

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) January 7, 2002

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

On January 7, 2002, CMS Energy Corporation issued a News Release announcing the following:

2001 PRELIMINARY EARNINGS ESTIMATE

For 2001, CMS Energy preliminarily estimates operating earnings of between \$1.35 to \$1.40 per share, or approximately 35 cents per share below previous earnings guidance for 2001. The preliminary operating earnings are lower than previous earnings forecasts for 2001 because of several factors. First, the weather during the fourth quarter of 2001 was significantly warmer than normal fourth quarter weather thereby affecting CMS Energy's Michigan gas distribution utility and gas and electric sales were lower than estimated because of the economic slowdown throughout the country. In fact, Michigan's temperatures during the fourth quarter of 2001 were the second warmest temperatures during that period since recording of temperatures began in 1864. Second, CMS Energy incurred electric generating plant maintenance costs that were greater than its estimated costs. Third, CMS Energy had increased electric distribution repair costs due to storm damage.

LNG BUSINESS MONETIZATION

In late December 2001, CMS Energy completed a previously announced \$320 million monetization of its CMS Trunkline LNG business. The transaction included the sale of a 50% voting interest in CMS Trunkline LNG to a newly created joint venture. The joint venture has transferred the net proceeds from its newly issued equity and debt to Panhandle Eastern Pipe Line Company, \$75 million of which was in the form of new loans to Panhandle by the joint venture. The funds are being used by Panhandle to repay existing debt, including \$200 million of Panhandle long term debt, with remaining funds being loaned to CMS Energy for additional debt retirement. The new joint venture, including \$290 million of newly issued debt, will not be consolidated with CMS Energy or Panhandle reflecting their lack of majority control of the joint venture. Due to the ultimate structure of the transaction, the previously anticipated earnings gain was not recognized.

EQUATORIAL GUINEA ASSET SALE/CMS AND CONSUMERS DEBT RETIREMENT

On January 3, 2002, CMS Energy completed the sale of its assets in Equatorial Guinea for \$993 million to Marathon Oil Company. CMS Energy utilized the proceeds from the sale to retire in their entirety: CMS Oil and Gas Company's bank debt, which totaled \$110 million; CMS Energy's short term bank debt, which totaled \$215 million; and Consumers Energy Company's short term bank debt, which totaled \$409 million. In addition, CMS Energy called \$125 million of debt that related to the Atlantic Methanol Production facility and infused \$150 million of equity into Consumers.

PALISADES

~~In December 2001, Consumers completed the replacement of the control rod drives in accordance with its previously announced schedule. The plant start up preparations are currently underway in order for the plant to return to service in late January 2002. Consumers cannot make any assurances as to factors that may affect the date on which the plant will return to service.~~

~~INTERIM GAS UTILITY RATE INCREASE~~

~~The Michigan Public Service Commission authorized an interim rate increase for Consumers' natural gas distribution utility of \$15.4 million annually, effective December 21, 2001. The interim increase is subject to refund if the amount of final rate relief is less than the interim increase. Consumers anticipates the MPSC will rule on Consumers' final rate relief request during the second quarter of 2002.~~

~~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' and Panhandle's Form 10-K, Item 1 (incorporated by reference herein) that discusses important factors that could cause CMS Energy's, Consumers' and Panhandle's 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: January 8, 2002 By: /s/ Alan M. Wright
Alan M. Wright
Executive Vice President, Chief Financial
Officer and Chief Administrative Officer~~

~~CONSUMERS ENERGY COMPANY~~

~~Dated: January 8, 2002 By: /s/ Alan M. Wright
Alan M. Wright
Executive Vice President, Chief Financial
Officer and Chief Administrative Officer~~

~~PANHANDLE EASTERN PIPE LINE COMPANY~~

~~Dated: January 8, 2002 By: /s/ William J. Haener
Chairman of the Board~~