

BACKGROUND

On September 16, 2004, Respondents and GulfTerra Energy Partners, L.P. ("GulfTerra") and GulfTerra Energy Company, L.L.C. ("GulfTerra GP")

Commission entered into an Agreement to settle the Commission's allegations about the proposed merger between Respondents and GulfTerra Energy Partners, L.P. ("GulfTerra") and GulfTerra Energy Company, L.L.C. ("GulfTerra GP"). The Agreement requires Respondents to

therein, and grant this petition by approving the divestiture of the Enterprise Propane Storage

Interest payment to the proposed company...

[REDACTED]

ENBRIDGE WILL BE A VIABLE COMPETITOR.

In 1999, the Bureau prepared 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 resources.

resources. As discussed more fully below, Enbridge exhibits each of these characteristics.

U.S. Mid-continent and Gulf Coast regions. Enbridge provides storage services in connection with its marketing business. Liquids storage is a natural corollary to its large natural gas gathering, treating and processing businesses. Enbridge writes in its 2003 10-K that it “sells NGLs resulting from its processing activities to a variety of customers ranging from large petrochemical and refining companies to small regional retail propane distributors.” *See id.* at 13. Furthermore, it is central to Enbridge’s strategy to develop its natural gas and liquids businesses in the Gulf region: “Enbridge will continue to analyze potential acquisitions with a

focus on crude oil, refined products and natural gas pipelines, terminals and related facilities.

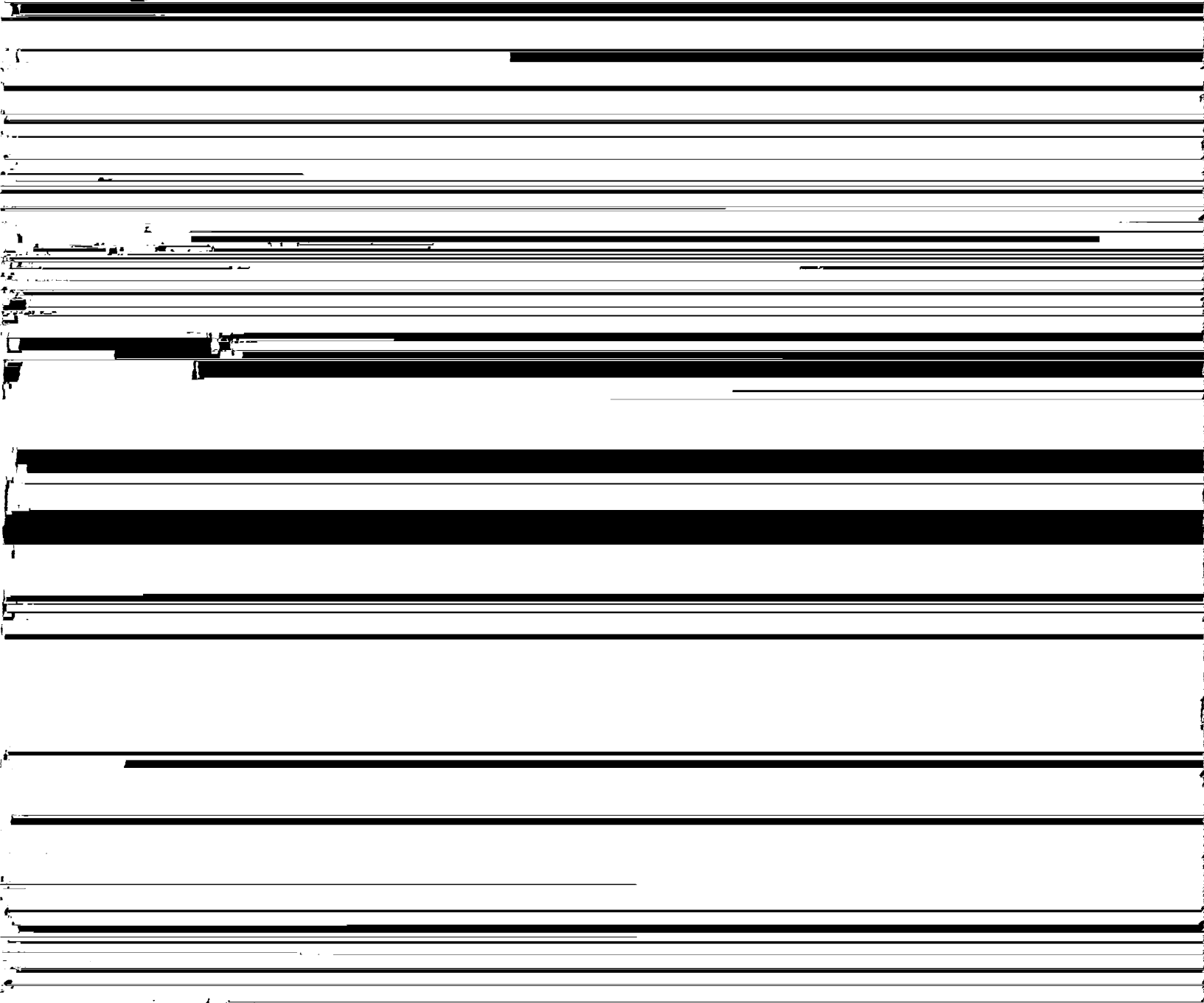
THE TERMS OF THE AGREEMENT ACCOMPLISH A FULL DIVESTITURE

As stated earlier, Paragraph III.A. of the Decision and Order requires Respondents to divest the Enterprise Propane Storage Interest in good faith and at no minimum price on or before December 31, 2004. On _____, Enterprise entered into an agreement, the

In keeping with Paragraphs III.C. and III.E. of the Decision and Order, the PSA requires Enterprise to maintain the Enterprise Propane Storage Interest as a viable going concern until the closing.

Pursuant to Paragraph III.D. of the Decision and Order, the parties are also under a joint covenant to use reasonable efforts to obtain necessary consents and approvals, including the approval of the Commission.

As an additional component of the sale and purchase, Enbridge requested and Enterprise agreed to enter into a Storage Agreement which is attached to the PSA (the "Storage



In satisfaction of Paragraph III.D. of the Decision and Order 1-6-11-01

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Respectfully submitted,



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