

UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION

_____)
In the Matter of)
)
PHILLIPS PETROLEUM COMPANY,)
a corporation,)
)
and)
)
ENRON CORP.,)
a corporation.)
_____)

File No. 951-0037
INTERIM AGREEMENT

This Interim Agreement ("Agreement") is by and among Phillips Petroleum Company ("Phillips"), a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its principal executive offices located at Phillips Building, Bartlesville, Oklahoma 74004; Enron Corp. ("Enron") a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its principal executive offices located at 1400 Smith Street, Houston, Texas 77002; and the Federal Trade Commission ("Commission"), an independent agency of the United States Government, established under the Federal Trade Commission

Act of 1914, 15 U.S.C. § 41, et seq. (collectively, the "Parties").

PREMISES

WHEREAS, on November 15, 1994, Phillips entered into an Agreement to acquire certain voting securities from Enron, as further described in the "Acquisition" definition in the Agreement Containing Consent Order between Phillips, Enron, and the Commission; and

WHEREAS, the Commission is now investigating the Acquisition to determine whether it would violate any of the statutes enforced by the Commission; and

WHEREAS, if the Commission accepts the Agreement Containing Consent Order ("Consent Order"), the Commission must place it on the public record for a period of at least sixty (60) days and may subsequently withdraw such acceptance pursuant to the provisions of Section 2.34 of the Commission's Rules; and

WHEREAS, under the Consent Order, Enron will not sell, transfer or otherwise convey, directly or indirectly, to Phillips

certain assets listed in Schedule A of the Consent Order in connection with the Acquisition; and

WHEREAS, the Commission is concerned that if an understanding is not reached to preserve the status quo ante, divestiture resulting from any proceeding challenging the legality of the Acquisition might not be possible, or might be a less than effective remedy; and

WHEREAS, the purpose of this Agreement is to preserve the status quo ante pending Commission acceptance or rejection of the proposed Consent Order and to preserve a remedy for any anticompetitive effects of the Acquisition; and

WHEREAS, Phillips and Enron's entering into this Agreement shall in no way be construed as an admission by Phillips and Enron that the Acquisition is illegal or anticompetitive; and

WHEREAS, Phillips and Enron understand that no act or transaction contemplated by this Agreement shall be deemed immune or exempt from the provisions of the antitrust laws or the Federal Trade Commission Act by reason of anything contained in this Agreement.

NOW, THEREFORE, with the understanding that the Commission has not yet determined whether the Acquisition will be challenged, and in consideration of the Commission's agreement that, unless the Commission determines to reject the Consent Order, it will not seek further relief from Phillips and Enron with respect to the Acquisition (except that the Commission may exercise any and all rights to enforce this Agreement and the Consent Order to which it is annexed and made a part thereof,) the Parties agree as follows:

1. Phillips and Enron agree to execute and be bound by the Consent Order. Phillips, Enron, and the Commission further agree that each term defined in the Consent Order shall have the same meaning in this Agreement.

2. Phillips and Enron agree that from the date this Agreement is accepted until the earlier of the dates listed in subparagraphs 2.a. and 2.b., they will not consummate the Acquisition:

a. Three (3) business days after the Commission withdraws its acceptance of the Consent Order pursuant to the provisions of Section 2.34 of the Commission's rules; or

b. One day after the Consent Order becomes final.

3. Should the Federal Trade Commission seek in any proceeding to compel Phillips to divest itself of the voting securities acquired in the Acquisition, or assets conveyed pursuant thereto, or to seek any other injunctive or equitable relief, Phillips and Enron shall not raise any objection based on the expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 or the fact that the Commission has permitted the Acquisition. Phillips and Enron also waive all rights to contest the validity of this Agreement.

4. For the purpose of determining or securing compliance with this Agreement, subject to any legally recognized privilege, and upon written request with reasonable notice to Phillips or Enron, as the case may be, made to its principal office, Phillips or Enron, as the case may be, shall permit any duly authorized representative or representatives of the Commission:

a. Access during the office hours of the company and in the presence of counsel to inspect and copy all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of the company relating to compliance with this Agreement;

b. Without restraint or interference from it, to interview officers or employees of the company, who may have counsel present, regarding any such matters.

5. In the event the Commission has not finally issued the Consent Order within one hundred twenty (120) days of its publication in the Federal Register, Phillips or Enron may each, at its own option, terminate this Agreement by delivering written notice of termination to the Commission, which termination shall be effective ten (10) days after the Commission's receipt of such notice, and this Agreement shall thereafter be of no further force and effect. If this Agreement is so terminated, the Commission may take such action as it deems appropriate, including, but not limited to, an action pursuant to Section 13(b) of the Federal Trade Commission Act, 15 U.S.C. § 53(b). Termination of this Agreement shall in no way operate to terminate the Consent Order that Phillips and Enron have entered into in this matter.

6. This Agreement shall not be binding until approved by the Commission.

Dated: July, 1995

PHILLIPS PETROLEUM COMPANY

By: James L. Gallogly JP
James L. Gallogly
Vice President, North America
Production Division, Phillips
Petroleum Company

ENRON CORP.

By: Stanley C. Horton
Stanley C. Horton
President and Chief Operating
Officer of Enron Operations
Corp.

FEDERAL TRADE COMMISSION

By: Stephen Calkins
Stephen Calkins
General Counsel