

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

COMMISSIONERS: Timothy J. Muris, Chairman
Sheila F. Anthony
Mozelle W. Thompson
Orson Swindle
Thomas B. Leary

In the Matter of)

SOUTHERN UNION COMPANY,)
a corporation,)

and)

CMS ENERGY CORPORATION,)
a corporation.)

File No. 031-0068

AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition of Panhandle Eastern Pipeline Company (“Panhandle”) from CMS Energy Corporation (“CMS”) by Southern Union Company (“SU”), and it now appearing that SU and CMS, hereinafter sometimes referred to as “Proposed Respondents,” are willing to enter into this Agreement Containing Consent Order (“Consent Agreement”):

IT IS HEREBY AGREED by and between Proposed Respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Southern Union Company 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 located at One PEI Center, Wilkes-Barre, Pennsylvania 18711.
2. Proposed Respondent CMS Energy Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at Fairlane Plaza South, 330 Town Center Drive, Suite 1100, Dearborn, Michigan 48126.
3. Proposed Respondents admit all the jurisdictional facts set forth in the draft of complaint here attached.

4. Proposed Respondents waive:
 - a. any further procedural steps;
 - b. the requirement that the Commission's Decision and Order, here attached and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.

5. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission it, together with the draft of complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information with respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify the Proposed Respondents, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and Decision and Order, in disposition of the proceeding.

6. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft of complaint here attached, or that the facts as alleged in the draft complaint, other than jurisdictional facts, are true.

7. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, (1) issue its complaint corresponding in form and substance with the draft of complaint here attached and the Decision and Order in disposition of the proceeding and (2) make information public with respect thereto. When so entered, the Decision and Order shall have the same force and effect, and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the complaint and the Decision and Order to Proposed Respondents by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondents waive any right they may have to any other manner of service. The complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.

8. Proposed Respondents have read the draft of complaint and the Decision and Order contemplated hereby. By signing this Consent Agreement, Proposed Respondents represent that the full relief contemplated by this Consent Agreement can be accomplished. Proposed Respondents understand that once the Decision and Order becomes final, they will be required to file one or more compliance reports showing that they have fully complied with the Decision and Order. Proposed Respondents agree to comply with Paragraphs II.A., II.B., II.D., and III of the draft Decision and Order from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after the Decision and Order becomes final.

Signed this _____ day of _____, 2003.

SOUTHERN UNION COMPANY

By: _____
Thomas Karam
President and Chief Operating Officer

R. Bruce Beckner
Fleischman and Walsh, L.L.P.
Counsel for Southern Union

CMS ENERGY CORPORATION

By: _____
S. Kinnie Smith, Jr.
Vice Chairman and General Counsel

C. Benjamin Crisman, Jr.
Skadden, Arps, Slate, Meagher &
Flom LLP
Counsel for CMS Energy

FEDERAL TRADE COMMISSION

By: _____
Dennis F. Johnson
Attorney
Bureau of Competition

Approved:

Phillip L. Broyles
Assistant Director
Bureau of Competition

Susan A. Creighton
Deputy Director
Bureau of Competition

Joseph J. Simons
Director
Bureau of Competition