

CMS ENERGY CORP  
Form 424B5  
January 11, 2010

**Table of Contents**

Filed Pursuant to  
Rule 424(b)(5)  
Registration Statement  
No. 333-153353

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

**Subject to Completion, dated January 11, 2010**  
**PRELIMINARY PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED SEPTEMBER 5, 2008**  
**\$**  
**CMS Energy Corporation**  
**% Senior Notes due 20**

We are offering \$ aggregate principal amount of our % Senior Notes due 20 , referred to as the Notes. The Notes will bear interest at the rate of % per year. Interest on the Notes is payable semi-annually in arrears on and , commencing on , 2010. The Notes will mature on , 20

We may redeem some or all of the Notes at our option at any time for cash at a redemption price equal to 100% of their principal amount, plus any applicable premium thereon at the time of redemption, plus accrued and unpaid interest to the redemption date. See Description of the Notes Optional Redemption . Under certain circumstances, holders of the Notes will have the right to require us to repurchase the Notes. See Description of the Notes Purchase of Notes Upon Change of Control . There is no sinking fund for the Notes.

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

**This investment involves risk. See Risk Factors beginning on page S-11 of this prospectus supplement, page 3 of the accompanying prospectus and the Risk Factors section beginning on page 25 of our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.**

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

	<b>Per Note</b>	<b>Total</b>
Price to the public	%	\$
Underwriting discounts and commissions	%	\$
Proceeds to CMS Energy Corporation (before expenses)	%	\$

Interest on the Notes will accrue from January , 2010 to the date of delivery.

We expect to deliver the Notes on or about January , 2010 only in book-entry form through the facilities of The Depository Trust Company.

*Joint Book-Running Managers*

**J.P. Morgan**

**BNP PARIBAS**

**RBS**

**Scotia Capital**

**Wells Fargo Securities**

*Senior Co-Managers*

**Comerica Securities**

**Goldman, Sachs & Co.**

**KeyBanc Capital  
Markets**

**Mitsubishi UFJ  
Securities**

*Co-Managers*

**Fifth Third Securities, Inc.**

**The Williams Capital Group,  
L.P.**

The date of this prospectus supplement is January , 2010.

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

TABLE OF CONTENTS

	<b>Page</b>
<b>Prospectus Supplement</b>	
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-3
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-4
<u>SUMMARY</u>	S-5
<u>RISK FACTORS</u>	S-11
<u>USE OF PROCEEDS</u>	S-13
<u>RATIOS OF EARNINGS TO FIXED CHARGES</u>	S-13
<u>CAPITALIZATION</u>	S-14
<u>DESCRIPTION OF THE NOTES</u>	S-15
<u>MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	S-28
<u>RATINGS</u>	S-31
<u>UNDERWRITING</u>	S-32
<u>LEGAL MATTERS</u>	S-34
<u>EXPERTS</u>	S-34
<b>Prospectus</b>	
PROSPECTUS SUMMARY	3
RISK FACTORS	3
WHERE YOU CAN FIND MORE INFORMATION	3
DOCUMENTS INCORPORATED BY REFERENCE	4
SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995	5
THE REGISTRANTS	5
USE OF PROCEEDS	6
RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED DIVIDENDS	6
DESCRIPTION OF SECURITIES	7
BOOK-ENTRY SYSTEM	38
LEGAL OPINIONS	40
EXPERTS	40

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the Notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which contains a description of the securities registered by us. To the extent there is a conflict between the information contained or incorporated by reference in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein, on the other hand, the information in this prospectus supplement shall control.

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

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

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the **Exchange Act** ), and, therefore, we are required to file reports, proxy statements and other information with the SEC under File No. 1-9513. Our SEC filings are available over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room at 100 F Street, NE, Room 1580, Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference room and related copy charges. You may also inspect our SEC reports and other information at the New York Stock Exchange, 20 Broad Street, New York, New York 10005. You can find additional information about us, including our Annual Report on Form 10-K for the year ended December 31, 2008, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and our Current Report on Form 8-K filed with the SEC on December 9, 2009 that includes Revised Interim Financial Statements (as defined under **Summary Recent Developments** of this prospectus supplement), on our web site at <http://www.cmsenergy.com>. The information on this web site is not a part of this prospectus supplement and the accompanying prospectus.

We are incorporating by reference information into this prospectus supplement and the accompanying prospectus. This means that we are disclosing important information by referring to another document filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, except for any information superseded by information in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus incorporate by reference the documents set forth below that we have previously filed with the SEC. These documents contain important information about us and our finances.

Annual Report on Form 10-K for the year ended December 31, 2008 filed on February 25, 2009

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 filed on April 30, 2009, June 30, 2009 filed on July 30, 2009, and September 30, 2009 filed on October 30, 2009 (the interim consolidated financial statements included in the Quarterly Reports on Form 10-Q filed on April 30, 2009, July 30, 2009 and October 30, 2009 and Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months and nine months ended September 30, 2009 included in the Quarterly Report on Form 10-Q filed on October 30, 2009 were revised pursuant to a Current Report on Form 8-K (SEC film number 091230664) filed December 9, 2009)

Current Reports on Form 8-K filed on January 27, 2009, March 6, 2009, May 13, 2009, May 27, 2009 (SEC film number 09854426), June 15, 2009, June 23, 2009, July 1, 2009, August 18, 2009, August 21, 2009, November 4, 2009 and December 9, 2009 (SEC film number 091230664)

The documents filed by us with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement, until the offering of the Notes pursuant to this prospectus supplement is terminated, are also incorporated by reference into this prospectus supplement and the accompanying prospectus. Any statement contained in such document will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement and the accompanying prospectus or any other subsequently filed document modifies or supersedes such statement.

We will provide, upon your oral or written request, a copy of any or all of the information that has been incorporated by reference in this prospectus supplement and the accompanying prospectus but not delivered with this prospectus supplement and the accompanying prospectus. You may request a copy of these filings at no cost by writing or telephoning us at the following address:

CMS Energy Corporation  
One Energy Plaza  
Jackson, Michigan 49201  
Phone: (517) 788-0550  
Attention: Office of the Secretary

**Table of Contents****SUMMARY**

*This summary may not contain all of the information that may be important to you. You should read carefully this prospectus supplement and the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus in their entirety before making an investment decision. The terms **CMS Energy**, **we**, **our** and **us** as used in this document refer to CMS Energy Corporation and its subsidiaries and predecessors as a combined entity, except where it is made clear that such term means only CMS Energy Corporation. In this document, **MW** means megawatts.*

**CMS Energy Corporation**

CMS Energy is an energy company operating primarily in Michigan and is the parent holding company of several subsidiaries, including Consumers Energy Company ( **Consumers** ) and CMS Enterprises Company ( **Enterprises** ). Consumers is a combination electric and gas utility company serving Michigan's lower peninsula. Consumers' electric utility operations include the generation, purchase, distribution and sale of electricity. As of December 31, 2008, Consumers' electric utility was authorized to provide electric utility service in 61 of the 68 counties in Michigan's lower peninsula. At December 31, 2008, Consumers' electric utility owned and operated 27 electric generating plants with an aggregate of 6,536 MW of capacity. Consumers' gas utility operations include the purchase, transportation, storage, distribution and sale of natural gas. As of December 31, 2008, Consumers' gas utility was authorized to provide gas utility service in 46 of the 68 counties in Michigan's lower peninsula. At December 31, 2008, Consumers' gas utility owned and operated 26,451 miles of distribution mains and 1,656 miles of transmission lines throughout Michigan's lower peninsula. Consumers' customer base includes a mix of residential, commercial and diversified industrial customers. Enterprises, through its equity investments and subsidiaries, is primarily engaged in independent power production. CMS Energy's principal executive offices are located at One Energy Plaza, Jackson, Michigan 49201, and CMS Energy's telephone number is (517) 788-0550.

**Recent Developments*****Third Quarter 2009 Consolidated Results of Operations***

We reported operating revenue, operating income and net income available to common stockholders of \$1.265 billion, \$228 million and \$67 million (\$0.28 per share on a diluted basis), respectively, for the three months ended September 30, 2009, compared to \$1.428 billion, \$212 million and \$78 million (\$0.33 per share on a diluted basis), respectively, for the three months ended September 30, 2008. The difference between our results for the three months ended September 30, 2009 and 2008 was caused by increased combined net income from Consumers' electric utility and gas utility segments resulting from the impact of a December 2008 gas rate order, a November 2009 electric rate order that Consumers self-implemented in May 2009 and a favorable sales mix, offset partially by lower electric deliveries, increased operating expenses, increased interest expense and premiums paid on retirement of debt.

We reported operating revenue, operating income and net income available to common stockholders of \$4.597 billion, \$579 million and \$212 million (\$0.90 per share on a diluted basis), respectively, for the nine months ended September 30, 2009, compared to \$4.977 billion, \$620 million and \$224 million (\$0.94 per share on a diluted basis), respectively, for the nine months ended September 30, 2008. The difference between our results for the nine months ended September 30, 2009 and 2008 was caused by decreased combined net income from Consumers' electric utility and gas utility segments resulting from decreased deliveries, the absence of gains from the sale of sulfur dioxide allowances recognized in 2008, increased operating expenses and interest expense, increased projected Bay Harbor remediation costs and higher corporate expenses, offset partially by increased earnings from a June 2008 electric rate order, a December 2008 gas rate order, a November 2009 electric rate order that Consumers self-implemented in May 2009, a favorable sales mix and the expiration of an indemnity obligation related primarily to discontinued operations.

Net cash provided by operating activities totaled \$638 million for the nine months ended September 30, 2009, compared to \$181 million for the nine months ended September 30, 2008.

***CMS Energy's Revised 2009 Interim Consolidated Financial Statements***

On December 9, 2009, CMS Energy filed a Current Report on Form 8-K (SEC film number 091230664) (the **December 9, 2009 Current Report on Form 8-K** ) to revise its interim consolidated financial statements that were filed with the SEC on April 30, 2009, July 30, 2009 and October 30, 2009. CMS Energy's revised interim consolidated

financial statements ( **Revised Interim Financial Statements** ) reflect the impacts on prior interim periods of an opinion and order issued on November 2, 2009 (the **Rate Order** ) by the Michigan Public Service Commission. In accordance with the accounting rules that apply to certain adjustments of utility revenue under ratemaking processes, CMS Energy has recorded the impacts of the Rate Order that are specifically identifiable with prior interim periods of 2009 as adjustments to those periods. Accordingly, the exhibits attached to the December 9, 2009

S-5

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**Table of Contents**

Current Report on Form 8-K contain revised interim consolidated financial statements that reflect a decrease of \$6 million to net income for the three months ended September 30, 2009, an increase of \$1 million to net income for the three months ended June 30, 2009, and an increase of \$1 million to net income for the three months ended March 31, 2009. CMS Energy has also revised Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months and nine months ended September 30, 2009. All other information in CMS Energy's 2009 quarterly reports on Form 10-Q remains unchanged.

S-6

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**Table of Contents****The Offering**

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

Issuer	CMS Energy Corporation.
Securities Offered	\$ aggregate principal amount of % Senior Notes due 20 (the <b>Notes</b> ) to be issued under the indenture dated as of September 15, 1992 between us and The Bank of New York Mellon (ultimate successor to NBD Bank, National Association), as trustee (the <b>trustee</b> ), as amended and supplemented from time to time, including as supplemented by a supplemental indenture thereto establishing the terms of the Notes to be dated as of January , 2010 (collectively, the <b>indenture</b> ). The indenture is referred to in the accompanying prospectus as the senior debt indenture.
Issue Price	Each Note will be issued at a price of % of its principal amount plus accrued interest, if any, from January , 2010.
Maturity	The Notes will mature on , 20 , unless earlier redeemed or repurchased.
Interest Rate	The Notes will bear interest at % per annum.
Interest Payment Dates	Interest on the Notes is payable semi-annually in arrears on and of each year, beginning , 2010.
Record Date for Interest Payments	We will pay interest to holders of record at 5:00 p.m., New York City time, on the and next preceding the relevant interest payment date.
Use of Proceeds	We estimate that the proceeds from the sale of the Notes, after deducting underwriting discounts and commissions but before deducting estimated offering expenses, will be \$ . We intend to use the proceeds of the offering of the Notes for general corporate purposes, which may include the retirement of existing indebtedness.
Ratings	The Notes are expected to be rated BB+ by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ( <b>S&amp;P</b> ), Ba1 by Moody's Investors Service, Inc. ( <b>Moody's</b> ) and BB+ by Fitch, Inc. ( <b>Fitch</b> ). Note that a securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. See Ratings .
Ranking	The Notes will be senior unsecured obligations of CMS Energy Corporation and will rank equal in right of payment with all of CMS Energy Corporation's existing and future senior unsecured

indebtedness. The Notes will be effectively subordinated to CMS Energy Corporation's existing and future secured indebtedness to the extent of the value of the related collateral securing that indebtedness and structurally subordinated to the indebtedness and other liabilities of our subsidiaries. As of September 30, 2009, CMS Energy Corporation had outstanding approximately \$1.856 billion of senior unsecured indebtedness and \$65 million of secured indebtedness, and CMS Energy Corporation's subsidiaries had outstanding approximately \$9.660 billion of indebtedness and other liabilities.

S-7

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**Table of Contents**

Optional Redemption by CMS Energy	At any time, we may redeem all or a part of the Notes for cash at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus any applicable premium thereon at the time of redemption, plus accrued and unpaid interest to, but not including, the redemption date. See Description of the Notes Optional Redemption .
Change of Control	If a change of control repurchase event (as defined under Description of the Notes Purchase of Notes Upon Change of Control ) occurs, holders will have the right, at their option, to require us to purchase any or all of their Notes for cash. The cash price we are required to pay is equal to 101% of the principal amount of the Notes to be purchased plus accrued and unpaid interest, if any, to the purchase date (as defined under Description of the Notes Purchase of Notes Upon Change of Control ). See Description of the Notes Purchase of Notes Upon Change of Control .
Certain Covenants	Although neither we nor any of our subsidiaries will be subject to any financial covenants under the indenture, the indenture will contain covenants that will, among other things, prohibit us from being able to incur additional liens or enter into certain mergers or consolidations.
Form of Notes	One or more global securities held in the name of The Depository Trust Company ( DTC ) in a minimum denomination of \$2,000 and any integral multiple of \$1,000.
Trustee and Paying Agent	The Bank of New York Mellon.
Trading	The Notes will not be listed on any securities exchange or included in any automated quotation system. No assurance can be given as to the liquidity of or trading market for the Notes.
Risk Factors	You should carefully consider each of the factors referred to or as described in the section of this prospectus supplement entitled Risk Factors starting on page S-11 and the Risk Factors section in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 before purchasing the Notes.

**Table of Contents****Selected Historical Consolidated Financial Data**

The following selected historical consolidated financial data for the fiscal years ended December 31, 2008 and 2007 have been derived from our audited consolidated financial statements, which have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm. The following selected historical consolidated financial data for the fiscal years ended December 31, 2004 through December 31, 2006 have been derived from our audited consolidated financial statements, which have been audited by Ernst & Young LLP, independent registered public accounting firm, except for the amounts included from the consolidated financial statements of the Midland Cogeneration Venture Limited Partnership (the **MCV Partnership**). The MCV Partnership, a 49% owned variable interest entity that we sold in November 2006, was consolidated in our financial statements beginning in 2004 through the date of sale and was audited by PricewaterhouseCoopers LLP for all periods through the date of sale. The following selected historical consolidated financial data for the nine months ended September 30, 2009 and 2008 have been derived from our unaudited consolidated financial statements. The financial information set forth below is qualified by and should be read in conjunction with our consolidated financial statements, related notes and other financial information also incorporated by reference in this prospectus supplement. Operating results for the nine months ended September 30, 2009 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2009. See [Where You Can Find More Information](#) and [Summary Recent Developments CMS Energy's Revised 2009 Interim Consolidated Financial Statements](#). For selected balance sheet information, see [Capitalization](#).

	<b>Nine Months Ended</b>		<b>Year Ended December 31,</b>				
	<b>September 30,</b>		<b>2008</b>	<b>2007</b>	<b>2006(a)</b>	<b>2005(a)</b>	<b>2004(a)</b>
	<b>(Unaudited)</b>		<b>(Dollars in millions except per share amounts)</b>				
	<b>2009</b>	<b>2008</b>					
<b>Income Statement Data:</b>							
Operating revenue	\$ 4,597	\$ 4,977	\$ 6,821	\$ 6,464	\$ 6,126	\$ 5,879	\$ 5,154
Income (loss) from equity method investees	(2)	3	5	40	89	125	115
Operating expenses	4,016	4,360	6,026	6,503	6,269	6,349	4,696
Operating income (loss)	579	620	800	1	(54)	(345)	573
Income (loss) from continuing operations	200	238	302	(120)	(243)	(589)	124
Income (loss) from discontinued operations	29			(89)	54	57	11
Cumulative effect of change in accounting principle							(2)
Net income (loss) attributable to CMS Energy	220	232	295	(222)	(85)	(89)	123
Net income (loss) available to common	212	224	284	(234)	(96)	(96)	110

stockholders

Earnings (loss) per  
average common  
share:Income (loss) from  
continuing

operations: Basic 0.80 0.99 1.26 (0.65) (0.68) (0.73) 0.60

Income (loss) from  
continuing

operations: Diluted 0.77 0.94 1.20 (0.65) (0.68) (0.73) 0.59

Net income

(loss) attributable  
to common stock:

Basic 0.93 0.99 1.26 (1.04) (0.43) (0.47) 0.65

Net income

(loss) attributable  
to common stock:

Diluted 0.90 0.94 1.20 (1.04) (0.43) (0.47) 0.64

Dividends declared  
per common share

0.375 0.27 0.36 0.20

**Balance Sheet****Data (At Period****End Date):**

Cash and cash

equivalents \$ 183 \$ 162 \$ 213 \$ 348 \$ 249 \$ 847 \$ 669

Restricted cash and

cash equivalents 30 31 35 34 71 198 56

Net plant and

property (at cost) 9,566 8,995 9,190 8,728 7,708 7,603 8,509

Total assets 14,888 14,068 14,901 14,180 15,324 15,974 15,831

Long-term debt,  
excluding current

portion 5,889 5,695 5,837 5,355 6,160 6,728 6,353

Long-term

debt related parties,  
excluding current

portion 34 178 178 178 178 178 504

Non-current

portion of capital  
and finance lease

obligations 193 212 206 225 42 308 315

Notes payable

50 50 1 2

Other liabilities 5,756 5,194 5,865 5,926 6,326 5,793 5,537

Noncontrolling

interests 53 53 52 53 52 309 706

Preferred stock

239 249 243 250 261 261 261

Preferred stock of

subsidiary 44 44 44 44 44 44 44

Common

stockholders equity 2,630 2,443 2,476 2,148 2,259 2,353 2,108

**Cash Flow or  
Other Data:**

Cash Flow: (b)

Net cash provided

by operating

activities

\$ 638	\$ 181	\$ 557	\$ 23	\$ 688	\$ 599	\$ 353
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Net cash provided

by (used in)

investing activities

(679)	(538)	(839)	662	(751)	(494)	(347)
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Net cash provided

by (used in)

financing activities

11	171	147	(690)	(434)	74	(43)
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Ratio of earnings to

fixed charges (c)

2.02(d)	2.12	2.03(d)	(d)(e)	(d)(f)	(d)(g)	1.02(d)(h)
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S-9

**Table of Contents**

- (a) Under Accounting Standard Codification 810 Consolidation, until their sale in November 2006, we were the primary beneficiary of the MCV Partnership and the First Midland Limited Partnership. As a result, we have consolidated the assets, liabilities and activities of these entities into our consolidated financial statements through the date of sale and for the years ended December 31, 2005 and 2004.
  
- (b) Our cash flow statements include amounts related to discontinued operations through the date of disposal.
  
- (c) For the purpose of computing the ratio, earnings represents the sum of income



(loss) from continuing operations before income taxes and income from equity method investees, net interest charges and the estimated interest portion of lease rentals and distributed income of equity method investees.

- (d) See Exhibit 12(a).1 to CMS Energy's December 9, 2009 Current Report on Form 8-K, which supersedes Exhibit 12(a) to CMS Energy's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, and which revises the prior exhibit, for the items constituting earnings and fixed charges, including the estimated interest portion of lease rental in respect of fixed charges.
- (e) For the year ended December 31, 2007, fixed

charges exceeded earnings by \$339 million. Earnings as defined include \$204 million of asset impairment charges and a \$279 million charge for an electric sales contract termination.

(f) For the year ended December 31, 2006, fixed charges exceeded earnings by \$448 million. Earnings as defined include \$459 million of asset impairment charges.

(g) For the year ended December 31, 2005, fixed charges exceeded earnings by \$789 million. Earnings as defined include \$1.184 billion of asset impairment charges.

(h) For 2004, fixed charges, adjusted as defined, include \$25 million of

interest cost that was capitalized prior to 2004 and subsequently expensed in 2004. Earnings as defined include \$160 million of asset impairments.

S-10

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**Table of Contents****RISK FACTORS**

*An investment in the Notes involves a significant degree of risk. You should consider carefully the following risk factors, together with all of the other information included or incorporated by reference in this prospectus supplement. In particular, you should carefully consider the factors listed in Management's Discussion and Analysis Forward-Looking Statements and Information as well as the Risk Factors contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, our Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, and our December 9, 2009 Current Report on Form 8-K, each of which is incorporated by reference into this prospectus supplement, before you decide to purchase the Notes. This prospectus supplement, the accompanying prospectus and the documents that we incorporate or that are deemed to be incorporated in this prospectus supplement or the accompanying prospectus, and other written and oral statements that we make, contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995 and relevant legal decisions. Our intention with the use of words such as may, could, anticipates, believes, estimates, expects, intends, plans and other similar words is to identify forward-looking statements that involve risk and uncertainty. We have no obligation to update or revise any forward-looking statements regardless of whether new information, future events or any other factors affect the information contained in the statements. The risks and uncertainties described below and those incorporated from the referenced Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and December 9, 2009 Current Report on Form 8-K are not the only ones we may confront. Additional risks and uncertainties not currently known to us or that we currently deem not material also may impair our business operations. If any of those risks actually occur, our financial condition, operating results and prospects could be materially adversely affected. This section contains forward-looking statements.*

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

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

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

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

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

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

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

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

sustainability of any market, the ability of holders of the Notes to sell their Notes or the price at which holders of the Notes will be able to sell their Notes. Future trading prices of the Notes will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, the ratings of the Notes from time to time, our financial performance and other factors.

S-11

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**Table of Contents**

***If the ratings of the Notes are lowered or withdrawn, the market value of the Notes could decrease.***

A rating is not a recommendation to purchase, hold or sell the Notes, inasmuch as the rating does not comment as to market price or suitability for a particular investor. The ratings of the Notes address the likelihood of the timely payment of interest and the ultimate repayment of principal of the Notes pursuant to their respective terms. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if in its judgment circumstances in the future so warrant. In the event that any of the ratings initially assigned to the Notes is subsequently lowered or withdrawn for any reason, the market price of the Notes may be adversely affected.

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

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

Furthermore, the indenture for the Notes does not:

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

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

**Table of Contents****USE OF PROCEEDS**

We estimate that the proceeds from the sale of the Notes, after deducting underwriting discounts and commissions but before deducting estimated offering expenses, will be \$ . We intend to use the proceeds of the offering of the Notes for general corporate purposes, which may include the retirement of existing indebtedness.

**RATIOS OF EARNINGS TO FIXED CHARGES**

The ratios of earnings to fixed charges for the nine months ended September 30, 2009 and each of the years ended December 31, 2004 through 2008 are as follows:

	<b>Nine Months Ended September 30, 2009</b>	<b>2008</b>	<b>Year Ended December 31,</b>				<b>2004</b>
			<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>(e)</b>	
Ratio of earnings to fixed charges: (a)	2.02	2.03	(b)	(c)	(d)		1.02

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

(b) For the year ended December 31, 2007, fixed charges exceeded earnings by \$339 million. Earnings as

defined include  
\$204 million of  
asset  
impairment  
charges and a  
\$279 million  
charge for an  
electric sales  
contract  
termination.

(c) For the year  
ended  
December 31,  
2006, fixed  
charges  
exceeded  
earnings by  
\$448 million.  
Earnings as  
defined include  
\$459 million of  
asset  
impairment  
charges.

(d) For the year  
ended  
December 31,  
2005, fixed  
charges  
exceeded  
earnings by  
\$789 million.  
Earnings as  
defined include  
\$1.184 billion of  
asset  
impairment  
charges.

(e) For 2004, fixed  
charges,  
adjusted as  
defined, include  
\$25 million of  
interest cost that  
was capitalized  
prior to 2004  
and  
subsequently



expensed in  
2004. Earnings  
as defined  
include \$160  
million of asset  
impairments.

See Exhibit 12(a).1 to CMS Energy's December 9, 2009 Current Report on Form 8-K, which supersedes Exhibit 12(a) to CMS Energy's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, and which revises the prior exhibit, for the items constituting earnings and fixed charges, including the estimated interest portion of lease rental in respect of fixed charges.

S-13

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**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization at September 30, 2009 on an actual basis and on an as adjusted basis to reflect the sale of \$ of Notes in this offering and the application of the proceeds as described under Use of Proceeds . This table should be read in conjunction with Summary Selected Historical Consolidated Financial Data contained in this prospectus supplement and our consolidated financial statements and related notes and other financial information incorporated by reference in this prospectus supplement. See Where You Can Find More Information .

	<b>At September 30, 2009</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(Unaudited, dollars in millions)</b>	
Cash and cash equivalents	\$ 183	\$
Current portion of long-term debt, capital and finance lease obligations	\$ 662	\$ 662
Non-current portion of capital and finance lease obligations	193	193
Long-term debt:		
% Senior Notes due 20		
Long-term debt related parties	34	34
Other long-term debt (excluding current maturities)	5,889	5,889
Non-controlling interests	53	53
Preferred stock of subsidiary	44	44
Preferred stock	239	239
Common stockholders equity	2,630	2,630
Total capitalization	\$ 9,082	\$

S-14

**Table of Contents****DESCRIPTION OF THE NOTES**

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

**General**

The Notes will be issued as a series of senior debt securities under the indenture that is referred to in the accompanying prospectus as the senior debt indenture, as supplemented by a supplemental indenture thereto establishing the terms of the Notes to be dated as of January 1, 2010 (the **supplemental indenture**). The Notes will be initially limited in aggregate principal amount to \$ 1.856 billion. The indenture permits us to re-open this offering of the Notes without the consent of the holders of the Notes. Accordingly, the principal amount of the Notes may be increased in the future on the same terms and conditions and with the same CUSIP number as the Notes being offered by this prospectus supplement, provided that such additional notes must be part of the same issue as the Notes offered hereby for United States federal income tax purposes. The Notes offered by this prospectus supplement and any such additional notes will constitute a single series of debt securities. This means that, in circumstances where the indenture provides for the holders of notes to vote or take any action, the holders of the Notes offered by this prospectus supplement and the holders of any such additional notes will vote or take that action as a single class. The Notes will be unsecured and unsubordinated senior debt securities of CMS Energy.

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

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

**Ranking**

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

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

As of September 30, 2009, CMS Energy had outstanding approximately \$1.856 billion of senior unsecured indebtedness and \$65 million of secured indebtedness, and CMS Energy's subsidiaries had outstanding approximately \$9.660 billion of indebtedness and other liabilities.

**Primary Source of Funds of CMS Energy; Restrictions on Sources of Dividends**

The ability of CMS Energy to pay (i) dividends on its capital stock and (ii) its indebtedness, including the Notes, depends and will depend substantially upon timely receipt of sufficient dividends or other distributions from its subsidiaries, in particular Consumers



**Table of Contents**

and, to a lesser extent, Enterprises. Each of Consumers' and Enterprises' ability to pay dividends on its common stock depends upon its revenues, earnings and other factors. Consumers' revenues and earnings will depend substantially upon rates authorized by the Michigan Public Service Commission.

Consumers' Restated Articles of Incorporation ( **Consumers' Articles** ) provide two restrictions on its payment of dividends on its common stock. First, prior to the payment of any common stock dividend, Consumers must reserve retained earnings after giving effect to such dividend payment of at least (i) \$7.50 per share on all then outstanding shares of its preferred stock, (ii) in respect to its Class A Preferred Stock, 7.5% of the aggregate amount established by its board of directors to be payable on the shares of each series thereof in the event of involuntary liquidation of Consumers and (iii) \$7.50 per share on all then outstanding shares of all other stock over which its preferred stock and Class A Preferred Stock do not have preference as to the payment of dividends and as to assets. Second, dividend payments during the 12-month period ending with the month the proposed payment is to be paid are limited to: (A) 50% of net income available for the payment of dividends during the base period (as defined below), if the ratio of common stock and surplus to total capitalization and surplus for 12 consecutive calendar months within the 14 calendar months immediately preceding the proposed dividend payment (the **base period** ), adjusted to reflect the proposed dividend, is less than 20%; and (B) 75% of net income available for the payment of dividends during the base period if the ratio of common stock and surplus to total capitalization and surplus for the base period, adjusted to reflect the proposed dividend, is at least 20% but less than 25%.

Consumers is subject to the Federal Power Act and the Natural Gas Act. These acts limit Consumers' ability to pay dividends from its retained earnings. As of September 30, 2009, Consumers' unrestricted retained earnings were \$366 million.

Consumers' Articles also prohibit the payment of cash dividends on its common stock if Consumers is in arrears on preferred stock dividend payments.

In addition, Michigan law prohibits payment of a dividend if, after giving it effect, Consumers or Enterprises would not be able to pay its debts as they become due in the usual course of business, or its total assets would be less than the sum of its total liabilities plus, unless Consumers' Articles or Enterprises' articles of incorporation permit otherwise, the amount that would be needed, if Consumers or Enterprises were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. Currently, it is Consumers' policy to pay annual dividends equal to 80% of its annual consolidated net income. Consumers' board of directors reserves the right to change this policy at any time.

**Payment and Maturity**

The Notes will mature on \_\_\_\_\_, 20\_\_\_\_, and will bear interest at the rate of \_\_\_\_\_% per year. At maturity, CMS Energy will pay the aggregate principal amount of the Notes then outstanding. Each Note will bear interest from the original date of issue, payable semiannually in arrears on \_\_\_\_\_ and \_\_\_\_\_, commencing on \_\_\_\_\_, 2010, and at maturity. We will pay interest to holders of record at 5:00 p.m., New York City time, on the \_\_\_\_\_ and \_\_\_\_\_ next preceding the relevant interest payment date. Interest will be paid to the person in whose name the Notes are registered at the close of business fifteen days prior to the interest payment date. Interest payable on any interest payment date or on the date of maturity will be the amount of interest accrued from and including the date of original issuance or from and including the most recent interest payment date on which interest has been paid or duly made a