

KELLEY BYRON R  
Form 4  
November 24, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
KELLEY BYRON R

2. Issuer Name and Ticker or Trading Symbol  
Regency Energy Partners LP  
[RGNC]

5. Relationship of Reporting Person(s) to Issuer  
  
(Check all applicable)  
  
\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
President and Chief Executive

(Last) (First) (Middle)  
2001 BRYAN STREET, SUITE 3700  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/21/2010

DALLAS, TX 75201

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Units <sup>(1)</sup>	11/21/2010		M		40,000 <sup>(3)</sup>	A	(4)
Common Units	11/21/2010		F		14,580 <sup>(2)</sup>	D	\$ 25.37

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
Phantom Units <sup>(3)</sup>	<u>(4)</u>	11/21/2010		M	40,000	11/21/2010 11/21/2010	Common Units	40,000
Phantom Units with DER	<u>(4)</u>	11/21/2010		A	33,000	<u>(6)</u> <u>(5)</u>	Common Units	33,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLEY BYRON R 2001 BRYAN STREET SUITE 3700 DALLAS, TX 75201			President and Chief Executive	

## Signatures

/s/ Paul M. Jolas,  
Attorney-in-Fact

11/24/2010

\_\_Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The holder settled 100 percent of his phantom units for RGNC common units on the date of vesting.
- (2) These common units were withheld to satisfy the applicable income and FICA tax liabilities upon the vesting of the phantom units, as reported in Table II.

On November 21, 2010, in connection with Mr. Kelley's resignation and retirement from the Partnership, the Board of Directors accelerated the vesting requirements at the 100% target level with respect to 24,000 performance-based phantom units granted to Mr.

- (3) Kelley on May 7, 2010. On November 21, 2010, the Board of Directors also accelerated the vesting requirements with respect to 16,000 time-based phantom units granted to Mr. Kelley on May 7, 2010, which grant was previously disclosed on a Form 4 filed with the Securities and Exchange Commission on May 11, 2010.

Each phantom unit is the economic equivalent of one common unit representing a limited partner interest in Regency Energy Partners LP (the "Partnership") and is accompanied by a distribution equivalent right, entitling the holder to an amount equal to any cash distributions paid on each of the Partnership's common units.

- (5) Not applicable.

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(6) One third of the total granted phantom units will vest on November 21, 2011, 2012 and 2013.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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