



Moody's Investors Service

## Issuer Comment: **MOODY'S COMMENTS ON SOUTHERN STAR CENTRAL CORP.**

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### Global Credit Research - 10 Feb 2010

Moody's Investors Service stated that the ratings and the stable outlook for Southern Star Central Corp. (Southern Star; Ba1 corporate family rating) and its subsidiary Southern Star Central Gas Pipeline, Inc. (Central Pipeline; Baa3 senior unsecured) are unaffected by the announcement today that Caisse de depot et placement du Quebec (CDP) has sold its 40% economic stake and a 50% voting stake in the company to Morgan Stanley Infrastructure Partners. GE Energy Financial Services continues to own the remaining stakes in Southern Star.

Terms of the transaction were not disclosed. The sale has no impact on Southern Star's financial position or its governance or legal structure. It is Moody's understanding that the company's dividend policy will remain unchanged. Under CDP and GE's ownership over the past five years, Southern Star's capitalization has remained relatively unchanged, with dividends kept generally in line with net income.

Southern Star's ratings are based on the sponsors continuing to view the company as a stable investment, not as an acquisition vehicle, and that they will maintain a management strategy and financial policies that maintain Southern Star's credit metrics around current levels. Moody's will monitor the company for any significant change that the new joint partnership may implement, and will change Southern Star's rating/outlook should our current assessment not hold.

Headquartered in Owensboro, Kentucky, Southern Star Central Corp., is the holding company for Southern Star Central Gas Pipeline, Inc., an interstate natural gas pipeline.

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