

SOUTHERN UNION CO  
Form 425  
November 21, 2011

Energy Transfer Equity, L.P.  
Acquisition of Southern Union Company  
Investor  
Presentation

November

21,

2011

Filed by Energy Transfer Equity, L.P.

pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 under the

Securities Exchange Act of 1934

Subject Company: Southern Union Company

Commission File No.: 1-06407

2

Legal Disclaimer

This presentation may contain statements about future events, outlook and expectations of Energy Transfer Equity, L.P. (ETE) (ETP), Regency Energy Partners LP (RGP), and Southern Union Company (SUG) (collectively, the Companies ), all of which

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 While the Companies believe that the assumptions concerning future events are reasonable, we caution that there are inherent important factors that could impact the future performance or results of our businesses. These risks and uncertainties are discussed made by the Companies with the Securities and Exchange Commission, copies of which are available to the public. The Company has no intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. The U.S. federal income tax consequences to a shareholder of the merger and of owning and disposing of

ETE  
common  
units  
received  
in  
the  
merger  
are  
complex.  
SUG  
shareholders  
should  
consult  
their  
own  
tax  
advisors  
regarding  
the  
U.S.  
federal  
income  
tax  
consequences  
applicable  
to  
them  
in  
light  
of  
their  
particular circumstances. For a more detailed discussion of the material U.S. federal income tax consequences to SUG shareho  
ownership and disposition of ETE common units received in the merger, please see the definitive proxy statement / prospectus  
All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity und  
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

A definitive proxy statement / prospectus has been sent to stockholders of SUG seeking their approval of the transaction. Investors

obtain a free copy of the definitive proxy statement / prospectus and other documents filed by ETE and SUG with the SEC at the following address:

The definitive proxy statement / prospectus and such other documents relating to ETE may also be obtained free of charge by contacting:

Transfer Equity, L.P., Attn: Investor Relations, 3738 Oak Lawn Avenue, Dallas, Texas 75219, or from ETE's website, [www.ete.com](http://www.ete.com)

proxy

statement

/

prospectus

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,

5051

Westheimer

Road,

Houston,

Texas

77056,

or

from

SUG's

website,  
www.sug.com.

Investors  
and  
security  
holders  
are  
urged  
to

carefully read the proxy statement / prospectus and such other documents filed with the SEC because the materials contain important information regarding  
SUG and the transaction.

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  
set  
forth  
in  
the  
definitive proxy statement / prospectus.



3

SUG Transaction Update

Review of the final transaction structure

-

Southern Union Company ( SUG ) shareholders may elect \$44.25 in cash or 1.00 Energy Transfer Equity, L.P. ( ETE ) common unit per SUG common share

-

Election subject to proration so that aggregate consideration will be a maximum of 60% cash or up to a maximum of 50%

ETE common units

-

Implies

\$42.20

per  
share

of

SUG

common

stock,

assuming

40%

unit

consideration,

based

on

ETE s

closing

price

on

November

18,

2011

(1)

,

a

49.3%

premium

to

the

unaffected

SUG

closing

price

on

June

15,

2011

\$3.7 billion committed acquisition financing to fund cash consideration is fully syndicated

Regulatory approval is on track

-

Only Missouri Public Service Commission ( MPSC ) approval remains

-

ETE

and

SUG

are

parties

to

a

pending  
joint  
application  
before  
the  
MPSC,  
requesting  
an  
order  
authorizing  
SUG  
to  
take  
certain  
actions  
to  
allow  
ETE  
to  
acquire  
the  
equity  
interests  
of  
SUG.

-  
FERC  
approval  
already  
received;  
the  
waiting  
period  
applicable  
to  
the  
merger  
under  
HSR  
has  
expired  
Expected timeline

-  
SUG to hold a Special Meeting of Shareholders entitled to vote on the merger transaction on December 9, 2011

-  
Approval  
by  
the  
stockholders  
of

SUG  
as  
of  
October  
11  
th  
record  
date

-  
Targeting Q1 2012 closing upon receipt of MPSC approval

Institutional  
Shareholder  
Services  
and

Egan-Jones  
Proxy  
Services

are  
both  
advising

SUG  
shareholders

to  
vote

FOR  
the

merger

on December 9th based on the following:

-  
The significant premium to SUG shareholders

-  
The  
negotiations

by  
SUG  
which  
resulted

in  
a  
34%  
increase

in  
value  
to  
shareholders

and  
a  
price  
significantly  
higher

than  
Southern  
Union's  
all-time  
high  
trading  
price  
prior  
to  
the  
initial  
announcement  
of  
the  
merger

-

The flexibility to elect cash or units

(1)

Adjusted for approximately 13.4% equity pre-election by certain SUG insiders.

Florida Gas Transmission  
Panhandle Eastern Pipeline  
Trunkline Gas  
Sea Robin Pipeline  
Southern Union Gas Services  
Missouri Gas Energy  
New England Gas Company  
Storage  
Trunkline LNG  
Southern Union assets

ETP natural gas pipelines  
Lone Star pipeline  
RGP pipelines  
RGP gathering system  
Lone Star fractionation/processing facility  
Lone Star storage facility  
RGP treating/processing facility

Gas hub

Processing

Storage

Treating

ETE-controlled assets

Gas basins

Combined Asset Footprint

Note:

Excludes PEI Power.

Energy

Transfer

(1)

SUG

Combined

Miles of Natural Gas Pipeline

23,589

21,169

44,758

Natural Gas Throughput (Bcf/d)

22.1

8.6

30.7

Natural Gas Storage (Bcf)

74

109

184

Natural Gas Processing Capacity (Bcf/d)

1.4

0.5

1.9

Note:

Figures include only proportional share of partially owned assets.

(1)

Includes ETP, RGP and Lone Star JV.

The combination of SUG

with ETE creates an integrated platform for future growth

5

ETE's pro forma cash flows will be generated through its ownership interests in Energy Transfer Partners, L.P. ( ETP ), SUG and Regency Energy Partners LP ( RGP )

-

ETE will receive stable, growing distributions through its limited partner interests (estimated 22.5% of ETP's common units outstanding, 16.7% of RGP's common units outstanding), general partner interests and incentive distribution rights ( IDRs ) in ETP and RGP

-



Future cash distribution increases to ETP and RGP unitholders increase distributable cash flow to ETE through its ownership of general partner interests and IDRs in ETP and RGP

-

Newly issued ETP and RGP common units increase distributable cash flow at ETE given the required payment of the general partner interest and IDR for each newly issued unit

-

Distributions from SUG will increase ETE distributable cash flows

\$110

\$333

\$420

\$494

\$485

\$489

FY2006

FY2007

FY2008

FY2009

FY2010

LTM 9/30/11

2006 - 2010 CAGR: 44.9%

ETE Distributable Cash Flow

Key Drivers for ETE Distributions for 2012 and Beyond

Consolidated Energy Transfer family has announced ~\$3.5 billion in future growth projects in key producing regions since January 1, 2011

Eagle Ford shale projects

2010 -

2014

FEP demand fee ramp-up

1Q 2011

LDH Energy acquisition (Lone Star)

2Q 2011

Tiger Pipeline demand fee ramp-up

3Q 2011

ETP NGL pipeline

3Q 2011

Tilden Treating Facility expansion

4Q 2011

SUG acquisition

1Q 2012

XTO pipeline agreement

4Q 2012

Lone Star NGL fractionator

1Q 2013

Lone Star NGL pipeline

1Q 2013

Red Bluff project

2Q 2013

Eagle Ford expansion

2014

Pro Forma ETE Overview

Future  
Growth

6  
01/01/09  
09/18/09  
06/10/10  
02/28/11  
11/18/11  
60  
80

100  
120  
140  
160  
180  
200  
220  
240  
260  
280  
300  
320  
340  
360  
ETE  
S&P 500  
Alerian MLP Index  
\$1.25  
\$1.64  
\$2.04  
\$2.16  
\$2.16  
\$2.50  
FY2006  
FY2007  
FY2008  
FY2009  
FY2010  
LTM 9/30/11  
2006 - 2010 CAGR: 14.7%  
ETE Distribution Growth  
Relative ETE  
Total Return  
109%  
185%  
35%

Source:

FactSet Research Systems.

Since January 2009, ETE unitholders have experienced total returns of 185%

ETE Relative Performance

Note:

Distributions

annualized

based

on

distribution

rate

during

the

last

quarter  
of  
each  
period.

7

Attractive, immediate financial impact for SUG shareholders

-

Flexibility for shareholders to elect cash or ETE common units

Future growth potential is not fully reflected in current ETE unit price

-

Ability to defer tax for SUG shareholders receiving ETE common units

-

Increase  
in  
annualized  
dividend  
yield  
from  
2%  
to  
6.7%  
(1)

ETE distributions for 2012 and 2013 benefit from a substantial tax shield

Enhanced long-term position as this transaction combines 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

-  
The  
asset  
overlap  
of  
the  
Energy  
Transfer  
family  
with  
SUG  
creates  
a  
one-of-a-kind  
platform  
that  
maximizes future growth opportunities

A significant cash component, highly compelling equity participation and certainty to close

(1)  
Based  
on  
annualized  
quarterly  
distribution  
announced  
on  
10/25/11  
of  
\$0.625  
per  
unit  
and  
the  
closing  
unit  
price

of  
\$37.56  
as  
of  
November  
18,  
2011  
as  
compared  
to  
the  
current  
SUG  
quarterly dividend of \$0.15 per share.  
Benefits to SUG Shareholders



8  
Consideration Mechanism  
SUG  
shareholder  
election on a per  
share basis  
\$44.25 of cash per SUG  
common share

1.00 ETE common unit  
per SUG common share

Subject to proration if >60% of the SUG shareholders on a per  
share basis elect to receive cash

Committed pre-election of ETE common units means that more  
cash available for other holders (74% cash / 26% units)

Each SUG shareholder may elect to receive \$44.25 cash or 1.00 ETE common unit on a per share basis

Total mix of consideration dependent upon election of SUG shareholders

Shareholder election

Outcome dependent upon aggregate election of SUG shareholders

Subject to proration if >50% of the SUG shareholders on a per  
share basis elect to receive ETE common units

Approximately 13.4% of the equity consideration has already  
been pre-elected by certain SUG insiders

Committed pre-election of ETE common units is subject to  
proration if more holders want ETE common units

A compelling proposition for all SUG shareholders

9  
\$37.00  
\$38.00  
\$39.00  
\$40.00  
\$41.00  
\$42.00  
\$43.00

\$44.00

\$45.00

7/19/11

7/31/11

8/12/11

8/24/11

9/5/11

9/18/11

9/30/11

10/12/11

10/24/11

11/5/11

11/18/11

Implied SUG share price

Dow Jones Industrial Average

Look Through Value Since Announcement

\$42.20

Source:

FactSet Research Systems.

(1)

Based

on

60%

cash

and

40%

units

for

all

shareholders,

adjusting

for

approximately

13.4%

equity

pre-election

by

certain

SUG

insiders.

(2)

Indexed to the implied SUG share price as of 7/19/11.

(1)

(2)

Compelling value proposition with current yield, future distribution growth and unit price appreciation

10  
Large, diversified assets well positioned in markets  
Upon closing, consolidated Energy Transfer family will have an enterprise value of ~\$40 billion  
(1)  
Pro forma for the transaction, the consolidated Energy Transfer family 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 use markets  
Investment Considerations  
Large Diversified  
Asset Base  
Strong  
Balance Sheet  
Committed to maintaining a strong balance sheet  
Management  
commitment  
to  
investment-grade  
metrics  
at  
ETP,  
SUG  
and  
RGP  
Track record of maintaining a strong liquidity position  
Proven ability to raise equity capital (over \$3.5 billion over the last three years)  
Stable  
Cash Flows  
Stable asset base and cash flow profile  
Significant fee-based operating income and long-lived assets  
High-quality customer base with strong credit profile  
Hedge positions provide for further cash flow stability in commodity price sensitive areas  
Well  
Managed  
Growth  
Profile  
Well-managed organic growth projects  
Low-risk, high-return projects supported by long-term customer contracts  
Demonstrated ability to construct and place into service pipelines on-time / on-budget  
Seek growth projects that connect to existing infrastructure thereby enhancing hydraulic efficiencies  
(1)  
Based  
on  
ETP,  
RGP  
and  
ETE  
closing  
prices  
as  
of  
November  
18,  
2011;  
units  
outstanding

and  
debt  
balances  
as  
of  
9/30/2011,  
pro  
forma  
for  
units  
and  
debt  
issued  
in  
connection  
with  
the  
acquisition  
of  
SUG and the recent ETP equity offering.  
The  
ETE  
/  
SUG  
transaction  
provides  
a  
significant  
cash  
component  
to  
SUG  
shareholders,  
highly  
compelling equity participation and certainty to close





12  
Energy Transfer Equity, L.P.  
(NYSE: ETE)  
Market cap  
(1)  
: \$10,298  
Enterprise value  
(1)

: \$18,322

Corporate rating: BB-

/ Ba1

Regency Energy Partners LP

(NYSE: RGP)

Market cap

(2)

: \$3,716

Enterprise value

(2)

: \$5,615

Corporate rating: BB / Ba3

Energy Transfer Partners, L.P.

(NYSE: ETP)

Market cap

(1)(2)

: \$15,256

Enterprise value

(1) (2)

: \$23,751

Corporate rating: BBB-

/ Baa3

Midstream

Interstate Transportation

Intrastate Transportation & Storage

70%

30%

Contract Compression

Transportation

Gathering & Processing

Southern Union Company

Corporate rating: BBB-

/ Baa3

Citrus

(3)

LDCs

Panhandle Companies

SUGS

50%

Lone Star NGL LLC

Ownership in RGP

100% RGP IDRs

General Partner Interest

26.3mm LP units (16.7% of total)

Ownership in ETP

100% ETP IDRs

General Partner Interest

50.2mm LP units (22.5% of total)

Ownership in SUG

100% SUG Shares

Pro Forma Organizational Structure

(\$ in millions)

Note:

Market capitalizations as of November 18, 2011.

(1)

Pro forma for SUG, Citrus and APU transactions.

(2)

Includes implied GP value based on current GP cash flows capitalized at the current LP distribution yield.

(3)

See Appendix for description of Citrus merger, planned to be effective immediately prior to ETE's acquisition of SUG.

13

ETP / RGP / Lone Star 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; 100% contract demand from January 2012 through December 2012
- Expansion completed in August 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; ~90% contract demand through December 2012
- Midstream
- ~7,000 mi of natural gas gathering pipelines
- 3 natural gas processing plants
- 17 natural gas treating facilities
- 10 natural gas conditioning plants
- More than \$1.25 billion of new Eagle Ford Shale growth projects since October 2010
- Retail Propane
-

Entered into an agreement to contribute propane operations to  
AmeriGas Partners LP ( APU ) in exchange for \$2.9 billion of cash and  
APU common units

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 the Regency Intrastate Gas System ( RIGS ) (450 mi)

-  
50% 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

Source:

Company filings.

Lone Star NGL LLC Joint Venture

Joint venture owned 70% by ETP and 30% by RGP; 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)

-  
\$390 million fractionator project expected to be in-service Q1 2013

-  
Hattiesburg storage facility (3.9 million Bbls working capacity)

NGL Pipeline Transportation

-  
West Texas NGL Pipeline (1,066 mi, 144,000 Bbls/d working capacity)

-  
\$917 million West Texas Gateway Project estimated to be in-service Q1

2013

NGL Fractionation & Processing

-

2 cryogenic processing plants

-

25,000 Bbls/d fractionator

-

Sea Robin gas processing plant

14  
ETE  
and  
ETP  
are  
party  
to  
an



agreement  
and  
plan  
of  
merger  
whereby

a  
SUG  
subsidiary  
which  
indirectly

holds

SUG's

50% interest in Citrus Corp., the owner of Florida Gas Transmission Company, LLC ( FGT ), will be merged with and into an ETP subsidiary

-

The consideration to be received by ETE related to the Citrus merger is approximately \$1.9 billion in cash and approximately \$105 million in ETP units

-

FGT is a 5,500 mile interstate pipeline with a throughput capacity of 3.2 Bcf/d

-

The transaction is expected to close immediately prior to the ETE / SUG closing

The transaction will provide multiple strategic advantages to ETP

-

Citrus is a premier pipeline providing access to the strong and growing Florida market

-

Expands

ETP's

fast

growing

Interstate

Transportation

segment

and

adds

significant

demand-side

market-centric

pipelines to ETP's asset portfolio

-

Significantly increases fee-based revenue and long-term contracts supported by high credit quality customers

This transaction has been approved by the Conflicts Committees of ETE and ETP

-

There are no financing contingencies

-

No ETP unitholder vote is required

ETP expects to fund the transaction with financings that are consistent with its commitment to maintaining investment grade credit metrics

Approximately \$1.45 billion of cash proceeds will be used to repay a substantial portion of the acquisition financing incurred

by  
ETE  
to  
fund  
the  
cash  
consideration  
to  
be  
paid  
to  
SUG  
shareholders  
(the  
remaining  
\$445  
million  
in  
cash  
proceeds will be used to repay debt of SUG)  
The transaction has been structured to defer any tax gain realization  
Overview of Citrus Transaction