

ACCUMULATED DEFERRED INCOME TAXES (Account 190)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes. 2. For Other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account Subdivisions (a)	Account No.	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
				Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 190				
2	Electric				
3	1989 SRS Supplement	007	499,750	0	0
4	'95 Biennial Conservation Program	027	(1)	0	0
5	Aetna Reserve	098	1,130,977	405,505	164,114
6	Bad Debt Expense	051	1,157,836	195,275	161,251
7	Big Rock Decommissioning Costs	002/018	2,170,132	2,505,162	341,600
8	Other (See line 24 , Page 234A-1)		297,291,358	26,873,727	34,991,632
9	TOTAL Electric (Enter Total of lines 2 thru 7)		302,250,051	29,979,669	35,658,597
10	Gas				
11	'95 Biennial Conservation Program	028	(625)	0	625
12	Aetna Reserve	099	630,066	183,224	72,030
13	Bad Debt Expense	052	1,458,629	283,296	413,591
14	Contributions in Aid of Construction	033	14,142,851	505,429	0
15	Chase/Manhattan Swap Agreement - Deferred Gain	157	84,671	287,746	340,891
16	Other (See line 55, page 234A-2)		380,799,562	16,691,280	33,510,388
17	TOTAL Gas (Enter Total of lines 10 thru 15)		397,115,154	17,950,975	34,337,525
18	Other (Specify) (See line 79, page 234A-2)		59,038,933	0	0
19	TOTAL (Account 190) (Enter Total of 8, 16 and 17)		758,404,139	47,930,644	69,996,123
20	Classification of Total:				
21	Federal Income Tax		758,404,139	47,930,644	69,996,123
22	State Income Tax		-	-	-
23	Local Income Tax		-	-	-
NOTES In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.					

## ACCUMULATED DEFERRED INCOME TAXES (Account 190)

3. If more space is needed, use separate pages as required.

4. In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided. Indicate insignificant amounts listed other Other.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						499,750	1
						(1)	2
						889,586	3
						1,123,812	4
				283020	1,547,500	1,554,069	5
			4,341,155		53,740,745	354,808,852	6
0	0		4,341,155		55,288,245	358,876,069	7
							8
						0	9
						518,872	10
						1,588,924	11
						13,637,422	12
					2,416	140,232	13
			23,034,879	190158	179,010	374,762,801	14
0	0		23,034,879		181,426	390,648,251	15
12,474,426	11,689,422		7,769		1,517,329	59,763,489	16
12,474,426	11,689,422		27,383,803		56,987,000	809,287,809	17
							18
12,474,426	11,689,422		27,383,803		56,987,000	809,287,809	19
-	-		-		-	-	20
-	-		-		-	-	21

NOTES: In the space provided below, identify by amount and classification, significant items for which deferred taxes are being provided.

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)					
Line No.	Account Subdivisions (a)	Account No.	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
				Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
24	Electric Other (Detail of Line 7)				
25	Accretion - Options Payable	162	2,173,567	0	544,489
26	ARO Profit Margin Accretion - BR	001	963,986	0	144,417
27	ARO Profit Margin Accretion - Palisades	069	(520,503)	0	47,744
28	CATV Deferred Revenue	173	526,703	844,472	906,565
29	Campbell 3 Deferred Revenue	040	267,805	533,982	509,847
30	Chase/Manhattan Swap Agreement - Deferred Gain	156	289,501	824,945	958,399
31	Clean Air Allowance - 2001	159	0	0	189,645
32	Contributions in Aid of Construction	026	15,748,368	745,066	0
33	Deferred AMT	56	3,805,256	0	1,245,825
34	Deferred Compensation	108	1,131,121	330,662	524,220
35	DOE Decommissioning	131/132	2,382,655	913,989	0
36	EICP	147	3,536,119	2,830,078	3,669,683
37	FAS 148-STK Option Fair Value	176	307,295	0	0
38	Fly Ash Trust Fund	169	196,469	0	12,591
39	General Business Credits	189	0	0	412,878
40	Injuries & Damages	096/130	4,052,035	323,036	2,658,286
41	Insurance Recovery	043	1,239	0	0
42	MSBT Reserve	061	2,864,750	0	0
43	NOL Carryforward - Electric	180	9,135,951	0	433,138
44	Offshore Insurance Liability (OIL)	195	0	0	1,049,601
45	OPEB Obligation	86-8&138-40	55,905,425	13,274,308	10,773,014
46	Outside Services - Audit Accrual	166	84,569	382,987	490,577
47	Palisades Decommissioning Costs	005/016	56,942,925	147,790	4,230,461
48	Pension Costs	065	19,662,766	4,293,229	116,290
49	PSCR Contingency	021	10,751,529	759,556	3,955,043
50	Sales&Use Tax Reserve	067	535,500	0	1,214,500
51	Save & Share	145	540,353	0	221,534
52	Savings Plan - Rabbi Trust	170	74,664	17,532	2,781
53	Senior Reactor Operator Retention Liability	165	483,840	0	25,480
54	Special Compensation (SEMP) - Electric	012	1,111,213	0	352,376
55	SRS Supplemental Program	003	1,010,520	140,178	25,521
56	SRS Excess Liability (OCI)	76	0		
57	Tax Interest During Construction	034	11,428,094	511,916	0
58	Vacation Pay Accrual	053	1,301,536	0	274,848
59	Wurtsmith Escrow	022	40,659	0	1,880
60	FAS 109-Accumulated Def.Tax Benefits-ITC	191.200	20,745,985	0	0
61	FAS 109-Accumulated Def.Tax Benefits-Other	191.202	426,890	0	0
62	FAS 109-Accumulated DFIT Benefit-Reg Lia	191.205	31,499,267		
63	FAS 109-Accumulated DFIT Benefit-Property	191.206	37,883,306		
64	Total Electric Other		297,291,358	26,873,727	34,991,632

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (CONTINUED)							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
		283.161	641,930			2,076,126	24
						1,108,403	25
						(472,759)	26
						588,796	27
						243,670	28
				190157/8	5,353	428,308	29
						189,645	30
		282.111				15,003,302	31
		190180				5,051,081	32
						1,324,679	33
						1,468,666	34
						4,375,724	35
						307,295	36
						209,060	37
						412,878	38
						6,387,285	39
						1,239	40
						2,864,750	41
				190056		9,569,089	42
						1,049,601	43
		190/282/283	2,234,579	190/282	80,979	51,250,531	44
						192,158	45
						61,025,596	46
				283.184/186		15,485,827	47
		190.071				13,947,016	48
						1,750,000	49
						761,887	50
						59,913	51
						509,320	52
						1,463,589	53
						895,863	54
				219.047	398,440	398,440	55
						10,916,178	56
						1,576,384	57
						42,539	58
		286.101	1,037,669			19,708,316	59
		286.103	426,978			-88	60
				286.103	18,130,100	49,629,367	61
				286103	35,125,873	73,009,179	62
0	0		4,341,155		53,740,745	354,808,852	63
							64

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)						
Line No.	Account Subdivisions (a)	Account No.	Balance at Beginning of Year (b)	Changes During Year		
				Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	Amounts Debited to Account 410.2 (e)
65	Gas Other (Detail of Line 15)					
66	Deferred AMT	57	1,254,006	0	4,745,601	
67	Deferred Compensation	109	1,033,959	313,433	503,663	
68	Deferred Revenue-Appliance Service Program	163	323,065	143,809	55,029	
69	EICP	148	2,475,310	2,062,416	2,300,988	
70	FAS 148-Stock Option Fair Value	177	295,245	0	0	
71	Gas Inventory Capitalization	060	(1,110,760)	0	10,735,468	
72	Gas Inventory Linepack	024	1,863,063	0	460,644	
73	GCR Contingency	068/101	5,487,598	2,071,866	735,602	
74	General Business Credit	190	0	0	1,572,736	
75	Grand Lacs Deferred Revenue	150	(320,480)	0	0	
76	Injuries & Damages	097/135	180,840	378,702	2,518,133	
77	Insurance Recovery - MGP	042	6,387,901	1,714,172	15,528	
78	Manufactured Gas Plants Environmental Clean-up	137	26,872,194	0	0	
79	MSBT Reserve	116	1,335,250	0	0	
80	NOL Carryforward - Gas	181	3,007,974	0	1,649,911	
81	Offshore Insurance Liability (OIL)	195	0	0	1,095,941	
82	OPEB Obligation	087/089/151	33,861,494	7,216,566	5,958,881	
83	Outside Service - Audit Expense	167	80,281	375,835	478,938	
84	Pension Costs	066	10,400,374	2,370,499	51,424	
85	Ray Storage Losses	011	2,640,799	0	0	
86	Sales&Use Tax Reserve	117	514,500	0	325,500	
87	Save & Share	146	249,113	0	93,184	
88	Savings Plan - Rabbi Trust	171	39,332	13,165	1,328	
89	Special Compensation (SEMP) - Gas	013	553,236	0	172,931	
90	SRS Supplemental Payment	004	735,018	68,203	12,396	
91	SRS Excess Liability (OCI)	76	0			
92	Take or Pay Order 500	019	27,983,752	0	0	
93	Tax Interest During Construction	035	1,927,361	65,515	0	
94	Vacation Pay Accrual	054	612,489	(102,900)	26,563	
95	FAS 109-Accumulated DFIT Benefit-ITC	191.201	6,690,866	0	0	
96	FAS 109-Accumulated DFIT Benefit-Other	191.203	95,395	0	0	
97	FAS 109-Accumulated DFIT Benefit-Reg Liability	191.204	88,240,828	0	0	
98	FAS 109-Accumulated DFIT Benefit-Property	191.207	157,089,561			
99	Total Gas Other		380,799,562	16,691,280	33,510,388	0
100						
101	Other (Detail of Line 17)					
102	Bad Debt Expense	50	123,277			20,827
103	Chase/Manhattan Swap Agreement - Deferred Gain	158	53,015			146,579
104	CP Foundation	029/030	141,088			55,248
105	Contribution Carryover	128/129	4,309,706			0
106	Deferred AMT	058/174/175	774,584			0
107	Energyguard	063	734			(174)
108	FAS 115 - Nuclear Decommissioning	141/142/152	36,859,151			0
109	General Business Credit	191/192/193	0			0
110	MCV Contract Loss	106/107	9,251,328			9,251,328
111	NOL Carryforward - Other	182/3/4	1,859,679			0
112	Nuclear Simulator	126	2,595,826			0
113	PSCR Contingency - Interest	071	3,006,843			3,000,584
114	PSI Line Write-off	136	(140,464)			35
115	Realized Gain SERP Plan Assets	187/188	204,168			0
116	Total Other		59,038,933	0	0	12,474,426

ACCUMULATED DEFERRED INCOME TAXES (Account 190) (Continued)							
Changes During Year			Adjustments		Balance at End of Year (k)	Line No.	
Amounts Credited to Account 411.2 (f)	Debits		Credits				
	Account No. (g)	Amount (h)	Account No. (i)	Amount (j)			
	190.181				5,999,607	65	
					1,224,189	66	
					234,285	67	
					2,713,882	68	
					295,245	69	
					9,624,708	70	
					2,323,707	71	
					4,151,334	72	
					1,572,736	73	
					(320,480)	74	
					2,320,271	75	
					4,689,257	76	
	283.137	13,620,495			13,251,699	77	
					1,335,250	78	
				190057	4,657,885	79	
					1,095,941	80	
	282/283	1,190,809	190089		31,413,001	81	
					183,383	82	
			283.185/187		8,081,299	83	
					2,640,799	84	
					840,000	85	
					342,297	86	
					27,495	87	
					726,167	88	
					679,211	89	
				219.047	179,010	179,010	90
						27,983,752	91
						1,861,846	92
						741,952	93
	286.102	302,280				6,388,586	94
	286.100	95,395				0	95
	286.100	2,878,252				85,362,576	96
	286.100	4,947,648				152,141,913	97
0	23,034,879			179,010	374,762,801	98	
						99	
						100	
						101	
79,725					182,175	102	
169,653	190158	7,769			68,320	103	
317,444	190128/129				403,284	104	
83,275			190029/030		4,392,981	105	
5,953,203	190xxx				6,727,787	106	
0			123109		908	107	
0			283.111/112	1,517,329	38,376,480	108	
1,972,947					1,972,947	109	
0					(0)	110	
2,069,760			190xxx		3,929,439	111	
0					2,595,826	112	
749,469			190.021		755,727	113	
0			283.169		(140,499)	114	
293,947					498,115	115	
11,689,422		7,769		1,517,329	59,763,489	116	

## UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257)

1. Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt, particulars of gain and loss on reacquisition applicable on each class and series of long-term debt, including maturity date. If gain or loss resulted from a refunding transaction, include also the maturity date of new issue.

2. In column (c) show the principal amount of bonds or other long-term debt reacquired.  
3. In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 16 of the Uniform System of Accounts.

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal Amount of Debt Reacquired (c)	Net Gain or Net Loss (d)
1	UNAMORTIZED LOSS ON REAQUIRED DEBT			
2				
3	<u>Installment Sales Contracts</u>			
4				
5	Refunded by Pollution Control Revenue Refunding Bond due 2018			
6	Charter Township of Hampton - Due 2000	6-1-88	15,800,000	(620,649)
7	Port Sheldon Township - Due 2000	6-1-88	8,400,000	(357,767)
8	Econ Dev Corp - Port Sheldon Township - Due 1991	6-1-88	43,500,000	(761,363)
9	Cost of Issuing Pollution Control			
10	Revenue Refunding Bond due 2018			(846,579)
11				
12			67,700,000	(2,586,358)
13				
14				
15				
16	Refunded by Pollution Control Revenue Refunding Bond Series '93A			
17	due 2010			
18	Covert Township, Series A - Due 2003	8-1-93	11,100,000	(69,344)
19	Charter Township of Hampton, Series A - Due 2004	8-1-93	8,900,000	(74,999)
20	Township of Port Sheldon, Series B - Due 1993-2007	8-1-93	7,900,000	(134,590)
21				
22			27,900,000	(278,933)
23				
24				
25				
26	Refunded by Pollution Control Revenue Refunding Bond Series '93B			
27	due 2010			
28	Covert Township, Series A - Due 2003	8-1-93	11,900,000	(74,564)
29	Charter Township of Hampton, Series A - Due 2004	8-1-93	9,600,000	(80,644)
30	Township of Port Sheldon, Series B - Due 1993-2007	8-1-93	8,500,000	(144,720)
31	Cost of Issuing Pollution Control Revenue Refunding Bond due 2010			(633,292)
32			30,000,000	(933,220)
33				
34				
35				
36				

## UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257) (continued)

4. Show loss amounts in red or by enclosure in parentheses.

5. Explain any debits and credits other than amortization debited to Account 428.1,

Amortization of Loss on Reacquired Debt or credited to Account 429.1, Amortization of Gain on Reacquired Debt-Credit.

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
				1
				2
				3
				4
				5
220,781	0	15,412	205,369	6
127,335	0	8,880	118,455	7
270,953	0	18,900	252,053	8
				9
303,293	0	21,159	282,134	10
				11
922,362	0	64,351	858,011	12
				13
				14
				15
				16
				17
19,666	0	3,085	16,581	18
21,346	0	3,332	18,014	19
39,206	0	5,924	33,282	20
				21
80,218	0	12,341	67,877	22
				23
				24
				25
				26
				27
21,145	0	776	20,369	28
22,952	0	841	22,111	29
42,159	0	1,553	40,606	30
0	633,292	29,853	603,439	31
86,256	633,292	33,023	686,525	32
				33
				34
				35
				36



UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257) (continued)				
Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal Amount of Debt Reacquired (c)	Net Gain or Net Loss (d)
	<u>First Mortgage Bonds</u>			
37	Refunded by First Mortgage Bond due 2023			
38	9% First Mortgage Bond due 2008	9-15-93	33,260,000	(1,584,920)
39	8-7/8% First Mortgage Bond due 2007	9-15-93	85,000,000	(4,006,953)
40	8-5/8% First Mortgage Bond due 2007	9-15-93	100,000,000	(4,584,804)
41	9% First Mortgage Bond due 2006	9-15-93	39,376,000	(1,779,654)
42	7-5/8% First Mortgage Bond due 1999	2-7-94	22,285,000	(460,236)
43	7-1/8% First Mortgage Bond due 2002	2-7-94	20,079,000	(393,922)
44	Refunding of 5.00% FMB due 2015			
45			300,000,000	(12,810,489)
46	Refunded by 5.00% FMB due 2015			
47	7-3/8% First Mortgage Bond due 2023	12-8-04	207,700,000	(18,694,148)
48	Refunded by 6.2% due 5/1/08	5-1-98		
49	7 3/8% Due 2023		35,750,000	(3,116,995)
50	Refunded by 6.5% due 6/15/18	11-16-98		
51	8 7/8% Due 1999		64,182,000	(6,117,844)
52	Refunded by 6 7/8% due 3/01/18	9-18-98		
53	7.5% Due 2001		57,164,000	(554,491)
54	Refunded by 6 7/8% due 3/01/18	9-18-98		
55	7.5% Due 2002		62,174,000	(686,401)
56	Refunded by 6% Senior Note due 3/15/05	3-18-02		
57	6 3/8% Due 2003		300,000,000	(1,419,709)
58	Refunded by 4.25% due 4/15/08 and 5.375% due 4/15/13			
59	6.2% Senior note Due 2008	5-1-03	250,000,000	(32,386,165)
60	Refunded by 4% due 2010, 4.8% due 2009 and 6% due 2014			
61	Long-term bank loan due July 2004	5-16-03	100,000,000	
62	Long-term bank loan due July 2004	6-2-03	150,000,000	(7,245,805)
63	Long-term bank loans due July 2004	8-29-03	200,000,000	(2,241,188)
64				
65	Refunded by 4.4% due 2009, 5.0% due 2012, and 5.5% due 2016			
66	Long-term bank loan due March 2009	8-12-04	140,000,000	(4,577,688)
67	6.5% Senior Note due 2018	8-12-04	141,000,000	(9,604,074)
68	6.0% Senior Note due 2005	8-12-04	300,000,000	(4,802,375)
69				
70				
71				
72				

## UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257) (continued)

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
				37
647,075	0	32,901	614,174	38
1,645,290	0	82,784	1,562,506	39
1,876,460	0	94,989	1,781,471	40
727,721	0	36,881	690,840	41
193,592	0	9,552	184,040	42
164,314	0	8,226	156,088	43
		4,989,119	(4,989,119)	44
5,254,452	0	5,254,452	0	45
0	18,694,148	0	18,694,148	46
				47
1,799,836	0	1,799,836	0	48
				49
3,303,529	0	3,303,529	0	50
				51
292,021	0	20,493	271,528	52
				53
359,814	0	25,250	334,564	54
				55
595,048	0	595,048	0	56
				57
29,363,456	0	4,534,062	24,829,394	58
				59
6,641,988	0	1,035,115	5,606,873	60
2,137,699	0	310,467	1,827,232	61
				62
0	4,577,688	186,999	4,390,689	63
0	9,604,074	392,326	9,211,748	64
0	4,802,375	196,177	4,606,198	65
				66
				67
				68
				69
				70
				71
				72

## UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257) (continued)

Line No.	Designation of Long-Term Debt (a)	Date Reacquired (b)	Principal Amount of Debt Reacquired (c)	Net Gain or Net Loss (d)
	<u>Other Long-term Debt</u>			
73	Replacement of Revolving Credit Agreement			
74	Revolving Credit Agreement-unamortized debt costs	4-30-03	0	(846,182)
75				
76				
77				
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108	Total			

## UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (Accounts 189, 257) (continued)

Balance Beginning of Year (e)	Debits During Year (f)	Credits During Year (g)	Balance End of Year (h)	Line No.
211,546	0	211,546	0	73
				74
				75
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			71,384,787	108

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**CAPITAL STOCKS (Account 201 and 204)**

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Line No.	Class and Series of Stock and Name of Stock Series  (a)	Number of shares Authorized by Charter  (b)	Par or Stated Value per share  (c)	Call Price at End of Year  (d)
1	Account 201 - Common Stock *	125,000,000	10.00	
2	Total Common Stock	125,000,000		
3				
4	Account 204 - Preferred Stock	441,599		
5	Preferred Stock - \$4.50 Cum **		100.00	110.00
6	Preferred Stock - \$4.16 Cum **		100.00	103.25
7				
8	Total Preferred Stock	441,599		
9				
10				
11	* Stock held by parent holding company, CMS			
12	Energy Corporation			
13				
14	** New York Stock Exchange			
15				
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Name of Respondent Consumers Energy Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /		Year/Period of Report End of 2004/Q4	
CAPITAL STOCKS (Account 201 and 204) (Continued)							
<p>3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.</p> <p>4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.</p> <p>5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year.</p> <p>Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.</p>							
OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No.	
Shares (e)	Amount (f)	AS REACQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS			
		Shares (g)	Cost (h)	Shares (i)	Amount (j)		
84,108,789	841,087,890					1	
84,108,789	841,087,890					2	
						3	
						4	
373,148	37,314,800					5	
68,451	6,845,100					6	
						7	
441,599	44,159,900					8	
						9	
						10	
						11	
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CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION, PREMIUM ON CAPITAL STOCK AND INSTALLMENTS RECEIVED ON CAPITAL STOCK (Accounts 202 & 205, 203 & 206, 207 212)			
1. Show for each of the above accounts the amounts applying to each class and series of capital stock 2. For Account 202, <i>Common Stock Subscribed</i> , and Account 205, <i>Preferred Stock Subscribed</i> , show the subscription price and the balance due on each class at the end of year. 3. Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203, <i>Common Stock Liability for Conversion</i> , or Account 206, <i>Preferred Stock Liability for Conversion</i> , at the end of the year. 4. For Premium on Account 207, <i>Capital Stock</i> , designate with a double asterisk any amounts representing the excess of consideration received over stated values of stocks without par value.			
Line No.	Name of Account & Description of Item (a)	Number of Shares (b)	Amount (c)
1	Account 202 - None		
2			
3	Account 203 - None		
4			
5	Account 205 - None		
6			
7	Account 206 - None		
8			
9	Account 207		
10	Premium on Common Stock	84,108,789	386,028,613
11			
12	Account 212 - None		
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
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26			
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34			
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40	TOTAL	84,108,789	386,028,613



OTHER PAID-IN CAPITAL (Accounts 208-211, inc.)		
Report below the balance at the end of the year and the information specified below for the respective other paid-in capital accounts. Provide a subheading for each account and show a total for the account, as well as total of all accounts for reconciliation with balance sheet, page 112. Add more columns for any account if deemed necessary. Explain changes made in any account during the year and give the accounting entries affecting such change.		
(a) <i>Donations Received from Stockholders</i> (Account 208)-State amount and give brief explanation of the origin and purpose of each donation.		
(b) <i>Reduction in Par or Stated Value of Capital Stock</i> (Account 209)-State amount and give brief explanation of the capital changes which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.		
(c) <i>Gain on Resale or Cancellation of Reacquired Capital Stock</i> (Account 210)- Report balance at end of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.		
(d) <i>Miscellaneous Paid-in Capital</i> (Account 211)-Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.		
Line No.	Item (a)	Amount (b)
1	Account 208	
2	Donations Received from Stockholders:	
3	Cash Infusions-CMS Energy-Prior to 2003	298,198,250
	CMS Engineering Stock-Prior to 2003	81,351
4	Cash Infusions-CMS Energy-Aug 04	150,000,000
	Cash Infusions-CMS Energy-Nov 04	100,000,000
5	Subtotal 208	548,279,601
6		
7		
8	Subtotal 209 - None	
9		
10	Account 210	
11	Gain on Reacquired Capital Stock - Prior to 2003	20,440,268
12		
13		
14	Account 211	
15	Paid-in-Capital - Prior to 2003	293,744
16	SERP Market Value - FAS 115-Unrealized Investment Gain (loss), Net of Tax	2,405,164
17	Interest Rate Hedge-FAS 133 Unrealized Loss	(775,340)
18	CMS Energy Stock-FAS 115 Unrealized gain/(loss), Net of Tax	9,268,063
19	CMS Midland - FAS 133 Unrealized Gain (loss), Net of Tax	20,949,448
20		
21	Subtotal 211	32,141,079
22		
23		
24		
25		
26		
27		
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29		
30		
31		
32		
33		
34		
35	TOTAL	600,860,948

DISCOUNT ON CAPITAL STOCK (Account 213)		
1. Report the balance at end of year of discount on capital stock for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.		
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	None	
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17	TOTAL	

CAPITAL STOCK EXPENSE (Account 214)		
1. Report the balance at end of year of capital stock expenses for each class and series of capital stock. 2. If any change occurred during the year in the balance with respect to any class or series of stock, attach a statement giving particulars (details) of the change. State the reason for any charge-off during the year and specify the amount charged.		
Line No.	Class and Series of Stock (a)	Balance at End of Year (b)
1	Common Stock	23,596,832
2	\$4.16 Preferred Stock	121,741
3		
4		
5		
6		
7		
8		
9		
10		
11		
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17		
18	TOTAL	23,718,573

SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR			
<p>1. Furnish a supplemental statement giving a brief description of security financing and refinancing transactions during the year and the accounting for the securities, discounts, premiums, expenses, and related gains or losses. Identify as to Commission authorization numbers and dates.</p> <p>2. Furnish particulars (details) showing fully the accounting for the total principal amount, par value, or stated value of each class and series of security issued,</p>		<p>assumed, retired, or refunded and the accounting for premiums, discounts, expenses, and gains or losses relating to the securities. Set forth the facts of the accounting clearly with regard to redemption premiums, unamortized discounts, expenses, and gains or losses relating to securities retired or refunded, including the accounting for such amounts carried in the respondent's accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired.</p>	
Series	DEBIT (CREDIT)		
	Account 131 Cash	Account 181 Unamortized Debt Expense	Account 221 Bonds
<u>FIRST MORTGAGE BONDS ISSUED IN 2004</u>			
4.4% FMB due 8-15-09	145,398,567	1,022,407	(150,000,000)
5.0% FMB due 2-15-12	290,472,351	2,093,597	(300,000,000)
5.0% FMB due 3-15-15	204,349,798	1,580,304	(225,000,000)
5.5% FMB due 8-15-16	337,422,724	2,602,216	(350,000,000)
<u>FIRST MORTGAGE BONDS RETIRED IN 2004</u>			
7 3/8% FMB due 2023	(192,027,512)		207,700,000
TOTAL FIRST MORTGAGE BONDS	785,615,928	7,298,524	(817,300,000)
<u>OTHER LONG TERM DEBT</u>			
<u>Senior Notes Retired or Paid Down</u>			
6.5% Senior Note due 06-18 (2)	(138,290,380)	(925,201)	
6.0% Senior Note due 03-05 (2)	(307,384,353)	(259,824)	
6.5% Senior Note Due 10-1-28	(657,538)	(44,979)	
<u>Bank Term Loans Retired, Issued or Paid Down</u>			
Beal Bank Loan due 2009 (2)	(136,623,749)	(4,577,688)	
DOE SNF Disposal Contract (1)	1,732,739		
<u>Issued &amp; Retired, PCRB</u>			
\$30M PCRB due 06-10	28,213,800	1,077,711	
\$30M PCRB due 06-10	(30,157,012)	(333,291)	
TOTAL OTHER LONG-TERM DEBT	202,449,435	2,235,252	(817,300,000)

(1) Account debited is interest expense

(2) Debt retired using three Bond issuances.

## SECURITIES ISSUED OR ASSUMED AND SECURITIES REFUNDED OR RETIRED DURING THE YEAR (Continued)

3. Include in the identification of each class and series of security, as appropriate, the interest or dividend rate, nominal date of issuance, maturity date, aggregate principal amount, par value or stated value, and number of shares. Give also the issuance of redemption price and name of principal underwriting firm through which the security transactions were consummated.

4. Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 16 of the Uniform System of Accounts, give references to the Commission authorization for the different accounting and state the accounting method.

5. For securities assumed, give the name of the company for which the liability on the securities was assumed as well as particulars (details) of the transactions whereby the respondent undertook to pay obligations of another company. If any unamortized discounts, premiums, expenses, and gains or losses were taken over into the respondent's books, furnish details of these amounts with amounts relating to refunded securities clearly earmarked.

## DEBIT (CREDIT)

Account 224/242 Other Long-Term Debt	Account 225 Unamortized Premium		Account 226 Unamortized Discount		Account 237 Interest Accrued	Account 189 Unamortized Loss on Recquired Debt	Account 182 Regulatory Asset	
			19,500			3,559,526		
			315,000			7,119,052		
			375,750			18,694,148		
			1,669,500			8,305,560		
			(4,506,820)		(4,467,598)	(6,698,070)		
0	0		(2,127,070)	0	(4,467,598)	30,980,216	0	0
141,000,000			(1,246,613)		2,596,750	(3,134,556)		
298,657,559			(12,139)		9,250,000	(251,243)		
750,000			(51,545)		4,062	0		
140,000,000					1,201,437			
(1,732,739)								
(30,000,000)					565,500	708,489		
30,000,000						(75,197)		
578,674,820	0		(3,437,367)	0	9,150,151	28,227,709	0	0

Name of Respondent Consumers Energy Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
LONG-TERM DEBT (Account 221, 222, 223 and 224)					
<p>1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.</p> <p>2. In column (a), for new issues, give Commission authorization numbers and dates.</p> <p>3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.</p> <p>4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.</p> <p>5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.</p> <p>6. In column (b) show the principal amount of bonds or other long-term debt originally issued.</p> <p>7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.</p> <p>8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.</p> <p>9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.</p>					
Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)		
1	ACCOUNT 221				
2	7-3/8% Series Due 2023	300,000,000	2,899,221		
3			7,254,000 D		
4	4.25% Series A, Due 2008	250,000,000	1,805,067		
5			570,000 D		
6			12,954,466		
7	5.375% Series B, Due 2013	375,000,000	2,805,845		
8			1,788,750 D		
9			19,431,699		
10	4% Seires E, Due 2010	250,000,000	1,871,930		
11			1,247,500 D		
12			7,245,805		
13	4.8% Series G, Due 2009	200,000,000	1,436,938		
14			454,000 D		
15			1,120,594		
16	6.0% Series I, Due 2014	200,000,000	1,536,904		
17			318,000 D		
18			1,120,594		
19	4.40% Series K, Due 2009	150,000,000	1,022,407		
20			19,500 D		
21			3,559,526		
22	5.00% Series L, Due 2012	300,000,000	2,093,597		
23			315,000 D		
24			7,119,052		
25	5.50% Series M, Due 2016	350,000,000	2,602,217		
26			1,669,500 D		
27			8,605,560		
28	5.00%, Due 2015	225,000,000	1,580,164		
29			375,750 D		
30			18,694,148		
31	Subtotal Account 221 - First Mortgage Bonds	2,600,000,000	113,517,734		
32					
33	TOTAL	5,379,274,525	173,803,957		

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)**

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
09/15/93	09/15/23	09/15/93	09/15/23		15,317,876	2
						3
04/30/03	04/15/08	04/30/03	04/15/08	250,000,000	10,625,000	4
						5
						6
04/30/03	04/15/13	04/30/03	04/15/13	375,000,000	20,156,250	7
						8
						9
05/23/03	05/15/10	05/23/03	05/15/10	250,000,000	10,000,000	10
						11
						12
08/26/03	02/17/09	08/26/03	02/17/09	200,000,000	9,573,333	13
						14
						15
08/26/03	02/15/14	08/26/03	02/15/14	200,000,000	11,966,667	16
						17
						18
08/17/04	08/15/09	08/17/04	08/15/09	150,000,000	2,438,333	19
						20
						21
08/17/04	08/15/12	08/17/04	08/15/12	300,000,000	5,541,667	22
						23
						24
08/17/04	08/15/16	08/17/04	08/15/16	350,000,000	7,111,806	25
						26
						27
12/13/04	03/15/15	12/13/04	03/15/15	225,000,000	531,250	28
						29
						30
				2,300,000,000	93,262,182	31
						32
				4,261,332,362	241,996,569	33

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 222		
2	None		
3			
4	ACCOUNT 223		
5	Subordinated Deferred Interest Note - Consumers Power Company Financing I	103,092,800	3,079,085
6	Subordinated Deferred Interest Note - Consumers Energy Company Financing II	123,711,350	4,018,291
7	Subordinated Deferred Interest Note - Consumers Energy Company Financing III	180,412,375	5,572,625
8	Subordinated Deferred Interest Note - Consumers Energy Company Financing IV	128,866,000	4,239,936
9			
10	Note Payable - Consumers Funding - LLC #2	84,000,000	11,423 D
11			8,333
12	Note Payable - Consumers Funding - LLC #3	31,000,000	6,040 D
13			8,333
14	Note Payable - Consumers Funding - LLC #4	95,000,000	21,872 D
15			8,333
16	Note Payable - Consumers Funding - LLC #5	117,000,000	28,148 D
17			8,333
18	Note Payable - Consumers Funding - LLC #6	115,592,000	30,529 D
19			8,335
20	Subtotal Account 223 - Advances from Associated Companies	978,674,525	17,049,616
21			
22			
23			
24	ACCOUNT 224		
25	Other Long-Term Debt		
26	Variable Rate Demand Pollution Control Revenue Refunding Bonds:		
27	Michigan Strategic Fund - 1988	67,700,000	614,195
28			
29	Limited Obligation Refunding Revenue Bonds:		
30	Michigan Strategic Fund Series '93A	27,900,000	331,606
31	Michigan Strategic Fund Series '93B	30,000,000	982,485
32	Department of Energy - Spent Nuclear Fuel Liability		
33	TOTAL	5,379,274,525	173,803,957

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**LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)**

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
01/23/96	12/31/15	01/23/96	12/31/15	73,092,800	6,110,558	5
09/11/97	09/01/27	09/11/97	09/01/27	123,711,350	10,144,331	6
11/04/99	12/31/29	11/04/99	12/31/29	180,412,375	16,688,145	7
05/31/01	06/30/31	05/31/01	06/30/31	128,866,000	11,597,940	8
						9
11/08/01	01/20/06	11/08/01	01/20/06	1,220,854	1,965,430	10
						11
11/08/01	01/20/07	11/08/01	01/20/07	31,000,000	1,410,500	12
						13
11/08/01	01/20/10	11/08/01	01/20/10	95,000,000	4,731,000	14
						15
11/08/01	01/20/13	11/08/01	01/20/13	117,000,000	6,353,100	16
						17
11/08/01	07/20/15	11/08/01	07/20/15	115,592,000	6,817,243	18
						19
				865,895,379	65,818,247	20
						21
						22
						23
						24
						25
						26
04/26/88	04/15/18	04/26/88	04/15/18	67,700,000	1,265,407	27
						28
						29
06/29/93	06/15/10	06/29/93	06/15/10	27,900,000	534,595	30
06/29/93	06/15/10	06/29/93	06/15/10	30,000,000	1,759,458	31
				96,578,879	1,732,739	32
				4,261,332,362	241,996,569	33



Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224)**

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
6. In column (b) show the principal amount of bonds or other long-term debt originally issued.
7. In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
8. For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
9. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1			
2	Long-Term Bank Credit Agreement, Docket No. ES02-36-000 et al., 06/27/03	140,000,000	2,266,101
3	Long-Term Bank Credit Agreement, Docket No. ES02-36-000 et al., 06/27/03	60,000,000	9,538
4			
5	Senior Notes:		
6	6-3/8% Due 2/1/08 Docket No. ES97-7-000 11/27/96 & 1/30/98	250,000,000	1,812,677
7			2,417,500 D
8			-1,660,538
9	6-7/8% Due 3/1/18 Docket No. ES97-7-000, 11/27/96, 1/30/98, 2/27/98	225,000,000	2,097,242
10			3,307,500 D
11			-3,377,696
12	6-1/2% 6/15/18 Docket No. ES97-7-000, 11/27/96, 2/27/98, 6/1/98, 4/8/98	200,000,000	1,847,850
13			1,374,000 D
14			2,782,293
15	6-1/2% Due 10/1/28 Docket No. ES98-31-000, 6/8/98	150,000,000	11,237,264
16			12,681,925
17	6.25% Due 9/15/06 Docket No. ES00-28-000, 6/15/00	350,000,000	2,329,665
18			1,064,000 D
19	6.00% Due 3/15/05 Docket No ES02-37-000, 7/1/02	300,000,000	69,000
20			1,050,000 D
21	Interest Rate Hedges - Net Deferred Gains		
22	Subtotal Account 224 - Other Long-Term Debt	1,800,600,000	43,236,607
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33	TOTAL	5,379,274,525	173,803,957

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)**

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
03/26/03	03/26/09	03/26/03	03/26/09		5,424,771	2
11/07/03	11/07/06	11/07/03	11/07/06	60,000,000	1,710,700	3
						4
						5
2/1/98	2/1/08	2/1/98	2/1/08	159,239,000	10,151,486	6
						7
						8
3/1/98	3/1/18	3/1/98	3/1/18	180,000,000	12,375,000	9
						10
						11
6/15/98	6/15/18	6/15/98	6/15/18		6,797,375	12
						13
		6/15/98	6/15/05			14
10/1/98	10/1/28	10/1/98	10/1/28	141,033,000	9,189,245	15
						16
09/26/01	09/15/06	09/26/01	09/15/06	332,250,000	20,812,389	17
						18
					11,162,975	19
3/15/02	3/15/05	3/15/02	3/15/05			20
				736,104		21
				1,095,436,983	82,916,140	22
						23
						24
						25
						26
						27
						28
						29
						30
						31
						32
				4,261,332,362	241,996,569	33

Name of Respondent	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
Consumers Energy Company			
FOOTNOTE DATA			

**Schedule Page: 256 Line No.: 6 Column: c**

Option fee

**Schedule Page: 256 Line No.: 9 Column: c**

Option fee

**Schedule Page: 256 Line No.: 12 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 15 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 18 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 21 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 24 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 27 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256 Line No.: 30 Column: c**

Remaining unamortized debt discount and expense on reacquired debt

**Schedule Page: 256.1 Line No.: 24 Column: a**

RESPONSE TO INSTRUCTION 12

NET CHANGES TO ACCOUNT 223, ADVANCES FROM ASSOCIATED COMPANIES

Balance, Beginning of Year	\$ 894,541,239
Additions During the Year:	0
Retirements During the Year:	
Note payable-Consumers Funding-LLC #2	(28,645,860)
	-----
Balance, End of Year	\$ 865,895,379
	=====

NET CHANGES TO ACCOUNT 224, OTHER LONG-TERM DEBT

Balance, Beginning of Year	\$ 1,679,052,149
Additions During the Year:	
Department of Energy - Increase in Spent Nuclear	
Fuel Liability	1,732,739
Michigan Strategic Fund Series '93B	
Refunding	30,000,000
Retirements During the Year:	
Michigan Strategic Fund Series '93B	
Refunding	(30,000,000)
Long-Term Bank Debt	(140,000,000)
Senior Note	(141,000,000)
Senior Note	(750,000)
Senior Note	(300,000,000)
Change in Interest Rate Hedges -	
Net Deferred Gains	(3,597,905)
	-----
Balance, End of Year	\$ 1,095,436,983
	=====

RESPONSE TO INSTRUCTION 9

Name of Respondent Consumers Energy Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report 2004/Q4
FOOTNOTE DATA			

When an issue is redeemed, the difference between the amount paid upon reacquisition and the face value, less any unamortized discount, related debt expense and reacquisition costs is recognized currently in Account 426.5. An exception occurs if the issue redeemed is directly refinanced with a new issue; then amounts are amortized, over the life of the new issue (or the life of the previous refinancing issue) and not currently recognized.

#### RESPONSE TO INSTRUCTION 15

Account 427, Interest on Long-Term Debt, includes \$19,917,884 of reversal of previously recorded Interest During Construction on capital expenditures. Account 430, Interest on Debt to Associated Companies, includes interest on short-term debt with associated companies.

#### RESPONSE TO INSTRUCTION 16

In June 2004, the FERC authorized Consumers to issue and sell up to \$2.5 billion of long-term securities, of which up to \$1.0 billion would be for refinancing or refunding purposes and up to \$1.5 billion would be for general corporate purposes. Up to an additional \$2.5 billion of first mortgage bonds were also authorized to be issued solely as security for other long-term securities. As of December 31, 2004 Consumers has \$181 million and \$1,264 million of the authorization remaining for refinancing and for general corporate purposes, respectively. Consumers also had \$2.47 billion remaining authorization of first mortgage bonds to be issued solely as security for other long-term issuances.

**Schedule Page: 256.2 Line No.: 8 Column: c**

Gain on Hedge Agreement

**Schedule Page: 256.2 Line No.: 11 Column: c**

Gain on Hedge Agreement

**Schedule Page: 256.2 Line No.: 14 Column: c**

Loss on Hedge Agreement

**Schedule Page: 256.2 Line No.: 16 Column: c**

Loss on Hedge Agreement

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## PAYABLES TO ASSOCIATED COMPANIES\* (Accounts 233, 234)

1. Report particulars of notes and accounts payable to associated companies at end of year.

2. Provide separate totals for Accounts 233, Notes Payable to Associated Companies, and 234, Accounts Payable to Associated Companies, in addition to a total for the combined accounts.

3. List each note separately and state the purpose for which issued. Show also in column (a) date of note, maturity and interest rate.

4. Include in column (f) the amount of any interest expense during the year on notes or accounts that were paid before the end of the year.

5. If collateral has been pledged as security to the payment of any note or account, describe such collateral.

\* See definitions on page 226B

Line No.	Particulars (a)	Balance Beginning of Year (b)	Totals for Year		Balance End of Year (e)	Interest for Year (f)
			Debits (c)	Credits (d)		
1	ACCOUNT 233 - NOTES PAYABLE TO ASSOC CO					
2	CMS Midland, Inc.	10,000,000	0	0	10,000,000	201,433
3	CMS Energy Corporation	200,000,000	880,000,000	680,000,000	0	2,350,969
4	Consumers Funding LLC	27,361,641	27,789,112	28,645,860	28,218,389	21,136,115
5						
6	TOTAL ACCOUNT 233	237,361,641	907,789,112	708,645,860	38,218,389	23,688,517
7						
8	ACCOUNT 234 - ACCTS PAYABLE TO ASSOC CO					
9	CMS Bay Area Pipeline LLC	342,240	3,814,702	3,813,525	341,063	
10	CMS Electric & Gas LLC	601,782	0	0	601,782	
11	CMS Energy Corporation	21,636,405	278,003,475	257,448,193	1,081,123	
12	CMS Energy Resource Management Company	774,148	3,016,707	2,243,337	778	
13	CMS Enterprises Company	98,955	1,352,683	1,702,644	448,916	
14	CMS Gas Transmission Company	0	632	632	0	
15	CMS Generation Company	0	140,640	140,640	0	
16	CMS Land Company	0	71,625	71,625	0	
17	CMS Midland Holdings Company	0	23,369,159	23,369,159	0	
18	CMS Midland, Inc	0	181,891	181,891	0	
19	CMS Resource Development Company	0	1,901	1,901	0	
20	Consumers Campus Holdings LLC	0	1,515,573	1,518,140	2,567	
21	Consumers Funding LLC	(327,514)	49,898,330	50,090,543	(135,301)	
22	ES Services Company	131,968	1,735,949	1,819,054	215,073	
23	Genesee Power Station	2,428,768	15,946,667	15,953,653	2,435,754	
24	Grayling Generating Station	2,815,476	17,848,546	18,072,922	3,039,852	
25	Midland Cogeneration Venture	40,371,096	591,456,195	601,419,343	50,334,244	
26	T.E.S. Filer City Station	5,670,552	32,978,510	33,067,480	5,759,522	
27						
28	TOTAL ACCOUNT 234	74,543,876	1,021,333,185	1,010,914,682	64,125,373	
29						
30						
31						
32						
33						
34						
35						
36						
37						
38	Line 2 - Purpose: Working Capital					
39	Date of issue: 12-31-03, 12-31-04					
40	Maturity: 12-31-04, 12-31-05, Interest Rate: Variable					
41						
42	Line 3 - Purpose: Working Capital					
43	Date of issue: 12-30-03, 11-1-04					
44	Maturity: 12-29-04, 10-31-05, Interest Rate: Variable					
45						
46	Line 4 - Purpose: Securitization Bond Issuance					
47	Date of issue: 11-08-01					
48	Maturity: Various, Interest Rates: Various					
49						
50	It should be noted that column D may reflect					
51	activity in the accounts which includes estimates					
52						
53	TOTAL	311,905,517	1,929,122,297	1,719,560,542	102,343,762	23,688,517

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES			
1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.			
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income as if a separate return were to be filed, indicating, however, intercompany			
Line No.			Total Amount
1	Utility net operating income (page 114 line 25)		
2	Allocations: Allowance for funds used during construction		
3	Interest expense		
4	Accretion expense		
5	Net income for the year (page 117 line 68)		279,073,567
6	Allocation of Net income for the year		
7			
8			
9	Add: Federal income tax expenses		151,100,032
10			
11			
12	Total pre-tax income		430,173,599
13			
14			
15	Add: Taxable income not reported on books		40,823,312
16			
17			
18	Add: Deductions recorded on books not deducted from return		641,331,554
19			
20			
21	Subtract: Income recorded on books not included in return		39,954,965
22			
23			
24	Subtract: Deductions on return not charged against book income		1,041,914,988
25			
26			
27	Federal taxable income for the year		30,458,512
28			
29			
30			
31			
32			
33			
34			
35			
36			
37			
38			

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (Continued)		
amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.		
3. Allocate taxable income between utility and other income as required to allocate tax expense between 409.1 and 409.2		
4. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions.		
Utility	Other	Line No.
497,632,650		1
(24,834,253)		2
(244,197,514)		3
(592,234)		4
		5
227,702,649	51,370,918	6
		7
		8
122,913,649	28,186,383	9
		10
		11
350,616,298	79,557,301	12
		13
		14
40,467,861	355,451	15
		16
		17
638,667,225	2,664,329	18
		19
		20
31,618,086	8,336,879	21
		22
		23
1,015,264,987	26,650,001	24
		25
		26
(17,131,689)	47,590,201	27
		28
		29
		30
		31
		32
		33
		34
		35
		36
		37
		38



RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
Line Ref.		Total Amount
11	Add: Taxable income not reported on books	
	CATV Pole Attachments - Def'd Revenue	177,408
	Clean Air Allowances - Revenue (now SO2)	541,844
	Contributions in Aid of Construction	23,433,273
	Interest Income	7,180,000
	Partnership Inc (Loss)	355,451
	Regulatory Contingency A	9,129,965
	Wurtsmith Escrow - Interest Income	5,371
		40,823,312
15	Add: Deductions recorded on books not deducted from return	
	Accrued Bonus - EICP Incentive	6,662,681
	AFUDC - Amortization Deficiency	306,830
	AFUDC - Generation	25,195,927
	AFUDC - Excess FERC Calc Rate	652,242
	ARO Transition/Accretion	549,030
	Bad Debt Reserve	443,336
	Charitable Contributions - CP Foundation Commitment	749,132
	Deferred Comp - Savings Plan - Rabbi Trust	11,685
	Deferred Compensation	130,915
	Depreciation - Book (Generation)	63,376,000
	Depreciation - Book (Includes Computer Software Depr)	263,626,000
	Electric Restructuring Costs - Line 26	3,334,020
	FAS 133 Electric Call Option - Accretion Exp	1,555,683
	Fly Ash Trust Fund	29,959
	Fly Ash Trust Fund - Interest Expense	6,015
	Injuries & Damages	8,976,074
	Interest During Construction (IDC) - Generation - Tax	16,167,000
	Interest During Construction (IDC) - Non-Generation - Tax	11,981,000
	Linepack Adjustment	1,316,127
	Lobbying and Political Contributions	1,692,000
	Meals & Entertainment - Nondeductible Portion	621,804
	Midland Amortization - FERC	518,516
	Nuclear Decommissioning - FERC - Palisades	304,894
	Nuclear Decommissioning - MPSC - Palisades	3,773,692
	Nuclear Fuel-Book Amortization	15,126,343
	OIL - Avoided Premim Surcharge	6,130,120
	OPEB - Def Service & Interest - Book Expense	30,149,313
	OPEB - Payments - 401H Contribution	7,055,695
	OPEB - Payments - Contribution Carryover	9,889,535
	OPEB - Transition Adj. Book Expense	23,178,604
	Outside Services-Accrued Auditing Expense	562,730
	Penalties	97,100
	Pensions (Including SERP) - Addback	24,353,929
	R&PP Tax-Book Exp Deducted on Prior Yr FIT Return (Addition)	63,074,000
	Sales & Use Tax Audit Exposure	4,400,000
	Securitized Assets - Book Amortization	42,242,881
	SEMP - Special Compensation	1,500,871
	SRO Retention	72,800
	Swap Agreements - Deferred Gain	599,071
	Vacation Pay Accrual	918,000
		641,331,554

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
		Line Ref.
		11
177,408	0	
541,844	0	
23,433,273	0	
7,180,000	0	
0	355,451	
9,129,965	0	
5,371	0	
40,467,861	355,451	
		15
6,662,681	0	
306,830	0	
25,195,927	0	
652,242	0	
549,030	0	
486,071	(42,735)	
0	749,132	
11,685	0	
130,915	0	
63,376,000	0	
263,626,000	0	
3,334,020	0	
1,555,683	0	
29,959	0	
6,015	0	
8,976,074	0	
16,167,000	0	
11,981,000	0	
1,316,127	0	
0	1,692,000	
621,804	0	
518,516	0	
304,894	0	
3,773,692	0	
15,126,343	0	
6,130,120	0	
30,149,313	0	
7,055,695	0	
9,889,535	0	
23,178,604	0	
562,730	0	
0	97,100	
24,353,929	0	
62,948,900	125,100	
4,400,000	0	
42,242,881	0	
1,500,871	0	
72,800	0	
555,339	43,732	
918,000	0	
638,667,225	2,664,329	

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
Line Ref.		Total Amount
19	Subtract: Income recorded on books not included in return	
	Bond Premium, Discount, Expense Amortization	20,336,562
	Campbell 3 Backup Capacity	68,957
	Equity Earnings in Subs	716,816
	Interest Income - Tax Exempt	7,180,000
	MCV Land Rent	18,895
	PSCR Underrecovery - 2004 Principle & Interest	3,241
	Regulatory Contingency A1 - Interest Expense	6,431,762
	Regulatory Contingency B	3,817,896
	SERP Interest Income - Book to Tax	1,127,178
	Service Programs (ASP/Housecall/Etc)	253,658
		39,954,965
23	Subtract: Deductions on return not charged against book income	
	263A Deduction Non- Inventory - Generation	30,133,000
	263A Deduction Non-Inventory - Non Generation	68,974,000
	Aetna/Blues Reserve	1,015,236
	AFUDC - Non Generation	218,477
	Cost of Removal - ADR Property - Generation	6,749,000
	Cost of Removal - ADR Property - Non Generation	4,452,000
	Depreciation - Tax (Generation)	39,523,000
	Depreciation - Tax (Includes Capitalized Computer Software Depr)	350,811,000
	DOE Decommissioning	1,585,154
	Gain/Loss on Disposition of ACRS Property - Generation - Tax	5,259,000
	Gain/Loss on Disposition of ACRS Property - Non-Generation - Tax	2,670,000
	Gas Inventory Adjustment	72,577,316
	Gas Inventory Adjustment - Hesson Storage	8,256,234
	Injuries & Damages - Environmental Clean-up	3,138,258
	Insurance Recovery - Manufactured Gas Plant (MGP) Sites	4,853,269
	Ludington Settlement - Line 2	1,456,735
	MCV Contract Loss - Line 26	26,432,364
	Nuclear Fuel Disposal - Dry Cask/Transportation System	2,081,396
	Nuclear Fuel-Tax Amortization	14,243,000
	OPEB - Medicare Subsidy - Tax Exempt	16,052,266
	OPEB - Payments - Key Employees	137,934
	OPEB - Payments - Tax	44,217,762
	PA 141 - Capital Expenditure - Return of	28,354,000
	PA 141 - Capital Expenditure - Return on	112,935,000
	PA 141 - Palisades & Big Rock Security	5,715,784
	PA 141 - Recoverable NOX Costs	3,201,875
	PA 141 - Recoverable SCR Equipment	418,528
	PA 141 - Recoverable Transmission Costs	2,812,343
	Pensions (Including SERP) - Deduction	5,018,345
	Preferred Stock Divident	671,672
	R&PP Tax-Book Change to Fiscal Yr Method - Adjustment	2,326,018
	R&PP Tax-Next Yr Exp Deducted in Current Yr (Deduction)	80,507,000
	Securitized Assets - Palisades Tax Depreciation	17,887,000
	Software - Non-capitalized Current Year Expenditures	13,583,000
	Stranded Costs	63,160,982
	Supplemental Pay-Special Retirement	487,035
	Rounding	5
		1,041,914,988

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES		
		Line Ref.
20,294,334	42,228	19
68,957	0	
0	716,816	
7,180,000	0	
0	18,895	
3,241	0	
0	6,431,762	
3,817,896	0	
0	1,127,178	
253,658	0	
31,618,086	8,336,879	
30,133,000	0	23
68,974,000	0	
1,015,236	0	
218,477	0	
6,749,000	0	
4,444,000	8,000	
39,523,000	0	
350,811,000	0	
1,585,154	0	
5,259,000	0	
2,670,000	0	
72,577,316	0	
8,256,234	0	
3,138,258	0	
4,853,269	0	
1,456,735	0	
0	26,432,364	
2,081,396	0	
14,243,000	0	
16,052,266	0	
137,934	0	
44,217,762	0	
28,354,000	0	
112,935,000	0	
5,715,784	0	
3,201,875	0	
418,528	0	
2,812,343	0	
5,018,345	0	
622,640	49,032	
2,324,418	1,600	
80,348,000	159,000	
17,887,000	0	
13,583,000	0	
63,160,982	0	
487,035	0	
0	5	
1,015,264,987	26,650,001	

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**Name of Member of the Affiliated Group**

CMS Energy Corporation  
   Consumers Energy Company  
     CMS Engineering Co.  
     CMS Midland Holdings Company  
     CMS Midland, Inc.  
     Consumers EnergyGuard Services, Inc.  
     Consumers Nuclear Services LLC  
     ES Services Company  
     MEC Development Corp.  
   CMS Enterprises Company  
     EnerBank USA  
     CMS Capital Financial Services, Inc.  
     Explotaciones CMS Oil and Gas Company  
   CMS Land Company  
   CMS Special Member Company  
   CMS Energy Resource Management Corporation  
     CMS Texon Company  
     CMS Viron Corporation  
   CMS Resource Development Company  
   CMS Gas Transmission Company  
     CMS Midstream Services Company  
     CMS Saginaw Bay Lateral Company  
     CMS TriState Canada General Company  
   CMS Generation Co.  
     CMS Generation Altoona Company  
     CMS Generation Chateaugay Company  
     CMS Generation Filer City, Inc.  
     CMS Generation Filer City Operating Company  
     CMS Generation Genesee Company  
     CMS Generation Grayling Company  
     CMS Generation Grayling Holdings Company  
     CMS Generation Holdings Company  
     CMS Generation Honey Lake Company  
     CMS Generation Lyonsdale Company  
     CMS Generation Montreal Company  
     CMS Generation Operating Company  
     CMS Generation Recycling Company  
     Exeter Management Company  
     Hydra-Co Enterprises, Inc.  
       CMS Generation Operating Company II, Inc.  
       HCO - Jamaica, Inc.  
     CMS Generation Stratton Company  
     HCE - Appomattox, Inc.  
     HCE - Biopower, Inc.  
     HCE - Jamaica Development, Inc.  
     HCE - Rockfort Diesel, Inc.  
     Hydra-Co Generation, Inc.  
     New Bern Energy Recovery, Inc.  
     Oxford Tire Recycling, Inc.  
     Oxford Tire Supply, Inc.  
     Taweelah A2 Operating Co.

Consolidated federal income taxes are allocated to each member of the affiliated group based on each separate Company's taxable income. Tax benefits realized from filing a consolidated return are allocated to the company generating the benefit. For 2004, current federal income tax expense is allocated as follows:

	In thousands
Consumers Energy Company	\$ 14,094
All other members of the group	\$ (14,094)
CMS Energy Consolidated	<u>\$ -</u>

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1. Give particulars (details) of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known, show the amounts in a footnote and designate whether estimated or actual amounts.
2. Include on this page, taxes paid during the year and charged direct to final accounts, (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this page is not affected by the inclusion of these taxes.
3. Include in column (d) taxes charged during the year, taxes charged to operations and other accounts through (a) accruals credited to taxes accrued, (b) amounts credited to proportions of prepaid taxes chargeable to current year, and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.
4. List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No.	Kind of Tax (a)	BALANCE AT BEGINNING OF YEAR		Taxes Charged During Year (d)	Paid (2) During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR	
		Taxes (1) Accrued (Acct 236) (b)	Prepaid Taxes (165) (c)				Taxes Accrued (Acct 236) (g)	Prepaid Taxes (165) (h)
1	--FEDERAL--							
2	Income (A)	(47,772,804)		14,093,641	49,801,643	(15,175)	16,107,305	
3	Unemployment (B)	0		462,517	(445,176)	0	17,341	
4	FICA (B)	(445,634)		40,834,463	(38,858,599)	0	1,530,230	
5								
6	TOTAL FEDERAL	(48,218,438)	0	55,390,621	10,497,869	(15,175)	17,654,876	0
7								
8	--STATE--							
9	Income (A)	0		3,361	(3,111)	0	250	
10	Unemployment (B)	0		1,392,115	(1,339,921)	0	52,194	
11	MI Single Business Tax (A)	25,604,058		18,123,936	(26,186,635)	(180,632)	17,360,727	
12	MPSC Assessment (E)	0	(1,355,731)	4,430,067	(4,539,517)	0	0	(1,465,182)
13	Surplus Lines Premium Tax		0	4,193	(4,193)	0		0
14	State Sales&Use Tax Absorbed By Co (C)	3,000,000		4,653,838	(253,838)	(0)	7,400,000	
15								
16	TOTAL STATE	28,604,058	(1,355,731)	28,607,510	(32,327,216)	(180,632)	24,813,171	(1,465,182)
17								
18	--LOCAL--							
19	Real & Personal Property (D)	222,037,133		138,441,997	(139,741,951)	4,726,018	225,463,197	
20	City Income Tax (A)	(83,800)		0	60,000	(0)	(23,800)	
21								
22	TOTAL LOCAL	221,953,333	0	138,441,997	(139,681,951)	4,726,018	225,439,397	0
23								
24								
25	Account 236 Reconciliation							
26								
27								
28	TOTAL	202,338,954	(1,355,731)	222,440,128	(161,511,298)	4,530,212	267,907,444	(1,465,182)

(1) Federal Income Tax balances include MPSC accounts 244 and 245.

(2) Column (e) - Federal Income and Michigan Single Business Tax payments flow through intercompany accounts to the parent.

## TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5. If any tax (exclude Federal and state income taxes) covers more than one tax year, show the required information separately for each tax year, identifying the year in column (a).
6. Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses.
7. Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority.
8. Enter accounts to which taxes charged were distributed in columns (i) thru (l). In column (i), report the amounts charged to Accounts 408.1 and 409.1 for Electric Dept. only. Group the amounts charged to 408.1, 409.1, 408.2 and 409.2 under other accounts in column (l). For taxes charged to other accounts or utility plant, show the number of the appropriate balance sheet account, plant account or subaccount.
9. For any tax apportioned to more than one utility department or account, state the basis (necessity) of apportioning such tax.
10. Fill in all columns for all line items.

## DISTRIBUTION OF TAXES CHARGED (Omit Cents) (Show utility department where applicable and account charged)

Line No.	Electric a/c 408.1 409.1 (i)	Gas a/c 408.1 409.1 (j)	Other Utility Departments a/c 408.1, 409.1 (k)	Other Income & Deductions a/c 408.2, 409.2 (l)	Plant Account Charged a/c 107 (m)	Transport Clearing a/c 184 (n)	Miscellaneous Clearing and Other Sources (o)	Other (p)
1								
2	(20,432,643)	7,189,996	0	27,336,288	0	0	0	0
3	199,845	105,547	0	0	132,910	0	24,214	0
4	17,643,870	9,318,482	0	0	11,734,319	0	2,137,793	0
5								
6	(2,588,928)	16,614,025	0	27,336,288	11,867,229	0	2,162,007	0
7								
8								
9	0	0	0	3,361	0	0	0	0
10	601,509	317,683	0	0	400,043	0	72,881	0
11	12,197,757	5,110,906	0	72,245	0	0	743,028	0
12	2,725,780	1,704,287	0	0	0	0	0	0
13		4,193						
14	3,599,457	1,054,381	0	0	0	0	0	0
15								
16	19,124,503	8,191,450	0	75,606	400,043	0	815,909	0
17								
18								
19	102,196,512	35,950,524	0	294,962	0	0	0	0
20	0	0	0	0	0	0	0	0
21								
22	102,196,512	35,950,524	0	294,962	0	0	0	0
23								
24								
25								
26								
27								
28	118,732,087	60,755,998	0	27,706,856	12,267,272	0	2,977,915	0



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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR - Footnotes	
Instruction 6. - Adjustments Column (f)	
FEDERAL INCOME TAX (line 6):	
1. Adjustment to reduce the accrued tax liability for excise tax paid on nonhighway use gasoline.	(15,175)
TOTAL (Ties to Line 6)	(15,175)
STATE (line 16):	
1. Michigan Single Business Tax - WDSB Workmans Comp Supplemental Fund Credits to 143 account.	(180,632)
TOTAL (Ties to Line 16)	(180,632)
LOCAL (line 22):	
1. Adjustment to reflect increase (decrease) in 2003 estimated property tax over 2002 property tax estimate.	2,400,000
2. Real and Personal Property Tax fiscal year adjustments to 174 account.	2,326,018
TOTAL (Ties to Line 22)	4,726,018
TOTAL ADJUSTMENTS (Line 28)	4,530,212
Instruction 9. - Basis of Allocation	
See Page 262, Column (a) for taxes to which basis is applied.	
Allocation Basis	
(A) Taxable Net Income Basis (B) Amount of Payroll Charged to Departments (C) Customer Basis (D) Taxable Assets Basis (E) Gross Operating Revenue Basis	
Other	
PAGE 262	
Actual use taxes paid to the State on purchases were \$4,308,959 for 2004.	
Line 26 - Account 236 Reconciliation	
MPSC Account 236 ending balance	267,907,444

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255)**

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (i) the average period over which the tax credits are amortized.

Line No.	Account Subdivisions (a)	Balance at Beginning of Year (b)	Deferred for Year		Allocations to Current Year's Income		Adjustments (g)
			Account No. (c)	Amount (d)	Account No. (e)	Amount (f)	
1	Electric Utility						
2	3%	57,896			411.4	38,510	
3	4%	8,302,080			411.4	434,493	
4	7%						
5	10%	45,581,032			411.4	2,491,767	
6							
7							
8	TOTAL	53,941,008				2,964,770	
9	Other (List separately and show 3%, 4%, 7%, 10% and TOTAL)						
10	Gas Utility						
11	3%	199,471			411.4	76,510	
12	4%	1,107,213			411.4	44,840	
13	7%	672,740			411.4	86,873	
14	10%	17,137,335			411.4	655,435	
15							
16	Total Gas	19,116,759				863,658	
17							
18							
19							
20							
21							
22							
23							
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Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (Account 255) (continued)

Balance at End of Year (h)	Average Period of Allocation to Income (i)	ADJUSTMENT EXPLANATION	Line No.
			1
19,386	34 years		2
7,867,587	37 years		3
			4
43,089,265	34 years		5
			6
			7
50,976,238			8
			9
			10
122,961	37 years		11
1,062,373	32 years		12
585,867	34 years		13
16,481,900	32 years		14
			15
18,253,101			16
			17
			18
			19
			20
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			45
			46
			47
			48

## MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (Account 242)

1. Give description and amount of other current and accrued liabilities as of the end of year.  
 2. Minor items may be grouped by classes, showing number of items in each class.

Line No.	Item (a)	Balance End of Year (b)
1	Electric Call Options Payable	7,404,172
2	OPEB Current Obligations	25,198,459
3	Employee Incentive Compensation Plan	14,954,203
3	Accrued Vacation Liability	10,331,639
4	Estimated Cost of Purchased Power	12,193,806
5	Margins Deposits - Electric	1,850,000
6	Healthcare and Life Insurance Accruals	4,283,014
7	Other Miscellaneous Liabilities (6 Items)	637,956
8	Special Retirement Supplements	1,800,243
9	Environmental Clean-up (34 Sites)	2,276,406
10	DOE Decontamination & Decommissioning Fund - Current	2,611,398
11	Ludington Fish Settlement	113,198
12	Customer Deposits	951,714
13	Hydro Plant Fish Compensation	1,103,526
14	Transformer Failure	845,000
15	Peoplecare - Customer Contribution	38,751
16	Employee Retention Liabilities	1,455,200
17	Hydro and Ludington FERC fees	768,190
18	Accrued Audit Fees	996,574
19	CE Foundation	1,000,000
20	Deferred Employee Compensation	15,432,372
21	Miscellaneous Payroll Deductions (10 Items)	12,067
22		
23		
24		
25		
26		
27		
34		
35		
36		
37		
38	Total	106,257,888

## CUSTOMER ADVANCES FOR CONSTRUCTION (Account 252)

Line No.	List Advances by Departments (a)	Balance End of Year (b)
1	Electric	33,394,694
2	Gas	109,112
3	Total	33,503,806

## OTHER DEFERRED CREDITS (Account 253)

1. Report below the particulars (details) called for concerning other deferred credits.  
2. For any deferred credit being amortized, show the

period of amortization.  
3. Minor items (less than \$10,000) may be grouped by classes.

Line No.	Description of Other Deferred Credit (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1	Unclaimed Checks - Various	441,935	232	918,000	1,512,964	1,036,899
2	DOE Decommissioning of Enrichment Facility	4,264,086	242	2,678,931	1,026,244	2,611,399
3	Environmental Clean-Up Manufactured Gas	43,942,695	182	6,080,700		37,861,995
4	Adrian Energy Performance Contingency	256,308	242	0	30,793	287,101
5	Electric Contingency Reserve	30,718,655	Various	2,170,160	18,409,857	46,958,352
6	Transmission Relocation Advance	1,205,009	107	555,285	517,389	1,167,113
7	Backup Capacity Agreement - Campbell 3	1,654,372	447	3,031,487	2,962,530	1,585,415
8	Directors Deferred Compensation Plans	1,105,214	232	33,269	298,493	1,370,438
9	Executive, Deferred Compensation Plans	4,459,733	232	9,357,283	9,238,649	4,341,099
10	Intercompany MCV Income (1)	401,526	418	18,896	0	382,630
11	Consumers Energy Foundation Commitments	964,443	426	214,894	0	749,549
12	Adv Pymt -Billed Costs	527,434	172/143	915,900	775,161	386,695
13	OIL Insur limited-Premium Liability	0			6,130,120	6,130,120
14	Undistr Insurance-Aetna	0			20,782	20,782
15	Cash Receipts	38,463	Various	290,075,825	290,043,479	6,117
16	Insurance Recovery - MGP	21,721,326	131/925	4,899,865	229,462	17,050,923
17	Deferred ASP Revenue- Gas	923,042	488	410,967	157,309	669,384
18	Elec Call Options-Noncurr	14,558,935	242	8,808,591	2,930,400	8,680,744
19	Gas Contingency	3,738,352	Various	6,000,254	2,182,358	(79,544)
20	Deferred Interest - Escrow Agreements	820,716		0	1,877,248	2,697,964
21	Interconnection Advances	367,523	107	2,289,321	2,851,000	929,202
22	Deferred Lease Revenue - METC	2,510,325	454	10,041,000	7,530,675	0
23	Electric Generation Supplier Deposits	2,773,517	131	2,773,517	2,816,203	2,816,203
24	MGS Refund (Pepl)	0		0	96,821	96,821
25	Financial Solutions-Defd Rev	106,448	131/454	97,308	82,848	91,988
26	Deferred Rev - Pole Attachments	1,504,865	454	3,470,192	3,647,603	1,682,276
27	Gas Options	599,821	175/421	13,954,829	14,311,780	956,772
28	Reserve Capacity Def Rev 2004	0			340,609	340,609
29	Northville Base Gas/Storage	246,825	101	365,007	287,544	169,362
30	Deferred Employee Compensation	7,271,498	242	15,589,368	8,317,870	0
31	MiJuns Membership Fees	30,666	131	34,101	28,750	25,315
32	FAMS Project	524,111	131	111,900	19,140	431,351
33	FAS-143 ARO Liability	358,120,376	108	84,028,797	162,015,245	436,106,824
34	Minor (2 Items - less than \$10,000)	3,893	Various	1,160,655	1,160,383	3,621
35	(1) 35 Year Amortization Ending 2025					
36						
37						
38						
39	TOTAL	505,802,112		470,086,302	541,849,709	577,565,519

Name of Respondent Consumers Energy Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes rating to property not subject to accelerated amortization					
2. For other (Specify),include deferrals relating to other income and deductions.					
Line No.	Account  (a)	Balance at Beginning of Year  (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 282				
2	Electric	804,908,278	74,521,885	30,669,814	
3	Gas	284,658,127	33,562,236	12,023,386	
4					
5	TOTAL (Enter Total of lines 2 thru 4)	1,089,566,405	108,084,121	42,693,200	
6					
7	Non-Utility	1,236,232			
8					
9	TOTAL Account 282 (Enter Total of lines 5 thru	1,090,802,637	108,084,121	42,693,200	
10	Classification of TOTAL				
11	Federal Income Tax	1,090,802,637	108,084,121	42,693,200	
12	State Income Tax				
13	Local Income Tax				
NOTES					

Name of Respondent Consumers Energy Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4
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**ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (Account 282) (Continued)**

3. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
							1
		190;282	12,016,228	190;282	11,483,401	848,227,522	2
		190	415,916	282	2,038	305,783,099	3
							4
			12,432,144		11,485,439	1,154,010,621	5
							6
4,594	5,709	282	4,594			1,230,523	7
							8
4,594	5,709		12,436,738		11,485,439	1,155,241,144	9
							10
4,594	5,709		12,436,738		11,485,439	1,155,241,144	11
							12
							13

NOTES (Continued)



## ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to accounts relating to accounts recorded in Account 283.
2. For Other (Specify), include deferrals relating to other income and deductions.

Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
1	Account 283			
2	Electric			
3	AFUDC (U-8638)	961,199	0	42,435
4	Bond Premium, Discount & Expense Amortized	13,425,506	6,825,429	1,751,521
5	Construction Overheads (FPC 530/MPSC U-5281)	632,084	0	31,608
6	DOE Decommissioning	(129)	0	0
7	Other (See Line 24, Page 276A)	413,402,665	113,120,632	49,525,274
8	TOTAL Electric (Enter total of lines 3 thru 8)	428,421,325	119,946,061	51,350,837
9	Gas			
10	AFUDC (U-8638)	(4,449)	0	572
11	Bond Premium, Discount & Expense Amortized	4,009,385	2,578,068	619,451
12	Other (See Line 60, Page 276B)	249,256,814	39,730,199	13,870,477
13	TOTAL Gas (Enter total of lines 11 thru 16)	253,261,750	42,308,267	14,490,499
14	TOTAL Other (Specify) (See Line 76, Page 276B)	49,303,245	0	0
15	TOTAL Account 283 (Enter total of lines 9, 17 & 18)	730,986,320	162,254,328	65,841,337
16	Classification of TOTAL			
17	Federal Income Tax	730,986,320	162,254,328	65,841,337
18	State Income Tax	-	-	-
19	Local Income Tax	-	-	-

## ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (Cont.)

3. Provide in the space below explanations for Pages 276 and 277. Include amounts relating to insignificant items under Other.  
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
						918,764	1
						18,499,414	2
						600,476	3
						(129)	4
0	0		4,516,144		6,866,589	474,647,578	5
0	0		4,516,144		6,866,589	494,666,103	6
						(5,021)	7
						5,968,002	8
			0		14,395,388	260,721,149	9
0	0		0		14,395,388	266,684,130	10
997,830	931,624		3,531,722		0	52,901,172	11
997,830	931,624		8,047,866		21,261,977	814,251,405	12
							13
997,830	931,624		8,047,866		21,261,977	814,251,405	14
-	-		-		-	-	15
-	-		-		-	-	16

NOTES (Continued)

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
20	Electric Other (Detail of line 8):			
21	AFUDC Excess FERC - Electric	85,135	112,555	426,502
22	Brownfield Credit - MSBT	0	1,514,771	0
23	Electric Restructuring Implementation Project (ERIP)	28,585,446	1,876,052	2,190,526
24	FAS133-Call Options	243,994	0	0
25	FAS133-Fuel Options	(13,035)	654,965	0
26	Greenpower Reprogram Costs	108,841	18	0
27	Ludington Settlement	(603,829)	1,062,314	552,457
28	Midland Amort - FERC (U-8776)	2,818,256	0	140,913
29	N/F Dry Cask Storage/Transportation System	17,172,792	2,112,872	0
30	OPEB Regulatory Asset	40,703,996	0	5,913,568
31	PA 141 Sec 10(D)3 Capital Expend-Return of	0	9,923,900	0
32	PA 141 Sec 10(D)3 Capital Expend-Return on	0	39,527,250	0
33	PA 141 Sec 10(D)3 Costs-Palisades Security	2,002,194	2,027,833	27,309
34	PA 141 Sec 10(D)3 Costs-Recoverable SCR Equipment	0	134,615	(11,870)
35	PA 141 Sec 10(D)3 Costs-Recoverable NOX Costs	0	1,120,657	0
36	PA 141 Sec 10(D)3 Costs-Recoverable Transmission Cost	0	984,321	0
37	Potential Audit Deficiency	534,692	0	0
38	Prepaid Pension Expense	92,647,078	111,146	5,824,511
39	PSCR Underrecovery (U-10445)	64,665	0	(1,135)
40	Real & Personal Property Taxes (U-5584)	31,500,473	21,961,724	16,750,944
41	Securitized Regulatory Assets	186,166,544	6,260,450	16,735,459
42	Stranded Costs	0	22,106,344	0
43	Reg Asset-Transmission Assets	10,451,742	1,628,844	570,000
44	Sec 263A Adj Fuel Supply Inventory	376,137	0	406,089
45	SFAS 109 - Accumulated DFIT Liab - Midland Abandonment	557,545	0	0
46	Total Electric Other	413,402,665	113,120,632	49,525,274

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (CONTINUED)												
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.					
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits								
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)							
		282.110				(228,812)	20					
						1,514,771	21					
						28,270,972	22					
		219.xxx				243,994	23					
						0	24					
						190.162	641,930	25				
							108,859	26				
							(93,972)	27				
							2,677,343	28				
		190002				1,547,500		20,833,164	29			
		283101				2,968,644	190185/283174	4,586,855	30			
								9,923,900	31			
								39,527,250	32			
								4,002,718	33			
								146,485	34			
								1,120,657	35			
								984,321	36			
								534,692	37			
		190.065						86,933,713	38			
		190.071						65,800	39			
								36,711,253	40			
								175,691,535	41			
								22,106,344	42			
							282.111		192.102	1,628,844	9,881,742	43
											(29,952)	44
									192.100	8,960	548,585	45
		0				0		4,516,144		6,866,589	474,647,578	46

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (Continued)				
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)
47	Gas Other (Detail of Line 16)			
48	AFUDC Excess FERC - Gas	(39,794)	6,450.00	28,178.99
49	Brownfield Credit - MSBT	-	1,290,360.00	0.00
50	Customer Choice-Deferred Expense	206,637	0	0
51	Gas Inventory Adjustment	100,214,718	25,402,061	0
52	Hesson Gas Storage Field Inventory Adj	-	2,889,682	0
53	I&D MGP - Environmental Remediation	7,120,173	2,264,199	60,509
54	Manufactured Gas Plants Environmental Clean-up	26,872,194	0	0
55	OPEB Regulatory Asset	33,075,985	0	4,668,438
56	Potential Audit Deficiency	534,692	0	0
57	Prepaid Pension Expense	41,624,049	49,935	2,728,239
58	Real & Personal Property Taxes (U-5584)	12,020,852	7,827,512	6,385,112
59	Take or Pay Order 500	27,627,308	0	0
60	Total Gas Other	249,256,814	39,730,199	13,870,477
61				
62	Other (Detail of line 18):			
63	Bond Premium, Discount & Expense Amortized	2,904,537		
64	Dow Chemical (U-8448)	1,002,022		
65	FAS 115 - CMS Stock	3,395,851		
66	FAS 115 - Nuclear Decommissioning	36,859,151		
67	FAS 115 - SERP	1,452,790		
68	Marysville Deferred Gain - Basis	3,666,964		
69	Midland Abandonment Allocated to Bechtel (U-9096)	(519,247)		
70	Midland Demobilization (U-8448)	6,667		
71	Midland Land (U-9096)	9,425		
72	Real & Personal Property Taxes (U-5584)	117,028		
73	SERP Plan Assets-Interest Income	408,056		
74	Total Other	49,303,245	0	0

ACCUMULATED DEFERRED INCOME TAXES-OTHER (Account 283) (CONTINUED)							
CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits		Credits			
		Account Credited (g)	Amount (h)	Account Debited (i)	Amount (j)		
				282.112		(61,523)	47
						1,290,360	48
						206,637	49
						125,616,779	50
						2,889,682	51
						9,323,863	52
						13,251,699	53
		190.089		190.137	13,620,495	27,632,655	54
				190186	774,893	534,692	55
		190066				38,945,745	56
						13,463,253	57
						27,627,308	58
0	0		0		14,395,388	260,721,149	59
							60
							61
639,009.00	610,117					2,933,429	62
0	0					1,002,022	63
0	0	219.002	1,594,645			4,990,497	64
0	0	190.141-2/152	1,517,329			38,376,480	65
0	0	219.004	419,747			1,872,537	66
0	275,555					3,391,409	67
0	0					(519,247)	68
0	0					6,667	69
0	0					9,425	70
56,764	45,952					127,840	71
302,057	0					710,113	72
997,830	931,624		3,531,722		0	52,901,172	73
							74

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Name of Respondent Consumers Energy Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2004/Q4	
OTHER REGULATORY LIABILITIES (Account 254)						
1. Report below the particulars (details) called for concerning other regulatory liabilities, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 254 at end of period, or amounts less than \$50,000 which ever is less), may be grouped by classes. 3. For Regulatory Liabilities being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS		Credits (e)	Balance at End of Current Quarter/Year (f)
			Account Credited (c)	Amount (d)		
1	Clean Air Allowances EPA Auction Sales	541,844				541,844
2	SFAS 109 Regulatory Liability	354,555,734			31,135,530	385,691,264
3	Gain on Sale of METC	3,850,000				3,850,000
4	AFUDC Deficient from FERC Rate	1,138,693	421	874,755	299,881	563,819
5	FAS 143 ARO Liability	154,735,931	108/230/411	7,851,104	21,579,186	168,464,013
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40						
41	TOTAL	514,822,202		8,725,859	53,014,597	559,110,940



## GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2)

1. Give a brief description of property creating the gain or loss. Include name of party acquiring the property (when acquired by another utility or associated company) and the date transaction was completed. Identify property by type; Leased, Held for Future Use, or Nonutility.
2. Individual gains or losses relating to property with an original cost of less than \$100,000 may be grouped, with the number of such transactions disclosed in column (a).
3. Give the date of Commission approval of journal entries in column (b), when approval is required. Where approval is required but has not been received, give explanation following the item in column (a). (See Account 102, Utility Plant Purchased or Sold.)

Line No.	Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)
1	Gain on disposition of property:				
2					
3	UTILITY LAND SALES -- 83 sales under \$100,000				
4	original cost.	42,364		1,135,954	
5					
6	UTILITY LAND SALES - original cost > \$100,000				
7	Kent 556	232,235		346,765	
8	Kent 557	135,403		50,000	
9					
10	NON-UTILITY LAND SALES -- 5 sales with original				
11	cost < \$100,000	2,229		21,728	
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
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24					
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27					
28					
29					
30					
31					
32	Total gain	412,230		1,554,447	

## GAIN OR LOSS ON DISPOSITION OF PROPERTY (Account 421.1 and 421.2) (continued)

Description of Property (a)	Original Cost of Related Property (b)	Date Journal Entry Approved (When Required) (c)	Account 421.1 (d)	Account 421.2 (e)	Line No.
Loss on disposition of property:					1
UTILITY LAND SALE S - 190 sales under \$100,000 original cost.	312,974			377,175	2 3 4
UTILITY LAND SALES - original cost > \$100,000 Oakland 204 Oakland Co	184,035 183,106			184,035 183,106	5 6 7 8
NON UTILITY LAND SALES -- 13 sales under \$100,000 original cost.	51,850			49,380	9 10 11
Total loss	731,964			793,696	12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32

## PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS

1. Report in this schedule the information specified in the instructions below for the respective other income accounts. Provide a conspicuous subheading for each account and show a total for the account. Additional columns may be added for any account if deemed necessary.

2. Merchandising, Jobbing and Contract Work (Accounts 415 and 416) - Describe the general nature of merchandising, jobbing and contract activities. Show revenues by class of activity, operating expenses classified as to operation, maintenance, depreciation, rents and net income before taxes. Give the bases of any allocations of expenses between utility and merchandising, jobbing and contract work activities.

3. Nonutility Operations (Accounts 417 and 417.1) - Describe each nonutility operation and show revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income before taxes, from the operations. Give the bases of any allocations of expenses between utility and nonutility operations. The book cost of property classified as nonutility operations should be included in Account 121.

4. Nonoperating Rental Income (Account 418) - For each major item of miscellaneous property included in Account 121, Nonutility Property, which is not used in operations for which income is included in Account 417, but which is leased or rented to others, give name of lessee, brief description of property, effective date and

expiration date of lease, amount of rent revenues, operating expenses classified as to operation, maintenance, depreciation, rents, amortization, and net income, before taxes, from the rentals. If the property is leased on a basis other than that of a fixed annual rental, state the method of determining the rental. Minor items may be grouped by classes, but the number of items so grouped should be shown. Designate any lessees which are associated companies.

5. Equity in earnings of subsidiary companies (Account 418.1) - Report the utility's equity in the earnings or losses of each subsidiary company for the year.

6. Interest and Dividend Income (Account 419) - Report interest and dividend income, before taxes, identified as to the asset account or group of accounts in which are included the assets from which the interest or dividend income was derived. Income derived from investments, Account 123, 124 and 136 may be shown in total. Income from sinking and other funds should be identified with the related special funds. Show also expenses included in Account 419 as required by the Uniform System of Accounts.

7. Miscellaneous Nonoperating Income (Account 421) - Give the nature and source of each miscellaneous nonoperating income, and expense and the amount for the year. Minor items may be grouped by classes.

Line No.	Item (a)	Amount (b)
1	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK - ACCOUNT 415	
2	Gas Fuel Line Installation	485,019
3	Joint Trench Revenue	13,780,660
4	Michigan Electric Transmission Company Revenue	28,020,828
5	Gas Meters Covers	26,307
6	Water Meter Reading	317,802
7	Lab Commercial Services\Calibration and Analytical Testing	1,001,798
8	Gas T&S Operation\Maintenance of Third Party Equipment	1,028,890
9	other	142,140
10	TOTAL	44,803,444
11		
12	COSTS AND EXPENSES OF MERCHANDISING, JOBBING AND CONTRACT WORK - ACCOUNT 416	
13	Gas Fuel Line Installation	(329,625)
14	Joint Trench Expense	(11,694,636)
15	Michigan Electric Transmission Company Expense	(22,843,007)
16	Gas Meters Covers	(13,231)
17	Water Meter Reading Expense	(305,733)
18	Lab Commercial Services\Calibration Analytical Testing Expense	(952,038)
19	Gas T&S Operation\Maintenance of Third Party Equipment Expense	(553,669)
20	Other	(69,738)
21	TOTAL	(36,761,677)
22		
23	REVENUES AND EXPENSES RELATING TO NONUTILITY OPERATIONS - ACCOUNTS 417 AND 417.1	
24	Revenues	1,854,296
25	Expenses	(1,708,413)
26	Total Revenues and Expenses Relating to Nonutility Operations	145,883
27		
28	NONOPERATING RENTAL INCOME - ACCOUNT 418	
29	Revenue From Various Nonutility Property Leases & Other Rental Items -	29,051
30	Approximately 23 Parties	
31	MCV - (Assoc Co)	
32	Land Lease	450,000
33	Amortization	18,895
34	Total Non Operating Income	497,946
35		
36	EQUITY EARNINGS IN SUBSIDIARY COMPANIES - ACCOUNT 418.1	
37	ES Services Co.	(52,364)
38	CMS Engineering	(18,532)
39	CMS Midland, Inc.	(8,206,392)
40	CMS Midland Holdings	9,220,459
41	CE Finance I-IV	1,411,474
42	Campus Holdings	(9,804)
43		
44		

PARTICULARS CONCERNING CERTAIN OTHER INCOME ACCOUNTS (Continued)		
Line No.	Item (A)	Amount (b)
41	EQUITY EARNINGS IN SUBSIDIARY COMPANIES-ACCOUNT 418.1 CONTINUED	
42	CE Nuclear Services	(216,551)
43	Total Equity Earnings in Subsidiary Companies	2,128,290
44		
45	INTEREST AND DIVIDEND INCOME - ACCOUNT 419	
46	WPS Secured Borrowing -Account 141	1,061,703
47	Investments Included in Accounts 123, 124 & 136	1,585,529
48	Notes and Accounts Receivable	767,520
49	Interest Income - Associated & Subsidiary Companies-Account 146	160,370
50	SERP Interest-Account 128	1,505,992
51	Other	642,531
52	Total Interest and Dividend Income	5,723,645
53		
54		
55		
56	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION - ACCOUNT 419.1	(143,197)
57		
58	MISCELLANEOUS NONOPERATING INCOME - ACCOUNT 421	
59	Royalties and Working Interest From Oil and Gas Leases	834,120
60	Software writeoff	(1,720,947)
61	Cost of Money - Electric Restructuring	6,196,880
62	AFUDC	(810,704)
63	Bill Payment Fees	305,206
64	PA 141 : Return on Capital Exp	112,935,000
65	Return on Security Costs	1,986,050
66	Return on Stranded Costs	6,908,887
67	Other	27,569
68	Total Miscellaneous Nonoperating Income	126,662,061
69		
70		
71		
72		
73		
74	GAIN ON DISPOSITION OF PROPERTY - ACCOUNT 421.1	
75	See Page 280A for details	1,554,447
76		
77	LOSS ON DISPOSITION OF PROPERTY - ACCOUNT 421.2	
78	See Page 280A for details	(793,696)
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94		
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99		
100		
101	Total Other Income	143,817,146