# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 8-K

## **CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 10, 2007

# **ENERGY TRANSFER EQUITY, L.P.**

(Exact name of registrant as specified in its charter)

**Delaware** (State or other jurisdiction of incorporation) 001-32740 (Commission File Number) 30-0108820 (IRS Employer Identification No.)

2828 Woodside Street
Dallas, Texas 75204
(Address of principal executive offices) (Zip Code)

(214) 981-0700

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

### Item 2.02. Results of Operations and Financial Condition.

On January 16, 2007, Energy Transfer Equity, L.P. (the "Partnership") issued a press release announcing its financial results for the first quarter ended November 30, 2006. A copy of this press release is being furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

# Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 10, 2007, H. Michael Krimbill, a director of LE GP, LLC ("LE GP"), the general partner of the Partnership, resigned his position as a director. Mr. Krimbill's resignation is in connection with his resignation as an executive officer and director of the general partner of Energy Transfer Partners, L.P., a subsidiary of the Partnership.

Mr. Krimbill's departure is not related in any manner to any disagreement with LE GP's board of directors or management that is known to any executive officer of LE GP or the Partnership on any matter relating to the Partnership's operations, policies or practices.

## Item 9.01. Financial Statement and Exhibits.

### (d) Exhibits.

Exhibit No.	Description
99.1	Press release dated January 16, 2007, announcing financial results for the quarter ended November 30, 2006.
99.2	Letter of Resignation of H. Michael Krimbill.

# **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# **Energy Transfer Equity, L.P.**

By: LE GP, LLC, General Partner

By: /s/ John W. McReynolds

John W. McReynolds,

President and Chief Financial Officer and duly authorized

to sign on behalf of the registrant

Dated: January 17, 2007

# EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release dated January 16, 2007, announcing financial results for the quarter ended November 30, 2006.
99.2	Letter of Resignation of H. Michael Krimbill.



### PRESS RELEASE

## ENERGY TRANSFER EQUITY, L.P. REPORTS FIRST QUARTER 2007 RESULTS

**Dallas, Texas – January 16 2007** – Energy Transfer Equity, L.P. (NYSE:ETE) reported net income of \$31.0 million and Distributable Cash of \$74.6 million for the three months ended November 30, 2006. The Partnership raised its annual cash distribution \$0.11 per unit paid on the Partnership's outstanding limited partner units resulting in a quarterly distribution equal to \$0.34 per limited partner unit (\$1.36 annualized). Distributable Cash is a "non-GAAP measure", as explained below.

The Partnership's principal sources of cash flow are distributions it receives from its investments in the limited and general partner interests in Energy Transfer Partners, L.P. ("ETP"). ETE currently has no other operating activities apart from those conducted by the operating subsidiaries within ETP. ETE's principal uses of cash are for administrative expenses, debt service and distributions to its general and limited partners.

ETE's net income for the first quarter ended November 30, 2006 of \$31.0 million compares to \$39.6 million for the first quarter ended November 30, 2005. The decrease in net income is due primarily to the decreased net income of ETP and increased ETE interest expense. The decrease was partially offset by a decrease in minority interest expense of \$59.1 million. The minority interest expense primarily represents partnership interests in ETP that ETE does not own. The decrease in minority interest expense is due to the increase in ETE's average ownership in ETP's limited and general partners' interests for the first quarter ended November 30, 2006 to 38.92% as compared to 30.66% for the first quarter ended November 30, 2005 and the increase in ETE's income allocation from ETP due to ETE's now owning 100% of the incentive distribution rights of ETP.

## Use of Non-GAAP Financial Measures

This press release and accompanying schedules include the non-generally accepted accounting principle ("non-GAAP") financial measure of Distributable Cash. The accompanying schedules provide a reconciliation of this non-GAAP financial measure to its most directly comparable financial measure calculated and presented in accordance with GAAP. The Partnership's Distributable Cash should not be considered as an alternative to GAAP financial measures such as net income, cash flow from operating activities or any other GAAP measure of liquidity or financial performance.

<u>Distributable Cash.</u> The Partnerships defines Distributable Cash as cash distributions expected to be received from ETP in connection with the Partnership's investments in limited and general partner interests of ETP, net of the Partnership's expenditures for general and administrative costs and debt service. Distributable Cash is a significant liquidity measure used by the Partnership's senior management to compare net cash flows generated by the Partnership's equity investments in ETP to the distributions the Partnership expects to pay its unitholders. Using this measure, the Partnership's management can quickly compute the coverage ratio of estimated cash flows to planned cash distributions.

Distributable Cash is an important non-GAAP financial measure for our limited partners since it indicates to investors whether or not the Partnership's investments are generating cash flows at a level that can sustain or support an increase in quarterly cash distribution levels. Financial measures such as Distributable Cash are quantitative standards used by the investment community with respect to publicly-traded partnerships because the value of a partnership unit is in part measured by its yield (which in turn is based on the amount of cash distributions a partnership can pay to a unitholder). The GAAP measures most directly comparable to Distributable Cash are net income and cash flow from operating activities for ETE on a stand-alone basis ("Parent Company").

The accompanying analysis of Distributable Cash is presented only for the three month period ended November 30, 2006. Prior period information is not comparable or meaningful due to ETE's initial public offering in February 2006.

Energy Transfer Equity, L.P. (**NYSE:ETE**) owns the general partner of Energy Transfer Partners and approximately 62.5 million ETP limited partner units. Together ETP and ETE have a combined enterprise value approaching \$20 billion.

Energy Transfer Partners, L.P. (NYSE:ETP) is a publicly traded partnership owning and operating a diversified portfolio of energy assets. ETP's natural gas and storage operations include intrastate natural gas gathering and transportation pipelines, natural gas treating and processing assets located in Texas and Louisiana, and three natural gas storage facilities located in Texas. These assets include approximately 12,000 miles of intrastate pipeline in service, with an additional 600 miles of intrastate pipeline under construction, and 2,400 miles of interstate pipeline. ETP is one of the three largest retail marketers of propane in the United States, serving more than one million customers from over 400 customer service locations extending from coast to coast.

The information contained in this press release is available on our website at www.energytransfer.com.

#### **Contacts:**

Investor Relations:Media Relations:Renee LorenzVicki GranadoEnergy TransferGittins & Granado214-981-0700214-361-0400

# $\frac{\text{ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES}}{\text{CONSOLIDATED BALANCE SHEETS}}$

(in thousands, except unit data) (unaudited)

Marketable securities         2,96         2,2           Accounts receivable, net of allowance for doubtful accounts         598,854         675,           Accounts receivable from related parties         1,176         1           Inventories         499,688         387,           Deposits paid to vendors         79,227         87,           Exchanges receivable         28,045         23,           Price risk management assets         30,200         56,           Prepaid expenses and other assets         40,577         42.           Total current assets         1,528,97         13,28           Propaid expenses and other assets         99,90.66         41,26           ADVANCES TO AND INVESTMENT IN AFFILIATES         999,90.66         41,26           GOODWILL         632,624         633,24           INTANGIBLES AND OTHER LONG-TERM ASSETS, net         20,52.9         197,235.34           TOtal assets         5,80,16         \$603,24           Accounts payable         \$580,16         \$603,24           Accounts payable or leated parties         \$580,16         \$603,24           Exchanges payable         \$580,16         \$603,24           Accured and other current liabilities         1,050,6         40,00           Quer		November 30, 2006	August 31, 2006
Cash and cash equivalents         \$ 248,674         \$ 26, Antertable securities         2,566         \$ 22, Accounts receivable, net of allowance for doubtful accounts         \$ 598,884         675, Accounts receivable from related parties         \$ 1,176         \$ 1,276			
Marketable securities         2,96         2,2           Accounts receivable, net of allowance for doubtful accounts         598,854         675,           Accounts receivable from related parties         1,176         1           Inventories         499,688         387,           Deposits paid to vendors         79,227         87,           Exchanges receivable         28,045         23,           Price risk management assets         30,200         56,           Prepaid expenses and other assets         40,577         42.           Total current assets         1,528,97         13,28           Propaid expenses and other assets         99,90.66         41,26           ADVANCES TO AND INVESTMENT IN AFFILIATES         999,90.66         41,26           GOODWILL         632,624         633,24           INTANGIBLES AND OTHER LONG-TERM ASSETS, net         20,52.9         197,235.34           TOtal assets         5,80,16         \$603,24           Accounts payable         \$580,16         \$603,24           Accounts payable or leated parties         \$580,16         \$603,24           Exchanges payable         \$580,16         \$603,24           Accured and other current liabilities         1,050,6         40,00           Quer			
Accounts receivable, net of allowance for doubtful accounts         598,554         675, Accounts receivable from related parties         1,176         1           Accounts receivable from related parties         199,648         387, 2927         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         87, 2227         42, 2227         7, 2227	•		· -, -
Accounts receivable from related parties Inventories I			2,817
Inventories	·	,	675,545
Deposits paid to vendors         79,227         87, Exchanges receivable         26,045         23,045         23,045         23,045         23,045         23,045         23,045         23,045         23,045         23,045         23,045         24,057         24,057         42,057         42,057         42,057         42,057         42,058         43,058         42,058	1		602
Exchanges receivable         28,045         23,           Price risk management assets         30,200         56,           Prepaid expenses and other assets         1,528,907         1,302,           Total current assets         1,528,907         1,302,           RODERTY, PLANT AND EQUIPMENT, net         3,998,667         3,48,4           ADVANCES TO AND INVESTMENT IN AFFILIATES         99,056         44,           GODWILL         63,262,40         632,624         632,624           INTAGISLES AND OTHER LONG-TERM ASSETS, net         20,520         197.           LIABILITIES NUTRENTENTENTENTENTENTENTENTENTENTENTENTENTE			387,140
Price risk management assets         30,00         56,0           Prepaid expenses and other assets         15,28,99         13,02           PROPERTY, PLANT AND EQUIPMENT, net         3,98,467         3,748,4           ADANACES TO AND INVESTMENT IN AFFILIATES         99,056         41,2           GODWILL         206,250         197,           TOTAL assets         206,250         197,           TOTAL SELITIES AND OTHER LONG-TERM ASSETS, net         206,250         197,           TOTAL assets         57,365,30         59,244,           CURRENT LIABILITIES         580,176         \$603,           Accounts payable         580,176         \$603,           Accounts payable to related parties         1,306         24,           Exchanges payable         25,580         24,           Customer advances and deposits         101,711         108,           Accrued and other current liabilities         260,922         205,           Price risk management liabilities         40,857         40,           Current maturities of long-term debt         40,857         40,           NONCURENT DEFERRED INCOME TAXES         207,49         207,           NONCURENT DEFERRED INCOME TAXES         207,49         207, <td></td> <td>,</td> <td>87,806</td>		,	87,806
Prepaid expenses and other assets         40,57         42, 40, 50           Total current assets         1,528,97         1,302, 30, 30, 30, 30, 30, 30, 30, 30, 30, 30			23,221
Total current assets         1,528,997         1,302;           PROPERTY, PLANT AND EQUIPMENT, net         3,998,467         3,748,40 ADVANCES TO AND INVESTMENT IN AFFILIATES         999,056         41,600           GOODWILL         632,622         633,20         183,20           INTANGIBLES AND OTHER LONG-TERM ASSETS, net         206,259         197,70           Total assets         1,396         5,924.           CURRENT LIABILITIES           Accounts payable         \$ 580,176         \$ 603,3           Accounts payable to related parties         1,396         24,4           Exchanges payable         101,771         108,4           Accounts payable to related parties         101,771         108,4           Exchanges payable         250,925         24,4           Customer advances and deposits         101,771         108,4           Account payable to related parties         40,835         40,4           Current maturities of long-term debt         40,837         40,0           Total current liabilities         40,446,75         30,25,           NONCURRENT DEBT, less current maturities         4,446,75         30,25,           NONCURRENT DEFERRED INCOME TAXES         207,40         4,44,675			56,851
ROPERTY, PLANT AND EQUIPMENT, net   3,984.67   ADVANCES TO AND INVESTMENT IN AFFILIATES   999,056   41, 600   632,624   633, 634   633,634   633	· · ·		42,549
ADVANCES TO AND INVESTMENT IN AFFILIATES GOODWILL GOODWILL GOODWILL GOODWILL GOOL TOTAL GOOSE TOTAL GOOSE TOTAL GOOSE TOTAL GOOSE TOTAL GOOSE TOTAL GOOSE TIABILITIES AND PARTNERS' CAPITAL (DEFICIT)  CURRENT LIABILITIES ACCOUNTS payable ACCOUNTS payable to related parties Exchanges payable Exchanges payable Customer advances and deposits ACCOUNT in Habilities ACCOUNT IN HA	Total current assets	1,528,997	1,302,735
GODWILL         633,624         633,624         633,624         633,624         633,624         633,624         633,624         633,624         633,624         636,529         197,625         637,655,394         582,624         582,624         582,624         582,624         582,624         582,624         582,624         582,624         580,176         \$ 603,624 </td <td>PROPERTY, PLANT AND EQUIPMENT, net</td> <td>3,998,467</td> <td>3,748,614</td>	PROPERTY, PLANT AND EQUIPMENT, net	3,998,467	3,748,614
INTANGIBLES AND OTHER LONG-TERM ASSETS, net         206,250         197,05           Total assets         LABILITIES AND PARTNERS' CAPITAL (DEFICIT)           CURRENT LIABILITIES           Accounts payable or related parties         \$ 580,176         \$ 603,256           Accounts payable to related parties         1,396         24           Exchanges payable         32,580         24           Customer advances and deposits         101,771         108,6           Accrued and other current liabilities         260,522         205,4           Price risk management liabilities         43,359         36,6           Current maturities of long-term debt         40,000         100,000           Total current liabilities         1,000,000         1,000,000           NONCURRENT DEST, less current maturities         207,749         207,749           NONCURRENT DEFERRED INCOME TAXES         207,749         207,749           OMITIMENTS AND CONTINGENCIES         1,000,000         1,000,000           PARTNERS' CAPITAL (DEFICIT):         6,000,000         1,000,000           General partner         (140,000)         1,000,000           Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and 20,000,000         1,000,000	ADVANCES TO AND INVESTMENT IN AFFILIATES	999,056	41,344
Total assets   S7,365,394   S5,924,   S6,924,   S6,924	GOODWILL	632,624	633,998
CURRENT LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)   CURRENT LIABILITIES:   Accounts payable   \$580,176   \$603,	INTANGIBLES AND OTHER LONG-TERM ASSETS, net	206,250	197,450
CURRENT LIABILITIES:         Accounts payable       \$580,176       \$603,         Accounts payable to related parties       1,396       24         Exchanges payable       32,580       24,         Customer advances and deposits       101,771       108,         Accrued and other current liabilities       260,922       205,         Price risk management liabilities       43,359       36,         Current maturities of long-term debt       4,087       40,         Total current liabilities       1,061,061       1,020,         LONG-TERM DEBT, less current maturities       4,474,675       3,205,         NONCURRENT DEFERRED INCOME TAXES       207,49       207,49         OTHER NONCURRENT LIABILITIES       14,160       44,407,407         MINORITY INTERESTS       1,853,596       1,439,409,409,409,409,409,409,409,409,409,40	Total assets	\$7,365,394	\$5,924,141
CURRENT LIABILITIES:         Accounts payable       \$580,176       \$603,         Accounts payable to related parties       1,396       24         Exchanges payable       32,580       24,         Customer advances and deposits       101,771       108,         Accrued and other current liabilities       260,922       205,         Price risk management liabilities       43,359       36,         Current maturities of long-term debt       4,087       40,         Total current liabilities       1,061,061       1,020,         LONG-TERM DEBT, less current maturities       4,474,675       3,205,         NONCURRENT DEFERRED INCOME TAXES       207,49       207,49         OTHER NONCURRENT LIABILITIES       14,160       44,407,407         MINORITY INTERESTS       1,853,596       1,439,409,409,409,409,409,409,409,409,409,40	LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)		
Accounts payable to related parties         1,396         2.580         24, 24, 24, 25, 25, 25, 25, 20, 24, 24, 25, 25, 27, 20, 24, 25, 26, 24, 24, 25, 26, 24, 24, 25, 26, 24, 24, 24, 25, 26, 24, 24, 24, 24, 24, 24, 24, 24, 24, 24			
Accounts payable to related parties         1,396         2.580         24, 24, 24, 25, 25, 25, 25, 20, 24, 24, 25, 25, 27, 20, 24, 25, 26, 24, 24, 25, 26, 24, 24, 25, 26, 24, 24, 24, 25, 26, 24, 24, 24, 24, 24, 24, 24, 24, 24, 24	Accounts payable	\$ 580,176	\$ 603,527
Exchanges payable         32,580         24,           Customer advances and deposits         101,771         108,           Accrued and other current liabilities         260,922         205,           Price risk management liabilities         43,359         36,           Current maturities of long-term debt         40,857         40,           Total current liabilities         1,061,061         1,020,           LONG-TERM DEBT, less current maturities         4,474,675         3,205,           NONCURRENT DEFERRED INCOME TAXES         207,749         207,           OTHER NONCURRENT LIABILITIES         14,160         4,           MINORITY INTERESTS         1,853,596         1,439,           COMMITMENTS AND CONTINGENCIES         (140)         5,878,           PARTNERS' CAPITAL (DEFICIT):         (140)         (140)         (140)           Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)         (259,625)         (9,9,0,0)           Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)         52,871         53,	Accounts payable to related parties		320
Accrued and other current liabilities       260,922       205,4         Price risk management liabilities       43,359       36,5         Current maturities of long-term debt       40,857       40,0         Total current liabilities       1,061,061       1,020,0         LONG-TERM DEBT, less current maturities       4,474,675       3,205,0         NONCURRENT DEFERRED INCOME TAXES       207,749       207,4         OTHER NONCURRENT LIABILITIES       14,160       4,4         MINORITY INTERESTS       1,853,596       1,439,         COMMITMENTS AND CONTINGENCIES       7,611,241       5,878,         PARTNERS' CAPITAL (DEFICIT):       (140)       (259,625)       (9,9,000)         General partner       (259,625)       (9,9,000)       (9,9,000)       (259,625)       (9,9,000)         Class B Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)       (259,625)       (9,9,000)         Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)       52,871       53,		32,580	24,722
Price risk management liabilities         43,359         36, Current maturities of long-term debt         40,857         40, 40,857         40, 40,857         40, 40,857         40, 40,857         40, 40,857         40, 40,857         40, 40,857         40, 40, 40, 40, 40, 40, 40, 40, 40, 40,	Customer advances and deposits	101,771	108,836
Current maturities of long-term debt         40,857         40,057           Total current liabilities         1,061,061         1,020,050           LONG-TERM DEBT, less current maturities         4,474,675         3,205,050           NONCURRENT DEFERRED INCOME TAXES         207,749         207,400           OTHER NONCURRENT LIABILITIES         14,160         4,800           MINORITY INTERESTS         1,853,596         1,439,000           COMMITMENTS AND CONTINGENCIES         7,611,241         5,878,000           PARTNERS' CAPITAL (DEFICIT):         (140)         1,000           Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)         (259,625)         (9,000)           Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)         52,871         53,000	Accrued and other current liabilities	260,922	205,857
Total current liabilities	Price risk management liabilities	43,359	36,918
LONG-TERM DEBT, less current maturities       4,474,675       3,205,6         NONCURRENT DEFERRED INCOME TAXES       207,749       207,3         OTHER NONCURRENT LIABILITIES       14,160       4,9         MINORITY INTERESTS       1,853,596       1,439,3         COMMITMENTS AND CONTINGENCIES       7,611,241       5,878,3         PARTNERS' CAPITAL (DEFICIT):       (140)       4,0         Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)       (259,625)       (9,50,0         Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)       52,871       53,50,0	Current maturities of long-term debt	40,857	40,607
NONCURRENT DEFERRED INCOME TAXES  OTHER NONCURRENT LIABILITIES  14,160 4,9 MINORITY INTERESTS  1,853,596 1,439,  COMMITMENTS AND CONTINGENCIES  7,611,241 5,878,  PARTNERS' CAPITAL (DEFICIT):  General partner  Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006, respectively)  52,871 53,5	Total current liabilities	1,061,061	1,020,787
OTHER NONCURRENT LIABILITIES  MINORITY INTERESTS  COMMITMENTS AND CONTINGENCIES  7,611,241 5,878,379  PARTNERS' CAPITAL (DEFICIT):  General partner  Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006, respectively)  52,871 53,375	LONG-TERM DEBT, less current maturities	4,474,675	3,205,646
MINORITY INTERESTS 1,853,596 1,439,  COMMITMENTS AND CONTINGENCIES 7,611,241 5,878,3  PARTNERS' CAPITAL (DEFICIT):  General partner (140)  Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively) (259,625) (9,3,12,12,12,12,12,12,12,12,12,12,12,12,12,	NONCURRENT DEFERRED INCOME TAXES	207,749	207,877
COMMITMENTS AND CONTINGENCIES  7,611,241 5,878,32  PARTNERS' CAPITAL (DEFICIT):  General partner Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006, respectively)  52,871 53,33	OTHER NONCURRENT LIABILITIES	14,160	4,953
PARTNERS' CAPITAL (DEFICIT):  General partner Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006, respectively)  52,871  53,578,578,578  (140)  (259,625) (9,578)  (259,625) (9,578)  (259,625) (9,578)	MINORITY INTERESTS	1,853,596	1,439,127
PARTNERS' CAPITAL (DEFICIT):  General partner Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006, respectively)  52,871  53,578,578,578  (140)  (259,625) (9,578)  (259,625) (9,578)  (259,625) (9,578)	COMMITMENTS AND CONTINGENCIES		
PARTNERS' CAPITAL (DEFICIT):  General partner  Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  52,871  53,50		7,611,241	5,878,390
General partner Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively) Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively) 52,871 53,	PARTNERS' CAPITAL (DEFICIT):		
August 31, 2006, respectively) (259,625) (9,500) Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively) 52,871 53,		(140)	(69)
August 31, 2006, respectively) (259,625) (9,500) Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively) 52,871 53,	Common Unitholders (132,149,653 and 124,360,520 units authorized, issued and outstanding at November 30, 2006 and	, ,	
Class B Unitholders (2,521,570 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006, respectively)  52,871  53,		(259,625)	(9,586)
Cl. CTT 11 11 (00 440 000 10 11 11 11 11 11 11 11 11 1 10 0000 14 10 000		52,871	53,130
Class C Unitholders (83,418,900 and 0 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006,	Class C Unitholders (83,418,900 and 0 units authorized, issued and outstanding at November 30, 2006 and August 31, 2006,		
respectively) (62,150)	respectively)	(62,150)	_
Accumulated other comprehensive income (loss) 23,197 2,3	Accumulated other comprehensive income (loss)	23,197	2,276
Total partners' capital (deficit) (245,847) 45,	Total partners' capital (deficit)	(245,847)	45,751

\$7,365,394

\$5,924,141

Total liabilities and partners' capital (deficit)

# ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per unit and unit data) (unaudited)

		Three Months Ended November 30,	
REVENUES:	2006	2005	
Midstream and transportation and storage	\$ 1,062,444	\$ 2,208,533	
Propane and other	326,001	208,087	
Total revenues	1,388,445	2,416,620	
COSTS AND EXPENSES:			
Cost of products sold – midstream and transportation and storage	883,983	1,959,368	
Cost of products sold – propane and other	203,360	131,259	
Operating expenses	132,381	102,671	
Depreciation and amortization	36,864	29,969	
Selling, general and administrative	28,769	25,487	
Total costs and expenses	1,285,357	2,248,754	
OPERATING INCOME	103,088	167,866	
OTHER INCOME (EXPENSE):			
Interest expense, net of interest capitalized	(68,547)	(39,143)	
Equity in earnings (losses) of affiliates	4,887	(274)	
Gain (loss) on disposal of assets	1,944	(128)	
Interest and other income, net	1,517	1,064	
INCOME BEFORE INCOME TAX EXPENSE AND MINORITY INTERESTS	42,889	129,385	
Income tax expense	2,873	21,687	
INCOME BEFORE MINORITY INTERESTS	40,016	107,698	
Minority interests	(8,975)	(68,097)	
NET INCOME	31,041	39,601	
GENERAL PARTNER'S INTEREST IN NET INCOME	145	248	
LIMITED PARTNERS' INTEREST IN NET INCOME	\$ 30,896	\$ 39,353	
BASIC NET INCOME PER LIMITED PARTNER UNIT	\$ 0.20	\$ 0.29	
BASIC AVERAGE NUMBER OF LIMITED PARTNER UNITS OUTSTANDING	154,636,195	136,357,871	
DILUTED NET INCOME PER LIMITED PARTNER UNIT	\$ 0.20	\$ 0.29	
DILUTED AVERAGE NUMBER OF LIMITED PARTNER UNITS OUTSTANDING	154,636,195	136,357,871	

	Three Months Ende	<u>d November 30,</u> 2005
VOLUMES:		
(unaudited)		
Midstream		
Natural gas MMBtu/d – sold	979,878	1,527,391
NGLs Bbls/d – sold	11,569	10,217
Transportation and storage		
Natural gas MMBtu/d – transported	4,800,086	4,465,189
Natural gas MMBtu/d – sold	1,021,297	1,551,365
Propane gallons (in thousands)		
Retail propane	140,631	88,738
Wholesale	23,283	19,601

# $\frac{\text{ENERGY TRANSFER EQUITY, L.P.}{-\text{PARENT COMPANY}}}{\text{DISTRIBUTABLE CASH}}$

(in thousands) (unaudited)

The following table presents the calculation and reconciliation of Distributable Cash of the Parent Company with respect to the first quarter of fiscal 2007:

		ree Months Ended ovember 30, 2006
Distributable Cash:		
Cash distributions expected from Energy Transfer Partners, L.P. associated with:		
General partner interest:		
Standard distribution rights	\$	3,271
Incentive distribution rights		51,880
Limited partner interest:		
36,413,840 common units		27,994
26,086,957 class G units	_	20,054
Total cash expected from Energy Transfer Partners, L.P.		103,199
Deduct expenses of the Parent Company on a stand-alone basis:		
General and administrative expenses		(1,974)
Interest expense, net of amortization of financing costs	_	(26,585)
Distributable Cash	\$	74,640
Cash distributions to be paid to the partners of Energy Transfer Equity, L.P.:		
Distribution per limited partner unit	\$	0.3400
Distributions to be paid to public unitholders	\$	19,205
Distributions to be paid to affiliates		53,998
Distributions to be paid to Class B unitholder		857
Distributions to be paid to general partner		235
Total cash distributions to be paid by Energy Transfer Equity, L.P. to its limited		
and general partners	\$	74,295
Reconciliation of Non-GAAP "Distributable Cash" to GAAP "Net Income" and GAAP "Net cash provided by operating activites" for the		
Parent Company on a stand-alone basis:	d.	21.041
Net income	\$	31,041
Adjustments to derive Distributable Cash:		(50.070)
Equity in income of unconsolidated affiliates		(59,979)
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.		103,199
Amortization of financing costs		379
Distributable Cash		74,640
Adjustments to Distributable Cash to derive Net Cash Provided by Operating Activites:		
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.		(103,199)
Cash distribution received from Energy Transfer Partners, L.P. in October 2006		49,906
Net effect of changes in operating accounts		(8,582)
Net cash provided by operating activites for Parent Company on stand-alone basis	\$	12,765

H. Michael Krimbill

5620 E. 114<sup>th</sup> Street, Tulsa, Oklahoma 74137 (918) 629-0841

January 10, 2007

## Via Email Delivery & Original via U.S. Mail

John W. McReynolds 2828 Woodside Street Dallas, Texas 75204

RE: Energy Transfer Equity, L.P. (the "Partnership")

Dear John:

I regret to inform you that as of 5.00 p.m. today, January 10, 2007, I am resigning as a director of the general partner of the Partnership. We have accomplished a great deal in a relatively short period of time, including the initial public offering last February, the work relating to the credit rating of the Partnership, and the acquisition of the remaining IDRs. The subsequent financing of these transactions was both challenging and ultimately very successful. However, based upon my resignation earlier today as an executive officer and director of Energy Transfer Partners, L.P., I believe it is in the best interests of the Partnership, and my own, that I do not continue to serve as a director of the Partnership. It has been a pleasure not only working with you, but developing a friendship with you and Anne. I will miss the comraderie and teamwork.

Sincerely,

/s/ H. Michael Krimbill

H. Michael Krimbill

To: The Board of Directors

I hereby resign as a director of Energy Transfer Equity, L.P., effective as of 5.00 p.m. on Wednesday, January 10, 2007.

/s/ H. Michael Krimbill

H. Michael Krimbill