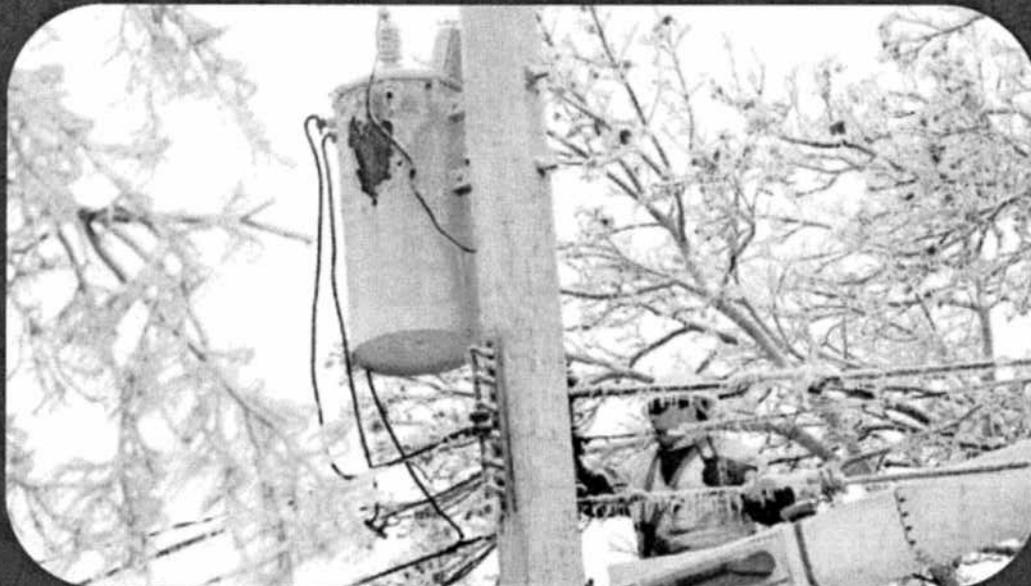


Serving Our Customers

Consumers Energy's response to Michigan's December ice storm



Daniel J. Malone
Senior Vice President
Distribution Operations &
Engineering and Transmission
Jan. 21, 2014

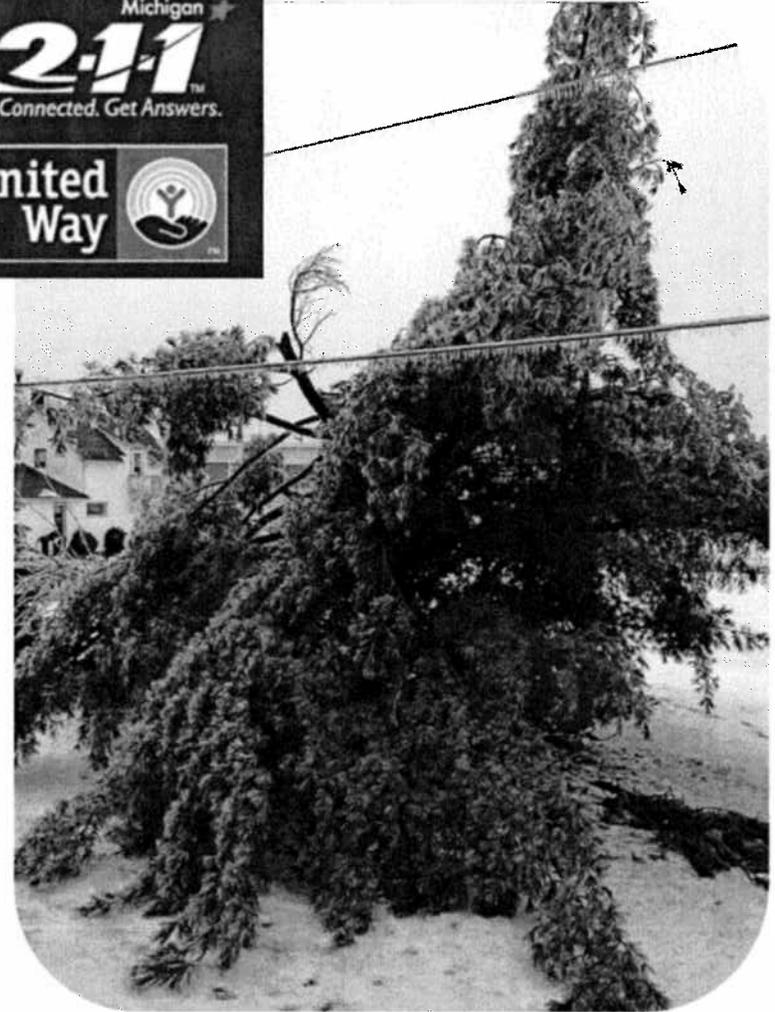
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Communities in Crisis

2

- We thank our customers for their patience and perseverance in extreme, difficult conditions
- The December ice storm left about 390,000 of our electric customers without power
- Many communities without lights and heat during Christmas week
 - Blocked roads
 - Businesses closed



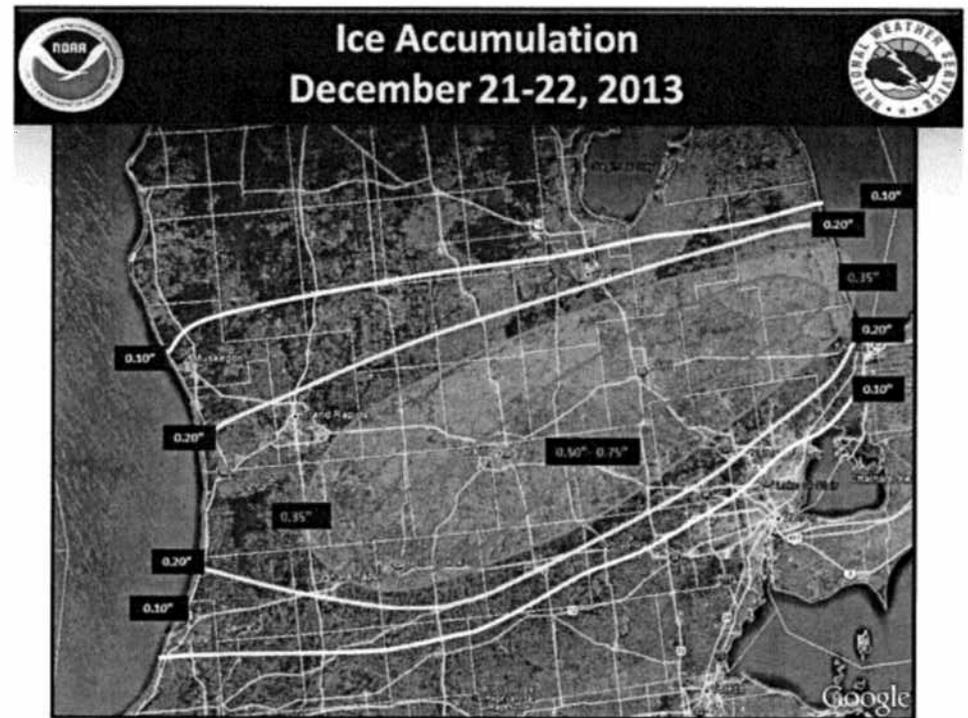
Several Red Cross shelters were activated across the state.

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Sustained Widespread Damage

3

- One of the most significant storms in our 126-year history
- Up to three-quarters inch of ice coated equipment and trees, causing limbs to fall on power lines
- A record 10,600 downed wires
- Prolonged subfreezing temps



Legend



.10" to .19"



.20" to .34"



.35" to .49"

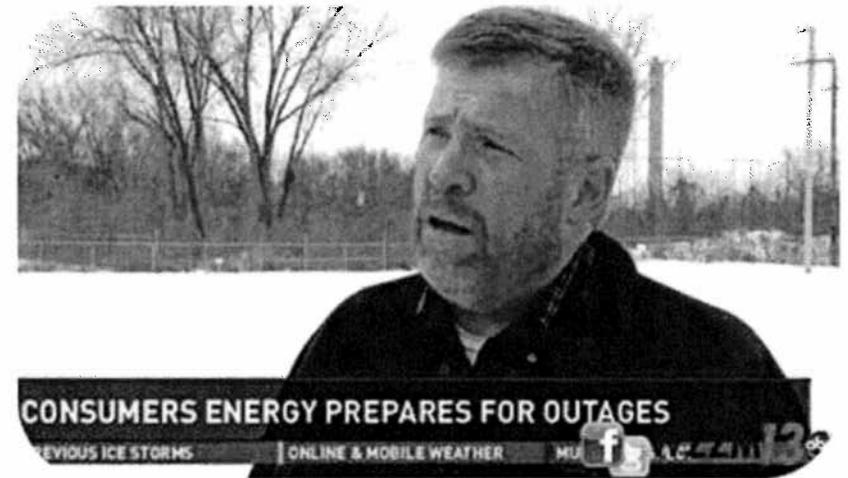


.50" to .75"

Widespread damages from the Lakeshore to Genesee County.

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- **We launched our response before the storm struck**
 - Mobilized resources and made preparations to respond aggressively
 - Secured mutual assistance line crews
 - Alerted customers via traditional and social media
 - Reached out to local officials



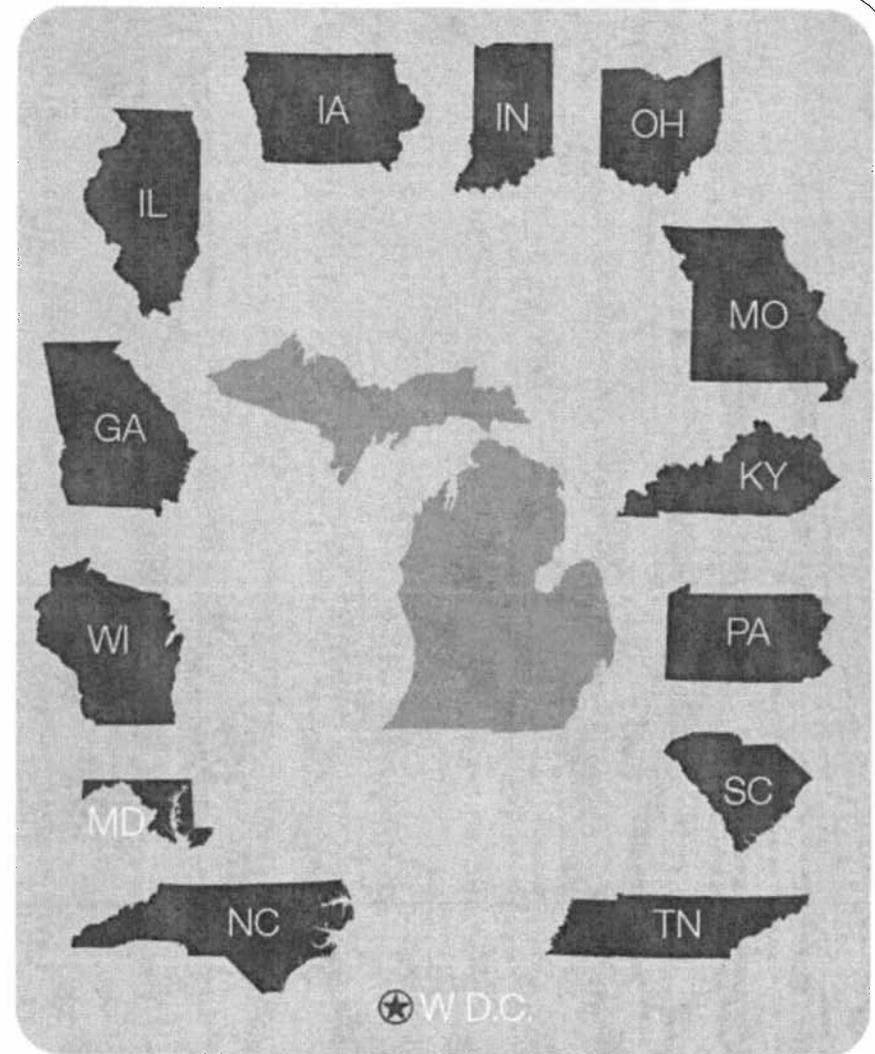
Comprehensive engagement: Call center reps, dispatchers, line crews, meter readers ...



A Safe, Comprehensive Response

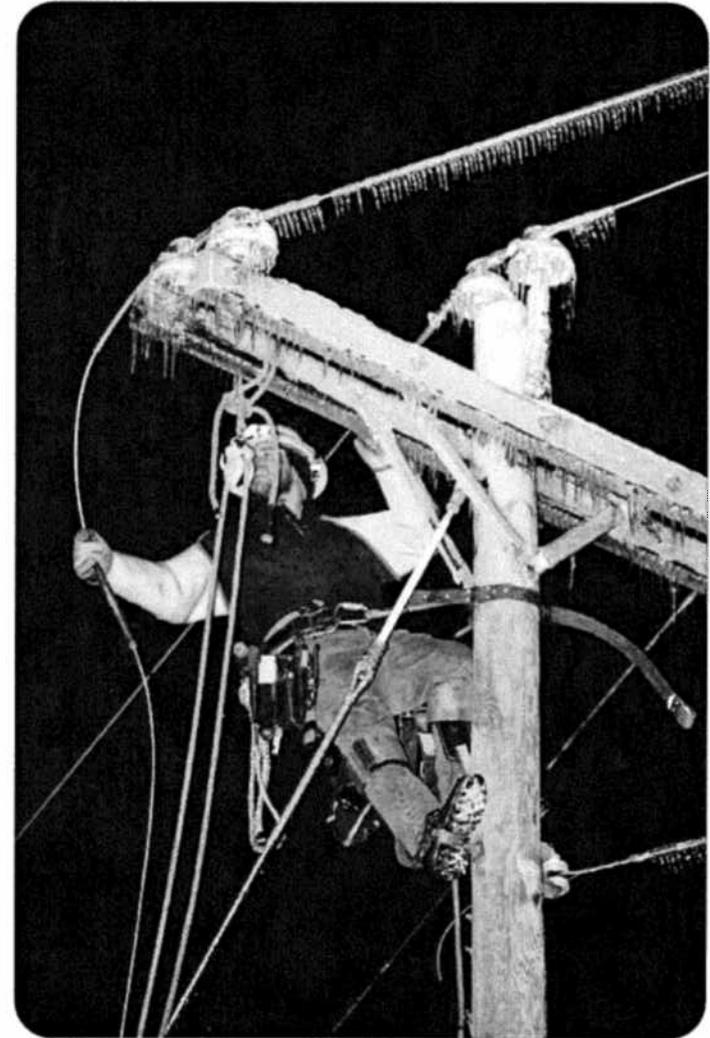
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- More than 4,000 field and office workers involved
- 600 line crews and 300 forestry crews
- Mutual assistance crews from 13 states, Wash. D.C.
- Consumers Energy coordinated with 211, Red Cross and others to promote local warming shelters



Employees served meals and provided assistance at local warming shelters.

- **24/7 operations**
 - Structured and managed response
 - Crisis management activation
 - Mobile storm units
- **Public safety and emergency management coordination**
 - Single point of contact for emergency managers, first responders
 - Daily updates to state's Critical Incident Management System
- **Prioritization of restoration**
- **Continually assessing and adjusting resources**



Boots on the ground and other resources adjusted as efforts continued.

Communicating Clearly and Consistently

Crisis Communications Plan

Before

During

- 22 news releases, 9 press conferences
- Active social media response
- Ongoing dialogue with legislators, regulators and community leaders
- Radio safety ads

After

Experienced managers provided public and news updates in the field and online.

Reliability Investments

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- **Nearly \$400 million in reliability investment since 2009**
 - Replaced poles, cross arms, transformers, insulators
 - Added new electric conductors
 - Installed new relay equipment and automation schemes
 - Strengthened animal protection measures
- **Line and Substation Maintenance**
 - Aerial patrols
 - Visual security
 - Pole inspection
 - Line-clearing



**REPORT
OUTAGES
AND CHECK
RESTORATION
TIMES
ON OUR
OUTAGE MAP**

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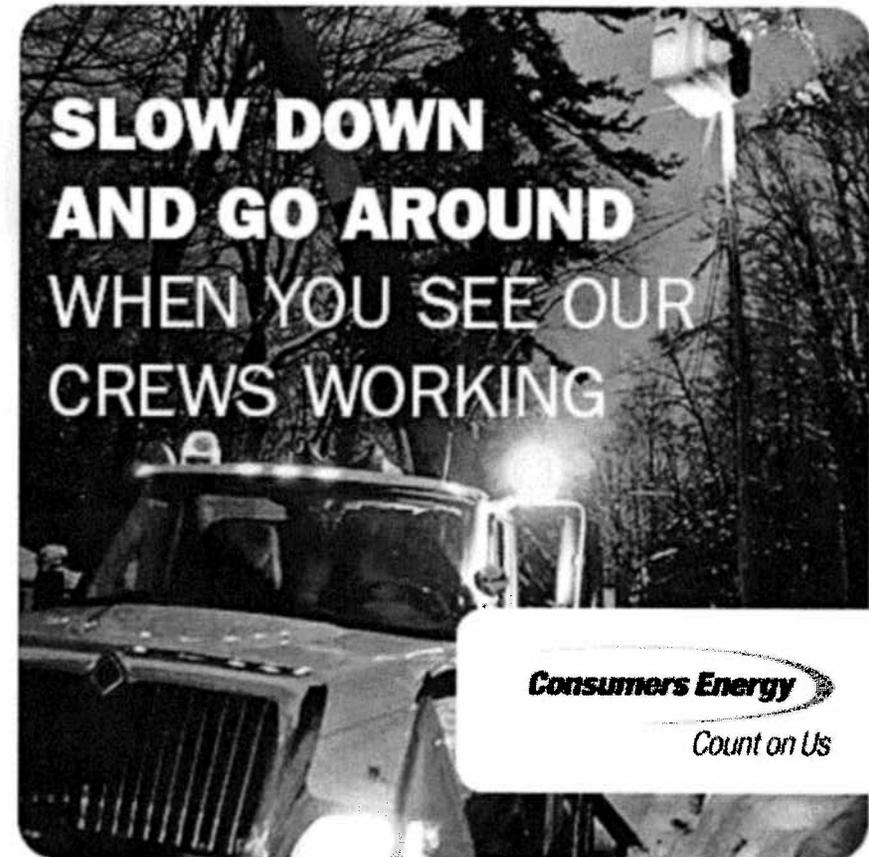
Online outage map and outage center keeps customers informed via mobile.

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Lessons Learned

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- Reaffirmed focus on safety and emergency management is essential
- Continue to improve restoration estimates
- Engage more wire guards
- Utilize union workforce in leadership roles
- Continuous and transparent communication with customers is vital
- Maximize use of field control

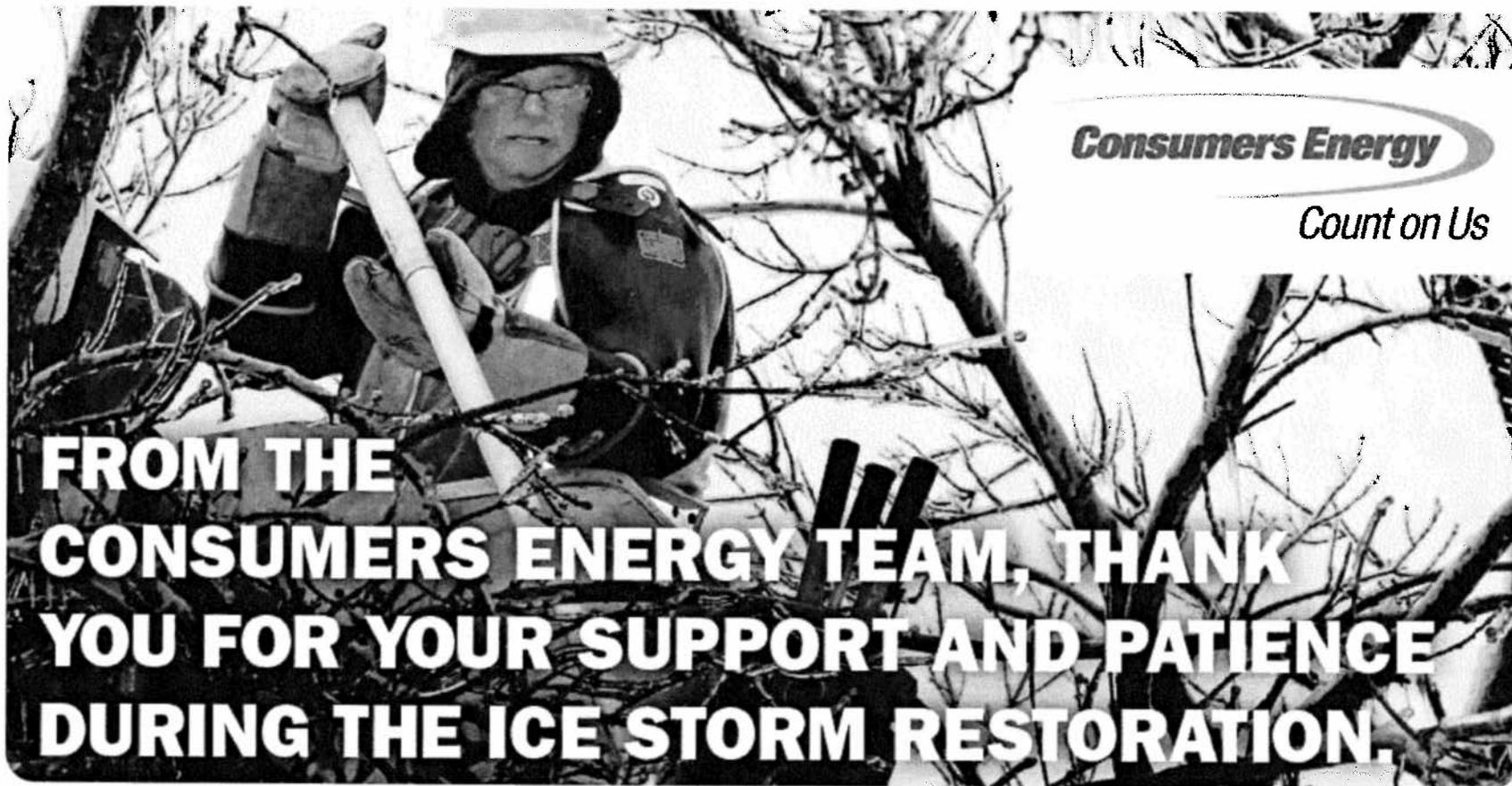


Our team is committed to continuous learning.

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Thank You

10



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**FROM THE
CONSUMERS ENERGY TEAM, THANK
YOU FOR YOUR SUPPORT AND PATIENCE
DURING THE ICE STORM RESTORATION.**

Our team of more than 7,500 men and women are working around the clock to bring safe, reliable and affordable energy to all 68 counties in the Lower Peninsula. ConsumersEnergy.com

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Dedicated to our customers, the communities we serve and the state of Michigan.

Consumers Energy

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