

## **THE AUDIT COMMITTEE CHARTER**

### **Status**

The Board of Directors (the “Board”) of Regency GP LLC (the “Company”), in its capacity as general partner of Regency GP LP (the “General Partner”), the general partner of Regency Energy Partners LP (the “Partnership”), has established the Audit Committee (the “Committee”) as a standing committee of the Board.

### **Membership**

The Audit Committee shall consist of three or more directors. Each member shall in the judgment of the Board have the ability to read and understand the Company's basic financial statements or shall at the time of appointment undertake training for that purpose. At least one member (who may also serve as the audit committee financial expert) shall in the judgment of the Board have accounting or related financial management expertise in accordance with listing standards of the national securities exchange on which the Partnership's securities are listed for trading. From and after the date on which the Company first becomes subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Exchange Act”), the members of the Committee shall, as a group, comply with the independence requirements set forth in the applicable provisions of the rules of the national securities exchange or national market on or to which securities of Regency Energy Partners LP have been listed or admitted to trading but subject to the provisions of Rule 10A-3 of the General Rules and Regulations under the Exchange Act.

### **Purpose**

The Committee shall represent and assist the Board with the oversight of: (a) the integrity of the Company's financial statements and internal controls, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditor's qualifications and independence and (d) the performance of the Company's internal audit function and independent auditors. The Committee shall prepare and submit the report described below under the caption “Report.” Except as otherwise required by applicable laws, regulations or listing standards, all major decisions shall be considered by the Board as a whole.

### **Responsibilities**

The responsibilities of the Committee are:

1. To select and retain (subject to approval by the Company's stockholders) and to terminate when appropriate the registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (referred to as the “independent auditor”), to approve in advance all audit services to be provided by the independent auditor, to set the independent auditor's compensation, to oversee the work of the independent auditor (including resolution of disagreements between management and the independent auditor) and to ensure that the independent auditor reports directly to the Committee. In discharging its oversight obligation, the Committee shall meet periodically and separately with management, the Company's internal auditors and the independent auditor.

2. To approve in advance all permitted non-audit services to be performed by the independent auditor and to establish policies and procedures for the engagement of the independent auditor with respect to the provision of permitted audit and nonaudit services.
3. At least annually, to obtain and review: (a) a report by the independent auditor describing the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, peer review or Public Company Accounting Oversight Board ("PCAOB") review, of the independent auditing firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (b) other required reports from the independent auditor.
4. At least annually, to consider the independence of the independent auditor, including whether the provision by the independent auditor of permitted non-audit services is compatible with independence, and to obtain (for the purpose of assessing the independence of the independent auditor) and review a report from the independent auditor describing all relationships between the auditor and the Company.
5. To establish an internal audit program and to review, at least annually, the scope and results of that program, procedures for implementing recommendations made by the Company's internal auditor and accepted by the Committee and any significant matters contained in reports from the internal auditor.
6. To meet with management and the independent auditor to review and discuss the Company's annual (or other) audited financial statements and quarterly financial statements, including reviewing the Company's specific disclosures to the Company's credit facility lenders and to the public, if applicable, under the sections of the Company's financial statement reports entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." These discussions shall include: (a) the scope and results of the audit (if applicable); (b) any problems or difficulties that the auditor encountered in the course of the audit work (if applicable), and management's response; (c) any questions, comments or suggestions the auditor may have relating to the internal controls, and accounting practices and procedures, of the Company or its subsidiaries; (d) any material changes in accounting principles or practices used in preparing the financial statements prior to delivery of the annual or quarterly financial statements; and (e) the items required by Statement of Auditing Standards 61 as in effect at that time in the case of the annual statements and Statement of Auditing Standards 100 as in effect at that time in the case of the quarterly statements.
7. To discuss with management and the independent auditor the Company's earnings press releases, if any, as well as financial information and earnings guidance provided to analysts and rating agencies (which discussion may be general, involving such matters as the types of information to be disclosed and the type of presentation to be made).
8. To discuss Company policies with respect to risk assessment and risk management, to review contingent liabilities and risks that may be material to the Company and to assess major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks. While the Committee need not be the sole body responsible for risk assessment and management, it shall discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.

9. To review: (a) the status of compliance with laws, regulations and internal procedures; and (b) the scope and status of systems designed to promote Company compliance with laws, regulations and internal procedures, through receiving reports from management, legal counsel and third parties, as well as other committees of the Board of Directors, as determined by the Committee.

10. To establish procedures for the confidential and anonymous (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

11. To establish policies for the employment by the Company of employees and former employees of the independent auditor.

12. To conduct an annual performance evaluation of the Audit Committee and annually evaluate the adequacy of its charter.

13. To conduct an annual performance evaluation of the Director, Internal Audit.

### **Meetings**

The Audit Committee shall meet at least four times each year and at such other times as it deems necessary to fulfill its responsibilities. The Committee shall periodically meet separately, in executive session, with management, the internal auditor, the independent auditor and the Chief Legal Officer of the Company. The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate.

### **Authority**

The Committee shall have the authority to initiate and supervise investigations into any matters within the scope of its authority and responsibilities. The Committee is authorized to retain the services of such internal or independent legal, accounting and other advisors as it deems necessary in the fulfillment of its duties. The Committee and its designees shall have unlimited accessibility to all the Company's records, property, and employees. The Committee shall have sufficient funding to carry out its duties, including funding for payment of (i) compensation to any independent auditor, (ii) compensation to any advisors employed by the Committee and (iii) ordinary administrative expenses incurred by the Committee that are necessary or appropriate in carrying out its duties.

### **Report**

The Committee shall prepare a report each year for delivery to the Board that would comply with the Proxy Rules of the Securities and Exchange Commission under the Exchange Act for inclusion in a proxy statement relating to the election of directors as if the Company were subject to those Rules.