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FEDERAL TRADE COMMISSION
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July 21, 2006

Mr. Donald Clark, Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Ave, NW
Washington, DC 20580

Re: Comments of Enterprise Products Partners, LP to the Petition of Williams Companies, Inc. to Reopen and Set Aside Order

Dear Secretary Clark:

On behalf of Enterprise Products Partners L.P. ("Enterprise"), we respectfully submit these comments to the Secretary of the Federal Trade Commission ("Commission") in opposition to the Petition of Williams Companies, Inc. ("Williams") to Reopen and Set Aside Order in Docket No. C-3817 and File No. 981-0076 ("Petition"). Enterprise is a publicly traded master limited partnership that provides midstream energy services to producers and consumers of natural gas, natural gas liquids ("NGLs") and crude oil. Enterprise currently owns Mid-America Pipeline Company, LLC ("MAPL") and MAPL has the Rocky Mountain/Four Corners Pipeline System, which is connected to two Williams natural gas processing plants in Wyoming and which transports NGLs from Wyoming to New Mexico, Texas, Oklahoma and Kansas.

I. Summary of Comments

Williams' Petition should be denied because the applicant cannot show changed circumstances that ameliorate the potential for the anticompetitive harm that is identified in the Order. Furthermore, because the potential for competitive harm continues to exist, it would not be in the public interest to set aside the Order.

The Order arose out of a proposed acquisition by Williams of MAPCO, Inc. ("MAPCO").[1] At the time of the proposed transaction in 1997, Williams owned and

[1] Williams Companies, Inc., 125 F.T.C. 1300, 1305 (1998) ("Order"). The Commission raised two areas of competitive concern with Williams' proposed acquisition of MAPCO: (1) transportation by pipeline and terminaling of propane in various portions of the midwest United States; and (2) transportation by pipeline of raw mix from southern Wyoming to New Mexico, Texas, Oklahoma and Kansas. *See* Analysis of Proposed Consent Order to Aid Public Comment, Williams Companies, Inc., C-3817, 1998 FTC Transfer Binder ¶ 24,405 at 24,255 (1998) ("Analysis to Aid Public Comment"). Enterprise's comments relate only to the second issue.

operated two very large natural gas processing plants, Opal and Echo Springs, in the southwest Wyoming area commonly referred to as the Greater Green River Basin.[2] MAPCO owned the only pipeline that transported raw mix[3] from the two plants to fractionation plants in Texas, New Mexico, Kansas and Oklahoma. In fact, MAPCO's NGL pipeline, called MAPL, was the only operating NGL pipeline in Wyoming.[4] According to the Commission's Complaint, prior to entering into its agreement to acquire MAPCO, Williams had had discussions with companies about building a pipeline to compete with MAPL.[5] However, after Williams entered into the agreement to acquire MAPCO/MAPL, Williams' interest in trying to build an NGL pipeline to compete with MAPL ended.[6]

The Commission realized that, prior to owning MAPCO, Williams had an interest in fostering a new NGL pipeline to compete with MAPL, because as a gas processor, competition for transporting the NGLs away from its processing plants in Wyoming to fractionators elsewhere would benefit it and all of the producers in the Greater Green River Basin of Wyoming that were connected to the Williams natural gas processing plants.[7] The Commission further realized that after Williams acquired MAPCO it would no longer have any incentive to encourage someone to build a competing NGL pipeline and might even try to discourage such competition since after the MAPCO transaction Williams would have a large share of processing and would own the only NGL pipeline taking NGLs out of Wyoming.[8] The Commission also realized that Williams was in a unique position to affect competition in NGL pipeline transportation because of the extremely large volume of NGL raw mix that was extracted at its plants.[9] Refusal by Williams to permit an NGL pipeline to connect to its plants would make it difficult or impossible for producers to use competing pipelines to transport their raw mix and would cripple any NGL pipeline that tried to compete with one owned by Williams.

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2 In Greater Green River Basin, MAPL currently gathers/transports approximately 91,000 bpd of NGLs. The Opal and Echo Springs natural gas processing complexes, which are solely owned and operated by Williams, produce approximately 70% (65,000 bpd) of this total volume. The Opal and Echo Springs facilities have announced expansion projects which will increase the total production from the two facilities to approximately 115,000 bpd, which will increase the facilities production to approximately 80% of the total NGLs produced from the area. *See* Affidavit of J.M. Collingsworth ("Collingsworth Aff.") ¶ 7, attached as Exhibit A.

3 "Raw mix" is a mixture of NGLs that are extracted from a natural gas stream when the natural gas is processed at a processing plant. *See* Order ¶ I.M.

4 Complaint ¶ 16, Williams Companies, Inc., 125 F.T.C. 1300, 1300 (1998) ("Complaint").

5 *Id.* ¶ 21.

6 *Id.*

7 *Id.*

8 *See id.* ¶¶ 19-23.

9 *Id.* ¶ 19.

The Commission allowed Williams to buy MAPL, but only on the condition that Williams agree to connect any unaffiliated pipelines that requested a connection to its gas processing facilities—to give Wyoming natural gas producers a choice of NGL pipelines.[10] The Commission wanted to ensure that any competing pipelines in which Williams did not have an interest were not disadvantaged in competing against any pipeline owned by Williams.[11] The point of the Commission's order was to ensure that Williams would connect "any pipeline that seeks a connection in the future, so that persons that have their natural gas processed in [Williams' processing] plants can choose either pipeline for transportation."[12]

The Commission's Order was issued on June 17, 1998, and does not terminate until June 17, 2018.[13] By June 30, 2005, Williams had sold all of its interest in MAPL to Enterprise.[14] As of today, Williams still owns its two processing plants in Wyoming but does not own MAPL, and MAPL, now owned by Enterprise, is still the only NGL pipeline currently transporting NGL raw mix from the two Williams processing plants out of Wyoming.[15] Williams argues that the sale of MAPL "eliminated the risk of anticompetitive harm that the Order sought to prevent"[16] and that these changed circumstances justify setting the Order aside. Williams also argues that because "no underlying competitive issue remains"[17] it is also in the public interest for the Commission to set aside the Order.

Enterprise respectfully disagrees. MAPL has been sold, but the risk of competitive harm identified by the Commission in its Order has not changed at all as a result of Williams' sale of MAPL. Furthermore, it is undeniably in the public interest to have the Order continue in force as issued and to require Williams to connect to competing NGL pipelines in Wyoming.

As a general proposition, processing plant owners have an incentive to encourage as much competition as possible for transporting NGLs from their plants.[18] Pipeline competition benefits the owners of the NGLs, which probably include both the processing plant operator itself as well as natural gas producers and owners in the region, through

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10 Order ¶ III.A.

11 Press Release, Williams, MAPCO, Settle FTC Charges, at 2 (Mar. 27, 1998), www.ftc.gov/opa/1998/03/williams.htm ("Press Release").

12 *Id.*

13 Order ¶ X.

14 Petition, at 5.

15 Collingsworth Aff. ¶ 5.

16 Petition, at 7.

17 *Id.* at 8.

18 Collingsworth Aff. ¶ 8.

potentially lower prices, better services, and diversity of delivery points.[19] As the Commission Order implicitly acknowledges, however, the plant owner's incentives can become distorted if it owns an interest in the NGL pipeline that transports the NGLs from its plants.[20] In these situations, the plant owner may have an incentive to discourage the construction or expansion of competing pipelines by, among other things, refusing to connect a competing pipeline to its plant.

Having sold MAPL, Williams does not currently own an interest in a *currently operating* pipeline taking NGLs away from its plants.[21] However, it could at any time in the future reacquire an interest in MAPL or acquire an interest in a new line that is built into the Wyoming area. (There does not appear to be any prior notice or approval requirement in the Order for either situation.) If Williams does reacquire an interest in such a pipeline, it will once again have an incentive to prohibit connections to its processing plants by competing pipelines. This is the very competitive problem that is at the heart of the Commission's Order as written.[22]

In fact, Williams acknowledges in its Petition that it has "recently entered into transactions to form a joint venture which will build an NGL pipeline from Opal, Wyoming to Conway, Kansas."[23] In addition, Williams states that an affiliate of Williams' joint venture partner "will also provide other downstream services that will ultimately give Williams access to another major hub in Mont Belvieu, Texas, for finished NGL products."[24] These pipelines will compete with MAPL. Williams argues that this will increase the level of competition for NGL transportation from these plants. However, this will be true if and only if Williams is required to maintain its current connections between these processing plants and the MAPL pipeline now owned by Enterprise and other NGL pipelines in Wyoming if they come on line. It is essential that the Commission Order requiring Williams to connect to all competing pipelines remain in effect. Failure to do so would frustrate the purpose of the Order and create the very competitive problem identified back in 1998. The market facts today are just as they were when Williams acquired MAPL eight years ago. Nothing has changed, and the competitive risk will continue as long as Williams owns its large processing plants in Wyoming and has the power to invest in or build competing NGL pipelines from these plants.

19 *Id.*

20 Order III.D; *see* Complaint ¶ 23.

21 Petition, at 7.

22 *See* Order III.D.

23 Petition, at 7.

24 News Release, Williams and ONEOK Affiliate to Form Joint Venture for New NGL Pipeline, Petition, Exh. C.

II. Background

The Order that is the subject of the Petition arose out of the acquisition by Williams of MAPCO, Inc. (the "Acquisition"). MAPCO owned MAPL at that time. MAPL is a raw mix[25] or NGL pipeline that travels around 7600 miles from Wyoming to New Mexico and on to Kansas. Near the Texas-New Mexico border, MAPL connects to a number of pipelines that bring raw mix to fractionators in Mont Belvieu and facilities in Eastern Texas.[26] MAPL is regulated by the Federal Energy Regulatory Commission.[27] It is a common carrier pipeline.[28] At the time of the Williams-MAPCO merger, MAPL was the only pipeline transporting raw mix from southern Wyoming to Oklahoma, Kansas, Texas and New Mexico.[29] Immediately prior to the Acquisition, Williams was associated with an NGL pipeline project that would have transported raw mix in competition with MAPL.[30]

After reviewing the Acquisition, the Commission alleged, among other things, that combining Williams and MAPL would reduce competition to transport raw mix from Wyoming to New Mexico, Texas, Oklahoma and Kansas.[31] According to the Complaint, MAPCO perceived Williams as an important participant in a proposed pipeline project.[32] The Complaint charged that Williams was important because of the location and volume of NGLs provided by its Wyoming natural gas processing plants.[33] The Commission alleged that after the Acquisition, Williams would have a substantially reduced incentive to participate in, or cooperate with, a pipeline that competed with its own.[34] The Commission charged that the Acquisition would substantially reduce the likelihood of any of raw mix pipeline outlets that would compete with MAPL, increase concentration, enhance the ability

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25 Natural gas typically contains a mix of methane, ethane, propane, butane and other hydrocarbons. Collingsworth Aff. ¶ 4. These products have various chemical properties and heat content. *Id.* As a general matter, they are more valuable when separated. *Id.* Consequently, producers obtain the highest value by separating the natural gas into its constituent components. *Id.* Generally, impurities are removed and the natural gas is processed or separated into residue gas and raw mix. *Id.* Raw mix is transported in a specialized pipeline to a fractionator. Fractionators separate the ethane, propane, butane and other natural gas liquids. *Id.*

26 Collingsworth Aff. ¶ 6.

27 *Id.*

28 *Id.*

29 *Id.* ¶ 5.

30 Complaint ¶ 19.

31 *Id.* ¶ 17.

32 *Id.* ¶ 19.

33 *Id.* ¶ 19.

34 *Id.* ¶ 23.

of Williams to exercise market power, and raise barriers to entry in the transportation of raw mix from Wyoming to the mid-continent.[35]

To remedy the anticompetitive effects of the Acquisition, the Commission ordered Williams, within 30 days of receipt of a written request from a Competing Pipeline (as defined in the Order), to "enter into a Connection Agreement for the connection of such Competing Pipeline to each Williams Wyoming Gas Processing Plant."[36] The Order further required the Connection Agreement to be on the "terms customarily used by such Competing Pipeline to connect to other Gas Processing Plants."[37] If the parties cannot come to terms on a Connection Agreement, the Order requires Williams to submit the matter to binding arbitration.[38] As the Petition sets forth, the Order also required, in relevant part, that Williams submit compliance reports and notice to the Commission regarding arbitration or entry or modification of any Connection Agreement.[39] The Order also required Williams to provide the Commission with access to company records.

The Commission entered the Order to "increase the level of competition for NGL transportation" from Williams' Wyoming natural gas processing plants.[40] The overriding goal of the Commission was to prevent Williams from preventing the entry and operation of a competing NGL pipeline.[41] The purpose of requiring Williams to enter into a Connection Agreement was to increase the likelihood that a Competing Pipeline would be built[42] and to provide natural gas producers with an additional outlet for raw mix.[43] As the Commission explained in its press release, the remedy will ensure that "persons who have their natural gas processed [at the Williams] plants can choose either pipeline for transportation."[44]

Since entry of the Order, Williams has sold MAPL and other assets to Enterprise.[45] Williams initiated a new pipeline project, the Overland Pass Pipeline ("Overland").[46] Since

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35 *Id.* ¶¶ 17, 24(d).

36 Order ¶ III.A. Order ¶ I.E. ("'Connection Agreement' means an agreement between Williams or MAPCO and a Competing Pipeline that provides for, among other things, the connection of a pipeline ... to deliver Raw Mix from a Williams Wyoming Gas Processing Plant to a Competing Pipeline").

37 Order ¶ III.A.

38 Order ¶ III.

39 Order ¶ IV.

40 Petition, at 7.

41 Order ¶ III.D.

42 Order ¶ III.

43 Petition, at 7.

44 Press Release, *supra* note 11.

45 Petition, at 4-5. Enterprise is also the owner of Seminole Pipeline LLC, which is the owner of the Seminole Pipeline ("Seminole"). Seminole delivers NGLs from MAPL across Texas to Mont Belvieu, Texas, and to eastern Texas.

initiating that project, Oneok and Williams have entered into a joint venture to build Overland.[47] Already, Williams has dedicated natural gas liquids volumes to Overland and committed to connect its natural gas processing plants to this pipeline, when completed.[48] Williams owns 1% and, over the next two years, has an option to buy a 50% interest and operate the pipeline.[49] As a natural gas processor, Williams continues to be the largest in Wyoming, processing about 70% of the Greater Green River Basin's total production.[50]

MAPL is currently connected to Williams' two processing plants in Wyoming. MAPL travels from Wyoming to New Mexico and on to Kansas.[51] Near the Texas-New Mexico border, MAPL connects to a number of pipelines that bring raw mix to fractionators in Mont Belvieu and facilities in Eastern Texas.[52] MAPL has a joint tariff with the Seminole Pipeline (owned partially by an Enterprise affiliate) to bring NGLs from the Rockies to Mont Belvieu and other parts of eastern Texas.[53] Consequently, MAPL is a Competing Pipeline under the Order and Williams is obligated to keep MAPL connected. Without the Order, there is no guarantee that Williams would continue the connection. The effect of disconnecting MAPL would be to eliminate a competitor. If the Commission sets its Order aside, Williams may be able to achieve the competitive position it could have achieved had it acquired MAPL and the Commission not intervened.

III. Legal Analysis

A. Petitioners Bear a Substantial Burden of Showing Changed <u>Circumstances and That Setting Aside the Order Is in the Public Interest.</u>

Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. § 45(b), provides that the Commission shall reopen an order to consider whether it should be modified if the respondent "makes a satisfactory showing that changed conditions of law or fact" so require. *See* 16 C.F.R. § 2.51(b) (2001) (describing "satisfactory showing"). A petitioner's burden "is

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46 Press Release, Williams Reaches Joint Venture for New NGL Pipeline: Gives NGL Producers a New Option for Reaching Conway Markets, May 3, 2006 ("Williams initiated the 750-mile project – known as Overland Pass Pipeline Company, LLC. – last year to provide an additional outlet for NGL supplies produced at the company's two natural gas processing plants in Wyoming"), http://www.williams.com/newsmedia /2006/20060503_799.htm (last visited July 19, 2006) (a true and exact copy is attached as Exhibit B).

47 Petition, at 7.

48 *Id.*

49 *Id.*

50 Collingsworth Aff. ¶ 7.

51 *Id.* ¶ 6.

52 *Id.*

53 *Id.*

not a light one in view of the public interest in repose and the finality of Commission orders." *See Service Corp. Int'l*, 117 F.T.C. at 702 (citing legislative history of section 5(b) regarding the showing required to reopen an order, and also citing *Federated Dep't Stores, Inc. v. Moitie*, 421 U.S. 394 (1981)); *RSR Corp. v. FTC*, 656 F.2d 718, 721 (D.C. Cir. 1981) (upholding denial of reopening request and noting that courts have consistently subscribed to the rule that agencies are not required to reopen except in the most "extraordinary circumstances"). A satisfactory showing sufficient to require reopening is made when a request to reopen identifies significant changes in circumstances and shows that the changes eliminate the need for the order or make continued application of it inequitable or harmful to competition." *See Adolph Coors Co.*, 119 F.T.C. 191, 194 (1989). The Commission is not required to reopen the order if the petitioner fails to meet its burden of making the satisfactory showing required by the statute.

B. Williams Has Not Demonstrated Changed Circumstances.

Williams' Petition rests on its contention that changed conditions have made the Order unnecessary. In particular, Williams argues that the divestiture of the assets it acquired in the merger (MAPL) and the attainment of the Commission objectives (multiple pipeline alternatives for producers) are changed circumstances that warrant expunging the Order.[54] But Commission precedent makes clear that the divestiture of offending assets, without more, is insufficient to justify setting aside an order. Also, the benefits to competition identified by Williams will be lost if the Order is terminated and Williams refuses to connect to, or disconnects, Competing Pipelines.

Williams argues that it has exited the market. This is incorrect. Williams is a market participant and has not and cannot show it has no plans to reenter. "Where a request to reopen based on a change of fact alleges that respondent has exited the market that was subject of the order, the respondent must show *both* that it has in fact exited and that it has a present intention not to reenter that market."[55]

Notwithstanding the sale of MAPL, Williams ownership in Overland demonstrates that it continues to participate in the market to transport raw mix from Wyoming. In several

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54 Petition, at 4-6.

55 *Time Warner Inc.*, Docket No. C-3709, at 5; *see KKR Associates, L.P.*, 116 F.T.C. 335 at 341 (1993) (request to modify denied where the "exit from the two relevant markets may be temporary"; also "KKR, in contrast, has not definitively stated an intention to remain out of these markets") (The Order was subsequently set aside in 1995 pursuant to the Statement of the Federal Trade Commission Concerning Prior Approval and Prior Notice Provisions, 120 F.T.C. 879 (1995)); and Letter to Abbott B. Lipsky, Jr. (January 26, 1996) concerning The Coca-Cola Company, 121 F.T.C. 958, 960 (1996) (request to reopen denied because "Coca-Cola has to this day never disavowed an interest in acquiring Dr Pepper in the future.").

pipeline matters, the Commission treated a pipeline project alone (prior to the pipeline becoming operational) as an important player in the market.[56] Indeed, that was the core Commission concern in this case—that Williams would prevent a new pipeline competitor from entering the market. Overland is no longer just a possibility. Overland has been competing in Wyoming to obtain supplies of NGLs, and Williams states that the pipeline is slated to begin operation in 2008.[57] According to Commission precedent, Overland is in the market.

With its initiation of the Overland Pass project, its 1% interest in Overland, and the option to buy 50% and become the operator, Williams is also a market participant. Williams therefore incorrectly argues that it has exited the business of transporting NGLs from Wyoming.

Thus, the divestiture of MAPL by Williams does not constitute changed circumstances that would justify setting aside the Order in light of Williams aggressive promotion, support, and ownership of a competing pipeline. In fact, the competitive landscape is remarkably similar to the landscape presented to the Commission when it entered the Order. Williams is the largest processor in Wyoming. Only one pipeline is transporting NGLs from Wyoming and Williams has no interest in that pipeline. One pipeline project is soon to come on line and Williams is an important participant and owner in that pipeline. Accordingly, Williams cannot point to a change in circumstances that warrants terminating the Order.

C. Setting Aside the Order Will Harm Competition and Is Not in Public Interest.

The Commission should also deny the Petition on the ground that granting the Petition is not in the public interest. Indeed, granting the request eliminates the requirement that Williams connect all Competing Pipelines to its natural gas processing plants in Wyoming. Granting the request therefore places Williams in the same position it would had been had it acquired MAPL and the Commission not intervened.

A satisfactory showing sufficient to require reopening is made when a request to reopen identifies significant changes in circumstances and shows that the changes eliminate the need for the order or make continued application of it inequitable or harmful to competition." *Adolph Coors Co.*, 119 F.T.C. at 194. There is no inequity in continuing to require Williams to enter into Connection Agreements with Competing Pipelines. In light of

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56 *E.g.*, Complaint ¶¶ 16-17, El Paso Corporation, Docket No. C-3996 (Jan. 29, 2001) (Gulfstream project considered to be a competitor).

57 Petition, at 7.

its interest in Overland, Williams has an incentive to refuse to connect to Competing Pipelines. Requiring Williams to connect to Competing Pipelines preserves competition and does not work an inequity on Williams.

When Williams sold its interest in MAPL to Enterprise, MAPL became a Competing Pipeline—one that is not owned or operated by Williams and MAPCO and transports raw mix from Wyoming. Williams therefore has an ongoing obligation to keep MAPL connected. As Williams argues, the Connection Agreement(s) with MAPL and the new Overland project has enhanced competition by creating an opportunity for producers to access two pipelines.[58] But, by refusing to permit MAPL to continue to connect to the processing plants, Williams would destroy any potential competitive benefit of having multiple pipelines available to producers. This would harm existing and future natural gas producers in Wyoming.

The Order should stay in place to ensure competition going forward. It would be antithetical to the antitrust laws and the mission of the Commission if setting aside the Order resulted in lessened competition. If Williams is relieved of the obligation to connect to (or continue to connect to) Competing Pipelines, producers may be left with one pipeline option rather than the option of having two alternatives.

IV. Conclusion

To preserve competition between Overland and MAPL and to benefit producers in Wyoming, Enterprise respectfully requests that the Commission deny Williams' request with respect to Paragraph III of the Order.

Sincerely,

William R. Vigdor

William R. Vigdor
Attorney for Enterprise Products Partners LP

cc: Joe Eckhaus, Esq.

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58 Petition, at 7.

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the matter of)	PUBLIC
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THE WILLIAMS COMPANIES, INC.)	Docket No. C-3817
a corporation.)	File No. 981-0076
)	

AFFIDAVIT OF J.M. COLLINGSWORTH IN SUPPORT OF THE OPPOSITION TO THE WILLIAMS COMPANIES, INC.'S PETITION TO REOPEN AND SET ASIDE ORDER

I, J.M. Collingsworth, after being duly sworn, do hereby affirm and state as follows:

1. I am Senior Vice President for Enterprise Products Partners L.P. ("Enterprise"), a company with offices at 1100 Louisiana Street Houston, Texas 77002. Enterprise is a publicly traded corporation whose shares are traded on the New York Stock Exchange (stock symbol: EPD).

2. I have read and am familiar with Enterprise's Comments to the Petition of Williams Companies, Inc. ("Williams") to Reopen and Set Aside Order.

3. I am familiar with the market for natural gas processing and the transportation of natural gas liquids ("NGLs") in the southwest Wyoming area.

4. Natural gas typically contains a mix of methane, ethane, propane, butane and other hydrocarbons. These products have various chemical properties and heat content. As a general matter, they are more valuable when separated. Consequently, producers obtain the highest value by separating the natural gas into its constituent components. Generally, impurities are removed and the natural gas is processed or separated into residue gas and raw mix. Raw mix is transported in a specialized pipeline to a fractionator. Fractionators separate the ethane, propane, butane and other natural gas liquids.

5. At the time Williams proposed to acquire MAPCO in 1997, Williams owned and operated two very large natural gas processing plants, Opal and Echo Springs, in the southwest Wyoming area commonly referred to as the Greater Green River Basin. MAPCO owned Mid-America Pipeline Company, LLC ("MAPL"), the only pipeline that transported raw mix from the two plants to fractionation plants in Texas, New Mexico, Kansas and Oklahoma. MAPL was the only operating pipeline transporting NGLs out of Wyoming. As of today, Williams still owns its two processing plants in Wyoming but does not own MAPL, and MAPL, now owned by Enterprise, is still the only NGL pipeline currently transporting NGL raw mix from the two Williams processing plants in Wyoming to Texas, New Mexico, Kansas and Oklahoma.

6. MAPL is a raw mix or NGL pipeline that travels around 7600 miles from Wyoming to New Mexico and on to Kansas. Near the Texas-New Mexico border, MAPL connects to a number of pipelines that bring raw mix to fractionators in Mont Belvieu and facilities in Eastern Texas. MAPL has a joint tariff with the Seminole Pipeline (owned partially by an Enterprise affiliate) to bring NGLs from the Rockies to Mont Belvieu and other parts of eastern Texas. MAPL is regulated by the Federal Energy Regulatory Commission. It is a common carrier pipeline.

7. In southern Wyoming, MAPL currently gathers/transports approximately 91,000 bpd of NGLs. The Opal and Echo Springs natural gas processing complexes, which are solely owned and operated by Williams, produce approximately 70% (65,000 bpd) of this total volume. The Opal and Echo Springs' facilities have announced expansion projects which will increase the total production from the two facilities to approximately 115,000 bpd and that will increase the facilities production to about 80% of the total NGLs produced from the relevant market.

8. As a general proposition, processing plant owners have an incentive to encourage as much competition as possible for transporting NGLs from their plants. Pipeline competition benefits the owners of the NGLs, which probably include both the processing plant operator itself as well as natural gas producers and owners in the region, through potentially lower prices, better services, and diversity of delivery points.

9. The information in this affidavit is based on my personal knowledge and information conveyed to me by employees under my direction.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on July 21, 2006.

J.M. Collingsworth

Subscribed and sworn to before me this 21st day of July 2006.

My Commission Expires:
June 5, 2010

Deana Martin

Name: Deana Martin
Notary Public in and for Harris County,
State of Texas

DC 609927v.1

«home

May 03, 2006

Williams Reaches Joint Venture for New NGL Pipeline

Gives NGL Producers a New Option for Reaching Conway Markets

TULSA, Okla. — A unit of Williams (NYSE:WMB) and an affiliate of ONEOK, Inc., (NYSE:OKE) have entered into an agreement to form a joint venture that will develop new pipeline capacity for transporting natural gas liquids from production areas in southwestern Wyoming to central Kansas, home to one of the nation's largest NGL storage and distribution hubs.

Natural gas liquids include fuels such as ethane, propane and butane that are used in petroleum refining, home heating, and as industrial feedstock to manufacture plastics.

"This project is a great industry solution to accommodate the growth of NGL volumes from the Rockies," said Alan Armstrong, president of Williams' Midstream business. "We're committed to finding ways to get new supplies of energy into the marketplace more efficiently and more economically."

Williams initiated the 750-mile project – known as Overland Pass Pipeline Company, LLC. – last year to provide an additional outlet for NGL supplies produced at the company's two natural gas processing plants in Wyoming.

Williams is a major producer and owner of NGL supply through these operations near the towns of Opal and Wamsutter. The company retains equity volumes of NGL as payment-in-kind under certain processing contracts.

ONEOK's affiliate, Northern Border Partners, L.P. (NYSE:NBP), has agreed to reimburse Williams' development costs to date for the proposed pipeline and initially will own 99 percent of Overland Pass Pipeline. Subsidiaries of Northern Border Partners will manage the construction project and operate the pipeline.

Williams is retaining a 1 percent interest in Overland Pass Pipeline Company and has the option to increase its ownership to 50 percent and become the operator within two years of the pipeline becoming operational. Start-up is tentatively planned for early 2008.

Additionally, Williams has agreed to dedicate its equity NGL volumes from its two Wyoming plants for transport on Overland Pass Pipeline under a long-term shipping agreement. The terms represent significant savings to Williams compared with the existing tariff it pays and other alternatives the company considered.

Subsidiaries of Northern Border Partners also will provide other downstream services that will ultimately give Williams access to another major demand hub in Mont Belvieu, Texas, for finished NGL products.

"Overland Pass is ideal for Williams and other energy producers that we serve in Wyoming," Armstrong added. "This will give our customers at Opal and Wamsutter a more direct route for moving their liquids into Mid-Continent NGL markets."

From a technical standpoint, the new pipeline is designed to minimize the operating cost of transporting NGL volumes out of the Rockies by taking advantage of the gravity that results from the elevation difference between Wyoming and Kansas.

The joint venture and related commercial agreements are subject to approval by Williams' board of directors.

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams' operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, Southern California and Eastern Seaboard. More information is at www.williams.com.

# # #

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

Contact Information:

Kelly Swan	Williams Media Relations	918-573-6932
Richard George	Williams Investor Relations	918-573-3679