

## Appendix 8

Copies of the balance sheets and income statements of Southern Union and ETE.

A copy of the balance sheet and income statement of Sigma as well as a pro forma balance sheet and income statement of the surviving corporation showing an estimate of the impact of the merger on Southern Union's Missouri jurisdictional operations relative to the Transaction will be late-filed pursuant to 4 CSR-240-3.215(1) and (3).

## Southern Union Balance Sheet and Income Statement

**SOUTHERN UNION COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

	Years Ended December 31,		
	2010	2009	2008
	(In thousands, except per share amounts)		
Operating revenues:			
Natural gas gathering and processing	\$ 1,008,023	\$ 732,251	\$ 1,521,041
Natural gas distribution	698,513	692,904	821,673
Natural gas transportation and storage	769,450	749,161	721,640
Other	13,927	4,702	5,800
Total operating revenues	<u>2,489,913</u>	<u>2,179,018</u>	<u>3,070,154</u>
Operating expenses:			
Cost of natural gas and other energy	1,243,749	1,060,892	1,774,682
Operating, maintenance and general	463,517	468,721	473,614
Depreciation and amortization	228,637	213,827	199,249
Revenue-related taxes	37,619	36,375	44,259
Taxes, other than on income and revenues	55,776	53,114	48,371
Total operating expenses	<u>2,029,298</u>	<u>1,832,929</u>	<u>2,640,175</u>
Operating income	460,615	346,089	529,979
Other income (expenses):			
Interest expense	(216,665)	(196,800)	(207,408)
Earnings from unconsolidated investments	105,415	80,790	75,030
Other, net	312	21,401	2,325
Total other expenses, net	<u>(110,938)</u>	<u>(94,609)</u>	<u>(130,053)</u>
Earnings from continuing operations before income taxes	349,677	251,480	399,926
Federal and state income tax expense	<u>107,029</u>	<u>71,900</u>	<u>104,775</u>
Earnings from continuing operations	242,648	179,580	295,151
Loss from discontinued operations	<u>(18,100)</u>	<u>-</u>	<u>-</u>
Net earnings	224,548	179,580	295,151
Preferred stock dividends	(5,040)	(8,683)	(12,212)
Loss on extinguishment of preferred stock	<u>(3,295)</u>	<u>-</u>	<u>(3,527)</u>
Net earnings available for common stockholders	<u>\$ 216,213</u>	<u>\$ 170,897</u>	<u>\$ 279,412</u>
Net earnings available for common stockholders from continuing operations per share:			
Basic	\$ 1.88	\$ 1.38	\$ 2.26
Diluted	\$ 1.87	\$ 1.37	\$ 2.26
Net earnings available for common stockholders per share:			
Basic	\$ 1.74	\$ 1.38	\$ 2.26
Diluted	\$ 1.73	\$ 1.37	\$ 2.26
Cash dividends declared on common stock per share:	\$ 0.60	\$ 0.60	\$ 0.60
Weighted average shares outstanding:			
Basic	124,474	124,076	123,446
Diluted	125,191	124,409	123,644

**SOUTHERN UNION COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**(UNAUDITED)**

	<u>Three Months Ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
	(In thousands, except per share amounts)	
Operating revenues:	\$ 746,822	\$ 758,994
Operating expenses:		
Cost of natural gas and other energy	425,632	439,009
Operating, maintenance and general	120,994	113,885
Depreciation and amortization	59,327	55,194
Revenue-related taxes	17,367	17,042
Taxes, other than on income and revenues	15,470	14,586
Total operating expenses	<u>638,790</u>	<u>639,716</u>
Operating income	108,032	119,278
Other income (expenses):		
Interest expense	(55,571)	(50,876)
Earnings from unconsolidated investments	28,701	18,578
Other, net	142	289
Total other expenses, net	<u>(28,728)</u>	<u>(32,009)</u>
Earnings before income taxes	79,304	87,269
Federal and state income tax expense	<u>18,642</u>	<u>30,809</u>
Net earnings	60,662	56,460
Preferred stock dividends	<u>-</u>	<u>(2,171)</u>
Net earnings available for common stockholders	<u>\$ 60,662</u>	<u>\$ 54,289</u>
Net earnings available for common stockholders per share		
Basic	\$ 0.49	\$ 0.44
Diluted	\$ 0.48	\$ 0.43
Cash dividends declared on common stock per share:	\$ 0.15	\$ 0.15
Weighted average shares outstanding:		
Basic	124,658	124,416
Diluted	125,548	125,160

**SOUTHERN UNION COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(UNAUDITED)**

**ASSETS**

	March 31, 2011	December 31, 2010
	(In thousands)	
Current assets:		
Cash and cash equivalents	\$ 4,153	\$ 3,299
Accounts receivable		
net of allowances of \$3,485 and \$3,321, respectively	335,700	310,006
Accounts receivable – affiliates	9,982	10,747
Inventories	144,212	226,875
Deferred natural gas purchases	4,793	85,138
Natural gas imbalances - receivable	72,077	52,141
Prepayments and other assets	74,982	67,535
Total current assets	<u>645,899</u>	<u>755,741</u>
Property, plant and equipment		
Plant in service	7,003,526	6,957,989
Construction work in progress	122,892	120,284
	<u>7,126,418</u>	<u>7,078,253</u>
Less accumulated depreciation and amortization	(1,435,194)	(1,373,794)
Net property, plant and equipment	<u>5,691,224</u>	<u>5,704,459</u>
Deferred charges:		
Regulatory assets	64,373	66,216
Deferred charges	67,571	66,929
Total deferred charges	<u>131,944</u>	<u>133,145</u>
Unconsolidated investments	1,564,278	1,538,548
Goodwill	89,227	89,227
Other	<u>25,537</u>	<u>17,423</u>
 Total assets	 <u>\$ 8,148,109</u>	 <u>\$ 8,238,543</u>

**SOUTHERN UNION COMPANY AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**(UNAUDITED)**

**STOCKHOLDERS' EQUITY AND LIABILITIES**

	March 31, 2011	December 31, 2010
	(In thousands)	
Stockholders' equity:		
Common stock, \$1 par value; 200,000 shares authorized; 125,922 and 125,839 shares issued, respectively	\$ 125,922	\$ 125,839
Premium on capital stock	1,923,916	1,920,622
Less treasury stock: 1,237 and 1,230 shares, respectively, at cost	(30,714)	(30,532)
Less common stock held in trust: 568 and 597 shares, respectively	(10,392)	(10,857)
Deferred compensation plans	10,392	10,857
Accumulated other comprehensive loss	(41,392)	(40,157)
Retained earnings	593,172	551,210
Total stockholders' equity	2,570,904	2,526,982
Long-term debt obligations	3,066,038	3,520,906
Total capitalization	5,636,942	6,047,888
Current liabilities:		
Long-term debt due within one year	455,862	1,083
Notes payable	196,159	297,051
Accounts payable and accrued liabilities	184,410	218,531
Federal, state and local taxes payable	42,436	35,235
Accrued interest	57,163	37,464
Natural gas imbalances - payable	158,805	178,087
Derivative instruments	61,499	67,026
Other	122,340	137,221
Total current liabilities	1,278,674	971,698
Deferred credits	191,885	205,094
Accumulated deferred income taxes	1,040,608	1,013,863
Commitments and contingencies		
Total stockholders' equity and liabilities	\$ 8,148,109	\$ 8,238,543

## ETE Balance Sheet and Income Statement

**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in thousands, except per unit data)

	Years Ended December 31,		
	2010	2009	2008
REVENUES:			
Natural gas operations	\$ 5,167,945	\$ 4,115,806	\$ 7,653,156
Retail propane	1,314,973	1,190,524	1,514,599
Other	115,214	110,965	125,612
Total revenues	<u>6,598,132</u>	<u>5,417,295</u>	<u>9,293,367</u>
COSTS AND EXPENSES:			
Cost of products sold — natural gas operations	3,328,754	2,519,575	5,885,982
Cost of products sold — retail propane	752,926	574,854	1,014,068
Cost of products sold — other	29,657	27,627	38,030
Operating expenses	784,546	680,893	781,831
Depreciation and amortization	431,199	325,024	274,372
Selling, general and administrative	234,321	178,924	200,181
Total costs and expenses	<u>5,561,403</u>	<u>4,306,897</u>	<u>8,194,464</u>
OPERATING INCOME	1,036,729	1,110,398	1,098,903
OTHER INCOME (EXPENSE):			
Interest expense, net of interest capitalized	(624,887)	(468,420)	(357,541)
Equity in earnings (losses) of affiliates	65,220	20,597	(165)
Losses on disposal of assets	(5,255)	(1,564)	(1,303)
Gains (losses) on non-hedged interest rate derivatives	(52,357)	33,619	(128,423)
Allowance for equity funds used during construction	28,942	10,557	63,976
Impairment of investment in affiliate	(52,620)	—	—
Other, net	<u>(44,210)</u>	<u>1,913</u>	<u>8,115</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	351,562	707,100	683,562
Income tax expense	13,738	9,229	3,808
INCOME FROM CONTINUING OPERATIONS	337,824	697,871	679,754
Loss from discontinued operations	<u>(1,244)</u>	<u>—</u>	<u>—</u>
NET INCOME	336,580	697,871	679,754
Less: Net income attributable to noncontrolling interest	143,822	255,398	304,710
NET INCOME ATTRIBUTABLE TO PARTNERS	192,758	442,473	375,044
GENERAL PARTNER'S INTEREST IN NET INCOME	597	1,370	1,161
LIMITED PARTNERS' INTEREST IN NET INCOME	<u>\$ 192,161</u>	<u>\$ 441,103</u>	<u>\$ 373,883</u>
BASIC NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.86</u>	<u>\$ 1.98</u>	<u>\$ 1.68</u>
BASIC AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,941,156</u>	<u>222,898,203</u>	<u>222,829,956</u>
DILUTED NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.86</u>	<u>\$ 1.98</u>	<u>\$ 1.68</u>
DILUTED AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,941,156</u>	<u>222,898,203</u>	<u>222,829,956</u>



**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in thousands, except per unit data)  
(unaudited)

	<u>Three Months Ended March 31,</u>	
	<u>2011</u>	<u>2010</u>
REVENUES:		
Natural gas operations	\$ 1,428,957	\$ 1,306,709
Retail propane	528,466	533,439
Other	31,697	31,833
Total revenues	<u>1,989,120</u>	<u>1,871,981</u>
COSTS AND EXPENSES:		
Cost of products sold — natural gas operations	883,769	912,606
Cost of products sold — retail propane	310,864	304,981
Cost of products sold — other	6,793	7,278
Operating expenses	220,696	170,748
Depreciation and amortization	139,266	86,331
Selling, general and administrative	63,499	51,109
Total costs and expenses	<u>1,624,877</u>	<u>1,533,053</u>
OPERATING INCOME	364,243	338,928
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(167,929)	(121,671)
Equity in earnings of affiliates	26,441	6,181
Losses on disposal of assets	(1,764)	(1,864)
Gains (losses) on non-hedged interest rate derivatives	1,520	(14,424)
Other, net	<u>(12,526)</u>	<u>2,143</u>
INCOME BEFORE INCOME TAX EXPENSE	208,995	209,293
Income tax expense	9,903	5,211
NET INCOME	<u>199,092</u>	<u>204,082</u>
Less: Net income attributable to noncontrolling interest	<u>110,452</u>	<u>91,305</u>
NET INCOME ATTRIBUTABLE TO PARTNERS	88,640	112,777
GENERAL PARTNER'S INTEREST IN NET INCOME	274	349
LIMITED PARTNERS' INTEREST IN NET INCOME	<u>\$ 88,366</u>	<u>\$ 112,428</u>
BASIC NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.40</u>	<u>\$ 0.50</u>
BASIC AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,954,674</u>	<u>222,941,108</u>
DILUTED NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.40</u>	<u>\$ 0.50</u>
DILUTED AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,954,674</u>	<u>222,941,108</u>

**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands)

(unaudited)

	March 31, 2011	December 31, 2010
<b><u>ASSETS</u></b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 143,032	\$ 86,264
Marketable securities	2,640	2,032
Accounts receivable, net of allowance for doubtful accounts of \$6,833 and \$6,706 as of March 31, 2011 and December 31, 2010, respectively	591,990	612,357
Accounts receivable from related companies	89,129	76,331
Inventories	300,522	366,384
Exchanges receivable	19,363	21,926
Price risk management assets	14,338	16,357
Other current assets	151,019	109,359
Total current assets	1,312,033	1,291,010
PROPERTY, PLANT AND EQUIPMENT	13,543,244	13,284,430
ACCUMULATED DEPRECIATION	(1,554,656)	(1,431,698)
	11,988,588	11,852,732
ADVANCES TO AND INVESTMENTS IN AFFILIATES	1,362,577	1,359,979
LONG-TERM PRICE RISK MANAGEMENT ASSETS	16,266	13,971
GOODWILL	1,600,611	1,600,611
INTANGIBLES AND OTHER ASSETS, net	1,240,097	1,260,427
Total assets	<u>\$ 17,510,162</u>	<u>\$ 17,378,730</u>

**ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands)  
(unaudited)

	March 31, 2011	December 31, 2010
<b><u>LIABILITIES AND EQUITY</u></b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 369,198	\$ 421,556
Accounts payable to related companies	20,013	27,351
Exchanges payable	20,557	16,003
Price risk management liabilities	23,190	13,172
Accrued and other current liabilities	546,469	567,688
Current maturities of long-term debt	35,120	35,305
Total current liabilities	1,013,547	1,081,075
LONG-TERM DEBT, less current maturities	9,570,199	9,346,067
SERIES A CONVERTIBLE PREFERRED UNITS	332,640	317,600
LONG-TERM PRICE RISK MANAGEMENT LIABILITIES	83,031	79,465
OTHER NON-CURRENT LIABILITIES	249,462	235,848
COMMITMENTS AND CONTINGENCIES		
PREFERRED UNITS OF SUBSIDIARY	70,991	70,943
EQUITY:		
PARTNERS' CAPITAL:		
General Partner	440	520
Limited Partners:		
Common Unitholders (222,972,708 and 222,941,172 units authorized, issued and outstanding at March 31, 2011 and December 31, 2010, respectively)	89,860	115,350
Accumulated other comprehensive (loss) income	(782)	4,798
Total partners' capital	89,518	120,668
Noncontrolling interest	6,100,774	6,127,064
Total equity	6,190,292	6,247,732
Total liabilities and equity	\$ 17,510,162	\$ 17,378,730

Sigma Balance Sheet and Income Statement  
to be late-filed in accordance with  
Commission rule 4 CSR 240-3.215(1) and (3)

Pro forma Balance Sheet and Income Statement  
of Southern Union Company  
to be late-filed in accordance with  
Commission rule 4 CSR 240-3.215(1) and (3)