

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

**Form 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported): December 19, 2006**

**ENERGY TRANSFER EQUITY, L.P.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-32740**  
(Commission File Number)

**30-0108820**  
(IRS. Employer  
Identification No.)

**2828 Woodside Street**  
**Dallas, Texas 75204**  
(Address of principal executive offices, including zip code)

**214-981-0700**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01. Entry into a Material Definitive Agreement.**

On December 19, 2006, the board of directors of LE GP, LLC, the general partner of Energy Transfer Equity, L.P., adopted policies regarding the compensation of its outside directors.

The compensation arrangements for outside directors include a \$30,000 annual retainer for services on the board and an annual retainer (\$7,500 or \$10,000 in the case of the chairman) and meeting attendance fees (\$1,200) for services on the Audit and Conflicts Committee. The outside directors are also entitled to an annual grant of restricted units valued at \$15,000 under the Energy Transfer Equity, L.P. Long-Term Incentive Plan.

**Item 9.01. Financial Statements and Exhibits.**

(d) The following exhibits are being furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	LE GP, LLC Outside Director Compensation Policy.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ENERGY TRANSFER EQUITY, L.P.**

By: LE GP, LLC, its general partner

By: /s/ John W. McReynolds

---

John W. McReynolds,  
President and Chief Financial Officer

Dated: December 26, 2006

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	LE GP, LLC Outside Director Compensation Policy.

**EXHIBIT 99.1**

**LE GP, LLC  
OUTSIDE DIRECTOR COMPENSATION POLICY**

Directors of LE GP, LLC who are not direct or indirect employees of LE GP, LLC or any subsidiary of LE GP, LLC or Energy Transfer Equity, L.P. ("**ETE**") ("**Outside Directors**") shall be entitled to compensation for their services as a director as follows, effective beginning for the fiscal year commencing September 1, 2006:

1. **Annual Retainer.** Each Outside Director shall be entitled to an annual retainer in the amount of \$30,000 per fiscal year, payable quarterly. In addition, effective as of the adoption of this Policy, each current Outside Director shall also be entitled to a one-time payment of \$7,500 for each fiscal quarter he has served as an Outside Director prior to September 1, 2006.

2. **Audit Committee.** Each Outside Director serving on the Audit and Conflicts Committee shall be entitled to an annual retainer in the amount of \$7,500 (\$10,000 in the case of the Chair of such committee), payable quarterly, and an amount equal to \$1,200 for attendance at each meeting of such committee, payable as soon as practicable after the date of such meeting.

3. **Restricted Units.** Effective (a) as of the later of (i) the date of adoption of this Policy and (ii) December 22, 2006, and (b) automatically on the first business day of each fiscal year of ETE occurring beginning on and after September 1, 2007, each then current Outside Director shall be entitled to an Award under the Energy Transfer Equity, L.P. Long-Term Incentive Plan ("**Plan**") such number of Restricted Units equal to \$15,000 divided by (a) the closing price of the common units of ETE on the New York Stock Exchange on such grant date or (b) the Fair Market Value of a common unit as otherwise determined by the Board of Directors. Each Award shall be subject to a Restricted Period of three (3) years and shall vest and be payable 1/3 per year beginning on the first anniversary date of the Award, provided that all unvested Awards shall fully vest upon the occurrence of a Change of Control. All terms used in this paragraph are as defined in the Plan.