

2. Respondent Enterprise is engaged, among other things, in the pipeline transportation of natural gas, and the transportation, fractionation, and storage of natural gas liquids, such as ethane and propane.
3. Respondent Enterprise at all times relevant herein has been and is now engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is a partnership whose business is in or affecting commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
4. Respondent Dan L. Duncan ("Respondent Duncan"), a natural person, is the ultimate parent entity of Respondent Enterprise. Mr. Duncan owns or controls 100 percent of Enterprise Products GP, LLC and 48.8 percent of the limited partnership units in Respondent Enterprise. His offices are located at 2727 North Loop West, in Houston, Texas 77008.
5. Respondent Duncan at all times relevant herein has been and is now engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is an individual whose business is in or affecting commerce as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

II. THE MERGER PARTNER

6. GulfTerra Energy Partners L.P. ("GulfTerra") is a limited partnership, organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business located at 4 Greenway Plaza, Houston, Texas 77046. El Paso Corporation owns 31.1 percent of the limited partnership units of GulfTerra LP. El Paso Corporation also owns 50 percent of the membership interest in, and manages the day-to-day operations of, GulfTerra's general partner.
7. GulfTerra is engaged, among other things, in the pipeline transportation of natural gas, and the transportation, fractionation, and storage of natural gas liquids, such as ethane and propane.

III. THE TRANSACTION

8. On December 15, 2003, Respondent Enterprise and GulfTerra agreed to merge to form the second largest publicly traded energy partnership, with an enterprise value of approximately \$13 billion.

IV. THE RELEVANT MARKETS

- a. By eliminating direct competition between Respondents and GulfTerra in the relevant markets;
- b. By enhancing the likelihood of collusion or coordinated action between or among the remaining firms in the pipeline transportation of natural gas from the West Central Deepwater of the Gulf of Mexico;
- c. By enhancing the likelihood that Respondents would unilaterally exercise market power in the pipeline transportation of natural gas from the West Central Deepwater of the Gulf of Mexico;
- d. By enhancing the likelihood of collusion or coordinated action between or among the remaining firms in the market for propane storage and terminaling services in Hattiesburg, Mississippi; and
- e. By increasing the likelihood that customers would be forced to pay higher prices for propane storage and terminaling services and pipeline transportation of natural gas in the relevant geographic areas.

VIII. VIOLATION CHARGED

- 16. The merger agreement described in Paragraph 8 constitutes a violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.
- 17. The merger described in Paragraph 8, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and in the market for propane storage and terminaling services in Hattiesburg, Mississippi; and