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July 10, 2009

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FEDERAL TRADE COMMISSION  
JUL 13 2009

**VIA FAX (202/326-2624)**  
**AND FEDERAL EXPRESS**

Mr. B. Michael Verne  
Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
Room 303  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Mike:

The purpose of this letter is to confirm our telephone conference on July 10, 2009 in which you concluded that, under the facts described below, the following transaction was exempt from the notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The relevant facts, as we discussed them, are as follows:

A and B contemplate forming a new holding company as a limited liability company ("Holdco") to finance the construction and operation of an interstate natural gas pipeline system (the "Project"). The System is presently under development by A's wholly-owned subsidiary, A Pipeline LLC ("A Sub"). The only assets of A Sub are comprised of assets relating to the Project, including land rights, pipe and pipeline materials, surveys, studies, contracts, permits and permit applications. No revenues have been generated by the Project.

Holdco will be owned by A and B on a 50/50 ownership basis. A will contribute to Holdco all of the membership interests of A Sub, which will become a wholly-owned subsidiary of Holdco. A and B will contribute an equal amount of cash to Holdco. A and B both have agreed to extend loans in an equal dollar amount to Holdco. The size-of-person and size-of-transaction tests both will be met. At the time of formation, Holdco will borrow an amount under the loan from B equal to 50% of the value of A Sub, which loan proceeds will be distributed to A.

Based on our conversation and the facts described above, we concluded that the formation of Holdco is exempt under the following analysis. The Project qualifies for the unproductive real property exemption under Section 802.2(c). A's acquisition of membership interests in Holdco is exempt under Section 802.4, as



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from A's perspective, Holdco's assets are comprised of all of the cash contributed by A and B (pursuant to Section 801.21) and A's contribution of A Sub's membership interests (pursuant to Section 802.30(c)). B's acquisition of membership interests in Holdco also is exempt under Section 802.4, as from B's perspective, Holdco's assets are comprised of all of the cash contributed by A and B (pursuant to Section 801.21) and A's contribution of A Sub's membership interests (pursuant to Section 802.4). Even if A's contribution of the A Sub membership interests is viewed as the acquisition of those interests by Holdco, the purchase would be exempt pursuant to Section 802.30(a) for A and pursuant to Section 802.4 for B.

Please call me immediately at [REDACTED] should the position of the Federal Trade Commission staff with regard to this matter be different from that set forth above. In addition, please retain this letter in your files. I appreciate very much your assistance and helpful advice on this matter.

Very truly yours,

[REDACTED]

AGase-  
BW  
7/10/09

[REDACTED]