

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

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|--|---|---|----------------------|
| 1 Issuer's name <u>Energy Transfer Partners, L.P.</u> | | 2 Issuer's employer identification number (EIN) <u>73-1493906</u> | |
| 3 Name of contact for additional information <u>Brent Ratliff</u> | 4 Telephone No. of contact <u>214-981-0795</u> | 5 Email address of contact <u>InvestorRelations@energytransfer.com</u> | |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact <u>8111 Westchester Drive</u> | | 7 City, town, or post office, state, and ZIP code of contact <u>Dallas, TX 75225</u> | |
| 8 Date of action <u>October 19, 2018</u> | | 9 Classification and description <u>Exchange of ETP for ETE common units</u> | |
| 10 CUSIP number <u>29273R109</u> | 11 Serial number(s) | 12 Ticker symbol <u>ETP</u> | 13 Account number(s) |

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 19, 2018, Energy Transfer Equity, L.P. (NYSE: ETE) and Energy Transfer Partners, L.P. (NYSE:ETP) announced the successful completion of the previously announced merger between ETE and ETP. The merger agreement provides for the merger of ETE Merger Sub with and into ETP, with ETP surviving the merger as a subsidiary of ETE. At the effective time, each ETP common unit issued and outstanding as of immediately prior to the effective time (other than any ETP common units owned by ETE or any subsidiary of ETE) will be converted into the right to receive 1.28 ETE common units. Each ETP common unit owned by ETE prior to the effective time will remain unchanged and remain outstanding. Each Class E unit, Class G unit, Class K unit, Series A Preferred unit, Series B Preferred unit, Series C Preferred unit, and Series D Preferred unit of ETP, that is issued and outstanding immediately prior to the effective time will continue to be issued and outstanding and represent limited partner interests in ETP. ETE will not issue fractional units in the merger; instead, each holder of ETP common units that are converted pursuant to the merger agreement who would have otherwise received a fraction of an ETE common unit will be entitled to receive a whole ETE common unit.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ A holder of ETP common units will have an initial aggregate tax basis in the ETE common units received in the merger by such ETP common unitholder equal to the adjusted tax basis in the ETP common unitholder's ETP common units treated as exchanged for such ETE common units, (i) decreased by (A) any basis allocable to the portion of the ETP common units deemed sold as a result of the receipt of IRC Section 707 consideration and (B) any basis attributable to such ETP common unitholder's share of ETP's nonrecourse liabilities and (ii) increased by such ETP common unitholder's share of ETE's nonrecourse liabilities (including ETE's allocable share of the nonrecourse liabilities of ETP) outstanding immediately after the merger.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The merger consideration to be received by holders of ETP common units is valued at \$23.59 per unit based on the closing price of ETE common units as of August 1, 2018, the last trading day before the public announcement of the merger. Holders of ETP common units will receive, for each ETP common unit held immediately prior to the effective time, 1.28 ETE common units. See above for the calculation of each ETP common unitholder's new basis in ETE common units exchanged therefor.

Part II Organizational Action (continued)


17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ The merger transaction is intended to qualify for non recognition of gain or loss pursuant to Section 721 of the IRC but will be characterized as a disguised sale transaction described in Section 707(a)(2)(B) of the IRC with respect to any amounts treated as a transfer of consideration pursuant to Treasury Regulation Section 1.707-3(a)(1).

18 Can any resulting loss be recognized? ▶ No gain or loss should be recognized by a holder of ETP common units solely as a result of the merger consideration, other than (i) the difference between the deemed assumption by ETE of such ETP common unitholder's share of any ETP liabilities that are treated as part of a disguised sale under IRC Section 707 and any basis allocable to the portion of such ETP common unitholder's ETP common units deemed sold as part of the disguised sale and (ii) any net decrease in such ETP common unitholder's share of partnership liabilities pursuant to IRC Section 752 (as adjusted for any nonrecourse liabilities taken into account as part of a disguised sale) in excess of such ETP common unitholder's remaining adjusted tax basis.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2018 for calendar year taxpayers

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____
Print your name ▶ _____ Title ▶ _____

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|-------------------------------|---|---|----------|---|--------------|
| Paid Preparer Use Only | Print/Type preparer's name | Preparer's signature | Date | Check <input type="checkbox"/> if self-employed | PTIN |
| | Joseph S. McLaughlan |  | 2/7/2019 | | P01219334 |
| | Firm's name ▶ KPMG LLP | | | Firm's EIN ▶ | 13-5565207 |
| | Firm's address ▶ 17802 IH-10, Suite 101, Promenade Two, San Antonio, TX 78257 | | | Phone no. | 210-227-9272 |