

## Summary of Tax Consequences

**The following tax consequences to each Regency Energy Partners LP unitholder associated with the acquisition of Regency Energy Partners LP by Energy Transfer Partners, L.P. are contingent upon the transaction qualifying as a merger pursuant to Section 708 of the Internal Revenue Code.**

### I. Introduction

On January 25, 2015, Energy Transfer Partners, L.P. (“ETP”) and Regency Energy Partners LP (“Regency”) entered into a merger agreement pursuant to which Regency merged 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”), merged 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 Mergers were consummated on April 30th, 2015.

Under the terms of the merger agreement, holders of Regency common units and Class F units received 0.4124 common units of ETP for each Regency unit held. Holders of Regency’s Series A Cumulative Convertible Preferred Units (“Series A units”) receives an equal number of ETP preferred units with the same preferences, privileges, powers, duties and obligations that the Regency Series A units had immediately prior to the closing of the Mergers.

This document is intended to provide a summary of certain U.S. federal income tax consequences to persons who exchanged Regency units for ETP units pursuant to the Merger. This document does not constitute tax advice and does not address any special tax rules (including, but not limited to, the alternative minimum tax) or the tax consequences in any state, local, or foreign jurisdiction. Please consult the proxy statement filed with the Securities and Exchange Commission for additional information regarding the U.S. income tax consequences of the Merger.

### II. Summary of Certain U.S. Federal Income Tax Consequences of the Merger

As a result, the following is deemed to occur for U.S. federal income tax purposes: (1) Regency will be deemed to contribute its assets to ETP in exchange for (i) the issuance to Regency of ETP units and (ii) the assumption of Regency’s liabilities and (2) Regency will be deemed to liquidate, distributing ETP units to the Regency unitholders in exchange for such Regency units (the “Assets-Over Form”).

Under the Assets-Over Form, Regency will be deemed to contribute all of its assets to ETP in exchange for ETP units and the assumption of Regency’s liabilities. In general, the deemed contribution of assets from Regency to ETP in exchange for ETP units will not result in the recognition of gain or loss by Regency. Under Section 707 of the Code and the Treasury Regulations thereunder, a transfer of property by a partner to a partnership, coupled with a related transfer of money or other consideration (other than a partnership interest) by the

partnership to such partner (including the partnership's assumption of, or taking of property subject to, certain liabilities), may be characterized, in part, as a "disguised sale" of property, rather than as a non-taxable contribution of the property to the partnership. If the merger were characterized, in part, as a "disguised sale" of property by Regency, such disguised sale could result in substantial additional amounts of taxable gain being allocated to the Regency unitholders. ETP and Regency believe that all of the liabilities of Regency that are deemed assumed by ETP in the merger qualify for one or more exceptions to the "disguised sale" rules and intend to take the position that neither ETP nor Regency will recognize any income or gain as a result of the "disguised sale" rules.

### III. Summary of Certain U.S. Federal Income Tax Consequences to Regency Unitholders

***The actual tax consequences of the Merger to you may be complex and will depend on your specific tax situation. Please consult your own tax advisor to determine the U.S. income tax consequences of the transaction to you in light of your own personal circumstances as well as any other tax consequences under any state, local, or foreign tax authorities.***

*For purposes of the following examples and discussions, each Regency unitholder is an individual citizen or resident of the United States who purchased Regency units for cash and held such units as a capital asset. This document does not generally apply to any shares held in tax-deferred accounts, such as 401(k) or IRA accounts. Further, the following summary is premised on the transaction qualifying as a merger under Section 708 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), with ETP being treated as the continuing partnership and Regency being treated as the terminated partnership.*

#### A. Gain or Loss Determination for Former Regency Unitholders

Regency unitholders will be deemed to receive distributions in liquidation of Regency consisting of ETP units. In general, the receipt of ETP units will not result in the recognition of taxable gain or loss to a Regency unitholder. Any receipt of cash by a Regency unitholder (including, a deemed distribution of cash resulting from a net reduction in the amount of nonrecourse liabilities allocated to a Regency unitholder) will result in the recognition of taxable gain if such receipt exceeds the adjusted tax basis in the Regency units surrendered in the Merger. The receipt of ETP units may trigger taxable gain under the disguised sale rules of Section 707(a)(2)(B) of the Code for a Regency unitholder that contributed property in exchange for Regency units.

As a partner in Regency, a Regency unitholder is entitled to include the nonrecourse liabilities of Regency attributable to its Regency units in the tax basis of its Regency units. As a partner in ETP after the Merger, a Regency unitholder will be entitled to include the nonrecourse liabilities of ETP attributable to the ETP units received in the Merger in the tax basis of such units received. The nonrecourse liabilities of ETP will include the nonrecourse liabilities of Regency after the Merger. The amount of nonrecourse liabilities attributable to a Regency unit or an ETP unit is determined under complex regulations under Section 752 of the Code.

If the nonrecourse liabilities attributable to the ETP units received by a Regency unitholder in the Merger exceed the nonrecourse liabilities attributable to the Regency units surrendered by the Regency unitholder in the Merger, the Regency unitholder's tax basis in the ETP units received will be correspondingly higher than the unitholder's tax basis in the Regency units surrendered.

If the nonrecourse liabilities attributable to the ETP units received by a Regency unitholder in the merger are less than the nonrecourse liabilities attributable to the Regency units surrendered by the Regency unitholder in the Merger, the Regency unitholder's tax basis in the ETP units received will be correspondingly lower than the unitholder's tax basis in the Regency units surrendered.

Any reduction in liabilities described in the preceding paragraph will be treated as a deemed cash distribution to the Regency unitholder. If the amount of any such deemed distribution of cash to the Regency unitholder exceeds such Regency unitholder's tax basis in the Regency units surrendered, such Regency unitholder will recognize taxable gain in an amount equal to such excess. While there can be no assurance, ETP and Regency expect that most Regency unitholders will not recognize gain in this manner. However, the application of the rules governing the allocation of nonrecourse liabilities in the context of the Merger is complex and subject to uncertainty. There can be no assurance that a Regency unitholder will not recognize gain as a result of the distributions deemed received by such Regency unitholder as a result of a net decrease in the amount of nonrecourse liabilities allocable to such Regency unitholder as a result of the Merger. The amount and effect of any gain that may be recognized by an affected Regency unitholder will depend on the affected Regency unitholder's particular situation, including the ability of the affected Regency unitholder to utilize any suspended passive losses. Depending on these factors, any particular affected Regency unitholder may, or may not, be able to offset all or a portion of any gain recognized. Each Regency unitholder should consult such unitholder's own tax advisor in analyzing whether the Merger causes such unitholder to recognize deemed distributions in excess of the tax basis of Regency units surrendered in the Merger.

#### B. Tax Basis and Holding Period of the ETP Units Received

A Regency unitholder's initial tax basis in its Regency units consisted of the amount the Regency unitholder paid for the Regency units plus the Regency unitholder's share of Regency's nonrecourse liabilities. That basis has been and will be increased by the Regency unitholder's share of income and by any increases in the Regency unitholder's share of nonrecourse liabilities. That basis has been and will be decreased, but not below zero, by distributions, by the Regency unitholder's share of losses, by any decreases in the Regency unitholder's share of nonrecourse liabilities and by the Regency unitholder's share of expenditures that are not deductible in computing taxable income and are not required to be capitalized. A Regency unitholder's initial aggregate tax basis in the ETP units the Regency unitholder will receive in the Merger will be equal to the Regency unitholder's adjusted tax basis in the Regency units exchanged therefor, decreased by any basis attributable to the Regency unitholder's share of Regency's nonrecourse liabilities and increased by the Regency unitholder's share of ETP's nonrecourse liabilities immediately after the Merger. In addition, a Regency unitholder's tax basis in the ETP units received will be increased by the amount of any income or gain recognized by the Regency unitholder pursuant to the transactions contemplated by the Merger.

As a result of the Assets-Over Form, a Regency unitholder's holding period in the ETP units received in the Merger will not be determined by reference to its holding period in the Regency units exchanged therefor. Instead, a Regency unitholder's holding period in the ETP units received in the Merger that are attributable to Regency's capital assets or assets used in its

business as defined in Section 1231 of the Code will include Regency's holding period in those assets. The holding period for ETP units received by a Regency unitholder attributable to other assets of Regency, such as inventory and receivables, will begin on the day following the Merger.

#### IV. Circular 230

**The following information is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.**

**The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.**