
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): July 26, 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.)

3738 Oak Lawn Avenue
Dallas, Texas 75219
(Address of principal executive offices, including 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))
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Item 7.01. Regulation FD Disclosure.

On July 26, 2007, Energy Transfer Partners, L.P. (“ETP”), a subsidiary of Energy Transfer Equity, L.P., issued a press release relating to the item described in Item 8.01.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 2.02 and in the attached exhibit shall be deemed to be “furnished” and not be deemed to be “filed” for purposes of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Item 8.01 Other Events.

On July 26, 2007, the Federal Energy Regulatory Commission (the “FERC”) issued to ETP an Order to Show Cause and Notice of Proposed Penalties (the “Order and Notice”) that contains allegations that ETP engaged in manipulative or improper trading activities in the Houston Ship Channel market, primarily during the fall of 2005 following the occurrence of Hurricanes Katrina and Rita, as well as during certain prior periods in 2004 and 2005, in order to benefit financially from ETP’s commodities derivative positions and from certain of its index-priced physical gas purchases in the Houston Ship Channel market. The FERC’s legal action against ETP also includes allegations related to ETP’s Oasis Pipeline, an intrastate pipeline that transports natural gas between the Waha Hub in west Texas to the Katy Hub near Houston, Texas. The allegations related to the Oasis Pipeline include claims that the Oasis Pipeline gave undue preference for pipeline capacity to an affiliate and that the Oasis Pipeline charged in excess of the maximum lawful rate for certain transportation services. The FERC has also sought to revoke ETP’s blanket marketing authority for sales in interstate commerce at negotiated rates. In addition, the Commodity Futures Trading Committee (the “CFTC”) filed suit in United States District Court for the Northern District of Texas alleging the ETP attempted to manipulate natural gas prices in the Houston Ship Channel market on September 28, 2005 and November 28, 2005 to benefit financially from our commodities derivatives positions.

As previously disclosed in our public filings, these agencies have been conducting investigations into these matters. ETP recently engaged in settlement negotiations to resolve these matters; however, these negotiations were not successful. In its Order and Notice, the FERC is seeking \$70.1 million in disgorgement of profits and \$97.5 million in civil penalties relating to these matters and, in its lawsuit, the CFTC is seeking civil penalties of \$130,000 per violation, or three times the profit gained from each violation, and other ancillary relief. It is ETP’s position that its trading and transportation activities during the periods at issue complied in all material respects with applicable laws and regulations, and ETP intends to contest these cases vigorously. At this time, neither we nor ETP is able to predict the final outcome of these matters.

Item 9.01. Financial Statements and Exhibits.

(d) In accordance with General Instruction B.2 of Form 8-K, the information set forth in the attached exhibit are deemed to be furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 26, 2007.

SIGNATURES

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

ENERGY TRANSFER EQUITY, L.P.

By: LE GP, LLC, its general partner

By: /s/ John W. McReynolds

John W. McReynolds,
President and Chief Financial Officer

Dated: July 26, 2007

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated July 26, 2007.



ENERGY TRANSFER

Energy Transfer Partners Denies Validity of Government Charges

DALLAS, July 26, 2007 — **Energy Transfer Partners, L.P.** (NYSE:ETP) confirmed today that the Federal Energy Regulatory Commission (the “FERC”) and the Commodity Futures Trading Commission (“CFTC”) have commenced legal proceedings against ETP. FERC claims that ETP should have obtained higher prices for its monthly physical gas sold at Houston Ship Channel primarily during the fall of 2005 following dislocations in the market arising from Hurricanes Katrina and Rita. The CFTC does not allege that ETP had any actual effect on prices or harmed either the natural gas market or any of its participants, but rather that ETP made an attempt to affect prices.

“We believe that our business transactions during the times covered by these proceedings were conducted in a lawful and responsible manner and that no laws or regulations were violated during the course of our business,” said former FERC Commissioner Jerry J. Langdon, now Chief Administrative and Compliance Officer for Energy Transfer Partners. “We will vigorously defend our position as the legal proceedings go forward.”

These charges are based on an untested theory that attempts to force a natural gas seller to ignore supply and demand in the market and, instead, sell natural gas at a price that the FERC believes in hindsight should have been the “right” price by comparison to prices in other markets.

Neither the FERC nor the CFTC are making any final conclusions in these actions. The FERC itself explained that it was issuing a “Show Cause” order that represents its view of the existing record without the benefit of ETP’s response. The CFTC has filed a Complaint, which ETP will contest. ETP has answers to the questions that have been raised by both the CFTC and the FERC, and looks forward to having the opportunity to rebut both agencies’ actions.

“Following what has been called ‘the storm of the century,’ Energy Transfer and all other market participants were confronted with uncertain market conditions,” said Langdon. “We believe these charges are misguided. The FERC asserts, despite record high prices at the time, that we should have achieved even higher prices in the wake of the hurricanes’ devastation and the significant disruptions in the natural gas market that followed. We believe that the FERC’s hindsight review of what prices should have been ignores the difficult market conditions buyers and sellers were dealing with at the time.”

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 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 12,200 miles of intrastate pipeline in service, with an additional 400 miles of intrastate pipeline under construction, and 2,400 miles of interstate pipeline. ETP is also one of the three largest retail marketers of propane in the U.S., serving more than one million customers across the country.

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

The information contained in this press release is available on the Partnership’s website at www.energytransfer.com.

Contacts

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