FORM 8-K/A

CURRENT REPORT

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) MARCH 29, 1999

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No
1-2921	PANHANDLE EASTERN PIPE LINE COMPANY (A Delaware Corporation) 5444 Westheimer Court Houston, Texas 77056 (713) 627-5400	44-0382470

ITEM 1. ACQUISITION OF ASSETS

On March 29, 1999, CMS Energy Corporation ("CMS Energy") announced that it had closed on its previously announced acquisition of all the stock of Panhandle Eastern Pipe Line Company ("Panhandle") and its principal subsidiaries, Trunkline Gas Company and Pan Gas Storage Company, from subsidiaries of Duke Energy Corporation ("Duke"). It also acquired the stock of Panhandle Storage Company and Trunkline LNG Company. (These companies together with their subsidiaries Panhandle Eastern Resources, Inc., Trunkline Field Services Company, Trunkline Gas Resources, Inc., and Trunkline Pipeline Holdings, Inc. are hereinafter referred to as the "Panhandle Companies".)

The purchase price for the stock of the Panhandle Companies was $1.9 billion in cash and existing Panhandle debt of approximately $300 million. Concurrent with the closing, CMS Panhandle Holding Company ("CMS Holding"), a newly formed interim holding company for the Panhandle Companies, issued $800 million of senior unsecured notes which were guaranteed by Panhandle. The CMS Holding notes were issued in a 144A offering in three tranches: $300 million of 6.125% senior notes due 2004; $200 million of 6.500% senior notes due 2009; and $300 million of 7.000% senior notes due 2029. CMS Energy intends to merge CMS Holding into Panhandle during the second quarter of 1999, at which time Panhandle will replace CMS Holding as the obligor on the CMS Holding notes. CMS Holding's and Panhandle's combined $1.1 billion of long-term debt as well as approximately an additional $1.1 billion of CMS Energy unsecured bridge and revolving credit indebtedness became a part of CMS Energy's consolidated indebtedness as of March 29, 1999. The $600 million CMS Energy bridge loan has a weighted average interest rate of 5.94% and a term of six months, and the approximately $500 million CMS Energy revolver loan has a weighted average interest rate of 6.22%. The bridge loan was provided by Barclays Bank PLC, Nationsbank, N.A., and Union Bank of California, N.A., and the revolver loan is with a consortium of banks for which The Chase Manhattan Bank serves as administrative agent. CMS Energy expects to complete permanent financing of the acquisition with the sale of approximately $600 million of CMS Energy Common Stock.

Panhandle and Trunkline Gas Company, together with the two gas storage companies acquired, are primarily engaged in the interstate transportation and storage of natural gas. The acquired assets include 10,400 miles of mainline natural gas pipeline extending from the Texas Gulf Coast to Michigan and from the Kansas/Oklahoma mid-continent region to Michigan with a combined capacity of 4.4 billion cubic feet per day, and 70 billion cubic feet of underground working gas storage facilities. The Trunkline and Panhandle transmission systems connect directly with the intrastate gas transmission system of Consumers Energy Company, CMS Energy's Michigan electric and gas utility subsidiary. Consumers Energy Company is one of the largest gas transmission customers of the two acquired pipeline companies.

Trunkline LNG Company owns a liquified natural gas ("LNG") regasification plant and related LNG tanker port, unloading facilities and LNG and gas storage facilities located at Lake Charles, Louisiana. The LNG plant has the capacity to deliver 700 million cubic feet per day but has been operated on a limited basis for a number of years.

The Panhandle Companies compete with a number of interstate and intrastate pipeline companies in the transportation and storage of natural gas. The principal elements of competition among pipelines are rates, terms of service and flexibility and reliability of service. The rates and conditions of service of the principal Panhandle Companies are subject to regulation by the Federal Energy Regulatory Commission.

Readers should review the historic Panhandle disclosure under the Securities Exchange Act of 1934 and in particular its financial information in light of the changes reflected in the CMS Holding Unaudited Pro Forma Financial Information filed as an exhibit to this report. Readers should note in particular that prior to the closing of the acquisition by CMS Energy, Panhandle's interest in Northern Border Partners, LP and certain non-operating assets which were not material in amount or revenue impact were transferred from the Panhandle Companies to other subsidiaries of Duke. In addition, certain intercompany accounts, including advances, between the Panhandle Companies and Duke were eliminated. Also, contemporaneous with the acquisition, the stock of Panhandle Storage Company and Trunkline LNG Company was contributed by CMS Holding to Panhandle so that they became subsidiaries of Panhandle. Finally, readers should be aware of the pending merger of CMS Holding into Panhandle and the impact of that merger on Panhandle's financial information. In general, the CMS Holding Pro Forma column of the Unaudited Pro Forma Financial Information will be the combining companies' financial information subsequent to the merger.

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Effective upon the closing of the acquisition described above, Panhandle's Board of Directors dismissed Deloitte & Touche LLP as Panhandle's certifying accountant and retained Arthur Andersen LLP for 1999. Arthur Andersen LLP is serving as certifying accountant for CMS Energy and its principal subsidiaries in 1999. Deloitte & Touche LLP's report on the Panhandle financial statements for 1997 and 1998 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles. During 1997, 1998 and the interim period from January 1, 1999 through March 29, 1999 (effective upon the closing of the acquisition), there were no disagreements or "reportable events" as described in Items 304(a)(1)(iv) and (v) of Regulation S-K between Panhandle and Deloitte & Touche LLP.

ITEM 7. EXHIBITS

(a) Financial Statements of Business Acquired - Not applicable.

(b) Pro Forma Financial Information - Attached as Exhibit 99(a) is the CMS Holding Unaudited Pro Forma Financial Information.

(c) Exhibits -

(16)(a) - Letter of Deloitte & Touche LLP, independent auditors, dated April 5, 1999.

(16)(b) - Letter of Deloitte & Touche LLP, independent auditors, dated July 19, 1999.

(99)(a) - CMS Holding Unaudited Pro Forma Financial Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PANHANDLE EASTERN PIPE LINE COMPANY

Dated: July 19, 1999

By: /s/ Alan M. Wright

Alan M. Wright
Senior Vice President and Chief
Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
(16)(a) -	Letter of Deloitte & Touche LLP, independent auditors, dated April 5, 1999.
(16)(b) -	Letter of Deloitte & Touche LLP, independent auditors, dated July 19, 1999.
(99)(a) -	CMS Holding Unaudited Pro Forma Financial Information.

EXHIBIT 16(a)

April 5, 1999

Securities and Exchange Commission
Mail Stop 9-5
450 5th Street, N.W.
Washington D.C. 20549

Dear Sirs/Madams:

We have read and agree with the comments in Item 4 of the Form 8-K of Panhandle Eastern Pipe Line Company dated March 29, 1999.

Yours truly,

/s/ Deloitte & Touche L.L.P.

EXHIBIT 16 (b)

July 19, 1999

Securities and Exchange Commission
Mail Stop 9-5
450 5th Street, N.W.
Washington D.C. 20549

Dear Sirs/Madams:

We have read and agree with the comments in Item 4 of the Form 8-K/A of Panhandle Eastern Pipe Line Company dated July 19, 1999.

Yours truly,

/s/ Deloitte & Touche L.L.P.

EXHIBIT 99(a)

UNAUDITED PRO FORMA FINANCIAL INFORMATION

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF CMS PANHANDLE HOLDING COMPANY

The following Unaudited Pro Forma Combined Financial Statements (the "PRO FORMA FINANCIAL STATEMENTS") of CMS Panhandle Holding Company ("CMS HOLDING") illustrate the effects of: (1) various restructuring, realignment, and elimination of activities between the Panhandle Companies (as defined below) and Duke Energy Corporation and its subsidiaries ("DUKE ENERGY") prior to the closing of the acquisition (the "ACQUISITION") of Panhandle Eastern Pipe Line Company ("PANHANDLE") and its principal subsidiaries, Trunkline Gas Company and Pan Gas Storage Company, and its affiliates Panhandle Storage Company and Trunkline LNG Company (collectively, the "PANHANDLE COMPANIES") by CMS Energy Corporation ("CMS ENERGY"); (2) the adjustments resulting from the Acquisition by CMS Energy; and (3) the public issuance of $800 million of Notes by CMS Holding which will be completed to facilitate the Acquisition (the "FINANCING TRANSACTION"). The $1.1 billion balance of the cash purchase price will be paid with an equity contribution from CMS Energy. The Unaudited Pro Forma Combined Balance Sheet has been prepared as if such transactions occurred on December 31, 1998; the Unaudited Pro Forma Combined Income Statement has been prepared as if such transactions occurred as of January 1, 1998.

The Pro Forma Financial Statements reflect CMS Energy acquiring all of the common stock of the Panhandle Companies. The Pro Forma Financial Statements also reflect, prior to the Acquisition, the transfer of Panhandle's interest in Northern Border Pipeline Company and certain non-operating assets to other subsidiaries of Duke Energy, and the elimination of certain intercompany accounts, including advances, between Panhandle and Duke Energy. The purchase price for the common stock of the Panhandle Companies is $1.9 billion in cash. The Panhandle Companies will have approximately $1.1 billion of debt outstanding after the closing of the Acquisition. This indebtedness includes approximately $300 million of existing debt and the debt incurred in the Financing Transaction. CMS Energy's acquisition of the Panhandle Companies will be accounted for under the purchase method.

A final determination of required purchase accounting adjustments, including the allocation of the purchase price to the assets acquired and liabilities assumed based on their respective fair values, has not yet been made. Accordingly, the purchase accounting adjustments made in connection with the development of the Pro Forma Financial Statements are preliminary and have been made solely for purposes of developing the pro forma combined financial information. However, CMS Energy management believes that the pro forma adjustments and the underlying assumptions reasonably present the significant effects of the Acquisition and the Financing Transactions. In addition, CMS Energy will undertake a study to determine the fair value of assets and liabilities of the Panhandle Companies and will revise the purchase accounting adjustments upon completion of that study. Upon consummation of the Acquisition, the actual financial position and results of operations of the combined entity will differ, perhaps significantly, from the pro forma amounts reflected herein because of a variety of factors, including access to additional information, changes in value and changes in operating results between the dates of the Pro Forma Financial Statements and the date on which the Acquisition takes place. The Pro Forma Financial Statements are not necessarily indicative of actual operating results or financial position had the Acquisition and the Financing Transactions occurred as of the dates indicated above, nor do they purport to indicate operating results or financial position which may be attained in the future.

The significant adjustments to pro forma net income reflect (1) higher depreciation and amortization expense to give effect to the allocation of excess purchase price and the fair value of net assets acquired related to property, plant and equipment prospectively depreciated over a 40-year period, (2) elimination of pension and rental income, and (3) lower interest expense from the cancellation of certain indebtedness between Panhandle and Duke Energy and additional interest expense reflecting the new debt issuance of CMS Holding.

The significant adjustments to the pro forma financial position reflect (1) elimination of the advances to Duke Energy and the notes payable to Duke Energy, (2) increases to property, plant and equipment and accrued liabilities for the purchase price allocation, (3) recognition of goodwill in the fair value calculation, (4) decreases in taxes and other liabilities assumed by Duke Energy, and (5) increases in long-term debt and common stockholder's equity in connection with the Acquisition and the Financing Transactions.

The Panhandle Companies' financial statements utilized in the preparation of the Pro Forma Financial Statements are based upon financial statements and information obtained from Duke Energy and Panhandle.

The Pro Forma Financial Statements should be read in conjunction with the historical financial statements and notes thereto of Panhandle included in Panhandle's annual report on Form 10-K for the year ended December 31, 1998 delivered with this Offering Memorandum and the documents incorporated by reference herein, and the notes to the Pro Forma Financial Statements included elsewhere herein. The pro forma adjustments do not reflect any potential operating efficiencies or cost savings which management believes are achievable with respect to the combined companies.

CMS PANHANDLE HOLDING COMPANY

UNAUDITED PRO FORMA COMBINED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 1998
(DOLLARS IN MILLIONS)

	PANHANDLE COMPANIES PRE-ACQUISITION PRO FORMA				PRO FORMA ACQUISITION		
	PANHANDLE CONSOLIDATED HISTORICAL	RESTRUCTURING AND REALIGNMENT	ELIMINATION OF DUKE ENERGY ACTIVITIES	PANHANDLE COMPANIES AS ADJUSTED	ACQUISITION ADJUSTMENTS	FINANCING TRANSACTIONS	CMS HOLDING PRO FORMA
Operating revenues........	$496	$(3)(a)	$(14)(b)	$479	$ (9)(i)	$ --	$470
Operating expenses:							
Operations and maintenance...........	213	(2)(a)	9 (c)	220			220
Depreciation and amortization..........	56	(2)(a)	(4)(d)	50	7 (j)		57
Property and other taxes.................	26	2 (a)	(1)(e)	27			27
	295	(2)	4	297	7	--	304
Operating income..........	201	(1)	(18)	182	(16)	--	166
Other income and expenses................	24	--	(14)(f)	10			10
Earnings before interest and taxes...............	225	(1)	(32)	192	(16)	--	176
Interest expense..........	77	(1)(a)	(54)(g)	22		54 (l)	76
Income before income taxes...................	148	--	22	170	(16)	(54)	100
Income taxes.............	57	1 (a)	7 (h)	65	(6)(k)	(19)(m)	40
Net income...............	$ 91	$(1)	$ 15	$105	$(10)	$(35)	$ 60

See accompanying Notes to Unaudited Pro Forma Combined Income Statement.

CMS PANHANDLE HOLDING COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED INCOME STATEMENT

RESTRUCTURING AND REALIGNMENT:

(a) To reflect the results of operations of Panhandle Storage Company and Trunkline LNG Company, both acquired by CMS Energy, and the transfer of Panhandle's interest in Northern Border Pipeline Company and certain non-operating assets to other subsidiaries of Duke Energy under the provisions of the Stock Purchase Agreement dated as of October 31, 1998, between CMS Energy and subsidiaries of Duke Energy (the "STOCK PURCHASE AGREEMENT").

ELIMINATION OF DUKE ENERGY ACTIVITIES:

(b) To reflect the elimination of rental income earned by Panhandle on an office building, which was transferred to Duke Energy under the provisions of the Stock Purchase Agreement.

(c) To reflect the elimination of pension income recognized by Panhandle on the overfunded pension plans of Duke Energy. Under the provisions of the Stock Purchase Agreement, Duke Energy transferred to CMS Energy an amount of pension assets equivalent to the Panhandle Companies' liabilities assumed by CMS Energy.

(d) To reflect the elimination of depreciation associated with an office building and certain other assets, which were transferred to Duke Energy under the provisions of the Stock Purchase Agreement.

(e) To reflect the elimination of ad valorem taxes associated with an office building, which was transferred to Duke Energy under the provisions of the Stock Purchase Agreement.

(f) To reflect the elimination of a December 1998 gain on the sale of Panhandle's general partnership interest in Northern Border Pipeline Company.

(g) To reflect a reduction in interest expense relating to the settlement of certain short-term notes payable to Duke Energy under the provisions of the Stock Purchase Agreement.

(h) To reflect the income tax expense effects of pro forma adjustments (b) through (g) at an estimated rate of 35%.

ACQUISITION ADJUSTMENTS:

(i) To reflect the elimination of non-cash amortization of deferred credits associated with a Trunkline LNG Company rate settlement.

(j) To reflect depreciation expense on the fair value of property, plant and equipment prospectively depreciated over a 40-year period which approximates the Federal Energy Regulatory Commission ("FERC")- approved depreciation rate for the regulated property, plant and equipment of the Panhandle Companies. Also reflects amortization expense over a 40-year period of the estimated goodwill recognized in the Acquisition.

(k) To reflect the income tax expense effects of pro forma adjustments (i) and (j) at an estimated rate of 35%.

FINANCING TRANSACTIONS:

(l) To reflect the increase of interest expense relating to the issuance of $800 million of CMS Holding Notes with a weighted average interest rate of 6.8%. An increase of 1/8% in interest rates would have the impact of increasing total pro forma interest expense by approximately $1 million for the year ended December 31, 1998.

(m) To reflect the income tax expense effects of pro forma adjustment (l) at an estimated rate of 35%.

CMS PANHANDLE HOLDING COMPANY

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF DECEMBER 31, 1998
(DOLLARS IN MILLIONS)

	PANHANDLE COMPANIES PRE-ACQUISITION PRO FORMA			
	PANHANDLE CONSOLIDATED HISTORICAL	RESTRUCTURING AND REALIGNMENT	ELIMINATION OF DUKE ENERGY ACTIVITIES	PANHANDLE COMPANIES AS ADJUSTED
ASSETS				
CURRENT ASSETS:				
Receivables	$ 94	$ (3)(a)	$ (1)(b)	$ 90
Other current assets	86	(2)(a)	(6)(c)	78
	180	(5)	(7)	168
INVESTMENTS:				
Advances and note receivable--parent	738		(738)(b)	--
Investment in affiliates and other	50	(41)(a)		9
	788	(41)	(738)	9
NET PROPERTY, PLANT AND EQUIPMENT	979	101 (a)	(72)(d)	1,008
OTHER NON-CURRENT ASSETS	26	--	(2)(c)	24
Total Assets	$1,973	$ 55	$(819)	$1,209
LIABILITIES AND STOCKHOLDER'S EQUITY				
CURRENT LIABILITIES:				
Accounts payable	$ 56	$(48)(a)	$ --	$ 8
Notes payable--parent	675		(675)(e)	--
Other current liabilities	183	3 (a)	(68)(f) (10)(c)	108
	914	(45)	(753)	116
LONG-TERM DEBT	299	(3)(a)	3 (b)	299
DEFERRED CREDITS AND OTHER LIABILITIES:				
Deferred income taxes	99	51 (a)	(150)(f)	--
Other non-current liabilities	103	36 (a)	(61)(c)	78
	202	87	(211)	78
COMMON STOCKHOLDER'S EQUITY:				
Common stock	1			1
Paid-in capital	466	16 (a)	142 (g)	624
Retained earnings	91			91
	558	16	142	716
Total Liabilities and Stockholder's Equity	$1,973	$ 55	$(819)	$1,209

	PRO FORMA ACQUISITION		
	ACQUISITION ADJUSTMENTS	FINANCING TRANSACTIONS	CMS HOLDING PRO FORMA
ASSETS			
CURRENT ASSETS:			
Receivables	$ --	$ --	$ 90
Other current assets			78
	--	--	168
INVESTMENTS:			
Advances and note receivable--parent			--
Investment in affiliates and other			9
	--	--	9
NET PROPERTY, PLANT AND EQUIPMENT	603 (h) (35)(i)		1,576
OTHER NON-CURRENT ASSETS	700 (j)	--	724
Total Assets	$1,268	$ --	$2,477

LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Accounts payable......................	$ --	$ --	$ 8
Notes payable--parent.................			--
Other current liabilities.............			108
	------	-------	------
	--	--	116
	------	-------	------
LONG-TERM DEBT..........................	19 (j)	800 (l)	1,118
	------	-------	------
DEFERRED CREDITS AND OTHER LIABILITIES:			
Deferred income taxes.................			--
Other non-current liabilities.........	100 (j) (35)(i)		143
	------	-------	------
	65	--	143
	------	-------	------
COMMON STOCKHOLDER'S EQUITY:			
Common stock..........................			1
Paid-in capital.......................	1,275 (k)	1,100 (m) (1,900)(n)	1,099
Retained earnings.....................	(91)(k)		--
	------	-------	------
	1,184	(800)	1,100
	------	-------	------
Total Liabilities and Stockholder's Equity..........	$1,268	$ --	$2,477
	======	=======	======

See accompanying Notes to Unaudited Pro Forma Combined Balance Sheet.

CMS PANHANDLE HOLDING COMPANY

NOTES TO UNAUDITED PRO FORMA COMBINED BALANCE SHEET

RESTRUCTURING AND REALIGNMENT:

(a) To reflect the financial position of Panhandle Storage Company and Trunkline LNG Company, both acquired by CMS Energy, and the transfer of Panhandle's interest in Northern Border Pipeline Company and certain non-operating assets to other subsidiaries of Duke Energy under the provisions of the Stock Purchase Agreement.

ELIMINATION OF DUKE ENERGY ACTIVITIES:

(b) To reflect the settlement of the advances and notes receivable from Duke Energy under the provisions of the Stock Purchase Agreement.

(c) To reflect the transfer from the Panhandle Companies to Duke Energy of certain environmental and litigation liabilities and the related assets under the provisions of the Stock Purchase Agreement.

(d) To reflect the transfer to Duke Energy of certain assets, primarily an office building, under the provisions of the Stock Purchase Agreement.

(e) To reflect the settlement of certain short-term notes payable to Duke Energy under the provisions of the Stock Purchase Agreement.

(f) To reflect the transfer from the Panhandle Companies to Duke Energy of all tax liabilities under the provisions of the Stock Purchase Agreement.

(g) To reflect the settlement and transfer of certain assets and liabilities described in pro forma adjustments (b) through (f).

ACQUISITION ADJUSTMENTS:

(h) To reflect the increase in property, plant and equipment to adjust the historical value of these assets to their estimated fair values. The allocation reflects CMS Energy's internal evaluation of the excess purchase price and is subject to the completion of a study to determine the fair value of the property. Should the study not support such allocation to property, plant and equipment, the excess of total purchase price over the fair value of the net assets acquired will be reflected as an adjustment to the preliminary estimate of goodwill.

(i) To reflect the elimination of deferred credits associated with a Trunkline LNG Company rate settlement.

(j) To reflect the preliminary estimated acquisition adjustments under the purchase method of accounting to record assets acquired and liabilities assumed at estimated fair value for (i) the preliminary estimate of goodwill, (ii) the increase of certain other assets, deferred charges and regulatory assets, (iii) the long-term debt assumed, (iv) the assumption of benefit plan obligations by the Panhandle Companies, previously assumed by Duke Energy, and (v) the accrual of certain obligations of the Panhandle Companies which are expected to be paid after completion of the transaction. The following adjustments reflect CMS Energy management's intended business strategies which may differ from the business strategies employed by Duke Energy management prior to the Acquisition:

	(DOLLARS IN MILLIONS)
Other assets including goodwill	$700
Other non-current liabilities	100

(k) To reflect the increase in paid-in capital and the elimination in retained earnings as a result of pro forma adjustments (h) through (j).

FINANCING TRANSACTIONS:

(l) To reflect the issuance of $800 million of CMS Holding Notes.

(m) To reflect a $1.1 billion equity contribution by CMS Energy.

(n) To reflect the payment of $1.9 billion in cash to Duke Energy for the acquisition of the Panhandle Companies.