

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

<p>In the Matter of</p> <p>PHILLIPS PETROLEUM COMPANY, a corporation,</p> <p>and</p> <p>ENRON CORP., a corporation.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Docket No.</p>
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COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent Phillips Petroleum Company ("Phillips"), through its subsidiary GPM Gas Corporation ("GPM"), is subject to the jurisdiction of the Commission and Phillips' proposed acquisition of the outstanding voting securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, two subsidiaries of Enron Corp. ("Enron") is in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint pursuant to Section 11 of the Clayton Act, as amended, 15 U.S.C. § 21, and Section 5(b) of the FTC Act, as amended, 15 U.S.C. § 45(b), stating its charges as follows:

I. PHILLIPS

PARAGRAPH ONE: Respondent Phillips 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 at Phillips Building, Bartlesville, Oklahoma 74004.

PARAGRAPH TWO: Respondent Phillips is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

II. ENRON

PARAGRAPH THREE: Respondent Enron 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 at 1400 Smith Street, Houston, Texas 77002.

PARAGRAPH FOUR: Enron is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

III. THE PROPOSED ACQUISITION

PARAGRAPH FIVE: Respondent Phillips through its subsidiary GPM entered into two agreements with Respondent Enron Corp. through its subsidiaries, Enron Operations Corp. and Transwestern Gathering Company, to acquire the outstanding voting

securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, which will own certain gas gathering assets currently owned by Transwestern Gathering Company and Northern Natural Gas Company, two subsidiaries of Respondent Enron.

IV. THE RELEVANT MARKETS

PARAGRAPH SIX: The relevant line of commerce in which to analyze the effects of the merger is natural gas gathering services or the transportation, for the respondents' own account or for other persons, of natural gas from the wellhead or producing area to a natural gas transmission pipeline or a natural gas processing plant.

PARAGRAPH SEVEN: The relevant geographic market in which to analyze the effects of the merger includes the Texas counties of Hansford, Ochiltree, and Lipscomb and all portions of Beaver County, Oklahoma, within ten miles of the Texas border.

PARAGRAPH EIGHT: The relevant line of commerce is highly concentrated in the relevant geographic market. Respondents Phillips and Enron are the only competitive providers of natural gas gathering services in many areas of the relevant market. Respondents will have the largest market share in the relevant line of commerce throughout the relevant geographic market.

PARAGRAPH NINE: Respondent Phillips is an actual and potential competitor of Enron in the relevant line of commerce in the relevant geographic market.

PARAGRAPH TEN: Timely and effective entry in the relevant line of commerce in the relevant geographic market is unlikely.

V. EFFECTS OF THE MERGER

PARAGRAPH ELEVEN: The effects of the merger may be substantially to lessen competition or to tend to create a monopoly in the relevant markets in the following ways, among others:

- a. actual and potential competition between Phillips and Enron to provide natural gas gathering services to existing natural gas wells will be eliminated;
- b. actual and potential competition between Phillips and Enron to provide natural gas gathering services for new natural gas wells will be eliminated;
- c. the respondents are likely to exact anticompetitive price increases from producers in the relevant geographic market for performance of natural gas gathering services in the relevant geographic market; and
- d. producers may be less likely to do exploratory and developmental drilling for new natural gas in the relevant geographic market than prior to the merger.

VI. VIOLATIONS CHARGED

PARAGRAPH TWELVE: The merger agreement described in Paragraph Five constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

PARAGRAPH THIRTEEN: The merger described in Paragraph Five, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

IN WITNESS WHEREOF, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this day of 1995, issues its Complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL:

ISSUED: