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

FORM 8-K/A
(Amendment No.1)

CURRENT REPORT

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

Date of report: September 26, 2002
(Date of earliest event reported: July 31, 2002)

ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS OPERATING L.P.
(Exact name of registrants as specified in their charters)

Delaware	1-14323	76-0568219
Delaware	333-93239-01	76-0568220
(State or other jurisdiction of incorporation of organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

2727 North Loop West, Houston, Texas	77008-1037
(Address of principal executive offices)	(Zip Code)

Registrants telephone number, including area code:
(713) 880-6500

EXPLANATORY NOTE

This report constitutes a combined report for Enterprise Products Partners L.P. ("Enterprise") (Commission File No. 1-14323) and its 98.9899% owned subsidiary, Enterprise Products Operating L.P. (the "Operating Partnership") (Commission File No. 333-93239-01). Since the Operating Partnership owns substantially all of Enterprise's consolidated assets and conducts substantially all of Enterprise's business and operations, the information set forth herein constitutes combined information for Enterprise and the Operating Partnership.

Unless the context requires otherwise, references to "we", "us" or "our" are intended to mean the consolidated business and operations of Enterprise Products Partners L.P., which includes Enterprise Products Operating L.P. and its subsidiaries.

Item 2. ACQUISITION OR DISPOSITION OF ASSETS.

Purchase of Interests in Mapletree and E-Oaktree

On August 1, 2002, we announced the purchase of equity interests in affiliates of The Williams Companies, Inc. ("Williams"), which in turn, own controlling interests in Mid-America Pipeline Company, LLC (formerly Mid-America Pipeline Company) and Seminole Pipeline Company. The purchase price of the acquisitions was approximately $1.2 billion (subject to certain post-closing purchase price adjustments) and was determined pursuant to arms-length negotiations between the parties. The effective date of the acquisitions was July 31, 2002.

The acquisitions include a 98% ownership interest in Mapletree, LLC, sole owner of the Mid-America pipeline system ("Mid-America") and certain propane terminals and storage facilities. Mid-America is a major natural gas liquids ("NGL") pipeline system consisting of three NGL pipelines, with 7,226 miles of pipeline, and average transportation volumes of approximately 641 MBPD during 2001. Mid-America's 2,548-mile Rocky Mountain system transports mixed NGLs from the Rocky Mountain Overthrust and San Juan basin areas to the Hobbs hub located on the Texas-New Mexico border. Its 2,740-mile Conway North segment links the large NGL hub at Conway, Kansas to the upper Midwest; its 1,938 mile Conway South system connects the Conway hub with Kansas refineries and transports mixed NGLs from Conway, Kansas to the Hobbs hub.

We also acquired a 98% ownership interest in E-Oaktree, LLC, owner of an 80% equity interest in Seminole Pipeline Company (Seminole"). The Seminole pipeline consists of a 1,281-mile NGL pipeline, with average transportation volumes of approximately 241 MBPD during 2001. This pipeline transports mixed NGLs and NGL products from the Hobbs hub and the Permian basin to Mont Belvieu, Texas.

These pipelines connect our Mont Belvieu and Gulf Coast NGL businesses with all of the major natural gas and NGL supply basins in North America, giving us the ability to provide integrated midstream energy services to the two fastest growing natural gas basins in the United States - the deepwater Gulf of Mexico and the Rocky Mountain Overthrust. Our predecessor and ultimate parent, Enterprise Products Company, was a charter partner in the formation and development of Seminole in 1981.

We intend to utilize the Mid-America and Seminole pipelines in a manner consistent with their previous use by Williams. The post-closing purchase price adjustments of the acquisitions are expected to be completed during the fourth quarter of 2002. These acquisitions do not require any material governmental approvals.

In order to fund this transaction, our Operating Partnership entered into a $1.2 billion senior unsecured 364-day credit facility (the "Term Loan"). The Term Loan will mature as follows: $150 million due on December 31, 2002, $450 million on March 31, 2003 and $600 million on July 30, 2003. The lenders under this facility are Wachovia Bank, National Association; Lehman Brothers Bank, FSB; Lehman Commercial Paper Inc. and Royal Bank of Canada. As defined in the Term Loan agreement, the Term Loan will generally bear interest at either (i) the greater of (a) the Prime Rate or (b) the Federal Funds Effective Rate plus one-half percent or (ii) a Eurodollar rate, with any rate in effect being increased by an appropriate applicable margin. The Term Loan credit agreement contains various affirmative and negative covenants applicable to the Operating Partnership similar to those required under our previously existing revolving credit agreements.

The $1.2 billion Term Loan is guaranteed by Enterprise through an unsecured guarantee. Our plans for permanent financing of these acquisitions include the issuance of equity and debt in amounts which are consistent with our objective of maintaining our financial flexibility and investment grade balance sheet.

On August 1, 2002, Seminole had $60 million in senior unsecured notes due in December 2005. The principal amount of these notes amortize by $15 million each December 1 beginning 2001 through 2005. In accordance with generally accepted accounting principles, this debt will be consolidated on our balance sheet because of our 98% controlling interest in E-Oaktree, LLC, which owns 80% of Seminole.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of businesses acquired.

1. Mid-America Pipeline System (A Division of the Williams Companies, Inc.) - audited financial statements for the years ended December 31, 1999, 2000 and 2001 and unaudited financial statements for the six month periods ended June 30, 2001 and 2002.

2. Seminole Pipeline Company - audited financial statements for the years ended December 31, 1999, 2000 and 2001 and unaudited financial statements for the six month periods ended June 30, 2001 and 2002.

(b) Pro forma unaudited financial information.

1. Enterprise Products Partners L.P. and subsidiaries - pro forma condensed Consolidated Balance Sheet as of June 30, 2002 and pro forma condensed Statements of Consolidated Operations for the year ended December 31, 2001 and the six month period ended June 30, 2002.

(c) Exhibits.

2.1 Purchase Agreement dated as of July 31, 2002 by and between E-Birchtree, LLC and E-Cypress, LLC. (Exhibit 2.1 to our Form 8-K filed on August 12, 2002).

2.2 Purchase Agreement dated as of July 31, 2002 by and between E-Birchtree, LLC and Enterprise Products Operating L.P. (Exhibit 2.2 to our Form 8-K filed on August 12, 2002).

4.1 Third Amendment and Supplement to Multi-Year Credit Facility dated July 31, 2002. (Exhibit 4.1 to our Form 8-K filed on August 12, 2002).

4.2 Third Amendment and Supplement to 364-Day Credit Facility dated July 31, 2002. (Exhibit 4.2 to our Form 8-K filed on August 12, 2002).

4.3 $1.2 billion 364-Day Term Loan Credit Agreement among Enterprise Products Operating L.P.; Wachovia Bank, National Association, as administrative agent; Lehman Commercial Paper Inc., as co-syndication agent; and the Royal Bank of Canada, as co-syndication agent and arranger dated July 31, 2002. (Exhibit 4.3 to our Form 8-K filed on August 12, 2002).

4.4 First Amendment and Supplement to Credit Agreement effective as of July 31, 2002 among Enterprise Products Operating L.P., the lenders party hereto Wachovia Bank, National Association, as administrative agent and as a lender, Lehman Commercial Paper Inc., as co-syndication agent, Royal Bank of Canada, as co-syndication agent and arranger dated July 31, 2002.

4.5 Guaranty Agreement (relating to the $1.2 billion 364-Day Term Loan Credit Agreement) by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as administrative agent dated July 31, 2002. (Exhibit 4.4 to our Form 8-K filed on August 12, 2002).

23.1 Consent of Ernst and Young.

SIGNATURES

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

ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, the general partner of Enterprise and the Operating Partnership

Date: September 26, 2002

By: /s/ Michael J. Knesek

Name: Michael J. Knesek
Title: Vice President, Controller and Principal Accounting Officer of Enterprise Products GP, LLC

ITEM 7. FINANCIAL STATEMENTS
FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED
PRO FORMA UNAUDITED FINANCIAL INFORMATION

TABLE OF CONTENTS

COMBINED FINANCIAL STATEMENTS OF MID-AMERICA PIPELINE SYSTEM

Report of Independent Auditors

The Board of Directors of
The Williams Companies, Inc.:

We have audited the accompanying combined balance sheets of Mid-America Pipeline System (A Division of The Williams Companies, Inc.) (See Note 1) as of December 31, 2000 and 2001 and the related combined statements of operations and owner equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of The Williams Companies, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Mid-America Pipeline System (A Division of The Williams Companies, Inc.) (See Note 1) at December 31, 2000 and 2001 and the combined results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

ERNST and YOUNG LLP

Tulsa, Oklahoma
September 6, 2002

MID-AMERICA PIPELINE SYSTEM
(A DIVISION OF THE WILLIAMS COMPANIES, INC.)
COMBINED BALANCE SHEETS
(Dollars in thousands)

	December 31, 2000	December 31, 2001	June 30, 2002 (Unaudited)
ASSETS			
Current Assets			
Accounts receivable - affiliates	$ 9,396	$ 16,181	$ 20,506
Accounts receivable - other	743	540	1,383
Income taxes due from affiliates	8,213	-	11,855
Product inventory	30,562	15,416	10,210
Prepaid and other current assets	4,283	2,017	868
Total current assets	53,197	34,154	44,822
Property, Plant and Equipment, net	680,735	673,627	633,937
Other assets	2,851	3,054	2,844
Total	$736,783	$710,835	$681,603
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts payable - trade	$ 7,263	$6,518	$5,178
Accounts payable - affiliates	163,552	93,292	26,726
Income taxes due to affiliates	-	381	-
Accrued taxes, other than income taxes	4,616	5,400	7,777
Other current liabilities	475	1,951	2,468
Total current liabilities	175,906	107,542	42,149

Long-Term Debt	90,000	90,000	90,000
Deferred Income Taxes	112,351	119,259	122,611
Other Long-Term Liabilities	342	6,225	384
Commitments			
Owner Equity	358,184	387,809	426,459
Total	$736,783	$710,835	$681,603

See Notes to Financial Statements

MID-AMERICA PIPELINE SYSTEM
(A DIVISION OF THE WILLIAMS COMPANIES, INC.)
COMBINED STATEMENTS OF OPERATIONS AND OWNER EQUITY
(Dollars in thousands)

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
				(unaudited)	
REVENUES	$190,686	$209,895	$214,518	$102,244	$109,865
COSTS AND EXPENSES					
Operating costs and expenses	87,623	105,591	125,349	67,870	45,111
Selling, general and administrative	28,718	29,307	28,364	13,807	15,130
Total	116,341	134,898	153,713	81,677	60,241
OPERATING INCOME	74,345	74,997	60,805	20,567	49,624
OTHER INCOME (EXPENSE)					
Interest expense	(7,673)	(13,500)	(12,700)	(6,947)	(4,432)
Other, net	822	880	(1,035)	89	(748)
Total	(6,851)	(12,620)	(13,735)	(6,858)	(5,180)
INCOME BEFORE INCOME TAXES	67,494	62,377	47,070	13,709	44,444
PROVISION FOR INCOME TAXES	(23,651)	(22,826)	(17,445)	(4,894)	(16,604)
NET INCOME	$ 43,843	$ 39,551	$ 29,625	$ 8,815	$ 27,840
DIVIDEND OF ASSETS	-	(4,127)	-	-	(23,571)
OWNER CONTRIBUTION	-	-	-	-	
OWNER EQUITY AT BEGINNING OF PERIOD					34,381
OWNER EQUITY AT END OF PERIOD	278,917	322,760	358,184	358,184	387,809
	$322,760	$358,184	$387,809	$366,999	$426,459

See Notes to Financial Statements

MID-AMERICA PIPELINE SYSTEM
(A DIVISION OF THE WILLIAMS COMPANIES, INC.)
COMBINED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
OPERATING ACTIVITIES				(unaudited)	
Net income	$43,843	$39,551	$29,625	$8,815	$27,840
Adjustments to reconcile net income to cash flows provided by (used for) operating activities:					
Depreciation	19,020	25,000	25,001	12,392	12,291
Lower of cost or market adjustment	-	-	18,833	12,903	-
Deferred income taxes	13,048	7,175	7,060	1,892	3,196
Net effect of changes in operating accounts	48,456	(51,002)	(62,626)	(32,600)	(41,237)
Operating activities cash flows	124,367	20,724	17,893	3,402	2,090
INVESTING ACTIVITIES					
Capital expenditures	(137,427)	(20,844)	(18,573)	(3,534)	(2,192)
Proceeds from sale of assets	13,060	120	680	132	102
Investing activities cash flows	(124,367)	(20,724)	(17,893)	(3,402)	(2,090)
CHANGE IN CASH AND CASH EQUIVALENTS	-	-	-	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	-	-	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ -	$ -	$ -	$ -	$ -

See Notes to Financial Statements

MID-AMERICA PIPELINE SYSTEM
(A DIVISION OF THE WILLIAMS COMPANIES, INC.)
NOTES TO COMBINED FINANCIAL STATEMENTS
(Information pertaining to June 30, 2002 and to the
six months ended June 30, 2001 and 2002 is unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements and accompanying notes represent the combined historical financial information of (i) Mid-America Pipeline Company ("MAPL") and (ii) certain terminals and storage facilities ("Terminals and Storage"), all of which is owned by The Williams Companies, Inc. Unless the context requires otherwise, references to "we", "us", "our", or the "Company" are intended to mean MAPL and the Terminals and Storage facilities. In addition, references to "Williams" in these footnotes are intended to mean The Williams Companies, Inc. and its affiliates.

MAPL, a Delaware corporation, was organized in May 1968 for the purpose of owning and operating a natural gas liquids ("NGLs") pipeline. Since its formation, MAPL's operations have expanded to include the transportation, pumping, metering and underground storage of a variety of NGLs, including demethanized mix, ethane-propane mix and specification liquid products. Our primary asset is the pipeline system located in the Rocky Mountains, the Midwest and a portion of the Southwest United States. Approximately 20 natural gas processing plants in Wyoming, Utah and Colorado feed NGLs into the MAPL system for delivery to several destinations.

The Terminals and Storage facilities, were contributed by Williams to Sapling LLC ("Sapling"), a Delaware corporation, organized in July 2002 by Williams. The MAPL system serves the Midwestern U.S. heating market via Sapling's 16 propane truck-loading terminals located on the MAPL system. Sapling also owns underground NGL storage capacity that provides operating flexibility along the MAPL system.

Also in July 2002, Williams converted MAPL from a corporation to a limited liability company, Mid-America Pipeline Company, LLC ("MAPL, LLC"). Williams then contributed Sapling to MAPL, LLC. On July 31, 2002, Williams contributed its 100% equity interest in MAPL, LLC to a newly formed affiliate of Williams, Mapletree, LLC. This contribution was done as part of a subsequent transaction that took place between Williams and Enterprise Products Operating L.P ("EPOLP") on the same date, whereby EPOLP purchased a 98% equity interest in Mapletree, LLC for $940.2 million.

Immediately prior to the sale of 98% of Williams' membership interest in MAPL, LLC to EPOLP, all long-term debt of MAPL, LLC was repaid.

The interim financial data is unaudited; however, in the opinion of management, the interim financial data includes all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position as of June 30, 2002 and the results of operations for the six-month periods ended June 30, 2001 and 2002. The results of operations for the six months ended June 30, 2001 and 2002 are not necessarily indicative of the results to be expected for the full year.

DOLLAR AMOUNTS presented in the tabulations within the notes to our financial statements are stated in thousands of dollars, unless otherwise indicated.

ENVIRONMENTAL expenditures that relate to current or future revenues are expensed or capitalized based upon the nature of the expenditures. Expenditures resulting from an existing condition caused by past operations that do not contribute to current or future revenue generation are expensed. Environmental liabilities are recorded independently of any potential claim for recovery. Receivables are recognized in cases where the realization of reimbursements of remediation costs are considered probable. Accruals related to environmental matters are generally determined based on site-specific plans for remediation, taking into account the prior remediation experience of the Company.

INCOME TAXES are computed using the liability method and are provided on all temporary differences between the financial basis and the tax basis of the Company's assets and liabilities. For federal income tax reporting, the Company is included in Williams' consolidated tax return. The provision for income taxes has been charged to the Company as if separate income tax returns were filed.

LONG-LIVED ASSETS are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets that are held for disposal are valued at the lower of carrying amount or fair value less cost to sell.

PRODUCT INVENTORY consists of various NGL products we utilize in the operation of our pipeline. Product inventory is valued at the lower of average cost or market. For the year ended December 31, 2001, operating costs and expenses include a lower of average cost or market adjustment of $18.8 million.

PROPERTY,PLANT AND EQUIPMENT is recorded at cost and is depreciated using the straight-line method over the asset's estimated useful life at annual rates ranging from 1.40% to 11.30%. Expenditures for maintenance and repairs are charged to operations in the period incurred.

REVENUE is based on tariffs charged to customers for pipeline volumes transported. Shippers are invoiced and the related revenue is recorded as deliveries are made.

USE OF ESTIMATES AND ASSUMPTIONS by management that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period are required for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Our actual results could differ from these estimates.

2. RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations" in June 2001. This statement establishes accounting standards for the recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. This statement is effective for our fiscal year beginning January 1, 2003. We are evaluating the provisions of this statement.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement addresses financial accounting and reporting for the impairment and/or disposal of long-lived assets. We adopted this statement effective January 1, 2002 and determined that it did not have any significant impact on our financial statements as of that date.

In April 2002, the FASB issued SFAS No. 145, "Rescission of SFAS Statements No. 4, 44, and 64, Amendment of SFAS No. 13, and Technical Corrections." The purpose of this statement is to update, clarify and simplify existing accounting standards. We adopted this statement effective April 30, 2002 and determined that it did not have any significant impact on our financial statements as of that date.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance was provided by EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 replaces Issue 94-3. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. This statement is effective for our fiscal year beginning January 1, 2003. We are evaluating the provisions of this statement.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following at the periods indicated:

	December 31,		June 30,
	2000	2001	2002
			(Unaudited)
Pipelines and related equipment	$970,393	$981,733	$943,115
Land	1,303	1,445	1,445
Total	971,696	983,178	944,560
Less accumulated depreciation	(290,961)	(309,551)	(310,623)
Property, plant and equipment, net	$680,735	$673,627	$633,937

During 1999, we capitalized $7.0 million of interest related to a pipeline expansion project.

During 2002, we contributed fixed assets with a net book value of $23.6 million to an affiliate of Williams. The transaction was accounted for as a non-cash dividend.

4. LONG-TERM DEBT

During 1992, we issued five different series of Senior Unsecured Notes in the private placement market. The notes have a combined principal balance of $90 million with interest rates between 8.20% to 8.95%. The notes have principal payments beginning in July 2007. Interest is paid semi-annually either January 1 and July 1 or April 30 and October 30. The note agreements contain restrictive covenants, which limit the payment of advances or dividends to stockholders and restrict additional borrowing of funds. Such provisions restricted $100 million of combined net worth related to MAPL at December 31, 2001. We were in compliance with these covenants at December 31, 2001.

5. INCOME TAXES

The provision for income taxes are as follows for the periods indicated:

	For Years Ended December 31,		
	1999	2000	2001
Current:			
Federal	$ 9,327	$15,342	$ 9,718
State	1,276	309	667
	10,603	15,651	10,385
Deferred:			
Federal	11,702	6,088	6,105
State	1,346	1,087	955
Provision for income taxes	$23,651	$22,826	$17,445

Reconciliations from the provision for income taxes at the U.S federal statutory rate to the effective tax rate for the provision for income taxes are as follows:

	For Years Ended December 31,		
	1999	2000	2001
Provision at statutory rate	$23,623	$21,832	$16,474
Increases (reductions) in taxes resulting from:			
State income taxes (net of federal benefit)	1,704	907	1,054
Other	(1,676)	87	(83)
Provision for income taxes	$23,651	$22,826	$17,445

Significant components of deferred tax liabilities and assets as of December 31, 2000 and 2001 are as follows:

	December 31,	
	2000	2001
Deferred tax liabilities:		

Property, plant and equipment	$115,474	$122,138
Other	-	338
Total deferred tax liabilities	115,474	122,476
Deferred tax assets:		
Accrued liabilities	167	140
Other	2,956	3,077
Total deferred tax assets	3,123	3,217
Net deferred tax liabilities	$112,351	$119,259

6. RELATED PARTY TRANSACTIONS

Williams' affiliated companies transport product in our pipelines. Operating revenues from affiliates were as follows:

	For Years Ended December 31,		
	1999	2000	2001
Revenues from affiliates	$30,328	$40,531	$46,954
Revenues from affiliates as a percentage of total revenues	16%	19%	22%

At December 31, 2000 and 2001, we held affiliate receivable balances of $8.5 million and $14.3 million respectively, from Seminole Pipeline Company ("Seminole"), an 80%-owned subsidiary of Williams, primarily for MAPL's share of the joint tariff on movements generated in MAPL's pipeline system. MAPL is paid for its share of the joint tariff following delivery of NGLs to destinations on Seminole's pipeline system.

Williams charges their affiliates for certain general and administrative expenses that are directly identifiable or allocable to the affiliates. The majority of these expenses are reflected within general and administrative expenses. Allocated general and administrative expenses are based on a three-factor formula, which is accepted by the Federal Energy Regulatory Commission and considers operating margins, property, plant and equipment and payroll. These allocated costs from various Williams subsidiaries were as follows:

	For Years Ended December 31,		
	1999	2000	2001
Allocated G and A expenses	$23,321	$26,783	$19,067

In addition to the above allocations, Williams allocates interest based on intercompany account balances. Allocated interest expense from Williams was as follows:

	For Years Ended December 31,		
	1999	2000	2001
Allocated Interest Expense	$6,931	$5,620	$4,300

Due to MAPL holding no cash, Williams pays all MAPL payables, causing us to hold payables to affiliates. Collections on our receivables are netted against the affiliate payable account.

7. MAJOR CUSTOMERS

Two non-affiliated shippers accounted for 18% and 12% of operating revenues for the year ended December 31, 1999. One non-affiliated shipper accounted for 21% and 17% of operating revenues for the years ended December 31, 2000 and 2001.

8. COMMITMENTS

During 2001, we leased certain fixed asset equipment under a 15-year capital lease. At December 31, 2001, the lease had a balance of $5.8 million and an implied interest rate of approximately 14%. The balance of the lease along with the associated fixed assets were transferred to an affiliate in April 2002.

9. SUPPLEMENTAL CASH FLOWS DISCLOSURE

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
(Increase) decrease in:				(unaudited)	
Accounts receivable	$(2,124)	$ (544)	$(6,582)	$ (5,358)	$(5,168)
Income taxes due from affiliates	-	(8,213)	8,213	3,076	(11,855)
Product inventory	-	(41,455)	(3,687)	(1,162)	5,206
Prepaid and other current assets	(346)	(3,392)	2,266	1,633	1,149
Other assets	1,948	183	(203)	(68)	210
Increase (decrease) in:					
Accounts payable	54,124	23,646	(71,005)	(33,906)	(33,530)
Accrued taxes	(2,579)	(14,516)	1,160	2,863	2,001
Other current liabilities	(1,762)	(6,370)	1,329	322	809
Other liabilities	(805)	(341)	5,883	-	(59)

Net effect of changes in operating accounts	$ 48,456	$(51,002)	$(62,626)	$(32,600)	$(41,237)

Income taxes paid were $12.8 million, $39.4 million and $2.0 million for the year ended December 31, 1999, 2000 and 2001, respectively, and $25.6 million for the six months ended June 30, 2002. No income taxes were paid during the six months ended June 30, 2001. Interest paid was $7.8 million, $8.4 million and $13.0 million for 1999, 2000 and 2001, respectively, and $6.3 million and $3.6 million for the six months ended June 30, 2001 and 2002, respectively.

During 2002, Williams made an equity contribution to us in the amount of $34.4 million. The non-cash transaction was accounted for as a reduction to accounts payable - affiliate and an increase to owner equity.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by us, using available market information and appropriate valuation methodologies. Considerable judgment, however, is necessary to interpret market data and develop the related estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize upon disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Long-term debt. Debt consists of private placement senior notes. The fair value of private debt is valued based on the prices of similar securities with similar terms and credit ratings.

The carrying amounts and fair values for our financial instruments at December 31, 2000 and 2001 are as follows:

	2000		2001	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$90,000	$99,479	$90,000	$98,737

11. SIGNIFICANT CONCENTRATIONS OF RISK

All of our revenues are derived from the transportation of NGLs to various companies in the NGL industry, primarily located in the United States. Although this concentration could affect our overall exposure to credit risk since these customers might be affected by similar economic or other conditions, management believes that the Company is exposed to minimal credit risk, since the majority of our business is conducted with major companies within the industry. We perform periodic credit evaluations of our customers' financial condition and generally do not require collateral for receivables.

FINANCIAL STATEMENTS OF SEMINOLE PIPELINE COMPANY

Report of Independent Auditors

The Board of Directors of
Seminole Pipeline Company:

We have audited the accompanying balance sheets of Seminole Pipeline Company as of December 31, 2000 and 2001 and the related accompanying statements of operations, statements of stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seminole Pipeline Company at December 31, 2000 and 2001 and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

ERNST and YOUNG LLP

Tulsa, Oklahoma
March 6, 2002,
except for the matter described in Note 14,
as to which the date is September 6, 2002

SEMINOLE PIPELINE COMPANY
BALANCE SHEETS
(Dollars in thousands)

	December 31,		June 30,
	2000	2001	2002
	(Restated)		(Unaudited)
ASSETS			
Current Assets			

Cash and cash equivalents	$ 11,535	$ 16,513	$ 11,160
Accounts receivable - trade	6,066	10,995	8,791
Accounts receivable - affiliates	1,582	2,783	7,791
Accounts receivable - other	117	152	408
Income taxes due from affiliates	-	-	1,637
Prepaid and other current assets	87	35	122
Total current assets	19,388	30,479	29,909
Property, Plant and Equipment, net	261,358	251,751	249,390
Other assets	194	170	440
Total	$280,940	$282,399	$279,739
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Current portion of long-term debt	$ 15,000	$ 15,000	$ 15,000
Accounts payable - trade	4,644	2,646	2,389
Accounts payable - affiliates	15,437	15,460	17,948
Accrued income taxes due affiliates	54	8,471	-
Accrued taxes, other than income taxes	2,557	2,717	2,665
Other current liabilities	3,265	796	1,853
Total current liabilities	40,957	45,090	39,855
Long-Term Debt	60,000	45,000	45,000
Deferred Income Taxes	58,858	59,226	59,116
Commitments and Contingencies			
Stockholders' Equity			
Capital stock:			
Preferred stock, SeriesA, without par value, $100 stated value; 100 shares authorized and issued; involuntary liquidation Preference aggregated $79,170	10	10	10
Common stock, $100 par value; 1,000 shares Authorized and issued	100	100	100
Paid-in capital	114,357	114,357	114,357
Retained earnings	6,658	18,616	21,301
Total stockholders' equity	121,125	133,083	135,768
Total	$280,940	$282,399	$279,739

See Notes to Financial Statements

SEMINOLE PIPELINE COMPANY
STATEMENTS OF OPERATIONS
(Dollars in thousands)

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
		(Restated)		(Unaudited)	
REVENUES	$64,210	$66,609	$65,800	$30,880	$34,856
COSTS AND EXPENSES					
Operating costs and expenses	27,278	37,293	33,539	16,430	17,315
Selling, general and administrative	1,035	1,700	1,535	750	796
Total	28,313	38,993	35,074	17,180	18,111
OPERATING INCOME	35,897	27,616	30,726	13,700	16,745
OTHER INCOME (EXPENSE)					
Interest expense	(5,002)	(5,003)	(5,160)	(2,450)	(2,006)
Other, net	670	(1,542)	662	(9)	(7)
Total	(4,332)	(6,545)	(4,498)	(2,459)	(2,013)
INCOME BEFORE INCOME TAXES	31,565	21,071	26,228	11,241	14,732
PROVISION FOR INCOME TAXES	(11,611)	(7,590)	(9,470)	(3,837)	(5,347)
NET INCOME	$19,954	$13,481	$16,758	$ 7,404	$ 9,385

See Notes to Financial Statements

SEMINOLE PIPELINE COMPANY
STATEMENTS OF STOCKHOLDERS' EQUITY
(Dollars in thousands)

	Preferred Stock	Common Stock	Paid-in Capital	Retained Earnings	Total
Balance, December 31, 1998	$10	$100	$114,357	$28,813	$143,280
Net income	-	-	-	19,954	19,954

Cash dividends paid to stockholders	-	-	-	(24,000)	(24,000)
Balance, December 31, 1999	10	100	114,357	24,767	139,234
Net income (restated)	-	-	-	13,481	13,481
Cash dividends paid to stockholders	-	-	-	(31,590)	(31,590)
Balance, December 31, 2000 (restated)	10	100	114,357	6,658	121,125
Net income (restated)	-	-	-	16,758	16,758
Cash dividends paid to stockholders	-	-	-	(4,800)	(4,800)
Balance, December 31, 2001 (restated)	10	100	114,357	18,616	133,083
Net income (unaudited)	-	-	-	9,385	9,385
Cash dividends paid to stockholders (unaudited)	-	-	-	(6,700)	(6,700)
Balance, June 30, 2002 (unaudited)	$10	$100	$114,357	$21,301	$135,768

See Notes to Financial Statements

SEMINOLE PIPELINE COMPANY
STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
		(Restated)		(Unaudited)	
OPERATING ACTIVITIES					
Net income	$19,954	$13,481	$16,758	$ 7,404	$ 9,385
Adjustments to reconcile net income to cash flows provided by (used for) operating activities:					
Depreciation and amortization	10,125	10,183	10,199	5,095	5,123
Deferred income taxes	1,199	759	368	374	(110)
Net effect of changes in operating accounts	(12,030)	10,623	(1,982)	(4,504)	(10,302)
Operating activities cash flows	19,248	35,046	25,343	8,369	4,096
INVESTING ACTIVITIES					
Capital expenditures	(1,964)	(810)	(576)	(297)	(2,763)
Proceeds from sale of assets	18	15	11	11	14
Investing activities cash flows	(1,946)	(795)	(565)	(286)	(2,749)
FINANCING ACTIVITIES					
Long-term debt repayments	-	-	(15,000)	-	-
Cash dividends paid to stockholders	(24,000)	(31,590)	(4,800)	(2,000)	(6,700)
Financing activities cash flows	(24,000)	(31,590)	(19,800)	(2,000)	(6,700)
CHANGE IN CASH AND CASH EQUIVALENTS	(6,698)	2,661	4,978	6,083	(5,353)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	15,572	8,874	11,535	11,535	16,513
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 8,874	$11,535	$16,513	$17,618	$11,160

See Notes to Financial Statements

SEMINOLE PIPELINE COMPANY
NOTES TO FINANCIAL STATEMENTS
(Information pertaining to June 30, 2002 and to the six months ended June 30, 2001 and 2002 is unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Seminole Pipeline Company ("Seminole"), a Delaware corporation, was organized in 1981 for the purpose of constructing and operating a common carrier liquified petroleum products pipeline. Unless the context requires otherwise, references to "we", "us", "our", or the "Company" are intended to mean Seminole Pipeline Company. Seminole's 100 shares of non-voting and non-participating preferred stockand 1,000 shares of common stock are held by Williams Natural Gas Liquids Inc. ("WNGL") (80%), AMOCO Pipeline Seminole Investment Company ("AMOCO") (10%) and Texaco Natural Gas Liquids Inc. ("Texaco") (10%).

Our operations include the transportation, pumping, metering and underground storage of natural gas liquids ("NGLs"), including demethanized mix, ethane-propane mix and specification liquid products. Our primary asset, the Seminole pipeline primarily transports natural gas liquids ("NGLs") from Hobbs, Texas and the Permian Basin to Mont Belvieu, Texas. We have only one operating segment, pipeline transportation.

These financial statements are prepared in accordance with generally accepted accounting principles in the United States. The information contained in these financial statements may differ in some respects from the information filed with the Federal Energy Regulatory Commission ("FERC").

The interim financial data are unaudited; however, in the opinion of management, the interim financial data includes all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results as of June 30, 2002 and for the six-month periods ended June 30, 2001 and 2002. The results of operations for the six months ended June 30, 2002 and 2001 are not necessarily indicative of the results to be expected for the full year.

CASH AND CASH EQUIVALENTS consist of short-term, highly liquid investments that are readily convertible into cash. All investments classified as cash equivalents have maturities at the date of purchase of three months or less. Cash flows are computed using the indirect method.

DOLLAR AMOUNTS (except per share amounts) presented in the tabulations within the notes to our financial statements are stated in thousands of dollars, unless otherwise indicated.

EARNINGS PER SHARE is generally computed by dividing net income by either common stock outstanding (for basic earnings per share) or common and preferred stock outstanding (for diluted earnings per share). We have 1,000 shares of common stock outstanding and 100 shares of preferred stock outstanding during all periods presented within these financial statements. Earnings per share is not presented since the Company is a nonpublic entity that has a simple capital structure and few stockholders. As a result, we believe an earnings per share computation would not be meaningful to users of our financial statements.

ENVIRONMENTAL expenditures that relate to current or future revenues are expensed or capitalized based upon the nature of the expenditures. Expenditures resulting from an existing condition caused by past operations that do not contribute to current or future revenue generation are expensed. Environmental liabilities are recorded independently of any potential claim for recovery. Receivables are recognized in cases where the realization of reimbursements of remediation costs are considered probable. Accruals related to environmental matters are generally determined based on site-specific plans for remediation, taking into account the prior remediation experience of the Company.

INCOME TAXES are computed using the liability method and are provided on all temporary differences between the financial basis and the tax basis of the Company's assets and liabilities. For federal income tax reporting, the Company is included in The Williams Companies, Inc. ("Williams") consolidated tax return. The provision for income taxes has been charged to Seminole as if separate income tax returns were filed.

LONG-LIVED ASSETS are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets that are held for disposal are valued at the lower of carrying amount or fair value less cost to sell.

PROPERTY, PLANT AND EQUIPMENT is recorded at cost and is depreciated using the straight-line method over the asset's estimated useful life at annual rates ranging from 2.25% to 25%. Expenditures for maintenance and repairs are charged to operations in the period incurred. The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts, and any gain or loss on disposition is included in income.

REVENUE is based on tariffs charged to customers for pipeline volumes transported. Shippers are invoiced and the related revenue is recorded as deliveries are made.

USE OF ESTIMATES AND ASSUMPTIONS by management that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period are required for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. Our actual results could differ from these estimates.

2. RECENTLY ISSUED ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations" in June 2001. This statement establishes accounting standards for the recognition and measurement of a liability for an asset retirement obligation and the associated asset retirement cost. This statement is effective for our fiscal year beginning January 1, 2003. We are evaluating the provisions of this statement.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement addresses financial accounting and reporting for the impairment and/or disposal of long-lived assets. We adopted this statement effective January 1, 2002 and determined that it did not have any significant impact on our financial statements as of that date.

In April 2002, the FASB issued SFAS No. 145, "Rescission of SFAS Statements No. 4, 44, and 64, Amendment of SFAS No. 13, and Technical Corrections." The purpose of this statement is to update, clarify and simplify existing accounting standards. We adopted this statement effective April 30, 2002 and determined that it did not have any significant impact on our financial statements as of that date.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred. Examples of costs covered by the standard include lease termination costs and certain employee severance costs that are associated with a restructuring, discontinued operation, plant closing, or other exit or disposal activity. Previous accounting guidance was provided by EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)." SFAS No. 146 replaces Issue 94-3. SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002. This statement is effective for our fiscal year beginning January 1, 2003. We are evaluating the provisions of this statement.

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following at the periods indicated:

	December 31, 2000	December 31, 2001	June 30, 2002 (unaudited)
Pipelines and related equipment	$381,010	$381,381	$384,065
Land	964	964	964
Total	381,974	382,345	385,029
Less accumulated depreciation	(120,616)	(130,594)	(135,639)
Property, plant and equipment, net	$261,358	$251,751	$249,390

Depreciation expense for the years ended December 31, 1999, 2000 and 2001 was $10.1 million, $10.2 million and $10.2 million, respectively. Depreciation expense for each of the six month periods ended June 30, 2001 and 2002 was $5.1 million.

4. LONG-TERM DEBT

In December 1993, we issued $75 million of 6.67% Senior Unsecured Notes in the private placement market. These notes are payable at $15 million annually on December 1 from 2001 through 2005. Interest is paid semi-annually on June 1 and December 1. The Senior Notes agreement contains restrictive covenants, which limit the payment of advances or dividends to stockholders and restrict additional borrowing of funds. Such provisions restricted $90 million of consolidated net worth at December 31, 2001. We were in compliance with these covenants at December 31, 2001.

5. CAPITAL STRUCTURE

In the event of involuntary liquidation or dissolution the Company, the holders of the preferred stock are entitled to be paid an amount equal to the subscription price (stated value of $100 per share) and paid-in capital (contributions less distributions of paid-in capital) before any holders of common stock or any other class of stock receive distributions.

Cash dividends paid to stockholders are calculated each quarter based on the amount of cash flow available. The stockholders receive an amount proportionate to their ownership percentage.

6. INCOME TAXES

The provision for income taxes are as follows for the periods indicated:

	For Years Ended December 31,		
	1999	2000	2001
Current:			
Federal	$10,139	$6,473	$8,718
State	273	358	384
	10,412	6,831	9,102
Deferred:			
Federal	1,012	797	334
State	187	(38)	34
Provision for income taxes	$11,611	$7,590	$9,470

Reconciliation from the provision for income taxes at the U.S federal statutory rate to the effective tax rate for the provision for income taxes are as follows:

	For Years Ended December 31,		
	1999	2000	2001
Provision at statutory rate	$11,048	$7,375	$9,180
Increases (reductions) in taxes resulting from:			
State income taxes (net of federal benefit)	299	208	272
Other	264	7	18
Provision for income taxes	$11,611	$7,590	$9,470

Significant components of deferred tax liabilities and assets as of December 31, 2000 and 2001 are as follows:

	December 31,	
	2000	2001
Deferred tax liabilities:		
Property, plant and equipment	$61,184	$61,729
Total deferred tax liabilities	61,184	61,729
Deferred tax assets:		
Accrued liabilities	2,184	2,361
Other	142	142
Total deferred tax assets	2,326	2,503
Net deferred tax liabilities	$58,858	$59,226

7. RELATED PARTY TRANSACTIONS

Our stockholders or their affiliated companies transport product in our pipeline system. Operating revenues from affiliates for the last three years were as follows:

	For Years Ended December 31,		
	1999	2000	2001
Revenues from affiliates	$30,477	$32,784	$33,006
Revenues from affiliates as			

a percentage of total revenues	47%	49%	50%

At December 31, 2000 and 2001, we owed $8.5 million and $14.3 million respectively, to Mid-America Pipeline Company ("MAPL"), a wholly-owned subsidiary of WNGL, primarily for its share of the joint tariff on movements originating in MAPL's pipeline system. MAPL is paid for its share of the joint tariff following delivery of the NGLs to destinations on our system.

In addition, MAPL employees provide pipeline management services to us pursuant to a service agreement. MAPL charged us $1.0 million, $1.2 million and $1.2 million for such services during 1999, 2000 and 2001, respectively.

We lease land under an operating lease from an affiliate of AMOCO. Operating lease expense related to this arrangement was approximately $0.1 million for each of the years 1999, 2000 and 2001. The fee is adjusted annually in accordance with the Gross National Product price deflator. The original term of the lease was fifteen years, beginning August 1, 1981, with a renewal option for three consecutive five-year periods. The lease was renewed on August 1, 1996 and August 1, 2001. Future minimum payments for this lease are as follows:

2002	$140
2003	143
2004	148
2005	151
2006	106
Total minimum obligations	$688

8. MAJOR CUSTOMERS

One non-affiliated shipper accounted for 17%, 15% and 15% of operating revenues for the years ended 1999, 2000 and 2001, respectively.

9. COMMITMENTS AND CONTINGENCIES

Lease Commitments

We lease land from an affiliate of AMOCO under an operating lease agreement. See Note 7 for a description of this arrangement.

Litigation

On August 10, 1999, a subcontractor installing utility poles for a local electric utility struck our pipeline. The accident resulted in the death of one of the subcontractor's employees, destroyed the subcontractor's equipment and burned the vegetation on nearby lots. During January 2000, the decedent's family filed suit against us, the subcontractor and the local electric utility. We recorded an estimate for the settlement in 2000. Settlement was reached with the decedent's family during February 2001 for $2.3 million. The payment was made March 9, 2001. The remaining liability of $79,000 is included in other current liabilities at December 31, 2001, which is to cover remaining legal expenses.

In addition to the foregoing, various proceedings are pending against the Company incidental to our operations. Management believes the ultimate resolution of these matters will not have a material adverse effect upon our future financial position, results of operations or cash flow requirements.

10. SUPPLEMENTAL CASH FLOWS DISCLOSURE

	For Years Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
				(Unaudited)	
(Increase) decrease in:					
Accounts receivable	$ (6,760)	$ 8,222	$(6,165)	$(2,526)	$ (3,060)
Income taxes due from affiliates	-	-	-	-	(1,637)
Prepaid and other current assets	115	(22)	52	(175)	(87)
Other assets	32	1	(2)	26	(283)
Increase (decrease) in:					
Accounts payable	(351)	10,678	(1,975)	(4,500)	2,231
Accrued taxes	2,317	(10,324)	8,577	4,783	(8,523)
Other current liabilities	(7,350)	2,068	(2,469)	(2,112)	1,057
Other liabilities	(33)	-	-	-	-
Net effect of changes in operating accounts	$ (12,030)	$10,623	$(1,982)	$(4,504)	$(10,302)

Income taxes paid were $9.3 million, $7.5 million and $10.3 million for the year ended December 31, 1999, 2000 and 2001, respectively, and $5.2 million for the six months ended June 30, 2002. No income taxes were paid during the six months ended June 30, 2001. Interest paid was $5.0 million, $5.1 million and $4.8 million for 1999, 2000 and 2001, respectively, and $2.5 million and $2.1 million for the six months ended June 30, 2001 and 2002, respectively.

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following disclosure of estimated fair value was determined by us, using available market information and appropriate valuation methodologies. Considerable judgment, however, is necessary to interpret market data and develop the related estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that we could realize upon disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Cash and cash equivalents. The carrying values reported in the balance sheets for cash and cash equivalents approximate their fair value.

Long-term debt. Debt consists of a private placement of 6.67% Senior Notes. The fair value of private debt is valued based on the prices of similar securities with similar terms and credit ratings.

The carrying amounts and fair values for our financial instruments at December 31, 2000 and 2001 are as follows:

	2000		2001	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	$75,000	$74,634	$60,000	$60,300

12. SIGNIFICANT CONCENTRATIONS OF RISK

All of our revenues are derived from the transportation of NGLs to various companies in the NGL industry, primarily located in the United States. Although this concentration could affect our overall exposure to credit risk since these customers might be affected by similar economic or other conditions, management believes that the Company is exposed to minimal credit risk, since the majority of our business is conducted with major companies within the industry. We perform periodic credit evaluations of our customers' financial condition and generally do not require collateral for receivables.

13. SUBSEQUENT EVENTS (UNAUDITED)

On July 31, 2002, WNGL contributed its 80% equity interest in the Company to a newly-formed affiliate of Williams, E-Oaktree, LLC. This contribution was done as part of a subsequent transaction which took place between Williams and Enterprise Products Operating L.P. ("EPOLP") on the same date, whereby EPOLP purchased a 98% equity interest in E-Oaktree, LLC.

14. RESTATEMENT OF FINANCIAL STATEMENTS

In June 2002, the Company discovered an error in the way their revenue system was calculating joint tariff revenue. The impact of this error to revenues and net income was a decrease of $2.9 million and $1.8 million for the year ended December 31, 2000, respectively, and a decrease of $4.3 million and $2.8 million for the year ended December 31, 2001, respectively. The correction of these errors has been reflected in the accompanying restated financial statements.

ENTERPRISE PRODUCTS PARTNERS L.P. AND SUBSIDIARIES
UNAUDITED PRO FORMA FINANCIAL STATEMENTS

Introduction

On July 31 2002, we acquired 98% of the ownership interests in two affiliates of The Williams Companies Inc. ("Williams"): Mapletree, LLC and E-Oaktree, LLC. Mapletree, LLC owns 100% of the Mid-America pipeline system ("Mid-America") and certain propane terminals and storage facilities. E-Oaktree, LLC owns 80% of Seminole Pipeline Company ("Seminole"). The pro forma financial statements are primarily based upon the combined historical financial position and results of operations of Enterprise Products Partners L.P. ("Enterprise"), Mid-America and Seminole. Unless the context requires otherwise, references to "we", "us", "our" or "Enterprise" are intended to mean the consolidated business and operations of Enterprise Products Partners L.P. and Enterprise Products Operating L.P. (the "Operating Partnership").

The unaudited pro forma Statements of Consolidated Operations have been prepared as if the acquisitions had occurred on January 1 of the respective periods presented, and the pro forma balance sheet has been prepared as if the acquisitions occurred on June 30, 2002. The combined purchase price of these acquisitions was approximately $1.2 billion and was primarily funded by an unsecured 364-day term loan of the same amount (the "Term Loan").

The unaudited pro forma financial statements should be read in conjunction with and are qualified in their entirety by reference to the notes accompanying such pro forma financial statements and with:

|X| the historical financial statements and related notes of Mid-America and Seminole included elsewhere in this report on Form 8-K; and,
|X| the historical financial statements and related notes of Enterprise in its Form 10-K for fiscal 2001 and its Form 10-Q for the six months ended June 30, 2002.

The unaudited pro forma information is not necessarily indicative of the financial results which would have occurred had the acquisitions described herein taken place on the dates indicated nor is it indicative of our future consolidated financial results.

ENTERPRISE PRODUCTS PARTNERS L.P.
PRO FORMA STATEMENT OF CONSOLIDATED OPERATIONS
For the Six Months Ended June 30, 2002
(Dollars in thousands, except per Unit amounts)
(Unaudited)

	Enterprise Historical	Mid-America Historical	Seminole Historical	Other	Adjustments	Enterprise Pro Forma
REVENUES						
Revenues from consolidated operations	$1,448,311	$109,865	$34,856	$17,434	$ (2,252) (f)	$1,608,214
Equity income in unconsolidated affiliates	16,295	-	-	-		16,295
Total	1,464,606	109,865	34,856	17,434	(2,252)	1,624,509

COST AND EXPENSES						
Operating costs and expenses	1,410,044	45,111	17,315	16,231	1,325 (b)	1,487,900
					126 (c)	
					(2,252) (f)	
Selling, general and administrative	15,702	15,130	796	260		31,888
Total	1,425,746	60,241	18,111	16,491	(801)	1,519,788
OPERATING INCOME	38,860	49,624	16,745	943	(1,451)	104,721
OTHER INCOME (EXPENSE)						
Interest expense	(37,545)	(4,432)	(2,006)	-	4,148 (b)	(67,195)
					(26,709) (a)	
					(651) (c)	
Interest income from unconsolidated affiliates	92	-	-	-		92
Dividend income from unconsolidated affiliates	2,196	-	-	-		2,196
Interest income - other	1,575	-	-	-		1,575
Other, net	(31)	(748)	(7)	-		(786)
Other income (expense)	(33,713)	(5,180)	(2,013)	-	(23,212)	(64,118)
INCOME BEFORE MINORITY INTEREST AND PROVISION FOR INCOME TAXES	5,147	44,444	14,732	943	(24,663)	40,603
PROVISION FOR INCOME TAXES	-	(16,604)	(5,347)	-	16,582 (b)	(5,369)
INCOME BEFORE MINORITY INTEREST	5,147	27,840	9,385	943	(8,081)	35,234
MINORITY INTEREST	(30)	-	-	-	(3,008) (d)	(3,038)
NET INCOME	$ 5,117	$ 27,840	$ 9,385	$ 943	$(11,089)	$ 32,196
ALLOCATION OF NET INCOME TO:						
Limited partners	$ 1,223				$ 26,811 (e)	$ 28,034
General partner	$3,894				$ 268 (e)	$ 4,162
BASIC EARNINGS PER UNIT						
Number of Units used in computing Basic Earnings per Unit	145,404					145,404
Income before minority interest	$0.01					$ 0.21
Net income per Unit	$0.01					$ 0.19
DILUTED EARNINGS PER UNIT						
Number of Units used in computing Diluted Earnings per Unit	174,404					174,404
Income before minority interest	$ 0.01					$ 0.18
Net income per Unit	$ 0.01					$ 0.16

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
PRO FORMA STATEMENT OF CONSOLIDATED OPERATIONS
For the Year Ended December 31, 2001
(Dollars in thousands, except per Unit amounts)
(Unaudited)

	Enterprise Historical	Mid-America Historical	Seminole Historical	Other	Adjustments	Enterprise Pro Forma
REVENUES						
Revenues from consolidated operations	$3,154,369	$214,518	$65,800	$522,669	$ (4,413) (f)	$3,952,943
Equity income in unconsolidated affiliates	25,358	-	-	(1,879)		23,479
Total	3,179,727	214,518	65,800	520,790	(4,413)	3,976,422
COST AND EXPENSES						
Operating costs and expenses	2,861,743	125,349	33,539	507,869	2,230 (b)	3,528,057
					1,740 (c)	
					(4,413) (f)	
Selling, general and administrative	30,296	28,364	1,535	4,477		64,672
Total	2,892,039	153,713	35,074	512,346	(443)	3,592,729
OPERATING INCOME	287,688	60,805	30,726	8,444	(3,970)	383,693
OTHER INCOME (EXPENSE)						
Interest expense	(52,456)	(12,700)	(5,160)	-	8,400 (b)	(124,328)
					(53,418) (a)	
					(8,994) (c)	
Interest income from unconsolidated affiliates	31	-	-	4		35
Dividend income from unconsolidated affiliates	3,462	-	-	-		3,462
Interest income - other	7,029	-	-	-		7,029
Other, net	(1,104)	(1,035)	662	(15)		(1,492)

Other income (expense)	(43,038)	(13,735)	(4,498)	(11)	(54,012)	(115,294)
INCOME BEFORE MINORITY INTEREST AND PROVISION FOR INCOME TAXES	244,650	47,070	26,228	8,433	(57,982)	268,399
PROVISION FOR INCOME TAXES	-	(17,445)	(9,470)	-	17,402 (b)	(9,513)
INCOME BEFORE MINORITY INTEREST	244,650	29,625	16,758	8,433	(40,580)	258,886
MINORITY INTEREST	(2,472)	-	-	-	(4,746) (d)	(7,218)
NET INCOME	$ 242,178	$ 29,625	$16,758	$ 8,433	$(45,326)	$ 251,668
ALLOCATION OF NET INCOME TO:						
Limited partners	$ 236,570				$ 9,403 (e)	$ 245,973
General partner	$ 5,608				$ 87 (e)	$ 5,695
BASIC EARNINGS PER UNIT						
Number of Units used in computing Basic Earnings per Unit	139,452					139,452
Income before minority interest	$ 1.72					$ 1.82
Net income per Unit	$ 1.70					$ 1.76
DILUTED EARNINGS PER UNIT						
Number of Units used in computing Diluted Earnings per Unit	170,786					170,786
Income before minority interest	$ 1.40					$ 1.48
Net income per Unit	$ 1.39					$ 1.44

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
PRO FORMA CONSOLIDATED BALANCE SHEET AT JUNE 30, 2002
(Dollars in thousands, Unaudited)

	Enterprise Historical	Mid-America Historical	Seminole Historical	Adjustments	Enterprise Pro Forma
ASSETS					
Current Assets					
Cash and cash equivalents	$ 7,929	$ -	$ 11,160	$1,195,000 (a) (1,195,000) (a)	$ 19,089
Accounts receivable, net	284,021	1,383	9,199		294,603
Accounts receivable - affiliates	1,740	20,506	7,791	(16,333) (f)	13,704
Income taxes due from affiliates		11,855	1,637	(13,492) (b)	-
Inventories	153,280	10,210	-		163,490
Prepaid and other current assets	34,089	868	122	15,000 (a)	50,079
Total current assets	481,059	44,822	29,909	(14,825)	540,965
Property, Plant and Equipment, Net	1,570,571	633,937	249,390	426,766 (b)	2,880,664
Investments in and Advances to Unconsolidated Affiliates	403,070	-	-		403,070
Intangible assets	249,222	-	-		249,222
Goodwill	81,543	-	-		81,543
Other Assets	6,911	2,844	440		10,195
Total	$2,792,376	$681,603	$279,739	$ 411,941	$4,165,659
LIABILITIES AND EQUITY					
Current Liabilities					
Current maturities of debt	$ -	$ -	$ 15,000	$1,200,000 (a)	$1,215,000
Accounts payable - trade	70,716	5,178	2,389		78,283
Accounts payable - affiliates	21,233	26,726	17,948	(16,333) (f)	49,574
Accrued gas payables	303,983	-	-		303,983
Accrued expenses	12,961	7,777	2,665		23,403
Accrued interest	24,676	2,100	668	(2,100) (b)	25,344
Other current liabilities	70,672	368	1,185		72,225
Total current liabilities	504,241	42,149	39,855	1,181,567	1,767,812
Long-Term Debt	1,223,552	90,000	45,000	10,000 (a) (90,000) (b)	1,278,552
Deferred Income Taxes		122,611	59,116	(181,727) (b)	-
Other Long-Term Liabilities	7,919	384	-		8,303
Minority Interest	10,818	-	-	54,328 (b)	65,146
Commitments and Contingencies					

Owners' Equity		426,459	135,768	(562,227) (b)	-
Partners' Equity					
Limited partners	1,051,956				1,051,956
General partner	10,626				10,626
Treasury Units	(16,736)				(16,736)
Total Equity	1,045,846	426,459	135,768	(562,227)	1,045,846
Total	$2,792,376	$681,603	$279,739	$ 411,941	$4,165,659

The accompanying notes are an integral part of these unaudited pro forma condensed financial statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS
December 31, 2001 and June 30, 2002

These unaudited pro forma financial statements and underlying pro forma adjustments are based upon currently available information and certain estimates and assumptions made by us; therefore, actual results will differ from pro forma results. However, we believe the assumptions provide a reasonable basis for presenting the significant effects of the acquisitions noted herein. We believe the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma financial information.

(a) This group of pro forma adjustments reflects the following:

o The net cash proceeds of $1.195 billion needed to acquire our interests in Mid-America and Seminole consisting of a $1.2 billion borrowing under the Term Loan, a $10 million borrowing under our revolving credit facilities, less $15 million in prepaid loan costs.

o An increase in variable rate-based interest expense due to the increase in borrowings. Interest expense also reflects amortization of the $15 million in prepaid loan costs associated with the Term Loan (over its respective one-year life). The combined pro forma increase in interest expense due to these borrowings and amortization was $53.4 million for the year ended December 31, 2001 and $26.7 million for the six months ended June 30, 2002. If the underlying variable interest rate used in such pro forma calculations were to increase by .125%, pro forma interest expense would increase by $1.5 million for the year ended December 31, 2001 and by $0.8 million for the six months ended June 30, 2002.

In preparing the pro forma Statements of Consolidated Operations, we have assumed that the $1.2 billion principal balance of the Term Loan is outstanding during the entire period covered by such statements. Our future plans for permanent financing of the Mid-America and Seminole acquisitions include the issuance of additional equity and debt in amounts which are consistent with our objective of maintaining financial flexibility and an investment grade balance sheet.

To the extent that the proceeds of any future equity offering are again used to reduce the principal amount outstanding under the Term Loan, our interest expense will be reduced. To the extent that the Term Loan is refinanced with debt, our interest expense will generally be affected by any difference in interest rates on the Term Loan and the new debt and by any fees associated with the new debt.

(b) This group of pro forma adjustments primarily reflects our preliminary allocation of the $1.195 billion purchase price of our ownership interests in Mid-America and Seminole. The pro forma estimated allocation of the purchase price for Mid-America and Seminole is as follows:

	Preliminary Allocation of Purchase Price for		
	Mid-America	Seminole	Total
Cash and cash equivalents	$ -	$ 11,160	$ 11,160
Accounts receivable	21,889	16,990	38,879
Product inventory	10,210	-	10,210
Prepaids and other current assets	868	122	990
Property, plant and equipment	957,408	352,684	1,310,093
Other assets	2,844	440	3,284
Accounts payable	(31,904)	(20,337)	(52,241)
Accrued taxes	(7,777)	(2,665)	(10,442)
Other current liabilities	(368)	(1,853)	(2,221)
Long-term debt	-	(60,000)	(60,000)
Other long-term liabilities	(384)	-	(384)
Minority interest in assets and liabilities liabilities	(12,586)	(41,741)	(54,328)
Total	$940,200	$254,800	$1,195,000

In preparing these pro forma financial statements, we have assumed that the estimated $426.8 million difference between the purchase price of the assets acquired and liabilities assumed in the Mid-America and Seminole acquisitions (or $1.195 billion) and their respective carrying values (an adjusted $768.2 million after deducting for $54.3 million of minority interest) is attributable to the fair market value of property, plant and equipment. For purposes of calculating pro forma depreciation expense, we have applied the straight-line method using an estimated remaining useful life of the Mid-America and Seminole assets of 35 years to our new basis in these assets of $1.3 billion. After adjusting for historical depreciation recorded on Mid-America and Seminole, pro forma depreciation expense increased $2.2 million for the year ended December 31, 2001 and $1.3 million for the six months ended June 30, 2002.

We are currently working with third-party business valuation experts to develop a definitive allocation of the purchase price. This fair market value study will not be complete until the fourth quarter of 2002. As a result, the final purchase price allocation may result in some amounts being assigned to intangible assets and/or goodwill. To the extent that any amount is assigned to an intangible asset, this amount may ultimately be amortized to earnings over the expected period of benefit of the intangible asset. To the extent that any amount is assigned to goodwill, this amount would not be subject to depreciation or amortization, but would be subject to periodic impairment testing and if necessary, written down to fair value should circumstances warrant.

Other significant aspects of this group of pro forma adjustments are as follows:

- The pro forma adjustment to minority interest of $54.3 million is based on the 2% interest in Mid-America and Seminole owned by Williams and the 20% interest in Seminole owned by its other joint owners.

- The pro forma adjustments also include those associated with the extinguishment of Mid-America's $90 million in private placement debt (along with its associated $2.1 million interest payable) immediately prior to our purchase of the Mid-America interest. The pro forma entries give effect to the removal of interest expense associated with this debt of $8.4 million in 2001 and $4.1 million for the first six months of 2002.

- In connection with the Mid-America acquisition, immediately prior to the acquisition's effective date, Williams

converted Mid-America from a corporation to a limited liability company resulting in the recognition of the historical cumulative temporary differences previously recorded on Mid-America's books. In addition, our allocation of purchase price for both book and tax purposes was the same, thus eliminating the need to set up any new cumulative temporary differences on Mid-America's books. The pro forma adjustments reflect this change in Mid-America's tax structure by eliminating these historical tax-related account balances. The impact on Mid-America's pro forma earnings was the elimination of $17.4 million in income tax expense for the year ended December 31, 2001 and $16.6 million for the six months ended June 30, 2002. This pro forma adjustment removed income taxes due from affiliates of $11.8 million and deferred income taxes of $122.6 million from Mid-America's balance sheet.

- In connection with the Seminole acquisition, certain tax elections were made by the buyer and seller such that the transaction was treated as an asset purchase for tax purposes. Our allocation of purchase price for both book and tax purposes was the same, thus eliminating any historical cumulative temporary differences previously recorded on Seminole's books. The pro forma adjustments reflect the elimination of these historical deferred tax balances. This pro forma adjustment removed income taxes due from affiliates of $1.6 million and deferred income taxes of $59.1 million from Seminole's balance sheet.

(c) Since January 1, 2001, we have acquired three other strategic businesses that are incorporated into the pro forma Statements of Operations (included under the "Other" column in these statements). These are the acquisition of a natural gas pipeline business from Shell during the second quarter of 2001 and the acquisition of a propylene fractionation business and NGL and petrochemical storage business from Diamond-Koch during the first quarter of 2002. Our June 30, 2002 historical balance sheet already reflects these acquisitions; thus, no pro forma adjustments to the balance sheet are necessary. The unaudited pro forma Statements of Consolidated Operations have been prepared as if these acquisitions had occurred on January 1 of the respective periods presented.

This group of pro forma adjustments reflects the following:

- As a result of the Diamond-Koch business acquisitions, we acquired certain contract-based intangible assets that are subject to amortization. On a pro forma basis, amortization expense associated with these intangible assets increased by $1.7 million for the year ended December 31, 2001 and $0.1 million for the six months ended June 30, 2002.

- Of the cumulative $612.3 million paid to acquire these three business, the natural gas pipeline business acquired from Shell and the propylene fractionation business acquired from Diamond-Koch were financed using $482.2 million of fixed and variable rate debt. This resulted in pro forma interest expense of $9.0 million for the year ended December 31, 2001 and $0.7 million for the six months ended June 30, 2002. If the variable-interest rate used in such pro forma calculations were to increase by .125%, pro forma interest expense would increase by $0.3 million for the year ended December 31, 2001 and by less than $0.1 million for the six months ended June 30, 2002.

(d) Represents the allocation of pro forma earnings to minority interest holders. Williams has a 2% minority interest in Mid-America and Seminole. The other owners of Seminole hold a 20% minority interest. Finally, our General Partner holds an approximate 1% minority interest in the earnings of our Operating Partnership.

(e) Represents the adjustments necessary to allocate pro forma earnings between our limited partners and General Partner.

(f) Reflects the elimination of material intercompany receivables, payables, revenues and expenses as appropriate in consolidation between us and the acquired companies.

FIRST AMENDMENT AND SUPPLEMENT
TO CREDIT AGREEMENT

EFFECTIVE AS OF JULY 31, 2002

AMONG

ENTERPRISE PRODUCTS OPERATING L.P.

THE LENDERS PARTY HERETO

WACHOVIA BANK, NATIONAL ASSOCIATION,
AS ADMINISTRATIVE AGENT AND AS A LENDER

LEHMAN COMMERCIAL PAPER INC.,
AS CO-SYNDICATION AGENT

ROYAL BANK OF CANADA,
AS CO-SYNDICATION AGENT AND ARRANGER

AND

WACHOVIA SECURITIES, INC.
AND
LEHMAN BROTHERS INC,
AS LEAD ARRANGERS AND JOINT BOOK RUNNERS

RBC CAPITAL MARKETS,
AS ARRANGER

FIRST AMENDMENT AND SUPPLEMENT
TO CREDIT AGREEMENT

THIS FIRST AMENDMENT AND SUPPLEMENT TO CREDIT AGREEMENT (this "First Amendment") is made and entered into effective as of the 31st day of July, 2002 (the "First Amendment Effective Date"), among ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership (the "Borrower"); WACHOVIA BANK, NATIONAL ASSOCIATION (formerly known as First Union National Bank), as administrative agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") that is a signatory or which becomes a signatory to the hereinafter defined Credit Agreement; and the Lenders party hereto.

R E C I T A L S:

A. On July 31, 2002, the Borrower, the Lenders and the Administrative Agent entered into a certain Credit Agreement (the "Credit Agreement") whereby, upon the terms and conditions therein stated, the Lenders agreed to make certain Loans (as defined in the Credit Agreement) to the Borrower.

B. The parties hereto mutually desire to further amend the Credit Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Borrower, the Lenders party hereto and the Administrative Agent hereby agree as follows:

1. Certain Definitions.

1.1 Terms Defined Above. As used in this First Amendment, the terms "Administrative Agent", "Borrower", "Credit Agreement", "First Amendment" and "First Amendment Effective Date", shall have the meanings indicated above.

1.2 Terms Defined in Agreement. Unless otherwise defined herein, all terms beginning with a capital letter which are defined in the Credit Agreement shall have the same meanings herein as therein unless the context hereof otherwise requires.

2. Amendments to Credit Agreement.

2.1 Defined Terms.

(a) The term "Agreement," as defined in Section 1.01 of the Credit Agreement, is hereby amended to mean the Credit Agreement, as amended and supplemented by the First Amendment and as the same may from time to time be further amended or supplemented.

(b) The term "Applicable Rate" is hereby amended in its entirety to read as follows:

" `Applicable Rate' means, for any day, with respect to any Eurodollar Loan, ABR Loan, or with respect to the facility fees payable hereunder, as the case may be, subject to the two immediately following paragraphs of this defined term), the applicable rate per annum set forth below under the caption "Eurodollar Spread", "ABR Spread" or "Facility Fee Rate", as the case may be, based upon the ratings by Moody's and S and P, respectively, applicable on such date to the Index Debt:

Index Debt Ratings: (Moody's/S and P)	Eurodollar Spread	ABR Spread	Facility Fee Rate
Category 1 greater or =Baa2/BBB	0.750%	0.125%	0.125%

Category 2	greater or =Baa3/BBB-	0.950%	0.125%	0.175%
Category 3	less than Baa3/BBB-	1.175%	0.125%	0.200%

For purposes of the foregoing, (a) if either Moody's or S and P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the penultimate sentence of this definition), then such rating agency shall be deemed to have established a rating in the same Category as the other rating agency; (b) if the ratings established by Moody's and S and P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category one rating higher than the lower of the two ratings; and (c) if the ratings established or deemed to have been established by Moody's and S and P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S and P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S and P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

Notwithstanding the foregoing (a) the Eurodollar Spread and the ABR Spread, as otherwise determined as above provided, shall increase by .50% for the period from and after the First Amendment Effective Date to the last day of the first fiscal quarter ending thereafter at which the ratio of Consolidated Indebtedness to Consolidated EBITDA, calculated as provided in Section 6.07(b), shall be equal to or less than 4.50 to 1.0, and (b) if at any time or from time to time at the end of any fiscal quarter ending thereafter (a "Determination Date") the ratio of Consolidated Indebtedness to Consolidated EBITDA, calculated as provided in Section 6.07(b), shall exceed 4.50 to 1.0, the Eurodollar Spread and the ABR Spread, as otherwise determined as above provided, shall increase by .50% for the period from and including such Determination Date to the last day of the first fiscal quarter ending thereafter at which the ratio of Consolidated Indebtedness to Consolidated EBITDA, calculated as provided in Section 6.07(b), shall be equal to or less than 4.50 to 1.0; provided, for avoidance of doubt, that any increase pursuant to the foregoing clause (b) shall occur, if at all, only after the increase pursuant to clause (a) has ceased to be in effect.

2.2 Additional Defined Terms. Section 1.01 of the Credit Agreement is hereby further amended and supplemented by adding the following new definitions, which read in their entirety as follows:

" `First Amendment' means that certain First Amendment and Supplement to Credit Agreement dated effective as of July 31, 2002, among the Borrower, the Lenders party thereto and the Administrative Agent.

`First Amendment Effective Date' means July 31, 2002."

2.3 Amendment to Section 5.01. Section 5.01(f) of the Credit Agreement is hereby amended by deleting the phrase "December 31, 1999,".

2.4 Amendment to Clause (q) of Article VII. Clause (q) of Article VII of the Credit Agreement is hereby amended by substituting "or" for the comma following the words "Borrower Purchase Agreement" and deleting the words "or the Birchtree Term Loan Agreement".

3. Conditions Precedent. In addition to all other applicable conditions precedent contained in the Credit Agreement, the obligation of the Lenders party hereto and the Administrative Agent to enter into this First Amendment shall be conditioned upon the following conditions precedent:

(a) The Administrative Agent shall have received a copy of this First Amendment, duly completed and executed by the Borrower and the Required Lenders; and acknowledged and ratified by the Limited Partner;

(b) The Administrative Agent shall have received such other information, documents or instruments as it or its counsel may reasonably request.

4. Representations and Warranties. The Borrower represents and warrants that:

(a) there exists no Default or Event of Default, under the Credit Agreement, as hereby amended and supplemented; and

(b) the representations and warranties of the Borrower contained in the Credit Agreement, as hereby amended and supplemented, were true and correct when made, and are true and correct in all material respects at and as of the time of delivery of this First Amendment, except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

5. Extent of Amendments. Except as expressly herein set forth, all of the terms, conditions, defined terms, covenants, representations, warranties and all other provisions of the Credit Agreement are herein ratified and confirmed and shall remain in full force and effect.

6. Counterparts. This First Amendment may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and same instrument.

6.1 References. On and after the First Amendment Effective Date, the terms "Agreement", "hereof", "herein", "hereunder", and terms of like import when used in the Credit Agreement shall, except where the context otherwise requires, refer to the Credit Agreement, as amended and supplemented by this First Amendment.

THIS FIRST AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, THE NOTES AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This First Amendment shall benefit and bind the parties hereto, as well as their respective assigns, successors, heirs and legal representatives.

[Signatures Begin on Next Page]

BORROWER:

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC ,
General Partner

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Vice President and Treasurer

LENDERS AND AGENTS:

WACHOVIA BANK, NATIONAL ASSOCIATION, Individually as a Lender and as Administrative Agent

By: /s/ Russell T. Clingman
Name: Russell T. Clingman
Title: Director

LEHMAN COMMERCIAL PAPER INC., Individually as a Lender and as Co-Syndication Agent

By: /s/ Michele Swanson
Name: Michele Swanson
Title: Authorized Signatory

LEHMAN BROTHERS BANK, as a Lender

By: /s/ Gary T. Taylor
Name: Gary T. Taylor
Title: Vice President

ROYAL BANK OF CANADA, Individually as a Lender and as Co-Syndication Agent

By: /s/ Tom J. Oberaigner
Name: Tom J. Oberaigner
Title: Senior Manager

ACKNOWLEDGMENT AND RATIFICATION OF GUARANTOR

The undersigned ("Guarantor") hereby expressly (i) acknowledges the terms of the foregoing First Amendment and Supplement to Credit Agreement; (ii) ratifies and affirms its obligations under its Guaranty Agreement dated as of July 31, 2002, in favor of the Administrative Agent; (iii) acknowledges, renews and extends its continued liability under said Guaranty Agreement and Guarantor hereby agrees that its Guaranty Agreement remains in full force and effect; and (iv) guarantees to the Administrative Agent the prompt payment when due of all amounts owing or to be owing by it under its Guaranty Agreement pursuant to the terms and conditions thereof, as modified hereby.

The foregoing acknowledgment and ratification of the undersigned Guarantor shall be evidenced by signing the spaces provided below, to be effective as of First Amendment Effective Date.

ENTERPRISE PRODUCTS PARTNERS L.P.,
a Delaware limited partnership

By: Enterprise Products GP, LLC,
General Partner

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Vice President and Treasurer

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-56082) and related Prospectus of Enterprise Products Partners L.P. and Enterprise Products Operating L.P. and in the Registration Statement (Form S-8 No. 333-36856) pertaining to Enterprise Products Company 1998 Long-Term Executive Plan and Enterprise Products GP, LLC 1999 Long-Term Executive Plan and in the Registration Statement (Form S-8 No. 333-82486) pertaining to the Enterprise Products Company Employee Unit Purchase Plan of our report dated September 6, 2002, with respect to the combined financial statements of Mid-America Pipeline System (A Division of The Williams Companies, Inc.) and of our report dated March 6, 2002 (except for the matter described in Note 14, as to which the date is September 6, 2002) with respect to the financial statements of Seminole Pipeline Company included in this Current Report on Form 8-K/A dated September 26, 2002.

ERNST and YOUNG LLP

Tulsa, Oklahoma
September 24, 2002