

At a session of the Public Service Commission held at its office in Jefferson City on the 29th day of February, 2012.

File No. GM-2011-0412

Effective Date: March 10, 2012

On February 16, 2012, the Commission's Staff and each of the applicants filed a Non-Unanimous Stipulation and Agreement that resolves all issues in the case. Public Counsel, the only other party, did not sign the stipulation and agreement. However, the stipulation and agreement indicates Public Counsel does not oppose the agreement and does not intend to request a hearing regarding the application. Commission Rule 4 CSR 240-2.115(2) provides that other parties have seven days in which to object to a non-

unanimous stipulation and agreement. If no party files a timely objection to a stipulation and agreement, the Commission may treat it as a unanimous stipulation and agreement.

Public Counsel filed a response to the stipulation and agreement on February 23. Public Counsel does not oppose the stipulation and agreement and does not request a hearing. However, it filed a response to explain that it did not sign the stipulation and agreement because it distrusts Southern Union's credibility following what it describes as Southern Union's attempt to renege on a similar consumer-protecting agreement included in a 2003 stipulation and agreement made when Southern Union acquired Panhandle Eastern Pipeline Company. Public Counsel complains that Southern Union has recently filed an application asking the Commission for relief from one of the provisions of the 2003 stipulation and agreement.

Southern Union's application for relief from that stipulation and agreement is currently pending before the Commission in File No. GE-2011-0282. But the Commission notes that section 4.A of the stipulation and agreement in this case requires Southern Union to withdraw its application in GE-2011-0282 with prejudice upon Commission approval of the stipulation and agreement.

Public Counsel does not object to the stipulation and agreement and does not request a hearing. Therefore, for the purpose of considering that stipulation and agreement, the Commission will treat it as a unanimous stipulation and agreement, while recognizing Public Counsel's reservations about the agreement.

On February 29, Staff, Southern Union, Energy Transfer Equity, and Sigma Acquisition filed an addendum to their stipulation and agreement indicating that it was the intent of all signatories that:

any existing or future holding company or holding companies intermediary between Energy Transfer Equity, L.P. and Southern Union Company shall be fully bound by the provisions of the Non-unanimous Stipulation and Agreement in the same manner as ETE.

The signatories to the addendum again indicate that Public Counsel does not object to the addendum.

After reviewing the stipulation and agreement, as clarified by the February 29 addendum, the Commission independently finds and concludes that the stipulation and agreement, as clarified, is a reasonable resolution of the issues addressed by that stipulation and agreement and that such stipulation and agreement should be approved. The Commission will authorize the applicants to perform in accordance with the terms of their merger agreement, subject to the terms and conditions set forth in the stipulation and agreement.

Specifically, the Commission finds that, subject to the terms set forth in the stipulation and agreement, which shall bind Southern Union Company and its parent companies (and any successors or assigns thereof) as well as the terms of the stipulation and agreement in GM-2003-0238, which, except as expressly addressed in the stipulation and agreement in this case and approved by the Commission, shall continue to bind Southern Union (and which Southern Union's parent companies and successors or assigns thereof shall not cause Southern Union to contravene), the transaction described in the Application is not detrimental to the public interest.

Because no party opposes the relief granted in this order, and because the parties request that the Commission approve the stipulation and agreement as soon as possible, the Commission will make this order effective in ten days.

THE COMMISSION ORDERS THAT:

1. The non-unanimous stipulation and agreement filed on February 16, 2012, as clarified by the February 29 addendum, is approved and the signatories to that stipulation and agreement are ordered to comply with its terms. A copy of the stipulation and agreement and addendum are attached to this order.

2. Southern Union Company, Sigma Acquisition Corporation, and Energy Transfer Equity, L.P. are authorized to perform in accordance with, or as may be permitted by or result from, the terms of the Merger Agreement, which, among other things, shall result in the effectuation of the Transaction.

3. To the extent necessary under the terms of the stipulation and agreement approved by the Commission in Case No. GM-2003-0238 and/or the terms of the stipulation and agreement approved by the Commission in Case No. GO-2005-0019, Southern Union is authorized to (1) cause the Citrus Merger to occur through the merger of Citrus ETP with and into CrossCounty and (2) cause PEPL Holdings to guarantee payment on a contingent recourse basis, of up to \$2.0 billion of indebtedness of ETP (or, in the alternative, to indemnify a subsidiary of ETP for payments made by such subsidiary with respect to a guarantee of up to \$2.0 billion of indebtedness of ETP by such subsidiary).

4. Southern Union Company shall never be an obligor with respect to the guarantee and this guarantee shall otherwise be non-recourse to Southern Union Company.

5. The Commission grants such other relief as may be necessary and appropriate to accomplish the purposes of the Transaction and the Amended Application

and to consummate the Transaction and related undertakings in accordance with the Merger Agreement.

6. This order shall become effective on March 10, 2012.

BY THE COMMISSION

(S E A L)

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name of the Secretary.

Steven C. Reed
Secretary

Gunn, Chm., Jarrett and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge