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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): SEPTEMBER 30, 2001

COMMISSION FILE NO. 1-10403

TEPPCO PARTNERS, L.P.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	76-0291058
(STATE OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

2929 ALLEN PARKWAY
P.O. BOX 2521
HOUSTON, TEXAS 77252-2521
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

(713) 759-3636
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On September 30, 2001, TEPPCO Partners, L.P. (the "Partnership") purchased Jonah Gas Gathering Company from Alberta Energy Company for $360 million. The Partnership also assumed responsibility for completion of the current expansion of the Jonah gas gathering system and the remaining associated costs of approximately $25 million. The purchase was financed by a $400 million term loan from SunTrust Bank.

The Jonah system consists of approximately 300 miles of pipelines ranging in size from four to 20 inches in diameter, four compressor stations with an aggregate of approximately 21,200 horsepower and related metering facilities. Gas gathered on the Jonah system is collected from approximately 300 producing wells in the Green River Basin in southwestern Wyoming. Gas is delivered to gas processing facilities owned by others. The Partnership owns a processing facility which extracts condensate prior to delivery of natural gas to DEFS' Overland Trail Transmission system and Questar. From these processing facilities, the natural gas is delivered to several interstate pipeline systems located in the region for transportation to end-use markets. Interstate pipelines in the region include the Overland Trail Transmission system, owned by our affiliate DEFS, Kern River, Northwest, Colorado Interstate Gas and Questar. These pipeline systems provide access for natural gas collected by the Jonah system to end-user markets throughout the Midwest, the West Coast and the Rocky Mountain regions. The Jonah assets will be commercially managed and operated by DEFS.

The original Jonah system was constructed in 1992 and was significantly expanded in 1997. An additional expansion, consisting of 50 miles of new 20-inch diameter pipeline and compression facilities, is presently under construction with completion scheduled for early 2002. The system's current capacity is 450 million cubic feet per day and is expected to increase to 730 million cubic feet per day when the current expansion is placed in service.

SIGNATURE

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.

TEPPCO Partners, L.P.
(Registrant)

By: Texas Eastern Products Pipeline
Company, LLC General Partner

/S/ CHARLES H. LEONARD

Charles H. Leonard
Sr. Vice President, Chief Financial
Officer and Treasurer

Date: November 9, 2001

ITEM 7. STATEMENTS AND EXHIBITS

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED:

Jonah Gas Gathering Company (as defined in the Purchase and Sale Agreement By and Among Green River Pipeline, LLC and McMurry Oil Company, Sellers and TEPPCO Partners, L.P., Buyer):

(c) EXHIBITS:

None.

JONAH GAS GATHERING COMPANY
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2000
AND FOR THE PERIODS JUNE 1 TO DECEMBER 31, 2000
AND JANUARY 1 TO MAY 31, 2000 (PREDECESSOR)

REPORT OF INDEPENDENT ACCOUNTANTS

To the Partners of
Jonah Gas Gathering Company:

In our opinion, the accompanying balance sheet as of December 31, 2000 and the related statements of income and cash flows for the periods June 1 to December 31, 2000 and January 1 to May 31, 2000 (Predecessor) present fairly, in all material respects, the financial position of Jonah Gas Gathering Company at December 31, 2000, and the results of its operations and its cash flows for the periods June 1 to December 31, 2000 and January 1, 2000 to May 31, 2000 (Predecessor) in conformity with accounting principles generally accepted in the United States of America. 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 audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, which 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 statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Denver, Colorado
October 31, 2001

JONAH GAS GATHERING COMPANY
BALANCE SHEET
DECEMBER 31

	2000
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 360,866
Accounts receivable, net of allowance for doubtful accounts of $68,199	3,065,323
TOTAL CURRENT ASSETS	3,426,189
PROPERTY AND EQUIPMENT, NET	221,053,166
TOTAL ASSETS	$224,479,355
LIABILITIES AND PARTNERS' CAPITAL	
CURRENT LIABILITIES	
Accounts payable	$ 862,084
TOTAL CURRENT LIABILITIES	862,084
DUE TO AFFILIATES	10,048,630
PARTNERS' CAPITAL	213,568,641
TOTAL LIABILITIES AND PARTNERS' CAPITAL	$224,479,355

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
STATEMENT OF INCOME

	For The Period January 1 To May 31, 2000 (Predecessor)	For The Period June 1 To December 31, 2000
GROSS REVENUE		
Gathering and transportation revenue	$ 14,629,303	$ 8,772,201
Product sales	341,978	691,093
	14,971,281	9,463,294
COSTS AND EXPENSES		
Operating expenses	3,174,656	1,101,514
General and administrative expenses	947,516	1,154,077
Depreciation	5,212,970	1,170,176
Write-off of contract advance	--	427,778
Loss on sale of property and equipment	--	56,145
INCOME FROM OPERATIONS	5,636,139	5,553,604
OTHER INCOME (EXPENSE)		
Interest expense	(1,020)	(165,874)
Interest income	12,676	3,422
Settlement of litigation	--	1,640,328
NET INCOME	$ 5,647,795	$ 7,031,480

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
STATEMENT OF CASH FLOWS

	For The Period January 1 To May 31, 2000 (Predecessor)	For The Period June 1 To December 31, 2000
OPERATING ACTIVITIES		
Net income	$ 5,647,795	$ 7,031,480
Reconciliation To Net Cash Provided By Operations		
Depreciation	5,212,970	1,170,176
Write-off of contract advance	--	427,778
Loss on sale of property and equipment	--	56,145
Effect of Changes In Operating Working Capital Items		
Increase in accounts receivable	(621,744)	(12,571)
Decrease in accounts payable	(4,019,447)	(2,395,874)
Net Cash Provided By Operating Activities	6,219,574	6,277,134
INVESTING ACTIVITIES		
Purchase of property and equipment	(10,579,094)	(11,535,942)
Proceeds on sale of property and equipment	--	212,930
Net Cash Used In Investing Activities	(10,579,094)	(11,323,012)

FINANCING ACTIVITIES		
Increase in due to affiliates	10,048,630	--
Capital contributions	--	4,938,979
Repayment of notes payable	(5,328,744)	(486,062)
Net Cash Provided By Financing Activities	4,719,886	4,452,917
Increase (Decrease) in Cash and Cash Equivalents	360,366	(592,961)
Cash and Cash Equivalents, Beginning of Period	500	593,461
Cash and Cash Equivalents, End of Period	$ 360,866	$ 500
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash payments for interest	$ 1,020	$ 165,874
NON-CASH TRANSACTIONS:		
Push down accounting related to AEC Oil & Gas (USA) Inc.'s capital contribution of net assets	$ 207,920,846	$ --
Property and equipment acquired with accounts payable	528,105	3,745,063

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

1. NATURE OF BUSINESS AND PRESENTATION

Jonah Gas Gathering Company (the "Company") is a partnership that owns and operates natural gas pipelines and gathering systems in the Green River Basin of southwestern Wyoming. The Company typically enters into long-term agreements with natural gas producers for gathering and transportation services at market rates. These agreements typically call for the Company to incur costs to build pipeline extensions from their existing pipelines to new wells. Some of these agreements require a minimum volume to be gathered from any new well over a short time frame to ensure the recovery of such costs. The customers of the Company are typically major natural gas producers with operations in Wyoming. A major portion of the Company's revenue is derived from gathering natural gas owned by related parties.

As of May 31, 2000, the Company was a subsidiary of McMurry Oil Company (Predecessor). On June 1, 2000, in connection with AEC Oil & Gas (USA) Inc.'s purchase of McMurry Oil Company, AEC Oil & Gas (USA) Inc. acquired all of the outstanding partnership interests in Jonah Gas Gathering Company for cash consideration and the assumption of debt, for an aggregate cost of approximately $208,000,000. On September 30, 2001, the Company was acquired by TEPPCO Partners, L.P.

The acquisition by AEC Oil & Gas (USA) Inc. has been accounted for using the purchase method of accounting with the purchase price being allocated to assets and liabilities based upon fair value. The excess purchase price was allocated to the gathering systems and pipelines, including right of way and access rights.

The purchase price has been allocated to the assets and liabilities acquired as follows:

Working capital	$ (1,909,347)
Property and equipment	215,158,937
Long term debt	(5,328,744)
Net Assets Acquired	$207,920,846

The results of operations in the accompanying statements of income and cash flows are reported separately for the periods June 1 to December 31, 2000 and January 1 to May 31, 2000 (Predecessor) due to the step up in basis resulting from the acquisition by AEC Oil & Gas (USA) Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

(A) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions 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. Actual results could differ from these estimates.

(B) REVENUE RECOGNITION

Revenues associated with the sale of gathering and transportation services are recognized when the services are provided. Revenues associated with product sales are recognized when title passes.

(C) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short term investments with an original maturity of three months or less when purchased.

(D) PROPERTY AND EQUIPMENT

Gathering systems and pipelines, including right of way and access rights, are carried at cost and depreciated using the straight line method over their estimated useful life of 25 years.

Maintenance and repairs which neither add to the value of the property and equipment nor prolong its life are charged to expense as incurred. When property and equipment is sold or retired, their cost and accumulated depreciation are removed from the accounts. Gains or losses on dispositions of property and equipment are included in operations.

(E) IMPAIRMENT OF LONG-LIVED ASSETS

"Accounting for the Impairment of Long-Lived Assets to be Disposed of" ("SFAS No. 121") requires long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. In order to determine whether an impairment exists, the Company compares its net book value of the assets to the undiscounted expected future net cash flows, determined by applying future prices estimated by management over the lives of the related assets. If an impairment exists, the write-down is based upon expected future net cash flows discounted using an interest rate commensurate with the risk associated with the underlying asset.

(F) CREDIT RISK

The majority of the Company's receivables are within the oil and gas industry. The receivables are not collateralized.

(G) FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial instruments that are included in the balance sheet, other than due to affiliated companies, approximate their carrying amount due to the short term maturity of those instruments. It is not practical to estimate the fair value of amounts due to affiliated companies since these amounts represent non-interest bearing debt to related entities.

(H) INCOME TAXES

Federal and state income taxes are not payable by, nor provided for by the Company. An income tax provision is not required as the partners report their proportionate share of the Company's taxable income or loss on their respective tax returns. Such income or loss is proportionately allocated to the partners based upon their ownership interests.

JONAH GAS GATHERING COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

3. PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

	December 31, 2000
Gathering Systems and Pipelines	$226,266,136
Less: Accumulated Depreciation	(5,212,970)
	$221,053,166

4. PARTNERS' CAPITAL

Partners' Capital is summarized as follows:

Partners' Capital (Predecessor), January 1, 2000	$ 51,848,521
Capital Contributions	4,938,979
Net Income, January 1, 2000 - May 31, 2000	7,031,480
Partners' Capital (Predecessor), May 31, 2000	$ 63,818,980
Partners' Capital Contribution, June 1, 2000	$207,920,846
Net Income, June 1, 2000 - December 31, 2000	5,647,795
Partners' Capital, December 31, 2000	$213,568,641

5. SIGNIFICANT CONCENTRATION OF CREDIT RISK

Financial instruments of the Company that are exposed to concentrations of credit risk consist primarily of cash and accounts receivable. The Company places its cash with a local financial institution.

The Company routinely assesses the financial strength of its customers and, as a consequence, believes that its accounts receivable credit risk is limited.

For the periods June 1 to December 31, 2000 and January 1 to May 31, 2000 (Predecessor), the Company had sales to three major customers which exceeded 10% of the Company's revenue. In addition, at December 31, 2000, the Company has accounts receivable balances from these customers. Sales and accounts receivable balances with these customers are as follows:

Sales
Accounts
Receivable

---- -----

---- For
The Period
June 1 To
As At
Customer
December
31, 2000
December
31, 2000 -
-------- -

--- ------

--- 1*
$7,251,370
$1,180,184
2
$4,031,779
$ 682,776
3
$2,457,123
$ 751,668

JONAH GAS GATHERING COMPANY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2000

Sales ------

For The
Period
January 1 To
May 31, 2000
Customer
(Predecessor)
- -------- -

-- 1*
$4,341,280 2
$2,330,008 3
$1,555,751

* Related Party - McMurry Oil Company (see Note 6)

6. RELATED PARTY TRANSACTIONS

The Company has agreements with McMurry Oil Company and its affiliates for the transportation of natural gas. In addition, the Company has agreements with McMurry Oil Company and AEC Oil & Gas (USA) Inc. for the maintenance of property and equipment and various management services. The amounts due to affiliated companies represent non-interest bearing debt and were converted to equity as contributions on September 30, 2001. The following is a summary of related party receivables, liabilities, revenue and expenses:

December
31, 2000 -

- ACCOUNTS
RECEIVABLE
McMurry
Oil
Company $
1,180,184

- DUE TO
AFFILIATES
McMurry
Oil
Company $
5,318,407
AEC Oil &
Gas (USA)
Inc.
4,730,223

-
$10,048,630
===========

For The
Period For
The Period
January 1 To
June 1 To May
31, December
31, 2000 2000
(Predecessor)

- -----------
--- REVENUE
Gathering and
transportation
revenue
McMurry Oil
Company $
7,251,370 $

4,341,280
===========
===========
EXPENSES
Operating,
general and
administrative
expenses
McMurry Oil
Company $
1,004,195 $
1,097,023
===========
===========

7. RECENT ACCOUNTING PRONOUNCEMENTS

SFAS 133 - ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In 1998 and 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities and several amendments. SFAS No. 133 addresses the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The effective date of SFAS No. 133 for the Company is January 1, 2001. The Company anticipates the adoption of SFAS No. 133 will not have a material effect on its financial position or results of operations.

SFAS 141 - BUSINESS COMBINATIONS

On July 20, 2001, the FASB issued SFAS 141, Business Combinations , which represents a departure from the current practice. SFAS 141 supersedes Accounting Principles Board Opinion No. 16, Business Combinations . The most significant ways in which the provisions of SFAS 141 differ from those in APB 16 are as follows: (1) the purchase method of accounting must be used for all business combinations initiated after June 30, 2001 (i.e., the pooling-of-interests method is no longer permitted); (2) more specific guidance is provided on how to determine the accounting acquirer; (3) specific criteria are provided for recognizing intangible assets apart from goodwill; (4) unamortized negative goodwill must be written off immediately as an extraordinary gain (instead of being deferred and amortized); and (5) additional financial statement disclosures regarding business combinations are required.

SFAS 142 - GOODWILL AND OTHER INTANGIBLE ASSETS

On July 20, 2001, the FASB issued SFAS 142, Goodwill and Other Intangible Assets , which supersedes Accounting Principles Board Opinion No. 17, Intangible Assets. SFAS 142 primarily addresses the accounting that must be applied to goodwill and intangible assets subsequent to their initial recognition (i.e., the post-acquisition accounting). The provisions of SFAS 142 will be effective for fiscal years beginning after December 15, 2001; however, early adoption is permitted in certain instances. Among the new requirements and guidance set forth in SFAS 142, the following are the most significant changes from APB 17: (1) goodwill and indefinite-lived intangible assets will no longer be amortized; (2) goodwill will be tested for impairment at the reporting unit level (which is generally an operating segment or one reporting level below) at least annually; (3) intangible assets deemed to have an indefinite life will be tested for impairment at least annually; (4) the amortization period of intangible assets that have finite lives will no longer be limited to forty years; and (5) additional financial statement disclosures about goodwill and intangible assets will be required. The Company anticipates that the adoption of SFAS No. 142 will not have a material effect on its financial position or results of operations.

SFAS 143 - ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS

SFAS 143, Accounting for Asset Retirement Obligations, is effective for financial statements issued for fiscal years beginning after June 15, 2002. SFAS 143 applies to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, development and/or the normal operation of a long-lived asset, except for certain obligations of lessees. The Company has not yet evaluated the effect that SFAS No. 143 will have on financial reporting.

SFAS 144 - ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early application encouraged. SFAS 144 supercedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of . However, this SFAS 144 retains the fundamental provisions of SFAS 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. SFAS 144 supercedes the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, Reporting the Results of Operations --Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for segments of a business to be disposed of. However, SFAS 144 retains the requirement of Opinion 30 to report discontinued operations separately from continuing operations and extends that reporting to a component of an entity that either has been disposed of (by sale, by abandonment, or in a distribution to owners) or is classified as held for sale. The Company anticipates that the adoption of SFAS 144 will not have a material effect on its financial position or results of its operations.

JONAH GAS GATHERING COMPANY
FINANCIAL STATEMENTS
(UNAUDITED)
AS OF SEPTEMBER 30, 2001
AND FOR THE PERIODS JANUARY 1 TO SEPTEMBER 30, 2001
AND JUNE 1 TO SEPTEMBER 30, 2000
AND JANUARY 1 TO MAY 31, 2000 (PREDECESSOR)

JONAH GAS GATHERING COMPANY
BALANCE SHEET
(UNAUDITED)

	September 30, 2001	December 31, 2000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ --	$ 360,866
Accounts receivable, net of allowance for doubtful accounts of $0 and $68,199, respectively	3,211,896	3,065,323
TOTAL CURRENT ASSETS	3,211,896	3,426,189
PROPERTY AND EQUIPMENT, NET	241,402,831	221,053,166
TOTAL ASSETS	$ 244,614,727	$ 224,479,355
LIABILITIES AND PARTNERS' CAPITAL		
CURRENT LIABILITIES		
Bank overdraft	$ 232,888	$ --
Accounts payable	8,659,201	862,084
TOTAL CURRENT LIABILITIES	8,892,089	862,084
DUE TO AFFILIATES	4,900,532	10,048,630
PARTNERS' CAPITAL		

230,822,106
213,568,641

- ----------
--- TOTAL
LIABILITIES
AND
PARTNERS'
CAPITAL $
244,614,727
$
224,479,355
=============
=============

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
STATEMENT OF INCOME AND PARTNERS' CAPITAL
(UNAUDITED)

For The
Period For
The Period
For The
Period
January 1 To
January 1 To
June 1 To May
31, September
30, September
30, 2000 2001
2000
(Predecessor)

- -----------
--- ---------
----- GROSS
REVENUE
Gathering and
transportation
revenue $
22,383,291 $
7,356,425 $
8,772,201
Product sales
887,573
115,248
691,093 -----
--------- ---
----------- -

23,270,864
7,471,673
9,463,294
COSTS AND
EXPENSES
Operating
expenses
5,339,078
1,403,661
1,101,514
General and
administrative
expenses
1,046,734
407,219
1,154,077
Depreciation
7,165,413
2,978,840
1,170,176
Write-off of
contract
advance -- --
427,778
(Gain) loss
on sale of
property and
equipment
(1,155,387) -
- 56,145 ----
---------- --

- INCOME FROM
OPERATIONS
10,875,026
2,681,953
5,553,604
OTHER INCOME
(EXPENSE)

Interest expense	(280)	(1,758)	(165,874)
Interest income	49,975	5,222	3,422
Settlement of litigation	--	--	1,640,328
NET INCOME	10,924,721	2,685,417	7,031,480
PARTNERS' CAPITAL, BEGINNING OF PERIOD	213,568,641	207,920,846	51,848,521
CAPITAL CONTRIBUTIONS	6,328,744	--	4,938,979
PARTNERS' CAPITAL, END OF PERIOD	$ 230,822,106	$ 210,606,263	$ 63,818,980

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
STATEMENT OF CASH FLOWS
(UNAUDITED)

For The
Period For
The Period
For The
Period
January 1 To
January 1 To
June 1 To May
31, September
30, September
30, 2000 2001
2000
(Predecessor)

- -----------
--- ---------

OPERATING
ACTIVITIES
Net income $
10,924,721 $
2,685,417 $
7,031,480
Reconciliation
To Net Cash
Provided By
Operations
Depreciation
7,165,413
2,978,840
1,170,176
(Gain) loss
on sale of
property and
equipment
(1,155,387) -
- 56,145
Write-off of
contract
advance -- --
427,778
Effect of
Changes In
Operating
Working
Capital Items
Increase in
accounts
receivable
(146,574)
(323,582)
(12,571)
Increase
(decrease) in
accounts
payable
7,797,117
(2,178,994)
(2,395,874) -

- -----------
--- Net Cash
Provided By
Operating
Activities
24,585,290
3,161,681
6,277,134 ---
----------- -

- INVESTING
ACTIVITIES
Purchase of
property and
equipment
(28,359,691)
(7,394,861)
(11,535,942)
Proceeds on
sale of
property and
equipment
2,000,000 --
212,930 -----
--------- ---
----------- -

Net Cash Used
In Investing
Activities
(26,359,691)
(7,394,861)
(11,323,012)

- -----------
--- ---------

FINANCING
ACTIVITIES
Increase in
due to
affiliates
1,180,647
10,560,041 --
Capital
contributions
-- --
4,938,979
Repayment of
notes payable
--
(5,328,744)
(486,062) ---
----------- -

- Net Cash
Provided By
Financing
Activities
1,180,647
5,231,297
4,452,917 ---
----------- -

- (Decrease)
Increase in
Cash and Cash
Equivalents
(593,754)
998,117
(592,961)
Cash and Cash
Equivalents,
Beginning of
Period
360,866 500
593,461 -----
--------- ---
----------- -

(Bank
Overdraft)
Cash and Cash
Equivalents,
End of Period
$ (232,888) $
998,617 $ 500
==============

==============
==============
NON-CASH TRANSACTIONS:
Transfer of Due to Affiliates amounts as a contribution to Partners' Capital on September 30, 2001 $ 6,328,744 $ -- $ --

The accompanying notes are an integral part of these financial statements

JONAH GAS GATHERING COMPANY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2001
(UNAUDITED)

1. GENERAL

The accompanying unaudited financial statements have been prepared by management in accordance with generally accepted accounting principles in the United States of America. In the opinion of management, the unaudited combined financial statements contain all adjustments (consisting only of normal recurring items) necessary to present fairly the financial position of Jonah Gas Gathering Company as of September 30, 2001, and the financial results and cash flows for the periods January 1 to September 30, 2001 and June 1 to September 30, 2000 and January 1 to May 31, 2000 (Predecessor). Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year. Management believes the disclosures made are adequate to ensure that the information is not misleading in a material respect. The information should be read in conjunction with the historical financial statements and related notes of Jonah Gas Gathering Company herein.

As of May 31, 2000, the Company was a subsidiary of McMurry Oil Company (Predecessor). On June 1, 2000, in connection with AEC Oil & Gas (USA) Inc.'s purchase of McMurry Oil Company, AEC Oil & Gas (USA) Inc. acquired all of the outstanding partnership interests in Jonah Gas Gathering Company. The acquisition by AEC Oil & Gas (USA) Inc. has been accounted for using the purchase method of accounting with the purchase price being allocated to assets and liabilities based upon fair value. The excess purchase price was allocated to the gathering systems and pipelines, including right of way and access rights. The results of operations in the accompanying statements of income and cash flows are reported separately for the periods June 1 to September 30, 2000 and January 1 to May 31, 2000 (Predecessor) due to the step up in basis resulting from the acquisition by AEC Oil & Gas (USA) Inc. On September 30, 2001, the Company was acquired by TEPPCO Partners, L.P.

2. RECENT ACCOUNTING PRONOUNCEMENTS

SFAS 133 - ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In 1998 and 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities and several amendments. SFAS No. 133 addresses the accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and hedging activities. The effective date of SFAS No. 133 for the Company is January 1, 2001. The Company anticipates the adoption of SFAS No. 133 will not have a material effect on its financial position or results of operations.

SFAS 141 - BUSINESS COMBINATIONS

On July 20, 2001, the FASB issued SFAS 141, Business Combinations , which represents a departure from the current practice. SFAS 141 supersedes Accounting Principles Board Opinion No. 16, Business Combinations . The most significant ways in which the provisions of SFAS 141 differ from those in APB 16 are as follows: (1) the purchase method of accounting must be used for all business combinations initiated after June 30, 2001 (i.e., the pooling-of-interests method is no longer permitted); (2) more specific guidance is provided on how to determine the accounting acquirer; (3) specific criteria are provided for recognizing intangible assets apart from goodwill; (4) unamortized negative goodwill must be written off immediately as an extraordinary gain (instead of being deferred and amortized); and (5) additional financial statement disclosures regarding business combinations are required.

SFAS 142 - GOODWILL AND OTHER INTANGIBLE ASSETS

On July 20, 2001, the FASB issued SFAS 142, Goodwill and Other Intangible Assets , which supersedes Accounting Principles Board Opinion No. 17, Intangible Assets. SFAS 142 primarily addresses the accounting that must be applied to goodwill and intangible assets subsequent to their initial recognition (i.e., the post-acquisition accounting). The provisions of SFAS 142 will be effective for fiscal years beginning after December 15, 2001; however, early adoption is permitted in certain instances. Among the new requirements and guidance set forth in SFAS 142, the following are the most significant changes from APB 17: (1) goodwill and indefinite-lived intangible assets will no longer be amortized; (2) goodwill will be tested for impairment at the reporting unit level (which is generally an operating segment or one reporting level below) at least annually; (3) intangible assets deemed to have an indefinite life will be tested for impairment at least annually; (4) the amortization period of intangible assets that have finite lives will no longer be limited to forty years; and (5) additional financial statement disclosures about goodwill and intangible assets will be required. The Company anticipates that the adoption of SFAS No. 142 will not have a material effect on its financial position or results of operations.

SFAS 143 - ACCOUNTING FOR ASSET RETIREMENT OBLIGATIONS

SFAS 143, Accounting for Asset Retirement Obligations, is effective for financial statements issued for fiscal years beginning after June 15, 2002. SFAS 143 applies to legal obligations associated with the retirement of a tangible long-lived asset that result from the acquisition, construction, development and/or the normal operation of a long-lived asset, except for certain obligations of lessees. The Company has not yet evaluated the effect that SFAS No. 143 will have on financial reporting.

SFAS 144 - ACCOUNTING FOR THE IMPAIRMENT OR DISPOSAL OF LONG-LIVED ASSETS

SFAS 144, Accounting for the Impairment or Disposal of Long-Lived Assets, is effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early application encouraged. SFAS 144 supercedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. However, this SFAS 144 retains the fundamental provisions of SFAS 121 for (a) recognition and measurement of the impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. SFAS 144 supercedes the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for segments of a business to be disposed of. However, SFAS 144 retains the requirement of Opinion 30 to report discontinued operations separately from continuing operations and extends that reporting to a component of an entity that either has been disposed of (by sale, by abandonment, or in a distribution to owners) or is classified as held for sale. The Company anticipates that the adoption of SFAS 144 will not have a material effect on its financial position or results of its operations.

ITEM 7. STATEMENTS AND EXHIBITS

(b) PRO FORMA FINANCIAL INFORMATION:

The following tables set forth summary unaudited pro forma condensed combined financial statements which are presented to give effect to the purchase of certain assets of ARCO Pipe Line Company ("ARCO"), which was completed on July 21, 2000 (refer to Form 8-KA filed with the Securities and Exchange Commission on October 3, 2000), and of Jonah Gas Gathering Company ("Jonah"), which was completed on September 30, 2001. The information was prepared based on the following assumptions:

- The purchases were accounted for pursuant to the purchase method of accounting in accordance with accounting principles generally accepted in the United States of America.

- The statements of income assume that the purchases were consummated on January 1, 2000.

- The expected cost savings through improved operating efficiencies and revenue growth are excluded from the pro forma combined financial statements.

- See Item 2 above and TEPPCO Partners, L.P. (the "Partnership") Form 10-Q for the quarter ended September 30, 2001, for a description of the new credit agreement entered into in conjunction with the acquisition of Jonah.

The unaudited pro forma condensed combined financial statements are presented for illustration purposes only and are not necessarily indicative of the results of operations which would have occurred had the merger been consummated on the date indicated above, nor are they necessarily indicative of future results of operations. The unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial statements of the Partnership, as on file with the Securities and Exchange Commission, and the historical combined financial statements of Jonah included in this document. Certain reclassifications have been made to Jonah's historical financial statements to reflect the Partnership's presentation of financial information.

TEPPCO PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2000
(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

Historical --

TEPPCO
Partners, LP
ARCO Jonah
Combined ----
--------- ---
---------- --
----------- -

Operating
revenues:
Sales of
crude oil and
petroleum
products $
2,821,943 $ -
- $ -- $
2,821,943
Transportation
- Refined
products
119,331 -- --
119,331
Transportation
- LPGs 73,896
-- -- 73,896
Transportation
- Crude oil
and NGLs
24,533 10,341
-- 34,874
Gathering -
Natural gas -
- -- 23,401
23,401 Mont
Belvieu
operations
13,334 -- --
13,334
Pipeline
Services --
5,724 5,724
Other 34,904
171 1,034
36,109 ------
------- -----
-------- ----
--------- ---

Total
operating
revenues
3,087,941
16,236 24,435
3,128,612 ---
---------- --
----------- -

Costs and
expenses:
Purch. of
crude oil and
petrol.
products
2,794,604 --

-- 2,794,604
Operating,
general and
administrative
104,918 9,963
6,378 121,259
Operating
fuel and
power 34,655
-- -- 34,655
Depreciation
and
amortization
35,163 2,043
6,383 43,589
Taxes - other
than income
taxes 10,576
-- -- 10,576
Loss / (Gain)
on sale of
property and
equip -- --
56 56 Write-
off of
contract
advance -- --
428 428 Other
-- 575 -- 575

Total costs
and expenses
2,979,916
12,581 13,245
3,005,742 ---
---------- --
----------- -

Operating
income
108,025 3,655
11,190
122,870
Interest
expense
(48,982) --
(167)
(49,149)
Interest
capitalized
4,559 -- --
4,559 Equity
earnings
12,214 13,794
-- 26,008
Other income
- net 2,349 -
- 1,656 4,005

Income before
minority
interest and
income tax
provision
78,165 17,449
12,679
108,293
Minority
interest
(789) -- --
(789) Income
tax provision
-- 5,379 --
5,379 -------

------ ------
------- -----
-------- ----
--------- Net
income $
77,376 $
12,070 $
12,679 $
102,125
=============
=============
=============
=============
Net Income
Allocation:
Limited
Partner
Unitholders
56,091 Class
B Unitholder
7,385 General
Partner
13,900 ------
------- Total
net income
allocated $
77,376
=============
Basic and
diluted net
income per
Limited
Partner and
Class B Unit
$ 1.89
=============
Weighted
Average
Limited
Partner and
Class B Units
33,594
=============
Pro Forma ---

Jonah ARCO
Adjustments
Combined ----
--------- ---
---------- --

Operating
revenues:
Sales of
crude oil and
petroleum
products $
2,821,943
Transportation
- Refined
products
119,331
Transportation
- LPGs 73,896
Transportation
- Crude oil
and NGLs
34,874
Gathering -
Natural gas
23,401 Mont
Belvieu
operations
13,334
Pipeline
Services
5,724 Other
36,109 ------

------- -----
-------- ----

Total
operating
revenues -- -
- 3,128,612 -

Costs and
expenses:
Purch. of
crude oil and
petrol.
products
2,794,604
Operating,
general and
administrative
2,041 (f)
123,300
Operating
fuel and
power 34,655
Depreciation
and
amortization
107 (a) 5,000
(g) 56,558
1,437 (a)
14,851 (g)
(1,094)(b)
(6,383)(h)
(949)(b)
Taxes - other
than income
taxes 10,576
Loss / (Gain)
on sale of
property and
equip (56)(j)
-- Write-off
of contract
advance 428
Other 575 ---
---------- --
----------- -

Total costs
and expenses
1,542 13,412
3,020,696 ---
---------- --
----------- -

Operating
income
(1,542)
(13,412)
107,916
Interest
expense
(15,098)(c)
(13,068)(i)
(79,722)
(1,549)(c)
(1,025)(i)
167 (h)
Equity
earnings
(830)(a)
25,178 Other
income - net
(56)(j) 3,949

Income before
minority
interest and

income tax provision (19,019) (27,394) 61,880 Minority interest 15 (d) 149 (d) (625) Income tax provision (5,379)(e) -- ------------- ------------- -------------
Net income $ (13,625) $ (27,245) $ 61,255 ============= ============= =============
Net Income Allocation: Limited Partner Unitholders 44,405 Class B Unitholder 5,846 General Partner 11,004 ------------- Total net income allocated $ 61,255 =============
Basic and diluted net income per Limited Partner and Class B Unit $ 1.50 =============
Weighted Average Limited Partner and Class B Units 33,594 =============

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

TEPPCO PARTNERS, L.P.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2001
(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	Historical			Pro Forma	
	TEPPCO Partners, LP	Jonah	Combined	Adjustments	Combined
Operating revenues:					
Sales of crude oil and petroleum products	$ 2,601,580	$ --	$ 2,601,580		$ 2,601,580
Transportation - Refined products	109,748	--	109,748		109,748
Transportation - LPGs	54,174	--	54,174		54,174
Transportation - Crude oil and NGLs	34,484	--	34,484		34,484
Gathering - Natural gas	--	22,383	22,383		22,383
Mont Belvieu operations	9,871	--	9,871		9,871
Other	39,876	888	40,764		40,764
Total operating revenues	2,849,733	23,271	2,873,004	--	2,873,004

Costs and expenses: Purch. of crude oil and petrol. products 2,566,621 -- 2,566,621 2,566,621 Operating, general and administrative 96,086 6,386 102,472 102,472 Operating fuel and power 27,946 -- 27,946 27,946 Depreciation and amortization 31,175 7,165 38,340 3,750 (g) 50,338 15,413 (g) (7,165)(h) Taxes - other than income taxes 11,409 -- 11,409 11,409 Loss / (Gain) on sale of property and equip -- (1,155) (1,155) 1,155 (j) -- Write-off of contract advance -- -- -- -- ------- ----- ------- ----- ------- ----- ------- ----- ------- ----- ------- ----- Total costs and expenses 2,733,237 12,396 2,745,633 13,153 2,758,786 --- --------- --- --------- --- --------- --- --------- --- --------- Operating income 116,496 10,875 127,371 (13,153) 114,218 Interest expense (47,365) -- (47,365) (9,801)(i) (57,166) Interest capitalized 2,040 -- 2,040 2,040 Equity earnings 15,270 --

15,270 15,270
Other income
- net 2,224
50 2,274
1,155 (j)
3,429 -------
----- -------
----- -------
----- -------
----- -------
----- Income
before
minority
interest and
income tax
provision
88,665 10,925
99,590
(21,799)
77,791
Minority
interest
(800) --
(800) 85 (d)
(715) Income
tax provision
-- -- -- -- -
- -----------
- -----------
- -----------
- -----------
- -----------
- Net income
$ 87,865 $
10,925 $
98,790 $
(21,714) $
77,076
============
============
============
============
============
Net Income
Allocation:
Limited
Partner
Unitholders
62,035 54,418
Class B
Unitholder
7,027 6,164
General
Partner
18,803 16,494

Total net
income
allocated $
87,865 $
77,076
============
============
Net Income
per LP and
Class B Unit
$ 1.79 $ 1.57
============
============
Weighted
Average Ltd
Partner and
Class B Units
38,544 38,544
============
============

See accompanying Notes to Unaudited Pro Forma

Condensed Combined Financial Statements.

The acquisitions were accounted for using the purchase method of accounting. Under this method of accounting, the Partnership recorded the assets and liabilities of the acquired entities at fair market value as of the date of closing, with any excess purchase price reflected as goodwill.

The following notes set forth the explanations and assumptions used in the preparation of the unaudited pro forma condensed combined financial statements. The pro forma adjustments are based on the best estimate of the Partnership using information currently available. The Partnership is in the process of completing the final purchase price allocation of Jonah, and consequently it is likely that the final purchase price allocation will be different from the pro forma purchase price allocation included herein. However, the Partnership does not currently anticipate that the difference will be material to the pro forma financial position included herein.

The preliminary pro forma allocation of the purchase price paid for Jonah and the financing of the acquisition are summarized as follows (in thousands):

Estimated purchase price paid:

Proceeds of note payable issued for purchase price	$ 359,225
Estimated acquisition costs	250
	359,475
Working capital, net	(490)
Property, plant, and equipment, net	141,570
Intangible	208,000
Total Allocation	349,080
Goodwill (excess purchase price over allocation to identifiable assets and liabilities)	$ 10,395

The following adjustments were made to the unaudited pro forma condensed combined statements of income pursuant to the purchase method of accounting:

(a) To record pro forma depreciation and amortization expense on the ARCO purchase price allocation to depreciable and amortizable assets. Goodwill and excess cost for the equity investment in Seaway Crude Pipeline Company ("Seaway") over the underlying equity in net assets are assumed to be amortized over a period of 20 years and property, plant, and equipment over estimated remaining lives ranging from five years to 40 years.

(b) To reverse the historical amortization expense resulting from ARCO's excess investment in Seaway and the historical depreciation expense of ARCO.

(c) To reflect the increase in interest expense resulting from the issuance of debt for the cash portion of the purchase price of ARCO and the related estimated debt issuance costs. The interest rate on the term loan is assumed to be 8.42% and the interest rate on the revolving credit facility is assumed to be 8.32%. Debt issue costs of approximately $7.1 million are assumed to be amortized over the anticipated life of the credit facilities. Assuming market interest rates change by 1/8 percent, the potential annual change in interest expense is approximately $0.4 million.

(d) To record the effect of the pro forma statement of income adjustments on minority interest expense.

(e) To eliminate ARCO's income tax provision as the Partnership is not a taxable entity.

(f) To reverse the historical ARCO benefits income and record estimated benefits expense for the ARCO employees assuming participation in the Partnership's benefit plans.

(g) To record pro forma depreciation and amortization expense on the preliminary Jonah purchase price allocation to depreciable and amortizable assets. Intangibles for contracts are assumed to be amortized through the year 2015 and property, plant, and equipment over an estimated remaining life of 25 years. Amortization for contracts is recorded in proportion to the timing of expected contractual volumes, while depreciation is recorded on a straight line basis. In accordance with Statement of Financial Accounting Standards No. 141, Business Combinations, goodwill associated with the Jonah acquisition is not being amortized.

(h) To reverse the historical depreciation expense and interest expense of Jonah.

(i) To reflect the increase in interest expense resulting from borrowings under the new credit agreement for the purchase of Jonah and the related estimated debt issuance costs. The interest rate on the credit agreement is 3.63%. Debt issue costs of approximately $1.0 million are being amortized over the anticipated life of the credit agreement which is nine months. For purposes of the pro forma financial information the debt incurred to acquire Jonah is assumed to remain outstanding for the periods presented. Assuming market interest rates change by 1/8 percent, the potential annual change in interest expense is approximately $0.5 million.

(j) To reclassify loss / (gain) on sale of property, plant, and equipment to other income - net.