

Targa Resources Corp.
Form S-1/A
November 22, 2010

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As filed with the Securities and Exchange Commission on November 22, 2010

Registration No. 333-169277

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Amendment No. 5
to
Form S-1**

**REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

TARGA RESOURCES CORP.

(Exact name of registrant as specified in its charter)

Delaware

*(State or other jurisdiction of
incorporation or organization)*

4922

*(Primary Standard Industrial
Classification Code Number)*

20-3701075

*(I.R.S. Employer
Identification Number)*

**1000 Louisiana, Suite 4300
Houston, Texas 77002
(713) 584-1000**

*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

**Rene R. Joyce
Chief Executive Officer
1000 Louisiana, Suite 4300
Houston, Texas 77002
(713) 584-1000**

*(Name, address, including zip code, and telephone number,
including area code, of agent for service)*

Copies to:

**David P. Oelman
Christopher S. Collins
Vinson & Elkins LLP
1001 Fannin Street, Suite 2500
Houston, Texas 77002
(713) 758-2222**

**Douglass M. Rayburn
Baker Botts L.L.P.
2001 Ross Avenue
Dallas, Texas 75201
(214) 953-6500**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting
company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated November 22, 2010

PROSPECTUS

13,750,000 Shares

Targa Resources Corp.
Common Stock

This is the initial public offering of the common stock of Targa Resources Corp. The selling stockholders identified in this prospectus, including a member of our senior management, are offering 13,750,000 shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders. No public market currently exists for our common stock.

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, an underwriter in this offering, is a selling stockholder. See *Underwriting (Conflicts of Interest)* *Conflicts of Interest*.

We have been approved to list our common stock on the New York Stock Exchange under the symbol *TRGP*.

We anticipate that the initial public offering price will be between \$19.00 and \$21.00 per share.

Investing in our common stock involves risks. See Risk Factors beginning on page 23 of this prospectus.

	Per Share	Total
Price to the public	\$	\$
Underwriting discounts and commissions ⁽¹⁾	\$	\$
Proceeds to the selling stockholders	\$	\$

⁽¹⁾ Excludes a structuring fee equal to 0.25% of the gross proceeds of this offering, or approximately \$687,500, payable by Targa Resources Corp. to Barclays Capital Inc.

Certain of the selling stockholders have granted the underwriters a 30-day option to purchase up to an additional 2,062,500 shares of common stock on the same terms and conditions as set forth above if the underwriters sell more than 13,750,000 shares of common stock in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Barclays Capital expects to deliver the shares on or about _____, 2010.

Barclays Capital

Morgan Stanley

BofA Merrill Lynch

Citi

Deutsche Bank Securities

**Credit Suisse
Raymond James**

**J.P. Morgan
RBC Capital Markets**

**Wells Fargo Securities
UBS Investment Bank**

Baird

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Prospectus dated , 2010

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You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Until _____, all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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SUMMARY

*This summary provides a brief overview of information contained elsewhere in this prospectus. Because it is abbreviated, this summary may not contain all of the information that you should consider before investing in our common stock. You should read the entire prospectus carefully, including the historical financial statements and the notes to those financial statements. Unless indicated otherwise, the information presented in this prospectus assumes that the underwriters do not exercise their option to purchase additional shares of our common stock. You should read **Risk Factors** beginning on page 23 for more information about important risks that you should consider carefully before investing in our common stock. We include a glossary of some of the terms used in this prospectus as Appendix A.*

As used in this prospectus, unless we indicate otherwise: (1) our, we, us, TRC, the Company and similar terms refer either to Targa Resources Corp., formerly Targa Resources Investments Inc., in its individual capacity or to Targa Resources Corp. and its subsidiaries collectively, as the context requires, (2) the General Partner refers to Targa Resources GP LLC, the general partner of the Partnership, and (3) the Partnership refers to Targa Resources Partners LP in its individual capacity, to Targa Resources Partners LP and its subsidiaries collectively, or to Targa Resources Partners LP together with combined entities for predecessor periods under common control, as the context requires.

Targa Resources Corp.

We own general and limited partner interests, including incentive distribution rights (IDRs), in Targa Resources Partners LP (NYSE: NGLS), a publicly traded Delaware limited partnership that is a leading provider of midstream natural gas and natural gas liquid services in the United States. The Partnership is engaged in the business of gathering, compressing, treating, processing and selling natural gas and storing, fractionating, treating, transporting and selling natural gas liquids, or NGLs, and NGL products. Our interests in the Partnership consist of the following:

a 2% general partner interest, which we hold through our 100% ownership interest in the general partner of the Partnership;

all of the outstanding IDRs of the Partnership; and

11,645,659 of the 75,545,409 outstanding common units of the Partnership, representing a 15.1% limited partnership interest in the Partnership.

Our primary business objective is to increase our cash available for distribution to our stockholders by assisting the Partnership in executing its business strategy. We may facilitate the Partnership's growth through various forms of financial support, including, but not limited to, modifying the Partnership's IDRs, exercising the Partnership's IDR reset provision contained in its partnership agreement, making loans, making capital contributions in exchange for yielding or non-yielding equity interests or providing other financial support to the Partnership, if needed, to support its ability to make distributions. In addition, we may acquire assets that could be candidates for acquisition by the Partnership, potentially after operational or commercial improvement or further development.

Our cash flows are generated from the cash distributions we receive from the Partnership. The Partnership is required to distribute all available cash at the end of each quarter after establishing reserves to provide for the proper conduct of its business or to provide for future distributions. Our ownership of the Partnership's IDRs and general partner interests entitle us to receive:

2% of all cash distributed in a quarter until \$0.3881 has been distributed in respect of each common unit of the Partnership for that quarter;

15% of all cash distributed in a quarter after \$0.3881 has been distributed in respect of each common unit of the Partnership for that quarter;

25% of all cash distributed in a quarter after \$0.4219 has been distributed in respect of each common unit of the Partnership for that quarter; and

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50% of all cash distributed in a quarter after \$0.50625 has been distributed in respect of each common unit of the Partnership for that quarter.

On November 4, 2010, the Partnership announced that management plans to recommend to the General Partner's board of directors a \$0.04 increase in the annualized cash distribution rate to \$2.19 per common unit for the fourth quarter of 2010 distribution. Based on a \$2.19 annualized rate, a quarterly distribution by the Partnership of \$0.5475 per common unit will result in a quarterly distribution to us of \$6.4 million, or \$25.5 million on an annualized basis, in respect of our common units in the Partnership. Such distribution would also result in a quarterly distribution to us of \$6.3 million, or \$25.2 million on an annualized basis, in respect of our 2% general partner interest and IDRs for total quarterly distributions of \$12.7 million, or \$50.7 million on an annualized basis.

We intend to pay to our stockholders, on a quarterly basis, dividends equal to the cash the Partnership distributes to us based on our ownership of Partnership securities, less the expenses of being a public company, other general and administrative expenses, federal income taxes, capital contributions to the Partnership and reserves established by our board of directors. Based on the current distribution policy of the Partnership, we plan to pay an initial quarterly dividend of \$0.2575 per share of our common stock, or \$1.03 per share on an annualized basis, for a total quarterly dividend of approximately \$10.9 million, or \$43.6 million on an annualized basis, per our dividend policy, which we will adopt prior to the conclusion of this offering. See Our Dividend Policy.

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The following graph shows the historical cash distributions declared by the Partnership for the periods shown to its limited partners (including us), to us based on our 2% general partner interest in the Partnership and to us based on the IDRs. The increases in historical cash distributions to both the limited partners and the general partner since the second quarter ended June 30, 2007, as reflected in the graph set forth below, generally resulted from increases in the Partnership's per unit quarterly distribution over time and the issuance of approximately 44.7 million additional common units by the Partnership over time to finance acquisitions and capital improvements. Over the same period, the quarterly distributions declared and to be recommended by the Partnership in respect of our 2% general partner interest and IDRs increased approximately 3,050% from \$0.2 million to \$6.3 million.

Quarterly Cash Distributions by the Partnership⁽¹⁾

⁽¹⁾ Represents historical quarterly cash distributions by the Partnership.

The graph set forth below shows hypothetical cash distributions payable to us in respect of our interests in the Partnership across an illustrative range of annualized distributions per common unit. This information is based upon the following:

the Partnership has a total of 75,545,409 common units outstanding; and

we own (i) a 2% general partner interest in the Partnership, (ii) the IDRs and (iii) 11,645,659 common units of the Partnership.

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The graph below also illustrates the impact on us of the Partnership raising or lowering its per common unit distribution from the fourth quarter quarterly distribution of \$0.5475 per common unit, or \$2.19 per common unit on an annualized basis, that management plans to recommend to the General Partner's board of directors. This information is presented for illustrative purposes only; it is not intended to be a prediction of future performance and does not attempt to illustrate the impact that changes in our or the Partnership's business, including changes that may result from changes in interest rates, energy prices or general economic conditions, or the impact that any future acquisitions or expansion projects, divestitures or the issuance of additional debt or equity securities, will have on our or the Partnership's results of operations.

Hypothetical Annualized Pre-Tax Partnership Distributions to Us⁽¹⁾

- ⁽¹⁾ For the fourth quarter of 2010, management plans to recommend a quarterly cash distribution of \$0.5475 per common unit, or \$2.19 per common unit on an annualized basis.

The impact on us of changes in the Partnership's distribution levels will vary depending on several factors, including the Partnership's total outstanding partnership interests on the record date for the distribution, the aggregate cash distributions made by the Partnership and the interests in the Partnership owned by us. If the Partnership increases distributions to its unitholders, including us, we would expect to increase dividends to our stockholders, although the timing and amount of such increased dividends, if any, will not necessarily be comparable to the timing and amount of the increase in distributions made by the Partnership. In addition, the level of distributions we receive and of dividends we pay to our stockholders may be affected by the various risks associated with an investment in us and the underlying business of the Partnership. Please read "Risk Factors" for more information about the risks that may impact your investment in us.

Targa Resources Partners LP

The Partnership is a leading provider of midstream natural gas and NGL services in the United States and is engaged in the business of gathering, compressing, treating, processing and selling natural gas and storing, fractionating, treating, transporting and selling NGLs and NGL products. The Partnership operates in two primary divisions: (i) Natural Gas Gathering and Processing, consisting of two segments (a) Field Gathering and Processing and (b) Coastal Gathering and Processing; and (ii) NGL Logistics and Marketing, consisting of two segments (a) Logistics Assets and (b) Marketing and Distribution.

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The Partnership currently owns interests in or operates approximately 11,372 miles of natural gas pipelines and approximately 800 miles of NGL pipelines, with natural gas gathering systems covering approximately 13,500 square miles and 22 natural gas processing plants with access to natural gas supplies in the Permian Basin, the Fort Worth Basin, the onshore region of the Louisiana Gulf Coast and the Gulf of Mexico.

Additionally, the Partnership's integrated NGL logistics and marketing division, or Downstream Business, has net NGL fractionation capacity of approximately 314 MBbl/d, 48 owned and operated storage wells with a net storage capacity of approximately 67 MMBbl, and 15 storage, marine and transport terminals with above ground NGL storage capacity of approximately 825 MBbl.

Since the beginning of 2007, the Partnership has completed six acquisitions from us with an aggregate purchase price of approximately \$3.1 billion. In addition, and over the same period, the Partnership has invested approximately \$196 million in growth capital expenditures. We believe that the Partnership is well positioned to continue the successful execution of its business strategies, including accretive acquisitions and expansion projects, and that the Partnership's inventory of growth projects should help to sustain continued growth in cash distributions paid by the Partnership.

Based on the Partnership's closing common unit price on November 15, 2010, the Partnership has an equity market capitalization of \$2.3 billion. As of September 30, 2010, the Partnership had total assets of \$3.1 billion.

Recent Transactions

On August 25, 2010, the Partnership acquired from us a 63% ownership interest in Versado Gas Processors, L.L.C. (Versado), a joint venture in which Chevron U.S.A. Inc. owns the remaining 37% interest, for a purchase price of \$247.2 million. Versado owns a natural gas gathering and processing business consisting of the Eunice, Monument and Saunders gathering and processing systems, including treating operations, processing plants and related assets (collectively, the Versado System). The Versado System includes three refrigerated cryogenic processing plants and approximately 3,200 miles of combined gathering pipelines in Southeast New Mexico and West Texas and is primarily conducted under percent of proceeds arrangements. During 2009, the Versado System processed an average of approximately 198.8 MMcf/d of natural gas and produced an average of approximately 22.2 MBbl/d of NGLs. In the first nine months of 2010, the Versado System processed an average of approximately 180.5 MMcf/d of natural gas and produced an average of approximately 20.4 MBbl/d of NGLs.

On September 28, 2010, the Partnership acquired from us a 77% ownership interest in Venice Energy Services Company, L.L.C. (VESCO), a joint venture in which Enterprise Gas Processing, LLC and Oneok Vesco Holdings, L.L.C. own the remaining ownership interests, for a purchase price of \$175.6 million. VESCO owns and operates a natural gas gathering and processing business in Louisiana consisting of a coastal straddle plant and the business and operations of Venice Gathering System, L.L.C., a wholly owned subsidiary of VESCO that owns and operates an offshore gathering system and related assets (collectively, the VESCO System). The VESCO System captures volumes from the Gulf of Mexico shelf and deepwater. For the year ended December 31, 2009 and for the nine months ended September 30, 2010, VESCO processed 363 MMcf/d and 423 MMcf/d of natural gas, respectively.

On October 8, 2010, the Partnership declared a quarterly cash distribution of \$0.5375 per common unit, or \$2.15 per common unit on an annualized basis for the third quarter of 2010, payable on November 12, 2010 to holders of record on October 18, 2010.

On November 4, 2010, the Partnership announced that management plans to recommend to the General Partner's board of directors a \$0.04 increase in the annualized cash distribution rate to \$2.19 per common unit for the fourth quarter of 2010 distribution.

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Partnership Growth Drivers

We believe the Partnership's near-term growth will be driven both by significant recently completed or pending projects as well as strong supply and demand fundamentals for its existing businesses. Over the longer-term, we expect the Partnership's growth will be driven by natural gas shale opportunities, which could lead to growth in both the Partnership's Gathering and Processing division and Downstream Business, organic growth projects and potential strategic and other acquisitions related to its existing businesses.

Organic growth projects. We expect the Partnership's near-term growth to be driven by a number of significant projects scheduled for completion in 2011 and 2012 that are supported by long-term, fee-based contracts. These projects include:

Cedar Bayou Fractionator expansion project: The Partnership is currently constructing approximately 78 MBbl/d of additional fractionation capacity at the Partnership's 88% owned Cedar Bayou Fractionator (CBF) in Mont Belvieu for an estimated gross cost of \$78 million.

Benzene treating project: A new treater is under construction which will operate in conjunction with the Partnership's existing low sulfur natural gasoline (LSNG) facility at Mont Belvieu and is designed to reduce benzene content of natural gasoline to meet new, more stringent environmental standards. The treater has an estimated gross cost of approximately \$33 million.

Gulf Coast Fractionators expansion project: The Partnership has announced plans by Gulf Coast Fractionators (GCF), a partnership with ConocoPhillips and Devon Energy Corporation in which the Partnership owns a 38.8% interest, to expand the capacity of its NGL fractionation facility in Mont Belvieu by 43 MBbl/d for an estimated gross cost of \$75 million.

SAOU Expansion Program: The Partnership has announced a \$30 million capital expenditure program including new compression facilities and pipelines as well as expenditures to restart the 25 MMcf/d Conger processing plant in response to strong volume growth and new well connects.

The Partnership has successfully completed both large and small organic growth projects that are associated with its existing assets and expects to continue to do so in the future. These projects have involved growth capital expenditures of approximately \$245 million since 2005 and include an LSNG project, operations improvements and efficiency enhancements, opportunistic commercial development activities, and other enhancements.

Strong supply and demand fundamentals for the Partnership's existing businesses. We believe that the current strength of oil, condensate and NGL prices and of forecast prices for these energy commodities has caused producers in and around the Partnership's natural gas gathering and processing areas of operation to focus their drilling programs on regions rich in these forms of hydrocarbons. Liquids rich gas is prevalent from the Wolfberry Trend and Canyon Sands plays, which are accessible by the SAOU processing business in the Permian Basin (known as SAOU), the Wolfberry and Bone Springs plays, which are accessible by the Sand Hills system, and from oilier portions of the Barnett Shale natural gas play, especially portions of Montague, Cooke, Clay and Wise counties, which are accessible by the North Texas System.

Producer activity in areas rich in oil, condensate and NGLs is currently generating high demand for the Partnership's fractionation services at the Mont Belvieu market hub. As a result, fractionation volumes have recently increased to near existing capacity. Until additional fractionation capacity comes on-line in 2011, there will be limited incremental supply of fractionation services in the area. These strong supply and demand fundamentals have resulted in long-term, take-or-pay contracts for existing capacity and support the construction of new fractionation capacity, such as the

Partnership's CBF and GCF expansion projects. The Partnership is continuing to see rates for fractionation services increase. The

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higher volumes of fractionated NGLs should also result in increased demand for other related fee-based services provided by the Partnership's Downstream Business.

Natural gas shale opportunities. The Partnership is actively pursuing natural gas gathering and processing and NGL fractionation opportunities associated with many of the active, liquids rich natural gas shale plays, such as certain regions of the Marcellus Shale and Eagle Ford Shale. We believe that the Partnership's leadership position in the NGL Logistics and Marketing business, which includes the Partnership's fractionation services, provides the Partnership with a competitive advantage relative to other gathering and processing companies without these capabilities.

Potential third party acquisitions related to the Partnership's existing businesses. While the Partnership's recent growth has been partially driven by the implementation of a focused drop down strategy, our management team also has a record of successful third party acquisitions. Since our formation, our strategy has included approximately \$3 billion in acquisitions and growth capital expenditures.

Our management team will continue to manage the Partnership's business after this offering, and we expect that third-party acquisitions will continue to be a significant focus of the Partnership's growth strategy.

The Partnership's Competitive Strengths and Strategies

We believe the Partnership is well positioned to execute its business strategy due to the following competitive strengths:

The Partnership is one of the largest fractionators of NGLs in the Gulf Coast region.

The Partnership's gathering and processing businesses are predominantly located in active and growth oriented oil and gas producing basins.

The Partnership provides a comprehensive package of services to natural gas producers.

The Partnership's gathering and processing systems and logistics assets consist of high-quality, well maintained assets, resulting in low cost, efficient operations.

The Partnership maintains gathering and processing positions in strategic oil and gas producing areas across multiple basins and provides services under attractive contract terms to a diverse mix of customers.

Maintaining appropriate leverage and distribution coverage levels and mitigating commodity price volatility allow the Partnership to be flexible in its growth strategy and enable it to pursue strategic acquisitions and large growth projects.

The executive management team which formed TRI Resources Inc., formerly Targa Resources, Inc., in 2004 and continues to manage Targa today possesses over 200 years of combined experience working in the midstream natural gas and energy business.

The Partnership's Challenges

The Partnership faces a number of challenges in implementing its business strategy. For example:

The Partnership has a substantial amount of indebtedness which may adversely affect its financial position.

The Partnership's cash flow is affected by supply and demand for oil, natural gas and NGL products and by natural gas and NGL prices, and decreases in these prices could adversely affect its results of operations and financial condition.

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The Partnership's long-term success depends on its ability to obtain new sources of supplies of natural gas and NGLs, which depends on certain factors beyond its control. Any decrease in supplies of natural gas or NGLs could adversely affect the Partnership's business and operating results.

If the Partnership does not make acquisitions or investments in new assets on economically acceptable terms or efficiently and effectively integrate new assets, its results of operations and financial condition could be adversely affected.

The Partnership is subject to regulatory, environmental, political, legal and economic risks, which could adversely affect its results of operations and financial condition.

The Partnership's growth strategy requires access to new capital. Tightened capital markets or increased competition for investment opportunities could impair its ability to grow.

The Partnership's hedging activities may not be effective in reducing the variability of its cash flows and may, in certain circumstances, increase the variability of its cash flows.

The Partnership's industry is highly competitive, and increased competitive pressure could adversely affect the Partnership's business and operating results.

For a further discussion of these and other challenges we face, please read [Risk Factors](#).

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Our Structure and Ownership After This Offering

We were formed in October 2005 as a Delaware corporation to become the top-tier holding company for TRI Resources Inc., formerly Targa Resources, Inc. We currently have outstanding a total of (i) 6,409,697 shares of Series B Convertible Participating Preferred Stock par value \$0.001 per share (Series B Preferred) held by affiliates of Warburg Pincus LLC (Warburg Pincus), an affiliate of Bank of America and members of management and (ii) 10,228,520 shares of common stock held by members of management and other employees.

All shares of our outstanding Series B Preferred were issued in connection with our formation in October 2005 either by way of purchase or exchange. All shares of our outstanding common stock were issued under our 2005 Stock Incentive Plan as a direct issuance, as a result of option exercises or in exchange for Series B Preferred options.

Following effectiveness of the registration statement of which this prospectus forms a part, (1) we will effect a 1 for 2.05 reverse split of our common stock to reduce the number of shares of our common stock that are currently outstanding and (2) all of our shares of Series B Preferred will automatically convert into shares of common stock, based on (a) the 10 to 1 conversion ratio applicable to the Series B Preferred plus (b) the accreted value per share (which includes accrued and unpaid dividends) of the Series B Preferred divided by the initial public offering price for this offering after deducting underwriting discounts and commissions, in each case after giving effect to the reverse split. We also expect to issue equity awards that total approximately 1.9 million shares of common stock in connection with the offering under a new stock incentive plan. Please see Management Executive Compensation Compensation Discussion and Analysis Changes in Connection with the Completion of this Offering for a description of the new stock incentive plan and the proposed initial grant under the plan.

As described above, the number of shares of common stock to be issued upon conversion of our preferred stock will depend on the initial public offering price as well as the accreted value of the preferred stock. For purposes of this preliminary prospectus, we have presented all common stock ownership amounts and percentages based on an assumed initial public offering price of \$20.00 per share, which is the midpoint of the range of prices shown on the cover of this preliminary prospectus as of the date hereof and an accreted value of the Series B Preferred of \$80 million.

The following chart depicts our organizational and ownership structure after giving effect to this offering and the transactions described above. Upon completion of this offering, there will be a total of 42,292,381 common shares outstanding, consisting of the following:

Affiliates of Warburg Pincus will own 18,604,233 shares of common stock, representing a 44.0% ownership interest in us.

An affiliate of Bank of America will own 1,652,159 shares of common stock representing a 3.9% ownership interest in us.

Our employees, including our executive officers, will own approximately 8.3 million shares of common stock, representing a 19.6% ownership interest in us, including the approximately 1.9 million shares of common stock we expect to issue under the new stock incentive plan to be adopted in conjunction with this offering.

Our public stockholders will own 13,750,000 shares of common stock, representing a 32.5% ownership interest in us.

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We will indirectly own 100% of the ownership interest in the General Partner, which will own the 2% general partner interest in the Partnership and all of the Partnership's IDR's.

We will indirectly own 11,645,659 of the Partnership's 75,545,409 outstanding common units, representing a 15.1% limited partner interest in the Partnership.

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**Our Simplified Organizational Structure
Following this Offering⁽¹⁾**

- (1) Gives effect to our corporate reorganization as described above under Our Structure and Ownership After This Offering, the sale of common stock offered by the selling stockholders in this offering, and awards of common stock that will be granted to the directors and executive officers upon the closing of this offering.

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The Offering

Common stock offered to the public	13,750,000 shares
Common stock to be outstanding after this offering	42,292,381 shares ⁽¹⁾
Over-allotment option	Certain of the selling stockholders have granted the underwriters a 30-day option to purchase up to an aggregate of 2,062,500 additional shares of our common stock to cover over-allotments.
Use of proceeds	We will not receive any proceeds from this offering.
Dividend policy	<p>We intend to pay to our stockholders, on a quarterly basis, dividends equal to the cash we receive from our Partnership distributions, less reserves for expenses, future dividends and other uses of cash, including:</p> <ul style="list-style-type: none">federal income taxes, which we are required to pay because we are taxed as a corporation;the expenses of being a public company;other general and administrative expenses;reserves our board of directors believes prudent to maintain; andcapital contributions to the Partnership upon the issuance by it of additional partnership securities if we choose to maintain the General Partner's 2% interest.
Dividends	<p>Based on the current distribution policy of the Partnership, our expected federal income tax liabilities, our expected level of other expenses and reserves, we expect that our initial quarterly dividend rate will be \$0.2575 per share. We expect to pay a prorated dividend for the portion of the fourth quarter of 2010 that we are public in February 2011.</p> <p>However, we cannot assure you that any dividends will be declared or paid by us. Based on the distributions paid by the Partnership to its unitholders for each of the immediately preceding four quarters, we believe we would have been able to pay the initial quarterly dividend to our shareholders for each of the immediately preceding four quarters. We expect that we will be able to pay the initial quarterly dividend for the three months ending December 31, 2010 and each of the four quarters in the year ending December 31, 2011. Please read Our Dividend Policy.</p>
Tax	For a discussion of the material tax consequences that may be relevant to prospective stockholders who are non-U.S. holders

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(as defined below), please read **Material U.S. Federal Income Tax Consequences to Non-U.S. Holders.**

Risk factors You should carefully read and consider the information beginning on page 23 of this prospectus set forth under the heading **Risk Factors** and all other information set forth in this prospectus before deciding to invest in our common stock.

New York Stock Exchange symbol TRGP

Conflicts of interest An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated, an underwriter in this offering, is selling 1,110,280 shares of common stock in connection with this offering and will own 1,652,159 shares of our common stock, representing a 3.9% ownership interest in us on a fully diluted basis upon completion of this offering. Because of this relationship, this offering is being conducted in accordance with Rule 2720 of the NASD Conduct Rules (which are part of the FINRA Rules). This rule requires, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of due diligence with respect to, this prospectus and the registration statement of which this prospectus is a part. Barclays Capital Inc. is acting as the qualified independent underwriter. See **Underwriting (Conflicts of Interest) Conflicts of Interest.**

(1) This number gives effect to the assumed common stock split, to conversion of our outstanding preferred stock into shares of our common stock and to the expected issuance of shares of common stock under our new stock incentive plan, all of which are described under **Our Structure and Ownership After This Offering.**

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Comparison of Rights of Our Common Stock and the Partnership's Common Units

Our shares of common stock and the Partnership's common units are unlikely to trade, either by volume or price, in correlation or proportion to one another. Instead, while the trading prices of our shares and the common units may follow generally similar broad trends, the trading prices may diverge because, among other things:

common unitholders of the Partnership have a priority over the IDRs with respect to the Partnership distributions;

we participate in the General Partner's distributions and IDRs and the common unitholders do not;

we and our stockholders are taxed differently from the Partnership and its common unitholders; and

we may enter into other businesses separate and apart from the Partnership or any of its affiliates.

An investment in common units of a partnership is inherently different from an investment in common stock of a corporation.

	Partnership's Common Units	Our Shares
Distributions and Dividends	<p>The Partnership pays its limited partners and the General Partner quarterly distributions equal to all of the available cash from operating surplus. The General Partner has a 2% general partner interest.</p> <p>Common unitholders do not participate in the distributions to the General Partner or in the IDRs.</p>	<p>We intend to pay our stockholders, on a quarterly basis, dividends equal to the cash the Partnership distributes to us based on our ownership of Partnership interests, less federal income taxes, which we are required to pay because we are taxed as a corporation, the expenses of being a public company, other general and administrative expenses, capital contributions to the Partnership upon the issuance by it of additional Partnership securities if we choose to maintain the General Partner's 2% interest and reserves established by our board of directors.</p>
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