

CHARLES RIVER ASSOCIATES INC

Form SC 13G/A

February 18, 2004

SCHEDULE 13G

Amendment No. 5

Name of Issuer: Charles River Associates Inc.

Title of Class of Securities: Common Stock

CUSIP Number: 159852102

Item 1: Reporting Person: Wasatch Advisors, Inc. 87-0319391

Item 2: Check Box If Member of Group: Not Applicable

Item 3: SEC Use

Item 4: Place of Organization: Utah

Items 5-8: Number of Shares Owned With:

Item 5: Sole Voting Power: 1,273,953

Item 6: Shared Voting Power: 0

Item 7: Sole Dispositive Power: 1,273,953

Item 8: Shared Dispositive Power: 0

Item 9: Aggregate Amount Owned: 1,273,953

Item 10: Check Box If Aggregate Amount Excludes Certain Shares: N/A

Item 11: Percent of Class Owned: 12.5%

Item 12: Type of Reporting Person: IA

Item 1(a): Name of Issuer: Charles River Associates Inc.

Item 1(b): Address of Issuer:

John Hancock Tower, 200 Clarendon Street T-33, Boston, MA 02116-5092

Item 2(a): Name of Person Filing: Wasatch Advisors, Inc.

Item 2(b): Address: 150 Social Hall Avenue, Salt Lake City, UT 84111

Item 2(c): Citizenship: Not Applicable

Item 2(d): Title of Class of Securities: Common Stock

Item 2(e): CUSIP Number: 159852102

Item 3(e): Investment Adviser registered under section 203 of the Investment Advisers Act of 1940

Item 4(a): Amount Owned: 1,273,953

Item 4(b): Percent of Class Owned: 12.5%

Item 4(c)(i): Sole Voting Power: 1,273,953

Item 4(c)(ii): Shared Voting Power: 0

Item 4(c)(iii): Sole Dispositive Power: 1,273,953

Item 4(c)(iv): Shared Dispositive Power: 0

Item 5: Check Box If Ownership Is 5% or Less of Class: []

Item 6: Ownership of More Than 5% on Behalf of Another Person: N/A

Item 7: Identification of Subsidiary: Not Applicable

Item 8: Identification of Members of Group: Not Applicable

Item 9: Notice of Dissolution of Group: Not Applicable

Item 10: Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct as of December 31, 2003.

Date: 02/17/04

Signature: /s/Jeff S. Cardon

Name/Title: Jeff S. Cardon/President

CMS Energy, including Consumers

Employee benefits

\$

(99

)

\$

3

Gas inventory

(130

)

(147

)

Plant, property, and equipment

(1,856

)

(1,783

)

Net regulatory tax liability

	86
	131
Reserves and accruals	
	57
	71
Securitized costs	
	(190
)	
	(73
)	
Tax loss and credit carryforwards	
	629
	733
Other	
	15
	(15
	3

)	
\$	
	(1,488
)	
\$	
	(1,080
)	
Less valuation allowance	
	(2
)	
	(3
)	
Total net deferred income tax liabilities	
\$	
	(1,490
)	
\$	
	(1,083
)	
Deferred tax assets, net of valuation reserves	
\$	
	785

\$ 935

Deferred tax liabilities (2,275

) (2,018

)
Total net deferred income tax liabilities

\$ (1,490

)
\$ (1,083

)
Consumers

Employee benefits
\$ (119

)
5

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\$	
)	(36)
Gas inventory	
)	(130)
)	(147)
Plant, property, and equipment	
)	(1,911)
)	(1,848)
Net regulatory tax liability	
)	86
)	131
Reserves and accruals	
)	31
)	41
Securitized costs	

	(190
)	
	(73
)	
Tax loss and credit carryforwards	
	48
	61
Other	
	16
	(13
)	
\$	
	(2,169
)	
\$	
	(1,884
)	
Less valuation allowance	
	(1
	7

)		(1
)		
Total net deferred income tax liabilities		
\$		(2,170
)		
\$		(1,885
)		
Deferred tax assets, net of valuation reserves		
\$		180
\$		232
Deferred tax liabilities		
		(2,350
)		
		(2,117
)		
Total net deferred income tax liabilities		
\$		

(2,170

)

\$

(1,885

)

Deferred tax assets and liabilities are recognized for the estimated future tax effect of temporary differences between the tax basis of assets or liabilities and the reported amounts on CMS Energy's and Consumers' consolidated financial statements. Deferred tax assets and liabilities are classified as current or non-current according to the classification of the related assets or liabilities. Deferred tax assets and liabilities not related to assets or liabilities are classified according to the expected reversal date of the temporary differences.

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Presented in the following table are the tax loss and credit carryforwards at December 31, 2013:

	Gross Amount	Tax Attribute	<i>In Millions</i> Expiration	
CMS Energy, including Consumers				
Federal net operating loss carryforward	\$ 900	\$ 315	2026	2031
Local net operating loss carryforwards	420	4	2023	2031
State capital loss carryforward	18	1		2014
Alternative minimum tax credits	270	270	No expiration	
Charitable contribution carryover	5	2		2016
General business credits	37	37	2018	2033
Total tax attributes		\$ 629		
Consumers				
Federal net operating loss carryforward	\$ 129	\$ 45	2026	2031
State capital loss carryforward	10	1		2014
Charitable contribution carryover	5	2		2016
Total tax attributes		\$ 48		

CMS Energy has provided a valuation allowance of \$1 million for the local tax loss carryforward, and a valuation allowance of \$1 million for the state capital loss carryforward. Consumers has provided a valuation allowance of \$1 million for the state capital loss carryforward. CMS Energy and Consumers expect to utilize fully tax loss and credit carryforwards for which no valuation has been provided. It is reasonably possible that further adjustments will be made to the valuation allowances within one year.

Presented in the following table is a reconciliation of the beginning and ending amount of uncertain tax benefits:

Years Ended December 31	<i>In Millions</i>		
	2013	2012	2011
CMS Energy, including Consumers			
Balance at beginning of period	\$ 1	\$ 4	\$ 4
Reductions for prior-year tax positions	-	(4)	(1)
Additions for prior-year tax positions	3	1	1
Balance at end of period	\$ 4	\$ 1	\$ 4
Consumers			
Balance at beginning of period	\$ 1	\$ 4	\$ 3
Reductions for prior-year tax positions	-	(4)	-
Additions for prior-year tax positions	3	1	1
Balance at end of period	\$ 4	\$ 1	\$ 4

CMS Energy, including Consumers, had uncertain tax benefits of \$4 million at December 31, 2013, \$1 million at December 31, 2012 and \$4 million at December 31, 2011 that, if recognized, would affect the annual effective tax rate in future years. Consumers had uncertain tax benefits of \$4 million at December 31, 2013, \$1 million at December 31, 2012, and \$4 million at December 31, 2011 that, if recognized, would affect the annual effective tax rate in future years.

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CMS Energy and Consumers recognize accrued interest and penalties, where applicable, as part of income tax expense. CMS Energy, including Consumers, recognized no interest for the years ended December 31, 2013, 2012, or 2011.

In May 2012, the IRS completed its audit of CMS Energy and its subsidiaries for 2008 and 2009, as well as its audit of research and development tax credit claims for 2001 through 2009. The audits resulted in a

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\$45 million increase in the net operating loss carryforward. The impact to net income as a result of the completion of the audits was a decrease of \$1 million.

CMS Energy's federal income tax returns for 2010 and subsequent years remain subject to examination by the IRS. CMS Energy's MCIT and MBT returns for 2008 and subsequent years remain subject to examination by the State of Michigan.

The amount of income taxes paid is subject to ongoing audits by federal, state, local, and foreign tax authorities, which can result in proposed assessments. CMS Energy's and Consumers' estimate of the potential outcome for any uncertain tax issue is highly judgmental. CMS Energy and Consumers believe that their accrued tax liabilities at December 31, 2013 were adequate for all years.

14: EARNINGS PER SHARE - CMS ENERGY

Presented in the following table are CMS Energy's basic and diluted EPS computations based on income from continuing operations:

Years Ended December 31	2013	<i>In Millions, Except Per Share Amounts</i>		
		2012	2011	
<i>Income available to common stockholders</i>				
Income from continuing operations	\$ 454	\$ 377	\$ 415	
Less income attributable to noncontrolling interests	2	2	2	
Income from continuing operations available to common stockholders - basic and diluted	\$ 452	\$ 375	\$ 413	
<i>Average common shares outstanding</i>				
Weighted-average shares - basic	264.5	260.7	250.8	
Add dilutive contingently convertible securities	6.4	6.8	12.2	
Add dilutive non-vested stock awards and options	1.0	1.1	0.4	
Weighted-average shares - diluted	271.9	268.6	263.4	
<i>Income from continuing operations per average common share available to common stockholders</i>				
Basic	\$ 1.71	\$ 1.43	\$ 1.65	
Diluted	1.66	1.39	1.57	

CONTINGENTLY CONVERTIBLE SECURITIES

When CMS Energy has earnings from continuing operations, its contingently convertible securities dilute EPS to the extent that the conversion value of a security, which is based on the average market price of CMS Energy common stock, exceeds the principal value of that security.

NON-VESTED STOCK AWARDS

CMS Energy's non-vested stock awards are composed of participating and non-participating securities. The participating securities accrue cash dividends when common stockholders receive dividends. Since the recipient is not required to return the dividends to CMS Energy if the recipient forfeits the award, the non-vested stock awards are considered participating securities. As such, the participating non-vested stock awards were included in the computation of basic EPS. The non-participating securities accrue stock dividends that vest concurrently with the stock award. If the recipient forfeits the award, the stock dividends accrued on the non-participating securities are also forfeited. Accordingly, the non-participating awards and stock dividends were included in the computation of diluted EPS, but not basic EPS.

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Presented in the following tables are the components of other income and other expense at CMS Energy and Consumers:

Years Ended December 31	2013	2012	<i>In Millions</i> 2011
<i>Other income</i>			
CMS Energy, including Consumers			
Regulatory return on capital expenditures	\$ -	\$ 1	\$ -
Return on stranded costs	-	1	3
Fee income	7	7	8
All other	3	2	5
Total other income	\$ 10	\$ 11	\$ 16
Consumers			
Regulatory return on capital expenditures	\$ -	\$ 1	\$ -
Gain on CMS Energy common stock	4	5	4
Return on stranded costs	-	1	3
Fee income	7	7	8
All other	3	2	4
Total other income	\$ 14	\$ 16	\$ 19

Years Ended December 31	2013	2012	<i>In Millions</i> 2011
<i>Other expense</i>			
CMS Energy, including Consumers			
Loss on reacquired and extinguished debt	\$ (4)	\$ -	\$ (1)
Donations	(4)	(11)	(11)
Civic and political expenditures	(5)	(17)	(3)
All other	(7)	(5)	(7)
Total other expense	\$ (20)	\$ (33)	\$ (22)
Consumers			
Donations	\$ (4)	\$ (11)	\$ (11)
Civic and political expenditures	(5)	(17)	(3)
All other	(7)	(5)	(6)
Total other expense	\$ (16)	\$ (33)	\$ (20)

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16: REPORTABLE SEGMENTS

Reportable segments consist of business units defined by the products and services they offer. CMS Energy and Consumers evaluate the performance of each segment based on its contribution to net income available to CMS Energy's common stockholders. The reportable segments for CMS Energy and Consumers are:

CMS Energy:

- electric utility, consisting of regulated activities associated with the generation and distribution of electricity in Michigan;
- gas utility, consisting of regulated activities associated with the transportation, storage, and distribution of natural gas in Michigan;
- enterprises, consisting of various subsidiaries engaging primarily in domestic independent power production; and
- other, including EnerBank, corporate interest and other expenses, and discontinued operations.

Consumers:

- electric utility, consisting of regulated activities associated with the generation and distribution of electricity in Michigan;
- gas utility, consisting of regulated activities associated with the transportation, storage, and distribution of natural gas in Michigan; and
- other, including a consolidated special-purpose entity for the sale of accounts receivable.

Accounting policies for CMS Energy's and Consumers' segments are as described in Note 1, Significant Accounting Policies. The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the individual segments when appropriate. Accounts are allocated among the segments when common accounts are attributable to more than one segment. The allocations are based on certain measures of business activities, such as revenue, labor dollars, customers, other operation and maintenance expense, construction expense, leased property, taxes, or functional surveys. For example, customer receivables are allocated based on revenue, and pension provisions are allocated based on labor dollars.

Inter-segment sales and transfers are accounted for at current market prices and are eliminated in consolidated net income available to common stockholders by segment.

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Presented in the following tables is financial information by reportable segment:

Years Ended December 31	2013	2012	<i>In Millions</i> 2011
CMS Energy, including Consumers			
<i>Operating revenue</i>			
Electric utility	\$ 4,173	\$ 4,031	\$ 3,913
Gas utility	2,148	1,982	2,340
Enterprises	181	183	204
Other	64	57	46
Total operating revenue CMS Energy	\$ 6,566	\$ 6,253	\$ 6,503
Consumers			
<i>Operating revenue</i>			
Electric utility	\$ 4,173	\$ 4,031	\$ 3,913
Gas utility	2,148	1,982	2,340
Total operating revenue Consumers	\$ 6,321	\$ 6,013	\$ 6,253
CMS Energy, including Consumers			
<i>Depreciation and amortization</i>			
Electric utility	\$ 484	\$ 459	\$ 412
Gas utility	138	133	130
Enterprises	3	4	3
Other	3	2	1
Total depreciation and amortization CMS Energy	\$ 628	\$ 598	\$ 546
Consumers			
<i>Depreciation and amortization</i>			
Electric utility	\$ 484	\$ 459	\$ 412
Gas utility	138	133	130
Total depreciation and amortization Consumers	\$ 622	\$ 592	\$ 542
CMS Energy, including Consumers			
<i>Income from equity method investees</i>			
Enterprises	\$ 13	\$ 17	\$ 9
Total income from equity method investees CMS Energy	\$ 13	\$ 17	\$ 9
CMS Energy, including Consumers			
<i>Interest charges</i>			
Electric utility	\$ 179	\$ 179	\$ 192
Gas utility	64	63	71
Other	155	147	152
Total interest charges CMS Energy	\$ 398	\$ 389	\$ 415
Consumers			
<i>Interest charges</i>			
Electric utility	\$ 179	\$ 179	\$ 192
Gas utility	64	63	71
Other	2	2	2
Total interest charges Consumers	\$ 245	\$ 244	\$ 265

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Years Ended December 31	2013	2012	<i>In Millions</i> 2011
CMS Energy, including Consumers			
<i>Income tax expense (benefit)</i>			
Electric utility	\$ 242	\$ 227	\$ 190
Gas utility	104	70	77
Enterprises	(4)	(1)	(24)
Other	(40)	(51)	(52)
Total income tax expense CMS Energy	\$ 302	\$ 245	\$ 191
Consumers			
<i>Income tax expense</i>			
Electric utility	\$ 242	\$ 227	\$ 190
Gas utility	104	70	77
Total income tax expense Consumers	\$ 346	\$ 297	\$ 267
CMS Energy, including Consumers			
<i>Net income (loss) available to common stockholders</i>			
Electric utility	\$ 363	\$ 325	\$ 333
Gas utility	168	110	130
Enterprises	2	16	32
Other	(81)	(69)	(80)
Total net income available to common stockholders CMS Energy	\$ 452	\$ 382	\$ 415
Consumers			
<i>Net income available to common stockholder</i>			
Electric utility	\$ 363	\$ 325	\$ 333
Gas utility	168	110	130
Other	1	2	2
Total net income available to common stockholder Consumers	\$ 532	\$ 437	\$ 465
CMS Energy, including Consumers			
<i>Plant, property, and equipment, gross</i>			
Electric utility	\$ 11,186	\$ 11,041	\$ 10,400
Gas utility	4,843	4,400	4,206
Enterprises	115	113	109
Other	40	38	36
Total plant, property, and equipment CMS Energy	\$ 16,184	\$ 15,592	\$ 14,751
Consumers			
<i>Plant, property, and equipment, gross</i>			
Electric utility	\$ 11,186	\$ 11,041	\$ 10,400
Gas utility	4,843	4,400	4,206
Other	15	15	15
Total plant, property, and equipment Consumers	\$ 16,044	\$ 15,456	\$ 14,621
CMS Energy, including Consumers			
<i>Investments in equity method investees¹</i>			
Enterprises	\$ 57	\$ 55	\$ 49
Other	2	2	1
Total investments in equity method investees CMS Energy	\$ 59	\$ 57	\$ 50

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Years Ended December 31	2013	2012	<i>In Millions</i> 2011
CMS Energy, including Consumers			
<i>Total assets</i>			
Electric utility ²	\$ 10,487	\$ 10,423	\$ 9,938
Gas utility ²	4,784	5,016	4,956
Enterprises	332	181	242
Other	1,813	1,511	1,316
Total assets CMS Energy	\$ 17,416	\$ 17,131	\$ 16,452
Consumers			
<i>Total assets</i>			
Electric utility ²	\$ 10,487	\$ 10,423	\$ 9,938
Gas utility ²	4,784	5,016	4,956
Other	908	836	768
Total assets Consumers	\$ 16,179	\$ 16,275	\$ 15,662
CMS Energy, including Consumers			
<i>Capital expenditures³</i>			
Electric utility	\$ 996	\$ 921	\$ 661
Gas utility	407	340	261
Enterprises	1	1	5
Other	4	4	1
Total capital expenditures CMS Energy	\$ 1,408	\$ 1,266	\$ 928
Consumers			
<i>Capital expenditures³</i>			
Electric utility	\$ 996	\$ 921	\$ 661
Gas utility	407	340	261
Total capital expenditures Consumers	\$ 1,403	\$ 1,261	\$ 922

1 Consumers had no significant equity method investments.

2 Amounts include a portion of Consumers other common assets attributable to both the electric and gas utility businesses.

3 Amounts include purchase of capital lease additions. Amounts also include a portion of Consumers capital expenditures for plant and equipment attributable to both the electric and gas utility businesses.

17: RELATED-PARTY TRANSACTIONS CONSUMERS

Consumers enters into a number of significant transactions with related parties. These transactions include:

- purchase and sale of electricity from and to affiliates of CMS Enterprises;

- payment of parent company overhead costs to CMS Energy; and
- investment in CMS Energy common stock.

Transactions involving power supply purchases from certain affiliates of CMS Enterprises are based on avoided costs under the Public Utility Regulatory Policies Act of 1978, state law, and competitive bidding. The payment of parent company overhead costs is based on the use of accepted industry allocation methodologies. These payments are for costs that occur in the normal course of business.

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Presented in the following table are Consumers' recorded income and expense from related parties as of December 31:

Description	Related Party	<i>In Millions</i>		
		2013	2012	2011
Purchases of capacity and energy	Affiliates of CMS Enterprises	\$ 89	\$ 86	\$ 81

Amounts payable to related parties for purchased power and other services were \$13 million at December 31, 2013 and \$11 million at December 31, 2012.

Consumers owned 1.1 million shares of CMS Energy common stock with a fair value of \$29 million at December 31, 2013. For additional details on Consumers' investment in CMS Energy common stock, see Note 6, Financial Instruments.

In January 2014, Consumers renewed a short-term credit agreement with CMS Energy, permitting Consumers to borrow up to \$300 million. At December 31, 2013, there were no outstanding loans under the prior agreement.

18: VARIABLE INTEREST ENTITIES

Variable interests are contractual, ownership, or other interests in an entity that change as the fair value of the VIE's net assets, excluding variable interests, changes. An entity is considered to be a VIE when its capital is insufficient to permit it to finance its activities without additional subordinated financial support or its equity investors, as a group, lack the characteristics of having a controlling financial interest.

Entities that are VIEs must be consolidated if the reporting entity determines that it has a controlling financial interest. The entity that is required to consolidate the VIE is called the primary beneficiary. The primary beneficiary is the entity that has both (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE.

CMS Energy has variable interests in T.E.S. Filer City, Grayling, and Genesee. CMS Energy is not the primary beneficiary of any of these partnerships because power is shared among unrelated parties, and no one party has the power to direct activities, such as operations and maintenance, plant dispatch, and fuel strategy, that most significantly impact the entities' economic performance. The partners must agree on all major decisions for each of the partnerships.

Presented in the following table is information about these partnerships:

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Name (Ownership Interest)	Nature of the Entity	Financing of Partnership
T.E.S. Filer City (50%)	Coal-fueled power generator	Non-recourse long-term debt that matured in December 2007.
Grayling (50%)	Wood waste-fueled power generator	Sale of revenue bonds that were retired in March 2012.
Genesee (50%)	Wood waste-fueled power generator	Sale of revenue bonds that mature in 2021 and bear interest at fixed rates. The debt is non-recourse to the partners and secured by a CMS Energy guarantee capped at \$3 million annually.

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CMS Energy has operating and management contracts with Grayling and Genesee, and Consumers is the primary purchaser of power from each partnership through long-term PPAs. Consumers also has reduced dispatch agreements with Grayling and Genesee, which allow these facilities to be dispatched based on the market price of wood waste. This results in fuel cost savings that each partnership shares with Consumers customers.

CMS Energy's investment in these partnerships is included in investments on its consolidated balance sheets in the amount of \$56 million as of December 31, 2013 and \$56 million as of December 31, 2012. The creditors of these partnerships do not have recourse to the general credit of CMS Energy or Consumers, except through a guarantee provided by CMS Energy of \$3 million annually. CMS Energy has deferred collections on certain receivables owed by Genesee. CMS Energy's maximum exposure to loss from these receivables is \$7 million. Consumers has not provided any financial or other support during the periods presented that was not previously contractually required.

19: ASSET SALES AND DISCONTINUED OPERATIONS

ASSET SALES

The impacts of asset sales are included in income from discontinued operations on CMS Energy's consolidated statements of income. CMS Energy had no significant asset sales during the years ended December 31, 2013 or 2012. In 2011, CMS Energy sold its interest in Exeter Energy Limited Partnership, which had been written down to fair value in 2010. Consumers had no significant asset sales during the years ended December 31, 2013, 2012, or 2011.

DISCONTINUED OPERATIONS

CMS Energy included the following amounts in income from discontinued operations:

Years Ended December 31	2012	<i>In Millions</i> 2011
<i>Discontinued operations</i>		
Pretax income from discontinued operations	\$ 11	\$ 2
Income tax expense	4	-
Income from discontinued operations, net of tax expense	\$ 7.1	\$ 2.2

1 Includes an \$11 million (\$7 million net of tax) reversal of a loss on disposal due to the elimination of a liability associated with the 2003 sale of Panhandle.

2 Includes an operating gain of \$3 million related to a litigation settlement at CMS Viron.

Discontinued operations include a provision for closing costs and a portion of CMS Energy's parent company interest expense. CMS Energy allocated no interest expense in 2013 or 2012 and allocated less than \$1 million of interest expense in 2011. CMS Energy allocates its interest expense by applying its total interest expense to the net carrying amount of the asset sold divided by CMS Energy's total capitalization.

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(UNAUDITED)**

In Millions, Except Per Share Amounts and Stock Prices
2013

Quarters Ended	March 31	June 30	Sept 30	Dec 31
CMS Energy, including Consumers				
Operating revenue	\$ 1,979	\$ 1,406	\$ 1,445	\$ 1,736
Operating income	329	232	317	264
Income from continuing operations	144	81	127	102
Net income	144	81	127	102
Income attributable to noncontrolling interests	-	1	1	-
Net income available to common stockholders	144	80	126	102
Earnings from continuing operations per average common share-basic ¹	0.55	0.30	0.48	0.38
Earnings from continuing operations per average common share-diluted ¹	0.53	0.29	0.46	0.37
Basic earnings per average common share ¹	0.55	0.30	0.48	0.38
Diluted earnings per average common share ¹	0.53	0.29	0.46	0.37
<i>Common stock prices²</i>				
High	27.94	29.94	28.52	28.05
Low	24.76	25.95	25.86	25.90
Consumers				
Operating revenue	\$ 1,919	\$ 1,342	\$ 1,386	\$ 1,674
Operating income	319	227	314	258
Net income	162	100	153	119
Preferred stock dividends and distribution	-	1	1	-
Net income available to common stockholder	162	99	152	119

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Quarters Ended	<i>In Millions, Except Per Share Amounts and Stock Prices</i>			
	2012			
	March 31	June 30	Sept 30	Dec 31
CMS Energy, including Consumers				
Operating revenue	\$ 1,743	\$ 1,333	\$ 1,507	\$ 1,670
Operating income	188	260	343	212
Income from continuing operations	60	101	149	67
Income from discontinued operations	7	-	-	-
Net income	67	101	149	67
Income attributable to noncontrolling interests	-	1	1	-
Net income available to common stockholders	67	100	148	67
Earnings from continuing operations per average common share-basic ¹	0.23	0.38	0.56	0.26
Earnings from continuing operations per average common share-diluted ¹	0.22	0.37	0.55	0.25
Basic earnings per average common share ¹	0.26	0.38	0.56	0.26
Diluted earnings per average common share ¹	0.25	0.37	0.55	0.25
<i>Common stock prices²</i>				
High	22.31	23.87	24.81	24.70
Low	21.33	21.52	22.70	22.79
Consumers				
Operating revenue	\$ 1,675	\$ 1,282	\$ 1,448	\$ 1,608
Operating income	183	260	334	207
Net income	76	122	163	78
Preferred stock dividends	-	1	1	-
Net income available to common stockholder	76	121	162	78

1 The sum of the quarters may not equal annual EPS due to changes in the number of shares outstanding.

2 Based on New York Stock Exchange composite transactions.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of CMS Energy Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of cash flows, and of changes in equity present fairly, in all material respects, the financial position of CMS Energy Corporation and its subsidiaries at December 31, 2013 and December 31, 2012 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15(a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013 based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan

February 6, 2014

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of Consumers Energy Company

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of cash flows, and of changes in equity present fairly, in all material respects, the financial position of Consumers Energy Company and its subsidiaries at December 31, 2013 and December 31, 2012 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013 based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Detroit, Michigan

February 6, 2014

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

CMS ENERGY

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures: Under the supervision and with the participation of management, including its CEO and CFO, CMS Energy conducted an evaluation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, CMS Energy's CEO and CFO have concluded that its disclosure controls and procedures were effective as of December 31, 2013.

Management's Annual Report on Internal Control Over Financial Reporting: CMS Energy's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). CMS Energy's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of CMS Energy;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of CMS Energy are being made only in accordance with authorizations of management and directors of CMS Energy; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of CMS Energy's assets that could have a material effect on its financial statements.

Management, including its CEO and CFO, does not expect that its internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be

considered relative to their costs. In addition, any evaluation of the effectiveness of controls is subject to risks that those internal controls may become inadequate in future periods because of changes in business conditions, or that the degree of compliance with the policies or procedures deteriorates.

Under the supervision and with the participation of management, including its CEO and CFO, CMS Energy conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2013. In making this evaluation, management used the criteria set forth in the framework in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on such evaluation, CMS Energy’s management concluded that its internal control over financial reporting was effective as of December 31, 2013. The effectiveness of CMS Energy’s internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 8. Financial Statements and Supplementary Data.

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Changes in Internal Control over Financial Reporting: There have been no changes in CMS Energy's internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

CONSUMERS

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures: Under the supervision and with the participation of management, including its CEO and CFO, Consumers conducted an evaluation of its disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on such evaluation, Consumers' CEO and CFO have concluded that its disclosure controls and procedures were effective as of December 31, 2013.

Management's Annual Report on Internal Control Over Financial Reporting: Consumers' management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Consumers' internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Consumers;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of Consumers are being made only in accordance with authorizations of management and directors of Consumers; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Consumers assets that could have a material effect on its financial statements.

Management, including its CEO and CFO, does not expect that its internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. In addition, any evaluation of the effectiveness of controls is subject to risks that those internal controls may become inadequate in future periods because of changes in business conditions, or that the degree of compliance with the policies or procedures deteriorates.

Under the supervision and with the participation of management, including its CEO and CFO, Consumers conducted an evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2013. In making this evaluation, management used the criteria set forth in the framework in Internal Control – Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the

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Treadway Commission. Based on such evaluation, Consumers management concluded that its internal control over financial reporting was effective as of December 31, 2013. The effectiveness of Consumers internal control over financial reporting as of December 31, 2013 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears under Item 8. Financial Statements and Supplementary Data.

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Changes in Internal Control over Financial Reporting: There have been no changes in Consumers' internal control over financial reporting during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

CMS ENERGY

Information that is required in Item 10 regarding executive officers is included in the Item 1. Business, CMS Energy Executive Officers section, which is incorporated by reference herein.

Information that is required in Item 10 regarding directors, executive officers, and corporate governance is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

Code of Ethics

CMS Energy adopted a code of ethics that applies to its CEO, CFO, and CAO, as well as all other officers and employees of CMS Energy and its affiliates, including Consumers. This code of ethics, entitled "Code of Conduct and Guide to Ethical Business Behavior 2014," is posted on CMS Energy's website at www.cmsenergy.com, under "Compliance and Ethics." CMS Energy's Code of Conduct and Guide to Ethical Business Behavior 2014 is administered by the Chief Compliance Officer of CMS Energy, who reports directly to the Audit Committee of the Board of Directors of CMS Energy. Any amendment to, or waiver of, a provision of CMS Energy's code of ethics that applies to CMS Energy's CEO, CFO, CAO, or persons performing similar functions will be disclosed on CMS Energy's website at www.cmsenergy.com under "Compliance and Ethics."

CMS Energy has also adopted a code of conduct that applies to its directors, entitled Board of Directors Code of Conduct. This Board of Directors Code of Conduct can also be found on CMS Energy's website at www.cmsenergy.com, under Compliance and Ethics. CMS Energy's Board of Directors Code of Conduct is administered by the Audit Committee of the Board of Directors of CMS Energy. Any alleged violation of this Board of Directors Code of Conduct by a director will be investigated by disinterested members of the Audit Committee of the Board of Directors of CMS Energy, or if none, by disinterested members of the entire Board of Directors of CMS Energy.

CONSUMERS

Information that is required in Item 10 regarding executive officers is included in the Item 1. Business, Consumers Executive Officers section, which is incorporated by reference herein.

Information that is required in Item 10 regarding Consumers' directors, executive officers, and corporate governance is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

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Code of Ethics

Consumers adopted a code of ethics that applies to its CEO, CFO, and CAO, as well as all other officers and employees of Consumers and its affiliates. This code of ethics, entitled Code of Conduct and Guide to Ethical Business Behavior 2014, is posted on Consumers' website at www.consumersenergy.com, under Our Company, Compliance and Ethics. Consumers' Code of Conduct and Guide to Ethical Business Behavior 2014 is administered by the Chief Compliance Officer of Consumers, who reports directly to the Audit Committee of the Board of Directors of Consumers. Any amendment to, or waiver of, a provision of Consumers' code of ethics that applies to Consumers' CEO, CFO, CAO, or persons performing similar functions will be disclosed on Consumers' website at www.consumersenergy.com under Our Company, Compliance and Ethics.

Consumers has also adopted a code of conduct that applies to its directors, entitled Board of Directors Code of Conduct. This Board of Directors Code of Conduct can also be found on Consumers' website at www.consumersenergy.com, under Our Company, Compliance and Ethics. Consumers' Board of Directors Code of Conduct is administered by the Audit Committee of the Board of Directors of Consumers. Any alleged violation of this Board of Directors Code of Conduct by a director will be investigated by disinterested members of the Audit Committee of the Board of Directors of Consumers, or if none, by disinterested members of the entire Board of Directors of Consumers.

ITEM 11. EXECUTIVE COMPENSATION

Information that is required in Item 11 regarding executive compensation of CMS Energy's and Consumers' executive officers is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information that is required in Item 12 regarding securities authorized for issuance under equity compensation plans and security ownership of certain beneficial owners and management of CMS Energy and Consumers is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information that is required in Item 13 regarding certain relationships and related transactions, and director independence regarding CMS Energy and Consumers is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information that is required in Item 14 regarding principal accountant fees and services relating to CMS Energy and Consumers is included in CMS Energy's definitive proxy statement, which is incorporated by reference herein.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements and Reports of Independent Public Accountants for CMS Energy and Consumers are included in Item 8. Financial Statements and Supplementary Data and are incorporated by reference herein.

(a)(2) Index to Financial Statement Schedules.

		<u>Page</u>
<u>Schedule I</u>	<u>Condensed Financial Information of Registrant CMS Energy Parent Company</u>	
	<u>Condensed Statements of Income</u>	168
	<u>Condensed Statements of Cash Flows</u>	169
	<u>Condensed Balance Sheets</u>	170
	<u>Notes to the Condensed Financial Statements</u>	172
<u>Schedule II</u>	<u>Valuation and Qualifying Accounts and Reserves</u>	
	<u>CMS Energy</u>	173
	<u>Consumers</u>	173
<u>Report of Independent Registered Public Accounting Firm</u>	<u>CMS Energy</u>	160
	<u>Consumers</u>	161

Schedules other than those listed above are omitted because they are either not required, not applicable, or the required information is shown in the financial statements or notes thereto. Columns omitted from schedules filed have been omitted because the information is not applicable.

(a)(3) and (b) See CMS Energy's and Consumers' Exhibit Index included as the last part of this report, which is incorporated herein by reference.

Table of Contents**CMS ENERGY CORPORATION**

Schedule I Condensed Financial Information of Registrant

CMS Energy Parent Company

Condensed Statements of Income

Years Ended December 31	2013	2012	<i>In Millions</i> 2011
Operating Expenses			
Other operating expenses	\$ (6)	\$ (8)	\$ (9)
General taxes	-	-	6
Total operating expenses	(6)	(8)	(3)
Operating Loss	(6)	(8)	(3)
Other Income (Expense)			
Equity earnings of subsidiaries	566	477	510
Interest income	1	1	1
Other expense	(8)	(5)	(5)
Total other income	559	473	506
Interest Charges			
Interest on long-term debt	148	140	143
Intercompany interest expense and other	3	5	6
Total interest charges	151	145	149
Income Before Income Taxes	402	320	354
Income Tax Benefit	(50)	(62)	(61)
Income From Continuing Operations	452	382	415
Net Income Available to Common Stockholders	\$ 452	\$ 382	\$ 415

The accompanying notes are an integral part of these statements.

Table of Contents**CMS ENERGY CORPORATION**

Schedule I Condensed Financial Information of Registrant

CMS Energy Parent Company

Condensed Statements of Cash Flows

Years Ended December 31	2013	2012	<i>In Millions</i> 2011
Cash Flows from Operating Activities			
Net income	\$ 452	\$ 382	\$ 415
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>			
Equity earnings of subsidiaries	(566)	(477)	(510)
Dividends received from subsidiaries	435	401	474
Deferred income taxes	48	(25)	14
<i>Cash provided by (used in) changes in assets and liabilities</i>			
Accounts and notes receivable	(3)	2	(1)
Accounts payable	2	-	-
Accrued taxes	48	9	(97)
Other current and non-current assets and liabilities	18	(14)	12
Net cash provided by operating activities	434	278	307
Cash Flows from Investing Activities			
Investment in subsidiaries	(150)	(151)	(125)
Net cash used in investing activities	(150)	(151)	(125)
Cash Flows from Financing Activities			
Proceeds from issuance of long-term debt	275	575	375
Issuance of common stock	36	30	29
Retirement of long-term debt	(275)	(463)	(376)
Payment of common stock dividends	(271)	(252)	(211)
Debt issuance costs and financing fees	(4)	(4)	(6)
Increase (decrease) in notes payable	(47)	(11)	7
Net cash used in financing activities	(286)	(125)	(182)
Net Increase (Decrease) in Cash and Cash Equivalents	(2)	2	-
Cash and Cash Equivalents, Beginning of Period	2	-	-
Cash and Cash Equivalents, End of Period	\$ -	\$ 2	\$ -

The accompanying notes are an integral part of these statements.

Table of Contents**CMS ENERGY CORPORATION**

Schedule I Condensed Financial Information of Registrant

CMS Energy Parent Company

Condensed Balance Sheets

ASSETS

December 31	2013	<i>In Millions</i> 2012
Current Assets		
Cash and cash equivalents	\$ -	\$ 2
Notes and accrued interest receivable	1	1
Accounts receivable, including intercompany and related parties	7	4
Accrued taxes	-	7
Deferred income taxes	2	3
Total current assets	10	17
Plant, Property, and Equipment		
Plant, property, and equipment, gross	16	16
Less accumulated depreciation and amortization	16	16
Total plant, property, and equipment	-	-
Other Non-current Assets		
Deferred income taxes	345	392
Investments in subsidiaries	5,626	5,312
Other investments DB SERP	23	24
Other	23	26
Total other non-current assets	6,017	5,754
Total Assets	\$ 6,027	\$ 5,771

Table of Contents**LIABILITIES AND EQUITY**

December 31	2013	<i>In Millions</i> 2012
Current Liabilities		
Current portion of long-term debt	\$ 172	\$ 172
Accounts and notes payable, including intercompany and related parties	107	152
Accrued interest, including intercompany	32	30
Accrued taxes	41	-
Other current liabilities	4	5
Total current liabilities	356	359
Non-current Liabilities		
Long-term debt	2,205	2,205
Unamortized discount	(9)	(13)
Postretirement benefits	19	24
Other non-current liabilities	2	2
Total non-current liabilities	2,217	2,218
Equity		
Common stockholders equity	3,454	3,194
Total Liabilities and Equity	\$ 6,027	\$ 5,771

The accompanying notes are an integral part of these statements.

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CMS ENERGY CORPORATION

Schedule I Condensed Financial Information of Registrant

CMS Energy Parent Company

Notes to the Condensed Financial Statements

1: BASIS OF PRESENTATION

CMS Energy's condensed financial statements have been prepared on a parent-only basis. In accordance with Rule 12-04 of Regulation S-X, these parent-only financial statements do not include all of the information and notes required by GAAP for annual financial statements, and therefore these parent-only financial statements and other information included should be read in conjunction with CMS Energy's audited consolidated financial statements contained within Item 8. Financial Statements and Supplementary Data.

2: GUARANTEES

CMS Energy has issued guarantees with a maximum potential obligation of \$187 million on behalf of some of its wholly owned subsidiaries and related parties. CMS Energy's maximum potential obligation consists primarily of potential payments:

- to third parties under certain commodity purchase and swap agreements entered into with CMS ERM;
- to third parties in support of non-recourse revenue bonds issued by Genesee;
- to the MDEQ on behalf of CMS Land and CMS Capital, for environmental remediation obligations at Bay Harbor; and
- to the DOE on behalf of Consumers, in relation to Consumers' 2011 settlement agreement with the DOE regarding damages resulting from the DOE's failure to accept spent nuclear fuel from Palisades and Big Rock.

The expiry dates of these guarantees vary, depending upon contractual provisions or upon the statute of limitations under the relevant governing law.

Table of Contents**CMS ENERGY CORPORATION**

Schedule II Valuation and Qualifying Accounts and Reserves

Years Ended December 31, 2013, 2012, and 2011

Description	Balance at Beginning of Period	Charged to Expense	Charged to Other Accounts	Deductions	<i>In Millions</i> Balance at End of Period
Allowance for uncollectible accounts¹					
2013	\$ 32	\$ 63	\$ -	\$ 62	\$ 33
2012	35	53	-	56	32
2011	25	70	-	60	35
Deferred tax valuation allowance					
2013	\$ 3	\$ -	\$ -	\$ 1	\$ 2
2012	20	-	(15)	2	3
2011	19	1	-	-	20
Allowance for notes receivable¹					
2013	\$ 5	\$ 4	\$ -	\$ 4	\$ 5
2012	5	4	-	4	5
2011	5	4	-	4	5

1 Deductions are write-offs of uncollectible accounts, net of recoveries.

CONSUMERS ENERGY COMPANY

Schedule II Valuation and Qualifying Accounts and Reserves

Years Ended December 31, 2013, 2012, and 2011

Description	Balance at Beginning of Period	Charged to Expense	Charged to Other Accounts	Deductions	<i>In Millions</i> Balance at End of Period
Allowance for uncollectible accounts¹					
2013	\$ 30	\$ 63	\$ -	\$ 62	\$ 31
2012	33	53	-	56	30
2011	23	70	-	60	33
Deferred tax valuation allowance					
2013	\$ 1	\$ -	\$ -	\$ -	\$ 1

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2012	1	-	-	-	1
2011	-	1	-	-	1

1 Deductions are write-offs of uncollectible accounts, net of recoveries.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, CMS Energy Corporation has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 6th day of February 2014.

CMS ENERGY CORPORATION

By:

/s/ John Russell
John G. Russell
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of CMS Energy Corporation and in the capacities indicated and on the 6th day of February 2014.

(i) Principal executive officer:

/s/ John Russell
John G. Russell
President and Chief Executive Officer

(ii) Principal financial officer:

/s/ Thomas J. Webb
Thomas J. Webb
Executive Vice President and Chief Financial Officer

(iii) Controller or principal accounting officer:

/s/ Glenn P. Barba
Glenn P. Barba
Vice President, Controller, and Chief Accounting Officer

(iv) The Directors:

Jon E. Barfield*

Kurt L. Darrow*

Stephen E. Ewing*

Richard M. Gabrys*

William D. Harvey*

David W. Joos*

Philip R. Lochner, Jr.*

Michael T. Monahan*

John G. Russell*

Kenneth L. Way*

Laura H. Wright*

John B. Yasinsky*

*By: /s/ Thomas J. Webb
 Thomas J. Webb, Attorney-in-Fact

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Consumers Energy Company has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 6th day of February 2014.

CONSUMERS ENERGY COMPANY

By:

/s/ John Russell
John G. Russell
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of Consumers Energy Company and in the capacities indicated and on the 6th day of February 2014.

(i) Principal executive officer:

/s/ John Russell
John G. Russell
President and Chief Executive Officer

(ii) Principal financial officer:

/s/ Thomas J. Webb
Thomas J. Webb
Executive Vice President and Chief Financial Officer

(iii) Controller or principal accounting officer:

/s/ Glenn P. Barba
Glenn P. Barba
Vice President, Controller, and Chief Accounting Officer

(iv) The Directors:

Jon E. Barfield*

Kurt L. Darrow*

Stephen E. Ewing*

Richard M. Gabrys*

William D. Harvey*

David W. Joos*

Philip R. Lochner, Jr.*

Michael T. Monahan*

John G. Russell*

Kenneth L. Way*

Laura H. Wright*

John B. Yasinsky*

*By: /s/ Thomas J. Webb
 Thomas J. Webb, Attorney-in-Fact

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Table of Contents**CMS ENERGY S AND CONSUMERS EXHIBIT INDEX**

The agreements included as exhibits to this Form 10-K filing are included solely to provide information regarding the terms of the agreements and are not intended to provide any other factual or disclosure information about CMS Energy, Consumers, or other parties to the agreements. The agreements may contain representations and warranties made by each of the parties to each of the agreements that were made exclusively for the benefit of the parties involved in each of the agreements and should not be treated as statements of fact. The representations and warranties were made as a way to allocate risk if one or more of those statements prove to be incorrect. The statements were qualified by disclosures of the parties to each of the agreements that may not be reflected in each of the agreements. The agreements may apply standards of materiality that are different than standards applied to other investors. Additionally, the statements were made as of the date of the agreements or as specified in the agreements and have not been updated.

The representations and warranties may not describe the actual state of affairs of the parties to each agreement. Additional information about CMS Energy and Consumers may be found in this filing, at www.cmsenergy.com, at www.consumersenergy.com, and through the SEC's website at www.sec.gov.

Exhibits	Previously Filed		Description
	With File Number	As Exhibit Number	
3.11	1-9513	(3)(a)	Restated Articles of Incorporation of CMS Energy, effective June 1, 2004, as amended May 22, 2009 (Form 10-Q for the quarterly period ended June 30, 2009)
3.21	1-9513	3.1	CMS Energy Bylaws, amended and restated as of January 24, 2013 (Form 8-K filed January 29, 2013)
3.3	1-5611	3(c)	Restated Articles of Incorporation of Consumers effective June 7, 2000 (Form 10-K for the fiscal year ended December 31, 2000)
3.4	1-5611	3.2	Consumers Bylaws, amended and restated as of January 24, 2013 (Form 8-K filed January 29, 2013)
4.1	2-65973	(b)(1) 4	Indenture dated as of September 1, 1945 between Consumers and Chemical Bank (successor to Manufacturers Hanover Trust Company), as Trustee, including therein indentures supplemental thereto through the Forty-third Supplemental Indenture dated as of May 1, 1979 (Form S-16 filed November 13, 1979)
4.1.a	1-5611	(4)(a)	Indentures Supplemental thereto: 71st dated as of 3/06/98 (Form 10-K for the fiscal year ended December 31, 1997)
4.1.b	1-5611	(4)(a)	96th dated as of 8/17/04 (Form 8-K filed August 20, 2004)
4.1.c	1-5611	(4)(a)(i)	99th dated as of 1/20/05 (Form 10-K for the fiscal year ended December 31, 2004)
4.1.d	1-5611	4.2	100th dated as of 3/24/05 (Form 8-K filed March 30, 2005)
4.1.e	1-5611	4.2	104th dated as of 8/11/05 (Form 8-K filed August 11, 2005)
4.1.f	1-5611	4.1	108th dated as of 3/14/08 (Form 8-K filed March 14, 2008)
4.1.g	1-5611	4.1	110th dated as of 9/12/08 (Form 8-K filed September 12, 2008)
4.1.h	1-5611	4.1	111th dated as of 3/6/09 (Form 8-K filed March 6, 2009)
4.1.i	1-5611	4.1	112th dated as of 9/1/10 (Form 8-K filed September 7, 2010)
4.1.j	1-5611	4.1	113th dated as of 10/15/10 (Form 8-K filed October 20, 2010)
4.1.k	1-5611	4.1	114th dated as of 3/31/11 (Form 8-K filed April 6, 2011)
4.1.l	1-5611	4.1	

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			116th dated as of 9/1/11 (Form 10-Q for the quarterly period ended September 30, 2011)
4.1.m	1-5611	4.1	117th dated as of 5/8/12 (Form 8-K filed May 8, 2012)
4.1.n	1-5611	4.1	119th dated as of 8/3/12 (Form 10-Q for the quarterly period ended September 30, 2012)

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Exhibits	Previously Filed		Description
	With File Number	As Exhibit Number	
4.1.o	1-5611	4.1	120th dated as of 12/17/12 (Form 8-K filed December 20, 2012)
4.1p	1-5611	4.1	121st dated as of 5/17/13 (Form 8-K filed May 17, 2013)
4.1q	1-5611	4.1	122nd dated as of 8/9/13 (Form 8-K filed August 9, 2013)
4.1r	1-5611	4.1	123rd dated as of 12/20/13 (Form 8-K filed December 27, 2013)
4.2	1-5611	(4)(b)	Indenture dated as of January 1, 1996 between Consumers and The Bank of New York Mellon, as Trustee (Form 10-K for the fiscal year ended December 31, 1995)
4.3	1-5611	(4)(c)	Indenture dated as of February 1, 1998 between Consumers and The Bank of New York Mellon (formerly The Chase Manhattan Bank), as Trustee (Form 10-K for the fiscal year ended December 31, 1997)
4.41	33-47629	(4)(a)	Indenture dated as of September 15, 1992 between CMS Energy and NBD Bank, as Trustee (Form S-3 filed May 1, 1992)
4.4.a1	1-9513	4.2	Indentures Supplemental thereto: 19th dated as of 12/13/05 (Form 8-K filed December 15, 2005)
4.4.b1	1-9513	4.2	20th dated as of 7/3/07 (Form 8-K filed July 5, 2007)
4.4.c1	1-9513	4.1	22nd dated as of 6/15/09 (Form 8-K filed June 15, 2009)
4.4.d1	1-9513	4.3	23rd dated as of 6/15/09 (Form 8-K filed June 15, 2009)
4.4.e1	1-9513	4.1	24th dated as of 1/14/10 (Form 8-K filed January 14, 2010)
4.4.f1	1-9513	4.1	25th dated as of 9/23/10 (Form 8-K filed September 23, 2010)
4.4.g1	1-9513	4.1	26th dated as of 11/19/10 (Form 8-K filed November 19, 2010)
4.4.h1	1-9513	4.1	28th dated as of 3/12/12 (Form 8-K filed March 12, 2012)
4.4.i1	1-9513	4.1	29th dated as of 3/22/13 (Form 8-K filed March 22, 2013)
4.51	1-9513	(4a)	Indenture dated as of June 1, 1997 between CMS Energy and The Bank of New York Mellon, as Trustee (Form 8-K filed July 1, 1997)
10.12	1-9513	(10)(g)	2004 Form of Executive Severance Agreement (Form 10-Q for the quarterly period ended September 30, 2009)
10.22	1-9513	(10)(h)	2004 Form of Officer Severance Agreement (Form 10-Q for the quarterly period ended September 30, 2009)
10.32			CMS Energy's Performance Incentive Stock Plan, as amended and restated, effective November 15, 2013
10.42	1-9513	(10)(i)	CMS Deferred Salary Savings Plan effective December 1, 1989 and as further amended effective December 1, 2007 (Form 10-K for the fiscal year ended December 31, 2007)
10.52	1-9513	(10)(l)	Amendment to the Deferred Salary Savings Plan dated December 21, 2008 (Form 10-K for the fiscal year ended December 31, 2008)
10.62	1-9513	10.6	Supplemental Executive Retirement Plan for Employees of CMS Energy/Consumers effective on January 1, 1982 and as amended effective April 1, 2011 (Form 10-Q for the quarterly period ended March 31, 2011)
10.72	1-9513	10.5	Defined Contribution Supplemental Executive Retirement Plan effective April 1, 2006 and as amended effective April 1, 2011 (Form 10-Q for the quarterly period ended March 31, 2011)
10.82			Form of Officer Separation Agreement as of January 2014
10.91	1-9513	(10)(v)	Amended and Restated Investor Partner Tax Indemnification Agreement dated as of June 1, 1990 among Investor Partners, CMS Midland as Indemnitor and CMS Energy as Guarantor (Form 10-K for the fiscal year ended December 31, 1990)

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Exhibits	Previously Filed		Description
	With File Number	As Exhibit Number	
10.101	1-9513	(10)(y)	Environmental Agreement dated as of June 1, 1990 made by CMS Energy to The Connecticut National Bank and Others (Form 10-K for the fiscal year ended December 31, 1990)
10.11	1-5611	(10)(y)	Unwind Agreement dated as of December 10, 1991 by and among CMS Energy, Midland Group, Ltd., Consumers, CMS Midland, Inc., MEC Development Corp. and CMS Midland Holdings Company (Form 10-K for the fiscal year ended December 31, 1991)
10.121	1-9513	(10)(aa)	Parent Guaranty dated as of June 14, 1990 from CMS Energy to MCV, each of the Owner Trustees, the Indenture Trustees, the Owner Participants and the Initial Purchasers of Senior Bonds in the MCV Sale Leaseback transaction, and MEC Development (Form 10-K for the fiscal year ended December 31, 1991)
10.13	1-5611	(10)(j)	Palisades Nuclear Power Plant Power Purchase Agreement dated as of July 11, 2006 between Entergy Nuclear Palisades, LLC and Consumers (Form 10-Q for the quarterly period ended September 30, 2009)
10.141,2	1-9513	(10)(a)	Form of Indemnification Agreement between CMS Energy and its Directors, effective as of November 1, 2007 (Form 10-Q for the quarterly period ended September 30, 2007)
10.152	1-5611	(10)(b)	Form of Indemnification Agreement between Consumers and its Directors, effective as of November 1, 2007 (Form 10-Q for the quarterly period ended September 30, 2007)
10.16	1-5611	10.1	\$150 million Third Amended and Restated Revolving Credit Agreement dated as of April 18, 2012 among Consumers, the Banks, Agent, Co-Syndication Agents, and Documentation Agent all as defined therein (Form 8-K filed April 24, 2012)
10.17	1-5611	(10)(t)	Settlement Agreement and Amended and Restated Power Purchase Agreement between Consumers and Midland Cogeneration Venture Limited Partnership (Form 10-Q for the quarterly period ended September 30, 2009)
10.18	1-5611	10.4	1st Amendment to the Amended and Restated Power Purchase Agreement between Consumers and MCV Partnership, dated as of March 1, 2010 (Form 10-Q for the quarterly period ended September 30, 2010)
10.19	1-5611	10.34	Amended and Restated Receivables Purchase Agreement dated as of November 23, 2010 among Consumers Receivables Funding II, LLC, Consumers, The Conduits from time to time party thereto, The Financial Institutions from time to time party thereto, The Managing Agents from time to time party thereto, and JPMorgan Chase Bank, NA, as Administrative Agent (Form 10-K for the fiscal year ended December 31, 2010)
10.20	1-5611	10.1	Amendment No. 1 to Amended and Restated Receivables Purchase Agreement dated as of November 18, 2011 (Form 8-K filed November 25, 2011)
10.21	1-5611	10.24	Amendment No. 2 to Amended and Restated Receivables Purchase Agreement dated as of December 15, 2011 (Form 10-K for the fiscal year ended December 31, 2011)
10.22	1-5611	10.1	Amendment No. 3 to Amended and Restated Receivables Purchase Agreement dated as of November 9, 2012 (Form 8-K filed November 14, 2012)
10.23	1-5611	10.1	Amendment No. 4 to Amended and Restated Receivables Purchase Agreement dated as of November 30, 2012 (Form 8-K filed December 6, 2012)

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Exhibits	Previously Filed		Description
	With File Number	As Exhibit Number	
10.24	1-5611	10.1	Amendment No. 5 to Amended and Restated Receivables Purchase Agreement dated as of November 20, 2013 (Form 8-K filed November 25, 2013)
10.25	1-5611	(10)(v)	Receivables Sale Agreement, dated as of May 22, 2003, between Consumers, as Originator and Consumers Receivables Funding II, LLC, as Buyer, as amended by Amendment No. 1 dated as of May 20, 2004 and as amended by Amendment No. 2 dated as of August 15, 2006 (Form 10-Q for the quarterly period ended September 30, 2009)
10.26	1-5611	(10)(rr)	Amendment No. 3 to the Receivables Sale Agreement dated as of September 3, 2009 (Form 10-K for the fiscal year ended December 31, 2009)
10.27	1-5611	(10)(ss)	Amendment No. 4 to the Receivables Sale Agreement dated as of February 12, 2010 (Form 10-K for the fiscal year ended December 31, 2009)
10.28	1-5611	(10)(b)	Amendment No. 5 to the Receivables Sale Agreement, dated as of March 17, 2010 (Form 10-Q for the quarterly period ended March 31, 2010)
10.29	1-5611	(10)(d)	Amendment No. 6 to the Receivables Sale Agreement, dated as of April 20, 2010 (Form 10-Q for the quarterly period ended March 31, 2010)
10.30	1-5611	10.40	Amendment No. 7 to the Receivables Sale Agreement dated as of November 23, 2010 (Form 10-K for the fiscal year ended December 31, 2010)
10.31	1-5611	10.2	Amendment No. 8 to the Receivables Sale Agreement dated as of November 30, 2012 (Form 8-K filed December 6, 2012)
10.322	1-9513	10.1	CMS Incentive Compensation Plan for CMS Energy and Consumers Officers, amended and restated effective as of January 1, 2014 (Form 10-Q for the quarterly period ended September 30, 2013)
10.332			Form of Change in Control Agreement as of January 2014
10.342			Annual Employee Incentive Compensation Plan for Consumers as amended, effective as of January 1, 2014
10.351	1-9513	10.1	\$550 million Second Amended and Restated Revolving Credit Agreement dated as of December 20, 2013 among CMS Energy, the Banks, as defined therein, and Barclays, as Agent (Form 8-K filed December 27, 2013)
10.36	1-5611	10.2	\$650 million Third Amended and Restated Revolving Credit Agreement dated as of December 20, 2013 among Consumers, the Banks, as defined therein, and JPMorgan Chase Bank, N.A., as Agent (Form 8-K filed December 27, 2013)
10.371	1-9513	10.3	Pledge and Security Agreement dated as of March 31, 2011, made by CMS Energy to Barclays Bank PLC, as Administrative Agent for the Banks, as defined therein (Form 8-K filed April 6, 2011)
10.382	1-9513	10.1	Consumers and other CMS Energy Companies Retired Executives Survivor Benefit Plan for Management/ Executive Employees, distributed July 1, 2011 (Form 10-Q for the quarterly period ended September 30, 2011)
10.391	1-9513	10.1	\$180,000,000 Term Loan Credit Agreement dated as of December 15, 2011 among CMS Energy, the financial institutions named therein and JPMorgan Chase Bank, N.A. as Agent (Form 8-K filed December 20, 2011)

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Exhibits	Previously Filed		Description
	With File Number	As Exhibit Number	
10.401	1-9513	10.1	Amendment No. 1 dated as of February 8, 2013 to \$180,000,000 Term Loan Credit Agreement dated as of December 15, 2011 (Form 8-K filed February 14, 2013)
10.41	1-5611	10.1	\$375,000,000 Term Loan Credit Agreement dated as of June 13, 2012 among Consumers, the financial institutions named therein and JPMorgan Chase Bank, N.A., as Agent (Form 8-K filed June 19, 2012)
10.42	1-5611	10.1	Bond Purchase Agreement between Consumers and each of the Purchasers named therein, dated as of July 10, 2012 (Form 8-K filed July 13, 2012)
12.1			Statement regarding computation of CMS Energy's Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Dividends
12.2			Statement regarding computation of Consumers' Ratios of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Dividends
21.1			Subsidiaries of CMS Energy and Consumers
23.1			Consent of PricewaterhouseCoopers LLP for CMS Energy
23.2			Consent of PricewaterhouseCoopers LLP for Consumers
24.1			Power of Attorney for CMS Energy
24.2			Power of Attorney for Consumers
31.1			CMS Energy's certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2			CMS Energy's certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3			Consumers' certification of the CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4			Consumers' certification of the CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1			CMS Energy's certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2			Consumers' certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.11	333-177886	99.1	CMS Energy Stock Purchase Plan, as amended and restated November 10, 2011 (Form S-3ASR filed November 10, 2011)
101.INS3			XBRL Instance Document
101.SCH3			XBRL Taxonomy Extension Schema
101.CAL3			XBRL Taxonomy Extension Calculation Linkbase
101.DEF3			XBRL Taxonomy Extension Definition Linkbase
101.LAB3			XBRL Taxonomy Extension Labels Linkbase
101.PRE3			XBRL Taxonomy Extension Presentation Linkbase

1 Obligations of CMS Energy or its subsidiaries, but not of Consumers.

2 Management contract or compensatory plan or arrangement.

3 The financial information contained in the XBRL-related information is unaudited and unreviewed.

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Exhibits listed above that have heretofore been filed with the SEC pursuant to various acts administered by the SEC, and which were designated as noted above, are hereby incorporated herein by reference and made a part hereof with the same effect as if filed herewith.
