

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.)	Case No. GM-2011-0412
for an Order Authorizing them to Perform in)	
Accordance with a Merger Agreement and)	
To Undertake Related Transactions)	

**REPLY TO PUBLIC COUNSEL’S RESPONSE TO THE NON-UNANIMOUS STIPULATION
AND AGREEMENT**

COME NOW Southern Union Company d/b/a Missouri Gas Energy (“Southern Union”), Sigma Acquisition Corporation (“Sigma”) and Energy Transfer Equity, L.P. (“ETE”), by counsel, and for their Reply to Public Counsel’s Response to the Non-Unanimous Stipulation and Agreement respectfully state the following:

1. On February 16, 2012, the Commission’s Staff, Southern Union, Sigma and ETE filed a Non-Unanimous Stipulation and Agreement in this case the purpose of which is to resolve all issues presented by the proposed transaction and to present conditions and commitments intended to assure that the transaction, when completed, will not be detrimental to the public interest. The Office of the Public Counsel (“OPC”) did not sign the Non-Unanimous Stipulation and Agreement, but authorized its signatories to indicate, through Section VIII. on page 28 that OPC will not object to or otherwise oppose the Non-Unanimous Stipulation and Agreement and will not request a hearing. No entities sought leave to intervene in this case.

2. On February 23, 2012, OPC filed its Response to the Non-Unanimous Stipulation and Agreement (“Response”). In its Response, OPC explained its reasons for not agreeing to the terms of the Non-Unanimous Stipulation and Agreement. (Response, p. 2, para. 2) As explained in paragraphs 3 through 7 of its Response, OPC’s concern relates to the filing by Missouri Gas Energy of Case No. GE-2011-0282, currently pending before the Commission.

3. Three points should be noted by the Commission with respect to the concern raised by OPC in its Response. First, the allegations forming the basis of OPC’s concern were

considered by the Commission when it issued its Notice of Contested Case and Order Denying Motions for Summary Determination and Directing Filing in Case No. GE-2011-282 on September 28, 2011. Second, pursuant to Section V.4.A. on page 19 of the Non-Unanimous Stipulation and Agreement, Missouri Gas Energy has agreed to withdraw Case No. GE-2011-282 with prejudice upon Commission approval of the Non-Unanimous Stipulation and Agreement becoming final and non-appealable. Third, Section V.13.C. on page 25 of the Non-Unanimous Stipulation and Agreement, specifically addresses the concern raised by OPC in its Response, stating, in pertinent part, that “[N]o signatory shall take any action to amend the provisions of the Stipulation.”

4. Consistent with the representation OPC authorized the signatories to make through Section VIII. on page 28 of the Non-Unanimous Stipulation and Agreement (i.e., that OPC does not object to or otherwise oppose it and will not request a hearing), OPC does not in its Response object to or oppose the Non-Unanimous Stipulation and Agreement, and expressly states that “OPC does not seek an evidentiary hearing in this matter. . . .” (Response, p. 5, para. 8)

5. With respect to OPC’s request that “the Commission maintain the non-unanimous status of the Stipulation”, Southern Union, Sigma and ETE state that they have no objection to the Commission doing so in the context of an order approving the Non-Unanimous Stipulation and Agreement. In light of the fact that OPC has expressly stated in its Response that it does not seek an evidentiary hearing, Southern Union, Sigma and ETE do not believe that an evidentiary hearing is required by 4 CSR 240-2.115, but if the Commission determines that it would like to undertake an on-the-record presentation, Southern Union, Sigma and ETE stand ready to participate as expeditiously as possible such that the Non-Unanimous Stipulation and Agreement can be approved by the Commission in time to permit the transaction to close before the end of March 2012.

WHEREFORE, Southern Union, Sigma and ETE respectfully offer this reply to the Public Counsel's Response to the Non-Unanimous Stipulation and Agreement.

Respectfully submitted,

/s/ James C. Swearengen
James C. Swearengen MBE#21510
Paul A. Boudreau MBE#33155
BRYDON, SWEARENGEN &
ENGLAND P.C.
312 E. Capitol Avenue
P. O. Box 456
Jefferson City, MO 65102
(573) 635-7166
(573) 634-7431 facsimile
LRackers@brydonlaw.com

Todd J. Jacobs MBE#52366
Senior Attorney
Missouri Gas Energy
3420 Broadway
Kansas City, MO 64111
816-360-5976
816-360-5903 (fax)
Todd.Jacobs@SUG.com
ATTORNEYS FOR MISSOURI GAS ENERGY
A DIVISION OF SOUTHERN UNION
COMPANY

/s/ James M. Fischer
James M. Fischer MBE#27543
Larry W. Dority MBE#25617
Fischer & Dority, P.C.
101 Madison, Suite 400
Jefferson City, MO 65101
(573) 636-6758
jfischerpc@aol.com
lldority@sprintmail.com
ATTORNEYS FOR ENERGY TRANSFER
EQUITY, L.P. AND SIGMA ACQUISITION
CORPORATION

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via electronic mail on this 24th day of February, 2012, to

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Lewis R. Mills, Jr.
Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

/s/ James C. Swearengen
James C. Swearengen