

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Agreement Containing Consent Orders and having placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings and issues this Order to Hold Separate and Maintain Assets (“Hold Separate Order”):

1. Respondent Enterprise Products Partners L.P. is a publicly traded, 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 2727 North Loop West, Houston, Texas 77008.
2. Respondent Dan L. Duncan is an individual with his office and principal place of business located at 2727 North Loop West, Houston, Texas 77008.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of Respondents, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Hold Separate Order, the following definitions shall apply:

- A. “Duncan” means Dan L. Duncan, a natural person, all partnerships, joint ventures, subsidiaries, divisions, groups and affiliates controlled by Dan L. Duncan, including, but not limited to, Enterprise Products Company, Dan Duncan L.L.C., Enterprise Products GP, LLC, and Enterprise Product Partners L.P., and the respective partners, directors, officers, employees, agents, attorneys, representatives, predecessors, successors, and assigns of each.
- B. “Enterprise” means Enterprise Products Partners L.P., a publicly traded limited partnership, its partners, directors, officers, employees, agents, attorneys, representatives, predecessors, successors, and assigns; all joint ventures, subsidiaries, divisions, groups and affiliates controlled by Enterprise Products Partners L.P., and the respective partners, directors, officers, employees, agents, attorneys, representatives, predecessors, successors, and assigns of each.

- C. “El Paso” means El Paso Corporation, an international energy company organized and doing business under the laws of the State of Delaware with its executive offices at 1001 Louisiana Street, Houston, Texas 77002.
- D. “GulfTerra” means GulfTerra Energy Partners, L.P., a publicly traded 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.
- E. “GulfTerra GP” means GulfTerra Energy Company, LLC, a limited liability company 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 controls GulfTerra GP.
- F. “Commission” means the Federal Trade Commission.
- G. “Divestiture Trustee” means any trustee appointed by the Commission pursuant to Paragraph IV of the Decision and Order in this matter.
- H. “Effective Date of Pipeline Divestiture” means the date on which Respondents (or a Divestiture Trustee) divest to the Pipeline Acquirer the Starfish Pipeline Interest or HIOS/East Breaks Assets completely and as required by Paragraphs II or IV of the Decision and Order in this matter.
- I. “Effective Date of Propane Divestiture” means the date on which Respondents (or a Divestiture Trustee) divest to the Propane Acquirer the Enterprise Propane Storage Interest or the Enterprise Petal LPG Storage Facility completely and as required by Paragraphs III or IV of the Decision and Order in this matter.
- J. “Enterprise Propane Storage Interest” means all of Enterprise’s and Duncan’s interests in the propane storage and terminaling facility located at 18 Chappell Hill Road, Petal, Mississippi 39465, in Forrest County, Mississippi, that are jointly owned with Dynegy Midstream Services, L.P. (“Dynegy”) including, but not limited to, all of Enterprise’s and Duncan’s interests in:
 - 1. five propane salt dome storage wells with a combined usable capacity of approximately 5.6 million barrels;
 - 2. existing easements and rights of way;
 - 3. odorizing facilities;

4. related facilities required for the operation of the propane storage facilities including, but not limited to: product pumps, a brine pond and brine pumping facilities, pipelines, pipeline pumps, pipeline injection facilities and related equipment, buildings, equipment, machinery, fixtures and other appurtenances;
5. truck, rail, and pipeline facilities, including truck and rail racks, for the receipt and delivery of propane stored in the wells;
6. approximately 115 acres of land located in Forrest County, Mississippi;
7. all licenses, permits, contracts, agreements, and understandings

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8. all licenses, permits, contracts, agreements, and understandings relating to the ownership and operation of the facility.
- L. “Governmental Entity” means any Federal, state, local or non-U.S. government or any court, legislature, governmental agency or governmental commission or any judicial or regulatory authority of any government.
- M. “Held Separate Businesses” means the Starfish Pipeline Interest and the Enterprise Propane Storage Interest.
- N. “HIOS/East Breaks Assets” means all of GulfTerra’s assets, properties, information or technology, businesses and goodwill (tangible and intangible), contracts, licenses, permits, options, agreements and understandings, records,
- rights, titles, and interests in or relating to the ownership or physical or commercial operation of:
1. HIOS Pipeline, a 204-mile natural gas pipeline system located in the western Gulf of Mexico, extending from within the West Cameron Area into the High Island South Addition Area. HIOS Pipeline provides transportation services subject to regulation of the Federal Energy Regulatory Commission; and
 2. East Breaks Gathering System, an 86-mile natural gas gathering system located in the western Gulf of Mexico, extending from within the High Island South Addition Area into the Alaminos Canyon Area.
- O. “Enterprise Propane Monitor” means the person appointed pursuant to Paragraph IV of this Hold Separate Order.
- P. “Hold Separate Period” means the time period during which the Hold Separate Order is in effect, which shall begin no later than five (5) days after the date the Hold Separate Order becomes final and terminate pursuant to Paragraph VII hereof.
- Q. “Material Confidential Information” means competitively sensitive or proprietary information not independently known to a Person from sources other than the Person to which the information pertains, and includes, but is not limited to, all customer lists, price lists, cost information, marketing methods, patents, technologies, processes, or other trade secrets. The individual Held Separate Businesses shall be considered Persons separate from Respondents (as defined in this Hold

Separate Order and the Decision and Order in this matter) for this purpose.

- R. “Merger” means the proposed merger of Enterprise with GulfTerra and GulfTerra GP pursuant to and as described in (i) the Merger Agreement dated December 15, 2003, as amended, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners L.P., and GulfTerra Energy Company, LLC; and (ii) the Parent Company Agreement dated December 15, 2003, as amended, by and among (a) El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El

Y. “Starfish” means Starfish Pipeline Company, LLC, a limited liability company owned by Shell Gas Transmission, LLC (“Shell”) and Respondents. Starfish includes the Stingray Pipeline System, a 325-mile pipeline comprised of four segments serving the West Central Deepwater,

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Starfish Pipeline Company, LLC, a limited liability company owned by Shell Gas Transmission, LLC (“Shell”) and Respondents. Starfish includes the Stingray Pipeline System, a 325-mile pipeline comprised of four segments serving the West Central Deepwater,

the West Central Deepwater, and the West Central Deepwater.

Separate Businesses, except in accordance with the provisions of this Hold Separate Order; (4) to prevent interim harm to competition pending the required divestitures and other relief; and (5) to help remedy the lessening of competition resulting from the Merger as alleged in the Commission's Complaint.

III.

IT IS FURTHER ORDERED that Respondents shall hold the Starfish Pipeline Interest separate, apart, and independent from the Respondents and GulfTerra on the following terms and conditions.

Pipeline Interest or to any other relevant information as the Starfish Monitor may reasonably request including, but not limited to, all documents and records kept by Respondents and GulfTerra in the ordinary course of business that relate to the Starfish Pipeline Interest. Respondents and GulfTerra shall develop such financial or other information as the Starfish Monitor may request and shall cooperate with the Starfish Monitor. Respondents shall take no action to interfere with or impede the Starfish Monitors' ability to monitor Respondents' compliance with this Hold Separate Order and the Consent Agreement or otherwise to perform their duties and responsibilities consistent with the terms of this Hold Separate Order.

5. The Starfish Monitor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Starfish Monitor's duties and responsibilities.
6. The Starfish Monitor shall act in a fiduciary capacity for the benefit of the Commission.
7. The Commission may require the Starfish Monitor to sign an appropriate confidentiality agreement relating to Commission materials and information received in connection with performance of the Starfish Monitor's duties.
8. Respondents and GulfTerra may require the Starfish Monitor to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his/her role as Starfish Monitor to anyone other than the Commission.
9. Thirty (30) days after the Starfish Monitor receives the rights, powers, and authorities pursuant to this Paragraph III, and every thirty (30) days thereafter until the Hold Separate Order terminates, the Starfish Monitor shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Hold Separate Order. Included within each report shall be the Starfish Monitor's assessment of the extent to which the business comprising the Starfish Pipeline Interest is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other regularly prepared financial statements.
10. If the Starfish Monitor ceases to act or fails to act diligently and consistent with the purposes of this Hold Separate Order, the

Commission may appoint a substitute Starfish Monitor consistent with the terms of this paragraph, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of the substitute Starfish Monitor within five (5) days after notice by the staff of the Commission to Respondents of the identity of any substitute Starfish Monitor Respondents shall be deemed to have consented to the selection of the proposed substitute monitor. Respondents and the substitute Starfish Monitor shall execute a new monitor agreement, subject to the approval of the Commission, consistent with this paragraph.

- B. The Starfish Pipeline Interest shall be staffed with sufficient employees to maintain the viability and competitiveness of the Starfish Pipeline Interest. To the extent that any employees leave or have left the Starfish Pipeline Interest prior to the Effective Date of Pipeline Divestiture, the Starfish

option of the individual Starfish Monitor, obtain such services and products from Respondents. The services and products that Respondents shall offer the Starfish Pipeline Interest shall include, but shall not be limited to, the following:

- a. Human resources administrative services, including but not limited to payroll processing, labor relations support, pension administration, and health benefits;
 - b. Environmental health and safety services, which develops corporate policies and insures compliance with federal and state regulations and corporate policies;
 - c. Preparation of tax returns;
 - d. Audit services;
 - e. Information systems, which constructs, maintains, and supports all computer systems;
 - f. Processing of accounts payable;
 - g. Technical support;
 - h. Finance and financial accounting services;
 - i. Procurement of supplies;
 - j. Procurement of goods and services utilized in the ordinary course of business by the Held Separate Businesses; and
 - k. Legal services.
2. the Starfish Pipeline Interest shall have, at the option of the Starfish Monitor, the ability to acquire services and products from third parties unaffiliated with Respondents.
- D. Respondents shall cause the Starfish Monitor and each employee having access to Material Confidential Information to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Hold Separate Order. These individuals must retain and maintain all Material Confidential Information relating to the Starfish Pipeline Interest on a confidential basis and, except as is permitted by this Hold Separate Order, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person

who is employed by, or is involved in the management of, any of Respondents' businesses other than the Starfish Pipeline Interest. These persons shall not be involved in any way in the management, production, distribution, sale, marketing, or financial operations of the competing businesses of Respondents.

- E. No later than either twelve (12) days after the date this Hold Separate Order becomes final or three (3) days after the Merger Date, whichever is earlier, Respondents shall establish written procedures, subject to the approval of the Starfish Monitor, covering the management, maintenance, and independence of Starfish Pipeline Interest consistent with the provisions of this Hold Separate Order.
- F. No later than either twelve (12) days after the date this Hold Separate Order becomes final or three (3) days after the Merger Date, whichever is earlier, Respondents shall circulate to employees of the Starfish Pipeline

3. to carry on existing and planned capital projects and business plans; and
4. to maintain the viability, competitive vigor, and marketability of the Starfish Pipeline Interest;

Such financial resources to be provided to the Starfish Pipeline Interest shall include, but shall not be limited to, (a) general funds, (b) capital, (c) working capital, and (d) reimbursement for any operating losses, capital losses, or other losses; provided, however, that, consistent with the purposes of the Decision and Order, the Starfish Monitor may reduce in scale or pace any capital or research and development project, or substitute any capital or research and development project for another of the same cost.

- J. Respondents and GulfTerra shall not, during the Hold Separate Period up until the Pipeline Divestiture Agreement is signed, enter into any agreements, offer, promise, or otherwise guarantee the Starfish Monitor and employees of Respondents or GulfTerra who are responsible for the management or operation of the Starfish Pipeline Interest or the HIOS/East Breaks Assets positions with Respondents or GulfTerra. The Pipeline Acquirer shall have the option of offering employment to any Starfish Pipeline Interest's employees. Respondents and GulfTerra shall not interfere with the employment, by the Pipeline Acquirer, of such employees; shall not offer any incentive to such employees to decline employment with the Pipeline Acquirer or to accept other employment with the Respondents or GulfTerra; and shall remove any impediments that may deter such employees from accepting employment with the Pipeline Acquirer including, but not limited to, any non-compete or confidentiality provisions of employment or other contracts that would affect the ability of such employees to be employed by the Pipeline Acquirer, and the payment, or the transfer for the account of the employee, of all current and accrued bonuses, pensions and other current and accrued benefits to which such employees would otherwise have been entitled had they remained in the employment of the Respondents or GulfTerra.
- K. Except for the Starfish Monitor, the Starfish Pipeline Interest's employees, and support services employees involved in providing services to the Held Separate Starfish Pipeline Interest pursuant to this Paragraph III, and except to the extent provided in Paragraph II.A, Respondents shall not permit any other of its employees, officers, or directors to be involved in the operations of the Starfish Pipeline Interest.

information that is obtained pursuant to this subparagraph shall be used only for the purposes set forth in this subparagraph.

- N. Respondents and the Starfish Pipeline Interest shall jointly implement, and at all times during the Hold Separate Period maintain in operation, a system, as approved by the Starfish Monitor, of access and data controls to prevent unauthorized access to or dissemination of Material Confidential Information of the Starfish Pipeline Interest, including, but not limited to, the opportunity by the Starfish Monitor, on terms and conditions agreed to with Respondents, to audit Respondents' networks and systems to verify compliance with this Hold Separate Order.

IV.

IT IS FURTHER ORDERED that Respondents shall hold the Enterprise Propane Storage Interest separate, apart, and independent from the Respondents and GulfTerra on the following terms and conditions:

- A. Mr. Richard J. Black, 7600 West Tidwell, Suite 705, Houston, Texas, shall serve as Enterprise Propane Monitor, pursuant to the agreement executed by the Enterprise Propane Monitor and Respondents and attached as Confidential Appendix C ("Enterprise Propane Monitor Agreement").
1. The Enterprise Propane Monitor Agreement shall require that, no later than either ten (10) days after the Hold Separate Order is final or one (1) day after the Merger Date, whichever is earlier, Respondents shall transfer to the Enterprise Propane Monitor all rights, powers, and authorities necessary to permit the Enterprise Propane Monitor to perform his/her duties and responsibilities, pursuant to this Hold Separate Order and consistent with the purposes of the Decision and Order.
 2. No later than either ten (10) days after the date the Hold Separate Order becomes final or one (1) day after the Merger Date, whichever is earlier, Respondents shall, pursuant to the Enterprise Propane Monitor Agreement, transfer to the Enterprise Propane Monitor all rights, powers, and authorities necessary to permit the Enterprise Propane Monitor to perform his/her duties and responsibilities, pursuant to this Hold Separate Order and consistent with the purposes of the Decision and Order.
 3. The Enterprise Propane Monitor shall have the responsibility, consistent with the terms of this Hold Separate Order and the

Decision and Order, for monitoring the organization of the Enterprise Propane Storage Interest; for managing the Enterprise Propane Storage Interest; for maintaining the independence of the Enterprise Propane Storage Interest; and for monitoring Respondents' compliance with its obligations pursuant to this Hold Separate Order and the Decision and Order.

4. The Enterprise Propane Monitor shall have full and complete access to all personnel, books, records, documents and facilities of the Enterprise Propane Storage Interest or to any other relevant information as the Enterprise Propane Monitor may reasonably request including, but not limited to, all documents and records kept by Respondents and GulfTerra in the ordinary course of business that relate to the Enterprise Propane Storage Interest. Respondents and GulfTerra shall develop such financial or other information as the Enterprise Propane Monitor may request and shall cooperate with the Enterprise Propane Monitor. Respondents shall take no action to interfere with or impede the Enterprise Propane Monitors' ability to monitor Respondents' compliance with this Hold Separate Order and the Consent Agreement or otherwise to perform their duties and responsibilities consistent with the terms of this Hold Separate Order.
5. The Enterprise Propane Monitor shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Enterprise Propane Monitor's duties and responsibilities.
6. The Enterprise Propane Monitor shall act in a fiduciary capacity for the benefit of the Commission.
7. The Commission may require the Enterprise Propane Monitor to sign an appropriate confidentiality agreement relating to Commission materials and information received in connection with performance of the Enterprise Propane Monitor's duties.
8. Respondents and GulfTerra may require the Enterprise Propane Monitor to sign a confidentiality agreement prohibiting the disclosure of any Material Confidential Information gained as a result of his/her role as Enterprise Propane Monitor to anyone other than the Commission.
9. Thirty (30) days after the Enterprise Propane Monitor receives the rights, powers, and authorities pursuant to this Paragraph IV, and

every thirty (30) days thereafter until the Hold Separate Order terminates, the Enterprise Propane Monitor shall report in writing to the Commission concerning the efforts to accomplish the purposes of this Hold Separate Order. Included within each report shall be the Enterprise Propane Monitor's assessment of the extent to which the business comprising the Enterprise Propane Storage Interest is meeting (or exceeding) its projected goals as are reflected in operating plans, budgets, projections or any other

Interest on a confidential basis, and, except as is permitted by this Hold Separate Order, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any person whose employment involves any of Respondents' or GulfTerra's businesses, other than the Enterprise Propane Storage Interest. Such personnel shall also execute confidentiality agreements prohibiting the disclosure of any Material Confidential Information of the Enterprise Propane Storage Interest.

1. Respondents shall offer to the Enterprise Propane Storage Interest any services and products that Respondents provided to their other businesses directly or through third party contracts, or that they have provided directly or through third party contracts to the businesses constituting the Enterprise Propane Storage Interest at any time since January 1, 2003. The Enterprise Propane Storage Interest may, at the option of the individual Enterprise Propane Monitor, obtain such services and products from Respondents. The services and products that Respondents shall offer the Enterprise Propane Storage Interest shall include, but shall not be limited to, the following:
 - a. Human resources administrative services, including but not limited to payroll processing, labor relations support, pension administration, and health benefits;
 - b. Environmental health and safety services, which develops corporate policies and insures compliance with federal and state regulations and corporate policies;
 - c. Preparation of tax returns;
 - d. Audit services;
 - e. Information systems, which constructs, maintains, and supports all computer systems;
 - f. Processing of accounts payable;
 - g. Technical support;
 - h. Finance and financial accounting services;
 - i. Procurement of supplies;
 - j. Procurement of goods and services utilized in the ordinary course of business by the Held Separate Businesses; and

- k. Legal services.
 - 2. the Enterprise Propane Storage Interest shall have, at the option of the Enterprise Propane Monitor, the ability to acquire services and products from third parties unaffiliated with Respondents.
- D. Respondents shall cause the Enterprise Propane Monitor and each employee having access to Material Confidential Information to submit to the Commission a signed statement that the individual will maintain the confidentiality required by the terms and conditions of this Hold Separate Order. These individuals must retain and maintain all Material Confidential Information relating to the Enterprise Propane Storage Interest on a confidential basis and, except as is permitted by this Hold Separate Order, such persons shall be prohibited from providing, discussing, exchanging, circulating, or otherwise furnishing any such information to or with any other person who is employed by, or is involved in the management of, any of Respondents' businesses other than the Enterprise Propane Storage Interest. These persons shall not be

counsel and other expenses incurred in connection with the preparation for, or defense of any claim, whether or not resulting in any liability, except to the extent that such liabilities, losses, damages, claims, or expenses result from misfeasance, gross negligence, willful or wanton acts, or bad faith by the Enterprise Propane Monitor.

- I. Respondents shall provide the Enterprise Propane Storage Interest with

6. in defending legal claims, investigations or enforcement actions threatened or brought against or related to the Enterprise Propane Storage Interest; or
7. in obtaining legal advice.

Nor shall the Enterprise Propane Monitor or the Enterprise Propane Storage Interest's employees receive or have access to, or use or continue to use, any Material Confidential Information not in the public domain about Respondents, except such information as is necessary to maintain and operate the Enterprise Propane Storage Interest. Respondents may receive aggregate financial and operational information relating to the Enterprise Propane Storage Interest only to the extent necessary to allow

principal United States offices, Respondents shall permit any duly authorized representative of the Commission:

2. the day after the Effective Date of Propane Divestiture required by the Decision and Order in this matter; or
3. at such other time as the Commission otherwise directs that this Hold Separate Order is terminated.

By the Commission.

Donald S. Clark
Secretary

SEAL
ISSUED: September 29, 2004

Confidential Appendix A: Starfish Monitor Agreement
[Redacted From Public Record Version But Incorporated By Reference]

Confidential Appendix C: Enterprise Propane Monitor Agreement
[Redacted From Public Record Version But Incorporated By Reference]