FORM 8-K

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) October 26, 2001

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	IRS Employer Identification No.
1-9513	CMS ENERGY CORPORATION (A Michigan Corporation) Fairlane Plaza South, Suite 1100 330 Town Center Drive Dearborn, Michigan 48126 (313)-436-9261	38-2726431
1-5611	CONSUMERS ENERGY COMPANY (A Michigan Corporation) 212 West Michigan Avenue Jackson, Michigan (517) 788-1030	38-0442310
1-2921	PANHANDLE EASTERN PIPE LINE COMPANY (A Delaware Corporation) 5444 Westheimer Road, P.O. Box 4967 Houston, Texas 77210-4967 (713) 989-7000	44-0382470

ITEM 5. OTHER EVENTS

BUSINESS STRATEGY

On October 26, 2001, CMS Energy Corporation announced its plan to make significant changes in its business strategy to strengthen its balance sheet, provide more transparent and predictable future earnings, and lower its business risk by focusing its future business growth primarily in North America. Specifically, the Company plans to sell its non-strategic international power generation assets, its two South American electric distribution businesses and its entire interest in its Equatorial Guinea oil and gas production and reserves and methanol plant. These efforts will further its vision of becoming a premier integrated North American energy supply and service company with growth focused on the natural gas value chain and the gas and electricity marketing and end user services. At the plan's completion, approximately 90% of CMS Energy's assets will be in North America.

ASSET SALES

The company intends to sell its non-strategic international power and electric distribution assets, located in Argentina, Australia, Brazil, India, Jamaica, Philippines, Thailand and Venezuela, and cease all new development, which includes closing all international development offices, outside North America except in exploration and production projects.

While CMS Energy can make no assurances that it will achieve its anticipated level of sales or the amount for which it will sell the assets, the planned asset sales are expected to raise approximately $2.4 billion in cash which, together with the utility securitization proceeds expected this year, will result in cash proceeds approximately totaling $2.9 billion, of which CMS Energy expects to receive about $.9 billion by year end and $1.2 billion by January 2002. CMS Energy has already completed certain sales of assets including EDEERSA electric distribution, which resulted in cash proceeds of $129 million. In November 2001, CMS Energy anticipates completing its utility securitization that will result in cash proceeds of approximately $468 million. In December 2001, it also anticipates completing the LNG monetization, which will result in cash proceeds of $260 million.

By January 2002, CMS Energy anticipates completion of the sale of its interest in the Loy Yang Power facility in Australia and its interests in Equatorial Guinea for a total of approximately $1.2 billion. In addition, CMS Energy has executed an agreement this week to sell its Michigan electric transmission system for $290 million, the cash proceeds from which it anticipates receiving during the second quarter of 2002. Also during the latter part of 2002, CMS Energy anticipates the sale of its Latin American generation and distribution assets for approximately $315 million, other generation assets for approximately $100 million and miscellaneous assets for approximately $85 million.

CAPITAL EXPENDITURES & INVESTMENTS

In additional to the sale of assets, CMS Energy is also committed to improving its cash flow by the reduction in capital expenditures. CMS Energy estimates that it will reduce its capital expenditures and investments (excluding capital leases) to $970 million in 2002 from $1,360 million that it anticipates spending in 2001.

DIVIDENDS

CMS Energy is also committed to maintaining its common dividend at the current annual level of $1.46 per share.

EARNINGS

CMS Energy's third quarter earnings were 35 cents per share before a non cash write down, as compared to 43 cents per share before asset sales in the third quarter of 2000. Its consolidated net income before the write down was $46 million, as compared to $46 million before asset sales in the third quarter of 2000. The third quarter 2001 earnings were significantly reduced by increased power supply costs resulting from an unplanned outage at the Company's Palisades nuclear plant, which is on schedule to return to service in January 2002. Including the write down, third quarter results in 2001 were a loss of $4.29 per share, or a consolidated net income loss of $569 million. (For a Digest of CMS Energy's Consolidated Earnings for the three months and nine months ended September 30th, see exhibits A & B, respectively.)

WRITE DOWNS

In connection with CMS Energy's significant change in its business strategy and associated plans to sell non strategic international assets and concentrate its development in North America, the Company took a non cash third quarter write down of $613 million after tax, in recognition of planned divestitures, reduced asset valuations and loss contracts. The write downs include a $183 million charge related to discontinuation of the CMS Energy's South American energy distribution unit; a $218 million charge related to energy development projects and international investments in recognition of the net recoverable value of these investments; a $130 million charge related to the Dearborn Industrial Generation plant power supply contract with the Ford/Rouge complex, due to higher than expected fuel and operating costs; and an $82 million charge related to revised estimates of Consumers Energy Company's payments to the Midland Cogeneration Venture for purchased power.

For CMS Energy's business units, the write down is made up of $32 million for the oil and gas exploration and production unit; $28 million for the gas pipeline and processing business; $268 million for independent power production; $93 million for Consumers Energy; and $9 million for other areas.

OPERATING REVENUE

Third quarter operating revenue totaled $3.0 billion, up 29 percent from $2.32 billion in the third quarter of 2000, due largely to increased lower margin energy marketing and trading transactions.

For the first nine months of 2001 earnings before the write down and asset sales totaled $1.55 per diluted share or $202 million of net income compared to earnings of $1.39 per share or $152 million of net income during the first nine months of 2000. Including the effect of the write down, for the first nine months this year earnings totaled a loss of $3.13 per share and a consolidated net income loss of $407 million. Operating revenue in the first nine months of 2001 totaled $11.47 billion compared to $5.62 billion in the first nine months of 2000, due to increased lower margin energy marketing and trading transactions.

Third quarter operating income of CMS Energy's non utility, diversified energy businesses was $145 million before the write down, up 33 percent from $109 million in the third quarter of 2000.

Oil and gas exploration and production operating income was $24 million for the third quarter before the write down, up from $10 million in the third quarter last year, due to higher realized oil and natural gas prices and increased natural gas production. Operating income of the marketing, services and trading business was $20 million for the third quarter, up from a loss of $2 million in the third quarter last year, due primarily to increased net value of long term power contracts and wholesale gas and power trading activity.

Operating income of the natural gas transmission business for the third quarter was $51 million before the write down, up from $48 million the previous year, due primarily to higher earnings from the Gas Atacama project and lower operating expenses.

Independent power production operating income for the third quarter before the write down was $51 million, unchanged from the third quarter last year.

Operating income of the electric and natural gas utility businesses of Consumers Energy Company ("Consumers Energy"), was $81 million in the third quarter before the write down, down from $127 million during the same period last year. The third quarter 2001 results reflect increased power supply costs due to an unplanned outage at the Palisades nuclear plant. Third quarter total electric sales were 10.1 billion kilowatt hours, up one percent from the same period last year. Natural gas deliveries were 41.5 billion cubic feet, up one percent from 41.8 billion cubic feet in the third quarter last year.

FORWARD LOOKING STATEMENTS

This Form 8 K contains "forward looking statements" that are subject to risks and uncertainties. They should be read in conjunction with the "Forward Looking Statement Cautionary Factors" in CMS Energy's, Consumers Energy's and Panhandle Eastern Pipe line Company's Form 10 K, Item 1 (incorporated by reference herein) that discusses important factors that could cause CMS Energy's, Consumers Energy's and Panhandle's results to differ materially from those anticipated in such statements.

For further information regarding CMS Energy's business strategy as announced on October 26, 2001, you may visit the CMS Energy website at www.cmsenergy.com, where you may listen to the webcast until November 30, 2001.

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: October 26, 2001

By: /s/ Alan M. Wright
Alan M. Wright
Executive Vice President, Chief Financial Officer and Chief Administrative Officer

CONSUMERS ENERGY COMPANY

Dated: October 26, 2001

By: /s/ Alan M. Wright
Alan M. Wright
Executive Vice President, Chief Financial Officer and Chief Administrative Officer

PANHANDLE EASTERN PIPE LINE COMPANY

Dated: October 26, 2001

By: /s/ Alan M. Wright
Senior Vice President,
Chief Financial Officer and
Treasurer

EXHIBIT A

CMS ENERGY CORPORATION
Digest of Consolidated Earnings
(Millions, Except Per Share Amounts)

	2001	2000
Three Months Ended September 30 (unaudited)		
Operating Revenue	$ 2,996	$ 2,323
Consolidated Net Income (Loss)	(569)	53
Net Income Before Reconciling Items	46	46
Effects of Loss Contracts	(212)	
Effects of Reduced Asset Valuations	(218)	
Asset Sales		5
Loss on Disposal of Discontinued Operations	(183)	

Income (Loss) from Discontinued Operations	(2)	2
Consolidated Net Income (Loss)	$ (569)	$ 53
Average Number of Common Shares Outstanding:		
Basic	133	110
Diluted	133	114
Basic Earnings Per Average Common Share:		
Earnings Per share Before Reconciling Items	$ 0.35	$ 0.43
Effects of Loss Contracts	(1.60)	
Effects of Reduced Asset Valuations	(1.64)	
Asset Sales		.04
Loss on Disposal of Discontinued Operations	(1.38)	
Income (Loss) from Discontinued Operations	(.02)	.02
Earnings Per Share After Reconciling Items	$ (4.29)	$ 0.49
Diluted Earnings Per Average Common Share:		
Earnings Per Share Before Reconciling Items	$ 0.35	$ 0.43
Effects of Loss Contracts	(1.60)	
Effects of Reduced Asset Valuations	(1.64)	
Asset Sales		.04
Loss on Disposal of Discontinued Operations	(1.38)	
Income (Loss) from Discontinued Operations	(.02)	(.02)
Earnings Per Share After Reconciling Items	$ (4.29)	$ 0.49
Dividends Declared Per Common Share	$ 0.365	$ 0.365

In the opinion of Management, the above unaudited amounts reflect all adjustments necessary to assure the fair presentation of the results of operations for the periods presented.

EXHIBIT B

CMS ENERGY CORPORATION
Digest of Consolidated Earnings
(Millions, Except Per Share Amounts)

	2001	2000
Nine Months Ended September 30 (unaudited)		
Operating Revenue	$ 11,472	$ 5,620
Consolidated Net Income (Loss)	(407)	207
Net Income Before Reconciling Items	202	152
Effects of Loss Contracts	(212)	—
Effects of Reduced Asset Valuations	(218)	—
Asset Sales	6	56
Cumulative Effects of Change in Accounting for Inventories		(5)
Loss on Disposal of Discontinued Operations	(183)	—
Income (Loss) from Discontinued Operations	(2)	4
Consolidated Net Income (Loss)	$ (407)	$ 207
Average Number of Common Shares Outstanding:		
Basic	130	111
Diluted	130	116
Basic Earnings Per Average Common Share:		
Earnings Per share Before Reconciling Items	$ 1.55	$ 1.40
Effects of Loss Contracts	(1.63)	—
Effects of Reduced Asset Valuations	(1.68)	—
Asset Sales	.05	.47
Cumulative Effect of Change in Accounting for Inventories		(.04)

Loss on Disposal of Discontinued Operations	(1.41)	
Income (Loss) from Discontinued Operations	(.01)	.03
Earnings Per Share After Reconciling Items	$ (3.13)	$ 1.86
Diluted Earnings Per Average Common Share:		
Earnings Per Share Before Reconciling Items	$ 1.55	$ 1.39
Effects of Loss Contracts	(1.63)	
Effects of Reduced Asset Valuations	(1.68)	
Asset Sales	.05	.47
Cumulative Effect of Change in Accounting for Inventories		(.04)
Loss on Disposal of Discontinued Operations	(1.41)	
Income (Loss) from Discontinued Operations	(.01)	.03
Earnings Per Share After Reconciling Items	$ (3.13)	$ 1.85
Dividends Declared Per Common Share	$ 1.095	$ 1.095

In the opinion of Management, the above unaudited amounts reflect all adjustments necessary to assure the fair presentation of the results of operations for the periods presented.