

**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): **June 27, 2011**

**SOUTHERN UNION COMPANY**

(Exact name of registrant as specified in its charter)

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

**1-6407**  
(Commission File Number)

**75-0571592**  
(I.R.S. Employer Identification  
No.)

**5444 Westheimer Road**  
(Address of principal executive offices)

**77056-5306**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 989-2000**

**N/A**

(Former name or former address, if changed since last report)

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.**

On June 27, 2011, counsel to the special committee (the "Special Committee") of the Board of Directors (the "Board") of Southern Union Company (the "Company") received a letter from The Williams Companies, Inc. ("Williams") responding to a request for clarification of certain aspects of Williams' proposal to acquire all of the issued and outstanding shares of the Company's common stock for \$39.00 per share in cash (the "Williams Proposal"). A copy of that letter (the "Williams Response Letter") is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Following receipt of the Williams Response Letter, the Board, after consultation with its legal and financial advisors, made the determinations which are required by the Agreement and Plan of Merger (the "Merger Agreement") entered in to by the Company and Energy Transfer Equity, L.P. ("ETE") on June 15, 2011 to permit the Company to enter into negotiations or discussions with Williams, or to provide information to Williams in connection with the Williams Proposal (provided Williams enters into an appropriate confidentiality agreement), including the determination that the failure to take such actions would be reasonably likely to constitute a breach by the Board of its fiduciary duties. The Board's determination does not mean that it has determined that the Williams Proposal currently constitutes a "Superior Offer" as defined in the Merger Agreement.

On June 27, 2011, counsel to the Company sent a letter to ETE: (i) informing ETE of the Board's receipt of the Williams Response Letter; and (ii) advising ETE that, after consultation with its financial advisors and outside legal counsel and making the determinations required by Section 5.4 of the Merger Agreement, the Board is providing Williams with a confidentiality agreement on substantially the same terms as the confidentiality agreement that ETE entered into with the Company. A copy of that letter is attached hereto as Exhibit 99.2 and incorporated herein by reference.

At this time, the Board reaffirms its recommendation of the Merger Agreement.

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 and 99.2 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 No.</u>	<u>Description</u>
99.1	June 27, 2011 Letter from The Williams Companies, Inc. to Sullivan & Cromwell, LLP.
99.2	June 26, 2011 Letter from Locke Lord Bissell & Liddell, LLP to Energy Transfer Equity, 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.

SOUTHERN UNION COMPANY

June 28, 2011

By:                      /s/ Robert M. Kerrigan, III  
Robert M. Kerrigan, III  
Vice President, Assistant General Counsel & Secretary

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### EXHIBIT INDEX

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JAMES J. BENDER  
Senior Vice President  
and General Counsel  
918/573-8705  
918/573-5942 fax  
jim.bender@williams.com



June 27, 2011

Joseph B. Frumkin  
Partner  
Sullivan & Cromwell  
125 Broad Street  
New York, NY 10004

Dear Mr. Frumkin:

I am writing in response to your letter dated June 26, 2011.

The following details will provide you with a greater understanding of our proposal to acquire 100% of the issued and outstanding common stock of Southern Union at \$39.00 per share in cash. While we do not believe any response from Williams is required for the Special Committee of Southern Union's Board of Directors to determine that our proposal is superior, we are responding quickly because we believe it is in the best interests of both companies' shareholders to consummate the proposed transaction as soon as possible.

Together with its outside advisors, Williams has carefully considered the regulatory approvals required for a combination of Williams and Southern Union. Williams has identified the likely potential regulatory issues and has developed a comprehensive response plan, including potential divestitures. Williams is fully prepared to take, and to commit in the definitive agreement to take, all required actions to address all these issues. Based on this plan, we expect to receive all required approvals on a timeline consistent with the proposed Energy Transfer transaction. We look forward to sitting down with Southern Union and its advisors on a privileged basis to review the plan and address any further questions.

With respect to our financing plan, we reiterate that our proposal is not subject to any financing contingency. Upon the signing of a definitive merger agreement with Southern Union, Williams will have executed customary financing commitment letters from a syndicate of banks led by Barclays Capital and Citi sufficient to finance the merger transaction and all necessary refinancing and expenses. Once the Southern Union Special Committee concludes that the Williams proposal is superior and enters into negotiations, we will be prepared to share additional details related to our financing plan.

Williams \$39.00 per share all-cash proposal provides significantly greater value to all Southern Union shareholders than they would receive from Energy Transfer and a path to realize such premium value that is more transparent, more expedient and more certain. We expect we will be

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in a position, to consummate the proposed transaction on a timeline consistent with the proposed Energy Transfer transaction. We are confident the Special Committee of Southern Union's Board of Directors and Southern Union shareholders will find our significantly higher value, all-cash proposal superior to the proposed Energy Transfer transaction.

We look forward to sitting down with Southern Union to finalize a definitive agreement.

Sincerely,

A handwritten signature in cursive script that reads "James J. Bender". Below the signature, the name "James J. Bender" is printed in a small, sans-serif font.  
James J. Bender

**LLB&L**  
Locke Lord Bissell & Liddell LLP  
Attorneys & Counselors

2200 Ross Avenue, Suite 2200  
Dallas, Texas 75201-6776  
Telephone: 214-740-8000  
Fax: 214-740-8800  
www.lockelord.com

Don Glendenning  
Direct Telephone: (214) 740-8623  
email: dglendenning@lockelord.com

June 27, 2011

Via Facsimile (214) 981 - 0703  
and Via E-Mail: tom.mason@energytransfer.com

Energy Transfer Equity, L.P.  
3738 Oak Lawn Avenue  
Dallas, Texas 75291  
Attention: General Counsel

Via Facsimile (713) 546 - 5401  
and Via E-Mail: bill.finnegan@lw.com and sean.wheeler@lw.com

Latham & Watkins LLP  
717 Texas Avenue, 16th Floor  
Houston, Texas 77002

Attention: William N. Finnegan IV, Esq.  
Sean T. Wheeler, Esq.

**Re: Unsolicited Proposal Received from The Williams Companies, Inc.**

Dear Tom, Bill and Sean:

Pursuant to Section 5.4 of the Agreement and Plan of Merger by and among Energy Transfer Equity, L.P., Sigma Acquisition Corporation and Southern Union Company dated as of June 15, 2011, we are writing on behalf of Southern Union Company to furnish you a copy of a letter from The Williams Companies, Inc. delivered this afternoon to counsel for Southern Union responding to requests for clarifications. After consultation with its financial advisors and outside legal counsel and making the determinations required by Section 5.4, the Board of Directors of Southern Union is providing to The Williams Companies, Inc. a confidentiality agreement on substantially the same terms as the confidentiality agreement that Energy Transfer Equity, L.P. entered into with Southern Union.

Kindest personal regards,

Yours sincerely,



Don M. Glendenning

Enclosure

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco, Washington DC

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