

DAVIS RAY C  
Form 4  
February 27, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DAVIS RAY C

(Last) (First) (Middle)

2828 WOODSIDE STREET

(Street)

DALLAS, TX 75204

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Energy Transfer Equity, L.P. [ETE]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/01/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Units				(A) or (D) Price	71,400	D	

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474  
(9-02)

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Class C Units	<u>(1)</u>	11/01/2006		A	11,739,344		<u>(1)</u>	<u>(1)</u>	Common Units	11,739,344
Class C Units	<u>(1)</u>	11/01/2006		A	5,410,996 <u>(2)</u>		<u>(1)</u>	<u>(1)</u>	Common Units	5,410,996
Class C Units	<u>(1)</u>	11/01/2006		A	11,057 <u>(3)</u>		<u>(1)</u>	<u>(1)</u>	Common Units	11,057

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DAVIS RAY C 2828 WOODSIDE STREET DALLAS, TX 75204			X	

## Signatures

/s/ Sonia Aube,  
Attorney-In-Fact

02/27/2007

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

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

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

On November 1, 2006, Energy Transfer Equity, L.P. ("ETE") issued 83,148,900 class C units to Energy Transfer Investments, L.P. ("ETI") and assumed approximately \$70.5 million of ETI's indebtedness in exchange for ETI's contribution of its 50% class B limited

(1) partner interest in Energy Transfer Partners GP, L.P. Upon receipt of the class C units, ETI dissolved and distributed all of the class C units to its partners, including the class C units distributed to the reporting person. The class C units have no expiration date and will become convertible into common units of ETE on a one-for-one basis upon approval by ETE's common unitholders.

(2) The reported class C units are owned directly by Avatar Investments, LP, a limited partnership owned by Mr. Davis. Mr. Davis disclaims beneficial ownership of the reported class C units except to the extent of his pecuniary interest therein.

(3) The reported class C units are owned directly by Avatar Holdings LLC, a limited liability company owned by Mr. Davis. Mr. Davis disclaims beneficial ownership of the reported class C units except to the extent of his pecuniary interest therein.

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

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