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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D. C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 19, 2014**

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

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-2921**  
(Commission  
File Number)

**44-0382470**  
(I.R.S. Employer  
Identification No.)

**3738 Oak Lawn Ave.**  
**Dallas, Texas**  
(Address of principal executive offices)

**75219**  
(Zip Code)

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

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### Item 1.01. Entry into Material Definitive Agreement.

As previously reported, on November 19, 2013, Energy Transfer Partners, L.P. (“ETP”) and Energy Transfer Equity, L.P. (“ETE”) entered into a Redemption and Transfer Agreement (the “RTA”). Pursuant to the RTA, on February 19, 2014, ETP transferred its interest in Trunkline LNG Company, LLC (“TLNG”), the entity that owns a liquefied natural gas (“LNG”) regasification facility in Lake Charles, Louisiana, to ETE in exchange for the redemption of 18.71 million ETP units (the “Redeemed Units”) held by ETE (the “Transaction”).

The Redeemed Units represent an effective purchase price of approximately \$1.02 billion based on ETP’s closing unit price as of February 18, 2014, and the Transaction was deemed effective as of January 1, 2014.

Immediately prior to the Transaction contemplated by the RTA, Panhandle Eastern Pipe Line Company, LP (“PEPL”) entered into the following agreement:

**Transfer Agreement.** On February 19, 2014, PEPL, a wholly-owned subsidiary of ETP, and ETP entered into the Transfer Agreement (the “Transfer Agreement”), pursuant to which PEPL transferred (the “Transfer”) its interest in TLNG to ETP in exchange for the partial repayment and cancellation by ETP of the Intercompany Notes (as defined below) and the entrance into the New 2029 Note (as defined below). The Transfer was completed on February 19, 2014.

PEPL, as successor in interest to Southern Union Company, a Delaware corporation, and ETP were parties to (i) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL agreed to repay to ETP \$277,486,000 plus applicable interest relating to ETP’s 7.60% Senior Notes due 2024 (the “2024 Note”), (ii) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL agreed to repay to ETP \$545,531,000 plus applicable interest relating to ETP’s Floating Rate Junior Subordinated Notes due 2066 (the “Floating Rate Note”) and (iii) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL agreed to repay to ETP \$266,675,000 plus applicable interest relating to ETP’s 8.25% Senior Notes due 2029 (the “Old 2029 Note” and, together with the 2024 Note and the Floating Rate Note, the “Intercompany Notes”). In consideration for the Transfer, the Intercompany Notes were cancelled and PEPL and ETP entered into a new Intercompany Promissory Note, dated as of February 19, 2014, in the amount of \$82,954,000 plus applicable interest relating to ETP’s 8.25% Senior Notes due 2029 (the “New 2029 Note”), which amount was not repaid and cancelled pursuant to the Transfer Agreement.

The above descriptions of the Transfer Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Transfer Agreement, which is filed as Exhibit 10.1 hereto.

### Item 2.01 Completion of Acquisition or Disposition of Assets.

To the extent required, the information set forth under Item 1.01 is incorporated into this Item 2.01 by reference.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit</u>
10.1	Transfer Agreement, dated February 19, 2014, by and between Energy Transfer Partners, L.P. and Panhandle Eastern Pipe Line Company, LP
99.1	Unaudited pro forma financial information of Panhandle Eastern Pipe Line Company, LP

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant 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: February 25, 2014

By: /s/ Robert M. Kerrigan, III  
Robert M. Kerrigan, III  
Vice President and Secretary

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
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99.1	Unaudited pro forma financial information of Panhandle Eastern Pipe Line Company, LP

**TRANSFER AGREEMENT**

This TRANSFER AGREEMENT (this “**Agreement**”), dated as of February 19, 2013, is made by and between Panhandle Eastern Pipe Line Company, LP, a Delaware limited partnership (“**PEPL**”), and Energy Transfer Partners, L.P., a Delaware limited partnership (“**ETP**”). The above-named entities are sometimes referred to in this Agreement each as a “**Party**” and collectively as the “**Parties**.”

**RECITALS**

**WHEREAS**, ETP and Energy Transfer Equity, L.P., a Delaware limited partnership (“**ETE**”), have entered into that certain Redemption and Transfer Agreement (the “**RTA**”), dated as of November 19, 2013, pursuant to which, among other things, ETP agreed to assign to ETE 100% of the outstanding limited liability company interests (the “**Trunkline Interest**”) in Trunkline LNG Company, LLC, a Delaware limited liability company (“**Trunkline**”), in exchange for, among other consideration, the Redemption of the Redeemed Units (each as defined in the RTA);

**WHEREAS**, pursuant to the RTA, ETP agreed to cause, through one or a series of transactions (the “**Assignment Transactions**”), the Trunkline Interest to be transferred to ETP by Trunkline LNG Holdings LLC, a Delaware limited liability company (“**Trunkline Holdings**”) in exchange for the cancellation by ETP of the Intercompany Notes (as defined below) and the entrance into the New 2029 Note (as defined below);

**WHEREAS**, the first step of the Assignment Transactions was completed on February 19, 2014 when Trunkline Holdings transferred the Trunkline Interest to Panhandle Holdings LLC, a Delaware limited liability company (“**Panhandle Holdings**”);

**WHEREAS**, the second step of the Assignment Transactions was completed on February 19, 2014 when Panhandle Holdings transferred the Trunkline Interest to PEPL;

**WHEREAS**, PEPL, as successor in interest to Southern Union Company, a Delaware corporation, and ETP are parties to (i) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL has agreed to repay to ETP \$277,486,000.00 plus applicable interest relating to ETP’s 7.60% Senior Notes due February 1, 2024 (the “**2024 Note**”), (ii) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL has agreed to repay to ETP \$545,531,000.00 plus applicable interest relating to ETP’s Floating Rate Junior Subordinated Notes due November 1, 2066 (the “**Floating Rate Note**”) and (iii) that certain Intercompany Promissory Note, dated as of August 6, 2013 pursuant to which PEPL has agreed to repay to ETP \$266,675,000.00 plus applicable interest relating to ETP’s 8.25% Senior Notes due November 15, 2029 (the “**Old 2029 Note**”) and, together with the 2024 Note and the Floating Rate Note, the “**Intercompany Notes**”);

**WHEREAS**, as the third step of the Assignment Transactions, PEPL desires to assign to ETP all of PEPL’s right, title and interest in and to the Trunkline Interest, and ETP desires to accept the assignment of all of PEPL’s right, title and interest in and to the Trunkline Interest in exchange for (i) the full repayment and cancellation of the Intercompany Notes, each of which shall be cancelled and cease to exist, and (ii) the entrance by PEPL and ETP into the New 2029 Note.

## AGREEMENT

**NOW THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

### ARTICLE I

#### TRANSFER; CONSIDERATION; CLOSING

Section 1.1 *Transfer of Interest*. Simultaneously with the execution and delivery of this Agreement, PEPL hereby irrevocably transfers, grants, assigns and conveys the Trunkline Interest to ETP (the "**Transfer**") in full repayment of the Intercompany Note, which shall be cancelled and cease to exist as described in Section 1.2 hereof, and ETP hereby accepts the assignment of the Trunkline Interest from PEPL.

Section 1.2 *Cancellation of the Intercompany Notes and Entrance into the New 2029 Note*. As consideration for the Transfer, (i) the Intercompany Notes shall be deemed repaid in full and cancelled by ETP (the "**Cancellation**"), and such Cancellation is evidenced concurrently with the execution of this Agreement by the return of the Intercompany Notes from ETP to PEPL, and (ii) at the Closing, PEPL and ETP shall enter into a new Intercompany Promissory Note, dated as of the date hereof, relating to ETP's 8.25% Senior Notes due November 15, 2029, substantially in the form attached hereto as Annex A (the "**New 2029 Note**").

Section 1.3 *Closing*. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place simultaneously with the execution and delivery of this Agreement at the offices of Vinson & Elkins LLP, 1001 Fannin Street, Suite 2500, Houston, Texas.

### ARTICLE II

#### REPRESENTATIONS AND WARRANTIES OF PEPL; DISCLAIMER

Section 2.1 *Representations and Warranties of PEPL*. PEPL hereby represents and warrants that:

(a) It is a limited partnership, duly organized and validly existing and in good standing under the Laws (as hereinafter defined) of the State of Delaware, with all requisite limited partnership power and authority to own its properties and assets and to conduct its business as presently conducted;

(b) (i) It has all necessary limited partnership power and authority to execute and deliver this Agreement, the New 2029 Note and all documents necessary to be executed in connection with the transactions contemplated by this Agreement (collectively, the "**Transaction Documents**") to which it is, or will be, a party and to consummate the Transfer and the

Cancellation, (ii) the execution, delivery and performance by it of the Transaction Documents to which it is, or will be, a party and the consummation by it of the Transfer and the Cancellation has been duly authorized by all necessary action on its part and (iii) no other action on its part is necessary to authorize the execution and delivery by it of the Transaction Documents to which it is, or will be, a party and the consummation of the Transfer and the Cancellation. Each Transaction Document to which it is, or will be, a party has been, or will be, duly executed and delivered by PEPL and, assuming due and valid authorization, execution and delivery hereof by ETP, is, or will be, the valid and binding obligation of PEPL enforceable against it in accordance with its terms, except as may be limited by (A) the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other Laws affecting or relating to creditors' rights generally or (B) the rules governing the availability of specific performance, injunctive relief or other equitable remedies and general principles of equity, regardless of whether considered in a proceeding in equity or at law (together with Section (A), the "**Remedies Exceptions**");

(c) The execution, delivery and performance by it of the Transaction Documents to which it is, or will be, a party will not conflict with or result in any violation of or constitute a breach of any of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under any provisions of: (i) its certificate of limited partnership or limited partnership agreement; or the certificate of formation or limited liability company agreement of Trunkline; (ii) any material lien, encumbrance, security interest, pledge, mortgage, charge, other claim, bond, indenture, agreement, contract, franchise license, permit or other instrument or obligation to which it is a party or is subject or by which any of its assets or properties may be bound; (iii) any material applicable laws, statutes, ordinances, rules or regulations promulgated by a governmental authority, orders of a governmental authority, judicial decisions, decisions of arbitrators or determinations of any governmental authority or court ("**Laws**"); or (iv) any material provision of any material contract to which it is a party or by which its assets are bound;

(d) The Trunkline Interest is duly authorized and validly issued in accordance with the certificate of formation and limited liability company agreement of Trunkline and is fully paid and non-assessable;

(e) It owns directly the Trunkline Interest and has good and marketable title thereto, free and clear of all liens, encumbrances, security interests, pledges, mortgages, charges or other claims; and

(f) There is no outstanding agreement, contract, option, commitment or other right or understanding in favor of, or held by, any person to acquire the Trunkline Interest that has not been waived.

Section 2.2 *Representations and Warranties of ETP*. ETP hereby represents and warrants that:

(a) It is a limited partnership duly organized, validly existing and in good standing under the Laws of the State of Delaware, with all requisite limited partnership power and authority to own, operate or lease its properties and assets and to conduct its business as presently conducted;

(b) (i) It has all necessary limited partnership power and authority to execute and deliver the Transaction Documents to which it is, or will be, a party and to consummate the Transfer and the Cancellation, (ii) the execution, delivery and performance by it of the Transaction Documents to which it is, or will be, a party and the consummation by it of the Transfer and the Cancellation has been duly authorized by all necessary action on its part and (iii) no other action on its part is necessary to authorize the execution and delivery by it of the Transaction Documents to which it is, or will be, a party and the consummation of the Transfer and the Cancellation. Each Transaction Document to which ETP is, or will be, a party has been duly executed and delivered by ETP and, assuming due and valid authorization, execution and delivery hereof by PEPL, is, or will be, the valid and binding obligation of ETP enforceable against it in accordance with its terms, except as may be limited by the Remedies Exception;

(c) The execution, delivery and performance by it of the Transaction Documents to which it is, or will be, a party will not conflict with or result in any violation of or constitute a breach of any of the terms or provisions of, or result in the acceleration of any obligation under, or constitute a default under any provisions of: (i) its certificate of limited partnership or limited partnership agreement; (ii) any material lien, encumbrance, security interest, pledge, mortgage, charge, other claim, bond, indenture, agreement, contract, franchise license, permit or other instrument or obligation to which it is a party or is subject or by which any of its assets or properties may be bound; (iii) any material applicable Laws; or (iv) any material provision of any material contract to which it is a party or by which its assets are bound;

(d) ETP is acquiring the Trunkline Interest to consummate the Assignment Transactions. ETP acknowledges that the Trunkline Interest has not been registered under federal and state securities Laws and that the Trunkline Interest may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is registered under federal and state securities Laws or pursuant to an exemption from registration under any federal or state securities Laws; and

(e) It has, at all times since its formation, been classified for U.S. federal income tax purposes as a partnership, or as a disregarded entity, as the case may be, and not as a corporation.

Section 2.3 *Disclaimer of Warranties*. EXCEPT TO THE EXTENT PROVIDED IN THIS AGREEMENT, THE PARTIES ACKNOWLEDGE AND AGREE THAT NONE OF THE PARTIES HAS MADE, DOES NOT MAKE, AND EACH SUCH PARTY SPECIFICALLY NEGATES AND DISCLAIMS, ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR WRITTEN, PAST OR PRESENT, REGARDING (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE ASSETS OWNED BY PEPL OR ETP AND THEIR RESPECTIVE SUBSIDIARIES, INCLUDING THE ENVIRONMENTAL CONDITION OF THE ASSETS GENERALLY, INCLUDING THE PRESENCE OR LACK



OF HAZARDOUS SUBSTANCES OR OTHER MATTERS ON SUCH ASSETS, (B) THE INCOME TO BE DERIVED FROM SUCH ASSETS, (C) THE SUITABILITY OF SUCH ASSETS FOR ANY AND ALL ACTIVITIES AND USES THAT MAY BE CONDUCTED THEREON OR THEREWITH, (D) THE COMPLIANCE OF OR BY SUCH ASSETS OR THEIR OPERATION WITH ANY LAWS (INCLUDING ANY ZONING, ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS), OR (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF SUCH ASSETS. ETP ACKNOWLEDGES AND AGREES THAT IT HAS HAD THE OPPORTUNITY TO INSPECT THE ASSETS OF TRUNKLINE AND ITS SUBSIDIARIES, AND IT IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE ASSETS OF TRUNKLINE AND ITS SUBSIDIARIES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY PEPL. PEPL ACKNOWLEDGES AND AGREES THAT IT HAS HAD THE OPPORTUNITY TO INSPECT THE ASSETS OF ETP AND ITS SUBSIDIARIES, AND IT IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE ASSETS OF ETP AND ITS SUBSIDIARIES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY ETP. NONE OF THE PARTIES IS LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE ASSETS OF TRUNKLINE OR ETP OR THEIR RESPECTIVE SUBSIDIARIES FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT OR THIRD PARTY. THIS SECTION SHALL SURVIVE THE TRANSFER OF THE TRUNKLINE INTEREST OR THE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED BY THE PARTIES AFTER DUE CONSIDERATION AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE ASSETS OF TRUNKLINE OR ETP AND THEIR RESPECTIVE SUBSIDIARIES THAT MAY ARISE PURSUANT TO ANY LAW NOW OR HEREAFTER IN EFFECT, OR OTHERWISE, EXCEPT AS SET FORTH IN THIS AGREEMENT.

### ARTICLE III

#### MISCELLANEOUS

Section 3.1 *Survival of Representations and Warranties*. The representations and warranties in this Agreement will survive the completion of the transactions contemplated hereby regardless of any independent investigations that each Party may make or cause to be made, or knowledge it may have, prior to the date of this Agreement and will continue in full force and effect for a period of one year from the date of Closing. At the end of such period, such representations and warranties will terminate, and no claim may be brought by any Party thereafter in respect of such representations and warranties.

Section 3.2 *Headings; References, Interpretation*. All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this

Agreement as a whole, and not to any particular provision of this Agreement. All references herein to Articles and Sections shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

Section 3.3 *Successors and Assigns*. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

Section 3.4 *No Third Party Rights*. The provisions of this Agreement are intended to bind the Parties as to each other and are not intended to and do not create rights in any other person or confer upon any other person any benefits, rights or remedies, and no person is or is intended to be a third party beneficiary of any of the provisions of this Agreement.

Section 3.5 *Counterparts*. This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument. The delivery of an executed counterpart copy of this Agreement by facsimile or electronic transmission in PDF format shall be deemed to be the equivalent of delivery of the originally executed copy thereof.

Section 3.6 *Governing Law; Jurisdiction*. This Agreement, and all claims or causes of action (whether at Law, in contract or in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof (each, an "**Action**"), shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware. The Parties irrevocably submit to the exclusive jurisdiction of (a) the Delaware Court of Chancery, and (b) any state appellate court therefrom within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware), for the purposes of any Action (and each agrees that no such Action shall be brought by it except in such courts). The Parties irrevocably and unconditionally waive (and agree not to plead or claim) any objection to the laying of venue of any Action in (i) the Delaware Court of Chancery, or (ii) any state appellate court within the State of Delaware (or, only if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware) or that any such Action brought in any such court has been brought in an inconvenient forum. Each of the Parties also agrees that any final and non-appealable judgment against a Party in connection with any Action shall be conclusive and binding on such Party and that such award or judgment may be enforced in any court of competent jurisdiction, either within or outside of the United States. A certified or exemplified copy of such award or judgment shall be conclusive evidence of the fact and amount of such award or judgment.

Section 3.7 *Severability*. If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any governmental body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid and an equitable adjustment shall be made and necessary provision added so as to give effect, as nearly as possible, to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

Section 3.8 *Deed; Bill of Sale; Assignment*. To the extent required and permitted by applicable law, this Agreement shall also constitute a “deed,” “bill of sale” or “assignment” of the interests referenced herein.

Section 3.9 *Amendment or Modification*. This Agreement may be amended or modified from time to time only by the written agreement of all the Parties. Each such instrument shall be reduced to writing and shall be designated on its face as an amendment to this Agreement.

Section 3.10 *Integration*. This Agreement and the instruments referenced herein supersede all previous understandings or agreements among the Parties, whether oral or written, with respect to the subject matter of this Agreement and such instruments. This Agreement and such instruments contain the entire understanding of the Parties with respect to the subject matter hereof and thereof. No understanding, representation, promise or agreement, whether oral or written, is intended to be or shall be included in or form part of this Agreement unless it is contained in a written amendment hereto executed by the Parties after the date of this Agreement.

Section 3.11 *Specific Performance*. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed, or were threatened to be not performed, in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, in addition to any other remedy that may be available to it, including monetary damages, each of the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the jurisdiction provided in Section 3.6. The Parties further agree that no Party shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 3.11 and each Party waives any objection to the imposition of such relief or any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

**[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]**

IN WITNESS WHEREOF, the parties to this Agreement have caused it to be duly executed as of the date first above written.

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**

By: Southern Union Panhandle LLC,  
its general partner

By: /s/ Martin Salinas, Jr.

Name: Martin Salinas, Jr.

Title: Chief Financial Officer

**ENERGY TRANSFER PARTNERS, L.P.**

By: Energy Transfer Partners GP, L.P.,  
its general partner

By: Energy Transfer Partners, L.L.C.,  
its general partner

By: /s/ Martin Salinas, Jr.

Name: Martin Salinas, Jr.

Title: Chief Financial Officer

*Signature Page to Transfer Agreement*

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**ANNEX A**

A-1

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**

**UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following unaudited pro forma consolidated financial information of Panhandle Eastern Pipe Line Company, LP (“PEPL” or the “Company”) reflects the pro forma impacts of multiple transactions (each of which is further described in the sections below), as follows:

- The ETE Merger and Citrus Transaction completed in March 2012.
- The SUGS Contribution to Regency Energy Partners LP (“Regency”) completed in April 2013.
- The Local Distribution Company (“LDC”) Dispositions, with the sale of Southern Union Company’s (“Southern Union”) Missouri Gas Energy division (“MGE”) completed effective September 1, 2013 and the sale of Southern Union’s New England Gas Company division (“NEG”) completed effective December 1, 2013.
- The Panhandle Merger completed on January 10, 2014.
- The Trunkline LNG Deconsolidation completed on February 19, 2014.

The unaudited pro forma condensed consolidated balance sheet gives effect to the sale of NEG, the Panhandle Merger and the Trunkline LNG Deconsolidation as if they had occurred on September 30, 2013; the unaudited pro forma condensed consolidated statements of continuing operations assumes the transactions listed above were consummated on January 1, 2012. The unaudited pro forma condensed consolidated balance sheet and pro forma condensed consolidated statements of continuing operations should be read in conjunction with (i) Southern Union’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013; (ii) Southern Union’s Annual Report on Form 10-K for the year ended December 31, 2012; (iii) PEPL’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013; and (iv) PEPL’s Annual Report on Form 10-K for the year ended December 31, 2012.

PEPL’s merger with Southern Union on January 10, 2014 was a combination of entities under common control; therefore, the consolidated financial statements of PEPL will be retrospectively adjusted to consolidate Southern Union for all periods, beginning when PEPL issues financial statements that include the period when the transaction occurred. Because PEPL was consolidated into Southern Union prior to the merger, the consolidated financial statements of PEPL subsequent to the merger will be substantially similar to Southern Union’s historical consolidated financial statements for all periods, except for primarily (i) equity balances on the consolidated balance sheet and (ii) income attributable to noncontrolling interest in the consolidated income statement. Given the pro forma assumption that the merger occurred on the balance sheet date or at the beginning of the earliest period presented, the historical consolidated financial information of PEPL would have presumably been retrospectively adjusted at those dates to consolidate Southern Union. As such, Southern Union’s historical information (which included PEPL on a consolidated basis) has been reflected in these pro forma financial statements as though it represents the historical financial information for PEPL on a consolidated basis.

The unaudited pro forma condensed consolidated financial statements are for illustrative purposes only and are not necessarily indicative of the financial results that would have occurred if the transactions listed above had been consummated on the dates indicated, nor are they necessarily indicative of the financial position or results of operations in the future. The pro forma adjustments, as described in the accompanying notes, are based upon available information and certain assumptions that are believed to be reasonable as of the date of this document.

*ETE Merger and Citrus Transaction*

On March 26, 2012, Energy Transfer Equity, L.P. (“ETE”) consummated the acquisition of Southern Union and, concurrently with the closing of the Southern Union acquisition, CrossCountry Energy, LLC (“CrossCountry”), a subsidiary of Southern Union that indirectly owned a 50% interest in Citrus Corp. (“Citrus”), merged with a subsidiary of Energy Transfer Partners, L.P. (“ETP”) and, in connection therewith, ETP paid \$1.895 billion in cash and issued \$105 million of ETP common units (which we refer to as the “Citrus Transaction”).

### *SUGS Contribution*

On April 30, 2013, Southern Union contributed to Regency, a subsidiary of ETE, all of the issued and outstanding membership interest in Southern Union Gathering Company, LLC and its subsidiaries (the "SUGS Contribution"). The consideration paid by Regency to Southern Union in connection with this transaction consisted of (i) the issuance of approximately 31.4 million Regency common units to Southern Union, (ii) the issuance of approximately 6.3 million Regency Class F units to Southern Union, and (iii) the distribution of \$463 million in cash to Southern Union, net of closing adjustments. The Regency Class F units have the same rights, terms and conditions as the Regency common units, except that Southern Union does not receive distributions on the Regency Class F units for the first eight consecutive quarters following the closing, and the Regency Class F units will thereafter automatically convert into Regency common units on a one-for-one basis.

### *Local Distribution Company ("LDC") Dispositions*

On December 17, 2012, Southern Union entered into definitive purchase and sale agreements with subsidiaries of The Laclede Group, Inc. ("Laclede") to sell the assets of MGE and NEG. The aggregate value of the transactions are approximately \$1.035 billion, subject to customary closing adjustments, comprised of \$1.015 billion in cash and approximately \$20 million of assumed debt of the New England Gas Company division. The sale of MGE was effective on September 1, 2013, and the sale of NEG was effective on December 1, 2013.

### *Panhandle Merger*

On January 10, 2014, the Company consummated a merger with Southern Union, the indirect parent of the Company, and PEPL Holdings, LLC ("PEPL Holdings") the sole limited partner of the Company, pursuant to which each of Southern Union and PEPL Holdings were merged with and into the Company, with the Company surviving the merger. The assets and liabilities of Southern Union and PEPL Holdings, collectively, that were assumed by the Company included the following:

- ETP common units representing a 1% limited partnership interest in ETP;
- Regency common units representing a 15% limited partnership interest in Regency;
- Approximately \$176 million of Southern Union third party long-term debt and \$1.09 billion of notes payable to ETP; and
- Guarantee of \$600 million of Regency senior notes.

### *Trunkline LNG Deconsolidation*

On February 19, 2014, Panhandle transferred all of the interests in Trunkline LNG Company, LLC, the entity that owns a LNG regasification facility in Lake Charles, Louisiana, in exchange for the cancellation of a \$1.09 billion note payable to ETP that was assumed by the Company in the merger with Southern Union on January 10, 2014. Also on February 19, 2014, ETE and ETP completed the transfer to ETE of Trunkline LNG from ETP in exchange for the redemption by ETP of 18.7 million ETP common units held by ETE.

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**  
**As of September 30, 2013**  
**(in millions)**

	<u>Southern Union Historical (1)</u>	<u>LDC Deconsolidation</u>	<u>Trunkline LNG Deconsolidation</u>	<u>Pro Forma Adjustments</u>	<u>PEPL Pro Forma</u>
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 44	\$ —	\$ —	\$ —	\$ 44
Accounts receivable, net	72	—	(18) <b>b</b>	—	54
Accounts receivable from related companies	71	—	(21) <b>b</b>	22 <b>c</b>	72
Inventories	165	—	(7) <b>b</b>	—	158
Exchanges receivable	8	—	—	—	8
Current assets held for sale	16	(16) <b>a</b>	—	—	—
Prepayments and other current assets	12	—	(6) <b>b</b>	—	6
Total current assets	388	(16)	(52)	22	342
PROPERTY, PLANT AND EQUIPMENT, net	4,045	—	(916) <b>b</b>	—	3,129
NON-CURRENT ASSETS HELD FOR SALE	145	(145) <b>a</b>	—	—	—
UNCONSOLIDATED INVESTMENTS	1,542	—	—	—	1,542
GOODWILL	2,025	—	(874) <b>b</b>	—	1,151
NOTE RECEIVABLE FROM RELATED PARTY	396	—	(107) <b>b</b>	107 <b>c</b>	396
OTHER NON-CURRENT ASSETS, net	125	—	(53) <b>b</b>	—	72
Total assets	<u>\$ 8,666</u>	<u>\$ (161)</u>	<u>\$ (2,002)</u>	<u>\$ 129</u>	<u>\$ 6,632</u>

- (1) The Panhandle Merger was a combination of entities under common control; therefore, Southern Union's historical information (which included PEPL on a consolidated basis) has been reflected in these pro forma financial statements as though it represents the historical financial information for PEPL on a consolidated basis, as discussed above.



**PANHANDLE EASTERN PIPE LINE COMPANY, LP**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**  
**As of September 30, 2013**  
**(in millions)**

	Southern Union Historical (1)	LDC Deconsolidation	Trunkline LNG Deconsolidation	Pro Forma Adjustments	PEPL Pro Forma
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES:</b>					
Current maturities of long-term debt	\$ 1	\$ —	\$ —	\$ —	\$ 1
Accounts payable, accrued liabilities and other	113	—	(1)b	—	112
Accounts payable to related companies	138	—	(10)b	129c	257
Federal, state and local taxes payable	141	240a	(1)b	356e	736
Accrued interest	24	—	—	—	24
Exchanges payable	153	—	(1)b	—	152
Derivative instruments	16	—	—	—	16
Current liabilities held for sale	13	(13)a	—	—	—
Total current liabilities	599	227	(13)	485	1,298
LONG-TERM DEBT, less current maturities	1,252	—	—	—	1,252
NOTE PAYABLE TO RELATED PARTY	1,090	—	(1,090)d	—	—
DEFERRED CREDITS	284	—	(6)b	—	278
DEFERRED INCOME TAXES	1,649	(206)a	(167)b	—	1,276
NON-CURRENT LIABILITIES HELD FOR SALE	70	(70)a	—	—	—
<b>COMMITMENTS AND CONTINGENCIES</b>					
<b>STOCKHOLDER'S EQUITY:</b>					
Premium on capital stock	3,939	—	—	(3,939)f	—
Partners' capital	—	—	(727)b	3,842f	3,115
Accumulated other comprehensive loss	(12)	—	1b	3f	(8)
Retained earnings (accumulated deficit)	(205)	(112)a	—	317f	—
Total stockholder's equity	3,722	(112)	(726)	223	3,107
Noncontrolling interest	—	—	—	(579)f	(579)
Total liabilities and stockholder's equity	\$ 8,666	\$ (161)	\$ (2,002)	\$ 129	\$ 6,632

- (1) The Panhandle Merger was a combination of entities under common control; therefore, Southern Union's historical information (which included PEPL on a consolidated basis) has been reflected in these pro forma financial statements as though it represents the historical financial information for PEPL on a consolidated basis, as discussed above.

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CONTINUING OPERATIONS**  
**For the Nine Months Ended September 30, 2013**  
**(in millions)**

	Southern Union Historical <sup>(1)</sup>	SUGS Deconsolidation	Trunkline LNG Deconsolidation	Pro Forma Adjustments	PEPL Pro Forma Nine Months Ended September 30, 2013
OPERATING REVENUES	\$ 891	\$ (271)g	\$ (162)b	\$ —	\$ 458
OPERATING EXPENSES:					
Cost of products sold	226	(223)g	—	—	3
Operating, maintenance and general	281	(55)g	(23)b	—	203
Depreciation and amortization	147	(21)g	(29)b	—	97
Total operating expenses	654	(299)	(52)	—	303
OPERATING INCOME	237	28	(110)	—	155
OTHER INCOME (EXPENSE):					
Interest expense	(84)	—	—	18h 61d	(5)
Earnings from unconsolidated investments	15	1g	—	10h	26
Other, net	2	—	—	—	2
INCOME FROM CONTINUING OPERATIONS BEFORE					
INCOME TAX EXPENSE	170	29	(110)	89	178
Income tax expense	80	10g	(44)b	29i	75
INCOME FROM CONTINUING OPERATIONS	<u>\$ 90</u>	<u>\$ 19</u>	<u>\$ (66)</u>	<u>\$ 60</u>	<u>\$ 103</u>

- (1) The Panhandle Merger was a combination of entities under common control; therefore, Southern Union's historical information (which included PEPL on a consolidated basis) has been reflected in these pro forma financial statements as though it represents the historical financial information for PEPL on a consolidated basis, as discussed above.

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF CONTINUING OPERATIONS**  
**For the Year Ended December 31, 2012**  
**(in millions)**

	<u>Southern Union Historical (1)</u>					
	<u>Successor Period from Acquisition (March 26, 2012) to December 31, 2012</u>	<u>Predecessor Period from January 1, 2012 to March 25, 2012</u>	<u>SUGS Deconsolidation</u>	<u>Trunkline LNG Deconsolidation</u>	<u>Pro Forma Adjustments</u>	<u>PEPL Pro Forma Year Ended December 31, 2012</u>
OPERATING REVENUES	\$ 1,263	\$ 443	\$ (909)g	\$ (217)b	\$ —	\$ 580
OPERATING EXPENSES:						
Cost of products sold	521	197	(714)g	—	—	4
Operating, maintenance and general	377	116	(128)g	(40)b	(81)j	244
Depreciation and amortization	179	49	(68)g	(38)b	5k	127
Total operating expenses	1,077	362	(910)	(78)	(76)	375
OPERATING INCOME	186	81	1	(139)	76	205
OTHER INCOME (EXPENSE):						
Interest expense	(131)	(50)	—	1b	9l	(65)
					24h	
					82d	
Earnings (losses) from unconsolidated investments	(7)	16	9g	—	2h	11
					(9)m	
Other, net	2	(2)	—	—		—
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE	50	45	10	(138)	184	151
Income tax expense (benefit)	39	12	(3)g	(58)b	43i	33
INCOME FROM CONTINUING OPERATIONS	<u>\$ 11</u>	<u>\$ 33</u>	<u>\$ 13</u>	<u>\$ (80)</u>	<u>\$ 141</u>	<u>\$ 118</u>

- (1) The Panhandle Merger was a combination of entities under common control; therefore, Southern Union's historical information (which included PEPL on a consolidated basis) has been reflected in these pro forma financial statements as though it represents the historical financial information for PEPL on a consolidated basis, as discussed above.

**PANHANDLE EASTERN PIPE LINE COMPANY, LP**

**NOTES TO UNAUDITED PRO FORMA INFORMATION**

The unaudited pro forma condensed consolidated balance sheet gives effect to the LDC Dispositions, the Panhandle Merger and the Trunkline LNG Deconsolidation as if they had occurred on September 30, 2013. The ETE Merger, Citrus Transaction and SUGS Contribution were already reflected in Southern Union's historical consolidated balance sheet as of September 30, 2013; therefore, no pro forma balance sheet adjustments were necessary.

The unaudited pro forma condensed consolidated statements of continuing operations assumes that the ETE Merger, the Citrus Transaction, the SUGS Contribution, the LDC Dispositions, the Panhandle Merger and the Trunkline LNG Deconsolidation were consummated on January 1, 2012. PEPL was an indirect wholly-owned subsidiary of Southern Union until the Panhandle Merger was completed on January 10, 2014; therefore, Southern Union's historical financial information included the financial position and results of operations of PEPL. The historical results reflect the following:

- *Southern Union Successor*: Southern Union's results for the period from March 26, 2012 through December 31, 2012.
- *Southern Union Predecessor*: Southern Union's results for the period from January 1, 2012 through March 25, 2012, which included the earnings from the investment in Citrus.

Southern Union's historical results reflected the LDCs as discontinued operations for all periods presented. Therefore, no adjustments to the pro forma condensed consolidated statements of continuing operations were necessary.

Following are explanations of certain pro forma adjustments included above:

- a. The LDC deconsolidation occurred in September 2013 for MGE and in December 2013 for NEG. On the pro forma consolidated balance sheet, the "LDC Deconsolidation" column reflects the deconsolidation of balances related to NEG.
- b. In the pro forma consolidated statements of continuing operations for the nine months ended September 30, 2013, the "Trunkline LNG Deconsolidation" column reflects the deconsolidation of Trunkline LNG for the entire nine months. In the pro forma consolidated statement of continuing operations for the year ended December 31, 2012, the "Trunkline LNG Deconsolidation" column reflects the deconsolidation of Trunkline LNG for both the predecessor period (January 1, 2012 through March 25, 2012) and the successor period (March 26, 2012 through December 31, 2012) on a combined basis.
- c. To record intercompany amounts between Trunkline LNG and Southern Union, which were eliminated in the historical financial statements as a result of Southern Union's consolidation of Trunkline LNG. These amounts include a note payable from Southern Union to Trunkline LNG and related interest expense.
- d. To record the other pro forma impacts of the Trunkline LNG Deconsolidation including (i) the cancellation of Southern Union's \$1.09 billion note payable to ETP (which was assumed by PEPL in the Panhandle Merger), and (ii) (ii) reduce interest expense and reverse historical amortization of fair value adjustments related to the canceled debt.
- e. To record the pro forma income tax payable related to the tax gain on the Trunkline LNG Deconsolidation.
- f. To record the pro forma impacts of the Panhandle Merger and related changes in equity to reflect Southern Union's equity as noncontrolling interest, except for amounts attributable to PEPL's partnership capital.
- g. In the pro forma consolidated statements of continuing operations for the nine months ended September 30, 2013, the "SUGS Deconsolidation" column reflects the deconsolidation of SUGS for the period from January 1, 2013 through April 30, 2013 (the date SUGS was contributed to Regency). In the pro forma consolidated statement of continuing operations for the year ended December 31, 2012, the "SUGS Deconsolidation" column reflects the deconsolidation of SUGS for both the predecessor period (January 1, 2012 through March 25, 2012) and the successor period (March 26, 2012 through December 31, 2012) on a combined basis.

- h. To record the pro forma impacts of the contribution of SUGS to Regency and the consideration received including (i) Southern Union's receipt of Regency common units and Regency Class F units, (ii) use of cash proceeds from the transaction of \$570 million to pay down long-term debt and reduce related interest expense and (iii) to record Southern Union's equity in earnings of affiliates.
- i. To record the pro forma income tax impact related to pro forma adjustments to pre-tax income.
- j. To eliminate merger-related costs incurred by Southern Union in the ETE Merger and Citrus Transaction because such costs would not have a continuing impact on results of operations.
- k. To record incremental depreciation and amortization expense related to estimated fair values recorded in Southern Union purchase accounting. Depreciation expense is estimated based on a weighted average useful life of 24 years.
- l. 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 amortization related to the pro forma adjustment of Southern Union's debt to fair value.
- m. To reverse the equity in earnings of Citrus Corp. recorded in Southern Union's historical statement of operations and record the pro forma equity in earnings of ETP as a result of the ETE Merger and Citrus Transaction.