



Whitney E. Snyder  
(717) 236-1300 x260  
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100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 [www.hmslegal.com](http://www.hmslegal.com)

October 10, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street – Filing Room  
Harrisburg, PA 17101

RE: Application of Energy Transfer Retail Power, LLC for Approval To Offer,  
Render, Furnish Or Supply Electricity Services As A Supplier Of Electric  
Power To The Public In The Commonwealth Of Pennsylvania.

Dear Secretary Chiavetta:

Attached for filing please find the public version of Energy Transfer Retail Power, LLC's Electric Generation Supplier Application. A hard copy containing confidential information will be hand-delivered to the Commission. In addition, the required Bond will be hand-delivered to the Commission.

Very truly yours,

Whitney E. Snyder

*Counsel to  
Energy Transfer Retail Power, LLC*

WES/bes  
Attachment

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MAILING ADDRESS: P.O. BOX 1778 HARRISBURG, PA 17105

## BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Energy Transfer Retail Power, LLC for approval to offer, render, furnish, or supply electricity or electric generation services as a supplier of electricity to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

### 1. IDENTIFICATION AND CONTACT INFORMATION

- a. **IDENTITY OF THE APPLICANT:** Provide name (including any fictitious name or d/b/a), primary address, web address, and telephone number of Applicant:

Energy Transfer Retail Power, LLC  
1300 Main Street  
Dallas, TX 75219  
Website: Parent Website <http://www.energytransfer.com/>  
Phone: 210-403-6443  
Toll Free: 210-403-7300  
Fax: 210-403-6643

- b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

Corporation Service Company  
2595 Interstate Drive Suite 103  
Harrisburg, PA 17110

- c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

Whitney E. Snyder, Esquire  
100 North 10th Street  
Harrisburg, PA 17105  
(p) 717-236-1300  
(f) 717-236-4841  
(e) [wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)

- d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

Todd S. Stewart, Esquire  
Whitney E. Snyder, Esquire  
100 North 10th Street  
Harrisburg, PA 17105  
(p) 717-236-1300  
(f) 717-236-4841  
(e) [tsstewart@hmslegal.com](mailto:tsstewart@hmslegal.com)  
(e) [wesnyder@hmslegal.com](mailto:wesnyder@hmslegal.com)

- e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, FAX number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed EGSs.

Tamara Lowry  
800 E. Sonterra Blvd.  
San Antonio, TX 78258-3941  
Tamara.lowry@energytransfer.com  
210.403.6489

**Alternate**  
Dan Jackson  
7400 W 129th St  
Suite 250  
Overland Park, KS 66213  
Dan.Jackson@energytransfer.com  
913.956.4529

## 2. **BUSINESS ENTITY FILINGS AND REGISTRATION**

- a. **FICTITIOUS NAME:** *(Select appropriate statement and provide supporting documentation as listed.)*

The Applicant will not be using a fictitious name.

- b. **BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:**  
*(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)*

The Applicant is a:

foreign limited liability company (15 Pa. C.S. §8981)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. See Attachment A
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. See Attachment B
- Give name and address of officers. See Attachment C for list of officers. All officers business address is Energy Transfer Partners, 3738 Oak Lawn Ave., Dallas TX 75219.

## 3. **AFFILIATES AND PREDECESSORS**

*(both in state and out of state)*

- a. **AFFILIATES:** Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

Energy Retail Transfer Power, LLC is a wholly owned subsidiary of Energy Transfer Partners LP. See Attachment D for a full list of affiliates. Sunoco Pipeline L.P. is applicant's only jurisdictional public utility affiliate

- b. **PREDECESSORS:** Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

Applicant has no predecessors in the preceding five years. Applicant was originally formed in Delaware under the name TEXREP4, LLC but did not do business in Pennsylvania under this name.

#### 4. OPERATIONS

- a. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

The Applicant is not presently doing business in Pennsylvania.

- b. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a (may check multiple):

Supplier of electricity

- c. **PROPOSED SERVICES:** Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

Applicant will provide electric supply to its affiliates and hedge usage. Applicant will engage in buying, selling and transmitting electric energy, capacity, ancillary services, financial transmission rights and other services to affiliates.

- d. **PROPOSED SERVICE AREA:** Check the box of each Electric Distribution Company for which the Applicant proposes to provide service.

Entire Commonwealth of PA

- e. **CUSTOMERS:** Applicant proposes to provide services to:

Small Commercial Customers - (25 kW and Under)

Large Commercial Customers - (Over 25 kW)

Industrial Customers

- f. **START DATE:** Provide the approximate date the Applicant proposes to actively market within the Commonwealth.

Applicant proposed to begin service soon as possible after receiving its license. Applicant will not actively market to consumers as it will only offer service to affiliates.



## 5. COMPLIANCE

- a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

Applicant has not been the defendant of a criminal or civil proceeding or any customer, regulatory agency or prosecutory agency complaint in the past five years. See Attachment E for a public description of litigation from Applicant's Parent Company 10K. See Attachment E1 CONFIDENTIAL for a list of litigation involving affiliates with control over Applicant.

- b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

See answer to 5.a.

- c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

See answer to 5.a.

- d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

See answer to 5.a.

## 6. PROOF OF SERVICE

See Appendix C for certificate of service.

## 7. FINANCIAL FITNESS

- a. **BONDING:** In accordance with 66 Pa. C.S. Section 2809(c)(1)(i), the Applicant is required to file a bond or other instrument to ensure its financial responsibilities and obligations as an EGS. Therefore, the Applicant is...

- Furnishing the **original** of an initial bond, letter of credit or proof of bonding to the Commission in the amount of \$250,000.

An original bond will be filed in hard copy with the Commission.

b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)

See Attachment F for Energy Retail Transfer Power, LLC's parent's (Energy Transfer Partners, LP) 10K financial information.

Energy Transfer Partners, LP full 10K is available at:

[http://www.energytransfer.com/documents/EnergyTransferPartners\\_10K\\_20140227-ETP.pdf](http://www.energytransfer.com/documents/EnergyTransferPartners_10K_20140227-ETP.pdf)

c. **SUPPLIER FUNDING METHOD:** If Applicant is operating as anything other than **Broker/Marketer only**, explain how Applicant will fund its operations. Provide all credit agreements, lines of credit, etc., and elaborate on how much is available on each item.

Applicant will fund its operations through its parent's, Energy Transfer Partners, LP., cash flow and revolving credit facility. The cash flow from operation fluctuates daily, however, ETP's 10Q as of June 30, 2014 reflects cash flow of approximately \$1.573 billion. As of October 6, 2014 ETP's revolving credit facility had approximately \$2.4 billion available. See Attachment F1 for relevant pages of ETP's 10Q. ETP's full 10Q is available at <http://ir.energytransfer.com/phoenix.zhtml?c=106094&p=IROL-secToc&TOC=aHR0cDovL2FwaS50ZW5rd2l6YXJkLmNvbS9vdXRsaW5lLnhtbD9yZXBvPXRlbnmaXBhZ2U9OTc0MDk1MiZzdWJzaWQ9NTc%3d&ListAll=1&sXBRL=1>

d. **BROKER PAYMENT STRUCTURE:** If applicant is a broker/marketer, explain how your organization will be collecting your fees.

Not applicable.

e. **ACCOUNTING RECORDS CUSTODIAN:** Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Steve Stellato (Controller; 210-403-7436; 800 E Sonterra Blvd. San Antonio, TX, 78258)

f. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix F to this application.

*All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.*

*Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.*

See Attachment G.

## 8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

**a. EXPERIENCE, PLAN, STRUCTURE:** such information may include:

- Applicant's previous experience in the electricity industry.
- Summary and proof of licenses as a supplier of electric services in other states or jurisdictions.
- Type of customers and number of customers Applicant currently serves in other jurisdictions.
- Staffing structure and numbers as well as employee training commitments.
- Business plans for operations within the Commonwealth.
- Documentation of membership in PJM, ECAR, MAAC, other regional reliability councils, or any other membership or certification that is deemed appropriate to justify competency to operate as an EGS within the Commonwealth.
- Any other information appropriate to ensure the technical capabilities of the Applicant.

Applicant has been a Texas Retail Electric Provider since 2008. In Texas, Applicant has successfully implemented the same business plan it will implement in Pennsylvania – procuring and supplying electric power for its industrial affiliates. Moreover, Applicant's parent company has decades of experience in energy markets.

**b. PROPOSED MARKETING METHOD** (*check all that apply*)

- Other (Describe): Application will not engage in marketing as it will only serve affiliates.

**c. DOOR TO DOOR SALES:** Will the Applicant be implementing door to door sales activities?

- No

If yes, will the Applicant be using verification procedures?

- No

If yes, describe the Applicant's verification procedures.

**d. OVERSIGHT OF MARKETING:** Explain all methods Applicant will use to ensure all marketing is performed in an ethical manner, for both employees and subcontractors.

Inapplicable - Application will not engage in marketing as it will only serve affiliates.

**e. OFFICERS:** Identify Applicant's chief officers, and include the professional resumes for any officers directly responsible for operations.

See Attachment C for a list of officers. See Attachment C1 CONFIDENTIAL for resume information.

**f. FERC FILING:** Applicant has:

- Not applicable

## 9. DISCLOSURE STATEMENT:

**Disclosure Statements:** If proposing to serve Residential and/or Small Commercial (under 25 kW) Customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix G to this Application.

- Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

***Not applicable for an applicant applying for a license exclusively as a broker/marketer.***

**Applicant will not serve Residential and/or Small Commercial customers, and thus has not included a disclosure statement.**

## 10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

- a. **PJM LOAD SERVING ENTITY REQUIREMENT:** As a prospective EGS, the applicant understands that those EGSs which provide retail electric supply service (i.e. takes title to electricity) must provide either:

- proof of registration as a PJM Load Serving Entity (LSE), or
- proof of a contractual arrangement with a registered PJM LSE that facilitates the retail electricity services of the EGS.

The Applicant understands that compliance with this requirement must be filed within 120 days of the Applicant receiving a license. As well, the Applicant understands that compliance with this requirement may be filed with this instant application.

*(Select only one of the following)*

- AGREED** - Applicant has included compliance with this requirement in the instant application, labeled in correspondence with this section (10).  
See Attachment H.

- b. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 54.43, as well as any future amendments.

- AGREED**

- c. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- **Retail Electricity Choice Activity Reports:** The regulations at 52 Pa. Code §§ 54.201–54.204 require that all active EGSs report sales activity information. An EGS will file an annual report reporting for customer groups defined by annual usage. Reports must be filed using the



appropriate report form that may be obtained from the PUC's Secretary's Bureau or the forms officer, or may be down-loaded from the PUC's internet web site.

- Reports of Gross Receipts: Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
- The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
- Net Metering Reports: Applicant shall be responsible to report any Net Metering per the Standards on [http://www.puc.pa.gov/consumer\\_info/electricity/alternative\\_energy.aspx](http://www.puc.pa.gov/consumer_info/electricity/alternative_energy.aspx). Scroll down to the Net Metering Standards Section.
- Applicant shall report to the Commission the percentages of total electricity supplied by each fuel source on an annual basis per 52 Pa. Code § 54.39(d).
- Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

AGREED

- d. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

AGREED

- e. **ASSESSMENT:** The Commission does not presently assess Electric Generation Suppliers for the purposes of recovery of regulatory expenses; see *PPL Energyplus, LLC v. Commonwealth*, 800 A.2d 360 (Pa. Cmwlth. 2002).

ACKNOWLEDGED

- f. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 54.34.

AGREED

- g. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

AGREED

- h. **NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within twenty (20) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 54.34.

AGREED

- i. **CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

AGREED

- J. **Electronic Data Interchange:** The Applicant acknowledges the Electronic Data Interchange (EDI) requirements and the relevant contacts for each EDC, as listed at Appendix J.

AGREED

- k. **FEE:** The Applicant has enclosed or paid the required initial licensing fee of \$350.00 payable to the Commonwealth of Pennsylvania.

PAYMENT ENCLOSED

## 11. AFFIDAVITS

- a. **APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

See Appendix A.

- b. **OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service. An example copy of this Affidavit can be found at Appendix B.

See Appendix B.

## 12. NEWSPAPER PUBLICATIONS

See Attachment I for Proof of Publications.

## 13. SIGNATURE

Applicant:

By:

Title:

[Signature]  
[Signature]  
Sr. Vice-President Power Optimization



**14. CHECKLIST**

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections are complete.

Applicant: Energy Transfer Retail Power, LLC

Applicant's Use	<b>Signature</b>	
	<b>Filing Fee</b>	
	<b>Application Affidavit</b>	
	<b>Operations Affidavit</b>	
	<b>Proof of Publication</b>	
	<b>Bond or Letter of Credit</b>	
	<b>Tax Certification Statement</b>	
	<b>Commonwealth Department of State Verification</b>	
	<b>Certificate of Service</b>	
	<b>PUC Secretary's Bureau Use</b>	

## **Attachment A**

### **Part 2b - Pennsylvania Department of State Filing**

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE**

**OCTOBER 8, 2014**

**TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:**

**I DO HEREBY CERTIFY THAT,**

**Energy Transfer Retail Power, LLC**

**is duly registered as a Foreign Limited Liability Company under the laws of the Commonwealth of Pennsylvania and remains subsisting so far as the records of this office show, as of the date herein.**

**I DO FURTHER CERTIFY THAT, This Subsistence Certificate shall not imply that all fees, taxes, and penalties owed to the Commonwealth of Pennsylvania are paid.**



**IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Seal of the Secretary's Office to be affixed, the day and year above written.**

*Carol Aichele*

**Secretary of the Commonwealth**

Entity #: 4188867  
Date Filed: 05/17/2013  
Carol Aichele  
Secretary of the Commonwealth


PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU

Application for Registration - Foreign  
(15 Pa.C.S.)

- Registered Limited Liability General Partnership (§ 8211)
- Registered Limited Liability Limited Partnership (§ 8211)
- Limited Partnership (§ 8582)
- Limited Liability Company (§ 8981)

**Corporation Service Company**

654475-5



Document will be returned to the name and address you enter to the left.  
←

Commonwealth of Pennsylvania  
APPLICATION FOR REGISTRATION 3 Page(s)



T1314264077

Fee: \$250

In compliance with the requirements of the applicable provisions (relating to registration), the undersigned, desiring to register to do business in this Commonwealth, hereby states that:

1. The name of the limited liability company/limited liability partnership/limited partnership in the jurisdiction in which it is formed:  
Energy Transfer Retail Power, LLC

2. The name under which the limited liability company/limited liability partnership/limited partnership proposes to register and do business in this Commonwealth is:  
Energy Transfer Retail Power, LLC

3. The name of the jurisdiction under the laws of which it was organized and the date of its formation:  
Jurisdiction: DE Date of Formation: 9/7/2007

4. The (a) address of its initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County
(b) Name of Commercial Registered Office Provider				
<u>Corporation Service Company</u>				<u>Dauphin</u>

2013 MAY 17 PM 4: 21  
PA DEPT OF STATE

DSCB:15-8981/8211/8582-2

5. Check and complete one of the following:

The address of the office required to be maintained by it in the jurisdiction of its organization by the laws of that jurisdiction is:

Number and street	City	State	Zip
<u>3738 Oak Lawn Ave.</u>	<u>Dallas</u>	<u>TX</u>	<u>75219</u>

It is not required by the laws of its jurisdiction of organization to maintain an office therein and the address of its principal office is:

Number and street	City	State	Zip

6. For Restricted Professional Limited Liability Company Only. Strike out if inapplicable: ~~The company is a restricted professional company organized to render the following professional service(s):~~

---

**Limited Liability Partnership and Limited Partnership: Complete paragraphs 7 and 8**

7. The name and business address of each general partner.

Name	Business Address

8. The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contribution is:

Number and street	City	State	Zip	County

The registered partnership hereby undertakes to keep those records until its registration to do business in the Commonwealth is canceled or withdrawn.

IN TESTIMONY WHEREOF, the undersigned has caused this Application for Registration to be signed by a duly authorized officer/member or manager thereof this

17<sup>th</sup> day of May, 2013

Energy Transfer Retail Power, LLC  
Name of Partnership/Company

Martin A. [Signature]  
Signature

Chief Financial Officer  
Title

Rev. 11/2010

## **Attachment B**

### **Part 2b - State of Incorporation and Charter Documents**



# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TEXREP4, LLC", FILED IN THIS OFFICE ON THE SEVENTH DAY OF SEPTEMBER, A. D. 2007, AT 1:44 O'CLOCK P.M.



4419564 8100  
070995615

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 5986528

DATE: 09-10-07

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 01:47 PM 09/07/2007  
FILED 01:44 PM 09/07/2007  
SRV 070995615 - 4419564 FILE

**CERTIFICATE OF FORMATION  
OF  
LIMITED LIABILITY COMPANY**

**FIRST:** The name of the limited liability company is **TEXREP4, LLC**

**SECOND.** The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808. The name of its registered agent at such address is The Company Corporation.

**IN WITNESS WHEREOF,** the undersigned has executed this Certificate of Formation this 7th day of September, 2007.

The Company Corporation, Organizer

By: /s/ Sparkle Harding  
Sparkle Harding  
Assistant Secretary

**THE  
COMPANY  
CORPORATION®**

RE: TEXREP4, LLC (the "Company")

(a limited liability company formed under the laws of the State of Delaware)

**STATEMENT OF RESIGNATION AND CONCLUDED PARTICIPATION**

The initial member of the Company is identified as:

**ENERGY SERVICES GROUP, INC.**

Solely for your convenience, at your instruction and to expedite the filing of the formation document for the above named Company, Corporation Service Company (CSC), an affiliate of The Company Corporation (TCC), signed the formation document as Organizer. CSC does not have, and has never had, any other connection with the Company. The conclusion of our participation in the Company's formation is effective at the moment of the Company's formation. In the event that CSC signing the formation document results in CSC being regarded as a member and/or manager of the Company, this statement constitutes the resignation of CSC from those capacities effective at the moment of the Company's formation.

Dated September 7, 2007

CORPORATION SERVICE COMPANY, Organizer

By:   
Name: Sparkle Harding  
Title: Assistant Secretary

# Delaware

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TEXREP4, LLC", CHANGING ITS NAME FROM "TEXREP4, LLC" TO "ENERGY TRANSFER RETAIL POWER, LLC", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF JULY, A.D. 2009, AT 12:40 O'CLOCK P.M.

4419564 8100

090703421

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 7421706

DATE: 07-16-09

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 12:40 PM 07/16/2009  
FILED 12:40 PM 07/16/2009  
SRV 090703421 - 4419564 FILE

**STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT**

1. Name of Limited Liability Company: TEXREP4, LLC

2. The Certificate of Formation of the Limited Liability company is hereby amended as follows:

FIRST: The name of the limited liability company shall be Energy Transfer Retail Power, LLC.  
SECOND: The address of its registered office in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801. The name of its registered agent at such address is the Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 16<sup>th</sup> day of July, A.D. 2009

By: Texas Energy Transfer Power, LLC, Managing Member  
By: Martin Salinas, Manager & Chief Financial Officer

Martin Salinas

LIMITED LIABILITY COMPANY AGREEMENT

OF

TEXREP4, LLC,

A Delaware Limited Liability Company

This Limited Liability Company Agreement of TEXREP4, LLC (the "LLC") is made and entered into as of September 7, 2007 by the undersigned, hereinafter referred to as the "Member."

WHEREAS, the Member desires to have the LLC respected as a limited liability company under applicable non-tax state law, but disregarded as an entity separate from the Member for purposes of applicable tax law, in accordance with United States Treasury Regulation, Section 301.7701-3(b)(1)(ii) and applicable state tax law;

Therefore, the Member hereby agrees as follows:

**1. Organization and Applicable Law.**

1.1 LLC is Organized Under Delaware Law. The LLC is organized pursuant to the provisions of Title 6, Subchapter 1, Sections 18-101 and following of the Delaware Code Annotated, the Delaware Limited Liability Company Act (6 Del. C. §18-101, *et seq.*) (the "Act"), and the rights and liabilities of the Member shall be as provided therein, except as herein otherwise expressly stated. All questions with respect to the construction of this Agreement and the rights and liabilities of any person hereunder shall be determined in accordance with the provisions of the Act, and such other laws of the State as may be applicable.

1.2 Applicable Tax Law. While the LLC has only one Member, it shall be disregarded as an entity separate from the Member for purposes of applicable tax law, in accordance with United States Treasury Regulation, Section 301.7701-3(b)(1)(ii) and applicable state tax law, and the Member and the LLC shall make such filings and take such other actions as may be appropriate to cause the LLC to be disregarded. At any time that the LLC has more than one Member, the Members shall take actions with regard to tax matters in accordance with Section 9.2 of this Agreement.

1.3 Formation and Filings. The LLC was formed as a limited liability company under the Act by the filing of the Articles with Secretary of the State of the State of Delaware on September 7, 2007. The Member and the LLC shall make such filings and take such action as may be reasonably required to cause the LLC to be respected as a limited liability company under applicable non-tax state law of the State of Delaware (the "State") and any other state or jurisdiction in which the LLC may engage in business.

1.4 Registered Office And Registered Agent. The address of the registered office of the LLC in the State of Delaware is The Corporation Trust Company, 2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, State of Delaware. The name of the registered agent at that address is The Company Corporation.



**2. Business of Limited Liability Company.**

The business of the LLC shall be to engage in any lawful act or activity for which limited liability companies may be formed under the Act and engaging in any and all activities permitted, necessary or incidental to the foregoing. The LLC shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental, or convenient to or for the furtherance of the aforesaid purposes.

**3. Office.**

The office of the LLC shall be such location or locations as the Member may from time to time designate in writing.

**4. Term.**

The LLC shall commence on the date hereof and shall continue until the Member elects to terminate it.

**5. No Obligation to Make Additional Contributions.**

The Member shall have no obligation to make additional capital contributions to the LLC for any purpose or reason.

**6. Operation and Control.**

The Member shall be the manager of the LLC. In its capacity as manager of LLC, the Member shall have full charge of the operation, management and conduct of the LLC.

**7. Compensation.**

The Member may receive such compensation (or no compensation) for services rendered by it to the LLC as it considers appropriate.

**8. Indemnification.** Neither the Member, nor any owner, officer, director, employee or agent of the Member, shall be liable for the debts, expenses, liabilities or obligations of the LLC, whether arising in contract, in tort or otherwise, or for any other obligation related to the management or operation of the LLC's properties and the conduct of its business. In the event that the Member is held liable for a debt, expense or liability of the LLC and is required to pay or does pay any debt, expense or liability, the Member shall have a right of indemnification against the LLC for the full amount thereof, including its legal and other professional fees, if any. No amendment or repeal of this paragraph shall adversely affect any of the rights or protection afforded to a Member of the LLC for or with respect to any acts or omissions of such Member occurring prior to such amendment or repeal.

**9. Transfers, Dissolution, and Additional Members.**

9.1 Transfers in General. The Member may, by written instrument, transfer, assign, pledge or sell its interest in the LLC to another without restriction.

9.2 Additional Members. If, for any reason, the LLC has more than one Member at any time, then such Members shall act by majority vote and take such action and make such filings as are required to properly report the profits and losses and other items of the LLC for tax purposes in accordance with their respective interests in the LLC.

**10. Termination and Dissolution**

10.1 Termination. The LLC shall not terminate upon the transfer, sale or assignment of any interest in the LLC, but the LLC shall continue in accordance with the terms and conditions contained in this Agreement. The LLC shall terminate on the direction of the Member, or by majority vote of the Members, if there is more than one.

10.2 Procedures upon Termination. Upon termination of the LLC, the Member shall proceed with reasonable promptness to liquidate the business of the LLC. After the payment of LLC debts, expenses of liquidation and any loans by the LLC, and after setting up of reasonable reserves for LLC liabilities, the balance of proceeds from liquidation shall be distributed to the Member, and the LLC shall be dissolved in accordance with the law of the State.

**11. Miscellaneous.**

11.1 Successors. This Agreement, where applicable, shall be binding upon and inure to the benefit of the parties hereto and to their respective heirs, successors, personal representatives and assigns.

11.2 Amendments. This Agreement may not be amended, modified, altered or changed in any respect whatsoever except by the Member.

11.3 Records and Information. The LLC shall keep at its principal office the following records, and such other records (if any) as may be required under applicable state law:

- (a) A current list of the full name and last known business address of each Member;
- (b) Copies of records that would enable a Member to determine the capital values and the relative voting rights of the Members;
- (c) A copy of the LLC's Certificate of Formation and any restatements and amendments thereto;
- (d) Executed copies of any powers of attorney pursuant to which any certificate regarding the LLC or its Members has been executed;
- (e) Copies of the LLC's federal, state and local income tax returns and reports, if any, for the five (5) most recent years;
- (f) A copy of this Agreement;
- (g) Any written records of proceedings of the Members; and
- (h) Copies of any financial statements of the LLC for the five (5) most recent years.

11.4 Banking. All funds of the LLC shall be deposited and kept in the name of the LLC in such bank account or accounts as shall be designated by the Member from time to time.

11.5 Accountant. The accountant for the LLC shall be such person or firm as may be determined by the Member from time to time.

11.6 Governing Law. This Agreement and all questions arising hereunder shall be determined in accordance with the internal law of the State of Delaware, without regard to the choice of law provisions thereof.

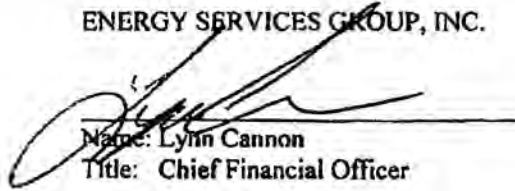
11.6 Entire Agreement. This Agreement is intended by the Member to constitute the "limited liability company agreement" of the LLC within the meaning of Sections 18-101(7) and 18-201(d) of the Act. This Agreement contains the entire understanding of the Member. This Agreement supersedes any prior written or oral agreement with respect to the subject matter hercof.

11.7 Severability. Any provision of the Act or other applicable law which is contrary to or supersedes any provision hereof shall not affect the validity of the balance of this Agreement, and the remaining provisions shall be enforced as if the invalid provision were deleted.

*[Remainder of page intentionally blank; signature page follows.]*

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed as of the date first above written.

ENERGY SERVICES GROUP, INC.



Name: Lynn Cannon  
Title: Chief Financial Officer

# 40254925 v1 - 028846/0002

**SCHEDULE A**

**TEXREP4, LLC**

Limited Liability Company Agreement

**Exhibit A**

**List of Members, Capital Contributions and Percentages**

<b>Member</b>	<b>Capital</b>	<b>Percentage</b>
Energy Services Group, Inc. P.O. Box 545 400 Hingham Street Rockland, MA 02370	Services	100%
	<b>TOTAL:</b>	<b>100%</b>

**AMENDMENT NO. 1  
TO  
LIMITED LIABILITY COMPANY AGREEMENT  
OF  
ENERGY TRANSFER RETAIL POWER, LLC  
(formerly known as TEXREP4, LLC)**

This Amendment (this "*Amendment*") to the Limited Liability Company Agreement of Energy Transfer Retail Power, LLC (formerly known as TEXREP4, LLC), a Delaware limited liability company (the "*LLC*"), dated as of September 7, 2007, (the "*LLC Agreement*"), is entered into effective as of July \_\_, 2009, by its sole member, Texas Energy Transfer Power, LLC, a Texas limited liability company ("*Member*"). Capitalized terms used but not defined herein are used as defined in the LLC Agreement.

**RECITALS**

WHEREAS, Energy Services Group, Inc., a Delaware corporation, assigned, transferred and conveyed to Texas Energy Transfer Power, LLC all of its right title and interest in and to its limited liability company membership interest in the LLC pursuant to that certain Assignment of Membership Interest effective June 5, 2009. Pursuant to Section 11.2 of the LLC Agreement, the Member hereby desires to amend certain sections of that LLC Agreement.

NOW, THEREFORE, the LLC Agreement is hereby amended as follows:

**AMENDMENT**

Section 1.4 Registered Office and Registered Agent. The address of the registered office of the LLC in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware, 19801.

IN WITNESS WHEREOF, this Amendment has been executed as of the date first written above.

SOLE MEMBER:  
Texas Energy Transfer Power, LLC

By: Martin Salinas  
Martin Salinas, Chief Financial Officer



STATE OF DELAWARE  
CERTIFICATE OF AMENDMENT CHANGING ONLY THE  
REGISTERED OFFICE OR REGISTERED AGENT OF A  
LIMITED LIABILITY COMPANY

The limited liability company organized and existing under the Limited Liability Company Act of the State of Delaware, hereby certifies as follows:

1. The name of the limited liability company is \_\_\_\_\_  
**ENERGY TRANSFER RETAIL POWER, LLC** \_\_\_\_\_.
2. The Registered Office of the limited liability company in the State of Delaware is changed to 2711 Centerville Road, Suite 400  
\_\_\_\_\_ (street), in the City of Wilmington  
\_\_\_\_\_. Zip Code 19808 \_\_\_\_\_. The name of the Registered Agent at such address upon whom process against this limited liability company may be served is \_\_\_\_\_  
**Corporation Service Company** \_\_\_\_\_.

By: /s/ Dona Priebe  
\_\_\_\_\_ Authorized Person

Name: Dona Priebe  
\_\_\_\_\_ Print or Type

## **Attachment C**

### **Part 2b - Names of Officers**

**Directors & Officers by Group**

---

**Energy Transfer Retail Power, LLC**

**Business Group: ETP**

**Officers**

<b>Name</b>	<b>Title</b>
Kelcy L. Warren	Chief Executive Officer
Marshall S. McCrea III	President & Chief Operating Officer
Richard A. Cargille	President - Midstream
Martin Salinas Jr.	Chief Financial Officer
Gregory F. Brazaitis	Chief Compliance Officer
Ryan K. Coffey	Executive Vice President - Operations
Christopher Curia	Senior Vice President - Human Resources
David W. Coker	Senior Vice President - ETT Power Optimization
Thomas P. Mason	Senior Vice President, General Counsel & Secretary
Justin K. Dolle	Vice President - Financial Reporting
Michael D. Smith	Vice President - Mergers & Acquisitions
Robert R. Rose	Vice President - Land and Right-of-Way
Steven M. Stellato	Vice President & Controller
James M. Wright	Deputy General Counsel
Paul B. Keeler	Associate General Counsel
William J. Healy	Associate General Counsel

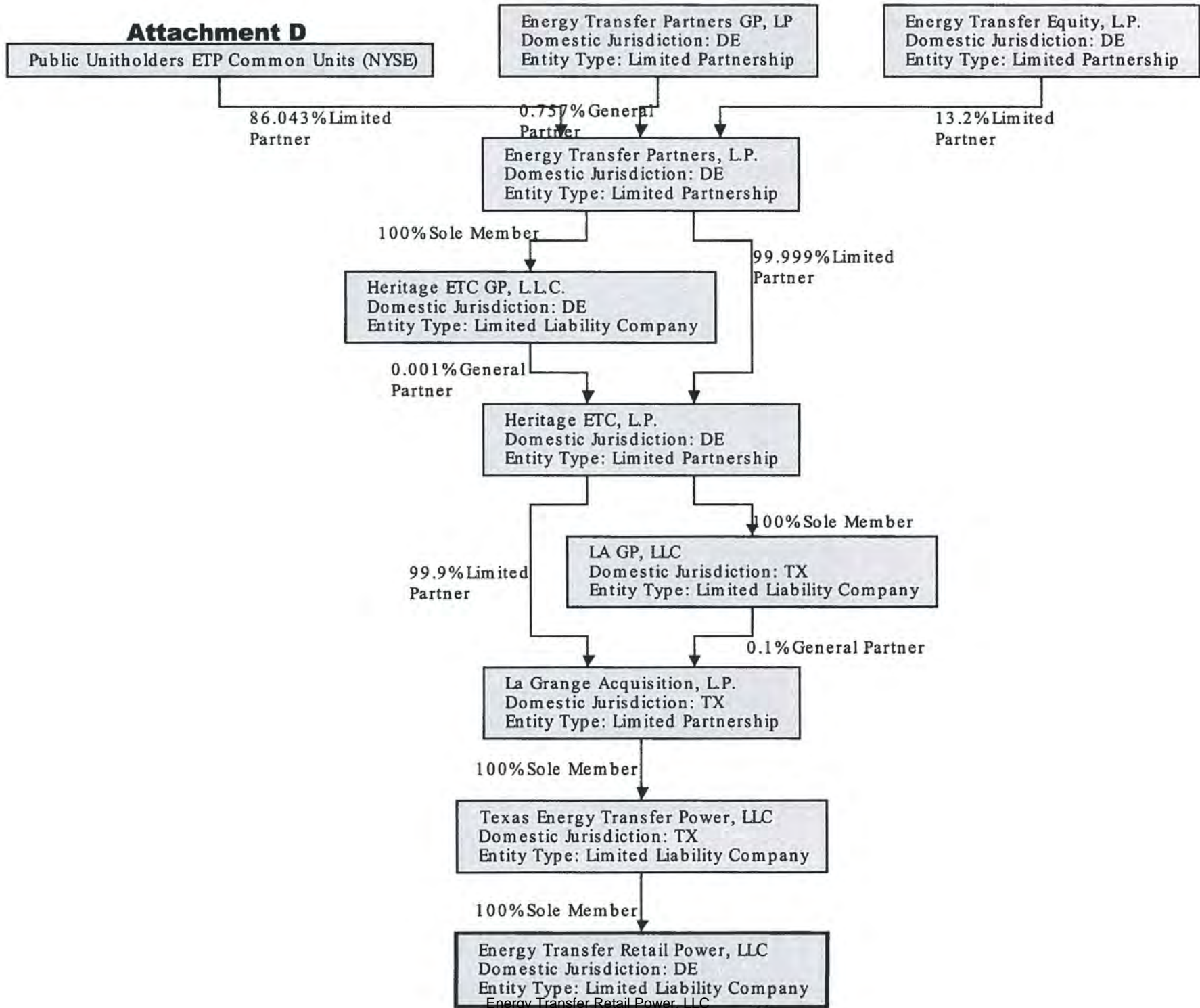
**Signature Block**

Energy Transfer Retail Power, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Attachment D**  
**Part 3b - Affiliates**

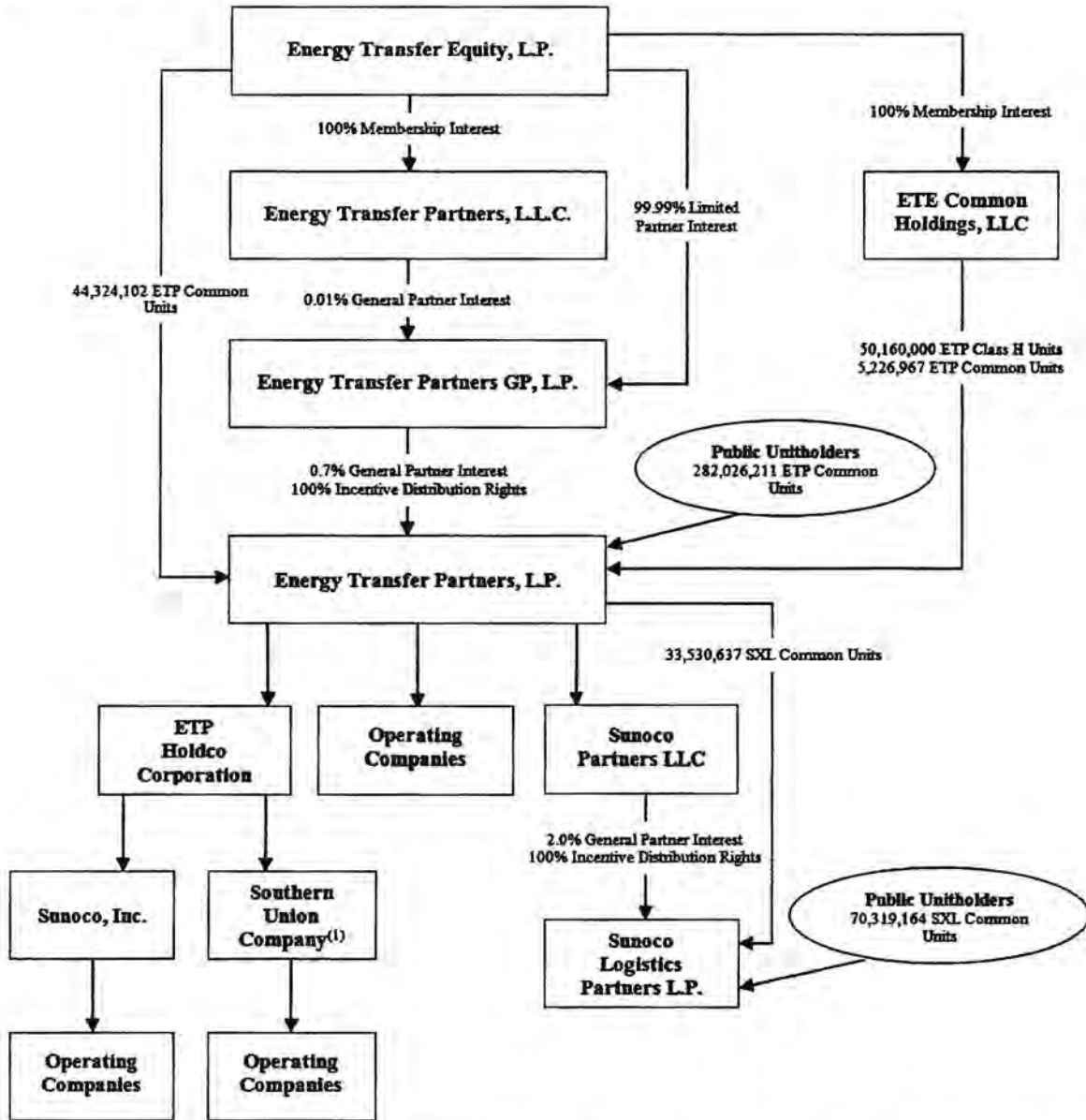
**Attachment D**



# Attachment D

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The following chart summarizes our organizational structure as of December 31, 2013. For simplicity, certain immaterial entities and ownership interest have not been depicted.



(1) On January 10, 2014, as part of our effort to simplify our structure, Panhandle consummated a merger with Southern Union, the indirect parent of Panhandle, and PEPL Holdings, the sole limited partner of Panhandle, pursuant to which each of Southern Union and PEPL Holdings were merged with and into Panhandle, with Panhandle as the surviving entity.

Unless the context requires otherwise, the Partnership, the Operating Companies, and their subsidiaries are collectively referred to in this report as “we,” “us,” “ETP,” “Energy Transfer” or “the Partnership.”

## LIST OF SUBSIDIARIES

**SUBSIDIARIES OF ENERGY TRANSFER PARTNERS, L.P., a Delaware limited partnership:**

CCE Acquisition LLC, a Delaware limited liability company  
 CCE Holdings, LLC, a Delaware limited liability company  
 Chalkley Gathering Company, LLC, a Texas limited liability company  
 Citrus Corp., a Delaware corporation  
 Citrus Energy Services, Inc., a Delaware corporation  
 Citrus ETP Finance LLC, a Delaware limited liability company  
 CrossCountry Alaska, LLC, a Delaware limited liability company  
 CrossCountry Citrus, LLC, a Delaware limited liability company  
 CrossCountry Energy, LLC, a Delaware limited liability company  
 Eastern Gulf Crude Access, LLC, a Delaware limited liability company  
 Energy Transfer Crude Oil Company, LLC, a Delaware limited liability company  
 Energy Transfer Data Center, LLC, a Delaware limited liability company  
 Energy Transfer Dutch Holdings, LLC, a Delaware limited liability company  
 Energy Transfer Employee Management Company, a Delaware corporation  
 Energy Transfer Fuel GP, LLC, a Delaware limited liability company  
 Energy Transfer Fuel, LP, a Delaware limited partnership  
 Energy Transfer Group, LLC, a Texas limited liability company  
 Energy Transfer International Holdings LLC, a Delaware limited liability company  
 Energy Transfer Interstate Holdings, LLC, a Delaware limited liability company  
 Energy Transfer LNG Export, LLC, a Delaware limited liability company  
 Energy Transfer Mexicana, LLC, a Delaware limited liability company  
 Energy Transfer Peru LLC, a Delaware limited liability company  
 Energy Transfer Retail Power, LLC, a Delaware limited liability company  
 Energy Transfer Technologies, Ltd., a Texas limited partnership  
 Enhanced Service Systems, Inc., a Delaware corporation  
 ET Company I, Ltd., a Texas limited partnership  
 ET Fuel Pipeline, L.P., a Delaware limited partnership  
 ETC Compression, LLC, a Delaware limited liability company  
 ETC Endure Energy L.L.C., a Delaware limited liability company  
 ETC Energy Transfer, LLC, a Delaware limited liability company  
 ETC Fayetteville Express Pipeline, LLC, a Delaware limited liability company  
 ETC Fayetteville Operating Company, LLC, a Delaware limited liability company  
 ETC Gas Company, Ltd., a Texas limited partnership  
 ETC Gathering, LLC, a Texas limited liability company  
 ETC Hydrocarbons, LLC, a Texas limited liability company  
 ETC Interstate Procurement Company, LLC, a Delaware limited liability company  
 ETC Intrastate Procurement Company, LLC, a Delaware limited liability company  
 ETC Katy Pipeline, Ltd., a Texas limited partnership  
 ETC Lion Pipeline, LLC, a Delaware limited liability company  
 ETC M-A Acquisition LLC, a Delaware limited liability company  
 ETC Marketing, Ltd., a Texas limited partnership  
 ETC Midcontinent Express Pipeline, L.L.C., a Delaware limited liability company  
 ETC New Mexico Pipeline, L.P., a New Mexico limited partnership  
 ETC NGL Marketing, LLC, a Texas limited liability company  
 ETC NGL Transport, LLC, a Texas limited liability company  
 ETC Northeast Pipeline, LLC, a Delaware limited liability company  
 ETC Oasis GP, LLC a Texas limited liability company  
 ETC Oasis, L.P., a Delaware limited partnership  
 ETC ProLiance Energy, LLC, an Indiana limited liability company  
 ETC Texas Pipeline, Ltd., a Texas limited partnership  
 ETC Tiger Pipeline, LLC, a Delaware limited liability company  
 ETC Water Solutions, LLC, a Delaware limited liability company

ETE Holdco Corporation, a Delaware corporation  
 ETP Holdco Corporation, a Delaware corporation  
 ETP Newco 1 LLC, a Delaware limited liability company  
 ETP Newco 2 LLC, a Delaware limited liability company  
 ETP Newco 3 LLC, a Delaware limited liability company  
 ETP Newco 4 LLC, a Delaware limited liability company  
 ETP Newco 5 LLC, a Delaware limited liability company  
 Fayetteville Express Pipeline, LLC, a Delaware limited liability company  
 FEP Arkansas Pipeline, LLC, an Arkansas limited liability company  
 Five Dawaco, LLC, a Texas limited liability company  
 Florida Gas Transmission Company, LLC, a Delaware limited liability company  
 Heritage ETC GP, L.L.C., a Delaware limited liability company  
 Heritage ETC, L.P., a Delaware limited partnership  
 Heritage Holdings, Inc., a Delaware corporation  
 Houston Pipe Line Company LP, a Delaware limited partnership  
 HP Houston Holdings, L.P., a Delaware limited partnership  
 HPL Asset Holdings LP, a Delaware limited partnership  
 HPL Consolidation LP, a Delaware limited partnership  
 HPL GP, LLC, a Delaware limited liability company  
 HPL Holdings GP, L.L.C., a Delaware limited liability company  
 HPL Houston Pipe Line Company, LLC, a Delaware limited liability company  
 HPL Leaseco LP, a Delaware limited partnership  
 HPL Resources Company LP, a Delaware limited partnership  
 HPL Storage GP LLC, a Delaware limited liability company  
 LA GP, LLC, a Texas limited liability company  
 La Grange Acquisition, L.P., a Texas limited partnership  
 Lake Charles Exports, LLC, a Delaware limited liability company  
 Lake Charles LNG Exports, LLC, a Delaware limited liability company  
 Leapartners, L.P., a Texas limited partnership  
 Lee 8 Storage Partnership, a Delaware limited partnership  
 LG PL, LLC, a Texas limited liability company  
 LGM, LLC, a Texas limited liability company  
 Liberty Pipeline Group, LLC, a Delaware limited liability company  
 Lone Star NGL LLC, a Delaware limited liability company  
 Lone Star NGL LLC subsidiaries:  
     Lone Star NGL Asset Holdings LLC, a Delaware limited liability company  
     Lone Star NGL Asset Holdings II LLC, a Delaware limited liability company  
     Lone Star NGL Asset GP LLC, a Delaware limited liability company  
     Lone Star NGL Development LP, a Delaware limited partnership  
     Lone Star NGL Pipeline LP, a Delaware limited partnership  
     Lone Star NGL Product Services LLC, a Delaware limited liability company  
     Lone Star NGL Hattiesburg LLC, a Delaware limited liability company  
     Lone Star NGL Mont Belvieu GP LLC, a Delaware limited liability company  
     Lone Star NGL Mont Belvieu LP, a Delaware limited partnership  
     Lone Star NGL Hastings LLC, a Delaware limited liability company  
     Lone Star NGL Refinery Services LLC, a Delaware limited liability company  
     Lone Star NGL Sea Robin LLC, a Delaware limited liability company  
     Lone Star NGL Fractionators LLC, a Delaware limited liability company  
     Lone Star NGL Marketing LLC, a Delaware limited liability company  
 MACS Retail LLC, a Virginia limited liability company  
 Mid-Atlantic Convenience Stores, LLC, a Delaware limited liability company  
 Oasis Partner Company, a Delaware corporation  
 Oasis Pipe Line Company Texas L.P., a Texas limited partnership  
 Oasis Pipe Line Company, a Delaware corporation  
 Oasis Pipe Line Finance Company, a Delaware corporation  
 Oasis Pipe Line Management Company, a Delaware corporation  
 Oasis Pipeline, LP, a Texas limited partnership



## Attachment D

## Attachment D

Panhandle Eastern Pipe Line Company, LP, a Delaware limited partnership  
Panhandle Energy LNG Services, LLC, a Delaware limited liability company  
Panhandle Holdings LLC, a Delaware limited liability company  
Panhandle Storage LLC, a Delaware limited liability company  
PEI Power Corporation, a Pennsylvania corporation  
PEI Power II, LLC, a Pennsylvania corporation  
PG Energy, Inc., a Pennsylvania corporation  
Rich Eagleford Mainline, LLC, a Delaware limited liability company  
Sea Robin Pipeline Company, LLC, a Delaware limited liability company  
SEC Energy Products & Services, L.P., a Texas limited partnership  
SEC Energy Realty GP, LLC, a Texas limited liability company  
SEC General Holdings, LLC, a Texas limited liability company  
SEC-EP Realty Ltd., a Texas limited partnership  
Southern Union Gas Company, Inc., a Texas corporation  
Southern Union Panhandle LLC, a Delaware limited liability company  
Southside Oil, LLC, a Virginia limited liability company  
SU Gas Services Operating Company, Inc., a Delaware corporation  
SU Holding Company, Inc., a Delaware corporation  
SU Pipeline Management LP, a Delaware limited partnership  
SUCo LLC, a Delaware limited liability company  
SUCo LP, a Delaware limited partnership  
SUGAir Aviation Company, a Delaware corporation  
SUG Holdings, LLC, a Delaware limited liability company  
Sunoco Logistic Partners L.P., a Delaware limited partnership  
Sunoco Inc., a Pennsylvania corporation  
Sunoco Partners LLC, a Pennsylvania limited liability company  
TETC, LLC, a Texas limited liability company  
Texas Energy Transfer Company, Ltd., a Texas limited partnership  
Texas Energy Transfer Power, LLC, a Texas limited liability company  
Transwestern Pipeline Company, LLC, a Delaware limited liability company  
Trunkline Deepwater Pipeline LLC, a Delaware limited liability company  
Trunkline Field Services LLC, a Delaware limited liability company  
Trunkline Gas Company, LLC, a Delaware limited liability company  
Trunkline LNG Company, LLC, a Delaware limited liability company  
Trunkline LNG Export, LLC, a Delaware limited liability company  
Trunkline LNG Holdings LLC, a Delaware limited liability company  
Trunkline Offshore Pipeline LLC, a Delaware limited liability company  
Whiskey Bay Gas Company, Ltd., a Texas limited partnership  
Whiskey Bay Gathering Company, LLC, a Delaware limited liability company

### **SUBSIDIARIES OF SUNOCO, INC., a Pennsylvania corporation**

Atlantic Petroleum Corporation, a Delaware corporation  
Atlantic Petroleum Delaware Corporation, a Delaware corporation  
Atlantic Pipeline (Out) L.P. Texas limited partnership  
Atlantic Refining & Marketing Corp., a Delaware corporation  
Aventine Renewable Energy Holdings, Inc., a Delaware corporation  
Clean Air Action Corporation, a Delaware corporation  
Evergreen Assurance, LLC, a Delaware limited liability company  
Evergreen Capital Holdings, LLC, a Delaware limited liability company  
Evergreen Resources Group, LLC, a Delaware limited liability company  
Helios Assurance Company, a Limited Bermuda other  
Jalisco Corporation, a California corporation  
Japan Sun Oil Company, Ltd., a Japan other  
Lavan Petroleum Company (LAPCO), an Iran, Islamic Republic of other  
Lesley Corporation, a Delaware corporation

Lugrasa, S.A., a Panama corporation  
Mascot, Inc. (MA), a Massachusetts corporation  
Mid-Continent Pipe Line (Out) LLC, a Texas limited liability company  
Oil Casualty Insurance, Ltd., a Bermuda other  
Oil Insurance Limited, Bermuda limited company  
Pacesetter/MVHC, Inc., a Texas corporation  
PES Holdings, LLC, a Delaware limited liability company  
Philadelphia Energy Solutions LLC, a Delaware limited liability company  
Philadelphia Energy Solutions Refining and Marketing LLC, a Delaware limited liability company  
Puerto Rico Sun Oil Company LLC, a Delaware limited liability company  
Sun Alternate Energy Corporation, a Delaware corporation  
Sun Atlantic Refining and Marketing B.V., a Netherlands other  
Sun Atlantic Refining and Marketing B.V., Inc., a Delaware corporation  
Sun Atlantic Refining and Marketing Company, a Delaware corporation  
Sun Canada, Inc., a Delaware corporation  
Sun Company, Inc., a Delaware corporation  
Sun Company, Inc., a Pennsylvania corporation  
Sun International Limited, a Bermuda other  
Sun Lubricants and Specialty Products Inc., a Quebec corporation  
Sun Mexico One, Inc., a Delaware corporation  
Sun Mexico Two, Inc., a Delaware corporation  
Sun Oil Company, a Delaware corporation  
Sun Oil Export Company, a Delaware corporation  
Sun Oil International, Inc., a Delaware corporation  
Sun Petrochemicals, Inc., a Delaware corporation  
Sun Pipe Line Company, a Texas corporation  
Sun Pipe Line Delaware (Out) LLC, a Delaware limited liability company  
Sun Refining and Marketing Company, a Delaware corporation  
Sun Services Corporation, a Pennsylvania corporation  
Sun Transport, LLC, a Pennsylvania limited liability company  
Sun-Del Pipeline LLC, a Delaware limited liability company  
Sun-Del Services, Inc., a Delaware corporation  
Sunmarks, LLC, a Delaware limited liability company  
Sunoco de Mexico, S.A. de C.V., a Mexico other  
Sunoco Overseas, Inc., a Delaware corporation  
Sunoco Power Marketing L.L.C., a Pennsylvania limited liability company  
Sunoco Receivables Corporation, Inc., a Delaware corporation  
Sunoco, Inc. (R&M), a Pennsylvania corporation  
Sunoco, LLC, a Delaware limited liability company  
The New Claymont Investment Company, a Delaware corporation  
The Sunoco Foundation, a Pennsylvania not-for-profit corporation  
Venezoil, C.A., a Venezuela other

**SUBSIDIARIES OF SUNOCO LOGISTICS PARTNERS L.P., a Delaware limited partnership**

Excel Pipeline LLC, a Delaware limited liability company  
Inland Corporation, an Ohio corporation  
Mid-Valley Pipeline Company, an Ohio corporation  
Sun Pipe Line Company of Delaware LLC, a Delaware limited liability company  
Sunoco Lease Acquisition & Marketing LLC, a Delaware limited liability company  
Sunoco Logistics Partners GP LLC, a Delaware limited liability company  
Sunoco Logistics Partners L.P., a Delaware limited partnership  
Sunoco Logistics Partners Operations GP LLC, a Delaware limited liability company  
Sunoco Logistics Partners Operations L.P., a Delaware limited partnership  
Sunoco Partners Marketing & Terminals L.P., a Texas limited partnership  
Sunoco Partners NGL Facilities LLC, a Delaware limited liability company

## Attachment D

## Attachment D

Sunoco Partners Real Estate Acquisition LLC, a Delaware limited liability company

Sunoco Partners Rockies LLC, a Delaware limited liability company

Sunoco Pipeline Acquisition LLC, a Delaware limited liability company

Sunoco Pipeline L.P., a Texas limited partnership

West Texas Gulf Pipe Line Company, a Delaware corporation

**Attachment E**  
**Part 5 - Litigation**

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Future minimum lease commitments for such leases are:

Years Ending December 31:

2014	\$	80
2015		78
2016		70
2017		66
2018		53
Thereafter		420
Future minimum lease commitments		<u>767</u>
Less: Sublease rental income		(57)
Net future minimum lease commitments	\$	<u>710</u>

Our joint venture agreements require that we fund our proportionate share of capital contributions to our unconsolidated affiliates. Such contributions will depend upon our unconsolidated affiliates' capital requirements, such as for funding capital projects or repayment of long-term obligations.

**Litigation and Contingencies**

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. Natural gas and crude are flammable and combustible. Serious personal injury and significant property damage can arise in connection with their transportation, storage or use. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for product liability, personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to product liability, personal injury or property damage in the future.

***Sunoco Litigation***

Following the announcement of the Sunoco Merger on April 30, 2012, eight putative class action and derivative complaints were filed in connection with the Sunoco Merger in the Court of Common Pleas of Philadelphia County, Pennsylvania. Each complaint names as defendants the members of Sunoco's board of directors and alleges that they breached their fiduciary duties by negotiating and executing, through an unfair and conflicted process, a merger agreement that provides inadequate consideration and that contains impermissible terms designed to deter alternative bids. Each complaint also names as defendants Sunoco, ETP, ETP GP, ETP LLC, and Sam Acquisition Corporation, alleging that they aided and abetted the breach of fiduciary duties by Sunoco's directors; some of the complaints also name ETE as a defendant on those aiding and abetting claims. In September 2012, all of these lawsuits were settled with no payment obligation on the part of any of the defendants following the filing of Current Reports on Form 8-K that included additional disclosures that were incorporated by reference into the proxy statement related to the Sunoco Merger. Subsequent to the settlement of these cases, the plaintiffs' attorneys sought compensation from Sunoco for attorneys' fees related to their efforts in obtaining these additional disclosures. In January 2013, Sunoco entered into agreements to compensate the plaintiffs' attorneys in the state court actions in the aggregate amount of not more than \$950,000 and to compensate the plaintiffs' attorneys in the federal court action in the amount of not more than \$250,000. The payment of \$950,000 was made in July 2013.

***Litigation Relating to the Southern Union Merger***

In June 2011, several putative class action lawsuits were filed in the Judicial District Court of Harris County, Texas naming as defendants the members of the Southern Union Board, as well as Southern Union and ETE. The lawsuits were styled *Jaroslawicz v. Southern Union Company, et al.*, Cause No. 2011-37091, in the 333rd Judicial District Court of Harris County, Texas and *Magda v. Southern Union Company, et al.*, Cause No. 2011-37134, in the 11th Judicial District Court of Harris County, Texas. The lawsuits were consolidated into an action styled *In re: Southern Union Company*; Cause No. 2011-37091, in the 333rd Judicial District Court of Harris County, Texas. Plaintiffs allege that the Southern Union directors breached their fiduciary duties to Southern Union's stockholders in connection with the Merger and that Southern Union and ETE aided and abetted the alleged breaches of fiduciary duty. The amended petitions allege that the Merger involves an unfair price and an inadequate sales process, that Southern Union's directors entered into the Merger to benefit themselves personally, including

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through consulting and noncompete agreements, and that defendants have failed to disclose all material information related to the Merger to Southern Union stockholders. The amended petitions seek injunctive relief, including an injunction of the Merger, and an award of attorneys' and other fees and costs, in addition to other relief. On October 21, 2011, the court denied ETE's October 13, 2011, motion to stay the Texas proceeding in favor of cases pending in the Delaware Court of Chancery.

Also in June 2011, several putative class action lawsuits were filed in the Delaware Court of Chancery naming as defendants the members of the Southern Union Board, as well as Southern Union and ETE. Three of the lawsuits also named Merger Sub as a defendant. These lawsuits are styled: *Southeastern Pennsylvania Transportation Authority, et al. v. Southern Union Company, et al.*, C.A. No. 6615-CS; *KBC Asset Management NV v. Southern Union Company, et al.*, C.A. No. 6622-CS; *LBBW Asset Management Investment GmbH v. Southern Union Company, et al.*, C.A. No. 6627-CS; and *Memo v. Southern Union Company, et al.*, C.A. No. 6639-CS. These cases were consolidated with the following style: *In re Southern Union Co. Shareholder Litigation*, C.A. No. 6615-CS, in the Delaware Court of Chancery. The consolidated complaint asserts similar claims and allegations as the Texas state-court consolidated action. On July 25, 2012, the Delaware plaintiffs filed a notice of voluntary dismissal of all claims without prejudice. In the notice, plaintiffs stated their claims were being dismissed to avoid duplicative litigation and indicated their intent to join the Texas case.

On September 18, 2013, the plaintiff dismissed without prejudice its lawsuit against all defendants.

**MTBE Litigation**

Sunoco, along with other refiners, manufacturers and sellers of gasoline, is a defendant in lawsuits alleging MTBE contamination of groundwater. The plaintiffs typically include water purveyors and municipalities responsible for supplying drinking water and governmental authorities. The plaintiffs are asserting primarily product liability claims and additional claims including nuisance, trespass, negligence, violation of environmental laws and deceptive business practices. The plaintiffs in all of the cases are seeking to recover compensatory damages, and in some cases also seek natural resource damages, injunctive relief, punitive damages and attorneys' fees.

As of December 31, 2013, Sunoco is a defendant in seven cases, one of which was initiated by the State of New Jersey and two others by the Commonwealth of Puerto Rico with the more recent Puerto Rico action being a companion case alleging damages for additional sites beyond those at issue in the initial Puerto Rico action. Six of these cases are venued in a multidistrict litigation ("MDL") proceeding in a New York federal court. The most recently filed Puerto Rico action is expected to be transferred to the MDL. The New Jersey and Puerto Rico cases assert natural resource damage claims. In addition, Sunoco has received notice from another state that it intends to file an MTBE lawsuit in the near future asserting natural resource damage claims.

Fact discovery has concluded with respect to an initial set of fewer than 20 sites each that will be the subject of the first trial phase in the New Jersey case and the initial Puerto Rico case. Insufficient information has been developed about the plaintiffs' legal theories or the facts with respect to statewide natural resource damage claims to provide an analysis of the ultimate potential liability of Sunoco in these matters; however, it is reasonably possible that a loss may be realized. Management believes that an adverse determination with respect to one or more of the MTBE cases could have a significant impact on results of operations during the period in which any said adverse determination occurs, but does not believe that any such adverse determination would have a material adverse effect on the Partnership's consolidated financial position.

**Other Litigation and Contingencies**

In November 2011, a derivative lawsuit was filed in the Judicial District Court of Harris County, Texas naming as defendants ETP, ETP GP, ETP LLC, the boards of directors of ETP LLC (collectively with ETP GP and ETP LLC, the "ETP Defendants"), certain members of management for ETP and ETE, ETE, and Southern Union. The lawsuit is styled *W. J. Garrett Trust v. Bill W. Byrne, et al.*, Cause No. 2011-71702, in the 157th Judicial District Court of Harris County, Texas. Plaintiffs assert claims for breaches of fiduciary duty, breaches of contractual duties, and acts of bad faith against each of the ETP Defendants and the individual defendants. Plaintiffs also assert claims for aiding and abetting and tortious interference with contract against Southern Union. On October 5, 2012, certain defendants filed a motion for summary judgment with respect to the primary allegations in this action. On December 13, 2012, Plaintiffs filed their opposition to the motion for summary judgment. Defendants filed a reply on December 19, 2012. On December 20, 2012, the court conducted an oral hearing on the motion. Plaintiffs filed a post-hearing sur-reply on January 7, 2013. On January 16, 2013, the Court granted defendants' motion for summary judgment. The parties agreed to settle the matter and executed a memorandum of understanding. On October 4, 2013, the Court approved the settlement and ordered the case dismissed with prejudice.

We or our subsidiaries are a party to various legal proceedings and/or regulatory proceedings incidental to our businesses. For each of these matters, we evaluate the merits of the case, our exposure to the matter, possible legal or settlement strategies, the likelihood of an unfavorable outcome and the availability of insurance coverage. If we determine that an unfavorable



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outcome of a particular matter is probable and can be estimated, we accrue the contingent obligation, as well as any expected insurance recoverable amounts related to the contingency. As of December 31, 2013 and 2012, accruals of approximately \$46 million and \$42 million, respectively, were reflected on our consolidated balance sheets related to these contingent obligations. As new information becomes available, our estimates may change. The impact of these changes may have a significant effect on our results of operations in a single period.

The outcome of these matters cannot be predicted with certainty and there can be no assurance that the outcome of a particular matter will not result in the payment of amounts that have not been accrued for the matter. Furthermore, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

No amounts have been recorded in our December 31, 2013 or 2012 consolidated balance sheets for contingencies and current litigation, other than amounts disclosed herein.

**Litigation Related to Incident at JJ's Restaurant.** On February 19, 2013, there was a natural gas explosion at JJ's Restaurant located at 910 W. 48th Street in Kansas City, Missouri. Effective September 1, 2013, Laclede Gas Company, a subsidiary of The Laclede Group, Inc. ("Laclede"), assumed any and all liability arising from this incident in ETP's sale of the assets of MGE to Laclede.

**Attorney General of the Commonwealth of Massachusetts v New England Gas Company.** On July 7, 2011, the Massachusetts Attorney General ("AG") filed a regulatory complaint with the MDPU against New England Gas Company with respect to certain environmental cost recoveries. The AG is seeking a refund to New England Gas Company customers for alleged "excessive and imprudently incurred costs" related to legal fees associated with Southern Union's environmental response activities. In the complaint, the AG requests that the MDPU initiate an investigation into the New England Gas Company's collection and reconciliation of recoverable environmental costs including: (i) the prudence of any and all legal fees, totaling approximately \$19 million, that were charged by the Kasowitz, Benson, Torres & Friedman firm and passed through the recovery mechanism since 2005, the year when a partner in the firm, the Southern Union former Vice Chairman, President and Chief Operating Officer, joined Southern Union's management team; (ii) the prudence of any and all legal fees that were charged by the Bishop, London & Dodds firm and passed through the recovery mechanism since 2005, the period during which a member of the firm served as Southern Union's Chief Ethics Officer; and (iii) the propriety and allocation of certain legal fees charged that were passed through the recovery mechanism that the AG contends only qualify for a lesser, 50%, level of recovery. Southern Union has filed its answer denying the allegations and moved to dismiss the complaint, in part on a theory of collateral estoppel. The hearing officer has deferred consideration of Southern Union's motion to dismiss. The AG's motion to be reimbursed expert and consultant costs by Southern Union of up to \$150,000 was granted. By tariff, these costs are recoverable through rates charged to New England Gas Company customers. The hearing officer previously stayed discovery pending resolution of a dispute concerning the applicability of attorney-client privilege to legal billing invoices. The MDPU issued an interlocutory order on June 24, 2013 that lifted the stay, and discovery has resumed. Southern Union believes it has complied with all applicable requirements regarding its filings for cost recovery and has not recorded any accrued liability; however, Southern Union will continue to assess its potential exposure for such cost recoveries as the matter progresses.

#### **Environmental Matters**

Our operations are subject to extensive federal, state and local environmental and safety laws and regulations that require expenditures to ensure compliance, including related to air emissions and wastewater discharges, at operating facilities and for remediation at current and former facilities as well as waste disposal sites. Although we believe our operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in the business of transporting, storing, gathering, treating, compressing, blending and processing natural gas, natural gas liquids and other products. As a result, there can be no assurance that significant costs and liabilities will not be incurred. Costs of planning, designing, constructing and operating pipelines, plants and other facilities must incorporate compliance with environmental laws and regulations and safety standards. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of remedial obligations, the issuance of injunctions and the filing of federally authorized citizen suits. Contingent losses related to all significant known environmental matters have been accrued and/or separately disclosed. However, we may revise accrual amounts prior to resolution of a particular contingency based on changes in facts and circumstances or changes in the expected outcome.

Environmental exposures and liabilities are difficult to assess and estimate due to unknown factors such as the magnitude of possible contamination, the timing and extent of remediation, the determination of our liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future.

## **Attachment F**

### **Part 7b – 10K Financial Information**



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

## Partners

Energy Transfer Partners, L.P.

We have audited the accompanying consolidated balance sheets of Energy Transfer Partners, L.P. (a Delaware limited partnership) and subsidiaries (the "Partnership") as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the consolidated financial statements of Sunoco Logistics Partners L.P., a consolidated subsidiary, as of December 31, 2012 and for the period from October 5, 2012 to December 31, 2012, which statements reflect total assets constituting 24 percent of consolidated total assets as of December 31, 2012, and total revenues of 20 percent of consolidated total revenues for the year then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Sunoco Logistics Partners L.P. as of December 31, 2012 and for the period from October 5, 2012 to December 31, 2012, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Energy Transfer Partners, L.P. and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013 in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2013, based on criteria established in the 1992 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 27, 2014 expressed an unqualified opinion thereon.

/s/ GRANT THORNTON LLP

Dallas, Texas  
February 27, 2014

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in millions)

	December 31,	
	2013	2012
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 549	\$ 311
Accounts receivable, net	3,359	2,910
Accounts receivable from related companies	165	94
Inventories	1,765	1,495
Exchanges receivable	56	55
Price risk management assets	35	21
Current assets held for sale	—	184
Other current assets	310	334
Total current assets	6,239	5,404
PROPERTY, PLANT AND EQUIPMENT	28,430	27,412
ACCUMULATED DEPRECIATION	(2,483)	(1,639)
	25,947	25,773
NON-CURRENT ASSETS HELD FOR SALE	—	985
ADVANCES TO AND INVESTMENTS IN UNCONSOLIDATED AFFILIATES	4,436	3,502
NON-CURRENT PRICE RISK MANAGEMENT ASSETS	17	42
GOODWILL	4,729	5,606
INTANGIBLE ASSETS, net	1,568	1,561
OTHER NON-CURRENT ASSETS, net	766	357
Total assets	\$ 43,702	\$ 43,230

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

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(Dollars in millions)

	December 31,	
	2013	2012
<b><u>LIABILITIES AND EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 3,627	\$ 3,002
Accounts payable to related companies	45	24
Exchanges payable	285	156
Price risk management liabilities	45	110
Accrued and other current liabilities	1,428	1,562
Current maturities of long-term debt	637	609
Current liabilities held for sale	—	85
<b>Total current liabilities</b>	<b>6,067</b>	<b>5,548</b>
<b>NON-CURRENT LIABILITIES HELD FOR SALE</b>	<b>—</b>	<b>142</b>
<b>LONG-TERM DEBT, less current maturities</b>	<b>16,451</b>	<b>15,442</b>
<b>LONG-TERM NOTES PAYABLE — RELATED PARTY</b>	<b>—</b>	<b>166</b>
<b>NON-CURRENT PRICE RISK MANAGEMENT LIABILITIES</b>	<b>54</b>	<b>129</b>
<b>DEFERRED INCOME TAXES</b>	<b>3,762</b>	<b>3,476</b>
<b>OTHER NON-CURRENT LIABILITIES</b>	<b>1,080</b>	<b>995</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>		
<b>EQUITY:</b>		
General Partner	171	188
Limited Partners:		
Common Unitholders (333,826,372 and 301,485,604 units authorized, issued and outstanding as of December 31, 2013 and 2012, respectively)	9,797	9,026
Class E Unitholders (8,853,832 units authorized, issued and outstanding – held by subsidiary)	—	—
Class F Unitholders (zero and 90,706,000 units authorized, issued and outstanding as of December 31, 2013 and 2012, respectively – held by subsidiary)	—	—
Class G Unitholders (90,706,000 and zero units authorized, issued and outstanding as of December 31, 2013 and 2012, respectively – held by subsidiary)	—	—
Class H Unitholders (50,160,000 and zero units authorized, issued and outstanding as of December 31, 2013 and 2012, respectively)	1,511	—
Accumulated other comprehensive income (loss)	61	(13)
<b>Total partners' capital</b>	<b>11,540</b>	<b>9,201</b>
Noncontrolling interest	4,748	8,131
<b>Total equity</b>	<b>16,288</b>	<b>17,332</b>
<b>Total liabilities and equity</b>	<b>\$ 43,702</b>	<b>\$ 43,230</b>

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

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Dollars in millions, except per unit data)

	Years Ended December 31,		
	2013	2012	2011
<b>REVENUES:</b>			
Natural gas sales	\$ 3,165	\$ 2,387	\$ 2,534
NGL sales	2,817	1,718	1,113
Crude sales	15,477	2,872	—
Gathering, transportation and other fees	2,590	2,007	1,488
Refined product sales	18,479	5,299	—
Other	3,811	1,419	1,664
Total revenues	46,339	15,702	6,799
<b>COSTS AND EXPENSES:</b>			
Cost of products sold	41,204	12,266	4,175
Operating expenses	1,388	951	799
Depreciation and amortization	1,032	656	405
Selling, general and administrative	485	435	173
Goodwill impairment	689	—	—
Total costs and expenses	44,798	14,308	5,552
<b>OPERATING INCOME</b>	1,541	1,394	1,247
<b>OTHER INCOME (EXPENSE):</b>			
Interest expense, net of interest capitalized	(849)	(665)	(474)
Equity in earnings of unconsolidated affiliates	172	142	26
Gain on deconsolidation of Propane Business	—	1,057	—
Gain on sale of AmeriGas common units	87	—	—
Loss on extinguishment of debt	—	(115)	—
Gains (losses) on interest rate derivatives	44	(4)	(77)
Non-operating environmental remediation	(168)	—	—
Other, net	5	11	(3)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE</b>	832	1,820	719
Income tax expense from continuing operations	97	63	19
<b>INCOME FROM CONTINUING OPERATIONS</b>	735	1,757	700
Income (loss) from discontinued operations	33	(109)	(3)
<b>NET INCOME</b>	768	1,648	697
<b>LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST</b>	312	79	28
<b>NET INCOME ATTRIBUTABLE TO PARTNERS</b>	456	1,569	669
<b>GENERAL PARTNER'S INTEREST IN NET INCOME</b>	506	461	433
<b>CLASS H UNITHOLDER'S INTEREST IN NET INCOME</b>	48	—	—
<b>LIMITED PARTNERS' INTEREST IN NET INCOME (LOSS)</b>	\$ (98)	\$ 1,108	\$ 236
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS PER LIMITED PARTNER UNIT:</b>			
Basic	\$ (0.23)	\$ 4.93	\$ 1.12
Diluted	\$ (0.23)	\$ 4.91	\$ 1.12
<b>NET INCOME (LOSS) PER LIMITED PARTNER UNIT:</b>			
Basic	\$ (0.18)	\$ 4.43	\$ 1.10
Diluted	\$ (0.18)	\$ 4.42	\$ 1.10

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

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
Net income	\$ 768	\$ 1,648	\$ 697
Other comprehensive income (loss), net of tax:			
Reclassification to earnings of gains and losses on derivative instruments accounted for as cash flow hedges	(4)	(14)	(38)
Change in value of derivative instruments accounted for as cash flow hedges	(1)	8	19
Change in value of available-for-sale securities	2	—	(1)
Actuarial gain (loss) relating to pension and other postretirement benefits	66	(10)	—
Foreign currency translation adjustment	(1)	—	—
Change in other comprehensive income from equity investments	17	(9)	—
	<u>79</u>	<u>(25)</u>	<u>(20)</u>
Comprehensive income	847	1,623	677
Less: Comprehensive income attributable to noncontrolling interest	312	74	28
Comprehensive income attributable to partners	<u>\$ 535</u>	<u>\$ 1,549</u>	<u>\$ 649</u>

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

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
(Dollars in millions)

	Limited Partners			Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
	General Partner	Common Unitholders	Class H Units			
<b>Balance, December 31, 2010</b>	\$ 175	\$ 4,542	\$ —	\$ 26	\$ —	\$ 4,743
Distributions to partners	(426)	(733)	—	—	—	(1,159)
Distributions to noncontrolling interest	—	—	—	—	(44)	(44)
Units issued for cash	—	1,467	—	—	—	1,467
Capital contributions from noncontrolling interest	—	—	—	—	645	645
Issuance of units in acquisitions	—	3	—	—	—	3
Other comprehensive loss, net of tax	—	—	—	(20)	—	(20)
Other, net	—	18	—	—	—	18
Net income	433	236	—	—	28	697
<b>Balance, December 31, 2011</b>	182	5,533	—	6	629	6,350
Distributions to partners	(454)	(889)	—	—	—	(1,343)
Distributions to noncontrolling interest	—	—	—	—	(233)	(233)
Units issued for cash	—	791	—	—	—	791
Capital contributions from noncontrolling interest	—	—	—	—	343	343
Sunoco Merger (see Note 3)	—	2,288	—	—	3,580	5,868
Holdco Transaction (see Note 3)	—	165	—	—	3,748	3,913
Issuance of units in other acquisitions (excluding Sunoco)	—	7	—	—	—	7
Other comprehensive loss net of tax	—	—	—	(19)	(6)	(25)
Other, net	(1)	23	—	—	(9)	13
Net income	461	1,108	—	—	79	1,648
<b>Balance, December 31, 2012</b>	188	9,026	—	(13)	8,131	17,332
Distributions to partners	(523)	(1,228)	(51)	—	—	(1,802)
Distributions to noncontrolling interest	—	—	—	—	(382)	(382)
Units issued for cash	—	1,611	—	—	—	1,611
Issuance of Class H Units (see Note 7)	—	(1,514)	1,514	—	—	—
Capital contributions from noncontrolling interest	—	—	—	—	137	137
Holdco Acquisition and SUGS Contribution (see Note 3)	—	2,013	—	(5)	(3,448)	(1,440)
Other comprehensive income, net of tax	—	—	—	79	—	79
Other, net	—	(13)	—	—	(2)	(15)
Net income (loss)	506	(98)	48	—	312	768
<b>Balance, December 31, 2013</b>	\$ 171	\$ 9,797	\$ 1,511	\$ 61	\$ 4,748	\$ 16,288

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



**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in millions)

	Years Ended December 31,		
	2013	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 768	\$ 1,648	\$ 697
<b>Reconciliation of net income to net cash provided by operating activities:</b>			
Depreciation and amortization	1,032	656	405
Deferred income taxes	48	62	4
Gain on curtailment of other postretirement benefits	—	(15)	—
Amortization included in interest expense	(80)	(35)	10
Loss on extinguishment of debt	—	115	—
LIFO valuation adjustments	(3)	75	—
Non-cash compensation expense	47	42	38
Gain on deconsolidation of Propane Business	—	(1,057)	—
Gain on sale of AmeriGas common units	(87)	—	—
Goodwill impairment	689	—	—
Write-down of assets included in loss from discontinued operations	—	132	—
Distributions on unvested awards	(12)	(8)	(8)
Equity in earnings of unconsolidated affiliates	(172)	(142)	(26)
Distributions from unconsolidated affiliates	247	132	29
Other non-cash	42	68	29
Net change in operating assets and liabilities, net of effects of acquisitions and deconsolidations (see Note 2)	(146)	(475)	166
Net cash provided by operating activities	<u>2,373</u>	<u>1,198</u>	<u>1,344</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash paid for Citrus Merger	—	(1,895)	—
Cash proceeds from contribution and sale of propane operations	—	1,443	—
Cash proceeds from SUGS Contribution (See Note 3)	504	—	—
Cash paid for Holdco Acquisition (See Note 3)	(1,332)	—	—
Cash proceeds from the sale of the MGE and NEG assets (See Note 3)	1,008	—	—
Cash proceeds from the sale of AmeriGas common units	346	—	—
Cash (paid) received from all other acquisitions	(405)	531	(1,972)
Capital expenditures (excluding allowance for equity funds used during construction)	(2,575)	(2,840)	(1,416)
Contributions in aid of construction costs	52	35	25
Contributions to unconsolidated affiliates	(1)	(30)	(222)
Distributions from unconsolidated affiliates in excess of cumulative earnings	217	130	22
Proceeds from sale of disposal group	—	207	—
Proceeds from the sale of assets	53	18	9
Restricted cash	(348)	5	—
Other	21	111	1
Net cash used in investing activities	<u>(2,460)</u>	<u>(2,285)</u>	<u>(3,553)</u>

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



Table of Contents**CASH FLOWS FROM FINANCING ACTIVITIES:**

Proceeds from borrowings	8,001	8,208	6,594
Repayments of long-term debt	(7,016)	(6,598)	(5,217)
Proceeds from borrowings from affiliates	—	221	—
Repayments of borrowings from affiliates	(166)	(55)	—
Net proceeds from issuance of Limited Partner units	1,611	791	1,467
Capital contributions received from noncontrolling interest	147	320	645
Distributions to partners	(1,802)	(1,343)	(1,159)
Distributions to noncontrolling interest	(382)	(233)	(44)
Debt issuance costs	(32)	(20)	(20)
Other	(36)	—	—
Net cash provided by financing activities	<u>325</u>	<u>1,291</u>	<u>2,266</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>238</u>	<u>204</u>	<u>57</u>
CASH AND CASH EQUIVALENTS, beginning of period	311	107	50
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 549</u>	<u>\$ 311</u>	<u>\$ 107</u>

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

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular dollar and unit amounts, except per unit data, are in millions)

**1. OPERATIONS AND ORGANIZATION:**

The consolidated financial statements and notes thereto of Energy Transfer Partners, L.P., and its subsidiaries (the "Partnership," "we" or "ETP") presented herein for the years ended December 31, 2013, 2012 and 2011, have been prepared in accordance with GAAP and pursuant to the rules and regulations of the SEC. We consolidate all majority-owned subsidiaries and subsidiaries we control, even if we do not have a majority ownership. All significant intercompany transactions and accounts are eliminated in consolidation. Management has evaluated subsequent events through the date the financial statements were issued.

We also own varying undivided interests in certain pipelines. Ownership of these pipelines has been structured as an ownership of an undivided interest in assets, not as an ownership interest in a partnership, limited liability company, joint venture or other forms of entities. Each owner controls marketing and invoices separately, and each owner is responsible for any loss, damage or injury that may occur to their own customers. As a result, we apply proportionate consolidation for our interests in these assets.

Certain prior period amounts have been reclassified to conform to the 2013 presentation. These reclassifications had no impact on net income or total equity. In October 2012, we sold Canyon and the results of continuing operations of Canyon have been reclassified to income (loss) from discontinued operations and the prior year amounts have been restated to present Canyon's operations as discontinued operations. Canyon was previously included in our midstream segment. In 2013, Southern Union sold its distribution operations. The results of operations of the distribution operations have been reported as income (loss) from discontinued operations. The assets and liabilities of the disposal group have been reported as assets and liabilities held for sale as of December 31, 2012.

In accordance with GAAP, we have accounted for the Holdco Transaction (described in Note 3), whereby ETP obtained control of Southern Union, as a reorganization of entities under common control. Accordingly, ETP's consolidated financial statements have been retrospectively adjusted to reflect consolidation of Southern Union into ETP beginning March 26, 2012 (the date ETE acquired Southern Union). This change only impacted interim periods in 2012, and no prior annual amounts have been adjusted.

We are managed by our general partner, ETP GP, which is in turn managed by its general partner, ETP LLC. ETE, a publicly traded master limited partnership, owns ETP LLC, the general partner of our General Partner. The consolidated financial statements of the Partnership presented herein include our operating subsidiaries described below.

**Business Operations**

Our activities are primarily conducted through our operating subsidiaries (collectively, the "Operating Companies") as follows:

- ETC OLP, a Texas limited partnership primarily engaged in midstream and intrastate transportation and storage natural gas operations. ETC OLP owns and operates, through its wholly and majority-owned subsidiaries, natural gas gathering systems, intrastate natural gas pipeline systems and gas processing plants and is engaged in the business of purchasing, gathering, transporting, processing, and marketing natural gas and NGLs in the states of Texas, Louisiana, New Mexico and West Virginia. ETC OLP's intrastate transportation and storage operations primarily focus on transporting natural gas in Texas through our Oasis pipeline, ET Fuel System, East Texas pipeline and HPL System. ETC OLP's midstream operations focus on the gathering, compression, treating, conditioning and processing of natural gas, primarily on or through our Southeast Texas System, Eagle Ford System, North Texas System and Northern Louisiana assets. ETC OLP also owns a 70% interest in Lone Star and also owns a convenience store operator with approximately 300 company-owned and dealer locations.
- ET Interstate, a Delaware limited liability company with revenues consisting primarily of fees earned from natural gas transportation services and operational gas sales. ET Interstate is the parent company of:
  - Transwestern, a Delaware limited liability company engaged in interstate transportation of natural gas. Transwestern's revenues consist primarily of fees earned from natural gas transportation services and operational gas sales.
  - ETC FEP, a Delaware limited liability company that directly owns a 50% interest in FEP, which owns 100% of the Fayetteville Express interstate natural gas pipeline.
  - ETC Tiger, a Delaware limited liability company engaged in interstate transportation of natural gas.

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- CrossCountry, a Delaware limited liability company that indirectly owns a 50% interest in Citrus Corp., which owns 100% of the FGT interstate natural gas pipeline.
- ETC Compression, a Delaware limited liability company engaged in natural gas compression services and related equipment sales.
- Sunoco Logistics, a publicly traded Delaware limited partnership that owns and operates a logistics business, consisting of refined products and crude oil pipelines, terminalling and storage assets, and refined products and crude oil acquisition and marketing assets.
- Holdco, a Delaware limited liability company that indirectly owns Panhandle and Sunoco. As discussed in Note 3, ETP acquired ETE's 60% interest in Holdco on April 30, 2013. Panhandle and Sunoco operations are described as follows:
  - Panhandle owns and operates assets in the regulated and unregulated natural gas industry and is primarily engaged in the transportation, storage and distribution of natural gas in the United States. As discussed in Note 3, on April 30, 2013, Southern Union completed its contribution to Regency of all of the issued and outstanding membership interests in Southern Union Gathering Company, LLC, and its subsidiaries, including SUGS. Also, as discussed in Note 3, Southern Union completed its sale of the assets of MGE and NEG in 2013. Additionally, as discussed in Note 3, in January 2014, Panhandle consummated a merger with Southern Union, the indirect parent of Panhandle, and PEPL Holdings, the sole limited partner of Panhandle, pursuant to which each of Southern Union and PEPL Holdings were merged with and into Panhandle, with Panhandle surviving the merger.
  - Sunoco owns and operates retail marketing assets, which sell gasoline and middle distillates at retail and operates convenience stores in 24 states, primarily on the east coast and in the midwest region of the United States.

Our financial statements reflect the following reportable business segments:

- intrastate transportation and storage;
- interstate transportation and storage;
- midstream;
- NGL transportation and services;
- investment in Sunoco Logistics;
- retail marketing; and
- all other.

## **2. ESTIMATES, SIGNIFICANT ACCOUNTING POLICIES AND BALANCE SHEET DETAIL:**

### **Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the accrual for and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The natural gas industry conducts its business by processing actual transactions at the end of the month following the month of delivery. Consequently, the most current month's financial results for the midstream, NGL and intrastate transportation and storage operations are estimated using volume estimates and market prices. Any differences between estimated results and actual results are recognized in the following month's financial statements. Management believes that the estimated operating results represent the actual results in all material respects.

Some of the other significant estimates made by management include, but are not limited to, the timing of certain forecasted transactions that are hedged, the fair value of derivative instruments, useful lives for depreciation and amortization, purchase accounting allocations and subsequent realizability of intangible assets, fair value measurements used in the goodwill impairment test, market value of inventory, assets and liabilities resulting from the regulated ratemaking process, contingency reserves and environmental reserves. Actual results could differ from those estimates.

### **Revenue Recognition**

Revenues for sales of natural gas and NGLs are recognized at the later of the time of delivery of the product to the customer or the time of sale or installation. Revenues from service labor, transportation, treating, compression and gas processing are recognized upon completion of the service. Transportation capacity payments are recognized when earned in the period the capacity is made available.

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Our intrastate transportation and storage and interstate transportation and storage segments' results are determined primarily by the amount of capacity our customers reserve as well as the actual volume of natural gas that flows through the transportation pipelines. Under transportation contracts, our customers are charged (i) a demand fee, which is a fixed fee for the reservation of an agreed amount of capacity on the transportation pipeline for a specified period of time and which obligates the customer to pay even if the customer does not transport natural gas on the respective pipeline, (ii) a transportation fee, which is based on the actual throughput of natural gas by the customer, (iii) fuel retention based on a percentage of gas transported on the pipeline, or (iv) a combination of the three, generally payable monthly. Fuel retained for a fee is typically valued at market prices.

Our intrastate transportation and storage segment also generates revenues and margin from the sale of natural gas to electric utilities, independent power plants, local distribution companies, industrial end-users and other marketing companies on the HPL System. Generally, we purchase natural gas from the market, including purchases from our marketing operations, and from producers at the wellhead.

In addition, our intrastate transportation and storage segment generates revenues and margin from fees charged for storing customers' working natural gas in our storage facilities. We also engage in natural gas storage transactions in which we seek to find and profit from pricing differences that occur over time utilizing the Bammel storage reservoir. We purchase physical natural gas and then sell financial contracts at a price sufficient to cover our carrying costs and provide for a gross profit margin. We expect margins from natural gas storage transactions to be higher during the periods from November to March of each year and lower during the period from April through October of each year due to the increased demand for natural gas during colder weather. However, we cannot assure that management's expectations will be fully realized in the future and in what time period, due to various factors including weather, availability of natural gas in regions in which we operate, competitive factors in the energy industry, and other issues.

Results from the midstream segment are determined primarily by the volumes of natural gas gathered, compressed, treated, processed, purchased and sold through our pipeline and gathering systems and the level of natural gas and NGL prices. We generate midstream revenues and gross margins principally under fee-based or other arrangements in which we receive a fee for natural gas gathering, compressing, treating or processing services. The revenue earned from these arrangements is directly related to the volume of natural gas that flows through our systems and is not directly dependent on commodity prices.

We also utilize other types of arrangements in our midstream segment, including (i) discount-to-index price arrangements, which involve purchases of natural gas at either (1) a percentage discount to a specified index price, (2) a specified index price less a fixed amount or (3) a percentage discount to a specified index price less an additional fixed amount, (ii) percentage-of-proceeds arrangements under which we gather and process natural gas on behalf of producers, sell the resulting residue gas and NGL volumes at market prices and remit to producers an agreed upon percentage of the proceeds based on an index price, (iii) keep-whole arrangements where we gather natural gas from the producer, process the natural gas and sell the resulting NGLs to third parties at market prices, (iv) purchasing all or a specified percentage of natural gas and/or NGL delivered from producers and treating or processing our plant facilities, and (v) making other direct purchases of natural gas and/or NGL at specified delivery points to meet operational or marketing obligations. In many cases, we provide services under contracts that contain a combination of more than one of the arrangements described above. The terms of our contracts vary based on gas quality conditions, the competitive environment at the time the contracts are signed and customer requirements. Our contract mix may change as a result of changes in producer preferences, expansion in regions where some types of contracts are more common and other market factors.

NGL storage and pipeline transportation revenues are recognized when services are performed or products are delivered, respectively. Fractionation and processing revenues are recognized when product is either loaded into a truck or injected into a third party pipeline, which is when title and risk of loss pass to the customer.

In our natural gas compression business, revenue is recognized for compressor packages and technical service jobs using the completed contract method which recognizes revenue upon completion of the job. Costs incurred on a job are deducted at the time revenue is recognized.

We conduct marketing activities in which we market the natural gas that flows through our assets, referred to as on-system gas. We also attract other customers by marketing volumes of natural gas that do not move through our assets, referred to as off-system gas. For both on-system and off-system gas, we purchase natural gas from natural gas producers and other supply points and sell that natural gas to utilities, industrial consumers, other marketers and pipeline companies, thereby generating gross margins based upon the difference between the purchase and resale prices.

Terminalling and storage revenues are recognized at the time the services are provided. Pipeline revenues are recognized upon delivery of the barrels to the location designated by the shipper. Crude oil acquisition and marketing revenues, as well as refined product marketing revenues, are recognized when title to the product is transferred to the customer. Revenues are



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not recognized for crude oil exchange transactions, which are entered into primarily to acquire crude oil of a desired quality or to reduce transportation costs by taking delivery closer to end markets. Any net differential for exchange transactions is recorded as an adjustment of inventory costs in the purchases component of cost of products sold and operating expenses in the statements of operations.

Our retail marketing segment sells gasoline and diesel in addition to a broad mix of merchandise such as groceries, fast foods and beverages at its convenience stores. In addition, some of Sunoco's retail outlets provide a variety of car care services. Revenues related to the sale of products are recognized when title passes, while service revenues are recognized when services are provided. Title passage generally occurs when products are shipped or delivered in accordance with the terms of the respective sales agreements. In addition, revenues are not recognized until sales prices are fixed or determinable and collectability is reasonably assured.

**Regulatory Accounting – Regulatory Assets and Liabilities**

Our interstate transportation and storage segment is subject to regulation by certain state and federal authorities, and certain subsidiaries in that segment have accounting policies that conform to the accounting requirements and ratemaking practices of the regulatory authorities. The application of these accounting policies allows certain of our regulated entities to defer expenses and revenues on the balance sheet as regulatory assets and liabilities when it is probable that those expenses and revenues will be allowed in the ratemaking process in a period different from the period in which they would have been reflected in the consolidated statement of operations by an unregulated company. These deferred assets and liabilities will be reported in results of operations in the period in which the same amounts are included in rates and recovered from or refunded to customers. Management's assessment of the probability of recovery or pass through of regulatory assets and liabilities will require judgment and interpretation of laws and regulatory commission orders. If, for any reason, we cease to meet the criteria for application of regulatory accounting treatment for these entities, the regulatory assets and liabilities related to those portions ceasing to meet such criteria would be eliminated from the consolidated balance sheet for the period in which the discontinuance of regulatory accounting treatment occurs.

Southern Union recorded regulatory assets with respect to its distribution segment operations. At December 31, 2012, we had \$123 million of regulatory assets included in the consolidated balance sheet as non-current assets held for sale. Southern Union's distribution operations were sold in 2013.

Although Panhandle's natural gas transmission systems and storage operations are subject to the jurisdiction of FERC in accordance with the Natural Gas Act of 1938 and Natural Gas Policy Act of 1978, it does not currently apply regulatory accounting policies in accounting for its operations. In 1999, prior to its acquisition by Southern Union, Panhandle discontinued the application of regulatory accounting policies primarily due to the level of discounting from tariff rates and its inability to recover specific costs.

**Cash, Cash Equivalents and Supplemental Cash Flow Information**

Cash and cash equivalents include all cash on hand, demand deposits, and investments with original maturities of three months or less. We consider cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

We place our cash deposits and temporary cash investments with high credit quality financial institutions. At times, our cash and cash equivalents may be uninsured or in deposit accounts that exceed the Federal Deposit Insurance Corporation insurance limit.

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The net change in operating assets and liabilities (net of acquisitions) included in cash flows from operating activities is comprised as follows:

	Years Ended December 31,		
	2013	2012	2011
Accounts receivable	\$ (458)	\$ 300	\$ 3
Accounts receivable from related companies	(17)	(50)	(28)
Inventories	(256)	(253)	68
Exchanges receivable	(24)	11	3
Other current assets	(56)	571	(62)
Other non-current assets, net	(22)	(53)	7
Accounts payable	525	(979)	31
Accounts payable to related companies	(122)	100	6
Exchanges payable	131	—	3
Accrued and other current liabilities	152	(151)	60
Other non-current liabilities	151	25	—
Price risk management assets and liabilities, net	(150)	4	75
Net change in operating assets and liabilities, net of effects of acquisitions and deconsolidations	\$ (146)	\$ (475)	\$ 166

Non-cash investing and financing activities and supplemental cash flow information are as follows:

	Years Ended December 31,		
	2013	2012	2011
<b>NON-CASH INVESTING ACTIVITIES:</b>			
Accrued capital expenditures	\$ 167	\$ 359	\$ 202
AmeriGas limited partner interest received in exchange for contribution of Propane Business	\$ —	\$ 1,123	\$ —
Regency common and Class F units received in exchange for contribution of SUGS	\$ 961	\$ —	\$ —
<b>NON-CASH FINANCING ACTIVITIES:</b>			
Long-term debt assumed and non-compete agreement notes payable issued in acquisitions	\$ —	\$ 6,658	\$ 4
Issuance of Common Units in connection with acquisitions	\$ —	\$ 2,295	\$ 3
Issuance of Common Units in connection with the Holdeo Acquisition	\$ 2,464	\$ —	\$ —
Issuance of Class H Units	\$ 1,514	\$ —	\$ —
Contributions receivable related to noncontrolling interest	\$ 13	\$ 23	\$ —
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Cash paid for interest, net of interest capitalized	\$ 903	\$ 678	\$ 476
Cash paid for income taxes	\$ 57	\$ 22	\$ 24

**Accounts Receivable**

Our midstream, NGL and intrastate transportation and storage operations deal with counterparties that are typically either investment grade or are otherwise secured with a letter of credit or other form of security (corporate guaranty prepayment or master setoff agreement). Management reviews midstream and intrastate transportation and storage accounts receivable balances bi-weekly. Credit limits are assigned and monitored for all counterparties of the midstream and intrastate transportation and storage operations. Bad debt expense related to these receivables is recognized at the time an account is deemed uncollectible.

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Our investment in Sunoco Logistics segment extends credit terms to certain customers after review of various credit indicators, including the customer's credit rating. Outstanding customer receivable balances are regularly reviewed for possible non-payment indicators and reserves are recorded for doubtful accounts based upon management's estimate of collectability at the time of review. Actual balances are charged against the reserve when all collection efforts have been exhausted.

Our interstate transportation and storage operations have a concentration of customers in the electric and gas utility industries as well as natural gas producers. This concentration of customers may impact our overall exposure to credit risk, either positively or negatively, in that the customers may be similarly affected by changes in economic or other conditions. From time to time, specifically identified customers having perceived credit risk are required to provide prepayments or other forms of collateral. Management believes that the portfolio of receivables, which includes regulated electric utilities, regulated local distribution companies and municipalities, is subject to minimal credit risk. Our interstate transportation and storage operations establish an allowance for doubtful accounts on trade receivables based on the expected ultimate recovery of these receivables and consider many factors including historical customer collection experience, general and specific economic trends and known specific issues related to individual customers, sectors and transactions that might impact collectability.

Our retail marketing segment extends credit to customers after a review of credit rating and other credit indicators. Management records reserves for bad debt by computing a proportion of average write-off activity over the past five years in comparison to the outstanding balance in accounts receivable. This proportion is then applied to the accounts receivable balance at the end of the reporting period to calculate a current estimate of what is uncollectible. The credit department and business line managers make the decision to write off an account, based on understanding of the potential collectability.

We enter into netting arrangements with counterparties of derivative contracts to mitigate credit risk. Transactions are confirmed with the counterparty and the net amount is settled when due. Amounts outstanding under these netting arrangements are presented on a net basis in the consolidated balance sheets.

**Inventories**

Inventories consist principally of natural gas held in storage, crude oil, petroleum and chemical products. Natural gas held in storage is valued at the lower of cost or market utilizing the weighted-average cost method. The cost of crude oil and petroleum and chemical products is determined using the last-in, first out method. The cost of appliances, parts and fittings is determined by the first-in, first-out method.

Inventories consisted of the following:

	December 31,	
	2013	2012
Natural gas and NGLs	\$ 519	\$ 334
Crude oil	488	418
Refined products	597	572
Appliances, parts and fittings, and other	161	171
Total inventories	<u>\$ 1,765</u>	<u>\$ 1,495</u>

We utilize commodity derivatives to manage price volatility associated with our natural gas inventory. Changes in fair value of designated hedged inventory are recorded in inventory on our consolidated balance sheets and cost of products sold in our consolidated statements of operations.

**Exchanges**

Exchanges consist of natural gas and NGL delivery imbalances (over and under deliveries) with others. These amounts, which are valued at market prices or weighted average market prices pursuant to contractual imbalance agreements, turn over monthly and are recorded as exchanges receivable or exchanges payable on our consolidated balance sheets. These imbalances are generally settled by deliveries of natural gas or NGLs, but may be settled in cash, depending on contractual terms.



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**Other Current Assets**

Other current assets consisted of the following:

	December 31,	
	2013	2012
Deposits paid to vendors	\$ 49	\$ 41
Prepaid and other	261	293
<b>Total other current assets</b>	<b>\$ 310</b>	<b>\$ 334</b>

**Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful or FERC mandated lives of the assets, if applicable. Expenditures for maintenance and repairs that do not add capacity or extend the useful life are expensed as incurred. Expenditures to refurbish assets that either extend the useful lives of the asset or prevent environmental contamination are capitalized and depreciated over the remaining useful life of the asset. Additionally, we capitalize certain costs directly related to the construction of assets including internal labor costs, interest and engineering costs. Upon disposition or retirement of pipeline components or natural gas plant components, any gain or loss is recorded to accumulated depreciation. When entire pipeline systems, gas plants or other property and equipment are retired or sold, any gain or loss is included in our consolidated statements of operations.

We review property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of long-lived assets is not recoverable, we reduce the carrying amount of such assets to fair value. A write down of the carrying amounts of the Canyon assets to their fair values was recorded for approximately \$128 million during the year ended December 31, 2012.

Capitalized interest is included for pipeline construction projects, except for certain interstate projects for which an allowance for funds used during construction ("AFUDC") is accrued. Interest is capitalized based on the current borrowing rate of our revolving credit facility when the related costs are incurred. AFUDC is calculated under guidelines prescribed by the FERC and capitalized as part of the cost of utility plant for interstate projects. It represents the cost of servicing the capital invested in construction work-in-process. AFUDC is segregated into two component parts – borrowed funds and equity funds.

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Components and useful lives of property, plant and equipment were as follows:

	December 31,	
	2013	2012
Land and improvements	\$ 878	\$ 551
Buildings and improvements (5 to 45 years)	900	673
Pipelines and equipment (5 to 83 years)	16,966	17,031
Natural gas and NGL storage facilities (5 to 46 years)	1,083	1,057
Bulk storage, equipment and facilities (2 to 83 years)	1,933	1,745
Tanks and other equipment (5 to 40 years)	1,685	1,187
Retail equipment (3 to 99 years)	450	258
Vehicles (1 to 25 years)	124	135
Right of way (20 to 83 years)	1,901	2,042
Furniture and fixtures (2 to 25 years)	48	65
Linepack	116	116
Pad gas	52	58
Other (1 to 48 years)	626	806
Construction work-in-process	1,668	1,688
	<u>28,430</u>	<u>27,412</u>
Less – Accumulated depreciation	(2,483)	(1,639)
Property, plant and equipment, net	<u>\$ 25,947</u>	<u>\$ 25,773</u>

We recognized the following amounts of depreciation expense for the periods presented:

	Years Ended December 31,		
	2013	2012	2011
Depreciation expense <sup>(1)</sup>	\$ 944	\$ 615	\$ 380
Capitalized interest, excluding AFUDC	\$ 43	\$ 99	\$ 11

<sup>(1)</sup> Depreciation expense amounts have been adjusted by \$26 million for the year ended December 31, 2011 to present Canyon's operations as discontinued operations.

#### Advances to and Investments in Unconsolidated Affiliates

We own interests in a number of related businesses that are accounted for by the equity method. In general, we use the equity method of accounting for an investment for which we exercise significant influence over, but do not control, the investee's operating and financial policies.

#### Goodwill

Goodwill is tested for impairment annually or more frequently if circumstances indicate that goodwill might be impaired. Our annual impairment test is performed as of August 31 for subsidiaries in our intrastate transportation and storage and midstream segments and during the fourth quarter for subsidiaries in our interstate transportation and storage, NGL transportation and services, and retail marketing segments and all others. We recorded goodwill impairments for the periods presented in these consolidated financial statements.

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Changes in the carrying amount of goodwill were as follows:

	Intrastate Transportation and Storage	Interstate Transportation and Storage	Midstream	NGL Transportation and Services	Investment in Sunoco Logistics	Retail Marketing	All Other	Total
Balance, December 31, 2011	\$ 10	\$ 99	\$ 37	\$ 432	\$ —	\$ —	\$ 642	\$ 1,220
Goodwill acquired	—	1,785	338	—	1,368	1,272	375	5,138
Goodwill sold in deconsolidation of Propane Business	—	—	—	—	—	—	(619)	(619)
Goodwill allocated to the disposal group	—	—	—	—	—	—	(133)	(133)
Balance, December 31, 2012	10	1,884	375	432	1,368	1,272	265	5,606
Goodwill acquired	—	—	—	—	—	156	—	156
Goodwill disposed	—	—	(337)	—	—	—	—	(337)
Goodwill impairment	—	(689)	—	—	—	—	—	(689)
Other	—	—	(2)	—	(22)	17	—	(7)
Balance, December 31, 2013	\$ 10	\$ 1,195	\$ 36	\$ 432	\$ 1,346	\$ 1,445	\$ 265	\$ 4,729

Goodwill is recorded at the acquisition date based on a preliminary purchase price allocation and generally may be adjusted when the purchase price allocation is finalized. We recorded a net decrease in goodwill of \$877 million during the year ended December 31, 2013 primarily due to Trunkline LNG's goodwill impairment of \$689 million (see below) and a decrease of \$337 million as a result of the SUGS Contribution (see Note 3). These decreases were offset by additional goodwill of \$156 million from acquisitions in 2013. This additional goodwill is not expected to be deductible for tax purposes.

During the fourth quarter of 2013, we performed a goodwill impairment test on our Trunkline LNG reporting unit. In accordance with GAAP, we performed step one of the goodwill impairment test and determined that the estimated fair value of the Trunkline LNG reporting unit was less than its carrying amount primarily due to changes related to (i) the structure and capitalization of the planned LNG export project at Trunkline LNG's Lake Charles facility, (ii) an analysis of current macroeconomic factors, including global natural gas prices and relative spreads, as of the date of our assessment, (iii) judgments regarding the prospect of obtaining regulatory approval for a proposed LNG export project and the uncertainty associated with the timing of such approvals, and (iv) changes in assumptions related to potential future revenues from the import facility and the proposed export facility. An assessment of these factors in the fourth quarter of 2013 led to a conclusion that the estimated fair value of the Trunkline LNG reporting unit was less than its carrying amount. We then applied the second step in the goodwill impairment test, allocating the estimated fair value of the reporting unit among all of the assets and liabilities of the reporting unit in a hypothetical purchase price allocation. The assets and liabilities of the reporting unit had recently been measured at fair value in 2012 as a result of the acquisition of Southern Union, and those estimated fair values had been recorded at the reporting unit through the application of "push-down" accounting. For purposes of the hypothetical purchase price allocation used in the goodwill impairment test, we estimated the fair value of the assets and liabilities of the reporting unit in a manner similar to the original purchase price allocation. In allocating value to the property, plant and equipment, we used current replacement costs adjusted for assumed depreciation. We also included the estimated fair value of working capital and identifiable intangible assets in the reporting unit. We adjusted deferred income taxes based on these estimated fair values. Based on this hypothetical purchase price allocation, estimated goodwill was \$184 million, which was less than the balance of \$873 million that had originally been recorded by the reporting unit through "push-down" accounting in 2012. As a result, we recorded a goodwill impairment of \$689 million during the fourth quarter of 2013.

No other goodwill impairments were identified or recorded for our reporting units.

#### Intangible Assets

Intangible assets are stated at cost, net of amortization computed on the straight-line method. We eliminate from our balance sheet the gross carrying amount and the related accumulated amortization for any fully amortized intangibles in the year they are fully amortized.

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Components and useful lives of intangible assets were as follows:

	December 31, 2013		December 31, 2012	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Amortizable intangible assets:</b>				
Customer relationships, contracts and agreements (3 to 46 years)	\$ 1,393	\$ (164)	\$ 1,290	\$ (80)
Patents (9 years)	48	(6)	48	(1)
Other (10 to 15 years)	4	(1)	4	(1)
<b>Total amortizable intangible assets</b>	<b>\$ 1,445</b>	<b>\$ (171)</b>	<b>\$ 1,342</b>	<b>\$ (82)</b>
<b>Non-amortizable intangible assets:</b>				
Trademarks	294	—	301	—
<b>Total intangible assets</b>	<b>\$ 1,739</b>	<b>\$ (171)</b>	<b>\$ 1,643</b>	<b>\$ (82)</b>

Aggregate amortization expense of intangible assets was as follows:

	Years Ended December 31,		
	2013	2012	2011
Reported in depreciation and amortization	\$ 88	\$ 36	\$ 24

Estimated aggregate amortization expense for the next five years is as follows:

<u>Years Ending December 31:</u>	
2014	\$ 93
2015	93
2016	93
2017	93
2018	92

We review amortizable intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of amortizable intangible assets is not recoverable, we reduce the carrying amount of such assets to fair value. We review non-amortizable intangible assets for impairment annually, or more frequently if circumstances dictate.

#### Other Non-Current Assets, net

Other non-current assets, net are stated at cost less accumulated amortization. Other non-current assets, net consisted of the following:

	December 31,	
	2013	2012
Unamortized financing costs (3 to 30 years)	\$ 70	\$ 54
Regulatory assets	86	87
Deferred charges	144	140
Restricted funds	378	—
Other	88	76
<b>Total other non-current assets, net</b>	<b>\$ 766</b>	<b>\$ 357</b>

Restricted funds primarily consisted of restricted cash held in our wholly-owned captive insurance companies.

**Asset Retirement Obligation**

We have determined that we are obligated by contractual or regulatory requirements to remove facilities or perform other remediation upon retirement of certain assets. The fair value of any ARO is determined based on estimates and assumptions related to retirement costs, which the Partnership bases on historical retirement costs, future inflation rates and credit-adjusted risk-free interest rates. These fair value assessments are considered to be level 3 measurements, as they are based on both observable and unobservable inputs. Changes in the liability are recorded for the passage of time (accretion) or for revisions to cash flows originally estimated to settle the ARO.

An ARO is required to be recorded when a legal obligation to retire an asset exists and such obligation can be reasonably estimated. We will record an asset retirement obligation in the periods in which management can reasonably estimate the settlement dates.

Except for the AROs of Southern Union, Sunoco Logistics and Sunoco discussed below, management was not able to reasonably measure the fair value of asset retirement obligations as of December 31, 2013 and 2012 because the settlement dates were indeterminable. Although a number of other onshore assets in Southern Union's system are subject to agreements or regulations that give rise to an ARO upon Southern Union's discontinued use of these assets, AROs were not recorded because these assets have an indeterminate removal or abandonment date given the expected continued use of the assets with proper maintenance or replacement. Sunoco has legal asset retirement obligations for several other assets at its refineries, pipelines and terminals, for which it is not possible to estimate when the obligations will be settled. Consequently, the retirement obligations for these assets cannot be measured at this time. At the end of the useful life of these underlying assets, Sunoco is legally or contractually required to abandon in place or remove the asset. Sunoco Logistics believes it may have additional asset retirement obligations related to its pipeline assets and storage tanks, for which it is not possible to estimate whether or when the retirement obligations will be settled. Consequently, these retirement obligations cannot be measured at this time.

Below is a schedule of AROs by entity recorded as other non-current liabilities in ETP's consolidated balance sheet:

	December 31,	
	2013	2012
Southern Union	\$ 55	\$ 46
Sunoco	84	53
Sunoco Logistics	41	41
	<u>\$ 180</u>	<u>\$ 140</u>

Individual component assets have been and will continue to be replaced, but the pipeline and the natural gas gathering and processing systems will continue in operation as long as supply and demand for natural gas exists. Based on the widespread use of natural gas in industrial and power generation activities, management expects supply and demand to exist for the foreseeable future. We have in place a rigorous repair and maintenance program that keeps the pipelines and the natural gas gathering and processing systems in good working order. Therefore, although some of the individual assets may be replaced, the pipelines and the natural gas gathering and processing systems themselves will remain intact indefinitely.

As of December 31, 2013, there were no legally restricted funds for the purpose of settling AROs.

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Accrued and other current liabilities consisted of the following:

	December 31,	
	2013	2012
Interest payable	\$ 294	\$ 256
Customer advances and deposits	126	44
Accrued capital expenditures	166	356
Accrued wages and benefits	155	236
Taxes payable other than income taxes	214	203
Income taxes payable	3	40
Deferred income taxes	119	130
Other	351	297
<b>Total accrued and other current liabilities</b>	<b>\$ 1,428</b>	<b>\$ 1,562</b>

Deposits or advances are received from our customers as prepayments for natural gas deliveries in the following month. Prepayments and security deposits may also be required when customers exceed their credit limits or do not qualify for open credit.

**Environmental Remediation**

We accrue environmental remediation costs for work at identified sites where an assessment has indicated that cleanup costs are probable and reasonably estimable. Such accruals are undiscounted and are based on currently available information, estimated timing of remedial actions and related inflation assumptions, existing technology and presently enacted laws and regulations. If a range of probable environmental cleanup costs exists for an identified site, the minimum of the range is accrued unless some other point in the range is more likely in which case the most likely amount in the range is accrued.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value. Price risk management assets and liabilities are recorded at fair value.

Based on the estimated borrowing rates currently available to us and our subsidiaries for loans with similar terms and average maturities, the aggregate fair value and carrying amount of our debt obligations as of December 31, 2013 was \$17.69 billion and \$17.09 billion, respectively. As of December 31, 2012, the aggregate fair value and carrying amount of our debt obligations was \$17.84 billion and \$16.22 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the observable inputs used for similar liabilities.

We have commodity derivatives and interest rate derivatives that are accounted for as assets and liabilities at fair value in our consolidated balance sheets. We determine the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs. Level 1 inputs are observable quotes in an active market for identical assets and liabilities. We consider the valuation of marketable securities and commodity derivatives transacted through a clearing broker with a published price from the appropriate exchange as a Level 1 valuation. Level 2 inputs are inputs observable for similar assets and liabilities. We consider OTC commodity derivatives entered into directly with third parties as a Level 2 valuation since the values of these derivatives are quoted on an exchange for similar transactions. Additionally, we consider our options transacted through our clearing broker as having Level 2 inputs due to the level of activity of these contracts on the exchange in which they trade. We consider the valuation of our interest rate derivatives as Level 2 as the primary input, the LIBOR curve, is based on quotes from an active exchange of Eurodollar futures for the same period as the future interest swap settlements. Level 3 inputs are unobservable. During the period ended December 31, 2013, no transfers were made between any levels within the fair value hierarchy.



## Attachment F

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The following tables summarize the fair value of our financial assets and liabilities measured and recorded at fair value on a recurring basis as of December 31, 2013 and 2012 based on inputs used to derive their fair values:

	Fair Value Measurements at December 31, 2013		
	Fair Value Total	Level 1	Level 2
<b>Assets:</b>			
Interest rate derivatives	\$ 47	\$ —	\$ 47
<b>Commodity derivatives:</b>			
Natural Gas:			
Basis Swaps IFERC/NYMEX	5	5	—
Swing Swaps IFERC	8	1	7
Fixed Swaps/Futures	201	201	—
Power:			
Forwards	3	—	3
Natural Gas Liquids – Forwards/Swaps	5	5	—
Refined Products – Futures	5	5	—
Total commodity derivatives	<u>227</u>	<u>217</u>	<u>10</u>
Total assets	<u>\$ 274</u>	<u>\$ 217</u>	<u>\$ 57</u>
<b>Liabilities:</b>			
Interest rate derivatives	\$ (95)	\$ —	\$ (95)
<b>Commodity derivatives:</b>			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(4)	(4)	—
Swing Swaps IFERC	(6)	—	(6)
Fixed Swaps/Futures	(201)	(201)	—
Forward Physical Swaps	(1)	—	(1)
Power:			
Forwards	(1)	—	(1)
Natural Gas Liquids – Forwards/Swaps	(5)	(5)	—
Refined Products – Futures	(5)	(5)	—
Total commodity derivatives	<u>(223)</u>	<u>(215)</u>	<u>(8)</u>
Total liabilities	<u>\$ (318)</u>	<u>\$ (215)</u>	<u>\$ (103)</u>



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	Fair Value Total	Fair Value Measurements at December 31, 2012	
		Level 1	Level 2
<b>Assets:</b>			
Interest rate derivatives	\$ 55	\$ —	\$ 55
<b>Commodity derivatives:</b>			
Natural Gas:			
Basis Swaps IFERC/NYMEX	11	11	—
Swing Swaps IFERC	3	—	3
Fixed Swaps/Futures	96	94	2
Options – Puts	1	—	1
Options – Calls	3	—	3
Forward Physical Swaps	1	—	1
Power:			
Forwards	27	—	27
Futures	1	1	—
Options – Calls	2	—	2
Natural Gas Liquids – Swaps	1	1	—
Refined Products – Futures	5	1	4
<b>Total commodity derivatives</b>	<b>151</b>	<b>108</b>	<b>43</b>
<b>Total assets</b>	<b>\$ 206</b>	<b>\$ 108</b>	<b>\$ 98</b>
<b>Liabilities:</b>			
Interest rate derivatives	\$ (223)	\$ —	\$ (223)
<b>Commodity derivatives:</b>			
Natural Gas:			
Basis Swaps IFERC/NYMEX	(18)	(18)	—
Swing Swaps IFERC	(2)	—	(2)
Fixed Swaps/Futures	(103)	(94)	(9)
Options – Puts	(1)	—	(1)
Options – Calls	(3)	—	(3)
Power:			
Forwards	(27)	—	(27)
Futures	(2)	(2)	—
Natural Gas Liquids – Swaps	(3)	(3)	—
Refined Products – Futures	(8)	(1)	(7)
<b>Total commodity derivatives</b>	<b>(167)</b>	<b>(118)</b>	<b>(49)</b>
<b>Total liabilities</b>	<b>\$ (390)</b>	<b>\$ (118)</b>	<b>\$ (272)</b>

At December 31, 2013, the fair value of the Trunkline LNG reporting unit was classified as Level 3 of the fair value hierarchy due to the significance of unobservable inputs developed using company-specific information. We used the income approach to measure the fair value of the Trunkline LNG reporting unit. Under the income approach, we calculated the fair value based on the present value of the estimated future cash flows. The discount rate used, which was an unobservable input, was based on the weighted-average cost of capital adjusted for the relevant risk associated with business-specific characteristics and the uncertainty related to the business's ability to execute on the projected cash flows.

#### Contributions in Aid of Construction Costs

On certain of our capital projects, third parties are obligated to reimburse us for all or a portion of project expenditures. The majority of such arrangements are associated with pipeline construction and production well tie-ins. Contributions in aid of

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construction costs ("CIAC") are netted against our project costs as they are received, and any CIAC which exceeds our total project costs, is recognized as other income in the period in which it is realized.

**Shipping and Handling Costs**

Shipping and handling costs related to fuel sold are included in cost of products sold. Shipping and handling costs related to fuel consumed for compression and treating are included in operating expenses and are as follows:

	Years Ended December 31,		
	2013	2012	2011
Shipping and handling costs – recorded in operating expenses	\$ 28	\$ 25	\$ 40

**Costs and Expenses**

Costs of products sold include actual cost of fuel sold, adjusted for the effects of our hedging and other commodity derivative activities, and the cost of appliances, parts and fittings. Operating expenses include all costs incurred to provide products to customers, including compensation for operations personnel, insurance costs, vehicle maintenance, advertising costs, purchasing costs and plant operations. Selling, general and administrative expenses include all partnership related expenses and compensation for executive, partnership, and administrative personnel.

We record the collection of taxes to be remitted to government authorities on a net basis except for our retail marketing segment in which consumer excise taxes on sales of refined products and merchandise are included in both revenues and costs and expenses in the consolidated statements of operations, with no effect on net income (loss). Excise taxes collected by our retail marketing segment were \$2.22 billion and \$573 million for the years ended December 31, 2013 and 2012, respectively.

**Income Taxes**

ETP is a publicly traded limited partnership and is not taxable for federal and most state income tax purposes. As a result, our earnings or losses, to the extent not included in a taxable subsidiary, for federal and most state purposes are included in the tax returns of the individual partners. Net earnings for financial statement purposes may differ significantly from taxable income reportable to Unitholders as a result of differences between the tax basis and financial basis of assets and liabilities, differences between the tax accounting and financial accounting treatment of certain items, and due to allocation requirements related to taxable income under our Second Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement").

As a publicly traded limited partnership, we are subject to a statutory requirement that our "qualifying income" (as defined by the Internal Revenue Code, related Treasury Regulations, and IRS pronouncements) exceed 90% of our total gross income, determined on a calendar year basis. If our qualifying income does not meet this statutory requirement, ETP would be taxed as a corporation for federal and state income tax purposes. For the years ended December 31, 2013, 2012 and 2011, our qualifying income met the statutory requirement.

The Partnership conducts certain activities through corporate subsidiaries which are subject to federal, state and local income taxes. Holdco, which owns Sunoco and Southern Union, is a corporate subsidiary. The Partnership and its corporate subsidiaries account for income taxes under the asset and liability method.

Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rate is recognized in earnings in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts more likely than not to be realized.

The determination of the provision for income taxes requires significant judgment, use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in our financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from taxing authorities. When facts and circumstances change, we reassess these probabilities and record any changes through the provision for income taxes.

**Accounting for Derivative Instruments and Hedging Activities**

For qualifying hedges, we formally document, designate and assess the effectiveness of transactions that receive hedge accounting treatment and the gains and losses offset related results on the hedged item in the statement of operations. The market prices used to value our financial derivatives and related transactions have been determined using independent third party prices, readily available market information, broker quotes and appropriate valuation techniques.

At inception of a hedge, we formally document the relationship between the hedging instrument and the hedged item, the risk management objectives, and the methods used for assessing and testing effectiveness and how any ineffectiveness will be measured and recorded. We also assess, both at the inception of the hedge and on a quarterly basis, whether the derivatives that are used in our hedging transactions are highly effective in offsetting changes in cash flows. If we determine that a derivative is no longer highly effective as a hedge, we discontinue hedge accounting prospectively by including changes in the fair value of the derivative in net income for the period.

If we designate a commodity hedging relationship as a fair value hedge, we record the changes in fair value of the hedged asset or liability in cost of products sold in our consolidated statements of operations. This amount is offset by the changes in fair value of the related hedging instrument. Any ineffective portion or amount excluded from the assessment of hedge ineffectiveness is also included in the cost of products sold in the consolidated statements of operations.

Cash flows from derivatives accounted for as cash flow hedges are reported as cash flows from operating activities, in the same category as the cash flows from the items being hedged.

If we designate a derivative financial instrument as a cash flow hedge and it qualifies for hedge accounting, the change in the fair value is deferred in AOCI until the underlying hedged transaction occurs. Any ineffective portion of a cash flow hedge's change in fair value is recognized each period in earnings. Gains and losses deferred in AOCI related to cash flow hedges remain in AOCI until the underlying physical transaction occurs, unless it is probable that the forecasted transaction will not occur by the end of the originally specified time period or within an additional two-month period of time thereafter. For financial derivative instruments that do not qualify for hedge accounting, the change in fair value is recorded in cost of products sold in the consolidated statements of operations.

We manage a portion of our interest rate exposures by utilizing interest rate swaps and similar instruments. Certain of our interest rate derivatives are accounted for as either cash flow hedges or fair value hedges. For interest rate derivatives accounted for as either cash flow or fair value hedges, we report realized gains and losses and ineffectiveness portions of those hedges in interest expense. For interest rate derivatives not designated as hedges for accounting purposes, we report realized and unrealized gains and losses on those derivatives in "Gains (losses) on interest rate derivatives" in the consolidated statements of operations.

**Pensions and Other Postretirement Benefit Plans**

Employers are required to recognize in their balance sheets the overfunded or underfunded status of defined benefit pension and other postretirement plans, measured as the difference between the fair value of the plan assets and the benefit obligation (the projected benefit obligation for pension plans and the accumulated postretirement benefit obligation for other postretirement plans). Each overfunded plan is recognized as an asset and each underfunded plan is recognized as a liability. Employers must recognize the change in the funded status of the plan in the year in which the change occurs through AOCI in equity or are reflected as a regulatory asset or regulatory liability for regulated subsidiaries.

**Allocation of Income**

For purposes of maintaining partner capital accounts, the Partnership Agreement specifies that items of income and loss shall generally be allocated among the partners in accordance with their percentage interests. The capital account provisions of our Partnership Agreement incorporate principles established for U.S. Federal income tax purposes and are not comparable to the partners' capital balances reflected under GAAP in our consolidated financial statements. Our net income for partners' capital and statement of operations presentation purposes is allocated to the General Partner and Limited Partners in accordance with their respective partnership percentages, after giving effect to priority income allocations for incentive distributions, if any, to our General Partner, the holder of the IDRs pursuant to our Partnership Agreement, which are declared and paid following the close of each quarter. Earnings in excess of distributions are allocated to the General Partner and Limited Partners based on their respective ownership interests.

**3. ACQUISITIONS, DIVESTITURES AND RELATED TRANSACTIONS:****2014 Transactions****Panhandle Merger**

On January 10, 2014, Panhandle consummated a merger with Southern Union, the indirect parent of Panhandle, and PEPL Holdings, the sole limited partner of Panhandle, pursuant to which each of Southern Union and PEPL Holdings were merged with and into Panhandle (the "Panhandle Merger"), with Panhandle surviving the Panhandle Merger. In connection with the Panhandle Merger, Panhandle assumed Southern Union's obligations under its 7.6% Senior Notes due 2024, 8.25% Senior Notes due 2029 and the Junior Subordinated Notes due 2066. At the time of the Panhandle Merger, Southern Union did not have operations of its own, other than its ownership of Panhandle and noncontrolling interest in PEI Power II, LLC, Regency (31.4 million common units and 6.3 million Class F Units), and ETP (2.2 million Common Units). In connection with the Panhandle Merger, Panhandle also assumed PEPL Holdings' guarantee of \$600 million of Regency senior notes.

**Trunkline LNG Transaction**

On February 19, 2014, ETE and ETP completed the transfer to ETE of Trunkline LNG, the entity that owns a LNG regasification facility in Lake Charles, Louisiana, from ETP in exchange for the redemption by ETP of 18.7 million ETP Common Units held by ETE. This transaction was effective as of January 1, 2014. The results of Trunkline LNG's operations have not been presented as discontinued operations and Trunkline LNG's assets and liabilities have not been presented as held for sale in the Partnership's consolidated financial statements due to the expected continuing involvement among the entities.

In connection with ETE's acquisition of Trunkline LNG, ETP agreed to continue to provide management services for ETE through 2015 in relation to both Trunkline LNG's regasification facility and the development of a liquefaction project at Trunkline LNG's facility, for which ETE has agreed to pay incremental management fees to ETP of \$75 million per year for the years ending December 31, 2014 and 2015. ETE also agreed to provide additional subsidies to ETP through the relinquishment of future incentive distributions, as discussed further in Note 7.

**2013 Transactions****Sale of Southern Union's Distribution Operations**

In December 2012, Southern Union entered into a purchase and sale agreement with The Laclede Group, Inc., pursuant to which Laclede Missouri agreed to acquire the assets of Southern Union's MGE division and Laclede Massachusetts agreed to acquire the assets of Southern Union's NEG division (together, the "LDC Disposal Group"). Laclede Gas Company, a subsidiary of The Laclede Group, Inc., subsequently assumed all of Laclede Missouri's rights and obligations under the purchase and sale agreement. In February 2013, The Laclede Group, Inc. entered into an agreement with Algonquin Power & Utilities Corp ("APUC") that allowed a subsidiary of APUC to assume the rights of The Laclede Group, Inc. to purchase the assets of Southern Union's NEG division.

In September 2013, Southern Union completed its sale of the assets of MGE for an aggregate purchase price of \$975 million, subject to customary post-closing adjustments. In December 2013, Southern Union completed its sale of the assets of NEG for cash proceeds of \$40 million, subject to customary post-closing adjustments, and the assumption of \$20 million of debt.

The LDC Disposal Group's operations have been classified as discontinued operations for all periods in the consolidated statements of operations. The assets and liabilities of the LDC Disposal Group were classified as assets and liabilities held for sale at December 31, 2012.

The following table summarizes selected financial information related to Southern Union's distribution operations in 2013 through MGE and NEG's sale dates in September 2013 and December 2013, respectively, and for the period from March 26, 2012 to December 31, 2012:

	Years Ended December 31,	
	2013	2012
Revenue from discontinued operations	\$ 415	\$ 324
Net income of discontinued operations, excluding effect of taxes and overhead allocations	65	43



**SUGS Contribution**

On April 30, 2013, Southern Union completed its contribution to Regency of all of the issued and outstanding membership interest in Southern Union Gathering Company, LLC, and its subsidiaries, including SUGS (the "SUGS Contribution"). The general partner and IDRs of Regency are owned by ETE. The consideration paid by Regency in connection with this transaction consisted of (i) the issuance of approximately 31.4 million Regency common units to Southern Union, (ii) the issuance of approximately 6.3 million Regency Class F units to Southern Union, (iii) the distribution of \$463 million in cash to Southern Union, net of closing adjustments, and (iv) the payment of \$30 million in cash to a subsidiary of ETP. This transaction was between commonly controlled entities; therefore, the amounts recorded in the consolidated balance sheet for the investment in Regency and the related deferred tax liabilities were based on the historical book value of SUGS. In addition, PEPL Holdings, a wholly-owned subsidiary of Southern Union, provided a guarantee of collection with respect to the payment of the principal amounts of Regency's debt related to the SUGS Contribution. The Regency Class F units have the same rights, terms and conditions as the Regency common units, except that Southern Union will not receive distributions on the Regency Class F units for the first eight consecutive quarters following the closing, and the Regency Class F units will thereafter automatically convert into Regency common units on a one-for-one basis. The Partnership has not presented SUGS as discontinued operations due to the expected continuing involvement with SUGS through affiliate relationships, as well as the direct investment in Regency common and Class F units received, which has been accounted for using the equity method.

**Acquisition of ETE's Holdco Interest**

On April 30, 2013, ETP acquired ETE's 60% interest in Holdco for approximately 49.5 million of newly issued ETP Common Units and \$1.40 billion in cash, less \$68 million of closing adjustments (the "Holdco Acquisition"). As a result, ETP now owns 100% of Holdco. ETE, which owns the general partner and IDRs of ETP, agreed to forego incentive distributions on the newly issued ETP units for each of the first eight consecutive quarters beginning with the quarter in which the closing of the transaction occurred and 50% of incentive distributions on the newly issued ETP units for the following eight consecutive quarters. ETP controlled Holdco prior to this acquisition; therefore, the transaction did not constitute a change of control.

**2012 Transactions****Southern Union Merger**

On March 26, 2012, ETE completed its acquisition of Southern Union. Southern Union was the surviving entity in the merger and operated as a wholly-owned subsidiary of ETE. See below for discussion of Holdco Transaction and ETE's contribution of Southern Union to Holdco.

Under the terms of the merger agreement, Southern Union stockholders received a total of 57 million ETE Common Units and a total of approximately \$3.01 billion in cash. Effective with the closing of the transaction, Southern Union's common stock was no longer publicly traded.

**Citrus Acquisition**

In connection with the Southern Union Merger on March 26, 2012, we completed our acquisition of CrossCountry, a subsidiary of Southern Union which owned an indirect 50% interest in Citrus, the owner of FGT. The total merger consideration was approximately \$2.0 billion, consisting of approximately \$1.9 billion in cash and approximately 2.2 million ETP Common Units. See Note 4 for more information regarding our equity method investment in Citrus.

**Sunoco Merger**

On October 5, 2012, ETP completed its merger with Sunoco. Under the terms of the merger agreement, Sunoco shareholders received 55 million ETP Common Units and a total of approximately \$2.6 billion in cash.

Sunoco generates cash flow from a portfolio of retail outlets for the sale of gasoline and middle distillates in the east coast, midwest and southeast areas of the United States. Prior to October 5, 2012, Sunoco also owned a 2% general partner interest, 100% of the IDRs, and 32% of the outstanding common units of Sunoco Logistics. As discussed below, on October 5, 2012, Sunoco's interests in Sunoco Logistics were transferred to the Partnership.

Prior to the Sunoco Merger, on September 8, 2012, Sunoco completed the exit from its Northeast refining operations by contributing the refining assets at its Philadelphia refinery and various commercial contracts to PES, a joint venture with The Carlyle Group. Sunoco also permanently idled the main refining processing units at its Marcus Hook refinery in June 2012. The Marcus Hook facility continued to support operations at the Philadelphia refinery prior to commencement of the PES joint venture. Under the terms of the joint venture agreement, The Carlyle Group contributed cash in exchange for a 67% controlling interest in PES. In exchange for contributing its Philadelphia refinery assets and various commercial contracts to

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the joint venture, Sunoco retained an approximate 33% non-operating noncontrolling interest. The fair value of Sunoco's retained interest in PES, which was \$75 million on the date on which the joint venture was formed, was determined based on the equity contributions of The Carlyle Group. Sunoco has indemnified PES for environmental liabilities related to the Philadelphia refinery that arose from the operation of such assets prior the formation of the joint venture. The Carlyle Group will oversee day-to-day operations of PES and the refinery. JPMorgan Chase will provide working capital financing to PES in the form of an asset-backed loan, supply crude oil and other feedstocks to the refinery at the time of processing and purchase certain blendstocks and all finished refined products as they are processed. Sunoco entered into a supply contract for gasoline and diesel produced at the refinery for its retail marketing business.

ETP incurred merger related costs related to the Sunoco Merger of \$28 million during the year ended December 31, 2012. Sunoco's revenue included in our consolidated statement of operations was approximately \$5.93 billion during October through December 2012. Sunoco's net loss included in our consolidated statement of operations was approximately \$14 million during October through December 2012. Sunoco Logistics' revenue included in our consolidated statement of operations was approximately \$3.11 billion during October through December 2012. Sunoco Logistics' net income included in our consolidated statement of operations was approximately \$145 million during October through December 2012.

**Holdco Transaction**

Immediately following the closing of the Sunoco Merger in 2012, ETE contributed its interest in Southern Union into Holdco, an ETP-controlled entity, in exchange for a 60% equity interest in Holdco. In conjunction with ETE's contribution, ETP contributed its interest in Sunoco to Holdco and retained a 40% equity interest in Holdco. Prior to the contribution of Sunoco to Holdco, Sunoco contributed \$2.0 billion of cash and its interests in Sunoco Logistics to ETP in exchange for 90.7 million Class F Units representing limited partner interests in ETP ("Class F Units"). The Class F Units were exchanged for Class G Units in 2013 as discussed in Note 7. Pursuant to a stockholders agreement between ETE and ETP, ETP controlled Holdco (prior to ETP's acquisition of ETE's 60% equity interest in Holdco in 2013) and therefore, ETP consolidated Holdco (including Sunoco and Southern Union) in its financial statements subsequent to consummation of the Holdco Transaction.

Under the terms of the Holdco transaction agreement, ETE agreed to relinquish its right to \$210 million of incentive distributions from ETP that ETE would otherwise be entitled to receive over 12 consecutive quarters beginning with the distribution paid on November 14, 2012.

In accordance with GAAP, we have accounted for the Holdco Transaction, whereby ETP obtained control of Southern Union, as a reorganization of entities under common control. Accordingly, ETP's consolidated financial statements have been retrospectively adjusted to reflect consolidation of Southern Union into ETP beginning March 26, 2012 (the date ETE acquired Southern Union). This change only impacted interim periods in 2012, and no prior annual amounts have been adjusted.

*Summary of Assets Acquired and Liabilities Assumed*

We accounted for the Sunoco Merger using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized on the balance sheet at their fair values as of the acquisition date. Upon consummation of the Holdco Transaction, we applied the accounting guidance for transactions between entities under common control. In doing so, we recorded the values of assets and liabilities that had been recorded by ETE as reflected below.

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The following table summarizes the assets acquired and liabilities assumed as of the respective acquisition dates:

	Sunoco <sup>(1)</sup>	Southern Union <sup>(2)</sup>
<b>Current assets</b>	<b>\$ 7,312</b>	<b>\$ 556</b>
Property, plant and equipment	6,686	6,242
Goodwill	2,641	2,497
Intangible assets	1,361	55
Investments in unconsolidated affiliates	240	2,023
Note receivable	821	—
Other assets	128	163
	<u>19,189</u>	<u>11,536</u>
<b>Current liabilities</b>	<b>4,424</b>	<b>1,348</b>
Long-term debt obligations, less current maturities	2,879	3,120
Deferred income taxes	1,762	1,419
Other non-current liabilities	769	284
Noncontrolling interest	3,580	—
	<u>13,414</u>	<u>6,171</u>
<b>Total consideration</b>	<b>5,775</b>	<b>5,365</b>
Cash received	2,714	37
<b>Total consideration, net of cash received</b>	<b>\$ 3,061</b>	<b>\$ 5,328</b>

<sup>(1)</sup> Includes amounts recorded with respect to Sunoco Logistics.

<sup>(2)</sup> Includes ETP's acquisition of Citrus.

As a result of the Holdco Transaction, we recognized \$38 million of merger-related costs during the year ended December 31, 2012 related to Southern Union. Southern Union's revenue included in our consolidated statement of operations was approximately \$1.26 billion since the acquisition date to December 31, 2012. Southern Union's net income included in our consolidated statement of operations was approximately \$39 million since the acquisition date to December 31, 2012.

### Propane Operations

On January 12, 2012, we contributed our propane operations, consisting of HOLP and Titan (collectively, the "Propane Business") to AmeriGas. We received approximately \$1.46 billion in cash and approximately 30 million AmeriGas common units. AmeriGas assumed approximately \$71 million of existing HOLP debt. In connection with the closing of this transaction, we entered into a support agreement with AmeriGas pursuant to which we are obligated to provide contingent, residual support of \$1.50 billion of intercompany indebtedness owed by AmeriGas to a finance subsidiary that in turn supports the repayment of \$1.50 billion of senior notes issued by this AmeriGas finance subsidiary to finance the cash portion of the purchase price.

We have not reflected the Propane Business as discontinued operations as we will have a continuing involvement in this business as a result of the investment in AmeriGas that was transferred as consideration for the transaction.

In June 2012, we sold the remainder of our retail propane operations, consisting of our cylinder exchange business, to a third party. In connection with the contribution agreement with AmeriGas, certain excess sales proceeds from the sale of the cylinder exchange business were remitted to AmeriGas, and we received net proceeds of approximately \$43 million.

### Sale of Canyon

In October 2012, we sold Canyon for approximately \$207 million. The results of continuing operations of Canyon have been reclassified to loss from discontinued operations and the prior year amounts have been restated to present Canyon's operations as discontinued operations. A write down of the carrying amounts of the Canyon assets to their fair values was recorded for approximately \$132 million during the year ended December 31, 2012. Canyon was previously included in our midstream segment.



Table of Contents**2011 Transaction****LDH Acquisition**

On May 2, 2011, ETP-Regency Midstream Holdings, LLC ("ETP-Regency LLC"), a joint venture owned 70% by the Partnership and 30% by Regency, acquired all of the membership interest in LDH, from Louis Dreyfus Highbridge Energy LLC for approximately \$1.98 billion in cash (the "LDH Acquisition"), including working capital adjustments. The Partnership contributed approximately \$1.38 billion to ETP-Regency LLC to fund its 70% share of the purchase price. Subsequent to closing, ETP-Regency LLC was renamed Lone Star.

Lone Star owns and operates a natural gas liquids storage, fractionation and transportation business. Lone Star's storage assets are primarily located in Mont Belvieu, Texas, and its West Texas Pipeline transports NGLs through an intrastate pipeline system that originates in the Permian Basin in west Texas, passes through the Barnett Shale production area in north Texas and terminates at the Mont Belvieu storage and fractionation complex. Lone Star also owns and operates fractionation and processing assets located in Louisiana. The acquisition of LDH by Lone Star expanded the Partnership's asset portfolio by adding an NGL platform with storage, transportation and fractionation capabilities.

We accounted for the LDH Acquisition using the acquisition method of accounting. Lone Star's results of operations are included in our NGL transportation and services segment. Regency's 30% interest in Lone Star is reflected as noncontrolling interest.

**Pro Forma Results of Operations**

The following unaudited pro forma consolidated results of operations for the years ended December 31, 2012 and 2011 are presented as if the Sunoco Merger, Holdco Transaction and LDH Acquisition had been completed on January 1, 2011.

	Years Ended December 31,	
	2012	2011
Revenues	\$ 39,136	\$ 36,169
Net income	1,133	1,027
Net income attributable to partners	788	745
Basic net income per Limited Partner unit	\$ 1.33	\$ 1.24
Diluted net income per Limited Partner unit	\$ 1.33	\$ 1.24

The pro forma consolidated results of operations include adjustments to:

- include the results of Lone Star, Southern Union and Sunoco beginning January 1, 2011;
- include the incremental expenses associated with the fair value adjustments recorded as a result of applying the acquisition method of accounting;
- include incremental interest expense related to the financing of ETP's proportionate share of the purchase price; and
- reflect noncontrolling interest related to ETE's 60% interest in Holdco during the periods.

The pro forma information is not necessarily indicative of the results of operations that would have occurred had the transactions been made at the beginning of the periods presented or the future results of the combined operations.

**4. ADVANCES TO AND INVESTMENTS IN UNCONSOLIDATED AFFILIATES:****Regency**

On April 30, 2013, Southern Union completed its contribution to Regency of all of the issued and outstanding membership interest in Southern Union Gathering Company, LLC, and its subsidiaries, including SUGS (see Note 3). The consideration paid by Regency in connection with this transaction included approximately 31.4 million Regency common units, approximately 6.3 million Regency Class F units, the distribution of \$463 million in cash to Southern Union, net of closing adjustments, and the payment of \$30 million in cash to a subsidiary of ETP. This direct investment in Regency common and Class F units received has been accounted for using the equity method.

The carrying amount of our investment in Regency was \$1.41 billion as of December 31, 2013 and was reflected in our all other segment.

Table of Contents**Citrus Corp.**

On March 26, 2012, ETE consummated the acquisition of Southern Union and, concurrently with the closing of the Southern Union acquisition, CrossCountry, a subsidiary of Southern Union that indirectly owned a 50% interest in Citrus, merged with a subsidiary of ETP and, in connection therewith, ETP paid approximately \$1.9 billion in cash and issued \$105 million of ETP Common Units (the "Citrus Acquisition") to a subsidiary of ETE. As a result of the consummation of the Citrus Acquisition, ETP owns CrossCountry, which in turn owns a 50% interest in Citrus. The other 50% interest in Citrus is owned by a subsidiary of Kinder Morgan, Inc. Citrus owns 100% of FGT, a natural gas pipeline system that originates in Texas and delivers natural gas to the Florida peninsula.

We recorded our investment in Citrus at \$2.0 billion, which exceeded our proportionate share of Citrus' equity by \$1.03 billion, all of which is treated as equity method goodwill due to the application of regulatory accounting. The carrying amount of our investment in Citrus was \$1.89 billion and \$1.98 billion as of December 31, 2013 and 2012, respectively, and was reflected in our interstate transportation and storage segment.

**AmeriGas Partners, L.P.**

As discussed in Note 3, on January 12, 2012, we received approximately 29.6 million AmeriGas common units in connection with the contribution of our propane operations. On July 12, 2013, we sold 7.5 million AmeriGas common units for net proceeds of \$346 million, and as of December 31, 2013, we owned 22.1 million AmeriGas common units representing an approximate 24% limited partner interest.

The carrying amount of our investment in AmeriGas was \$746 million and \$1.02 billion as of December 31, 2013 and 2012, respectively, and was reflected in our all other segment. As of December 31, 2013, our investment in AmeriGas reflected \$439 million in excess of our proportionate share of AmeriGas' limited partners' capital. Of this excess fair value, \$184 million is being amortized over a weighted average period of 14 years, and \$255 million is being treated as equity method goodwill and non-amortizable intangible assets.

In January 2014, we sold 9.2 million AmeriGas common units for net proceeds of \$381 million. Net proceeds from this sale were used to repay borrowings under the ETP Credit Facility and general partnership purposes.

**FEP**

We have a 50% interest in FEP, a 50/50 joint venture with KMP. FEP owns the Fayetteville Express pipeline, an approximately 185-mile natural gas pipeline that originates in Conway County, Arkansas, continues eastward through White County, Arkansas and terminates at an interconnect with Trunkline Gas Company in Panola County, Mississippi. The carrying amount of our investment in FEP was \$144 million and \$159 million as of December 31, 2013 and 2012, respectively, and was reflected in our interstate transportation and storage segment.

**Summarized Financial Information**

The following tables present aggregated selected balance sheet and income statement data for our unconsolidated affiliates, FEP, AmeriGas, Citrus and Regency (on a 100% basis) for all periods presented:

	December 31,	
	2013	2012
<b>Current assets</b>	<b>\$ 1,372</b>	<b>\$ 878</b>
Property, plant and equipment, net	12,320	8,063
<b>Other assets</b>	<b>6,478</b>	<b>2,529</b>
<b>Total assets</b>	<b>\$ 20,170</b>	<b>\$ 11,470</b>
<b>Current liabilities</b>	<b>\$ 1,455</b>	<b>\$ 1,605</b>
<b>Non-current liabilities</b>	<b>10,286</b>	<b>6,143</b>
<b>Equity</b>	<b>8,429</b>	<b>3,722</b>
<b>Total liabilities and equity</b>	<b>\$ 20,170</b>	<b>\$ 11,470</b>

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	Years Ended December 31,		
	2013	2012	2011
Revenue	\$ 6,806	\$ 4,057	\$ 3,337
Operating income	1,043	635	681
Net income	574	338	341

In addition to the equity method investments described above we have other equity method investments which are not significant to our consolidated financial statements.

#### 5. NET INCOME PER LIMITED PARTNER UNIT:

A reconciliation of net income and weighted average units used in computing basic and diluted net income per unit is as follows:

	Years Ended December 31,		
	2013	2012	2011
Income from continuing operations	\$ 735	\$ 1,757	\$ 700
Less: Income from continuing operations attributable to noncontrolling interest	296	62	28
Income from continuing operations, net of noncontrolling interest	439	1,695	672
General Partner's interest in income from continuing operations	505	463	433
Limited Partners' interest in income (loss) from continuing operations	(66)	1,232	239
Additional earnings allocated (to) from General Partner	(2)	1	1
Distributions on employee unit awards, net of allocation to General Partner	(10)	(9)	(8)
Income (loss) from continuing operations available to Limited Partners	\$ (78)	\$ 1,224	\$ 232
Weighted average Limited Partner units – basic	343.4	248.3	207.2
Basic income (loss) from continuing operations per Limited Partner unit	\$ (0.23)	\$ 4.93	\$ 1.12
Dilutive effect of unvested Unit Awards	—	0.7	0.9
Weighted average Limited Partner units, assuming dilutive effect of unvested Unit Awards	343.4	249.0	208.1
Diluted income (loss) from continuing operations per Limited Partner unit	\$ (0.23)	\$ 4.91	\$ 1.12
Basic income (loss) from discontinued operations per Limited Partner unit	\$ 0.05	\$ (0.50)	\$ (0.02)
Diluted income (loss) from discontinued operations per Limited Partner unit	\$ 0.05	\$ (0.50)	\$ (0.02)

#### 6. DEBT OBLIGATIONS:

Our debt obligations consist of the following:

	December 31,	
	2013	2012
<b>ETP Debt</b>		
6.0% Senior Notes due July 1, 2013	\$ —	\$ 350
8.5% Senior Notes due April 15, 2014	292	292
5.95% Senior Notes due February 1, 2015	750	750
6.125% Senior Notes due February 15, 2017	400	400

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6.7% Senior Notes due July 1, 2018	600	600
9.7% Senior Notes due March 15, 2019	400	400
9.0% Senior Notes due April 15, 2019	450	450
4.15% Senior Notes due October 1, 2020	700	—
4.65% Senior Notes due June 1, 2021	800	800
5.20% Senior Notes due February 1, 2022	1,000	1,000
3.60% Senior Notes due February 1, 2023	800	—
4.9% Senior Notes due February 1, 2024	350	—
7.6% Senior Notes due February 1, 2024	277	—
8.25% Senior Notes due November 15, 2029	267	—
6.625% Senior Notes due October 15, 2036	400	400
7.5% Senior Notes due July 1, 2038	550	550
6.05% Senior Notes due June 1, 2041	700	700
6.50% Senior Notes due February 1, 2042	1,000	1,000
5.15% Senior Notes due February 1, 2043	450	—
5.95% Senior Notes due October 1, 2043	450	—
Floating Rate Junior Subordinated Notes due November 1, 2066	546	—
ETP \$2.5 billion Revolving Credit Facility due October 27, 2017	65	1,395
Unamortized premiums, discounts and fair value adjustments, net	(34)	(14)
	<u>11,213</u>	<u>9,073</u>
<b>Transwestern Debt</b>		
5.39% Senior Notes due November 17, 2014	88	88
5.54% Senior Notes due November 17, 2016	125	125
5.64% Senior Notes due May 24, 2017	82	82
5.36% Senior Notes due December 9, 2020	175	175
5.89% Senior Notes due May 24, 2022	150	150
5.66% Senior Notes due December 9, 2024	175	175
6.16% Senior Notes due May 24, 2037	75	75
Unamortized premiums, discounts and fair value adjustments, net	(1)	(1)
	<u>869</u>	<u>869</u>
<b>Southern Union Debt<sup>(1)</sup></b>		
7.60% Senior Notes due February 1, 2024	82	360
8.25% Senior Notes due November 14, 2029	33	300
Floating Rate Junior Subordinated Notes due November 1, 2066	54	600
Southern Union \$700 million Revolving Credit Facility due May 20, 2016	—	210
Unamortized premiums, discounts and fair value adjustments, net	48	49
	<u>217</u>	<u>1,519</u>
<b>Panhandle Debt</b>		
6.05% Senior Notes due August 15, 2013	—	250
6.20% Senior Notes due November 1, 2017	300	300
7.00% Senior Notes due June 15, 2018	400	400
8.125% Senior Notes due June 1, 2019	150	150
7.00% Senior Notes due July 15, 2029	66	66
Term Loan due February 23, 2015	—	455
Unamortized premiums, discounts and fair value adjustments, net	107	136
	<u>1,023</u>	<u>1,757</u>

Table of Contents**Sunoco Debt**

4.875% Senior Notes due October 15, 2014	250	250
9.625% Senior Notes due April 15, 2015	250	250
5.75% Senior Notes due January 15, 2017	400	400
9.00% Debentures due November 1, 2024	65	65
Unamortized premiums, discounts and fair value adjustments, net	70	104
	<u>1,035</u>	<u>1,069</u>

**Sunoco Logistics Debt**

8.75% Senior Notes due February 15, 2014 <sup>(1)</sup>	175	175
6.125% Senior Notes due May 15, 2016	175	175
5.50% Senior Notes due February 15, 2020	250	250
4.65% Senior Notes due February 15, 2022	300	300
3.45% Senior Notes due January 15, 2023	350	—
6.85% Senior Notes due February 15, 2040	250	250
6.10% Senior Notes due February 15, 2042	300	300
4.95% Senior Notes due January 15, 2043	350	—
Sunoco Logistics \$200 million Revolving Credit Facility due August 21, 2014	—	26
Sunoco Logistics \$35 million Revolving Credit Facility due April 30, 2015	35	20
Sunoco Logistics \$350 million Revolving Credit Facility due August 22, 2016	—	93
Sunoco Logistics \$1.50 billion Revolving Credit Facility due November 1, 2018	200	—
Unamortized premiums, discounts and fair value adjustments, net	118	143
	<u>2,503</u>	<u>1,732</u>

**Note Payable to ETE**

Other	—	166
	228	32
	<u>17,088</u>	<u>16,217</u>

**Less: current maturities**

	637	609
	<u>\$ 16,451</u>	<u>\$ 15,608</u>

<sup>(1)</sup> In connection with the Panhandle Merger, Southern Union's debt obligations were assumed by Panhandle.

<sup>(2)</sup> Sunoco Logistics' 8.75% Senior Notes due February 15, 2014 were classified as long-term debt as Sunoco Logistics repaid these notes in February 2014 with borrowings under its \$1.50 billion credit facility due November 2018.

The following table reflects future maturities of long-term debt for each of the next five years and thereafter. These amounts exclude \$308 million in unamortized net premiums and fair value adjustments:

2014	\$	812
2015		1,047
2016		375
2017		1,220
2018		1,205
Thereafter		12,121
<b>Total</b>	<b>\$</b>	<b><u>16,780</u></b>

**ETP as Co-Obligor of Sunoco Debt**

In connection with the Sunoco Merger and Holdco Transaction, ETP became a co-obligor on approximately \$965 million of aggregate principal amount of Sunoco's existing senior notes and debentures.



***ETP Senior Notes***

The ETP Senior Notes were registered under the Securities Act of 1933 (as amended). The Partnership may redeem some or all of the ETP Senior Notes at any time, or from time to time, pursuant to the terms of the indenture and related indenture supplements related to the ETP Senior Notes. The balance is payable upon maturity. Interest on the ETP Senior Notes is paid semi-annually.

The ETP Senior Notes are unsecured obligations of the Partnership and the obligation of the Partnership to repay the ETP Senior Notes is not guaranteed by any of the Partnership's subsidiaries. As a result, the ETP Senior Notes effectively rank junior to any future indebtedness of ours or our subsidiaries that is both secured and unsubordinated to the extent of the value of the assets securing such indebtedness, and the ETP Senior Notes effectively rank junior to all indebtedness and other liabilities of our existing and future subsidiaries.

***Transwestern Senior Notes***

The Transwestern notes are payable at any time in whole or pro rata in part, subject to a premium or upon a change of control event or an event of default, as defined. The balance is payable upon maturity. Interest is paid semi-annually.

***Note Payable – ETE***

On March 26, 2012, Southern Union received \$221 million from ETE to pay certain expenses in connection with the Merger, including (i) payments made to employees related to outstanding awards of stock options, stock appreciation rights and RSUs; and (ii) payments to certain executives under applicable employment or change in control agreements, which provided for compensation when their employment was terminated in connection with a change in control. In connection with the receipt of the \$221 million from ETE, on March 26, 2012, Southern Union entered into an interest-bearing promissory note payable due on or before March 25, 2013. The interest rate under the promissory note was 3.25% and accrued interest was payable monthly in arrears. A payment of \$55 million to ETE was made in May 2012, and the outstanding balance of \$166 million was assumed by Holdco as of December 31, 2012 and the maturity date of the note payable was extended to January 22, 2014. The note payable outstanding was paid in 2013.

***Southern Union Junior Subordinated Notes***

The interest rate on the remaining portion of Southern Union's \$600 million Junior Subordinated Notes due 2066 is a variable rate based upon the three-month LIBOR rate plus 3.0175%. The balance of the variable rate portion of the Junior Subordinated Notes was \$600 million at an effective interest rate of 3.32% at December 31, 2013.

***Panhandle Term Loans***

A portion of the proceeds from ETP's September 2013 Senior Notes Offering, as discussed below, was used to repay \$455 million in borrowings outstanding under the LNG Holdings term loan due February 2015.

***January 2013 Senior Notes Offerings***

In January 2013, ETP issued \$800 million aggregate principal amount of 3.6% Senior Notes due February 2023 and \$450 million aggregate principal amount of 5.15% Senior Notes due February 2043. ETP used the net proceeds of \$1.24 billion from the offering to repay borrowings outstanding under the ETP Credit Facility and for general partnership purposes.

In January 2013, Sunoco Logistics issued \$350 million aggregate principal amount of 3.45% Senior Notes due January 2023 and \$350 million aggregate principal amount of 4.95% Senior Notes due January 2043. Sunoco Logistics' used the net proceeds of \$691 million from the offering to repay borrowings outstanding under the Sunoco Logistics' Credit Facilities and for general partnership purposes.

***September 2013 Senior Notes Offering***

In September 2013, ETP issued \$700 million aggregate principal amount of 4.15% Senior Notes due October 2020, \$350 million aggregate principal amount of 4.90% Senior Notes due February 2024 and \$450 million aggregate principal amount of 5.95% Senior Notes due October 2043. ETP used the net proceeds of \$1.47 billion from the offering to repay \$455 million in borrowings outstanding under the term loan of Panhandle's wholly-owned subsidiary, Trunkline LNG Holdings, LLC, to repay borrowings outstanding under the ETP Credit Facility and for general partnership purposes.

**Note Exchange**

On June 24, 2013, ETP completed the exchange of approximately \$1.09 billion aggregate principal amount of Southern Union's outstanding senior notes, comprising 77% of the principal amount of the 7.6% Senior Notes due 2024, 89% of the principal amount of the 8.25% Senior Notes due 2029 and 91% of the principal amount of the Junior Subordinated Notes due 2066. These notes were exchanged for new notes issued by ETP with the same coupon rates and maturity dates. In conjunction with this transaction, Southern Union entered into intercompany notes payable to ETP, which provide for the reimbursement by Southern Union of ETP's payments under the newly issued notes.

**Credit Facilities****ETP Credit Facility**

The ETP Credit Facility allows for borrowings of up to \$2.5 billion and expires in October 2017. The indebtedness under the ETP Credit Facility is unsecured and not guaranteed by any of the Partnership's subsidiaries and has equal rights to holders of our current and future unsecured debt. The indebtedness under the ETP Credit Facility has the same priority of payment as our other current and future unsecured debt. We use the ETP Credit Facility to provide temporary financing for our growth projects, as well as for general partnership purposes.

In November 2013, we amended the ETP Credit Facility to, among other things, (i) extend the maturity date for one additional year to October 2017, (ii) remove the restriction prohibiting unrestricted subsidiaries from owning debt or equity interests in ETP or any restricted subsidiaries of ETP, (iii) amend the covenant limiting fundamental changes to remove the restrictions on mergers or other consolidations of restricted subsidiaries of ETP and to permit ETP to merge with another person and not be the surviving entity provided certain requirements are met, and (iv) amend certain other provisions more specifically set forth in the amendment.

As of December 31, 2013, the ETP Credit Facility had \$65 million outstanding, and the amount available for future borrowings was \$2.34 billion after taking into account letters of credit of \$93 million. The weighted average interest rate on the total amount outstanding as of December 31, 2013 was 1.67%.

**Southern Union Credit Facility**

Proceeds from the SUGS Contribution were used to repay borrowings under the Southern Union Credit Facility and the facility was terminated.

**Sunoco Logistics Credit Facilities**

In November 2013, Sunoco Logistics replaced its existing \$350 million and \$200 million unsecured credit facilities with a new \$1.50 billion unsecured credit facility (the "\$1.50 billion Credit Facility"). The \$1.50 billion Credit Facility contains an accordion feature, under which the total aggregate commitment may be extended to \$2.25 billion under certain conditions. Outstanding borrowings under the \$350 million and \$200 million credit facilities of \$119 million at December 31, 2012 were repaid during the first quarter of 2013.

The \$1.50 billion Credit Facility, which matures in November 2018, is available to fund Sunoco Logistics' working capital requirements, to finance acquisitions and capital projects, to pay distributions and for general partnership purposes. The \$1.50 billion Credit Facility bears interest at LIBOR or the Base Rate, each plus an applicable margin. The credit facility may be prepaid at any time. Outstanding borrowings under this credit facility were \$200 million at December 31, 2013.

West Texas Gulf Pipe Line Company, a subsidiary of Sunoco Logistics, has a \$35 million revolving credit facility which expires in April 2015. The facility is available to fund West Texas Gulf's general corporate purposes including working capital and capital expenditures. Outstanding borrowings under this credit facility were \$35 million at December 31, 2013.

**Covenants Related to Our Credit Agreements****Covenants Related to ETP**

The agreements relating to the ETP Senior Notes contain restrictive covenants customary for an issuer with an investment-grade rating from the rating agencies, which covenants include limitations on liens and a restriction on sale-leaseback transactions.



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The credit agreement relating to the ETP Credit Facility contains covenants that limit (subject to certain exceptions) the Partnership's and certain of the Partnership's subsidiaries' ability to, among other things:

- incur indebtedness;
- grant liens;
- enter into mergers;
- dispose of assets;
- make certain investments;
- make Distributions (as defined in such credit agreement) during certain Defaults (as defined in such credit agreement) and during any Event of Default (as defined in such credit agreement);
- engage in business substantially different in nature than the business currently conducted by the Partnership and its subsidiaries;
- engage in transactions with affiliates; and
- enter into restrictive agreements.

The credit agreement relating to the ETP Credit Facility also contains a financial covenant that provides that the Leverage Ratio, as defined in the ETP Credit Facility, shall not exceed 5.0 to 1 as of the end of each quarter, with a permitted increase to 5.5 to 1 during a Specified Acquisition Period, as defined in the ETP Credit Facility.

The agreements relating to the Transwestern senior notes contain certain restrictions that, among other things, limit the incurrence of additional debt, the sale of assets and the payment of dividends and specify a maximum debt to capitalization ratio.

Failure to comply with the various restrictive and affirmative covenants of our revolving credit facilities could require us to pay debt balances prior to scheduled maturity and could negatively impact the Operating Companies' ability to incur additional debt and/or our ability to pay distributions.

#### ***Covenants Related to Southern Union***

Southern Union is not party to any lending agreement that would accelerate the maturity date of any obligation due to a failure to maintain any specific credit rating, nor would a reduction in any credit rating, by itself, cause an event of default under any of Southern Union's lending agreements. Financial covenants exist in certain of Southern Union's debt agreements that require Southern Union to maintain a certain level of net worth, to meet certain debt to total capitalization ratios and to meet certain ratios of earnings before depreciation, interest and taxes to cash interest expense. A failure by Southern Union to satisfy any such covenant would give rise to an event of default under the associated debt, which could become immediately due and payable if Southern Union did not cure such default within any permitted cure period or if Southern Union did not obtain amendments, consents or waivers from its lenders with respect to such covenants.

Southern Union's restrictive covenants include restrictions on debt levels, restrictions on liens securing debt and guarantees, restrictions on mergers and on the sales of assets, capitalization requirements, dividend restrictions, cross default and cross-acceleration and prepayment of debt provisions. A breach of any of these covenants could result in acceleration of Southern Union's debt and other financial obligations and that of its subsidiaries.

In addition, Southern Union and/or its subsidiaries are subject to certain additional restrictions and covenants. These restrictions and covenants include limitations on additional debt at some of its subsidiaries; limitations on the use of proceeds from borrowing at some of its subsidiaries; limitations, in some cases, on transactions with its affiliates; limitations on the incurrence of liens; potential limitations on the abilities of some of its subsidiaries to declare and pay dividends and potential limitations on some of its subsidiaries to participate in Southern Union's cash management program; and limitations on Southern Union's ability to prepay debt.

#### ***Covenants Related to Sunoco Logistics***

Sunoco Logistics' \$1.50 billion credit facility contains various covenants, including limitations on the creation of indebtedness and liens, and other covenants related to the operation and conduct of the business of Sunoco Logistics and its subsidiaries. The credit facility also limits Sunoco Logistics, on a rolling four-quarter basis, to a maximum total consolidated debt to consolidated Adjusted EBITDA ratio, as defined in the underlying credit agreement, of 5.0 to 1, which can generally be increased to 5.5 to 1 during an acquisition period. Sunoco Logistics' ratio of total consolidated debt, excluding net unamortized

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fair value adjustments, to consolidated Adjusted EBITDA was 2.8 to 1 at December 31, 2013, as calculated in accordance with the credit agreements.

The \$35 million credit facility limits West Texas Gulf, on a rolling four-quarter basis, to a minimum fixed charge coverage ratio, as defined in the underlying credit agreement. The ratio for the fiscal quarter ending December 31, 2013 shall not be less than 1.00 to 1. The minimum ratio fluctuates between 0.80 to 1 and 1.00 to 1 throughout the term of the revolver as specified in the credit agreement. In addition, the credit facility limits West Texas Gulf to a maximum leverage ratio of 2.00 to 1. West Texas Gulf's fixed charge coverage ratio and leverage ratio were 1.12 to 1 and 0.88 to 1, respectively, at December 31, 2013.

We were in compliance with all requirements, tests, limitations, and covenants related to our debt agreements as of December 31, 2013.

**7. EQUITY:**

Limited Partner interests are represented by Common, Class E Units, Class G Units and Class H Units that entitle the holders thereof to the rights and privileges specified in the Partnership Agreement. As of December 31, 2013, there were issued and outstanding 333.8 million Common Units representing an aggregate 99.3% Limited Partner interest in us. There are also 8.9 million Class E Units and 90.7 million Class G Units outstanding that are reported as treasury units, which units are entitled to receive distributions in accordance with their terms. There are also 50.2 million Class H Units outstanding representing Limited Partner interests owned by ETE Holdings (see "Class H Units" below).

No person is entitled to preemptive rights in respect of issuances of equity securities by us, except that ETP GP has the right, in connection with the issuance of any equity security by us, to purchase equity securities on the same terms as equity securities are issued to third parties sufficient to enable ETP GP and its affiliates to maintain the aggregate percentage equity interest in us as ETP GP and its affiliates owned immediately prior to such issuance.

IDRs represent the contractual right to receive an increasing percentage of quarterly distributions of Available Cash (as defined in our Partnership Agreement) from operating surplus after the minimum quarterly distribution has been paid. Please read "Quarterly Distributions of Available Cash" below. ETP GP, a wholly-owned subsidiary of ETE, owns all of the IDRs.

**Common Units**

The change in Common Units was as follows:

	Years Ended December 31,		
	2013	2012	2011
Number of Common Units, beginning of period	301.5	225.5	193.2
Common Units issued in connection with public offerings	13.8	15.5	29.4
Common Units issued in connection with certain acquisitions	49.5	57.4	0.1
Common Units redeemed for Class H Units	(50.2)	—	—
Common Units issued in connection with the Distribution Reinvestment Plan	2.3	1.0	0.4
Common Units issued in connection with Equity Distribution Agreements	16.9	1.6	2.0
Repurchases of Common Units in open-market transactions	(0.4)	—	—
Issuance of Common Units under equity incentive plans	0.4	0.5	0.4
Number of Common Units, end of period	333.8	301.5	225.5

Our Common Units are registered under the Securities Exchange Act of 1934 (as amended) and are listed for trading on the NYSE. Each holder of a Common Unit is entitled to one vote per unit on all matters presented to the Limited Partners for a vote. In addition, if at any time any person or group (other than our General Partner and its affiliates) owns beneficially 20% or more of all Common Units, any Common Units owned by that person or group may not be voted on any matter and are not considered to be outstanding when sending notices of a meeting of Unitholders (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under the Partnership Agreement. The Common Units are entitled to distributions of Available Cash as described below under "Quarterly Distributions of Available Cash."

Table of Contents**Public Offerings**

The following table summarizes our public offerings of Common Units, all of which have been registered under the Securities Act of 1933 (as amended):

Date	Number of Common Units	Price per Unit	Net Proceeds
April 2011	14.2	\$ 50.52	\$ 695
November 2011	15.2	44.67	660
July 2012	15.5	44.57	671
April 2013	13.8	48.05	657

Proceeds from the offerings listed above were used to repay amounts outstanding under the ETP Credit Facility and/or to fund capital expenditures and capital contributions to joint ventures, and for general partnership purposes.

**Equity Distribution Program**

From time to time, we have sold Common Units through an equity distribution agreement. Such sales of Common Units are made by means of ordinary brokers' transactions on the NYSE at market prices, in block transactions or as otherwise agreed between us and the sales agent which is the counterparty to the equity distribution agreement.

In January 2013 and May 2013, we entered into equity distribution agreements pursuant to which we may sell from time to time Common Units having aggregate offering prices of up to \$200 million and \$800 million, respectively. During the year ended December 31, 2013, we issued approximately 16.9 million units for \$846 million, net of commissions of \$9 million. Approximately \$145 million of our Common Units remained available to be issued under the currently effective equity distribution agreements as of December 31, 2013.

**Equity Incentive Plan Activity**

As discussed in Note 8, we issue Common Units to employees and directors upon vesting of awards granted under our equity incentive plans. Upon vesting, participants in the equity incentive plans may elect to have a portion of the Common Units to which they are entitled withheld by the Partnership to satisfy tax-withholding obligations.

**Distribution Reinvestment Program**

In April 2011, we filed a registration statement with the SEC covering our Distribution Reinvestment Plan (the "DRIP"). The DRIP provides Unitholders of record and beneficial owners of our Common Units a voluntary means by which they can increase the number of ETP Common Units they own by reinvesting the quarterly cash distributions they would otherwise receive in the purchase of additional Common Units. The registration statement covers the issuance of up to 5.8 million Common Units under the DRIP.

During the years ended December 31, 2013, 2012 and 2011, aggregate distributions of approximately \$109 million, \$43 million, and \$15 million were reinvested under the DRIP resulting in the issuance in aggregate of approximately 3.7 million Common Units. As of December 31, 2013, a total of 2.1 million Common Units remain available to be issued under the existing registration statement.

**Class E Units**

There are 8.9 million Class E Units outstanding that are reported as treasury units. These Class E Units are entitled to aggregate cash distributions equal to 11.1% of the total amount of cash distributed to all Unitholders, including the Class E Unitholders, up to \$1.41 per unit per year, with any excess thereof available for distribution to Unitholders other than the holders of Class E Units in proportion to their respective interests. The Class E Units are treated as treasury units for accounting purposes because they are owned by a subsidiary of Holdco, Heritage Holdings, Inc. Although no plans are currently in place, management may evaluate whether to retire some or all of the Class E Units at a future date.

**Class G Units**

In conjunction with the Sunoco Merger, we amended our partnership agreement to create the Class F Units. The number of Class F Units issued was determined at the closing of the Sunoco Merger and equaled 90.7 million, which included 40 million Class F Units issued in exchange for cash contributed by Sunoco to us immediately prior to or concurrent with the closing of the Sunoco Merger. The Class F Units generally did not have any voting rights. The Class F Units were entitled to aggregate cash distributions equal to 35% of the total amount of cash generated by us and our subsidiaries, other than Holdco, and

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available for distribution, up to a maximum of \$3.75 per Class F Unit per year. In April 2013, all of the outstanding Class F Units were exchanged for Class G Units on a one-for-one basis. The Class G Units have terms that are substantially the same as the Class F Units, with the principal difference between the Class G Units and the Class F Units being that allocations of depreciation and amortization to the Class G Units for tax purposes are based on a predetermined percentage and are not contingent on whether ETP has net income or loss. These units are held by a subsidiary and therefore are reflected as treasury units in the consolidated financial statements.

**Class H Units**

Pursuant to an Exchange and Redemption Agreement previously entered into between ETP, ETE and ETE Holdings, ETP redeemed and cancelled 50.2 million of its Common Units representing limited partner interests (the "Redeemed Units") owned by ETE Holdings on October 31, 2013 in exchange for the issuance by ETP to ETE Holdings of a new class of limited partner interest in ETP (the "Class H Units"), which are generally entitled to (i) allocations of profits, losses and other items from ETP corresponding to 50.05% of the profits, losses, and other items allocated to ETP by Sunoco Partners with respect to the IDRs and general partner interest in Sunoco Logistics held by Sunoco Partners, (ii) distributions from available cash at ETP for each quarter equal to 50.05% of the cash distributed to ETP by Sunoco Partners with respect to the IDRs and general partner interest in Sunoco Logistics held by Sunoco Partners for such quarter and, to the extent not previously distributed to holders of the Class H Units, for any previous quarters and (iii) incremental additional cash distributions in the aggregate amount of \$329 million, to be payable by ETP to ETE Holdings over 15 quarters, commencing with the quarter ended September 30, 2013 and ending with the quarter ending March 31, 2017. The incremental cash distributions referred to in clause (iii) of the previous sentence are intended to offset a portion of the IDR subsidies previously granted by ETE to ETP in connection with the Citrus Merger, the Holdco Transaction and the Holdco Acquisition. In connection with the issuance of the Class H Units, ETE and ETP also agreed to certain adjustments to the prior IDR subsidies in order to ensure that the IDR subsidies are fixed amounts for each quarter to which the IDR subsidies are in effect. For a summary of the net IDR subsidy amounts resulting from this transaction, see "Quarterly Distributions of Available Cash" below.

**Quarterly Distributions of Available Cash**

The Partnership Agreement requires that we distribute all of our Available Cash to our Unitholders and our General Partner within forty-five days following the end of each fiscal quarter, subject to the payment of incentive distributions to the holders of IDRs to the extent that certain target levels of cash distributions are achieved. The term Available Cash generally means, with respect to any of our fiscal quarters, all cash on hand at the end of such quarter, plus working capital borrowings after the end of the quarter, less reserves established by the General Partner in its sole discretion to provide for the proper conduct of our business, to comply with applicable laws or any debt instrument or other agreement, or to provide funds for future distributions to partners with respect to any one or more of the next four quarters. Available Cash is more fully defined in our Partnership Agreement.

Our distributions of Available Cash from operating surplus, excluding incentive distributions, to our General Partner and Limited Partner interests are based on their respective interests as of the distribution record date. Incentive distributions allocated to our General Partner are determined based on the amount by which quarterly distribution to common Unitholders exceed certain specified target levels, as set forth in our Partnership Agreement.



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Distributions declared during the periods presented below are summarized as follows:

Quarter Ended	Record Date	Payment Date	Rate
December 31, 2010	February 7, 2011	February 14, 2011	\$ 0.89375
March 31, 2011	May 6, 2011	May 16, 2011	0.89375
June 30, 2011	August 5, 2011	August 15, 2011	0.89375
September 30, 2011	November 4, 2011	November 14, 2011	0.89375
December 31, 2011	February 7, 2012	February 14, 2012	0.89375
March 31, 2012	May 4, 2012	May 15, 2012	0.89375
June 30, 2012	August 6, 2012	August 14, 2012	0.89375
September 30, 2012	November 6, 2012	November 14, 2012	0.89375
December 31, 2012	February 7, 2013	February 14, 2013	0.89375
March 31, 2013	May 6, 2013	May 15, 2013	0.89375
June 30, 2013	August 5, 2013	August 14, 2013	0.89375
September 30, 2013	November 4, 2013	November 14, 2013	0.90500
December 31, 2013	February 7, 2014	February 14, 2014	0.92000

Following are incentive distributions ETE has agreed to relinquish:

- In conjunction with the Partnership's Citrus Merger, ETE agreed to relinquish its rights to \$220 million of incentive distributions from ETP that ETE would otherwise be entitled to receive over 16 consecutive quarters beginning with the distribution paid on May 15, 2012.
- In conjunction with the Holdco Transaction in October 2012, ETE agreed to relinquish its right to \$210 million of incentive distributions from ETP that ETE would otherwise be entitled to receive over 12 consecutive quarters beginning with the distribution paid on November 14, 2012.
- As discussed in Note 3, in connection with the Holdco Acquisition on April 30, 2013, ETE also agreed to relinquish incentive distributions on the newly issued Common Units for the first eight consecutive quarters beginning with the distribution paid on August 14, 2013, and 50% of the incentive distributions for the following eight consecutive quarters.

In addition, the incremental distributions on the Class H Units, which are referred to in "Class H Units" above, were intended to offset a portion of the incentive distribution relinquishments previously granted by ETE to the Partnership. In connection with the issuance of the Class H Units, ETE and the Partnership also agreed to certain adjustments to the incremental distributions on the Class H Units in order to ensure that the net impact of the incentive distribution relinquishments (a portion of which is variable) and the incremental distributions on the Class H Units are fixed amounts for each quarter for which the incentive distribution relinquishments and incremental distributions on the Class H Units are in effect.

In addition to the amounts above, in connection with the Partnership's transfer of Trunkline LNG to ETE in February 2014, ETE agreed to provide additional subsidies to ETP through its relinquishment of incentive distributions of \$50 million, \$50 million, \$45 million and \$35 million for the years ending December 31, 2016, 2017, 2018 and 2019, respectively.

Following is a summary of the net amounts by which these incentive distribution relinquishments and incremental distributions on Class H Units would reduce the total distributions that would potentially be made to ETE in future quarters:

	Quarters Ending				Total Year
	March 31	June 30	September 30	December 31	
2014	\$ 26.5	\$ 26.5	\$ 26.5	\$ 26.5	\$ 106.0
2015	12.5	12.5	13.0	13.0	51.0
2016	18.0	18.0	18.0	18.0	72.0
2017	12.5	12.5	12.5	12.5	50.0
2018	11.25	11.25	11.25	11.25	45.0
2019	8.75	8.75	8.75	8.75	35.0

Table of Contents**Sunoco Logistics Quarterly Distributions of Available Cash**

Distributions declared during the periods presented below are summarized as follows:

Quarter Ended	Record Date	Payment Date	Rate	
December 31, 2012	February 8, 2013	February 14, 2013	\$	0.54500
March 31, 2013	May 9, 2013	May 15, 2013		0.57250
June 30, 2013	August 8, 2013	August 14, 2013		0.60000
September 30, 2013	November 8, 2013	November 14, 2013		0.63000
December 31, 2013	February 10, 2014	February 14, 2014		0.66250

**Accumulated Other Comprehensive Income (Loss)**

The following table presents the components of AOCI, net of tax:

	December 31,	
	2013	2012
Available-for-sale securities	\$ 2	\$ —
Foreign currency translation adjustment	(1)	—
Net loss on commodity related hedges	(4)	—
Actuarial gain (loss) related to pensions and other postretirement benefits	56	(10)
Equity investments, net	8	(9)
Subtotal	61	(19)
Amounts attributable to noncontrolling interest	—	6
Total AOCI, net of tax	\$ 61	\$ (13)

The tables below set forth the tax amounts included in the respective components of other comprehensive income (loss) for the periods presented:

	December 31,	
	2013	2012
Net gains on commodity related hedges	\$ —	\$ 1
Actuarial (gain) loss relating to pension and other postretirement benefits	(39)	5
Total	\$ (39)	\$ 6

**8. UNIT-BASED COMPENSATION PLANS:*****ETP Unit-Based Compensation Plan***

We have issued equity incentive plans for employees, officers and directors, which provide for various types of awards, including options to purchase ETP Common Units, restricted units, phantom units, Common Units, distribution equivalent rights ("DERs"), Common Unit appreciation rights, and other unit-based awards. As of December 31, 2013, an aggregate total of 0.9 million ETP Common Units remain available to be awarded under our equity incentive plans.

**Unit Grants**

We have granted restricted unit awards to employees that vest over a specified time period, typically a five-year service vesting requirement, with vesting based on continued employment as of each applicable vesting date. Upon vesting, ETP Common Units are issued. These unit awards entitle the recipients of the unit awards to receive, with respect to each Common Unit subject to such award that has not either vested or been forfeited, a cash payment equal to each cash distribution per Common Unit made by us on our Common Units promptly following each such distribution by us to our Unitholders. We refer to these rights as "distribution equivalent rights." Under our equity incentive plans, our non-employee directors each receive grants with a five-year service vesting requirement.



Table of Contents**Award Activity**

The following table shows the activity of the awards granted to employees and non-employee directors:

	Number of Units	Weighted Average Grant-Date Fair Value Per Unit
Unvested awards as of December 31, 2012	1.9	\$ 46.95
Awards granted	2.1	50.54
Awards vested	(0.6)	45.62
Awards forfeited	(0.2)	45.72
Unvested awards as of December 31, 2013	3.2	49.65

During the years ended December 31, 2013, 2012 and 2011, the weighted average grant-date fair value per unit award granted was \$50.54, \$43.93 and \$48.35, respectively. The total fair value of awards vested was \$26 million, \$29 million and \$27 million, respectively, based on the market price of ETP Common Units as of the vesting date. As of December 31, 2013, a total of 3.2 million unit awards remain unvested, for which ETP expects to recognize a total of \$116 million in compensation expense over a weighted average period of 2.1 years.

***Sunoco Logistics' Unit-Based Compensation Plan***

Sunoco Logistics' general partner has a long-term incentive plan for employees and directors, which permits the grant of restricted units and unit options of Sunoco Logistics covering an additional 0.6 million Sunoco common units. As of December 31, 2013, a total of 0.6 million Sunoco Logistics restricted units were outstanding for which Sunoco Logistics expects to recognize \$21 million of expense over a weighted-average period of 2.8 years.

***Related Party Awards***

McReynolds Energy Partners, L.P., the general partner of which is owned and controlled by the President of the entity that indirectly owns our General Partner, awarded to certain officers of ETP certain rights related to units of ETE previously issued by ETE to such ETE officer. These rights include the economic benefits of ownership of these ETE units based on a 5 year vesting schedule whereby the officer vested in the ETE units at a rate of 20% per year. As these ETE units conveyed to the recipients of these awards upon vesting from a partnership that is not owned or managed by ETE or ETP, none of the costs related to such awards were paid by ETP or ETE. As these units were outstanding prior to these awards, these awards did not represent an increase in the number of outstanding units of either ETP or ETE and were not dilutive to cash distributions per unit with respect to either ETP or ETE.

We recognized non-cash compensation expense over the vesting period based on the grant-date fair value of the ETE units awarded the ETP employees assuming no forfeitures. For the years ended December 31, 2013, 2012 and 2011, we recognized non-cash compensation expense, net of forfeitures, of less than \$1 million, \$1 million and \$2 million, respectively, as a result of these awards. As of December 31, 2013, no rights related to ETE common units remain outstanding.

Table of Contents**9. INCOME TAXES:**

As a partnership, we are not subject to U.S. federal income tax and most state income taxes. However, the partnership conducts certain activities through corporate subsidiaries which are subject to federal and state income taxes. The components of the federal and state income tax expense (benefit) are summarized as follows:

	Years Ended December 31,		
	2013	2012	2011
<b>Current expense (benefit):</b>			
Federal	\$ 51	\$ (3)	\$ (1)
State	(2)	4	16
Total	49	1	15
<b>Deferred expense:</b>			
Federal	(6)	45	4
State	54	17	—
Total	48	62	4
<b>Total income tax expense from continuing operations</b>	<b>\$ 97</b>	<b>\$ 63</b>	<b>\$ 19</b>

Historically, our effective rate differed from the statutory rate primarily due to Partnership earnings that are not subject to U.S. federal and most state income taxes at the Partnership level. The completion of the Southern Union Merger, Sunoco Merger and Holdco Transaction (see Note 3) significantly increased the activities conducted through corporate subsidiaries. A reconciliation of income tax expense (benefit) at the U.S. statutory rate to the income tax expense (benefit) attributable to continuing operations for the years ended December 31, 2013 and 2012 is as follows:

	December 31, 2013			December 31, 2012		
	Corporate Subsidiaries <sup>(1)</sup>	Partnership <sup>(2)</sup>	Consolidated	Corporate Subsidiaries <sup>(1)</sup>	Partnership <sup>(2)</sup>	Consolidated
Income tax expense (benefit) at U.S. statutory rate of 35 percent	\$ (166)	\$ —	\$ (166)	\$ 1	\$ —	\$ 1
Increase (reduction) in income taxes resulting from:						
Nondeductible goodwill	241	—	241	—	—	—
Nondeductible executive compensation	—	—	—	28	—	28
State income taxes (net of federal income tax effects)	31	5	36	9	7	16
Other	(13)	(1)	(14)	18	—	18
<b>Income tax from continuing operations</b>	<b>\$ 93</b>	<b>\$ 4</b>	<b>\$ 97</b>	<b>\$ 56</b>	<b>\$ 7</b>	<b>\$ 63</b>

<sup>(1)</sup> Includes Holdco, Oasis Pipeline Company, Inland Corporation, Mid-Valley Pipeline Company and West Texas Gulf Pipeline Company. The latter three entities were acquired in the Sunoco Merger. Holdco, which was formed via the Sunoco Merger and the Holdco Transaction (see Note 3), includes Sunoco and Southern Union and their subsidiaries. ETE held a 60% interest in Holdco until April 30, 2013. Subsequent to the Holdco Acquisition (see Note 3) on April 30, 2013, ETP owns 100% of Holdco.

<sup>(2)</sup> Includes ETP and its subsidiaries that are classified as pass-through entities for federal income tax purposes.

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Deferred taxes result from the temporary differences between financial reporting carrying amounts and the tax basis of existing assets and liabilities. The table below summarizes the principal components of the deferred tax assets (liabilities) as follows:

	December 31,	
	2013	2012
<b>Deferred income tax assets:</b>		
Net operating losses and alternative minimum tax credit	\$ 217	\$ 268
Pension and other postretirement benefits	57	127
Long term debt	108	117
Other	104	288
Total deferred income tax assets	486	800
Valuation allowance	(74)	(90)
Net deferred income tax assets	\$ 412	\$ 710
<b>Deferred income tax liabilities:</b>		
Properties, plants and equipment	\$ (1,522)	\$ (1,938)
Inventory	(302)	(516)
Investment in unconsolidated affiliates	(2,244)	(1,542)
Trademarks	(180)	(192)
Other	(45)	(128)
Total deferred income tax liabilities	(4,293)	(4,316)
Net deferred income tax liability	(3,881)	(3,606)
Less: current portion of deferred income tax assets (liabilities)	(119)	(130)
Accumulated deferred income taxes	\$ (3,762)	\$ (3,476)

The completion of the Southern Union Merger, Sunoco Merger and Holdco Transaction (see Note 3) significantly increased the deferred tax assets (liabilities). The table below provides a rollforward of the net deferred income tax liability as follows:

	December 31,	
	2013	2012
Net deferred income tax liability, beginning of year	\$ (3,606)	\$ (123)
Southern Union acquisition	—	(1,420)
Sunoco acquisition	—	(1,989)
SUGS Contribution to Regency	(115)	—
Tax provision (including discontinued operations)	(111)	(73)
Other	(49)	(1)
Net deferred income tax liability	\$ (3,881)	\$ (3,606)

Holdco and other corporate subsidiaries have gross federal net operating loss carryforwards of \$216 million, all of which will expire in 2032. Holdco has \$40 million of federal alternative minimum tax credits which do not expire. Holdco and other corporate subsidiaries have state net operating loss carryforward benefits of \$101 million, net of federal tax, which expire between 2013 and 2032. The valuation allowance of \$74 million is applicable to the state net operating loss carryforward benefits applicable to Sunoco pre-acquisition periods.

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The following table sets forth the changes in unrecognized tax benefits:

	Years Ended December 31,		
	2013	2012	2011
Balance at beginning of year	\$ 27	\$ 2	\$ 2
Additions attributable to acquisitions	—	28	—
Additions attributable to tax positions taken in the current year	—	—	1
Additions attributable to tax positions taken in prior years	406	—	—
Settlements	—	—	(1)
Lapse of statute	(4)	(3)	—
Balance at end of year	\$ 429	\$ 27	\$ 2

As of December 31, 2013, we have \$425 million (\$418 million after federal income tax benefits) related to tax positions which, if recognized, would impact our effective tax rate. We believe it is reasonably possible that its unrecognized tax benefits may be reduced by \$6 million (\$5 million, net of federal tax) within the next twelve months due to settlement of certain positions.

Sunoco has historically included certain government incentive payments as taxable income on its federal and state income tax returns. In connection with Sunoco's 2004 through 2011 open statute years, Sunoco has proposed to the IRS that these government incentive payments be excluded from federal taxable income. If Sunoco is fully successful with its claims, it will receive tax refunds of approximately \$372 million. However, due to the uncertainty surrounding the claims, a reserve of \$372 million was established for the full amount of the claims. Due to the timing of the expected settlement of the claims and the related reserve, the receivable and the reserve for this issue have been netted in the financial statements as of December 31, 2013.

Our policy is to accrue interest expense and penalties on income tax underpayments (overpayments) as a component of income tax expense. During 2013, we recognized interest and penalties of less than \$1 million. At December 31, 2013, we have interest and penalties accrued of \$6 million, net of tax.

In general, ETP and its subsidiaries are no longer subject to examination by the IRS for tax years prior to 2009, except Sunoco and Southern Union which are no longer subject to examination by the IRS for tax years prior to 2007 and 2004, respectively.

Sunoco has been examined by the IRS for the 2007 and 2008 tax years; however, the statutes remain open for both of these tax years due to carryback of net operating losses. Sunoco is currently under examination for the years 2009 through 2011, but due to the aforementioned carryback, such years also impact Sunoco's tax liability for the years 2004 through 2008. With the exception of the claims regarding government incentive payments discussed above, all issues are resolved. Southern Union is under examination for the tax years 2004 through 2009. As of December 31, 2013, the IRS has proposed only one adjustment for the years under examination. For the 2006 tax year, the IRS is challenging \$545 million of the \$690 million of deferred gain associated with a like kind exchange involving certain assets of its distribution operations and its gathering and processing operations. We will vigorously defend and believe Southern Union's tax position will prevail against this challenge by the IRS. Accordingly, no unrecognized tax benefit has been recorded with respect to this tax position.

ETP and its subsidiaries also have various state and local income tax returns in the process of examination or administrative appeal in various jurisdictions. We believe the appropriate accruals or unrecognized tax benefits have been recorded for any potential assessment with respect to these examinations.

#### **10. REGULATORY MATTERS, COMMITMENTS, CONTINGENCIES AND ENVIRONMENTAL LIABILITIES:**

##### **FERC Audit**

The FERC recently completed an audit of PEPL, a subsidiary of Southern Union, for the period from January 1, 2010 through December 31, 2011, to evaluate its compliance with the Uniform System of Accounts as prescribed by the FERC, annual and quarterly financial reporting to the FERC, reservation charge crediting policy and record retention. An audit report was received in August 2013 noting no issues that would have a material impact on the Partnership's historical financial position or results of operations.

**Contingent Matters Potentially Impacting the Partnership from Our Investment in Citrus**

*Florida Gas Pipeline Relocation Costs.* The Florida Department of Transportation, Florida's Turnpike Enterprise ("FDOT/FTE") has various turnpike/State Road 91 widening projects that have impacted or may, over time, impact one or more of FGTs' mainline pipelines located in FDOT/FTE rights-of-way. Certain FDOT/FTE projects have been or are the subject of litigation in Broward County, Florida. On November 16, 2012, FDOT paid to FGT the sum of approximately \$100 million, representing the amount of the judgment, plus interest, in a case tried in 2011.

On April 14, 2011, FGT filed suit against the FDOT/FTE and other defendants in Broward County, Florida seeking an injunction and damages as the result of the construction of a mechanically stabilized earth wall and other encroachments in FGT easements as part of FDOT/FTE's I-595 project. On August 21, 2013, FGT and FDOT/FTE entered into a settlement agreement pursuant to which, among other things, FDOT/FTE paid FGT approximately \$19 million in September, 2013 in settlement of FGT's claims with respect to the I-595 project. The settlement agreement also provided for agreed easement widths for FDOT/FTE right-of-way and for cost sharing between FGT and FDOT/FTE for any future relocations. Also in September 2013, FDOT/FTE paid FGT an additional approximate \$1 million for costs related to the aforementioned turnpike/State Road 91 case tried in 2011.

FGT will continue to seek rate recovery in the future for these types of costs to the extent not reimbursed by the FDOT/FTE. There can be no assurance that FGT will be successful in obtaining complete reimbursement for any such relocation costs from the FDOT/FTE or from its customers or that the timing of such reimbursement will fully compensate FGT for its costs.

**Contingent Residual Support Agreement – AmeriGas**

In connection with the closing of the contribution of its propane operations in January 2012, ETP agreed to provide contingent, residual support of \$1.55 billion of intercompany borrowings made by AmeriGas and certain of its affiliates with maturities through 2022 from a finance subsidiary of AmeriGas that have maturity dates and repayment terms that mirror those of an equal principal amount of senior notes issued by this finance company subsidiary to third party purchases.

**PEPL Holdings Guarantee of Collection**

In connection with the SUGS Contribution, Regency issued \$600 million of 4.50% Senior Notes due 2023 (the "Regency Debt"), the proceeds of which were used by Regency to fund the cash portion of the consideration, as adjusted, and pay certain other expenses or disbursements directly related to the closing of the SUGS Contribution. In connection with the closing of the SUGS Contribution on April 30, 2013, Regency entered into an agreement with PEPL Holdings, a subsidiary of Southern Union, pursuant to which PEPL Holdings provided a guarantee of collection (on a nonrecourse basis to Southern Union) to Regency and Regency Energy Finance Corp. with respect to the payment of the principal amount of the Regency Debt through maturity in 2023. In connection with the completion of the Panhandle Merger, in which PEPL Holdings was merged with and into Panhandle, the guarantee of collection for the Regency Debt was assumed by Panhandle.

**NGL Pipeline Regulation**

We have interests in NGL pipelines located in Texas and New Mexico. We commenced the interstate transportation of NGLs in 2013, which is subject to the jurisdiction of the FERC under the ICA and the Energy Policy Act of 1992. Under the ICA, tariffs must be just and reasonable and not unduly discriminatory or confer any undue preference. The tariff rates established for interstate services were based on a negotiated agreement; however, the FERC's rate-making methodologies may limit our ability to set rates based on our actual costs, may delay or limit the use of rates that reflect increased costs and may subject us to potentially burdensome and expensive operational, reporting and other requirements. Any of the foregoing could adversely affect our business, revenues and cash flow.

**Commitments**

In the normal course of our business, we purchase, process and sell natural gas pursuant to long-term contracts and we enter into long-term transportation and storage agreements. Such contracts contain terms that are customary in the industry. We believe that the terms of these agreements are commercially reasonable and will not have a material adverse effect on our financial position or results of operations.

We have certain non-cancelable leases for property and equipment, which require fixed monthly rental payments and expire at various dates through 2056. Rental expense under these operating leases has been included in operating expenses in the accompanying statements of operations and totaled approximately \$140 million, \$57 million and \$26 million for the years ended December 31, 2013, 2012 and 2011, respectively, which include contingent rentals totaling \$22 million and \$6 million in 2013 and 2012, respectively. During the years ended December 31, 2013 and 2012, approximately \$24 million and \$4 million, respectively, of rental expense was recovered through related sublease rental income.



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Future minimum lease commitments for such leases are:

Years Ending December 31:

2014	\$	80
2015		78
2016		70
2017		66
2018		53
Thereafter		420
Future minimum lease commitments		<u>767</u>
Less: Sublease rental income		(57)
Net future minimum lease commitments	\$	<u>710</u>

Our joint venture agreements require that we fund our proportionate share of capital contributions to our unconsolidated affiliates. Such contributions will depend upon our unconsolidated affiliates' capital requirements, such as for funding capital projects or repayment of long-term obligations.

**Litigation and Contingencies**

We may, from time to time, be involved in litigation and claims arising out of our operations in the normal course of business. Natural gas and crude are flammable and combustible. Serious personal injury and significant property damage can arise in connection with their transportation, storage or use. In the ordinary course of business, we are sometimes threatened with or named as a defendant in various lawsuits seeking actual and punitive damages for product liability, personal injury and property damage. We maintain liability insurance with insurers in amounts and with coverage and deductibles management believes are reasonable and prudent, and which are generally accepted in the industry. However, there can be no assurance that the levels of insurance protection currently in effect will continue to be available at reasonable prices or that such levels will remain adequate to protect us from material expenses related to product liability, personal injury or property damage in the future.

***Sunoco Litigation***

Following the announcement of the Sunoco Merger on April 30, 2012, eight putative class action and derivative complaints were filed in connection with the Sunoco Merger in the Court of Common Pleas of Philadelphia County, Pennsylvania. Each complaint names as defendants the members of Sunoco's board of directors and alleges that they breached their fiduciary duties by negotiating and executing, through an unfair and conflicted process, a merger agreement that provides inadequate consideration and that contains impermissible terms designed to deter alternative bids. Each complaint also names as defendants Sunoco, ETP, ETP GP, ETP LLC, and Sam Acquisition Corporation, alleging that they aided and abetted the breach of fiduciary duties by Sunoco's directors; some of the complaints also name ETE as a defendant on those aiding and abetting claims. In September 2012, all of these lawsuits were settled with no payment obligation on the part of any of the defendants following the filing of Current Reports on Form 8-K that included additional disclosures that were incorporated by reference into the proxy statement related to the Sunoco Merger. Subsequent to the settlement of these cases, the plaintiffs' attorneys sought compensation from Sunoco for attorneys' fees related to their efforts in obtaining these additional disclosures. In January 2013, Sunoco entered into agreements to compensate the plaintiffs' attorneys in the state court actions in the aggregate amount of not more than \$950,000 and to compensate the plaintiffs' attorneys in the federal court action in the amount of not more than \$250,000. The payment of \$950,000 was made in July 2013.

***Litigation Relating to the Southern Union Merger***

In June 2011, several putative class action lawsuits were filed in the Judicial District Court of Harris County, Texas naming as defendants the members of the Southern Union Board, as well as Southern Union and ETE. The lawsuits were styled *Jaroslawicz v. Southern Union Company, et al.*, Cause No. 2011-37091, in the 333rd Judicial District Court of Harris County, Texas and *Magda v. Southern Union Company, et al.*, Cause No. 2011-37134, in the 11th Judicial District Court of Harris County, Texas. The lawsuits were consolidated into an action styled *In re: Southern Union Company*; Cause No. 2011-37091, in the 333rd Judicial District Court of Harris County, Texas. Plaintiffs allege that the Southern Union directors breached their fiduciary duties to Southern Union's stockholders in connection with the Merger and that Southern Union and ETE aided and abetted the alleged breaches of fiduciary duty. The amended petitions allege that the Merger involves an unfair price and an inadequate sales process, that Southern Union's directors entered into the Merger to benefit themselves personally, including



**Attachment F1**

**Part 7c – 10Q Financial Information**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

(Mark One)

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

For the quarterly period ended June 30, 2014

or

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

Commission file number 1-11727

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

(Exact name of registrant as specified in its charter)

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

**73-1493906**  
(I.R.S. Employer  
Identification No.)

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

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

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

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

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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

At August 1, 2014, the registrant had 325,444,109 Common Units outstanding.

**ENERGY TRANSFER PARTNERS, L.P. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in millions)  
(unaudited)

	Six Months Ended June 30,	
	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 1,072	\$ 837
Reconciliation of net income to net cash provided by operating activities:		
Depreciation and amortization	534	511
Deferred income taxes	(111)	73
Amortization included in interest expense	(34)	(47)
LIFO valuation adjustments	(34)	(16)
Non-cash compensation expense	27	24
Gain on sale of AmeriGas common units	(163)	—
Distributions on unvested awards	(8)	(6)
Equity in earnings of unconsolidated affiliates	(136)	(109)
Distributions from unconsolidated affiliates	108	154
Other non-cash	(33)	20
Net change in operating assets and liabilities, net of effects of acquisitions and deconsolidations (see Note 3)	351	(277)
Net cash provided by operating activities	<u>1,573</u>	<u>1,164</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash proceeds from SUGS Contribution (see Note 2)	—	493
Cash paid for Holdco Acquisition	—	(1,332)
Cash paid for all other acquisitions	(196)	(5)
Cash proceeds from the sale of AmeriGas common units	759	—
Capital expenditures (excluding allowance for equity funds used during construction)	(1,700)	(1,131)
Contributions in aid of construction costs	25	11
Contributions to unconsolidated affiliates	(63)	(1)
Distributions from unconsolidated affiliates in excess of cumulative earnings	65	43
Proceeds from sale of discontinued operations	79	—
Proceeds from the sale of assets	12	19
Other	7	(25)
Net cash used in investing activities	<u>(1,012)</u>	<u>(1,928)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	2,993	3,960
Repayments of long-term debt	(2,544)	(2,832)
Repayments of borrowings from affiliates	—	(166)
Net proceeds from issuance of Common Units	484	1,090
Subsidiary equity offerings, net of issue costs	102	—
Capital contributions received from noncontrolling interest	84	72
Distributions to partners	(943)	(873)
Distributions to noncontrolling interest	(157)	(247)
Debt issuance costs	(9)	(19)
Net cash provided by financing activities	<u>10</u>	<u>985</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>571</u>	<u>221</u>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<u>549</u>	<u>311</u>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<u>\$ 1,120</u>	<u>\$ 532</u>

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

Table of Contents**4. INVENTORIES:**

Inventories consisted of the following:

	June 30, 2014	December 31, 2013
Natural gas and NGLs	\$ 258	\$ 519
Crude oil	478	488
Refined products	583	597
Appliances, parts and fittings and other	177	161
Total inventories	<u>\$ 1,496</u>	<u>\$ 1,765</u>

We utilize commodity derivatives to manage price volatility associated with certain of our natural gas inventory and designate certain of these derivatives as fair value hedges for accounting purposes. Changes in fair value of designated hedged inventory are recorded in inventory on our consolidated balance sheets and in cost of products sold in our consolidated statements of operations.

**5. ADVANCES TO AND INVESTMENTS IN UNCONSOLIDATED AFFILIATES:****AmeriGas Partners, L.P.**

In January 2014, June 2014 and August 2014, we sold 9.2 million, 8.5 million and 1.2 million AmeriGas common units, respectively, for net proceeds of \$381 million, \$377 million and \$55 million, respectively. Net proceeds from these sales were used to repay borrowings under the ETP Credit Facility and for general partnership purposes. Subsequent to the August 2014 sale, the Partnership's remaining interest in AmeriGas common units consisted of 3.1 million units held by a wholly-owned captive insurance company.

**Bayview Refining Company, LLC**

In May 2014, Sunoco Logistics entered into a joint agreement to form Bayview Refining Company, LLC ("Bayview"). Bayview will construct and operate a facility that will process crude oil into intermediate petroleum products. Sunoco Logistics will fund construction of the facility through contributions proportionate to its 49% economic and voting interests, with the remaining portion funded by the joint owner through a promissory note entered into with Sunoco Logistics. Through June 30, 2014, the joint owners have made contributions totaling \$8 million. The facility is expected to commence operations in the second half of 2015. Bayview is a variable interest entity of which Sunoco Logistics is not the primary beneficiary. As a result, Sunoco Logistics' interest in Bayview is reflected as an equity method investment.

**6. FAIR VALUE MEASUREMENTS:**

We have commodity derivatives and interest rate derivatives that are accounted for as assets and liabilities at fair value in our consolidated balance sheets. We determine the fair value of our assets and liabilities subject to fair value measurement by using the highest possible "level" of inputs. Level 1 inputs are observable quotes in an active market for identical assets and liabilities. We consider the valuation of marketable securities and commodity derivatives transacted through a clearing broker with a published price from the appropriate exchange as a Level 1 valuation. Level 2 inputs are inputs observable for similar assets and liabilities. We consider OTC commodity derivatives entered into directly with third parties as a Level 2 valuation since the values of these derivatives are quoted on an exchange for similar transactions. Additionally, we consider our options transacted through our clearing broker as having Level 2 inputs due to the level of activity of these contracts on the exchange in which they trade. We consider the valuation of our interest rate derivatives as Level 2 as the primary input, the LIBOR curve, is based on quotes from an active exchange of Eurodollar futures for the same period as the future interest swap settlements. Level 3 inputs are unobservable. During the six months ended June 30, 2014, no transfers were made between any levels within the fair value hierarchy.

Based on the estimated borrowing rates currently available to us and our subsidiaries for loans with similar terms and average maturities, the aggregate fair value of our consolidated debt obligations at June 30, 2014 and December 31, 2013 was \$19.12 billion and \$17.69 billion, respectively. As of June 30, 2014 and December 31, 2013, the aggregate carrying amount of our consolidated debt obligations was \$17.57 billion and \$17.09 billion, respectively. The fair value of our consolidated debt obligations is a Level 2 valuation based on the observable inputs used for similar liabilities.

**Attachment G**

**Part 7f – Tax Certification Statement**

**COMMONWEALTH OF  
PENNSYLVANIA  
PUBLIC UTILITY COMMISSION**

**TAX CERTIFICATION  
STATEMENT**

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME Energy Transfer Retail Power, LLC	2. BUSINESS PHONE NO. ( ) CONTACT PERSON(S) FOR TAX ACCOUNTS:
3. TRADE/FICTITIOUS NAME (IF ANY) N/A	
4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP) 1300 Main Street, Dallas, TX 75219	
5. TYPE OF ENTITY <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION <input checked="" type="checkbox"/> LLC <input type="checkbox"/> OTHER (Describe...)	

6. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICERS(S)

NAME (PRINT) Martin Salinas Jr (Chief Financial Officer)	SOCIAL SECURITY NUMBER (OPTIONAL) _____ - _____ - _____
NAME (PRINT) David Coker (Senior Vice President)	SOCIAL SECURITY NUMBER (OPTIONAL) _____ - _____ - _____
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _____ - _____ - _____
NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL) _____ - _____ - _____

7. LIST THE FOLLOWING STATE & FEDERAL TAX IDENTIFICATION NUMBERS (ALL ITEMS A,B, & C MUST BE COMPLETED)

**Applicant must provide explanation if submitting N/A for any items**

Item A - Designated by the Pennsylvania Department of Revenue.

Item B - Designated by the Internal Revenue Service.

Item C - Designated by the Pennsylvania Department of Revenue. The Corporate Box number may also be referred to as the Corporate Account number.

<b>A. SALES TAX LICENSE (8 DIGITS)</b> APPLICATION PENDING      N/A [ 8   6   ] [ 0   5   5   0   6   ] - [ 7   ] <input type="checkbox"/> <input type="checkbox"/>	<b>C. CORPORATE BOX NUMBER (7 DIGITS)</b> APPLICATION PENDING      N/A [ ] [ ] [ ] [ ] [ ] [ ] [ ] <input type="checkbox"/> <input type="checkbox"/> N/A - no longer in use by Department of Revenue see below for Revenue ID #
<b>B. EMPLOYER ID (EIN) (9 DIGITS):</b> APPLICATION PENDING      N/A [ 2   6   ] - [ 0   8   5   5   5   4   9   ] <input type="checkbox"/> <input type="checkbox"/>	Revenue ID # 1000706700

8. Do you have PA employees; resident or non-resident?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
9. Do you own any assets or have an office in PA?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO

**NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS**

Aaron Perry PA SALES AND USE TAX	_____ EMPLOYER TAXES	Chad Crowell CORPORATE TAXES
PHONE <u>210-403-6464</u>	PHONE _____	PHONE <u>210-403-6446</u>

Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers: (717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)



**Attachment H**

**Part 10a – PJM LSE**

PJM Interconnection, L.L.C.  
Rate Schedule FERC No. 44

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**RELIABILITY ASSURANCE AGREEMENT**

**Among**

**LOAD SERVING ENTITIES**

**in the**

**PJM REGION**

---

**Effective Date: 07/01/2014**

## PJM RELIABILITY ASSURANCE AGREEMENT

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Discount Power, Inc.  
Dominion Retail, Inc.  
Downes Associates, Inc.  
DPL Energy Resources, Inc.  
DTE Energy Supply, Inc.  
DTE Energy Trading, Inc.  
Duke Energy Commercial Asset Management, Inc.  
Duke Energy Kentucky, Inc.  
Duke Energy Ohio, Inc.  
Duke Energy Retail Sales, LLC  
Duquesne Light Company  
Duquesne Light Energy, LLC  
Dynergy Energy Services, Inc.  
Dynergy Energy Services, LLC  
Dynergy Kendall Energy, LLC  
Eagle Energy, LLC  
East Kentucky Power Cooperative, Inc.  
Easton Utilities Commission  
EDF Industrial Power Services (IL), LLC  
EDF Trading North America, LLC  
Edison Mission Marketing and Trading, Inc.  
Eligio Energy, LLC  
Emblem Energy, LLC  
Energetix, Inc.  
Energy America, LLC  
Energy Cooperative Association of Pennsylvania (The)  
Energy Cooperative of America, Inc.  
Energy Plus Holdings LLC  
Energy Services Providers, Inc.  
Energy Technology Savings, LLC  
Energy Transfer Retail Power, LLC  
Energy.me Midwest llc d/b/a energy.me  
EnerPenn USA, LLC  
E-Now, LP  
Evergreen Gas & Electric, LLC  
Evraz Claymont Steel  
Exelon Generation Co., LLC  
First Point Power, LLC  
FirstEnergy Solutions Corp.  
Front Royal (Town of)  
Galt Power Inc.  
Gateway Energy Services Corporation  
GDF Suez Retail Energy Solutions, LLC  
GenOn Power Midwest, LP  
Gerdau Ameristeel Energy, Inc.



PJM Interconnection, L.L.C.  
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Dynergy Energy Services, LLC  
Dynergy Kendall Energy, LLC  
Eagle Energy, LLC  
East Kentucky Power Cooperative, Inc.  
Easton Utilities Commission  
EDF Industrial Power Services (IL), LLC  
EDF Trading North America, LLC  
Edison Mission Marketing and Trading, Inc.  
Eligio Energy, LLC  
Emblem Energy, LLC  
Energetix, Inc.  
Energy America, LLC  
Energy Cooperative Association of Pennsylvania (The)  
Energy Cooperative of America, Inc.  
Energy Plus Holdings LLC  
Energy Services Providers, Inc.  
Energy Technology Savings, LLC  
Energy Transfer Retail Power, LLC  
Energy.me Midwest llc d/b/a energy.me  
EnerPenn USA, LLC  
E-Now, LP  
Evergreen Gas & Electric, LLC  
Evraz Claymont Steel  
Exelon Generation Co., LLC  
First Point Power, LLC  
FirstEnergy Solutions Corp.  
Front Royal (Town of)  
Galt Power Inc.  
Gateway Energy Services Corporation  
GDF Suez Retail Energy Solutions, LLC  
GenOn Power Midwest, LP  
Gerdau Ameristeel Energy, Inc.

## **Attachment I**

### **Part 12 – Newspaper Publications**



PROOF OF PUBLICATION  
In  
THE ERIE TIMES-NEWS  
COMBINATION EDITION

HAWKE MCKEON SNISCAK LLP  
100 NORTH TENTH ST  
HARRISBURG PA 17101

REFERENCE: 114627 89268  
PUC Notice

STATE OF PENNSYLVANIA)  
COUNTY OF ERIE ) SS:

Debra McGraw, being duly sworn, deposes and says that: (1) he/she is a designated agent of the Times Publishing Company (TPC) to execute Proofs of Publication on behalf of the TPC; (2) the TPC, whose principal place of business is at 205 W. 12th Street, Erie, Pennsylvania, owns and publishes the Erie Times-News, established October 2, 2000, a daily newspaper of general circulation, and published at Erie, Erie County Pennsylvania; (3) the subject notice or advertisement, a true and correct copy of which is attached, was published in the regular edition(s) of said newspaper on the date(s) referred to below. Affiant further deposes that he/she is duly authorized by the TPC, owner and publisher of the Erie Times-News, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLISHED ON: 08/26/14

TOTAL COST: \$409.00 AD SPACE: 0 Lines

FILED ON: 08/26/14

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**NOTICE**

*Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.*

Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission (PUC) for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Energy Transfer Retail Power, LLC may be filed within 16 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.

By and through Counsel:  
Whitney E. Snyder  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
Phone: (717) 236-1300  
Fax: (717) 236-4847

Sworn to and subscribed before me this 26th day of August 2014

Affiant: Debra McGraw

NOTARY: Barbara J Moore

**COMMONWEALTH OF PENNSYLVANIA**  
Notarial Seal  
Barbara J. Moore, Notary Public  
City of Erie, Erie County  
My Commission Expires March 23, 2016  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

The Patriot-News Co.  
2020 Technology Pkwy  
Suite 300  
Mechanicsburg, PA 17050  
Inquiries - 717-255-8213

Attachment I  
**The Patriot-News**  
Now you know

HAWKE MCKEON & SNISCAK LLP  
ATTN: JUDY CASSEL  
100 NORTH TENTH STREET

HARRISBURG PA 17101

**THE PATRIOT NEWS  
THE SUNDAY PATRIOT NEWS**

**Proof of Publication**

Under Act No. 587, Approved May 16, 1929  
Commonwealth of Pennsylvania, County of Dauphin) ss

Amy Kotula, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317.

**PUBLICATION COPY**

This ad # 0002311863 ran on the dates shown below:

August 26, 2014

*Amy Kotula*

Sworn to and subscribed before me this 27 day of August, 2014 A.D.

*Sheryl Marie Leggore*  
Notary Public

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
Sheryl Marie Leggore, Notary Public  
Hampden Twp., Cumberland County  
My Commission Expires July 16, 2018  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
NOTICE  
Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.  
Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.  
The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Energy Transfer Retail Power, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.  
By and through Counsel:  
Whitney E. Snyder  
Hawke McKeon & Sniscak LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
Phone: (717) 236-1300  
Fax: (717) 236-4847

Proof of Publication in The Philadelphia Daily News  
Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA  
COUNTY OF PHILADELPHIA

Florence Devlin being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

August 25, 2014

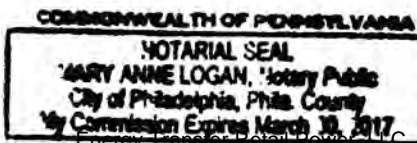
Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

*Florence Devlin*

Sworn to and subscribed before me this 25<sup>th</sup> day of August, 2014.

*Mary Anne Logan*  
Notary Public

My Commission Expires:



Copy of Notice of Publication

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
NOTICE  
Application of Energy Transfer Retail Power, LLC for Approval to Offer, Render, Furnish or Supply Electricity Services As a Supplier of Electric Power to the Public in the Commonwealth of Pennsylvania.  
Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electricity. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.  
The PUC may consider this application without a hearing. Protests directed to the secretary of the PUC may be filed within 10 days of the date of this notice with the Secretary of the PUC, P.O. Box 5280, Harrisburg, PA 17105-5280. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.  
By and through Counsel:  
Whitney E. Snyder  
Morris McKinn & Roberts LLP  
100 North Fourth Street  
P.O. Box 1178  
Harrisburg, PA 17105-1178  
Phone: (717) 266-1100  
Fax: (717) 266-1107

No. \_\_\_\_\_ Term, \_\_\_\_\_

**Proof of Publication of Notice in Pittsburgh Post-Gazette**

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

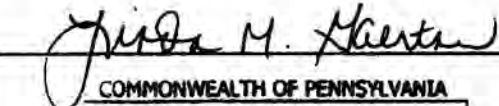
Commonwealth of Pennsylvania, County of Allegheny, ss K. Flaherty, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

**25 of August, 2014**

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

  
PG Publishing Company

Sworn to and subscribed before me this day of:  
August 25, 2014

  
COMMONWEALTH OF PENNSYLVANIA

Notarial Seal  
Linda M. Gaertner, Notary Public  
City of Pittsburgh, Allegheny County  
My Commission Expires Jan. 31, 2015  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

**STATEMENT OF ADVERTISING COSTS**

Hawke McKeon & Sniscak  
100 N TENTH ST  
PO BOX 1778  
ATTN: STEVEN K HAAS  
HARRISBURG PA 17105-1778

To PG Publishing Company

Total \_\_\_\_\_ \$435.00

**Publisher's Receipt for Advertising Costs**

PG PUBLISHING COMPANY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforesaid advertising and publication costs and certifies that the same have been fully paid.

Office  
34 Boulevard of the Allies  
PITTSBURGH, PA 15222  
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of  
Pittsburgh Post-Gazette, a Newspaper of General Circulation

By  Samuel J. Aronson

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

**COPY OF NOTICE OR PUBLICATION**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**

Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.

Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Energy Transfer Retail Power, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3266, Harrisburg, PA 17105-3265. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.

By and through Counsel: Whitney E. Snyder, Hawke McKeon & Sniscak LLP, 100 North Tenth Street, P.O. Box 1778, Harrisburg, PA 17105-1778, Phone: (717) 236-1300, Fax: (717) 236-4847



The Scranton Times (Under act P.L. 877 No 160. July 9, 1976)  
Commonwealth of Pennsylvania, County of Lackawanna

HAWKE MCKEON SNISCAK & KENNARD  
STEVEN HAAS  
100 NORTH TENTH STREET HARRISBURG PA 17105

Account # 51864  
Order # 81587161  
Ad Price: 215.30

LEGAL NOTICE PENNSYLVANIA

Gina Krushinski

Being duly sworn according to law deposes and says that (s)he is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

08/25/2014

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true Gina Krushinski

Sworn and subscribed to before me  
this 25th day of August A.D., 2014

Sharon Venturi  
(Notary Public)

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Sharon Venturi, Notary Public  
City of Scranton, Lackawanna County  
My Commission Expires Feb. 12, 2018  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

LEGAL NOTICE  
PENNSYLVANIA PUBLIC UTILITY  
COMMISSION NOTICE  
Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.

Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Energy Transfer Retail Power, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA

17105-3265. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.

By and through Counsel:

Whitney E. Snyder  
Hawke Mckean & Snisca, LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
Phone: (717) 238-1300  
Fax: (717) 238-4343

COMMONWEALTH OF PENNSYLVANIA }  
County of Cambria } SS

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**  
*Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.*  
Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to add electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act. The PUC may consider this application without a hearing. Protests directed to the technical or financial issues of Energy Transfer Retail Power, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3205, Harrisburg, PA 17105-3205. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.  
By and through Counsel:  
Whitney E. Snyder  
Hawice McKean & Golczak, LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA 17105-1778  
Phone: (717) 236-1300  
Fax: (717) 236-4847  
My Commission Expires Dec. 6, 2016  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

published continu  
that the annexed  
of The Johnstown  
in the subject mat  
of said publicatio

in the County of Cambria, and Commonwealth of Pennsylvania and  
in the above matter published in said publication in the regular issues  
Johnstown, PA, on August 24, 2014; and that the Affiant is not interested  
advertising and that all of the allegations as to time, place and character

On this 3rd day of September A.D. 2014, before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Marhefka, who being duly sworn according to law, deposes and says as Classified Advertising Manager of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8, 1952, of the Johnstown Tribune, established December 7, 1853; and of the Johnstown Democrat, established March 5, 1863,

*Christine Marhefka*

STATEMENT OF ADVERTISING COSTS

Sworn and Subscr  
3rd day of Septem

*Julia*

58 Lines @ \$2.50 per line	145.00
0.00 Inches @ \$25.00 per inch	0.00
Notary Fee	5.00
Clerical Fee	2.20
<b>Total Cost</b>	<b>152.50</b>

OF PENNSYLVANIA  
Notary Seal  
Notary Public  
Cambria County  
My Commission Expires Dec. 6, 2016  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

To The Tribune-Democrat, Johnstown, PA  
For publishing the notice or publication  
attached hereto on the above stated dates.

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

\_\_\_\_\_ for publisher of \_\_\_\_\_  
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid  
and publication costs and certifies that the same has been duly paid.

\_\_\_\_\_  
(Name of Newspaper)

By \_\_\_\_\_



PROOF OF PUBLICATION OF NOTICE IN THE WILLIAMSPORT SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA  
COUNTY OF LYCOMING

SS:

Bernard A. Oravec Publisher of the Sun-Gazette Company, publishers of the Williamsport, Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

August 25, 2014

Affiant firm to verify the of publication

LEGAL NOTICES

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of Energy Transfer Retail Power, LLC for Approval To Offer, Render, Furnish Or Supply Electricity Services As A Supplier Of Electric Power To The Public In The Commonwealth Of Pennsylvania.

Energy Transfer Retail Power, LLC will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity services as a supplier of electric power. Energy Transfer Retail Power, LLC proposes to sell electricity and related services to its industrial affiliates throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Energy Transfer Retail Power, LLC may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to attorney for Energy Transfer Retail Power, LLC at the address listed below.

By and through Counsel:

Whitney E. Snyder  
Hauke McKean & Srisoak LLP  
100 North Tenth Street  
P.O. Box 1778  
Harrisburg, PA  
17105-1778  
Phone: (717) 236-1300  
Fax: (717) 236-4847

THE SUN-GAZETTE certifies that

an officer daily authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, under oath and also declares that affiant is not interested in the subject matter of the aforesaid notice and that the facts and circumstances in the foregoing statement as to time, place and character of publication are true.

Bernard A. Oravec

SUN-GAZETTE COMPANY

Sworn to and subscribed before me

the 26th day of August 2014

Cathy A. Billey  
Notary Public

NOTARIAL SEAL  
CATHY A. BILLEY, Notary Public  
City of Williamsport, Lycoming County  
My Commission Expires May 15, 2015

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette Company, Dr.:  
For publishing the notice attached  
hereto on the above state dates.....\$ 261.88  
Probated same.....\$  
Total.....\$ 261.88

RECEIPT FOR ADVERTISING COSTS

By and through Counsel, I hereby acknowledge receipt of the aforesaid advertising and publication costs and that the same have been fully paid.

SUN-GAZETTE COMPANY

BY Bernard A. Oravec

**Appendix A**  
**Application Affidavit**

APPLICATION AFFIDAVIT

[Commonwealth/State] of Texas :  
:   
:   
: ss.  
:   
County of Bexar :

David Coker, Affiant, being duly sworn according to law, deposes and says that:

He is the Sr. Vice-Pres. of Energy Transfer Retail Power, LLC;

That he is authorized to and does make this affidavit for said Applicant;

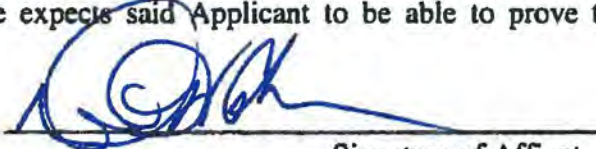
That the Applicant herein, Energy Transfer Retail Power, LLC, has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein, Energy Transfer Retail Power, LLC, has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein, Energy Transfer Retail Power, LLC, acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein, Energy Transfer Retail Power, LLC, acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief, and that he expects said Applicant to be able to prove the same at hearing.

  
Signature of Affiant

Sworn and subscribed before me this 9th day of OCTOBER, 2014.

Jamie Diane Bynum  
Signature of official administering oath

My commission expires May 20, 2018



**Appendix B  
Operations Affidavit**



**OPERATIONS AFFIDAVIT**

[Commonwealth/State] of Texas :  
:   
:   
: ss.   
:   
County of Bexar :

David Coker Affiant, being duly sworn according to law, deposes and says that:  
He is Sr. Vice-President of Energy Transfer Retail Power, LLC

That he is authorized to and does make this affidavit for said Applicant;

That Energy Transfer Retail Power, LLC, the Applicant herein, acknowledges that it may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That Energy Transfer Retail Power, LLC, the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That Energy Transfer Retail Power, LLC, the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall report to the Commission it's jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

That Energy Transfer Retail Power, LLC, the Applicant herein, acknowledges that it has a statutory obligation to conform to 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

  
Signature of Affiant

Sworn and subscribed before me this 9th day of October, 20 14.

  
Signature of official administering oath

My commission expires May 20, 2018.





**Appendix C**  
**Certificate of Service**

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing Application and Non-Confidential Exhibits, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

### By First Class Mail

Office of Consumer Advocate  
5th Floor, Forum Place  
555 Walnut Street  
Harrisburg, PA 17120

Paul E. Russell  
PPL Legal Department  
Two North Ninth Street  
Allentown, PA 18108-1179

Office of Small Business Advocate  
Commerce Building, Suite 1102  
300 North Second Street  
Harrisburg, PA 17101

Manager Energy Acquisition  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699

Office of the Attorney  
General Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Legal Department  
First Energy  
2800 Pottsville Pike  
Reading PA, 19612

Commonwealth of Pennsylvania  
Department of Revenue  
Bureau of Compliance  
PO Box 280947  
Harrisburg, PA 17128-0947

Citizens' Electric Company  
Attn: EGS Coordination  
1775 Industrial Boulevard  
Lewisburg, PA 17837

Regulatory Affairs  
Duquesne Light Company  
411 Seventh Street, MD 16-4  
Pittsburgh, PA 15219

Attn: EGS Coordination  
33 Austin Street  
P. O. Box 138  
Wellsboro, PA 16901

UGI Utilities, Inc.  
Attn: Rates Dept. – Choice Coordinator  
2525 N. 12th Street, Suite 360  
Post Office Box 12677  
Reading, Pa 19612-2677

Director of Customer Energy Services  
Orange and Rockland Company  
390 West Route 59  
Spring Valley, NY 10977-5300

Legal Department  
Allegheny Power  
800 Cabin Hill Drive  
Greensburg, PA 15601-1689



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Whitney E. Snyder

Dated: October 10, 2014