

UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Jon Leibowitz, Chairman  
J. Thomas Rosch  
Edith Ramirez  
Julie Brill  
Maureen K. Ohlhausen

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In the Matter of	)	
	)	
Kinder Morgan, Inc.,	)	
a corporation	)	
	)	Docket No. C-4355
	)	
	)	
	)	
_____	)	

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that Respondent Kinder Morgan, Inc., and El Paso Corporation have entered into an acquisition agreement which, if consummated, would violate 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, and it appearing to the Federal Trade Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges as follows:

I. RESPONDENT AND JURISDICTION

1. Kinder Morgan, Inc. is a publically traded corporation principally engaged in midstream petroleum and natural gas services. Kinder Morgan, Inc. is organized, existing, and doing business under and by virtue of the laws of Delaware, with its headquarters and principal place of business at 500 Dallas Street, Suite 1000, Houston, Texas 77002.

2. Kinder Morgan, Inc. is the general partner of the master-limited partnership Kinder Morgan Energy Partners.

3. Kinder Morgan Energy Partners owns or has interests in over 38,000 miles of pipelines in North America for the transportation of natural gas, refined petroleum products, crude oil, and carbon dioxide.

4. Kinder Morgan, Inc. and its relevant operating entities are, and at all relevant times have been, engaged in the business of transporting natural gas by pipeline in Colorado and Wyoming.

5. Kinder Morgan, Inc. and its relevant operating entities are, and at all relevant times have been, engaged in the business of providing natural gas storage services to customers located in Colorado.

6. Kinder Morgan, Inc. and its relevant operating entities are, and at all relevant times have been, engaged in the business of processing natural gas produced in Wyoming.

7. Kinder Morgan, Inc. and its relevant operating entities are, and at all relevant times have been, engaged in activities in or affecting “commerce” as defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

## II. THE PROPOSED ACQUISITION

8. El Paso Corporation is a publically traded corporation principally engaged in natural gas transportation, natural gas gathering and processing, and natural gas exploration and production. El Paso Corporation and its affiliates own or have interests in over 43,000 miles of natural gas pipelines and gathering systems. El Paso Corporation is organized, existing, and doing business under and by virtue of the laws of Delaware with its headquarters and principal place of business at 1001 Louisiana Street, Houston, Texas 77002.

9. Pursuant to an agreement dated October 16, 2011, Kinder Morgan, Inc. intends to acquire the outstanding stock of El Paso Corporation for a combination of cash and Kinder Morgan, Inc. stock and warrants collectively valued at \$21.1 billion. Kinder Morgan, Inc. will also assume \$17 billion of debt from El Paso Corporation.

## III. THE RELEVANT MARKETS

A.



E. PIPELINE TRANSPORTATION OF NATURAL GAS FROM WELLS IN THE WESTERN WYOMING PRODUCTION BASINS

22. The transportation of natural gas by pipeline is a relevant product market in which to analyze the proposed acquisition.

23. The Western Wyoming production basins, the Green River, Red Desert and Washakie production basins, each covering portions of southwestern Wyoming, taken together are a relevant geographic market for the shipment of natural gas.

24. A relevant market in which to analyze the proposed acquisition is pipeline transportation of natural gas from wells in the Western Wyoming production basins.

F. PIPELINE TRANSPORTATION OF NATURAL GAS FROM WELLS IN THE PICEANCE PRODUCTION BASIN

25. The transportation of natural gas by pipeline is a relevant product market in which to analyze the proposed acquisition.

26. The Piceance production basin, covering parts of northwestern Colorado, is a relevant geographic market for the shipment of natural gas.

27. A relevant market in which to analyze the proposed acquisition is pipeline transportation of natural gas from wells in the Piceance production basin.

G. NO NOTICE NATURAL GAS DELIVERY SERVICE TO THE FRONT RANGE REGION IN EASTERN COLORADO

28. Shippers on interstate natural gas pipelines must give advance notice to the pipeline operator when the shipper plans to inject natural gas into the interstate pipeline. The Gr1sporta call is "no-

## H. NATURAL GAS PROCESSING IN THE WIND RIVER BASIN

32. Natural gas processing is a relevant product market.
33. The Wind River Basin is a relevant geographic market.
34. A relevant market in which to analyze the proposed acquisition is the processing of natural gas produced in the Wind River production basin in Wyoming.

## VI. ANTICOMPETITIVE EFFECTS

35. The acquisition may substantially lessen competition in the relevant markets by, among other things: (a) eliminating actual, direct, and substantial competition between Kinder Morgan, Inc. and El Paso Corporation; and (b) increasing the likelihood that Kinder Morgan, Inc. will exercise market power unilaterally.

## VII. ENTRY CONDITIONS

36. Post-acquisition, entry or expansion into the relevant markets would not be timely, likely, and sufficient in scope to deter or negate the anticompetitive effects of the proposed acquisition.

## VI. VIOLATIONS CHARGED

37. The agreement described in Paragraph 9 constitutes a violation of Section 5 of the Federal Trade Commission Act,