

Appendix A

**Chapter 1
Supplement**

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Figure A1. Supply Regions



Source: U.S. Department of Interior, U.S. Geological Survey, *1995 National Assessment of United States Oil and Gas Resources* (1995).

Table A1. Key Mergers and Acquisitions in the Gas Industry During 1995 and 1996

| Larger Company / Smaller Company | Merger Status | Company Structure |
|--|--|--|
| Gas Marketers | | |
| Chevron / Natural Gas Clearing House (NGC) New Company: NGC | Announced: 1/22/96 Completed 8/31/96 | NGC will market virtually all of Chevron's North American production of natural gas, natural gas liquids, and electricity. The new company will make arrangements to supply energy and feedstocks to Chevron's refineries, chemical plants, and other corporate facilities in North America. The new company would include all of NGC and most of two Chevron operations: Houston-based Natural Gas Business Unit and Tulsa-based Warren Petroleum, with the exception of Warren's Venice, Louisiana, processing complex. |
| Mobil Natural Gas Inc. / PanEnergy New Company: PanEnergy | Announced: 1/30/96 Completed 8/1/96 | PanEnergy will operate the joint venture and hold a 60-percent stake, with Mobil Natural Gas Inc. retaining a 40-percent stake in the new entity. PanEnergy Field Services acquired about 2,600 miles of gathering, processing, and interstate pipelines as well as Mobil's interests in 24 gas-processing plants located in Texas, Oklahoma, Louisiana, and Utah. |
| Tenneco / El Paso New Company: El Paso Energy Corp. | Announced: 6/19/96 Pending | The combination of El Paso and Tenneco Energy's operations will create one of the Nation's leading natural gas pipeline and marketing companies, accounting for approximately 20 percent of gas transported in the United States. In the first quarter of 1996, El Paso sold about 3.9 billion cubic feet of gas, while Tenneco Energy sold about 2.6 billion cubic feet. |
| Shell Oil / Tejas Gas New Company: Coral Energy Resources | Completed July 1995 | Tejas Alliance Holding Company, a subsidiary of Tejas Gas, was organized in July 1995 to hold an interest in Coral Energy Resources, an energy marketing joint venture with Shell Oil Company. Coral Energy Resources has access to Tejas' pipelines and storage facilities and Shell dedicates over 2 billion cubic feet per day of natural gas production to the new company. In addition, Tejas provides intrastate marketing expertise and Shell provides interstate marketing expertise. |
| Utilities | | |
| Puget Sound Power / Washington Energy | Announced: 5/18/95 Pending | The merger would create the largest combined electric and gas utility in the State of Washington. Puget Sound Power (an electric company) would merge with Washington Energy Company (a combined electric and gas company). |
| Northern States Power / Wisconsin Energy New Company: Primenergy | Announced: 5/1/95 Pending | The merger was approved by The Michigan Public Service Commission on April 10, 1996 and by The North Dakota Public Service Commission on June 26, 1996. State commissions in Minnesota and Wisconsin will consider the merger. A holding company, Primenergy Corporation, will be formed with two subsidiaries: Northern States Power Company and Wisconsin Energy (which consists of Wisconsin Electric Power Company and Wisconsin Natural Gas Company). |
| Baltimore Gas and Electric / Potomac Electric Power Company New Company: Constellation Energy | Announced: 9/25/95 Pending | Constellation Energy Corporation, will be structured as a single utility with subsidiaries conducting the non-utility operations. The service territory of Constellation Energy Corporation will encompass 10 Maryland counties, Baltimore City, and Washington, DC. |
| Public Service Co. of Colorado (PSCO) / Southwestern Public Service (SPS) New Company: New Century Energies | Announced: 8/23/95 Pending | PSCO and SPS and their subsidiaries will be placed under the New Century Energies holding company. Current SPS subsidiaries are Utility Engineering Corporation (engineering, design, and construction management services) and Quixx Corp. (nonutility power generation projects). PSCO subsidiaries include Cheyenne Light Fuel and Power Co., e prime (provides energy-related products and services), and Natural Fuels Corp. (sells compressed natural gas as a transportation fuel). |
| Kansas City Power and Light (KCPL) / Utilicorp | Announced: 1/22/96 Rejected by KCPL shareholders 10/27/96 | A new KCPL subsidiary would have been created that would have been merged into Utilicorp. Utilicorp then would have merged with KCPL to form the combined company. In filings with the Federal Energy Regulatory Commission, the two utilities stated that they expected to save approximately \$600 million from reduced fuel consumption, avoided capital expenditures and duplications, consolidated internal computer and communications systems, combined workforces, and improved use of facilities and inventories. KCPL is now subject to a hostile takeover by Western Resources Inc., a Kansas-based combination electric/gas utility. |

Source: Energy Information Administration, Office of Oil and Gas, derived from various industry news sources as of November 1996.