ) to be issued under the indenture dated as of September 15, 1992 between us and The Bank of New York Mellon (ultimate successor to NBD Bank, National Association), as trustee (the **trustee** ), as amended and supplemented from time to time, including as supplemented by a supplemental indenture thereto establishing the terms of the Notes to be dated as of , 2011 (collectively, the **indenture** ). The indenture is referred to in the accompanying prospectus as the senior debt indenture. |
| Issue Price | Each Note will be issued at a price of % of its principal amount plus accrued interest, if any, from , 2011. |
| Maturity | The Notes will mature on , 20 , unless earlier redeemed or repurchased. |
| Interest Rate | The Notes will bear interest at % per annum. |
| Interest Payment Dates | Interest on the Notes is payable semi-annually in arrears on and of each year, beginning , 20 . |
| Record Date for Interest Payments | We will pay interest to holders of record at 5:00 p.m., New York City time, on the and next preceding the relevant interest payment date (whether or not a business day (as defined under Description of the Notes Limitation on Certain Liens )). |
| Use of Proceeds | We estimate that the proceeds from the sale of the Notes, after deducting underwriting discounts and commissions but before deducting estimated offering expenses, will be $ . We intend to use the proceeds of the offering of the Notes, plus cash on hand, to redeem $150,000,000 total aggregate principal amount of our Floating Rate Senior Notes due 2013 and $28,666,500 total aggregate principal amount of the 7 3/4% Convertible Quarterly Income Preferred Securities due 2027 of CMS Energy Trust I, a Delaware trust for which we are the sponsor and guarantor. |
| Ranking | The Notes will be senior unsecured obligations of CMS Energy Corporation and will rank equal in right of payment with all of CMS Energy Corporation s existing and future senior unsecured indebtedness. The Notes will be effectively subordinated to CMS Energy Corporation s existing and future secured indebtedness to the extent of the value of the related collateral securing that |

indebtedness and structurally subordinated to the indebtedness and other liabilities of our subsidiaries. As of March 31, 2011, CMS Energy Corporation had outstanding approximately $2.3 billion of senior unsecured indebtedness and CMS Energy Corporation s subsidiaries had outstanding approximately $10.4 billion of indebtedness and other liabilities.

| | |
|---|---|
| Optional Redemption by CMS Energy | At any time, we may redeem all or a part of the Notes for cash at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus, in the case of any redemption prior to , 20 (three months prior to the maturity date of the Notes), any applicable premium thereon at the time of redemption, plus (at any time) accrued and unpaid interest to, but not including, the redemption date. See Description of the Notes Optional Redemption . |
| Change of Control | If a change of control repurchase event (as defined under Description of the Notes Purchase of Notes Upon Change of Control ) occurs, holders will have the right, at their option, to require us to purchase any or all of their Notes for cash. The cash price we are required to pay is equal to 101% of the principal amount of the Notes to be purchased plus accrued and unpaid interest, if any, to the purchase date (as defined under Description of the Notes Purchase of Notes Upon Change of Control ). See Description of the Notes Purchase of Notes Upon Change of Control . |
| Certain Covenants | Although neither we nor any of our subsidiaries will be subject to any financial covenants under the indenture, the indenture will contain covenants that will, among other things, prohibit us from being able to incur certain additional liens or enter into certain mergers or consolidations. |
| Form of Notes | One or more global securities held in the name of The Depository Trust Company ( **DTC** ) or its nominee in a minimum denomination of $2,000 and any integral multiple of $1,000 in excess thereof. |
| Trustee and Paying Agent | The Bank of New York Mellon. |
| Trading | The Notes will not be listed on any securities exchange or included in any automated quotation system. No assurance can be given as to the liquidity of or trading market for the Notes. |
| Risk Factors | You should carefully consider each of the factors referred to or as described in the section of this prospectus supplement entitled Risk Factors starting on page S-9 and the Risk Factors and Forward-Looking Statements and Information sections in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011 before purchasing the Notes. |

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## Selected Historical Consolidated Financial Data

The following selected historical consolidated financial data for the fiscal years ended December 31, 2010, 2009, 2008 and 2007 have been derived from our audited consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm. The following selected historical consolidated financial data for the fiscal year ended December 31, 2006 have been derived from our audited consolidated financial statements, which have been audited by Ernst & Young LLP, independent registered public accounting firm, except for the amounts included from the consolidated financial statements of the Midland Cogeneration Venture Limited Partnership (the **MCV Partnership** ). The MCV Partnership, a 49% owned variable interest entity that we sold in November 2006, was consolidated in our financial statements through the date of sale and was audited by PricewaterhouseCoopers LLP for all periods through the date of sale. The following selected historical consolidated financial data for the three months ended March 31, 2011 and 2010 have been derived from our unaudited consolidated financial statements. The financial information set forth below is qualified by and should be read in conjunction with our consolidated financial statements, related notes and other financial information also incorporated by reference in this prospectus supplement. Operating results for the three months ended March 31, 2011 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2011. See Where You Can Find More Information . For selected balance sheet information, see Capitalization .

| | **Three Months Ended March 31, (Unaudited)** | | **Year Ended December 31,** | | | | |
|---|---|---|---|---|---|---|---|
| | **2011** | **2010** | **2010** | **2009** | **2008** | **2007** | **2006(a)** |
| | | | **(Dollars in millions except per share amounts and ratios)** | | | | |
| **Income Statement Data:** | | | | | | | |
| Operating revenue | $ 2,055 | $ 1,967 | $ 6,432 | $ 6,205 | $ 6,807 | $ 6,451 | $ 6,117 |
| Income (loss) from equity method investees | 4 | 3 | 11 | (2) | 5 | 40 | 89 |
| Operating expenses | 1,749 | 1,728 | 5,454 | 5,507 | 6,013 | 6,490 | 6,259 |
| Operating income (loss) | 306 | 239 | 978 | 698 | 794 | 1 | (53) |
| Income (loss) from continuing operations | 133 | 89 | 366 | 220 | 301 | (120) | (244) |
| Income (loss) from discontinued operations | 2 | (1) | (23) | 20 | 1 | (110) | 60 |
| Net income (loss) attributable to CMS Energy | 135 | 88 | 340 | 229 | 295 | (222) | (85) |
| Net income (loss) available to common stockholders | $ 135 | $ 85 | $ 324 | $ 218 | $ 284 | $ (234) | $ (96) |
| Earnings (loss) per average common share: | | | | | | | |
| Income (loss) from continuing operations: | $ 0.53 | $ 0.38 | $ 1.50 | $ 0.87 | $ 1.25 | $ (0.65) | $ (0.67) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Basic | | | | | | | |
| Income (loss) from continuing operations: Diluted | 0.51 | 0.35 | 1.36 | 0.83 | 1.20 | (0.65) | (0.67) |
| Net income (loss) attributable to common stock: Basic | 0.54 | 0.37 | 1.40 | 0.96 | 1.25 | (1.04) | (0.43) |
| Net income (loss) attributable to common stock: Diluted | 0.52 | 0.34 | 1.28 | 0.91 | 1.20 | (1.04) | (0.43) |
| Dividends declared per common share | 0.21 | 0.15 | 0.66 | 0.50 | 0.36 | 0.20 | |
| **Balance Sheet Data (At Period End Date):** | | | | | | | |
| Cash and cash equivalents | $ 801 | $ 755 | $ 247 | $ 90 | $ 207 | $ 344 | $ 247 |
| Restricted cash and cash equivalents | 30 | 23 | 23 | 32 | 35 | 34 | 71 |
| Total plant, property & equipment (at cost) | 10,138 | 9,647 | 10,069 | 9,682 | 9,181 | 8,719 | 7,698 |
| Total assets | 15,642 | 15,226 | 15,616 | 15,256 | 14,901 | 14,180 | 15,324 |
| Long-term debt, excluding current portion | 5,926 | 6,103 | 6,448 | 5,861 | 5,837 | 5,355 | 6,160 |
| Long-term debt related parties, excluding current portion | | | | 34 | 178 | 178 | 178 |
| Non-current portion of capital and finance lease obligations | 182 | 202 | 188 | 197 | 206 | 225 | 42 |
| Notes payable | | | | 40 | | 1 | 2 |
| Other liabilities | 6,603 | 5,980 | 6,143 | 6,186 | 5,865 | 5,926 | 6,326 |
| Noncontrolling interests | 44 | 44 | 44 | 97 | 96 | 53 | 52 |
| Preferred stock | | 239 | | 239 | 243 | 250 | 261 |
| Preferred stock of subsidiary | | | | | | 44 | 44 |
| Common stockholders equity | $ 2,887 | $ 2,658 | $ 2,793 | $ 2,602 | $ 2,476 | $ 2,148 | $ 2,259 |
| **Cash Flow or Other Data:** | | | | | | | |
| Cash Flow: (b) | | | | | | | |
| Net cash provided by operating activities | $ 841 | $ 657 | $ 959 | $ 848 | $ 557 | $ 23 | $ 688 |
| Net cash provided by (used in) investing activities | (228) | (212) | (1,003) | (935) | (839) | 662 | (751) |
| Net cash provided by (used in) financing | (61) | 221 | 202 | (35) | 147 | (690) | (434) |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| activities | | | | | | | |
| Ratio of earnings to fixed charges (c) | 2.89 | 2.34 | 2.29 | 1.73 | 2.01 | (d) | (e) |

(a) Under Accounting Standard Codification Topic 810 Consolidation , until their sale in November 2006, we were the primary beneficiary of the MCV Partnership and the First Midland Limited Partnership. As a result, we have consolidated the assets, liabilities and activities of these entities into our consolidated financial statements through the date of sale.

(b) Our cash flow statements include amounts related to discontinued operations through the date of disposal.

(c) For the purpose of computing the ratio, earnings represents the sum of income (loss) from continuing operations before income taxes and income from equity method investees, net interest charges and the estimated interest portion of lease rentals and distributed income of equity method investees.

(d) For the year ended December 31, 2007, fixed charges exceeded earnings by $341 million. Earnings as defined include $204 million of asset impairment charges and a $279 million charge for an electric sales contract termination.

(e) For the year ended December 31, 2006, fixed charges exceeded earnings by $450 million. Earnings as defined include $459 million of asset impairment charges.

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## RISK FACTORS

*An investment in the Notes involves a significant degree of risk. You should consider carefully the following risk factors, together with all of the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should carefully consider the factors listed in Forward-Looking Statements and Information as well as the Risk Factors contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010 and in Forward-Looking Statements and Information in our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011, each of which is incorporated by reference into this prospectus supplement, before you decide to purchase the Notes. This prospectus supplement, the accompanying prospectus and the documents that we incorporate or that are deemed to be incorporated in this prospectus supplement or the accompanying prospectus, and other written and oral statements that we make, contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995 and relevant legal decisions. Our intention with the use of words such as may , could , anticipates , believes , estimates , expects , intends , plans and other similar words is to identify forward-looking statements that involve risk and uncertainty. We have no obligation to update or revise any forward-looking statements regardless of whether new information, future events or any other factors affect the information contained in the statements. The risks and uncertainties described below and those incorporated from the referenced Annual Report on Form 10-K and Quarterly Report on Form 10-Q are not the only ones we may confront. Additional risks and uncertainties not currently known to us or that we currently deem not material also may impair our business operations. If any of those risks actually occur, our business, financial condition, operating results, cash flow and prospects could be materially adversely affected. This section contains forward-looking statements.*

***The Notes will be effectively subordinated to any existing and future secured indebtedness and structurally subordinated to existing and future liabilities and other indebtedness of our subsidiaries.***

The Notes will be general, unsecured obligations of CMS Energy Corporation only and will rank equally in right of payment with all of CMS Energy Corporation s existing and future unsubordinated, unsecured indebtedness. As a result, the Notes will be effectively subordinated to CMS Energy Corporation s existing and future secured indebtedness to the extent of the value of the related collateral securing that indebtedness and structurally subordinated to any existing and future indebtedness and other liabilities of our subsidiaries. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. None of our subsidiaries has any obligation with respect to the Notes. The Notes do not restrict us or our subsidiaries from incurring additional indebtedness, including secured indebtedness.

***We may be unable to raise the funds necessary to purchase Notes upon a change of control repurchase event.***

In the event of a change of control repurchase event, each holder of Notes may require us to purchase all or a portion of its Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued interest. Our ability to purchase the Notes will be limited by the terms of our other debt agreements and our ability to finance the purchase. It is expected that we will issue additional debt with similar change of control provisions in the future. If this occurs, the financial requirements for any purchases could be increased significantly. In addition, the terms of any debt securities issued to purchase debt under these change of control provisions may be unfavorable to us. We cannot assure holders of Notes that we will be able to finance these purchase obligations or obtain consents to do so from holders of debt under other debt agreements restricting these purchases.

***We may choose to redeem the Notes prior to maturity.***

We may redeem all or a portion of the Notes at any time. See Description of the Notes Optional Redemption . If prevailing interest rates are lower at the time of redemption, holders of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as the interest rate of the Notes being redeemed.

***We cannot provide assurance that an active trading market will develop for the Notes.***

The Notes will constitute a new series of securities with no established trading market. We do not intend to apply to list the Notes for trading on any national securities exchange or to include the Notes in any automated quotation system. We cannot provide assurance that an active trading market for the Notes will develop or as to the liquidity or sustainability of any market, the ability of holders of the Notes to sell their Notes or the price at which holders of the

Notes will be able to sell their Notes. Future trading prices of the Notes will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, our financial performance and other factors.

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***The terms of the indenture and the Notes provide only limited protection against significant events that could adversely impact a holder s investment in the Notes.***

As described under Description of the Notes Purchase of Notes Upon Change of Control , upon the occurrence of a change of control repurchase event, holders are entitled to require us to repurchase their Notes. However, the definition of the term change of control repurchase event is limited and does not cover a variety of transactions (such as acquisitions by us or recapitalizations) that could negatively impact the value of a holder s Notes. As such, if we were to enter into a significant corporate transaction that would negatively impact the value of the Notes, but which would not constitute a change of control repurchase event, a holder would not have any rights to require us to repurchase its Notes prior to their maturity.

Furthermore, the indenture for the Notes does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity;
- limit our ability to incur unsecured indebtedness;
- restrict our subsidiaries ability to issue securities or otherwise incur indebtedness or other obligations that would be senior to our equity interests in our subsidiaries and therefore rank effectively senior to the Notes with respect to the assets of our subsidiaries;
- restrict our ability to repurchase or prepay any of our other securities or indebtedness; or
- restrict our ability to make investments or to repurchase, or pay dividends or make other payments in respect of, our common stock or other securities ranking junior to the Notes.

As a result of the foregoing, anyone evaluating the terms of the Notes should be aware that the terms of the indenture and the Notes do not restrict our ability to engage in, or to otherwise be a party to, a variety of corporate transactions, circumstances and events that could have an adverse impact on an investment in the Notes.

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## USE OF PROCEEDS

We estimate that the proceeds from the sale of the Notes, after deducting underwriting discounts and commissions but before deducting estimated offering expenses, will be $ . We intend to use the proceeds of the offering of the Notes, plus cash on hand, to redeem $150,000,000 total aggregate principal amount of our Floating Rate Senior Notes due 2013 (the **Floating Rate Notes** ) and $28,666,500 total aggregate principal amount of the 7 3/4% Convertible Quarterly Income Preferred Securities due 2027 of CMS Energy Trust I, a Delaware trust for which we are the sponsor and guarantor. The Floating Rate Notes mature on January 15, 2013 and bear interest at three-month LIBOR plus 0.95% which, as of the most recent quarterly measurement date on April 15, 2011, totaled 1.228%.

## RATIOS OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges for the three months ended March 31, 2011 and each of the years ended December 31, 2006 through 2010 are as follows:

| | Three Months Ended March 31, 2011 | Year Ended December 31, 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|
| Ratio of earnings to fixed charges: (a) | 2.89 | 2.29 | 1.73 | 2.01 | (b) | (c) |

(a) For the purpose of computing the ratio, earnings represents the sum of income (loss) from continuing operations before income taxes and income from equity method investees, net interest charges and the estimated interest portion of lease rentals and distributed income of equity method investees.

(b) For the year ended December 31, 2007, fixed charges exceeded earnings by $341 million. Earnings as defined include $204 million of asset impairment charges and a $279 million charge for an electric sales contract termination.

(c) For the year ended December 31, 2006, fixed charges exceeded earnings by $450 million. Earnings as defined include $459 million of asset impairment charges.

See Exhibit 12.1 to CMS Energy s Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 for the items constituting earnings and fixed charges, including the estimated interest portion of lease rental in respect of fixed charges.

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## CAPITALIZATION

The following table sets forth our capitalization at March 31, 2011 on an actual basis and on an as adjusted basis to reflect (i) the sale of $ of Notes in this offering and the application of the proceeds as described under Use of Proceeds , (ii) the retirement of $145,951,000 aggregate principal amount of 8.50% Senior Notes due 2011 that matured on April 15, 2011, and (iii) the issuance of $250,000,000 aggregate principal amount of 2.75% Senior Notes due 2014. This table should be read in conjunction with Summary Selected Historical Consolidated Financial Data contained in this prospectus supplement and our consolidated financial statements and related notes and other financial information incorporated by reference in this prospectus supplement. See Where You Can Find More Information .

| | At March 31, 2011 | |
|---|---|---|
| | Actual | As Adjusted |
| | (Unaudited, dollars in millions) | |
| Cash and cash equivalents | $ 801 | $ |
| Current portion of long-term debt, capital and finance lease obligations | $ 1,129 | $ |
| Non-current portion of capital and finance lease obligations | 182 | |
| Long-term debt: | | |
| % Senior Notes due 20 | | |
| 8.50% Senior Notes due 2011 | 146 | |
| 2.75% Senior Notes due 2014 | | 250 |
| Other long-term debt (excluding current maturities) | 5,926 | |
| Non-controlling interests | 44 | |
| Common stockholders equity | 2,887 | |
| Total capitalization | $ 9,039 | $ |

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## DESCRIPTION OF THE NOTES

*The terms* ***CMS Energy*** *,* ***we*** *,* ***our*** *and* ***us*** *, as used in this section, refer only to CMS Energy Corporation and not to any of its subsidiaries.*

### General

The Notes will be issued as a series of senior debt securities under the indenture that is referred to in the accompanying prospectus as the senior debt indenture, as supplemented by a supplemental indenture thereto establishing the terms of the Notes to be dated as of , 2011 (the **supplemental indenture** ). The Notes will be initially limited in aggregate principal amount to $ . The indenture permits us to re-open this offering of the Notes without the consent of the holders of the Notes. Accordingly, the principal amount of the Notes may be increased in the future on the same terms and conditions and with the same CUSIP number as the Notes being offered by this prospectus supplement, provided that such additional notes must be part of the same issue as the Notes offered hereby for United States federal income tax purposes. The Notes offered by this prospectus supplement and any such additional notes will constitute a single series of debt securities. This means that, in circumstances where the indenture provides for the holders of notes to vote or take any action, the holders of the Notes offered by this prospectus supplement and the holders of any such additional notes will vote or take that action as a single class. The Notes will be unsecured and unsubordinated senior debt securities of CMS Energy.

We may issue debt securities from time to time in one or more series under the indenture. There is no limitation on the amount of debt securities we may issue under the indenture. The indenture does not limit our ability to incur additional indebtedness, including secured indebtedness. The covenants contained in the indenture would not necessarily afford holders of Notes protection in the event of a highly leveraged transaction or other transaction involving us that may adversely affect the holders.

The statements herein concerning the Notes and the indenture are a summary and do not purport to be complete and are subject to, and qualified in their entirety by, all of the provisions of the indenture, which is incorporated herein by this reference. They make use of defined terms and are qualified in their entirety by express reference to the indenture, including the supplemental indenture, a copy of which will be available upon request to the trustee.

### Ranking

The Notes will be our senior unsecured obligations and will rank equal in right of payment with all of our existing and future senior unsecured indebtedness. The Notes will be effectively subordinated to our existing and future secured indebtedness to the extent of the value of the related collateral securing that indebtedness and structurally subordinated to the indebtedness and other liabilities of our subsidiaries.

CMS Energy is a holding company that conducts substantially all of its operations through its subsidiaries. Its only significant assets are the capital stock of its subsidiaries, and its subsidiaries generate substantially all of its operating income and cash flow. As a result, dividends or advances from its subsidiaries are the principal source of funds necessary to meet its debt service obligations. Contractual provisions or laws, as well as its subsidiaries financial condition and operating requirements, may limit CMS Energy s ability to obtain cash from its subsidiaries that it may require to pay its debt service obligations, including payments on the Notes. In addition, the Notes will be effectively subordinated to all of the liabilities of CMS Energy s subsidiaries with regard to the assets and earnings of CMS Energy s subsidiaries. The subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due pursuant to the Notes or to make any funds available therefor, whether by dividends, loans or other payments. CMS Energy s rights and the rights of its creditors, including holders of Notes, to participate in the distribution of assets of any subsidiary upon the latter s liquidation or reorganization will be subject to prior claims of the subsidiaries creditors, including trade creditors.

As of March 31, 2011, CMS Energy had outstanding approximately $2.3 billion of senior unsecured indebtedness and CMS Energy s subsidiaries had outstanding approximately $10.4 billion of indebtedness and other liabilities.

### Payment and Maturity

The Notes will mature on , 20 , and will bear interest at the rate of % per year. At maturity, CMS Energy will pay the aggregate principal amount of the Notes then outstanding. Each Note will bear interest from the original date of issue, payable semi-annually in arrears on and , commencing on , 20 , and at maturity. We will pay interest to

holders of record at 5:00 p.m., New York City time, on the and next preceding the relevant interest payment date (whether or not a business day), except that interest payable at stated maturity shall be paid to the person or entity to whom the principal amount is paid. Interest payable on any interest payment date or on the date of maturity will be the amount of interest accrued from and including the date of original issuance or from and including the most recent interest payment date on which interest has been paid or duly made available for payment to but excluding such interest payment date or the date of maturity, as the case may be. Interest on the Notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

In any case where any interest payment date, redemption date, repurchase date or maturity date (including upon the occurrence of a change of control repurchase event resulting in a purchase date) of any Note shall not be a business day at any place of payment, then payment of interest or principal (and premium, if any) need not be made on such date, but may be made on the next succeeding business day at such place of payment with the same force and effect as if made on the interest payment date, redemption date, repurchase date or maturity date (including upon the occurrence of a change of control repurchase event resulting in a purchase date); and no interest shall accrue on the amount so payable for the period from and after such interest payment date, redemption date, repurchase date or maturity date, as the case may be, to such business day.

**Registration, Transfer and Exchange**

The Notes will be initially issued in the form of one or more Notes in registered, global form, without coupons, in denominations of $2,000 and integral multiples of $1,000 in excess thereof as described under Book-Entry System below. The global Notes will be registered in the name of the nominee of DTC. Except as described under Book-Entry System below, owners of beneficial interests in a global Note will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of any such Note and will not be considered the registered holder thereof under the indenture.

**Optional Redemption**

The Notes will be redeemable at CMS Energy s option, in whole or in part, at any time or from time to time, at a redemption price equal to 100% of the principal amount of such Notes being redeemed plus, in the case of any redemption prior to , 20 (three months prior to the maturity date of the Notes), the applicable premium (as defined below), if any, thereon at the time of redemption, together with (at any time) accrued and unpaid interest, if any, thereon to, but not including, the redemption date. In no event will the redemption price be less than 100% of the principal amount of the Notes plus accrued interest, if any, thereon to the redemption date.

The following definitions are used to determine the applicable premium:

**Applicable premium** means, with respect to a Note (or portion thereof) being redeemed at any time prior to , 20 , the excess of (i) the present value at such time of the principal amount of such Note (or portion thereof) being redeemed plus all interest payments due on such Note (or portion thereof) after the redemption date (but, for the avoidance of doubt, excluding any portion of such payments of interest accrued to the redemption date), which present value shall be computed using a discount rate equal to the treasury rate plus basis points, over (ii) the principal amount of such Note (or portion thereof) being redeemed at such time. For purposes of this definition, the present values of interest and principal payments will be determined in accordance with generally accepted principles of financial analysis.

**Treasury rate** means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) (the **statistical release** )) that has become publicly available at least two business days prior to the redemption date or, in case of defeasance, prior to the date of deposit (or, if such statistical release is no longer published, any publicly available source of similar market data) most nearly equal to the then remaining average life to stated maturity of the Notes; provided, however, that if the average life to stated maturity of the Notes is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the treasury rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given.

If less than all of the Notes are to be redeemed, the trustee under the indenture shall select, in such manner as it shall deem appropriate and fair, the particular Notes or portions thereof to be redeemed. Notice of redemption shall be given by mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the holders of Notes to be redeemed (which, as long as the Notes are held in the book-entry only system, will be DTC (or its nominee) or a successor depositary (or the successor s nominee)); provided, however, that the failure to duly give such notice by mail, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes as to which there shall have been no such failure or defect. On and after the date fixed for redemption (unless CMS

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Energy shall default in the payment of the Notes or portions thereof to be redeemed at the applicable redemption price, together with accrued interest, if any, thereon to such date), interest on the Notes or the portions thereof so called for redemption shall cease to accrue.

No sinking fund is provided for the Notes.

**Purchase of Notes Upon Change of Control**

In the event of any change of control repurchase event (the effective date of such change of control repurchase event being the **change of control date** ) each holder of a Note will have the right, at such holder s option, subject to the terms and conditions of the indenture, to require CMS Energy to repurchase all or any part of such holder s Note on a date selected by CMS Energy that is no earlier than 60 days nor later than 90 days (the **purchase date** ) after the mailing of written notice by CMS Energy of the occurrence of such change of control repurchase event, at a repurchase price payable in cash equal to 101% of the principal amount of such Notes plus accrued interest, if any, thereon to the purchase date (the **change of control purchase price** ).

Within 30 days after the change of control date, CMS Energy is obligated to mail to each holder of a Note a notice regarding the change of control repurchase event, which notice shall state, among other things:

that a change of control repurchase event has occurred and that each such holder has the right to require CMS Energy to repurchase all or any part of such holder s Notes at the change of control purchase price;

the change of control purchase price;

the purchase date;

the name and address of the paying agent; and

the procedures that holders must follow to cause the Notes to be repurchased.

To exercise this right, a holder must deliver a written notice (the **change of control purchase notice** ) to the paying agent (initially the trustee) at its corporate trust office in New York, New York, or any other office of the paying agent maintained for such purposes, not later than 30 days prior to the purchase date. The change of control purchase notice shall state:

the portion of the principal amount of any Notes to be repurchased, which must be a minimum of $1,000 and in $1,000 integral multiples, provided, that any unrepurchased portion of a Note must be in a minimum denomination of $2,000;

that such Notes are to be repurchased by CMS Energy pursuant to the applicable change of control provisions of the indenture; and

unless the Notes are represented by one or more global Notes, the certificate numbers of the Notes to be repurchased.

Any change of control purchase notice may be withdrawn by the holder by a written notice of withdrawal delivered to the paying agent not later than three business days prior to the purchase date. The notice of withdrawal shall state the principal amount and, if applicable, the certificate numbers of the Notes as to which the withdrawal notice relates and the principal amount, if any, that remains subject to a change of control purchase notice.

If a Note is represented by a global Note, DTC or its nominee will be the holder of such Note and therefore will be the only entity that can require CMS Energy to repurchase Notes upon a change of control repurchase event. To obtain repayment with respect to such Note upon a change of control repurchase event, the beneficial owner of such Note must provide to the broker or other entity through which it holds the beneficial interest in such Note (i) the change of control purchase notice signed by such beneficial owner, and such signature must be guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc. or a commercial bank or trust company having an office or correspondent in the United States and (ii) instructions to such broker or other entity to notify DTC of such beneficial owner s desire to cause CMS Energy to repurchase such Notes. Such broker or other entity will be responsible for disbursing any payments it receives upon the repurchase of such Notes by CMS Energy.

Payment of the change of control purchase price for a Note in registered, certificated form (a **certificated Note**) for which a change of control purchase notice has been delivered and not withdrawn is conditioned upon delivery of such certificated Note (together with necessary endorsements) to the paying agent at its office in New York, New York, or any other office of the paying agent maintained for such purpose, at any time (whether prior to, on or after the purchase date) after the delivery of such change of control purchase notice. Payment of the change of control purchase price for such certificated Note will be made promptly following the later of the purchase date or the time of delivery of such certificated Note.

If the paying agent holds, in accordance with the terms of the indenture, money sufficient to pay the change of control purchase price of a Note on the purchase date for such Note, then, on and after such date, interest on such Note will cease to accrue, whether or not such Note is delivered to the paying agent, and all other rights of the holder shall terminate (other than the right to receive the change of control purchase price upon delivery of the Note).

Under the indenture, a **change of control repurchase event** means the occurrence of both a change of control and a rating decline.

Under the indenture, a **change of control** means the occurrence of any of the following events:

any person or group (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the **Exchange Act**), or any successor provisions to either of the foregoing) becomes the beneficial owners (as used in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group will be deemed to have beneficial ownership of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of a majority of the total voting power of the voting stock (as defined below) of CMS Energy, whether as a result of the issuance of securities of CMS Energy, any merger, consolidation, liquidation or dissolution of CMS Energy or otherwise;

the sale, transfer, assignment, lease, conveyance or other disposition, directly or indirectly, of all or substantially all the assets of CMS Energy and its subsidiaries, considered as a whole (other than a disposition of such assets as an entirety or virtually as an entirety to a wholly-owned subsidiary) shall have occurred, or CMS Energy merges, consolidates or amalgamates with or into any other person or any other person merges, consolidates or amalgamates with or into CMS Energy, in any such event pursuant to a transaction in which the outstanding voting stock of CMS Energy is reclassified into or exchanged for cash, securities or other property, other than any such transaction where (i) the outstanding voting stock of CMS Energy is reclassified into or exchanged for other voting stock of CMS Energy or for voting stock of the surviving corporation and (b) the holders of the voting stock of CMS Energy immediately prior to such transaction own, directly or indirectly, a majority of the voting stock of CMS Energy or the surviving corporation immediately after such transaction and in substantially the same proportion as before the transaction;

during any period, individuals who at the beginning of such period constituted the board of directors of CMS Energy (together with any new directors whose election or appointment by such board of directors or whose nomination for election by the stockholders of CMS Energy was approved by a vote of a majority of the directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the board of directors of CMS Energy then in office; or

the stockholders of CMS Energy shall have approved any plan of liquidation or dissolution of CMS Energy.

Under the indenture, a **rating decline** means the rating of the Notes shall be decreased by one or more gradations (including gradations within categories as well as between rating categories) by each of the rating agencies (as defined below) on any date from the date of the public notice of an arrangement that could result in a change of control until the end of the 30-day period following public notice of the occurrence of the change of control (which 30-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either of the rating agencies; provided, that the other rating agency has either downgraded, or publicly announced that it is considering downgrading, the Notes); provided, however, that if the rating of the Notes by each of the rating agencies is investment grade (as defined below), then **rating decline** means the rating of the Notes shall be decreased by one or more gradations (including gradations within categories as well as between rating categories) by each of the rating agencies such that the rating of the Notes by each of the rating agencies falls below investment grade on any date from the date of the public notice of an arrangement that could result in a change of control until the end of the 30-day period following public notice of the occurrence of the change of control (which 30-day period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by either of the rating agencies; provided, that the other rating agency has either downgraded, or publicly announced that it is considering downgrading, the Notes).

The indenture requires CMS Energy to comply with the provisions of Regulation 14E and any other tender offer rules under the Exchange Act that may then be applicable in connection with any offer by CMS Energy to purchase Notes at the option of holders upon a change of control repurchase event. The change of control repurchase event purchase feature of the Notes may in certain circumstances make more difficult or discourage a takeover of CMS Energy and, thus, the removal of incumbent management. The change of control repurchase event purchase feature, however, is not the result of management s knowledge of any specific effort to accumulate shares of its common stock or to obtain control of CMS Energy by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions. Instead, the change of control repurchase event purchase feature is a term contained in many similar debt offerings and the terms of such feature result from negotiations between CMS Energy and the underwriters. Management has no present intention to propose any anti-takeover measures although it is possible that CMS Energy could decide to do so in the future.

No Note may be repurchased by CMS Energy as a result of a change of control repurchase event if there has occurred and is continuing an event of default described under Events of Default below (other than a default in the payment of the change of control purchase price with respect to the Notes). In addition, CMS Energy s ability to purchase Notes may be limited by its financial resources and its inability to raise the required funds because of restrictions on issuance of securities contained in other contractual arrangements.

The following terms used in this section have the following meanings:

**Investment grade** means BBB- or higher by S&P and Baa3 or higher by Moody s, or the equivalent of such ratings by S&P or Moody s or, if either S&P or Moody s shall not make a rating on the Notes publicly available, another rating agency.

**Moody s** means Moody s Investors Service, Inc.

**Rating agency** means each of S&P and Moody s or, if S&P or Moody s or both shall not make a rating on the Notes publicly available, a nationally recognized statistical rating organization or organizations, as the case may be, selected by CMS Energy (as certified by a resolution of CMS Energy s board of directors), which shall be substituted for S&P or Moody s, or both, as the case may be.

**S&P** means Standard & Poor s Ratings Services, a Standard & Poor s Financial Services LLC business.

**Voting stock** means securities of any class or classes the holders of which are ordinarily, in the absence of contingencies, entitled to vote for corporate directors (or persons performing similar functions).

**Limitation on Certain Liens**

Under the terms of the indenture, so long as any of the Notes are outstanding, CMS Energy shall not create, incur, assume or suffer to exist any lien (as defined below) upon or with respect to any of its property of any character, including without limitation any shares of capital stock (as defined below) of Consumers or Enterprises, without making effective provision whereby the Notes shall be (so long as any such other creditor shall be so secured) equally and ratably secured. The foregoing restrictions shall not apply to (i) liens securing indebtedness (as defined below) of CMS Energy, provided that on th