

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

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)	

JOINT RECOMMENDATION

Come now Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC), Southern Union Company ("Southern Union"), d/b/a Missouri Gas Energy ("MGE"), Sigma Acquisition Corporation ("Sigma") and Energy Transfer Equity, L.P. ("ETE"), (hereinafter "the Parties") and for their Joint Recommendation respectfully state as follows to the Missouri Public Service Commission:

1. By Order dated January 17, 2012, the Commission directed the Parties, no later than February 3, 2012, to file their joint recommendation as to how the Commission should proceed to consider the application which is the subject of this case.

2. The Parties continue to be actively engaged in the process of pursuing a settlement of this matter. A comprehensive settlement document has been prepared and circulated among the Parties and the Parties have met and discussed same on several occasions, most recently January 30, 2012. As a result of these discussions, it appears that few issues remain but the Parties do not know whether settlement will occur.

3. In view of this and while the ultimate outcome of these settlement negotiations cannot be determined with certainty at this time, the Parties now anticipate that on or before February 10, 2012, they will either execute and file with the Commission a settlement document or notify the Commission that establishment of a procedural schedule is appropriate.

WHEREFORE, the Parties respectfully submit this Joint Recommendation.

Respectfully submitted,

/s/Lera Shemwell

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to all counsel of record this 3rd day of February, 2012.

/s/ James C. Swearengen