

Regency Energy Partners LP  
Form DEFM14A  
March 24, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Regency Energy Partners LP**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

March 24, 2015

Dear Unitholders:

On January 25, 2015, Energy Transfer Partners, L.P. ( ETP ) and Regency Energy Partners LP ( Regency ) entered into a merger agreement, as amended on February 18, 2015 (as so amended, the merger agreement ), pursuant to which Regency will merge with Rendezvous I LLC, a wholly owned subsidiary of ETP, with Regency continuing as the surviving entity and becoming a wholly owned subsidiary of ETP (the merger ). Concurrently with the merger, ETE GP Acquirer LLC ( ETE Acquirer ), the indirect owner of Regency GP LP, the general partner of Regency ( Regency GP ), will merge with Rendezvous II LLC, a wholly owned subsidiary of ETP, with ETE Acquirer continuing as the surviving entity and becoming a wholly owned subsidiary of ETP (the GP merger and, together with the merger, the mergers ).

The board of directors (the Regency Board ) of Regency GP LLC, the general partner of Regency GP, approved and agreed to submit the merger to a vote of Regency unitholders following the recommendation of the conflicts committee of the Regency Board (the Regency Conflicts Committee ). The Regency Board and the Regency Conflicts Committee have determined that the merger agreement and the merger are fair and reasonable and in the best interests of Regency and its unaffiliated unitholders, and have approved the merger agreement and the merger.

Under the terms of the merger agreement, holders of Regency common units will receive, for each Regency common unit held, 0.4066 common units of ETP ( ETP common units ) and an additional number of ETP common units determined by dividing \$0.32 by the lesser of (i) the volume weighted average price of ETP common units on the New York Stock Exchange (the NYSE ) for the five trading days ending on the third trading day immediately preceding the effective time of the merger and (ii) the closing price of the ETP common units on the NYSE on the third trading day immediately preceding the effective time of the merger, rounded to the nearest ten thousandth of a unit. Further, each Class F common unit of Regency (the Class F units ) will be deemed to convert automatically into Regency common units on a one-for-one basis immediately prior to the effective time of the merger and holders thereof will receive the same merger consideration as the holders of Regency common units. Holders of Regency's Series A Cumulative Convertible Preferred Units (the Series A units ) will receive an equal number of ETP preferred units with the same preferences, privileges, powers, duties and obligations that such Regency Series A units had immediately prior to the closing of the merger.

The consideration to be received by holders of Regency common units and Class F units is valued at \$26.89 per unit based on the closing price of ETP common units as of January 23, 2015, the last trading day before the public announcement of the merger, representing a 13.2% premium to the closing price of Regency's common units of \$23.75 on January 23, 2015, and a 15.3% premium to the volume weighted average closing price of Regency's common units for the three trading days ended January 23, 2015.

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Immediately following completion of the merger, it is expected that Regency unitholders will own approximately 35% of the outstanding common units of ETP, based on the number of common units of ETP outstanding, on a fully diluted basis, as of March 20, 2015. The common units of ETP and Regency are traded on the New York Stock Exchange under the symbols ETP and RGP, respectively.

Regency is holding a special meeting of its unitholders in Regency's offices at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201, on April 28, 2015 at 11:00 a.m., local time, to obtain the vote of its unitholders to adopt the merger agreement and the transactions contemplated thereby. **Your vote is very important regardless of the number of units in Regency you own.** The merger cannot be completed unless the holders of at least a majority of the outstanding Regency common units, Class F units and Series A units, voting together as a single class, vote for the adoption of the merger agreement and transactions contemplated thereby at the special meeting. **The Regency Conflicts Committee and the Regency Board recommend that Regency unitholders vote FOR the adoption of the merger agreement and the transactions contemplated thereby and FOR the adjournment of the special meeting, if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting, and the Regency Board recommends that Regency unitholders vote FOR the advisory compensation proposal.** Whether or not you expect to attend the special meeting in person, we urge you to submit your proxy as promptly as possible through one of the delivery methods described in the accompanying proxy statement/prospectus. Pursuant to the merger agreement, Energy Transfer Equity, L.P. ( ETE ), which indirectly owns all of the incentive distribution rights and general partner interests in each of ETP and Regency, and ETP have agreed to vote all of the limited partner interests in Regency owned beneficially or of record by ETE, ETP or their respective subsidiaries in favor of approval of the merger and the approval of any actions required in furtherance thereof.

**In addition, we urge you to read carefully the accompanying proxy statement/prospectus (and the documents incorporated by reference into the accompanying proxy statement/prospectus), which includes important information about the merger agreement, the proposed mergers and the special meeting. Please pay particular attention to the section titled Risk Factors beginning on page 31 of the accompanying proxy statement/prospectus.**

On behalf of the Regency Board, we thank you for your continued support.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under the accompanying proxy statement/prospectus or determined that the accompanying proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement/prospectus is dated March 24, 2015 and is first being mailed to the unitholders of Regency on or about March 25, 2015.

Sincerely,

/s/ Michael J. Bradley  
Michael J. Bradley

*President and Chief Executive Officer of  
Regency GP LLC on behalf of Regency Energy  
Partners LP*

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**2001 Bryan Street, Suite 3700**

**Dallas, Texas 75201**

**NOTICE OF SPECIAL MEETING OF UNITHOLDERS**

**TO BE HELD ON APRIL 28, 2015**

To the Unitholders of Regency Energy Partners LP:

Notice is hereby given that a special meeting of unitholders of Regency Energy Partners LP ( Regency ), will be held in Regency s offices at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201, on April 28, 2015 at 11:00 a.m., local time, solely for the following purposes:

*Merger proposal:* To consider and vote on a proposal to adopt the Agreement and Plan of Merger, dated as of January 25, 2015, as amended by Amendment No. 1 thereto (the amendment ), dated as of February 18, 2015 (as so amended and as may be further amended from time to time, the merger agreement ), by and among Energy Transfer Partners, L.P. ( ETP ), Energy Transfer Partners GP, L.P., the general partner of ETP ( ETP GP ), Rendezvous I LLC, Rendezvous II LLC, Regency, Regency GP LP, the general partner of Regency ( Regency GP ), ETE GP Acquirer LLC ( ETE Acquirer ) and, solely for purposes of certain provisions therein, Energy Transfer Equity, L.P. ( ETE ), a composite copy of which, incorporating the amendment into the text of the initial agreement, is attached as Annex A to the proxy statement/prospectus accompanying this notice, and the transactions contemplated thereby;

*Adjournment proposal:* To consider and vote on a proposal to approve the adjournment of the special meeting, if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting; and

*Advisory compensation proposal:* To consider and vote on a proposal to approve, on an advisory (non-binding) basis, the payments that will or may be paid by Regency to its named executive officers in connection with the merger.

These items of business, including the merger agreement and the proposed merger, are described in detail in the accompanying proxy statement/prospectus. **The board of directors of Regency GP LLC, the general partner of Regency GP, and the conflicts committee of the board of directors of Regency GP LLC have determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair and reasonable and in the best interests of Regency and its unaffiliated unitholders and recommend that Regency unitholders vote FOR the proposal to adopt the merger agreement and the transactions contemplated thereby and FOR the adjournment of the special meeting, if necessary to solicit additional proxies in favor of such adoption, and the board of directors of Regency GP LLC recommends that Regency unitholders vote FOR the advisory compensation proposal.**

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Only unitholders of record as of the close of business on March 24, 2015 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournment or postponement thereof. A list of unitholders entitled to vote at the special meeting will be available in our offices located at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201 during regular business hours for a period of ten days before the special meeting, and at the place of the special meeting during the meeting. Pursuant to the merger agreement, ETE and ETP have agreed to vote all of the limited partner interests in Regency owned beneficially or of record by ETE, ETP or their respective subsidiaries in favor of approval of the merger and the approval of any actions required in furtherance



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thereof, which includes the merger proposal and, if necessary, the adjournment proposal. As of March 24, 2015, ETE, ETP and their respective subsidiaries collectively held 88,529,775 Regency common units and 6,274,483 Class F units, representing approximately 22.58% of the Regency units entitled to vote at the special meeting.

Adoption of the merger agreement and the transactions contemplated thereby by the Regency unitholders is a condition to the consummation of the merger and requires the affirmative vote of holders of at least a majority of the outstanding Regency common units, Class F units and Series A Cumulative Convertible Preferred Units, voting together as a single class. Therefore, your vote is very important. **Your failure to vote your units will have the same effect as a vote AGAINST the adoption of the merger agreement and the transactions contemplated thereby.**

By order of the board of directors,

/s/ Todd Carpenter  
Todd Carpenter

Senior Vice President and General Counsel

Dallas, Texas

March 24, 2015

**YOUR VOTE IS IMPORTANT!**

**WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY TELEPHONE, (2) VIA THE INTERNET OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE PREPAID ENVELOPE PROVIDED.** You may revoke your proxy or change your vote at any time before the special meeting. If your units are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished to you by such record holder.

We urge you to read the accompanying proxy statement/prospectus, including all documents incorporated by reference into the accompanying proxy statement/prospectus, and its annexes carefully and in their entirety. If you have any questions concerning the merger, the adjournment vote, the advisory (non-binding) vote on the payments that will or may be paid by Regency to its named executive officers in connection with the merger, the special meeting or the accompanying proxy statement/prospectus or would like additional copies of the accompanying proxy statement/prospectus or need help voting your Regency units, please contact Regency's proxy solicitor:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll-free: (800) 322-2885

Collect: (212) 929-5500

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates by reference important business and financial information about ETP and Regency from other documents filed with the Securities and Exchange Commission (the SEC), that are not included in or delivered with this proxy statement/prospectus. See [Where You Can Find More Information](#).

Documents incorporated by reference are available to you without charge upon written or oral request. You can obtain any of these documents by requesting them in writing or by telephone from the appropriate party at the following addresses and telephone numbers.

Energy Transfer Partners L.P.	Regency Energy Partners LP
Investor Relations	Investor Relations
3738 Oak Lawn Avenue	2001 Bryan Street, Suite 3700
Dallas, Texas 75219	Dallas, Texas 75201
(214) 981-0795	(214) 750-1771

**To receive timely delivery of the requested documents in advance of the special meeting, you should make your request no later than April 20, 2015.**

**ABOUT THIS DOCUMENT**

This document, which forms part of a registration statement on Form S-4 filed with the SEC by ETP (File No. 333-202319), constitutes a prospectus of ETP under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the ETP common units to be issued pursuant to the merger agreement. This document also constitutes a notice of meeting and a proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), with respect to the special meeting of Regency unitholders, at which Regency unitholders will be asked to consider and vote on, among other matters, a proposal to adopt the merger agreement and the transactions contemplated thereby.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated March 24, 2015. The information contained in this proxy statement/prospectus is accurate only as of that date or, in the case of information in a document incorporated by reference, as of the date of such document, unless the information specifically indicates that another date applies. Neither the mailing of this proxy statement/prospectus to Regency unitholders nor the issuance by ETP of its common units pursuant to the merger agreement will create any implication to the contrary.

This proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

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The information concerning ETP contained in this proxy statement/prospectus or incorporated by reference has been provided by ETP, and the information concerning Regency contained in this proxy statement/prospectus or incorporated by reference has been provided by Regency.

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**QUESTIONS AND ANSWERS**

*Set forth below are questions that you, as a unitholder of Regency, may have regarding the merger, the adjournment proposal, the advisory compensation proposal and the special meeting, and brief answers to those questions. You are urged to read carefully this proxy statement/prospectus and the other documents referred to in this proxy statement/prospectus in their entirety, including the composite merger agreement, which incorporates the text of the amendment into the text of the initial agreement and is attached as Annex A to this proxy statement/prospectus, and the documents incorporated by reference into this proxy statement/prospectus, because this section may not provide all of the information that is important to you with respect to the merger and the special meeting. You may obtain a list of the documents incorporated by reference into this proxy statement/prospectus in the section titled *Where You Can Find More Information*.*

**Q: Why am I receiving this proxy statement/prospectus?**

A: ETP and Regency have agreed to a merger, pursuant to which Regency will merge with Rendezvous I LLC, a wholly owned subsidiary of ETP ( *Merger Sub A* ). Regency will continue its existence as the surviving entity and become a wholly owned subsidiary of ETP, but will cease to be a publicly traded limited partnership. In order to complete the merger, Regency unitholders must vote to adopt the merger agreement. Regency is holding a special meeting of its unitholders to obtain such unitholder approval. Regency unitholders will also be asked to approve, on an advisory (non-binding) basis, the payments that will or may be paid by Regency to its named executive officers in connection with the merger.

In the merger, ETP will issue ETP common units as part of the consideration to be paid to holders of Regency common units and Regency Class F common units ( *Class F units* ). This document is being delivered to you as both a proxy statement of Regency and a prospectus of ETP in connection with the merger. It is the proxy statement by which the board of directors (the *Regency Board* ) of Regency GP LLC, the general partner of Regency GP, is soliciting proxies from you to vote on the adoption of the merger agreement and the transactions contemplated thereby at the special meeting or at any adjournment or postponement of the special meeting. It is also the prospectus by which ETP will issue ETP common units to you in the merger.

**Q: What will happen in the merger?**

A: In the merger, Regency will merge with Merger Sub A. Regency will be the surviving limited partnership in the merger and become a wholly owned subsidiary of ETP, but Regency will cease to be a publicly traded limited partnership.

**Q: What will I receive in the merger?**

A: If the merger is completed, each of your Regency common units will be cancelled and converted automatically into the right to receive (i) 0.4066 (the *exchange ratio* ) ETP common units (the *unit consideration* ) and (ii) an additional number of ETP common units equal to the quotient of \$0.32 divided by the lesser of (x) the volume weighted average price of ETP common units on the New York Stock Exchange (the *NYSE* ) for the five trading days ending on the third trading day immediately preceding the effective time of the merger and (y) the closing price of ETP common units on the NYSE on the third day immediately preceding the effective time of the merger, rounded to the nearest ten thousandth of a unit (the *additional unit consideration* and, together with the unit consideration, the *merger consideration* ). Each of your Regency Class F units will be deemed to have converted automatically into Regency common units on a one-for-one basis and such common units will be converted automatically into the right to receive the merger consideration. Regency unitholders will not receive any fractional ETP common units in the merger.

Instead, each holder of Regency common units or Class F units that are converted pursuant to the merger agreement who otherwise would have received a fraction of an ETP common unit will instead be entitled to receive a whole ETP common unit. Based on the closing price of ETP common units on the NYSE on January 23, 2015, the last trading day

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prior to the public announcement of the merger, the merger consideration represented approximately \$26.89 in value for each Regency common unit and Class F unit. Based on the closing price of \$56.26 for ETP common units on the NYSE on March 20, 2015, the most recent practicable trading day prior to the date of this proxy statement/prospectus, the merger consideration represented approximately \$23.20 in value for each Regency common unit and Class F unit. The market price of ETP common units will fluctuate prior to the merger, and the market price of ETP common units when received by Regency unitholders after the merger is completed could be greater or less than the current market price of ETP common units. See Risk Factors.

**Q: What will happen to my Regency phantom units, unit options and cash units in the merger?**

A: If the merger is completed, each outstanding phantom unit of Regency (a Regency phantom unit ) (except for Regency phantom units granted before December 16, 2011 and for Regency phantom units held by the chief executive officer and the non-employee directors of Regency, which will vest and convert, subject to applicable tax withholding, into the right to receive the merger consideration) will be converted into the right to receive an award of phantom units relating to ETP common units on the same terms and conditions as were applicable to the Regency phantom units, except that the number of ETP common units covered by the award will be equal to the number of Regency common units covered by the corresponding award of Regency phantom units multiplied by the sum of (i) the exchange ratio and (ii) the partial ETP common unit representing the additional unit consideration, rounded up to the nearest whole unit. Each outstanding option to purchase Regency common units (a Regency unit option ) that is in-the-money will be deemed to be exercised on a net-issuance (i.e., cashless) basis and each net issued Regency common unit deemed to have been issued will be converted into the right to receive the merger consideration, subject to reduction for withholding taxes. Each Regency unit option that is out-of-the-money will be cancelled and terminated for no consideration. In addition, each outstanding award of cash units ( Regency cash units ) issued under the Regency Energy Partners LP Long-Term Incentive Cash Restricted Unit Plan representing the right to a cash payment based on the value of Regency common units will be converted into the right to receive an award of restricted cash units relating to ETP common units on generally the same terms and conditions as were applicable to the award of Regency cash units, except that the number of notional ETP common units relating to the award will be equal to the number of notional Regency common units relating to the corresponding award of Regency cash units multiplied by the sum of (i) the exchange ratio and (ii) the partial ETP common unit representing the additional unit consideration, rounded up to the nearest whole unit.

**Q: What will happen to Regency Series A units in the merger?**

A: If the merger is completed, each outstanding Series A Cumulative Convertible Preferred Unit of Regency (a Series A unit ) will be cancelled and converted automatically into the right to receive a new preferred unit of ETP (an ETP preferred unit ), with the same preferences, privileges, powers, duties and obligations that the Regency Series A units had immediately prior to the closing of the merger.

**Q: What happens if the merger is not completed?**

A: If the merger agreement is not adopted by Regency unitholders or if the merger is not completed for any other reason, you will not receive any form of consideration for your Regency units in connection with the merger. Instead, Regency will remain an independent publicly traded limited partnership and its common units will continue to be listed and traded on the NYSE. If the merger agreement is terminated under specified circumstances, including if Regency unitholder approval is not obtained, Regency will be required to pay all of the reasonably documented out-of-pocket expenses incurred by ETP and its affiliates in connection with the merger agreement and the transactions contemplated thereby, up to a maximum amount of \$20 million. In addition, if the merger agreement is terminated in specified circumstances, including due to an adverse recommendation change having occurred, Regency

may be required to pay ETP a termination fee of \$450 million, less any expenses previously paid by Regency to ETP. Following payment of the termination fee, Regency will not be obligated to pay any additional expenses incurred by ETP or its affiliates. Please read

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Proposal 1: The Merger Agreement Expenses and Termination Fee beginning on page 92 of this proxy statement/prospectus.

**Q: Will I continue to receive future distributions?**

A: Before completion of the merger, Regency expects to continue to pay its regular quarterly cash distribution on its common units, which currently is \$0.5025 per Regency common unit. However, ETP and Regency will coordinate the timing of distribution declarations leading up to the merger so that, in any quarter, a holder of Regency units will either receive distributions in respect of its Regency common units or Series A units or distributions in respect of the ETP common units or ETP preferred units, as applicable, that such holder will receive in the merger (but will not receive distributions in respect of both in any quarter). Receipt of the regular quarterly distribution will not reduce the merger consideration you receive. After completion of the merger, you will be entitled only to distributions on any ETP common units you receive in the merger and hold through the applicable distribution record date. While ETP provides no assurances as to the level or payment of any future distributions on its common units, and ETP determines the amount of its distributions each quarter, for the quarter ended December 31, 2014, ETP paid a cash distribution of \$0.995 per ETP common unit on February 13, 2015 to holders of record as of the close of business on February 6, 2015.

**Q: What am I being asked to vote on?**

A: Regency's unitholders are being asked to vote on the following proposals:

***Merger proposal:*** To adopt the merger agreement as amended by the amendment thereto, a composite copy of which, incorporating the amendment into the text of the initial agreement, is attached as Annex A to this proxy statement/prospectus, and the transactions contemplated thereby;

***Adjournment proposal:*** To approve the adjournment of the special meeting, if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting; and

***Advisory compensation proposal:*** To approve, on an advisory (non-binding) basis, the payments that will or may be paid by Regency to its named executive officers in connection with the merger.

The approval of the merger proposal by Regency unitholders is a condition to the obligations of ETP and Regency to complete the merger. Neither the adjournment proposal nor the advisory compensation proposal is a condition to the obligations of ETP or Regency to complete the merger.

**Q: Does the Regency Board recommend that Regency unitholders adopt the merger agreement and the transactions contemplated thereby?**

A: Yes. The Regency Board and the conflicts committee of the Regency Board (the Regency Conflicts Committee) have approved the merger agreement and the transactions contemplated thereby, including the merger, and determined that these transactions are fair and reasonable and in the best interests of Regency and its unaffiliated unitholders. Therefore, the Regency Board and Regency Conflicts Committee recommend that you vote FOR the proposal to adopt the merger agreement and the transactions contemplated thereby at the special meeting. See The Merger Recommendation of the Regency Conflicts Committee, the Regency Board and Their Reasons for the Merger

beginning on page 60 of this proxy statement/prospectus. In considering the recommendation of the Regency Board and the Regency Conflicts Committee with respect to the merger agreement and the transactions contemplated thereby, including the merger, you should be aware that directors and executive officers of Regency are parties to agreements or participants in other arrangements that give them interests in the merger that may be different from, or in addition to, your interests as a unitholder of Regency. You should consider these interests in voting on this proposal. These different interests are described under "The Merger - Interests of Directors and Executive Officers of Regency in the Merger" beginning on page 76 of this proxy statement/prospectus.

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**Q: What are the related compensation payments to Regency named executive officers and why am I being asked to vote on them?**

A: The SEC has adopted rules that require Regency to seek an advisory (non-binding) vote on the compensation payments related to the merger. The related compensation payments are certain compensation payments that are tied to or based on the merger and that will or may be paid by Regency to its named executive officers in connection with the merger. This proposal is referred to as the advisory compensation proposal.

**Q: Does the Regency Board recommend that unitholders approve the advisory compensation proposal?**

A: Yes. The Regency Board unanimously recommends that you vote **FOR** the advisory compensation proposal. See Proposal 3: Advisory Vote on Related Compensation beginning on page 161 of this proxy statement/prospectus.

**Q: What happens if the advisory compensation proposal is not approved?**

A: Approval of the advisory compensation proposal is not a condition to completion of the merger. The vote is an advisory vote and is not binding. If the merger is completed, Regency will pay the related compensation to its named executive officers in connection with the merger even if Regency unitholders fail to approve the advisory compensation proposal.

**Q: What unitholder vote is required for the approval of each proposal?**

A: The following are the vote requirements for the Regency proposals:

***Merger proposal.*** The affirmative vote or consent of holders of at least a majority of the outstanding Regency common units, Class F units and Series A units, voting together as a single class. Accordingly, abstentions and unvoted units will have the same effect as votes **AGAINST** the proposal.

***Adjournment proposal.*** If a quorum is present at the meeting, the affirmative vote of at least a majority of the outstanding Regency common units, Class F units and Series A units, voting together as a single class; *provided* that, if a quorum is not present at the meeting, the affirmative vote of holders of a majority of the outstanding Regency common units, Class F units, and Series A units entitled to vote at such meeting represented either in person or by proxy, voting together as a single class, will be required to approve the proposal. Accordingly, abstentions and unvoted units will have the same effect as votes **AGAINST** the proposal.

***Advisory compensation proposal.*** The affirmative vote of at least a majority of the Regency common units, Class F units and Series A units, voting together as a single class. Accordingly, abstentions and unvoted units will have the same effect as votes **AGAINST** the proposal.

Pursuant to the merger agreement, ETE, which directly and indirectly owns all of the incentive distribution rights and general partner interests in ETP and Regency, and ETP have agreed to vote all of the limited partner interests in Regency owned beneficially or of record by ETE, ETP or their respective subsidiaries in favor of approval of the merger and the approval of any actions required in furtherance thereof, which includes the Regency merger proposal and, if necessary, the Regency adjournment proposal. As of March 24, 2015, ETE, ETP and their respective

subsidiaries collectively held 88,529,775 Regency common units and 6,274,483 Class F units, representing approximately 22.58% of the Regency units entitled to vote at the special meeting.

**Q: What constitutes a quorum for the special meeting?**

A: At least a majority of the outstanding Regency common units, Class F units and Series A units, considered together as a single class, must be represented in person or by proxy at the special meeting in order to constitute a quorum.



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**Q: When is this proxy statement/prospectus being mailed?**

A: This proxy statement/prospectus and the proxy card are first being sent to Regency unitholders on or about March 25, 2015.

**Q: Who is entitled to vote at the special meeting?**

A: Holders of outstanding Regency common units, Class F units and Series A units outstanding as of the close of business on March 24, 2015, the record date, are entitled to one vote per unit at the special meeting.

As of the record date, there were approximately 411,707,950 Regency common units outstanding, 6,274,483 Class F units outstanding and 1,912,569 Series A units outstanding, all of which are entitled to vote at the special meeting.

**Q: When and where is the special meeting?**

A: The special meeting will be held in Regency's offices at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201, on April 28, 2015, at 11:00 a.m., local time.

**Q: How do I vote my units at the special meeting?**

A: There are four ways you may cast your vote. You may vote:

*In Person.* If you are a unitholder of record, you may vote in person at the special meeting. Units held by a broker, bank or other nominee may be voted in person by you only if you obtain a legal proxy from the record holder (which is your broker, bank or other nominee) giving you the right to vote the units;

*Via the Internet.* You may vote electronically via the Internet by accessing the Internet address provided on each proxy card (if you are a unitholder of record) or vote instruction card (if your units are held by a broker, bank or other nominee);

*By Telephone.* You may vote by using the toll-free telephone number listed on the enclosed proxy card (if you are a unitholder of record) or vote instruction card (if your units are held by a broker, bank or other nominee); or

*By Mail.* You may vote by filling out, signing and dating the enclosed proxy card (if you are a unitholder of record) or vote instruction card (if your units are held by a broker, bank or other nominee) and returning it by mail in the prepaid envelope provided.

Even if you plan to attend the special meeting in person, you are encouraged to submit your proxy as described above so that your vote will be counted if you later decide not to attend the special meeting.

If your units are held by a broker, bank or other nominee, also known as holding units in street name, you should receive instructions from the broker, bank or other nominee that you must follow in order to have your units voted. Please review such instructions to determine whether you will be able to vote via Internet or by telephone. The

deadline for voting units by telephone or electronically through the Internet is 11:59 p.m. Eastern Time, April 27, 2015 (the telephone/internet deadline ).

**Q: If my units are held in street name by my broker, will my broker automatically vote my units for me?**

A: No. If your units are held in an account at a broker or through another nominee, you must instruct the broker or other nominee on how to vote your units by following the instructions that the broker or other nominee provides to you with these materials. Most brokers offer the ability for unitholders to submit voting instructions by mail by completing a voting instruction card, by telephone and via the Internet.

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If you do not provide voting instructions to your broker, your units will not be voted on any proposal on which your broker does not have discretionary authority to vote. This is referred to in this proxy statement/prospectus and in general as a broker non-vote. In these cases, the broker can register your units as being present at the special meeting for purposes of determining a quorum, but will not be able to vote on those matters for which specific authorization is required. Under the current rules of the NYSE, brokers do not have discretionary authority to vote on any of the proposals, including the merger proposal. A broker non-vote will have the same effect as a vote AGAINST the merger proposal, the adjournment proposal and the advisory compensation proposal.

### **Q: How will my Regency units be represented at the special meeting?**

A: If you submit your proxy by telephone, the Internet website or by signing and returning your proxy card, the officers named in your proxy card will vote your units in the manner you requested if you correctly submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your units, your proxy will be voted as the Regency Board recommends, which is:

*Merger proposal:* FOR the adoption of the merger agreement and the transactions contemplated thereby;

*Adjournment proposal:* FOR the approval of the adjournment of the special meeting, if necessary to solicit additional proxies if there are not sufficient votes to adopt the merger agreement at the time of the special meeting; and

*Advisory compensation proposal:* FOR the approval, on an advisory (non-binding) basis, of the payments that will or may be paid by Regency to its named executive officers in connection with the merger.

### **Q: Who may attend the special meeting?**

A: Regency unitholders (or their authorized representatives) and Regency's invited guests may attend the special meeting. All attendees at the special meeting should be prepared to present government-issued photo identification (such as a driver's license or passport) for admittance.

### **Q: Is my vote important?**

A: Yes, your vote is very important. If you do not submit a proxy or vote in person at the special meeting, it will be more difficult for Regency to obtain the necessary quorum to hold the special meeting. In addition, an abstention or your failure to submit a proxy or to vote in person will have the same effect as a vote AGAINST the adoption of the merger agreement and the transactions contemplated thereby. If you hold your units through a broker or other nominee, your broker or other nominee will not be able to cast a vote on such adoption without instructions from you. The Regency Board recommends that Regency unitholders vote FOR the Regency merger proposal.

### **Q: Can I revoke my proxy or change my voting instructions?**

A: Yes. If you are a unitholder of record, you may revoke or change your vote at any time before the telephone/internet deadline or before the polls close at the special meeting by:

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sending a written notice, no later than the telephone/internet deadline, to Regency Energy Partners LP at 2001 Bryan Street, Suite 3700, Dallas, Texas 75201, Attention: Corporate Secretary, that bears a date later than the date of the proxy and is received prior to the special meeting and states that you revoke your proxy;

submitting a valid, later-dated proxy by mail, telephone or Internet that is received prior to the special meeting; or

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attending the special meeting and voting by ballot in person (your attendance at the special meeting will not, by itself, revoke any proxy that you have previously given).

If you hold your Regency units through a broker or other nominee, you must follow the directions you receive from your broker or other nominee in order to revoke your proxy or change your voting instructions.

**Q: What happens if I sell my units after the record date but before the special meeting?**

A: The record date for the special meeting is earlier than the date of the special meeting and earlier than the date that the merger is expected to be completed. If you sell or otherwise transfer your Regency units after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting. However, you will not have the right to receive the merger consideration to be received by Regency's unitholders in the merger. In order to receive the merger consideration, you must hold your Regency units through completion of the merger.

**Q: What does it mean if I receive more than one proxy card or vote instruction card?**

A: Your receipt of more than one proxy card or vote instruction card may mean that you have multiple accounts with Regency's transfer agent or with a brokerage firm, bank or other nominee. If voting by mail, please sign and return all proxy cards or vote instruction cards to ensure that all of your units are voted. Each proxy card or vote instruction card represents a distinct number of units and it is the only means by which those particular units may be voted by proxy.

**Q: Am I entitled to appraisal rights if I vote against the adoption of the merger agreement?**

A: No. Appraisal rights are not available in connection with the merger under the Delaware Revised Uniform Limited Partnership Act (the Delaware LP Act) or under the Regency partnership agreement.

**Q: Is completion of the merger subject to any conditions?**

A: Yes. In addition to the adoption of the merger agreement by Regency unitholders, completion of the merger requires the receipt of the necessary governmental clearances and the satisfaction or, to the extent permitted by applicable law, waiver of the other conditions specified in the merger agreement.

**Q: When do you expect to complete the merger?**

A: ETP and Regency are working towards completing the merger promptly. ETP and Regency currently expect to complete the merger shortly following the conclusion of the meeting, subject to receipt of Regency unitholder approval, regulatory approvals and clearances and other usual and customary closing conditions. However, no assurance can be given as to when, or if, the merger will occur.

**Q: What are the expected U.S. federal income tax consequences to a Regency unitholder as a result of the transactions contemplated by the merger agreement?**

A: It is anticipated that no gain or loss will be recognized by a Regency unitholder solely as a result of the merger, other than (i) such unitholder's distributive share of any gain recognized by Regency as a result of the merger (which, as described below, is expected to be zero) or (ii) to the extent any net decrease in such unitholder's share of partnership liabilities pursuant to Section 752 of the Internal Revenue Code of 1986, as amended (the Code), exceeds such unitholder's adjusted tax basis in its Regency units at the closing of the merger. Please read Risk Factors Risk Factors Relating to the Merger and Material U.S. Federal Income Tax Consequences of the Merger Tax Consequences of the Merger to Regency Unitholders.



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**Q: Under what circumstances could the merger result in a Regency unitholder recognizing taxable income or gain?**

A: For U.S. federal income tax purposes, Regency will be deemed to contribute all of its assets to ETP in exchange for ETP units and the assumption of Regency's liabilities, followed by a liquidation of Regency in which ETP units are distributed to Regency unitholders. In addition, as a result of the merger, Regency unitholders who receive ETP units will become limited partners of ETP for U.S. federal income tax purposes and will be allocated a share of ETP's nonrecourse liabilities. Each Regency unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of such unitholder's share of nonrecourse liabilities of Regency immediately before the merger over such unitholder's share of nonrecourse liabilities of ETP immediately following the merger. If the amount of any deemed cash distribution received by a Regency unitholder exceeds such unitholder's basis in his Regency units, such unitholder will recognize gain in an amount equal to such excess. While there can be no assurance, ETP and Regenc