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CMS ENERGY CORP  
Form 8-K  
November 03, 2004

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

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) NOVEMBER 3, 2004

COMMISSION FILE NUMBER	REGISTRANT; STATE OF INCORPORATION; ADDRESS; AND TELEPHONE NUMBER	IRS EMPLOYER IDENTIFICATION NO.
1-9513	CMS ENERGY CORPORATION (A MICHIGAN CORPORATION) ONE ENERGY PLAZA JACKSON, MICHIGAN 49201 (517) 788-0550	38-2726431
1-5611	CONSUMERS ENERGY COMPANY (A MICHIGAN CORPORATION) ONE ENERGY PLAZA JACKSON, MICHIGAN 49201 (517) 788-0550	38-0442310

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On November 3, 2004, CMS Energy Corporation ("CMS Energy") issued a News Release, in which it announced its results for the third quarter and first nine months of 2004, improved its outlook for 2004 reported earnings and reaffirmed its 2004 ongoing earnings guidance. Attached as Exhibit 99 to this report and incorporated herein by reference is a copy of the CMS Energy News Release, furnished as a part of this report.

The News Release contains "forward-looking statements" as defined in Rule 3b-6 of the Securities Exchange Act of 1934, as amended, Rule 175 of the Securities

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Act of 1933, as amended, and relevant legal decisions. The forward-looking statements are subject to risks and uncertainties. They should be read in conjunction with "FORWARD-LOOKING STATEMENTS AND RISK FACTORS" found in the MANAGEMENT'S DISCUSSION AND ANALYSIS sections of CMS Energy's Form 10-K/A for the Fiscal Year Ended December 31, 2003 and Consumers' Form 10-K for the Fiscal Year Ended December 31, 2003 (both incorporated herein by reference), that discuss important factors that could cause CMS Energy's and Consumers' results to differ materially from those anticipated in such statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

CMS ENERGY CORPORATION

Dated: November 3, 2004

By: /s/ Thomas J. Webb

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Thomas J. Webb  
Executive Vice President and  
Chief Financial Officer

CONSUMERS ENERGY COMPANY

Dated: November 3, 2004

By: /s/ Thomas J. Webb

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Thomas J. Webb  
Executive Vice President and  
Chief Financial Officer

[CMS ENERGY LOGO]

NEWS RELEASE

CMS ENERGY ANNOUNCES IMPROVED THIRD QUARTER REPORTED  
EARNINGS AND CONFIRMS 2004 ONGOING EARNINGS GUIDANCE

JACKSON, Mich., Nov. 3, 2004 -- CMS Energy (NYSE: CMS) announced today reported net income of \$56 million, or \$0.34 per share, for the third quarter of 2004, compared to a net loss of \$69 million, or \$0.46 per share, for the same quarter of 2003. (All per share figures are on a diluted basis.)

The third quarter 2004 results include a \$0.23 per share gain principally from the sale of western Australia pipeline assets. The third quarter 2003 results reflected \$0.52 per share in charges related to the impairment of South American electric distribution assets, debt retirement, and financing costs.

Ongoing (non-Generally Accepted Accounting Principles) net income

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for the third quarter was \$18 million, or \$0.11 per share, up from \$10 million or \$0.06 per share in the same period of 2003. The earnings are in line with expectations, despite mild summer weather, and are driven by good operating results and reduced debt. Ongoing earnings provide a key measure of the Company's present operating financial performance, unaffected by discontinued operations, asset sales or other items detailed in the attached summary financial statements.

For the first nine months of 2004, CMS Energy reported net income of \$65 million, or \$0.40 per share, compared to a net loss of \$52 million, or \$0.36 per share, for the first nine months of 2003. Ongoing net income for the first nine months of 2004 was \$110 million, or \$0.68 per share, compared to \$86 million, or \$0.59 per share, for the first nine months of 2003.

The Company reaffirmed today its 2004 ongoing earnings guidance at \$0.85 per share despite cooler than normal summer weather and near-term dilution from a successful equity offering in October. CMS Energy also noted that it has raised its outlook for 2004 reported earnings to \$0.75 per share, up from \$0.50 per share, as a result of concluding its successful asset sales program for 2004.

Positive market reaction to the equity offering allowed CMS Energy to increase its common stock issue by nearly 50 percent, from 22 million shares to 32.8 million shares. The net proceeds of \$288 million will be invested in CMS Energy's principal subsidiary, Consumers Energy. The first \$100 million infusion of the stock proceeds took place on Monday. In August, the parent company used corporate cash to infuse \$150 million of equity into the utility.

David Joos, CMS Energy's chief executive officer, said the Company continues to make progress implementing its utility-plus strategy, which focuses on the core utility, complemented by CMS Enterprises businesses that have predictable earnings.

"We had another good quarter. Strong operating performance allowed us to continue to improve our balance sheet and increase our financial flexibility," Joos said.

CMS Energy is an integrated energy company, which has as its primary business operations an electric and natural gas utility, natural gas pipeline systems, and independent power generation.

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For more information on CMS Energy, please visit our web site at:  
[www.cmsenergy.com](http://www.cmsenergy.com)

Media Contacts: Jeff Holyfield, 517/788-2394 or Dan Bishop, 517/788-2395

Investment Analyst Contact: CMS Energy Investor Relations, 517/788-2590

CMS Energy Corporation  
SUMMARY OF CONSOLIDATED EARNINGS  
Condensed Consolidated Income Statements  
(Millions, Except Per Share Amounts)

Third Quarter

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	(Unaudited)	
	2004	Restated 2003
Operating Revenue	\$ 1,063	\$ 1,047
Earnings from Equity Method Investees	18	28
Operating Expenses	923	936
Asset Impairment Charges	-	61
Operating Income	\$ 158	\$ 78
Other Income (Deductions)	61	1
Fixed Charges	145	180
Income Tax Expense (Benefit)	18	(25)
Minority Interests	5	(5)
Income (Loss) from Continuing Operations	\$ 51	\$ (71)
Income (Loss) from Discontinued Operations	8	2
Cumulative Effect of Accounting Changes	-	-
Net Income (Loss)	\$ 59	\$ (69)
Preferred Dividends	3	-
Net Income (Loss) Available to Common Stock	\$ 56	\$ (69)
Earnings (Loss) Per Share		
Basic	\$ 0.35	\$ (0.46)
Diluted	0.34	(0.46)

CMS Energy Corporation  
SUMMARIZED COMPARATIVE BALANCE SHEETS

(Millions of Dollars)

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	As of Sept 30 (Unaudited)	
	2004	2003
<b>ASSETS</b>		
Cash and cash equivalents	\$ 560	\$
Restricted cash	83	
Other current assets	2,161	
Total current assets	\$ 2,804	\$
Net plant and property	8,600	
Investments	755	
Non-current assets	3,218	
Total assets	\$ 15,377	\$
<b>STOCKHOLDERS' INVESTMENT AND LIABILITIES</b>		
Capitalization		
Debt		
Long-term debt (excluding securitization and related-party debt)	\$ 5,643	\$
Capital leases	52	
Notes payable	-	
Current portion of long-term debt and capital leases (excluding securitization and related-party debt)	458	
Total debt	\$ 6,153	\$
Preferred stock and securities	305	
Minority interest	750	
Common stockholders' equity	1,764	
Total capitalization	\$ 8,972	\$
Securitization debt	406	
MCV debt and finance lease	581	
Long-term debt - related parties	684	
Current liabilities	1,113	
Non-current liabilities	3,621	
Total Stockholders' Investment and Liabilities	\$ 15,377	\$

CMS Energy Corporation  
SUMMARIZED STATEMENTS OF CASH FLOWS

(Millions of Dollars)

First Nine Months (Unaudited)	
2004	2003

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Beginning of Period Cash	\$ 532	\$
Cash and Cash Equivalents from FIN 46 Implementation	\$ 174	\$
Cash provided by operating activities	\$ 194	\$
Cash provided by (used in) investing activities	(132)	
Cash flow from operating and investing activities	\$ 62	\$
Cash provided by (used in) financing activities	(208)	
Currency Translation Adjustment	-	
Total Cash Flow	\$ (146)	\$
End of Period Cash	\$ 560	\$

CMS Energy Corporation  
SUMMARY OF CONSOLIDATED EARNINGS  
Reconciliations of GAAP Net Income (Loss) to Non-GAAP Ongoing Net Income  
(Millions, Except Per Share Amounts)

	Third Quarter (Unaudited)	
	2004	Restated 2003
NET INCOME (LOSS) AVAILABLE TO COMMON STOCK	\$ 56	\$ (69)
Reconciling Items:		
Discontinued Operations (Income) Loss	(8)	(2)
Cumulative Effect of Accounting Changes:		
EITF #02-03 MTM Accounting	-	-
SFAS No. 143 Asset Retirement Obligation	-	-
Net Asset Sales (Gain) Loss and Writedowns	(30)	81
Ongoing Net Income - Non-GAAP Basis	\$ 18	\$ 10
Average Number of Common Shares Outstanding		
Basic	162	152
Diluted	162	152
BASIC EARNINGS (LOSS) PER AVERAGE COMMON SHARE		

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Earnings (Loss) Per Share as Reported	\$ 0.35	\$ (0.46)
Reconciling Items:		
Discontinued Operations (Income) Loss	(0.05)	(0.01)
Cumulative Effect of Accounting Changes:		
EITF #02-03 MTM Accounting	-	-
SFAS No. 143 Asset Retirement Obligations	-	-
Net Asset Sales (Gain) Loss and Writedowns	(0.19)	0.53
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Ongoing Net Income - Non-GAAP Basis	\$ 0.11	\$ 0.06
	=====	=====
DILUTED EARNINGS (LOSS) PER AVERAGE COMMON SHARE		
Earnings (Loss) Per Share as Reported	\$ 0.34	\$ (0.46)
Reconciling Items:		
Discontinued Operations (Income) Loss	(0.05)	(0.01)
Cumulative Effect of Accounting Changes:		
EITF #02-03 MTM Accounting	-	-
SFAS No. 143 Asset Retirement Obligations	-	-
Net Asset Sales (Gain) Loss and Writedowns	(0.18)	0.53
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Ongoing Net Income - Non-GAAP Basis	\$ 0.11	\$ 0.06
	=====	=====