

Arata Stephen Louis  
 Form 4  
 May 27, 2010

**FORM 4**

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

OMB APPROVAL

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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 \*  
 Arata Stephen Louis

2. Issuer Name and Ticker or Trading Symbol  
 Regency Energy Partners LP  
 [RGNC]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 2001 BRYAN STREET, SUITE 3700  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/26/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Executive VP and CFO

DALLAS, TX 75201

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

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

(City) (State) (Zip)

**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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
| Common Units <sup>(1)</sup>     | 05/26/2010                           |  | M                              | 23,334  | A <u>(3)</u>  | 196,799  | D                                 |
| Common Units                    | 05/26/2010                           |  | F                              | 6,172   | D \$ 22.25  | 190,627  | D                                 |

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

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SEC 1474 (9-02)

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

| 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 |
| Phantom Units <sup>(2)</sup>               | <sup>(3)</sup>   | 05/26/2010                           |  | M                              | 23,334  | 05/26/2010   | 05/26/2010  | Common Units <sup>(3)</sup> | 23,334                     |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                      |       |
|--|---------------|-----------|----------------------|-------|
|  | Director      | 10% Owner | Officer              | Other |
| Arata Stephen Louis<br>2001 BRYAN STREET<br>SUITE 3700<br>DALLAS, TX 75201 |               |           | Executive VP and CFO |       |

## Signatures

/s/ Stephen L. Arata 05/26/2010

\*\*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).
- (1) The holder settled 100 percent of his phantom units for RGNC common units on the date of vesting.
 

These Phantom Units were granted on May 27, 2009. 12,000 of the phantom units contractually convert into a variable number of common units based on total unitholder return over a three year period or upon a change in control. This transaction represents the vesting of the original grant of 12,000 market condition phantom units multiplied by a factor of 1.5 due to a change in control event on May 26, 2010 in accordance with the terms of the grant plus the remaining 5,334 service condition phantom units.
- (3) Each Phantom Unit is the economic equivalent of one common unit representing a limited partner interest in Regency Energy Partners LP.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.