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**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**

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\_\_\_\_\_

Mozelle W. Thompson  
Orson Swindle  
Thomas B. Leary

In the Matter of

**DUKE ENERGY CORPORATION**, a corporation,

**PHILLIPS PETROLEUM COMPANY**, a corporation,

and

**DUKE ENERGY FIELD SERVICES L.L.C.** a limited

**DOCKET NO. C-3932**

**DECISION AND  
ORDER**

liability company.

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed merger of certain assets of Duke Energy Corporation and Phillips Petroleum Company into Duke Energy Field Services L.L.C. and of the proposed acquisition by Duke Energy Corporation of certain assets of Conoco Inc. and Mitchell Energy & Development Corporation; and

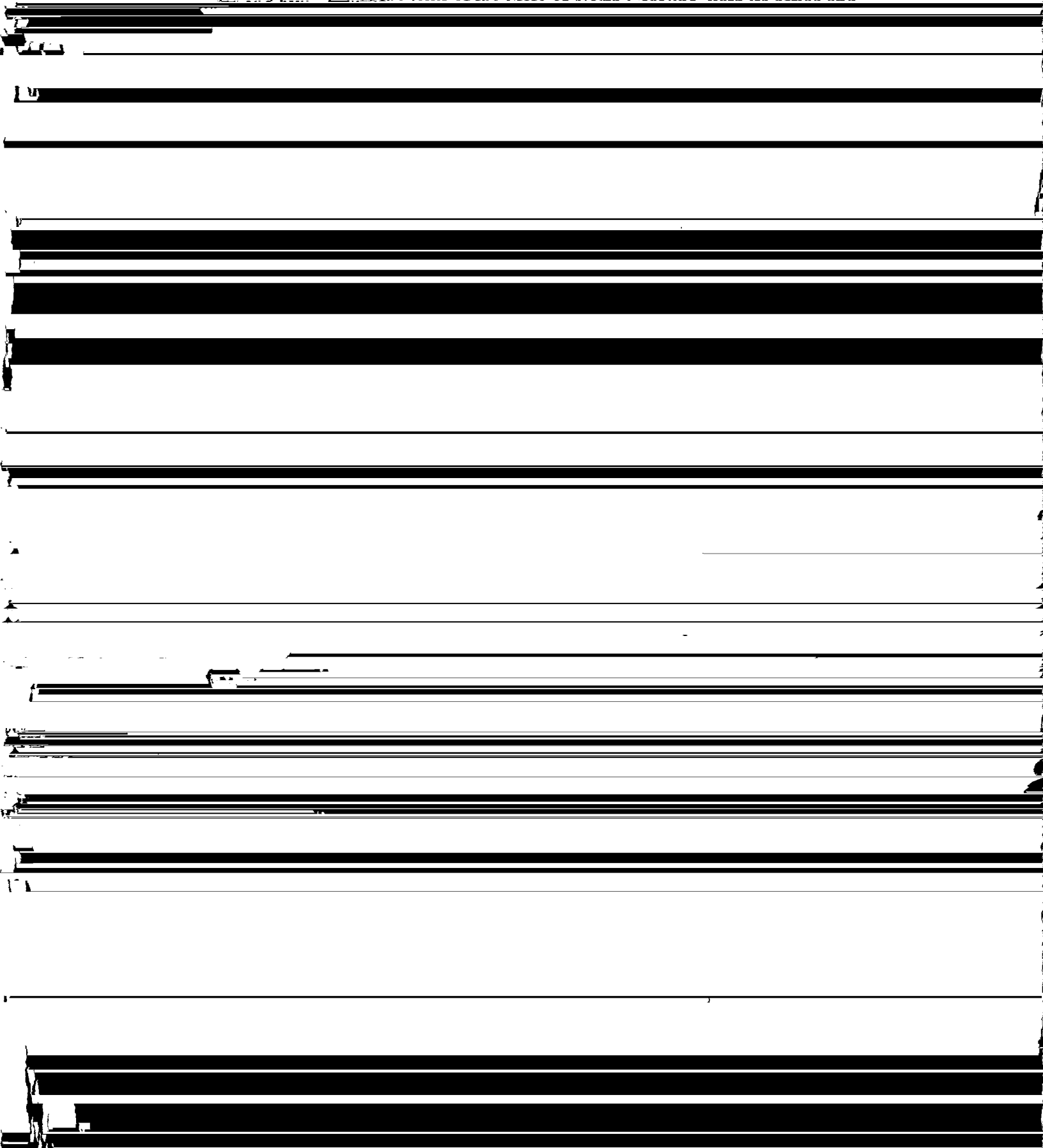
Duke Energy Corporation, Phillips Petroleum Company, and Duke Energy Field Services

L.L.C. (collectively, "respondents") having been furnished thereafter with a draft of

hereby makes the following jurisdictional findings and issues the following Order:

1. Duke Energy Corporation is a corporation organized, existing and doing business

under the laws of the State of North Carolina with its office and



Commission Rule 2.32, 16 C.F.R. § 2.32.

G. "Commission" means the Federal Trade Commission.

H. "Person" means any natural person, partnership, corporation, company, association, trust, joint venture or other business or legal entity, including any governmental agency.

I. "Relevant Geographic Areas" means:

1. Clark, Meade, Morton, and Seward Counties of Kansas;
2. Alfalfa, Beaver, Blaine, Canadian, Cleveland, Cimarron, Dewey, Ellis,

Mills, Texas, Woods, and Woodward Counties of Oklahoma; and

3. Brazos, Burleson, Grimes, Lee, and Washington Counties of Texas

Z. "Schedule II Assets" means all of the assets listed in Schedule II of this Order.

AA. "Schedule JJ Assets" means all of the assets listed in Schedule JJ of this Order.

BB. "Assets To Be Divested" means the Schedule A Assets, the Schedule B Assets,

~~the Schedule C Assets, the Schedule D Assets, the Schedule E Assets, the Schedule~~

F Assets, the Schedule G Assets, the Schedule H Assets, the Schedule I Assets, and the Schedule J Assets.

CC. "Substitute Assets To Be Divested" means the Schedule CC Assets, the Schedule DD Assets, the Schedule EE Assets, the Schedule FF Assets, the Schedule GG Assets, the Schedule HH Assets, the Schedule II Assets, and the Schedule JJ Assets.

~~DD. "Western Gas" means Western Gas Resources - Oklahoma Inc. and Western~~

Public Record Date, which has occurred. Failure by Respondents to comply with these

provisions in the Mitchell Agreement relating to the divestiture of the Schedule B Assets shall also constitute a violation of this Order.

C. Respondents shall divest absolutely, in good faith, and at no minimum price, the Schedule C Assets to a single acquirer no later than one hundred twenty (120) days after the Public Record Date.

D. Respondents shall divest absolutely, in good faith, and at no minimum price, the

Schedule D Assets to a single acquirer no later than one hundred twenty (120) days after the Public Record Date.

F. Respondents shall divest absolutely, in good faith, and at no minimum price, the

Commission the trustee may substitute for the assets in such schedule the

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days after receipt of written notice by the staff of the Commission to Respondents of the identity of any proposed trustee, Respondents shall be deemed to have consented to the selection of the proposed trustee.

2. Subject to the prior approval of the Commission, the trustee shall have the

corresponding Substitute Assets To Be Divested.

7. Within ten (10) days after appointment of the trustee, Respondents shall

1. The Commission shall have the



directly or indirectly:

A. Acquire any of the Assets To Be Divested or the Substitute Assets To Be Divested after their divestiture pursuant to this Order;

in, or in any assets used in, gas gathering within the Relevant Geographic Areas at any time within the two years preceding such acquisition; or

C. Enter into any agreements or other arrangements with any person, within any 18 month period, that would confer direct or indirect ownership or control of more than five (5) miles of pipeline previously used for gas gathering and suitable for use for gas gathering within the Relevant Geographic Areas.

V.

**IT IS FURTHER ORDERED** that the prior notifications required by Paragraph IV of this Order shall be given on the Notification and Report Form set forth in the Appendix to

which it intends to comply, is complying, and has complied with Paragraphs II and III of the Order, and under the Order to Maintain Assets, Respondents shall include

in such compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraphs II and III of

the Order, including a description of all substantive contacts or negotiations for the divestiture and the identity of all parties contacted. Respondents shall include in

## **Schedule A**

### **Westana Area (Oklahoma)**

Duke's interest in the Westana Gathering Company, which has been divested pursuant to the Western Agreement.

## **Schedule B**

### **Austin Chalk Area (Texas)**

All interests held by Duke or DEFS prior to the Duke-Phillips Transaction Date in assets

1. located in Brazos, Burleson, Grimes, Lee, or Washington Counties in Texas, and
2. used in natural gas gathering, treating, or processing,

except those specifically excluded by this schedule. The following assets are excluded from this schedule: (a) the North Fayette Treater in Fayette County, Texas, and the gas gathering assets connecting that treater to the seven gas wells closest to it, (b) the Bryan Plant in Brazos County, Texas, and (c) the A & M Plant in Burleson County, Texas.







**News Release**

Jan. 2, 2007

**Spectra Energy: New Natural Gas Midstream Company Launched in Houston**

- *Approximately \$21 Billion in Assets*
- *\$3 Billion in Capital Expenditures for Growth Opportunities Projected Over Next Three Years*

• *Initial Annual Dividend of 88 Cents Per Share*

“Spectra Energy brings almost a century of experience and

integrity to the industry through our predecessor companies, an experienced leadership team, and a dedicated and talented workforce,” Fowler continued.

“The birth of Spectra Energy could not have come at a more opportune time,” added Martha Wyrch,

*represent our intentions, plans, expectations, assumptions and beliefs about future events. This release includes forward-looking statements concerning our planned levels of capital expenditures, the future*

*statements are subject to risks, uncertainties and other factors, many of which are outside our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Those factors include: the levels of supply and demand for natural gas in our areas of operation; our ability to identify opportunities for our business units and the timing and success of efforts to develop pipeline storage gathering processing and other infrastructure projects:*





3. At the time the Order was entered, Duke Energy owned a majority interest in DEFS. Duke Energy maintained a controlling interest in DEFS until January 2007.

4. In January 2007, Duke Energy completed a transaction in which it spun off its natural gas businesses – largely consisting of the former Duke Energy Gas Transmission and Duke Energy's 50-percent ownership interest in DEFS – to Spectra Energy, a newly formed

independent company (the "Spin-off Transaction"). As a result of the Spin-off Transaction, Duke Energy's former natural gas businesses are now part of Spectra Energy. Also as part of the

Spin-off Transaction, DEFS was re-named DCP.

5. As a result of the Spin-off Transaction, Duke Energy has (a) no direct or indirect

interest in Spectra Energy, (b) no direct or indirect interest in DCP, and (c) no direct or indirect

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**DUKE ENERGY FIELD SERVICES, LLC**

... .. in the above captioned matter including