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

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 5, 2011**

**ENERGY TRANSFER EQUITY, L.P.**

(Exact name of Registrant as specified in its charter)

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

**001-32740  
(Commission  
File Number)**

**30-0108820  
(IRS Employer  
Identification Number)**

**3738 Oak Lawn  
Dallas, Texas 75219**  
(Address of principal executive offices, including zip code)

**(214) 981-0700**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### **Item 7.01. Regulation FD Disclosure.**

Energy Transfer Equity, L.P. (the “Partnership”) and Southern Union Company (“SUG”) issued a joint press release announcing that the two companies have entered into an amended and restated merger agreement pursuant to which the Partnership will acquire SUG for \$8.9 billion, including \$5.1 billion in cash and common units of the Partnership. Under the terms of the amended and restated merger agreement, SUG stockholders can elect to exchange their common shares for \$40.00 in cash or 0.903 common units of the Partnership. The maximum cash component is 60% of the aggregate consideration and the common unit component can fluctuate between 40% and 50%. Elections in excess of either the cash or common unit limits will be subject to proration. As noted in the press release, the Partnership will host a conference call at 8:00 a.m. Central time on July 5, 2011 to discuss the transaction details.

Copies of the joint press release and the investor presentation to be discussed on the investor conference call are furnished herewith as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference. Interested parties can also review the investor presentation by visiting the Partnership’s web site at: <http://www.energytransfer.com> under “Presentations.”

The Partnership and Energy Transfer Partners, L.P. (“ETP”) issued a joint press release announcing that the two partnerships have entered into a definitive merger agreement pursuant to which the Partnership will contribute to ETP by merger a 50% interest in Citrus Corp., which owns 100% of the Florida Gas Transmission pipeline system and is currently jointly owned by SUG and El Paso Corporation, in exchange for approximately \$1.9 billion, subject to the successful consummation of the merger between the Partnership and SUG. A copy of the joint press release is furnished herewith as Exhibit 99.3 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and in the attached Exhibits 99.1, 99.2 and 99.3 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

### **Item 8.01. Other Events.**

To the extent required, the information included in Item 7.01 of this Form 8-K is hereby incorporated by reference into this Item 8.01.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 99.1	Energy Transfer Equity, L.P. Press Release dated July 5, 2011 Announcing Entry into Amended and Restated Agreement and Plan of Merger with Southern Union Company.
Exhibit 99.2	Investor Presentation dated July 5, 2011.
Exhibit 99.3	Energy Transfer Equity, L.P. Press Release dated July 5, 2011 Announcing Entry into Agreement and Plan of Merger with Energy Transfer Partners, L.P.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Energy Transfer Equity, L.P.**

By: LE GP, LLC,  
its general partner

Date: July 5, 2011

By: /s/ John W. McReynolds  
John W. McReynolds  
President and Chief Financial Officer

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**EXHIBIT INDEX**

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**ENERGY TRANSFER EQUITY REVISES AGREEMENT TO ACQUIRE SOUTHERN  
UNION FOR \$8.9 BILLION, INCLUDING \$5.1 BILLION IN CASH AND ETE  
COMMON UNITS**

- **Highly compelling offer that provides \$40.00 per share in cash or significant potential upside in owning ETE common units**
- **Shareholders holding 14% of SUG common stock have agreed to support transaction and accept ETE common units**
- **\$3.3 billion in committed financing secured from Credit Suisse**
- **Messrs. Lindemann and Herschmann voluntarily terminate consulting and non-compete agreements**

**DALLAS and HOUSTON — July 5, 2011** — Energy Transfer Equity, L.P. (NYSE:ETE) and Southern Union Company (NYSE:SUG) today announced that they have entered into an amended and restated merger agreement under which ETE will acquire SUG for \$8.9 billion, including \$5.1 billion in cash and ETE common units.

Under the terms of the revised agreement, which has been unanimously approved by the boards of directors of both companies, SUG shareholders can elect to exchange their common shares for \$40.00 of cash or 0.903 ETE common units. The maximum cash component is 60% of the aggregate consideration and the common unit component can fluctuate between 40% and 50%. Elections in excess of either the cash or common unit limits will be subject to proration.

The revised purchase price represents a significant increase in value being paid to SUG shareholders and more than a 42% premium to the closing price of SUG common stock on June 15, 2011, the last trading day prior to the announcement of the original merger agreement.

The revised agreement provides, at the SUG shareholders' option, certainty of value through substantial cash consideration per SUG share and significant potential upside from ETE common units at a compelling fixed exchange ratio and on a tax-deferred basis. The merger is not subject to any financing contingency as ETE has secured approximately \$3.3 billion in committed financing from Credit Suisse to fund the cash consideration to SUG shareholders.

“We have listened to SUG shareholders and are providing a superior yet simpler transaction, including a significant cash component and the opportunity to benefit from ETE’s upside through the ownership of ETE common units,” said Kelcy Warren, ETE’s Chairman of the Board of Directors and largest unitholder. “The revised ETE / Southern Union agreement delivers superior value, highly compelling equity participation and certainty to close for SUG shareholders. The Southern Union board and I strongly believe that ETE is the right partner for Southern Union and that the combination of our companies is in the best interests of our investors, customers and employees.”

ETE has received signed support agreements from shareholders representing 14% of SUG's total shares outstanding, who will pre-elect to receive ETE common units as their consideration, subject to the same proration as all other shareholders.

George L. Lindemann, Chairman and CEO of SUG, said, "We are pleased to be able to deliver superior value to our shareholders, with greater certainty to close, through this transaction with ETE. This deal creates strategic benefits that could not be achieved through any other industry combination. Our businesses are highly complementary and the combination will provide a broader range of services and market access that our existing and future customers demand."

Eric D. Herschmann, Vice Chairman, President and COO of SUG, added, "Our combination with ETE is the best path forward for this company and our shareholders, who will be able to elect, subject to the proration provision, to exchange their SUG shares for a guaranteed cash payment at closing or opt to participate in the potential upside of the combined companies through long-term equity ownership in ETE."

Prior to receipt of ETE's revised offer, Messrs. Lindemann and Herschmann informed ETE management and a Special Committee of SUG directors that, given their significant combined shareholdings of SUG, they had voluntarily determined to terminate their consulting and non-compete agreements with ETE included in the original merger agreement entered into on June 15, 2011. ETE has accepted the voluntary termination of those agreements.

In a sign of its commitment and confidence that it can complete this transaction in or before the first quarter of 2012, ETE has agreed to divest businesses, to the extent required by regulators, to ensure federal anti-trust approvals for the proposed ETE / SUG transaction will not delay or prohibit the closing. ETE has already begun the approval process with its HSR and Missouri regulatory filings.

In connection with the revised merger agreement, ETE also announced a binding agreement for the drop down of Southern Union Company's 50% interest in Citrus Corp., which owns 100% of the Florida Gas Transmission pipeline system, to Energy Transfer Partners, L.P. (NYSE: ETP), a publicly traded partnership, for \$1.9 billion in cash. The drop down of this interest in Citrus Corp. is subject to the closing of ETE's acquisition of SUG and is not subject to any financing condition on the part of ETP or ETP unitholder approval.

"The drop down of Citrus to ETP allows ETE to deleverage its balance sheet upon closing and provides ETP with an interest in one of the best pipeline systems in the United States," said Mr. Warren.

Credit Suisse Securities (USA) LLC acted as exclusive financial advisor to ETE, with Latham & Watkins LLP, Bingham McCutchen LLP and Potter Anderson having acted as legal counsel. Evercore Partners and Goldman Sachs Group Inc are serving as financial advisors to the Special Committee of the board of directors of SUG. Sullivan & Cromwell LLP and Morris Nichols Arhst and Tunnell LLP are serving as legal advisors to the Special Committee. Locke Lord Bissell & Liddell LLP and Roberts & Holland LLP are serving as legal counsel to SUG.

#### **Conference Call**

ETE will host a conference call today at 8:00 a.m. central time (9:00 a.m. eastern time) to discuss the transaction details. The dial-in number for the call is 1-800-299-7928 in the United States, or 1-617-614-3926 outside the United States. The participant pass code is 24145462. Additionally, the conference call will be broadcast live via an Internet web cast at [www.energytransfer.com](http://www.energytransfer.com). The call will be available for replay on this web site or by dialing 1-888-286-8010 in the



United States, or 1-617-801-6888 outside the United States. The participant pass code for the replay is 54319475. The replay will be available for a limited time.

**Energy Transfer Equity, L.P.** (NYSE:ETE) is a publicly traded partnership, which owns the general partner and 100 percent of the incentive distribution rights (IDRs) of ETP and approximately 50.2 million ETP limited partner units; and owns the general partner and 100 percent of the IDRs of RGNC and approximately 26.3 million RGNC limited partner units. For more information, visit the Energy Transfer Equity, L.P. web site at [www.energytransfer.com](http://www.energytransfer.com).

**Energy Transfer Partners, L.P.** (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP has pipeline operations in Arizona, Arkansas, Colorado, Louisiana, New Mexico, Utah and West Virginia and owns the largest intrastate pipeline system in Texas. ETP currently has natural gas operations that include more than 17,500 miles of gathering and transportation pipelines, treating and processing assets, and three storage facilities located in Texas. ETP also holds a 70 percent interest in Lone Star NGL LLC (“Lone Star”), a joint venture that owns and operates NGL storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. ETP is also one of the three largest retail marketers of propane in the United States, serving more than one million customers across the country. For more information, visit the Energy Transfer Partners, L.P. web site at [www.energytransfer.com](http://www.energytransfer.com).

**Regency Energy Partners LP** (NASDAQ:RGNC) is a growth-oriented, midstream energy partnership engaged in the gathering, contract compression, processing, marketing and transporting of natural gas and natural gas liquids. RGNC also owns the remaining 30 percent interest in Lone Star. RGNC’s general partner is owned by ETE. For more information, visit the Regency Energy Partners LP web site at [www.regencyenergy.com](http://www.regencyenergy.com).

**Southern Union Company** (NYSE:SUG), headquartered in Houston, is one of the nation’s leading diversified natural gas companies, engaged primarily in the transportation, storage, gathering, processing and distribution of natural gas. The company owns and operates one of the nation’s largest natural gas pipeline systems with more than 20,000 miles of gathering and transportation pipelines and one of North America’s largest liquefied natural gas import terminals, along with serving more than half a million natural gas end-user customers in Missouri and Massachusetts. For further information, visit [www.sug.com](http://www.sug.com).

### **Forward-Looking Statements**

This press release may include certain statements concerning expectations for the future, including statements regarding the anticipated benefits and other aspects of the proposed transactions described above, that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond the control of the management teams of ETE, ETP, RGNC or SUG. Among those is the risk that conditions to closing the transactions are not met or that the anticipated benefits from the proposed transactions cannot be fully realized. An extensive list of factors that can affect future results are discussed in the reports filed with the Securities and Exchange Commission by ETE, ETP, RGNC and SUG. Neither ETE, ETP, RGNC nor SUG undertakes any obligation to update or revise any forward-looking statement to reflect new information or events.

### **Additional Information**

In connection with the transaction, ETE and SUG will file a joint proxy statement / prospectus and other documents with the SEC. **Investors and security holders are urged to carefully read**

**the definitive joint proxy statement / prospectus when it becomes available because it will contain important information regarding ETE, SUG and the transaction.**

A definitive joint proxy statement / prospectus will be sent to stockholders of SUG seeking their approval of the transaction. Investors and security holders may obtain a free copy of the definitive joint proxy statement / prospectus (when available) and other documents filed by ETE and SUG with the SEC at the SEC's web site, [www.sec.gov](http://www.sec.gov). The definitive joint proxy statement / prospectus (when available) and such other documents relating to ETE may also be obtained free of charge by directing a request to Energy Transfer Equity, L.P., Attn: Investor Relations, 3738 Oak Lawn Avenue, Dallas, Texas 75219, or from ETE's web site, [www.energytransfer.com](http://www.energytransfer.com). The definitive joint proxy statement / prospectus (when available) and such other documents relating to SUG may also be obtained free of charge by directing a request to Southern Union Company, Attn: Investor Relations, 5444 Westheimer Road, Houston, Texas 77056, or from SUG's web site, [www.sug.com](http://www.sug.com).

ETE, SUG and their respective directors and executive officers may, under the rules of the SEC, be deemed to be "participants" in the solicitation of proxies in connection with the proposed transaction. Information concerning the interests of the persons who may be "participants" in the solicitation will be set forth in the joint proxy statement / prospectus when it becomes available.

The information contained in this press release is available on the ETE web site at [www.energytransfer.com](http://www.energytransfer.com).

**Energy Transfer Equity**

Investors:

Energy Transfer Equity  
Brent Ratliff  
(214) 981-0700

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Dan Burch / Lawrence Dennedy  
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Vicki Granado  
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**Southern Union Company**

Investors:

Richard N. Marshall  
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Media:

John P. Barnett  
(713) 989-7556



**Energy Transfer Equity, L.P.**  
Acquisition of Southern Union Company  
Investor Presentation – July 5, 2011

Southern Union Company 

 ENERGY TRANSFER

## Legal Disclaimer



This presentation may contain statements about future events, outlook and expectations of Energy Transfer Equity, L.P. (ETE), Energy Transfer Partners, L.P. (ETP), Regency Energy Partners LP (RGNC), and Southern Union Company (SUG) (collectively, the "Companies"), all of which are forward-looking statements. Any statement in this presentation that is not a historical fact may be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that are believed to be reasonable, but are subject to a number of risks, uncertainties and other factors, many of which are outside the Companies' control, and which could cause the actual results, performance or achievements of the Companies to be materially different. Among those is the risk that conditions to closing the transaction are not met or that the anticipated benefits from the proposed transaction cannot be realized. While the Companies believe that the assumptions concerning future events are reasonable, we caution that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of our businesses. These risks and uncertainties are discussed in more detail in the filings made by the Companies with the Securities and Exchange Commission, copies of which are available to the public. The Companies expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and, with respect to pipeline transportation capacity, are subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

### Additional Information

In connection with the transaction, ETE and SUG will file a joint proxy statement / prospectus and other documents with the SEC. Investors and security holders are urged to carefully read the definitive joint proxy statement / prospectus when it becomes available because it will contain important information regarding ETE, SUG and the transaction.

A definitive joint proxy statement / prospectus will be sent to stockholders of SUG seeking their approval of the transaction. Investors and security holders may obtain a free copy of the definitive joint proxy statement / prospectus (when available) and other documents filed by ETE and SUG with the SEC at the SEC's website, [www.sec.gov](http://www.sec.gov). The definitive joint proxy statement / prospectus (when available) and such other documents relating to ETE may also be obtained free of charge by directing a request to Energy Transfer Equity, L.P., Attn: Investor Relations, 3738 Oak Lawn Avenue, Dallas, Texas 75219, or from ETE's website, [www.energytransfer.com](http://www.energytransfer.com). The definitive joint proxy statement / prospectus (when available) and such other documents relating to SUG may also be obtained free of charge by directing a request to Southern Union Company, Attn: Investor Relations, 5444 Westheimer Road, Houston, Texas 77056, or from SUG's website, [www.sug.com](http://www.sug.com).

ETE, SUG and their respective directors and executive officers may, under the rules of the SEC, be deemed to be "participants" in the solicitation of proxies in connection with the proposed transaction. Information concerning the interests of the persons who may be "participants" in the solicitation will be set forth in the joint proxy statement / prospectus when it becomes available.

## Revised Transaction Overview



- ETE and SUG have entered into a revised Merger Agreement, unanimously adopted by the Boards of Directors of both companies
- SUG shareholders can elect \$40.00 in cash or 0.903 ETE common units per SUG common share
  - Transaction value well in excess of \$40.00 per SUG share
  - Election subject to proration so that aggregate consideration will be a maximum of 60% cash or up to a maximum of 50% ETE common units
- Simplified transaction structure modified to provide certainty of value
  - Based on ETE's 2-day volume-weighted average price, the implied value of the stock component is \$40.50 per SUG share
  - Represents more than a 42% premium to the closing price of SUG common stock on June 15, 2011
  - Significant upside participation through ownership in ETE common units
    - Recent ~12% increase in distributions not reflected in ETE unit price because of SUG transaction uncertainty
  - SUG shareholders defer taxes for portion of consideration received in ETE common units
- Transaction structure maintains credit profile benefit from prior transaction for enlarged Energy Transfer family
- Committed acquisition financing to fund cash consideration
  - ETE and ETP have agreed to the pre-arranged drop-down of Southern Union's 50% interest in Citrus Corp., the owner of Florida Gas Transmission Company, LLC, to ETP for \$1.9 billion in cash
- No antitrust concerns based on "hell or high water" commitment
- Holders of 14% of SUG's common shares have signed support agreements and agreed to pre-elect ETE common unit consideration
- Transaction on track for 1Q 2012 closing

## More value for SUG shareholders



- ETE believes its revised proposal is superior to the offer from Williams ("WMB") for many reasons
  - Higher premium with potential for continued upside to SUG shareholders
  - More tax efficient structure for SUG shareholders who receive ETE common units
  - No financing or regulatory issues

	ETE	WMB
Offer	<b>\$40 cash / 0.903 ETE units</b>	<b>\$39</b>
Premium to Unaffected Share Price	<b>More than 42%</b>	<b>38%</b>
Material Upside Potential	<b>Yes</b>	<b>No</b>
Ability to Defer Taxes	<b>Yes</b>	<b>No - Fully taxable</b>
Diligence	<b>Done</b>	<b>Ongoing</b>
Financing	<b>Committed</b>	<b>?</b>
Antitrust Issues	<b>None</b>	<b>Likely</b>
Timing to Close	<b>On track for 1Q 2012</b>	<b>?</b>

**ETE's Merger Agreement provides superior value and certainty to SUG shareholders relative to WMB's proposal**

## Strategic Rationale for ETE Unitholders



- Attractive, immediate and long-term accretion to ETE's distributable cash flow
- Strong commercial and operational fit with existing natural gas and natural gas liquids operations
- Attractive, complementary assets aligned with ETE's growth strategy
  - Provides larger, more competitive interstate and midstream platform with significantly enhanced and expanded geographic diversity
  - Adds significant demand-side market-centric pipelines to Energy Transfer's asset portfolio
  - Additional organic growth opportunities in strategic geographical locations across the United States
- Significantly increases fee-based revenues from long-term contracts with strong credit quality customers
- Ability to realize immediate meaningful operational and commercial synergies
- Diversifies ETE's cash flow profile, resulting in a significant portion of pro forma cash flow sourced from large scale, regulated and investment grade operations
- Potential for additional asset "drop-downs" or asset sales over time will further enhance value

## Benefits to SUG Shareholders



- Attractive, immediate financial impact for SUG shareholders
  - More than a 42% premium to the unaffected closing price on June 15, 2011
  - Flexibility for shareholders to elect cash or ETE common units
  - Up to 50% ETE common unit election provides opportunity for significant upside to SUG shareholders based on SUG shareholders' individual investment objectives
    - Ability to defer tax for SUG shareholders receiving ETE common units
    - Increase in annualized dividend yield from 2% to 5.6%<sup>(1)</sup>
    - Tax characteristics of ETE distributions are more advantageous than SUG dividends
- Transaction certainty for SUG shareholders
  - Committed financing in place
  - No antitrust concerns expected
- Enhanced long-term position as this transaction combines SUG's attractive end-user position in major energy-consuming markets with Energy Transfer's unique asset footprint proximate to major natural gas producing basins

**Provides superior transaction value including a significant cash component, highly compelling equity participation and certainty to close**



(1) Based on annualized quarterly distribution announced on 6/30/2011 of \$0.625 per unit and the closing unit price of \$44.68 as of 7/1/2011.

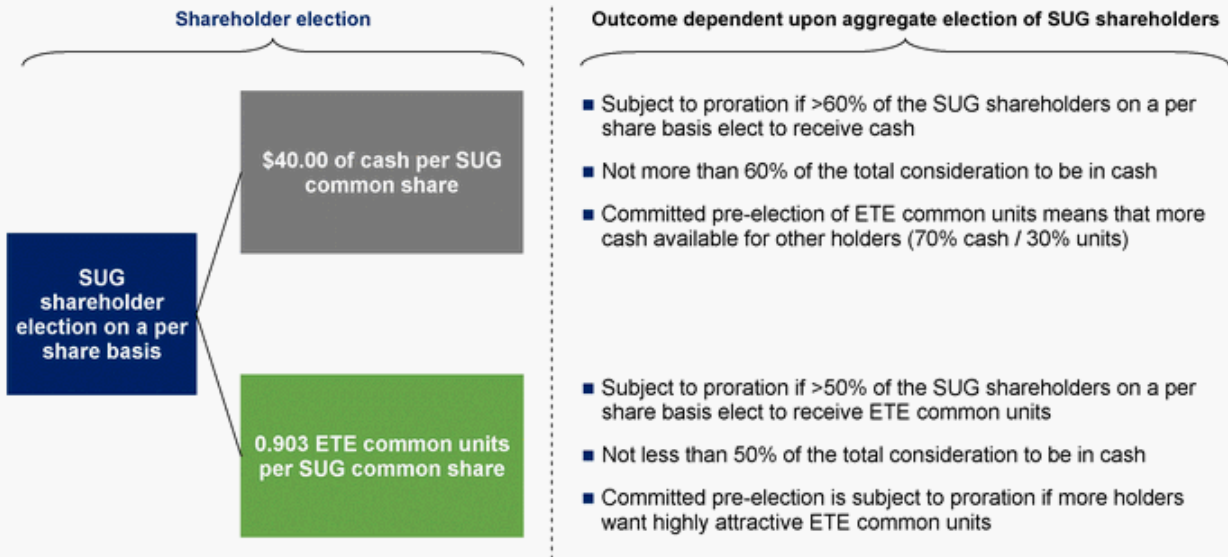




# Consideration Mechanism



- Each SUG shareholder may elect to receive \$40.00 cash or 0.903 ETE common units on a per share basis
- Total mix of consideration dependent upon election of SUG shareholders



**A compelling proposition for all SUG shareholders**

## Overview of Citrus Transaction



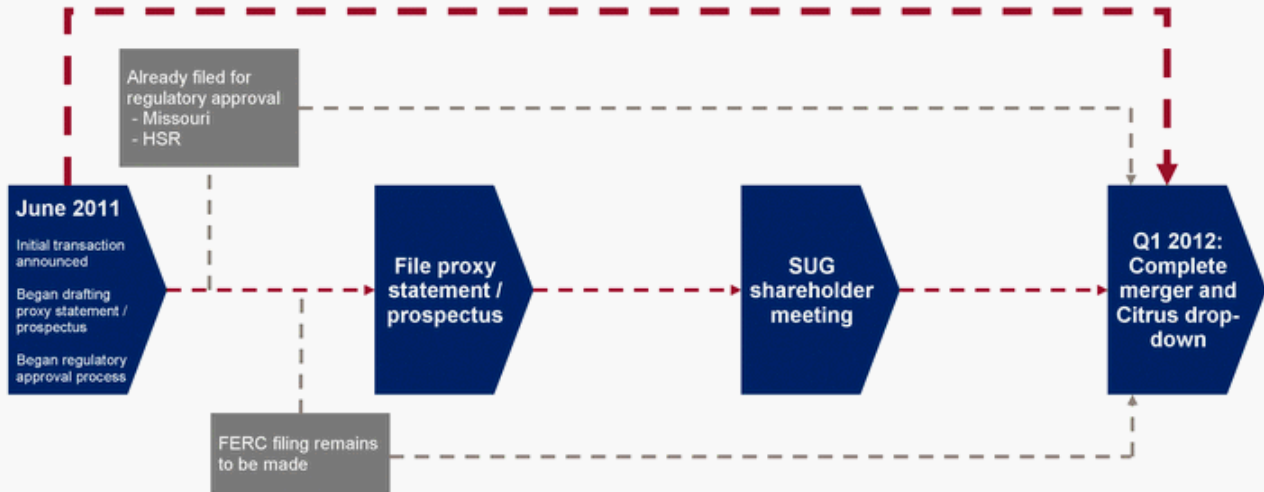
- ETE and ETP have negotiated the pre-arranged drop-down of SUG's 50% interest in Citrus Corp., the owner of Florida Gas Transmission Company, LLC, into ETP for \$1.9 billion in cash
  - Florida Gas Transmission Company, LLC is a 5,500 mile interstate pipeline with a throughput capacity of 3.2 Bcf/d
  - Upon closing of this drop-down transaction, ETP will be the operator and El Paso Corporation will own the remaining 50% interest
  - Transaction is expected to close concurrently with or shortly after the ETE / SUG closing and is expected to be accretive to ETP
- Transaction will provide multiple strategic advantages to ETP
  - Citrus is a premier pipeline providing access to the strong Florida market
  - Expands ETP's fast growing Interstate Transportation segment and adds significant demand-side market-centric pipelines to ETP's asset portfolio
  - Significantly increases fee-based revenue and long-term contracts supported by high credit quality customers
- This transaction has been approved by Conflicts Committees of ETE and ETP
  - There are no financing contingencies
  - No ETP unitholder vote is required
- ETP expects to fund the drop-down transaction with financings that are consistent with its commitment to maintaining investment grade credit metrics
- The \$1.9 billion of proceeds will be used to repay a substantial portion of the acquisition financing incurred by ETE to fund the cash consideration to be paid to SUG shareholders
- Transaction will be structured to defer any gain realization for ETE or SUG

# Illustrative Transaction Timeline



- Integration plan will be put in place immediately resulting in one functional organization at closing
- Have already made HSR and Missouri regulatory filings

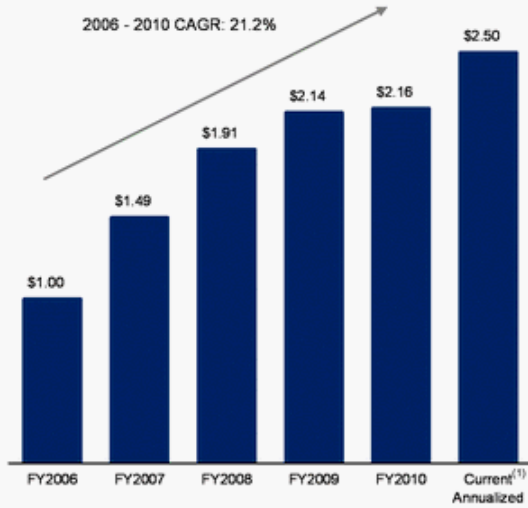
**~9 months from initial announcement to closing due to regulatory approvals**



# ETE Relative Performance



## ETE Distribution Growth



## Relative ETE - Total Return



Since January 2009, ETE unitholders have experienced total returns of 229%



(1) Based on annualized quarterly distribution announced on 6/30/2011 of \$0.625 per unit.

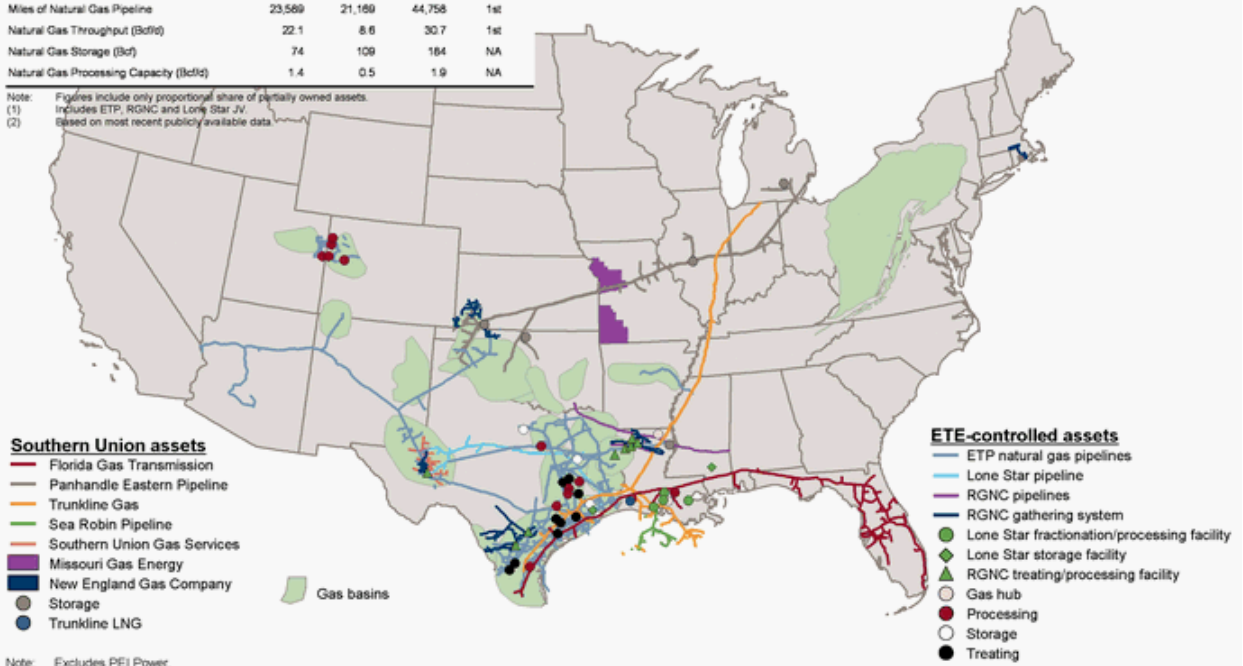


# Combined Asset Footprint



	Energy Transfer <sup>(1)</sup>	SUG	Combined	Rank <sup>(2)</sup>
Miles of Natural Gas Pipeline	23,589	21,169	44,758	1st
Natural Gas Throughput (Bofyd)	22.1	8.6	30.7	1st
Natural Gas Storage (Bcf)	74	109	184	NA
Natural Gas Processing Capacity (Bcf/d)	1.4	0.5	1.9	NA

Note: Figures include only proportional share of partially owned assets.  
 (1) Includes ETP, RGNC and Lone Star JV.  
 (2) Based on most recent publicly available data.



Note: Excludes PEI Power.





**ENERGY TRANSFER PARTNERS ANNOUNCES AGREEMENT FOR  
50% INTEREST IN CITRUS CORP., OWNER OF FLORIDA GAS TRANSMISSION**

**Transaction Contingent on Consummation of Merger of Energy Transfer Equity  
and Southern Union Company**

DALLAS, TEXAS — July 5, 2011 — **Energy Transfer Partners, L.P.** ([NYSE:ETP](#)) and **Energy Transfer Equity, L.P.** ([NYSE:ETE](#)) today announced that the two partnerships have signed a definitive agreement pursuant to which ETE will contribute to ETP by merger an indirect 50% interest in Citrus Corp., which owns 100% of the Florida Gas Transmission pipeline system, in exchange for approximately \$1.9 billion. The contribution of the 50% equity interest in Citrus is subject to the successful consummation of the merger between Southern Union Company (NYSE:SUG) and ETE. Citrus Corp. is currently jointly owned by SUG and El Paso Corporation. Earlier today, ETE and SUG announced that they have entered into an amended and restated merger agreement under which ETE will acquire all of the outstanding common stock of SUG for cash and ETE common units.

“The 5,500-mile Florida Gas Transmission system is one of the premier interstate pipelines in the country and will provide ETP with strategic access to the Florida market,” said Mackie McCrea, ETP’s President and Chief Operating Officer. “This transaction will add significant demand-driven pipeline assets to ETP’s interstate pipeline portfolio. Florida Gas supplied approximately 63% of the natural gas consumed in Florida last year, and its primary customers are utilities with strong investment grade credit ratings. FGT’s long-term contracts with these high credit quality customers are expected to increase ETP’s already growing fee-based revenue stream.”

ETE expects its acquisition of SUG to close in the first quarter of 2012. Upon the closing of that acquisition, ETE would contribute to ETP by merger the interest in Citrus. ETP expects to fund substantially all of the \$1.9 billion purchase price initially through the issuance of long-term debt. In turn, ETE will use these proceeds to repay a substantial portion of the acquisition financing incurred by ETE to fund the cash consideration to be paid to SUG shareholders. ETP also intends to issue sufficient additional equity to maintain its investment grade credit rating and to use the proceeds from such equity issuances to repay other indebtedness and fund capital expenditures. In order to increase the expected accretion to be derived from Citrus, ETE has agreed to relinquish its rights to approximately \$220 million of the incentive distributions from ETP that ETE would otherwise be entitled to receive over 16 consecutive quarters following the closing of the transaction. Based on the projections used in connection with the transaction, it is expected that Citrus would be immediately accretive to ETP unitholders. As part of the transaction, ETE has also granted ETP a right of first offer with respect to any disposition of another SUG subsidiary, Southern Union Gas Services (SUGS). SUGS owns and operates a natural gas gathering and processing system serving the Permian Basin in West Texas and New Mexico.

The Conflicts Committee of ETP’s Board of Directors approved the transaction with ETE. All of the members of the Conflicts Committee are independent directors and had received a full delegation of authority to approve the transaction. The transaction is subject to a number of

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closing conditions, including the closing of the merger between ETE and SUG. ETP was advised by Vinson & Elkins with respect to the transaction and Prickett, Jones & Elliott served as counsel to the committee. RBS Securities Inc. acted as financial advisor to the committee.

Credit Suisse Securities (USA) LLC acted as exclusive financial advisor to ETE, with Latham & Watkins LLP having acted as legal counsel.

**Energy Transfer Partners, L.P.** ( [NYSE:ETP](#) ) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP has pipeline operations in Arizona, Arkansas, Colorado, Louisiana, New Mexico, Utah and West Virginia and owns the largest intrastate pipeline system in Texas. ETP currently has natural gas operations that include more than 17,500 miles of gathering and transportation pipelines, treating and processing assets, and three storage facilities located in Texas. ETP also holds a 70 percent interest in Lone Star NGL LLC, a joint venture that owns and operates NGL storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. ETP is also one of the three largest retail marketers of propane in the United States, serving more than one million customers across the country. For more information, visit the Energy Transfer Partners, L.P. web site at [www.energytransfer.com](http://www.energytransfer.com).

**Energy Transfer Equity, L.P.** ( [NYSE:ETE](#) ) is a publicly traded partnership, which owns the general partner and 100 percent of the incentive distribution rights (IDRs) of ETP and approximately 50.2 million ETP limited partner units; and owns the general partner and 100 percent of the IDRs of Regency Energy Partners LP and approximately 26.3 million Regency limited partner units. For more information, visit the Energy Transfer Equity, L.P. web site at [www.energytransfer.com](http://www.energytransfer.com).

This press release may include certain statements concerning expectations for the future, including statements regarding the anticipated benefits and other aspects of the proposed transactions described above, that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond the control of the management teams of ETE or ETP. Among those is the risk that conditions to closing the transactions are not met or that the anticipated benefits from the proposed transactions cannot be fully realized. An extensive list of factors that can affect future results are discussed in the reports filed with the Securities and Exchange Commission by ETE and ETP. Neither ETE nor ETP undertakes any obligation to update or revise any forward-looking statement to reflect new information or events.

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