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June 14, 2006

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FEDERAL TRADE COMMISSION
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***VIA* – Electronic Filing – Secretary@ftc.gov**
and Federal Express (202-326-2515)
Mr. Donald S. Clark, Secretary
Federal Trade Commission, Room H-159
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

RE: In the Matter of The Williams Companies, Inc.
Decision and Order, Docket No. C-3817

Dear Secretary Clark:

Please accept for filing the enclosed original of Williams' Response to Comments of Enterprise Products Partners, L.P. to the Petition to Reopen and Set Aside Order of The Williams Companies, Inc. ("Williams") in connection with the above-referenced docket. Pursuant to 16 C.F.R. § 4.2(c)(3), an electronic copy of this filing is being submitted to you today by e-mail, and said electronic copy is a true and correct copy of the enclosed original.

In the event you have any question concerning this matter, please call me at (918) 573-5459 or my paralegal, Lynn McConnell at (918) 573-3341.

Sincerely,

James N. Cundiff
Senior Attorney

JNC/lmc
Enclosures
cc: Joseph Eckhaus, Esq.
Federal Trade Commission
Bureau of Competition/Compliance
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ORIGINAL

August 11, 2006

FEDERAL TRADE COMMISSION RECEIVED DOCUMENTS AUG 1 5 2006 524736 SECRETARY

VIA – **Electronic Filing – Secretary@ftc.gov**
and Federal Express (202-326-2515)
Mr. Donald Clark, Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580

RE: Williams' Response to Comments of Enterprise Products Partners, L.P. ("Enterprise") to the Petition of The Williams Companies, Inc. ("Williams") to Reopen and Set Aside Order ("Petition")
Docket No. C-~~3918~~ 3817
File No. 981-0076

Dear Secretary Clark:

On behalf of The Williams Companies, Inc., we respectfully submit this Response to Comments filed by Vinson & Elkins' William R. Vigdor, Esq. on behalf of Enterprise dated July 21, 2006. Capitalized terms used herein, but not defined herein shall have the meanings ascribed to them in the Order.

1. Summary of Response

Enterprise has provided comments to Williams' Petition in the referenced matter. In its comments, Enterprise points out that the purpose of the Order was to ensure that an entity which owns both processing plants and the only NGL pipeline transporting Raw Mix out of Wyoming would allow connection to potentially competing NGL pipelines.[1] Williams agrees with Enterprise on this point. The Order was intended to ensure that an entity which owns both the MAPL system and gas processing plants in Wyoming be required to connect Competing Pipelines to its plants. This entity is no longer Williams since it sold the MAPL system to Enterprise in 2002. In order that the aim of the Commission's Order be fulfilled, the Commission should therefore modify the Order to require its application to subsequent owners of the MAPL system if that owner also owns or controls processing facilities capable of connection to any competing NGL pipeline.

[1] Enterprise comments, at 3.

Enterprise argues that Williams' Petition should be denied because Williams cannot show changed circumstances that ameliorate the potential for anticompetitive harm identified in the Order.[2] In addition, they allege that, because the "potential for competitive harm" continues to exist, it would not be in the public interest to set aside the Order.[3]

The Order was entered into because Williams acquired MAPCO Inc. ("MAPCO"). But for that acquisition, the Commission would not have required Williams to connect any Competing Pipeline to its Wyoming Gas Plants any more than it would have placed the same restrictions upon any other Wyoming gas processing plant owner. With the sale by Williams of Mid-America Pipeline Company, LLC ("MAPL") to Enterprise, it is now as if the MAPCO acquisition (relating to Paragraph III of the Order) had not occurred since the ownership of the Wyoming Gas Plants remains with Williams now as it did prior to the acquisition of MAPCO and the ownership of MAPL remains with a third party (then MAPCO, now Enterprise). This is clearly changed circumstances from when the Order was entered as Williams is now back in the position vis-à-vis its Wyoming Gas Plants that it was prior to the Order being entered. In addition, not only have circumstances changed for Williams, they have also changed for Enterprise, the current owner of the MAPL system and the owner or developer of gas processing facilities in Wyoming. It is these changed circumstances that necessitate a modification of the Commission's Order - to make it applicable to Enterprise, the owner of the MAPL system and gas processing facilities in Wyoming.

Enterprise alleges that the potential for competitive harm continues to exist and that it is not in the public interest to set aside the Order. In today's world, the "potential" for competitive harm is always present in virtually every market place especially here, where one party controls the only NGL pipeline in the area. But it is Enterprise, as the current owner of this pipeline and not Williams who shows more "potential" for competitive harm in this market. The public interest cannot be served by continuing to impose restrictions on Williams in the operation of its Wyoming Gas Plants after selling its interest in MAPL. The public interest can, however, be better served by clarifying that the Order applies to subsequent owners of the MAPL system which also own or control gas processing facilities in Wyoming.

An affiliate of Enterprise has entered into a letter of intent to purchase the interest of TEPPCO Partners, L.P. ("TEPPCO") in the Pioneer silica gel natural gas processing plant in Opal, Wyoming.[4] Enterprise or companies under its control is also in the process of expanding its natural gas gathering system in Wyoming.[5] Enterprise is the owner and

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[2] Enterprise comments, at 1.
[3] Id.
[4] Exhibit "A".
[5] Exhibit "B".

operator of the MAPL system, the only Raw Mix pipeline currently transporting NGLs from these Wyoming plants to markets in the southern states. It is in the process of expanding this pipeline as well as its natural gas processing business in the Rocky Mountains.[6] Enterprise is becoming a significant player in the gas processing business in Wyoming. Coupled with its ownership of MAPL, Enterprise is now in a position to potentially cause competitive harm that the Commission's Order sought to prevent. Enterprise has basically assumed the position that Williams formerly enjoyed, that of gas processing owner in Wyoming and owner of the only pipeline transporting NGLs from gas processing plants in Wyoming.

The real competitive harm here lies not with Williams as the owner of the Williams Gas Processing Plants, but with Enterprise, the owner of not only the only Raw Mix Pipeline currently transporting NGLs out of Wyoming, but also the owner of an interest in gas processing plants in Wyoming. In order to increase competition in this area, the obligation to connect Competing Pipelines should flow not to the owner of the gas processing plant, but to the owner of the only pipeline transporting NGLs from those gas processing plants. The Commission should therefore clarify that the Order applies to any owner of the MAPL system which also owns or controls gas processing facilities that could be connected to Competing Pipelines.

In its comments, Enterprise appears concerned that the Overland Pass Pipeline will take business away from its MAPL system and that Williams may cut them out from transporting NGLs from the Wyoming Gas Plants once the Overland Pass Pipeline is complete. Williams is in the business of processing natural gas into liquids in Wyoming and it is not in Williams' economic interest to eliminate a competitive source of transportation for such liquids. Williams currently owns only 1% of the Overland Pass Pipeline project and has no present intention of requiring MAPL to disconnect from its Wyoming Gas plants after the Overland Pass Pipeline is completed.[7] If the Order remains in effect as written, Williams would be required to maintain its pipeline connection with MAPL but Enterprise would not be required to provide the same consideration to Overland Pass at its processing facilities or any other possible competing pipeline. This is anticompetitive and will not result in the preservation of competition which Enterprise claims to be seeking to protect and is not in the public interest. Unless Enterprise is likewise required to connect any competing pipeline (e.g. Overland Pass Pipeline once completed) to any gas processing facility which it owns or controls, Enterprise will retain the ability to restrict competition from other natural gas liquids pipelines seeking to serve this market. Accordingly, the Order should be refined to make it applicable to any subsequent owner of the MAPL system which also owns or controls any interest in gas processing facilities in Wyoming.

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6 Id.

7 Affidavit of Alan S. Armstrong, attached as Exhibit "C".

2. <u>The Divestiture of Assets Subject to the Order is Clearly Changed Circumstances</u>.

Paragraph III of the Order was entered into by the Commission because with the merger of Williams and MAPCO, Williams would control not only its gas processing plants in Wyoming, but also the only pipeline (MAPL which is now owned by Enterprise) through which Raw Mix transported from the plants could reach markets in the southern part of the United States. The Commission was concerned that Williams' ownership of the gas processing plants in Wyoming as well as its ownership of MAPL would lessen the possibility that a Competing Pipeline would be built to service that area of the country. With the sale of MAPL to Enterprise, the circumstances under which the Order was entered have very much changed. Now, not only does Enterprise rather than Williams own the only NGL pipeline taking NGLs out of Wyoming, there has also been an announcement that a Competing Pipeline will now be built.[8] As Enterprise indicates in its comments, the Commission's Order was intended to ensure that any Competing Pipeline in which Williams did not have an interest was not disadvantaged in competing against any pipeline owned by Williams (i.e., MAPL). The obligation or responsibility to connect Competing Pipelines should have followed MAPL when it was sold to Enterprise since the anticompetitive issues lie more with the owner of the only pipeline transporting NGLs from gas processing plants, especially when that same entity also owns or controls an interest in a gas processing plant in Wyoming.

The Overland Pass Pipeline is scheduled to be completed in 2008. Had Williams not sold MAPL to Enterprise, its incentive to participate in this pipeline project would have been substantially decreased. A project such as the Overland Pass Pipeline is precisely what the Commission wanted to encourage by its Order-competition for transportation of Raw Mix out of Wyoming. Although Williams retains an option to increase its ownership to 50% in Overland Pass Pipeline Company, Williams currently owns only 1% of that company.[9] With the sale of MAPL to Enterprise, at least with respect to its Wyoming Gas Plants, Williams has returned to the same position it was in prior to its acquisition of MAPCO and prior to the Commission's Order. This is clearly changed circumstances to support the reopening of the Order.

3. <u>It is in the Public Interest to Set Aside the Order as to Williams and to Clarify the Order Regarding its Applicability to the Owner of MAPL</u>.

As Enterprise indicates, processing plant owners such as Williams have an incentive to encourage as much competition as possible for transporting NGLs from their plants.[10] Pipeline competition benefits the owners of the NGLs which include both the processing

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[8] Petition, at Exhibit "C".
[9] Id.
[10] Collingsworth Aff. ¶ 8.

plant operators as well as natural gas producers in the region, through potentially lower prices, better services and diversity of delivery points.[11]

Williams, as a gas processing plant owner, would prefer that the producers in Wyoming have alternatives in transporting NGLs by pipeline to markets in the southern part of the U.S. Access to multiple pipeline options adds value to the gathering and processing solutions provided by the gas processing plant operator as well as some diversity and pipeline access in the market in case of emergency.

The real loser from the standpoint of lack of competition is not the owner of the gas processing plant nor the owner of the pipeline, but rather the natural gas producer or owner of the natural gas liquids in that area which seeks to have its gas processed in Wyoming and transported to markets in the southern states. The producer at a plant with only one NGL pipeline option is disadvantaged relative to the other producers with access to multiple markets. The owner of a Competing Pipeline such as Overland Pass could also be disadvantaged because it is restricted from offering service to potential shippers if the gas processing facility will not allow that Competing Pipeline to connect. This is especially crucial if that gas processing plant owner also owns the only NGL pipeline transporting product from that plant. As Enterprise indicates in its comments refusal by [a gas processing plant owner] 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.[12] A gas processing plant owner has no incentive to not connect Competing Pipelines to its plants and thereby give its customers greater market options unless, like Enterprise, it owned the only NGL pipeline in the area transporting pipelines from those plants.

After the Overland Pass Pipeline is completed, producers will have a choice whether to use MAPL or the Overland Pass Pipeline to transport its NGLs from Williams' gas plants in Wyoming. That choice, however, may only be available at plants which allow Competing Pipelines to connect. Presently, only Enterprise would have incentive to not allow Competing Pipelines access to its gas processing plants since it owns the only pipeline currently transporting NGLs out of Wyoming. If Enterprise were required to connect the Overland Pass Pipeline to its gas processing plants, producers would benefit by having alternative sources of transportation. Such competition would, as Enterprise indicates, likely result in potentially lower prices, better services and diversity of delivery points. In addition, such competition could also mean competitive fees and services and diversity of delivery points.

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[11] Id.

[12] Enterprise comments, at 2.

In its comment letter, Enterprise argues that the Order should remain in effect because Williams could reacquire an interest in MAPL or in a pipeline built in the Wyoming area.[13] They indicate that if Williams does acquire an interest in such a pipeline, it will once again have an incentive to prohibit connections to its processing plants by Competing Pipelines and that this is the very competitive problem at the heart of the Commission's Order.[14] This is precisely the position which Enterprise is in right now, giving Enterprise the incentive to prohibit connections to its processing plants by pipelines competing with MAPL. Williams has no present intention to reacquire an interest in MAPL[15] nor does it have any present intention of requiring MAPL to disconnect to its Wyoming Gas Plants.[16] As previously stated, Williams currently owns 1% of the Overland Pass Pipeline project and has an option to acquire 50% of the project in the future. When the pipeline is completed, it will compete with MAPL for the transportation of liquids from Wyoming and provide an alternative for producers in transporting its NGLs to market. Unless the owner of the MAPL system is required to connect Competing Pipelines to its gas processing plants, the Commission's Order will be thwarted.

As Enterprise indicates and we have demonstrated in this Response, increased pipeline competition for the transportation of NGLs out of Wyoming is beneficial and will result in potentially lower prices, better services and diversity of delivery points. Once Williams divested itself of MAPL, it was no longer able to control both the NGLs and the transportation for NGLs in Wyoming. After the sale of MAPL to Enterprise, Williams returned to the position vis-à-vis Paragraph III of the Order it was in prior to its acquisition of MAPCO. Enterprise, on the other hand, is now in the position Williams was in when the Order was entered. It is therefore, incumbent on the Commission to set aside the Order relating to Williams due to the changed circumstances and to clarify that the Order applies to subsequent owners of MAPL which also own or control an interest in gas processing facilities that could connect to competing pipelines.

Like Williams, Enterprise currently owns or soon will own an interest in a natural gas processing plant in Opal, Wyoming.[17] Enterprise also owns the only NGL pipeline (MAPL) currently transporting NGL Raw Mix from (the Williams) Gas Processing Plants in Wyoming. Unless Enterprise and other competitors are also required to comply in a similar fashion as Williams under the Commission's Order, producers of natural gas in this area will remain at a distinct competitive disadvantage in seeking transportation for their NGLs for Wyoming. This is certainly not what the Commission intended by this Order. Williams seeks only a level playing field and to assist its customers (producers) in

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13 Enterprise comments, at 4.
14 Id.
15 Affidavit of Alan S. Armstrong, attached as Exhibit "C".
16 Id.
17 Exhibit "A".

assuring them of alternatives in transporting NGLs to the southern part of the United States.

4. Conclusion

In reviewing Enterprise's comments, Williams realized that, in many instances, the two parties are in agreement. Both parties believe that the Commission intended that an entity which owns both processing plants and MAPL should be required to allow connection to its gas processing plants by Competing Pipelines. In order for this purpose to be accomplished, the Order must be applied to Enterprise which is now the owner of MAPL as well as a party that owns or controls or is under common control with entities that own or control gas processing facilities that could be connected to competing pipelines.

As indicated above, Williams has demonstrated that its circumstances have changed in that it no longer owns MAPL. Circumstances have also changed for Enterprise which now does own MAPL and gas processing facilities in Wyoming.

Williams initially filed its Petition only to remove the administrative inconvenience of filing annual reports and performing the due diligence necessary on an annual basis to accurately prepare those reports. It was not to avoid the requirement to connect Competing Pipelines to its Gas Processing Plants or to create a vehicle for the removal of existing pipeline connections. In fact, Williams would not object to retaining the requirements of Paragraph III of the Order, given equal requirements to all similarly situated plant owners to connect Competing Pipelines.

There has been little or no competition in Wyoming for pipeline transportation of NGLs for many years. The announcement of the Overland Pass Pipeline project is a sign that the market may allow development of a Competing Pipeline. With its acquisition of both MAPL and gas processing plants in Wyoming, Enterprise is now in the position which Williams was in when it acquired MAPCO and has the power to encumber competition in the NGL pipeline market space. As the owner of the only NGL pipeline in Wyoming transporting Raw Mix in Wyoming, it is Enterprise rather than Williams which should be required to connect Competing Pipelines to its gas processing facilities and we strongly urge the Commission to clarify that its Order applies to the new MAPL owner.

Williams requests that the Commission reopen and set aside the Order as it applies to Williams due to changed circumstances. Williams no longer owns MAPL and is not in the position it was at the time it acquired MAPCO in the processing and transportation of Raw Mix is concerned. More importantly, we ask the Commission to require Enterprise and its affiliated entities, including those under common control, to connect any Competing Pipeline to its gas processing facilities. It is only with such clarification that the Commission can ensure fair and effective competition in this market and assure producers of effective alternatives.

Respectively submitted,

James N. Cundiff
Senior Attorney

cc: Joseph Eckhaus, Esq.
Federal Trade Commission
Bureau of Competition/Compliance
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

WILLIAMS' RESPONSE TO COMMENTS OF
ENTERPRISE PRODUCTS PARTNERS, L.P. ("Enterprise")
TO THE PETITION OF
THE WILLIAMS COMPANIES, INC. ("Williams")
TO REOPEN AND SET ASIDE ORDER ("Petition")

Exhibit "A"

TEPPCO

Back

News Release
01/26/2006

TEPPCO PARTNERS AGREES TO SELL PIONEER NATURAL GAS PROCESSING PLANT TO ENTERPRISE PRODUCTS

HOUSTON - TEPPCO Partners, L.P. (NYSE: TPP) and Enterprise Products Partners L.P. (NYSE: EPD) today announced the execution of a letter of intent by an affiliate of TEPPCO to sell its ownership interest in the Pioneer silica gel natural gas processing plant located in Opal, Wyo., to an affiliate of Enterprise. The terms of the letter of intent provides that Enterprise would purchase the existing Pioneer plant, together with all of Jonah Gas Gathering Company's rights to process natural gas originating from the Jonah and Pinedale fields.

Pursuant to the execution of definitive agreements and subject to obtaining proper regulatory approvals and other consents, Enterprise would purchase the Pioneer plant and immediately commence construction to expand the capacity of the facility from 275 million cubic feet per day (MMcfd) to 550 MMcfd. The expansion is expected to become operational in mid-2006. Enterprise would also build a 650 MMcfd cryogenic natural gas processing plant adjacent to the Pioneer silica gel plant. When operating at full capacity, the Pioneer cryogenic plant would have the flexibility to operate from a conditioning mode to full recovery with the ability to recover a minimum of 2,500 barrels per day (BPD) and a maximum of 30,000 BPD of mixed natural gas liquids (NGLs). This facility would be expected to begin service by the end of third quarter 2007. The Pioneer expansion and the new cryogenic plant would serve the growing natural gas production in the prolific Jonah and Pinedale fields.

"We are pleased to pursue this transaction with Enterprise Products Partners," said Lee W. Marshall, Sr., chairman and acting chief executive officer of the general partner of TEPPCO. "Natural gas processing is not a core business for TEPPCO and this facility is not integral to our midstream segment operations. More importantly, we believe that Enterprise's investment in, and development of the Pioneer cryogenic plant will be a long-term benefit for our Jonah Gas Gathering system. The sale of the Pioneer plant would also enable us to redeploy the proceeds in our growth projects, to retire debt or for other partnership purposes."

"Enterprise is looking forward to working with TEPPCO to reach a definitive agreement to purchase the Pioneer silica gel plant," said Robert G. Phillips, president and chief executive officer of Enterprise. "This is an attractive opportunity for us to extend our natural gas processing franchise into the prolific Jonah and Pinedale fields, one of the fastest growing natural gas producing regions in North America. NGLs extracted by the Pioneer cryogenic plant would support our 50,000 barrel per day expansion of the Rocky Mountain segment of our Mid-America Pipeline, which is expected to be completed by mid-2007, and our new 75,000 barrel per day NGL fractionator located near Hobbs, N.M., that should be in service in mid-2007."

TEPPCO Partners, L.P. is a publicly traded partnership with an enterprise value of over $4 billion, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines of refined petroleum products and liquefied petroleum gases in the United States; owns and operates petrochemical and natural gas liquid pipelines; is engaged in crude oil transportation, storage, gathering and marketing; owns and operates natural gas gathering systems; and owns 50-percent interests in Seaway Crude Pipeline Company, Centennial Pipeline LLC and Mont Belvieu Storage Partners, L.P., and an undivided ownership interest in the Basin Pipeline. Texas Eastern Products Pipeline Company, LLC, a wholly owned subsidiary of DFI GP Holdings L.P. (a privately owned partnership indirectly controlled by Dan L. Duncan), is the general partner of TEPPCO Partners, L.P. For more information, visit TEPPCO's Web site at www.teppco.com.

Enterprise Products Partners L.P. is one of the largest publicly traded energy partnerships with an enterprise value of approximately $15 billion, and is a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs and crude oil. Enterprise transports natural gas, NGLs, crude oil and petrochemical products through 32,670 miles of onshore and offshore pipelines and is an industry leader in the development of midstream infrastructure in the deepwater trend of the Gulf of Mexico. Services include natural gas transportation, gathering, processing and storage; NGL fractionation (or separation), transportation, storage, and import and export terminaling; crude oil transportation and offshore production platform services.

For more information, visit Enterprise on the web at www.epplp.com. Enterprise Products Partners L.P. is managed by its general partner, Enterprise Products GP LLC, which is wholly-owned by Enterprise GP Holdings L.P. (NYSE: EPE). For more information on Enterprise GP Holdings L.P., visit its website at www.enterprisegp.com.

Forward Looking Statements - TEPPCO Partners, L.P.
This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties. These risks and uncertainties include, among other things, market conditions, governmental regulations and factors discussed in TEPPCO Partners, L.P. filings with the Securities and Exchange Commission.

Forward Looking Statements - Enterprise Products Partners L.P.
This press release contains various forward-looking statements and information that are based on Enterprise's beliefs and those of its general partner, as well as assumptions made by and information currently available to Enterprise. When used in this press release, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "intend," "could," "believe," "may," and similar expressions and statements regarding the plans and objectives of Enterprise for future operations, are intended to identify forward-looking statements. Although Enterprise and its general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither Enterprise nor its general partner can give assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, Enterprise's actual results may vary materially from those Enterprise anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on Enterprise's results of operations and financial condition are:

- fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces; the effects of our debt level on its future financial and operating flexibility;
- a reduction in demand for our products by the petrochemical, refining or heating industries;
- a decline in the volumes of NGLs delivered by our facilities;
- the failure of its credit risk management efforts to adequately protect us against customer non-payment;
- terrorist attacks aimed at our facilities; and,
- the failure to successfully integrate our operations with any companies that we may acquire in the future, if any.

Enterprise has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Source: TEPPCO

P. O. Box 2521, Houston, Texas 77252-2521

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

WILLIAMS' RESPONSE TO COMMENTS OF
ENTERPRISE PRODUCTS PARTNERS, L.P. ("Enterprise")
TO THE PETITION OF
THE WILLIAMS COMPANIES, INC. ("Williams")
TO REOPEN AND SET ASIDE ORDER ("Petition")

Exhibit "B"

Financial News

Press Release Source: Enterprise Products Partners L.P.

Enterprise and TEPPCO Announce Joint Venture to Expand Jonah Natural Gas Gathering System

Tuesday August 1, 6:31 pm ET

HOUSTON--(BUSINESS WIRE)--Aug. 1, 2006--Enterprise Products Partners L.P. "Enterprise" (NYSE:EPD - News) and TEPPCO Partners, L.P. "TEPPCO" (NYSE:TPP - News) announced today a joint venture through their respective subsidiaries in which they will be partners in Jonah Gas Gathering Company. Jonah Gas Gathering Company owns the Jonah Gas Gathering System, located in the Greater Green River Basin of southwestern Wyoming, which gathers and transports natural gas produced from the prolific Jonah and Pinedale fields to natural gas processing plants and major interstate pipelines that deliver the natural gas to end-use markets.

In connection with the joint venture, the parties intend to continue the Phase V expansion, which is expected to increase the system capacity of the Jonah Gas Gathering System from 1.5 billion cubic feet per day ("Bcfd") to 2.4 Bcfd and to significantly reduce system operating pressures, which is anticipated to lead to increased production rates and ultimate reserve recoveries. The first portion of the expansion, which is expected to increase the system gathering capacity to 2 Bcfd, is scheduled to be completed in the first quarter of 2007 at an estimated cost of approximately $275 million. The second portion of the expansion is expected to cost approximately $140 million and to be completed by the end of 2007.

A letter of intent executed by an affiliate of Enterprise and TEPPCO in February 2006 provided that Enterprise would manage the construction and fund the initial capital cost of the Phase V expansion. Enterprise will continue to manage project construction, and in the third quarter of 2006, TEPPCO will reimburse Enterprise for 50 percent of the Phase V capital cost incurred through August 1, 2006. After August 1, 2006, Enterprise and TEPPCO will equally share the capital costs of the Phase V expansion. Enterprise's ownership interest in the Jonah Gas Gathering Company will be based upon its share of the investment in the Phase V expansion. Upon completion of the expansion project, TEPPCO and Enterprise are expected to have an approximate 80 percent and 20 percent interest, respectively, in the Jonah Gas Gathering Company, with Enterprise serving as operator.

"Enterprise is pleased to be working with TEPPCO to expand the Jonah Gas Gathering System through the partnership in Jonah Gas Gathering Company," said Robert G. Phillips, President and Chief Executive Officer of Enterprise. "Enterprise has a strong franchise in the western United States serving producers and consumers of natural gas and natural gas liquids. Investing in the Jonah Gas Gathering System is another step to extend, expand and support our integrated midstream energy value chain in this important region. This partnership is important to Enterprise in securing long-term supplies of natural gas to base load our expansion of the Pioneer silica gel plant and the development of the Pioneer cryogenic natural gas processing plant that is expected to be completed in the third quarter of 2007. Natural gas liquids extracted by the Pioneer cryogenic plant and other processing plants will support our Western system, including the expansion of the Mid-America pipeline and our new fractionator in Hobbs, New Mexico."

Jerry E. Thompson, President and Chief Executive Officer of the general partner of TEPPCO, added that, "The Jonah Gas Gathering System has continued to provide TEPPCO with a consistent stream of organic growth projects since its acquisition in 2001. TEPPCO remains committed to serving our customers in the development of the Jonah and Pinedale fields, which are among the largest natural gas fields in the United States. Our past expansions have increased system capacity from 400 million cubic feet per day (MMcfd) to the current system capacity of 1.5 Bcfd. Enterprise has strong core competencies in gas gathering, gas processing, and NGL transportation/fractionation along with a complementary asset position in the Rockies. These factors make Enterprise an attractive strategic partner for TEPPCO's Jonah business segment. The joint venture aligns the interests of both TEPPCO and Enterprise, very effectively combining our operational and financial strengths. We look forward to a long, mutually beneficial relationship with Enterprise as we continue to serve our customers in the prolific Jonah and Pinedale areas."

Enterprise Products Partners L.P. is one of the largest publicly traded energy partnerships with an enterprise value of approximately $16 billion, and is a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs and crude oil. Enterprise transports natural gas, NGLs and crude oil through approximately 33,100 miles of onshore and offshore pipelines and is an industry leader in the development of midstream infrastructure in the United States and the Gulf of Mexico. Services include natural gas transportation, gathering, processing and storage; NGL fractionation (or separation), transportation, storage, and import and export terminaling; crude oil transportation and offshore production platform services. For more information, visit Enterprise on the web at www.epplp.com. Enterprise Products Partners L.P. is managed by its general partner, Enterprise Products GP LLC, which is wholly owned by Enterprise GP Holdings L.P. (NYSE:EPE - News). For more information on Enterprise GP Holdings L.P., visit its website at www.enterprisegp.com.

TEPPCO Partners, L.P. is a publicly traded partnership with an enterprise value of approximately $4 billion, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines of refined petroleum products and liquefied petroleum gases in the United States; owns and operates petrochemical and natural gas liquid pipelines; is engaged in crude oil transportation, storage, gathering and marketing; owns and operates natural gas gathering systems; and owns 50-percent interests in Seaway Crude Pipeline Company, Centennial Pipeline LLC and Mont Belvieu Storage Partners, L.P., and an undivided ownership interest in the Basin Pipeline. Texas Eastern Products Pipeline Company, LLC, an indirect subsidiary of EPCO, Inc., is the general partner of TEPPCO Partners, L.P. For more information, visit TEPPCO's Web site at www.teppco.com.

FORWARD-LOOKING STATEMENTS

ENTERPRISE PRODUCTS PARTNERS L.P.

This press release contains various forward-looking statements and information that are based on Enterprise's beliefs and those of its general partner, as well as assumptions made by and information currently available to Enterprise. When used in this press release, words such as "anticipate," "project," "expect," "plan," "goal," "forecast," "intend," "could," "believe," "may," and similar expressions and statements regarding the plans and objectives of Enterprise for future operations, are intended to identify forward-looking statements. Although Enterprise and its general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither Enterprise nor its general partner can give assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, Enterprise's actual results may vary materially from those Enterprise anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on Enterprise's results of operations and financial condition are:

- fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces;
- a reduction in demand for its products by the petrochemical, refining or heating industries;
- the effects of its debt level on its future financial and operating flexibility;
- a decline in the volumes of NGLs delivered by its facilities;
- the failure of its credit risk management efforts to adequately protect it against customer non-payment;
- terrorist attacks aimed at its facilities; and,
- the failure to successfully integrate its operations with assets or companies, if any that it may acquire in the future.

Enterprise has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

TEPPCO PARTNERS, L.P.

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Except for the historical information contained herein, the matters discussed in this news release, including, without limitation, those related to the cost, timing and completion of and prospects for the Jonah expansion, are forward-looking statements that involve certain risks and uncertainties. These risks and uncertainties include, among other things, market conditions, governmental regulations and factors discussed in TEPPCO Partners, L.P. filings with the Securities and Exchange Commission.

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Source: Enterprise Products Partners L.P.

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

WILLIAMS' RESPONSE TO COMMENTS OF ENTERPRISE PRODUCTS PARTNERS, L.P. ("Enterprise") TO THE PETITION OF THE WILLIAMS COMPANIES, INC. ("Williams") TO REOPEN AND SET ASIDE ORDER ("Petition")

Exhibit "C"

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

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

AFFIDAVIT OF ALAN S. ARMSTRONG

STATE OF OKLAHOMA)
) ss:
COUNTY OF TULSA)

COMES NOW the undersigned, Alan S. Armstrong, and makes oath as follows:

1. My name is Alan S. Armstrong. I am the Senior Vice President – Midstream of The Williams Companies, Inc. ("Williams"), a company with offices at One Williams Center, Tulsa, Oklahoma, 74172. I have been employed in that capacity since May 15, 2003, and have been employed by Williams since May 14, 1990.

2. I am fully competent and qualified to make this Affidavit in support of Williams' response to comments of Enterprise Products Partners, L.P. dated July 21, 2006 to Williams' Petition dated June 7, 2006 to Reopen and Set Aside Order.

3. The information in this Affidavit is based on my personal knowledge and on information conveyed to me by management employees of Williams.

4. Williams has no present intention of re-acquiring Mid-America Pipeline Company, LLC ("MAPL") or any interest in the MAPL system.

5. Williams has no present intention of terminating MAPL's connection to our Wyoming Gas Plants.

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 August 11, 2006.

Alan S. Armstrong

Subscribed and sworn to before me this 11th day of August, 2006.

My Commission Expires:
[illegible] 2009
[SEAL]

Name: LaDonna McConnell
Notary Public in and for the State of Oklahoma
Notary Commission No. 01013017