



[REDACTED]

Victor L. Cohen, Esq.

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As we discussed, among the key factors for analysis are the following: (a) the \$20 million loan will be fully repaid whether or not the acquisition is consummated; (b) the acquisition cannot be consummated without FERC approval; (c) until consummation, B will bear none of the risk of loss (e.g., a pipeline explosion); (d) if consummation does not occur for any reason, B will receive none of the benefit or detriment of any increase or decrease in the pipeline's value; (e) until consummation, B is not liable for pipeline operating expenses; and (f) any preconsumption transportation to be received by B will be at rates and terms and conditions of service within A's FERC tariff.

Based on all the above facts, you advised that beneficial ownership of the undivided pipeline interest to be acquired would not pass from A to B until consummation of the transaction following FERC approval. You thus advised that no Hart-Scott filing need be made by the parties prior to entering into the loan and transportation agreements described above. You further indicated that because Hart-Scott notification expires one year following expiration of the waiting period, 16 C.F.R. § 803.7, the parties should file notification no earlier than one year prior to the expected consummation date of the transaction.

If the above does not accurately reflect the Hart-Scott advice you provided concerning the above transaction, please call me immediately. As always, thank you very much for time and most helpful assistance.

Sincerely,

[REDACTED]