Regency Energy Partners LP
Form 424B5
July 27, 2007

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Filed pursuant to Rule 424(b)(5)
Registration No. 333-141809

PROSPECTUS SUPPLEMENT
(To Prospectus Dated July 23, 2007)

10,000,000 Common Units

Representing Limited Partner Interests

We are selling 10,000,000 common units representing limited partner interests in Regency Energy Partners LP. Our common units trade on the NASDAQ Global Select Market under the symbol RGNC. The last reported sales price of our common units on the NASDAQ Global Select Market on July 26, 2007 was $32.05 per common unit.

Investing in our common units involves risks. Please read Risk Factors beginning on page S-14 of this prospectus supplement and on page 4 of the accompanying prospectus.

	Per Common Unit	Total
Public offering price	$ 32.050	$ 320,500,000
Underwriting discount	$ 1.282	$ 12,820,000
Proceeds to us (before expenses)	$ 30.768	$ 307,680,000

We have granted the underwriters a 30-day option to purchase up to an additional 1,500,000 common units from us on the same terms and conditions as set forth above if the underwriters sell more than 10,000,000 common units in this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common units on or about July 31, 2007.

Joint Book-Running Managers

UBS Investment Bank **Goldman, Sachs & Co.** **Morgan Stanley**

A.G. Edwards

Credit Suisse

JPMorgan

Wachovia Securities

The date of this prospectus supplement is July 26, 2007

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering of common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the common units. If the information relating to the offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are offering to sell the common units, and seeking offers to buy the common units, only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since such dates.

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Summary

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It does not contain all of the information you should consider before making an investment decision. You should read the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. Please read the section entitled Risk Factors on page 4 of the accompanying prospectus for more information about important factors that you should consider before buying our common units in this offering.

References in this prospectus supplement to Regency Energy Partners, the Partnership, we, our, us and similar terms, refer to Regency Energy Partners LP and its subsidiaries. References to our general partner or the General Partner refer to Regency GP LP, the general partner of the Partnership. References to the Managing General Partner refer to Regency GP LLC, the general partner of the General Partner, which effectively manages the business and affairs of the Partnership. Unless we indicate otherwise, the information presented in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units.

REGENCY ENERGY PARTNERS LP

We are a growth-oriented, publicly-traded Delaware limited partnership engaged in the gathering, processing, transportation and marketing of natural gas. We provide these services through systems located in Louisiana, Texas, Kansas, Oklahoma and Colorado. The Partnership was formed in September 2005 to capitalize on opportunities in the midstream sector of the natural gas industry.

We divide our operations into two business segments:

Ø *Gathering and Processing:* in which we provide wellhead-to-market services to producers of natural gas, which include transporting raw natural gas from the wellhead through gathering systems, treating to remove impurities such as hydrogen sulfide and carbon dioxide, processing raw natural gas to separate natural gas liquids, or NGLs, from the raw natural gas and selling or delivering the pipeline-quality natural gas and NGLs to various markets and pipeline systems; and

Ø *Transportation:* in which we deliver natural gas from northwest Louisiana to more favorable markets in northeast Louisiana through our 320-mile Regency Intrastate Pipeline system.

All of our assets are located in well-established areas of natural gas production that are characterized by long-lived, predictable reserves. These areas are generally experiencing increased levels of natural gas exploration, development and production activities as a result of strong demand for natural gas, attractive recent discoveries, infill drilling opportunities and the implementation of new exploration and production techniques.

For the year ended December 31, 2006 and the three months ended March 31, 2007, we generated $896.9 million and $256.4 million of revenue, respectively, and $69.6 million and $25.0 million of EBITDA, respectively. For a definition of EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles, or GAAP, please read Non-GAAP financial measures.

CHANGE OF CONTROL OF REGENCY ENERGY PARTNERS

On June 18, 2007, GE Energy Financial Services, or GE EFS, a unit of General Electric Company, or GE, indirectly acquired 100% of the general and limited partner interests in our General Partner as well as 17,763,809 subordinated units, representing 37.3% of the common and subordinated units outstanding, or 37.0% after giving effect to the contemporaneous awards of 355,000 restricted units under our long-term incentive plan. Pursuant to this acquisition, which we refer to as the GP Acquisition, GE EFS acquired 91.3% of both the member interest in our Managing General Partner and the outstanding limited partner interests in our General Partner from an affiliate of HM Capital Partners LLC. GE EFS also indirectly acquired from members of our management the remaining 8.7%

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of the member interest in the Managing General Partner and the remaining 8.7% of the outstanding limited partner interests in our General Partner. In addition, also as a result of this acquisition, GE EFS acquired 17,763,809 subordinated units in us, of which 1,222,717 subordinated units were owned directly or indirectly by certain members of our management team. Members of our management team re-acquired or agreed to acquire interests in an affiliate of GE EFS that entitle them to an indirect 8.2% ownership interest in the Managing General Partner and the General Partner, as well as approximately 58,000 subordinated units.

As a result of these acquisitions and contemporaneous awards under our Long-Term Incentive Plan, GE EFS owns (i) 37.0% of our limited partner interests, (ii) the 2% general partner interest in us, and (iii) the right to receive the incentive distributions associated with the general partner interest. As a result of its ownership of our Managing General Partner, GE EFS appoints all of the directors of our Managing General Partner and has appointed five directors to serve on the board of directors. Four partners of HM Capital Partners LLC and two others resigned as directors concurrently with the GP Acquisition, and our chief executive officer and two independent directors remained on the board of directors of our Managing General Partner.

This change of control caused all outstanding unvested option and restricted unit awards under our Long-Term Incentive Plan to vest. As a result, we will record a non-cash charge of approximately $11.5 million to our results of operations for the quarter ending June 30, 2007.

OUR RELATIONSHIP WITH GENERAL ELECTRIC

As a result of the GP Acquisition, we now have a relationship with GE and GE EFS that we believe will benefit us in making acquisitions from both GE EFS and third-parties. GE EFS has approximately $14 billion of assets and invested more than $5 billion in the energy and water industries during 2006. GE EFS s energy asset base includes interests in Bobcat Natural Gas Storage an underground natural gas storage facility in the Gulf Coast and 20,000 miles of natural gas pipelines in North America, including (i) Southern Star Central a natural gas transmission system located in the central U.S., (ii) SourceGas a local natural gas distribution company in Colorado, Nebraska, Wyoming and Hermosillo, Mexico and (iii) a natural gas gathering and processing system located in the Hugoton Basin.

Although GE EFS has not committed, and has no obligation, to sell assets to us or to promote our interests, GE EFS has indicated that it intends to use us as a platform for its future investment in and commitment to growth in the midstream sector. We intend to pursue acquisitions of assets from GE EFS at accretive valuations and believe GE EFS has an incentive to sell assets at such valuations given its economic interests in us.

Additionally, we believe we will benefit from GE EFS s financial strength, experience and commitment to growth in the midstream sector as we will be able to pursue additional strategic opportunities, including third-party acquisitions and/or organic growth initiatives, because of our access to GE and GE EFS s industry expertise, market opportunities, and, potentially, capital.

BUSINESS STRATEGIES

Our management team is dedicated to increasing the amount of cash available for distribution to each outstanding unit while maintaining a strong balance sheet. We intend to achieve this by executing the following strategies:

Ø *Pursuing strategic acquisitions of midstream assets from GE EFS.* GE EFS s energy asset base is considerably larger than our own and includes midstream assets that we believe are strategically aligned with our existing operations or provide attractive operations in new regions. GE EFS has not committed to and does not have any obligation to sell assets to us.

- Ø *Utilizing our relationship with GE EFS to facilitate acquisitions from third parties.* We intend to pursue strategic acquisitions of midstream assets from third parties in or near our current areas of operation that offer the opportunity for operational efficiencies and the potential for increased utilization and expansion of those assets. We also intend to pursue opportunities in new regions with significant natural gas reserves and high levels of drilling activity. We believe our relationship with GE EFS will provide increased access to such opportunities.

- Ø *Maximizing the profitability of our existing assets.* We intend to increase the profitability of our existing asset base by actively controlling and reducing operating costs, identifying new business opportunities, scaling our operations by adding new volumes of natural gas supplies, and undertaking additional initiatives to enhance efficiency.

- Ø *Implementing cost-effective organic growth opportunities.* We intend to build natural gas gathering assets, processing facilities and transportation lines that will enhance our existing systems, further our ability to aggregate supply, and enable us to access premium markets for that supply. Where applicable, we will seek to coordinate each expansion with the needs of significant producers in the area to mitigate speculative risk associated with securing through-put volumes.

- Ø *Continuing to reduce our exposure to commodity price risk.* We operate our business in a manner designed to allow us to generate stable cash flows while mitigating the impact of fluctuations in commodity prices.

- Ø *Improving our credit ratings.* We are committed to achieving an investment grade rating on our debt. Our current Corporate Family Rating from Moody s is B1, and our current Corporate Credit Rating from Standard & Poor s is B+.

COMPETITIVE STRENGTHS

We believe that we are well positioned to execute our business strategies and to compete in the natural gas gathering, processing, marketing and transportation businesses based on the following competitive strengths:

- Ø *Our acquisition strategy and growth opportunities will benefit from our affiliation with GE EFS.* As indicated above, we believe our affiliation with GE EFS enhances our ability to consummate accretive acquisitions and capitalize on market opportunities.

- Ø *We have the financial flexibility and adequate access to capital to pursue acquisition and organic growth opportunities.* We remain committed to maintaining a capital structure that will afford us the financial strength to fund expansion projects and other attractive investment opportunities. We believe our relationship with GE increases our access to capital and enables us to pursue strategic opportunities that we may otherwise not be able to pursue. In addition, we have sufficient liquidity under our credit facility to fund our near term growth capital requirements.

- Ø *We have a significant market presence in major natural gas supply areas.* We have a significant market presence in each of our operating areas, which are located in some of the largest and most prolific gas-producing regions of the United States: the Louisiana-Mississippi-Alabama Salt basin in north Louisiana, the Permian basin of west Texas, the Hugoton and Anadarko basins in the mid-continent area, the East Texas basin and Edwards, Olmos and Wilcox trends in south Texas. Our geographical diversity reduces our reliance on any particular region, basin or gathering system. Each of these producing regions is well-established with generally long-lived, predictable reserves, and our assets are strategically located in each of the regions. These areas are experiencing high levels of natural gas exploration, development and production activities as a result of strong demand for natural gas, attractive recent discoveries, infill drilling opportunities and the implementation of new exploration and production techniques.

Ø *Our Regency Intrastate Pipeline System provides us with significant fee-based transportation through-put volumes and cash flow.* The Regency Intrastate Pipeline System allows us to capitalize on the flow of natural gas from producing fields in north Louisiana to intrastate and interstate markets in northeast Louisiana. These transportation through-put volumes have limited commodity price exposure and provide us with a stable, fee-based cash flow.

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- Ø *We have an experienced, knowledgeable management team with a proven track record.* Our senior management team has an average of over 20 years of industry related experience. Our team s extensive experience and contacts within the midstream industry provide a strong foundation and focus for managing and enhancing our operations, for accessing strategic acquisition opportunities and for constructing new assets. Additionally, members of our management team have a substantial economic interest in us through an indirect 8.2% ownership interest in the Managing General Partner and the General Partner.

OTHER INFORMATION

Our principal executive offices are located at 1700 Pacific Avenue, Suite 2900, Dallas, Texas 75201, and our telephone number is (214) 750-1771. Our internet address is www.regencygas.com. Our periodic reports and other information filed or furnished to the Securities and Exchange Commission, or the SEC, are available, free of charge, through our website, as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

PARTNERSHIP STRUCTURE AND MANAGEMENT

Our operations are conducted through, and our operating assets are owned by, our subsidiaries. We own our interests in our operating subsidiaries through an operating partnership, Regency Gas Services LP.

Regency GP LP, our general partner, or the General Partner, has direct responsibility for conducting our business and for managing our operations. Because our general partner is a limited partnership, its general partner, Regency GP LLC, or the Managing General Partner, is ultimately responsible for the business and operations of the General Partner and conducts our business and operations, and the board of directors and officers of Regency GP LLC make decisions on our behalf.

The chart on the following page depicts the organizational structure and ownership of Regency Energy Partners LP, the operating partnership and the operating subsidiaries after giving effect to this offering but excluding the underwriters option to purchase additional common units.

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Ownership of Regency Energy Partners LP

Public Common Units	65.7%
GE EFS, Management and Affiliates Subordinated Units	32.3%
GE EFS, Management and Affiliates General Partner Interest	2.0%
	100.0%

(1) Includes 17,763,809 subordinated units owned by GE EFS, 1,116,509 subordinated units owned by our management and 223,578 subordinated units held by two other individuals.

(2) Twenty-nine members of our management currently own or have subscribed to purchase interests in an affiliate of GE EFS that represent an indirect economic interest in approximately 8.2% of the equity of our Managing General Partner and our General Partner.

(3) Includes 8,148,672 Common Units owned by affiliates of HM Capital Partners LLC that are subject to contractual restrictions against sale for six months (57.6%) and a year (42.4%).

(4) Includes 355,000 restricted Common Units issued to our management and employees under our Long-Term Incentive Plan at the time of the GP Acquisition.

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The offering

Common units offered by Regency Energy Partners LP	10,000,000 common units 11,500,000 common units if the underwriters exercise in full their option to purchase additional common units.
Units outstanding after this offering	38,927,212 common units, or 40,427,212 common units if the underwriters exercise in full their option to purchase additional common units, and 19,103,896 subordinated units.
Use of proceeds	We expect to receive approximately $312.5 million from the sale of the 10,000,000 common units offered hereby, including our general partner s proportionate capital contribution and after deducting underwriting discounts and commissions and estimated offering expenses. We will apply approximately $208.6 million of the net proceeds to redeem $192.5 million in principal amount, or 35%, of the $550 million in principal amount of our outstanding 83/8% senior notes due 2013. In addition, we will use $50.0 million of the net proceeds to repay the remaining term loan outstanding under our credit facility and $53.8 million of the net proceeds to repay outstanding revolving credit indebtedness under our credit facility. We will pay the accrued interest on all indebtedness repaid to the date of payment from cash on hand. We will use any net proceeds from the underwriters exercise of their option to purchase additional common units to repay additional borrowings outstanding under our revolving credit facility. Please read Use of Proceeds.
Cash distributions	We intend to make distributions on our common units equal to or greater than the minimum quarterly distribution of $0.35 per unit to the extent we have sufficient cash from our operations after establishment of cash reserves and payment of fees and expenses of our General Partner. On May 15, 2007, we paid a quarterly cash distribution for the quarter ended March 31, 2007 of $0.38 per unit to the holders of our common and subordinated units, or $1.52 per unit on an annualized basis. If cash distributions exceed $0.4025 per unit in a quarter, our general partner will receive increasing percentages, up to 50%, of the cash we distribute in excess of that amount. We refer to these distributions as incentive distributions. Please see How We Make Cash Distributions Incentive Distribution Rights in the accompanying prospectus. Under our partnership agreement, we must distribute all of our cash on hand at the end of each quarter, less reserves established by our General

Partner in its sole discretion. These reserve funds are meant to provide for the proper conduct of our business including funds needed to provide for our operations as well as to comply with applicable debt instruments. As we cannot estimate the size of these reserves for any given quarter at this time, we cannot assure you that,

	after the establishment of reserves, we will have cash on hand for distribution to our unitholders. We refer to this cash available for distribution as available cash, and we define its meaning in our partnership agreement. Please see How We Make Cash Distributions in the accompanying prospectus for a description of available cash. The amount of available cash may be greater than or less than the minimum quarterly distribution. We expect to pay our distribution for the quarter ended June 30, 2007 on August 14, 2007 to the holders of our common units on August 7, 2007. If you purchase common units in this offering, you will receive this distribution.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through December 31, 2010, you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 20% or less of the cash distributed to you with respect to that period. Please read Tax Considerations in this prospectus supplement for the basis of this estimate.
Exchange listing	Our common units are traded on the NASDAQ Global Select Market under the symbol RGNC.
Risk factors	There are risks associated with this offering and our business. You should consider carefully the risk factors beginning on page 4 of the accompanying prospectus before making a decision to purchase common units in this offering.

Summary financial and other data

The summary historical financial information presented below for us and our predecessors, Regency Gas Services LLC (which for the period prior to December 1, 2004 we define as Regency LLC Predecessor) and its successor Regency Gas Services LP, was derived from our audited consolidated financial statements as of December 31, 2006, 2005, and 2004 and for the periods then ended, the one month period ended December 31, 2004, and the eleven month period ended November 30, 2004, and from our unaudited financial statements as of March 31, 2007 and for the three month period then ended. The summary historical financial data has been adjusted to reflect our results of operations, financial position and cash flows combined with those of TexStar Field Services, L.P. and TexStar GP, LLC (together TexStar) for all periods subsequent to December 1, 2004.

Historical results for our operations and those of our predecessors, Regency LLC Predecessor and Regency Gas Services LP, for the periods presented below may not be comparable, either from period to period or going forward, for the following reasons:

Ø Regency Gas Services LLC acquired certain natural gas gathering and processing assets from Duke Energy Field Services, LP in March 2004. As a result, our historical financial results for the periods prior to March 2004 do not include the financial results from the operation of these assets.

Ø In connection with the acquisition of Regency Gas Services LLC by investors affiliated with HM Capital Partners LLC on December 1, 2004 (the HM Acquisition), the purchase price was pushed down to the financial statements of Regency Gas Services LLC. As a result of this push-down accounting, the book basis of our assets was increased to reflect the purchase price, which had the effect of increasing our depreciation expense. Also, the increased amount of debt we incurred in connection with the acquisition increased our interest expense subsequent to December 1, 2004.

Ø In December 2004 we undertook a hedging program. Effective July 1, 2005 we designated certain commodity and interest rate swap instruments for hedge accounting treatment in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. For the periods from December 1, 2004 through June 30, 2005, unrealized and realized gains and losses on the commodity swaps were recorded in unrealized/realized gain (loss) from risk management activities in our statement of operations. For the six months ended June 30, 2005, unrealized gains and losses on the interest rate swap were recorded in interest expense, net. Effective July 1, 2005, to the extent the hedges were effective, any unrealized gains or losses on these instruments were recorded in other comprehensive income (loss) during the lives of the instruments, which we believe results in financial results that are not comparable for the affected periods.

Ø TexStar acquired assets from subsidiaries of Enbridge Energy Partners L.P. on December 7, 2005. As a result, our historical results for periods prior to December 1, 2005 do not include the financial results from the operation of these assets. TexStar also acquired assets from Valence Midstream Ltd. and EEC Midstream, Ltd. on July 25, 2006. As a result, our historical results from the periods prior to August 1, 2006 do not include the financial results from the operation of these assets.

Ø We have spent $335.2 million in organic growth projects: $176.1 million in 2005, $121.8 million in 2006 and $37.3 million in the first quarter of 2007. We completed our Regency Intrastate Enhancement Project and other key projects included two new refrigeration dewpoint control facilities in north Louisiana; electrification and adding an acid gas injection well at our Tilden Processing Plant; adding acid gas injection at our Waha Processing Plant, re-building and activating an existing nitrogen rejection unit at our Eustace Processing Plant; and constructing 31 miles of 12 inch diameter pipeline in south Texas.

- The TexStar acquisition is a transaction between commonly controlled entities and we accounted for this acquisition in a manner similar to a pooling of interests. As a result, our historical financial statements and the historical financial statements of TexStar have been combined to reflect the historical operations, financial position and cash flows at the dates and for the periods after December 1, 2004 (being the period of common control). Most of the TexStar operating activity occurred since December 2005. As a result, the TexStar historical operations, financial position and cash flows are not comparable to prior periods.

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Statement of Operations Data:	Regency LLC Predecessor Period from January 1, 2004 to November 30, 2004	Regency Energy Partners LP Period from Acquisition Date (December 1, 2004) to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	($ in thousands except per unit data)					
Total revenue	$ 432,321	$ 47,857	$ 709,401	$ 896,865	$ 231,266	$ 256,428
Total operating expenses	(404,251)	(45,112)	(695,366)	(857,005)	(229,766)	(242,948)
Operating income	28,070	2,745	14,035	39,860	1,500	13,480
Other income and deductions:						
Interest expense, net	(5,097)	(1,335)	(17,880)	(37,182)	(8,001)	(14,885)
Loss on debt refinancing	(3,022)		(8,480)	(10,761)		
Equity income		56	312	532	91	43
Other income and deductions, net	186	8	421	307	91	67
Total other income and deductions	(7,933)	(1,271)	(25,627)	(47,104)	(7,819)	(14,775)
Net income (loss) from continuing operations	20,137	1,474	(11,592)	(7,244)	(6,319)	(1,295)
Discontinued operations	(121)		732			
Net (loss) income	$ 20,016	$ 1,474	$ (10,860)	$ (7,244)	$ (6,319)	$ (1,295)
Less:						
Net income through January 31, 2006				1,564	1,564	
Net loss for partners				$ (8,808)	$ (7,883)	$ (1,295)
General partner interest				(176)	(158)	(26)
Limited partner interest				$ (8,632)	$ (7,725)	$ (1,269)
Basic and diluted net loss per common and subordinated unit				$ (0.21)	$ (0.18)	$ (0.03)
Cash distributions declared per common and subordinated unit				0.94	0.2217	0.38
				(0.12)	(0.18)	

Basic and diluted net loss per Class B common unit				
Cash distributions declared per Class B common unit				
Basic and diluted net loss per Class C common unit				
Cash distributions declared per Class C common unit				
Balance Sheet Data (at period end):				
Property, plant and equipment, net	$ 328,784	$ 609,157	$ 734,034	$ 762,120
Total assets	492,170	806,740	1,013,085	1,031,559
Long-term debt (long-term portion only)	248,000	428,250	664,700	698,100
Partners capital or member interest	181,936	230,962	212,657	185,352

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	Regency LLC Predecessor	Regency Energy Partners LP				
	Period from January 1, 2004 to November 30, 2004	Period from Acquisition Date (December 1, 2004) to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	($ in thousands except per unit data)					
Cash Flow Data:						
Net cash flows provided by (used in):						
Operating activities	$ 32,401	$ (4,311)	$ 37,340	$ 44,156	$ (471)	$ 27,470
Investing activities	(84,721)	(130,478)	(279,963)	(223,650)	(30,378)	(46,891)
Financing activities	56,380	132,515	242,949	184,947	30,951	18,786
Other Financial Data:						
Total segment margin	$ 69,559	$ 6,870	$ 77,059	$ 158,049	$ 34,530	$ 44,491
EBITDA	35,242	4,470	30,191	69,592	10,851	25,017
Maintenance capital expenditures	5,548	358	9,158	16,433	3,833	864
Segment Financial and Operating Data:						
Gathering and Processing Segment:						
Financial Data:						
Segment margin	$ 61,347	$ 6,262	$ 61,387	$ 113,002	$ 24,643	$ 30,178
Operating Data:						
Throughput (MMbtu/d)	303,345	314,812	345,398	529,467	423,593	729,218
NGL gross production (Bbls/d)	14,487	16,321	14,883	18,587	17,478	20,047
Transportation Segment:						
Financial data:						
Segment margin	$ 8,212	$ 608	$ 15,672	$ 45,047	$ 9,887	$ 14,313
Operating data:						
Throughput (MMbtu/d)	192,236	161,584	258,194	587,098	438,396	704,458

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Non-GAAP financial measures

The financial information on the preceding page includes the following non-GAAP financial measures: EBITDA and total segment margin. Provided below are our reconciliations of these non-GAAP financial measures to their most directly comparable financial measures as calculated and presented in accordance with GAAP.

EBITDA. We define EBITDA as net income (loss) plus interest expense, net and depreciation and amortization expense.

EBITDA is used as a supplemental measure by our management and by external users of our financial statements, such as investors, commercial banks, research analysts and others to assess:

- financial performance of our assets without regard to financing methods, capital structure or historical cost basis;
- the ability of our assets to generate cash sufficient to pay interest costs, support our indebtedness and make cash distributions to our unitholders and General Partner;
- our operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing methods or capital structure; and
- the viability of acquisitions and capital expenditure projects and the overall rates of return on alternative investment opportunities.

EBITDA should not be considered as an alternative to net income, operating income, cash flows from operating activities or any other measure of financial performance presented in accordance with GAAP.

EBITDA does not include interest expense, income taxes or depreciation and amortization expense. Because we have borrowed money to finance our operations, interest expense is a necessary element of our costs and our ability to generate cash available for distribution. Because we use capital assets, depreciation and amortization are also necessary elements of our costs. Therefore, any measures that exclude these elements have material limitations. To compensate for these limitations, we believe that it is important to consider both net earnings determined under GAAP, as well as EBITDA, to evaluate our performance.

Total Segment Margin. We define total segment margin as total revenues, including service fees, less cost of gas and liquids.

Total segment margin is included as a supplemental disclosure because it is used by our management as a primary measure of the results of product sales, service fee revenues and product purchases, a key component of our operations. We believe total segment margin is an important measure because it is directly related to our volumes and commodity price changes. Operation and maintenance expenses are a separate measure used by management to evaluate operating performance of field operations. Direct labor, insurance, property taxes, repair and maintenance, utilities and contract services comprise the most significant portion of our operation and maintenance expenses. These expenses are largely independent of the volumes we transport or process and fluctuate depending on the activities performed during a specific period. We do not deduct operation and maintenance expenses from total revenues in calculating total segment margin because we separately evaluate commodity volume and price changes in total segment margin. As an indicator of our operating performance, total segment margin should not be considered an alternative to, or more meaningful than, net income as determined in accordance with GAAP. Our total segment margin may not be comparable to a similarly titled measure of another company because other entities may not calculate total segment margin in the same manner.

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	Regency LLC Predecessor	Regency Energy Partners LP				
	Period from January 1, 2004 to November 30, 2004	Period from Acquisition Date (December 1, 2004) to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	($ in thousands)					
Reconciliation of EBITDA to net cash flows provided by (used in) operating activities and to net (loss) income:						
Net cash flows provided by (used in) operating activities	$ 32,401	$ (4,311)	$ 37,340	$ 44,156	$ (471)	$ 27,470
Add (deduct):						
Depreciation and amortization	(10,461)	(1,793)	(24,286)	(39,287)	(9,318)	(11,986)
Equity income		56	312	532	91	43
Loss on debt refinancing	(3,022)		(8,480)	(10,761)		
Risk management portfolio valuation changes		322	(11,191)	2,262	191	124
Loss on sale of assets						(1,808)
Unit based compensation expenses				(2,906)	(314)	(1,103)
Gain on the sale of Regency Gas Treating LP assets			626			
Gain on the sale of NGL line pack			628			
Accounts receivable	19,832	(2,568)	43,012	5,506	(16,938)	1,959
Other current assets	1,169	2,456	2,644	(104)	(921)	(598)
Accounts payable and accrued liabilities	(18,122)	(548)	(52,651)	1,359	23,535	(5,220)
Accrued taxes payable	(1,475)	921	(806)	(492)	(273)	(203)
Interest payable						(11,918)
Other current liabilities	(502)	242	(1,269)	(3,148)	(12)	1,504
Proceeds from termination of interest rate swap				(4,940)		

Amount of swap termination proceeds reclassified into earnings				3,862		
Other assets	196	6,697	3,261	(3,014)	(2,515)	441
Other liabilities				(269)	626	
Net (loss) income	$ 20,016	$ 1,474	$ (10,860)	$ (7,244)	$ (6,319)	$ (1,295)
Add:						
Interest expense, net	5,097	1,335	17,880	37,182	8,001	14,885
Depreciation and amortization	10,129	1,661	23,171	39,654	9,169	11,427
EBITDA	$ 35,242	$ 4,470	$ 30,191	$ 69,592	$ 10,851	$ 25,017

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	Regency LLC Predecessor	Regency Energy Partners LP				
	Period from January 1, 2004 to November 30, 2004	Period from Acquisition Date (December 1, 2004) to December 31, 2004	Year Ended December 31, 2005	Year Ended December 31, 2006	Three Months Ended March 31, 2006	Three Months Ended March 31, 2007
	($ in thousands)					
Reconciliation of total segment margin to net (loss) income:						
Net (loss) income	$ 20,016	$ 1,474	$ (10,860)	$ (7,244)	$ (6,319)	$ (1,295)
Add (deduct):						
Operation and maintenance	17,786	1,819	24,291	39,496	9,445	10,925
General and administrative	6,571	645	15,039	22,826	5,416	6,851
Management services contract termination fees				12,542	9,000	
Loss on sale of assets						1,808
Related party expenses			523	1,630		
Transaction expenses	7,003			2,041		
Depreciation and amortization	10,129	1,661	23,171	39,654	9,169	11,427
Interest expense, net	5,097	1,335	17,880	37,182	8,001	14,885
Equity income		(56)	(312)	(532)	(91)	(43)
Loss on debt refinancing	3,022		8,480	10,761		
Other income and deductions, net	(186)	(8)	(421)	(307)	(91)	(67)
Discontinued operations	121		(732)			
Total segment margin	$ 69,559	$ 6,870	$ 77,059	$ 158,049	$ 34,530	$ 44,491

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Risk factors

An investment in our common units involves risk. You should carefully read the risk factors included under the caption Risk Factors beginning on page 4 of the accompanying prospectus, as well as the risk factors discussed in our 2006 annual report on Form 10-K and in our quarterly report for the quarter ended March 31, 2007, which are incorporated by reference herein.

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Use of proceeds

We expect to receive proceeds of approximately $312.5 million from the sale of the 10,000,000 common units offered hereby, including our general partner s proportionate capital contribution and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We estimate that the total expenses of this offering payable by us, not including the underwriting discount, will be approximately $1.5 million.

We will use approximately $208.6 million of the net proceeds to redeem $192.5 million, or 35%, of the $550 million in aggregate principal amount of our 83/8% senior notes due December 15, 2013, or senior notes, that were issued by us in a private placement to qualified institutional buyers pursuant to an indenture dated as of December 12, 2006. Under the terms of the indenture, we may, prior to December 15, 2009 but within 90 days following an Equity Offering (as defined therein), redeem out of the net cash proceeds of that Equity Offering up to 35% of the $550 million in aggregate principal amount of the senior notes originally issued at a redemption price equal to 108.375% of the aggregate principal amount of the notes being redeemed, plus accrued and unpaid interest to the date of redemption. We used the proceeds from the sale of the senior notes, plus additional revolving credit borrowings under our credit facility, to repay $550 million in term loans outstanding under our credit facility.

In addition, we intend to apply $50.0 million of the net proceeds to repay the remaining term loan outstanding under our credit facility and the remaining $53.8 million of net proceeds to pay outstanding indebtedness under our revolving credit facility. The remaining term loan under our credit facility had an average interest rate for the six months ended June 30, 2007 of 7.835% and matures on August 15, 2013. Indebtedness under our revolving credit facility, which matures on August 15, 2011, was $178.9 million as of July 12, 2007 and had a weighted average annual interest rate of 7.57%, without giving effect to interest rate hedges. Substantially all of the outstanding indebtedness under the term loan and the revolving credit facility was incurred to fund our acquisition of TexStar Field Service, L.P., or TexStar, in August 2006, to refinance our existing indebtedness prior to our acquisition of TexStar, to fund organic growth projects and to fund a portion of the acquisition price for Pueblo Midstream Gas Corporation. Some of the underwriters or their affiliates are lenders under our credit facility and will receive a portion of the net proceeds of this offering as a result of our repayment of outstanding indebtedness thereunder.

We will pay the accrued interest on all indebtedness redeemed or repaid to the date of redemption or payment from cash on hand.

We will use any net proceeds from the underwriters exercise of their option to purchase additional common units to repay additional borrowings outstanding under our revolving credit facility. If the underwriters exercise their option to purchase additional common units after August 7, 2007, the record date for our distribution for the quarter ended June 30, 2007, the underwriters will pay an amount equal to this distribution on those units and will deduct this amount from the proceeds we receive.

Pending application of the net proceeds to redeem senior notes, we intend to use those net proceeds to pay outstanding indebtedness under our revolving credit agreement.

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Capitalization

The following table sets forth our capitalization as of March 31, 2007:

- on a consolidated historical basis;
- on an unaudited pro forma combined basis to reflect the acquisition of Pueblo Midstream Gas Corporation by us on April 2, 2007; and
- as adjusted to reflect this offering of common units and the application of the estimated net proceeds therefrom as described in Use of Proceeds.

You should read our financial statements and notes that are included or incorporated by reference elsewhere in this prospectus supplement for additional information regarding us.

	As of March 31, 2007 (unaudited)		
	Historical	**Pro Forma(1)**	**Pro Forma As Adjusted(2)**
		($ in thousands)	
Debt:			
Revolving credit facility	$ 98,100	$ 132,944	$ 79,107
Term loan	50,000	50,000	
Senior notes	550,000	550,000	357,500
Total Debt	698,100	732,944	436,607
Partner s Capital:			
Common unitholders	$ 155,613	$ 176,520	$ 461,453
Subordinated unitholders	35,988	35,988	35,988
General partner	5,231	5,231	11,510
Accumulated other comprehensive loss	(11,480)	(11,585)	(10,808)
Total partners capital	185,352	206,154	498,143
Total Capitalization	$ 883,452	$ 939,098	$ 934,750

(1) *The pro forma combined financial statements relating to our acquisition of Pueblo Midstream Gas Corporation were filed with the SEC on our Current Report on Form 8-K/A on June 12, 2007.*

(2) *Assumes our general partner s proportionate capital contribution of $6.3 million, the expensing of the premium paid for the redemption of our senior notes ($16.1 million), the expensing of the proportionate amount of deferred financing costs related to the term loan and senior notes ($5.1 million), and reclassification of unamortized gain on early termination of interest rate swaps from other comprehensive loss ($0.8 million).*

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Price range of common units and distributions

Our common units were first offered and sold to the public on February 3, 2006. Our common units are listed on the NASDAQ Global Select Market under the symbol RGNC. As of July 10, 2007, the number of holders of record of common units was 56, including Cede & Co., as nominee for the Depository Trust Company, which held of record 15,787,502 common units. Additionally, there were 12 unitholders of record of our subordinated units. The following table sets forth, for the periods indicated, the high and low quarterly sales prices per common unit, as reported on the NASDAQ Global Select Market, and the cash distributions declared per common unit.

Period Ended:	**Price Ranges Low**	**Price Ranges High**	**Cash Distributions Per Unit**
Fiscal 2007			
September 30, 2007 (through July 26, 2007)	$ 32.05	$ 34.32	(3)
June 30, 2007	$ 24.97	$ 33.18	(3)
March 31, 2007	$ 26.11	$ 28.40	$ 0.3800
Fiscal 2006			
December 31, 2006(2)	$ 24.75	$ 27.20	$ 0.3700
September 30, 2006(2)	$ 22.21	$ 24.52	$ 0.3700
June 30, 2006	$ 21.30	$ 23.00	$ 0.3500
March 31, 2006(1)	$ 19.47	$ 22.10	$ 0.2217

(1) The distribution for the quarter ended March 31, 2006 reflects a pro rata portion of our $0.35 per unit minimum quarterly distribution, covering the period from the February 3, 2006 closing of our initial public offering through March 31, 2006.

(2) Represents the minimum quarterly distribution per common unit plus $0.02 per unit excluding the Class B and Class C common units, which were not entitled to any distributions until after they were converted into common units. The Class B Units and the Class C Units converted into common units on a one-for-one basis on February 15, 2007 and February 8, 2007, respectively, and as such, will be entitled to future cash distributions.

(3) The distributions attributable to the quarters ended June 30, 2007 and September 30, 2007 have not yet been declared or paid.

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Regency GP LP is our General Partner. Our General Partner manages and directs all of our activities. The activities of the General Partner are managed and directed by its general partner, Regency GP LLC, our Managing General Partner. Our officers and directors are officers and directors of our Managing General Partner. The owners of our Managing General Partner may appoint up to ten persons to serve on the Board of Directors of the Managing General Partner. Although there is no requirement that he do so, the President and Chief Executive Officer of our Managing General Partner is currently a director of the Managing General Partner and serves as Chairman of the Board of Directors.

CHANGES IN BOARD COMPOSITION

The board of directors of our Managing General Partner was, until the resignation of Robert W. Shower in February 2007 for reasons of health, in compliance with the NASDAQ Stock Market, LLC., or NASDAQ, requirement that limited partnerships have three directors who qualify as independent under the NASDAQ standards for independence for audit committee members. In accordance with Marketplace rule 4350(d)(4), NASDAQ has provided us a cure period of one year within which to reestablish compliance. We are currently in the process of identifying a suitable nominee and must appoint another independent director by February 2008 to remain in compliance with NASDAQ rules.

In connection with the consummation of the acquisition of our Managing General Partner and our General Partner by GE EFS and the resulting change in control, effective June 18, 2007, four members of the board of directors of the Managing General Partner, Joe Colonnetta, Jason H. Downie, Jack E. Furst and J. Edward Herring, all of whom are partners of HM Capital Partners LLC, together with two additional directors, Robert D. Kincaid and Gary W. Luce, resigned as directors of our Managing General Partner. An indirect subsidiary of GE EFS designated James Burgoyne, Daniel Castagnola, Paul Halas, Mark Mellana and Brian Ward to serve as directors of our Managing General Partner. A. Dean Fuller and J. Otis Winters continue to serve as independent directors of our Managing General Partner and our Chief Executive Officer, James W. Hunt, continues to serve as a director and Chairman of the Board.

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DIRECTORS AND EXECUTIVE OFFICERS

The following table shows information regarding the current directors and executive officers of Regency GP LLC. Directors are elected for one-year terms.

Name	Age	Position with Regency GP LLC
James W. Hunt(1)(4)(5)(6)	63	Chairman of the Board, President and Chief Executive Officer
Richard D. Moncrief	48	Executive Vice President and Chief Operating Officer
Stephen L. Arata	41	Executive Vice President and Chief Financial Officer
William E. Joor III	67	Executive Vice President, Chief Legal and Administrative Officer and Secretary
Charles M. Davis, Jr.	45	Senior Vice President, Corporate Development
James A. Scott	49	Senior Vice President, Gas Supply and Business Development
Alvin Suggs	54	Senior Vice President and General Counsel
Lawrence B. Connors	56	Vice President, Finance and Chief Accounting Officer
James M. Richter	54	Vice President, Human Resources
Houston C. Ross III	37	Vice President, Financial Analysis and Planning
Christofer D. Rozzell	31	Vice President, Corporate Development
Ramon Suarez, Jr.	44	Vice President, Treasurer
James F. Burgoyne(1)	49	Director
Daniel R. Castagnola(4)(5)(6)	41	Director
A. Dean Fuller(2)(3)	59	Director
Paul J. Halas(6)	51	Director
Mark T. Mellana(4)(5)	42	Director
Brian P. Ward(1)(5)	48	Director
J. Otis Winters(2)(3)(4)	74	Director

(1) *Member of the Executive Committee. Mr. Burgoyne is chairman of this committee.*

(2) *Member of the Audit Committee. Mr. Winters is chairman of this committee.*

(3) *Member of Conflicts Committee. Mr. Fuller is chairman of this committee.*

(4) *Member of Compensation Committee. Mr. Castagnola is chairman of this committee.*

(5) *Member of Risk Management Committee. Mr. Mellana is chairman of this committee.*

(6) *Member of Nominating Committee. Mr. Castagnola is chairman of this committee.*

James W. Hunt was elected Chairman of the Board of Directors of Regency GP LLC and Regency Gas Services in November 2005. Mr. Hunt has served as President and Chief Executive Officer of Regency GP LLC from September

2005 to present. Mr. Hunt has, since his election effective December 1, 2004, served as President, Chief Executive Officer and Director of Regency Gas Services LP and its predecessor. From 1978 until January 1981, Mr. Hunt served as President and Chief Executive Officer of Diamond M Company, a major offshore drilling company and the predecessor of Diamond Offshore Company. From 1981 through 1987, he served as Chairman and Chief Executive Officer of Cenergy Corporation, a NYSE listed oil and gas exploration, production and pipeline company. During the period from 1987 to 1989, Mr. Hunt was an independent financial consultant. From 1989 until December 2004, Mr. Hunt was engaged in energy investment banking, three years as head of the Houston office of Lehman Brothers Incorporated and most recently as head of the U.S. Energy Group of UBS Securities LLC. Mr. Hunt is an attorney and member of the State Bar of Texas.

Richard D. Moncrief was elected Executive Vice President and Chief Operating Officer of Regency GP LLC in June 2007. From April 2006 to June 2007, Mr. Moncrief served as Senior Vice President of Gas Supply and Business Development of Regency GP LLC. Prior to April 2006, Mr. Moncrief was associated with Sid Richardson Energy Services, of Fort Worth, Texas, where, until that company s sale,

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he was Vice President, Business Development, and more recently Vice President, Engineering & Business Development. He previously held management positions at Koch Midstream Services Company and at Delhi Gas Pipeline Corporation.

Stephen L. Arata was elected Executive Vice President and Chief Financial Officer of Regency GP LLC in September 2005. From June 2005 to the present, Mr. Arata served as Executive Vice President and Chief Financial Officer of Regency Gas Services LP and its predecessor. From September 1996 to June 2005, Mr. Arata worked for UBS Investment Bank, covering the power and pipeline sectors; he was Executive Director from 2000 through June 2005. Prior to UBS, Mr. Arata worked for Deloitte Consulting, focusing on the energy sector.

William E. Joor III was elected Executive Vice President, Chief Legal and Administrative Officer and Secretary of Regency GP LLC in September 2005. Mr. Joor has, since his election effective January 1, 2005, served as Executive Vice President, Chief Legal and Administrative Officer and Secretary of Regency Gas Services LP and its predecessor. From May 1966 through December 1973, Mr. Joor was associated with, and from then until December 31, 2004 was a partner of, Vinson & Elkins LLP. Mr. Joor s area of specialization was the law of corporate finance and mergers and acquisitions with particular emphasis in the energy sector.

Charles M. Davis, Jr. was elected Senior Vice President, Corporate Development for Regency GP LLC in March 2006. From September 2004 to February 2005, Mr. Davis was Managing Director and Head of Mergers and Acquisitions for Challenger Capital Group Ltd. From July 2002 until September 2004, Mr. Davis was a Managing Director in the Energy and Power Group of UBS Investment Bank. From March 1992 until August 2002, Mr. Davis was a Managing Director in the Global Energy and Power Group of Merrill Lynch. Prior to Merrill, Mr. Davis worked in the Energy Groups of The First Boston Corporation and McKinsey & Co. Mr. Davis has over 20 years experience with mergers and acquisitions as well as financing in the pipeline industry.

James A. Scott was elected to serve as Senior Vice President, Gas Supply and Business Development in June 2007. From May 2006 to present, Mr. Scott served in various roles at Regency GP LLC relating to gas supply and business development. From 2003 to May 2006, Mr. Scott served as the Vice President, Corporate Development of Crosstex Energy Services with responsibilities including development of Crosstex s grass roots pipeline and processing assets in the Fort Worth Basin and lead roles in Crosstex s acquisition efforts. From 1998 to 2003, Mr. Scott served as Vice President, Business Development of J-W Operating Company with responsibilities for growth initiatives including approximately 20 acquisitions in the energy services business. Prior to 1998, Mr. Scott held management positions with Koch Midstream Services Company and Delhi Gas Pipeline Corporation.

Alvin Suggs was elected Senior Vice President and General Counsel of Regency GP LLC in March 2007. From June 2005 to March 2007, Mr. Suggs served as Vice President and General Counsel of Regency Gas Services LLC. From June 2003 to June 2005, Mr. Suggs engaged in the private practice of law representing clients in the energy sector, first as a sole practitioner and, after June 2004, with Thompson & Knight, LLP. From September 1997 to June 2003, Mr. Suggs served as counsel to three entities controlled by El Paso Corporation, mostly recently (after September 1999) as Vice President and Associate General Counsel with El Paso Energy Corporation and General Counsel of El Paso Field Services, L.P. From 1987 to 1999 he served Texas Oil & Gas Corp., American Oil and Gas Corporation and KN Energy, Inc. in various capacities as legal counsel. Prior to that service, Mr. Suggs was in private practice of law for five years, and also served as Assistant District Attorney for the Fifth Circuit Court District in Mississippi in 1978.

Lawrence B. Connors was elected Vice President of Finance and Chief Accounting Officer of Regency GP LLC in September 2005. From December 2004 to the present, Mr. Connors served as Vice President, Finance and Chief Accounting Officer of Regency Gas Services LLC. From June 2003 through November 2004, Mr. Connors served as Controller of Regency Gas Services LLC. From August

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2000 through November 2001, Mr. Connors was an independent accounting and financial consultant. From 2001 through May 2003, Mr. Connors was a Registered Representative with Foster Financial Group. From 1996 through July 2000, Mr. Connors was the Controller and Chief Accounting Officer of Central and South West Corporation, or CSW; he had managerial responsibilities at three CSW operating companies and CSW Services. Prior to his employment at CSW, he was with Arthur Andersen working with energy and health care audit clients. Mr. Connors is a Certified Public Accountant.

James M. Richter was elected Vice President, Human Resources in June 2007. From January 2007 to the present, Mr. Richter served as the human resources manager at Regency GP LLC. From October 2005 to August 2006, Mr. Richter worked for USAA as Senior People Officer. From June 2001 to August 2005, Mr. Richter was employed by Argonaut Group, Inc. as Vice President, Human Resources. Prior to Argonaut Group, Mr. Richter held the position of Vice President, Human Resources for PG&E s National Energy Group from August 1997 to March 2001. Prior to joining PG&E, Mr. Richter held various senior management positions at Aquila Energy and Honeywell, Inc.

Houston C. Ross III was elected Vice President of Financial Analysis and Planning of Regency GP LLC in March 2007. From February 2004 until the present, Mr. Ross served as Director of Financial Analysis and Planning for Regency Gas Services LP and its predecessor. From February 2003 until February 2004, Mr. Ross worked for Energy, Economic, and Environmental Consultants, Inc., as a Senior Economic Analyst specializing in natural gas royalty litigation support. From May 2002 until February 2003, Mr. Ross was an independent consultant. From May 1998 until May 2002, Mr. Ross worked for Engage Energy US LP and its corporate successor, El Paso Merchant Energy, trading electricity in the US markets from May 1999 until May 2002. Mr. Ross graduated from Rice University in 1998 with a B.S. in Mechanical Engineering.

Christofer D. Rozzell was elected Vice President of Corporate Development of Regency GP LLC in March 2007. From June 2005 to the present, Mr. Rozzell served in various roles at Regency GP LLC, most recently as Director of Corporate Development. From May 2001 to May 2005, Mr. Rozzell held managerial positions in the strategic planning and enterprise risk groups of TXU Corp. Prior to TXU Corp., Mr. Rozzell worked in the investment banking division of Bear, Stearns & Co. Inc., focusing on mergers and acquisitions advisory and financings across multiple industries.

Ramon Suarez, Jr. was elected Vice President, Treasurer of Regency GP LLC in March 2007. From February 2006 to the present, Mr. Suarez was Director of Treasury for Regency GP LLC. Mr. Suarez worked for CompUSA as Director of Corporate Finance from March 1999 to December 2005. Prior to March 1999, Mr. Suarez worked for Raytheon as a Director of Finance. Mr. Suarez has over 21 years of financial experience.

James F. Burgoyne is a Managing Director and global leader of GE Energy Financial Services Diversified Energy business, which invests in mid- and downstream oil & gas infrastructure, producing oil, gas and coal reserves, and in a broad range of energy infrastructure in Europe. Mr. Burgoyne has headed this commercial unit within GE Energy Financial Services since it was formed in 2004. Prior to this position, Mr. Burgoyne was a Managing Director with GE Structured Finance s global energy team, where he was responsible for client development and the origination of business opportunities with US energy companies domestically and internationally. Before joining GE in 1997, Mr. Burgoyne was an Executive Director at SBC Warburg.

Daniel R. Castagnola is a Managing Director at GE Energy Financial Services and is responsible for a team of professionals investing in North America. Additionally, Mr. Castagnola leads all equity origination efforts for GE Energy Financial Services in Latin America. Mr. Castagnola joined GE in 2002. Mr. Castagnola serves as a director of

Port Berre, LLC, a gas storage company, and Cash Creek LLC, a coal gasification company. Prior to joining GE, Mr. Castagnola worked for nine years at Enron Corp. in its international division and three years at KPMG.

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A. Dean Fuller was elected to the Board of Directors of Regency GP LLC on November 14, 2005. Having sold in 1993 a company he co-founded, Mr. Fuller became President and Chief Executive Officer of Transok, Inc., the natural gas pipeline subsidiary of Central and South West Corporation, until its sale in 1996. Mr. Fuller continued to manage the fuels and gas marketing function of CSW until late 2000 at which time he became Senior Vice President of the midstream business of Aquila, Inc. At the time of the acquisition of Aquila s midstream business by Energy Transfer, Mr. Fuller continued to manage those assets as Senior Vice President, and served as President of Oasis Pipeline Company after its acquisition by Energy Transfer. Mr. Fuller resigned his positions with Energy Transfer in August 2004.

Paul J. Halas was elected to the Board of Directors of Regency GP LLC in June 2007, at the time of the change in ownership of our General Partner. From June 2006 to the present, Mr. Halas has served as a Managing Director and General Counsel of GE EFS. Mr. Halas served as the Senior Vice President Business Development at the National Grid USA Service Company Inc. from May 2005 to June 2006. From August 2003 to May 2005, Mr. Halas served as the President of GridAmerica LLC (Independent Electric Transmission Company, subsidiary of National Grid USA). He also served as Senior VP & General Counsel of GridAmerica LLC from May 2002 to August 2003. Prior to joining GridAmerica LLC, he held positions at Ropes & Gray, Oak Industries Inc., Timex Group Limited and All Energy Marketing Company LLC, a subsidiary of New England Electric System.

Mark T. Mellana is a Managing Director at GE Energy Financial Services, and has been with the firm since 1999. Mr. Mellana has held various positions at GE Energy Financial Services and is currently a Managing Director Operations and Development responsible for equity and development investments. Prior to joining GE, Mr. Mellana worked for the unregulated subsidiary of GPU, Inc. as the Director of Finance, Director of Mergers and Acquisitions and the Director of New Business Development. Mr. Mellana serves on a number of boards, including those of Source Gas LLC and Bobcat Gas Storage LLC.

Brian P. Ward is Managing Director and Chief Risk Officer for GE Energy Financial Services. In this role, he is responsible for underwriting and portfolio risk management for GE EFS s domestic and international assets. He has held this position since January 2004. Immediately prior to joining this unit, Mr. Ward served as Quality Leader for GE Structured Finance, the predecessor business of GE Energy Financial Services. Mr. Ward has worked for GE for more than 25 years. He has held a number of management roles in Risk, Finance and Business Development in a variety of industries and regions.

J. Otis Winters was elected to the Board of Directors of Regency GP LLC on November 14, 2005. The following are exemplary of Mr. Winters extensive business experience: Vice President of Warren American Oil Company from 1964 to 1965; President and a director of Educational Development Corporation from 1966 to 1973; Executive Vice President and a director of The Williams Companies, Inc. from 1973 to 1977; Executive Vice President and a director of First National Bank of Tulsa from 1978 to 1979; President and a director of Avanti Energy Corporation from 1980 to 1987; Managing Director of Mason Best Company from 1988 to 1989; Chairman, director and co-founder of the PWS Group from 1990 to 2000 and from 2001 to date Chairman and Chief Executive Officer of Oriole Oil Company. Mr. Winters has served on the board of directors of 20 publicly owned corporations, including Alton Box Board Company, AMFM, Inc., AMX Corporation, Dynegy, Inc., Liberty Bancorp., Inc., Tidel Engineering, Inc., Trident NGL, Inc. and Walden Residential Properties, Inc.

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Tax considerations

The tax consequences to you of an investment in our common units will depend in part on your own tax circumstances. For a discussion of the principal federal income tax considerations associated with our operations and the purchase, ownership and disposition of our common units, please read Material Tax Considerations in the accompanying prospectus. You are urged to consult with your own tax advisor about the federal, state, local and foreign tax consequences peculiar to your circumstances.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on this or any other tax matter affecting us.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions to you would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to you. Because a tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the unitholders, likely causing a substantial reduction in the value of our common units.

We will be considered to have been terminated for federal income tax purposes if, within a twelve-month period, there is a sale or exchange of 50% or more of the total interests in our capital and profits interests, which includes sales of our general partner s interest, together with all other common units and subordinated units sold during such period. We believe, and will take the position, that the combination of the GP Acquisition and the public trading of our common units in the twelve months preceding the GP Acquisition resulted in our termination and immediate reconstitution as a new partnership for federal income tax purposes on June 18, 2007. Accordingly, our taxable year closed for all existing unitholders. We were required to make new tax elections after the termination, including a new election under Section 754 of the Internal Revenue Code. Moreover, because our termination results in a significant deferral to unitholders of depreciation deductions allowable in computing taxable income this year, you will be allocated an increased amount of federal taxable income for this year as a percentage of the cash distributed to you with respect to that period.

We estimate that, taking into account the tax termination described above, if you purchase common units in this offering and own them through December 31, 2010, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be 20% or less of the cash distributed with respect to that period. Thereafter, we anticipate that the ratio of allocable taxable income to cash distributions to the unitholders will increase. These estimates are based upon the assumption that gross income from operations will approximate the amount required to make the minimum quarterly distribution on all units and other assumptions with respect to capital expenditures, cash flow, net working capital and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, the estimates are based on current tax law and tax reporting positions that we will adopt and with which the IRS could disagree. Accordingly, we cannot assure you that these estimates will prove to be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower than expected, and any differences could be material and could materially affect the value of the common units. For example, the ratio of allocable taxable

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income to cash distributions to a purchaser of common units in this offering will be greater, and perhaps substantially greater, than our estimate with respect to the period described above if:

- Ø gross income from operations exceeds the amount required to make minimum quarterly distributions on all units, yet we only distribute the minimum quarterly distributions on all units; or

- Ø we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

Ownership of common units by tax-exempt entities, regulated investment companies and non-U.S. investors raises issues unique to such persons. Please read Tax Considerations Tax-Exempt Organizations and Other Investors in the accompanying prospectus.

Underwriting

We are offering our common units described in this prospectus through the underwriters named below. UBS Securities LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated are the representatives of the underwriters. Subject to the terms and conditions of an underwriting agreement, which will be filed as an exhibit to the registration statement, each of the underwriters has severally agreed to purchase the number of common units listed next to its name in the following table:

	Number of Common Units
UBS Securities LLC	2,500,000
Goldman, Sachs & Co.	1,750,000
Morgan Stanley & Co. Incorporated	1,750,000
A.G. Edwards & Sons, Inc.	1,000,000
Credit Suisse Securities (USA) LLC	1,000,000
J.P. Morgan Securities Inc.	1,000,000
Wachovia Capital Markets, LLC	1,000,000
Total	10,000,000

The underwriting agreement provides that the underwriters must buy all of the common units if they buy any of them. However, the underwriters are not required to take or pay for the common units covered by the underwriters option to purchase additional common units described below.

Our common units and the common units to be sold upon the exercise of the underwriters option to purchase additional common units, if any, are offered subject to a number of conditions, including:

Ø receipt and acceptance of our common units by the underwriters, and

Ø the underwriters right to reject orders in whole or in part.

We have been advised by the representatives that the underwriters intend to make a market in our common units, but that they are not obligated to do so and may discontinue making a market at any time without notice.

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses electronically.

OPTION TO PURCHASE ADDITIONAL COMMON UNITS

We have granted the underwriters an option to buy up to an aggregate 1,500,000 additional common units. This option may be exercised if the underwriters sell more than 10,000,000 common units in connection with this offering. The underwriters have 30 days from the date of this prospectus to exercise this option. If the underwriters exercise this option, they will each purchase additional common units approximately in proportion to the amounts specified in the table above.

COMMISSIONS AND DISCOUNTS

Common units sold by the underwriters to the public will initially be offered at the offering price set forth on the cover of this prospectus. Any common units sold by the underwriters to securities dealers may be sold at a discount of up to $0.76 per common unit from the offering price. Any of these securities dealers may resell any common units purchased from the underwriters to other brokers or dealers at a discount of up to $0.10 per common unit from the public offering price. If all the common units are not sold at the offering price, the representatives may change the offering price and the other selling terms. Sales of common units made outside of the United States may be made by affiliates of the

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Underwriting

underwriters. Upon execution of the underwriting agreement, the underwriters will be obligated to purchase the common units at the prices and upon the terms stated therein, and, as a result, will thereafter bear any risk associated with changing the offering price to the public or other selling terms.

The following table shows the per unit and total underwriting discounts and commissions we will pay to the underwriters assuming both no exercise and full exercise of the underwriters option to purchase up to an additional 1,500,000 units.

	No exercise	Full exercise
Per Unit	$ 1.282	$ 1.282
Total	$ 12,820,000	$ 14,743,000

We estimate that the total expenses of this offering payable by us, not including the underwriting discounts and commissions, will be approximately $1.5 million.

INDEMNIFICATION

We and certain of our affiliates have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments that may be required to be made in respect of these liabilities. If we are unable to provide this indemnification, we will contribute to payments the underwriters may be required to make in respect of those liabilities.

LOCK-UP AGREEMENTS

We, our subsidiaries, our General Partner and its affiliates, including the executive officers and directors of our General Partner, have entered into lock-up agreements with the underwriters. Under these agreements, we and each of the these persons may not, without the prior written approval of UBS Securities LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, offer, sell, contract to sell or otherwise dispose of or hedge our common units or securities convertible into or exchangeable for our common units, enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common units, make any demand for or exercise any right or file or cause to be filed a registration statement with respect to the registration of any common units or securities convertible, exercisable or exchangeable into common units or any of our other securities or publicly disclose the intention to do any of the foregoing, provided that the foregoing restrictions do not apply to sales made by certain executive officers of our Managing General Partner in connection with pre-existing contractual obligations to acquire an indirect ownership interest in our Managing General Partner and the General Partner and the sale by GE EFS or its affiliates of certain subordinated units to certain executive officers of our Managing General Partner. These restrictions will be in effect for a period of 90 days after the date of this prospectus. The lock-up period will be extended under certain circumstances where we release, or pre-announce a release of our earnings or announce material news or a material event during the 17 days before or 16 days after the termination of the 90-day period in which case the restrictions described will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the announcement of the materials news or material event.

At any time and without public notice, UBS Securities LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated may in their discretion, release all or some of the securities from these lock-up agreements.

Underwriting

PRICE STABILIZATION, SHORT POSITIONS AND PENALTY BIDS

In connection with this offering, the underwriters may engage in activities that stabilize, maintain or otherwise affect the price of our common units including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of our common units while this offering is in progress. These transactions may also include making short sales of our common units, which involves the sale by the underwriters of a greater number of common units than they are required to purchase in this offering, and purchasing common units on the open market to cover positions created by short sales. Short sales may be covered shorts, which are short positions in an amount not greater than the underwriters option to purchase additional common units referred to above, or may be naked shorts, which are short positions in excess of that amount. We have been advised by the underwriters that, prior to purchasing the common units being offered pursuant to this prospectus supplement, on July 25, 2007 and July 26, 2007, UBS Securities LLC purchased, on behalf of the syndicate, 151,111 common units at an average price of $32.222 per unit in stabilizing transactions.

The underwriters may close out any covered short position by either exercising their option to purchase additional common units, in whole or in part, or by purchasing common units in the open market. In making this determination, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase common units through their option to purchase additional common units.

Naked short sales are in excess of the underwriters option to purchase additional common units. The underwriters must close out any naked short position by purchasing common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common units in the open market that could adversely affect investors who purchased in this offering.

LISTING

Our common units are traded on the NASDAQ Global Select Market under the symbol RGNC.

AFFILIATIONS

The underwriters and their affiliates may from time to time in the future engage in transactions with us and perform services for us in the ordinary course of business. In addition, some of the underwriters have engaged in, and may in the future engage in, transactions with us and our predecessor and perform services for us in the ordinary course of their business. In particular, affiliates of UBS Securities LLC, J.P. Morgan Securities Inc., Credit Suisse Securities (USA) LLC and Wachovia Capital Markets LLC are lenders under Regency Gas Services LLC s credit facilities. Morgan Stanley & Co. Incorporated served as an advisor to us in connection with the GE Acquisition. Additionally, an affiliate of UBS Securities LLC is the counterparty to one of our interest rate swaps and an affiliate of J.P. Morgan Securities Inc. was a counterparty to some of our prior interest rate swaps.

Underwriting

NASD CONDUCT RULES

Because the National Association of Securities Dealers, Inc., or NASD, views the common units offered by this prospectus supplement as interests in a direct participation program, this offering is being made in compliance with Rule 2810 of the NASD s Conduct Rules.

Pursuant to a requirement by the NASD, the maximum commission or discount to be received by any NASD member or independent broker/dealer may not be greater than eight percent (8%) of the gross proceeds received by us for the sale of any securities being registered pursuant to SEC Rule 415 under the Securities Act of 1933.

ELECTRONIC DISTRIBUTION

A prospectus supplement in electronic format may be made available by one or more of the underwriters or their affiliates. The representatives may agree to allocate a number of common units to underwriters for sale to their online brokerage account holders. The representatives will allocate common units to underwriters that may make Internet distributions on the same basis as other allocations. In addition, common units may be sold by the underwriters to securities dealers who resell common units to online brokerage account holders.

Other than the prospectus supplement in electronic format, the information on any underwriter s web site and any information contained in any other web site maintained by an underwriter is not part of the prospectus supplement or the registration statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as an underwriter and should not be relied upon by investors.

DISCRETIONARY SALES

The underwriters have informed us they do not intend to confirm sales to discretionary accounts that exceed 5% of the total number of units offered by them.

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Legal matters

The validity of the common units will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters in connection with the common units offered hereby will be passed upon for the underwriters by Andrews Kurth LLP, Houston, Texas.

Experts

The (1) consolidated financial statements of Regency Energy Partners LP and subsidiaries and (2) the consolidated balance sheet of Regency GP LP incorporated in this prospectus supplement by reference from Regency Energy Partners LP s Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of Pueblo Midstream Gas Corporation and subsidiary as of and for the year ended December 31, 2006 incorporated in this prospectus supplement by reference from the Regency Energy Partners LP s Current Report on Form 8-K dated May 10, 2007 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

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Information regarding forward-looking statements

Some of this information in this prospectus supplement and the documents that we have incorporated herein by reference may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as anticipate, believe, intend, project, plan, expect, continue, estimate, goal, forecast, may or similar expressions help identify forwar statements. Although we believe our forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, we cannot give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions including the following:

- changes in laws and regulations impacting the midstream sector of the natural gas industry;
- the level of creditworthiness of our counterparties;
- our ability to access the debt and equity markets;
- our use of derivative financial instruments to hedge commodity and interest rate risks;
- the amount of collateral required to be posted from time to time in our transactions;
- changes in commodity prices, interest rates and demand for our services;
- weather and other natural phenomena;
- industry changes including the impact of consolidations and changes in competition;
- our ability to obtain required approvals for construction or modernization of our facilities and the timing of production from such facilities; and
- the effect of accounting pronouncements issued periodically by accounting standard setting boards.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may differ materially from those anticipated, estimated, projected or expected.

Each forward-looking statement speaks only as of the date of the particular statement and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements in this prospectus supplement and the documents that we have incorporated by reference. We will not update these statements unless the securities laws require us to do so.

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Where you can find more information

We file annual, quarterly and current reports and other information with the SEC. You may read and copy any document we file with the SEC at the principal offices of the SEC located at Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such materials can be obtained by mail at prescribed rates from the Public Reference Room of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call 1-800-SEC-0330 for further information about the operation of the Public Reference Room. Materials also may be obtained from the SEC s web site (http://www.sec.gov), which contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC.

Incorporation of certain documents by reference

We incorporate by reference information into this prospectus supplement, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, except for any information superseded by information contained expressly in this prospectus supplement, and the information we file later with the SEC will automatically supersede this information. You should not assume that the information in this prospectus supplement is current as of any date other than the date on the front page of this prospectus supplement.

Any information that we file under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, and that is deemed filed with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below:

Ø Our Annual Report on Form 10-K for the year ended December 31, 2006;

Ø Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007;

Ø Our Current Reports on Form 8-K filed on April 3, 2007, April 27, 2007, May 15, 2007, June 19, 2007, June 28, 2007, July 3, 2007 and July 12, 2007; and

Ø Our Current Report on Form 8-K/A filed on May 11, 2007, May 25, 2007, and June 12, 2007.

You may request a copy of these filings at no cost, by making written or telephone requests for such copies to:

Regency Energy Partners LP
Investor Relations
1700 Pacific Avenue, Suite 2900
Dallas, Texas 75201
(214) 750-1771

You should rely only on the information incorporated by reference or provided in this prospectus supplement. If information in incorporated documents conflicts with information in this prospectus supplement, you should rely on the most recent information. If information in an incorporated document conflicts with information in another incorporated document, you should rely on the most recent incorporated document. You should not assume that the information in this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of those documents. We have not authorized anyone else to provide you with any information.

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Prospectus

$691,322,449

Regency Energy Partners LP
Regency Energy Finance Corp.

Common Units

Debt Securities

We may offer, from time to time, in one or more series, the following securities under this prospectus:

- common units representing limited partnership interests in Regency Energy Partners LP; and
- debt securities, which may be secured or unsecured senior debt securities or secured or unsecured subordinated debt securities.

Regency Energy Finance Corp. may act as co-issuer of the debt securities, and all other direct or indirect subsidiaries of Regency Energy Partners LP, other than minor subsidiaries as such item is interpreted in the securities regulation governing financial reporting for guarantors, may guarantee the debt securities.

Our common units are listed on the Nasdaq Stock Market LLC under the symbol RGNC. We will provide information in the prospectus supplement for the trading market, if any, for any debt securities we may offer.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. This prospectus describes the general terms of these securities. The specific terms of any securities and the specific manner in which we will offer them will be included in a supplement to this prospectus relating to that offering.

You should carefully read this prospectus and any prospectus supplement before you invest. You also should read the documents we have referred you to in the Where You Can Find More Information section of this prospectus for information on us and our financial statements. This prospectus may not be used to consummate sales of securities unless accompanied by a prospectus supplement.

Investing in our securities involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors beginning on page 4 of this prospectus and in the applicable prospectus supplement before you make an investment in our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 23, 2007.

In making your investment decision, you should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with any other information. If anyone provides you with different or inconsistent information, you should not rely on it.

You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus. You should not assume that the information contained in the documents incorporated by reference in this prospectus is accurate as of any date other than the respective dates of those documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf process, we may offer from time to time up to $691,322,449 of our securities in one or more offerings. Each time we offer securities, we will provide you with a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering, including, in the case of debt securities, the specific terms of the securities. The prospectus supplement may include additional risk factors or other specific considerations applicable to those securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in that prospectus supplement. Additional information, including our financial statements and the notes thereto, is incorporated in this prospectus by reference to our reports filed with the SEC. Please read Where You Can Find More Information. You are urged to read this prospectus carefully, including the Risk Factors, and our SEC reports in their entirety before investing in our common units or debt securities. You should read this prospectus and any attached prospectus supplements relating to the securities offered to you together with the additional information described under the heading Where You Can Find More Information.

As used in this prospectus, Regency Energy Partners, we, our, us or like terms mean Regency Energy Partners LP, the Partnership, and its subsidiaries. References to our general partner or the General Partner refer to Regency GP LP, the general partner of the Partnership, except where otherwise indicated, and to the Managing General Partner refer to Regency GP LLC, the general partner of the General Partner, which effectively manages the business and affairs of the Partnership.

REGENCY ENERGY PARTNERS LP

We are a growth-oriented publicly-traded Delaware limited partnership engaged in the gathering, processing, transportation and marketing of natural gas. We provide these services through systems located in Louisiana, Texas, Kansas, Oklahoma and Colorado. The Partnership was formed in September 2005 to capitalize on opportunities in the midstream sector of the natural gas industry.

We divide our operations into two business segments:

Gathering and Processing: in which we provide wellhead-to-market services to producers of natural gas, which include transporting raw natural gas from the wellhead through gathering systems, treating to remove impurities such as hydrogen sulfide and carbon dioxide, processing raw natural gas to separate natural gas liquids, or NGLs, from the raw natural gas and selling or delivering the pipeline-quality natural gas and NGLs to various markets and pipeline systems; and

Transportation: in which we deliver natural gas from northwest Louisiana to more favorable markets in northeast Louisiana through our 320-mile Regency Intrastate Pipeline system.

All of our assets are located in well-established areas of natural gas production that are characterized by long-lived, predictable reserves. These areas are generally experiencing increased levels of natural gas exploration, development and production activities as a result of strong demand for natural gas, attractive recent discoveries, infill drilling opportunities and the implementation of new exploration and production techniques.

Regency Energy Finance Corp., our wholly-owned subsidiary, has no material assets or any liabilities other than as a co-issuer of our debt securities. Its activities will be limited to co-issuing our debt securities and engaging in other activities incidental thereto.

Our principal executive offices are located in 1700 Pacific Avenue, Suite 2900, Dallas, Texas 75201 and our phone number is (214) 750-1771.

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Change of Control of Regency Energy Partners

On June 18, 2007, GE Energy Financial Services, or GE EFS, a unit of General Electric Company, or GE, indirectly acquired 100% of the general and limited partner interests in our General Partner as well as 17,763,809 subordinated units, representing 37.3% of the common and subordinated units outstanding or 37.0% after giving effect to the contemporaneous awards of 355,000 restricted units under our long-term incentive plan. Pursuant to this acquisition, which we refer to as the GP Acquisition, GE EFS acquired 91.3% of both the member interest in our Managing General Partner and the outstanding limited partner interests in our General Partner from an affiliate of HM Capital Partners LLC. GE EFS also indirectly acquired from members of our management the remaining 8.7% of the member interest in the Managing General Partner and the remaining 8.7% of the outstanding limited partner interests in our General Partner. In addition, also as a result of this acquisition, GE EFS acquired 17,763,809 subordinated units in us, of which 1,222,717 subordinated units were owned directly or indirectly by certain members of our management team. Members of our management team re-acquired or agreed to acquire interests in an affiliate of GE EFS that entitle them to an indirect 8.2% ownership interest in the Managing General Partner and the General Partner, as well as approximately 58,000 subordinated units.

As a result of these acquisitions and contemporaneous awards under our Long-Term Incentive Plan, GE EFS owns (i) a 37.0% limited partner interest in us, (ii) the 2% general partner interest in us, and (iii) the right to receive the incentive distributions associated with the general partner interest. As a result of its ownership of our Managing General Partner, GE EFS appoints all of the directors of our Managing General Partner and has appointed five directors to serve on its board of directors. Four partners of HM Capital Partners LLC and two others resigned as directors concurrently with the GP Acquisition, and our chief executive officer and two independent directors remained on the board of directors of our Managing General Partner.

This change of control caused all outstanding unvested option and restricted unit awards under our Long-Term Incentive Plan to vest. As a result, the Partnership will record a non-cash charge of approximately $11.5 million to its results of operations for quarter ending June 30, 2007.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus and the documents we incorporate by reference herein are forward-looking statements intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as anticipate, believe, intend, project, plan, expect, continue, estimate, goal, forecast, expressions help identify forward-looking statements. Although we and our Managing General Partner believe such forward-looking statements are based on reasonable assumptions and current expectations and projections about future events, neither we nor our Managing General Partner can give assurances that such expectations will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions.

These risks and uncertainties include, but are not limited to:

- changes in laws and regulations impacting the gathering and processing industry;
- the level of creditworthiness of our counterparties;
- our ability to access the debt and equity markets;

our use of derivative financial instruments to hedge commodity and interest rate risks;

the amount of collateral required to be posted from time to time in our transactions;

changes in commodity prices, interest rates, demand for our services;

weather and other natural phenomena;

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industry changes including the impact of consolidations and changes in competition;

our ability to obtain required approvals for construction or modernization of our facilities and the timing of production from such facilities; and

the effect of accounting pronouncements issued periodically by accounting standard setting boards.

If one or more of these risks or uncertainties materialize or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. When considering forward-looking statements, please read the section titled Risk Factors included in this prospectus.

Except as required by applicable securities laws, we do not intend to update these forward-looking statements and information.

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RISK FACTORS

You should carefully consider the following risk factors together with all of the other information included in this prospectus, any prospectus supplement and the information that we have incorporated herein by reference in evaluating an investment in Regency Energy Partners LP. If any of the following risks were actually to occur, our business, financial condition, results of operations or cash flows could be materially adversely affected. In that case, we might not be able to pay the minimum quarterly distribution on our common units to pay debt service on our debt securities, the trading price of our common units or debt securities could decline and you could lose all or part of your investment. When we offer and sell any securities pursuant to a prospectus supplement, we may include additional risk factors relevant to such securities in the prospectus supplement.

Risks Related to Our Business

We may not have sufficient cash from operations to enable us to pay our current quarterly distribution following the establishment of cash reserves and payment of fees and expenses, including reimbursement of fees and expenses of our general partner.

We may not have sufficient available cash from operating surplus each quarter to pay our current quarterly distribution. The amount of cash we can distribute on our units depends principally on the amount of cash we generate from our operations, which will fluctuate from quarter to quarter based on, among other things:

- the fees we charge and the margins we realize for our services and sales;
- the prices of, level of production of, and demand for natural gas and NGLs;
- the volumes of natural gas we gather, process and transport;
- the level of our operating costs, including reimbursement of fees and expenses of our general partner; and
- prevailing economic conditions.

In addition, the actual amount of cash we will have available for distribution will depend on other factors, some of which are beyond our control, including:

- our debt service requirements;
- fluctuations in our working capital needs;
- our ability to borrow funds and access capital markets;
- restrictions contained in our debt agreements;
- the level of capital expenditures we make;
- the cost of acquisitions, if any; and
- the amount of cash reserves established by our general partner.

You should be aware that the amount of cash we have available for distribution depends primarily upon our cash flow and not solely on profitability, which will be affected by non-cash items. As a result, we may make cash distributions during periods when we record losses for financial accounting purposes and may not make cash distributions during periods when we record net earnings for financial accounting purposes.

We may be unable to integrate successfully the operations of TexStar or future acquisitions with our operations and we may not realize all the anticipated benefits of the acquisition of TexStar or any future acquisition.

Integration of TexStar with our business and operations has been a complex, time consuming and costly process. We cannot assure you that we will achieve the desired profitability from TexStar or any other acquisitions we may complete in the future. In addition, failure to assimilate future acquisitions successfully could adversely affect our financial condition and results of operations.

Our acquisitions involve numerous risks, including:

- operating a significantly larger combined organization and adding operations;
- difficulties in the assimilation of the assets and operations of the acquired businesses, especially if the assets acquired are in a new business segment or geographic area;
- the risk that natural gas reserves expected to support the acquired assets may not be of the anticipated magnitude or may not be developed as anticipated;
- the loss of significant producers or markets or key employees from the acquired businesses;
- the diversion of management s attention from other business concerns;
- the failure to realize expected profitability or growth;
- the failure to realize expected synergies and cost savings;
- coordinating geographically disparate organizations, systems and facilities; and
- coordinating or consolidating corporate and administrative functions.

Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. If we consummate any future acquisition, our capitalization and results of operation may change significantly, and you may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions.

While substantial amounts of the transportation capacity of the Regency Intrastate Pipeline System have been contracted, if we are unable to utilize the remaining transportation capacity, our business and our operating results could be adversely affected.

As of March 1, 2007, we had definitive agreements for 562,900 MMBtu/d of firm transportation on the Regency Intrastate Pipeline System, of which 500,679 MMBtu/d was utilized in February 2007. During the month of February 2007, we also provided 195,395 MMBtu/d of interruptible transportation. If we are unable to commit the remaining uncommitted capacity on the system to firm gas transportation contracts and the parties to existing interruptible transportation contracts fail to utilize the capacity, our business and operating results could be adversely affected.

Because of the natural decline in production from existing wells, our success depends on our ability to obtain new supplies of natural gas, which involves factors beyond our control. Any decrease in supplies of natural gas in our areas of operation could adversely affect our business and operating results.

Our gathering and transportation pipeline systems are dependent on the level of production from natural gas wells that supply our systems and from which production will naturally decline over time. As a result, our cash flows associated with these wells will also decline over time. In order to maintain or increase through-put volume levels on our gathering and transportation pipeline systems and the asset utilization rates at our natural gas processing plants, we must continually obtain new supplies. The primary factors affecting our ability to obtain new supplies of natural gas and attract new customers to our assets are: the level of successful drilling activity near these systems and our ability to compete with other gathering and processing companies for volumes from successful new wells.

The level of natural gas drilling activity is dependent on economic and business factors beyond our control. The primary factor that impacts drilling decisions is natural gas prices. Natural gas prices reached historic highs in 2005 and early 2006 but have declined substantially in the second half of 2006. The averages of the NYMEX daily settlement prices per MMBtu of natural gas for the year ended December 31, 2005 and 2006 were $9.02 per MMBtu and $6.98 per MMBtu, respectively. A sustained decline in natural gas prices could result in a decrease in exploration and development activities in the fields served by our gathering and processing facilities and pipeline transportation systems, which would lead to reduced utilization of these assets. Other factors that impact production decisions include producers capital budget limitations, the ability of producers to obtain necessary drilling and other governmental permits and regulatory changes. Because of these factors, even if additional natural gas reserves were discovered in areas served by our assets, producers may choose not to develop those reserves. If we were not able to obtain new supplies of natural gas to replace the natural decline in volumes from existing wells due to reductions in drilling activity or competition, through-put volumes on our pipelines and the utilization rates of our processing facilities would decline, which could have a material adverse effect on our business, results of operations and financial condition.

We depend on certain key producers and other customers for a significant portion of our supply of natural gas. The loss of, or reduction in volumes from, any of these key producers or customers could adversely affect our business and operating results.

We rely on a limited number of producers and other customers for a significant portion of our natural gas supplies. Three customers represented 44 percent of our natural gas supply in our transportation segment for the year ended December 31, 2006. These contracts have terms that are either month-to-month or year-to-year. As these contracts expire, we will have to negotiate extensions or renewals or replace the contracts with those of other suppliers. For example, a significant contract with ExxonMobil expired in August 2006 and was not renewed. We may be unable to obtain new or renewed contracts on favorable terms, if at all. The loss of all or even a portion of the volumes of natural gas supplied by these producers and other customers, as a result of competition or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

In accordance with industry practice, we do not obtain independent evaluations of natural gas reserves dedicated to our gathering systems. Accordingly, volumes of natural gas gathered on our gathering systems in the future could be less than we anticipate, which could adversely affect our business and operating results.

In accordance with industry practice, we do not obtain independent evaluations of natural gas reserves connected to our gathering systems due to the unwillingness of producers to provide reserve information as well as the cost of such evaluations. Accordingly, we do not have estimates of total reserves dedicated to our systems or the anticipated lives of such reserves. If the total reserves or estimated lives of the reserves connected to our gathering systems is less than we anticipate and we are unable to secure additional sources of natural gas, then the volumes of natural gas gathered on our gathering systems in the future could be less than we anticipate. A decline in the volumes of natural gas gathered on our gathering systems could have an adverse effect on our business, results of operations and financial condition.

Natural gas, NGLs and other commodity prices are volatile, and a reduction in these prices could adversely affect our cash flow and operating results.

We are subject to risks due to frequent and often substantial fluctuations in commodity prices. NGL prices generally fluctuate on a basis that correlates to fluctuations in crude oil prices. In the past, the prices of natural gas and crude oil have been extremely volatile, and we expect this volatility to continue. For example, natural gas prices reached historic highs in 2005 and early 2006, but declined substantially in the second half of 2006. The NYMEX daily settlement price for natural gas for the prompt month contract in 2005 ranged from a high of $15.38 per MMBtu to a low of $5.79 per MMBtu and for the year ended December 31, 2006 ranged from a high of $10.63 per MMBtu to a low of $4.20 per MMBtu. The NYMEX daily settlement price for crude oil for the prompt month contract in 2005 ranged from a high of $69.81 per barrel to a low of $42.12 per barrel and for the year ended December 31, 2006 ranged from a high of $77.03 per barrel to a low of $55.81 per barrel. The markets and prices for natural gas and NGLs depend upon factors beyond our control. These factors include demand for oil, natural gas and NGLs, which fluctuate with changes in market and economic conditions and other factors, including:

the impact of weather on the demand for oil and natural gas;

- the level of domestic oil and natural gas production;
- the availability of imported oil and natural gas;
- actions taken by foreign oil and gas producing nations;
- the availability of local, intrastate and interstate transportation systems;
- the availability and marketing of competitive fuels;
- the impact of energy conservation efforts; and
- the extent of governmental regulation and taxation.

Our natural gas gathering and processing businesses operate under two types of contractual arrangements that expose our cash flows to increases and decreases in the price of natural gas and NGLs: percentage-of-proceeds and keep-whole arrangements. Under percentage-of-proceeds arrangements, we generally purchase natural gas from producers and retain an agreed percentage of the proceeds (in cash or in-kind) from the sale at market prices of pipeline-quality gas and NGLs or NGL products resulting from our processing activities. Under keep-whole arrangements, we receive the NGLs removed from the natural gas during our processing operations as the fee for providing our services in exchange for replacing the thermal content removed as NGLs with a like thermal content in pipeline-quality gas or its cash equivalent. Under these types of arrangements our revenues and our cash flows increase or decrease as the prices of natural gas and NGLs fluctuate. The relationship between natural gas prices and NGL prices may also affect our profitability. When natural gas prices are low relative to NGL prices, it is more profitable for us to process natural gas under keep-whole arrangements. When natural gas prices are high relative to NGL prices, it is less profitable for us and our customers to process natural gas both because of the higher value of natural gas and of the increased cost (principally that of natural gas as a feedstock and a fuel) of separating the mixed NGLs from the natural gas. As a result, we may experience periods in which higher natural gas prices relative to NGL prices reduce our processing margins or reduce the volume of natural gas processed at some of our plants.

In our gathering and processing operations, we purchase raw natural gas containing significant quantities of NGLs, process the raw natural gas and sell the processed gas and NGLs. If we are unsuccessful in balancing the purchase of raw natural gas with its component NGLs and our sales of pipeline quality gas and NGLs, our exposure to commodity price risks will increase.

We purchase from producers and other customers a substantial amount of the natural gas that flows through our natural gas gathering and processing systems and our transportation pipeline for resale to third parties, including natural gas marketers and utilities. We may not be successful in balancing our purchases and sales. In addition, a producer could fail to deliver promised volumes or could deliver volumes in excess of contracted volumes, a purchaser could purchase less than contracted volumes, or the natural gas price differential between the regions in which we operate could vary unexpectedly. Any of these actions could cause our purchases and sales not to be balanced. If our purchases and sales are not balanced, we will face increased exposure to commodity price risks and could have increased volatility in our operating results.

Our results of operations and cash flow may be adversely affected by risks associated with our hedging activities.

In performing our functions in the Gathering and Processing segment, we are a seller of NGLs and are exposed to commodity price risk associated with downward movements in NGL prices. As a result of the volatility of NGL, we have executed swap contracts settled against ethane, propane, butane and natural gasoline market prices, supplemented with crude oil put options. (Historically, changes in the prices of heavy NGLs, such as natural gasoline, have generally correlated with changes in the price of crude oil.) As of March 29, 2007, we have hedged approximately 71 percent of our expected exposure to NGL prices in 2007 and 2008 and approximately 28 percent in 2009. We have hedged approximately 66 percent of our expected exposure to condensate prices in 2007 and approximately 64 percent in 2008 and 2009. We have hedged approximately 60 percent of our expected exposure to natural gas prices in 2007. We continually monitor our hedging and contract portfolio and expect to continue to adjust our hedge position as conditions warrant. Also, we may seek to limit our exposure to changes in interest rates by using financial derivative instruments and other hedging mechanisms from time to time. For more information about our risk management activities, please read Item 7A Quantitative and Qualitative Disclosures about Market Risk of our Annual Report on Form 10-K incorporated by reference herein.

Even though our management monitors our hedging activities, these activities can result in substantial losses. Such losses could occur under various circumstances, including any circumstance in which a counterparty does not perform its obligations under the applicable hedging arrangement, the hedging arrangement is imperfect, or our hedging policies and procedures are not followed or do not work as planned.

To the extent that we intend to grow internally through construction of new, or modification of existing, facilities, we may not be able to manage that growth effectively, which could decrease our cash flow and adversely affect our results of operation.

A principal focus of our strategy is to continue to grow by expanding our business both internally and through acquisitions. Our ability to grow internally will depend on a number of factors, some of which will be beyond our control. In general, the construction of additions or modifications to our existing systems, and the construction of new midstream assets involve numerous regulatory, environmental, political and legal uncertainties beyond our control. Any project that we undertake may not be completed on schedule, at budgeted cost or at all. Construction may occur over an extended period, and we are not likely to receive a material increase in revenues related to such project until it is completed. Moreover, our revenues may not increase immediately upon its completion because the anticipated growth in gas production that the project was intended to capture does not materialize, our estimates of the growth in production prove inaccurate or for other reasons. For any of these reasons, newly constructed or modified midstream facilities may not generate our expected investment return and that, in turn, could adversely affect our cash flows and results of operations.

In addition, our ability to undertake to grow in this fashion will depend on our ability to finance the construction or modification project and on our ability to hire, train and retain qualified personnel to manage and operate these facilities when completed.

Because we distribute all of our available cash to our unitholders, our future growth may be limited.

Since we will distribute all of our available cash to our unitholders, subject to the limitations on restricted payments contained in the indenture governing our senior notes and our credit facility, we will depend on financing provided by commercial banks and other lenders and the issuance of debt and equity securities to finance any significant internal organic growth or acquisitions. For a definition of available cash, please see our partnership agreement. If we are unable to obtain adequate financing from these sources, our ability to grow will be limited.

Our industry is highly competitive, and increased competitive pressure could adversely affect our business and operating results.

We compete with similar enterprises in each of our areas of operations. Some of our competitors are large oil, natural gas and petrochemical companies that have greater financial resources and access to supplies of natural gas than we do. In addition, our customers who are significant producers or consumers of NGLs may develop their own processing facilities in lieu of using ours. Similarly, competitors may establish new connections with pipeline systems that would create additional competition for services that we provide to our customers. Our ability to renew or replace existing contracts with our customers at rates sufficient to maintain current revenues and cash flows could be adversely affected by the activities of our competitors. All of these competitive pressures could have a material adverse effect on our business, results of operations and financial condition.

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If third-party pipelines interconnected to our processing plants become unavailable to transport NGLs, our cash flow and results of operations could be adversely affected.

We depend upon third party pipelines that provide delivery options to and from our processing plants for the benefit of our customers. If any of these pipelines become unavailable to transport the NGLs produced at our related processing plants, we would be required to find alternative means to transport the NGLs out of our processing plants, which could increase our costs, reduce the revenues we might obtain from the sale of NGLs or reduce our ability to process natural gas at these plants.

We are exposed to the credit risks of our key customers, and any material nonpayment or nonperformance by our key customers could adversely affect our cash flow and results of operations.

We are subject to risks of loss resulting from nonpayment or nonperformance by our customers. Any material nonpayment or nonperformance by our key customers could reduce our ability to make distributions to our unitholders. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks, which increases the risk that they may default on their obligations to us.

Our business involves many hazards and operational risks, some of which may not be fully covered by insurance. If a significant accident or event occurs that is not fully insured, our operations and financial results could be adversely affected.

Our operations are subject to the many hazards inherent in the gathering, processing and transportation of natural gas and NGLs, including:

- damage to our gathering and processing facilities, pipelines, related equipment and surrounding properties caused by tornadoes, floods, fires and other natural disasters and acts of terrorism;
- inadvertent damage from construction and farm equipment;
- leaks of natural gas, NGLs and other hydrocarbons or losses of natural gas or NGLs as a result of the malfunction of pipelines, measurement equipment or facilities at receipt or delivery points;
- fires and explosions;
- weather related hazards, such as hurricanes; and
- other hazards, including those associated with high-sulfur content, or sour gas, such as an accidental discharge of hydrogen sulfide gas, that could also result in personal injury and loss of life, pollution and suspension of operations.

These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in curtailment or suspension of our related operations. A natural disaster or other hazard affecting the areas in which we operate could have a material adverse effect on our operations. We are not insured against all environmental events that might occur. If a significant accident or event occurs that is not insured or fully insured, it could adversely affect our operations and financial condition.

Due to our lack of asset diversification, adverse developments in our midstream operations would adversely affect our cash flows and results of operations.

We rely exclusively on the revenues generated from our midstream energy business, and as a result, our financial condition depends upon prices of, and continued demand for, natural gas and NGLs. Due to our lack of diversification in asset type, an adverse development in this business would have a significantly greater impact on our financial condition and results of operations than if we maintained more diverse assets.

Failure of the gas that we ship on our pipelines to meet the specifications of interconnecting interstate pipelines could result in curtailments by the interstate pipelines.

The markets to which the shippers on our pipelines ship natural gas include interstate pipelines. These interstate pipelines establish specifications for the natural gas that they are willing to accept, which include requirements such as hydrocarbon dewpoint, temperature, and foreign content including water, sulfur, carbon dioxide and hydrogen sulfide. These specifications vary by interstate pipeline. If the total mix of natural gas shipped by the shippers on our pipeline fails to meet the specifications of a particular interstate pipeline, it may refuse to accept all or a part of the natural gas scheduled for delivery to it. In those circumstances, we may be required to find alternative markets for that gas or to shut-in the producers of the non-conforming gas, potentially reducing our through-put volumes or revenues.

Terrorist attacks, the threat of terrorist attacks, continued hostilities in the Middle East or other sustained military campaigns may adversely impact our results of operations.

The long-term impact of terrorist attacks, such as the attacks that occurred on September 11, 2001, and the magnitude of the threat of future terrorist attacks on the energy transportation industry in general and on us in particular are not known at this time. Uncertainty surrounding continued hostilities in the Middle East or other sustained military campaigns may affect our operations in unpredictable ways, including disruptions of natural gas supplies and markets for natural gas and NGLs and the possibility that infrastructure facilities could be direct targets of, or indirect casualties of, an act of terror.

Changes in the insurance markets attributable to terrorist attacks may make certain types of insurance more difficult for us to obtain. Moreover, the insurance that may be available to us may be significantly more expensive than our existing insurance coverage. Instability in the financial markets as a result of terrorism or war could also affect our ability to raise capital.

We do not own all of the land on which our pipelines and facilities have been constructed, and we are therefore subject to the possibility of increased costs or the inability to retain necessary land use.

We obtain the rights to construct and operate our pipelines on land owned by third parties and governmental agencies for specified periods of time. Many of these rights-of-way are perpetual in duration; others have terms ranging from five to ten years. Many are subject to rights of reversion in the case of non-utilization for periods ranging from one to three years. In addition, some of our processing facilities are located on leased premises. Our loss of these rights, through our inability to renew right-of-way contracts or leases or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

In addition, the construction of additions to our existing gathering assets may require us to obtain new rights-of-way prior to constructing new pipelines. We may be unable to obtain such rights-of-way to connect new natural gas supplies to our existing gathering lines or to capitalize on other attractive expansion opportunities. If the cost of obtaining new rights-of-way increases, then our cash flows and growth opportunities could be adversely affected.

A successful challenge to the rates we charge on our Regency Intrastate Pipeline may reduce the amount of cash we generate.

To the extent our Regency Intrastate Pipeline transports natural gas in interstate commerce, the rates, terms and conditions of that transportation service are subject to regulation by the FERC, pursuant to Section 311 of the NGPA, which regulates, among other things, the provision of transportation services by an intrastate natural gas pipeline on behalf of an interstate natural gas pipeline. Under Section 311, rates charged for transportation must be fair and equitable, and the FERC is required to approve the terms and conditions of the service. Rates established pursuant to Section 311 are generally analogous to the cost based rates FERC deems just and reasonable for interstate pipelines under the NGA. FERC may therefore apply its NGA policies to determine costs that can be included in cost of service used to establish Section 311 rates. These rate policies include the recent FERC policy on income tax allowance that permits interstate pipelines to include, as part of the cost of service, a full income tax allowance for all entities owning the utility asset provided such entities or individuals are subject to an actual or potential tax liability. If the Section 311 rates presently approved for Regency through May 1, 2008 are successfully challenged in a complaint or after such date the FERC disallows the inclusion of costs in the cost of service, changes its regulations or policies, or establishes more onerous terms and conditions applicable to Section 311 service, this may adversely affect our business. Any reduction in our rates could have an adverse effect on our business, results of operations and financial condition.

A change in the characterization of some of our assets by federal, state or local regulatory agencies or a change in policy by those agencies may result in increased regulation of our assets, which may cause our revenues to decline and operating expenses to increase.

Our natural gas gathering and intrastate transportation operations are generally exempt from FERC regulation under the NGA, but FERC regulation still affects these businesses and the markets for products derived from these businesses. FERC s policies and practices, including, for example, its policies on open access transportation, ratemaking, capacity release, and market center promotion, indirectly affect intrastate markets. In recent years, FERC has pursued pro-competitive regulatory policies. We cannot assure you, however, that FERC will continue this approach as it considers matters such as pipeline rates and rules and policies that may affect rights of access to natural gas transportation capacity. In addition, the distinction between FERC-regulated transmission service and federally unregulated gathering services is the subject of regular litigation at FERC and in the courts and of policy discussions at FERC, so, in such circumstances, the classification and regulation of some of our gathering facilities or our intrastate transportation pipeline may be subject to change based on future determinations by FERC, the courts or Congress. Such a change could result in increased regulation by FERC.

Other state and local regulations also affect our business. Our gathering lines are subject to ratable take and common purchaser statutes in states in which we operate. Ratable take statutes generally require gatherers to take, without undue discrimination, oil or natural gas production that may be tendered to the gatherer for handling. Similarly, common purchaser statutes generally require gatherers to purchase without undue discrimination as to source of supply or producer. These statutes restrict our right as an owner of gathering facilities to decide with whom we contract to purchase or transport natural gas. Federal law leaves any economic regulation of natural gas gathering to the states. States in which we operate have adopted complaint-based regulation of oil and natural gas gathering activities, which allows oil and natural gas producers and shippers to file complaints with state regulators in an effort to resolve grievances relating to oil and natural gas gathering access and rate discrimination.

We may incur significant costs and liabilities in the future resulting from a failure to comply with new or existing environmental regulations or an accidental release of hazardous substances into the environment.

Our operations are subject to stringent and complex federal, state and local environmental laws and regulations governing, among other things, air emissions, wastewater discharges, the use, management and disposal of hazardous and nonhazardous materials and wastes, and the cleanup of contamination. Noncompliance with such laws and regulations, or incidents resulting in environmental releases, could cause us to incur substantial costs, penalties, fines and other criminal sanctions, third party claims for personal injury or property damage, investments to retrofit or upgrade our facilities and programs, or curtailment of operations. Certain environmental statutes, including CERCLA and comparable state laws, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed or otherwise released.

There is inherent risk of the incurrence of environmental costs and liabilities in our business due to the necessity of handling natural gas and petroleum products, air emissions related to our operations, and historical industry operations and waste disposal practices. For example, an accidental release from one of our pipelines or processing facilities could subject us to substantial liabilities arising from environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and

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property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase our compliance costs and the cost of any remediation that may become necessary. We may not be able to recover these costs from insurance. We believe, based on current information, that any costs we may incur relating to environmental matters will not adversely affect us. We cannot be certain, however, that identification of presently unidentified conditions, more vigorous enforcement by regulatory agencies, enactment of more stringent laws and regulations, or other unanticipated events will not arise in the future and give rise to material environmental liabilities that could have a material adverse effect on our business, financial condition or results of operations.

We may incur significant costs and liabilities as a result of pipeline integrity management program testing and any related pipeline repair, or preventative or remedial measures.

The United States Department of Transportation, or DOT, has adopted regulations requiring pipeline operators to develop integrity management programs for transportation pipelines located where a leak or rupture could do the most harm in high consequence areas. The regulations require operators to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventive and mitigating actions.

We currently estimate that we will incur costs of approximately $2.0 million between 2007 and 2010 to implement pipeline integrity management program testing along certain segments of our pipeline, as required by existing DOT regulations. This estimate does not include the costs, if any, for repair, remediation, preventative or mitigating actions that may be determined to be necessary as a result of the testing program, which could be substantial.

If we fail to develop or maintain an effective system of internal controls, we may not be able to report our financial results accurately or prevent fraud.

We became subject to the public reporting requirements of the Securities Exchange Act of 1934 on February 3, 2006. We produce our consolidated financial statements in accordance with the requirements of GAAP, but we do not become subject to certain of the internal controls standards applicable to most companies with publicly traded securities until 2008. We may not currently meet all those standards. Effective internal controls are necessary for us to provide reliable financial reports to prevent fraud and to operate successfully as a publicly traded partnership. Our efforts to develop and maintain our internal controls compliance program may not be successful, and we may be unable to maintain adequate controls over our financial processes and reporting in the future, including compliance with the obligations under Section 404 of the Sarbanes-Oxley Act of 2002, which we refer to as Section 404. For example, Section 404 will require us, among other things, annually to review and report on, and our independent registered public accounting firm to attest to, our internal control over financial reporting. We must comply with Section 404 for our fiscal year ending December 31, 2007. Any failure to develop or maintain an effective internal controls compliance program or difficulties encountered in its implementation or other effective improvement of our internal controls could harm our operating results or cause us to fail to meet our reporting obligations. Given the difficulties inherent in the design and operation of internal controls over financial reporting, we can provide no assurance as to our conclusions under Section 404, or those of our independent registered public accounting firm, regarding the effectiveness of our internal controls. Ineffective internal controls subject us to regulatory scrutiny and a loss of confidence in our reported financial information, which could have an adverse effect on our business, results of operations and financial condition.

Our leverage may limit our ability to borrow additional funds, comply with the terms of our indebtedness or capitalize on business opportunities.

Our leverage is significant in relation to our partners capital. Our debt to capital ratio (calculated as total debt divided by the sum of total debt and partners capital) as of December 31, 2006 was 76 percent. As of March 22, 2007, our total outstanding long-term debt was $698.1 million. We will be prohibited from making cash distributions during an event of default under any of our indebtedness. Various limitations in our credit facility, as well as the indentures for the notes, may reduce our ability to incur additional debt, to engage in some transactions and to capitalize on business opportunities. Any subsequent refinancing of our current indebtedness or any new indebtedness could have similar or greater restrictions.

Our leverage may adversely affect our ability to fund future working capital, capital expenditures and other general partnership requirements, future acquisition, construction or development activities, or to otherwise fully realize the value of our assets and opportunities because of the need to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness or to comply with any restrictive terms of our indebtedness.

Our leverage may also make our results of operations more susceptible to adverse economic and industry conditions by limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and may place us at a competitive disadvantage as compared to our competitors that have less debt.

Restrictions in our credit agreement could limit our ability to make distributions upon the occurrence of certain events.

Our payment of principal and interest on our debt will reduce cash available for distributions on our common units. Our credit agreement limits our ability to make distributions upon the occurrence of the following events, among others:

- failure to pay any principal, interest, fees or other amounts when due;
- any representation or warranty proves to be false or misleading in any material respect;
- failure to perform or otherwise comply with the covenants in the credit agreement or any loan document;
- failure to pay any other material debt or failure to perform or otherwise to comply with the covenants of the agreements governing any material debt;
- a bankruptcy or insolvency event involving us, our general partner or any of our subsidiaries;
- the entry of, and failure to pay, one or more adverse judgments in excess of a specified amount against which enforcement proceedings are brought or that are not stayed pending appeal;
- a change in control of us (waived by our lenders in the case of the GP Acquisition);
- the occurrence of certain events with respect to employee benefit plans subject to ERISA;
- any security interest or lien in excess of a specified amount is no longer valid or in effect; and

any loan document is declared null and void or a proceeding is initiated to challenge the validity or enforceability of the loan document.

Any subsequent refinancing of our current debt or any new debt could have similar or more restrictive provisions. For more information regarding our credit agreement, please read Management s Discussion and Analysis of Financial Condition and Results of Operations Capital Requirements Fourth Amended and Restated Credit Agreement of our Annual Report on Form 10-K incorporated by reference herein.

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Increases in interest rates, which have recently experienced record lows, could adversely impact our unit price and our ability to issue additional equity, in order to make acquisitions, to reduce debt or for other purposes.

During 2004 and 2005, the credit markets experienced 50-year record lows in interest rates. During the latter half of 2005 and in 2006, interest rates increased. If the overall economy continues to strengthen, monetary policy may tighten further, resulting in higher interest rates to counter possible inflation. The interest rate on our senior notes is fixed and the loans outstanding under our credit facility bear interest at a floating rate. An increase of 100 basis points in the LIBOR rate would increase our annual payment by approximately $1,100,000. Additionally, interest rates on future credit facilities and debt offerings could be higher than current levels, causing our financing costs to increase accordingly. As with other yield-oriented securities, the market price for our units will be affected by the level of our cash distributions and implied distribution yield. The distribution yield is often used by investors to compare and rank yield-oriented securities for investment decision-making purposes. Therefore, changes in interest rates, either positive or negative, may affect the yield requirements of investors who invest in our units, and a rising interest rate environment could have an adverse effect on our unit price and our ability to issue additional equity, in order to make acquisitions, to reduce debt or for other purposes.

You may not be able to sell large blocks of our common units in a single day without realizing a lower than expected sales price.

During the six months ended March 15, 2007, the average daily volume of our common units traded on the NASDAQ was 43,000. The median of the daily volume for the same period was 39,200. The maximum and minimum daily volume for the same period was 120,400 and 8,500, respectively. If we are unable to increase the market demand for our equity securities, you may be adversely affected.

We may not have the ability to raise funds necessary to finance any change of control offer required under our senior notes.

If a change of control (as defined in the indenture) occurs, we will be required to offer to purchase our outstanding senior notes at 101 percent of their principal amount plus accrued and unpaid interest. If a purchase offer obligation arises under the indenture governing the senior notes, a change of control could also have occurred under the senior secured credit facilities, which could result in the acceleration of the indebtedness outstanding thereunder. Any of our future debt agreements may contain similar restrictions and provisions. If a purchase offer were required under the indenture for our debt, we may not have sufficient funds to pay the purchase price of all debt that we are required to purchase or repay.

Risks Related to Our Structure

GE owns 37.0 percent of the limited partner units outstanding and controls our general partner, which has sole responsibility for conducting our business and managing our operations.

GE owns 37.0 percent of the limited partner units outstanding and controls our general partner. Although our general partner has a fiduciary duty to manage us in a manner beneficial to us and our unitholders, the directors and officers of our general partner have a fiduciary duty to manage our general partner in a manner beneficial to its owner, GE. Conflicts of interest may arise between GE and its affiliates, including our general partner, on the one hand, and us, on the other hand. In resolving these conflicts of interest, our general partner may favor its own interests and the interests of its affiliates over our interests. These conflicts include, among others, the following situations:

- neither our partnership agreement nor any other agreement requires GE or its affiliates to pursue a business strategy that favors us;

our general partner is allowed to take into account the interests of parties other than us, such as GE, in resolving conflicts of interest;

GE and its affiliates may engage in competition with us;

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our General Partner has limited its liability and reduced its fiduciary duties, and has also restricted the remedies available to our unitholders for actions that, without such limitations, might constitute breaches of fiduciary duty;

our General Partner determines the amount and timing of asset purchases and sales, capital expenditures, borrowings and repayments of debt, issuance of additional partnership securities, and cash reserves, each of which can affect the amount of cash available to pay interest on, and principal of, the notes;

our General Partner determines which costs incurred by it and its affiliates are reimbursable by us;

our partnership agreement does not restrict our General Partner from causing us to pay it or its affiliates for any services rendered to us or entering into additional contractual arrangements with any of these entities on our behalf;

our General Partner intends to limit its liability regarding our contractual and other obligations; and

our General Partner controls the enforcement of obligations owed to us by our General Partner and its affiliates.

GE and its affiliates may compete directly with us.

GE and its affiliates are not prohibited from owning assets or engaging in businesses that compete directly or independently with us. GE and its affiliates currently own various midstream assets and conduct midstream business that may potentially compete with us. In addition, GE or its affiliates may acquire, construct or dispose of any additional midstream or other assets in the future, without any obligation to offer us the opportunity to purchase or construct or dispose of those assets.

Our reimbursement of our general partner s expenses will reduce our cash available for distribution to you.

Prior to making any distribution on the common units, we will reimburse our general partner and its affiliates for all expenses they incur on our behalf. These expenses will include all costs incurred by our general partner and its affiliates in managing and operating us, including costs for rendering corporate staff and support services to us. Please read Item 13. Certain Relationships and Related Party Transactions of our Annual Report on Form 10-K incorporated by reference herein. The reimbursement of expenses of our general partner and its affiliates could adversely affect our ability to pay cash distributions to you.

Our partnership agreement limits our general partner s fiduciary duties to our unitholders and restricts the remedies available to unitholders for actions taken by our general partner that might otherwise constitute breaches of fiduciary duty.

Our partnership agreement contains provisions that reduce the standards to which our general partner would otherwise be held by state fiduciary duty law. For example, our partnership agreement:

permits our general partner to make a number of decisions in its individual capacity, as opposed to its capacity as our general partner. This entitles our general partner to consider only the interests and factors that it desires, and it has no duty or obligation to give any consideration to any interest of, or factors affecting, us, our affiliates or any limited partner. Examples include the exercise of its limited call right, its voting rights with respect to the units it owns, its registration rights and its determination whether or not to consent to any merger or consolidation of the partnership;

provides that our general partner will not have any liability to us or our unitholders for decisions made in its capacity as a general partner so long as it acted in good faith, meaning it believed the decision was in the best interests of our partnership;

provides that our general partner is entitled to make other decisions in good faith if it believes that the decision is in our best interests;

provides generally that affiliated transactions and resolutions of conflicts of interest not approved by the conflicts committee of our general partner and not involving a vote of unitholders must be on terms no less favorable to us than those generally being provided to or available from unrelated third parties or be fair and reasonable to us, as determined by our general partner in good faith, and that, in determining whether a transaction or resolution is fair and reasonable, our general partner may consider the totality of the relationships between the parties involved, including other transactions that may be particularly advantageous or beneficial to us; and

provides that our general partner and its officers and directors will not be liable for monetary damages to us, our limited partners or assignees for any acts or omissions unless there has been a final and non- appealable judgment entered by a court of competent jurisdiction determining that the general partner or those other persons acted in bad faith or engaged in fraud or willful misconduct.

By purchasing a common unit, a common unitholder will become bound by the provisions in the partnership agreement, including the provisions discussed above.

Unitholders have limited voting rights and are not entitled to elect our general partner or its directors.

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting our business and, therefore, limited ability to influence management s decisions regarding our business. Unitholders did not elect our general partner or its board of directors and will have no right to elect our general partner or its board of directors on an annual or other continuing basis. The board of directors of our general partner is chosen by the members of our general partner. Furthermore, if the unitholders were dissatisfied with the performance of our general partner, they will have little ability to remove our general partner. As a result of these limitations, the price at which the common units will trade could be diminished because of the absence or reduction of a takeover premium in the trading price.

Even if unitholders are dissatisfied, they cannot remove our general partner without its consent.

The unitholders are currently unable to remove the general partner without its consent because the general partner and its affiliates own sufficient units to be able to prevent its removal. The vote of the holders of at least 662/3 percent of all outstanding units voting together as a single class is required to remove the general partner. Our general partner and its affiliates own 37.0 percent of the total of our common and subordinated units. Moreover, if our general partner is removed without cause during the subordination period and units held by our general partner and its affiliates are not voted in favor of that removal, all remaining subordinated units will automatically convert into common units and any existing arrearages on the common units will be extinguished. A removal of the general partner under these circumstances would adversely affect the common units by prematurely eliminating their distribution and liquidation preference over the subordinated units, which would otherwise have continued until we had met certain distribution and performance tests.

Our partnership agreement restricts the voting rights of those unitholders owning 20 percent or more of our common units.

Unitholders voting rights are further restricted by the partnership agreement provision providing that any units held by a person that owns 20 percent or more of any class of units then outstanding, other than our general partner, its affiliates, their transferees, and persons who acquired such units with the prior approval of our general partner, cannot vote on any matter. Our partnership agreement also contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting the unitholders ability to influence the manner or direction of management.

Control of our general partner may be transferred to a third party without unitholder consent.

Our general partner may transfer its general partner interest to a third party in a merger or in a sale of all or substantially all of its assets without the consent of the unitholders. Furthermore, our partnership agreement does not restrict the ability of the partners of our general partner from transferring their ownership in our general partner to a third party. The new partners of our general partner would then be in a position to replace

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the board of directors and officers of Regency GP LLC with their own choices and to control the decisions taken by the board of directors and officers.

We may issue an unlimited number of additional units without your approval, which would dilute your existing ownership interest.

Our general partner, without the approval of our unitholders, may cause us to issue an unlimited number of additional common units. For example, in the registration statement of which this prospectus is a part, we have registered a total of $691,322,449 of equity and debt securities, some of which we expect to offer as common units.

The issuance by us of additional common units or other equity securities of equal or senior rank will have the following effects:

- our unitholders proportionate ownership interest in us will decrease;
- the amount of cash available for distribution on each unit may decrease;
- because a lower percentage of total outstanding units will be subordinated units, the risk that a shortfall in the payment of the minimum quarterly distribution will be borne by our common unitholders will increase;
- the relative voting strength of each previously outstanding unit may be diminished; and
- the market price of the common units may decline.

Our general partner has a limited call right that may require you to sell your units at an undesirable time or price.

If at any time our general partner and its affiliates own more than 80 percent of the common units, our general partner will have the right, but not the obligation (which it may assign to any of its affiliates or to us) to acquire all, but not less than all, of the common units held by unaffiliated persons at a price not less than their then-current market price. As a result, you may be required to sell your common units at an undesirable time or price and may not receive any return on your investment. You may also incur a tax liability upon a sale of your units. Our general partner and its affiliates do not currently own any of our common units. At the end of the subordination period, assuming no additional issuances of common units, our general partner and its affiliates will own approximately 37.0 percent of the common units.

Your liability may not be limited if a court finds that unitholder action constitutes control of our business.

A general partner of a partnership generally has unlimited liability for the obligations of the partnership, except for those contractual obligations of the partnership that are expressly made without recourse to the general partner. Our partnership is organized under Delaware law and we conduct business in a number of other states. The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the other states in which we do business. In most states, a limited partner is only liable if he participates in the control of the business of the partnership. These statutes generally do not define control, but do permit limited partners to engage in certain activities, including, among other actions, taking any action with respect to the dissolution of the partnership, the sale, exchange, lease or mortgage of any asset of the partnership, the admission or removal of the general partner and the amendment of the partnership agreement. You could, however, be liable for any and all of our obligations as if you were a general partner if:

a court or government agency determined that we were conducting business in a state but had not complied with that particular state s partnership statute; or

your right to act with other unitholders to take other actions under our partnership agreement is found to constitute control of our business.

Unitholders may have liability to repay distributions that were wrongfully distributed to them.

Under certain circumstances, unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act, we may not make a distribution to you if the distribution would cause our liabilities to exceed the fair value of our assets. Delaware law provides that for a period of three years from the date of the distribution, limited partners who received an impermissible distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. Substituted limited partners are liable for the obligations of the assignor to make required contributions to the partnership other than contribution obligations that are unknown to the substituted limited partner at the time it became a limited partner and that could not be ascertained from the partnership agreement. Liabilities to partners on account of their partnership interest and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted.

Risks Related to the Debt Securities

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets.

We have a holding company structure, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the ownership interests in our subsidiaries. As a result, our ability to make required payments on the debt securities depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, credit facilities and applicable state partnership laws and other laws and regulations. Pursuant to the credit facilities, we may be required to establish cash reserves for the future payment of principal and interest on the amounts outstanding under the credit facilities. If we are unable to obtain the funds necessary to pay the principal amount at maturity of the debt securities, or to repurchase the debt securities upon the occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the debt securities. We cannot assure you that we would be able to refinance the debt securities.

We do not have the same flexibility as other types of organizations to accumulate cash, which may limit cash available to service the debt securities or to repay them at maturity.

Unlike a corporation, our partnership agreement requires us to distribute, on a quarterly basis, 100% of our available cash to our unitholders of record and our general partner. Available cash is generally all of our cash receipts adjusted for cash distributions and net changes to reserves. Our general partner will determine the amount and timing of such distributions and has broad discretion to establish and make additions to our reserves or the reserves of our operating partnerships in amounts the general partner determines in its reasonable discretion to be necessary or appropriate:

- to provide for the proper conduct of our business and our subsidiaries (including reserves for future capital expenditures and for our anticipated future credit needs),

- to comply with applicable law or any of our debt instruments or other agreements, or

- to provide funds for distributions to our unitholders and the general partner for any one or more of the next four calendar quarters.

Although our payment obligations to our unitholders are subordinate to our payment obligations to debtholders, the value of our units will decrease in direct correlation with any decrease in the amount we distribute per unit.

Accordingly, if we experience a liquidity problem in the future, we may not be able to issue equity to recapitalize.

We require a significant amount of cash to service our indebtedness. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on and to refinance our indebtedness, including our outstanding senior notes and any future issuance of debt securities, and to fund planned capital expenditures depends on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

We cannot assure you that we will generate sufficient cash flow from operations or that future borrowings will be available to us under the senior secured revolving credit facility or otherwise in an amount sufficient to enable us to pay our indebtedness, including our outstanding senior notes and any future issuance of debt securities, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, including our outstanding senior notes and any future issuance of debt securities, on or before maturity. We cannot assure you that we will be able to refinance any of our indebtedness, including our outstanding senior notes and any future issuances of debt securities, on commercially reasonable terms or at all.

The guarantees by certain of our subsidiaries of our outstanding senior notes and any future issuances of debt securities could be deemed fraudulent conveyances under certain circumstances, and a court may try to subordinate or void these subsidiary guarantees.

Under U.S. bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee can be voided or claims under a guarantee may be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- intended to hinder, delay or defraud any present or future creditor or received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor s remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

In addition, any payment by that guarantor under a guarantee could be voided and required to be returned to the guarantor or to a fund for the benefit of the creditors of the guarantor. The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present saleable value of its assets was less than the amount that would be required to pay its probable liability, including contingent liabilities, on its existing debts as they become absolute and mature; or
- it could not pay its debts as they became due.

Tax Risks to Common Unitholders

In addition to reading the following risk factors, you should read Material Tax Consequences for a more complete discussion of the expected material federal income tax consequences of owning and disposing of common units.

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Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as our not being subject to a material amount of entity-level taxation by individual states. If the IRS were to treat us as a corporation or if we become subject to a material amount of entity-level taxation for state tax purposes, it would reduce the amount of cash available for distribution to you.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the IRS on this or any other tax matter affecting us.

If we were treated as a corporation for federal income tax purposes, we would pay federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and would likely pay state income tax at varying rates. Distributions to you would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow through to you. Because a tax would be imposed upon us as a corporation, our cash available for distribution to you would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the anticipated cash flow and after-tax return to the unitholders, likely causing a substantial reduction in the value of our common units.

Current law may change so as to cause us to be treated as a corporation for federal income tax purposes or otherwise subject us to entity-level taxation. In addition, because of widespread state budget deficits and other reasons, several states are evaluating ways to subject partnerships to entity-level taxation through the imposition of state income, franchise and other forms of taxation. For example, beginning in 2008, we will be required to pay Texas franchise tax at a maximum effective rate of 0.7% of our gross income apportioned to Texas in the prior year. Imposition of such a tax on us by Texas and, if applicable, by any other state will reduce the cash available for distribution to you.

Our partnership agreement provides that if a law is enacted or existing law is modified or interpreted in a manner that subjects us to taxation as a corporation or otherwise subjects us to entity-level taxation for federal, state or local income tax purposes, the minimum quarterly distribution amount and the target distribution amounts will be adjusted to reflect the impact of that law on us.

If the IRS contests the federal income tax positions we take, the market for our common units may be adversely impacted and the cost of any IRS contest will reduce our cash available for distribution to you.

We have not requested a ruling from the IRS with respect to our treatment as a partnership for federal income tax purposes or any other matter affecting us. The IRS may adopt positions that differ from the conclusions of our counsel expressed in this prospectus or from the positions we take. It may be necessary to resort to administrative or court proceedings to sustain some or all of our counsel s conclusions or the positions we take. A court may not agree with some or all of our counsel s conclusions or positions we take. Any contest with the IRS may materially and adversely impact the market for our common units and the price at which they trade. In addition, our costs of any contest with the IRS will be borne indirectly by our unitholders and our general partner because the costs will reduce our cash available for distribution.

You may be required to pay taxes on your share of our income even if you do not receive any cash distributions from us.

Because our unitholders will be treated as partners to whom we will allocate taxable income that could be different in amount than the cash we distribute, you will be required to pay any federal income taxes and, in some cases, state and local income taxes on your share of our taxable income even if you receive no cash distributions from us. You may not receive cash distributions from us equal to your share of our taxable income or even equal to the actual tax liability that results from that income.

Tax gain or loss on disposition of our common units could be more or less than expected.

If you sell your common units, you will recognize a gain or loss equal to the difference between the amount realized and your tax basis in those common units. Because distributions in excess of your allocable share of our net taxable income decrease your tax basis in your common units, the amount, if any, of such prior excess distributions with respect to the units you sell will, in effect, become taxable income to you if you sell such units at a price greater than your tax basis in those units, even if the price you receive is less than your original cost. Furthermore, a substantial portion of the amount realized, whether or not representing gain, may be taxed as ordinary income due to potential recapture items, including depreciation recapture. In addition, because the amount realized includes a unitholder s share of our nonrecourse liabilities, if you sell your units, you may incur a tax liability in excess of the amount of cash you receive from the sale. Please read Material Tax Consequences Disposition of Common Units Recognition of Gain or Loss for a further discussion of the foregoing.

Tax-exempt entities and foreign persons face unique tax issues from owning our common units that may result in adverse tax consequences to them.

Investment in common units by tax-exempt entities, such as individual retirement accounts (known as IRAs), and non-U.S. persons raises issues unique to them. For example, virtually all of our income allocated to organizations that are exempt from federal income tax, including individual retirement accounts and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file United States federal tax returns and pay tax on their share of our taxable income. If you are a tax exempt entity or a foreign person, you should consult your tax advisor before investing in our common units.

We will treat each purchaser of common units as having the same tax benefits without regard to the actual common units purchased. The IRS may challenge this treatment, which could adversely affect the value of the common units.

Because we cannot match transferors and transferees of common units and because of other reasons, we will adopt depreciation and amortization positions that may not conform to all aspects of existing Treasury Regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to you. It also could affect the timing of these tax benefits or the amount of gain from your sale of common units and could have a negative impact on the value of our common units or result in audit adjustments to your tax returns. Please read Material Tax Consequences Tax Consequences of Unit Ownership Section 754 Election for a further discussion of the effect of the depreciation and amortization positions we adopted.

We have adopted certain valuation methodologies that may result in a shift of income, gain, loss and deduction between the general partner and the unitholders. The IRS may challenge this treatment, which could adversely affect the value of the common units.

When we issue additional units or engage in certain other transactions, we determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Although we may from time to time consult with professional appraisers regarding valuation matters, including the valuation of our assets, we make many of the fair market value estimates of our assets ourselves using a methodology based on the market value of our common units as a means to measure the fair market value of our assets. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and the general partner, which may be unfavorable to such unitholders. Moreover, under our current valuation methods, subsequent purchasers of common units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our valuation methods, or our allocation of the Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of income, gain, loss and deduction between the general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain from our unitholders

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sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders tax returns without the benefit of additional deductions.

The sale or exchange of 50% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

We will be considered to have terminated for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a twelve-month period. Pursuant to the GP Acquisition, GE EFS acquired (i) a 37.3% limited partner interest in us (reduced to 37.0% after giving effect to the contemporaneous awards under our long-term incentive plan), (ii) the 2% general partner interest in us, and (iii) the right to receive the incentive distributions associated with the general partner interest. We believe, and will take the position, that the GP Acquisition, together with all other common units sold within the prior twelve-month period, represented a sale or exchange of 50% or more of the total interest in our capital and profits interests. Our termination would, among other things, result in the closing of our taxable year for all unitholders on June 18, 2007 and upon any future termination. Such a closing of the books could result in a significant deferral of depreciation deductions allowable in computing our taxable income. We anticipate that the impact of this termination to our unitholders will be an increased amount of taxable income as a percentage of the cash distributed to our unitholders. Although the amount of increase cannot be estimated because it depends upon numerous factors including the timing of the termination, the amount could be material. Moreover, in the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may result in more than twelve months of our taxable income or loss being includable in his taxable income for the year of termination. Our termination currently would not affect our classification as a partnership for federal income tax purposes, but instead, we would be treated as a new partnership for tax purposes. If treated as a new partnership, we must make new tax elections and could be subject to penalties if we are unable to determine that a termination occurred. Please read Material Tax Consequences Disposition of Common Units Constructive Termination for a discussion of the consequences of our termination for federal income tax purposes.

You will likely be subject to state and local taxes and return filing requirements in states where you do not live as a result of investing in our common units.

In addition to federal income taxes, you will likely be subject to other taxes, including foreign, state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property, even if you do not live in any of those jurisdictions. You will likely be required to file foreign, state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, you may be subject to penalties for failure to comply with those requirements. We will initially own assets and do business in Arkansas, Colorado, Kansas, Louisiana, Oklahoma, and Texas. Each of these states, other than Texas, currently imposes a personal income tax on individuals. Most of these states also impose an income tax on corporations and other entities. As we make acquisitions or expand our business, we may own assets or conduct business in additional states that impose a personal income tax. It is your responsibility to file all United States federal, foreign, state and local tax returns. Our counsel has not rendered an opinion on the state or local tax consequences of an investment in our common units.

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USE OF PROCEEDS

Unless otherwise indicated to the contrary in an accompanying prospectus supplement, we will use the net proceeds from the sale of securities covered by this prospectus for general partnership purposes, which may include repayment of indebtedness and other capital expenditures and additions to working capital.

The actual application of proceeds from the sale of any particular offering of securities using this prospectus will be described in the applicable prospectus supplement relating to such offering. The precise amount and timing of the application of these proceeds will depend upon our funding requirements and the availability and cost of other funds.

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents the ratios of earnings to fixed charges of the Partnership and its predecessor for the periods indicated. For purposes of computing the ratios of earnings to fixed charges, earnings consist of income from continuing operations before adjustment for equity income from equity method investees plus fixed charges, amortization of capitalized interest and distributed income from investees accounted for under the equity method. Fixed charges consist of interest expensed and capitalized and an estimated interest component of rent expense.

Regency Predecessor LLC		Regency Energy Partners LP				
Period from Inception (April 2, 2003) to December 31, 2003(1)	Period from January 1, 2004 to November 30, 2004	Period from Acquisition Date (December 1, 2004) to December 31,	Year Ended December 31,	Year Ended December 31,	Three Months Ended March 31,	Three Months Ended March 31,