

IN THE MATTER OF

PHILLIPS PETROLEUM COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT*Docket C-3634. Complaint, Dec. 28, 1995--Decision, Dec. 28, 1995*

This consent order requires, among other things, Phillips Petroleum Company, an Oklahoma-based corporation, to modify the acquisition agreement so that 830 specified miles of pipe and related gas gathering assets within the Panhandle counties are not included in the sale of Enron assets to Phillips. The consent order also requires Phillips, for 10 years, to notify the Commission before it acquires more than five miles of gas gathering pipeline located within the Panhandle counties from any one person during any 18-month period; and requires Enron, for 10 years, to notify the Commission before it can sell any of the 830 miles of pipeline assets excluded from the challenged deal to Phillips or to Maxus Energy Corporation.

Appearances

For the Commission: *Ronald B. Rowe and Frank Lipson.*

For the respondents: *William J. Kolasky, Wilmer, Cutler & Pickering, Washington, D.C. Neil W. Imus, Vinson & Elkins, Washington, D.C.*

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent Phillips Petroleum ("Phillips") Company, through its subsidiary GPM Gas Corporation ("GPM"), is subject to the jurisdiction of the Commission and Phillips' proposed acquisition of the outstanding voting securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, two subsidiaries of Enron Corp. ("Enron") is 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 ("FTC Act"), as amended, 15 U.S.C. 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint pursuant to Section 11 of the Clayton Act, as amended, 15 U.S.C. 21,

and Section 5(b) of the FTC Act, as amended, 15 U.S.C. 45(b), stating its charges as follows:

I. PHILLIPS

PARAGRAPH 1. Respondent Phillips is a corporation 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 at Phillips Building, Bartlesville, Oklahoma.

PAR. 2. Respondent Phillips is, and at all times relevant herein has been, engaged in commerce as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. 12, and is a corporation whose business is in or affects commerce as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. 44.

II. ENRON

PAR. 3. Respondent Enron is a corporation 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 at 1400 Smith Street, Houston, Texas.

PAR. 4. Enron is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended 15 U.S.C. 12, and is a corporation whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. 44.

III. THE PROPOSED ACQUISITION

PAR. 5. Respondent Phillips through its subsidiary GPM entered into two agreements with respondent Enron Corp. through its subsidiaries, Enron Operations Corp. and Transwestern Gathering Company, to acquire the outstanding voting securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, which will own certain gas gathering assets currently owned by Transwestern Gathering Company and Northern Natural Gas Company, two subsidiaries of respondent Enron.

IV. THE RELEVANT MARKETS

PAR. 6. The relevant line of commerce in which to analyze the effects of the merger is natural gas gathering services or the transportation, for the respondents' own account or for other persons, of natural gas from the wellhead or producing area to a natural gas transmission pipeline or a natural gas processing plant.

PAR. 7. The relevant geographic market in which to analyze the effects of the merger includes the Texas counties of Hansford, Ochiltree, and Lipscomb and all portions of Beaver County, Oklahoma, within ten miles of the Texas border.

PAR. 8. The relevant line of commerce is highly concentrated in the relevant geographic market. Respondents Phillips and Enron are the only competitive providers of natural gas gathering services in many areas of the relevant market. Respondents will have the largest market share in the relevant line of commerce throughout the relevant geographic market.

PAR. 9. Respondent Phillips is an actual and potential competitor of Enron in the relevant line of commerce in the relevant geographic market.

PAR. 10. Timely and effective entry in the relevant line of commerce in the relevant geographic market is unlikely.

V. EFFECTS OF THE MERGER

PAR. 11. The effects of the merger may be substantially to lessen competition or to tend to create a monopoly in the relevant markets in the following ways, among others:

a. Actual and potential competition between Phillips and Enron to provide natural gas gathering services to existing natural gas wells will be eliminated;

b. Actual and potential competition between Phillips and Enron to provide natural gas gathering services for new natural gas wells will be eliminated;

c. The respondents are likely to exact anticompetitive price increases from producers in the relevant geographic market for performance of natural gas gathering services in the relevant geographic market; and

d. Producers may be less likely to do exploratory and developmental drilling for new natural gas in the relevant geographic market than prior to the merger.

VI. VIOLATIONS CHARGED

PAR. 12. The merger agreement described in paragraph five constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. 45.

PAR. 13. The merger described in paragraph five, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. 45.

DECISION AND ORDER

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed acquisition by Phillips Petroleum Company ("Phillips"), through its subsidiary GPM Gas Corporation ("GPM"), of the outstanding voting securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, two subsidiaries of Enron Corp. ("Enron"), that will own certain gas gathering assets currently owned by Transwestern Pipeline Company ("Transwestern") and Northern Natural Gas Company ("Northern Natural"), two other subsidiaries of Enron, and Phillips and Enron, hereinafter sometimes referred to as "respondents," having been furnished with a copy of a draft complaint that the Bureau of Competition proposed to present to the Commission for its consideration, and which, if issued by the Commission, would charge respondents with violations of the Clayton Act and Federal Trade Commission Act;

Respondents, their attorneys, and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by respondents of all the jurisdictional facts set forth in the aforesaid draft complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that the complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments received, and having modified such agreement, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent Phillips is a corporation 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 at Phillips Building, Bartlesville, Oklahoma.
2. Respondent Enron is a corporation 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 at 1400 Smith Street, Houston, Texas.
3. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

I.

It is ordered, That, as used in this order, the following definitions shall apply:

A. "*Phillips*" means Phillips Petroleum Company, its directors, officers, employees, agents, and representatives, predecessors, successors, and assigns, its subsidiaries, divisions, groups, and affiliates controlled by Phillips, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

B. "*Enron*" means Enron Corp., its directors, officers, employees, agents, and representatives, predecessors, successors, and assigns, its subsidiaries, divisions, groups, and affiliates controlled by Enron, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

C. "*Respondent*" or "*respondents*" means Phillips and Enron, collectively and individually.

D. "*Maxus*" means Maxus Energy Corporation, its predecessors, successors, and assigns, subsidiaries, divisions, groups, and affiliates controlled by Maxus Energy Corporation.

E. The "*Acquisition*" means the proposed acquisition by Phillips of the outstanding voting securities of Enron Anadarko Gathering Company and Transwestern Anadarko Gathering Company, which will own certain gas gathering assets currently owned by Transwestern Pipeline Company and Northern Natural Gas Company, two subsidiaries of Enron, pursuant to the stock purchase agreements executed on November 15, 1994, by Phillips and Enron as subsequently modified and amended.

F. "*Gas gathering*" means pipeline transportation, for oneself or other persons, of natural gas over any part or all of the distance between a well and a gas transmission pipeline or gas processing plant.

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

H. "*Related person*" means a person controlled by, controlling, or under the common control with, another person.

I. "*Relevant geographic area*" means the Texas counties of Hansford, Ochiltree, and Lipscomb and all portions of Beaver County, Oklahoma, within ten miles of the Texas border.

J. "*Schedule A assets*" means the whole and any part of the assets listed in Schedule A of this order (including, but not limited to, the assets listed in annex 1 and annex 2).

K. "*Commission*" means the Federal Trade Commission.

II.

It is further ordered, That Enron shall not sell, transfer, or otherwise convey, directly or indirectly, the Schedule A assets, or any stock, share capital, equity, or other interest in any person controlling the Schedule A assets, to Phillips in connection with the Acquisition; and, within thirty (30) days after this order becomes final, Enron shall provide notice of the requirements of this order to the Federal Energy Regulatory Commission.

III.

It is further ordered, That Phillips shall not acquire, directly or indirectly, any stock, share capital, equity, or other interest in any person controlling the Schedule A assets in connection with the Acquisition.

IV.

It is further ordered, That, for a period of ten (10) years from the date this order becomes final, Phillips shall not, without prior notification to the Commission, directly or indirectly:

A. Acquire the Schedule A assets;

B. Acquire any stock, share capital, equity, or other interest in any person engaged in gas gathering within the relevant geographic area at any time within the two years preceding such acquisition, provided, however, that an acquisition of securities will be exempt from the requirements of this paragraph (IV.B) if after the acquisition Phillips will hold cumulatively no more than two (2) percent of the outstanding shares of any class of security of such person; and provided further, that this paragraph (IV.B) shall not apply to the acquisition of any interest in a person that is not at the time of the acquisition engaged in gas gathering within the relevant geographic area due to the sale within the preceding two years of all assets used for gas gathering within the relevant geographic area to another party who intended to operate said assets for gas gathering within the relevant geographic area; or

C. Enter into any agreements or other arrangements with any person or with two or more related persons to obtain, within any 18 month period, direct or indirect ownership, management, or control of more than five miles of pipeline previously used for gas gathering and suitable for use for gas gathering within the relevant geographic area.

V.

It is further ordered, That, for a period of ten (10) years from the date this order becomes final, Enron shall not, without prior notification to the Commission, directly or indirectly:

- A. Transfer Schedule A assets to Phillips or Maxus;
- B. Transfer any stock, share capital, equity, or other interest in any entity controlling the Schedule A assets to Phillips or Maxus; or
- C. Enter into any agreement or other arrangement to transfer direct or indirect ownership, management, or control of any of the Schedule A assets to Phillips or Maxus.

Provided, however, that prior notification shall not be required for Enron to transfer Transwestern System 3 -- Catesby/Ivanhoe -- to Maxus.

VI.

It is further ordered, That the prior notifications required by paragraphs IV and V of this order shall be given on the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended (hereinafter referred to as "the Notification"), and shall be prepared and transmitted in accordance with the requirements of that part, except that no filing fee will be required for any such notification, notification shall be filed with the Secretary of the Commission, notification need not be made to the United States Department of Justice, and notification is required only of respondents and not of any other party to the transaction. In lieu of furnishing (1) documents filed with the Securities and Exchange Commission, (2) annual reports, (3) annual audit reports, (4) regularly prepared balance sheets, or (5) Standard Industrial Code (SIC) information in response to certain items in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations, Phillips shall provide a map showing the location of the pipeline whose acquisition is proposed and other pipelines used for gas gathering in the relevant geographic area and a statement showing the quantity of gas that flowed through pipeline whose acquisition is proposed in the previous 12 month period. Respondents shall provide the Notification to the Commission at least thirty days prior to consummating any such transaction (hereinafter referred to as the "first waiting period"). If, within the first waiting period, representatives of the Commission make a written request for additional information, respondents shall not consummate the transaction until twenty days after substantially complying with such request for additional information. Early termination of the waiting

periods in this paragraph may be requested and, where appropriate, granted by letter from the Bureau of Competition.

Provided, however, that prior notification shall not be required by paragraphs IV and V of this order for a transaction for which notification is required to be made, and has been made, pursuant to Section 7A of the Clayton Act, 15 U.S.C. 18a.

VII.

It is further ordered, That:

A. Within sixty (60) days after the date this order becomes final, each respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with this order; and

B. One (1) year from the date this order becomes final, annually for the next nine (9) years on the anniversary of the date this order becomes final, and at such other times as the Commission may require, each respondent shall file a verified written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with this order. Provided, however, that if Enron sells all of the Schedule A assets, it will no longer be required to file any further written reports with the Commission.

VIII.

It is further ordered, That each respondent shall notify the Commission at least thirty (30) days prior to any proposed change in such respondent such as dissolution, assignment, sale resulting in the emergence of a successor corporation, or the creation or dissolution of subsidiaries or any other change that may affect compliance obligations arising out of the order.

IX.

It is further ordered, That, for the purpose of determining or securing compliance with this order, and subject to any legally recognized privilege, upon written request and on reasonable notice to such respondent, each respondent shall permit any duly authorized representative of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such respondent relating to any matters contained in this order; and

B. Without restraint or interference from it, to interview officers, directors, or employees of such respondent, who may have counsel present, relating to any matters contained in this order.

X.

It is further ordered, That this order shall terminate twenty (20) years from the date this order becomes final.

SCHEDULE A

Transwestern System 3--Catesby/Ivanhoe

Beaver County, OK

Ellis County, OK

ASSETS:

All Transwestern-owned facilities located upstream of the discharge side of the Catesby Compressor unit. Includes approximately 45.5 miles of pipe and the Catesby compressor #745, 422 horsepower. Material assets are listed in Annex 1 for Transwestern system 3.

Transwestern System 4--Frass Como

Lipscomb County, TX

Beaver County, OK

ASSETS:

All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the Frass Como Lateral to the 12 inch Lipscomb-Mocaine Lateral, including the Frass Como compressor station. Includes approximately 55.1 miles of pipe. Material assets are listed in Annex 1 for Transwestern system 4.

Transwestern System 5--Follett

Lipscomb County, TX

ASSETS:

All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the 4 inch Follett Lateral to the 12 inch Lipscomb-Mocaine Lateral. Includes approximately 8.3 miles of pipe. Material assets are listed in Annex 1 for Transwestern system 5.

Transwestern System 7--Kiowa Creek

Lipscomb County, TX

1129

Decision and Order

ASSETS: All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the 6 inch Kiowa Creek Lateral and the 8 inch Kiowa Creek Loop to the 12 inch Lipscomb-Mocaine Lateral, including the Kiowa Creek #2 compressor station. Includes approximately 77 miles of pipe and three compressor units: Kiowa Creek #2 Compressor #865, 1,078 horsepower; Kiowa Creek #1 Compressor #828, 1,078 horsepower; and E. Lipscomb Compressor #858, 531 horsepower. Material assets are listed in Annex 1 for Transwestern system 7.

Transwestern System 8--Wolf Creek

Lipscomb County, TX

Ellis County, OK

ASSETS: All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the 6 inch Wolf Creek Lateral to the 12 inch Lipscomb-Mocaine Lateral. Includes approximately 45.2 miles of pipe and the Wolf Creek compressors #755 and #853, 1,470 combined horsepower. Material assets are listed in Annex 1 for Transwestern system 8.

Transwestern System 13--Waka/Perryton

Ochiltree County, TX

ASSETS: All Transwestern-owned facilities located upstream of and including the pig receiver for the 8 inch Perryton lateral, located on the upstream side of and to the NE of the Waka compressor station. Includes approximately 77.8 miles of pipe and the Perryton Transwestern compressor # 827, 779 horsepower. Material assets are listed in Annex 1 for Transwestern system 13.

Transwestern System 14--Gray Rock

Ochiltree County, TX

Lipscomb County, TX

ASSETS: All Transwestern-owned facilities located upstream of, but not including, the 6 inch pig launcher on the discharge side of the Gray Rock compressor station. Includes approximately 43.3 miles of pipe and the Gray Rock compressor #826, 810 horsepower. Material assets are listed in Annex 1 for Transwestern system 14.

Transwestern System 20--Brillhart

Hansford County, TX

ASSETS: All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the 8 inch Brillhart Lateral to the 10 inch Cactus-Hugoton Lateral. Includes approximately 78.5 miles of pipe and two compressors: Brillhart #748, 708 horsepower; and Brillhart #796, 785 horsepower.

Material assets are listed in Annex 1 for Transwestern system 20.

Transwestern System 21--John Creek

Hansford County, TX

Ochiltree County, TX

Hutchinson County, TX

Roberts County, TX

ASSETS:

All Transwestern-owned facilities located upstream of, but not including, the side/hot-tap valve that connects the 6 inch John Creek Lateral to the 12 inch Cactus-Hugoton Lateral. Includes approximately 31 miles of pipe and the John Creek compressor #747, 537 horsepower. Material assets are listed in Annex 1 for Transwestern system 21.

Northern Natural System 35--Spearman System - North

Hansford County, TX

ASSETS:

The following four sections: (1) Approximately 6.3 miles of 6 inch and 2.0 miles of 4 inch Northern-owned gathering lines, upstream of where the 6 inch TG385 connects to the 8 inch--TG24001 in the northwest quarter of Section 42, Block 1, Washington County RR Survey. (2) Approximately 6.5 miles of 4 inch Northern-owned gathering lines, upstream of the side valve on the 10 inch TG24001 in the northeast quarter of Section 30, Block 1, Cherokee Iron Furnace CO Survey. (3) The Buckner A1 wellhead facilities and approximately 3.4 miles of 4 inch Northern-owned gathering lines from the Buckner A1 well in Section 20 to the side valve on the 10 inch TG24001 in Section 27, Block 1, Cherokee Iron Furnace Co Survey. (4) Approximately 3.5 miles of 8 inch, 3.8 miles of 6 inch, and 10 miles of 4 inch Northern-owned gathering lines, upstream of where the 6 inch TG247 and the 8 inch TG246 connects to the 12 inch TG24001 near the East Section Line of Section 7, Block 2, SA&MG RR Survey. Material assets are listed in Annex 2 for Northern Natural system 35.

Northern Natural System 35--Spearman System - East

Hansford County, TX

Hutchinson County, TX

Roberts County, TX

ASSETS:

The following two sections: (1) The Brainard Lateral consisting of approximately 1.9 miles of 8 inch, 5.8 miles of 6 inch, and 19.2 miles of 4 inch Northern-owned gathering lines, upstream of a side valve where the 8 inch TG335 connects to the 26 inch TG24001 in Section 8, Block H&GN Survey. (2) The East Leg consisting of approximately 11.1 miles of 10 inch, 19.5

1129

Decision and Order

miles of 8 inch, 19.0 miles of 6 inch, and 49.6 miles of 4 inch gathering lines, upstream of where 10 inch TG301 connects to the suction of Northern's Spearman Compressor Station. Material assets are listed in Annex 2 for Northern Natural system 35.

Northern Natural System 37--Fuller System

Hansford County, TX

Sherman County, TX

Hutchinson County, TX

ASSETS:

The following two sections: (1) The Hansford County No. 1 System consisting of approximately one-half mile of 2 inch, 5 miles of 8 inch, 3 miles of 6 inch, and 11 miles of 4 inch gathering lines, upstream of the suction of Northern's Hansford County No. 1 compressor station. (2) The Hutchinson County No. 2 system consisting of approximately 5 miles of 6 inch and 5 miles of 4 inch gathering lines, upstream of the suction of Northern's Hutchinson County No. 2 compressor station. Material assets are listed in Annex 2 for Northern Natural system 37.

Northern Natural System 79--Perryton System

Ochiltree County, TX

Beaver County, OK

ASSETS:

The Northern-owned facilities upstream of the suction of Northern's Perryton Compressor Station. The facilities consist of approximately one quarter mile of 2 inch, 89 miles of 4 inch, 58 miles of 6 inch, 23 miles of 8 inch, 4 miles of 10 inch, and 10 miles of 16 inch gathering lines. Material assets are listed in Annex 2 for Northern Natural system 79.

Decision and Order

120 F.T.C.

ANNEX 1
TO
SCHEDULE ATRANSMISSION GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 1 OF 11

SYS	LINE SEG	DESCRIPTION	WH	COMP	LINE	METER	COMP.	H/P	PIPE DIAMETER	PIPE LENGTH	P-PE 2 DIAMETER	PIPE 2 LENGTH
3	CA-1	4" HEPHERD #1/L E MAYER #1 LAT			X	0		0	6.6	31680.	0.0	0.00
3	CA-1	MTR STA SHL MAYER UL1	X			42800		0	4.5	100.	0.0	0.00
3	CA-1	MTR STA SHL SHERPD UL1	X			42810		0	4.5	100.	0.0	0.00
3	CA-1-01	IRWIN #1-20 UL LN	X			41610		0	4.5	422.	0.0	0.00
3	CA-1-01	SHELL-TUBB #1-30 UL LN	X			41630		0	4.5	400.	0.0	0.00
3	CA-1-01	PEETOOM #1-29 WELL LINE	X			41660		0	4.5	5280.	0.0	0.00
3	CA-1-02	SHELL-OHEARN #1-32 WELL	X			41620		0	4.5	4864.	0.0	0.00
3	CA-1-02	WHITE #1-31 WELL	X			41640		0	4.5	400.	0.0	0.00
3	CA-1-03	WHITE B #1-5 WELL LINE	X			42830		0	4.5	14256.	0.0	0.00
3	CA-1-03	PHIL-DRAKE #1-6 WELL LN	X			42860		0	4.5	106.	0.0	0.00
3	CA-1-04	PEARSON #1 & LN & EQ	X			41590		0	0.0	0.	0.0	0.00
3	CA-1-04	CONN KELLN 11-1	X			41750		0	0.0	0.	0.0	0.00
3	CA-1-04	SHERW #1 & LN & EQ	X			42870		0	4.5	5808.	0.0	0.00
3	CA-1-04	MESA PETROLEUM CO-#1 PERSALL	X			43090		0	0.0	0.	0.0	0.00
3	CA-1-05	CONN SHELL - #2-31 WHITE	X			41730		0	4.5	2600.	0.0	0.00
3	CA-1-05	CONN CWG-STATE UNIT #1	X			43210		0	0.0	0.	0.0	0.00
3	CA-2	CONNEDALLION PETR-WHITE AP#12	X			41021		0	0.0	0.	0.0	0.00
3	CA-2	STATE #1-36	X			41690		0	0.0	0.	0.0	0.00
3	CA-2	WHITE A #1-1 WELL LN	X			42820		0	4.5	53.	0.0	0.00
3	CA-2	12" IVANHOE & CATESBY LAT	X			41911		0	12.7	34320.	0.0	0.00
3	WH-1	CONNEDOURNE OIL #1-24 WYNN	X			42690		0	0.0	0.	0.0	0.00
3	WH-1	IV #745 IVANHOE/CATESBY COMP	X			41910		422	0.0	0.	0.0	0.00
3	WH-1-01	BERYL JET #1-14 UL LN	X			41970		0	4.5	158.	0.0	0.00
3	WH-1-04	CONN BURKHART #1-15 BEDELL INOIN FL	X			41740		0	0.0	0.	0.0	0.00
3	WH-2-01	CONN MARLIN OIL #1 HALLIBURTON	X			41970		0	4.5	2050.	0.0	0.00
3	WH-2-01	FOX #1 UL LN	X			42760		0	4.5	106.	0.0	0.00
3	WH-2-01	BUCKELMAN #1-17 UL LN	X			41020		0	4.5	4852.	0.0	0.00
3	WH-2-02	MTR STA UNION DYCHE UL	X			40301		0	0.0	0.	0.0	0.00
3	WH-2-03	4" O'HARE U/Kaiser FRANCIS-REDELSPERGR#1	X			42770		0	4.5	5280.	0.0	0.00
3	WH-2-03	OHAIIR #1-40 TIN UL LN	X			41680		0	10.7	44880.	0.0	0.00
3	WH-2/3	10" CATESBY EXTENSION	X			41700		0	4.5	400.	0.0	0.00
3	WH-3	MCCLURE #1-13 WELL LINE	X			41700		0	4.5	1750.	0.0	0.00
3	WH-3-01	SUE HILL #1	X					0				

1129

Decision and Order

TRANSEASTERN GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 2 OF 11

SYS	LINE SEG	DESCRIPTION	WH	COMP	LINE	METER	COMP.	H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
4	FC-1	CONN TEX OGC - #2 PHIKARD "B"	X			38980	0		0.0	0.0	0.0	0.00
4	FC-1	FRASS-COMO FLD TO #746		X		0	0		0.0	0.0	0.0	0.00
4	FC-1/2	B" COMO J FRASS FLD LAT			X	0	0		8.6	52800.	0.0	0.00
4	FC-2	DAROVZET SALES MTR STA	X			20	0		0.0	0.0	0.0	0.00
4	FC-2-02	MTR STA HUM-FRASS #B-1	X			3651	0		4.5	3980.	0.0	0.00
4	FC-2-02	MTR STA HBL-FRASS UL-1	X			3653	0		4.5	8220.	0.0	0.00
4	FC-2-03	CONN NAT GAS ANADARKO #1-26 DEPEU	X			43340	0		4.5	10500.	0.0	0.00
4	FC-3	B" COMO & FRASS FLD LAT		X		0	0		8.6	25080.	0.0	0.00
4	FC-3-01	4"HOARD/ MAHAFFEY/ MIER /ANDERSON		X		0	0		6.6	13200.	0.0	0.00
4	FC-3-01	MTR STA CSD VICKERS UL	X			42530	0		4.5	100.	0.0	0.00
4	FC-3-2	PHILLIPS EXCHANGE 3 SIDE VLVS	X			952	0		0.0	0.0	0.0	0.00
4	FC-5-02	CONN FALCON-CLENNY #1	X			40390	0		4.5	25.	0.0	0.00
4	FC-5-02	CONN FALCON-SCHUSTER #1	X			40600	0		4.5	20600.	0.0	0.00
4	FC-5-05	CONN FALCON-#2 CLENNY	X			40430	0		4.5	400.	0.0	0.00
4	FC-5-07	CONN NAT GAS ANDRKO #1-2 DICK BVR	X			40660	0		4.5	8037.	2.3	136.00
4	FC-5-08	CONNELBOURNE #1 BARNES 14 BEAVER	X			40520	0		4.5	2540.	0.0	0.00

TRANSEASTERN GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 3 OF 11

SYS	LINE SEG	DESCRIPTION	WH	COMP	LINE	METER	COMP.	H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
5	FT-1	LFR B&T-R #1 TO LIP-H		X		0	0		4.5	29040.	0.0	0.00
5	FT-1	CONN SAW REGER #1	X			36100	0		4.5	100.	0.0	0.00
5	FT-1-01	CONN COTTON #1 KRAFT	X			37800	0		4.5	3600.	0.0	0.00
5	FT-1-02	FARM TAP - MERLIN LAUBMAN	X			3110	0		0.0	0.	0.0	0.00
5	FT-1-02	FARM TAP - RUSSELL SINER	X			3490	0		0.0	0.	0.0	0.00
5	FT-1-03	CONN JACK G JONES - #1 MASON	X			38030	0		0.0	0.	0.0	0.00
5	FT-1-03	CONN COTTON - #2 LAUBMAN	X			36480	0		4.5	9800.	0.0	0.00
5	FT-2-04	CONN LAUBMAN UNIT A #1	X			36220	0		4.5	50.	0.0	0.00

Decision and Order

120 F.T.C.

TRANSMISSION GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 4 OF 11

SYS	LINE SEG	DESCRIPTION	UH	COMP	LINE	METER	COMP. H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
7	EL-1	4" E. LIPSCOMB FLD LAT			X	0	0	4.5	22176.	4.0	480.00
7	EL-1	LINE PARKER 1 4 IN	X			35710	0	4.5	272.	0.0	0.00
7	EL-1	LINE SHULTZ C-1 4 IN	X			35790	0	4.5	272.	0.0	0.00
7	EL-1	EAST LIPS TU #858		X		0	500	0.0	0.	0.0	0.00
7	EL-1-01	LINE TYSON A-1 4 IN	X			35680	0	4.5	4646.	0.0	0.00
7	EL-1-01	LINE SHULTZ 2-5625 4 IN	X			35760	0	4.5	4176.	0.0	0.00
7	EL-1-02	CONN HUMBIE-1 UH SCHULTZ UNIT	X			35932	0	4.5	5280.	0.0	0.00
7	EL-1-02	CONN 1 SCHULTZ	X			35940	0	4.5	2200.	0.0	0.00
7	KC-1	6" LIPSCOMB F/PIPER #2 & LIPSCOMB LAT			X	0	0	6.6	13781.	0.0	0.00
7	KC-1	LINE PIPER 2 6 IN	X			35730	0	4.5	272.	0.0	0.00
7	KC-1	LINE SHULTZ B-2 6 IN	X			35740	0	4.5	272.	0.0	0.00
7	KC-1	KIOMA CREEK #1 TU #828		X		0	1100	0.0	0.	0.0	0.00
7	KC-1-02	4" LIPSCOMB F/TAUCK/DUKE/SCHULTZ B			X	0	0	4.5	12619.	0.0	0.00
7	KC-1-02-01	NATOMAS #1 TAUCK TU #855			X	0	42	0.0	0.	0.0	0.00
7	KC-1-03	CONN SCATH OIL-PIPER #689	X			9750	0	0.0	0.	0.0	0.00
7	KC-1-03	CONN SCATH PETR - #601-1 PIPER	X			38360	0	4.5	300.	0.0	0.00
7	KC-1-03	CONN SCATH - PIPER 600-1	X			38400	0	0.0	0.	0.0	0.00
7	KC-1-03	CONN SCATH - PIPER 601-2	X			38410	0	0.0	0.	0.0	0.00
7	KC-1-03	CONN MAY PETRO PIPER RNCI #1 ZIPSCO	X			55120	0	0.0	0.	0.0	0.00
7	KC-1-05	MTR RUN-MELBOURNE-SCHULTZ #1	X			38160	0	2.3	30.	0.0	0.00
7	KC-1-06	CONN MAT GAS-AMADARKO #1-544 OWENS	X			38890	0	4.5	2600.	0.0	0.00
7	KC-1-06	CONN EXXON - #7 OLA O PIPER	X			38900	0	4.5	4000.	0.0	0.00
7	KC-1-07	CONN MAY PET-UM SCHULTZ #1	X			55130	0	0.0	0.	0.0	0.00
7	KC-1-08	CONN MELBOURNE #1 DUCE "781"	X			55230	0	4.5	2882.	2.3	83.00
7	KC-1-08	CONN MELBOURNE #1 SCHULTZ "761"	X			55240	0	4.5	873.	2.3	152.00
7	KC-1/2/3	6" KIOMA CREEK LAT			X	0	0	6.6	66284.	0.0	0.00
7	KC-1/2/3 / KC-3-5/6	EXT KIOMA CREEK T/LEAR PET 6" LINE			X	0	0	6.6	27282.	6.6	151.00
7	KC-2	CONN OLA #1	X			36384	0	6.0	1750.	0.0	0.00
7	KC-2	KIOMA CREEK STA#2-TU #865		X		0	1050	0.0	0.	0.0	0.00
7	KC-2-01	MTR STA APAN LAURE UL1	X			36340	0	4.5	13200.	0.0	0.00
7	KC-2-03	CONN BRADFORD FD CSG HD	X			36320	0	4.5	106.	0.0	0.00
7	KC-2-03	PURDOM #1 4LN & EQ	X			37190	0	4.5	422.	0.0	0.00
7	KC-2-03	CONN FALCON-PURDOM UNIT #1	X			38340	0	0.0	0.	0.0	0.00
7	KC-2-04	CONN COTTON PETR-1-A PIPER	X			36720	0	4.0	1000.	0.0	0.00
7	KC-2-06	CONN COTTON PETR-1 BRADFORD "B"			X	0	0	4.5	3100.	0.0	0.00

TRANSMISSION GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 5 OF 11

SYS	LINE SEG	DESCRIPTION	WH	COMP	LINE	METER	COMP	H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
7	KC-2-06	CON UNAPACHE-BRADFORD #1	X			36300	0		6.6	10560.	0.0	0.00
7	KC-2-06	CONN DIAMOND-#3-688 OLA O PIPER	X			37741	0		4.5	4500.	0.0	0.00
7	KC-2-06	CONN COTTON - BRADFORD #2	X			38320	0		0.0	0.	0.0	0.00
7	KC-2-07	PAN PET HILTON #1 UL LN	X			36830	0		4.5	3000.	0.0	0.00
7	KC-2-07	CONN COTTON PETR - 1 FAIR	X			36880	0		4.5	4400.	0.0	0.00
7	KC-2-10	CONN APACHE BRADFORD #3	X			33652	0		0.0	0.	0.0	0.00
7	KC-2-10	CONN COTTON-#4 OLA PIPER	X			37720	0		0.0	0.	0.0	0.00
7	KC-2-10	CONN COTTON-#4 OLA PIPER	X			38690	0		0.0	0.	0.0	0.00
7	KC-2-12	CONN COTTON #2 PIPER A	X			37790	0		4.5	900.	0.0	0.00
7	KC-2-13	CONN COTTON PETROLEUM - 1 PIPER	X			36710	0		4.0	400.	0.0	0.00
7	KC-2-13	CONN COTTON PETR-1 PIPER "B"	X			36730	0		4.5	2900.	0.0	0.00
7	KC-2-14	CONN COTTON #2 BRADFORD	X			36650	0		4.5	640.	0.0	0.00
7	KC-3	6" KIDMA CREEK LATERAL	X		X	0	0		6.6	5500.	0.0	0.00
7	KC-3	CONN ARCO - #2 FRED LOESCH	X		X	38700	0		4.5	900.	0.0	0.00
7	KC-3-02	CONN MEDALLION #1	X		X	0	0		4.5	15840.	0.0	0.00
7	KC-3-02	CONN SINCLAIR-LOESCH #1	X		X	36032	0		4.5	1684.	0.0	0.00
7	KC-3-02	CONN FULTON SELL #4	X		X	38886	0		0.0	0.	0.0	0.00
7	KC-3-07	CONN DIAMOND-OLA PIPER #1-691	X		X	0	0		6.6	4300.	0.0	0.00
7	KC-3-07	CONN ARCO - #1 MARGARET L DIXON	X		X	38810	0		4.5	600.	0.0	0.00
7	KC-3-08	CONN ARCO - #1 HALBROOK DAILY SELL	X		X	38740	0		4.5	11000.	0.0	0.00
7	KC-3-09	CONN ARCO - #1 PAINE BROS CO	X		X	38871	0		4.5	6400.	0.0	0.00
7	KC-3-10	CONN ARCO - #1 FULTON-SELL	X		X	38822	0		4.5	1500.	0.0	0.00
7	KC-3-10	CONN ARCO - #2 LILLIE M PETERSON	X		X	38885	0		0.0	0.	0.0	0.00
7	KC-3-11	CONN ARCO-#2 LILLIE M PETERSON	X		X	33680	0		4.5	2000.	0.0	0.00
7	KC-3-15	CONN ARCO-SORENSEN DIXON CENT POINT	X		X	55210	0		4.0	880.	0.0	0.00
7	KC-3A	6" KIDMA CREEK LAT	X		X	0	0		2.3	280.	0.0	0.00

Decision and Order

120 F.T.C.

TRANSMISSION GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 6 OF 11

STS	LINE SEG	DESCRIPTION	LN	COMP	LINE	METER	COMP.	W/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
8	SG-1	TAP TO INTERMOUNT MEIER #1 LIPSC	X			16200	0		0.0	0.	0.0	0.00
8	SG-1	CONN JERNIGAN-BATTIN #1	X			38280	0		0.0	0.	0.0	0.00
8	SG-1-01	CONN FILON EXPL - #1 FRITZ	X			41360	0		4.5	5500.	0.0	0.00
8	SG-1/2	4" W A MEIER #1 & ANNA RUF #1 WELLS, TX	X		X	0	0		4.5	21120.	0.0	0.00
8	SG-2	4" LAT TO W A MEIER #1 & ANNA RUF #1 WEL	X		X	0	0		4.5	26400.	0.0	0.00
8	WC-1	PRICE 2 WOLF CK 4 IN	X			35660	0		4.5	272.	0.0	0.00
8	WC-1	WOLF CREEK TR #755 & 853	X		X	0	1470		0.0	0.	0.0	0.00
8	WC-1-01	PRICE 18 WOLF CK 4 IN	X			35650	0		4.5	2635.	0.0	0.00
8	WC-1-02	CONN EXON - #4 WILLIS D PRICE "8"	X			38310	0		4.5	1800.	0.0	0.00
8	WC-1-02	CONN EXON - #5 WILLIS D PRICE	X			38440	0		4.5	200.	0.0	0.00
8	WC-1/2/3	6" WOLF CREEK LAT	X		X	0	0		6.6	79147.	0.0	0.00
8	WC-2	FARM TAP - MARY & ROBERT SOUIRES	X			3460	0		0.0	0.	0.0	0.00
8	WC-2	R DOYLE 1-WOLF CK 4 IN	X			35630	0		4.5	272.	0.0	0.00
8	WC-2	PRICE 1 WOLF CK 4 IN	X			35640	0		4.5	272.	0.0	0.00
8	WC-2	J DOYLE 1-WOLF CK 4 IN	X			35770	0		0.0	0.	0.0	0.00
8	WC-2	CONNELLSBURNE OIL CO - SOUIRE #3	X			55540	0		4.5	2550.	0.0	0.00
8	WC-2-01	CONN HUMBLE-1 TYSON	X			35970	0		4.5	6200.	0.0	0.00
8	WC-2-02	CONNELLSBURNE #1 PRICE	X			38630	0		4.5	3500.	0.0	0.00
8	WC-2-03	CONN HUMBLE-W D PRICE #4	X			35851	0		0.0	0.	0.0	0.00
8	WC-3	BROWN 1-WOLF CK 4 IN	X			40200	0		4.5	272.	0.0	0.00
8	WC-3-01	CONN FILON-THORNTON TRUST #1	X			40260	0		4.5	165.	0.0	0.00
8	WC-3-02	CONNAPCO-LOIS BROWN #2-27	X			41460	0		0.0	0.	0.0	0.00
8	WC-3-02	CONNAPCO-BROWN 1-26	X			41470	0		0.0	0.	0.0	0.00
8	WC-3-02	CONNAPCO-PIERCE #1-28	X			41480	0		0.0	0.	0.0	0.00
8	WC-3-03	SHERRELL OJ T&I WL LN	X			40250	0		4.5	6300.	0.0	0.00
8	WC-3-05	CONN BUNKER-WAYLAND #1-5	X			40290	0		0.0	0.	0.0	0.00
8	WC-3-06	CONN 4" JORDAN CENT DELIV PT #1	X		X	0	0		0.0	0.	0.0	0.00
8	WC-3-06	CONNECT JORDAN ORG #1 CENTRAL DEL PT	X			41510	0		4.5	20803.	0.0	0.00
8	WC-3-07	SHATTUCK OJ-1 #3 WL LN	X			41520	0		4.5	4281.	0.0	0.00
8	WC-4	GIBBS #1-19 WELL LINE	X			40230	0		4.5	9240.	0.0	0.00

1129

Decision and Order

TRANSMISSION GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 7 OF 11

SYS	LINE SEG	DESCRIPTION	WH	COMP	LINE	METER	COMP.	W/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
13	MP-1	6" F/HAN #1, WITT #1, KERSHAW #1			X	0		0	6.6	29515.	0.0	0.00
13	MP-1-01	INST TAP HOT-NEUFELD #1	X			36430		0	0.0	0.	0.0	0.00
13	MP-1-02	CONN GARY GEORGE #1	X			36965		0	0.0	0.	0.0	0.00
13	MP-1-02	CONN ANADARKO MARIE #1-62 ULDC	X			52190		0	0.0	0.	0.0	0.00
13	MP-2	MTR STA SH KERSHAW UL1	X			37000		0	0.0	0.	0.0	0.00
13	MP-2	CONN NEUBOURNE SCHALK #1	X			53260		0	4.5	18880.	0.0	0.00
13	MP-2-02	HAROLD D COURSON - #1-43 WAGGOMER	X			38130		0	4.5	20.	0.0	0.00
13	MP-2-03	CONN FALCON-WAGGOMER #1-43	X			38080		0	4.5	1300.	0.0	0.00
13	MP-2-03	CONN FALCON-WAGGOMER #1-43	X			38130		0	4.5	9600.	0.0	0.00
13	MP-2-04	CONN COURSON #1-42 MCGARROUGH	X			38540		0	4.5	2200.	0.0	0.00
13	MP-3	CONN PHILLCOW - 1 MAXWELL	X			36940		0	4.5	15312.	0.0	0.00
13	PE-1	PSHTGODD 1-PP LAT 4 IN	X			34910		0	4.5	272.	0.0	0.00
13	PE-1-02	CONN ANADARKO #1-661 DUDLEY	X			38620		0	4.5	600.	0.0	0.00
13	PE-1-03	PHL-MC UL18-8 PERY LAT	X			34900		0	4.5	2900.	0.0	0.00
13	PE-1-03	CONN COURSON OIL AND GAS #4-571 1ST	X			34911		0	4.5	0.	0.0	0.00
13	PE-1-03	CONN #1-571 1ST NATL TRUST-ACCT REC	X			38640		0	4.5	4400.	0.0	0.00
13	PE-1-04	LN FR RIDGEMORE TO PSH L	X			34930		0	4.5	15840.	0.0	0.00
13	PE-1-05	CONN COURSON - #2-571 1ST NATL TRUST	X			38551		0	4.5	1600.	0.0	0.00
13	PE-1-05	CONN NAT GAS ANADARKO #1-64 CAMP	X			38962		0	4.5	5400.	0.0	0.00
13	PE-1-06	CONN SANTA FE ENERGY #2-49 UFL AN	X			52110		0	4.5	6172.	4.5	69.00
13	PE-1-06	CONN NAT GAS ANADARKO 1-46 RICHMOND	X			52150		0	4.0	7300.	0.0	0.00
13	PE-1/2/3	6" & 8" N. PARRYTON ALT		X		0		0	8.6	72072.	0.0	0.00
13	PE-2	LAND-EXCHANGE IN DUDE WILSON	X			9170		0	6.6	650.	0.0	0.00
13	PE-2	HUM-PER UL1-8 PERY LAT	X			34610		0	4.5	272.	0.0	0.00
13	PE-2	HUM-PER UL1-8 PERY LAT	X			34811		0	4.5	272.	0.0	0.00
13	PE-2	PERYTON TV #827	X			0		785	0.0	0.	0.0	0.00
13	PE-2-01	MC HERNDON C #1 UL LN	X			34750		0	4.5	264.	0.0	0.00
13	PE-2-01	U C HERNDON 1 U L LN	X			37910		0	6.6	475.	0.0	0.00
13	PE-2-01	CONN HERNDON #1	X			37970		0	4.5	2650.	0.0	0.00
13	PE-2-02	4" F/DUDE WILSON GUS #1 & GUS #1	X			0		0	4.5	13200.	0.0	0.00
13	PE-2-02	JONES #2-750 WELL LINE	X			34740		0	4.5	317.	0.0	0.00
13	PE-2-02	MTR STA HUM-D U VE GUS	X			34770		0	4.5	400.	0.0	0.00
13	PE-2-03	DUDE WILSON GUS #2 UL	X			34830		0	4.5	100.	0.0	0.00
13	PE-2-03	BRUILLMAN #1-17 UL LN	X			34870		0	4.5	211.	0.0	0.00
13	PE-2-04		X					0	4.5	4752.	0.0	0.00

Decision and Order

120 F.T.C.

TRANSWESTERN GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 8 OF 11

SYS	LINE SEG	DESCRIPTION	W/L	COMP	LINE	METER	COMP.	H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
13	PE-2-04	CONN HORIZON #2-17 BRUHLMAN	X			52080		0	4.5	3389.	2.3	98.00
13	PE-2-05	PSHIGODA B #1 41M & EQ	X			0		0	4.5	15790.	0.0	0.00
13	PE-2-05	CONN EXXON CORP DUDE WILSON GU 7-3	X			34711		0	0.0	0.	0.0	0.00
13	PE-2-05	CONN EXXON CORP DUDE WILSON GU 5-4	X			34731		0	0.0	0.	0.0	0.00
13	PE-2-05	CONN HD WILSON GU7 #7	X			34950		0	4.5	53.	0.0	0.00
13	PE-2-07	4" LN ROGERS #3-DUDE WILSON GSG LAT				0		0	6.6	10666.	0.0	0.00
13	PE-2-07	CONN EXXON-#2 DUDE WILSON UNIT #2	X			33080		0	4.5	800.	0.0	0.00
13	PE-2-07	D ULSM GU WL 2-DU LAT	X			34600		0	4.5	272.	0.0	0.00
13	PE-2-07	ROGERS 1-PP LAT 4 1IN	X			34620		0	4.5	4277.	0.0	0.00
13	PE-2-07	MTR STA HBL ROGERS WL 3	X			34791		0	4.5	400.	0.0	0.00
13	PE-2-09	HBL D WILSON 5-2 WL LN	X			38720		0	4.5	3000.	0.0	0.00
13	PE-2-10	CONN EXXON-DUDE WILSON #6	X			38760		0	4.5	600.	0.0	0.00
13	PE-2-10	CONN EXXON - #2 DUDE WILSON UNIT #7	X			38850		0	4.5	1200.	0.0	0.00
13	PE-2-11	CONN HBL OPER - #2 PSHIGODA	X			33460		0	4.5	1340.	0.0	0.00
13	PE-2-12	CONN EXXON-DUDE WILSON GAS UNIT 5-3	X			38800		0	4.5	900.	0.0	0.00
13	PE-2-13	CONN EXXON - #2 DUDE WILSON UNIT #1	X			38860		0	4.5	2135.	0.0	0.00
13	PE-2-14	CONN EXXON - #3 DUDE WILSON UNIT #4	X			33070		0	4.5	2400.	0.0	0.00
13	PE-2-14	CONN EXXON-#5 HELEN ROGERS	X			34890		0	0.0	0.	0.0	0.00
13	PE-2-16	DODSON #1-834 WL LN	X			52121		0	4.5	738.	2.3	360.00
13	PE-2-17	U C HERNDON B #1-L WL LN	X			37900		0	4.5	5808.	0.0	0.00
13	PE-2-17	CONN COUNSON #2-662 HERNDON OCHL	X			52160		0	0.0	0.	0.0	0.00
13	PE-2-18	CONN COUNSON #1-747 ELLEN VAKA PRT	X			52181		0	4.5	600.	0.0	0.00
13	SH-1	CON PITMAN-SUINK WL #1	X			34700		0	4.5	100.	0.0	0.00
13	SH-1-03	SCHNEIDER #1-03 WL LN	X			36410		0	4.5	24816.	0.0	0.00
13	SH-1/2	6" SHIRE-WEST PERRYTON LAT	X			0		0	6.6	66000.	0.0	0.00
13	SH-2-01	MTR STA ROG GREGG WL 1	X			34530		0	4.5	2640.	0.0	0.00
13	SH-2-02	TEVIS #1-20 WL LN	X			36420		0	4.5	15312.	0.0	0.00
13	SH-2-02	CONNER #1-36 WL LN	X			36750		0	4.5	370.	0.0	0.00
13	SH-2-03	SMITH #1-30 WELL LN	X			34540		0	4.5	6864.	0.0	0.00

TRANSWESTERN GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 9 OF 11

SYS	LINE SEG	DESCRIPTION	UII	COMP	LINE	METER	COMP.	H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
14	ER-1/2	6" ELLIS RANCH FLD LAT		X		0		0	6.6	52800.	0.0	0.00
14	ER-3	6" ELLIS RANCH FLD LAT		X		0		0	6.6	31680.	0.0	0.00
14	ER-3-01	WTR STA H KAY WELL W#1				34640		0	4.5	10560.	0.0	0.00
14	ER-3-01	CONN AMOCO - #2 KAYNELL-HAWKER TRUSTA		X		38710		0	0.0	0.	0.0	0.00
14	ER-3-02	ARTHUR MORGAN #1 UL LN		X		34660		0	4.5	19008.	0.0	0.00
14	ER-3-03	MORRIS C-1 & LN & EQ		X		34940		0	4.5	370.	0.0	0.00
14	ER-3-04	CONNEMBOURNE - #1 MORRIS		X		38610		0	4.5	6400.	0.0	0.00
14	ER-3M	4" MITCHELL #1 & #A-1 LAT				0		0	4.5	4224.	0.0	0.00
14	GR-1	4" MITCHELL #1 & #A-1 LAT		X		0		0	4.5	10560.	0.0	0.00
14	GR-1	CONN AMADARKO #1-58 SELL NORTHUP		X		36490		0	6.6	45608.	0.0	0.00
14	GR-1	WHEAT #1-678 UL LN		X		55360		0	0.0	0.	0.0	0.00
14	GR-1-01	WHEAT #1-732 UL LN		X		37130		0	4.5	53.	0.0	0.00
14	GR-1-01	CONNEMBOURNE - PERRY #2		X		37150		0	6.6	7920.	0.0	0.00
14	GR-1-02	CONN DICK BARTON #1		X		38680		0	0.0	0.	0.0	0.00
14	GR-1-03	CONN APACHE-MILES UNIT #1		X		37260		0	6.6	7920.	0.0	0.00
14	GR-1-03	CONN APACHE HARRY L KING #1		X		34484		0	4.5	1600.	0.0	0.00
14	GR-1-03	CONN MOUNTAIN FRONT VARIOUS WELLS		X		36470		0	6.6	21120.	0.0	0.00
14	GR-1-04	CONN TED WEINER MRS 2 D GUY-1		X		36471		0	0.0	0.	0.0	0.00
14	GR-1-07	CONNEMBOURNE - #1 PERRY		X		37400		0	4.5	1700.	0.0	0.00
14	GR-1-09	CONN TARPON OIL-H PERRY #2		X		38600		0	4.5	2160.	0.0	0.00
14	GR-2	GRAY ROCK TIV #B26				36480		0	6.6	7392.	0.0	0.00
14	KC-3-02	WTR STA FAL SEA-HAW #1		X		0		795	0.0	0.	0.0	0.00
14	KC-3-03	LANDERS #1 UL LN		X		36060		0	4.5	7920.	4.5	100.00
14	KC-3-12	CONN COURSON OIL #2-955 LANDERS		X		37162		0	4.5	4564.	0.0	0.00
14				X		55101		0	4.5	2520.	0.0	0.00

Decision and Order

120 F.T.C.

TRANSMISSION GATHERING COMPANY

ANNEX 1 TO SCHEDULE A

PAGE 10 OF 11

SYS	LINE SEG	DESCRIPTION	UN	COMP	LINE	METER	COMP.	N/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
20	BH-1/2/3/4/5	8" MANFORD LAT			X	0		0	8.6	63360.	0.0	0.00
20	BH-2	BRILLHART TV #748 & 796			X	0		1493	0.0	0.	0.0	0.00
20	BH-2-01	LAT 4 GANDY & CLOVER TO BRILLHART			X	0		0	4.0	10000.	0.0	0.00
20	BH-2-01	GO-GARD WL LN-BRLNT LT			X	33930		0	4.5	21120.	4.5	100.00
20	BH-2-03	FARM TAP - GEORGE C. COLLARD			X	352		0	0.0	0.	0.0	0.00
20	BH-2-04	CONN GULF-LOME-1			X	33440		0	4.0	6000.	0.0	0.00
20	BH-2-04	CONN BILLINGSLEY #1			X	33840		0	0.0	0.	0.0	0.00
20	BH-2-05	HORIZON-LOME #1 WL LN			X	33960		0	4.5	5808.	0.0	0.00
20	BH-2-05	BALLARD #1-123 WL LN			X	33990		0	4.5	5808.	0.0	0.00
20	BH-2-06	CONN BROCK EXPL CORP #1 ANDERSON			X	33411		0	0.0	0.	0.0	0.00
20	BH-2-06	MTR STA HOR DG COP WL 1			X	33970		0	4.5	7920.	0.0	0.00
20	BH-2-07	CONN GULF-RINDA WART - 1			X	33400		0	8.0	5280.	0.0	0.00
20	BH-3	CONN UNIT DRILL & EXPL NO 1 BECK			X	33090		0	4.5	120.	0.0	0.00
20	BH-3-01	FUR-MUR WL LN-BRLNT LT			X	0		0	4.5	15240.	0.0	0.00
20	BH-3-01	CONN MARY #2			X	33982		0	2.0	60.	0.0	0.00
20	BH-3-03	CONN HUBBARD - HIGGS #1			X	33160		0	0.0	0.	0.0	0.00
20	BH-3/4	8" BERNSTEIN LAT			X	0		0	8.0	52800.	0.0	0.00
20	BH-4	8" BRILLHART LAT			X	0		0	8.6	36960.	0.0	0.00
20	BH-4-01	FARM TAP - PAT PATTERSON/ROBERT H. ARCHER			X	401		0	0.0	0.	0.0	0.00
20	BH-4-01	GO-STL WL LN-BRLNT LAT			X	33870		0	4.5	15840.	4.5	100.00
20	BH-5-03	CONN MARLIN OIL #1 SUE			X	52250		0	0.0	0.	0.0	0.00
20	BH-5-04	CONN HORIZON TX BRILHRT 1-6 HUGFRO			X	52230		0	4.0	3000.	0.0	0.00

1129

Decision and Order

TRANSWESTERN GATHERING COMPANY
ANNEX 1 TO SCHEDULE A
PAGE 11 OF 11

SYS	LINE SEG	DESCRIPTION	LN	COMP	LINE	METER	COMP. H/P	PIPE DIAMETER	PIPE LENGTH	PIPE 2 DIAMETER	PIPE 2 LENGTH
21	JC-1	CONN BARBOUR ENERGY CORP. #1 JARVIS	X			33110		0.0	0.0	0.0	0.00
21	JC-1	JOHN CREEK TU #747		X		0	708	0.0	0.0	0.0	0.00
21	JC-1/2	6" JOHN CREEK LAT			X	0		0.0	0.0	0.0	0.00
21	JC-2	JOHN CREEK CROSSOVER	X			9238	0	6.6	4382.	0.0	0.00
21	JC-2	MTR STA SUN O-MIN K #1	X			33700	0	0.0	0.0	0.0	0.00
21	JC-2	MTR STA GLE MATT ULI A	X			33941	0	4.5	4752.	0.0	0.00
21	JC-2-01	4" LAT F/JACKSON #1 & K L WEST #1			X	0		6.6	18680.	4.5	100.00
21	JC-2-01	ARCHER #1-72 WELL LINE	X			33730	0	4.5	13200.	0.0	0.00
21	JC-2-02	PAN AM-BRAINARD #1 LN	X			33780	0	4.5	317.	0.0	0.00
21	JC-2-02	MATHEUS #1 41W & E0	X			38000	0	4.5	5280.	0.0	0.00
21	JC-2-2	MATHEUS #1-80 UL LN	X			35052	0	4.5	6336.	0.0	0.00
21	JC-3	CLEMENT #1-14 UL LN	X			33980	0	4.5	264.	0.0	0.00
21	JC-3-01	CONN HORIZON #1 CONVERSE A OCHLR	X			53240	0	0.0	28512.	0.0	0.00
21	LP-1-01	PAN AM-BECK B #1 LN	X			35061	0	4.5	0.	0.0	0.00
21	LP-1-01	FLOWERS #1-5 5 UL LN	X			35041	0	4.5	264.	0.0	0.00
21	LP-1-02	CONN #2 REED	X			33650	0	4.5	158.	0.0	0.00
21	LP-1-02	CONN ELEANOR REED WELL #1	X			35071	0	4.5	4900.	0.0	0.00
21	LP-1-04	CONN AMOCO PRO #2 UB MCINTIRE "A"	X			52240	0	4.5	264.	0.0	0.00
21			X					4.5	1800.	0.0	0.00

Decision and Order

120 F.T.C.

ANNEX 2
TO
SCHEDULE A

(REVISED 06-13-95)

RES			ACCT					MAP
SYS	FN	STATE	SYS	LOC	LOCATION DESCRIPTION	AREA	LINE NO	REF
					SPEARMAN			
35	GP	TX	75	30101	LIPS A8 WELL GATH/TEXAS	A	TG30101	T-2
35	GP	TX	75	30301	JOHNSON #1 WELL GATH/TEXAS	A	TG30301	T-2
35	GP	TX	75	30401	STATEX NITSCHKE #1 WELL GATH/TEXAS	A	TG30401	T-2
35	GP	TX	75	31001	BULTMAN #1 WELL GATH/TEXAS	A	TG31001	T-2
35	GP	TX	75	32101	LIPS B1 WELL GATH/TEXAS	A	TG32101	T-2
35	GP	TX	75	33201	KNOX PIPKIN #1-28 WELL GATH/TEXAS	A	TG33201	T-2
35	GP	TX	75	38601	KILEBREW WELL GATH/TEXAS	A	TG38601	T-2
35	GP	TX	75	43801	FLOWERS #1 WELL GATH/TEXAS	A	TG43801	T-2
35	GP	TX	75	48001	SPEARMAN 16IN SUCTION GATH/TEXAS	A	TG48001	T-2
35	GP	TX	75	53601	FLOWERS #1/FLOWERS #1 TIE-IN	A	TG53601	T-2
35	GP	TX	75	61401	LIPS RANCH GATH/TEXAS	A	TG61401	T-2
35	GP	TX	75	72301	ROBERTS COUNTY #1 SUCTION LINE/TX	A	TG72301	T-2
35	GP	TX	75	73501	ROBERTS CO #1 LINE/TEXAS	A	TG73501	T-2
35	GP	TX	75	81191	HODGES #1-39 WELL GATHERING/TEXAS	A	TG81191	T-2
35	GP	TX	G5	86901	LIPS RANCH LATERAL	A	TG86901	T-2
35	GP	TX	G5	87001	LIPS RANCH TIE-OVER LINE	A	TG87001	T-2
35	GP	TX	75	24001	NORTH OF SPEARMAN GATH/TEXAS	A	TG24001	T-3
35	GP	TX	75	24601	IMC CARTY A1 WELL GATH/TEXAS	A	TG24601	T-3
35	GP	TX	75	24701	VERNON A1 WELL GATH/TEXAS	A	TG24701	T-3
35	GP	TX	75	31601	KIRK #1 WELL GATH/TEXAS	A	TG31601	T-3
35	GP	TX	75	32801	JACKSON A#1 UT/LT WELL GATH LINE/TX	A	TG32801	T-3
35	GP	TX	75	32901	WILMETH WELL GATH/TEXAS	A	TG32901	T-3
35	GP	TX	75	33501	ODC #1-44 WELL GATH/TEXAS	A	TG33501	T-3
35	GP	TX	75	34701	IREX #1 WELL GATH/TEXAS	A	TG34701	T-3
35	GP	TX	75	35001	YANDA ET AL WELL GATH/TEXAS	A	TG35001	T-3
35	GP	TX	75	35101	KENNY WELL GATH/TEXAS	A	TG35101	T-3
35	GP	TX	75	38501	CLEMENTINE-LEE WELL GATH/TEXAS	A	TG38501	T-3
35	GP	TX	75	38801	JACKSON #1LT/BEULAH #1 TIE-IN GATH	A	TG38801	T-3
35	GP	TX	75	38901	BRAINARD #3 WELL GATH/TEXAS	A	TG38901	T-3
35	GP	TX	75	40601	IMC INTIRE B #1-LT AND UT WELL GATH/	A	TG40601	T-3
35	GP	TX	75	41201	BEULAH #1 WELL GATH/TEXAS	A	TG41201	T-3
35	GP	TX	75	46101	MATHEWS #2 WELL GATH/TEXAS	A	TG46101	T-3
35	GP	TX	75	60801	ICOCKE #1C WELL GATH/TEXAS	A	TG60801	T-3
35	GP	TX	75	64201	ICROWE 7-58 WELL GATH/TEXAS	A	TG64201	T-3
35	GP	TX	75	86801	BRACKEN ENERGY-ETLING #1-8	A	TG86801	T-3

ITEM IN BOLD REFLECTS A PORTION OF THE TOTAL LINE NO. REFERENCED AS TG24001

The facilities for line no. TG24001 include only the following facilities:

Buckner A1 wellhead facilities and approximately 3.4 miles of 4-inch pipeline from well connection in section 20 to side valve on the 10-inch TG24001 in section 27; and approximately 6.5 miles of 4-inch pipeline from a side valve on TG64201 in section 25 to a side valve on the 10-inch TG24001 in section 30 (including well facilities for G1, G1A, G2, & G3).

ANNEX 2
TO
SCHEDULE A

(REVISED 06-13-95)

RES			ACCT					MAP
SYS	FN	STATE	SYS	LOC	LOCATION DESCRIPTION	AREA	LINE NO	REF
					FULLER			
37	GP	TX	55	53401	FISHER #1 WELL GATH/TEXAS	A	TG53401	T-3
37	GP	TX	55	53701	R WAMBLE #1	A	TG53701	T-3
37	GP	TX	55	53801	PEARL #1	A	TG53801	T-3
37	GP	TX	55	53901	BOARD #1 WELL GATH/TEXAS	A	TG53901	T-3
37	GP	TX	55	59201	GENE CLUCK #1 WELL GATHERING LINE/T	A	TG59201	T-3
RES			ACCT					MAP
SYS	FN	STATE	SYS	LOC	LOCATION DESCRIPTION	AREA	LINE NO	REF
					PERRYTON			
79	GP	OK	44	16701	GEORGE MOUNTS WELL GATH/OKLAHOM	A	OG16701	O-13
79	GP	OK	44	17801	SIMS #1 LATERAL GATH/OKLAHOMA	A	OG17801	O-13
79	GP	OK	44	24001	WILSON #1 WELL GATH/OKLAHOMA	A	OG24001	O-13
79	GP	OK	44	27301	PALMER #1 WELL GATH/OKLAHOMA	A	OG27301	O-13
79	GP	OK	44	31901	PITTMAN #1 WELL/GATH/OKLAHOMA	A	OG31901	O-13
79	GP	OK	44	47201	BECKWITH 1-22 WELL GATHERING/OKLA	A	OG47201	O-13
79	GP	OK	44	50501	NAYLOR #1 WELL GATH/OKLA	A	OG50501	O-13
79	GP	TX	71	21301	CUTTER #1 WELL GATH/TEXAS	A	TG21301	T-2
79	GP	TX	71	21401	PHISGODA #1 WELL GATH/TEXAS	A	TG21401	T-2
79	GP	TX	71	21501	ORINGDERFF WELL GATH/TEXAS	A	TG21501	T-2
79	GP	TX	71	21601	WRIGHT #1 WELL GATH/TEXAS	A	TG21601	T-2
79	GP	TX	71	21701	SCHCENHALS #1 WELL	A	TG21701	T-2
79	GP	TX	71	21801	GEORGE MOUNTS #1 WELL GATH/TEXAS	A	TG21801	T-2
79	GP	TX	71	27301	PALMER #1 WELL GATH LINE/TEXAS	A	TG27301	T-2
79	GP	TX	71	28401	GEORGE #1 WELL GATH/TEXAS	A	TG28401	T-2
79	GP	TX	71	28801	LE MASTER #1 WELL GATH/TEXAS	A	TG28801	T-2
79	GP	TX	71	30801	ODELL LA MASTER WELL GATH/TEXAS	A	TG30801	T-2
79	GP	TX	71	32301	GREENE #1 WELL	A	TG32301	T-2
79	GP	TX	71	32601	SIMS #1-36L WELL GATH/TEXAS	A	TG32601	T-2
79	GP	TX	71	34301	MOYES-GEORGE #1 WELL GATH/TEXAS	A	TG34301	T-2
79	GP	TX	71	38701	PERRY #1 WELL GATH/TEXAS	A	TG38701	T-2
79	GP	TX	71	39201	PERRY B1 WELL GATH/TEXAS	A	TG39201	T-2
79	GP	TX	71	71701	SCHULTZ #1 WELL GATHERING/TEXAS	A	TG71701	T-2
79	GP	TX	71	80031	BATMAN #1-21 SIDE VALVE/TEXAS	A	TG80031	T-2
79	GP	TX	71	80751	TANDY #1 WELL GATHERING LINE/TX	A	TG80751	T-2

Re: The applicability of the Telemarketing Sales Rule -- the Telemarketing Rule generally imposes no restrictions on the legitimate fundraising activities of nonprofit organizations.

[American Telephone Fundraisers Association, Inc., P/R #]

December 15, 1995

Dear Mr. Paper:

This letter responds to your request on behalf of the American Telephone Fundraisers Association, Inc. for an advisory opinion concerning the applicability of the Telemarketing Sales Rule, 16 CFR Part 310, to fundraising telephone calls made by for-profit companies on behalf of nonprofit organizations. The Association seeks advice on the scope of the Rule's coverage as it may apply to fundraising activities of Association members that involve the use of the telephone.

Although the Telemarketing Sales Rule does not apply to entities over which the Commission lacks jurisdiction, it does apply to for-profit telemarketers acting on behalf of such entities. The Commission's view, however, is that telephone fundraising activities on behalf of nonprofit organizations will constitute a "plan, program or campaign which is conducted to induce the purchase of goods or services." As discussed below, this means that the Rule ordinarily imposes no restrictions on legitimate fundraising activities undertaken on behalf of nonprofit organizations.

The Telemarketing Act states that, "[N]o activity is outside the jurisdiction of [the FTC] Act shall be affected by this Act." Section 6(a) of the Telemarketing Act, Pub L. No. 103-297 (to be codified at 15 U.S.C. 6105(a)). Therefore, because the FTC Act does not apply to any entity that is not "organized to carry on business for its own profit or that of its members," neither does the Telemarketing Act or the Telemarketing Sales Rule. *See* 15 U.S.C. 44; *Community Blood Bank v. FTC*, 405 F.2d 1011 (8th Cir. 1969). The Rule, like the FTC Act, however, does apply to a company acting for profit even when it is providing services to a nonprofit organization. Statement of Basis and Purpose, Telemarketing Sales Rule, 60 Fed. Reg. 43,842, at 43,843 (Aug. 23, 1995).

The Rule's applicability to fundraising telephone calls made by for-profit companies depends on whether such calls fall within the definition of "telemarketing." The Rule defines telemarketing as a "plan, program or campaign which is conducted to induce the purchase of goods or services." 16 CFR 310.2(u). This language is identical to the pertinent section of the Telemarketing Act. Section 7(4) (to be codified at 15 U.S.C. 6106(4)). Thus, the critical question in determining coverage under the Rule is whether a call is conducted to induce a "purchase of goods or services."

The Commission's understanding is that telephone fundraising on behalf of nonprofit organizations is not, in fact, typically undertaken as part of a "plan, program or campaign . . . conducted to induce the purchase of goods or services" (emphasis added). This is true despite the fact that fundraising campaigns often involve the incidental provision of goods or services, such as premiums, memberships, or other incentives for donations.¹ Legitimate fundraising activity is conducted primarily to elicit donations and not to induce purchases. Even when donors receive gifts, premiums, memberships or other incentives, representatives of the non-profit sector have advised the Commission that legitimate charities generally do not conduct telephone solicitations in which the stated or actual value of goods or services offered exceeds the amount of a donor's payment. The Commission's enforcement experience suggests that fraudulent telemarketers, in contrast, obtain money from consumers by promising goods or services with inflated values as consideration for smaller "donations."

Thus, the Commission concludes that only if goods or services offered in a covered telemarketing telephone call as an inducement for the consumer's payment have an actual or claimed value equal to or greater than the amount of the donor's payment, is such a call conducted for the purpose of inducing a purchase. Consequently, only calls of that nature would fall within the definition of "telemarketing" and be subject to the applicable requirements of the Telemarketing Sales Rule. The Commission's construction of the term "telemarketing," as defined in the Act and the Rule, is fully consistent with the legislative purpose of the Telemarketing Act. The

¹ Section 170(f)(8) of the Internal Revenue Code provides that contributions of more than \$250 are eligible charitable deductions for the donor only where the donee organization has provided a description and good faith estimate of the value of any goods or services provided as consideration, in whole or in part, for the donation. 26 U.S.C. 170(f)(8). In addition, a taxpayer may claim a deduction only for the difference between a payment to a charitable organization and the market value of any benefit received in return. 3 Fed. Tax Serv. (CCH) A:17-41[4] (1995).

Commission's interpretation permits efficient interdiction of fraud without encumbering the legitimate use of telemarketing by sellers of good or services or by non-profit entities. In sum, the Telemarketing Rule generally imposes no restrictions on the legitimate fundraising activities of nonprofit organizations.

As is true of all Commission advisory opinions, this letter is limited to the proposed conduct described in the request. The Commission retains the right to reconsider the questions involved, and with notice to the requesting party in accordance with Section 1.3(b) of the Commission's Rules of Practice, 16 CFR 1.3(b), to rescind or revoke its opinion should the proposed conduct result in significant consumer injury, the purposes of the conduct be found not to be legitimate, or the public interest so require.

TABLE OF COMMODITIES*

DECISIONS AND ORDERS

	Page
Acupressure devices	278
Air cleaning products	649, 678
Amino acids	206
Athletic footwear	20
Automobiles	1032
 Beverages	973
Brokerage firms	882
Business opportunities	1078
 Cable television services	846
Cholesterol reducing products	893
Computer software	928
Consumer credit reports	577
Consumer credit transactions	600
Credit	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 577, 600
Credit sales	600
 Dating service franchises	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548
Designers	817
Desserts	312
Dietary supplements	206, 704, 793
Diet products	206
Doctors	567
Drugs	243, 793, 1010
 Entertainment graphics software	928
Expositions	1078
 Fashion designers	817
Fertility services	696

* Commodities involved in dismissing or vacating orders have *italicized* page references.

	Page
Fertilizers	619
Foods	973
Footwear	20
Franchises	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 1078
Franchise trade shows	1078
Frozen desserts	312
Gas pipelines	1129
Graphics software	928
Hair growth products	206
Health care providers	567
Herbal extracts	206
Horseshoe nails	865
Hospitals	732, 743, 949
Infertility treatment services	696
Juices	973
Modeling agencies	817
Nails	865
News transcripts	1037, 1045
Nutritional supplements	206, 704, 793
Pharmaceutical products	243, 1010
Physicians	567
Pipelines	1129
Printing plants	36
Printing services	36
Psychiatric hospital services	949
Real estate brokers	882
Real estate services	882
Shoes	20
Smoking cessation products/programs	264, 793
Supplements	206, 704, 793

TABLE OF COMMODITIES

1159

Page

Trade shows	1078
Transcripts	1037, 1045
Trucks	1032
Video dating service franchises	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548
Vitamins	206
Weight loss products/programs	206, 264, 278, 704, 829, 893

INDEX*

DECISIONS AND ORDERS

	Page
Acquiring Corporate Stock or Assets:	
Acquiring corporate stock or assets	36, 243, 619, 732, 743, 865, 928, 949, 1010, 1129
Federal Trade Commission Act.	36, 243, 619, 732, 743, 865, 928, 949, 1010, 1129
Arrangements, connections, dealings, etc.	243, 928
Joint ventures	743
Advertising Falsely or Misleadingly:	
Advertising falsely or misleadingly	206, 264, 278, 312, 600, 649, 678, 704, 793, 829, 893, 1078
Knowingly by advertising agent	278, 829
Business status, advantages or connections	696
Endorsement	704
Reputation, success, or standing	696
Comparative data or merits	264, 649, 678, 696, 829
Competitors' products	649, 678
Content	312
Earnings and profits	1078
Endorsements, approval and testimonials	312, 704, 829, 893
Financing	600
Formal regulatory and statutory requirements	600
Truth in Lending Act	600
Government approval, action, connection or standards	264, 278
Government endorsement	264
In general	264
Tests and investigations	278
Opportunities	1078
Patent or other rights	278
Prices	600
Government requirements	600
Terms and conditions	600
Truth in Lending Act	600
Qualities or properties of product or service	206, 264, 278, 312, 649, 678, 704, 793, 893

* Covering practices and matters involved in Commission orders. References to matters involved in vacating or dismissing orders are indicated by *italics*.

	Page
Auxiliary, improving, or supplementary	206, 278, 793
Cleansing, purifying	649, 678
Cosmetic or beautifying	206, 793
Dustproof	649, 678
Medicinal, therapeutic, healthful, etc.	206, 264, 649, 678, 704, 793, 893
Non-irritating	649, 678
Nutritive	312, 704, 793
Preventive or protective	649, 678, 793
Reducing, non-fattening, low-calorie, etc. .	206, 264, 278, 704, 893
Rejuvenating	206
Renewing, restoring	206, 793
Sanitary	649, 678
Quality of product or service	829
Results	206, 264, 278, 649, 678, 704, 793, 829, 893
Safety	649, 678
Product	649, 678
Scientific or other relevant facts	206, 264, 278, 312, 649, 678, 704, 793, 829, 893
Success, use or standing	264, 696, 829, 1078
Surveys	1078
Tests and investigations	893, 1078
Claiming or Using Endorsements or Testimonials Falsely or Misleadingly:	
Claiming or using endorsements or testimonials falsely or misleadingly	312, 704, 829, 893
Doctors and medical profession	704
Users, in general	829, 893
Coercing and Intimidating:	
Competitors	817, 1037, 1045
Customers or prospective customers	1037, 1045
Distributors	20
Members	817
Collecting, Assembling, Furnishing or Utilizing Consumer Reports:	
Collecting, assembling, furnishing or utilizing consumer reports ...	577
Confidentiality, accuracy, relevancy, and proper utilization ...	577
Fair Credit Reporting Act	577
Formal regulatory and/or statutory requirements	577
Fair Credit Reporting Act	577
Combining or Conspiring:	
Combining or conspiring ...	20, 567, 817, 846, 882, 1032, 1037, 1045
To boycott seller-suppliers	817, 1032

Page

To control allocations and solicitation of customers	846, 882, 1037, 1045
To control marketing practices and conditions	567, 817, 846, 882, 1032, 1037, 1045
To discriminate unfairly or restrictively in general	882
To eliminate competition in conspirators' goods	567, 817, 846, 882, 1037, 1045
To enforce or bring about resale price maintenance	20, 1037, 1045
To enhance, maintain or unify prices	20, 567, 817, 1037, 1045
To fix prices	20, 567, 817, 1037, 1045
To restrain or monopolize trade	567, 817, 846, 882, 1032, 1037, 1045
To terminate or threaten to terminate contracts, dealings, franchises, etc.	20, 567, 1032, 1037, 1045
Corrective Actions and/or Requirements:	
Corrective actions and/or requirements	20, 206, 243, 264, 278, 312, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 567, 600, 619, 649, 678, 696, 704, 732, 743, 793, 817, 829, 846, 865, 882, 893, 928, 949, 973, 1010, 1032, 1037, 1045, 1078, 1129
Corrective advertising	206, 264, 278, 312, 649, 678, 704, 829, 893, 973
Destruction of records and/or data	732
Disclosures	20, 243, 264, 312, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600, 704, 973, 1078
Formal regulatory and/or statutory requirements	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 577, 600
Truth in Lending Act	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600
Fair Credit Reporting Act	577
Grant license(s)	865
Maintain records	206, 243, 264, 278, 312, 567, 577, 600, 619, 649, 678, 696, 704, 732, 743, 793, 817, 829, 846, 865, 882, 893, 928, 949, 973, 1010, 1032, 1037, 1045, 1078, 1129
Advertising substantiation	206, 278, 649, 678, 696, 793, 829, 973, 1078
Complaints	577
Correspondence	206, 243, 264, 278, 312, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 567, 577, 600, 649, 678, 696, 704, 793, 817, 829, 846, 882, 893, 973, 1032, 1037, 1045, 1078
Records, in general	206, 243, 264, 278, 312, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 567, 577, 619, 649, 678, 696, 704, 732, 743, 793, 817, 829, 846, 865, 893, 928, 949, 973, 1010, 1032, 1037, 1045, 1078, 1129

	Page
Maintain means of communication	20, 206, 243, 264, 278, 312, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 567, 577, 600, 619, 649, 678, 696, 704, 732, 743, 793, 817, 829, 846, 865, 882, 893, 928, 949, 973, 1010, 1032, 1037, 1045, 1078, 1129
Recall of merchandise, advertising material, etc.	973
Refunds, rebates and/or credits	278, 334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 973
Release of general, specific, or contractual constrictions, requirements, or restraints	20, 567, 743, 882, 1032, 1037, 1045
Restitution	206, 893
Cutting Off Access to Customers or Market:	
Hindering salesmen	882
Interfering with advertising mediums	882, 1032
Cutting Off Supplies or Service:	
Advertising contracts	1032
Threatening withdrawal of patronage	1032
<i>Dismissal Orders:</i>	1, 36, 1003
Failing To Comply with Affirmative Statutory Requirements:	
Failing to comply with affirmative statutory requirements	577
Fair Credit Reporting Act	577
Failing to Maintain Records:	
Failing to maintain records	577
Accurate	577
Formal regulatory and/or statutory requirements	577
Interlocutory Orders:	1, 4, 1003, 1052
Maintaining Resale Prices:	
Combination	1037
Misbranding or Mislabeling:	
Advertising and promotion	893
Misrepresenting Oneself and Goods:	
-Business status, advantages or connections:	
Financing activities	600
Government endorsement, sanction or sponsorship	264
Reputation, success or standing	696
-Goods:	
Comparative data or merits	264, 278, 312, 649, 678, 829
Content	312
Earnings and profits	1078
Endorsements	278, 312, 704, 829, 893
Formal regulatory and statutory requirements	600
Truth in Lending Act	600
Government inspection	278

	Page
Opportunities in product or service	1078
Qualities or properties	206, 264, 278, 312, 649, 678, 704, 793, 829, 893
Results	206, 264, 278, 649, 678, 704, 793, 829, 893
Scientific or other relevant facts	206, 264, 278, 312, 649, 678, 704, 793, 829, 893
Success, use, or standing	264, 696, 829, 1078
Surveys	1078
Terms and conditions	600
Sales contract	600
Tests, purported	278, 893, 1078
-Prices:	
Government requirements	600
Terms and conditions	600
Truth in Lending Act	600
Modified Orders:	597, 613, 944, 1004, 1069
Neglecting, Unfairly or Deceptively, To Make Material Disclosure:	
Content	312
Formal regulatory and statutory requirements	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600
Truth in Lending Act	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600
Qualities or properties	312
Scientific or other relevant facts	312
Terms and conditions	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600
Truth in Lending Act	334, 353, 372, 392, 411, 430, 449, 470, 489, 509, 528, 548, 600
Opinions, Statements By Commissioners: ..	1, 4, 20, 30, 33, 36, 206, 243, 597, 619, 732, 829, 846, 858, 928, 973, 1052
Set Aside Orders:	18, 30, 33, 593, 595, 617, 647, 790, 814, 858, 879, 926, 947
Unfair Methods or Practices, etc., Involved in this Volume:	
Acquiring Corporate Stock or Assets	
Advertising Falsely or Misleadingly	
Claiming or Using Endorsements or Testimonials Falsely or Misleadingly	
Coercing and Intimidating	
Collecting, Assembling, Furnishing or Utilizing Consumer Reports	
Combining or Conspiring	
Corrective Actions and/or Requirements	
Cutting Off Access to Customers or Market	
Cutting Off Supplies or Service	

Page

Failing To Comply with Affirmative Statutory Requirements	
Failing To Maintain Records	
Maintaining Resale Prices	
Misbranding or Mislabeling	
Misrepresenting Oneself and Goods	
-Business Status, Advantages or Connections	
-Goods	
-Prices	
Neglecting, Unfairly or Deceptively, To Make Material Disclosure	
Using Deceptive Techniques in Advertising	
Using Deceptive Techniques in Advertising:	
Using deceptive techniques in advertising	312, 600, 893
Labeling depictions	312, 600
Television depictions	893

ISBN 0-16-049492-3



FEDERAL TRADE COMMISSION DECISIONS

Findings, Opinions, and Orders

IN THE MATTER OF

THE HOSPITAL BOARD OF DIRECTORS OF LEE COUNTY

Docket 9265. Interlocutory Order, July 7, 1995

ORDER SUA SPONTE DISMISSING PROCEEDING

On April 29, 1994, the Commission filed an action in federal district court under Section 13(b) of the FTC Act, 15 U.S.C. 53(b), for a preliminary injunction, pending completion of an administrative proceeding, to prevent respondent, The Hospital Board of Directors of Lee County d/b/a/ Lee Memorial Hospital ("The Hospital Board"), from acquiring the assets of Cape Coral Hospital from West Coast Health System, Inc. and Cape Coral Medical Center, Inc. (collectively "Cape Coral"). *FTC v. Hospital Board of Directors of Lee County*, 1994-1 Trade Cas. (CCH) ¶ 70,593 (M.D. Fla. 1994). Shortly thereafter, on May 6, 1994, the Commission issued an administrative complaint charging that the acquisition was likely substantially to lessen competition among acute care hospitals in Lee County, Florida, in violation of Section 7 of the Clayton Act, 15 U.S.C. 18.

Although the district court initially granted the Commission's request for a temporary restraining order, the court subsequently dissolved the restraining order and dismissed the Commission's complaint for preliminary relief on state action grounds, finding that The Hospital Board's acquisition of its competitor was pursuant to a clearly articulated state policy expressed in The Hospital Board's enabling legislation. 1994-1 Trade Cas. at 72,220. Acting in response to an emergency motion by the Commission, the United States Court of Appeals for the Eleventh Circuit stayed the district court's order dissolving the temporary restraining order pending an expedited appeal. On November 30, 1994, the appellate court affirmed the district court's decision, finding the requisite clearly articulated state policy in The Hospital Board's special enabling legislation and in the unique historical facts surrounding 1987 amendments to the enabling legislation. *FTC v. Hospital Board of Directors of Lee County*, 38 F.3d 1184, 1191-92 (11th Cir. 1994).