

Southern Union Company

Fair Disclosure Policy

This Policy SUCO008: effective as of September 29, 2005, and updated October 9, 2008.

I. Policy Statement

Southern Union Company (the "Company" or "Southern Union") believes that the markets for its securities are best served when its business goals, strengths, risks, and growth opportunities are publicly articulated. As detailed further below, it is the Company's policy, consistent with legal and regulatory requirements, to maintain an active and open public dialogue with shareholders, broker/dealers, analysts and other representatives of the investment community (collectively, "Securities Market Participants") and timely provide full, fair, accurate, and understandable disclosure of the Company's historical performance in accordance with generally accepted accounting principles.

The Securities and Exchange Commission's Regulation FD prohibits the selective disclosure of material nonpublic information to certain enumerated persons. The regulation is intended to eliminate situations where a company may disclose important nonpublic information, such as earnings warnings, to securities analysts or selected institutional investors, before disclosing the information to the general public.

Regulation FD requires that whenever:

- the Company or a person acting on its behalf;
- intentionally discloses material nonpublic information;
- to certain persons (including broker-dealers, analysts and securityholders);
- the Company must simultaneously disseminate the information to the public.

If the Company learns that it has unintentionally disclosed material nonpublic information, it must publicly disseminate the information within 24 hours.¹

Southern Union has established a Disclosure Committee tasked with ensuring that all disclosures made by the Company to Securities Market Participants comply with the above standard.

Material information is information regarding which there is a substantial likelihood that a reasonable investor would consider it important. This includes a range of subjects, including the Company's current or expected operating performance, acquisitions and strategic transactions, new products, changes in management and potentially a host of other things. Information is nonpublic if the Company has not previously released it in a Securities and Exchange Commission ("SEC") filing or in a press release. For purposes of this policy, "public disclosure" shall mean filing or furnishing information in an SEC filing or by disseminating information through another method (or combination of methods) of disclosure that is reasonably designed to provide broad, non-exclusionary distribution of the information to the public, including a press release.

II. Compliance

It is the Company's policy to comply with all disclosure requirements, including Regulation FD. It has been, and continues to be, the Company's practice to disclose material information about the Company publicly and timely, not selectively. Employees and Board members of Southern Union

¹ In the case of an unintentional disclosure, the disclosure must be made "promptly," which means as soon as reasonably practicable, but no later than either 24 hours after discovery of the unintentional disclosure or prior to the commencement of the next day's trading on the New York Stock Exchange, if later.

and its subsidiaries will not disclose material non-public information about the Company except as provided for by SEC rules and regulations, including Regulation FD.

III. Unintentional Disclosure of Material, Non-Public Information

If any employee or Board member determines that material non-public information has been disclosed, that employee or Board member should contact the Disclosure Committee immediately. The Disclosure Committee, in consultation with appropriate members of management and counsel as necessary, will determine the appropriate public disclosure, if any, to be made in accordance with SEC rules and regulations.

IV. Guidelines for this Regulation FD Disclosure Policy

Southern Union has established the following guidelines to ensure compliance with Regulation FD and to avoid selective disclosure of material non-public information:

A. Authorized Representatives of Company

(i). Persons authorized to communicate on behalf of the Company to Securities Market Participants are limited to the Chief Executive Officer; the President & Chief Operating Officer; the Chief Financial Officer; the General Counsel; the Corporate Secretary; the Vice President-Controller; the Vice President-Treasurer; the Vice President of Investor Relations (the "IR Vice President"); or other persons specifically designated by them to speak with respect to a particular topic or purpose (each an "Authorized Representative").

(ii). In addition, the Corporate Secretary and such members of the Corporate Secretary's staff as are designated by the Corporate Secretary are authorized to communicate with shareholders and beneficial owners in response to inquiries regarding shareholder accounts and other administrative matters. An Authorized Representative is not required to participate in, or review, such communications.

(iii). It is Southern Union's policy that, except as specified above, employees shall not communicate with Securities Market Participants on behalf of the Company, and should refer all questions to the IR Vice President. This Policy will be communicated broadly to employees at least annually.

(iv). The Company believes that one-on-one communications with Securities Market Participants are a valuable component of its Investor Relations program. During such conversations, Authorized Representatives may discuss information the Company has previously publicly disclosed, non-material information, and generally known company or industry-related information.

(v). In order to ensure that complete and accurate information is obtained, Securities Market Participants should be instructed to direct all inquiries regarding the Company's financial condition, results of operations, strategies and other similar matters to the IR Vice President. Securities Market Participants should be made aware that statements by employees or agents who are not Authorized Representatives of the Company should not be relied upon.

B. Quarterly Earnings Release Conference Calls and Updates

(i). The Company will hold quarterly investor conference calls open to the public and media, and provide public notice about such calls through press releases to a major business wire service as well as posting on Southern Union's Web site. Before such conference calls, the Company will furnish its quarterly or annual written earnings release to the SEC on Form 8-K.

(ii). Playback of such conference calls will be provided on the Southern Union Web site after the conference call.

(iii). When the Company provides guidance relative to its financial goals, all guidance, and changes to or affirmations of guidance, will be provided through public disclosure.

(iv). As needed from time to time, the Company will hold topical investor conference calls open to the public and media, and provide public notice about the call through a press release and posting on the Southern Union Web site.

(v). Following any investor call or public comment, the Company will not provide new material information or elaborate in a material way beyond the scope of the disclosure included in the call or public comment. In response to any question about the earnings projections Authorized Representatives will say only that it is the Company's policy not to comment on projections during the quarter.

C. Analyst Models and Reports

While the Company may elect to review materials prepared by Securities Market Participants, the Company will not comment (orally or in writing) upon any such material, except to correct inaccuracies relating to factual accuracy consistent with available public information and mathematical errors. A written record will be kept by the Investor Relations Department of any comments provided on an analyst's report.

D. Presentations

(i). Southern Union will use the safe harbor guidelines embodied by this policy for forward-looking information as part of individual, group, and investor conference communications formats.

(ii). Southern Union will participate in securities firm-sponsored and other investor conferences. It will be the Company's practice to Webcast these presentations where possible. When a Webcast is not available, the Company will publicly disclose information summarizing the presentation and post that presentation to its Web site, www.sug.com. A press release announcing the time and details of such Webcast will be issued in advance with the information necessary to access the audio broadcast.

(iii). The Company will participate in other forums at which Securities Market Participants could be present, including industry seminars, trade shows, employee, retiree, and annual shareholder meetings, and meetings with commercial partners that are shareholders. The Company does not intend to disclose any material non-public information during these meetings. If despite the Company's efforts, it is determined that material non-public information was disclosed, such information will be promptly disclosed to the public on Form 8-K.

(iv). All proposed disclosures of material nonpublic information about the Company, or participation in speeches, interviews or conferences where persons covered by this policy may be in attendance, shall be reviewed and approved by the Disclosure Committee whenever possible. Spokespersons should adhere to the script and not disclose any material nonpublic information about the Company during any "break out" or question-and-answer sessions.

E. Quiet Period

The Company will observe a "quiet period" during which the Company will not comment on its financial outlook. These periods will normally be for the last 15 days of each fiscal quarter and continue until earnings results are publicly disclosed for that quarter.

F. Media Communications

Although the Company recognizes that Regulation FD does not apply to communications with the media, it is the Company's policy to publicly disclose material information before discussion with individuals representing the media.

V. Violations

Violations of Regulation FD are subject to SEC enforcement action, which may include an administrative action seeking a cease-and-desist order, or a civil action against the Company or an individual seeking an injunction and/or civil money penalties. Any violation of this policy by a director or employee shall be brought to the attention of the Legal Department and may constitute grounds for termination of service.

VI. Questions Concerning This Policy

Questions about this Policy should be directed:

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