

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of

**TC GROUP, L.L.C.,**  
a limited liability company,

**RIVERSTONE HOLDINGS LLC,**  
a limited liability company,

**CARLYLE/RIVERSTONE GLOBAL  
ENERGY AND POWER FUND II, L.P.,**  
a limited partnership,

and

**CARLYLE/RIVERSTONE GLOBAL  
ENERGY AND POWER FUND III, L.P.,**  
a limited partnership.

File No. 061-0197

**AGREEMENT CONTAINING CONSENT ORDERS**

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition of equity interests in Kinder Morgan, Inc. by Carlyle Partners IV, L.P., an affiliate of TC Group, L.L.C. d/b/a The Carlyle Group (“Carlyle”), and by Carlyle/Riverstone Global Energy and Power Fund III, L.P., an affiliate of Carlyle and Riverstone Holdings LLC (“Riverstone”) (hereinafter Carlyle, Riverstone, Carlyle/Riverstone Global Energy and Power Fund III, L.P., and Carlyle-Riverstone Global Energy and Power Fund II, L.P. collectively referred to as “Proposed Respondents”), and it now appearing that Proposed Respondents are willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to cease and desist from doing certain acts and providing for other relief:

**IT IS HEREBY AGREED** by and between Proposed Respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent TC Group, L.L.C., is a limited liability company doing business as The Carlyle Group, and is 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 1001 Pennsylvania Avenue, N.W., Suite 220 S, Washington, DC 20004.

2. Proposed Respondent Riverstone Holdings LLC is a limited liability company 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 712 Fifth Avenue, 51st Floor, New York, NY 10019.
3. Proposed Respondent Carlyle/Riverstone Global Energy and Power Fund II, L.P., is a limited partnership 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 712 Fifth Avenue, 51st Floor, New York, NY 10019 (c/o Riverstone Holdings LLC).
4. Proposed Respondent Carlyle/Riverstone Global Energy and Power Fund III, L.P., is a limited partnership 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 712 Fifth Avenue, 51st Floor, New York, NY 10019 (c/o Riverstone Holdings LLC).
5. Proposed Respondents admit all the jurisdictional facts set forth in the draft of Complaint here attached.
6. Proposed Respondents waive:
  - a. any further procedural steps;
  - b. the requirement that the Commission's Decision and Order and Order to Maintain Assets, both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
  - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order or the Order to Maintain Assets entered pursuant to this Consent Agreement; and
  - d. any claim under the Equal Access to Justice Act.
7. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
8. Each Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, within fifteen (15) days of the date on which it executes this Consent Agreement and every thirty (30) days thereafter until the Decision and Order becomes final. Each such report shall be signed by the Proposed Respondent

and shall set forth in detail the manner in which the Proposed Respondent has to date complied or has prepared to comply, is complying, and will comply with the Order to Maintain Assets and the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.

9. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft of Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondents, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
10. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.
11. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached, (b) issue and serve its Order to Maintain Assets, and (c) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, issue the attached Decision and Order in disposition of the proceeding.
12. When final, the Decision and Order and the Order to Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondents by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondents waive any right they may have to any other manner of service. Proposed Respondents also waive any right they may otherwise have to service of any Appendices incorporated by reference into the Decision and Order, and agree that they are bound to comply with and will comply with the Decision and Order and the Order to Maintain Assets to the same extent as if they had been served with copies of the Appendices, where Proposed Respondents are already in possession of copies of such Appendices.

13. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Maintain Assets, or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order or the Order to Maintain Assets.
14. By signing this Consent Agreement, Proposed Respondents represent and warrant that they can accomplish the full relief contemplated by the attached Decision and Order and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to this Consent Agreement.
15. Proposed Respondents have read the draft of the Complaint, the Decision and Order, and the Order to Maintain Assets contemplated hereby. Proposed Respondents understand that once the Decision and Order and the Order to Maintain Assets have been issued, they will be required to file one or more compliance reports showing that they have fully complied with the Decision and Order and the Order to Maintain Assets. Proposed Respondents agree to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and of the Order to Maintain Assets after they become final.

Signed this 13th day of December, 2006.

**TC GROUP, L.L.C.**

**FEDERAL TRADE COMMISSION**

By:

\_\_\_\_\_  
Jeffrey W. Ferguson  
General Counsel and  
Managing Director

\_\_\_\_\_  
Dennis F. Johnson  
Brian J. Telpner  
Amanda L. Wait  
Attorneys  
Bureau of Competition

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E. Marcellus Williamson  
Latham & Watkins  
Counsel for TC Group, L.L.C.

**RIVERSTONE HOLDINGS LLC**

**APPROVED:**

By: \_\_\_\_\_  
Pierre F. Lapeyre, Jr.  
Senior Managing Director

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Phillip L. Broyles  
Assistant Director  
Bureau of Competition

**CARLYLE/RIVERSTONE GLOBAL ENERGY AND POWER FUND II, L.P.**

By: \_\_\_\_\_  
Carlyle/Riverstone Energy Partners II, L.P., its General Partner  
By: C/R Energy GP II, LLC, its General Partner  
By: Pierre F. Lapeyre, Jr.,  
Member of the  
Management Committee  
and Authorized Person

\_\_\_\_\_  
David P. Wales, Jr.  
Deputy Director  
Bureau of Competition

**CARLYLE/RIVERSTONE GLOBAL ENERGY AND POWER FUND III, L.P.**

\_\_\_\_\_  
Jeffrey Schmidt  
Director  
Bureau of Competition

By: \_\_\_\_\_  
Carlyle/Riverstone Energy Partners III, L.P., its General Partner  
By: C/R Energy GP III, LLC, its General Partner  
By: Pierre F. Lapeyre, Jr.,  
Member of the  
Management Committee  
and Authorized Person

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Neil W. Imus  
Vinson & Elkins LLP  
Counsel for Riverstone Holdings LLC, Carlyle/Riverstone Global Energy and Power Fund II, L.P., and Carlyle/Riverstone Global Energy and Power Fund III, L.P.