

COMPENSATION 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 Compensation Committee (the “Committee”) as a standing committee of the Board.

Membership

The Compensation Committee shall consist of two or more directors.

Purpose

The purposes of the Compensation Committee are to discharge the responsibilities of the Board relating to compensation of the Company's Chief Executive Officer and other executives. Except as otherwise required by applicable laws, regulations or listing standards, all major decisions are considered by the Board as a whole.

Responsibilities

The Compensation Committee is directly responsible for establishing annual and long-term performance goals and objectives for our elected officers. The responsibilities of the Committee are:

1. To evaluate the performance of the Chief Executive Officer and other elected officers in light of the approved performance goals and objectives;
2. to set the compensation of the Chief Executive Officer and other elected officers based upon the evaluation of the performance of the Chief Executive Officer and the other elected officers;
3. to make awards under existing cash-based and equity-based compensation plans and to make recommendations to the Board with respect to new cash-based incentive compensation plans and equity-based compensation plans; and
4. to prepare an annual performance self-evaluation of the Compensation Committee.

In addition, the Compensation Committee:

5. administers the Company's incentive plans;
6. determines and certifies the shares awarded under corporate performance-based plans; and
7. advises on the setting of compensation for senior executives whose compensation is not otherwise set by the Committee.

In determining the long-term incentive component of the Company's Chief Executive Officer and other elected officers, the Compensation Committee may consider: (i) the Company's performance and relative shareholder return and (ii) the value of similar incentive awards to chief executive officers and elected officers at comparable companies.

The Compensation Committee may, in its sole discretion, employ a compensation consultant to assist in the evaluation of the compensation of the Company's Chief Executive Officer or other elected officers. The Compensation Committee shall have the sole authority to approve the fees and other retention terms with respect to such a compensation consultant. The Compensation Committee also has the authority as necessary and appropriate to consult with other outside advisors to assist in its duties to the Company.

Meetings

The Compensation Committee shall meet at least two times each year and at such other times as it deems necessary to fulfill its responsibilities.