

ENERGY TRANSFER EQUITY, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except unit data)
(unaudited)

	<u>September 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 50,192	\$ 92,023
Marketable securities	12,682	5,915
Accounts receivable, net of allowance for doubtful accounts	352,838	591,257
Accounts receivable from related companies	30,807	15,142
Inventories	221,148	272,348
Deposits paid to vendors	99,317	78,237
Exchanges receivable	15,434	45,209
Price risk management assets	6,841	5,423
Prepaid expenses and other current assets	69,152	75,441
Total current assets	<u>858,411</u>	<u>1,180,995</u>
PROPERTY, PLANT AND EQUIPMENT	10,051,273	9,464,548
ACCUMULATED DEPRECIATION	<u>(943,305)</u>	<u>(762,014)</u>
	9,107,968	8,702,534
ADVANCES TO AND INVESTMENTS IN AFFILIATES	550,950	10,110
GOODWILL	765,935	773,283
INTANGIBLES AND OTHER ASSETS, net	<u>401,244</u>	<u>402,980</u>
Total assets	<u><u>\$ 11,684,508</u></u>	<u><u>\$ 11,069,902</u></u>

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CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except unit data)
(unaudited)

	<u>September 30,</u> 2009	<u>December 31,</u> 2008
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 254,044	\$ 381,933
Accounts payable to related companies	7,265	34,495
Exchanges payable	22,400	54,636
Customer advances and deposits	101,258	106,679
Accrued and other current liabilities	247,919	313,140
Price risk management liabilities	82,697	142,432
Interest payable	115,455	115,487
Income taxes payable	5,234	14,298
Deferred income taxes	-	589
Current maturities of long-term debt	46,115	45,232
Total current liabilities	<u>882,387</u>	<u>1,208,921</u>
LONG-TERM DEBT, less current maturities	7,740,135	7,190,357
LONG-TERM PRICE RISK MANAGEMENT LIABILITIES	89,990	121,710
DEFERRED INCOME TAXES	197,257	194,871
OTHER NON-CURRENT LIABILITIES	21,076	14,727
 COMMITMENTS AND CONTINGENCIES	 <u>8,930,845</u>	 <u>8,730,586</u>
 EQUITY:		
Partners' Capital (Deficit):		
General Partner	149	155
Limited Partners:		
Common Unitholders (222,898,248 and 222,829,956 units authorized, issued and outstanding at September 30, 2009 and December 31, 2008, respectively)	(17,399)	(15,762)
Accumulated other comprehensive loss	(67,257)	(67,825)
Total partners' deficit	<u>(84,507)</u>	<u>(83,432)</u>
Noncontrolling interest	2,838,170	2,422,748
Total equity	<u>2,753,663</u>	<u>2,339,316</u>
Total liabilities and equity	<u>\$ 11,684,508</u>	<u>\$ 11,069,902</u>

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
REVENUES:				
Natural gas operations	\$ 943,975	\$ 1,938,586	\$ 3,004,163	\$ 6,322,070
Retail propane	162,224	238,830	829,901	1,086,417
Other	23,650	28,674	77,449	90,199
Total revenues	<u>1,129,849</u>	<u>2,206,090</u>	<u>3,911,513</u>	<u>7,498,686</u>
COSTS AND EXPENSES:				
Cost of products sold - natural gas operations	591,797	1,435,308	1,865,914	4,965,145
Cost of products sold - retail propane	80,232	187,799	378,524	744,316
Cost of products sold - other	6,119	10,347	18,842	27,783
Operating expenses	158,883	197,493	517,337	573,606
Depreciation and amortization	84,738	73,563	239,626	200,922
Selling, general and administrative	34,579	45,316	146,640	140,781
Total costs and expenses	<u>956,348</u>	<u>1,949,826</u>	<u>3,166,883</u>	<u>6,652,553</u>
OPERATING INCOME	173,501	256,264	744,630	846,133
OTHER INCOME (EXPENSE):				
Interest expense, net of interest capitalized	(120,100)	(90,300)	(341,050)	(261,297)
Equity in earnings (losses) of affiliates	9,581	(654)	11,751	(749)
Gains (losses) on disposal of assets	(1,088)	2,520	(1,333)	1,584
Gains (losses) on non-hedged interest rate derivatives	(35,589)	(9,152)	24,373	(13,610)
Allowance for equity funds used during construction	30	19,727	18,618	45,275
Other, net	4,235	(1,163)	4,559	8,356
INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)	30,570	177,242	461,548	625,692
Income tax expense (benefit)	(3,697)	(7,874)	5,773	6,600
NET INCOME	34,267	185,116	455,775	619,092
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST				
	(12,704)	79,737	152,893	266,614
NET INCOME ATTRIBUTABLE TO PARTNERS	46,971	105,379	302,882	352,478
GENERAL PARTNER'S INTEREST IN NET INCOME	147	326	938	1,091
LIMITED PARTNERS' INTEREST IN NET INCOME	<u>\$ 46,824</u>	<u>\$ 105,053</u>	<u>\$ 301,944</u>	<u>\$ 351,387</u>
BASIC NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.21</u>	<u>\$ 0.47</u>	<u>\$ 1.35</u>	<u>\$ 1.58</u>
BASIC AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,898,248</u>	<u>222,829,956</u>	<u>222,898,188</u>	<u>222,829,956</u>
DILUTED NET INCOME PER LIMITED PARTNER UNIT	<u>\$ 0.21</u>	<u>\$ 0.47</u>	<u>\$ 1.35</u>	<u>\$ 1.57</u>
DILUTED AVERAGE NUMBER OF UNITS OUTSTANDING	<u>222,898,248</u>	<u>222,829,956</u>	<u>222,898,188</u>	<u>222,829,956</u>

ENERGY TRANSFER EQUITY, L.P.**DISTRIBUTABLE CASH**(Dollars in thousands, except per unit)
(unaudited)

The following table presents the calculation and reconciliation of Distributable Cash of Energy Transfer Equity, L.P. with respect to the following periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Distributable Cash:				
Cash distributions expected from Energy Transfer Partners, L.P. associated with:				
General partner interest (1):				
Standard distribution rights	\$ 4,867	\$ 4,384	\$ 14,588	\$ 12,740
Incentive distribution rights	87,498	75,804	255,808	219,298
Less: Expected General Partner contribution to ETP to maintain its 2% interest	-	-	(3,354)	(13,098)
Limited partner interest (1):				
62,500,797 Common units	55,860	55,860	167,580	166,018
Total cash expected from Energy Transfer Partners, L.P. (1)	148,225	136,048	434,622	384,958
Deduct expenses of the Parent Company on a stand-alone basis:				
Parent Company-related expenses	398	(1,544)	(2,205)	(5,600)
Interest expense, net of amortization of financing costs, interest income, and realized gains and losses on interest rate derivatives	(25,454)	(25,762)	(70,342)	(74,218)
Distributable Cash	<u>\$ 123,169</u>	<u>\$ 108,742</u>	<u>\$ 362,075</u>	<u>\$ 305,140</u>
 Cash distributions to be paid to the partners of Energy Transfer Equity, L.P. (2):				
 Distribution per limited partner unit as of the end of the period				
	\$ 0.5350	\$ 0.4800	\$ 0.5350	\$ 0.4800
 Distributions to be paid to limited partners				
	119,250	106,958	355,523	311,961
Distributions to be paid to general partner				
	370	332	1,104	969
Total cash distributions to be paid by Energy Transfer Equity, L.P. to its limited and general partners (2)	<u>\$ 119,620</u>	<u>\$ 107,290</u>	<u>\$ 356,627</u>	<u>\$ 312,930</u>
 <i>Reconciliation of Non-GAAP "Distributable Cash" to GAAP "Net Income" and GAAP "Net cash provided by operating activities" for the Parent Company on a stand-alone basis:</i>				
Net income attributable to partners	\$ 46,971	\$ 105,379	\$ 302,882	\$ 352,478
<i>Adjustments to derive Distributable Cash:</i>				
Equity in income of unconsolidated affiliates	(82,661)	(138,955)	(370,195)	(441,299)
Quarterly distribution expected to be received from Energy Transfer Partners, L.P.	148,225	136,048	434,622	384,958
Amortization included in interest expense	1,074	751	5,236	2,255
Other non-cash	138	4	415	14
Unrealized gains and losses on non-hedged interest rate swaps	9,422	5,515	(10,885)	6,734
Distributable Cash	<u>123,169</u>	<u>108,742</u>	<u>362,075</u>	<u>305,140</u>
 <i>Adjustments to Distributable Cash to derive Net Cash Provided by Operating Activities:</i>				
Quarterly distribution expected from Energy Transfer Partners, L.P.	(148,225)	(136,048)	(434,622)	(384,958)
Cash distribution received from Energy Transfer Partners, L.P. (3)	144,733	122,831	425,938	399,295
Deferred income taxes	(76)	-	(649)	-
Net changes in operating assets and liabilities	(846)	1,141	(3,348)	9,673
Net cash provided by operating activities for Parent Company on a stand-alone basis	<u>\$ 118,755</u>	<u>\$ 96,666</u>	<u>\$ 349,394</u>	<u>\$ 329,150</u>

(1) For the three months ended September 30, 2009, cash distributions expected to be received from Energy Transfer Partners, L.P. consists of cash distributions in respect of the three months ended September 30, 2009 payable on November 16, 2009 to holders of record on the close of business on November 9, 2009. For the three months ended September 30, 2008, cash distributions received from Energy Transfer Partners, L.P. consists of cash distributions paid on November 14, 2008 for the three months ended September 30, 2008.

For the nine months ended September 30, 2009, cash distributions received or expected to be received from Energy Transfer Partners, L.P. consists of cash distributions paid on May 15, 2009 in respect of the quarter ended March 31, 2009, cash distributions paid on August 14, 2009 in respect of the quarter ended June 30, 2009 and cash distributions in respect of the three months ended September 30, 2009 payable on November 16, 2009 to holders of record on the close of business on November 9, 2009. For the nine months ended September 30, 2008, cash distributions received from Energy Transfer Partners, L.P. consists of cash distributions paid on May 15, 2008 in respect of the quarter ended March 31, 2008, cash distributions paid on August 14, 2008 in respect of the quarter ended June 30, 2008 and cash distributions in respect of the three months ended September 30, 2008 paid on November 14, 2008.

(2) For the three months ended September 30, 2009, cash distributions expected to be paid from Energy Transfer Equity, L.P. consists of cash distributions in respect of the three months ended September 30, 2009 payable on November 19, 2009 to holders of record on November 9, 2009. For the three months ended September 30, 2008, cash distributions paid or expected to be paid from Energy Transfer Equity, L.P. consists of cash distributions paid on November 19, 2008 for the three months ended September 30, 2008.

For the nine months ended September 30, 2009, cash distributions paid or expected to be paid by Energy Transfer Equity, L.P. consist of cash distributions paid on May 19, 2009 in respect of the quarter ended March 31, 2009, cash distributions paid on August 19, 2009 in respect of the quarter ended June 30, 2009 and cash distributions in respect of the three months ended September 30, 2009 payable on November 19, 2009 to holders of record on the close of business on November 9, 2009. For the nine months ended September 30, 2008, cash distributions by Energy Transfer Equity, L.P. consist of cash distributions paid on May 15, 2008 in respect of the quarter ended March 31, 2008, cash distributions paid on August 14, 2008 in respect of the quarter ended June 30, 2008 and cash distributions in respect of the three months ended September 30, 2008 paid on November 19, 2008.

(3) Cash distributions received from Energy Transfer Partners, L.P. for the nine months ended September 30, 2008 reflect a one-time distribution for the four-month transition period related to Energy Transfer Partners, L.P.'s change of its fiscal year from August 31 to December 31 during 2007.