

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

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|--|-----------------------|
| In the Matter of Southern Union Company) | |
| d/b/a Missouri Gas Energy, Sigma Acquisition) | |
| Corporation and Energy Transfer Equity, L.P.) | |
| for an Order Authorizing them to Perform in) | Case No. GM-2011-0412 |
| Accordance with a Merger Agreement and) | |
| to Undertake Related Transactions) | |

INFORMATIONAL FILING

COMES NOW, Southern Union Company, d/b/a Missouri Gas Energy (“Southern Union”) and respectfully submits to the Missouri Public Service Commission (“Commission”) the following informational filing with respect to its recently-approved merger with Energy Transfer Equity, L.P. (“ETE”):

1. In the Non-Unanimous Stipulation and Agreement approved by the Commission in this matter, Southern Union and ETE noted that they were taking steps to ensure that no ratings agency would downgrade Southern Union’s credit rating following the closing of the Transaction.¹ Southern Union and ETE noted, however, the remote possibility that one ratings agency – Standard & Poor’s (“S&P”) - might downgrade Southern Union’s Credit rating following the closing of the Transaction.² In the Non-Unanimous Stipulation and Agreement, ETE and Southern Union detailed steps that they would take in the event of such a downgrade.³

¹ Non-Unanimous Stipulation and Agreement, GM-2011-0412, p. 13, FN5.

² Id.

³ Id. at pp. 13-15 and p. 13 at FN5.

2. Southern Union is pleased to attach (as Exhibit A) a March 28, 2012 press release from Standard & Poor's (S&P) which, among other things, notes that S&P affirmed Southern Union's credit rating.⁴

WHEREAS, Southern Union respectfully submits this informational filing.

Respectfully submitted,

/s/

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⁴ The press release notes that:

- ETE completed the acquisition of diversified energy company Southern Union.
- The acquisition makes ETE a more diverse entity with additional stable cash flow producing assets and debt leverage that S&P expects to be adequate for the rating.
- S&P raised its corporate credit and other ratings on ETE to 'BB' from 'BB-' and removed ETE from CreditWatch with positive implications.
- S&P affirmed its 'BBB-' ratings on Southern Union and removed Southern Union from "CreditWatch with negative implications."
- S&P affirmed its ratings on subsidiaries Energy Transfer Partners L.P. (BBB-/Negative/--) and Regency Energy Partners L.P. (BB/Stable/--).
- S&P noted that the stable outlook on ETE reflects S&P's expectation for continued stability in the distribution payments it receives from its ownership interests in Southern Union and other entities.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic transmission to all counsel of record on this 29th day of March, 2012.

Lera Shemwell
Public Service Commission
200 Madison Street
Jefferson City, MO 65102

Marc Poston
Office of Public Counsel
200 Madison Street
Jefferson City, MO 65102

/s/
Todd J. Jacobs

Energy Transfer Equity L.P. Ratings Raised On Completed Acquisition; Outlook Stable

Publication date: 28-Mar-2012 17:53:47 EST

U.S. midstream energy master limited partnership Energy Transfer Equity L.P. (ETE) completed the acquisition of diversified energy company Southern Union Co. (SUG).

The acquisition makes ETE a more diverse entity with additional stable cash flow producing assets and debt leverage that we expect to be adequate for the rating.

We raised our corporate credit and other ratings on ETE to 'BB' from 'BB-' and removed them from CreditWatch with positive implications.

We affirmed our 'BBB-' ratings on SUG and removed them from CreditWatch with negative implications.

We affirmed our ratings on subsidiaries Energy Transfer Partners L.P. (BBB-/Negative/--) and Regency Energy Partners L.P. (BB/Stable/--).

The stable outlook on ETE reflects our expectation for continued stability in the distribution payments it receives from its ownership interests in SUG and other entities.

NEW YORK (Standard & Poor's) March 28, 2012--Standard & Poor's Ratings Services today raised its corporate credit ratings on Energy Transfer Equity L.P. (ETE) to 'BB' from 'BB-' and removed them from CreditWatch, where they were placed with positive implications on Feb. 23, 2012. The outlook is stable.

We raised the ratings on ETE's senior notes to 'BB' from 'BB-' and assigned a 'BB' rating to the \$2.3 billion term bank loan due 2019; our recovery rating on both the notes and term loan is '3'. At the same time, we affirmed our corporate credit ratings on Southern Union Co. (SUG) and removed them from CreditWatch with negative implications. The ratings were originally placed on CreditWatch with developing implications on July 20, 2011; the CreditWatch implications were revised to negative on Nov. 15, 2011. The outlook is stable. In addition, we affirmed our ratings on subsidiaries Energy Transfer Partners L.P. (BBB-/Negative/--) and Regency Energy Partners L.P. (BB/Stable/--).

"The upgrade on Energy Transfer Equity L.P. [ETE] is based on our view that ETE is now a larger, more diverse entity with additional stable cash flow producing assets and the inclusion of Southern Union Co. [SUG] into ETE's asset base enables slightly higher debt leverage metrics for the 'BB' rating," said Standard & Poor's credit analyst William Ferara. The acquisition also results in a noticeable improvement in ETE's cash flow diversity, which reduces its reliance on incentive distribution cash flows from Energy Transfer Partners L.P. (ETP) and Regency Energy Partners L.P. (RGP) (primarily ETP).

We affirmed our ratings on SUG because there is no change in our view of the company's business and financial risk profile. We allowed for some ratings separation as certain structural features are in place between ETE and SUG. Specifically, SUG amended and included key provisions within its certificate of incorporation to ensure separateness. SUG will have an independent director on its board, whose vote is required for a potential bankruptcy filing or to amend its certificate of incorporation. Also present is a substantive nonconsolidation opinion, to the effect that SUG would not be substantively consolidated with ETE if ETE files for bankruptcy. Ratings between the two, however, are still linked because SUG is a wholly owned subsidiary of ETE and effectively controls its balance sheet and dividend actions. SUG warrants a 'BBB-' rating on a stand-alone basis, in our view, and we expect it to maintain debt to EBITDA in the low-4x area and to reduce holding company debt accordingly pro forma for any potential asset sales.

The stable rating outlook on ETE reflects our expectation for continued stability in the distribution payments it receives from its ownership interests in ETP, SUG, and RGNC. We expect ETE to slightly deleverage its balance sheet following the SUG transaction, with stand-alone and consolidated debt to EBITDA of roughly 3.5x and 5.5x, respectively. We could lower the ratings on ETE if its stand-alone or consolidated debt to EBITDA ratios are sustained above 4x and 6x, respectively, or if it pursues large acquisitions that do not improve its business risk or consolidated cash flow profile. A downgrade of

ETP would not necessarily lead to a lower rating on ETE unless we believe there is a greater risk that distributions to ETE will decrease.

Higher ratings on ETE are not contemplated, absent a materially more conservative financial policy.

RELATED CRITERIA AND RESEARCH

Rating Criteria For U.S. Midstream Energy Companies, Dec. 18, 2008

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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