

Energy Transfer Partners, L.P.

Form 424B5

May 10, 2011

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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
4.65% Senior Notes due 2021	\$800,000,000	\$92,880
6.05% Senior Notes due 2041	\$700,000,000	\$81,270
Total	\$1,500,000,000	\$174,150

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-171697

PROSPECTUS SUPPLEMENT
(To Prospectus dated January 13, 2011)

\$1,500,000,000

Energy Transfer Partners, L.P.

4.65% Senior Notes due 2021

6.05% Senior Notes due 2041

We are offering \$800,000,000 aggregate principal amount of our 4.65% Senior Notes due 2021, or the 2021 notes, and \$700,000,000 aggregate principal amount of our 6.05% Senior Notes due 2041, or the 2041 notes. We refer to the 2021 notes and the 2041 notes, collectively, as the notes.

Interest on each of the 2021 notes and the 2041 notes will accrue from May 12, 2011 and will be payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2011. The 2021 notes will mature on June 1, 2021 and the 2041 notes will mature on June 1, 2041.

We may redeem some or all of the notes at our option at any time and from time to time prior to their maturity at the redemption prices set forth in this prospectus supplement, plus accrued and unpaid interest. See 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 and senior in right of payment to all of our future subordinated debt. The notes will not initially be guaranteed by our subsidiaries.

None of the Securities and Exchange Commission, any state securities commission or any other U.S. regulatory authority has approved or disapproved of the securities nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this prospectus

supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Investing in the notes involves risks. See **Risk Factors** beginning on page S-11 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 2021 Note	Total 2021 Notes	Per 2041 Note	Total 2041 Notes
Price to Public(1)	99.679%	\$ 797,432,000	99.747%	\$ 698,229,000
Underwriting Discount	0.650%	\$ 5,200,000	0.875%	\$ 6,125,000
Proceeds to Energy Transfer Partners, L.P. (Before Expenses)	99.029%	\$ 792,232,000	98.872%	\$ 692,104,000

(1) Plus accrued interest from May 12, 2011, 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 May 12, 2011.

Joint Book-Running Managers

RBS

Credit Suisse

**SunTrust Robinson Humphrey
BNP PARIBAS**

Deutsche Bank Securities

Co-Managers

DnB NOR Markets

RBC Capital Markets

UBS Investment Bank

Mitsubishi UFJ Securities

US Bancorp

The date of this prospectus supplement is May 9, 2011.

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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.

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 authorized anyone else to give you different information. We are not offering the notes in any state where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents. 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 not assume that any information contained in the documents incorporated by reference in this prospectus supplement or the accompanying 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.

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 Energy Transfer, ETP, we, us, our and similar terms, as well as references to the Partnership refer to Energy Transfer Partners, L.P. and all of its operating limited partnerships and subsidiaries. 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 to any of its operating limited partnerships or subsidiaries.

Energy Transfer Partners, L.P.

Overview

We are a publicly traded limited partnership that owns and operates a diversified portfolio of energy assets. Our natural gas operations include intrastate natural gas gathering and transportation pipelines, two interstate pipelines, natural gas gathering, processing and treating assets located in Texas, New Mexico, Arizona, Louisiana, Arkansas, Mississippi, West Virginia, Colorado and Utah, and three natural gas storage facilities located in Texas. These assets include more than 17,500 miles of pipeline in service and a 50% interest in a joint venture that has approximately 185 miles of interstate pipeline in service. Our intrastate and interstate pipeline systems transport natural gas from several significant natural gas producing areas, including the Barnett Shale in the Fort Worth Basin in north Texas, the Bossier Sands in east Texas, the Permian Basin in west Texas and New Mexico, the Eagle Ford Shale in south and central Texas, the San Juan Basin in New Mexico, the Fayetteville Shale in Arkansas, and the Haynesville Shale in north Louisiana. Our gathering and processing operations are conducted in many of these same producing areas as well as in the Piceance and Uinta Basins in Colorado and Utah. We also hold a 70% interest in a joint venture that owns and operates natural gas liquids storage, fractionation and transportation assets in Texas, Louisiana and Mississippi. We are also one of the three largest retail marketers of propane in the United States, serving more than one million customers across the country.

We have experienced substantial growth over the last several years through a combination of internal growth projects and strategic acquisitions. Our internal growth projects consist primarily of the construction of both intrastate and interstate natural gas transmission pipelines. From September 1, 2003 through March 31, 2011, our growth capital expenditures, excluding capital contributions made in connection with the Midcontinent Express Pipeline and Fayetteville Express Pipeline joint ventures, were approximately \$6.5 billion, approximately \$5.1 billion of which was related to natural gas transmission pipelines. We expect to make growth capital expenditures of \$775 million to \$865 million for the remainder of 2011. These amounts do not include capital contributions that we may make to the Fayetteville Express Pipeline joint venture or the joint venture we formed with Regency Energy Partners LP, or Regency, to acquire the interests in LDH Energy Asset Holdings LLC as described below under Recent Developments. We have increased our cash flow from operating activities from \$162.7 million for the twelve months ended August 31, 2004 to \$1.2 billion for the year ended December 31, 2010 primarily as a result of these internal growth projects and acquisitions. We have also increased our cash distributions from \$0.325 per common unit for the quarter ended November 30, 2003 (\$1.30 per common unit on an annualized basis) to \$0.89375 per common unit for the quarter ended March 31, 2011 (\$3.575 per common unit on an annualized basis), an increase of 175%.

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Our Business

Intrastate Transportation and Storage Operations

We own and operate approximately 7,700 miles of intrastate natural gas transportation pipelines and three natural gas storage facilities. We own the largest intrastate pipeline system in the United States. Our intrastate pipeline system interconnects to many major consumption areas in the United States. Our intrastate transportation and storage segment focuses on the transportation of natural gas from various natural gas producing areas to major natural gas consuming markets through connections with other pipeline systems. Our intrastate natural gas pipeline system has an aggregate throughput capacity of approximately 14.3 billion cubic feet per day, or Bcf/d, of natural gas. For the year ended December 31, 2010, we transported an average of 12.3 Bcf/d of natural gas through our intrastate natural gas pipeline system. 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 capacity of approximately 74.4 Bcf. 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.

Our intrastate transportation and storage operations accounted for approximately 49% and 56% of our total consolidated operating income for the years ended December 31, 2010 and December 31, 2009, respectively.

Based primarily on the increased drilling activities and increased natural gas production in the Barnett Shale in north Texas, the Bossier Sands in east Texas and the Eagle Ford Shale in south Texas, we have pursued a significant expansion of our natural gas pipeline system in order to provide greater transportation capacity from these natural gas supply areas to markets for natural gas. This expansion initiative, which has resulted in the completion of approximately 1,000 miles of large diameter pipeline ranging from 20 inches to 42 inches with approximately 9.7 Bcf/d of natural gas transportation capacity, includes the following pipeline projects:

In April 2008, we completed our approximately 150-mile Southeast Bossier 42-inch natural gas pipeline, which we refer to as the Southeast Bossier pipeline. This pipeline connects our Cleburne to Carthage pipeline and our East Texas pipeline to our Texoma pipeline. The Southeast Bossier pipeline has an initial throughput capacity of 900 million cubic feet per day, or MMcf/d, that can be increased to 1.3 Bcf/d with the addition of compression. The Southeast Bossier pipeline increases our takeaway capacity from the Barnett Shale and Bossier Sands and provides increased market access for natural gas produced in these areas.

In July 2008, we completed our 36-inch Paris Loop natural gas pipeline expansion project in north Texas. This 135-mile pipeline initially provided us with an additional 400 MMcf/d of capacity out of the Barnett Shale, which increased to 900 MMcf/d in May 2009. The Paris Loop originates near Eagle Mountain Lake in northwest Tarrant County, Texas and connects to our Houston Pipe Line system near Paris, Texas.

In August 2008, we completed an expansion of our Cleburne to Carthage pipeline from the Texoma pipeline interconnect to the Carthage Hub through the installation of 32 miles of 42-inch pipeline. This expansion, which we refer to as the Carthage Loop, added 500 MMcf/d of pipeline capacity from Cleburne to the Carthage Hub. In September 2009, we increased the capacity of the Carthage Loop to 1.1 Bcf/d by adding compression to this pipeline.

In August 2008, we completed the first segment of our 36-inch Maypearl to Malone natural gas pipeline expansion project. This 25-mile pipeline extends from Maypearl, Texas to Malone, Texas, and provides an

additional 600 MMcf/d of capacity out of the Fort Worth Basin.

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In January 2009, we completed our Southern Shale natural gas pipeline project, which consists of 31 miles of 36-inch pipeline that originates in southern Tarrant County, Texas and delivers natural gas to our Maypearl to Malone pipeline expansion project. The Southern Shale pipeline provides an additional 700 MMcf/d of takeaway capacity from the Barnett Shale.

In January 2009, we completed our 36-inch Cleburne to Tolar natural gas pipeline expansion project. This 20-mile pipeline extends from Cleburne, Texas to Tolar, Texas and provides an additional 400 MMcf/d of takeaway capacity from the Barnett Shale.

In February 2009, we completed our 56-mile Katy Expansion pipeline project. This 36-inch expansion project increased the capacity of our existing ETC Katy natural gas pipeline in southeast Texas by more than 400 MMcf/d.

In August 2009, we completed our Texas Independence Pipeline, which consists of 143 miles of 42-inch pipeline originating near Maypearl, Texas and ending near Henderson, Texas. This pipeline connects our ET Fuel System and North Texas System with our East Texas pipeline. The Texas Independence Pipeline expands our ET Fuel System's throughput capacity by an incremental 1.1 Bcf/d and, with the addition of compression, the capacity may be expanded to 1.75 Bcf/d.

In December 2010, we completed a 63-mile natural gas pipeline that originates in Shelby County, Texas, and terminates in Nacogdoches County, Texas. This pipeline, which we refer to as the Lumberjack Pipeline, was placed into partial service in August 2010, and full service began in December 2010. This project consists of 20- and 24-inch pipe and has an initial capacity of 645 MMcf/d. The pipeline interconnects with two interstate pipelines in addition to our Houston Pipe Line system.

In December 2010, we completed a 50-mile, 24-inch pipeline that originates in northwest Webb County, Texas and extends to our Houston Pipe Line system in eastern Webb County, Texas. The project, which we refer to as the Dos Hermanas Pipeline, has a capacity of approximately 400 MMcf/d. As part of the project, approximately 6,000 horsepower of compression will be added to the Houston Pipe Line system.

These pipeline projects are supported by principally fee-based contracts for periods ranging from five to 15 years.

Interstate Transportation Operations

We own and operate the Transwestern pipeline, an 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 its system and to pipeline interconnects at the California border. Including the recently completed projects described below, Transwestern comprises approximately 2,700 miles of pipeline with a capacity of 2.1 Bcf/d. The Transwestern pipeline has 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. Natural gas sources from the San Juan Basin and surrounding producing areas can be delivered eastward to Texas intrastate and mid-continent connecting pipelines and natural gas market hubs as well as westward to markets like Arizona, Nevada and California. Transwestern's customers include local distribution companies, producers, marketers, electric power generators and industrial end-users.

During 2007, we initiated the Phoenix project, consisting of 260 miles of 42-inch and 36-inch pipeline lateral, with a throughput capacity of 500 MMcf/d, connecting the Phoenix area to Transwestern's existing mainline at Ash Fork, Arizona. The Phoenix lateral pipeline was completed in February 2009.

During the third quarter of 2008, we completed the San Juan Loop pipeline, a 26-mile loop that provides an additional 375 MMcf/d of capacity to Transwestern's existing San Juan lateral. This expansion project supports the Phoenix project by providing additional throughput capacity from the San Juan Basin natural gas producing area to Transwestern's primary transmission pipeline to supply natural gas for the Phoenix lateral pipeline.

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In October 2008, we entered into a 50/50 joint venture with Kinder Morgan Energy Partners, L.P., or KMP, for the development of the Fayetteville Express Pipeline, an approximately 185-mile 42-inch pipeline that originates in Conway County, Arkansas, continues eastward through White County, Arkansas and terminates at an interconnect with Trunkline Gas Company in Quitman County, Mississippi. The pipeline, which has an initial capacity of 2.0 Bcf/d, was placed in service in December 2010. The pipeline interconnects with pipelines of Natural Gas Pipeline Company of America, or NGPL, in White County, Arkansas, Texas Gas Transmission in Coahoma County, Mississippi, and ANR Pipeline Company in Quitman County, Mississippi. NGPL is operated and partially owned by Kinder Morgan, Inc., which owns the general partner of KMP. Fayetteville Express Pipeline, LLC, or FEP, the entity formed to own and operate the pipeline, has secured binding 10-year commitments for transportation of gas volumes with energy equivalents totaling 1.8 Bcf/d.

In January 2009, we announced that we had entered into an agreement with a wholly-owned subsidiary of Chesapeake Energy Corporation, or Chesapeake, to construct an approximately 175-mile 42-inch interstate natural gas pipeline, which we refer to as the Tiger Pipeline. The pipeline connects to our dual 42-inch pipeline system near Carthage, Texas, extends through the heart of the Haynesville Shale and ends near Delhi, Louisiana, with interconnects to at least seven interstate pipelines at various points in Louisiana. The Tiger Pipeline has an initial throughput capacity of 2.0 Bcf/d, which capacity may be increased up to 2.4 Bcf/d with added compression. The agreement with Chesapeake provides for a 15-year commitment for firm transportation capacity of approximately 1.0 Bcf/d. We have also entered into agreements with EnCana Marketing (USA), Inc., a subsidiary of EnCana Corporation, and other shippers that provide for 10-year commitments for firm transportation capacity on the Tiger Pipeline equal to the full initial design capacity of 2.0 Bcf/d in the aggregate. In April 2010, the FERC approved our application for authority to construct and operate the pipeline, and construction began on this project in June 2010. The Tiger Pipeline was placed in service in December 2010. Additionally, in February 2010, we announced that we had entered into a 10-year commitment for an additional 400 MMcf/d of capacity, bringing the pipeline's long-term contractual commitments to 2.4 Bcf/d. In February 2011, the FERC approved our application for authority to construct and operate an expansion of the Tiger Pipeline to add 400 MMcf/d of capacity. This expansion is expected to be completed in the second half of 2011.

Our interstate pipeline segment formerly included our 50% interest in Midcontinent Express Pipeline, LLC, or MEP, a 50/50 joint venture with KMP that owns the Midcontinent Express Pipeline. The Midcontinent Express Pipeline is an approximately 500-mile interstate natural gas pipeline that originates near Bennington, Oklahoma, routes through Perryville, Louisiana, and terminates at an interconnect with Transcontinental Gas Pipe Line Corporation's interstate natural gas pipeline in Butler, Alabama. The first zone of the pipeline was placed in service in April 2009 and the second zone of the pipeline was placed in service in August 2009. On May 26, 2010, we transferred to ETE, in exchange for ETP common units owned by ETE, substantially all of our interest in MEP. ETE, in turn, contributed the MEP interest to Regency in exchange for 26.3 million Regency common units. We currently hold a 0.1% interest in MEP.

Our interstate transportation segment accounted for approximately 13% and 12% of our total consolidated operating income for the years ended December 31, 2010 and December 31, 2009, respectively.

Midstream Operations

We own and operate approximately 7,000 miles of in-service natural gas gathering pipelines, three natural gas processing plants, 17 natural gas treating facilities, and ten 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 in north Texas, the Bossier Sands in east Texas, the Austin Chalk trend and Eagle Ford Shale in south and southeast Texas, the Permian Basin in west Texas, the Piceance and Uinta Basins in Colorado and Utah and the Haynesville Shale in north Louisiana. Many of our midstream assets are integrated with our intrastate transportation and storage assets. Our recent midstream

initiatives in the Eagle Ford Shale include the following projects:

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In October 2010, we announced plans to construct the Chisholm Pipeline, the initial phase of which will consist of approximately 83 miles of 20-inch pipeline, extending from DeWitt County, Texas to our LaGrange Processing Plant in Fayette County, Texas. The Chisholm Pipeline will have an initial capacity of 100 MMcf/d, with an anticipated capacity expansion exceeding 300 MMcf/d. The project will utilize existing processing capacity at our LaGrange Plant. After processing, the residue volumes will be transported on our Oasis Gas Pipeline system. We expect the initial phase of this pipeline to be in service by the second quarter of 2011.

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 located in south Texas. To facilitate these agreements, we will construct a natural gas pipeline, which we refer to as the Rich Eagle Ford Mainline pipeline, or REM pipeline, a 120 MMcf/d processing plant and additional facilities. The 160-mile, 30-inch pipeline will have an initial capacity of 400 MMcf/d, with the ability to expand capacity to 800 MMcf/d. This rich gas gathering system, which we expect to be in service by the fourth quarter of 2011, will originate in Dimmitt County, Texas and extend to our soon to be completed Chisholm Pipeline for ultimate deliveries to our existing processing plants and to our new processing plant. In April 2011, we announced that we had entered into 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 will expand the REM pipeline and construct a new processing facility in Jackson County, Texas. Please see [Recent Developments](#) [Expansion of Eagle Ford Shale Projects](#) below.

Our midstream segment accounted for approximately 21% and 12% of our total consolidated operating income for the years ended December 31, 2010 and December 31, 2009, respectively.

Retail Propane Operations

We are one of the three largest retail propane marketers in the United States, serving more than one million customers across the country. Our propane operations extend from coast to coast with concentrations in the western, upper midwestern, northeastern and southeastern regions of the United States. Our propane business has grown primarily through acquisitions of retail propane operations and, to a lesser extent, through internal growth.

Our retail propane operations accounted for approximately 17% and 20% of our total consolidated operating income for the years ended December 31, 2010 and December 31, 2009, respectively. The retail propane segment is a margin-based business in which gross profits depend on the excess of sales price over propane supply cost. The market price of propane is often subject to volatile changes as a result of supply or other market conditions over which we have no control.

Our propane business is largely seasonal and dependent upon weather conditions in our service areas. Historically, approximately two-thirds of our retail propane volume and substantially all of our propane-related operating income are attributable to sales during the six-month peak-heating season of October through March. This generally results in higher operating revenues and net income in the propane segment during the period from October through March of each year, and lower operating revenues and either net losses or lower net income during the period from April through September of each year. Cash flow from operations is generally greatest during the period from December to May of each year when customers pay for propane purchased during the six-month peak-heating season. Sales to commercial and industrial customers are much less weather sensitive.

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 strategic acquisitions, internally

generated expansion, and measures aimed at increasing the profitability of our existing assets.

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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 by pursuing independent operating and growth strategies for our natural gas operations and retail propane business, we will be best positioned to achieve our objectives.

We expect that acquisitions in natural gas operations will be the primary focus of our acquisition strategy going forward, although we also expect to continue to pursue complementary propane acquisitions. We also anticipate that our natural gas operations will provide internal growth projects of greater scale compared to those available in our propane business as demonstrated by our significant number of completed natural gas pipeline projects as well as our recently announced pipeline projects.

We believe that we are well-positioned to compete in all of the natural gas, NGL and retail propane industries in which we operate, 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 Energy Transfer Equity, L.P., the entity that indirectly owns our general partner and therefore benefits from incentive distribution payments we make to our general partner.

Natural Gas Operations Business Strategies

Enhance profitability of existing assets. We intend to increase the profitability of our existing asset base by adding new volumes of natural gas under long-term producer commitments, undertaking additional initiatives to enhance utilization and reducing costs by improving operations.

Engage in construction and expansion opportunities. We intend to leverage our existing infrastructure and customer relationships by constructing and expanding systems to meet new or increased demand for midstream and transportation services.

Increase 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 natural gas liquids.

Growth through acquisitions. We intend to continue to make strategic acquisitions of midstream, transportation and storage assets in our current areas of operation that offer the opportunity for operational efficiencies and the potential for increased utilization and expansion of our existing and acquired assets.

Propane Business Strategies

Pursue internal growth opportunities. In addition to pursuing expansion through acquisitions, we have aggressively focused on high return internal growth opportunities at our existing customer service locations. We believe that by concentrating our operations in areas experiencing higher-than-average population growth, we are well positioned to achieve internal growth by adding new customers.

Growth through complementary acquisitions. We believe that our position as one of the three largest propane marketers in the United States provides us a solid foundation to continue our acquisition growth strategy through consolidation.

Maintain low-cost, decentralized operations. We focus on controlling costs, and we attribute our low overhead costs primarily to our decentralized structure.

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Recent Developments

Acquisition of LDH Energy Asset Holdings LLC

On March 22, 2011, we and Regency announced that ETP-Regency Midstream Holdings, LLC, or ETP-Regency LLC, a joint venture owned 70% by us and 30% by Regency, had entered into a purchase agreement with Louis Dreyfus Highbridge Energy LLC, pursuant to which ETP-Regency LLC agreed to acquire all of the membership interests in LDH Energy Asset Holdings LLC for \$1.97 billion in cash. This transaction, which we refer to as the LDH Acquisition, was completed on May 2, 2011. Following the closing of the LDH Acquisition, ETP-Regency LLC was renamed Lone Star NGL LLC, or Lone Star. We and Regency have each made an initial capital contribution to Lone Star in proportion to our respective equity interests to fund the purchase price for the LDH Acquisition. Lone Star will be managed by a two-person board of directors, with us and Regency each having the right to appoint one director. We intend to use the net proceeds of this offering to repay borrowings outstanding under our revolving credit facility, which facility was utilized to fund our pro rata share of the purchase price of LDH, approximately \$1.38 billion, at closing. Please see [Use of Proceeds](#) below.

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 MMBbbls, of capacity in 24 underground salt dome caverns, and 10 brine ponds with combined capacity of approximately 23 MMBbbls. The Hattiesburg facility has 3.9 MMBbbls of usable capacity in three salt dome caverns, with 9.6 MMBbbls of total cavern capacity, and two brine ponds with combined capacity of over 75 thousand barrels, or MBbbls. The intrastate pipeline assets include the 1,066-mile West Texas Pipeline with 144 MBbbls per day, or MBPD, 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 MBPD of capacity, two cryogenic processing plants with combined capacity of 82 MMcf/d, and an 85-mile gathering system. The Sea Robin wet gas processing plant has 850 MMcf/d of natural gas capacity and 26 MBPD of NGL capacity.

On May 5, 2011, we announced that Lone Star will construct 100 MBPD NGL fractionation facility at Mont Belvieu. We will utilize a substantial amount of this fractionation capacity to handle NGL barrels we will deliver from the new processing facility we plan to build in Jackson County, Texas, a facility supported by multiple 10-year contracts with producers as part of our Eagle Ford Shale projects. See [Expansion of Eagle Ford Shale Projects](#) below. Additionally, Regency plans to provide NGL barrels to this facility for fractionation. As part of this project, Lone Star will also develop additional storage facilities for NGLs and other liquids. The project will also 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.

Common Unit Offering

On April 1, 2011, we completed a public offering of 14,202,500 common units, which included 1,852,500 common units issued pursuant to the exercise of the underwriters' overallotment option. We used the net proceeds of approximately \$695.0 million to repay amounts outstanding under our revolving credit facility, to fund capital expenditures related to pipeline construction projects and for general partnership purposes.

Expansion of Eagle Ford Shale Projects

On April 21, 2011, we announced that we had entered into long-term fee-based agreements with multiple producers, including Rosetta Resources Operating LP, SM Energy Company, and a subsidiary of Anadarko

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Petroleum Corporation, to provide natural gas gathering, processing, and liquids services from the Eagle Ford Shale. To facilitate these agreements, which include volume commitments in excess of 540,000 MMBtu per day of natural gas, we will expand the previously announced REM pipeline in south Texas and will construct a new processing facility in Jackson County, Texas. The REM pipeline expansion, which will extend from our Chisholm Pipeline in DeWitt County east into Jackson County, Texas, will add approximately 70 miles of 36- or 42-inch pipe to the initial 160-mile, 30-inch pipeline that was announced in February 2011. When fully constructed, the REM pipeline will consist of approximately 230 miles of large diameter pipe with a capacity of at least 600 MMcf/d. Completion of the initial phase of REM is scheduled for the fourth quarter of 2011 and completion of the REM expansion is scheduled for the first quarter of 2013. The Jackson County gas processing plant will have approximately 600 MMcf/d of capacity and can be expanded to 800 MMcf/d. The plant is scheduled for completion in the first quarter of 2013.

On May 5, 2011, we announced that we are in negotiations with other pipeline operators to secure pipeline capacity that will provide NGL transportation from Jackson County, Texas to Mont Belvieu. In the event we determine that it is more prudent to build a new pipeline rather than secure pipeline capacity through another pipeline operator, we anticipate that we will construct a 130-mile, 20-inch NGL pipeline from the new processing facility we plan to build in Jackson County to Mont Belvieu. This pipeline would provide capacity for NGL barrels from the Eagle Ford Shale or from a potential NGL pipeline from west Texas. The capacity of the proposed 20-inch pipeline is expected to be approximately 340 MBPD.

Crude Oil Pipeline Joint Venture

On April 26, 2011, we announced that we had agreed to form a 50/50 joint venture with Enterprise Products Partners L.P., or Enterprise, to design and construct a crude oil pipeline from Cushing, Oklahoma to Houston, Texas. The project will add approximately 500 MBbls of storage capacity at new facilities to be constructed and owned by the joint venture at Enterprise's new Houston crude oil storage and terminal facility, or the ECHO facility, in southeast Harris County, Texas. Utilizing new and existing pipelines, the 584-mile pipeline will originate at Enterprise's 3.1 MMBbls crude oil storage facility in Cushing. We and Enterprise expect to contribute existing assets to the joint venture, including our 240-mile, 24-inch natural gas pipeline in east Texas, which will comprise approximately 40% of the proposed system. The terminus of the pipeline will be at Enterprise's ECHO facility, which offers access to major Texas Gulf Coast refining centers in Texas City, Pasadena/Deer Park, Baytown and on the Houston Ship Channel. Subject to sufficient commitments from shippers and the required regulatory approvals, the new pipeline is expected to begin service in the fourth quarter of 2012. We and Enterprise will share commercial responsibilities, with an integrated project team responsible for pipeline construction and Enterprise serving as the operator.

Cash Distribution for First Quarter

On April 26, 2011, we declared a cash distribution for the first quarter of 2011 of \$0.89375 per unit, or \$3.575 per unit on an annualized basis. The cash distribution will be paid on May 16, 2011 to unitholders of record as of May 6, 2011.

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, see 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	<p>We are offering \$1,500,000,000 aggregate principal amount of notes of the following series:</p> <p style="padding-left: 40px;">\$800,000,000 4.65% Senior Notes due 2021; and</p> <p style="padding-left: 40px;">\$700,000,000 6.05% Senior Notes due 2041.</p>
Maturity	Unless redeemed prior to maturity as described below, the 2021 notes will mature on June 1, 2021 and the 2041 notes will mature on June 1, 2041.
Interest Rate	Interest on the 2021 notes will accrue at the per annum rate of 4.65% and interest on the 2041 notes will accrue at the per annum rate of 6.05%.
Interest Payment Dates	Interest on each of the 2021 notes and the 2041 notes will accrue from the issue date of the notes and be payable semiannually on June 1 and December 1 of each year, beginning on December 1, 2011.
Ranking	<p>The notes will be our unsecured and unsubordinated obligations. The notes will rank equally with all of our other existing and future unsubordinated indebtedness and junior to the indebtedness and other obligations, including trade payables, of our subsidiaries. As of March 31, 2011, the notes would have been effectively subordinated to approximately \$981.8 million of indebtedness of our subsidiaries. See "Description of Notes—Ranking". In addition, FEP, our unconsolidated joint venture with KMP, is a party to a \$1.1 billion senior revolving credit facility. As of March 31, 2011, there were \$962.5 million of outstanding borrowings under the FEP facility. We have guaranteed 50% of the obligations of FEP under this facility.</p>
Optional Redemption	We may redeem the notes 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".

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Use of Proceeds	<p>We anticipate using the net proceeds of this offering to repay all of the borrowings outstanding under our revolving credit facility, to fund capital expenditures related to pipeline construction projects and for general partnership purposes.</p> <p>See Use of Proceeds.</p>
Further Issuances	<p>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 price and in some cases, the first interest payment date, so that such additional notes will form a single series with the series of notes offered by this prospectus supplement and will have substantially identical terms as the series of notes offered hereby, including with respect to ranking, redemption and otherwise.</p>
Risk Factors	<p>Investing in the notes involves risks. See Risk Factors beginning on page S-11 of this prospectus supplement and the risk factors set forth on page 4 of the accompanying prospectus and on page 26 of our Annual Report on Form 10-K for the year ended December 31, 2010, as well as the other risks identified in the documents incorporated by reference, herein for information regarding risks you should consider before investing in the notes.</p>

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RISK FACTORS

An investment in the notes involves risks. You should consider carefully the risk factors included below and those set forth beginning on page 4 of the accompanying prospectus and on page 26 of our Annual Report on Form 10-K for the year ended December 31, 2011, 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 at maturity of the notes, 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 effectively subordinated to liabilities and indebtedness of our subsidiaries and 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 effectively 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 subsidiary or subsidiaries that guarantee the notes in the future. If that were to occur, the claims of creditors of a guaranteeing subsidiary would also rank effectively senior to the notes, to the extent of the assets of that subsidiary. As of March 31, 2011, the notes would have been effectively subordinated to approximately \$981.8 million of outstanding indebtedness of our subsidiaries. Furthermore, such subsidiaries will not be prohibited under the indenture from incurring additional indebtedness. In addition, FEP, our unconsolidated joint venture with KMP, is a party to a \$1.1 billion senior revolving credit facility. As of March 31, 2011, there were \$962.5 million of outstanding borrowings under the FEP facility.

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.

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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, 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 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 a new issue of securities for which there is no established public market. 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 in any automated dealer quotation system. In addition, although the underwriters have informed us that they intend to make a market in the notes, as permitted by applicable laws and regulations, they are not obligated to make a market in the notes, and they may discontinue their market making activities at any time without notice. An active market for the notes may not develop or, if developed, may not continue. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

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We expect to receive net proceeds of approximately \$1.48 billion from the sale of the notes we are offering, after deducting underwriting discounts and commissions but before deducting other expenses associated with the offering.

We anticipate using the net proceeds of this offering to repay all of the borrowings outstanding under our revolving credit facility, to fund capital expenditures related to pipeline construction projects and for general partnership purposes.

As of May 4, 2011, an aggregate of approximately \$1.30 billion of borrowings were outstanding under our revolving credit facility. In addition, there were \$24.9 million of letters of credit outstanding. The weighted average interest rate on the total amount outstanding at May 4, 2011 was 0.76%. Our revolving credit facility matures on July 20, 2012. We generally use revolving credit loans to fund growth capital expenditures and working capital requirements. A portion of the current indebtedness incurred under our revolving credit facility was used to fund our pro rata share of the purchase price for the LDH Acquisition on May 2, 2011. Please see Prospectus Supplement Summary Recent Developments Acquisition of LDH Energy Asset Holdings LLC .

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 December 31, 2010	Three Months Ended March 31, 2011
Ratio of earnings to fixed charges	2.31	3.24

For this ratio earnings is the amount resulting from adding the following items:

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.

The term fixed charges means the sum of the following:

interest expensed;

interest capitalized;

amortized debt issuance costs; and

estimated interest element of rentals.

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The following table sets forth our consolidated cash and cash equivalents and capitalization as of March 31, 2011:

on an actual basis;

on an adjusted basis to give effect to (i) our public offering of 14,202,500 common units in April 2011 and the subsequent repayment of approximately \$553.5 million of borrowings outstanding under our revolving credit facility with a portion of the net proceeds thereof and (ii) the funding of our pro rata share of the purchase price paid by Lone Star in connection with the LDH Acquisition as described above in Prospectus Supplement Summary Recent Developments Acquisition of LDH Energy Asset Holdings LLC, which was funded with borrowings under our revolving credit facility; and

on a pro forma basis to give effect to the public offering of the notes made pursuant to this prospectus supplement as if the offering had occurred on March 31, 2011 and the application of the net proceeds therefrom as set forth under 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, 2010 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2011, which are incorporated by reference in this prospectus supplement.

	Actual	March 31, 2011 As Adjusted (in thousands)	Pro Forma
Cash and cash equivalents	\$ 60,138	\$ 60,138	\$ 304,858
Debt, including current maturities:			
Debt of Energy Transfer Partners:			
5.650% Senior Notes due 2012	\$ 400,000	\$ 400,000	\$ 400,000
6.000% Senior Notes due 2013	350,000	350,000	350,000
8.500% Senior Notes due 2014	350,000	350,000	350,000
5.950% Senior Notes due 2015	750,000	750,000	750,000
6.125% Senior Notes due 2017	400,000	400,000	400,000
6.700% Senior Notes due 2018	600,000	600,000	600,000
9.000% Senior Notes due 2019	650,000	650,000	650,000
9.700% Senior Notes due 2019	600,000	600,000	600,000
6.625% Senior Notes due 2036	400,000	400,000	400,000
7.500% Senior Notes due 2038	550,000	550,000	550,000
ETP revolving credit facility	553,524	1,239,116	
4.65% Senior Notes due 2021 offered hereby			800,000
6.05% Senior Notes due 2041 offered hereby			700,000
Unamortized discounts and other	3,981	3,981	(358)

Debt of our Subsidiaries:

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HOLP senior secured notes	103,127	103,127	103,127
Transwestern senior notes	870,000	870,000	870,000
Other long-term debt	8,719	8,719	8,719
Total long-term debt	6,589,351	7,274,943	7,531,488
Total partners' capital	4,770,466	5,465,462	5,465,462
Noncontrolling interest		591,681	591,681
Total equity	4,770,466	6,057,143	6,057,143
Total capitalization	\$ 11,359,817	\$ 13,332,086	\$ 13,588,631

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As of May 4, 2011, an aggregate of approximately \$1.30 billion of borrowings were outstanding and \$24.9 million of letters of credit were issued under our revolving credit facility.

The table above does not include outstanding indebtedness of FEP, a company in which we and KMP each own a 50% interest. As of May 4, 2011, FEP had \$962.5 million of borrowings outstanding under its \$1.1 billion senior revolving credit facility. We have guaranteed 50% of FEP's obligations under this facility, with the remaining 50% of FEP's obligations guaranteed by KMP.

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DESCRIPTION OF OTHER INDEBTEDNESS

General

Our indebtedness as of March 31, 2011 (not including debt of our subsidiaries) consisted of: \$400.0 million in principal amount of 5.65% Senior Notes due 2012, \$350.0 million in principal amount of 6.00% Senior Notes due 2013, \$350.0 million in principal amount of 8.50% Senior Notes due 2014, \$750.0 million in principal amount of 5.95% Senior Notes due 2015, \$400.0 million in principal amount of 6.125% Senior Notes due 2017, \$600.0 million in principal amount of 6.70% Senior Notes due 2018, \$600.0 million in principal amount of 9.70% Senior Notes due 2019, \$650.0 million in principal amount of 9.00% Senior Notes due 2019, \$400.0 million in principal amount of 6.625% Senior Notes due 2036 and \$550.0 million in principal amount of 7.50% Senior Notes due 2038, which we refer to collectively as our senior notes, as well as a revolving credit facility, which we refer to as the ETP Credit Facility, that allows for borrowings of up to \$2.0 billion (expandable to \$3.0 billion) available through July 20, 2012, unless extended. Our subsidiaries, Heritage Operating L.P., or HOLP, and Transwestern, also have outstanding debt as described below. Failure to comply with the various restrictive and affirmative covenants of the debt agreements could require us, HOLP or Transwestern to repay outstanding debt prior to its maturity and could negatively affect our ability and the ability of our subsidiaries to incur additional debt. We are required to measure certain financial tests and covenants quarterly and, as of March 31, 2011, we were in compliance with all financial requirements, tests, limitations, and covenants related to financial ratios under our existing credit agreements.

ETP Revolving Credit Facility

On July 20, 2007, we entered into a revolving credit facility with Wachovia Bank, National Association, as administrative agent, and Bank of America, N.A., as syndication agent, and certain other agents and lenders. The credit facility provides for \$2.0 billion of revolving credit capacity that is expandable to \$3.0 billion at our option (subject to obtaining the approval of the administrative agent and securing lender commitments for the increased borrowing capacity). The credit facility matures on July 20, 2012, unless we elect the option of one-year extensions (subject to the approval of each such extension by the lenders holding a majority of the aggregate lending commitments under the credit facility). Amounts borrowed under the credit facility bear interest at a rate based on either a Eurodollar rate or a prime rate. The credit facility has a swingline loan option of which borrowings and aggregate principal amounts shall not exceed the lesser of (i) the aggregate commitments (\$2.0 billion unless expanded to \$3.0 billion) less the sum of all outstanding revolving credit loans and the letter of credit obligation and (ii) the swingline commitment. The aggregate amount of swingline loans in any borrowing shall not be subject to a minimum amount or increment. The indebtedness under the credit facility is prepayable at any time at our option without penalty (other than Eurodollar Loan breakage costs, if any). The commitment fee payable on the unused portion of the credit facility varies based on our credit rating, and the fee is 0.11% based on our current rating, with a maximum fee of 0.125%.

The credit agreement relating to the credit facility contains covenants that limit (subject to certain exceptions) our and certain of our subsidiaries ability to, among other things:

incur indebtedness;

grant liens;

enter into mergers;

dispose of assets;

make certain investments;

make distributions during certain defaults and during any event of default;

engage in business substantially different in nature than the business currently conducted by us and our subsidiaries;

engage in transactions with affiliates;

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enter into restrictive agreements; and

enter into speculative hedging contracts.

This credit agreement also contains a financial covenant that provides that on each date we make a distribution, the leverage ratio, as defined in the credit facility, shall not exceed 5.0 to 1, with a permitted increase to 5.5 to 1 during a specified acquisition period, as defined in the credit facility.

As of March 31, 2011, there was a balance of \$553.5 million in revolving credit loans outstanding and \$24.9 million in letters of credit issued. The weighted average interest rate on the total amount outstanding at March 31, 2011 was 0.81%. The total amount available for additional borrowing under the credit facility, as of March 31, 2011, was \$1.42 billion. The indebtedness under the credit facility is unsecured and not guaranteed by any of our subsidiaries. In connection with entering into the credit facility, all guarantees by our subsidiaries, Energy Transfer Company and Titan Energy Partners L.P., and their direct and indirect wholly-owned subsidiaries of the outstanding senior notes were released and discharged. The indebtedness under the credit facility has equal rights to holders of our other current and future unsecured debt. We anticipate using the net proceeds of this offering to repay a portion of amounts outstanding under the credit facility.

ETP Senior Notes

Our senior notes represent our senior unsecured obligations and rank equally with all of our other existing and future unsecured and unsubordinated indebtedness, including the notes offered hereby. The senior notes are not guaranteed by any of our subsidiaries, and therefore, effectively rank junior to all indebtedness and other liabilities of our existing and future subsidiaries. The holders of our 9.70% Senior Notes due 2019 have the right to require us to repurchase all or a portion of the notes on March 15, 2012 at 100% of the principal amount plus any accrued interest as of that date. The senior notes were issued under an indenture containing covenants that restrict our ability to, subject to certain exceptions, incur debt secured by liens, engage in sale and leaseback transactions, merge or consolidate with another entity or sell substantially all of our assets.

HOLP Debt

Our subsidiary HOLP has outstanding several series of notes, which we refer to collectively as the HOLP notes, that are secured by all receivables, contracts, equipment, inventory, general intangibles and cash concentration accounts of HOLP and the equity interests of HOLP in its subsidiaries. As of March 31, 2011, the outstanding principal balance of the HOLP notes was \$103.1 million. The HOLP notes mature at various times through 2016 and bear interest at fixed rates that range from 7.26% to 8.87%. The HOLP notes are subject to make-whole premiums if repaid prior to their stated maturities. The agreements related to the HOLP notes contain customary restrictive covenants applicable to HOLP, including the maintenance of various financial and leverage covenants and limitations on substantial disposition of assets, changes in ownership, the level of additional indebtedness and creation of liens.

Transwestern Debt

As of March 31, 2011, Transwestern had outstanding seven series of unsecured notes, which we refer to collectively as the Transwestern notes, with the following terms:

Principal Amount	Fixed Interest Rate per Annum	Maturity Date
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(in millions)

\$ 88.0	5.39%	November 17, 2014
\$ 125.0	5.54%	November 17, 2016
\$ 82.0	5.64%	May 24, 2017
\$ 175.0	5.36%	December 9, 2020
\$ 150.0	5.89%	May 24, 2022
\$ 175.0	5.66%	December 9, 2024
\$ 75.0	6.16%	May 24, 2037

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No principal payments are required with respect to the Transwestern notes (except at maturity); however, Transwestern is required to make an offer to purchase all of the Transwestern notes upon a change of control of Transwestern, as defined in the indentures governing the Transwestern notes. The Transwestern notes are prepayable by Transwestern at any time subject to the payment of specified make-whole premiums. Interest is payable semi-annually on the Transwestern notes. The Transwestern notes rank pari passu with Transwestern's other unsecured debt. The indentures governing the Transwestern notes contain provisions that limit the amount of Transwestern's debt, restrict its sale of assets, restrict its payment of dividends and require it to maintain certain debt to capitalization ratios.

Guarantee of Fayetteville Express Pipeline LLC Credit Facility

On November 13, 2009, FEP, our joint venture with KMP, entered into a credit agreement that initially provided for a \$1.1 billion senior revolving credit facility, which we refer to as the FEP Facility. We have guaranteed 50% of the obligations of FEP under the FEP Facility, with the remaining 50% of FEP Facility obligations guaranteed by KMP. Subject to certain exceptions, our guarantee may be proportionately increased or decreased if our ownership percentage increases or decreases. The FEP Facility is available through May 11, 2012. Amounts borrowed under the FEP Facility bear interest at a rate based on either a Eurodollar rate or a prime rate. The commitment fee payable on the unused portion of the FEP Facility varies based on both our debt rating and that of KMP, with a maximum fee of 1.00%. The FEP Facility also has a swingline loan option with a maximum borrowing of \$50.0 million at a prime rate. The sum of the loans, swingline loans and letters of credit may not exceed the maximum amount of revolving credit available under the FEP Facility. The indebtedness under the FEP Facility is prepayable at any time at the option of FEP without penalty. The FEP Facility contains covenants that limit (subject to certain exceptions) FEP's ability to grant liens, incur indebtedness, engage in transactions with affiliates, enter into restrictive agreements, enter into mergers or dispose of substantially all of its assets. As of March 31, 2011, FEP had \$962.5 million of outstanding borrowings under the FEP Facility. The weighted average interest rate on the total amount outstanding at March 31, 2011 was 3.2%. The total amount available under the FEP Facility was \$137.5 million as of March 31, 2011.

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DESCRIPTION OF NOTES

Energy Transfer will issue the notes under an indenture dated as of January 18, 2005 among itself, the subsidiaries of Energy Transfer named therein and U.S. Bank National Association (as successor-by-merger to Wachovia Bank, National Association), as trustee, as supplemented by a supplemental indenture creating the notes (as so supplemented, the indenture). This description is a summary of the material provisions of the notes and the indenture. This description does not restate those agreements and instruments in their entirety. You should refer to the notes and the indenture, forms of which are available as set forth below under **Where You Can Find More Information**, for a complete description of our obligations and your rights.

You can find the definitions of various terms used in this description under **Certain Definitions** below. In this description, the terms **Energy Transfer**, **we**, **us** and **our** refer only to Energy Transfer Partners, L.P. and not to any of its Subsidiaries.

General

The notes:

will be general unsecured, senior obligations of Energy Transfer, ranking equally with all other existing and future unsecured and unsubordinated indebtedness of Energy Transfer;

will initially be issued in an aggregate principal amount of \$800,000,000 with respect to the 2021 notes and an aggregate principal amount of \$700,000,000 with respect to the 2041 notes;

will mature on June 1, 2021, with respect to the 2021 notes and June 1, 2041, with respect to the 2041 notes;

will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;

will bear interest at an annual rate of 4.65% with respect to the 2021 notes and an annual rate of 6.05% with respect to the 2041 notes; and

will be redeemable at any time at our option at the redemption price described below under **Optional Redemption**.

The 2021 notes and the 2041 notes each constitute a separate series of debt securities under the indenture. The indenture does not limit the amount of debt securities we may issue under the indenture from time to time in one or more series. Currently, we have outstanding under the indenture \$400 million aggregate principal amount of our 5.65% Senior Notes due 2012, \$350 million aggregate principal amount of our 6.00% Senior Notes due 2013, \$350 million aggregate principal amount of our 8.50% Senior Notes due 2014, \$750 million aggregate principal amount of our 5.95% Senior Notes due 2015, \$400 million aggregate principal amount of our 6.125% Senior Notes due 2017, \$600 million aggregate principal amount of our 6.70% Senior Notes due 2018, \$600 million aggregate principal amount of our 9.70% Senior Notes due 2019, \$650 million aggregate principal amount of our 9.00% Senior Notes due 2019, \$400 million aggregate principal amount of our 6.625% Senior Notes due 2036 and \$550 million aggregate principal amount of our 7.50% Senior Notes due 2038 (collectively, the existing senior notes). We may in the future issue additional debt securities under the indenture in addition to the notes.

Interest

Interest on the notes will accrue from and including May 12, 2011 or from and including the most recent interest payment date to which interest has been paid or provided for. We will pay interest in cash semiannually in arrears on June 1 and December 1 of each year, beginning December 1, 2011. We will make interest payments to the persons in whose names the notes are registered at the close of business on May 15 or November 15, as applicable, before the next interest payment date. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. If any interest payment date falls on a day that is not a business day, the payment will be made on the next business day, and no interest will accrue on the amount of interest due on that interest payment date for the period from and after the interest payment date to the date of payment.

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Further Issuances

We may from time to time, without notice to or the consent of the holders of the notes, create and issue additional notes having the same terms as either of the series of notes offered by this prospectus supplement and accompanying prospectus, except for the issue price and in some cases, the first interest payment date. Additional notes issued in this manner will form a single series with the previously issued and outstanding notes of such series.

Optional Redemption

Prior to the date that is three months prior to the maturity of the 2021 notes, and six months prior to the maturity of the 2041 notes, the respective notes will be redeemable, at our option, at any time in whole, or from time to time in part, at a price equal to the greater of:

100% of the principal amount of the notes to be redeemed; or

the sum of the present values of the remaining scheduled payments of principal and interest (at the interest rate in effect on the date of calculation of the redemption price) on the notes to be redeemed that would be due after the related redemption date but for such redemption (exclusive of interest accrued to the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Yield plus 25 basis points, with respect to the 2021 notes, and 25 basis points, with respect to the 2041 notes;

plus, in either case, accrued interest to the redemption date.

At any time on or after the date that is three months prior to the maturity of the 2021 notes, and six months prior to the maturity of the 2041 notes, the respective notes will be redeemable in whole or in part, at our option, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest thereon to the redemption date.

The actual redemption price, calculated as provided below, will be calculated and certified to the trustee and us by the Independent Investment Banker.

Notes called for redemption become due on the redemption date. Notices of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the method of calculating the redemption price and each place that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption on the redemption date. If less than all of the notes of a series are redeemed at any time, the trustee will select the notes to be redeemed on a pro rata basis, by lot or by any other method the trustee deems fair and appropriate.

For purposes of determining the redemption price, the following definitions are applicable:

Treasury Yield means, with respect to any redemption date applicable to the notes, (a) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue; or (b) if the release (or any successor release) is not published during the week preceding

the calculation date or does not contain these yields, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third business day immediately preceding such redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed

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that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes to be redeemed; *provided, however*, that if no maturity is within three months before or after the maturity date for such notes, yields for the two published maturities most closely corresponding to such United States Treasury security will be determined and the treasury rate will be interpolated or extrapolated from those yields on a straight line basis rounding to the nearest month.

Comparable Treasury Price means, with respect to any redemption date, (a) the average of the Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (b) if the Independent Investment Banker obtains fewer than four Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means RBS Securities Inc., Credit Suisse Securities (USA) LLC, SunTrust Robinson Humphrey, Inc., BNP Paribas Securities Corp., and Deutsche Bank Securities, Inc. (and their respective successors) or, if any such firm is not willing and able to select the applicable Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the trustee and reasonably acceptable to Energy Transfer.

Reference Treasury Dealer means (a) each of RBS Securities Inc., Credit Suisse Securities (USA) LLC, BNP Paribas Securities Corp., and Deutsche Bank Securities, Inc. and their respective successors, (b) one primary U.S. government securities dealer in the United States selected by SunTrust Robinson Humphrey, Inc., and its successor, and (c) one other primary U.S. government securities dealer in the United States selected by Energy Transfer (each, a *Primary Treasury Dealer*); *provided, however*, that if any of the foregoing shall resign as a Reference Treasury Dealer or cease to be a U.S. government securities dealer, Energy Transfer will substitute therefor another Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date for the notes, an average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue for the notes to be redeemed (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Subsidiary Guarantees

The notes initially will not be guaranteed by any of our Subsidiaries. However, if at any time following the issuance of the notes, any Subsidiary of Energy Transfer guarantees, becomes a co-obligor with respect to or otherwise provides direct credit support for any obligations of Energy Transfer or any of its other Subsidiaries under the Credit Agreement, then Energy Transfer will cause such Subsidiary to promptly execute and deliver to the trustee a supplemental indenture in a form satisfactory to the trustee pursuant to which such Subsidiary guarantees Energy Transfer's obligations with respect to the notes on the terms provided for in the indenture.

The guarantee of any Subsidiary Guarantor may be released under certain circumstances. If we exercise our legal or covenant defeasance option with respect to the notes as described below under *Defeasance and Discharge*, then any Subsidiary Guarantor will be released. Further, if no default has occurred and is continuing under the indenture, and to the extent not otherwise prohibited by the indenture, a Subsidiary Guarantor will be unconditionally released and discharged from its guarantee:

automatically upon any sale, exchange or transfer, whether by way of merger or otherwise, to any Person that is not our affiliate, of all of our direct or indirect limited partnership or other equity interests in the Subsidiary Guarantor;

automatically upon the merger of the Subsidiary Guarantor into us or any other Subsidiary Guarantor or the liquidation and dissolution of the Subsidiary Guarantor; or

following delivery of a written notice by us to the trustee, upon the release of all guarantees or other obligations of the Subsidiary Guarantor with respect to the obligations of Energy Transfer or any of its Subsidiaries under the Credit Agreement.

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If at any time following any release of a Subsidiary Guarantor from its guarantee of the notes pursuant to the third bullet point in the preceding paragraph, the Subsidiary Guarantor again guarantees, becomes a co-obligor with respect to or otherwise provides direct credit support for any obligations of Energy Transfer or any of its Subsidiaries under the Credit Agreement, then Energy Transfer will cause the Subsidiary Guarantor to again guarantee the notes in accordance with the indenture.

Ranking

The notes will be unsecured, unless we are required to secure them pursuant to the limitations on liens covenant described below under **Certain Covenants** **Limitations on Liens**. The notes will also be the unsubordinated obligations of Energy Transfer and will rank equally with all other existing and future unsubordinated indebtedness of Energy Transfer. Each guarantee, if any, of the notes will be an unsecured and unsubordinated obligation of the Subsidiary Guarantor and will rank equally with all other existing and future unsubordinated indebtedness of the Subsidiary Guarantor. The notes and each guarantee, if any, will effectively rank junior to any future indebtedness of Energy Transfer and any Subsidiary Guarantor that is both secured and unsubordinated to the extent of the value of the assets securing such indebtedness, and the notes will effectively rank junior to all indebtedness and other liabilities of Energy Transfer's existing and future Subsidiaries that are not Subsidiary Guarantors.

As of March 31, 2011, after giving effect to (i) this offering and the use of net proceeds therefrom, (ii) our public offering of 14,202,500 common units in March 2011 and the use of net proceeds therefrom, and (iii) the funding with borrowings under our Credit Agreement of our pro rata share of the purchase price paid by Lone Star NGL LLC in connection with its acquisition of the membership interests in LDH Energy Asset Holdings LLC, Energy Transfer, excluding its Subsidiaries, would have had approximately \$6.5 billion of indebtedness, all of which would have been unsecured, unsubordinated indebtedness consisting entirely of the notes, the existing senior notes and the obligations under the Credit Agreement. Initially, none of Energy Transfer's Subsidiaries will guarantee the notes. Substantially all the assets of HOLP and its Subsidiaries are pledged to secure Indebtedness of HOLP and its Subsidiaries. Additionally, our subsidiary Transwestern has outstanding debt securities. As of March 31, 2011, the notes would have been effectively subordinated to approximately \$981.8 million of indebtedness of our Subsidiaries. In addition, FEP, our unconsolidated joint venture with KMP, is a party to a \$1.1 billion senior revolving credit facility. As of March 31, 2011, there were \$962.5 million of outstanding borrowings. We have guaranteed 50% of the obligations of FEP under this facility.

No Sinking Fund

We are not required to make any mandatory redemption or sinking fund payments with respect to the notes.

Certain Covenants

Except as set forth below, neither Energy Transfer nor any of its Subsidiaries is restricted by the indenture from incurring any type of indebtedness or other obligation, from paying dividends or making distributions on its partnership or other equity interests or from purchasing or redeeming its partnership or other equity interests. The indenture does not require the maintenance of any financial ratios or specified levels of net worth or liquidity. In addition, the indenture does not contain any provisions that would require Energy Transfer to repurchase or redeem or otherwise modify the terms of the notes upon a change in control or other events involving Energy Transfer that could adversely affect the creditworthiness of Energy Transfer.

Limitations on Liens. Energy Transfer will not, nor will it permit any of its Subsidiaries to, create, assume, incur or suffer to exist any mortgage, lien, security interest, pledge, charge or other encumbrance (**liens**) upon any Principal

Property or upon any capital stock of any Restricted Subsidiary, whether owned on the date of the supplemental indenture creating the notes or thereafter acquired, to secure any Indebtedness of Energy Transfer or any other Person (other than the notes), without in any such case making effective provisions whereby all of the outstanding notes are secured equally and ratably with, or prior to, such Indebtedness so long as such Indebtedness is so secured.

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Notwithstanding the foregoing, under the indenture, Energy Transfer may, and may permit any of its Subsidiaries to, create, assume, incur, or suffer to exist without securing the notes (a) any Permitted Lien, (b) any lien upon any Principal Property or capital stock of a Restricted Subsidiary to secure Indebtedness of Energy Transfer or any other Person, *provided* that the aggregate principal amount of all Indebtedness then outstanding secured by such lien and all similar liens under this clause (b), together with all Attributable Indebtedness from Sale-Leaseback Transactions (excluding Sale-Leaseback Transactions permitted by clauses (1) through (4), inclusive, of the first paragraph of the restriction on sale-leasebacks covenant described below), does not exceed 10% of Consolidated Net Tangible Assets or (c) any lien upon (i) any Principal Property that was not owned by Energy Transfer or any of its Subsidiaries on the date of the supplemental indenture creating the notes or (ii) the capital stock of any Restricted Subsidiary that owns no Principal Property that was owned by Energy Transfer or any of its Subsidiaries on the date of the supplemental indenture creating the notes, in each case owned by a Subsidiary of Energy Transfer (an Excluded Subsidiary) that (A) is not, and is not required to be, a Subsidiary Guarantor and (B) has not granted any liens on any of its property securing Indebtedness with recourse to Energy Transfer or any Subsidiary of Energy Transfer other than such Excluded Subsidiary or any other Excluded Subsidiary.

Restriction on Sale-Leasebacks. Energy Transfer will not, and will not permit any Subsidiary to, engage in the sale or transfer by Energy Transfer or any of its Subsidiaries of any Principal Property to a Person (other than Energy Transfer or a Subsidiary) and the taking back by Energy Transfer or its Subsidiary, as the case may be, of a lease of such Principal Property (a Sale-Leaseback Transaction), unless:

- (1) such Sale-Leaseback Transaction occurs within one year from the date of completion of the acquisition of the Principal Property subject thereto or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on such Principal Property, whichever is later;
- (2) the Sale-Leaseback Transaction involves a lease for a period, including renewals, of not more than three years;
- (3) Energy Transfer or such Subsidiary would be entitled to incur Indebtedness secured by a lien on the Principal Property subject thereto in a principal amount equal to or exceeding the Attributable Indebtedness from such Sale-Leaseback Transaction without equally and ratably securing the notes; or
- (4) Energy Transfer or such Subsidiary, within a one-year period after such Sale-Leaseback Transaction, applies or causes to be applied an amount not less than the Attributable Indebtedness from such Sale-Leaseback Transaction to (a) the prepayment, repayment, redemption, reduction or retirement of any Indebtedness of Energy Transfer or any of its Subsidiaries that is not subordinated to the notes or any guarantee, or (b) the expenditure or expenditures for Principal Property used or to be used in the ordinary course of business of Energy Transfer or its Subsidiaries.

Notwithstanding the foregoing, Energy Transfer may, and may permit any Subsidiary to, effect any Sale-Leaseback Transaction that is not excepted by clauses (1) through (4), inclusive, of the preceding paragraph *provided* that the Attributable Indebtedness from such Sale-Leaseback Transaction, together with the aggregate principal amount of outstanding Indebtedness (other than the notes) secured by liens other than Permitted Liens upon Principal Properties, does not exceed 10% of Consolidated Net Tangible Assets.

Reports. So long as any notes are outstanding, Energy Transfer will:

for as long as it is required to file information with the SEC pursuant to the Exchange Act, file with the trustee, within 15 days after it is required to file the same with the SEC, copies of the annual reports and of the information, documents and other reports which it is required to file with the SEC pursuant to the Exchange Act;

if it is not required to file reports with the SEC pursuant to the Exchange Act, file with the trustee, within 15 days after it would have been required to file with the SEC, financial statements (and with respect to annual reports, an auditors report by a firm of established national reputation) and a Management s Discussion and Analysis of Financial Condition and Results of Operations, both

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comparable to what it would have been required to file with the SEC had it been subject to the reporting requirements of the Exchange Act; and

if it is required to furnish annual or quarterly reports to its equity holders pursuant to the Exchange Act, file these reports with the trustee.

Merger, Consolidation or Sale of Assets. Energy Transfer shall not consolidate with or merge into any Person or sell, lease, convey, transfer or otherwise dispose of all or substantially all of its assets to any Person unless:

- (1) the Person formed by or resulting from any such consolidation or merger or to which such assets have been transferred (the successor) is Energy Transfer or expressly assumes by supplemental indenture all of Energy Transfer's obligations and liabilities under the indenture and the notes;
- (2) the successor is organized under the laws of the United States, any state or the District of Columbia;
- (3) immediately after giving effect to the transaction no Default or Event of Default has occurred and is continuing; and
- (4) Energy Transfer has delivered to the trustee an officers' certificate and an opinion of counsel, each stating that such consolidation, merger or transfer complies with the indenture.

The successor will be substituted for Energy Transfer in the indenture with the same effect as if it had been an original party to the indenture. Thereafter, the successor may exercise the rights and powers of Energy Transfer under the indenture. If Energy Transfer conveys or transfers all or substantially all of its assets, it will be released from all liabilities and obligations under the indenture and under the notes except that no such release will occur in the case of a lease of all or substantially all of its assets.

Events of Default

Each of the following is an Event of Default under the indenture with respect to the notes of each series:

- (1) a default in any payment of interest on such notes when due that continues for 30 days;
- (2) a default in the payment of principal of or premium, if any, on such notes when due at their stated maturity, upon redemption, upon declaration or otherwise;
- (3) a failure by Energy Transfer or any Subsidiary Guarantor to comply with its other covenants or agreements in the indenture for 60 days after written notice of default given by the trustee or the holders of at least 25% in aggregate principal amount of the outstanding notes;
- (4) certain events of bankruptcy, insolvency or reorganization of Energy Transfer or any Subsidiary Guarantor as more fully described in the indenture (the bankruptcy provisions);
- (5) any guarantee of a Subsidiary Guarantor ceases to be in full force and effect, is declared null and void or is found to be invalid in a judicial proceeding or any Subsidiary Guarantor denies or disaffirms its obligations under the indenture or its guarantee; or
- (6) any Indebtedness of Energy Transfer or any Subsidiary Guarantor is not paid within any applicable grace period after final maturity or is accelerated by the holders thereof because of a default and the total amount of such

Indebtedness unpaid or accelerated exceeds \$25,000,000.

An Event of Default for the notes will not necessarily constitute an Event of Default for any other series of debt securities issued under the indenture, and an Event of Default for any such other series of debt securities will not necessarily constitute an Event of Default for any series of the notes. Further, an event of default under other indebtedness of Energy Transfer or its Subsidiaries will not necessarily constitute a Default or an Event of Default for the notes. If an Event of Default (other than an Event of Default described in clause (4) above) with respect to the notes of any series occurs and is continuing, the trustee by notice to

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Energy Transfer, or the holders of at least 25% in principal amount of the outstanding notes of such series by notice to Energy Transfer and the trustee, may, and the trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all the notes of such series to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. The indenture provides that if an Event of Default described in clause (4) above occurs, the principal of, premium, if any, and accrued and unpaid interest on the notes will become and be immediately due and payable without any declaration of acceleration, notice or other act on the part of the trustee or any holders. However, the effect of such provision may be limited by applicable law.

The holders of a majority in principal amount of the outstanding notes of the applicable series may, by written notice to the trustee, rescind any acceleration with respect to the notes of such series and annul its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction and all existing Events of Default with respect to the notes of such series, other than the nonpayment of the principal of, premium, if any, and interest on the notes that have become due solely by such acceleration, have been cured or waived.

Subject to the provisions of the indenture relating to the duties of the trustee if an Event of Default occurs and is continuing, the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders of notes, unless such holders have offered to the trustee reasonable indemnity or security against any cost, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest when due, no holder of notes may pursue any remedy with respect to the indenture or the notes, unless:

- (1) such holder has previously given the trustee notice that an Event of Default with respect to the notes is continuing;
- (2) holders of at least 25% in principal amount of the outstanding notes of the applicable series have requested in writing that the trustee pursue the remedy;
- (3) such holders have offered the trustee reasonable security or indemnity against any cost, liability or expense;
- (4) the trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity; and
- (5) the holders of a majority in principal amount of the outstanding notes of the applicable series have not given the trustee a direction that, in the opinion of the trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the holders of a majority in principal amount of the outstanding notes of the applicable series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or of exercising any trust or power conferred on the trustee with respect to the notes of such series. The trustee, however, may refuse to follow any direction that conflicts with law or the indenture or that the trustee determines is unduly prejudicial to the rights of any other holder of notes or that would involve the trustee in personal liability.

The indenture provides that if a Default (that is, an event that is, or after notice or the passage of time would be, an Event of Default) with respect to the notes occurs and is continuing and is known to the trustee, the trustee must mail to each holder of notes notice of the Default within 90 days after it occurs. Except in the case of a Default in the payment of principal of, and premium, if any, or interest on the notes, the trustee may withhold such notice, but only if and so long as the trustee in good faith determines that withholding notice is in the interests of the holders of notes. In addition, Energy Transfer is required to deliver to the trustee, within 120 days after the end of each fiscal year, an officers' certificate as to compliance with all covenants under the indenture and indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. Energy Transfer also is required to

deliver to the trustee, within 30 days after the occurrence thereof, an officers certificate specifying any Default or Event of Default, its status and what action Energy Transfer is taking or proposes to take in respect thereof.

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Amendments and Waivers

Amendments of the indenture may be made by Energy Transfer, the Subsidiary Guarantors, if any, and the trustee with the written consent of the holders of a majority in principal amount of the debt securities of each affected series then outstanding under the indenture (including consents obtained in connection with a tender offer or exchange offer for debt securities). However, without the consent of each holder of an affected note, no amendment may, among other things:

- (1) reduce the percentage in principal amount of notes whose holders must consent to an amendment;
- (2) reduce the rate of or extend the time for payment of interest on any note;
- (3) reduce the principal of or extend the stated maturity of any note;
- (4) reduce the premium payable upon the redemption of any note as described above under Optional Redemption;
- (5) make any notes payable in money other than U.S. dollars;
- (6) impair the right of any holder to receive payment of the principal of and premium, if any, and interest on such holder's note or to institute suit for the enforcement of any payment on or with respect to such holder's note;
- (7) waive a Continuing Default or Event of Default in the payment of principal and premium, if any, and interest with respect to such holder's note;
- (8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions;
- (9) release any security that may have been granted in respect of the notes other than in accordance with the indenture; or
- (10) release the guarantee of any Subsidiary Guarantor other than in accordance with the indenture or modify its guarantee in any manner adverse to the holders.

The holders of a majority in principal amount of the outstanding notes of any series may waive compliance by Energy Transfer with certain restrictive covenants on behalf of all holders of notes of such series, including those described under Certain Covenants Limitations on Liens and Certain Covenants Restriction on Sale-Leasebacks. The holders of a majority in principal amount of the outstanding notes of any series, on behalf of all such holders, may waive any past or existing Default or Event of Default with respect to the notes of such series (including any such waiver obtained in connection with a tender offer or exchange offer for the notes), except a Default or Event of Default in the payment of principal, premium or interest or in respect of a provision that under the indenture cannot be modified or amended without the consent of the holder of each outstanding note affected. A waiver by the holders of notes of any series of compliance with a covenant, a Default or an Event of Default will not constitute a waiver of compliance with such covenant or such Default or Event of Default with respect to any other series of debt securities issued under the indenture to which such covenant, Default or Event of Default applies.

Without the consent of any holder, Energy Transfer, the Subsidiary Guarantors, if any, and the trustee may amend the indenture to:

- (1) cure any ambiguity, omission, defect or inconsistency;

- (2) provide for the assumption by a successor of the obligations of Energy Transfer under the indenture;
- (3) provide for uncertificated notes in addition to or in place of certificated notes;
- (4) provide for the addition of any Subsidiary as a Subsidiary Guarantor, or to reflect the release of any Subsidiary Guarantor, in either case as provided in the indenture;

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- (5) secure the notes or a guarantee;
- (6) add to the covenants of Energy Transfer or any Subsidiary Guarantor for the benefit of the holders or surrender any right or power conferred upon Energy Transfer or any Subsidiary Guarantor;
- (7) add any additional Events of Default;
- (8) make any change that does not adversely affect the rights under the indenture of any holder;
- (9) supplement any of the provisions of the indenture to facilitate the defeasance and discharge of notes pursuant to the terms of the indentures;
- (10) comply with any requirement of the SEC in connection with the qualification of the indenture under the Trust Indenture Act; and
- (11) provide for a successor trustee.

The consent of the holders is not necessary under the indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. After an amendment with the consent of the holders under the indenture becomes effective, Energy Transfer is required to mail to all holders of notes a notice briefly describing such amendment. However, the failure to give such notice to all such holders, or any defect therein, will not impair or affect the validity of the amendment.

Defeasance and Discharge

Energy Transfer at any time may terminate all its obligations under the indenture as they relate to the notes of any series (legal defeasance), except for certain obligations, including those respecting the defeasance trust and obligations to register the transfer of or exchange the notes, to replace mutilated, destroyed, lost or stolen notes and to maintain a registrar and paying agent in respect of the notes.

Energy Transfer at any time may terminate its obligations under the covenants described under Certain Covenants (other than Merger, Consolidation or Sale of Assets) and the bankruptcy provisions with respect to each Subsidiary Guarantor, the guarantee provision and the cross-acceleration provision described under Events of Default above with respect to the notes of any series (covenant defeasance).

Energy Transfer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If Energy Transfer exercises its legal defeasance option, payment of the notes of the applicable series may not be accelerated because of an Event of Default. If Energy Transfer exercises its covenant defeasance option for the notes, payment of the notes of the applicable series may not be accelerated because of an Event of Default specified in clause (3), (4) (with respect only to a Subsidiary Guarantor), (5) or (6) under Events of Default above. If Energy Transfer exercises either its legal defeasance option or its covenant defeasance option, each guarantee will terminate with respect to the notes of the applicable series and any security that may have been granted with respect to the notes of the applicable series will be released.

In order to exercise either defeasance option, Energy Transfer must irrevocably deposit in trust (the defeasance trust) with the trustee money, U.S. Government Obligations (as defined in the indenture) or a combination thereof for the payment of principal, premium, if any, and interest on the notes of the applicable series to redemption or stated maturity, as the case may be, and must comply with certain other conditions, including delivery to the trustee of an opinion of counsel (subject to customary exceptions and exclusions) to the effect that holders of the notes will not

recognize income, gain or loss for federal income tax purposes as a result of such defeasance and will be subject to federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such defeasance had not occurred. In the case of legal defeasance only, such opinion of counsel must be based on a ruling of the Internal Revenue Service or other change in applicable federal income tax law.

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In the event of any legal defeasance, holders of the notes of the applicable series would be entitled to look only to the trust fund for payment of principal of and any premium and interest on their notes until maturity.

Although the amount of money and U.S. Government Obligations on deposit with the trustee would be intended to be sufficient to pay amounts due on the notes at the time of their stated maturity, if Energy Transfer exercises its covenant defeasance option for the notes and the notes are declared due and payable because of the occurrence of an Event of Default, such amount may not be sufficient to pay amounts due on the notes at the time of the acceleration resulting from such Event of Default. Energy Transfer would remain liable for such payments, however.

In addition, Energy Transfer may discharge all its obligations under the indenture with respect to the notes of any series, other than its obligation to register the transfer of and exchange notes, *provided* that either:

it delivers all outstanding notes of such series to the trustee for cancellation; or

all such notes not so delivered for cancellation have either become due and payable or will become due and payable at their stated maturity within one year or are called for redemption within one year, and in the case of this bullet point, it has deposited with the trustee in trust an amount of cash sufficient to pay the entire indebtedness of such notes, including interest to the stated maturity or applicable redemption date.

Book-Entry System

We have obtained the information in this section concerning The Depository Trust Company (DTC) and its book-entry systems and procedures from DTC, but we take no responsibility for the accuracy of this information. In addition, the description in this section reflects our understanding of the rules and procedures of DTC as they are currently in effect. DTC could change its rules and procedures at any time.

The notes will initially be represented by one or more fully registered global notes. Each such global note will be deposited with, or on behalf of, DTC or any successor thereto and registered in the name of Cede & Co. (DTC's nominee). You may hold your interests in the global notes through DTC either as a participant in DTC or indirectly through organizations that are participants in DTC.

So long as DTC or its nominee is the registered owner of the global securities representing the notes, DTC or such nominee will be considered the sole owner and holder of the notes for all purposes of the notes and the indenture. Except as provided below, owners of beneficial interests in the notes will not be entitled to have the notes registered in their names, will not receive or be entitled to receive physical delivery of the notes in definitive form and will not be considered the owners or holders of the notes under the indenture, including for purposes of receiving any reports delivered by us or the trustee pursuant to the indenture. Accordingly, each person owning a beneficial interest in a note must rely on the procedures of DTC or its nominee and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, in order to exercise any rights of a holder of notes.

The Depository Trust Company. DTC will act as securities depository for the notes. The notes will be issued as fully registered notes registered in the name of Cede & Co. DTC has advised us as follows: DTC is

a limited-purpose trust company organized under the New York Banking Law;

a banking organization within the meaning of the New York Banking Law;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the New York Uniform Commercial Code; and

a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds securities that its direct participants deposit with DTC. DTC facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through

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electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.

Direct participants of DTC include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its direct participants. Access to the DTC system is also available to securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.

If you are not a direct participant or an indirect participant and you wish to purchase, sell or otherwise transfer ownership of, or other interests in, notes, you must do so through a direct participant or an indirect participant. DTC agrees with and represents to DTC participants that it will administer its book-entry system in accordance with its rules and by-laws and requirements of law. The SEC has on file a set of the rules applicable to DTC and its direct participants.

Purchases of notes under DTC's system must be made by or through direct participants, who will receive a credit for the notes on DTC's records. The ownership interest of each beneficial owner is in turn to be recorded on the records of direct participants and indirect participants. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct participants or indirect participants through which such beneficial owners entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes. DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Book-Entry Format. Under the book-entry format, the trustee will pay interest or principal payments to Cede & Co., as nominee of DTC. DTC will forward the payment to the direct participants, who will then forward the payment to the indirect participants or to you as the beneficial owner. You may experience some delay in receiving your payments under this system. Neither we, the trustee under the indenture nor any paying agent has any direct responsibility or liability for the payment of principal or interest on the notes to owners of beneficial interests in the notes.

DTC is required to make book-entry transfers on behalf of its direct participants and is required to receive and transmit payments of principal, premium, if any, and interest on the notes. Any direct participant or indirect participant with which you have an account is similarly required to make book-entry transfers and to receive and transmit payments with respect to the notes on your behalf. We, the underwriters and the trustee under the indenture have no responsibility for any aspect of the actions of DTC or any of its direct or indirect participants. We, the underwriters and the trustee under the indenture have no responsibility or liability for any aspect of the records kept by DTC or any of its direct or indirect participants relating to, or payments made on account of, beneficial ownership interests in the notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership

interests. We also do not supervise these systems in any way.

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The trustee will not recognize you as a holder under the indenture, and you can only exercise the rights of a holder indirectly through DTC and its direct participants. DTC has advised us that it will only take action regarding a note if one or more of the direct participants to whom the note is credited directs DTC to take such action and only in respect of the portion of the aggregate principal amount of the notes as to which that participant or participants has or have given that direction. DTC can only act on behalf of its direct participants. Your ability to pledge notes to non-direct participants, and to take other actions, may be limited because you will not possess a physical certificate that represents your notes.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the notes unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC will mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

DTC has agreed to the foregoing procedures in order to facilitate transfers of the notes among its participants. However, DTC is under no obligation to perform or continue to perform those procedures, and may discontinue those procedures at any time.

Concerning the Trustee

The indenture contains certain limitations on the right of the trustee, should it become our creditor, to obtain payment of claims in certain cases, or to realize for its own account on certain property received in respect of any such claim as security or otherwise. The trustee is permitted to engage in certain other transactions. However, if it acquires any conflicting interest within the meaning of the Trust Indenture Act after a Default has occurred and is continuing, it must eliminate the conflict within 90 days, apply to the SEC for permission to continue as trustee or resign.

If an Event of Default occurs and is not cured or waived, the trustee is required to exercise such of the rights and powers vested in it by the indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs. Subject to such provisions, the trustee will not be under any obligation to exercise any of its rights or powers under the indenture at the request of any of the holders of notes unless they have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities it may incur.

U.S. Bank National Association is the trustee under the indenture and has been appointed by Energy Transfer as registrar and paying agent with regard to the notes. The trustee's address is 5555 San Felipe, Suite 1150, Houston, Texas 77056. The trustee and its affiliates maintain commercial banking and other relationships with Energy Transfer. See "Plan of Distribution" for more information regarding these relationships.

No Personal Liability of Directors, Officers, Employees, Limited Partners and Shareholders

The directors, officers, employees and limited partners of Energy Transfer and the General Partner will not have any personal liability for our obligations under the indenture or the notes. Each holder of notes, by accepting a note, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the notes.

Governing Law

The indenture and the notes are governed by, and will be construed in accordance with, the laws of the State of New York.

Certain Definitions

Attributable Indebtedness, when used with respect to any Sale-Leaseback Transaction, means, as at the time of determination, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such transaction) of the total obligations of the lessee for rental payments (other than amounts

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required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale-Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, such amount shall be the lesser of the amount determined assuming termination upon the first date such lease may be terminated (in which case the amount shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the amount determined assuming no such termination.

Consolidated Net Tangible Assets means, at any date of determination, the total amount of assets of Energy Transfer and its consolidated Subsidiaries after deducting therefrom:

(1) all current liabilities (excluding (A) any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than twelve months after the time as of which the amount thereof is being computed, and (B) current maturities of long-term debt); and

(2) the value (net of any applicable reserves) of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth, or on a pro forma basis would be set forth, on the consolidated balance sheet of Energy Transfer and its consolidated Subsidiaries for Energy Transfer's most recently completed fiscal quarter for which financial statements have been filed with the SEC, prepared in accordance with generally accepted accounting principles.

Credit Agreement means the Amended and Restated Credit Agreement, dated as of July 20, 2007, among Energy Transfer, Wachovia Bank, National Association, as Administrative Agent, and the other agents and lenders party thereto, and as further amended, restated, refinanced, replaced or refunded from time to time.

Exchange Act means the Securities Exchange Act of 1934, as amended, and any successor statute.

General Partner means Energy Transfer Partners GP, L.P., a Delaware limited partnership, and its successors as general partner of Energy Transfer.

Indebtedness of any Person at any date means any obligation created or assumed by such Person for the repayment of borrowed money or any guaranty thereof.

Permitted Liens means:

(1) liens upon rights-of-way for pipeline purposes;

(2) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning restrictions, easements, licenses, restrictions on the use of real property or minor imperfections in title thereto and which do not in the aggregate materially adversely affect the value of the properties encumbered thereby or materially impair their use in the operation of the business of Energy Transfer and its Subsidiaries;

(3) rights reserved to or vested by any provision of law in any municipality or public authority to control or regulate any of the properties of Energy Transfer or any Subsidiary or the use thereof or the rights and interests of Energy Transfer or any Subsidiary therein, in any manner under any and all laws;

(4) rights reserved to the grantors of any properties of Energy Transfer or any Subsidiary, and the restrictions, conditions, restrictive covenants and limitations, in respect thereto, pursuant to the terms, conditions and provisions of any rights-of-way agreements, contracts or other agreements therewith;

(5) any statutory or governmental lien or lien arising by operation of law, or any mechanics , repairmen s, materialmen s, suppliers , carriers , landlords , warehousemen s or similar lien incurred in the ordinary course of business which is not more than sixty (60) days past due or which is being contested in good faith by appropriate proceedings and any undetermined lien which is incidental to construction, development, improvement or repair;

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(6) any right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any property;

(7) liens for taxes and assessments which are (a) for the then current year, (b) not at the time delinquent, or (c) delinquent but the validity or amount of which is being contested at the time by Energy Transfer or any of its Subsidiaries in good faith by appropriate proceedings;

(8) liens of, or to secure performance of, leases, other than capital leases;

(9) any lien in favor of Energy Transfer or any Subsidiary;

(10) any lien upon any property or assets of Energy Transfer or any Subsidiary in existence on the date of the initial issuance of the notes;

(11) any lien incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance, temporary disability, social security, retiree health or similar laws or regulations or to secure obligations imposed by statute or governmental regulations;

(12) liens in favor of any person to secure obligations under provisions of any letters of credit, bank guarantees, bonds or surety obligations required or requested by any governmental authority in connection with any contract or statute, *provided* that such obligations do not constitute Indebtedness; or any lien upon or deposits of any assets to secure performance of bids, trade contracts, leases or statutory obligations, and other obligations of a like nature incurred in the ordinary course of business;

(13) any lien upon any property or assets created at the time of acquisition of such property or assets by Energy Transfer or any of its Subsidiaries or within one year after such time to secure all or a portion of the purchase price for such property or assets or debt incurred to finance such purchase price, whether such debt was incurred prior to, at the time of or within one year after the date of such acquisition;

(14) any lien upon any property or assets to secure all or part of the cost of construction, development, repair or improvements thereon or to secure Indebtedness incurred prior to, at the time of, or within one year after completion of such construction, development, repair or improvements or the commencement of full operations thereof (whichever is later), to provide funds for any such purpose;

(15) any lien upon any property or assets existing thereon at the time of the acquisition thereof by Energy Transfer or any of its Subsidiaries and any lien upon any property or assets of a Person existing thereon at the time such Person becomes a Subsidiary of Energy Transfer by acquisition, merger or otherwise; *provided* that, in each case, such lien only encumbers the property or assets so acquired or owned by such Person at the time such Person becomes a Subsidiary;

(16) liens imposed by law or order as a result of any proceeding before any court or regulatory body that is being contested in good faith, and liens which secure a judgment or other court-ordered award or settlement as to which Energy Transfer or the applicable Subsidiary has not exhausted its appellate rights;

(17) any extension, renewal, refinancing, refunding or replacement (or successive extensions, renewals, refinancing, refunding or replacements) of liens, in whole or in part, referred to in clauses (1) through (16) above; *provided, however*, that any such extension, renewal, refinancing, refunding or replacement lien shall be limited to the property or assets covered by the lien extended, renewed, refinanced, refunded or replaced and that the obligations secured by any such extension, renewal, refinancing, refunding or replacement lien shall be in an amount not greater than the

amount of the obligations secured by the lien extended, renewed, refinanced, refunded or replaced and any expenses of Energy Transfer or its Subsidiaries (including any premium) incurred in connection with such extension, renewal, refinancing, refunding or replacement; or

(18) any lien resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing Indebtedness of Energy Transfer or any of its Subsidiaries.

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Person means any individual, corporation, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

Principal Property means, whether owned or leased on the date of the initial issuance of the notes or thereafter acquired:

(1) any pipeline assets of Energy Transfer or any of its Subsidiaries, including any related facilities employed in the gathering, transportation, distribution, storage or marketing of natural gas, refined petroleum products, natural gas liquids and petrochemicals, that are located in the United States of America or any territory or political subdivision thereof; and

(2) any processing, compression, treating, blending or manufacturing plant or terminal owned or leased by Energy Transfer or any of its Subsidiaries that is located in the United States or any territory or political subdivision thereof, except in the case of either of the preceding clause (1) or this clause (2):

(a) any such assets consisting of inventories, furniture, office fixtures and equipment (including data processing equipment), vehicles and equipment used on, or useful with, vehicles;

(b) any such assets which, in the opinion of the board of directors of the General Partner are not material in relation to the activities of Energy Transfer and its Subsidiaries taken as a whole; and

(c) any assets used primarily in the conduct of the retail propane marketing business conducted by Heritage Operating, L.P. and its Subsidiaries.

Restricted Subsidiary means any Subsidiary owning or leasing, directly or indirectly through ownership in another Subsidiary, any Principal Property.

Subsidiary means, with respect to any Person, any corporation, association or business entity of which more than 50% of the total voting power of the equity interests entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof or any partnership of which more than 50% of the partners equity interests (considering all partners equity interests as a single class) is, in each case, at the time owned or controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof.

Subsidiary Guarantor means each Subsidiary of Energy Transfer that guarantees the notes pursuant to the terms of the indenture but only so long as such Subsidiary is a guarantor with respect to the notes on the terms provided for in the indenture.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations, that may be relevant to the acquisition, ownership and disposition of the notes. This discussion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable Treasury Regulations promulgated and proposed thereunder, judicial authority and administrative interpretations as of the date hereof, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. We cannot assure you that the Internal Revenue Service will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the Internal Revenue Service or an opinion of counsel with respect to the U.S. federal tax consequences of acquiring, holding or disposing of the notes.

This discussion applies only to the holders of the notes who acquire the notes in this offering for cash at a price equal to the issue price of the notes and who hold the notes as capital assets (i.e., generally property held for investment). The issue price of the notes is the first price at which a substantial amount of the notes is sold for cash to the public other than to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. This summary does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be important to a particular holder in light of the holder's circumstances, or to certain categories of holders that may be subject to special rules, such as:

dealers in securities or currencies;

traders in securities that have elected the mark-to-market method of accounting for their securities;

U.S. holders (as defined below) whose functional currency is not the U.S. dollar;

persons holding notes as part of a hedge, straddle, conversion or other synthetic security or integrated transaction;

certain U.S. expatriates;

financial institutions;

insurance companies;

regulated investment companies;

real estate investment trusts;

persons subject to the alternative minimum tax;

entities that are tax-exempt for U.S. federal income tax purposes; and

partnerships and other pass-through entities and holders of interests therein;

If any entity treated as a partnership for U.S. federal income tax purposes holds notes, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partner of a

partnership acquiring the notes, you are urged to consult your tax advisor about the U.S. federal income tax consequences of acquiring, holding and disposing of the notes.

Investors considering the purchase of notes should consult their own tax advisors regarding the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences of the purchase, ownership or disposition of the notes under U.S. federal estate or gift tax laws, and the applicability and effect of state, local or foreign tax laws and tax treaties.

Certain Additional Payments

In certain circumstances (see Description of Notes Optional Redemption), we may be obligated to pay amounts on the notes that are in excess of stated interest or principal on the notes. These potential payments may implicate the provisions of the Treasury Regulations relating to contingent payment debt

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instruments. We intend to take the position that the notes should not be treated as contingent payment debt instruments because of the possibility of such payments. This position is based on assumptions regarding the likelihood, as of the date of issuance of the notes, that such additional payment will not have to be paid. Assuming such position is respected, a holder generally would not be required to include any income in respect of the foregoing contingencies unless and until any of such contingencies occurred. Our position is binding on a holder unless such holder discloses its contrary position to the Internal Revenue Service in the manner that is required by applicable Treasury Regulations. Our determination, however, is not binding on the Internal Revenue Service, and it is possible that the Internal Revenue Service may take a different position, in which case a holder might be required to accrue interest income at a higher rate than the stated interest rate and to treat as ordinary interest income any gain realized on the taxable disposition of the note.

Consequences to U.S. Holders

The following summary applies to you if you are a U.S. holder of the notes. The term "U.S. holder" means a beneficial owner of a note who or which is for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation (or an entity that is treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision of the United States, including any state thereof or the District of Columbia;

an estate the income of which is subject to United States federal income taxation regardless of the source; or

a trust if a U.S. court is able to exercise primary supervision over the trust's administration and one or more United States persons (within the meaning of the Code) have the authority to control all of the trust's substantial decisions, or the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Payments of Interest

You will generally be required to recognize as ordinary income any interest paid or accrued on the notes, in accordance with your regular method of accounting for U.S. federal income tax purposes.

Sale, Exchange or Disposition of Notes

When you sell or otherwise dispose of your notes in a taxable transaction, you generally will recognize taxable gain or loss equal to the difference, if any, between:

the amount realized on the sale or other disposition, less any amount attributable to accrued interest, which will be taxable in the manner described under "Consequences to U.S. Holders" "Payments of Interest" above; and

your adjusted tax basis in the notes.

Your initial tax basis in your notes generally will equal the amount you paid for the notes. Your gain or loss generally will be capital gain or loss. This capital gain or loss will be long-term capital gain or loss if at the time of the sale or other taxable disposition you have held the notes for more than one year. Subject to limited exceptions, your capital losses cannot be used to offset your ordinary income. If you are a non-corporate U.S. holder, your long-term capital gain generally will be taxed at lower rates than your ordinary income under current law.

Information Reporting and Backup Withholding

Information reporting will apply to payments of interest on, and the proceeds of the sale or other disposition (including a retirement or redemption) of, notes held by you unless you are an exempt recipient. Backup withholding may apply unless you provide the appropriate intermediary with a taxpayer identification

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number, certified under penalties of perjury, as well as certain other information or otherwise establish an exemption from backup withholding. Any amount withheld under the backup withholding rules is allowable as a credit against your U.S. federal income tax liability, if any, and a refund may be obtained if the amounts withheld exceed your actual U.S. federal income tax liability and you timely provide the required information or appropriate claim form to the Internal Revenue Service.

Consequences to Non-U.S. Holders

The following summary applies to you if you are a beneficial owner of notes that is an individual, corporation, estate or trust and that is not a U.S. holder (as defined above).

Payments of Interest

Payments of interest on the notes generally will not be subject to United States federal withholding tax under the portfolio interest exemption provided that you properly certify to your foreign status as described below, the interest is not effectively connected with a trade or business conducted by you in the United States and:

you do not directly or indirectly, actually or constructively, own 10% or more of our capital or profits interests;

you are not a controlled foreign corporation for U.S. federal income tax purposes that is related, directly or indirectly, to us through stock ownership (as defined in the Code); and

you are not a bank whose receipt of interest on the notes is in connection with an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business.

The portfolio interest exemption and several of the special rules for non-U.S. holders described below generally apply only if you appropriately certify as to your foreign status. You can generally meet this certification requirement by providing a properly executed Internal Revenue Service Form W-8BEN or appropriate substitute form to us, or our paying agent (or other applicable withholding agent). If you hold the notes through a financial institution or other agent acting on your behalf, you may be required to provide appropriate certifications to the agent. Your agent will then generally be required to provide appropriate certifications to us or our paying agent (or other applicable withholding agent) either directly or through other intermediaries. Special rules apply to foreign estates and trusts, and in certain circumstances certifications as to foreign status of trust owners or beneficiaries may have to be provided to us or our paying agent. In addition, special rules apply to qualified intermediaries that enter into withholding agreements with the Internal Revenue Service.

If you cannot satisfy the requirements described above, payments of interest made to you will be subject to 30% U.S. federal withholding tax, unless you provide us with a properly executed Internal Revenue Service Form W-8BEN (or successor form) claiming an exemption from (or a reduction of) withholding under the benefit of a tax treaty, or the payments of interest are effectively connected with your conduct of a trade or business in the United States and you meet the certification requirements described below. See **Income or Gain Effectively Connected With a U.S. Trade or Business**.

Sale, Exchange, or Disposition of the Notes

You generally will not be subject to U.S. federal income tax on any gain realized on the sale, exchange, redemption or other disposition of a note unless:

the gain is effectively connected with the conduct by you of a U.S. trade or business (and, if required by an applicable tax treaty, attributable to your permanent establishment or fixed base in the United States);

you are an individual who has been present in the U.S. for 183 days or more in the taxable year of disposition and certain other requirements are met;

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If you are a non-U.S. holder described in the first bullet point above, you will be subject to tax as described below (See **Income or Gain Effectively Connected with a U.S. Trade or Business**). If you are a non-U.S. holder described in the second bullet point above, you generally will be subject to a flat 30% U.S. federal income tax on the gain derived from the sale or other disposition, which may be offset by certain U.S. source capital losses.

Income or Gain Effectively Connected With a U.S. Trade or Business

The preceding discussion of the tax consequences of the purchase, ownership and disposition of notes by you generally assumes that you are not engaged in a U.S. trade or business. If any interest on the notes or gain from the sale, exchange or other disposition of the notes is effectively connected with a U.S. trade or business conducted by you, then the income or gain will be subject to U.S. federal income tax at regular graduated income tax rates, but will not be subject to withholding tax if certain certification requirements are satisfied. You can generally meet the certification requirements by providing a properly executed Internal Revenue Service Form W-8ECI or appropriate substitute form to us, or our paying agent. If you are eligible for the benefits of a tax treaty between the United States and your country of residence, any effectively connected income or gain will generally be subject to U.S. federal income tax only if it is also attributable to a permanent establishment maintained by you in the United States. If you are a corporation, that portion of your earnings and profits that is effectively connected with your U.S. trade or business (and, in the case of an applicable tax treaty, attributable to your permanent establishment in the United States) also may be subject to a branch profits tax at a 30% rate, although an applicable tax treaty may provide for a lower rate.

Information Reporting and Backup Withholding

Payments to non-U.S. holders of interest on a note, and amounts withheld from such payments, if any, generally will be required to be reported to the Internal Revenue Service and to you.

United States backup withholding tax generally will not apply to payments of interest to a non-U.S. holder if the statement described in **Payments of Interest** is duly provided by the holder or the holder otherwise establishes an exemption, provided that we do not have actual knowledge or reason to know that the holder is a United States person.

Payment of the proceeds of a sale or other disposition (including a retirement or redemption) of a note effected by the U.S. office of a United States or foreign broker will be subject to information reporting requirements and backup withholding unless you properly certify under penalties of perjury as to your foreign status and certain other conditions are met or you otherwise establish an exemption. Information reporting requirements and backup withholding generally will not apply to any payment of the proceeds of the sale of a note effected outside the United States by a foreign office of a broker. However, unless such a broker has documentary evidence in its records that you are a non-U.S. holder and certain other conditions are met, or you otherwise establish an exemption, information reporting will apply to a payment of the proceeds of the sale or disposition of a note effected outside the United States by such a broker if it has certain relationships with the United States.

Any amount withheld under the backup withholding rules may be credited against your U.S. federal income tax liability and any excess may be refundable if the proper information is timely provided to the IRS.

The preceding discussion of certain U.S. federal income tax considerations is for general information only and is not tax advice. Each prospective investor should consult its own tax advisor regarding the particular federal, state, local and foreign tax consequences of purchasing, holding, and disposing of our notes, including the consequences of any proposed change in applicable laws.

Table of Contents**UNDERWRITING**

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement by and among us and the underwriters named below, for whom RBS Securities Inc., Credit Suisse Securities (USA) LLC, SunTrust Robinson Humphrey, Inc., BNP Paribas Securities Corp. and Deutsche Bank Securities Inc. are acting as representatives, we have agreed to sell to each of the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the principal amount of the notes indicated in the following table.

Underwriter	Principal Amount of 2021 Notes	Principal Amount of 2041 Notes
RBS Securities Inc.	\$ 128,000,000	\$ 112,000,000
Credit Suisse Securities (USA) LLC	128,000,000	112,000,000
SunTrust Robinson Humphrey, Inc.	128,000,000	112,000,000
BNP Paribas Securities Corp.	88,000,000	77,000,000
Deutsche Bank Securities Inc.	88,000,000	77,000,000
DnB NOR Markets, Inc.	64,000,000	56,000,000
RBC Capital Markets, LLC	64,000,000	56,000,000
UBS Securities LLC	64,000,000	56,000,000
Mitsubishi UFJ Securities (USA), Inc.	24,000,000	21,000,000
U.S. Bancorp Investments, Inc.	24,000,000	21,000,000
Total	\$ 800,000,000	\$ 700,000,000

Under the terms and conditions of the underwriting agreement, if the underwriters take any of the notes, then they are obligated to take and pay for all the notes.

The notes are new issues of securities with no established trading market and will not be listed on any national securities exchange. The underwriters have advised us that they intend to make a market for each series of the notes, but they have no obligation to do so and may discontinue market-making at any time without providing any notice. No assurance can be given as to the liquidity of any trading market for the notes.

Notes sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover page of this prospectus supplement. Any notes sold by the underwriters to securities dealers may be sold at a discount from the public offering price of up to 0.45% of the principal amount of the 2021 notes and 0.625% of the principal amount of the 2041 notes. The underwriters may allow, and any such dealer may reallow, a concession not in excess of 0.20% of the principal amount of the 2021 notes and 0.25% of the principal amount of the 2041 notes to certain other dealers. After the initial offering of the notes to the public, the underwriters may change the offering price and other selling terms.

The following table summarizes the compensation to be paid by us to the underwriters:

Total	Total
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	Per Note due 2021		Per Note due 2041	
Underwriting discount paid by us	0.650%	\$ 5,200,000	0.875%	\$ 6,125,000

We estimate that the total expenses of this offering to be paid by us, excluding underwriting discounts, will be approximately \$0.5 million.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the underwriters may be required to make in respect of any such liabilities.

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than it is required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market prices of the notes while the offering is in progress. These

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activities by the underwriters may stabilize, maintain or otherwise affect the market prices of the notes. As a result, the prices of the notes may be higher than the prices that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. Other than the prospectus in electronic format, the information on any underwriter's or selling group member's website and any information contained in any other website maintained by any underwriter or selling group member is not part of the prospectus or the registration statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or any underwriter or selling group member in its capacity as underwriter or selling group member and should not be relied upon by investors.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Affiliates of all of the underwriters are lenders and agents under certain of our credit facilities for which they receive interest and fees as provided in the credit agreements related to these facilities. We will use net proceeds from this offering to repay outstanding loans and accrued interest under our revolving credit facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of the company or its subsidiaries. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

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LEGAL MATTERS

The validity of the notes offered in this prospectus supplement will be passed upon for us by Latham & Watkins LLP, Houston, Texas. Certain legal matters will be passed upon for the underwriters by Andrews Kurth LLP, Houston, Texas.

EXPERTS

The audited consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting of Energy Transfer Partners, L.P. incorporated by reference in this prospectus supplement have been so incorporated by reference in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in giving said reports.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 for further information on the operation of the SEC's public reference room. Our SEC filings are available on the SEC's web site at <http://www.sec.gov>. We also make available free of charge on our website, at <http://www.energytransfer.com>, all materials that we file electronically with the SEC, including our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, Section 16 reports and amendments to these reports as soon as reasonably practicable after such materials are electronically filed with, or furnished to, the SEC. Additionally, you can obtain information about us through the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which our common units are listed.

The SEC allows us to incorporate by reference the information we have filed with the SEC. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement by referring you to other documents filed separately with the SEC. These other documents contain important information about us, our financial condition and results of operations. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus. Information that we file later with the SEC will automatically update and may replace information in this prospectus supplement and information previously filed with the SEC.

We incorporate by reference in this prospectus supplement the documents listed below:

our annual report on Form 10-K for the year ended December 31, 2010;

our quarterly report on Form 10-Q for the quarter ended March 31, 2011;

our current reports on Form 8-K filed January 27, 2011, March 23, 2011, March 31, 2011, April 15, 2011 and May 2, 2011 and our Form 8-K/A filed March 25, 2011 (excluding any information furnished pursuant to Item 2.02 or Item 7.01 of any such current reports on Form 8-K); and

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 between the date of this prospectus supplement and the termination of this offering.

You may obtain any of the documents incorporated by reference in this prospectus supplement or the accompanying prospectus from the SEC through the SEC's website at the address provided above. You also may request a copy of any document incorporated by reference in this prospectus supplement and the accompanying prospectus (including exhibits to those documents specifically incorporated by reference in this document), at no cost, by visiting our internet website at www.energytransfer.com, or by writing or calling us at the address set forth below. Information on our website is not incorporated into this prospectus supplement,

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the accompanying prospectus or our other securities filings and is not a part of this prospectus supplement or the accompanying prospectus.

Energy Transfer Partners, L.P.
3738 Oak Lawn Avenue
Dallas, TX 75219
Attention: Thomas P. Mason
Telephone: (214) 981-0700

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Prospectus

ENERGY TRANSFER PARTNERS, L.P.

**Common Units
Debt Securities**

We may offer and sell the common units representing limited partner interests and debt securities of Energy Transfer Partners, L.P. as described in this prospectus from time to time in one or more classes or series and in amounts, at prices and on terms to be determined by market conditions at the time of our offerings.

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 common units and debt securities and the general manner in which we will offer the common units and debt securities. The specific terms of any common units and debt securities we offer will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which we will offer the common units and debt securities.

Investing in our common units and debt securities involves risks. Limited partnerships are inherently different from corporations. You should carefully consider the risk factors described under Risk Factors beginning on page 4 of this prospectus before you make an investment in our securities.

Our common units are traded on the New York Stock Exchange, or the NYSE, under the symbol ETP. We will provide information in the prospectus supplement for the trading market, if any, for any debt securities we may offer.

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

The date of this prospectus is January