UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 1-2921

PANHANDLE EASTERN PIPE LINE COMPANY, LP
(Exact name of registrant as specified in its charter)

Delaware	**44-0382470**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3738 Oak Lawn Avenue, Dallas, Texas 75219
(Address of principle executive offices) (zip code)

(214) 981-0700
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer x Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Panhandle Eastern Pipe Line Company, LP meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and is therefore filing this Form 10-Q with the reduced disclosure format. Item 2 of Part I has been reduced and Item 3 of Part I and Items 2 and 3 of Part II have been omitted in accordance with Instruction H.

FORM 10-Q

PANHANDLE EASTERN PIPE LINE COMPANY, LP

TABLE OF CONTENTS

Forward-Looking Statements

Certain matters discussed in this report, excluding historical information, as well as some statements by Panhandle Eastern Pipe Line Company, LP and its subsidiaries ("Panhandle" or the "Company") in periodic press releases and some oral statements of the Company's officials during presentations about the Company, include forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as "anticipate," "believe," "intend," "project," "plan," "expect," "continue," "estimate," "goal," "forecast," "may," "will" or similar expressions help identify forward-looking statements. Although the Company believes such forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, no assurance can be given that such assumptions, expectations, or projections will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Company's actual results may vary materially from those anticipated, projected, forecasted, estimated or expressed in forward-looking statements since many of the factors that determine these results are subject to uncertainties and risks that are difficult to predict and beyond management's control. For additional discussion of risks, uncertainties and assumptions, see "Part I — Item 1A. Risk Factors" in the Company's Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission on March 1, 2013.

Definitions

The following is a list of certain acronyms and terms generally used in the energy industry and throughout this document:

/d	per day
Bcf	Billion cubic feet
Btu	British thermal units
Citrus	Citrus Corp.
EPA	United States Environmental Protection Agency
ETE	Energy Transfer Equity, L.P.
ETP	Energy Transfer Partners, L.P., a subsidiary of ETE
Exchange Act	Securities Exchange Act of 1934
FERC	Federal Energy Regulatory Commission
GAAP	Accounting principles generally accepted in the United States of America
Holdco	ETP Holdco Corporation
LIBOR	London Interbank Offer Rate
LNG	Liquefied natural gas
LNG Holdings	Trunkline LNG Holdings, LLC
OPEB plans	Other postretirement employee benefit plans
PCBs	Polychlorinated biphenyls
PEPL	Panhandle Eastern Pipe Line Company, LP
PEPL Holdings	PEPL Holdings, LLC
ppb	parts per billion
Sea Robin	Sea Robin Pipeline Company, LLC
SEC	United States Securities and Exchange Commission

Southern Union	Southern Union Company
Southwest Gas	Panhandle Gas Storage LLC
Sunoco	Sunoco, Inc.
TBtu	Trillion British thermal units
Trunkline	Trunkline Gas Company, LLC
Trunkline LNG	Trunkline LNG Company, LLC

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Southern Union's March 26, 2012 merger transaction with ETE (the "ETE Merger") was accounted for by ETE using business combination accounting. Under this method, the purchase price paid by the acquirer is allocated to the assets acquired and liabilities assumed as of the acquisition date based on their fair value. By the application of "push-down" accounting, PEPL's assets, liabilities and partners' capital were accordingly adjusted to fair value on March 26, 2012. Determining the fair value of certain assets and liabilities assumed is judgmental in nature and often involves the use of significant estimates and assumptions.

Due to the application of "push-down" accounting, the Company's financial statements and certain footnote disclosures are presented in two distinct periods to indicate the application of two different bases of accounting. Periods prior to March 26, 2012 are identified herein as "Predecessor," while periods subsequent to the ETE Merger are identified as "Successor."

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions)
(unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ —	$ —
Accounts receivable, net	67	74
Accounts receivable from related companies	58	14
Exchanges receivable	9	10
System natural gas and operating supplies	138	144
Other	17	20
Total current assets	289	262
PROPERTY, PLANT AND EQUIPMENT:		
Plant in service	4,096	4,076
Construction work in progress	46	45
	4,142	4,121
Accumulated depreciation and amortization	(136)	(57)
Net property, plant and equipment	4,006	4,064
GOODWILL	1,785	1,785
NOTE RECEIVABLE FROM RELATED PARTY	831	831
OTHER NON-CURRENT ASSETS	267	108
Total assets	$ 7,178	$ 7,050

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in millions)
(unaudited)

	June 30, 2013	December 31, 2012
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 252	$ 258
Accounts payable	5	12
Accounts payable to related companies	29	27
Exchanges payable	123	130
Accrued taxes	20	13
Accrued interest	13	13
Other	55	69
Total current liabilities	497	522
LONG-TERM DEBT, less current portion	1,488	1,499
DEFERRED INCOME TAXES	899	853
OTHER NON-CURRENT LIABILITIES	142	135
COMMITMENTS AND CONTINGENCIES (Note 9)		
PARTNERS' CAPITAL:		
Partners' capital	4,161	4,050
Accumulated other comprehensive loss	(9)	(9)
Total partners' capital	4,152	4,041
Total liabilities and partners' capital	$ 7,178	$ 7,050

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions)
(unaudited)

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
OPERATING REVENUES:		
Transportation and storage of natural gas	$ 174	$ 128
LNG terminalling	54	55
Other	4	3
Total operating revenues	232	186
OPERATING EXPENSES:		
Operating, maintenance and general	65	80
Depreciation and amortization	41	41
Total operating expenses	106	121
OPERATING INCOME	126	65
OTHER INCOME (EXPENSE):		
Interest expense, net of interest capitalized	(13)	(14)
Interest income - affiliates	—	1
Total other expenses, net	(13)	(13)
INCOME BEFORE INCOME TAX EXPENSE	113	52
Income tax expense	44	22
NET INCOME	$ 69	$ 30

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions)
(unaudited)

	Successor		Predecessor
	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
OPERATING REVENUES:			
Transportation and storage of natural gas	$ 318	$ 138	$ 140
LNG terminalling	107	58	51
Other	6	3	3
Total operating revenues	431	199	194
OPERATING EXPENSES:			
Operating, maintenance and general	141	115	76
Depreciation and amortization	83	44	30
Total operating expenses	224	159	106
OPERATING INCOME	207	40	88
OTHER INCOME (EXPENSE):			
Interest expense, net of interest capitalized	(27)	(15)	(25)
Interest income - affiliates	1	1	2
Total other expenses, net	(26)	(14)	(23)
INCOME BEFORE INCOME TAX EXPENSE	181	26	65
Income tax expense	70	15	25
NET INCOME	$ 111	$ 11	$ 40

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Dollars in millions)
(unaudited)

	Successor				Predecessor
	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
Net income	$ 69	$ 30	$ 111	$ 11	$ 40
Other comprehensive income, net of tax:					
Reclassification of unrealized loss on interest rate hedges into earnings	—	—	—	—	3
	—	—	—	—	3
Comprehensive income	$ 69	$ 30	$ 111	$ 11	$ 43

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL

(Dollars in millions)
(unaudited)

	Partners' Capital	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2012	$ 4,050	$ (9)	$ 4,041
Net income	111	—	111
Balance, June 30, 2013	$ 4,161	$ (9)	$ 4,152

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)
(unaudited)

	Successor		Predecessor
	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 111	$ 11	$ 40
Reconciliation of net income to net cash provided by (used in)operating activities:			
Depreciation and amortization	83	44	30
Deferred income taxes	45	21	19
Amortization of costs charged to interest	(16)	(8)	—
Net gain on curtailment of OPEB plans benefits	—	(11)	—
Changes in operating assets and liabilities, net of merger impact	(220)	(85)	23
Net cash flows provided by (used in) operating activities	3	(28)	112
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net decrease in note receivable - related parties	—	65	255
Net increase (decrease) in income taxes payable - related parties	24	(6)	5
Additions to property, plant and equipment	(25)	(29)	(28)
Other	—	(2)	—
Net cash flows provided by (used in) investing activities	(1)	28	232
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issuance of long-term debt	—	—	455
Repayment of long-term debt	—	—	(797)
Issuance costs of debt	—	—	(2)
Other	(2)	—	—
Net cash flows used in financing activities	(2)	—	(344)
INCREASE IN CASH AND CASH EQUIVALENTS	—	—	—
CASH AND CASH EQUIVALENTS, beginning of period	—	—	—
CASH AND CASH EQUIVALENTS, end of period	$ —	$ —	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

PANHANDLE EASTERN PIPE LINE COMPANY, LP

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollar amounts are in millions)
(unaudited)

1. OPERATIONS AND ORGANIZATION:

Business Operations

Panhandle Eastern Pipe Line Company, LP (“we”, “us”, the “Company” and “Panhandle”) is primarily engaged in the interstate transportation and storage of natural gas and also provides LNG terminalling and regasification services and is subject to the rules and regulations of the FERC. The Company’s entities include the following:

- PEPL, an indirect wholly-owned subsidiary of Southern Union, which is an indirect wholly-owned subsidiary of ETP;
- Trunkline, a direct wholly-owned subsidiary of PEPL;
- Sea Robin, an indirect wholly-owned subsidiary of PEPL;
- LNG Holdings, an indirect wholly-owned subsidiary of PEPL;
- Trunkline LNG, a direct wholly-owned subsidiary of LNG Holdings; and
- Southwest Gas, a direct wholly-owned subsidiary of PEPL.

The Company’s operations consist of interstate pipelines that transport natural gas from the Gulf of Mexico, South Texas and the panhandle regions of Texas and Oklahoma to major U.S. markets in the Midwest and Great Lakes region, as well as owned underground storage capacity. The Company also owns and operates an LNG import terminal located on Louisiana’s Gulf Coast, as well as an above ground LNG storage facility.

Southern Union Panhandle LLC serves as the general partner of PEPL and owns a 1% general partnership interest in PEPL. PEPL Holdings, a wholly-owned subsidiary of Southern Union, owns a 99% limited partnership interest in PEPL and a 100% membership interest in Southern Union Panhandle LLC.

See Note 2 for information related to the completion of the Holdco Transaction.

Preparation of Interim Financial Statements

The accompanying condensed consolidated balance sheet as of December 31, 2012, which has been derived from audited financial statements, and the unaudited interim condensed consolidated financial statements and notes thereto of the Company as of June 30, 2013 and for the three and six month periods ended June 30, 2013 and 2012, have been prepared in accordance with GAAP for interim condensed consolidated financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. However, management believes that the disclosures made are adequate to make the information not misleading. The results of operations for interim periods are not necessarily indicative of the results to be expected for a full year due to the seasonal nature of the Company’s operations.

The accompanying unaudited interim condensed consolidated financial statements reflect adjustments that are, in the opinion of management, necessary for a fair statement of results for the interim period. The unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of Panhandle Eastern Pipe Line Company, LP presented in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on March 1, 2013.

2. HOLDCO TRANSACTION:

On April 30, 2013, ETP acquired ETE’s 60% interest in Holdco, the entity formed by ETP and ETE in 2012 to own the equity interests in Southern Union and Sunoco. As a result of this transaction, ETP now owns 100% of Holdco. ETP controlled Holdco prior to this transaction; therefore, the transaction did not constitute a change of control.

3. RELATED PARTY TRANSACTIONS:

Accounts receivable from related companies reflected on the condensed consolidated balance sheets primarily related to services provided for Southern Union, ETE, ETP and other affiliates. Accounts payable to related companies reflected on the condensed consolidated balance sheets primarily related to payroll funding and overhead allocation provided by ETP and other affiliates.

Pursuant to a demand note with Southern Union under a cash management program, the Company loans excess cash, net of repayments, to Southern Union. The Company is credited with interest on the note at a one-month LIBOR rate. Given the uncertainties regarding the timing of the Company's cash flows, including financings, capital expenditures and operating cash flows, the Company has reported the note receivable as a non-current asset. The Company has access to the funds via advances from Southern Union and expects repayment to ultimately occur to primarily fund capital expenditures or debt retirements.

The following table provides a summary of the related party activity included in our condensed consolidated statements of operations:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Transportation and storage of natural gas	$ 3	$ 2
Operating, maintenance and general	16	11 (1)
Interest income - affiliates	—	1

	Successor		Predecessor
	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
Transportation and storage of natural gas	$ 6	$ 2	$ 1
Operating, maintenance and general	32	50 (1)	14
Interest income - affiliates	1	1	2

(1) Primarily represents corporate charges for employee expenses related to the merger with ETE offset by expenses attributable to services provided by Panhandle on behalf of affiliated companies.

4. REGULATION AND RATES:

Trunkline Transfer Application

On July 26, 2012, Trunkline filed an application with the FERC for approval to transfer approximately 770 miles of underutilized loop piping facilities by sale to an affiliate; such facilities are contemplated to be converted to crude oil transportation service. This sale is subject to FERC approval. Several parties have intervened, commented, or protested this filing. The Company has responded to all information requests from the Commission and is awaiting a final order in this proceeding.

FERC Audit

In November 2011, the FERC commenced an audit of PEPL to evaluate its compliance with the Uniform System of Accounts as prescribed by the FERC, annual and quarterly financial reporting to the FERC, reservation charge crediting policy and record retention. The audit is related to the period from January 1, 2010 through December 31, 2011. A draft audit report was received on July 19, 2013 noting no issues that would have a material impact on the Company's historical financial position or results of operations.

5. ACCUMULATED OTHER COMPREHENSIVE LOSS:

As of June 30, 2013 and December 31, 2012, accumulated other comprehensive loss consists of net actuarial loss and prior service costs related to our OPEB plans.

6. DEBT OBLIGATIONS:

The Company has $250 million principal amount of senior notes which mature within the next twelve months. The Company currently expects to refinance all or a portion of the debt upon maturity or, alternatively, to retire all or a portion of the debt with proceeds from repayment of the note receivable from Southern Union, which funds are available to the Company on a demand basis.

Based on the estimated borrowing rates currently available to the Company and its subsidiaries for loans with similar terms and average maturities, the aggregate fair value of the Company's consolidated debt obligations at June 30, 2013 and December 31, 2012 was $1.78 billion and $1.81 billion, respectively. As of June 30, 2013 and December 31, 2012, the aggregate carrying amount of the Company's consolidated debt obligations was $1.74 billion and $1.76 billion, respectively. The fair value of the Company's consolidated debt obligations is a Level 2 valuation based on the observable inputs used for similar liabilities.

Term Loans. The effective interest rate for the LNG Holdings term loan due February 2015 was 1.82% at June 30, 2013.

Other. The Company's notes are subject to certain requirements, such as the maintenance of a fixed charge coverage ratio and a leverage ratio, which if not maintained, restrict the ability of the Company to make certain payments and impose limitations on the ability of the Company to subject its property to liens. Other covenants impose limitations on restricted payments, including dividends and loans to affiliates, and additional indebtedness. As of June 30, 2013, the Company is in compliance with these covenants.

7. BENEFITS:

Components of Net Periodic Benefit Cost

The following tables set forth the components of net periodic benefit cost of the Company's OPEB plans:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Service cost	$ —	$ —
Interest cost	1	—
Expected return on plan assets	(1)	(1)
Prior service credit amortization	—	—
Net periodic benefit cost	$ —	$ (1)

	Successor		Predecessor
	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
Service cost	$ —	$ —	$ 1
Interest cost	1	—	1
Expected return on plan assets	(2)	(1)	(1)
Prior service credit amortization	—	—	(1)
Curtailment recognition [(1)]	—	(11)	—
Net periodic benefit cost	$ (1)	$ (12)	$ —

[(1)] Subsequent to the ETE Merger, the Company amended certain of its OPEB plans to prospectively restrict participation in the plans for certain active employees. The plan amendments resulted in the plans becoming currently over-funded and, accordingly, the Company recorded a gross pre-tax curtailment gain of $70 million, $59 million of which is subject to refund to customers; thus, the net curtailment gain recognition was $11 million.

8. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES:

The Company is exposed to certain risks in its ongoing business operations. The primary risk managed by using derivative instruments is interest rate risk. Interest rate swaps and treasury rate locks are the principal derivative instruments used by the Company to manage interest rate risk associated with its long-term borrowings, although other interest rate derivative contracts may also be used from time to time. The Company recognizes all derivative assets and liabilities at fair value on the condensed consolidated balance sheets.

Interest Rate Contracts. The Company may enter into interest rate swaps to manage its exposure to changes in interest payments on long-term debt attributable to movements in market interest rates, and may enter into treasury rate locks to manage its exposure to changes in future interest payments attributable to changes in treasury rates prior to the issuance of new long-term debt instruments.

Treasury Rate Locks. As of June 30, 2013, the Company had no outstanding treasury rate locks. However, certain of its treasury rate locks that settled in prior periods were associated with interest payments on outstanding long-term debt. During the predecessor periods, these treasury rate locks were accounted for as cash flow hedges, with the effective portion of their settled value recorded in accumulated other comprehensive income and reclassified into interest expense in the same periods during which the related interest payments on long-term debt impact earnings.

The Company had no derivative instruments at June 30, 2013 and December 31, 2012.

No derivative instrument gains and losses were reported in the Company's condensed consolidated financial statements for the three and six months ended June 30, 2013, except for $4 million of unrealized losses reclassified from accumulated other comprehensive income into interest expense during the period from January 1, 2012 to March 25, 2012.

9. COMMITMENTS AND CONTINGENCIES:

PEPL Holdings Guarantee of Collection

On April 30, 2013, Southern Union completed its contribution to Regency Energy Partners LP ("Regency") of all the membership interest in Southern Union Gathering Company, LLC, and its subsidiaries, including Southern Union Gas Services (the "SUGS Contribution"). In connection with the SUGS Contribution, Regency issued $600 million of 4.50% Senior Notes due 2023 (the "Regency Debt"), the proceeds of which were used by Regency to fund the cash portion of the consideration, as adjusted, and pay certain other expenses or disbursements directly related to the closing of the SUGS Contribution. In connection with the closing of the SUGS Contribution, Regency entered into an agreement with PEPL Holdings, a wholly-owned subsidiary of Southern Union, pursuant to which PEPL Holdings provided a guarantee of collection (on a nonrecourse basis to Southern Union) to Regency and Regency Energy Finance Corp. with respect to the payment of the principal amount of the Regency Debt through maturity in 2023.

Litigation and Other Claims

The Company is involved in legal, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business.

Will Price. Will Price, an individual, filed actions in the U.S. District Court for the District of Kansas for damages against a number of companies, including the Company, alleging mis-measurement of natural gas volumes and Btu content, resulting in lower royalties to mineral interest owners. On September 19, 2009, the Court denied plaintiffs' request for class certification. Plaintiffs have filed a motion for reconsideration, which the Court denied on March 31, 2010. The Company believes that its measurement practices conformed to the terms of its FERC natural gas tariffs, which were filed with and approved by the FERC. As a result, the Company believes that it has meritorious defenses to the Will Price lawsuit (including FERC-related affirmative defenses, such as the filed rate/tariff doctrine, the primary/exclusive jurisdiction of the FERC, and the defense that the Company complied with the terms of its tariffs). Panhandle will continue to vigorously defend the case. The Company believes it has no liability associated with this proceeding.

Liabilities for Litigation and Other Claims

The Company records accrued liabilities for litigation and other claim costs when management believes a loss is probable and reasonably estimable. When management believes there is at least a reasonable possibility that a material loss or an additional material loss may have been incurred, the Company discloses (i) an estimate of the possible loss or range of loss in excess of the amount accrued; or (ii) a statement that such an estimate cannot be made. As of June 30, 2013 and December 31, 2012, the Company recorded litigation and other claim-related accrued liabilities of $6 million and $6 million, respectively. The Company does not have any material litigation or other claim contingency matters assessed as probable or reasonably possible that would require disclosure in the financial statements.

Environmental Matters

The Company's operations are subject to federal, state and local laws, rules and regulations regarding water quality, hazardous and solid waste management, air quality control and other environmental matters. These laws, rules and regulations require the Company to conduct its operations in a specified manner and to obtain and comply with a wide variety of environmental registrations, licenses, permits, inspections and other approvals. Failure to comply with environmental laws, rules and regulations may expose the Company to significant fines, penalties and/or interruptions in operations. The Company's environmental policies and procedures are designed to achieve compliance with such applicable laws and regulations. These evolving laws and regulations and claims for damages to property, employees, other persons and the environment resulting from current or past operations may result in significant expenditures and liabilities in the future. The Company engages in a process of updating and revising its procedures for the ongoing evaluation of its operations to identify potential environmental exposures and enhance compliance with regulatory requirements.

Environmental Remediation

The Company is responsible for environmental remediation at certain sites on its natural gas transmission systems for contamination resulting from the past use of lubricants containing PCBs in compressed air systems; the past use of paints containing PCBs; and the prior use of wastewater collection facilities and other on-site disposal areas. The Company has implemented a program to remediate such contamination. The primary remaining remediation activity on the Panhandle systems is associated with past use of paints containing PCBs or PCB impacts to equipment surfaces and to a building at one location. The PCB assessments are ongoing and the related estimated remediation costs are subject to further change.

Other remediation typically involves the management of contaminated soils and may involve remediation of groundwater. Activities vary with site conditions and locations, the extent and nature of the contamination, remedial requirements, complexity and sharing of responsibility. The ultimate liability and total costs associated with these sites will depend upon many factors. If remediation activities involve statutory joint and several liability provisions, strict liability, or cost recovery or contribution actions, the Company could potentially be held responsible for contamination caused by other parties. In some instances, the Company may share liability associated with contamination with other potentially responsible parties. The Company may also benefit from contractual indemnities that cover some or all of the cleanup costs. These sites are generally managed in the normal course of business or operations.

The Company's environmental remediation activities are undertaken in cooperation with and under the oversight of appropriate regulatory agencies, enabling the Company under certain circumstances to take advantage of various voluntary cleanup programs in order to perform the remediation in the most effective and efficient manner.

Environmental Remediation Liabilities

The table below reflects the amount of accrued liabilities recorded on the condensed consolidated balance sheets at the dates indicated to cover environmental remediation actions where management believes a loss is probable and reasonably estimable. The Company does not have any material environmental remediation matters assessed as reasonably possible.

	June 30, 2013	December 31, 2012
Current	$ —	$ 1
Non-current	3	5
Total environmental liabilities	$ 3	$ 6

Other Commitments and Contingencies

Controlled Group Pension Liabilities. Southern Union (including certain of its divisions) sponsors a number of defined benefit pension plans for employees. Under applicable pension and tax laws, upon being acquired by Southern Union, the Company became a member of Southern Union's "controlled group" with respect to those plans and, along with Southern Union and any other members of that group, is jointly and severally liable for any failure by Southern Union (along with any other persons that may be or become a sponsor of any such plan) to fund any of these pension plans or to pay any unfunded liabilities that these plans may have if they are ever terminated. In addition, if any of the obligations of any of these pension plans is not paid when due, a lien in favor of that plan or the Pension Benefit Guaranty Corporation may be created against the assets of each member of Southern Union's controlled group, including the Company and each of its subsidiaries. Based on the latest actuarial information available, the aggregate amount of the projected benefit obligations of these pension plans was approximately $243 million and the estimated fair value of all of the assets of these plans was approximately $155 million.

Unclaimed Property Audits. The Company is subject to the laws and regulations of states and other jurisdictions concerning the identification, reporting and escheatment (the transfer of property to the state) of unclaimed or abandoned funds, and is subject to audit and examination for compliance with these requirements. The Company is currently being examined by a third party auditor on behalf of nine states for compliance with unclaimed property laws.

See Note 4 for other potential regulatory matters applicable to the Company.

Future Regulatory Compliance Commitments

Air Quality Control. On April 17, 2012 the EPA issued the Oil and Natural Gas Sector New Source Performance Standards and National Emission Standards for Hazardous Air Pollutants ("HAPs"). The standards revise the new source performance standards for volatile organic compounds from leaking components at onshore natural gas processing plants and new source performance standards for sulfur dioxide emissions from natural gas processing plants. The EPA also established standards for certain oil and gas operations not covered by the existing standards. In addition to the operations covered by the existing standards, the newly established standards regulate volatile organic compound emissions from gas wells, centrifugal compressors, reciprocating compressors, pneumatic controllers and storage vessels.

In August 2010, the EPA finalized a rule that requires reductions in a number of pollutants, including formaldehyde and carbon monoxide, for certain engines regardless of size at Area Sources (sources that emit less than 10 tons per year of any one HAP or 25 tons per year of all HAPs) and engines less than 500 horsepower at Major Sources (sources that emit 10 tons per year or more of any one HAP or 25 tons per year of all HAPs). In January 2013, the EPA issued a final reconsideration rule that exempted Area Source engines located in remote areas from the emission limits and monitoring requirements. Compliance is required by October 2013.

Nitrogen oxides are the primary air pollutant from natural gas-fired engines. Nitrogen oxide emissions may form ozone in the atmosphere. In 2008, the EPA lowered the ozone standard to 75 ppb with compliance anticipated in 2013 to 2015. In January 2010, the EPA proposed lowering the standard to 60 to 70 ppb in lieu of the 75 ppb standard, with compliance required in 2014 or later. In September 2011, the EPA decided to rescind the proposed lower ozone standard and begin the process to implement the 75 ppb ozone standard established in 2008.

In January 2010, the EPA finalized a 100 ppb one-hour nitrogen dioxide standard. The rule requires the installation of new nitrogen dioxide monitors in urban communities and roadways by 2013. This new monitoring may result in additional nitrogen dioxide non-attainment areas. In addition, ambient air quality modeling may be required to demonstrate compliance with the new standard.

The Company has reviewed the potential impacts of the August 2010 Area Source National Emissions Standards for Hazardous Air Pollutants rule, implementation of the 2008 ozone standard and the new nitrogen dioxide standard on its operations and the potential costs associated with the installation of emission control systems on its existing engines. The ultimate costs associated with these activities cannot be estimated with any certainty at this time, but the Company believes, based on the current understanding of the current and proposed rules, such costs will not have a material adverse effect on its consolidated financial position, results of operations or cash flows.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Tabular dollar amounts are in millions)

The information in Item 2 has been prepared pursuant to the reduced disclosure format permitted by General Instruction H to Form 10-Q. Accordingly, this Item 2 includes only management's narrative analysis of the results of operations and certain supplemental information.

References to "we", "us", "our", the "Company" and "Panhandle" shall mean Panhandle Eastern Pipe Line Company, LP and its subsidiaries.

OVERVIEW

The Company's business purpose is to provide interstate transportation and storage of natural gas in a safe, efficient and dependable manner. The Company operates approximately 10,000 miles of interstate pipelines that transport up to 6.4 Bcf/d of natural gas. Demand for natural gas transmission services on the Company's pipeline system is seasonal, with the highest throughput and a higher portion of annual total operating revenues occurring in the traditional winter heating season, which occurs during the first and fourth calendar quarters.

The Company's business is conducted through both short- and long-term contracts with customers. Short-term and long-term contracts are affected by changes in market conditions and competition with other pipelines, changing supply sources and volatility in natural gas prices and basis differentials. Since the majority of the Company's revenues are related to firm capacity reservation charges, which customers pay whether they utilize their contracted capacity or not, volumes transported do not have as significant an impact on revenues over the short-term. However, longer-term demand for capacity may be affected by changes in the customers' actual and anticipated utilization of their contracted capacity and other factors.

The Company's regulated transportation and storage businesses can file (or be required to file) for changes in their rates, which are subject to approval by the FERC. Although a significant portion of the Company's contracts are discounted or negotiated rate contracts, changes in rates and other tariff provisions resulting from regulatory proceedings have the potential to impact negatively the Company's results of operations and financial condition.

RECENT DEVELOPMENTS

Holdco Transaction

On April 30, 2013, ETP acquired ETE's 60% interest in Holdco, the entity formed by ETP and ETE in 2012 to own the equity interests in Southern Union and Sunoco. As a result of this transaction, ETP now owns 100% of Holdco. ETP controlled Holdco prior to this transaction; therefore, the transaction did not constitute a change of control.

RESULTS OF OPERATIONS

The ETE Merger, which was completed on March 26, 2012, was accounted for by ETE using business combination accounting. The Company allocated the purchase price paid by ETE to its assets, liabilities and partners' capital as of the acquisition date based on preliminary estimates. Accordingly, the successor financial statements reflect a new basis of accounting and predecessor and successor period financial results (separated by a heavy black line) are presented, but are not comparable.

The most significant impacts of the new basis of accounting during the successor periods were (i) higher depreciation expense due to the step-up of depreciable assets and assignment of purchase price to certain amortizable intangible assets and (ii) lower interest expense (though not cash payments) for the remaining life of the related long-term debt due to its revaluation and related debt premium amortization. Depreciation and amortization expense recognized in the successor periods subsequent to March 25, 2012 increased by approximately $8 million per quarter as a direct result of the application of the new basis of accounting. Interest expense recognized in the successor periods subsequent to March 25, 2012 decreased by approximately $8 million per quarter as a direct result of the application of the new basis of accounting.

The results of operations for the successor and predecessor periods reflect certain merger-related expenses, which are not expected to have a continuing impact on the results going forward, and those amounts are discussed in the results below.

The following table illustrates the results of operations of the Company:

	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
OPERATING REVENUES:		
Transportation and storage of natural gas	$ 174	$ 128
LNG terminalling	54	55
Other	4	3
Total operating revenues [1]	232	186
OPERATING EXPENSES:		
Operating, maintenance and general	65	80
Depreciation and amortization	41	41
Total operating expenses	106	121
OPERATING INCOME	126	65
OTHER INCOME (EXPENSE):		
Interest expense	(13)	(14)
Interest income - affiliates	—	1
Total other expenses, net	(13)	(13)
INCOME BEFORE INCOME TAX EXPENSE	113	52
Income tax expense	44	22
NET INCOME	$ 69	$ 30
Panhandle natural gas volumes transported (TBtu): [2]		
PEPL	137	131
Trunkline	177	173
Sea Robin	34	21

(1) Reservation revenues comprised 91% and 89% of total operating revenues for the three months ended June 30, 2013 and 2012, respectively.

(2) Includes transportation deliveries made throughout the Company's pipeline network.

The following is a discussion of the significant items and variances impacting the Company's net income during the periods presented above:

- *Operating Revenues*. Operating revenues for the three months ended June 30, 2013 increased compared to the same period in 2012 primarily due to the recognition of $52 million received in connection with the buyout of a customer's contract as well as higher usage revenues of $2 million as a result of higher volumes, partially offset by lower capacity sold at overall average lower rates and lower parking revenues.
- *Operating Expenses*. Operating expenses decreased for the three months ended June 30, 2013 compared to the same period last year primarily due to a decrease in employee-related costs related to integration efforts subsequent to ETE's acquisition of Southern Union.
- *Income Taxes*. The effective income tax rate of 39% for the three months ended June 30, 2013 was lower than the 42% rate for the three months ended June 30, 2012 primarily due to non-deductible executive compensation expenses included in the merger-related expenses for the 2012 period.

The following table illustrates the results of operations of the Company:

	Successor		Predecessor
	Six Months Ended June 30, 2013	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012
OPERATING REVENUES:			
Transportation and storage of natural gas	$ 318	$ 138	$ 140
LNG terminalling	107	58	51
Other	6	3	3
Total operating revenues [1]	431	199	194
OPERATING EXPENSES:			
Operating, maintenance and general	141	115	76
Depreciation and amortization	83	44	30
Total operating expenses	224	159	106
OPERATING INCOME	207	40	88
OTHER INCOME (EXPENSE):			
Interest expense	(27)	(15)	(25)
Interest income - affiliates	1	1	2
Total other expenses, net	(26)	(14)	(23)
INCOME BEFORE INCOME TAX EXPENSE	181	26	65
Income tax expense	70	15	25
NET INCOME	$ 111	$ 11	$ 40
Panhandle natural gas volumes transported (TBtu): [2]			
PEPL	314	140	152
Trunkline	357	185	177
Sea Robin	74	23	20

(1) Reservation revenues comprised 90% of total operating revenues for the six months ended June 30, 2013. Reservation revenues comprised 89% and 88% of total operating revenues for the periods from March 26, 2012 to June 30, 2012 and January 1, 2012 to March 25, 2012, respectively.

(2) Includes transportation deliveries made throughout the Company's pipeline network.

The following is a discussion of the significant items and variances impacting the Company's net income during the periods presented above:

- *Operating Revenues*. Operating revenues for the six months ended June 30, 2013 reflected the recognition of $52 million received in connection with the buyout of a customer's contract as well as higher usage revenues of $4 million as a result of higher volumes, partially offset by lower capacity sold at overall average lower rates and lower parking revenues.
- *Operating Expenses.* The period from March 26, 2012 to June 30, 2012 included merger-related expenses of approximately $43 million, offset by a curtailment gain on our OPEB plans of $11 million. The remaining decrease in operating expenses for the six months ended June 30, 2013 compared to the prior periods is attributable to a decrease in employee-related costs related to integration efforts subsequent to ETE's acquisition of Southern Union. The successor periods also reflected higher depreciation due to the step-up in depreciable assets in connection with the ETE Merger and lower corporate allocations due to merger-related synergies.
- *Interest Expense.* Interest expense decreased in the successor periods primarily due to amortization of the long-term debt fair value adjustment recorded in connection with the ETE Merger as well as the termination of interest rate swaps.

- *Income Taxes*. The effective income tax rates of 39% and 38% for the six months ended June 30, 2013 and the period from January 1, to March 25, 2012, respectively, were lower than the tax rate of 58% for the period from March 26, 2012 to June 30, 2012 as a result of non-deductible executive compensation expenses included in the merger-related expenses for 2012.

Supplemental Pro Forma Financial Information

The following unaudited pro forma condensed consolidated financial information of the Company has been prepared in accordance with Article 11 of Regulation S-X and reflects the pro forma impacts of the ETE Merger for the six months ended June 30, 2012, giving effect to the ETE Merger as if it had occurred on January 1, 2012. This unaudited pro forma financial information is provided to supplement the discussion and analysis of the historical financial information and should be read in conjunction with such historical financial information. This unaudited pro forma information is for illustrative purposes only and is not necessarily indicative of the financial results that would have occurred if the ETE Merger had been consummated on January 1, 2012.

	Successor	Predecessor		
	Period from Acquisition (March 26, 2012) to June 30, 2012	Period from January 1, 2012 to March 25, 2012	Pro Forma Adjustments	Pro Forma Six Months Ended June 30, 2012
OPERATING REVENUES	$ 199	$ 194	$ —	$ 393
OPERATING EXPENSES:				
Operating, maintenance and general	115	76	(30) (a)	161
Depreciation and amortization	44	30	8 (b)	82
Total operating expenses	159	106	(22)	243
OPERATING INCOME	40	88	22	150
OTHER INCOME (EXPENSE):				
Interest expense	(15)	(25)	8 (c)	(32)
Interest income - affiliates	1	2	—	3
Total other expenses, net	(14)	(23)	8	(29)
INCOME BEFORE INCOME TAX EXPENSE	26	65	30	121
Income tax expense	15	25	3 (d)	43
NET INCOME	$ 11	$ 40	$ 27	$ 78

(a) To eliminate the merger-related costs incurred by the Company in connection with the ETE Merger, including change in control and severance costs. These costs are eliminated from the Company's pro forma income statement because such costs would not have a continuing impact on the Company's results of operations.

(b) To record incremental depreciation on the excess purchase price allocated to property, plant and equipment based on a weighted average useful life of 24 years.

(c) To adjust amortization included in interest expense to (i) reverse historical amortization of financing costs and fair value adjustments related to debt and (ii) record pro forma amortization related to the pro forma adjustment of the Company's debt to fair value.

(d) To reflect income tax impacts from the pro forma adjustments to pre-tax income, including the elimination of the dividend received deduction recorded in the historical income tax provision for the predecessor periods in connection with the Company's investment in Citrus.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Item 3, Quantitative and Qualitative Disclosures About Market Risk, has been omitted from this report pursuant to the reduced disclosure format permitted by General Instruction H to Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company has established disclosure controls and procedures to ensure that information required to be disclosed by the Company, including consolidated entities, in reports filed or submitted under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports it files or submits under the Exchange Act is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company performed an evaluation under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, and with the participation of personnel from its Legal, Internal Audit, Risk Management and Financial Reporting Departments, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, Panhandle's Chief Executive Officer and Chief Financial Officer and concluded that the Company's disclosure controls and procedures were effective as of June 30, 2013.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal controls over financial reporting (as defined in Rule 13(a)-15(f) or Rule 15d-15(f) of the Exchange Act) during the three months ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to or has property subject to litigation and other proceedings, including matters arising under provisions relating to the protection of the environment, as described in Note 9 in this Quarterly Report on Form 10-Q and in Note 15 in the Company's Form 10-K for the year ended December 31, 2012.

The Company is subject to federal and state requirements for the protection of the environment, including those for the discharge of hazardous materials and remediation of contaminated sites. As a result, the Company is a party to or has its property subject to various other lawsuits or proceedings involving environmental protection matters. For information regarding these matters, see Note 9 in this Quarterly Report on Form 10-Q and Note 15 included in the Company's Form 10-K for the year ended December 31, 2012.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed in the Company's Form 10-K filed with the SEC on March 1, 2013.

ITEM 6. EXHIBITS

The following exhibits are filed as part of this report:

	Exhibit Number	Description
	31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
	31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934 pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	101.INS	XBRL Instance Document
	101.SCH	XBRL Taxonomy Extension Schema Document
	101.CAL	XBRL Taxonomy Calculation Linkbase Document
	101.DEF	XBRL Taxonomy Extension Definitions Document
	101.LAB	XBRL Taxonomy Label Linkbase Document
	101.PRE	XBRL Taxonomy Presentation Linkbase Document

* Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Panhandle Eastern Pipe Line Company, LP has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PANHANDLE EASTERN PIPE LINE COMPANY, LP
(Registrant)

Date: August 8, 2013

By: /s/ Martin Salinas, Jr.
Martin Salinas, Jr.
Chief Financial Officer (duly authorized to sign on behalf of the registrant)

Exhibit 31.1

CERTIFICATION OF PRESIDENT (PRINCIPAL EXECUTIVE OFFICER)
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kelcy L. Warren, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Panhandle Eastern Pipe Line Company, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ Kelcy L. Warren

Kelcy L. Warren
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF PRESIDENT (PRINCIPAL EXECUTIVE OFFICER)
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Martin Salinas, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Panhandle Eastern Pipe Line Company, LP;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2013

/s/ Martin Salinas, Jr.

Martin Salinas, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Panhandle Eastern Pipe Line Company, LP (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kelcy L. Warren, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 8, 2013

/s/ Kelcy L. Warren

Kelcy L. Warren
Chief Executive Officer

*A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to and will be retained by Energy Transfer Equity, L.P.

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Panhandle Eastern Pipe Line Company, LP (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Salinas, Jr., Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2013

/s/ Martin Salinas, Jr.

Martin Salinas, Jr.
Chief Financial Officer

*A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to and will be retained by Panhandle Eastern Pipe Line Company, LP.