Form **8937**

(December 2011)

Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

internal Revenue Service	- <u>-</u>		P Oco soparato instruction				
Part I Reporting	Issuer				(CINI)		
1 Issuer's name				2 issuer's employer identification number (2 Issuer's employer identification number (EIN)		
Southern Union Company	1			75-0571592			
3 Name of contact for ac		4 Telephon	e No. of contact	5 Email address of contact			
				1			
Robert M. Kerrigan			713-989-7816				
6 Number and street (or	P.O. box if mail is no	t delivered to	street address) of contact	7 City, town, or post office, state, and Zip code of c	ontact		
#054111 at 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
5051 Westheimer Road 8 Date of action		9 Class	sification and description	Houston, TX 77056			
O Date of action		o olast	smeation and description				
March 26, 2012		Commo	n stock - par value \$1.00	per share			
10 CUSIP number	11 Serial number		12 Ticker symbol	13 Account number(s)			
844030106			SUG				
			•	See back of form for additional questions.			
· ·				date against which shareholders' ownership is measured	for		
				nd Southern Union Company (NYSE:SUG) announced			
				nto Sigma Acquisition Corp., a wholly owned			
				perate as a wholly-owned subsidiary of ETE.			
				exchange each outstanding share of SUG 0% of the aggregate merger consideration payable in c	ach		
•				Based on the final results of the merger consideration			
•				shares, will receive cash, while holders of			
				ETE common units. Effective with the closing			
of the market on March 26							
				curity in the hands of a U.S. taxpayer as an adjustment pe	r		
	_		· · · · · · · · · · · · · · · · · · ·	cholder's ETE common units received in connection			
	•		r's adjusted tax basis in	the SUG shares not attributable to the receipt of cash			
by such stockholder at the	e closing of the Mer	ger.	AH-19-74-7-1-HIII				
Likewise FTF will receive	a carryover hasis i	n SHG comm	on stock equal to the SI	JG stockholder's carryover basis in ETE common units			
ERCONSO, ETE WIII TOOSTO	u can yover basis i	11 000 00111111	on stock equal to the oc	50 Stockholder S var yover Sadis in Et E delinion anne	·		
			n=-4-n				
	-			culation, such as the market values of securities and the			
	•			of common stock that are considered to have been			
	······································			ommon units at the time of the merger divided by the			
•				ckholder as a result of the Merger.			
				stockholder's SUG shares are to be			
considered exchanged for	ETE COMMON UNIC	ııı uetermini	ng nis carryover basis.				
likewise FTF will receive	a carryover hasis ii	n the SHG co	mmon stock equal to the	e SUG stockholder's carryover			
basis in ETE common unit		. 430 000 001	minore stook equal to the	o e e e e e e e e e e e e e e e e e e e			

Part II	Organizational	Antion	(houstinuad)
Life Lille Lill	Organizational	ACHOIL	(continued)

SUG common shares for common utilis in ETE should be a tax-free exchange pursuent to Section 1216 of the Internal Revenue Code. ETE is not an investment pathers and to Section 7210 to the Internal Revenue Code, therefore, the exchange should not be taxable. The basis of the stock in the hands of ETE is therefore calculated under Section 723 as the adjusted basis of such property to the contributing partner at the time of the contribution increased by the amount (if any) of gain recognized under Section 721(b) to the contributing partner at such time. 18 Can any resulting loss be recognized? ▶ Pursuant to Section 721, no gain or loss is recognized by any former shareholder of SUG for the contribution of SUG shares in exchange for the ETE common units. 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 10 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 10 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 10 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 10 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 10 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 11 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2012 12 Provide any other information necessary to impl	17 L	ist the	applicable Internal Revenue Code section	on(s) and subsection(s) upon which the	tax treatment is	s based ▶	The exchange of
Code. ETE is not an investment partnership pursuant to Section 721(b) of the internal Revenue Code; therefore, the exchange should not be taxable. The basis of the stock in the hands of ETE is therefore calculated under Section 723 as the adjusted basis of such property to the contributing partner at the time of the contribution increased by the amount (if any) of gain recognized under Section 721(b) to the contributing partner at such time. 18 Can any resulting loss be recognized? ► Pursuant to Section 721, no gain or loss is recognized by any former shareholder of SUG for the contribution of SUG sheres in exchange for the ETE common units. 19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 19 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 10 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012 10 Provide any other information necessary to implement the adjustment, auch as the reportable tax year ► 2012							
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