Energy Transfer Partners, L.P.
Form 424B3
January 14, 2013
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JANUARY 14, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT

(to Prospectus dated January 13, 2011)

$

Energy Transfer Partners, L.P.

% Senior Notes due 2023

% Senior Notes due 2043

We are offering $ aggregate principal amount of our % Senior Notes due 2023, or 2023 notes, and $ aggregate principal amount of our % Senior Notes due 2043, or 2043 notes. We refer to the 2023 notes and 2043 notes, collectively, as the notes.

Interest on the notes will accrue from , 2013 and will be payable semiannually on and of each year, beginning on , 2013. The 2023 notes will mature on , 2023 and the 2043 notes will mature on , 2043.

We may redeem some or all of the notes of each series at our option at any time and from time to time prior to their maturity at the applicable redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest. Please read the section entitled Description of Notes Optional Redemption.

The notes are our unsecured senior obligations. If we default, your right to payment under the notes will rank equally with the right to payment of the holders of our other current and future unsecured senior debt, including our existing senior notes and the existing senior notes and debentures of Sunoco, Inc., of which we are a co-obligor, and senior in right of payment to all of our future subordinated debt. The notes will not initially be guaranteed by our subsidiaries.

The notes are new issues of securities with no established trading markets. We do not intend to apply for the listing of the notes on any securities exchange or for the quotation of the notes on any automated dealer quotation system.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of 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.

Investing in the notes involves risks. Please read "Risk Factors" beginning on page S-12 of this prospectus supplement and page 4 of the accompanying prospectus and the other risks identified in the documents incorporated by reference herein for information regarding risks you should consider before investing in the notes.

	Per 2023 Note	Total 2023 Notes	Per 2043 Note	Total 2043 Notes
Price to Public[1]	%	$	%	$
Underwriting Discount	%	$	%	$
Proceeds to Energy Transfer Partners, L.P. (Before Expenses)[1]	%	$	%	$

[1] Plus accrued interest from January , 2013, if settlement occurs after that date.

The underwriters expect to deliver the notes in book-entry form only through The Depository Trust Company on or about January , 2013.

Joint Book-Running Managers

BofA Merrill Lynch **SunTrust Robinson Humphrey** **Wells Fargo Securities**

The date of this prospectus supplement is January , 2013.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

We provide information to you about the notes in two separate documents that offer varying levels of detail:

- the accompanying prospectus, which provides general information, some of which may not apply to the notes; and
- this prospectus supplement, which provides a summary of the specific terms of the notes.

Generally, when we refer to this "prospectus," we are referring to both documents combined. If the description of this offering varies between this 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 this prospectus supplement, the accompanying prospectus, any free writing prospectus prepared by us or on our behalf and the documents we have incorporated by reference. We have not, and the underwriters have not, authorized anyone else to give you different information. We are not, and the underwriters are not, offering the notes in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those respective documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

None of Energy Transfer Partners, L.P., the underwriters or any of their respective representatives is making any representation to you regarding the legality of an investment in the notes by you under applicable laws. You should consult with your own advisors as to the legal, tax, business, financial and related aspects of an investment in the notes.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information included or incorporated by reference in this prospectus supplement. It does not contain all of the information that you should consider before making an investment decision. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer herein for a more complete understanding of this offering.

Unless the context otherwise requires, references to (1) Energy Transfer, ETP, we, us, our and similar terms, as well as references to the Partnership, are to Energy Transfer Partners, L.P. and all of its subsidiaries, and (2) ETE are to Energy Transfer Equity, L.P., the owner of our general partner. With respect to the cover page and in the sections entitled Prospectus Supplement Summary The Offering, Description of Notes and Underwriting, we, our and us refer only to Energy Transfer Partners, L.P. and not to any of its subsidiaries.

Energy Transfer Partners, L.P.

Overview

We are a publicly traded limited partnership that owns and operates, through our subsidiaries and joint ventures, a diversified portfolio of energy assets, including interstate and intrastate natural gas, natural gas liquids, refined products and crude oil pipelines; natural gas storage, treating and conditioning facilities; natural gas processing plants and retail gasoline stations. We operate our business in six primary segments:

- intrastate transportation and storage;
- interstate transportation;
- midstream;
- natural gas liquids, or NGL, transportation and services;
- investment in Sunoco Logistics Partners L.P., or Sunoco Logistics; and
- retail marketing and wholesale distribution.

Our other operations include natural gas distribution and our ownership of interests in certain businesses engaged in compression services, retail propane distribution and refining. In October 2012, we completed our merger with Sunoco, Inc., or Sunoco, and certain related transactions, which resulted in (i) us acquiring the general partner interests, all of the incentive distribution rights and a 32.4% limited partner interest in Sunoco Logistics, (ii) us owning a 40% economic interest in ETP Holdco Corporation, or ETP Holdco, and controlling 60% of the voting interest in ETP Holdco and (iii) ETP Holdco owning 100% of Southern Union Company, or Southern Union, and Sunoco. Please read Recent Developments Sunoco Merger and Related Transactions.

Our Business

Natural Gas and NGL Operations

Intrastate Transportation and Storage

We own and operate approximately 7,800 miles of intrastate natural gas transportation pipelines, which is the largest intrastate pipeline system in the United States, and three natural gas storage facilities in Texas. Our intrastate pipeline system has an aggregate throughput capacity of approximately 14.1 billion cubic feet per day, or Bcf/d, of natural gas and interconnects to many major consumption areas in the United States. For the year ended December 31, 2011, we transported an average of 11.3 Bcf/d of natural gas through our intrastate natural gas pipeline system.

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We also provide natural gas storage services for third parties for which we charge storage fees as well as injection and withdrawal fees from the use of our three natural gas storage facilities. Our storage facilities have an aggregate working gas throughput capacity of approximately 74 billion cubic feet. In addition to our natural gas storage services, we utilize our Bammel gas storage facility to engage in natural gas storage transactions in which we seek to find and profit from pricing differences that occur over time. These transactions typically involve a purchase of physical natural gas that is injected into our storage facilities and a related sale of natural gas pursuant to financial futures contracts at a price sufficient to cover our natural gas purchase price and related carrying costs and provide for a gross profit margin.

Interstate Transportation

Our interstate transportation segment includes the following interstate pipeline systems:

Transwestern Pipeline. The Transwestern pipeline is a 2,690-mile open-access natural gas interstate pipeline extending from the gas producing regions of west Texas, eastern and northwest New Mexico, and southern Colorado primarily to pipeline interconnects off the east end of the system and to pipeline interconnects off the west end of the system at the California border. The Transwestern pipeline has a throughput capacity of 2.1 Bcf/d of natural gas and access to three significant gas basins: the Permian Basin in west Texas and eastern New Mexico, the San Juan Basin in northwest New Mexico and southern Colorado, and the Anadarko Basin in the Texas and Oklahoma panhandle.

Tiger Pipeline. The Tiger pipeline is a 195-mile, 42-inch interstate natural gas pipeline that connects to our dual 42-inch pipeline system near Carthage, Texas, and extends through the heart of the Haynesville Shale ending near Delhi, Louisiana. The Tiger pipeline has interconnects to at least seven interstate pipelines at various points in Louisiana. The Tiger pipeline was placed in service in December 2010 with an initial capacity of 2.0 Bcf/d, and expanded in August 2011, bringing its total capacity to 2.4 Bcf/d.

Panhandle Eastern Pipe Line, Trunkline and Sea Robin Transmission Systems. The transmission systems of our subsidiaries, Panhandle Eastern Pipe Line Company, LP, Trunkline Gas Company, LLC and Sea Robin Pipeline Company, LLC, comprise a large natural gas open-access interstate pipeline network that serves the midwest, Gulf Coast and midcontinent regions of the United States. This pipeline network consists of six large diameter pipelines extending approximately 2,700 miles; two offshore Louisiana natural gas supply systems extending approximately 81 miles into the Gulf of Mexico; five natural gas storage fields in Illinois, Kansas, Louisiana, Michigan and Oklahoma; and one LNG terminal in Lake Charles, Louisiana.

In addition to the above interstate pipeline systems, we have an interest in the following regulated interstate pipeline systems through our interest in various unconsolidated joint ventures:

Florida Gas Transmission Company. We and Kinder Morgan, Inc. each own a 50% interest in Citrus Corp., or Citrus, an entity that owns Florida Gas Transmission Company LLC, or FGT. FGT owns and operates an open-access interstate pipeline system with a mainline capacity of 3.1 Bcf/d and approximately 5,300 miles of pipelines extending from south Texas through the Gulf Coast region of the United States to south Florida. The pipeline system has access to numerous offshore and onshore natural gas producing basins via pipeline interconnects with over 66 interstate and intrastate natural gas pipelines. FGT is the principal transporter of natural gas to the Florida energy market, delivering over 63% of the natural gas consumed in the state for the year ended December 31, 2011. In addition, as of December 31, 2011, FGT s pipeline system had over 290 delivery points in total, with over 250 delivery points in Florida.

Fayetteville Express Pipeline. We and Kinder Morgan Energy Partners, L.P. each own a 50% interest in Fayetteville Express Pipeline, LLC, or FEP, a joint venture that owns the 185-mile

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Fayetteville Express pipeline that originates near Conway County, Arkansas, continues eastward through White County, Arkansas and terminates at an interconnect with Trunkline Gas Company in Panola County, Mississippi. The Fayetteville Express pipeline has a throughput capacity of 2.0 Bcf/d.

Midstream

We own and operate approximately 12,200 miles of natural gas gathering pipelines, nine natural gas processing plants, 20 natural gas treating facilities and three natural gas conditioning facilities. Our midstream segment focuses on the gathering, compression, treating, blending, processing and marketing of natural gas, and our operations are currently concentrated in major producing basins, including the Barnett Shale and Woodford Shale in north Texas, the Bossier Sands in east Texas, the Austin Chalk trend and Eagle Ford Shale in south Texas, the Permian Basin in west Texas and New Mexico and the Haynesville Shale in north Louisiana. Many of our midstream assets are integrated with our intrastate transportation and storage assets.

In February 2011, we announced that we had entered into multiple long-term agreements with shippers to provide additional transportation services from the Eagle Ford Shale. We completed the initial phase of the Rich Eagle Ford Mainline pipeline, or REM pipeline, in October 2011. The initial phase consisted of 160 miles of 30-inch pipeline and had an initial capacity of 400 million cubic feet per day, or MMcf/d. This rich gas gathering system originates in Dimmitt County, Texas and extends to our Chisholm pipeline for ultimate deliveries to our existing processing plants and to a new 120 MMcf/d processing plant, which we completed in the first quarter of 2012. In April 2011 and February 2012, we announced that we had entered into additional long-term fee-based agreements with multiple producers to provide natural gas gathering, processing and liquids services from the Eagle Ford Shale. To facilitate these agreements, we expanded the REM pipeline in the third quarter of 2012 to increase the capacity to 1.0 Bcf/d and constructed a new 200 MMcf/d processing facility in Karnes County, Texas, which was placed in service in December 2012. We have also announced construction of another processing plant in Jackson County, Texas, with initial capacity of 400 MMcf/d, which is expected to be in service in the first quarter of 2013.

NGL Transportation and Services

In May 2011, we and Regency Energy Partners LP, or Regency, formed a joint venture, Lone Star NGL LLC, or Lone Star, owned 70% by us and 30% by Regency, to acquire all of the membership interests in LDH Energy Asset Holdings LLC for $1.98 billion in cash. Lone Star owns and operates a diverse set of midstream energy assets that represent critical infrastructure connecting high-growth production areas to end-markets. The Lone Star assets include NGL and refined products storage facilities located in Mont Belvieu, Texas and Hattiesburg, Mississippi; a 12-inch long-haul intrastate NGL pipeline, which we refer to as the West Texas pipeline, originating in the Permian Basin in west Texas, passing through the Barnett Shale production area and terminating at Mont Belvieu; NGL fractionation and natural gas processing facilities near Baton Rouge and New Orleans, Louisiana; and a 20% equity interest in the Sea Robin wet gas processing plant near Henry Hub, Louisiana. The Mont Belvieu storage facility has approximately 43 million barrels, or MMBbls, of storage capacity in 24 underground salt dome caverns. The Hattiesburg facility has three salt dome caverns, with 9.6 MMBbls of total cavern capacity, and two brine ponds with combined capacity of over 75 thousand barrels, or MBbls. The intrastate pipeline assets include the approximately 1,300 mile West Texas pipeline with approximately 140 MBbls per day, or MBbls/d, of capacity, 12 pump stations providing 21,500 horsepower of compression, and over 20 injection points. The NGL fractionation and processing facilities consist of one fractionation unit with 25 MBbls/d of capacity, two cryogenic processing plants with combined capacity of 82 MMcf/d. The Sea Robin wet gas processing plant has 850 MMcf/d of natural gas capacity and 26 MBbls/d of NGL capacity.

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Since its formation, Lone Star has commenced or recently completed the following construction projects:

- ***Mont Belvieu Fractionation Facilities.*** In December 2012, Lone Star completed construction of a 100 MBbls/d NGL fractionation facility at Mont Belvieu. The facility handles NGL barrels from Regency, as well as from our processing facility in Jackson County, Texas, which is supported by multiple 10-year contracts with producers as part of our Eagle Ford Shale projects. Lone Star is also constructing a second 100 MBbls/d NGL fractionation facility at Mont Belvieu, which is supported by multiple long-term contracts and is expected to be completed in the fourth quarter of 2013. As part of the construction at Mont Belvieu, Lone Star will develop additional storage facilities for NGLs and other liquids and include interconnectivity infrastructure to provide NGL suppliers with significant access to storage, other fractionators, pipelines and multiple markets along the Texas and Louisiana Gulf Coast.

- ***West Texas Gateway NGL Pipeline.*** In the fourth quarter of 2012, Lone Star completed construction of the West Texas Gateway NGL pipeline, a 570-mile, 16- inch intrastate NGL pipeline that extends from Winkler County in west Texas to our Jackson County, Texas processing facility. This new pipeline has an initial capacity of approximately 209 MBbls/d with the potential to increase pipeline capacity. The project currently has approximately 65% of the capacity subscribed with key producers and processors under 15-year agreements. In addition, Lone Star has secured capacity on its 130-mile Justice NGL pipeline, which extends from Jackson County to Mont Belvieu.

In addition to our Lone Star operations, we also own 100% of and operate, four NGL pipelines in east Texas, with total capacity of 170 MBbls/d.

Investment in Sunoco Logistics

In connection with the completion of the Sunoco merger and certain related transactions in October 2012, we acquired the general partner interests, all of the incentive distribution rights and a 32.4% limited partner interest in Sunoco Logistics. Sunoco Logistics, through its wholly owned subsidiary, Sunoco Logistics Partners Operations L.P., or Sunoco Operations, owns and operates a logistics business, consisting of complementary pipeline, terminalling and acquisition and marketing assets, used in the purchase, sale, transportation and storage of crude oil, refined petroleum products and NGLs. Sunoco Logistics portfolio of geographically diverse assets earns revenues in 29 states located throughout the United States, and its business is comprised of four segments:

- The Crude Oil Pipelines segment consists of approximately 5,400 miles of crude oil pipelines, located principally in Oklahoma and Texas.

- The Crude Oil Acquisition and Marketing business gathers, purchases, markets and sells crude oil using Sunoco Logistics fleet of approximately 200 crude oil transport trucks and third-party assets and approximately 120 crude oil truck unloading facilities.

- The Terminal Facilities consist of an aggregate crude oil and refined petroleum products storage capacity of approximately 40 MMBbls, including the 22 MMBbls Nederland, Texas crude oil terminal; the five MMBbls Eagle Point, New Jersey refined products and crude oil terminal; approximately 40 active refined petroleum products marketing terminals located in the northeast, midwest and southwest United States; and several refinery terminals located in the northeast United States.

- The Refined Products Pipeline System consists of approximately 2,500 miles of refined product pipelines and joint venture interests in four refined products pipelines.

Retail Marketing and Wholesale Distribution

Our retail marketing and wholesale distribution business, which we conduct through Sunoco, consists of the retail sale of gasoline and middle distillates and the operation of convenience stores in 23 states,

primarily on the east coast and in the midwest region of the United States. Our highest concentrations of outlets are located in Connecticut, Florida, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Virginia. Some of these outlets are traditional locations that sell fuel products under the Sunoco® and Coastal® brands whereas others are APlus® convenience stores or Ultra Service Centers® that provide automotive diagnostics and repair. Our branded fuels sales (including middle distillates) averaged 326.8 thousand barrels per day in 2011. The Sunoco® brand is positioned as a premium brand, and is the official fuel of NASCAR® and the INDYCAR® series through 2019 and 2014, respectively. Additionally, our APlus® convenience stores are the official convenience stores of NASCAR®.

Other Operations

Our other operations consist of (i) our ownership of all the outstanding equity interests of a natural gas compression equipment business with operations in Arkansas, California, Colorado, Louisiana, New Mexico, Oklahoma, Pennsylvania and Texas; (ii) the local distribution of natural gas in Missouri and Massachusetts through our 40% indirect ownership in Southern Union; (iii) a 33% non-operating minority interest in a joint venture that owns a refinery in Philadelphia, Pennsylvania, which we own through our 40% indirect ownership of Sunoco, and (iv) our 31.9% limited partner interest in AmeriGas, which engages in retail propane operations. In December 2012, Southern Union entered into definitive purchase and sale agreements to dispose of its natural gas distribution business. Please read Recent Developments Southern Union Local Distribution Company Dispositions.

Business Strategy

Our business strategy is to increase unitholder distributions and the value of our common units. We believe we have engaged, and will continue to engage, in a well-balanced plan for growth through internally generated expansion and measures aimed at increasing the profitability of our existing assets. We intend to continue to operate as a diversified, growth-oriented master limited partnership with a focus on increasing the amount of cash available for distribution on each common unit.

We believe that we are well-positioned to compete in the natural gas, NGL and crude oil industries based on the following strengths:

- We believe that the size and scope of our operations, our stable asset base and cash flow profile, and our investment grade status will be significant positive factors in our efforts to obtain new debt or equity financing in light of current market conditions.

- Our experienced management team has an established reputation as highly-effective, strategic operators within our operating segments. In addition, our management team is motivated to effectively and efficiently manage our business operations through performance-based incentive compensation programs and through ownership of a substantial equity position in ETE, the entity that indirectly owns our general partner, and therefore benefits from incentive distribution payments we make to our general partner.

We intend to accomplish our business strategy by executing on the following operating strategies:

Enhancing profitability of existing assets. We intend to increase the profitability of our existing asset base by adding new volumes of natural gas and NGLs under long-term producer commitments, increasing refined product and crude oil pipeline and terminal throughput, undertaking additional initiatives to enhance utilization, reducing costs by improving operations and realizing operational and commercial synergies by focusing on the integration of our recently acquired assets.

Engaging in construction and expansion opportunities. We intend to leverage our existing infrastructure and customer relationships by constructing and expanding our natural gas, NGL and crude

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oil systems to meet new or increased demand for midstream and transportation services. Further, we intend to continue expansion capital projects on our existing refined products and crude oil assets to, among other things, expand services at our refined products terminals and increase tankage at our terminalling facilities.

Increasing cash flow from fee-based businesses. We intend to seek to increase the percentage of our midstream business conducted with third parties under fee-based arrangements in order to reduce our exposure to changes in the prices of natural gas and NGLs.

Recent Developments

Sunoco Merger

On October 5, 2012, our wholly owned subsidiary, Sam Acquisition Corporation, completed its merger with Sunoco. Under the terms of the merger agreement, Sunoco shareholders received a total of approximately 54,971,724 of our common units and a total of approximately $2.6 billion in cash. We used approximately $2.0 billion of Sunoco s cash on hand to partially fund the cash portion of the merger consideration, and funded the remaining cash portion of the merger consideration, approximately $620 million, with borrowings under our revolving credit facility.

Pursuant to the terms of the Sunoco merger agreement, immediately prior to the effective time of the merger, Sunoco contributed $2.0 billion of cash and its interests in Sunoco Logistics to us, in exchange for 90,706,000 newly issued Class F units representing limited partner interests in us. The Class F units are entitled to 35% of the quarterly cash distribution generated by us and our subsidiaries other than ETP Holdco, subject to a maximum cash distribution of $3.75 per Class F unit per year. Based on the current level of our quarterly cash distribution, the Class F units are entitled to the maximum $3.75 per Class F unit per year.

Immediately following the closing of the Sunoco merger, ETE contributed to ETP Holdco its 100% equity interest in Southern Union, in exchange for a 60% equity interest in ETP Holdco. In conjunction with ETE s contribution, we contributed our 100% equity interest in Sunoco (exclusive of our interests in Sunoco Logistics) to ETP Holdco, and we retained a 40% equity interest in ETP Holdco. We refer to this transaction as the Holdco restructuring. Pursuant to a stockholders agreement between ETE and us, we control ETP Holdco. In accordance with the transaction agreement governing the Holdco restructuring, ETE agreed to relinquish an aggregate of $210 million of incentive distributions over 12 consecutive quarters following the closing of the Holdco restructuring. The relinquishment applied to the distribution we paid on November 14, 2012 with respect to the third quarter ended September 30, 2012.

Southern Union Local Distribution Company Dispositions

On December 17, 2012, Southern Union entered into definitive purchase and sale agreements with subsidiaries of the Laclede Group, Inc., or Laclede, to sell the assets of its Missouri Gas Energy and New England Gas Company divisions. The aggregate value of the transactions are approximately $1.035 billion, subject to customary closing adjustments, comprised of $1.015 billion in cash and approximately $20 million of assumed debt of the New England Gas Company division. The transactions are expected to close before the end of the third quarter of 2013, subject to customary closing conditions, including the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and applicable regulatory approvals from the Missouri Public Service Commission and the Massachusetts Department of Public Utilities. We intend to use the net proceeds from these transactions to repay a portion of the outstanding indebtedness of Southern Union, in order to maintain investment grade credit metrics. We refer to these transactions as the Southern Union local distribution company dispositions.

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Our Principal Executive Offices

We are a limited partnership formed under the laws of the State of Delaware. Our executive offices are located at 3738 Oak Lawn Avenue, Dallas, Texas 75219. Our telephone number is (214) 981-0700. We maintain a website at http://www.energytransfer.com that provides information about our business and operations. Information contained on this website, however, is not incorporated into or otherwise a part of this prospectus supplement or the accompanying prospectus.

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The Offering

We provide the following summary solely for your convenience. This summary is not a complete description of the notes. You should read the full text of, and more specific details contained elsewhere in, this prospectus supplement and the accompanying prospectus. For a more detailed description of the notes, please read the section entitled Description of Notes in this prospectus supplement and the section entitled Description of the Debt Securities in the accompanying prospectus.

Issuer	Energy Transfer Partners, L.P.
Notes Offered	We are offering $ aggregate principal amount of notes of the following series: $ % Senior Notes due 2023; and $ % Senior Notes due 2043.
Maturity	Unless redeemed prior to maturity as described below, the 2023 notes will mature on , 2023 and the 2043 notes will mature on , 2043.
Interest Rate	Interest on the 2023 notes will accrue at the per annum rate of % and interest on the 2043 notes will accrue at the per annum rate of %.
Interest Payment Dates	Interest on the notes will accrue from, and including, the issue date of the notes and be payable semiannually on and of each year, beginning on , 2013.
Ranking	The notes will be our unsecured senior obligations. The notes will rank equally with all of our other current and future unsecured senior debt, including our existing senior notes and Sunoco s existing senior notes and debentures of which we are a co-obligor, and junior to the indebtedness and other obligations, including trade payables, of our subsidiaries. As of September 30, 2012, after giving effect to (i) the consummation of the Sunoco merger and Holdco restructuring, (ii) the Southern Union local distribution company dispositions and the use of the cash consideration therefrom as described in Capitalization and (iii) the public offering by Sunoco Logistics of $700 million in aggregate principal amount of senior notes and the use of net proceeds therefrom as described in Capitalization, the notes would have been structurally subordinated to $6.9 billion of indebtedness of our subsidiaries, consisting of $870 million of indebtedness of Transwestern, $2.9 billion of indebtedness of Southern Union and its wholly owned subsidiary, Panhandle Eastern Pipe Line Company, LP, or Panhandle, $965 million of indebtedness of Sunoco and $2.2 billion of indebtedness of Sunoco Logistics. Please read Description of Notes Ranking and Description of Notes Subsidiary Guarantees. In addition, as of September 30, 2012, our unconsolidated joint ventures, FEP, Citrus and FGT, had outstanding $3.2 billion of indebtedness, consisting of

	\$600 million of borrowings outstanding under FEP s term loan; \$194 million of borrowings outstanding under Citrus \$200 million revolving credit facility and \$500 million of borrowings outstanding under Citrus construction term loan; and \$30 million of borrowings outstanding under FGT s \$200 million revolving credit facility and \$1.8 billion in aggregate principal amount of FGT s senior notes. FEP is also a party to a \$50 million revolving credit facility, which was undrawn as of September 30, 2012. Please read Description of Other Indebtedness Unconsolidated Joint Ventures.
Optional Redemption	We may redeem the notes of each series for cash, in whole or in part at any time and from time to time, at our option at the applicable redemption price set forth under the heading Description of Notes Optional Redemption.
Certain Covenants	We will issue the notes under a supplement to an indenture with U.S. Bank National Association, as trustee. The covenants in the indenture supplement include a limitation on liens and a restriction on sale-leaseback transactions. Each covenant is subject to a number of important exceptions, limitations and qualifications that are described in Description of Notes Certain Covenants.
Use of Proceeds	We anticipate using the net proceeds of this offering to repay borrowings outstanding under our revolving credit facility. Please read Use of Proceeds.
	Affiliates of certain of the underwriters are lenders under our revolving credit facility and, accordingly, will receive a substantial portion of the net proceeds from this offering. Please read Underwriting Other Relationships.
Further Issuances	We may create and issue additional notes ranking equally and ratably with any series of notes offered by this prospectus supplement in all respects, except for the issue date, issue price and in some cases, the first interest payment date, so that such additional notes will form a single series with the applicable series of notes offered by this prospectus supplement and will have substantially identical terms as such series, including with respect to ranking, redemption and otherwise.
Risk Factors	Investing in the notes involves risks. See Risk Factors beginning on page S-12 of this prospectus supplement and the risk factors set forth on page 4 of the accompanying prospectus and in our and Southern Union s Annual Report on Form 10-K for the year ended December 31, 2011, in each case as updated by our and Southern Union s subsequent Quarterly Reports on Form 10-Q, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus before investing in the notes.

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Ratio of Earnings to Fixed Charges

The following table sets forth our historical consolidated ratio of earnings to fixed charges for the periods indicated therein:

	Year Ended August 31, 2007	Four Months Ended December 31, 2007	Years Ended December 31, 2008	2009	2010	2011	Nine Months Ended September 30, 2012
Ratio of Earnings to Fixed Charges	4.28	4.31	3.95	2.92	2.31	2.39	3.67

For this ratio, earnings consist of:

- pre-tax income from continuing operations, before minority interest and equity in earnings of affiliates;
- amortization of capitalized interest;
- distributed income of equity investees; and
- fixed charges.

Fixed charges consist of:

- interest expensed;
- interest capitalized;
- amortized debt issuance costs; and
- estimated interest element of rentals.

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RISK FACTORS

An investment in the notes involves risks. You should consider carefully the following risk factors and the risk factors set forth beginning on page 4 of the accompanying prospectus and in our and Southern Union s Annual Report on Form 10-K for the year ended December 31, 2011, in each case as updated by our and Southern Union s subsequent Quarterly Reports on Form 10-Q, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus when evaluating an investment in the notes.

Risks Related to an Investment in the Notes

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

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We do not have significant assets other than the partnership interests and the equity in our subsidiaries. As a result, our ability to make required payments on the notes 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. If we are unable to obtain the funds necessary to pay the principal amount of the notes at maturity, we may be required to adopt one or more alternatives, such as a refinancing of the notes. We cannot assure you that we would be able to refinance the notes.

The notes will be structurally subordinated to liabilities and indebtedness of our subsidiaries and effectively subordinated to any of our future secured indebtedness to the extent of the assets securing such indebtedness.

Our subsidiaries own all of our operating assets. However, initially, none of our subsidiaries will guarantee our obligations with respect to the notes. Creditors of our subsidiaries that do not guarantee the notes will have claims, with respect to the assets of those subsidiaries, that rank structurally senior to the notes. In the event of any distribution or payment of assets of such subsidiaries in any dissolution, winding up, liquidation, reorganization or other bankruptcy proceeding, the claims of those creditors must be satisfied prior to making any such distribution or payment to us in respect of our direct or indirect equity interests in such subsidiaries. Accordingly, after satisfaction of the claims of such creditors, there may be little or no amounts left available to make payments in respect of the notes. Also, there are federal and state laws that could invalidate any guarantee of our subsidiaries that guarantee the notes in the future. If that were to occur, the claims of creditors of a guaranteeing subsidiary would also rank structurally senior to the notes, to the extent of the assets of that subsidiary. As of September 30, 2012, after giving effect to (i) the consummation of the Sunoco merger and Holdco restructuring, (ii) the Southern Union local distribution company dispositions and the use of the cash consideration therefrom as described in Capitalization and (iii) the public offering by Sunoco Logistics of $700 million in aggregate principal amount of senior notes and the use of the net proceeds therefrom as described in Capitalization, the notes would have been structurally subordinated to $6.9 billion of outstanding indebtedness of our subsidiaries, consisting of $870 million of indebtedness of Transwestern, $2.9 billion of indebtedness of Southern Union and Panhandle, $965 million of indebtedness of Sunoco and $2.2 billion of indebtedness of Sunoco Logistics. Furthermore, such subsidiaries will not be prohibited under the indenture from incurring additional indebtedness and any such indebtedness will rank structurally senior to the notes with respect to the assets of such subsidiaries. Our unconsolidated joint ventures, FEP, Citrus and FGT, are also parties to revolving and other credit facilities and have outstanding senior unsecured notes. As of September 30, 2012, FEP had $600 million of borrowings outstanding under its term loan and no amounts drawn under its $50 million revolving credit facility; Citrus had $194 million of borrowings outstanding under its $200 million revolving credit facility and $500 million of borrowings outstanding under its construction term loan; and FGT had $30 million of borrowings outstanding under its $200 million revolving credit facility and $1.8 billion in aggregate principal amount of senior notes. Please read Description of Other Indebtedness Unconsolidated Joint Ventures.

In addition, holders of any future secured indebtedness of Energy Transfer Partners, L.P. would have claims with respect to the assets constituting collateral for such indebtedness that are prior to the claims of the holders of the notes. Energy Transfer Partners, L.P. (excluding its subsidiaries) does not currently have any secured indebtedness, but may have secured indebtedness in the future. In the event of a default on any secured indebtedness or our bankruptcy, liquidation or reorganization, our assets would be used to satisfy obligations with respect to the indebtedness secured thereby before any payment could be made on the notes. Accordingly, any such secured indebtedness would effectively rank senior to the notes to the extent of the value of the collateral securing the indebtedness. While the indenture governing the notes will place some limitations on our ability to create liens, there are significant exceptions to these limitations that will allow us to secure certain indebtedness without equally and ratably securing the notes. To the extent the value of the collateral is not sufficient to satisfy the secured indebtedness, the holders of that indebtedness would be entitled to share with the holders of the notes and the holders of other claims against us with respect to our other assets.

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

Unlike a corporation, we are required by our partnership agreement 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 on hand as of the end of a quarter, 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 subsidiaries in amounts it determines in its reasonable discretion to be necessary or appropriate:

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

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

- to comply with applicable law or any of our loan or other agreements.

Although our payment obligations to our unitholders are subordinate to our payment obligations to you, the value of our units may decrease with decreases in the amount we distribute per unit. Accordingly, if we experience a liquidity problem in the future, the value of our units may decrease and we may not be able to issue equity to recapitalize.

Your ability to transfer the notes at a time or price you desire may be limited by the absence of an active trading market, which may not develop.

The notes are new issues of securities for which there are no established public markets. Although we have registered the offer and sale of the notes under the Securities Act of 1933, as amended, or the Securities Act, we do not intend to apply for the listing of the notes on any securities exchange or for the quotation of the notes on any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in the notes of each series, as permitted by applicable laws and regulations, they are not obligated to make markets in the notes, and they may discontinue their market-making activities at any time without notice. Active markets for the notes may not develop or, if developed, may not continue. In the absence of active trading markets, you may not be able to transfer the notes within the time or at the prices you desire.

We have subsidiaries that will be treated as corporations for federal income tax purposes and subject to corporate-level income taxes.

Even though we (as a partnership for U.S. federal income tax purposes) are not subject to entity-level U.S. federal income tax, our acquisition of Sunoco and the Holdco restructuring have resulted in an increase in the proportion of our operations that are conducted through subsidiaries that are organized as C corporations. Such corporate subsidiaries are subject to corporate-level tax, the payment of which will reduce the cash otherwise available for servicing the notes and repaying them at maturity.

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USE OF PROCEEDS

We expect to receive net proceeds of approximately $ million from the sale of the notes we are offering, after deducting the underwriting discounts and estimated offering expenses payable by us. We anticipate using the net proceeds of this offering to repay borrowings outstanding under our revolving credit facility.

As of January 8, 2013, an aggregate of $1.451 billion of borrowings were outstanding under our revolving credit facility, and there were $73.9 million of letters of credit outstanding. The weighted average interest rate on the total amount outstanding at January 8, 2013 was 1.649%. Our revolving credit facility matures on October 27, 2016. We used borrowings under our revolving credit facility to partially fund the cash portion of the merger consideration in the Sunoco merger and to fund growth capital expenditures and working capital requirements.

Affiliates of certain of the underwriters are lenders under our revolving credit facility and, accordingly, will receive a substantial portion of the net proceeds from this offering. Please read Underwriting Other Relationships.

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CAPITALIZATION

The following table sets forth our consolidated cash and cash equivalents and capitalization as of September 30, 2012:

- on an actual basis;

- as adjusted to give effect to the consummation of the Sunoco merger and Holdco restructuring, as described in Prospectus Supplement Summary Recent Developments Sunoco Merger and Related Transactions;

- as further adjusted to give effect to:

  (i) the Southern Union local distribution company dispositions and the use of the assumed cash consideration therefrom to (x) repay $251 million of borrowings outstanding under Southern Union s revolving credit facility and (y) repay $149 million of borrowings outstanding under the term loan of Panhandle s wholly owned subsidiary, Trunkline LNG Holdings LLC, or Trunkline LNG; and

  (ii) the public offering by Sunoco Logistics of $700 million in aggregate principal amount of senior notes, which was completed on January 10, 2013, and the use of the net proceeds therefrom to repay in full the balance under Sunoco Logistics $350 million revolving credit facility and the $200 million revolving credit facility of Sunoco Logistics wholly owned subsidiary, Sunoco Partners Marketing & Terminals L.P., or Sunoco Marketing; and

- as further adjusted to give effect to the public offering of the notes pursuant to this prospectus supplement and the application of the net proceeds as described in Use of Proceeds.

The actual information in the table is derived from and should be read in conjunction with our historical financial statements, including the accompanying notes, included in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, and our unaudited pro forma financial statements related to the Sunoco merger and Holdco restructuring, including the accompanying notes, included in our Current Report on Form 8-K filed with the SEC on January 14, 2013, which are incorporated by reference in this prospectus supplement.

