161 0215

2. Respondent Enbridge is, and at all times relevant herein has been, engaged in, among other things, the gathering, processing, transportation, and storage of natural gas in the United States.

3. Respondent Enbridge and the corporate entities under its control are, and at all times relevant herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

Spectra

4. Respondent Spectra is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located at 5400 Westheimer Court, Houston, Texas 77056.

5. Respondent Spectra is, and at all times relevant herein has been, engaged in, among other things, the gathering, processing, transportation, and storage of natural gas in the United States.

6. Respondent Spectra and the corporate entities under its control are, and at all times relevant herein have been, engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. THE PROPOSED MERGER

7. Respondent Enbridge and affiliated companies under its control entered into a merger agreement (“Merger Agreement”) with Spectra, dated September 5, 2016, pursuant to which Sand Merger Sub, Inc., a newly created direct wholly owned subsidiary of Enbridge, will merge with and into Spectra, with Spectra surviving the merger (the “Merger”). On September 5, 2016, the Merger’s total estimated dollar value was $28 billion.

8. The Merger is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

III. THE RELEVANT MARKET

9. A relevant product market in which to analyze the effects of the Merger is natural gas pipeline transportation. Natural gas producers contract with natural gas pipelines to connect to and transport natural gas from wells to processing plants or interconnects with other natural gas pipelines.

10. Relevant geographic markets in which to analyze the effects of the Merger are no broader than the Green Canyon, Walker Ridge, and Keathley Canyon offshore natural gas producing areas in the Gulf of Mexico (collectively and individually referred to as "Gulf Producing Areas"). The Gulf Producing Areas are off the coast of Louisiana.

11. No economic or practical alternative to natural gas pipeline transportation from wells exists. Other natural gas delivery methods are significantly more costly, less reliable, and potentially more hazardous than pipeline transportation.

IV. MARKET STRUCTURE

12. Enbridge, through a wholly owned subsidiary, owns and operates the Walker Ridge Pipeline. The Walker Ridge Pipeline is a natural-gas offshore gathering and processing system that consists of 8-inch and 10-inch diameter pipelines that deliver natural gas north from or through portions of the Walker Ridge and Green Canyon natural gas producing areas to an interconnect at Ship Shoal 332A, a block in the Ship Shoal natural gas producing area.

13. Spectra has an indirect ownership interest in the Discovery Pipeline. The Discovery Pipeline is a natural-gas offshore gathering, transmission, and processing system that consists of a mainline pipeline ranging from 12 inches to 30 inches in diameter. The Discovery Pipeline includes the Keathley Canyon Connector, a 20-inch pipeline that delivers natural gas north from or through portions of the Keathley Canyon, Walker Ridge, and Green Canyon natural gas producing areas to an interconnect with the Discovery Pipeline. The Discovery Pipeline connects directly to shore.

14. Spectra's indirect ownership interest in the Discovery Pipeline stems from its ownership interest in DCP Midstream, LLC ("DCP"). Spectra and the Phillips 66 Company each own 50 percent interests in DCP. DCP has an effective 36.1 percent limited partner interest in DCP Midstream Partners, LP ("DPM"). DCP also owns (i) DCP Midstream GP, LP ("DPM's General Partner"), the entity that is the general partner of DPM and holds a 2 percent general partner interest in DPM, as well as all of DPM's incentive distribution rights; and (ii) DCP Midstream GP, LLC ("DPM GP LLC"), the entity that is the general partner of DPM's General Partner.

15. DPM owns a 40 percent interest in Discovery Product Services LLC. Williams Partners L.P. ("Williams") owns the remaining 60 percent. Discovery Product Services LLC is the sole member of Discovery Gas Transmission LLC, which is the sole owner of the Discovery Pipeline. Williams is the operator of the Discovery Pipeline. Through its indirect ownership interest in DPM, Spectra has access to competitively sensitive information of the Discovery Pipeline and significant voting rights.

VI. **EFFECTS OF THE MERGER**

22. The effects of the Merger