

[REDACTED]

July 24, 1991

John M. Sipple, Jr.  
Chief, Premerger Notification Office  
Bureau of Competition  
Federal Trade Commission  
Room 306  
6th Street & Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

JUL 25 2 56 PM '91  
FEDERAL TRADE COMMISSION  
PREMERGER NOTIFICATION

[REDACTED]

Dear Mr. Sipple:

This will confirm, in accordance with our discussion today, your advice that the [REDACTED] will not be required to file a disclosure statement under the Hart-Scott-Rodino notification provisions when it acquires interests in gas and gas production pursuant to its statutory authority as an instrumentality of the State [REDACTED] for the provision of gas to [REDACTED] municipalities. The ground for exemption is that [REDACTED] is a state instrumentality with statutorily defined purposes and accreditation as such, and is, from the perspective of HSR enforcement, exempt under Section 15 U.S.C. § 18a(c)(4). [REDACTED] chartering legislation had been sent to you with our letter of July 22, 1991.

You also indicated that it was likely that [REDACTED] acquisition of a royalty override interest in gas from [REDACTED] for the purpose of serving [REDACTED] municipalities in accordance with its statutory mission might itself be treated as

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"in the ordinary course of business," but that the exemption here was grounded rather on [REDACTED] status as an instrumentality of the State of [REDACTED]

You also indicated that the exemption noted is from the premerger notification provisions, and that were [REDACTED] to engage in conduct at some point in time with respect to gas acquisitions or otherwise that was perceived as violating the federal antitrust laws, the government would not, by reason of this exemption, be precluded from challenging such substantive conduct.

On our behalf and that of our client, [REDACTED] we greatly appreciate your consideration of this matter as well as your courtesy, and the speed with which you addressed the matter, which was most welcome and needed in the circumstances.

With best regards.

Sincerely yours,  
[REDACTED]