GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

February 25, 2015

Stetson Roane
Superintendent
Pecos-Barstow-Toyah Independent School District
1302 South Park Street
Pecos, Texas 79772

Dear Superintendent Roane:

On December 2, 2014, the Comptroller issued written notice that Regency Field Services, LLC (the applicant) submitted a completed application (Application #1030) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted on July 17, 2014, to the Pecos-Barstow-Toyah Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1030.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

[1] All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of Dec. 2, 2014, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Robert Wood, Associate Deputy Comptroller, by email at robert.wood@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,

Mike Reissig
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller's economic impact analysis of Regency Field Services, LLC (the project) applying to Pecos-Barstow-Toyah Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Regency Field Services, LLC.

Applicant	Regency Field Services, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Pecos Barstow Toyah ISD
2013-14 Enrollment in School District	2,320
County	Ward
Proposed Total Investment in District	$194,600,000.00
Proposed Qualified Investment	$194,600,000.00
Limitation Amount	$25,000,000.00
Number of new qualifying jobs committed to by applicant*	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$981
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	$1,007
Minimum annual wage committed to by applicant for qualified jobs	$51,000
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	$19,460,000
Estimated M&O levy without any limit (15 years)	$22,510,195
Estimated M&O levy with Limitation (15 years)	$9,120,496
Estimated gross M&O tax benefit (15 years)	$13,389,699

Table 2 is the estimated statewide economic impact of Regency Field Services, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2014	50	60	110	$2,000,000	$4,000,000	$6,000,000
2015	160	213	373	$6,510,000	$15,490,000	$22,000,000
2016	10	66	76	$510,000	$6,490,000	$7,000,000
2017	10	56	66	$510,000	$6,490,000	$7,000,000
2018	10	49	59	$510,000	$5,490,000	$6,000,000
2019	10	43	53	$510,000	$4,490,000	$5,000,000
2020	10	37	47	$510,000	$5,490,000	$6,000,000
2021	10	37	47	$510,000	$4,490,000	$5,000,000
2022	10	39	49	$510,000	$5,490,000	$6,000,000
2023	10	39	49	$510,000	$5,490,000	$6,000,000
2024	10	45	55	$510,000	$5,490,000	$6,000,000
2025	10	41	51	$510,000	$5,490,000	$6,000,000
2026	10	43	53	$510,000	$5,490,000	$6,000,000
2027	10	41	51	$510,000	$5,490,000	$6,000,000
2028	10	45	55	$510,000	$6,490,000	$7,000,000
2029	10	43	53	$510,000	$6,490,000	$7,000,000

Source: CPA, REMI, Regency Field Services, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives								
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Pecos Barstow Toyah ISD I&S Levy	Pecos Barstow Toyah ISD M&O Levy	Pecos Barstow Toyah ISD M&O and I&S Tax Levies	Ward County	Estimated Total Property Taxes
			Tax Rate[1]	0.0980	1.0400		0.69	
2016	$137,700,000	$137,700,000		$134,946	$1,432,080	$1,567,026	$950,130	$2,517,156
2017	$175,140,000	$175,140,000		$171,637	$1,821,456	$1,993,093	$1,208,466	$3,201,559
2018	$169,885,800	$169,885,800		$166,488	$1,766,812	$1,933,300	$1,172,212	$3,105,512
2019	$164,789,226	$164,789,226		$161,493	$1,713,808	$1,875,301	$1,137,046	$3,012,347
2020	$159,845,549	$159,845,549		$156,649	$1,662,394	$1,819,042	$1,102,934	$2,921,977
2021	$155,050,183	$155,050,183		$151,949	$1,612,522	$1,764,471	$1,069,846	$2,834,317
2022	$150,398,677	$150,398,677		$147,391	$1,564,146	$1,711,537	$1,037,751	$2,749,288
2023	$145,886,717	$145,886,717		$142,969	$1,517,222	$1,660,191	$1,006,618	$2,666,809
2024	$141,510,115	$141,510,115		$138,680	$1,471,705	$1,610,385	$976,420	$2,586,805
2025	$137,264,812	$137,264,812		$134,520	$1,427,554	$1,562,074	$947,127	$2,509,201
2026	$133,146,868	$133,146,868		$130,484	$1,384,727	$1,515,211	$918,713	$2,433,925
2027	$129,152,462	$129,152,462		$126,569	$1,343,186	$1,469,755	$891,152	$2,360,907
2028	$125,277,888	$125,277,888		$122,772	$1,302,890	$1,425,662	$864,417	$2,290,080
2029	$121,519,551	$121,519,551		$119,089	$1,263,803	$1,382,892	$838,485	$2,221,377
2030	$117,873,965	$117,873,965		$115,516	$1,225,889	$1,341,406	$813,330	$2,154,736
			Total	$2,121,153	$22,510,195	$24,631,348	$14,934,649	$39,565,996

Source: CPA, Regency Field Services, LLC
[1]Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Ward County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought								
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Pecos Barstow Toyah ISD I&S Levy	Pecos Barstow Toyah ISD M&O Levy	Pecos Barstow Toyah ISD M&O and I&S Tax Levies	Ward County	Estimated Total Property Taxes
			Tax Rate[1]	0.0980	1.0400		0.69	
2016	$137,700,000	$25,000,000		$134,946	$260,000	$394,946	$950,130	$1,345,076
2017	$175,140,000	$25,000,000		$171,637	$260,000	$431,637	$1,208,466	$1,640,103
2018	$169,885,800	$25,000,000		$166,488	$260,000	$426,488	$1,172,212	$1,598,700
2019	$164,789,226	$25,000,000		$161,493	$260,000	$421,493	$1,137,046	$1,558,539
2020	$159,845,549	$25,000,000		$156,649	$260,000	$416,649	$1,102,934	$1,519,583
2021	$155,050,183	$25,000,000		$151,949	$260,000	$411,949	$1,069,846	$1,481,795
2022	$150,398,677	$25,000,000		$147,391	$260,000	$407,391	$1,037,751	$1,445,142
2023	$145,886,717	$25,000,000		$142,969	$260,000	$402,969	$1,006,618	$1,409,587
2024	$141,510,115	$25,000,000		$138,680	$260,000	$398,680	$976,420	$1,375,100
2025	$137,264,812	$25,000,000		$134,520	$260,000	$394,520	$947,127	$1,341,647
2026	$133,146,868	$133,146,868		$130,484	$1,384,727	$1,515,211	$918,713	$2,433,925
2027	$129,152,462	$129,152,462		$126,569	$1,343,186	$1,469,755	$891,152	$2,360,907
2028	$125,277,888	$125,277,888		$122,772	$1,302,890	$1,425,662	$864,417	$2,290,080
2029	$121,519,551	$121,519,551		$119,089	$1,263,803	$1,382,892	$838,485	$2,221,377
2030	$117,873,965	$117,873,965		$115,516	$1,225,889	$1,341,406	$813,330	$2,154,736
			Total	$2,121,153	$ 9,120,496	$ 11,241,649	$ 14,934,649	$ 26,176,297
			Difference	$ -	$ 13,389,699	$ 13,389,699	$ -	$ 13,389,699

Source: CPA, Regency Field Services, LLC

[1]Tax Rate per $100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that Regency Field Services, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	0	$0	$0	$0	$0
	0	$0	$0	$0	$0
	0	$0	$0	$0	$0
Limitation Period (10 Years)	2016	$260,000	$260,000	$1,172,080	$1,172,080
	2017	$260,000	$520,000	$1,561,456	$2,733,536
	2018	$260,000	$780,000	$1,506,812	$4,240,348
	2019	$260,000	$1,040,000	$1,453,808	$5,694,156
	2020	$260,000	$1,300,000	$1,402,394	$7,096,550
	2021	$260,000	$1,560,000	$1,352,522	$8,449,072
	2022	$260,000	$1,820,000	$1,304,146	$9,753,218
	2023	$260,000	$2,080,000	$1,257,222	$11,010,440
	2024	$260,000	$2,340,000	$1,211,705	$12,222,145
	2025	$260,000	$2,600,000	$1,167,554	$13,389,699
Maintain Viable Presence (5 Years)	2026	$1,384,727	$3,984,727	$0	$13,389,699
	2027	$1,343,186	$5,327,913	$0	$13,389,699
	2028	$1,302,890	$6,630,803	$0	$13,389,699
	2029	$1,263,803	$7,894,606	$0	$13,389,699
	2030	$1,225,889	$9,120,496	$0	$13,389,699
Additional Years as Required by 313.026(c)(1) (10 Years)	2031	$1,189,113	$10,309,608	$0	$13,389,699
	2032	$1,153,439	$11,463,047	$0	$13,389,699
	2033	$1,118,836	$12,581,883	$0	$13,389,699
	2034	$1,085,271	$13,667,154	$0	$13,389,699
	2035	$1,052,713	$14,719,867	$0	$13,389,699
	2036	$1,021,131	$15,740,998	$0	$13,389,699
	2037	$990,497	$16,731,496	$0	$13,389,699
	2038	$960,783	$17,692,278	$0	$13,389,699
	2039	$931,959	$18,624,238	$0	$13,389,699
	2040	$904,000	$19,528,238	$0	$13,389,699
		$19,528,238	is greater than	**$13,389,699**	

Analysis Summary	
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Regency Field Services, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that "the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **determines** that the limitation on appraised value is a determining factor in the Regency Field Services, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- In 2012, Southern Union Gas (SUG) was purchased by Energy Transfer Equity, a general partner with Regency Energy Partners. The following year (2013), the SUG assets were conveyed to Regency Energy Partners of which Regency Field Services, LLC is an affiliate.
- According to a company news release dated February 27, 2013, the applicant announced that it would acquire land, processing and treating facilities and 5,600 miles of gathering systems in West Texas and New Mexico from SUG. The application for this proposed new plant, which is to be located on the land purchased from SUG, was submitted to the school district in July 2014.
- This same news release also mentions a cryogenic processing facility, with the same stated capacity as the facility in the application, as already being in the planning stages. A specific location is not listed.
- The applicant indicated in Section 8 of the application that they provided capital investment or return on investment information for the proposed project in comparison with other investment opportunities. No such information was provided in the application.
- In Section 8 of the application, the applicant indicated that they provided information related to the applicant's inputs, transportation and markets for the proposed product. No such information was provided in the application.
- As part of the application, the applicant has stated that Hobbs, New Mexico and North Louisiana are also being considered for this project.

Supporting Information

a) Section 8 of the Application for a Limitation on Appraised Value
b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☐ Yes ☑ No
2. The property will be used for one of the following activities:
   - (1) manufacturing ☑ Yes ☐ No
   - (2) research and development ☐ Yes ☑ No
   - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☑ No
   - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☑ No
   - (5) renewable energy electric generation ☐ Yes ☑ No
   - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☑ No
   - (7) nuclear electric power generation ☐ Yes ☑ No
   - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☑ No
   - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☑ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☑ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☑ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☑ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☑ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
   - ☐ Land has no existing improvements
   - ☑ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☑ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☑ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☑ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☑ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☑ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☑ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☑ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☑ Yes ☐ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☑ Yes ☐ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☑ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

Tab 5 — CONFIDENTIAL

Limitation Is A Determining Factor

1. Hobbs, New Mexico, is a competing location for the proposed project. Much of the natural gas raw product that would be processed at this plant is actually gathered in New Mexico, utilizing the same gathering and transportation infrastructure. The State of New Mexico offers a comprehensive and aggressive package of incentives which has been highly competitive with those offered by the State of Texas and which any company with a choice of locations near the Texas/New Mexico border would be compelled to consider in exercising due diligence.
2. The applicant's parent company, Regency Energy Partners, is internally considering a similar cryogenic processing and manufacturing project that would be located in North Louisiana. The company already has significant infrastructure and activity throughout that region, and its proposed capital expenditure would meet or exceed the amount proposed for the subject MiVida project.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

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PRESS RELEASE

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Energy Transfer Equity and Southern Union Announce Successful Completion of Merger

Energy Transfer Partners Completes Merger Transaction for 50% Interest in Citrus Corp., Owner of Florida Gas Transmission

DALLAS & HOUSTON--(BUSINESS WIRE)--Mar. 26, 2012-- Energy Transfer Equity, L.P. (NYSE:ETE) and Southern Union Company (NYSE:SUG) today announced the successful completion of the previously announced merger of Southern Union with and into Sigma Acquisition Corp., a wholly owned subsidiary of ETE. Southern Union is the surviving entity in the merger and will continue to operate as a wholly-owned subsidiary of ETE.

Under the terms of the merger agreement, Southern Union stockholders were able to elect to exchange each outstanding share of Southern Union common stock for $44.25 of cash or 1.00x ETE common unit, with no more than 60% of the aggregate merger consideration payable in cash and no more than 50% of the merger consideration payable in ETE common units. Based on the final results of the merger consideration elections, holders of approximately 54% of outstanding Southern Union shares, or 67,985,929 shares, will receive cash, while holders of approximately 46% of outstanding Southern Union shares, or 56,981,860 shares, will receive ETE common units.

Effective with the closing of the market today, Southern Union will cease to be a publicly traded company and its common stock will stop trading on the NYSE.

In connection with the closing of the merger of Southern Union and ETE, Energy Transfer Partners, L.P. (NYSE:ETP) announced that it has successfully completed the previously announced merger of a wholly owned ETP subsidiary with and into Southern Union subsidiary CrossCountry Energy, LLC, which owns an indirect 50% interest in Citrus Corp., the owner of the Florida Gas Transmission pipeline system. After the merger, CrossCountry Energy will remain as the surviving entity and will be a wholly owned subsidiary of ETP. The total merger consideration is approximately $2.0 billion (comprised of $1.895 billion in cash and approximately 2.25 million ETP common units).

Credit Suisse Securities (USA) LLC acted as exclusive financial advisor to ETE, with Latham & Watkins LLP, Bingham McCutchen LLP and Potter Anderson having acted as legal counsel. Evercore Partners and Goldman Sachs Group Inc. acted as financial advisors to the Special Committee of the board of directors of Southern Union. Locke Lord LLP served as legal counsel to Southern Union and Roberts & Holland LLP served as tax counsel to Southern Union. Sullivan & Cromwell LLP and Morris Nichols Arsht and Tunnell LLP served as legal advisors to the Special Committee of the Southern Union board of directors.

The Conflicts Committee of ETP's Board of Directors approved the Citrus transaction. ETP was advised by Vinson & Elkins LLP with respect to the transaction and Prickett, Jones & Elliott, P.A. served as counsel to the committee. RBS Securities Inc. acted as financial advisor to the committee and issued a fairness opinion in connection with transaction.

Conference Call

Energy Transfer will host a conference call today at 2:00 p.m. central time (3:00 p.m. eastern time) to discuss the transaction details. The dial-in number for the call is 1-877-556-5921, passcode 42481884. Additionally, the conference call will be broadcast live via an Internet web cast at www.energytransfer.com. The call will be available for replay for a limited time by dialing 1-888-286-8010, passcode 90086046. A replay of the broadcast will also be available on the Energy Transfer website for a limited time.

Energy Transfer Equity, L.P. (NYSE:ETE) is a publicly traded partnership, which owns the general partner and 100 percent of the incentive distribution rights (IDRs) of Energy Transfer Partners, L.P. (NYSE:ETP) and approximately 50.2 million ETP limited partner units; and owns the general partner and 100 percent of the IDRs of Regency Energy Partners LP (NYSE:RGP) and approximately 26.3 million RGP limited partner units. For more information, visit the Energy Transfer Equity, L.P. web site at www.energytransfer.com.

Energy Transfer Partners, L.P. (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP has pipeline operations in Arizona, Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Utah and West Virginia and owns the largest intrastate pipeline system in Texas. ETP currently has natural gas operations that include approximately 18,000 miles of gathering and transportation pipelines, treating and processing assets, and three storage facilities located in Texas. ETP also holds a 70 percent interest in Lone Star NGL LLC, a joint venture that owns and operates NGL storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. ETP's general partner is owned by ETE. For more information, visit the Energy Transfer Partners, L.P. website at www.energytransfer.com.

Regency Energy Partners LP (NYSE: RGP) is a growth-oriented, midstream energy partnership engaged in the gathering and processing, contract compression, treating and transportation of natural gas and the transportation, fractionation and storage of natural gas liquids. RGP also holds a 30% interest in Lone Star NGL LLC, a joint venture that owns and operates natural gas liquids storage, fractionation, and transportation assets in Texas, Louisiana and Mississippi. Regency's general partner is owned by Energy Transfer Equity, L.P. (NYSE: ETE). For more information, visit the Regency Energy Partners LP website at www.regencyenergy.com.

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ETE and ETP Announce Plans to Drop Down Southern Union Assets into ETP-Controlled Entity

- Improves operational efficiencies and increases transparency to investors
- Will be implemented concurrent with closing of Sunoco transaction
- No effect on Sunoco merger timing or consideration

DALLAS--(BUSINESS WIRE)--Jun. 18, 2012-- Energy Transfer Equity, L.P. (NYSE:ETE) and Energy Transfer Partners, L.P. (NYSE:ETP) announced today that ETE plans to drop down its interest in Southern Union Company (SUG) into an ETP-controlled entity, which will also include assets to be acquired in the recently announced merger between Sunoco, Inc. (NYSE:SUN) and ETP.

Concurrent with the closing of the Sunoco merger, ETE will contribute its interest in SUG into an ETP-controlled entity in exchange for a 60 percent equity interest in the new entity, to be called ETP Holdco Corporation (HoldCo). In conjunction with ETE's contribution, ETP will contribute its interest in Sunoco to HoldCo and will retain a 40 percent equity interest in HoldCo. Prior to the contribution of Sunoco to HoldCo, Sunoco's interests in Sunoco Logistics Partners L.P. (NYSE:SXL) will be transferred to ETP.

"Through this transaction, we resolve the timing of ETE's drop-down of the SUG assets, without the need for external equity or debt financing, and will enhance distribution growth prospects at both ETE and ETP," said Kelcy Warren, ETE chairman of the board. "Furthermore, this new entity will increase ETP's scale of operations and its ability to serve more customers in the rapidly expanding midstream marketplace."

The transaction has been approved by the boards of directors of ETE's general partner and ETP's general partner and will not require the approval of Sunoco's board. In addition, Energy Transfer has reviewed its plans with all three credit rating agencies and believes that the new structure enhances the overall credit profile of ETE, ETP and SUG and furthers ETP's commitment to maintaining investment grade credit ratings. The transaction will not require ETE or ETP unitholder approval and no regulatory issues are expected.

Additional information concerning this announcement can be found in Current Reports on Form 8-K filed with the Securities and Exchange Commission today by both ETE and ETP.

Wells Fargo Securities, LLC acted as financial advisor to ETP, while Latham & Watkins LLP and Bingham McCutchen LLP acted as legal counsel. Evercore Partners acted as financial advisor to the ETP conflicts committee, while Morris, Nichols, Arsht & Tunnell LLP acted as legal counsel. RBS Securities, Inc. acted as financial advisor to the ETE conflicts committee and the ETE special committee, while Potter Anderson & Corroon LLP acted as legal counsel. Vinson & Elkins L.L.P. acted as legal counsel to ETE.

Energy Transfer Equity, L.P. (NYSE:ETE) is a publicly traded partnership, which owns the general partner and 100 percent of the incentive distribution rights (IDRs) of Energy Transfer Partners, L.P. (NYSE:ETP) and approximately 52.4 million ETP limited partner units; and owns the general partner and 100 percent of the IDRs of Regency Energy Partners LP (NYSE:RGP) and approximately 26.3 million RGP limited partner units. ETE is also the parent of Southern Union Company. The ETE family of companies owns approximately 45,000 miles of natural gas and natural gas liquids pipelines. For more information, visit the Energy Transfer Equity, L.P. web site at www.energytransfer.com.

Energy Transfer Partners, L.P. (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP has pipeline operations in Alabama, Arizona, Arkansas, Colorado, Florida, Louisiana, Mississippi, New Mexico, Utah and West Virginia and owns the largest intrastate pipeline system in Texas. ETP currently has natural gas operations that include approximately 23,500 miles of gathering and transportation pipelines, treating and processing assets, and three storage facilities located in Texas. ETP also holds a 70 percent interest in Lone Star NGL, a joint venture that owns and operates NGL storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. ETP's general partner is owned by ETE. For more information, visit the Energy Transfer Partners, L.P. website at www.energytransfer.com.

Sunoco, Inc. (NYSE: SUN) is a leading logistics and retail company. The company owns the general partner interest of Sunoco Logistics Partners L.P., which consists of a two percent ownership interest and incentive distribution rights, and owns a 32.4 percent interest in the Partnership's limited partner units. Sunoco Logistics Partners L.P. is an owner and operator of complementary pipeline, terminal and crude oil acquisition and marketing assets. Sunoco also has a network of approximately 4,900 retail locations in 23 states.

Sunoco Logistics Partners L.P. (NYSE: SXL), headquartered in Philadelphia, is a master limited partnership that owns and operates a logistics business consisting of a geographically diverse portfolio of complementary pipeline, terminalling and crude oil acquisition and marketing assets. The Refined Products Pipelines consist of approximately 2,500 miles of refined products pipelines located in the northeast, midwest and southwest United States, and equity interests in four refined products pipelines. The Crude Oil Pipelines consist of approximately 5,400 miles of crude oil pipelines, located principally in Oklahoma and Texas. The Terminal Facilities consist of approximately 42 million shell barrels of refined products and crude oil terminal capacity (including approximately 22 million shell barrels of capacity at the Nederland Terminal on the Gulf Coast of Texas and approximately 5 million shell barrels of capacity at the Eagle Point terminal on the banks of the Delaware River in New Jersey). The Crude Oil Acquisition and Marketing business involves the acquisition and marketing of

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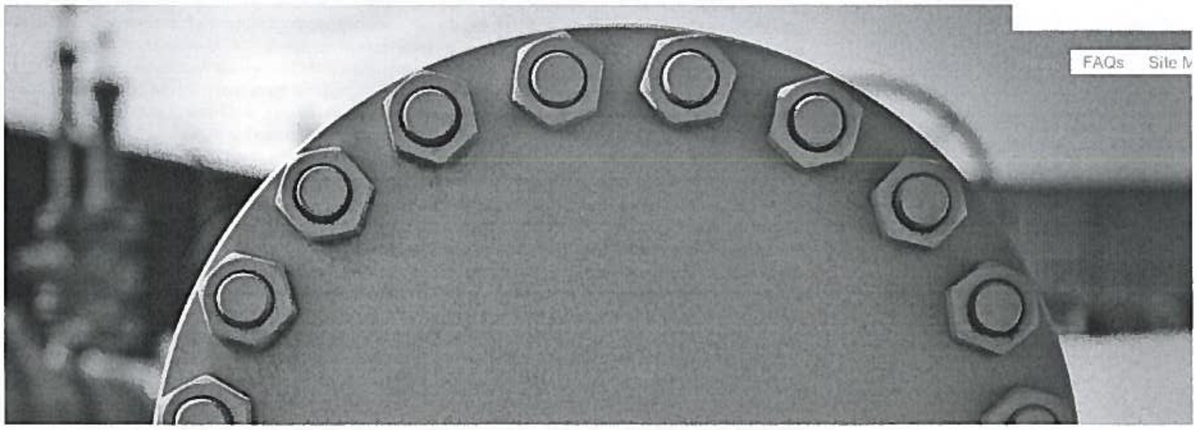

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Regency Energy Partners to Acquire Southern Union Gathering Company, LLC for $1.5 Billion

Regency Expands Gathering and Processing System in the Permian Basin

DALLAS--(BUSINESS WIRE)--Feb. 27, 2013-- Regency Energy Partners LP (NYSE: RGP) today announced it will acquire Southern Union Gathering Company, LLC, the owner of Southern Union Gas Services, Ltd. (SUGS), from Southern Union Company, a jointly owned affiliate of Energy Transfer Equity, L.P. (NYSE:ETE) and Energy Transfer Partners, L.P. (NYSE:ETP). The $1.5 billion acquisition will significantly expand Regency's presence in one of the most productive oil and liquids-rich basins in North America, the Permian Basin. The acquisition is expected to close in the second quarter of 2013, subject to approval under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions.

The transaction will include the purchase of a 5,600-mile gathering system and approximately 500 MMcf/d of processing and treating facilities in west Texas and New Mexico for natural gas and natural gas liquids. In addition, SUGS is currently finishing construction of the 200 MMcf/d Red Bluff processing plant with associated treating which is expected to be in service in the second quarter of 2013. An additional 200 MMcf/d cryogenic processing facility with associated treating is in the planning stages and is expected to be in service in mid-to-late 2014.

"This acquisition represents a significant growth opportunity for Regency and is very strategic to our plans for expansion in the Permian Basin," said Mike Bradley, president and chief executive officer of Regency Energy Partners. "The integration of the SUGS assets with our existing operations will position Regency with a broad Permian Basin gathering and processing footprint. The combined system is expected to provide significant synergies, increase efficiencies on our current system, improve the flexibility of our gathering and processing operations and enhance services for our customers."

"We also expect this acquisition will be neutral to slightly accretive in 2013 and to enhance our outlook for long-term distribution growth," continued Bradley.

Regency will finance the acquisition by issuing $900 million of new Regency units to Southern Union Company, comprised of $750 million of new common units and $150 million of new Class F common units. The Class F common units will be equivalent to common units except will not receive distributions for the equivalent of eight consecutive quarters post-closing. The remaining $600 million will be paid in cash funded from long-term borrowings.

In addition, in conjunction with the transaction, ETE, which owns the general partner and incentive distribution rights of Regency, has agreed to forgo the incentive distribution rights payments associated with the new common units issued by Regency for the equivalent of eight consecutive quarters post-closing and to eliminate the $10 million annual management fee due from Regency for two years post-closing.

J.P. Morgan acted as sole financial advisor and Locke Lord LLP acted as legal counsel to Regency with respect to the transaction. Evercore Partners acted as sole financial advisor and Akin Gump Strauss Hauer & Feld LLP acted as legal counsel to Regency's Conflicts Committee with respect to the transaction.

Regency will hold a conference call to discuss the acquisition of SUGS tomorrow, Thursday, February 28, 2013 at 9:00 a.m., Central Time (10:00 a.m., Eastern Time).

The dial-in number for the call is 1-866-362-4666 in the United States, or +1-617-597-5313 outside the United States, passcode 25503389. A live webcast of the call may be accessed on the investor relations page of Regency's website at www.regencyenergy.com. The call will be available for replay for seven days by dialing 1-888-286-8010 (from outside the U.S., +1-617-801-6888) passcode 82756714. A replay of the broadcast will also be available on Regency's website for 30 days. This release is intended to be a qualified notice under Treasury Regulation Section 1.1446-4(b). Please note that 100 percent of Regency's distributions to foreign investors are attributable to income that is effectively connected with a United States trade or business. Accordingly, Regency's distributions to foreign investors are subject to federal income tax withholding at a rate of 35 percent.

This release includes "forward-looking" statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words

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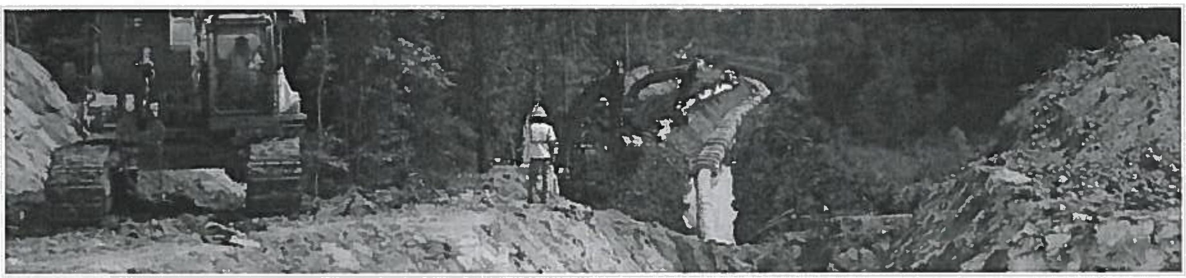

PRESS RELEASE

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Energy Transfer Affiliate to Contribute Southern Union Gas Services to Regency Energy Partners for $1.5 Billion

DALLAS--(BUSINESS WIRE)--Feb. 27, 2013-- **Energy Transfer Partners, L.P. (NYSE:ETP)** and **Energy Transfer Equity, L.P. (NYSE:ETE)** announced today that their affiliate, Southern Union Company (Southern Union), has agreed to contribute Southern Union Gathering Company, LLC, the owner of Southern Union Gas Services, Ltd. (SUGS), to Regency Energy Partners LP (NYSE: RGP) in exchange for $1.5 billion. The transaction will include a 5,600-mile gathering system in West Texas and New Mexico and approximately 500 million cubic feet per day of processing and treating facilities. The deal is expected to close in the second quarter of 2013, subject to approval under the Hart-Scott-Rodino Antitrust Improvements Act and other customary closing conditions.

In exchange for the assets, Southern Union will receive $750 million of newly issued Regency common units, $150 million of new Class F units, and $600 million in cash. ETE, which owns the general partner and incentive distribution rights (IDR) of Regency, has agreed to forego all IDR payments from Regency on the newly issued Regency units for the first eight consecutive quarters following the closing. The Class F units will not receive any cash distributions for eight consecutive quarters following the closing and thereafter will convert to Regency common units, receiving distributions at the prevailing rate. In addition, ETP has agreed to forego the $10 million annual management fee paid by Regency for the same time period post-transaction close.

Following discussions with the credit rating agencies, ETP and ETE have received feedback that the transaction will have no effect on existing credit ratings at any of the entities. Additionally, the cash proceeds from the sale of SUGS will be utilized to repay debt, including borrowings outstanding under Southern Union's revolving credit facility.

The agreement between Southern Union and Regency is another important step in executing on ETE's and ETP's commitment to simplify their structures and optimize their asset portfolios. The announcement of the deal with Regency follows the December announcement by ETE and ETP that Southern Union's local distribution companies, Missouri Gas Energy and New England Gas Company, would be sold.

Credit Suisse Securities (USA) LLC acted as sole financial advisor to ETP Holdco Corporation, a subsidiary of ETP and ETE and the parent of Southern Union Company.

Energy Transfer Partners, L.P. (NYSE:ETP) is a master limited partnership owning and operating one of the largest and most diversified portfolios of energy assets in the United States. ETP currently has natural gas operations that include approximately 24,000 miles of gathering and transportation pipelines, treating and processing assets, and storage facilities. ETP also owns general partner interests, 100% of the incentive distribution rights, and a 32.4% limited partnership interest in Sunoco Logistics Partners L.P. (NYSE:SXL), which operates a geographically diverse portfolio of crude oil and refined products pipelines, terminalling and crude oil acquisition and marketing assets. ETP also holds a 70% interest in Lone Star NGL, a joint venture that owns and operates natural gas liquids storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. In addition, ETP holds controlling interest in a corporation (ETP Holdco Corporation) that owns Southern Union Company and Sunoco, Inc. ETP's general partner is owned by ETE. For more information, visit the Energy Transfer Partners, L.P. website at www.energytransfer.com.

Energy Transfer Equity, L.P. (NYSE:ETE) is a master limited partnership, which owns the general partner and 100% of the incentive distribution rights (IDRs) of Energy Transfer Partners, L.P. (NYSE:ETP) and approximately 50.2 million ETP limited partner units; and owns the general partner and 100% of the IDRs of Regency Energy Partners LP (NYSE:RGP) and approximately 26.3 million RGP limited partner units. ETE also owns a non-controlling interest in a corporation (ETP Holdco Corporation) that owns Southern Union Company and Sunoco, Inc. The ETE family of companies owns approximately 69,000 miles of natural gas, natural gas liquids, refined products, and crude pipelines. For more information, visit the Energy Transfer Equity, L.P. web site at www.energytransfer.com.

Forward-Looking Statements

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results are discussed in the Partnerships' Annual Reports on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnerships undertake no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at www.energytransfer.com.

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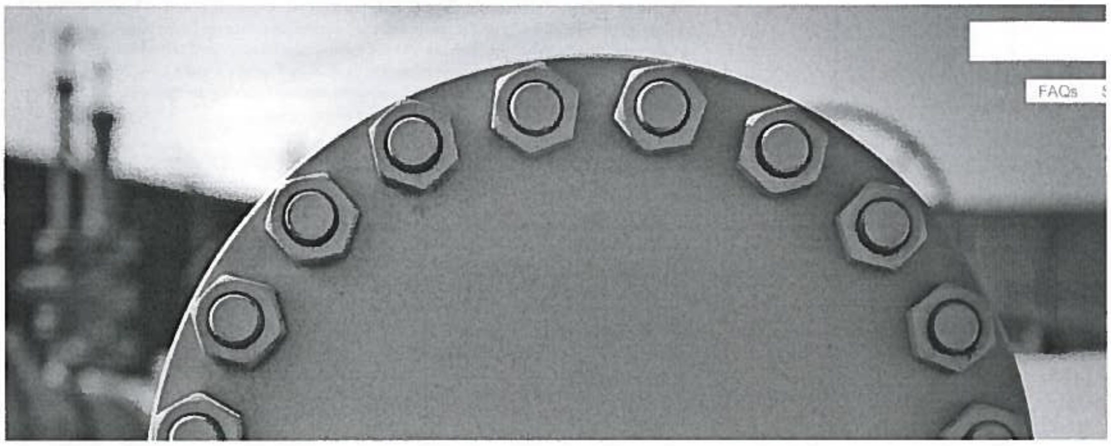

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Regency Energy Partners Closes on Acquisition of Southern Union Gathering Company, LLC

DALLAS--(BUSINESS WIRE)--Apr. 30, 2013-- Regency Energy Partners LP (NYSE: RGP) announced today that it has closed on the previously announced acquisition of Southern Union Gathering Company, LLC, the owner of Southern Union Gas Services, Ltd. (SUGS), from Southern Union Company, an affiliate of Energy Transfer Equity, L.P. (NYSE:ETE) and Energy Transfer Partners, L.P. (NYSE:ETP) for approximately $1.5 billion.

Regency financed the acquisition by issuing approximately 31.4 million new Regency common units and approximately 6.3 million of newly created Class F common units to Southern Union Company. The Class F common units will be substantially equivalent to common units except they will not receive distributions for the equivalent of eight consecutive quarters post-closing. The cash portion of the consideration, which was $600 million, less $107 million of estimated closing adjustments, was funded from the proceeds of senior notes issued by Regency on April 30, 2013. This amount is subject to customary post-closing adjustments.

"The SUGS assets are a great fit for Regency, and we are very pleased to see this transaction come together," said Mike Bradley, president and chief executive officer of Regency Energy Partners. "We expect the combination of the Regency and SUGS assets to create significant synergies and expand our organic growth opportunities. The increased size and scale will also help improve our ability to serve producers in the Permian Basin."

SUGS assets include a 5,600-mile gathering system and approximately 500 MMcf/d of processing and treating facilities in west Texas and New Mexico for natural gas and natural gas liquids. These assets significantly expand Regency's presence in one of the most productive oil and liquids-rich basins in North America, the Permian Basin.

In conjunction with the transaction, ETE, which owns the general partner and incentive distribution rights of Regency, has agreed to forgo the incentive distribution rights payments associated with the new common units issued by Regency for the equivalent of eight consecutive quarters post-closing and to eliminate the $10 million annual management fee due from Regency under a services agreement for two years post-closing.

This release includes "forward-looking" statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as "anticipate," "believe," "intend," "project," "plan," "expect," "continue," "estimate," "goal," "forecast," "may" or similar expressions help identify forward-looking statements. Although we believe our forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, we cannot give any assurance that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risk that the benefits contemplated by the transaction described herein may not be realized. Additional risks include: volatility in the price of oil, natural gas, and natural gas liquids, declines in the credit markets and the availability of credit for the Partnership as well as for producers connected to the Partnership's system and its customers, the level of creditworthiness of, and performance by the Partnership's counterparties and customers, the Partnership's ability to access capital to fund organic growth projects and acquisitions, including significant acquisitions, and the Partnership's ability to obtain debt and equity financing on satisfactory terms, the Partnership's use of derivative financial instruments to hedge commodity and interest rate risks, the amount of collateral required to be posted from time-to-time in the Partnership's transactions, changes in commodity prices, interest rates, and demand for the Partnership's services, changes in laws and regulations impacting the midstream sector of the natural gas industry, weather and other natural phenomena, acts of terrorism and war, industry changes including the impact of consolidations and changes in competition, the Partnership's ability to obtain required approvals for construction or modernization of the Partnership's facilities and the timing of production from such facilities, and the effect of accounting pronouncements issued periodically by accounting standard setting boards. Therefore, actual results and outcomes may differ materially from those expressed in such forward-looking statements.

These and other risks and uncertainties are discussed in more detail in filings made by the Partnership with the Securities and Exchange Commission, which are available to the public. The Partnership undertakes no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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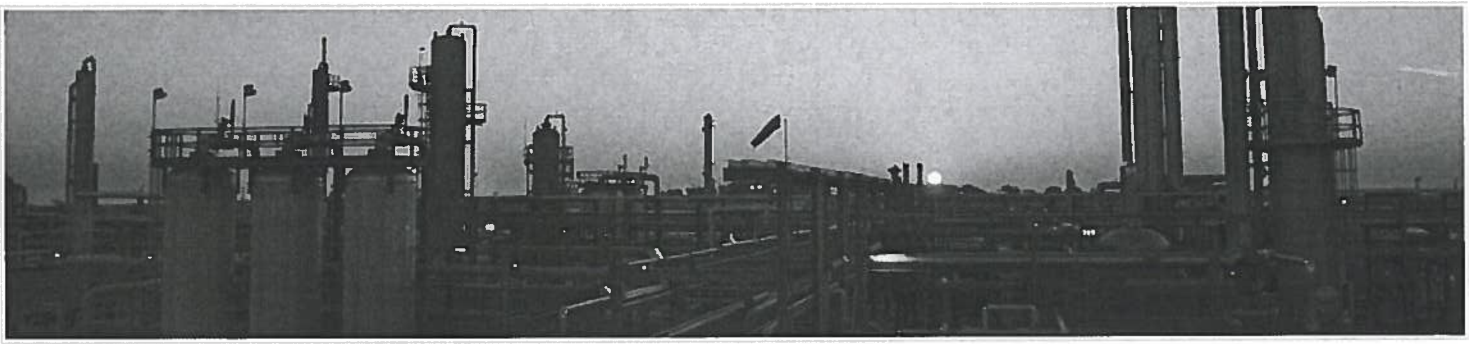

RECENT HISTORY

2013

- Announced Trunkline conversion to provide crude oil pipeline access to the eastern Gulf Coast refinery market from the Patoka, Illinois hub.
- Completed transactions to simplify partnership structure with the contribution of SUGS to Regency and ETP's acquisition of ETE interest in ETP Holdco.
- Announced plans with SXL and Lone Star, to construct a liquefied petroleum gas (LPG) export/import facility on the Gulf Coast, and executed long-term, fee based agreements with anchor tentant.
- Received DOE approval to export liquefied natural gas ("LNG") from our existing Lake Charles facility for up to 15 million metric tons, and subsequently entered into a project development agreement with BG to jointly develop the LNG export project.
- Closed on the exchange of 50.16 million ETP common units previously owned by ETE, for new Class H units issued by ETP that track 50% of the underlying economics of the general partner and IDRs of SXL.
- Placed in-service Lone Star's second fractionator at its facility in Mont Belvieu, Texas, bringing Lone Star's total fractionation capacity at Mont Belvieu to 200,000 barrels per day.
- Completed the sale of the assets of Missouri Gas Energy to Laclede Gas Company, for $975 million.
- Announced distribution increases for ETP & ETE in the third quarter.

2012

- Completed contribution of propane business to AmeriGas Partners, L.P.
- Announced a second Mont Belvieu fractionation plant and expansion of Eagle Ford projects.
- ETE completed the merger with Southern Union Company; ETP acquired Southern Union's 50% interest in Citrus Corp., which owns Florida Gas Transmission.
- ETP completed the merger with Sunoco, Inc.; ETP acquired Sunoco's general partner interests, incentive distribution rights, and 32.4% limited partner interest in Sunoco Logistics Partners, L.P.
- At completion of merger with Sunoco, Inc., ETP Holdco Corporation is formed to improve operating efficiency of assets.
- Announced plans to sell regulated utilities to Laclede Gas Company, Inc.

2011

- ETP and Regency acquired the natural gas liquids (NGL) business of Louis Dreyfus Highbridge Energy and formed Lone Star NGL JV.
- Lone Star NGL JV announced new Mont Belvieu fractionation plant and West Texas NGL pipeline projects to significantly expand liquids platform.
- Expansion of Eagle Ford shale projects with the Rich Eagle Ford Mainline pipeline and new processing facility in Jackson County, TX.

2010

- FEP and Tiger completed ahead of schedule and significantly under budget.
- ETE completes acquisition of the general partner of Regency Energy Partners.

2009

- MEP completed and placed in-service.