

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 24, 2003

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

### DIVIDEND SUSPENSION

On January 24, 2003, CMS Energy Corporation ("CMS Energy") announced that its Board of Directors decided to suspend the common stock dividend to bolster its ongoing financial improvement plan. CMS Energy expects the dividend suspension will boost liquidity by more than \$100 million in 2003.

### PROGRESS ON FINANCIAL IMPROVEMENT PLAN

CMS Energy continues to focus on liquidity, with the goal of maintaining a consolidated cash balance of approximately \$400 million, split about equally between CMS Energy and its principal subsidiary Consumers Energy Company ("Consumers Energy"). Executing the financial plan also eliminates the need for CMS Energy to access the capital markets in 2003.

Financial plan milestones include:

- Selling or signing definitive agreements in 2002 for asset sales totaling \$3.6 billion, including debt assumed by the purchasers. That total includes the \$1.828 billion CMS Panhandle Companies sale, which is targeted to close in the first quarter of 2003, subject to regulatory approvals.
- Reducing debt by \$800 million in 2002, including paying down \$260 million in bank debt.
- Cutting planned capital expenditures in 2003 by about \$350 million, or 39 percent, from 2002. This follows a \$540 million reduction in 2002 from 2001 levels.

CMS Energy's aggressive asset sales program continues. It is in the process of selling:

- The Centennial and Guardian pipelines;
- CMS Field Services;
- The wholesale electric "book" of CMS Marketing, Services and Trading; and
- International distribution companies and selected power plants.

This Form 8-K contains "forward-looking statements", within the meaning of the safe harbor provisions of the federal securities laws. The "forward-looking statements" are subject to risks and uncertainties. They should be read in conjunction with the "Forward-Looking Statements and Risk Factors" in CMS Energy's, Consumers Energy's and Panhandle Eastern Pipe Line Company's ("Panhandle") Form 10-Q for the Quarterly Period Ended September 30, 2002, Management Discussion and Analysis (incorporated herein by reference) that discuss important factors that could cause CMS Energy's, Consumers' and Panhandles' results to differ materially from those anticipated in such statements.

ITEM 7. EXHIBITS

99.1 Forward-Looking Statements and Risk Factors from CMS Energy's Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.

99.2 Forward-Looking Statements and Risk Factors from Consumer's Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.

99.3 Forward-Looking Statements and Risk Factors from Panhandles' Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.

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 24, 2003

By: /s/ Thomas J. Webb  
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Thomas J. Webb  
Executive Vice President and Chief  
Financial Officer

CONSUMERS ENERGY COMPANY

Dated: January 24, 2003

By: /s/ Thomas J. Webb  
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Thomas J. Webb  
Executive Vice President and Chief  
Financial Officer

PANHANDLE EASTERN PIPE LINE  
COMPANY

Dated: January 24, 2003

By: /s/ Thomas J. Webb  
-----  
Thomas J. Webb  
Executive Vice President and Chief  
Financial Officer

EXHIBIT INDEX

EXHIBIT NO.            DESCRIPTION

- 99.1        Forward-Looking Statements and Risk Factors from CMS Energy's Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.
- 99.2        Forward-Looking Statements and Risk Factors from Consumer's Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.
- 99.3        Forward-Looking Statements and Risk Factors from Panhandles' Management's Discussion and Analysis included in CMS Energy's, Consumer's and Panhandles' Form 10-Q for Quarterly Period Ended September 30, 2002.

## FORWARD-LOOKING STATEMENTS AND RISK FACTORS

The MD&A of this Form 10-Q should be read along with the MD&A and other parts of CMS Energy's 2001 Form 10-K. This MD&A refers to, and in some sections specifically incorporates by reference, CMS Energy's Condensed Notes to Consolidated Financial Statements and should be read in conjunction with such Consolidated Financial Statements and Notes. This Form 10-Q and other written and oral statements that CMS Energy may make contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. CMS Energy's intentions with the use of the words "anticipates," "believes," "estimates," "expects," "intends," and "plans," and variations of such words and similar expressions, are solely to identify forward-looking statements that involve risk and uncertainty. These forward-looking statements are subject to various factors that could cause CMS Energy's actual results to differ materially from the results anticipated in such statements. CMS Energy has no obligation to update or revise forward-looking statements regardless of whether new information, future events or any other factors affect the information contained in such statements. CMS Energy does, however, discuss certain risk factors, uncertainties and assumptions in this MD&A and in Item 1 of the 2001 Form 10-K in the section entitled "CMS Energy, Consumers, and Panhandle Forward-Looking Statements Cautionary Factors and Uncertainties" and in various public filings it periodically makes with the SEC. In addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, there are numerous factors that could cause our actual results to differ materially from those contemplated in any forward-looking statements. Such factors include our inability to predict and/or control:

- - Results of the re-audit of CMS Energy, Consumers, Panhandle and certain of their subsidiaries by Ernst & Young and the subsequent restatement of CMS Energy's, Consumers', Panhandle's and certain of their subsidiaries' financial statements;
- - The efficient sale of non-strategic and under-performing international assets and discontinuation of our international energy distribution systems;
- - Achievement of operating synergies and revenue enhancements;
- - Capital and financial market conditions, including current price of CMS Energy's Common Stock, interest rates and availability of financing to CMS Energy, Consumers, Panhandle or any of their affiliates and the energy industry;
- - CMS Energy, Consumers, Panhandle or any of their affiliates' securities ratings;
- - Market perception of the energy industry, CMS Energy, Consumers, Panhandle or any of their affiliates;
- - Ability to successfully access the capital markets;
- - Currency fluctuations and exchange controls;
- - Factors affecting utility and diversified energy operations such as unusual weather conditions, catastrophic weather-related damage, unscheduled generation outages, maintenance or repairs, unanticipated changes to fossil fuel, nuclear fuel or gas supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmissions or gas pipeline system constraints;
- - International, national, regional and local economic, competitive and regulatory conditions and developments;

- - Adverse regulatory or legal decisions, including environmental laws and regulations;
- - Federal regulation of electric sales and transmission of electricity including re-examination by Federal regulators of the market-based sales authorizations by which our subsidiaries participate in wholesale power markets without price restrictions and proposals by FERC to change the way it currently lets our subsidiaries and other public utilities and natural gas companies interact with each other;
- - Energy markets, including the timing and extent of unanticipated changes in commodity prices for oil, coal, natural gas liquids, electricity and certain related products due to lower or higher demand, shortages, transportation problems or other developments;
- - The increased competition of new pipeline and pipeline expansion projects that transport large additional volumes of natural gas to the Midwestern United States from Canada, which could reduce the volumes of gas transported by our natural gas transmission business or cause them to lower rates in order to meet competition;
- - Potential disruption, expropriation or interruption of facilities or operations due to accidents, war and terrorism or political events and the ability to get or maintain insurance coverage for such events;
- - Nuclear power plant performance, decommissioning, policies, procedures, incidents, and regulation, including the availability of spent nuclear fuel storage;
- - Technological developments in energy production, delivery and usage;
- - Changes in financial or regulatory accounting principles or policies;
- - Outcome, cost and other effects of legal and administrative proceedings, settlements, investigations and claims, including particularly claims, damages and fines resulting from those involving round-trip trading;
- - Limitations on our ability to control the development or operation of projects in which our subsidiaries have a minority interest;
- - Disruptions in the normal commercial insurance and surety bond markets that may increase costs or reduce traditional insurance coverage, particularly terrorism and sabotage insurance and performance bonds;
- - Other business or investment considerations that may be disclosed from time to time in CMS Energy's, Consumers' or Panhandle's SEC filings or in other publicly disseminated written documents; and
- - Other uncertainties, which are difficult to predict and many of which are beyond our control.

CMS Energy designed this discussion of potential risks and uncertainties, which is by no means comprehensive, to highlight important factors that may impact CMS Energy's business and financial outlook.

## FORWARD-LOOKING STATEMENTS AND RISK FACTORS

The MD&A of this Form 10-Q should be read along with the MD&A and other parts of Consumers' 2001 Form 10-K. This MD&A refers to, and in some sections specifically incorporates by reference, Consumers' Condensed Notes to Consolidated Financial Statements and should be read in conjunction with such Consolidated Financial Statements and Notes. This Form 10-Q and other written and oral statements that Consumers may make contain forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Consumers' intentions with the use of the words, "anticipates," "believes," "estimates," "expects," "intends," and "plans," and variations of such words and similar expressions, are solely to identify forward-looking statements that involve risk and uncertainty. These forward-looking statements are subject to various factors that could cause Consumers' actual results to differ materially from the results anticipated in such statements. Consumers has no obligation to update or revise forward-looking statements regardless of whether new information, future events or any other factors affect the information contained in such statements. Consumers does, however, discuss certain risk factors, uncertainties and assumptions in this MD&A and in Item 1 of the 2001 Form 10-K in the section entitled "CMS Energy, Consumers and Panhandle Forward-Looking Statements Cautionary Factors" and in various public filings it periodically makes with the SEC. In addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, there are numerous factors that could cause our actual results to differ materially from those contemplated in any forward-looking statements. Such factors include our inability to predict and/or control:

- - Results of the re-audit of CMS Energy, Consumers, Panhandle and certain of their affiliates by Ernst & Young and the subsequent restatement of CMS Energy's, Consumers', Panhandle's and certain of their affiliates' financial statements;
- - Ability to successfully access the capital markets;
- - Achievement of operating synergies and revenue enhancements;
- - Capital and financial market conditions, including current price of CMS Energy's Common Stock, interest rates and availability of financing to CMS Energy, Consumers, Panhandle or any of their affiliates and the energy industry;
- - CMS Energy, Consumers, Panhandle or any of their affiliates' securities ratings;
- - Market perception of the energy industry, CMS Energy, Consumers, Panhandle or any of their affiliates;
- - Factors affecting utility and diversified energy operations such as unusual weather conditions,



catastrophic weather-related damage, unscheduled generation outages, maintenance or repairs, unanticipated changes to fossil fuel, nuclear fuel or gas supply costs or availability due to higher demand, shortages, transportation problems or other developments, environmental incidents, or electric transmissions or gas pipeline system constraints;

- - National, regional and local economic, competitive and regulatory conditions and developments;
- - Adverse regulatory or legal decisions, including environmental laws and regulations;
- - Federal regulation of electric sales and transmission of electricity including re-examination by Federal regulators of the market-based sales authorizations by which Consumers and its affiliates participate in wholesale power markets without price restrictions and proposals by FERC to change the way it currently lets Consumers and other public utilities and natural gas companies interact with each other;
- - Energy markets, including the timing and extent of unanticipated changes in commodity prices for oil, coal, natural gas liquids, electricity and certain related products due to lower or higher demand, shortages, transportation problems or other developments;
- - Nuclear power plant performance, decommissioning, policies, security, procedures, incidents, and regulation, including the availability of spent nuclear fuel storage;
- - Technological developments in energy production, delivery and usage;
- - Changes in financial or regulatory accounting principles or policies;
- - Outcome, cost and other effects of legal and administrative proceedings, settlements, investigations and claims;
- - Disruptions in the normal commercial insurance and surety bond markets that may increase costs or reduce traditional insurance coverage, particularly terrorism and sabotage insurance and performance bonds.
- - Other business or investment considerations that may be disclosed from time to time in CMS Energy's, Consumers' or Panhandle's SEC filings or in other publicly disseminated written documents, which are difficult to predict and many of which are beyond our control.

Consumers designed this discussion of potential risks and uncertainties, which is by no means comprehensive, to highlight important factors that may impact Consumers' business and financial outlook.

## FORWARD-LOOKING STATEMENTS AND RISK FACTORS

The MD&A of this Form 10-Q should be read along with the MD&A and other parts of Panhandle's 2001 Form 10-K. This MD&A also refers to, and in some sections specifically incorporates by reference, Panhandle's Condensed Notes to Consolidated Financial Statements and should be read in conjunction with such Statements and Notes. This report and other written and oral statements that Panhandle may make contain forward-looking statements, as defined by the Private Securities Litigation Reform Act of 1995. Panhandle's intentions with the use of the words "anticipates," "believes," "estimates," "expects," "intends," and "plans" and variations of such words and similar expressions, are solely to identify forward-looking statements that involve risk and uncertainty. These forward-looking statements are subject to various factors that could cause Panhandle's actual results to differ materially from those anticipated in such statements. Panhandle has no obligation to update or revise forward-looking statements regardless of whether new information, future events or any other factors affect the information contained in such statements. Panhandle does, however discuss certain risk factors, uncertainties and assumptions in this MD&A and in Item 1 of the 2001 Form 10-K in the section entitled "Forward-Looking Statements Cautionary Factors and Uncertainties" and in various public filings it periodically makes with the SEC.

In addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, there are numerous factors that could cause our actual results to differ materially from those contemplated in any forward-looking statements. Such factors include our inability to predict and/or control:

- - Results of the re-audit of CMS Energy, Consumers, Panhandle, and certain of their subsidiaries by Ernst & Young and the subsequent restatement of CMS Energy's, Consumers' and Panhandle's financial statements;
- - Achievement of operating synergies and revenue enhancements;
- - Capital and financial market conditions, including current price of CMS Energy's Common Stock, and the effect on the Pension Plan, interest rates and availability of financing to CMS Energy, Consumers, Panhandle or any of their affiliates and the energy industry;
- - CMS Energy, Consumers, Panhandle or any of their affiliates' securities ratings;
- - Market perception of the energy industry, CMS Energy, Consumers, Panhandle, or any of their affiliates;
- - Ability to successfully assess the capital markets;

PANHANDLE EASTERN PIPE LINE COMPANY

- - Factors affecting operations such as unusual weather conditions, catastrophic weather-related damage, maintenance or repairs, environmental incidents, or gas producer constraints;
- - National, regional and local economic, competitive, legislative, and regulatory conditions and developments;
- - Adverse regulatory or legal decisions, including environmental laws and regulations;
- - The increased competition caused by new pipeline and pipeline expansion projects that transport large additional volumes of natural gas to the Midwestern United States from Canada, which could reduce the volumes of gas transported by our natural gas transmission business or cause them to lower rates in order to meet competition;
- - Energy markets, including the timing and extent of unanticipated changes in commodity prices for oil, coal, natural gas liquids, electricity and certain related products due to lower or higher demand, shortages, transportation problems or other developments;
- - Technological developments in energy production, delivery and usage;
- - Changes in financial or regulatory accounting principles or policies;
- - The actual amount of goodwill impairment and related impact on earnings and the balance sheet which could negatively impact Panhandle's borrowing capacity;
- - Outcome, cost and other effects of legal and administrative proceedings, settlements, investigations and claims;
- - Disruptions in the normal commercial insurance and surety bond markets that may increase costs or reduce traditional insurance coverage, particularly terrorism and sabotage insurance and performance bonds;
- - Capital spending requirements for safety, environmental or regulatory requirements that could consume capital resources and also result in depreciation expense increases not covered by additional revenues;
- - Market and other risks associated with Panhandle's investment in the liquids pipeline business with the Centennial Pipeline venture;
- - Other business or investment considerations that may be disclosed from time to time in CMS Energy's, Consumers' or Panhandle's SEC filings or in other publicly disseminated written documents; and
- - Other uncertainties, which are difficult to predict and many of which are beyond our control.

In addition, there may be other matters which are unknown to Panhandle or are currently believed to be immaterial.

Panhandle designed this discussion of potential risks and uncertainties, which is by no means comprehensive, to highlight important factors that may impact Panhandle's business and financial outlook.