

BACKGROUND

On September 16, 2004, Respondents and the Bureau of Competition ("Bureau") of the

Commission entered into an Agreement Containing Consent Orders ("Agreement") to settle the

Commission's allegations about the alleged process between Respondents and CalPine

therein, and grant this petition by approving the divestiture of the Starfish Pipeline Interest pursuant to the proposed agreement as soon as practicable after the close of the public comment period.

REQUEST FOR CONFIDENTIALITY

Respondents have prepared both a confidential version of this petition and a redacted version, as the confidential version and the related agreements attached thereto contain confidential and competitively sensitive business information relating to the Respondents, MarkWest, the Starfish Pipeline Interest, and the divestiture. The disclosure of this information would prejudice Respondents and MarkWest, would hinder Respondents from fulfilling their divestiture obligations under the Decision and Order, and would harm the ongoing competitiveness of the Starfish Pipeline Interest. Respondents have prepared the redacted

version of this petition for public comment.

Pursuant to Section 2.41(f)(4) and 4.9(c) of the Commission's Rules of Practice and Procedure, 16 C.F.R. §§2.41(f)(4) & 4.9(c) and the applicable confidentiality provisions of the

United States Pipeline Antitrust Improvements Act, as amended, 42 U.S.C. §19a(b). Respondents

MARKWEST WILL BE A VIABLE COMPETITOR.

In 1999, the Bureau proposed a study entitled "A Study of the Commission's Divestiture

Process." This study identifies certain rules of thumb to be used in the identification of likely

successful buyers of divested assets. The pertinent factors include (a) knowledge and experience, (b) a high degree of commitment to the market, and (c) deep financial and technical

~~Witness Interest, the Rio Nueces Interest, the Blackhawk Interest, and the Yellow Interest~~

MarkWest clearly has ample experience with all aspects of the midstream business, and in particular gathering and transportation of natural gas and NGLs. This makes MarkWest an

~~smaller candidate for disposition of the Starfish Pipeline Interest since their interest is~~

MarkWest has both the financial and technical wherewithal to expand its role as a midstream competitor in the Gulf region and maintain the viability of the Starfish Pipeline Interest. MarkWest had 2003 revenues of \$117.5 million and net income of \$5.8 million and for the 9 months ending September 30, 2004, MarkWest had revenues of \$205.3 million and net income of \$6.8 million, total market value of approximately \$520 million and has spent approximately \$250 million since its inception in 2002 acquiring new assets, especially in the

Southwest.

One additional point with respect to the Starfish Pipeline Interest is that it represents a 50% non-operating interest in an entity owning the Stingray Pipeline System, the Triton lateral, and the West Cameron Dehydration System. The remaining interests in the asset, and the operatorship, including most competitive decision making, was recently purchased from Shell US Gas & Power LLC by Enbridge (U.S.) Inc., a large entity with 2003 revenue of \$3.2 billion. Enbridge adds yet another layer of assurance that the Starfish assets will remain a strong competitive force in the Gulf of Mexico after the divestiture.

[REDACTED]

As stated earlier, Paragraph II.A. of the Decision and Order requires Respondents to divest the Starfish Pipeline Interest in good faith and at no minimum price on or before March 31, 2005. On January [___], 2005, Enterprise entered into an agreement, the closing of

[REDACTED]

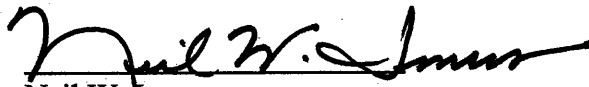
commitment, financial and technical resources to be an aggressive and effective competitor as owner of the Starfish Pipeline Interest. In light of the foregoing, Respondents hereby seek expeditious Commission approval of the proposed divestiture and the related agreements, pursuant to Paragraph II.A. of the Decision and Order.

CONCLUSION

the proposed divestiture of the Starfish Pipeline Interest to MarkWest, in the manner provided in

the attached PSA concerning the divestiture of the public comment period

Respectfully submitted,



Neil W. Imus
Vinson & Elkins LLP

Washington, D.C. 20004
(202) 639-6500

Attorney for Enterprise Products Partners L.P.
and Dan L. Duncan

Dated: January 26, 2005

EXHIBIT A

[Redacted]

