

## Appendix E

# Recent Corporate Combinations in the Natural Gas Industry

**Table E1. Recent Corporate Combinations in the Natural Gas Industry**

Acquiring Company or Partners	Acquired Company (all or part)	Brand Name or New Company Name	Type of Combination	Date Announced	Date Completed	Business Areas	Notes	Value (million dollars)
AEP Resources	Equitable Resources		Divestiture	Sep-98	Pending	Mid-stream gas assets	Properties in Louisiana and Texas including intrastate pipeline, processing, and storage facilities.	320
AES Corporation	Destec Energy		Acquisition	Dec-97	Feb-97	Elect	Destec to merge into Dynegy; AES gains international assets, Dynegy gains domestic assets.	(see NGC - Destec)
AGL Resources, Dynegy, Piedmont Natural Gas		SouthStar Energy Services LLC	Joint Venture	Jul-98		Energy products and services	Products and services include gas, electricity, fuel oil, and propane. Positioned to take advantage of deregulation in Georgia. Strategic fit in unregulated markets.	
Allegheny Energy	Duquesne Light		Merger	Apr-97	Pending	Gas, elect	Has regulatory approval with numerous restrictions and conditions. In Jul-98, DQE withdrew. In Oct-98, Allegheny sued DQE to block termination of the merger.	4,300
American Resources	TECO Oil & Gas, Inc.		Acquisition	Mar-98	Mar-98	O&G, E&P, offshore Gulf	Acquisition of all offshore assets of TECO (see TECO).	58
Amway Corp.; Columbia Energy Group			Alliance	Nov-98		Door-to-door marketing of gas & electricity	Amway distributors will market Columbia gas & electricity to residential and small commercial customers. Program begins in Georgia, will expand with restructuring to all States.	
Atmos Energy Corp.	United Cities Gas Co.	Atmos	Acquisition	Sep-96	Jul-97	Gas	Atmos becomes 12th largest gas LDC in U.S.; gas and some propane in 13 States.	
Aurora Natural Gas	GED Gas Services	Aurora	Acquisition	Mar-98	Mar-98	Gas marketing		
Baker Hughes	Western Atlas		Merger	May-98	Aug-98	Field service	Baker Hughes to buy all shares of Western Atlas.	5,500
Baytex Energy Ltd.	Dorset Exploration Ltd.	Baytex	Merger	Oct-97	Oct-97	Oil & gas	Canadian companies.	716
Boston Edison; RCN			Joint Venture	Sep-96		Energy services	To develop broadband network for 1-stop energy/telecommunication services. RCN owns 51 percent.	
Boston Gas	Essex County Gas		Merger	Dec-97	Pending	Gas	Eastern Enterprises is the parent of Boston Gas. State approved subject to a 10-year freeze on rates and 5 percent reduction in the cost of gas.	85
Boston Edison	Williams Energy Services Company	Energy Vision	Joint Venture			Energy marketing and services	Joint venture markets electricity, natural gas and energy services to retail customers in New England; Williams and Boston each own 50 percent	

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Brooklyn Union Gas	Long Island Lighting Company	KeySpan	Merger	Dec-96	May-98	Gas & electric utilities	Combined company serves parts of New York City and Long Island. Opportunity to expand Long Island gas market.	4,000
British Petroleum PLC	Amoco Corp.		Merger	Aug-98	Pending	Oil, gas, chemicals, renewables	Amoco is largest gas producer in U.S. Largest industrial merger in history.	48,000
Burlington Resources	Louisiana Land & Exploration		Acquisition	Jul-97	Oct-97	O&G, E&P	Creates "super independent."	3,200
CalEnergy Company	MidAmerican Energy Holdings Company	Mid American in U.S. - CalEnergy outside U.S.	Merger	Aug-98	Pending	Gas, electric, services	Mid American to become wholly owned subsidiary of CalEnergy; for name recognition, Cal will change name to MidAmerican; 3.3 million customers -- goal 11 million.	4,000
Calpine Corporation	Dominion Energy		Divestiture	Apr-98		Cogeneration	Two plants near Houston sold to raise capital for expansion elsewhere.	110
Calpine Corp.	Brooklyn Union Gas	Gas Energy, Inc	Divestiture	Dec-97	Dec-97	Gas power plants and cogeneration	With sale of Gas Energy and Gas Energy Cogeneration, BUG sought to maximize shareholder value and pursue other investment opportunities.	100
Canadian Occidental Petroleum Ltd.	Wascana Energy Inc.		Merger	1997	Jun-97	Oil & some gas	Wascana privatized by Saskatchewan govt - rich in heavy oil reserves. Wascana to manage Occidental properties in Canada.	1,700
Canadian Occidental Petroleum Ltd.	Compton Petroleum Corporation		Divestiture	1997	Jul-97	Gas wells, production, processing	Compton acquired working interests.	
Cargill, WPL Holdings		Cargill-IEC	Joint Venture	Jun-97		Energy trading & marketing	Energy trading, marketing, and risk management to wholesale electricity customers. The venture attempts to link Cargill's expertise in commodity trading to the electric power market.	
Carolina Light & Power Co.	North Carolina Natural Gas Corp.		Merger	Nov-98	Pending	Gas distribution; propane	Expands portfolio of products and services by adding gas and propane. Provides fuel supply for existing and planned gas-fired power plants.	
Carolina Light & Power Co.	Knowledge Builders	Strategic Resource Solutions Corporation	Acquisition	1996	Spring-97	Energy & facility management; building control systems	Software applications, energy performance, conservation; began joint venture with Avista in Oct-97. Acquired building automation & control systems companies and cogeneration facilities in '97 & '98.	
Carolina Light & Power Co.	Capital Information Services Inc.	Interpath Communications	Acquisition	Dec-97	Dec-97	Internet, telecommunications	Provides Internet and telecommunication services to residential and business customers.	
CMS Energy; WestCoast Energy, Inc.		TriState Pipeline	Joint Venture	Sep-97	Pending	Gas pipeline	Planned gas pipeline from Ontario, Canada to Chicago area. Two-thirds owned by CMS, one-third by WestCoast.	
CMS Energy	Continental Natural Gas	CMS Gas Transmission & Storage	Merger	Aug-98	Oct-98	Gathering, marketing	Provides financial base for expansion of Continental; provides additional supply source for CMS.	155
CMS Energy	Heritage Gas Service	CMS Gas Transmission & Storage	Acquisition	Oct-98	Oct-98	Gas gathering, processing, marketing	Expands CMS in Texas, Oklahoma area.	

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CMS Energy	Duke Power		Acquisition	Nov-98	Pending	Gas pipelines	CMS to purchase PanHandle and Trunkline from Duke. Duke will realize after-tax gain of \$700 million; also reinvestment opportunities in high growth activities.	2,200
Chevron	Dynegy (NGC)	NGC	Merger	Jan-96	Aug-96	Gas, electric	Partial Merger -- Chevron to own 25 percent of Dynegy (formerly NGC): Dynegy to market Chevron's North American production of natural gas, NGLs, and electricity; Dynegy also to supply energy to Chevron refineries, chemical plants, and corporate facilities in North America.	
Cinergy Corp, Apache Corporation, Oryx Energy Company		ProEnergy	Strategic Alliance	Jun-98		Gas marketing	Cinergy acquired ProEnergy; the alliance will have exclusive rights to market all of the N. Amer gas production of Oryx and Apache for 10 years, also to market gas for others.	
Cinergy Corp, Florida Progress, New Century Energies		Cadence	Joint Venture	Sep-97		Energy services	Purchases and manages energy supply, develops energy plans, billing services, interactive software, auditing, metering and load profiles.	
Cinergy Corp.	Producers Energy Marketing, LLC		Acquisition	Jun-98		Gas marketing	Acquired as part of joint venture with Apache and Oryx. Markets all N. American gas production of Apache & Oryx.	
Coastal Corp.; Westcoast Energy Inc.		Engage Energy LLP	Joint Venture	Sep-96	First Quarter 1997	Gas marketing, gas services	Combined similar unregulated gas marketing subsidiaries to form energy and energy services company. (Also viewed as merger.)	
Cobb Energy Management Corp.; Colorado Springs Utilities; Idaho Power; Omaha Public Power District		Allied Utility Network	Joint Venture	May-98		Residential services	Joint venture of 4 utilities to provide home security, residential energy management, telecommunications, bill paying -- brand "Home Vantage."	
Columbia Natural Resources	Alamco Inc.		Acquisition	1997	Aug-97	Gas E&P	E&P subsidiary of Columbia Gas - focus on opportunities in Appalachian Basin.	
Consolidated Edison (NY)	Orange & Rockland		Acquisition	May-98	Pending	Electric, some gas	O&R to become wholly owned subsidiary of ConEd.	790
Constellation Energy Source; Goldman Sachs Power	Orion Power Holdings		Joint Venture	Mar-98		Merchant plant investment	Constellation is a wholly owned subsidiary of BG&E. Orion plans to grow power marketing business by investing in and acquiring power plants in North America. May seek other investors.	310
Costilla Energy, Inc.	Pioneer Natural Resources Co.		Divestiture	Sep-98	Oct-98	O&G properties	Allows streamlining of operations by reduction of properties; proceeds to reduce overall cost structure.	410
Delmarva Power & Light	Atlantic Energy, Inc.	Conectiv	Merger	Aug-96	Feb-98	Electric, some gas	1 million electric customers; 100,000 gas customers.	
Delmarva Power & Light; Connecticut Energy Corp.			Joint Venture		Sep-97	Gas & electric, energy services	To sell energy and energy services in New York and New England. Initially to market to commercial and industrial customers, eventually to expand into residential.	

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Dominion Energy	Phoenix Energy Sales	Carthage Energy Services	Acquisition	Jan-98	Jan-98	Gas production	Adds to Dominion's Appalachian Basin strategy. Becomes a division of Dominion's existing gas marketing company Carthage.	
Dominion Energy	Archer Resources Ltd.		Acquisition	Mar-98		Gas E&P	Increased Dominion's production by 50 percent; Based in Alberta, Canadian regulatory approval granted.	128
Dominion Energy	Peoples Energy Corporation		Joint Venture	May-98		Develop power plant	To develop and operate a 300MW peaking plant near Chicago -- close to several interstate gas pipelines.	90
Duke Energy Corporation; Mobil Corporation		Duke Energy Trading and Marketing, LLC	Joint Venture			Natural gas	Provide supply, storage, transportation and other services to companies and utilities. (Duke 40 percent, Mobil 60 percent.)	
Duke Energy Field Services; Louis Dreyfus Natural Gas		Duke/Louis Dreyfus	Joint Venture	Mar-95	Jun-97	Market gas/ electric & energy services	Initially set up as 50/50 joint venture. Duke acquired remaining 50 percent interest from Louis Dreyfus concluding the joint venture.	
Duke Energy Trading and Marketing, LLC; Puget Sound Energy		DETM	Joint Venture	Apr-98		Market electric & gas	Links Puget's surplus capacity with Duke Energy Corp's purchase of power plants from PG&E in California.	
Duke Energy Trading and Marketing; United Gas Management			Strategic Alliance	Jul 98		Energy management & marketing	DETM to support United in aggregating residential gas customers.	
Duke Energy	Oneok Inc.		Acquisition	Nov-98	Nov-98	Gas processing and gathering assets	Acquisition includes several Midcontinent assets including production, gathering, processing, and ½ of Oneok's interest in the Sycamore assets.	
Duke Energy Field Services	Brooks-Hidalgo Pipeline System	Duke Energy	Acquisition	Apr-98	Apr-98	Gathering	90-mile system. Continuing expansion of gathering and processing in south Texas.	
Duke Power	Pan Energy	Duke Energy	Merger	Nov-96	Jun-97	Elect/gas pipe	Becomes an all energy provider. In Nov-98, Duke announced sale of PanHandle and Trunkline to CMS of Michigan (see CMS).	7,500
Duke Power; Providence Gas Co.			Joint Venture	Fall 1997		Gas supply	Duke to purchase gas for Providence RI LDC. Duke can hedge, LDC can't.	
DukeSolutions	Engineering Interface Limited	DukeSolutions Canada, Inc	Acquisition	Sep-98	Sep-98	Energy services	Forms Canadian base of operations for DukeSolutions.	
Dynegy Inc.; AGL Resources; Piedmont Natural Gas Company, Inc.		SouthStar Energy Services	Joint Venture	Jul-98		Energy products and services	Initially to target commercial & industrial sectors; with deregulation plan to expand to include residential beginning in Georgia late in 1998.	
Dynegy Inc.; Texaco		Versado Gas Processors LLC	Joint Venture	Jul-98		Gas gathering and processing	Dynegy (formerly NGC) and Texaco combined facilities in West Texas and New Mexico with combined daily volume of 341 mcf. Dynegy 63 percent, Texaco 37 percent.	

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Dynegy; NICOR Inc.		NICOR Energy	Joint Venture	Jun-97		Energy services	Initially to market gas to commercial & industrial sectors, with deregulation plan to expand services & include residential. Formed a second venture in Jul-98 to develop gas-fired generation & cogeneration in 6 Midwest States.	
Dynegy; Chevron, Koch Industries; Shell	Venice Energy Services Company	VESCO	Joint Venture	Sep-97		Gas gathering & processing	VESCO expanded to include Shell participation; onshore Louisiana and offshore Gulf facilities.	
Dynegy (NGC Corp.)	Destec Energy		Acquisition	1996	Feb-97	Gas, elect	Joint acquisition with AES, Dynegy gained all domestic assets of Destec. (See AES/Destec.)	1,200
Dynegy	Trident NGL	NGL	Merger	1996	Apr-97	NGLs	Combined largest independent gas marketer with largest independent gas liquid operation in N. America.	95
Dynegy	Western Gas Resources		Acquisition	Oct-98	Oct-98	Production & gathering	Two separate transactions involving non-strategic assets of Western.	56
Eastern Group (see Statoil Energy)		Statoil Energy					Not the same as the Eastern Group Plc based in the UK & formed by Texas Utilities following its 1998 purchase of The Energy Group.	
Eastern Group	Blazer Energy (sub of Ashland, Inc.)		Acquisition	May-97	Jul-97	O&G, E&P	Blazer (domestic assets spun off from Ashland in Jan-97) assets in Appalachia & Gulf Coast.	
Edison International, New Energy Ventures			Joint Venture	Oct-98		Distributed generation		
El Paso Energy Corp.	Tenneco Energy	El Paso Energy Corp.	Merger	Jun-96	Dec-96	Gas	Creates one of largest U.S. natural gas transportation & marketing firms.	
El Paso Energy Corp.	Deep Tech International		Merger	Mar-98	Aug-98	Offshore Gulf	Includes Leviathon the largest gas gathering system in the Gulf (\$ value is for Leviathon only).	450
El Paso Energy Corp.	PacifiCorp		Acquisition	Oct-97	Nov-97	Offshore assets	Offshore assets acquired by PacifiCorp's acquisition of TPC, resold to El Paseo: includes pipeline, gathering, and processing facilities.	195
Energet!x	Griffith Energy		Acquisition	Apr-98	Sep-98	Heating oil, propane	Energet!x is a nonregulated subsidiary of Rochester Gas & Electric; markets natural gas, electricity and energy services.	
Energy Pacific	CES/Way International		Acquisition	Dec-97	Jan-97	Energy services	Energy Pacific is a joint venture of Enova and Pacific Enterprises. Company is the largest independent energy services provider in U.S.	
Enova Corp., Pacific Enterprises		Sempra Energy	Merger	Oct-96	Jul-98	Gas, elec	FERC raised vertical market power concerns, but conditionally approved deal while deferring to California Public Utility Commission (PUC).	5,200
Enova Corp.; Pacific Enterprises (Sempra Energy)		Sempra Energy Trading	Joint Venture	Dec-97		Gas & elect trading & marketing	Initially formed from acquisition of AIG Trading as a joint venture of PE / Enova. With completion of merger, became a wholly owned subsidiary of Sempra.	
Enron; Amoco		Amoco/Enron Solar	Joint Venture			Alternative energy	Largest U.S. photovoltaic producer; 50/50 Amoco and Enron Renewable Energy.	

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Enron	Zond Corporation	Enron Renewable	Acquisition	Jan-97	Jan-97	Wind/solar	With Zond acquisition, Enron formed Enron Renewable (Includes all forms of renewable energy.)	
Enron	Portland General		Merger	Nov-96	Jul-97	Gas, elec	Combines a major marketer of gas and electricity with largest provider of electricity in Oregon. Provides a base for access into California market.	
Enron	Vastar		Joint Venture	Jan-97		Exploration	Onshore oil & gas exploration.	
Enron Capital & Trade Resources	Cogen Technologies		Acquisition	Nov-98		Gas-fired power plants	Enron to acquire 3 gas-fired power plants in New Jersey to take advantage of opportunities arising from restructuring in the State.	1,450
Enron; KeySpan Energy			Strategic Alliance	Feb-98		Gas supply	Enron provides management services for interstate pipeline transportation, gas supply, and storage.	
Enron; KeySpan Energy			Strategic Alliance	May-98		Gas supply services	Markets gas supply management services to gas distribution companies in Northeast. (Separate from interstate pipeline & supply venture of Feb-98.)	
Enron Energy Services; CB Richard Ellis; Insignia/ESG			Strategic Alliance	May-98		Energy management	Two separate alliances to provide energy management to residential and commercial properties. Extends Enron's efforts beyond core gas and electricity to commercial and industrial customers.	
Equitable Resources	NORESCO	ERI Services	Merger	Jan-97	May-97	Energy services	Expands geographic coverage of services business throughout Western Hemisphere; markets to commercial & industrial sectors.	
Entergy	London Electricity		Acquisition	Dec-96	Feb-97	Electric	Purpose in part to gain from operational experience in competitive market. In Nov-98, Entergy sold London Electricity to French national power company for \$3.18 billion.	2,100
Investor Group	Union Drilling Division of Equitable Resources	Union Drilling Inc.	Divestiture	Oct-97	Oct-97	Contract drilling	Equitable also divested various o&g properties in the western U.S. and Canada for \$175 million. Objective to focus development in Gulf Coast and Appalachian Basin.	
Exxon Corporation	Mobil Corporation	Exxon Mobil Corporation	Merger	Dec-98	pending	O&G, E&P	Creates world's largest o&g company; approximately 59 Tcf of gas and 11 billion bbls of oil reserves; gas production approximately 11 Bcf/day and sales of 14 Bcf/day.	79,300
FirstEnergy Corp.	Marbel Energy Corporation		Acquisition	Jun-98	Jun-98	O&G, E&P	Expands FirstEnergy capability by including o&g e&p in the portfolio.	
Halliburton Co.	Dresser Industries	Halliburton Co.	Merger	Feb-98	Sep-98	Field service	Becomes largest field service company.	7,700
Houston Industries	NorAm Energy	NorAm Energy	Merger	Aug-96	Aug-97	Elect/gas pipe	Combines gas and electric operations.	3,800
IES Utilities Inc.	Wisconsin Power & Light; Interstate Power Co.	Alliant	Merger	Nov-95	Apr-98	Gas & elect	Three-way merger; of WPL Holdings, IES Industries and Interstate Power Co.	

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KCS Energy, Inc.	MidAmerican Energy Company		Divestiture	Nov-96	Jan-97	O&G, E&P	MidAmerican sold InterCoast Oil and Gas Company, GED Energy Services Inc. and InterCoast Gas Services Company to KCS.	230
Kerr-McGee Corp.	Devon Energy Corp.		Merger	Oct-96	Dec-96	O&G	Merged onshore N. American properties into Devon, for 31 percent equity interest. Increases Devon's proved reserves 50 percent; Devon to manage o&g e&p and sales.	
Kerr-McGee Corp.	Oryx Energy Company	Kerr Mc-Gee Corporation	Merger	Oct-98	Pending	O&G, E&P	Forms 4th largest independent o&g e&p company in U.S.	4,000
KN Energy	MidCon Corp.		Acquisition	Dec-96	Jan-98	Gas	Acquired from Occidental - will increase KN thruput to 17 percent of total U.S. supply; pipelines, storage, sales, energy services, commodity.	3,500
KN Energy; PacifiCorp		Simple Choice; en*able	Joint Venture	Feb-97		Gas/elect util; Internet, satellite TV, electronic shopping	Formed "En*able" to market "Simple Choice" (energy/telecom 1-stop shopping; home & 24 hr road security) to other utilities & to PacifiCorp's retail customers.	
KN Energy	Interenergy		Acquisition	Aug-97	Dec-97	Gas gathering, processing, marketing	Exchanged 544,604 shares KN Energy common and assume debt. Gains access to Williston Basin, Montana Power, etc.	
KN Energy	Red Cedar Gathering Co. (From Stephens Group)		Acquisition		Dec-97	Gas gathering	Gathering system in San Juan Basin. Jointly owned with the Southern Ute Indian Tribe. Facitates KN marketing at Blanco Hub, includes plants and facilities.	
KN Energy International	Igasamex		Acquisition	Sep-98	Sep-98	Converts equipment to gas use	KN acquired partial interest (based in Mexico).	
KN Energy, El Paso Natural Gas, Questar Corporation	TransColo-rado Gas Transmission Company	TransColo-rado Pipeline	Joint Venture	Dec-96 {Phase I in service}	Pending	Gas pipeline	Natural gas pipeline under construction in Colorado.	200
LG&E Energy Corp.	KU Energy	LG&E Energy Corp.	Merger	May-97	May-98	Gas/elect util		3,000
LG&E Energy Marketing; New Energy Ventures			Joint Venture			Energy services	LG&E to do metering, billing, & systems coordination. (Unaffected by LG&E decision (third quarter 98) to withdraw from merchant trading and sales.)	
Lomak Petroleum	Cabot Oil & Gas		Acquisition		Oct-97	O&G, E&P	Lomak acquired only Appalachia properties; goal asset concentration & expanded size.	93
Louis Dreyfus Natural Gas	American Exploration Company		Merger	Jun-97	Oct-97	Gas, some oil	Independent e&p company with 1.2 tcf in gas equivalent (80 percent gas).	1,100
MCNIC Pipeline & Processing	American Central Gas	American Central Eastern Texas Gas	Joint Venture	Mar-98		Gathering	MCMIC sub of MCN Energy Group to operate the alliance; also acquire 40 percent of system.	
Meridian Resource Corp.	Carin Energy USA	Meridian Resource Corp.	Merger	Jan-97		Drilling, O&G E&P	Shell subsequently acquired 40 percent interest in Meridian (see Shell).	234
MidAmerican Energy Company	AmerUS Home Services Inc.		Acquisition	Apr-98	Pending	Gas, elect util/real estate	Seen as opportunity to further expand home services.	

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Midcoast Energy Resources Inc.	Texana Pipeline Company		Acquisition	Apr-98		Gathering	Acquired 50 percent interest in the Texana joint venture in south Texas.	
Mobil Corporation, Duke Energy, Westcoast Energy	Maritimes & Northeast Pipeline		Joint Venture		Nov-99	Gas pipeline	Line to bring gas into New England from Sable Island, Canada. Mobil (25 percent), Duke (37.5 percent), Westcoast (37.5 percent).	
NIPSCO Industries Inc (IN)	Bay State Gas Co (MA)		Acquisition	Dec-97	Pending	Gas, elec	Combined co will be among 10 largest gas distribution companies with >1 million customers. Merger expected to close fall 1998.	780
NorAm; Sprint		NorAm Energy Management	Joint Venture	Jun-97	Oct-97	Energy/telecommunications	A NorAm branded package with Sprint as "bonus." It also does "comarketing" directly to business customers in OH & MA & to resid & comm customers in MA.	
Northern States Power Co.	Wisconsin Electric Power Co	Primenergy	Merger	May-95	canceled May-97	Gas, elec	Adverse regulatory climate cited as reason for ending merger process.	
NOVA Corporation; British Gas plc		NGC Corporation ("Dynergy" in '98)	Joint Venture	1984		Gas	NOVA & British Gas each own approximately 26 percent. Chevron acquired 25 percent interest in partial merger (see Chevron - Dynergy).	
Ocean Energy	Untied Meridian Corp.	Ocean Energy	Merger	Dec-97	Mar-98	Deepwater O&G in Gulf	Formed 9th largest o&g e&p company in N. America. Provides capital to develop new discoveries.	
Ocean Energy; Shell			Joint Venture	Mar-98		Offshore E&P	Covers leases in water to 1,300 ft, project inventories and 3-D data; facilitates coordinates use of rigs.	
ONEOK Resources Company	PSEC (Potts Stephenson Exploration Company)		Acquisition	Jan-98	Feb-98	O&G, E&P	Acquisition of PSEC also includes 42 percent of Sycamore Gas Gathering System. (Sold ½ of Sycamore to Duke Nov-98.)	25
PacifiCorp	TPC Corp.		Acquisition	1996	Mar-97	Gas, elec	TPC had interests in gas gathering systems, salt dome storage projects and marketing. Sold offshore assets to El Paso (see El Paso). In Oct-98 PacifiCorp announced plans to sell TPC and selected other assets as part of restructuring.	288
PacifiCorp; Northwest Natural Gas		Energy Partners Program	Joint Venture	Jul-97		Market gas and energy services	PacifiCorp plans to take venture national by teaming up with other companies.	
PacifiCorp, DPL, Inc, NIPSCO Industries, Public Service Enterprise Group		Market Hub Partners, L.P.	Limited Partnership			Gas storage	Develops, owns, and operates underground gas storage facilities. In Oct-98, PacifiCorp announced it would sell gas storage unit as part of restructuring effort.	
PanEnergy; Mobil Natural Gas Inc.		Duke Energy Trading and Marketing	Joint Venture	Jan-96		Natural gas	Markets 7 Bcf/d, 160 MWh/year, one of top 5 energy marketers in US. PanEnergy 60 percent Mobil 40 percent; Exclusive marketer for N. America gas production of Mobil.	
PanEnergy	Mobil Corporation		Divestiture	Mar-96	Aug-96	Natural gas	Mobil sold 2,600 miles of gathering and seven processing facilities and Mobil's interest in other properties.	300



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Parker & Parsley	Mesa Inc.	Pioneer Natural Resources Co.	Merger	Apr-97	Aug-97	O&G, E&P	Combines oil-rich P&P with gas-rich Mesa to form 3rd largest independent producer in U.S.	3,000
PECO Energy, British Energy	Amergen		Joint Venture	Sep-97		Nuclear power plants	Formed to acquire nuclear generation assets in North America. Oct-98, first acquisition Three Mile Island, pending regulatory review.	
PEPCO	BG&E	Constellation Energy	Merger	Sep-95	canceled Dec-97	Gas, elec	Maryland PSC required \$56 million cut in rates.	
PG&E; Atlantic Richfield Company			Strategic Alliance	Apr-98		Electricity, energy management	Long-term power purchasing agreement; also, energy management services, billing and information systems.	
PG&E	Teco Pipeline		Acquisition	Nov-96	Jan-97	Gas pipeline, gas gathering	Opportunity to expand midstream into Texas market. Included pipeline, gathering, and marketing.	380
PG&E	Valero Energy		Acquisition	Feb-97	Aug-97	Gas assets	Complements other acquisitions; good position in TX and coast-to-coast marketing.	1,500
PG&E; Ultramar Diamond Shamrock			Joint Venture	Mar-98		Complete energy systems management	Complete outsourcing by UDS of all energy services; expect to save \$356 million over life of contract; largest value deal between non-affiliated companies; 70 percent of any savings to UDS, 30 percent to PG&E.	
Pioneer Natural Resources Co.	Chauvco Resources Ltd.		Merger	Sep-97	Dec-97	Gas/oil	Consolidation of assets outside U.S.; becomes 2nd largest U.S. independent in O&G E&P.	1,200
PP&L	Penn Fuel Gas, Inc.		Merger	Jun-97	Aug-98	Gas distribution & storage; propane	Expands gas trading function; part of on-going strategy to expand portfolio of energy products and services.	121
Public Service Co. of Colorado (PSCO)	Southwestern Public Service (SPS)	New Century Energies	Merger	Aug-95	Aug-97	Gas, elec	Creates holding company with each partner a subsidiary.	
Public Service Enterprise Group; Energis Resource			Joint Venture			Energy marketing	Marketing firm launched by PSEG of Newark, NJ.	
Puget Sound Power	Washington Energy		Merger	May-95	Feb-97	Gas, elec	Would create largest combined elec/gas utility in Washington State.	
Ranger Oil Ltd.	Elan Energy Inc.		Merger	Sep-97	Sep-97	Oil & gas	Elan brings oil (especially heavy) & gas - result seen to be balanced portfolio of gas, light & heavy oil. (Canada.)	
Scottish Power	PacifiCorp	Scottish Power	Merger	Dec-98	Pending	Gas & electric utilities	Becomes one of ten largest utilities in world; 7 million customers in US, UK, & Australia	12,800
Seren Innovations; CellNet Data Systems			Joint Venture			Energy services	Joint venture to market bundled services on meter reading, billing, and credit collections.	
Shell Oil; Tejas Gas		Coral Energy Resources	Joint Venture	Jul-95		Gas	Has access to Tejas' pipelines and storage facilities; Shell dedicates over 2 Bcf/d of gas production to Coral Energy.	

**Table E1. Recent Corporate Combinations in the Natural Gas Industry (Continued)**

Acquiring Company or Partners	Acquired Company (all or part)	Brand Name or New Company Name	Type of Combination	Date Announced	Date Completed	Business Areas	Notes	Value (million dollars)
Shell	Tejas Gas Corp.	Tejas Energy, LLC	Merger	Sep-97	Jan-98	Gas	Midstream gas company; Tejas 8 Bcf/d of pipeline capacity in TX, LA, OK; storage, processing. Name changed in May-98 to reflect broader scope.	2,350
Shell	Meridian Resource Corp.		Merger	Dec-96	Mar-98	O&G	Shell acquired 39.9 percent of Meridian; Meridian acquired Shell's South Louisiana onshore properties.	
Sierra Pacific Resources	Nevada Power Co.	Sierra Pacific Resources	Merger	Apr-98	Pending	Elect, gas, water	Sierra Pacific will be the holding company.	3,772
Sonat	Zilkha Energy Co.		Merger	Nov-97	Jan-98	Gas, some oil	Successful E&P in Gulf; becomes 6th largest U.S. independent; goal is to be in top 3. In following reorganization sold other properties and consolidated units.	1,300
Sonat; AlliedSignal Inc			Joint Venture	Sep-97		Distributed power	Strategic Alliance - Sonat Power Systems Inc. to market small generators. Both members of DPCA.	
Sonat, Amoco Corporation, Tejas Energy	Destin Pipeline Company		Joint Venture	Dec-97	Jul-98	Offshore pipeline in Gulf	Construction began in Dec-97, initial opening Jul-98; plans for 2 extensions added in May-98.	512
Southern Company; Vastar		Southern Company Energy Marketing	Joint Venture	Sep-97		Markets gas, electricity, energy products and services	Provides energy trading, marketing, and financial services; other energy related commodities. Sold 5.1 bcf/d of gas in 1st quarter 1998. (Vastar is majority owned by ARCO.)	
Statoil	Eastern Group		Acquisition	1994	1998	E&P, gas marketing, energy management & services	Initial investment by Statoil began in 1994 and increased over the years. Eastern became a subsidiary of Statoil; name changed to Statoil Energy in May-98.	
Statoil Energy	Blazer Energy		Acquisition	May-97	Jul-97	O&G, E&P	Blazer (domestic E&P assets spun off Ashland in Jan-97) - assets in Appalachia & Gulf.	556
Statoil Energy	General Motors (certain assets)		Acquisition	1996	Jun-96	Developed and undeveloped gas reserves	Also included ten year supply agreement with Statoil Energy providing 28 bcf annually to GM Lordstown plant.	
Statoil Energy	Noble Corporation		Acquisition	1996	Jun-96	Gas properties	Included wells, pipeline in Ohio. (One of a number of similar acquisitions involving properties in the Ohio & West Virginia area.)	
Statoil Energy	EOF, Inc		Acquisition	1996	Dec-96	Energy services	First of several similar acquisitions in energy services. Provides services in New England as part of "Total Energy Solutions" strategy of Statoil.	
TECO Energy	Lykes Energy	Peoples Gas	Merger	Nov-96	Jun-97	Retail gas distribution, propane	TECO parent of Tampa Electric, Lykes parent of Peoples Gas, largest gas distribution in FL.	300
Texaco	Monterey Resources		Acquisition	1997	Aug-97	Oil, some gas	Reserves of 385 million BOE in California.	1,400
Texas Pacific Group	Belden & Blake Corp.		Acquisition	1997	Jun-97	Various	TPG \$1.8 billion equity fund (wineries, cinemas, airlines, waste mgmt) - leverage - goal to resell.	437
Texas Utilities	Enserch Corp.		Merger	Nov-96	Aug-97	Integrated gas company; electric power generation	ENSERCH parent of Lone Star Gas; Lone Star Pipeline; E&P to be spun off.	1,700

**Table E1. Recent Corporate Combinations in the Natural Gas Industry (Continued)**

Acquiring Company or Partners	Acquired Company (all or part)	Brand Name or New Company Name	Type of Combination	Date Announced	Date Completed	Business Areas	Notes	Value (million dollars)
Texas Utilities	Lufkin-Conroe		Acquisition	Aug-97	Pending	Tele-communications	Adds 100k telephone customers; also Internet, cellular, business long distance, and PBX services.	328
Texas Utilities Co.	The Energy Group		Merger	May-98	Jun-98	Electric power	The Energy Group is 2nd largest electric utility in the UK; To ensure approval - TU divested Energy Group's Peabody Coal to Lehman Brothers for \$2.3 billion.	7,400
Trans Canada Pipeline	NOVA Corporation		Merger	Jan-98	Jul-98	Gas pipeline	TransCanada spun off Nova Chemical upon completion of merger.	9,200
Transco (unit of Williams), AGL Resources (Atlanta Gas Light)	Cumberland Pipeline Company		Joint Venture	Dec-96		Gas pipeline	Joint venture formed initially from existing facilities, also planned expansions and new line (Cumberland).	
Tucson Electric Power	New Energy Ventures		Acquisition	1995	Sep-97	Energy marketing	TEP exercised option to acquire 50 percent New Energy Ventures; transaction in exchange for start-up capital provided in 1995 by TEP.	
Unicom Corp.; Sonat		Unicom Gas Services	Joint Venture	Aug-97		Gas marketing & services to commercial & industrial customers	Joint venture of unregulated subs: Sonat Marketing Company L.P. & Unicom Energy Services. Sonat sought Midwest marketer with desire to expand beyond area. Also seek to expand distributed power.	
Union Electric Company	CIPSCO	Ameren Corporation	Merger	Aug-95	Dec-97	Electric & gas utilities	1.5 million electric customers and 300,000 gas customers.	1,400
Union Pacific Resources	Norcen Energy Resources Ltd.		Acquisition	Jan-98	Mar-98	Gas and oil	Canadian acquisition, creates "well balanced" North American company. Increases reserves by 80 percent.	3,500
United States Exploration, Koch Industries, Enron Oil and Gas, Collins & Ware.	Union Pacific Resources		Divestiture	Apr-98	Oct-98	Various gas and oil assets of UPR	Planned "deleverging" strategy to divest \$600 million of assets following acquisition of Norcen. Sales of properties (a property trade in the case of Koch) to reduce costs and maximize assets. (Value was announced target for entire campaign.)	600
UtiliCorp	Aquila Gas Pipeline		Acquisition	Nov-98		Gas pipeline	Parent UtiliCorp announced that it will acquire the remaining 18 percent of Aquila. (In Mar-98, UtiliCorp sought to divest Aquila.)	
UtiliCorp; PECO Energy Co.		Energy One	Joint Venture		Suspended May-98	AT&T residential commercial services	"Energy One" brand; plan to expand by signing other utilities as equity partners or franchisees; work with gas & electricity	
Weatherford Enterra Inc.	EVI Inc.	EVI Weatherford	Merger	Mar-98	Mar-98	Services	Becomes fourth largest services co.	2,600
Western Atlas Inc.	Wedge Dia-Log Inc.		Merger	Mar-98	Mar-98	Services	Downhole services.	250
Western Atlas Inc.	3-D Geophysical Inc.		Merger	Mar-98	Mar-98	Services	Seismic, logging, reservoir information.	115
Western Resources	Kansas City Power & Light	Westar Energy	Merger	Feb-97	Pending	Electric power		3,240
Western Resources	ONEOK		Merger		Dec-96	Gas, elec	ONEOK to receive all gas assets, Western to get 3 mil new shares of ONEOK common stock (45 percent).	660

**Table E1. Recent Corporate Combinations in the Natural Gas Industry (Continued)**

Acquiring Company or Partners	Acquired Company (all or part)	Brand Name or New Company Name	Type of Combination	Date Announced	Date Completed	Business Areas	Notes	Value (million dollars)
Western Resources	Westinghouse (security division)		Acquisition		Dec-96	Security	Becomes 3rd largest in U.S. of monitored security systems; also holds 27 percent of ADT the #1 company.	425
Williams, Tenneco	Kern River Gas Transmission	Kern River Pipeline	Joint Venture		Apr-92	Gas pipeline	Initially held 50 percent by Tenneco, 50 percent by Williams. Williams acquired the Tenneco portion at the beginning of 1996.	
Williams Companies;	Energy Vision (Boston Edison)		Acquisition	Aug-98	Sep-98	Energy marketing and services	Originally announced in Oct-96 as a 50/50 joint venture with Boston Edison to market natural gas, electricity and energy services; began operation in Jun-97. Williams acquired remaining 50 percent in Sep-98.	
Williams Energy Services	Volunteer Energy Corporation		Acquisition	Nov-98	Nov-98	Energy services	Gas & electricity services in U.S. & UK. Part of Williams strategy to service retail markets; acquired remaining interest (Williams owned 50 percent prior to latest purchase).	
Williams Companies	Transco Energy Company		Merger		May-95	Gas pipeline	The acquisition of Transcontinental Gas Pipeline and Texas Gas Transmission gave Williams access to markets in the East and established Williams as the largest transporter of gas in the U.S.	
Williams Companies	Mapco		Merger	Nov-97	Mar-98	Natural gas, NGLs, NGL pipeline	Williams sees revenue from energy services to eventually exceed that of gas pipeline business. Viewed by Williams as a bridge until communications business matures. Mapco's Thermogas is 4th largest propane retailer in the U.S.	3,100
Wisconsin Energy Corp.	ESELCO (Edison Sault Electric Co.)	ESELCO	Merger	Mar-97	May-98	Electric/gas	ESELCO became wholly owned subsidiary of WEC.	71
Wisconsin Public Service Corporation	Upper Peninsula Energy Corporation	WPS	Merger	Jan-97	Sep-98	Gas/electric	UPEC became wholly owned subsidiary of WPSC.	

O&G = Oil & gas; E&P = Exploration & production.

Source: Energy Information Administration, Office of Oil and Gas, compiled from industry press releases and industry trade press.