# Energy Transfer Equity, L.P.

## Acquisition of Southern Union Company

### Investor Presentation

Southern Union Company

ENERGY TRANSFER

# Legal Disclaimer

This presentation may contain statements about future events, outlook and expectations of Energy Transfer Partners, L.P. (ETP), Energy Transfer Equity, L.P. (ETE), Regency Energy Partners LP (RGNC), and Southern Union Company (SUG) (collectively, the “Companies”), all of which are forward-looking statements. Any statement in this presentation that is not a historical fact may be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that are believed to be reasonable, but are subject to a number of risks, uncertainties and other factors, many of which are outside the Companies’ control, and which could cause the actual results, performance or achievements of the Companies to be materially different. Among those is the risk that conditions to closing the transaction are not met or that the anticipated benefits from the proposed transaction cannot be realized. While the Companies believe that the assumptions concerning future events are reasonable, we caution that there are inherent difficulties in predicting certain important factors that could impact the future performance or results of our businesses. These risks and uncertainties are discussed in more detail in the filings made by the Companies with the Securities and Exchange Commission, copies of which are available to the public. The Companies expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and, with respect to pipeline transportation capacity, are subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

**Additional Information**

In connection with the transaction, ETE and SUG will file a joint proxy statement / prospectus and other documents with the SEC. Investors and security holders are urged to carefully read the definitive joint proxy statement / prospectus when it becomes available because it will contain important information regarding ETE, SUG and the transaction.

A definitive joint proxy statement / prospectus will be sent to stockholders of SUG seeking their approval of the transaction. Investors and security holders may obtain a free copy of the definitive joint proxy statement / prospectus (when available) and other documents filed by ETE and SUG with the SEC at the SEC’s website, www.sec.gov. The definitive joint proxy statement / prospectus (when available) and such other documents relating to ETE may also be obtained free of charge by directing a request to Energy Transfer Equity, L.P., Attn: Investor Relations, 3738 Oak Lawn Avenue, Dallas, Texas 75219, or from ETE’s website, www.energytransfer.com. The definitive joint proxy statement / prospectus (when available) and such other documents relating to SUG may also be obtained free of charge by directing a request to Southern Union Company, Attn: Investor Relations, 5444 Westheimer Road, Houston, Texas 77056, or from SUG’s website, www.sug.com.

ETE, SUG and their respective directors and executive officers may, under the rules of the SEC, be deemed to be “participants” in the solicitation of proxies in connection with the proposed transaction. Information concerning the interests of the persons who may be “participants” in the solicitation will be set forth in the joint proxy statement / prospectus when it becomes available.

# A Compelling Strategic Transaction

- Creates a $40 billion[1] group of integrated midstream companies in the U.S. natural gas industry
  - The largest consolidated natural gas pipeline company in the U.S.
- Meaningful accretion to ETE unitholders both immediately and over the long-term
  - Fixed exchange ratio of 0.770x provides compelling upside to SUG shareholders on a tax deferred basis
- Significant, tangible commercial / operating synergies: conservatively estimated at ~$100 million per annum
- Diversifies ETE's cash flow profile while maintaining SUG, ETP and RGNC credit profiles
- Transaction structure designed to accommodate SUG shareholder preferences
  - ETE or ETP unit conversion (on terms outlined)
  - Potential asset "drop-downs" or asset sales generate cash to undertake optional redemptions

(1) Based on ETP, RGNC and ETE closing prices as of June 15, 2011; units outstanding and debt balances as of 3/31/2011, pro forma for LDHE acquisition and issuance of ETE Series B Units in connection with the transaction.

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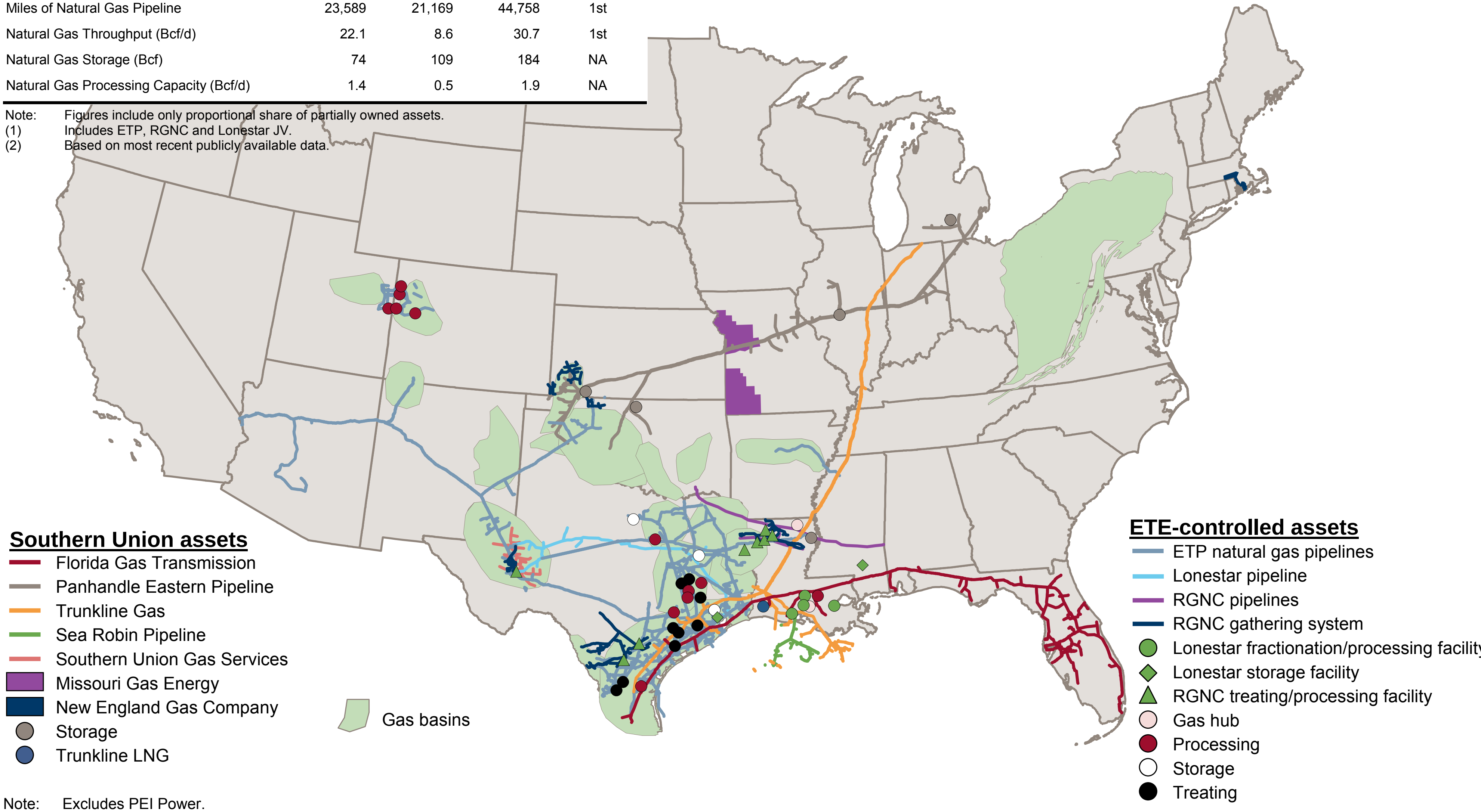
# Combined Asset Footprint

| | Energy Transfer [1] | SUG | Combined | Rank[2] |
|---|---|---|---|---|
| Miles of Natural Gas Pipeline | 23,589 | 21,169 | 44,758 | 1st |
| Natural Gas Throughput (Bcf/d) | 22.1 | 8.6 | 30.7 | 1st |
| Natural Gas Storage (Bcf) | 74 | 109 | 184 | NA |
| Natural Gas Processing Capacity (Bcf/d) | 1.4 | 0.5 | 1.9 | NA |

Note: Figures include only proportional share of partially owned assets.
(1) Includes ETP, RGNC and Lonestar JV.
(2) Based on most recent publicly available data.




Note: Excludes PEI Power.

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# Transaction Overview

- ETE will purchase all of SUG's outstanding common stock in exchange for newly issued ETE Series B Units (the "Series B Units")
  - Implied value of Series B Units represents a 17% premium to the SUG closing price on June 15, 2011 and 18% premium to the average closing price on a year-to-date basis
  - Series B Units will be redeemable by ETE for cash at the implied value of $33.00 per former SUG share
  - Upon a redemption event, Series B unitholders have the right to convert into ETP common units at an implied value of $33.00 per former SUG share
  - Series B unitholders have the right, at their election, to convert into ETE common units, at any time, after first anniversary of closing at a fixed exchange ratio of 0.770x
  - Series B Units will be entitled to an annualized distribution of not less than 8.25%, payable quarterly, (based on implied value of $33.00 per former SUG share)
  - Series B Units will be registered and are expected to be listed for trading on NYSE
- $7.9 billion total purchase price
  - $4.2 billion in equity (Series B Units)
  - $3.7 billion of existing debt at SUG and subsidiaries
- Transaction is expected to close in Q1 2012, subject to SUG shareholder and regulatory approval

**Creates an Integrated Natural Gas Midstream Group of Companies**

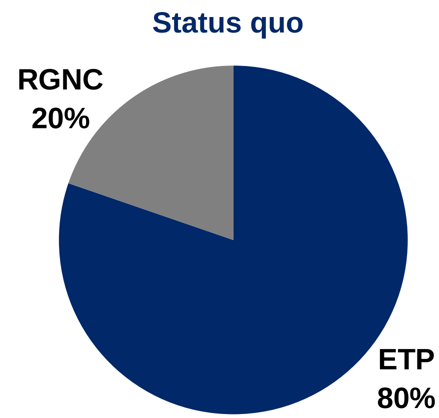
# Strategic Rationale for ETE

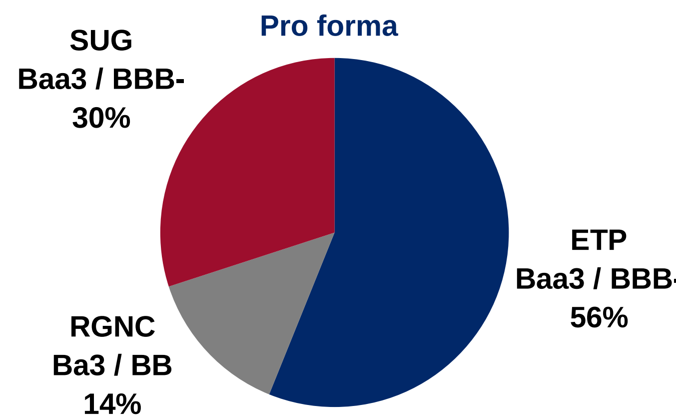
- Immediate and long-term accretion to ETE’s distributable cash flow
- Strong commercial and operational fit with existing controlled natural gas and natural gas liquids operations
- Attractive, complementary assets aligned with ETE’s growth strategy
  - Provides larger, more competitive interstate and midstream platform with significantly enhanced and expanded geographic diversity
  - Adds significant demand-side market-centric pipelines to Energy Transfer’s asset portfolio
  - Additional organic growth opportunities in strategic geographical locations across the United States
- Significantly increases fee-based revenues from long-term contracts with strong credit quality customers
- Ability to realize immediate meaningful operational and commercial synergies
- Diversifies ETE’s cash flow profile, resulting in a significant portion of pro forma cash flow sourced from large scale, regulated and investment grade operations
- Potential for asset “drop-downs” or asset sales over time should further enhance value

# Enhanced ETE Cash Flow Profile

- The acquisition will enhance and further diversify ETE's asset base and cash flow profile while reducing ETE's overall risk profile
  - Diversity will be both operational and geographic
- The quality of ETE's future cash flows will improve due to the nature of SUG's assets
  - Approximately 77% of SUG's EBITDA is from interstate pipelines and storage facilities that primarily operate under long-term fee-based contracts
  - Average remaining life on FGT Phase VIII and Trunkline LNG contracts is approximately 25 and 20 years, respectively
  - ETE's consolidated adjusted EBITDA from investment grade entities increases from 80% to 86% in 2011
- ETE's existing subsidiaries, ETP and RGNC, generate the majority of their cash flows under fee-based contract structures

**ETE 2011E consolidated adjusted EBITDA by entity**

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# Strategic Rationale for SUG

- Immediate financial impact for SUG shareholders
  - 17% premium to the closing price on June 15, 2011 and 18% premium to the average closing price on a year-to-date basis
  - Increase in annualized dividend yield from 2% to 8.25%
  - Potential for conversion into ETE / ETP units provides opportunity for significant upside for SUG shareholders based on SUG shareholders' individual investment objectives
    - ETP: Attractive yield and growth from an investment grade company with significant market liquidity
    - ETE: Lower yield with higher potential growth (a more "supercharged" investment alternative)
  - Initial tax deferral to SUG shareholders
- Enhanced long-term position as this transaction marries SUG's attractive end-user position in major energy-consuming markets with Energy Transfer's unique asset footprint proximate to major natural gas producing basins

**Equity in faster growing, more diversified, better positioned company**

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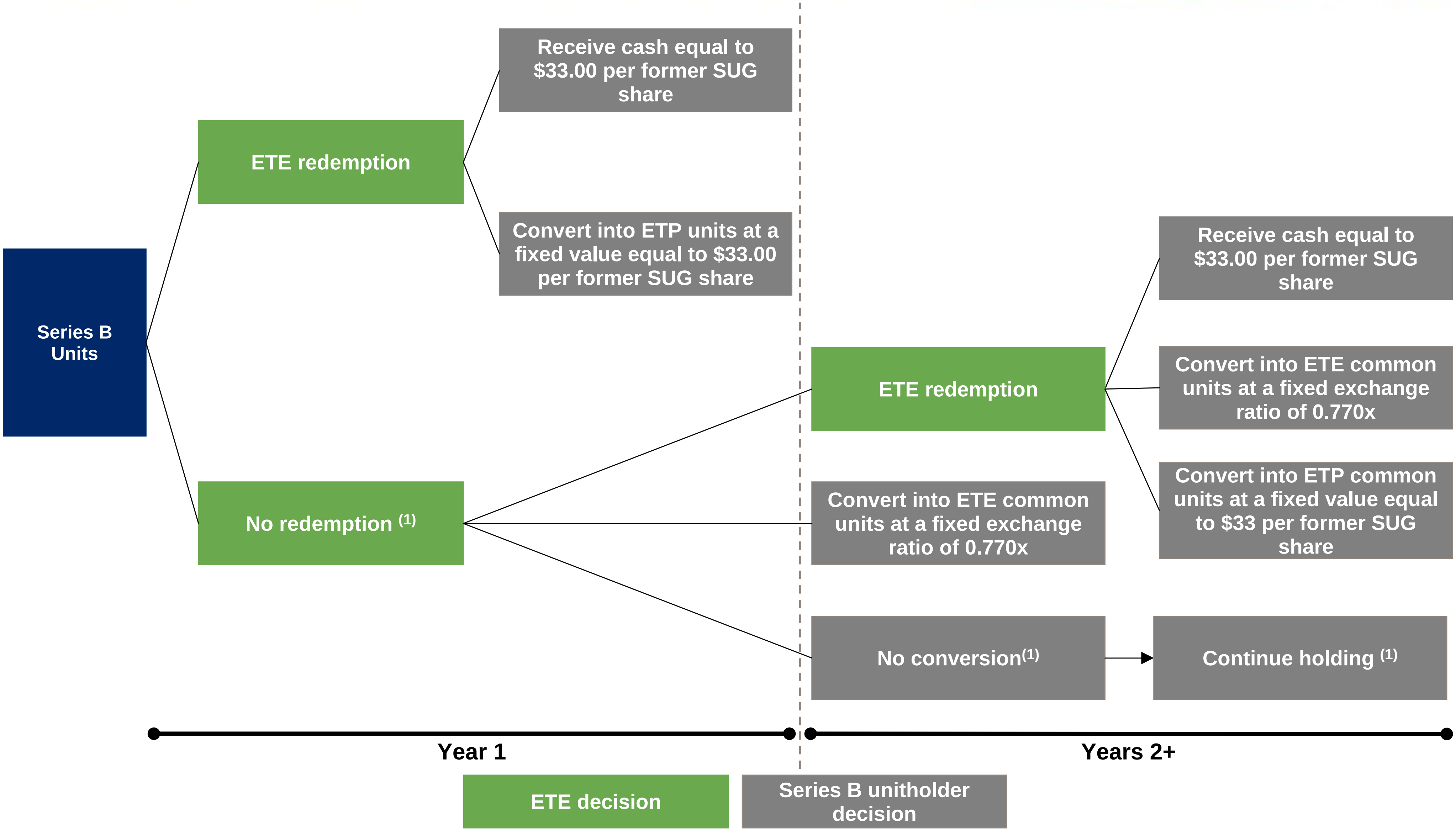
# Overview of Series B Units

- Convertible by the holder into ETE common units, at any time, after the first anniversary of closing
  - Immediate and long-term cash flow accretion to ETE means that the right to convert on a fixed exchange ratio basis should be highly attractive to Series B unitholders
- Mechanism allows for full or partial conversion / redemption events
- Series B Units can be redeemed, at any time, by ETE for cash at the implied value of $33.00 per former SUG share
  - If ETE exercises its cash redemption right, holders of Series B Units will have the right to convert into ETP common units (at a fixed value of $33.00 per Series B Unit)
  - After the first year following closing, holders of Series B Units will also have the right to convert into ETE common units (on a fixed exchange ratio basis of 0.770x)
- For the first three years following closing, the Series B Units will pay an annualized distribution of 8.25% and thereafter, an annualized rate equal to the greater of (i) 8.25% and (ii) the then current 3-month LIBOR rate plus 750 basis points
  - Higher distribution yield than underlying ETE common units
  - A significant increase relative to SUG's current annualized dividend yield of 2%
- Expected to be listed and traded on the New York Stock Exchange

# Series B Unit Decision Tree




(1) Years 1 to 3: Annualized rate equal to 8.25%.
Thereafter: Annualized rate equal to the greater of (i) 8.25% and (ii) the then current 3-month LIBOR rate plus 750 basis points.

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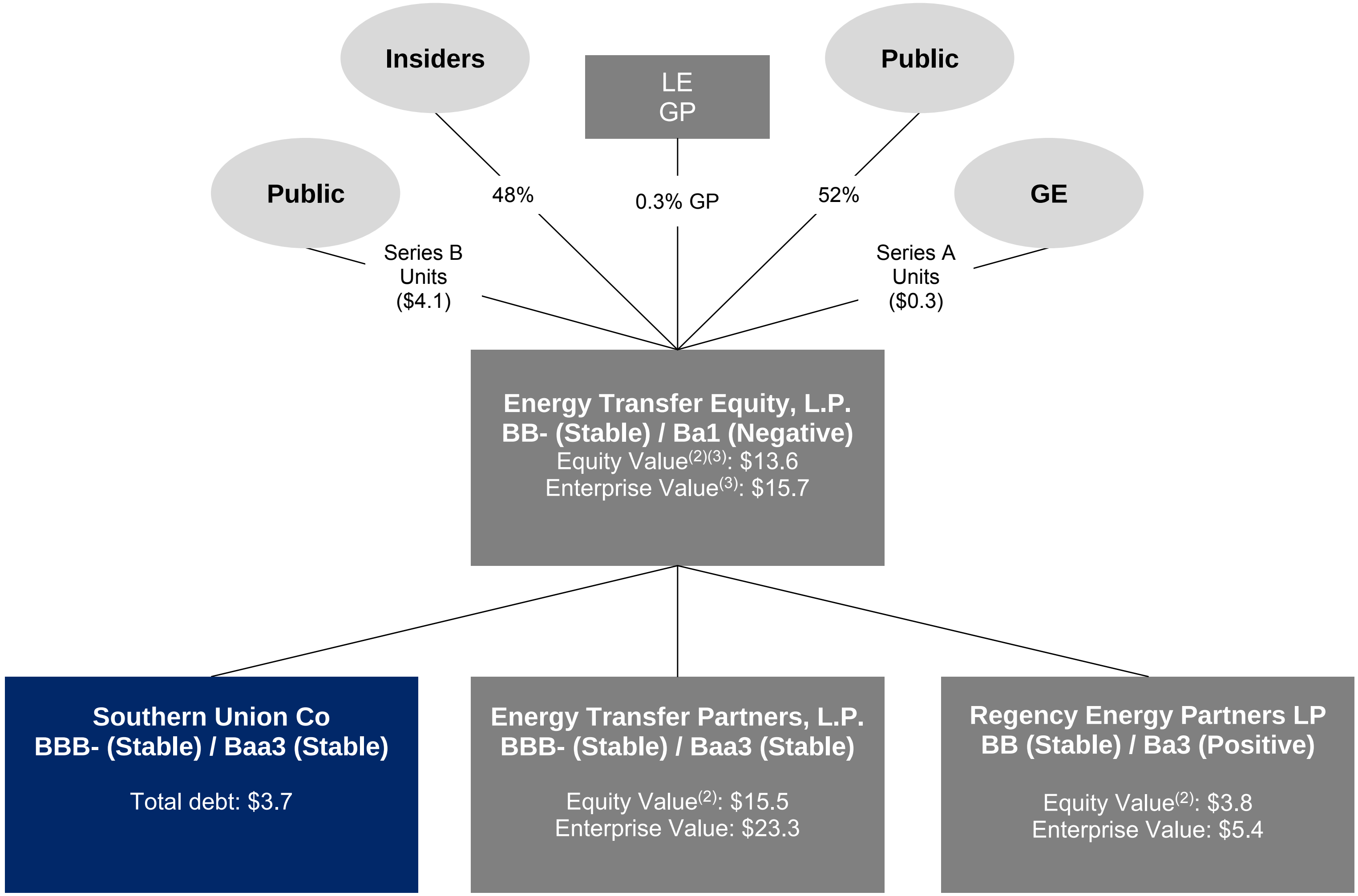
# Creates a ~$40 Billion[(1)] Group of Integrated Natural Gas Midstream Companies

($ in billions)




Note: Credit ratings reflect senior unsecured ratings for SUG and ETP and corporate credit ratings (S&P) or corporate family ratings (Moody's) for ETE and RGNC.

(1) Based on ETP, RGNC and ETE closing prices as of June 15, 2011; units outstanding and debt balances as of 3/31/2011, pro forma for LDHE acquisition and issuance of Series B Units in connection with the transaction.

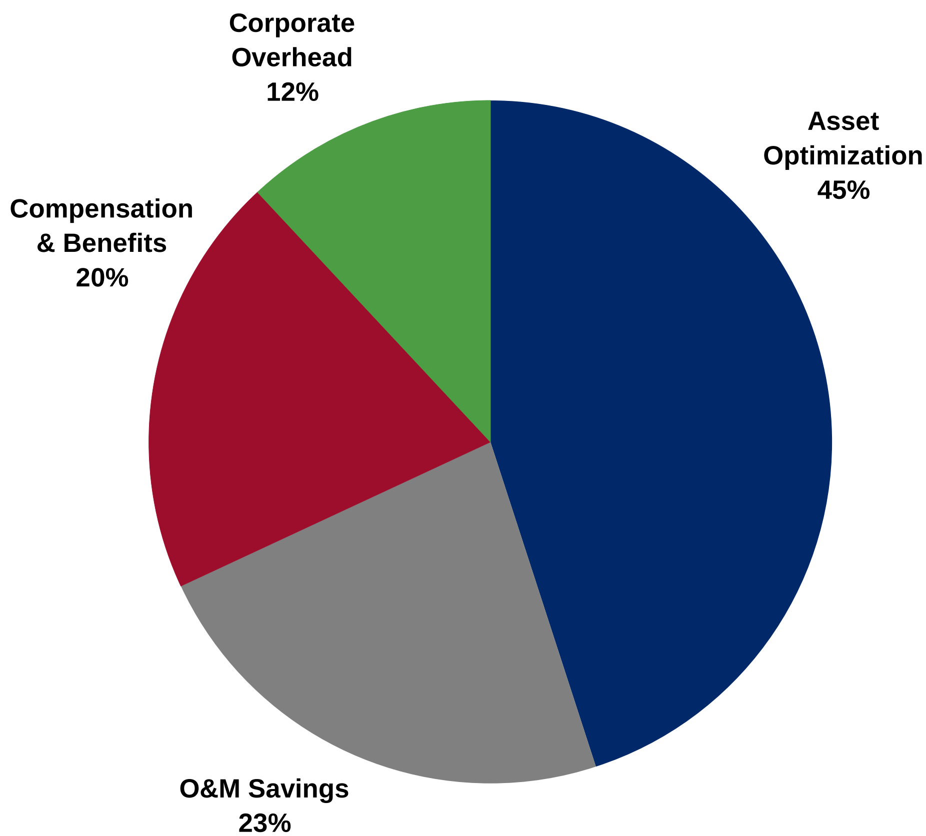
(2) Implied value of GP interest based on 3/31/2011 annualized GP distributions for ETP and RGNC divided by the current LP yield for illustrative purposes.

(3) Includes Series B Units.

# Preliminary Synergy Analysis

- We have conservatively identified approximately $100 million per annum in potential commercial / operational synergies, including:
  - Estimated $25 million through corporate overhead rationalizations:
    - Corporate overhead expenses
    - Reduction in public company expenses, where duplicative (SEC, attorney, public filing, and other expenses)
    - Real estate consolidation
    - Other cost saving initiatives
  - Estimated $75 million through operations consolidation and asset optimization:
    - Increased fuel efficiencies related to compression optimization
    - Rich / lean gas transportation and processing optimization
    - Uplifts resulting from combined asset operating efficiencies
- In addition, we have identified more than $25 million in potential one-time savings related to capital expenditure avoidances and utilization of existing rights-of-way

**Potential Annual Synergies by Source**



# Proven Track Record of Successful Integrations

- Energy Transfer management team has a proven track record of successfully integrating acquisitions
  - LDH Energy (2011), Regency (2010), Canyon (2007), Transwestern (2006), HPL (2005), ET Fuel (2004)
- Significant knowledge of regulated interstate businesses and midstream businesses will facilitate a smooth integration
  - Transwestern Pipeline, Fayetteville Express Pipeline, Tiger Pipeline, Midcontinent Express Pipeline, LDH Energy, Regency
- Dedicated team will work to integrate corporate operations:
  - Risk management
  - Accounting
  - Technology
  - Legal
- Finance team focused on maintaining and enhancing SUG's liquidity

# Illustrative Transaction Timeline

- Integration plan will be put in place immediately resulting in one functional organization at closing

**~9 months from announcement to closing due to regulatory approvals**

**June 2011**

Begin drafting proxy

Begin regulatory approval process

File for regulatory approval
- State regulatory commissions
- FERC
- HSR

**File proxy statement**

**SUG shareholder meeting**

**Q1 2012: Complete merger**

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# Energy Transfer Investment Considerations

**Family of Premier Energy Operations**

**Large, diversified assets well positioned to serve multiple market outlets**

- Upon closing, consolidated Energy Transfer family will have an enterprise value of ~$40 billion(1)
- Pro forma for the transaction, will own and operate ~45,000 miles of intrastate and interstate natural gas pipelines in addition to complementary midstream assets
  - Interstate and midstream operations provide enhanced ability to service customer needs from gathering, processing, fractionation, storage and transportation
- Connects prolific natural gas producing areas with multiple end markets

**Well Managed Growth Profile**

**Backlog of attractive organic growth projects**

- Low-risk, high-return projects supported by long-term contracts
- Demonstrated ability to construct and place pipeline into service on-time / on-budget
- Have announced over $1.5 billion in future growth projects in key producing regions
- Seek growth projects that connect to existing infrastructure thereby enhancing hydraulic efficiencies

**Strong Financial Profile**

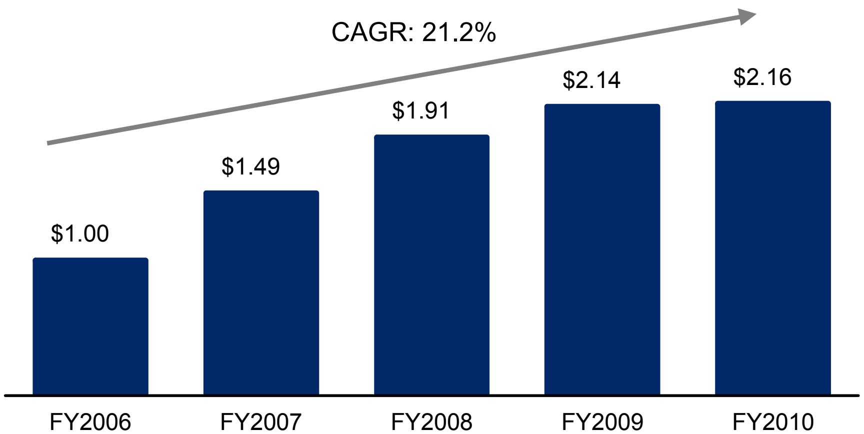
**Stable cash flows coupled with a strong balance sheet**

- Significant fee-based operating income and long-lived assets
- Hedge positions provide for further cash flow stability in commodity price sensitive areas
- Track record of maintaining a strong liquidity position with management committed to investment-grade credit metrics
- High-quality customer base with strong credit profile
- Proven ability to raise equity capital (almost $4.0 billion over the last three years)

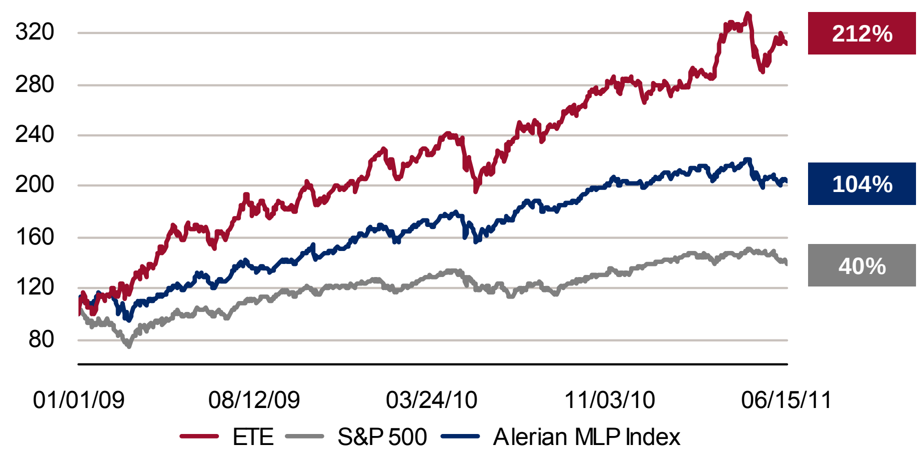
(1) Based on ETP, RGNC and ETE closing prices as of June 15, 2011; units outstanding and debt balances as of 3/31/2011, pro forma for LDHE acquisition and issuance of Series B Units in connection with the transaction.

# ETE / ETP Relative Performance

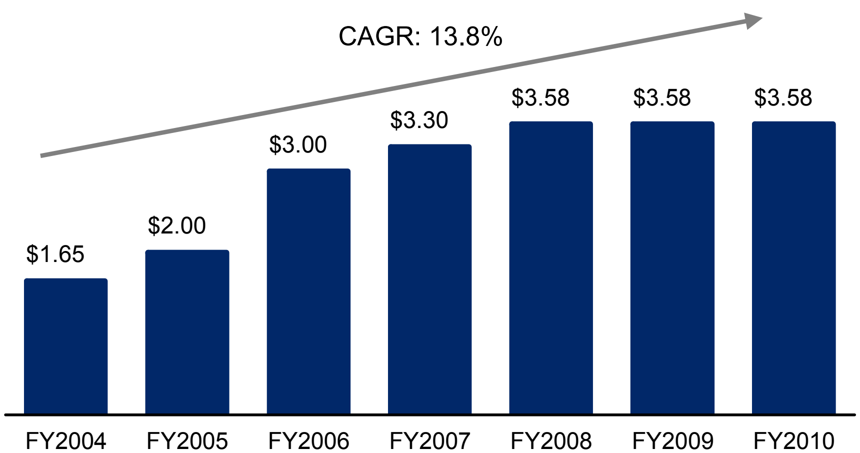
## ETE Distribution Growth




## Relative ETE Unit Performance – Total Return




## ETP Distribution Growth




## Relative ETP Unit Performance – Total Return


Source: FactSet Research Systems.

**Since January 2009, ETE and ETP unitholders have experienced total returns of 212% and 68%, respectively**


# Appendix

# Summary Series B Unit Terms

| | |
|---|---|
| **Distributions:** | Cash distribution paid quarterly. |
| **Distribution Rate:** | Years 1 to 3: annualized rate equal to 8.25%.<br><br>Thereafter: annualized rate equal to the greater of (i) 8.25% and (ii) the then current 3-month LIBOR rate plus 750 basis points. |
| **ETE Conversion Rights**: | Convertible into ETE common units at the option of the holder at any time after year 1. |
| **ETE Conversion Ratio:** | Fixed conversion ratio of 0.770x ETE common units for each Series B Unit converted (as adjusted by any Series B distribution accrual) |
| **Stated Value:** | Equivalent to $33.00 per SUG share as increased by any distribution accruals |
| **Redemption Option:** | Series B Units are redeemable by ETE for cash at any time at the Stated Value. Holders may avoid the cash redemption by converting some or all Series B Units into ETP common units at a fixed conversion value equal to the Stated Value.<br><br>After year 1, the Series B Units are redeemable by ETE for cash at the Stated Value. Holders may avoid the cash redemption by converting the Series B Units into ETE or ETP common units on the terms described above. |
| **Distribution Accrual:** | Distributions on the Series B Units not paid in a quarter will accrue and be added to the Stated Value. In that event, there will be no distribution for that quarter on ETE common units. In addition, until all accrued and unpaid distributions on the Series B Units have been paid, no increase in distributions on the ETE common units will be allowed. |

# Side-by-Side Overview

($ in millions, except per unit / share data)

| | ETE | SUG | ETP | RGNC |
|---|---|---|---|---|
| Share / unit price (6/15/11) | $42.47 | $28.26 | $46.93 | $24.81 |
| Equity value | $9,470 | $3,585 | $9,784 | $3,618 |
| Implied GP value(1) | – | – | 5,675 | 133 |
| Adjusted equity value | $9,470 | $3,585 | $15,459 | $3,751 |
| Debt | 1,800 | 3,718 | 7,531 | 1,600 |
| Preferred stock | 333 | – | – | 71 |
| Minority interest | – | – | 592 | 32 |
| Cash | (58) | (4) | (305) | (25) |
| Enterprise value | $11,544 | $7,299 | $23,277 | $5,429 |
| Adjusted EBITDA(2) | | | | |
| 2010 | $619 | $795 | $1,541 | $327 |
| LTM 3/31/11A | $631 | $796 | $1,498 | $357 |
| Current distribution / dividend yield | 5.3% | 2.1% | 7.6% | 7.2% |
| Total debt / | | | | |
| 2010 Adj. EBITDA | 2.9x | 4.7x | 4.9x | 4.9x |
| LTM 3/31/11 Adj. EBITDA | 2.9x | 4.7x | 5.0x | 4.5x |
| Credit ratings (Moody's / S&P / Fitch) | Ba1 / BB- / BB- | Baa3 / BBB- / BBB- | Baa3 / BBB- / BBB- | Ba3 / BB / NR |

(1) Implied value of GP interest based on 3/31/2011 annualized GP distributions for ETP and RGNC divided by the current LP yield for illustrative purposes.

(2) Adjusted EBITDA is a non-GAAP measure and excludes the impact of certain non-cash items and includes partnership interests in joint ventures. Excludes ~$12.8 million in professional fees associated with the Regency transactions. See slide 21 for Adjusted EBITDA reconciliations.

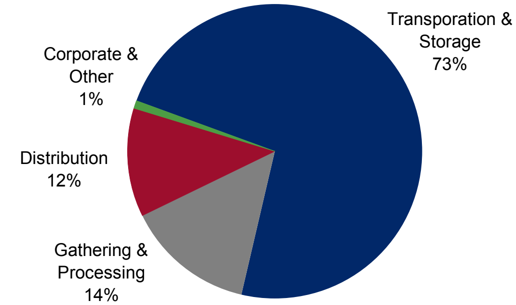
(3) SUG segment EBITDA equal to segment EBIT plus depreciation per 2010 10-K.

(4) EBITDA is a non-GAAP measure and excludes depreciation. See slide 21 for EBITDA reconciliation.

(5) ETP segment EBITDA equal to segment gross margin less operating expenses and SG&A per 2010 10-K.

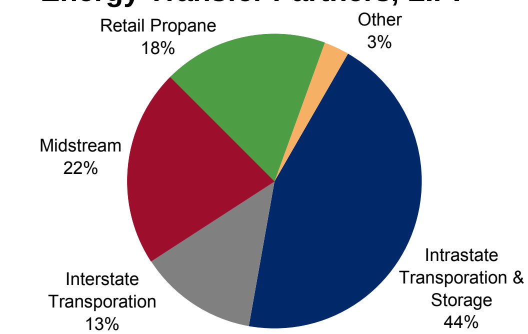
(6) RGNC segment EBITDA equal to segment margin less operation and maintenance plus income from unconsolidated subsidiaries per 2010 10-K.

### Southern Union Company(3)



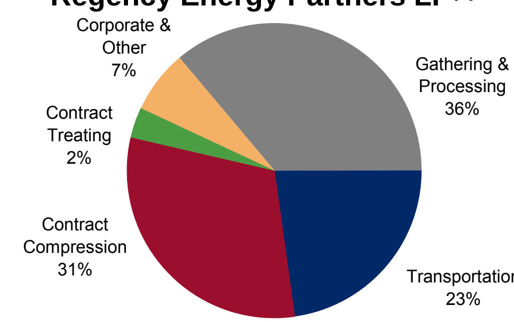

**2010 EBITDA(4): $795 million**

### Energy Transfer Partners, L.P.(5)




**2010 Adj. EBITDA(2): $1,541 million**

### Regency Energy Partners LP(6)




**2010 Adj. EBITDA(2): $327 million**

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# SUG Primary Operating Segments

**Southern Union owns and operates assets in the regulated and unregulated natural gas industry and is primarily engaged in the gathering, treating, processing, transportation, storage and distribution of natural gas**

- Transportation and Storage segment is primarily engaged in the interstate transportation and storage of natural gas in the Midwest and from the Gulf Coast to Florida, and also provides LNG terminalling and regasification services
- Gathering and Processing segment is primarily engaged in connecting wells of natural gas producers to its gathering system, treating natural gas to remove impurities to meet pipeline quality specifications, processing natural gas for the removal of NGL, and redelivering natural gas and NGL to a variety of markets
- Distribution segment is primarily engaged in the local distribution of natural gas in Missouri and Massachusetts

## Transportation and Storage

- ~12,950 mi of interstate gas pipelines with 7.1 Bcf/d capacity and 100 Bcf of storage[(1)]
- **Panhandle**
  - PEPL (6,200 mi, 4-line system)
  - Trunkline (3,600 mi, 2-line system)
  - Sea Robin (400 mi offshore gathering system)
- **Citrus (50% interest)**
  - Primary operating asset is Florida Gas Transmission (~5,500 mi, 3.2 Bcf/d)
  - Phase VIII expansion placed in service on April 1, 2011
- **Trunkline LNG**
  - One of the largest LNG import terminals in U.S. located in Lake Charles, LA
  - 2.1 Bcf/d capacity, 9 Bcf storage and 1 Bcf/d processing capacity
  - Fully contracted to BG for 20 years
- **Storage assets**
  - ~100 Bcf of storage capacity in IL, KS, LA, MI, and OK

## Gathering and Processing

- ~5,500 mi of gas and liquid pipelines covering 16 counties in Texas and New Mexico
- 5 cryogenic processing plants with combined capacity of 475 MMcf/d
- 5 natural gas treating plants with combined capacity of 585 MMcf/d; expecting an additional 50 MMcf/d in 2012
- 2010 contract mix: 19% fee based, 68% percent of proceeds and 13% margin sharing contracts
- **North System**
  - Large diameter / low pressure pipelines
  - Processed volumes of 200 MMcf/d
  - 285 MMcf/d cryogenic processing capacity
  - 22,000 bbls/d NGL capacity
  - 40 tons/d sulfur plant capacity
- **South System**
  - High pressure integrated
  - Processed volume of 170 MMcf/d
  - 190 MMcf/d cryogenic processing capacity
  - 11,000 bbls/d NGL capacity
  - 250 MMcf/d sour gas treating capacity

## Distribution

- Local distribution of natural gas in Missouri and Massachusetts
- 9,182 mi of mains, 5,928 miles of service lines and 45 miles of transmission lines
- **Missouri Gas Energy**
  - Covers western Missouri
  - ~500,000 customers
  - ~13,000 mi of main and service lines
  - Received a $16.2 million base rate increase premised on a 10% ROE effective 2/10/10
- **New England Gas Company**
  - Covers southeastern Massachusetts
  - ~50,000 customers
  - ~2,000 mi of main and service lines
  - Filed a rate case on 9/16/10 for a $6.2 million base revenue increase representing 9.5% increase in annual revenues
    - $5.1 million annual increase in base rate effective April 1, 2011

Source: Company filings.
(1) Figures include only proportional share of partially owned assets.

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# ETP / RGNC Segments Overview

## Energy Transfer Partners, L.P.

- More than 17,500 mi of natural gas gathering and transportation pipelines, 3 natural gas storage facilities with 74 Bcf of working capacity and a retail propane business serving 1.2 million customers
- **Intrastate Transportation and Storage**
  - Oasis Pipeline (600 mi, 1.2 Bcf/d capacity west-to-east, 750 MMcf/d capacity east-to-west)
  - East Texas Pipeline (370 mi)
  - Energy Transfer Fuel System (2,600 mi, total capacity of 5.2 Bcf/d)
    - Bethel storage facility (6.4 Bcf working capacity), Bryson storage facility (6.0 Bcf working capacity), Godley plant
  - HPL System (4,100 mi, total capacity of 5.5 Bcf/d)
    - Bammel storage facility (62 Bcf working capacity)
- **Interstate Transportation**
  - Transwestern Pipeline
    - 2,700 mi; 1,225 MMcf/d mainline capacity and 1,610 MMcf/d San Juan Lateral capacity
  - Tiger Pipeline
    - 175 mi, 42-inch pipeline; 2.4 Bcf/d of capacity sold under 10-15 year agreements
    - Expansion anticipated in service 2H 2011
  - FEP Pipeline Joint Venture
    - 50/50 joint venture with KMP
    - 185 mi, 42-inch pipeline; initial capacity of 2.0 Bcf/d with 1.85 Bcf/d sold under 10-12 year agreements
- **Midstream**
  - ~7,000 mi of natural gas gathering pipelines
  - 3 natural gas processing plants
  - 17 natural gas treating facilities
  - 10 natural gas conditioning plants
- **Retail Propane**
  - Serving more than 1 million customers from over 440 customer service locations in 41 states

## Regency Energy Partners LP

- **Gathering and Processing**
  - North Louisiana (442 mi, 4 plants)
  - Mid-Continent (3,470 mi, 1 plant)
  - South Texas (541 mi, 2 plants)
  - West Texas (806 mi, 1 plant)
- **Transportation**
  - 49.99% of RIGS (450 mi)
  - 49.9% of MEP (500 mi, 1.8 Bcf/d capacity in Zone 1 and 1.2 Bcf/d capacity in Zone 2)
- **Contract Compression**
  - Fleet of compressors used to provide turn-key natural gas compression services for customer specific systems
- **Contract Treating**
  - Fleet of equipment used to provide treating services, such as carbon dioxide and hydrogen sulfide removal, natural gas cooling, dehydration and BTU management, to natural gas producers and midstream pipeline companies

## Lone Star NGL LLC Joint Venture

- Joint venture owned 70% by ETP and 30% by RGNC; ETP operates on behalf of the joint venture
  - Stand-alone entity with equal board representation
- **NGL Storage**
  - Mont Belvieu storage facility (43 million Bbls working capacity)
  - Hattiesburg storage facility (3.9 million Bbls of working capacity)
- **NGL Pipeline Transportation**
  - West Texas NGL Pipeline (1,066 mi, 144,000 Bbls/d working capacity)
- **NGL Fractionation & Processing**
  - 2 cryogenic processing plants
  - 25,000 Bbls/d fractionator
  - Sea Robin gas processing plant

Source: Company filings.

# Non-GAAP Reconciliations

## Energy Transfer Equity, L.P.

($ in thousands)

| | FY 2010 | Three months ended 3/31/2011 | Three months ended 3/31/2010 | LTM 3/31/11 |
|---|---|---|---|---|
| ETP GP distributions | $395,503 | $108,078 | $99,797 | $403,784 |
| ETP LP distributions | 190,531 | 44,890 | 55,860 | 179,561 |
| RGNC GP distributions | 6,656 | 2,383 | – | 9,039 |
| RGNC LP distributions | 35,066 | 11,689 | – | 46,755 |
| SG&A(1) | (9,029) | (1,842) | (2,336) | (8,535) |
| Adjusted EBITDA | $618,727 | $165,198 | $153,321 | $630,604 |

(1) Excludes ~$12.8 million of professional fees in 2010 associated with the Regency transactions.

## Energy Transfer Partners, L.P.

($ in thousands)

| | FY 2010 | Three months ended 3/31/2011 | Three months ended 3/31/2010 | LTM 3/31/11 |
|---|---|---|---|---|
| Net income | $617,222 | $247,202 | $240,111 | $624,313 |
| Interest expense, net of interest capitalized | 412,553 | 107,240 | 104,962 | 414,831 |
| Income tax expense | 15,536 | 10,597 | 5,924 | 20,209 |
| Depreciation and amortization | 343,011 | 95,964 | 83,276 | 355,699 |
| Non-cash unit-based compensation expense | 27,180 | 10,189 | 7,196 | 30,173 |
| Losses on disposals of assets | 5,043 | 1,726 | 1,864 | 4,905 |
| Gains on non-hedged interest rate derivatives | (4,616) | (1,779) | | (6,395) |
| Allowance for equity funds used during construction | (28,942) | – | (1,309) | (27,633) |
| Unrealized (gains) losses on commodity risk management activities | 78,300 | (7,092) | 59,289 | 11,919 |
| Impairment of investment in affiliate | 52,620 | – | – | 52,620 |
| Proportionate share of joint ventures' interest, depreciation and allowance for equity funds used during construction | 22,499 | 7,470 | 13,446 | 16,523 |
| Other, net | 482 | (218) | (1,033) | 1,297 |
| Adjusted EBITDA | $1,540,888 | $471,299 | $513,726 | $1,498,461 |

## Regency Energy Partners LP

($ in thousands)

| | FY 2010 | Three months ended 3/31/2011 | Three months ended 3/31/2010 | LTM 3/31/11 |
|---|---|---|---|---|
| Net income (loss) | ($10,918) | $14,305 | ($450) | $3,837 |
| Interest expense, net | 82,971 | 20,007 | 20,564 | 82,414 |
| Depreciation and amortization | 122,725 | 40,236 | 27,475 | 135,486 |
| Income tax benefit | 956 | (32) | 321 | 603 |
| Non-cash loss (gain) from derivatives | 42,613 | (4,290) | 7,191 | 31,132 |
| Non-cash unit based compensation | 13,727 | 921 | 1,597 | 13,051 |
| Loss on asset sales, net | 591 | 28 | 284 | 335 |
| Income from unconsolidated subsidiaries | (69,365) | (23,808) | (7,913) | (85,260) |
| Partnership's ownership interest in Haynesville Joint Venture's adjusted EBITDA | 67,014 | 19,189 | 10,675 | 75,528 |
| Partnership's ownership interest in MEP Joint Venture's adjusted EBITDA | 55,682 | 25,270 | – | 80,952 |
| Loss on debt refinancing, net | 17,528 | – | 1,780 | 15,748 |
| Other expense, net | 3,432 | (89) | 90 | 3,253 |
| Adjusted EBITDA | $326,956 | $91,737 | $61,614 | $357,079 |

## Southern Union Company

($ in thousands)

| | FY 2010 | Three months ended 3/31/2011 | Three months ended 3/31/2010 | LTM 3/31/11 |
|---|---|---|---|---|
| Net earnings available for common stockholders | $216,213 | $60,662 | $54,289 | $222,586 |
| Preferred stock dividends | 5,040 | – | 2,171 | 2,869 |
| Loss on extinguishment of preferred stock | 3,295 | – | – | – |
| Loss from discountinued operations | 18,100 | – | – | 18,100 |
| Federal and state income tax expense | 107,029 | 18,642 | 30,809 | 94,862 |
| Interest expense | 216,665 | 55,571 | 50,876 | 221,360 |
| Depreciation and amortization | 228,637 | 59,327 | 55,194 | 232,770 |
| EBITDA | $794,979 | $194,202 | $193,339 | $792,547 |

Southern Union Company

ENERGY TRANSFER