Consumers Energy

A CMS Energy Company

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

June 17, 2011

RECEIVED
JUN 22 2011
MICHIGAN PUBLIC SERVICE
COMMISSION

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909

Dear Ms. Kunkle:

In accordance with the Commission's May 3, 2000 Order in Case Number U-11916, Guidelines for Transactions Between Affiliates, Consumers Energy is required to file an annual report relating to Guidelines 4(a), 4(b), 4(c), 5, 6, 7, and 8. The attached report addresses that requirement (see Appendix A). In addition, Guideline 4(d) states that an internal audit shall be submitted at the end of each third year following 2000; the next internal audit report will be filed in the 2012 Affiliated Transactions Report. Also, Guideline 4(e) states that the federal income tax return be provided; this return shall be available for review at Consumers' Corporate Office. The 2010 return will be completed by September 15, 2011.

CMS Energy and its affiliates keep their books in a manner consistent with generally accepted accounting principles, and in addition, Consumers Energy keeps its books in accordance with the MPSC Uniform System of Accounts. To the best of my knowledge, Consumers Energy, CMS Energy and their affiliates employ appropriate accounting procedures and controls relating to transfer pricing and cost allocation to facilitate an audit and to protect against cross subsidization.

Sincerely,

Glenn P. Barba

Enclosure

CC: Nancy Katsarelas, MPSC (6 copies)

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Report to division - 6/24/11 -