



I. THE PARTIES

A. TC Group, L.L.C.

1. Respondent TC Group, L.L.C. (“Carlyle”) 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. Respondent Carlyle is, and at all times relevant herein has been, engaged in the business of originating, managing and operating private equity funds. As part of its private equity fund business, Respondent Carlyle directly or indirectly acquires interests in a variety of firms, including, as relevant here, midstream energy companies whose businesses include the terminaling of gasoline and other light petroleum products.
3. Respondent Carlyle is, and at all times relevant herein has been, engaged in activities in or affecting commerce

C. Carlyle/Riverstone Global Energy and Power Fund II, L.P.

7. Respondent Carlyle/Riverstone Global Energy and Power Fund II, L.P. (“CR-II”) 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).
8. Respondent CR-II is, and at all times relevant herein has been, a private equity fund that holds interests in a variety of investments.
9. Respondent CR-II is a joint venture between, and is managed and controlled by, Respondents Carlyle and Riverstone.
10. Respondent CR-II holds a fifty percent interest in MGG Midstream Holdings GP, LLC, the general partner of MGG Midstream Holdings, L.P., which in turn holds 100% of Magellan Midstream Holdings GP, LLC, the general partner of Magellan Midstream Holdings, L.P., which in turn holds 100% of Magellan GP, LLC, the general partner of Magellan Midstream Partners, L.P. (“Magellan”). Magellan is a midstream energy firm whose business includes the terminaling of gasoline and other light petroleum products.
11. Respondent CR-II has the right to designate two representatives on a four-member Board of Managers of MGG Midstream Holdings GP, LLC, and has the ability to veto actions by the Board of Managers. The CR-II representatives on the Board of Managers also serve as CR-II’s representatives on the Boards of Directors of Magellan Midstream Holdings GP, LLC, and Magellan GP, LLC.
12. As a result of the interests and rights set forth above in Paragraphs 9, 10 and 11, Respondents Carlyle, Riverstone and CR-II have the ability to exercise veto power over actions by the Board of Managers of MGG Midstream Holdings GP, LLC and to receive non-public competitively sensitive information from and about Magellan.
13. Through the interests set forth above in Paragraphs 9 and 10, Respondents Carlyle, Riverstone, and CR-II are, and at all times relevant herein have been, engaged in the business of terminaling gasoline and other light petroleum products.
14. Respondent CR-II is, and at all times relevant herein has been, engaged in activities in or affecting commerce as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

D. Carlyle/Riverstone Global Energy and Power Fund III, L.P.

15. Respondent Carlyle/Riverstone Global Energy and Power Fund III, L.P. (“CR-III”), 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).
16. Respondent CR-III is, and at all times relevant herein has been, a private equity fund that has been set up to hold interests in a variety of investments.
17. Respondent CR-III is a joint venture between, and is managed and controlled by, Respondents Carlyle and Riverstone.
18. Respondent CR-III is, and at all times relevant herein has been, engaged in activities in or affecting commerce as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

II. THE ACQUISITION

19. On August 28, 2006, Kinder Morgan, Inc. (“KMI”) announced that it had entered into a definitive merger agreement under which a group of investors (collectively the “Investor

24. As a result of their interest in KMI held through CR-III, Respondents Carlyle and Riverstone will have the right to appoint a representative to the Board of Directors of KMI and to receive non-public competitively sensitive information from and about KMI.
25. As a result of its interest in KMI held through Carlyle Partners IV, L.P., Respondent Carlyle will have the right to appoint a representative to the Board of Directors of KMI and to receive non-public competitively sensitive information from and about KMI.

III. TRADE AND COMMERCE

A. Relevant Market

26. Terminals are specialized facilities with large storage tanks used for the receipt and local distribution of large quantities of gasoline and other light petroleum products. Terminals receive deliveries of gasoline and other light petroleum products from pipelines or marine vessels, store the products in large tanks, and redeliver them into tank trucks for ultimate delivery to retail gasoline stations or other buyers. There are no substitutes for terminals for the storage and local distribution of gasoline and other light petroleum products.
27. A relevant line of commerce in which to evaluate the effects of the Acquisition is the terminaling of gasoline and other light petroleum products.
28. Magellan and KMI both own competing terminals in each of the following metropolitan

products in each geographic area would be either highly concentrated or moderately concentrated, and would become significantly more concentrated as a result of the Acquisition.

C. Entry Conditions

32. Construction of a terminaling facility and its necessar

each of which increases the likelihood that terminal fees and prices for gasoline and other light petroleum products would increase in each of the relevant sections of the country.

V. VIOLATIONS CHARGED

36. The effect of the Acquisition may be substantially to lessen competition or tend to create a monopoly 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, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this twenty-fourth day of January, 2007, issues its complaint against Respondents.

By the Commission, Commissioner Leibowitz dissenting and Commissioner Rosch recused.

Donald S. Clark
Secretary

SEAL: