

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Southern Union Company		2 Issuer's employer identification number (EIN) 75-0571592	
3 Name of contact for additional information Robert M. Kerrigan	4 Telephone No. of contact 713-989-7816	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 5051 Westheimer Road		7 City, town, or post office, state, and Zip code of contact Houston, TX 77056	
8 Date of action March 26, 2012		9 Classification and description Common stock - par value \$1.00 per share	
10 CUSIP number 844030106	11 Serial number(s)	12 Ticker symbol SUG	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On March 26, 2012, Energy Transfer Equity, L.P. (NYSE:ETE) and Southern Union Company (NYSE:SUG) announced the successful completion of the previously announced merger of SUG with and into Sigma Acquisition Corp., a wholly owned subsidiary of ETE. SUG is the surviving entity in the merger and will continue to operate as a wholly-owned subsidiary of ETE. Under the terms of the merger agreement, SUG stockholders were able to elect to exchange each outstanding share of SUG common stock for \$44.25 of cash or 1.00x ETE common unit, with no more than 60% of the aggregate merger consideration payable in cash and no more than 50% of the merger consideration payable in ETE common units. Based on the final results of the merger consideration elections, holders of approximately 54% of outstanding SUG shares, or 67,985,929 shares, will receive cash, while holders of approximately 46% of outstanding SUG shares, or 56,981,860 shares, will receive ETE common units. Effective with the closing of the market on March 26, 2012, SUG ceased to be a publicly traded company.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The carryover basis in each SUG stockholder's ETE common units received in connection with the merger will be that portion of the SUG stockholder's adjusted tax basis in the SUG shares not attributable to the receipt of cash by such stockholder at the closing of the Merger.

Likewise, ETE will receive a carryover basis in SUG common stock equal to the SUG stockholder's carryover basis in ETE common units.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ In general, the percentage of the SUG stockholder's shares of common stock that are considered to have been exchanged for ETE Common Units will be the fair market value (FMV) of the ETE common units at the time of the merger divided by the total consideration (cash and FMV of ETE common units) received by the SUG stockholder as a result of the Merger. Alternatively, a SUG stockholder may attempt to specifically identify which of the stockholder's SUG shares are to be considered exchanged for ETE common units in determining his carryover basis.

Likewise, ETE will receive a carryover basis in the SUG common stock equal to the SUG stockholder's carryover basis in ETE common units.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The exchange of
SUG common shares for common units in ETE should be a tax-free exchange pursuant to Section 721(a) of the Internal Revenue
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 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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ *Martin Salinas, Jr.* Date ▶ 5/3/12
Print your name ▶ Martin Salinas, Jr. Title ▶ CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.