

## APPENDIX 9

Copies of the balance sheets and income statements of Southern Union, ETE, and Sigma as well as a *pro forma* balance sheet and income statement of the surviving corporation and a statement regarding an estimate of the impact of the merger on Southern Union's Missouri jurisdictional operations relative to the Transaction.

## Selected Unaudited Pro Forma Condensed Combined Financial Information

The following selected unaudited pro forma condensed combined balance sheet data as of June 30, 2011 of Southern Union Company ("Southern Union") has been prepared to give effect to the Southern Union and Energy Transfer Equity, L.P. ("ETE") merger as if the merger had occurred on June 30, 2011. The following selected unaudited pro forma condensed combined statement of operations data of Southern Union for the six months ended June 30, 2011 and for the year ended December 31, 2010 have been prepared to give effect to the merger as if the merger had occurred on January 1, 2010.

The following selected unaudited pro forma condensed combined financial information is not necessarily indicative of the results that might have occurred had the merger taken place on June 30, 2011 for balance sheet purposes, and on January 1, 2010 for statement of operations purposes, and is not intended to be a projection of future results. Future results may vary significantly from the results reflected because of various factors.

### SOUTHERN UNION COMPANY UNAUDITED PRO FORMA COMBINED BALANCE SHEET As of June 30, 2011 (in thousands)

	Southern Union Historical	Merger Sub Historical	Pro Forma Adjustments	Southern Union Pro Forma
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 3,013	\$ -	\$ 1,895,000 (b) (1,895,000) (b)	\$ 3,013
Accounts receivable, net of allowance for doubtful accounts	262,293	-	-	262,293
Accounts receivable from related parties	7,863	-	-	7,863
Inventories	174,040	-	-	174,040
Exchange receivable	72,006	-	-	72,006
Other current assets, including deferred natural gas purchase costs	83,637	-	-	83,637
Total current assets	602,852	-	-	602,852
Property, plant and equipment, net	5,697,513	-	1,897,401 (a)	7,594,914
Advances to and investments in affiliates	1,587,863	-	438,336 (a) (2,000,000) (b) 105,000 (b)	131,199
Goodwill	89,227	-	1,489,320 (a)	1,578,547
Other non-current assets, including regulatory assets, deferred charges and intangibles, net	212,614	-	(40,655) (a)	171,959
Total assets	\$ 8,190,069	\$ -	\$ 1,889,402	\$ 10,079,471
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 198,357	\$ -	\$ -	\$ 198,357
Exchange payable	152,211	-	-	152,211
Price risk management liabilities	56,200	-	-	56,200
Other current liabilities, including accrued interest and income taxes payable	198,218	-	-	198,218
Notes payable and current maturities of long-term debt	1,011,751	-	(6,902) (a) (445,000) (b)	559,849
Total current liabilities	1,616,737	-	(451,902)	1,164,835
Long-term debt, less current maturities	2,705,534	-	304,606 (a)	3,010,140
Accumulated deferred income taxes	1,059,345	-	834,699 (a)	1,894,044
Long-term price risk management liabilities	12,310	-	-	12,310
Other non-current liabilities	190,892	-	-	190,892
Commitments and contingencies				
Shareholders' equity	2,605,251	-	2,651,999 (a) (1,450,000) (b)	3,807,250
Total liabilities and equity	\$ 8,190,069	\$ -	\$ 1,889,402	\$ 10,079,471

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

**Selected Unaudited Pro Forma Condensed Combined Financial Information**  
**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**  
**Six Months Ended June 30, 2011**  
**(Dollars in thousands)**

	Southern Union Historical	Merger Sub Historical	Pro Forma Adjustments	Southern Union Pro Forma
Revenue:				
Natural gas operations	\$ 1,369,870	\$ -	\$ -	\$ 1,369,870
Other	8,559	-		8,559
Total revenues	<u>1,378,429</u>	<u>-</u>	<u>-</u>	<u>1,378,429</u>
Cost and expenses:				
Cost of products sold--natural gas operations	741,207	-	-	741,207
Operating, maintenance and general	244,852	-	-	244,852
Depreciation and amortization	118,622	-	37,948 (c)	156,570
Revenue-related taxes and taxes other than on income	50,694	-	-	50,694
Total costs and expenses	<u>1,155,375</u>	<u>-</u>	<u>37,948</u>	<u>1,193,323</u>
Operating income	223,054	-	(37,948)	185,106
Other income (expense):				
Interest expense, net of interest capitalized	(110,504)	-	21,973 (d)	(85,924)
			2,606 (e)	
Equity in earnings of affiliates	51,749	-	(48,378) (f)	3,371
Other, net	366	-	-	366
Income before taxes	164,665	-	(61,747)	102,918
Income tax expense	44,230	-	(7,863) (g)	36,367
Net income	<u>\$ 120,435</u>	<u>\$ -</u>	<u>\$ (53,883)</u>	<u>\$ 66,552</u>

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

**Selected Unaudited Pro Forma Condensed Combined Financial Information**  
**UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2010**  
**(Dollars in thousands)**

	Southern Union Historical	Merger Sub Historical	Pro Forma Adjustments	Southern Union Pro Forma
Revenue:				
Natural gas operations	\$ 2,475,986	\$ -	\$ -	\$ 2,475,986
Other	13,927	-	-	13,927
Total revenues	<u>2,489,913</u>	<u>-</u>	<u>-</u>	<u>2,489,913</u>
Cost and expenses:				
Cost of products sold--natural gas operations	1,243,749	-	-	1,243,749
Operating, maintenance and general	463,517	-	-	463,517
Depreciation and amortization	228,637	-	75,896 (c)	304,533
Revenue-related taxes and taxes other than on income	93,395	-	-	93,395
Total costs and expenses	<u>2,029,298</u>	<u>-</u>	<u>75,896</u>	<u>2,105,194</u>
Operating income	460,615	-	(75,896)	384,719
Other income (expense):				
Interest expense, net of interest capitalized	(216,665)	-	36,501 (d) 5,344 (e)	(174,820)
Equity in earnings of affiliates	105,415	-	(96,339) (f)	9,076
Other, net	312	-	-	312
Income before taxes	349,677	-	(130,390)	219,287
Income tax expense	107,029	-	(18,833) (g)	88,196
Income from continuing operations	242,648	-	(111,557)	131,091
Income (loss) from discontinued operations	(18,100)	-	-	(18,100)
Net income	224,548	-	(111,557)	112,991
Preferred stock dividends	5,040	-	-	5,040
Loss on extinguishment of preferred stock	3,295	-	-	3,295
Net income available for common stockholders	<u>\$ 216,213</u>	<u>\$ -</u>	<u>\$ (111,557)</u>	<u>\$ 104,656</u>

The accompanying notes are an integral part of the unaudited pro forma condensed combined financial statements.

## Basis of Pro Forma Presentation

On July 19, 2011, Southern Union Company ("Southern Union") entered into the merger agreement with Energy Transfer Equity, L.P. ("ETE") and Sigma Acquisition Corporation, a wholly-owned subsidiary of ETE ("Merger Sub"). The merger agreement modifies certain terms of the Amended and Restated Agreement and Plan of Merger entered into by Southern Union, ETE and Merger Sub on July 4, 2011, which amended and restated the Agreement and Plan of Merger entered into by the parties thereto on June 15, 2011. Under the terms of the merger agreement, Merger Sub will merge with and into Southern Union, with Southern Union continuing as the surviving entity and becoming a wholly owned subsidiary of ETE.

Under the merger agreement, Southern Union stockholders may elect to receive, for each outstanding Southern Union share they hold and subject to the limitations described below, either \$44.25 in cash or 1.00 ETE common units (and cash in lieu of fractional ETE common units). This election is subject to the following limits:

- \* The aggregate cash consideration will be capped at 60% of the aggregate merger consideration. Thus, if holders of more than 60% of the outstanding Southern Union shares make a cash election, the amount of cash per outstanding Southern Union share to be received by holders making a cash election will be reduced (pro rata across all outstanding Southern Union shares subject to a cash election), so that no more than 60% of the aggregate merger consideration is payable in cash and the remainder of the consideration in respect of outstanding Southern Union shares subject to a cash election will be payable in ETE common units at an exchange ratio of 1.00 ETE common unit per outstanding Southern Union share (and cash in lieu of fractional ETE common units).
- \* The aggregate ETE common unit consideration will be capped at 50% of the aggregate merger consideration. Thus, if holders of more than 50% of the outstanding Southern Union shares make or are deemed to have made an equity election, the number of ETE common units per outstanding Southern Union share to be received by holders making an equity election will be reduced (pro rata across all outstanding Southern Union shares subject to an equity election), so that no more than 50% of the aggregate merger consideration is payable in ETE common units and the remainder of the consideration in respect of outstanding Southern Union shares subject to an equity election will be payable in cash at \$44.25 per outstanding Southern Union share.

Consumation of the merger is subject to customary conditions, including, without limitation: (i) the adoption of the merger agreement by Southern Union stockholders, (ii) the expiration or early termination of the waiting period applicable to the merger under the HSR Act and any required approvals thereunder, (iii) the receipt of required approvals from FERC, MPSC and, if necessary, MDPU, (iv) the effectiveness of a registration statement on Form S-4 relating to the ETE common units to be issued in the merger, and (v) the absence of any law, injunction, judgement or ruling prohibiting or restraining the merger or making the consummation of the merger illegal. Under the merger agreement, ETE is required to agree to divestitures and business restructuring, subject to certain limitations, to obtain antitrust and regulatory approvals.

Also on July 19, 2011, ETE entered into an amended and restated agreement and plan of merger (the "Citrus Merger Agreement") with Energy Transfer Partners, L.P. ("ETP"). The Citrus Merger Agreement modifies certain terms of the Agreement and Plan of Merger entered into by ETP and ETE on July 4, 2011. Pursuant to the merger agreement, immediately prior to the effective time of the Southern Union and ETE merger, ETE will assign and Southern Union will assume the benefits and obligations of ETE under the Citrus Merger Agreement. Under the Citrus Merger Agreement, it is anticipated that Southern Union will cause the contribution to ETP of its 50% interest in Citrus Corp., which owns 100% of the Florida Gas Transmission Pipeline system and is currently jointly owned by Southern Union and El Paso Corporation (the "Citrus Dropdown"). The Citrus Dropdown will be effected through the merger of CrossCountry Energy, LLC, a Delaware limited liability company and wholly-owned subsidiary of Southern Union that indirectly owns a 50% interest in Citrus Corp. ("CrossCountry"), with and into Citrus ETP Acquisition, L.L.C., a Delaware limited liability company ("Citrus ETP Acquisition") and wholly-owned subsidiary of ETP. In exchange for the interest in Citrus Corp., Southern Union will receive approximately \$2.0 billion, consisting of \$1.895 billion in cash and \$105 million of ETP common units, with the value of the ETP common units based on the volume-weighted average trading price for the ten consecutive trading days ending immediately prior to the date that is three trading days prior to the closing date of the Citrus Dropdown. Southern Union or one of its affiliates shall guarantee (on a "last dollar" basis) a new and separate borrowing by ETP that will be used by ETP exclusively to pay the \$1.895 billion cash consideration. Immediately prior to the effective time of the merger, Southern Union will contribute to Merger Sub the funds it receives pursuant to the Citrus Dropdown (not to exceed \$1.45 billion) in exchange for an equity interest in Merger Sub proportionate to its deemed share, which means the fraction (i) the numerator of which is the amount, if any, contributed by Southern Union to Merger Sub pursuant to the merger agreement and (ii) the denominator of which is the aggregate value of the merger consideration of the merger, valuing the ETE common units based upon the volume weighted average price of the ETE common units for the five trading days ending on the trading day immediately preceding the effective time of the Merger. The funds received for the Citrus Dropdown will be used to fund a portion of the merger consideration (not to exceed \$1.45 billion) and to repay existing Southern Union debt to maintain appropriate investment grade credit metrics.

Consumation of the Citrus Dropdown is subject to customary conditions, including, without limitation: (i) satisfaction or waiver of the closing conditions set forth in merger agreement, (ii) the receipt by ETP of any necessary waivers or amendments to its credit agreement, (ii) the amendment of ETP's partnership agreement to reflect certain agreed upon relinquishments by ETE of incentive distributions from ETP, and (iv) the absence of any order, decree, injunction or law prohibiting the consummation of the transaction contemplated by the Citrus Merger Agreement. The Citrus Merger Agreement contains certain termination rights for both ETE and ETP, including, among others, the right to terminate if the Citrus Dropdown is not completed by December 31, 2012 or if the merger agreement is terminated.

The unaudited pro forma condensed combined balance sheet gives effect to the merger and the Citrus Dropdown as if both transactions had occurred on June 30, 2011; the unaudited pro forma condensed combined statements of operations assume that both transactions were effected on January 1, 2010. The unaudited pro forma condensed combined financial statements should be read in conjunction with (i) Southern Union's Annual Report on Form 10-K for the year ended December 31, 2010, and (ii) Southern Union's Quarterly Report on Form 10-Q for the six months ended June 30, 2011.

The unaudited pro forma condensed combined financial statements are for illustrative purposes only and are not necessarily indicative of the financial position that would have been obtained or the financial results that would have occurred if the merger and the Citrus Dropdown had been consummated on the dates indicated, nor are they necessarily indicative of the financial position or results of operations in the future. The pro forma adjustments, as described in the accompanying notes, are based upon available information and certain assumptions that are believed to be reasonable as of the date of this document.

The unaudited pro forma condensed combined financial statements assumes that the merger will be recorded as a business combination, with ETE being treated as the acquirer for accounting purposes and that the Citrus Dropdown will be treated as a transaction between entities under common control. The unaudited pro forma condensed combined financial statements do not reflect anticipated synergies that may result from the operation of any of the combined entities that would exist subsequent to the consummation of the merger and the Citrus Dropdown.

In compliance with Commission rule 4 CSR 240-3.215(1)(E), Southern Union Company states that the merger is not expected to have any impact on its Missouri jurisdictional operations.

## Notes to Unaudited Pro Forma Condensed Combined Financial Information

- (a) To record the impact of applying the purchase method of accounting to the merger, ETE's management intends to engage a third party to undertake a detailed purchase price allocation and valuation study; however, such a study has not been completed. Therefore, these pro forma adjustments are based on management's preliminary estimates.

The following is a preliminary estimate of the purchase price for Southern Union (in thousands, except per unit and per share data):

Southern Union share outstanding as of June 30, 2011	124,735
Dilutive effect of Southern Union outstanding restricted stock, stock options and stock appreciation rights	1,163
Total Southern Union shares assumed to be subject to conversion	125,898
Assumed 60% cash option conversion	60%
Total Southern Union shares assumed to be converted to cash	75,539
Cash conversion amount per Southern Union share	\$ 44.25
Assumed cash portion of purchase price	\$ 3,342,601
Total Southern Union shares assumed to be subject to conversion	125,898
Assumed 40% equity conversion price	40%
Total Southern Union shares assumed to be converted to equity	50,359
Southern Union share conversion rate	1.00
Total ETE common units assumed to be issued	50,359
ETE common unit closing price as of August 10, 2011	\$ 38.02
Assumed fair value of equity portion of purchase price	\$ 1,914,649
Total consideration assumed to be paid	\$ 5,257,250
Southern Union long-term debt and notes payable assumed (based on June 30, 2011)	\$ 4,014,989
Total assumed purchase price	\$ 9,272,239

The following summarizes the assumed allocation of the purchase price among the assets acquired and liabilities assumed in the merger (in thousands):

Total current assets	\$ 602,852
Property, plant and equipment	7,594,914
Advances to and investments in affiliates	2,026,199
Goodwill	1,578,547
Other non-current assets	171,959
Total assets acquired	11,974,471
Total current liabilities	1,609,835
Long-term debt	3,010,140
Deferred income taxes	1,894,044
Other non-current liabilities	203,202
Total liabilities assumed	6,717,221 -
Total consideration	5,257,250 -
Cash received	3,013 -
Assumed total consideration, net of cash received	\$ 5,254,237

- (b) To record Southern Union's contribution to ETP of its 50% interest in Citrus Corp. (at assumed stepped-up carrying value) in exchange for \$1.895 billion of cash and \$105 million of ETP common units. It is assumed that all affiliate receivables and payables of CrossCountry will be settled prior to the consumation of the merger. Of the \$1.895 billion of cash received by Southern Union, it is assumed that (i) \$1.45 billion will be used to fund a portion of the merger consideration, and (ii) \$445 million will be used to repay existing Southern Union debt.
- (c) To record depreciation expense on the \$1.9 billion of the excess purchase price allocated to property, plant and equipment based on an estimated weighted average remaining useful life of 25 years.
- (d) To adjust interest expense to (i) record pro forma amortization related to the pro forma adjustment of Southern Union's debt to fair value, and (ii) reverse historical amortization of financing costs and fair value adjustments related to debt.
- (e) To adjust interest expense to reverse historical interest expense related to the pro forma repayment of Southern Union's debt.
- (f) To adjust equity in earnings from affiliates to (i) reverse historical earnings recorded by Southern Union from its equity method investment in Citrus Corp., and (ii) record pro forma earnings from Southern Union's pro forma equity method investment in ETP.
- (g) To adjust income tax expense to (i) record taxes on the pro forma adjustments based on Southern Union's statutory rate of 37.19% and 37.23% for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively, and (ii) reverse Southern Union's historical 80% Dividends Received Deduction of approximately \$15.1 million and \$29.7 million for the six months ended June 30, 2011 and the year ended December 31, 2010, respectively.