FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to _______

Commission file number: 1-14323

ENTERPRISE PRODUCTS PARTNERS L.P.
(Exact name of Registrant as specified in its charter)

DELAWARE	76-0568219
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2727 NORTH LOOP WEST
HOUSTON, TEXAS
77008-1037
(Address of principal executive offices) (Zip code)

(713) 880-6500
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes _X_ No ___

The registrant had 46,552,915 Common Units outstanding as of August 11, 2000.

ENTERPRISE PRODUCTS PARTNERS L.P. AND SUBSIDIARIES

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS.

ENTERPRISE PRODUCTS PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands)

ASSETS	JUNE 30, 2000 (UNAUDITED)	DECEMBER 31, 1999
CURRENT ASSETS		
Cash and cash equivalents	$ 87,135	$ 5,230
Accounts receivable - trade, net of allowance for doubtful accounts of $15,948 at June 30, 2000 and $15,871 at December 31, 1999	192,569	262,348
Accounts receivable - affiliates	59,480	56,075
Inventories	145,068	39,907
Current maturities of participation in notes receivable from unconsolidated affiliates	-	6,519
Prepaid and other current assets	11,849	14,459
Total current assets	496,101	384,538
PROPERTY, PLANT AND EQUIPMENT, NET	903,832	767,069
INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES	287,918	280,606
INTANGIBLE ASSETS, NET OF ACCUMULATED AMORTIZATION OF $3,055 AT JUNE 30, 2000 AND $1,345 AT DECEMBER 31, 1999	63,975	61,619
OTHER ASSETS	3,898	1,120
TOTAL	$1,755,724	$ 1,494,952
LIABILITIES AND PARTNERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	$ -	$ 129,000
Accounts payable - trade	44,959	69,294
Accounts payable - affiliate	24,552	64,780
Accrued gas payables	396,545	233,360
Accrued expenses	4,812	16,510
Other current liabilities	24,080	18,176
Total current liabilities	494,948	531,120
LONG-TERM DEBT	404,000	166,000
OTHER LONG-TERM LIABILITIES	6,060	296
MINORITY INTEREST	8,613	8,071
COMMITMENTS AND CONTINGENCIES		
PARTNERS' EQUITY		
Common Units (45,552,915 Units outstanding at June 30, 2000 and December 31, 1999)	449,787	428,707
Subordinated Units (21,409,870 Units outstanding at June 30, 2000 and December 31, 1999)	141,550	131,688
Special Units (14,500,000 Units outstanding at June 30, 2000 and December 31, 1999)	247,025	225,855
Treasury Units acquired by Trust, at cost (267,200 Units outstanding at June 30, 2000 and December 31, 1999)	(4,727)	(4,727)
General Partner	8,468	7,942
Total Partners' Equity	842,103	789,465
TOTAL	$1,755,724	$ 1,494,952

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
STATEMENTS OF CONSOLIDATED OPERATIONS
(UNAUDITED)
(Amounts in thousands, except per Unit amounts)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
REVENUES				
Revenues from consolidated operations	$ 592,913	$ 174,599	$ 1,339,194	$ 321,913
Equity income in unconsolidated affiliates	11,097	2,880	18,540	4,443
Total	604,010	177,479	1,357,734	326,356
COST AND EXPENSES				
Operating costs and expenses	546,306	153,410	1,219,212	287,219
Selling, general and administrative	7,658	3,000	13,042	6,000
Total	553,964	156,410	1,232,254	293,219
OPERATING INCOME	50,046	21,069	125,480	33,137
OTHER INCOME (EXPENSE)				
Interest expense	(8,070)	(2,129)	(15,844)	(4,392)
Interest income from unconsolidated affiliates	126	292	270	689
Dividend income from unconsolidated affiliates	2,761	-	3,995	-
Interest income - other	1,225	148	2,706	432
Other, net	(62)	(30)	(425)	45
Other income (expense)	(4,020)	(1,719)	(9,298)	(3,226)
INCOME BEFORE MINORITY INTEREST	46,026	19,350	116,182	29,911
MINORITY INTEREST	(466)	(196)	(1,175)	(302)
NET INCOME	$ 45,560	$ 19,154	$ 115,007	$ 29,609
ALLOCATION OF NET INCOME TO:				
Limited partners	$ 45,104	$ 18,962	$ 113,857	$ 29,313
General partner	$ 456	$ 192	$ 1,150	$ 296
BASIC EARNINGS PER COMMON UNIT				
Income before minority interest	$ 0.68	$ 0.29	$ 1.72	$ 0.44
Net income per common and subordinated unit	$ 0.68	$ 0.28	$ 1.71	$ 0.44
DILUTED EARNINGS PER COMMON UNIT				
Income before minority interest	$ 0.56	$ 0.29	$ 1.42	$ 0.44
Net income per common, subordinated and special unit	$ 0.56	$ 0.28	$ 1.40	$ 0.44

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P
STATEMENTS OF CONSOLIDATED CASH FLOWS
(Dollars in Thousands)

	SIX MONTHS ENDED JUNE 30, 2000	SIX MONTHS ENDED JUNE 30, 1999
OPERATING ACTIVITIES		
Net income	$ 115,007	$ 29,609
Adjustments to reconcile net income to cash flows provided by (used for) operating activities:		
Depreciation and amortization	18,347	9,790
Equity in income of unconsolidated affiliates	(18,540)	(4,443)
Leases paid by EPCO	5,270	5,278
Minority interest	1,175	302
Loss on sale of assets	2,303	124
Net effect of changes in operating accounts	54,062	(26,417)
Operating activities cash flows	177,624	14,243
INVESTING ACTIVITIES		
Capital expenditures	(154,246)	(2,513)
Proceeds from sale of assets	52	7
Collection of notes receivable from unconsolidated affiliates	6,519	7,369
Unconsolidated affiliates:		
Investments in and advances to	(3,040)	(40,432)
Distributions received	14,268	3,991
Investing activities cash flows	(136,447)	(31,578)
FINANCING ACTIVITIES		
Long-term debt borrowings	464,000	85,000
Long-term debt repayments	(355,000)	(30,000)
Cash dividends paid to partners	(67,639)	(52,718)
Cash dividends paid to minority interest by Operating Partnership	(690)	(538)
Units acquired by consolidated trust	-	(4,607)
Cash contributions from EPCO to minority interest	57	54
Financing activities cash flows	40,728	(2,809)
NET CHANGE IN CASH AND CASH EQUIVALENTS	81,905	(20,144)
CASH AND CASH EQUIVALENTS, JANUARY 1	5,230	24,103
CASH AND CASH EQUIVALENTS, JUNE 30	$ 87,135	$ 3,959

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

In the opinion of Enterprise Products Partners L.P. (the "Company"), the accompanying unaudited consolidated financial statements include all adjustments consisting of normal recurring accruals necessary for a fair presentation of the Company's consolidated financial position as of June 30, 2000, consolidated results of operations for the three and six month periods ended June 30, 2000 and 1999 and consolidated cash flows for the six month periods ended June 30, 2000 and 1999. Although the Company believes the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K (File No. 1-14323) for the year ended December 31, 1999.

The results of operations for the three and six month periods ended June 30, 2000 are not necessarily indicative of the results to be expected for the full year.

Certain reclassifications have been made to prior years' financial statements to conform to the presentation of the current period financial statements.

Dollar amounts presented in the tabulations within the notes to the consolidated financial statements are stated in thousands of dollars, unless otherwise indicated.

2. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

At June 30, 2000, the Company's significant unconsolidated affiliates accounted for by the equity method included the following:

Belvieu Environmental Fuels ("BEF") - a 33.33% economic interest in a Methyl Tertiary Butyl Ether ("MTBE") production facility located in southeast Texas.

Baton Rouge Fractionators LLC ("BRF") - an approximate 32.25% economic interest in a natural gas liquid ("NGL") fractionation facility located in southeastern Louisiana.

Baton Rouge Propylene Concentrator, LLC ("BRPC") - a 30.0% economic interest in a propylene concentration unit located in southeastern Louisiana that became operational in July 2000.

EPIK Terminalling L.P. and EPIK Gas Liquids, LLC (collectively, "EPIK") - a 50% aggregate economic interest in a refrigerated NGL marine terminal loading facility located in southeast Texas.

Wilprise Pipeline Company, LLC ("Wilprise") - a 33.33% economic interest in a NGL pipeline system located in southeastern Louisiana.

Tri-States NGL Pipeline LLC ("Tri-States") - an aggregate 33.33% economic interest in a NGL pipeline system located in Louisiana, Mississippi, and Alabama.

Belle Rose NGL Pipeline LLC ("Belle Rose") - a 41.7% economic interest in a NGL pipeline system located in south Louisiana.

K/D/S Promix LLC ("Promix") - a 33.33% economic interest in a NGL fractionation facility and related storage facilities located in south Louisiana.

The Company's investments in and advances to unconsolidated affiliates also includes Venice Energy Services Company, LLC ("VESCO") and Dixie Pipeline Company ("Dixie"). The VESCO investment consists of a 13.1% economic interest in a LLC owning a natural gas processing plant, fractionation facilities, storage, and gas gathering pipelines in Louisiana. The Dixie investment consists of an 11.5% interest in a corporation owning a 1,301-mile propane pipeline and the associated facilities extending from Mont Belvieu, Texas to North Carolina. These investments are accounted for using the cost method.

During the third quarter of 1999, the Company acquired the remaining interest in Mont Belvieu Associates, 51%, ("MBA") and Entell NGL Services, LLC, 50%, ("Entell"). Accordingly, after the acquisition of the remaining interests, MBA terminated and Entell became a wholly owned subsidiary of the Company and is included as a consolidated entity from that point forward.

The following table shows investments in and advances to unconsolidated affiliates at:

	JUNE 30, 2000	DECEMBER 31, 1999
Accounted for on equity basis:		
BEF	$ 67,665	$ 63,004
Promix	50,991	50,496
BRF	30,767	36,789
Tri-States	27,808	28,887
EPIK	16,869	15,258
Belle Rose	11,926	12,064
BRPC	19,707	11,825
Wilprise	9,185	9,283
Accounted for on cost basis:		
VESCO	33,000	33,000
Dixie	20,000	20,000
Total	$ 287,918	$ 280,606

The following table shows equity in income (loss) of unconsolidated affiliates for the three and six month periods ended June 30, 2000 and 1999:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2000	1999	2000	1999
BEF	$ 8,307	$ 1,936	$ 10,812	$ 2,237
MBA	-	424	-	1,184
BRF	208	(143)	737	(286)
BRPC	(29)	-	(19)	-
EPIK	178	(220)	1,970	177
Wilprise	74	-	162	-
Tri-States	843	-	1,521	-
Promix	1,546	-	3,208	-
Belle Rose	(30)	-	149	-
Other	-	883	-	1,131
Total	$ 11,097	$ 2,880	$ 18,540	$ 4,443

BEF

BEF is a partnership that owns the MTBE production facility located within the Company's Mont Belvieu complex. The production of MTBE is driven by oxygenated fuels programs enacted under the federal Clean Air Act Amendments of 1990 and other legislation. Any changes to these programs that enable localities to elect not to participate in these programs, lessen the requirements for oxygenates or favor the use of non-isobutane based oxygenated fuels reduce the demand for MTBE and could have an adverse effect on the Company's results of operations.

In recent years, MTBE has been detected in water supplies. The major source of the ground water contamination appears to be leaks from underground storage tanks. Although these detections have been limited and the great majority of these detections have been well below levels of public health concern, there have been actions calling for the phase-out of MTBE in motor gasoline in various federal and state governmental agencies.

In light of these developments, the Company is formulating a contingency plan for use of the BEF facility if MTBE were banned or significantly curtailed. Management is exploring a possible conversion of the BEF facility from MTBE production to alkylate production. At present the forecast cost of this conversion would be in the $20 million to $25 million range, with the Company's share being $6.7 million to $8.3 million.

3. ACQUISITIONS

Effective August 1, 1999, the Company acquired Tejas Natural Gas Liquids, LLC ("TNGL") from a subsidiary of Tejas Energy, LLC, now Coral Energy, LLC, an affiliate of Shell Oil Company ("Shell") for $166 million in cash and the issuance of 14.5 million non-distribution bearing, convertible Special Units. All references hereafter to "Shell", unless the context indicates otherwise, shall refer collectively to Shell Oil Company, its subsidiaries and affiliates. TNGL engages in natural gas processing and NGL fractionation, transportation, storage and marketing in Louisiana and Mississippi. TNGL's assets include a 20-year natural gas processing agreement with Shell ("Shell Processing Agreement") and varying interests in eleven natural gas processing plants, four NGL fractionation facilities; four NGL storage facilities and approximately 1,500 miles in pipelines.

In addition to the Special Units, Shell may be granted 6.0 million non-distribution bearing, convertible Contingency Units provided that certain performance criteria are met in calendar years 2000 and 2001 (see Note 5). Under terms of the agreement with Shell, the Company will issue 3.0 million Contingency Units in 2000 and an additional 3.0 million Contingency Units in 2001 provided the performance tests are successfully completed. On June 28, 2000, Shell met the performance criteria outlined for calendar year 2000 and in accordance with an agreement with Shell, the Company issued the 3.0 million Contingency Units (deemed "Special Units" once they are issued) on August 1, 2000.

The value of these new Special Units is currently estimated at $55.2 million using present value techniques. In August 2000, the purchase price and the value of the natural gas processing agreement will be increased by the estimated $55.2 million value of the Units. If the remainder of the Contingency Units are issued in 2001 (or at such later date as agreed to by the parties), the purchase price and value of the natural gas processing agreement will be adjusted accordingly.

Effective July 1, 1999, the Company acquired Kinder Morgan Operating LP "A"'s 25% indirect ownership interest and Enterprise Products Company's ("EPCO") 0.5% indirect ownership interest in a 210,000 barrel per day NGL fractionation facility located in Mont Belvieu, Texas for approximately $42 million in cash and the assumption of approximately $4 million in debt.

Both acquisitions were accounted for using the purchase method of accounting, and accordingly, the purchase price of each has been allocated to the assets purchased and liabilities assumed based on their estimated fair value at the effective date of each transaction.

PRO FORMA EFFECT OF ACQUISITIONS

The following table presents unaudited pro forma information for the three and six month periods ended June 30, 1999 as if the acquisition of TNGL from Shell and the Mont Belvieu NGL fractionation facility from Kinder Morgan and EPCO had been made as of January 1, 1999:

	Three Months Ended	Six Months Ended
	June 30, 1999	
Revenues	$ 343,990	$ 644,500
Net income	$ 26,831	$ 40,112
Allocation of net income to		
Limited partners	$ 26,562	$ 39,711
General Partner	$ 268	$ 401
Units used in earning per Unit calculations		
Basic	66,725	66,725
Diluted	81,225	81,225
Income per Unit before minority interest		
Basic	$ 0.40	$ 0.60
Diluted	$ 0.33	$ 0.49
Net income per Unit		
Basic	$ 0.40	$ 0.60
Diluted	$ 0.33	$ 0.49

Diluted earnings per Unit do not include the pro rata effect of the 3.0 million Contingency Units issued on August 1, 2000.

4. LONG-TERM DEBT

GENERAL. Long-term debt at June 30, 2000 was comprised of $350 million in 5-year public Senior Notes (the "$350 Million Senior Notes") issued by Enterprise Products Operating L.P. (the "Operating Partnership") and a 10-year $54 million loan agreement with the Mississippi Business Finance Corporation ("MBFC" and the "$54 Million MBFC Loan"). The issuance of the $350 Million Senior Notes represented a partial takedown of the $800 million universal shelf registration (the "Registration Statement") that was filed with the Securities and Exchange Commission in December 1999. The proceeds from the $350 Million Senior Notes and the $54 Million MBFC Loan were used to extinguish all outstanding balances owed under the $200 Million Bank Credit Facility and the $350 Million Bank Credit Facility.

The following table summarizes long-term debt at:

	JUNE 30, 2000	DECEMBER 31, 1999
Borrowings under:		
$200 Million Bank Credit Facility		$ 129,000
$350 Million Bank Credit Facility		166,000
$350 Million Senior Notes	$ 350,000	
$54 Million MBFC Loan	54,000	
Total	404,000	295,000
Less current maturities of long-term debt	-	129,000
Long-term debt	$ 404,000	$ 166,000

At June 30, 2000, the Operating Partnership had a total of $40 million of standby letters of credit available of which approximately $13.3 million were outstanding under letter of credit agreements with the banks.

$200 MILLION BANK CREDIT FACILITY. In July 1998, the Operating Partnership entered into a $200 million bank credit facility that included a $50 million working capital facility and a $150 million revolving term loan facility. On March 15, 2000, the Operating Partnership used $169 million of the proceeds from the issuance of the $350 Million Senior Notes to retire this credit facility in accordance with its agreement with the banks.

$350 MILLION BANK CREDIT FACILITY. In July 1999, the Operating Partnership entered into a $350 Million Bank Credit Facility that includes a $50 million working capital facility and a $300 million revolving term loan facility. The $300 million revolving term loan facility includes a sublimit of $40 million for letters of credit. Borrowings under the $350 Million Bank Credit Facility will bear interest at either the bank's prime rate or the Eurodollar rate plus the applicable margin as defined in the facility. The Operating Partnership elects the basis for the interest rate at the time of each borrowing.

This facility is scheduled to expire in July 2001 and all amounts borrowed thereunder shall be due and payable at that time. There must be no amount outstanding under the working capital facility for at least 15 consecutive days during each fiscal year. In March 2000, the Operating Partnership used $179 million of the proceeds from the issuance of the $350 Million Senior Notes and $47 million from the $54 Million MBFC Loan to payoff the outstanding balance on this credit facility. No amount was outstanding on this credit facility at June 30, 2000.

The credit agreement relating to this facility contains a prohibition on distributions on, or purchases or redemptions of Units if any event of default is continuing. In addition, the bank credit facility contains various affirmative and negative covenants applicable to the ability of the Operating Partnership to, among other things, (i) incur certain additional indebtedness, (ii) grant certain liens, (iii) sell assets in excess of certain limitations, (iv) make investments, (v) engage in transactions with affiliates and (vi) enter into a merger, consolidation, or sale of assets. The bank credit facility requires that the Operating Partnership satisfy the following financial covenants at the end of each fiscal quarter: (i) maintain Consolidated Tangible Net Worth (as defined in the bank credit facility) of at least $250.0 million, (ii) maintain a ratio of EBITDA (as defined in the bank credit facility) to Consolidated Interest Expense (as defined in the bank credit facility) for the previous 12-month period of at least 3.5 to 1.0 and (iii) maintain a ratio of Total Indebtedness (as defined in the bank credit facility) to EBITDA of no more than 3.0 to 1.0. The Operating Partnership was in compliance with the restrictive covenants at June 30, 2000.

$350 MILLION SENIOR NOTES. On March 13, 2000, the Operating Partnership completed a public offering of $350 million in principal amount of 8.25% fixed-rate Senior Notes due March 15, 2005 at a price to the public of 99.948% per Senior Note. The Operating Partnership received proceeds, net of underwriting discounts and commissions, of approximately $347.7 million. The proceeds were used to pay the entire $169 million outstanding principal balance on the $200 Million Bank Credit Facility and $179 million of the $226 million outstanding principal balance on the $350 Million Bank Credit Facility.

The $350 Million Senior Notes are subject to a make-whole redemption right by the Operating Partnership. The notes are an unsecured obligation of the Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness and senior to any future subordinated indebtedness. The notes are guaranteed by the Company through an unsecured and unsubordinated guarantee and were issued under an indenture containing certain restrictive covenants. These covenants restrict the ability of the Company and the Operating Partnership, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions. The Company and Operating Partnership were in compliance with the restrictive covenants at June 30, 2000.

Settlement was completed on March 15, 2000. The issuance of the $350 Million Senior Notes was a takedown under the Company's $800 million Registration Statement; therefore, the amount of securities available under the Registration Statement have been reduced to $450 million.

$54 MILLION MBFC LOAN. On March 27, 2000, the Operating Partnership executed a $54 million loan agreement with the MBFC which was funded with proceeds from the sale of Taxable Industrial Revenue Bonds ("Bonds") by the MBFC. The Bonds issued by the MBFC are 10-year bonds with a maturity date of March 1, 2010 and bear a fixed rate interest coupon of 8.70%. The Operating Partnership received proceeds from the sale of the Bonds, net of underwriting discounts and commissions, of approximately $53.6 million. The proceeds were used to pay the remaining $47 million outstanding principal balance on the $350 Million Bank Credit Facility and for working capital and other general partnership purposes. In general, the proceeds of the Bonds were used to reimburse the Operating Partnership for costs incurred in acquiring and constructing the Pascagoula, Mississippi natural gas processing plant.

The Bonds were issued at par and are subject to a make-whole redemption right by the Operating Partnership. The Bonds are guaranteed by the Company through an unsecured and unsubordinated guarantee. The loan agreement contains certain covenants including maintaining appropriate levels of insurance on the Pascagoula natural gas processing facility and restrictions regarding mergers. The Company was in compliance with the restrictive covenants at June 30, 2000.

5. CAPITAL STRUCTURE AND EARNINGS PER UNIT

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF THE COMPANY. The Second Amended and Restated Agreement of Limited Partnership of the Company (the "Partnership Agreement") sets forth the calculation to be used to determine the amount and priority of cash distributions that the Common Unitholders, Subordinated Unitholders and the General Partner will receive. The Partnership Agreement also contains provisions for the allocation of net earnings and losses to the Unitholders and the General Partner. For purposes of maintaining partner capital accounts, the Partnership Agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage interests. Normal allocations according to percentage interests are done only, however, after giving effect to priority earnings allocations in an amount equal to incentive cash distributions allocated 100% to the General Partner. As an incentive, the General Partner's percentage interest in quarterly distributions is increased after certain specified target levels are met. When quarterly distributions exceed $0.506 per Unit, the General Partner receives a percentage of the excess between the actual distribution rate and the target level ranging from approximately 15% to 50% depending on the target level achieved.

The Partnership Agreement generally authorizes the Company to issue an unlimited number of additional limited partner interests and other equity securities of the Company for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion without the approval of the Unitholders. During the Subordination Period, however, the Company is limited with regards to the number of equity securities that it may issue that rank senior to Common Units (except for Common Units upon conversion of Subordinated Units, pursuant to employee benefit plans, upon conversion of the general partner interest as a result of the withdrawal of the General Partner or in connection with acquisitions or capital improvements that are accretive on a per Unit basis) or an equivalent number of securities ranking on a parity with the Common Units, without the approval of the holders of at least a Unit Majority. A Unit Majority is defined as at least a majority of the outstanding Common Units (during the Subordination Period), excluding Common Units held by the General Partner and its affiliates, and at least a majority of the outstanding Common Units (after the Subordination Period).

In April 2000, the Company mailed a Proxy Statement to its public Unitholders asking them to consider and vote for a proposal to amend the Partnership Agreement to increase the number of additional Common Units that may be issued during the Subordination Period without the approval of a Unit Majority from 22,775,000 Common Units to 47,775,000 Common Units. The primary purpose of the requested increase was to improve the future financial flexibility of the Company since 20,500,000 Common Units of the 22,775,000 Common Units available to the partnership during the Subordination Period were reserved for issuance in connection with the TNGL acquisition. At a special meeting of the Unitholders and General Partner held on June 9, 2000, this proposal was approved by 90.7% of the public Unitholders. The amendment increases the number of Common Units available (and unreserved) to the Company for general partnership purposes during the Subordination Period from 2,275,000 to 27,275,000.

SUBORDINATED UNITS. The Subordinated Units have no voting rights until converted into Common Units at the end of the Subordination Period (as defined below). The Subordination Period for the Subordinated Units will generally extend until the first day of any quarter beginning after June 30, 2003 when the Conversion Test has been satisfied. Generally, the Conversion Test will have been satisfied when the Company has paid from Operating Surplus and generated from Adjusted Operating Surplus the minimum quarterly distribution on all Units for each of the three preceding four-quarter periods. Upon expiration of the Subordination Period, all remaining Subordinated Units will convert into Common Units on a one-for-one basis and will thereafter participate pro rata with the other Common Units in distributions of Available Cash.

If the Conversion Test has been met for any quarter ending on or after June 30, 2001, 25% of the Subordinated Units will convert into Common Units. If the Conversion Test has been met for any quarter ending on or after June 30, 2002, an additional 25% of the Subordinated Units will convert into Common Units. The early conversion of the second 25% of Subordinated Units may not occur until at least one year following the early conversion of the first 25% of Subordinated Units.

SPECIAL UNITS. The 14.5 million Special Units issued do not accrue distributions and are not entitled to cash distributions until their conversion into Common Units, which occurs automatically with respect to 1.0 million Units on August 1, 2000, 5.0 million Units on August 1, 2001 and 8.5 million Units on August 1, 2002.

On June 28, 2000, Shell met certain year 2000 performance criteria for the issuance of 3.0 million non-distribution bearing, convertible Contingency Units (hereafter referred to as Special Units once they are issued). Per an agreement with Shell, the Company issued these Special Units on August 1, 2000. Shell has the opportunity to earn an additional 3.0 million non-distribution bearing, convertible Contingency Units based on certain performance criteria for calendar year 2001. Specifically, Shell will earn another 3.0 million convertible Contingency Units if at any point during calendar year 2001 (or extensions thereto due to force majeure events) gas production by Shell from its offshore Gulf of Mexico producing properties and leases is 900 million cubic feet per day for 180 not-necessarily-consecutive days or 350 billion cubic feet on a cumulative basis. If the year 2001 performance test is not met but Shell's offshore Gulf of Mexico gas production reaches 725 billion cubic feet on a cumulative basis in calendar years 2000 and 2001 (or extensions thereto due to force majeure events), Shell would still earn an additional 3.0 million non-distribution bearing, convertible Contingency Units. If all of the Contingency Units are earned, 1.0 million Contingency Units would convert into Common Units on August 1, 2002 and 5.0 million Contingency Units would convert into Common Units on August 1, 2003. The Contingency Units do not accrue distributions and are not entitled to cash distributions until conversion into Common Units.

Under the rules of the New York Stock Exchange, conversion of the Special Units into Common Units requires approval of the Company's Unitholders. EPC Partners II, Inc. ("EPC II"), which owns in excess of 81% of the outstanding Common Units, has voted its Units in favor of conversion, which will provide the necessary votes for approval.

UNITS ACQUIRED BY TRUST. During the first quarter of 1999, the Company established a revocable grantor trust (the "Trust") to fund future liabilities of a long-term incentive plan. At June 30, 2000, the Trust had purchased a total of 267,200 Common Units (the "Trust Units") which are accounted for in a manner similar to treasury stock under the cost method of accounting. The Trust Units are considered outstanding and will receive distributions; however, they are excluded from the calculation of net income per Unit.

On May 12, 2000, the Company filed a Registration Statement with the Securities and Exchange Commission for the transfer of up to (i) 1,000,000 Common Units to fund a long-term incentive plan established by the General Partner and (ii) 1,000,000 Common Units to fund a long-term incentive plan established by Enterprise Products Company.

EARNINGS PER UNIT. The Company has no dilutive securities that would require adjustment to net income for the computation of diluted earnings per Unit. The following is a reconciliation of the number of units used in the computation of basic and diluted earnings per Unit for all periods presented.

	For Three Months Ended At June 30,		For Six Months Ended At June 30,	
	2000	1999	2000	1999
Weighted average number of Common and Subordinated Units outstanding	66,696	66,696	66,696	66,725
Weighted average number of Special Units to be converted to Common Units	14,500		14,500	
Units used to compute diluted earnings per Unit	81,196	66,696	81,196	66,725

The Contingency Units (described above) to be issued upon achieving certain performance criteria have been excluded from diluted earnings per Unit because such tests have either not been met at June 30, 2000 or have not been issued per agreement with Shell.

6. DISTRIBUTIONS

The Company intends, to the extent there is sufficient available cash from Operating Surplus, as defined by the Partnership Agreement, to distribute to each holder of Common Units at least a minimum quarterly distribution of $0.45 per Common Unit. The minimum quarterly distribution is not guaranteed and is subject to adjustment as set forth in the Partnership Agreement. With respect to each quarter during the subordination period, which will generally not end before June 30, 2003, the Common Unitholders will generally have the right to receive the minimum quarterly distribution, plus any arrearages thereon, and the General Partner will have the right to receive the related distribution on its interest before any distributions of available cash from Operating Surplus are made to the Subordinated Unitholders. As an incentive, the General Partner's interest in quarterly distributions is increased after certain specified target levels are met (see Note 5 discussion regarding incentive distributions under the section titled Second Amended and Restated Agreement of Limited Partnership of the Company.) The Company made its first incentive cash distribution to the General Partner on August 10, 2000 in the amount of $0.2 million.

On January 17, 2000, the Company declared an increase in its quarterly cash distribution to $0.50 per Unit. This amount was raised to $0.525 per Unit on July 17, 2000.

The following is a summary of cash distributions to partnership interests since the first quarter of 1999:

	CASH DISTRIBUTIONS			
	PER COMMON UNIT	PER SUBORDINATED UNIT	RECORD DATE	PAYMENT DATE
1999				
First Quarter	$ 0.450	$ 0.450	January 29, 1999	February 11, 1999
Second Quarter	$ 0.450	$ 0.070	April 30, 1999	May 12, 1999
Third Quarter	$ 0.450	$ 0.370	July 30, 1999	August 11, 1999
Fourth Quarter	$ 0.450	$ 0.450	October 29, 1999	November 10, 1999
2000				
First Quarter	$ 0.500	$ 0.500	January 31, 2000	February 10, 2000
Second Quarter	$ 0.500	$ 0.500	April 28, 2000	May 10, 2000
Third Quarter (through August 11, 2000)	$ 0.525	$ 0.525	July 31, 2000	August 10, 2000

7. SUPPLEMENTAL CASH FLOW DISCLOSURE

The net effect of changes in operating assets and liabilities is as follows:

	SIX MONTHS ENDED MARCH 31,	
	2000	1999
(Increase) decrease in:		
Accounts receivable	$ 66,374	$ (6,574)
Inventories	(105,161)	(37,952)
Prepaid and other current assets	2,610	970
Other assets	(4,287)	-
Increase (decrease) in:		
Accounts payable	(64,563)	(164)
Accrued gas payable	163,185	22,864
Accrued expenses	(11,698)	(1,949)
Other current liabilities	5,904	(3,612)
Other liabilities	1,698	-
Net effect of changes in operating accounts	$ 54,062	$ (26,417)

Capital expenditures for the first six months of 2000 were $154.2 million compared to $2.5 million for the same period in 1999. Capital expenditures in 2000 included $99.6 million for the purchase of the Lou-Tex Propylene Pipeline and related assets, $39.2 million in construction costs for the Lou-Tex NGL Pipeline and $4.4 million in construction costs for the Neptune gas processing facility.

The purchase of the Lou-Tex Propylene Pipeline and related assets from Concha Chemical Pipeline Company, an affiliate of Shell, was completed on February 25, 2000. The effective date of the transaction was March 1, 2000. The Lou-Tex Propylene Pipeline is a 263-mile, 10" pipeline that transports chemical grade propylene from Sorrento, Louisiana to Mont Belvieu, Texas. Also acquired in this transaction was 27.5 miles of 6" ethane pipeline between Sorrento and Norco, Louisiana, and a 0.5 million barrel storage cavern at Sorrento, Louisiana.

8. RECENTLY ISSUED ACCOUNTING STANDARDS

In June 1999, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB

Statement No. 133-an amendment of FASB Statement No. 133" which effectively delays the application of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" for one year, to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" which amends and supercedes various sections of SFAS No. 133. Management is currently studying SFAS No. 133 and its amendments for their possible impact on the consolidated financial statements when they are adopted in January 2001.

9. FINANCIAL INSTRUMENTS

The Company enters into swaps and other contracts to hedge the price risks associated with inventories, commitments and certain anticipated transactions. The Company does not currently hold or issue financial instruments for trading purposes. The swaps and other contracts are with established energy companies and major financial institutions. The Company believes its credit risk is minimal on these transactions, as the counterparties are required to meet stringent credit standards. There is continuous day-to-day involvement by senior management in the hedging decisions, operating under resolutions adopted by the board of directors.

INTEREST RATE SWAPS. The Company's interest rate exposure results from variable rate borrowings from commercial banks and fixed rate borrowings pursuant to the $350 Million Senior Notes and the $54 Million MBFC Loan. The company manages its exposure to changes in interest rates in its consolidated debt portfolio by utilizing interest rate swaps. An interest rate swap, in general, requires one party to pay a fixed rate on the notional amount while the other party pays a floating rate based on the notional amount.

In March 2000, after the issuance of the $350 Million Senior Notes and the execution of the $54 Million MBFC Loan, 100% of the Operating Partnership's consolidated debt were fixed rate obligations. To maintain a balance between variable rate and fixed rate exposure, the Operating Partnership entered into interest rate swap agreements with a notional amount of $154 million by which the Operating Partnership receives payments based on a fixed rate and pays an amount based on a floating rate. The Operating Partnership's consolidated debt portfolio interest rate exposure was 62 percent fixed and 38 percent floating, after considering the effect of the interest rate swap agreements. The notional amount does not represent exposure to credit loss. The Operating Partnership monitors its positions and the credit ratings of its counterparties. Management believes the risk of incurring a credit related loss is remote, and that if incurred, such losses would be immaterial.

The effect of these swaps (none of which are leveraged) was to decrease the Company's interest expense by $3.2 million for the three months ended June 30, 2000 and $3.5 million for the six months ended June 30, 2000. Following is selected information on the Company's portfolio of interest rate swaps at June 30, 2000:

INTEREST RATE SWAP PORTFOLIO AT JUNE 30, 2000 (1) :
(Dollars in millions)

Notional Amount	Period Covered	Early Termination Date (2)	Fixed / Floating Rate (3)
$ 50.0	March 2000 - March 2005	March 2001	8.25% / 6.9500%
$ 50.0	March 2000 - March 2005	March 2001	8.25% / 6.9550%
$ 54.0	March 2000 - March 2010	March 2003	8.70% / 7.2575%

Notes:

(1) All swaps outstanding at June 30, 2000 were entered into for the purpose of managing the Operating Partnership's exposure to fluctuations in market interest rates.
(2) In each case, the counterparty has the option to terminate the interest rate swap on the Early Termination Date.
(3) In each case, the Operating Partnership is the floating-price payor. The floating rate was the rate in effect as of June 30, 2000.

10. SEGMENT INFORMATION

The Company has five reportable operating segments: Fractionation, Pipeline, Processing, Octane Enhancement and Other. Fractionation includes NGL fractionation, polymer grade propylene fractionation and butane isomerization (converting normal butane into high purity isobutane) services. Pipeline consists of pipeline, storage and import/export terminal services. Processing includes the natural gas processing business and its related NGL merchant activities. Octane Enhancement represents the Company's 33.33% ownership interest in a facility that produces motor gasoline additives to enhance octane (currently producing MTBE). The Other operating segment consists of fee-based marketing services and other plant support functions.

Operating segments are components of a business about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments.

The management of the Company evaluates segment performance on the basis of gross operating margin. Gross operating margin reported for each segment represents earnings before depreciation and amortization, lease expense obligations retained by EPCO, gains and losses on the sale of assets and general and administrative expenses. In addition, segment gross operating margin is exclusive of interest expense, interest income (from unconsolidated affiliates or others), dividend income from unconsolidated affiliates, minority interest, extraordinary charges and other income and expense transactions. The Company's equity earnings from unconsolidated affiliates are included in segment gross operating margin.

Segment assets consists of property, plant and equipment and the amount of investments in and advances to unconsolidated affiliates. The principal reconciling item between consolidated property, plant and equipment and segment assets is construction-in-progress. Segment assets are defined as those facilities and projects that generate segment gross margin amounts. Since assets under construction do not generally contribute to segment earnings, these assets are not included in the segment totals until they are deemed operational.

Segment gross operating margin is inclusive of intersegment revenues. These revenues have been eliminated from the consolidated totals.

Information by operating segment, together with reconciliations to the consolidated totals, is presented in the following table:

	Operating Segments					Adjustments	
	Fractionation	Pipelines	Processing	Octane Enhancement	Other	and Eliminations	Consolidated Totals
Revenues from external customers							
Three months ended June 30, 2000	$103,741	$ 18,048	$478,244	$ 8,307	$ 751	$(5,081)	$604,010
Three months ended June 30, 1999	64,453	4,360	120,638	1,936	-	(13,908)	177,479
Six months ended June 30, 2000	202,566	27,862	1,125,101	10,812	1,266	(9,873)	1,357,734
Six months ended June 30, 1999	118,149	8,101	223,511	2,237	-	(25,642)	326,356
Intersegment revenues							
Three months ended June 30, 2000	42,537	14,760	139,655	-	95	(197,047)	-
Three months ended June 30, 1999	25,137	9,279	16	-	108	(34,540)	-
Six months ended June 30, 2000	82,728	28,025	281,885	-	189	(392,827)	-
Six months ended June 30, 1999	37,360	17,310	38	-	204	(54,912)	-
Total revenues							
Three months ended June 30, 2000	146,278	32,808	617,899	8,307	846	(202,128)	604,010
Three months ended June 30, 1999	89,590	13,639	120,654	1,936	108	(48,448)	177,479
Six months ended June 30, 2000	285,294	55,887	1,406,986	10,812	1,455	(402,700)	1,357,734
Six months ended June 30, 1999	155,509	25,411	223,549	2,237	204	(80,554)	326,356
Gross operating margin by segment							
Three months ended June 30, 2000	29,591	14,192	18,486	8,307	872	-	71,448
Three months ended June 30, 1999	26,491	4,350	(1,524)	1,936	277	-	31,530
Six months ended June 30, 2000	63,922	28,827	58,040	10,812	1,426	-	163,027
Six months ended June 30, 1999	42,813	8,851	(433	2,237	481	-	53,949
Segment assets							
At June 30, 2000	360,410	357,107	125,642	-	111	60,562	903,832
At December 31, 1999	362,198	249,453	122,495	-	13	32,810	767,069
Investments in and advances to unconsolidated affiliates							
At June 30, 2000	101,465	85,788	33,000	67,665	-	-	287,918
At December 31, 1999	99,110	85,492	33,000	63,004	-	-	280,606

A reconciliation of segment gross operating margin to consolidated income before minority interest follows:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2000	1999	2000	1999
Total segment gross operating margin	$ 71,448	$ 31,530	$163,027	$ 53,949
Depreciation and amortization	(8,754)	(4,668)	(16,878)	(9,356)
Retained lease expense, net	(2,687)	(2,666)	(5,324)	(5,332)
Loss on sale of assets	(2,303)	(127)	(2,303)	(124)
Selling, general and administrative	(7,658)	(3,000)	(13,042)	(6,000)
Consolidated operating income	50,046	21,069	125,480	33,137
Interest expense	(8,070)	(2,129)	(15,844)	(4,392)
Interest income from unconsolidated affiliates	126	292	270	689
Dividend income from unconsolidated affiliates	2,761	-	3,995	-
Interest income - other	1,225	148	2,706	432
Other, net	(62)	(30)	(425)	45
Consolidated income before minority interest	$ 46,026	$ 19,350	$116,182	$ 29,911

11. SUBSEQUENT EVENTS

On July 27, 2000, the Company announced that the Board of Directors of the General Partner had authorized the Company to purchase up to 1.0 million of the outstanding Common Units over the next two years. The Units may be purchased from time to time in the open market or in privately negotiated transactions as conditions warrant. The timing of any such purchases will be based on the Unit price and other market factors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FOR THE INTERIM PERIODS ENDED JUNE 30, 2000 AND 1999

The following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes thereto of Enterprise Products Partners L.P. ("Enterprise" or the "Company") included elsewhere herein.

THE COMPANY

ENTERPRISE PRODUCTS PARTNERS L.P. (the "Company") is a leading integrated North American provider of processing and transportation services to domestic and foreign producers of natural gas liquids ("NGL" or "NGLs") and other liquid hydrocarbons and domestic and foreign consumers of NGLs and liquid hydrocarbon products. The Company manages a fully integrated and diversified portfolio of midstream energy assets and is engaged in NGL processing and transportation through direct and indirect ownership and operation of NGL fractionators. It also operates and or manages NGL processing facilities, storage facilities, pipelines, rail transportation facilities, a methyl tertiary butyl ether ("MTBE") facility, a propylene production complex and other transportation facilities in which it has a direct and indirect ownership. As a result of acquisitions completed in 1999, the Company is also engaged in natural gas processing.

The Company is a publicly traded master limited partnership (NYSE, symbol "EPD") that conducts substantially all of its business through ENTERPRISE PRODUCTS OPERATING L.P. (the "Operating Partnership"), the Operating Partnership's subsidiaries, and a number of joint ventures with industry partners. The Company was formed in April 1998 to acquire, own, and operate all of the NGL processing and distribution assets of Enterprise Products Company ("EPCO"). The general partner of the Company, Enterprise Products GP, LLC (the "General Partner"), a majority-owned subsidiary of EPCO, holds a 1.0% general partner interest in the Company and a 1.0101% general partner interest in the Operating Partnership.

The principal executive office of the Company is located at 2727 North Loop West, Houston, Texas, 77008-1038, and the telephone number of that office is 713-880-6500. References to, or descriptions of, assets and operations of the Company in this Quarterly Report include the assets and operations of the Operating Partnership and its subsidiaries as well as the predecessors of the Company.

GENERAL

The Company (i) processes natural gas; (ii) fractionates for a processing fee mixed NGLs produced as by-products of oil and natural gas production into their component products: ethane, propane, isobutane, normal butane and natural gasoline; (iii) converts normal butane to isobutane through the process of isomerization; (iv) produces MTBE from isobutane and methanol; and (v) transports NGL products to end users by pipeline and railcar. The Company also separates high purity propylene from refinery-sourced propane/propylene mix and transports high purity propylene to plastics manufacturers by pipeline. Products processed by the Company generally are used as feedstocks in petrochemical manufacturing, in the production of motor gasoline and as fuel for residential and commercial heating.

The Company's NGL operations are concentrated in the Texas, Louisiana, and Mississippi Gulf Coast area. A large portion is concentrated in Mont Belvieu, Texas, which is the hub of the domestic NGL industry and is adjacent to the largest concentration of refineries and petrochemical plants in the United States. The facilities the Company operates at Mont Belvieu include: (i) one of the largest NGL fractionation facilities in the United States with an average production capacity of 210,000 barrels per day ("BPD"); (ii) the largest butane isomerization complex in the United States with an average isobutane production capacity of 80,000 BPD; (iii) one of the largest MTBE production facilities in the United States with an average production capacity of 14,800 BPD; and (iv) two propylene fractionation units with an average combined production capacity of 31,000 BPD. The Company owns all of the assets at its Mont Belvieu facility except for the NGL fractionation facility, in which it owns an effective 62.5% economic interest; one of the propylene fractionation units, in which it owns a 54.6% interest and controls the remaining interest through a long-term lease; the MTBE production facility, in which it owns a 33.33% interest; and one of its three isomerization units and one deisobutanizer which are held under long-term leases with purchase options. The Company's operations in Louisiana and Mississippi include varying interests in eleven natural gas processing plants with a combined capacity of 11.0 billion cubic feet per day ("Bcfd") and net capacity of 3.1 Bcfd and four NGL fractionation facilities with a combined gross capacity of 281,000 BPD and net capacity of 131,500 BPD. In addition, the Company owns and operates a NGL fractionation facility in Petal, Mississippi with an average production capacity of 7,000 BPD.

The Company owns and operates approximately 28 million barrels of storage capacity at Mont Belvieu and 7 million barrels of storage capacity in Petal, Mississippi that are an integral part of its processing operations. The Company has interests in four NGL storage facilities in Louisiana and Mississippi with approximately 28.8 million barrels of gross capacity and 8.8 million barrels of net capacity. The Company also leases and operates one of only two commercial NGL import/export terminals on the Gulf Coast.

Lastly, the Company has operating and non-operating ownership interests in over 2,400 miles of NGL pipelines along the Gulf Coast (including an 11.5% interest in the 1,301 mile Dixie Pipeline).

Industry Environment

Because certain NGL products compete with other refined petroleum products in the fuel and petrochemical feedstock markets, NGL product prices are set by or in competition with refined petroleum products. Increased production and importation of NGLs and NGL products in the United States may decrease NGL product prices in relation to refined petroleum alternatives and thereby increase consumption of NGL products as NGL products are substituted for other more expensive refined petroleum products. Conversely, a decrease in the production and importation of NGLs and NGL products could increase NGL product prices in relation to refined petroleum product prices and thereby decrease consumption of NGLs. However, because of the relationship of crude oil and natural gas production to NGL production, the Company believes any imbalance in the prices of NGLs and NGL products and alternative products would be temporary.

Due to higher crude oil prices in the first six months of 2000 versus the same period in 1999, the demand for NGLs in petrochemical manufacturing was strong. The increased use of NGLs in petrochemical manufacturing resulted in the increasing of both production and pricing of NGLs. In the NGL industry, revenues and cost of goods sold can fluctuate significantly up or down based on current NGL prices. However, operating margins will generally remain constant except for the effect of inventory price adjustments or increased operating expenses.

RESULTS OF OPERATION OF THE COMPANY

The Company has five reportable operating segments: Fractionation, Pipeline, Processing, Octane Enhancement and Other. Fractionation includes NGL fractionation, polymer grade propylene fractionation and butane isomerization (converting normal butane into high purity isobutane) services. Pipeline consists of pipeline, storage and import/export terminal services. Processing includes the natural gas processing business and its related NGL merchant activities. Octane Enhancement represents the Company's 33.33% ownership interest in a facility that produces motor gasoline additives to enhance octane (currently producing MTBE). The Other operating segment consists of fee-based marketing services and other plant support functions.

The management of the Company evaluates segment performance on the basis of gross operating margin. Gross operating margin reported for each segment represents earnings before depreciation and amortization, lease expense obligations retained by EPCO, gains and losses on the sale of assets and general and administrative expenses. In addition, segment gross operating margin is exclusive of interest expense, interest income (from unconsolidated affiliates or others), dividend income from unconsolidated affiliates, minority interest, extraordinary charges and other income and expense transactions. The Company's equity earnings from unconsolidated affiliates are included in segment gross operating margin.

The Company's gross operating margin by segment (in thousands of dollars) along with a reconciliation to consolidated operating income for the three and six month periods ended June 30, 2000 and 1999 were as follows:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2000	1999	2000	1999
Gross Operating Margin by segment:				
Fractionation	$ 29,591	$ 26,491	$ 63,922	$ 42,813
Pipeline	14,192	4,350	28,827	8,851
Processing	18,486	(1,524)	58,040	(433)
Octane enhancement	8,307	1,936	10,812	2,237
Other	872	277	1,426	481
Gross Operating margin total	71,448	31,530	163,027	53,949
Depreciation and amortization	8,754	4,668	16,878	9,356
Retained lease expense, net	2,687	2,666	5,324	5,332
Loss (gain) on sale of assets	2,303	127	2,303	124
Selling, general and administrative expenses	7,658	3,000	13,042	6,000
Consolidated operating income	$ 50,046	$ 21,069	$125,480	$ 33,137

The Company's significant plant production and other volumetric data (in thousands of barrels per day on an equity basis) for the three and six month periods ended June 30, 2000 and 1999 were as follows:

	For Three Months Ended June 30,		For Six Months Ended June 30,	
	2000	1999	2000	1999
Plant production data:				
NGL Production	71	N/A	71	N/A
NGL Fractionation	215	61	215	58
Isomerization	81	74	74	71
Propylene Fractionation	30	31	30	27
MTBE	5	5	4	4
Major Pipelines	331	186	338	173

1999 Acquisitions

The Company completed two significant acquisitions during the third quarter of 1999. Effective August 1, 1999, the Company acquired Tejas Natural Gas Liquids, LLC ("TNGL") from Tejas Energy, LLC, now Coral Energy, LLC, an affiliate of Shell Oil Company ("Shell", including subsidiaries and affiliates), in exchange for 14.5 million non-distribution bearing, convertible special partnership Units of the Company and $166 million in cash. The Company also agreed to issue up to 6.0 million additional non-distribution bearing special partnership Units to Shell in the future if the volumes of natural gas that the Company processes for Shell reach agreed upon levels in 2000 and 2001. The first 3.0 million of these additional special partnership Units were issued on August 1, 2000.

The businesses acquired from Shell include natural gas processing and NGL fractionation, transportation and storage in Louisiana and Mississippi and its NGL supply and merchant business. The assets acquired include varying interests in eleven natural gas processing plants, four NGL fractionation facilities, four NGL storage facilities, operator and non-operator ownership interests in approximately 1,500 miles of NGL pipelines, and a 20-year natural gas processing agreement with Shell. The Company accounted for this acquisition using the purchase method.

Effective July 1, 1999, a subsidiary of the Operating Partnership acquired an additional 25% interest in the Mont Belvieu NGL fractionation facility from Kinder Morgan Operating LP "A" ("Kinder Morgan") for a purchase price of approximately $41.2 million in cash and the assumption of $4 million in debt. An additional 0.5% interest in the same facility was purchased from EPCO for a cash purchase price of $0.9 million. This acquisition (referred to as the "MBA acquisition") increased the Company's effective economic interest in the Mont Belvieu NGL fractionation facility from 37.0% to 62.5%. As a result of this acquisition, the results of operations after July 1, 1999 were consolidated rather than included in equity in earnings of unconsolidated affiliates.

The results of operations for the three and six month periods ended June 30, 1999 do not include the impact of the assets acquired from TNGL and MBA. See the section below labeled "Pro Forma impact of Acquisitions" for selected financial data reflecting these transactions as if they had occurred on January 1, 1999.

THREE MONTHS ENDED JUNE 30, 2000 COMPARED WITH THREE MONTHS ENDED JUNE 30, 1999

Revenues, Costs and Expenses and Operating Income. The Company's revenues increased by 240.3% to $604.0 million in 2000 compared to $177.5 million in 1999. The Company's costs and expenses increased by 256.1% to $546.3 million in 2000 versus $153.4 million in 1999. Operating income before selling, general and administrative expenses ("SG&A") increased to $57.7 million in 2000 from $24.1 million in 1999. The principal factors behind the $33.6 million increase in operating income before SG&A were the additional earnings associated with the assets acquired in the TNGL acquisition and the overall improvement in NGL product prices in 2000 over 1999.

Fractionation. The Company's gross operating margin for the Fractionation segment increased to $29.6 million in 2000 from $26.5 million in 1999 due to higher overall volumes and NGL pricing plus the addition of margins from the assets acquired from TNGL. NGL Fractionation gross operating margin increased to $12.6 million in 2000 from $1.2 million in 1999 primarily the result of substantially higher volumes. Net NGL fractionation volumes were 215 thousand barrels per day ("MBPD") in 2000 compared to 61 MBPD in 1999. The increase is attributable to the four NGL fractionators acquired in August 1999 as a result of the TNGL acquisition and the completion of the BRF NGL fractionation facility in July 1999. Of the $11.4 million increase in NGL fractionation gross margin, $10.8 million is derived from the NGL fractionators acquired in the TNGL acquisition (including equity earnings of $1.5 million from Promix) with $0.4 million arising from higher equity earnings from BRF. The Mont Belvieu NGL fractionation facility contributed the remaining $0.2 million rise in earnings. Margins from the Mont Belvieu facility increased due to higher volumes and the additional ownership interest acquired in July 1999 as a result of the MBA acquisition.

Gross operating margin from the isomerization business decreased to $11.4 million in 2000 from $17.2 million in 1999. The decrease in isomerization margins is primarily due to expenses associated with the restart of one of the Mont Belvieu isomerization units in May 2000 and higher operating expenses stemming from an increase in fuel costs. Isomerization production rates increased to 81 MBPD in 2000 compared to 74 MBPD in 1999 as a result of the restart of the isomerization unit. The Company's gross operating margin on its propylene fractionation facilities decreased to $5.4 million in 2000 versus $7.0 million in 1999. The decrease stems from the impact of propylene storage well charges and higher fuel costs. Propylene production decreased to 30 MBPD in 2000 from 31 MBPD in 1999.

Pipeline. The Company's gross operating margin for the Pipeline segment was $14.2 million in the second quarter of 2000 compared to $4.4 million during the same period in 1999. The Louisiana Pipeline Distribution System gross margin for 2000 was $6.7 million versus $1.4 million in 1999 primarily due to a 135% increase in throughput volumes stemming from pipeline assets acquired in the TNGL acquisition. The gross operating margin of the Houston Ship Channel Distribution system increased to $2.9 million in 2000 from $2.1 million in 1999 on the strength of increased export volumes at the EPIK loading facility. Earnings from the newly acquired Lou-Tex Propylene Pipeline were $2.3 million.

Equity earnings from unconsolidated affiliates in the Pipeline segment increased from a loss of $0.2 million in 1999 to a $1.1 million profit in 2000. A portion of the improvement in equity earnings is attributable to EPIK which posted an increase of $0.4 million from a $0.2 million loss in 1999 to a $0.2 million profit in 2000. EPIK's higher earnings are attributable to a 344% increase in export volumes due to the new chiller unit that began operations in the fourth quarter of 1999. The remaining $0.9 million increase stems from the Wilprise, Tri-States and Belle Rose pipeline systems in which an equity interest was acquired by the Company as a result of the TNGL acquisition.

Processing. The Company's gross operating margin for Processing was $18.5 million in 2000 compared to a loss of $1.5 million in 1999. The increase is attributable to the gas processing operations acquired in the TNGL acquisition. The gas processing operations benefited from a favorable NGL pricing environment and 71 MBPD of equity NGL production during the quarter.

Octane Enhancement. The Company's gross operating margin for Octane Enhancement increased to $8.3 million in 2000 from $1.9 million in 1999. This segment consists entirely of the Company's equity earnings and 33.33% investment in BEF, a joint venture facility that currently produces MTBE. The earnings improvement stems from higher MTBE prices and lower debt service costs. BEF made its final note payment on May 31, 2000 and now owns a debt-free facility. MTBE production, on an equity basis, was steady at 5 MBPD during both the 2000 and 1999 periods.

Other. The Company's gross operating margin for the Other segment was $0.9 million in 2000 compared to $0.3 million in 1999. Beginning in the fourth quarter of 1999, this segment includes fee-based marketing services. The Company acquired its fee-based marketing services business as part of the TNGL acquisition. For the second quarter of 2000, this business earned $0.7 million. Apart from this portion of the segment's operations, the gross margin contribution of the other aspects of this segment were insignificant in both 2000 and 1999.

Selling, general and administrative expenses. SG&A expenses increased to $7.7 million in the second quarter of 2000 from $3.0 million during the same period in 1999. The higher costs stem from an increase in the administrative services fee charged by EPCO to $1.6 million per month beginning in January 2000 versus the $1.0 million per month charged in the second quarter of 1999. The remainder of the increase is attributable to additional general and administrative expenses related to the TNGL acquisition.

Interest expense. The Company's interest expense increased to $8.1 million in the second quarter of 2000 from $2.1 million in the second quarter of 1999. The increase is primarily attributable to a rise in average debt levels to $404 million in the second quarter of 2000 from $132 million in the second quarter of 1999. Debt levels have increased over the last year due to acquisitions and capital expenditures. Specifically, $215 million was borrowed to complete the TNGL and MBA acquisitions in the third quarter of 1999 and approximately $60 million was borrowed to fund a portion of the purchase of the Lou-Tex Propylene Pipeline in the first quarter of 2000.

Dividend income from unconsolidated affiliates. The Company's investment in Dixie and VESCO are recorded using the cost method as prescribed by generally accepted accounting principles. In accordance with these guidelines, the Company records as dividend income the cash distributions from these investments as opposed to recording equity earnings. Both the Dixie and VESCO investments were acquired as part of the TNGL acquisition. For the second quarter of 2000, the Company recorded dividend income totaling $2.8 from VESCO.

Loss on sale of assets. During the second quarter of 2000, the Company recognized a one-time $2.3 million non-cash charge on the sale of its Longview Terminal to Huntsman Corporation. The Longview Terminal was part of the Pipelines segment and was used to unload polymer grade propylene from NGL tank trucks.

SIX MONTHS ENDED JUNE 30, 2000 COMPARED WITH SIX MONTHS ENDED JUNE 30, 1999

Revenues, Costs and Expenses and Operating Income. The Company's revenues increased by 316.0% to $1,357.7 million in 2000 compared to $326.4 million in 1999. The Company's costs and expenses increased by 324.5% to $1,219.2 million in 2000 versus $287.2 million in 1999. Operating income before SG&A increased to $138.5 million in 2000 from $39.2 million in 1999. The principal factors behind the $99.4 million increase in operating income before SG&A were the additional earnings associated with the assets acquired in the TNGL acquisition and the overall improvement in NGL product prices in 2000 over 1999.

Fractionation. The Company's gross operating margin for the Fractionation segment increased to $63.9 million in 2000 from $42.8 million in 1999 due to higher overall volumes and NGL pricing plus the addition of margins from the assets acquired from TNGL. NGL Fractionation gross operating margin increased to $29.0 million in 2000 from $2.9 million in 1999 primarily the result of substantially higher volumes. Net NGL fractionation volumes were 215 MBPD in 2000 compared to 58 MBPD in 1999. The increase is attributable to the four NGL fractionators acquired in August 1999 as a result of the TNGL acquisition and the completion of the BRF NGL fractionation facility in July 1999. Of the $26.1 million increase in NGL fractionation gross margin, $24.6 million is derived from the NGL fractionators acquired in the TNGL acquisition (including equity earnings of $3.2 million from Promix) with $1.0 million arising from higher equity earnings from BRF. The Mont Belvieu NGL fractionation facility contributed the remaining $0.5 million rise in earnings. Margins from the Mont Belvieu facility increased due to higher volumes and the additional ownership interest acquired in July 1999 as a result of the MBA acquisition.

Gross operating margin from the isomerization business decreased to $21.0 million in 2000 from $24.7 million in 1999. The decrease in isomerization margins is primarily due to expenses associated with the restart of one of the Mont Belvieu isomerization units in May 2000 and higher operating expenses stemming from an increase in fuel costs. Isomerization production rates increased to 74 MBPD in 2000 compared to 71 MBPD in 1999. The Company's gross operating margin on its propylene production facilities was $12.7 million in 2000 and 1999. The margin for 2000 includes $0.7 million in propylene storage well charges along with $0.6 million in higher fuel expenses associated with the increased cost of natural gas. Propylene production volumes increased to 30 MBPD in 2000 versus 27 MBPD in 1999.

Pipeline. The Company's gross operating margin for the Pipeline segment was $28.9 million in 2000 compared to $8.9 million in 1999. The Louisiana Pipeline Distribution System gross margin for 2000 was $14.5 million versus $3.0 million in 1999 primarily due to a 164% increase in throughput volumes stemming from pipeline assets acquired in the TNGL acquisition. The gross operating margin of the Houston Ship Channel Distribution system increased to $5.9 million in 2000 from $4.1 million in 1999 on the strength of increased export volumes at the EPIK loading facility.

On February 25, 2000, the purchase of the Lou-Tex Propylene Pipeline and related assets from Concha Chemical Pipeline Company, an affiliate of Shell, was completed at a cost of approximately $100 million. The effective date of the transaction was March 1, 2000. The Lou-Tex Propylene Pipeline is a 263-mile, 10" pipeline that transports chemical grade propylene from Sorrento, Louisiana to Mont Belvieu, Texas. Also acquired in this transaction was a 27.5-mile 6" ethane pipeline between Sorrento and Norco, Louisiana and a 0.5 million barrel storage cavern at Sorrento, Louisiana. For the four months ended June 30, 2000, the Lou-Tex Propylene Pipeline gross operating margin was $3.1 million on volumes of 21 MBPD. Due to customer demand, a project is currently underway and should be completed in the third quarter of 2000 to increase the capacity of this pipeline to 50,000 BPD .

Equity earnings from unconsolidated affiliates in the Pipeline segment increased from $0.2 million in 1999 to $3.8 million in 2000. The greatest improvement in equity earnings was from EPIK which posted a $1.8 million increase to $2.0 million in 2000 from $0.2 million in 1999. EPIK's higher earnings are attributable to a 211% increase in export volumes due to the new chiller unit that began operations in the fourth quarter of 1999. The Company recorded a combined $1.8 million in equity income from the Wilprise, Tri-States, and Belle Rose Systems. Individually, equity earnings from Wilprise, Tri-States, and Belle Rose were $0.2 million, $1.5 million and $0.1 million, respectively.

Processing. The Company's gross operating margin for Processing was $58.0 million in 2000 compared to a loss of $0.4 million in 1999. The increase is attributable to the gas processing operations acquired in the TNGL acquisition. The gas processing operations benefited from a favorable NGL pricing environment and 71 MBPD of equity NGL production during the first six months of 2000.

Octane Enhancement. The Company's gross operating margin for Octane Enhancement increased to $10.8 million in 2000 from $2.2 million in 1999. This segment consists entirely of the Company's equity earnings and 33.33% investment in BEF, a joint venture facility that currently produces MTBE. The 1999 results included the impact of a $4.5 million non-cash write-off of the unamortized balance of deferred start-up costs. The Company's share of this non-cash charge was $1.5 million. The 2000 results reflect the impact of higher than normal MTBE market prices during the second quarter and lower debt service costs. BEF made its final note payment in May 2000 and now owns the MTBE facility debt-free. MTBE production, on an equity basis, was 4 MBPD in 2000 and 1999.

Other. The Company's gross operating margin for the Other segment was $1.4 million in 2000 compared to $0.5 million in 1999. Beginning in the fourth quarter of 1999, this segment includes fee-based marketing services. The Company acquired its fee-based marketing services business as part of the TNGL acquisition. For the first six months of 2000, this business earned $1.2 million. Apart from this portion of the segment's operations, the gross margin contribution of the other aspects of this segment were insignificant in both 2000 and 1999.

Selling, general and administrative expenses. SG&A expenses increased to $13.0 million in the first six months of 2000 from $6.0 million during the same period in 1999. The primary reason for the higher costs was an increase in the administrative services fee charged by EPCO to $1.6 million per month beginning in January 2000 versus the $1.0 million per month charged in the first quarter of 1999. The remainder of the increase is attributable to additional general and administrative costs related to the TNGL acquisition.

Interest expense. The Company's interest expense increased to $15.8 million in the first six months of 2000 from $4.4 million during the same period for 1999. The increase is primarily attributable to a rise in debt levels to $374 million in 2000 from $128 million in 1999. Debt levels have increased over the last year due to acquisitions and capital expenditures. Specifically, $215 million was borrowed to complete the TNGL and MBA acquisitions in the third quarter of 1999 and $60 million was borrowed to fund a portion of the purchase of the Lou-Tex Propylene Pipeline in the first quarter of 2000.

Dividend income from unconsolidated affiliates. The Company's investment in Dixie and VESCO are recorded using the cost method as prescribed by generally accepted accounting principles. In accordance with these guidelines, the Company records as dividend income the cash distributions from these investments as opposed to recording equity earnings. Both the Dixie and VESCO investments were acquired as part of the TNGL acquisition. For the first six months of 2000, the Company recorded dividend income totaling $3.4 million from VESCO and $0.6 million from Dixie.

Loss on sale of assets. During the second quarter of 2000, the Company recognized a one-time $2.3 million non-cash charge on the sale of its Longview Terminal to Huntsman Corporation. The Longview Terminal was part of the Pipelines segment and was used to unload polymer grade propylene from NGL tank trucks.

PRO FORMA IMPACT OF ACQUISITIONS

As noted above under 1999 Acquisitions, the Company acquired TNGL and MBA in the third quarter of 1999. As a result of these acquisitions, revenues, operating costs and expenses, interest expense, and other amounts shown on the Statements of Consolidated Operations for the three and six months ended June 30, 2000 have increased significantly over the amounts shown for the three and six months ended June 30, 1999. The following table presents certain unaudited pro forma information as if the acquisition of TNGL from Shell and the Mont Belvieu fractionator facility from Kinder Morgan and EPCO had been made as of January 1, 1999:

	Three Months Ended	Six Months Ended
	June 30, 1999	
Revenues	$ 343,990	$ 644,500
Net income	$ 26,831	$ 40,112
Allocation of net income to		
Limited partners	$ 26,562	$ 39,710
General Partner	$ 268	$ 401
Units used in earning per Unit calculations		
Basic	66,725	66,725
Diluted	81,225	81,225
Income per Unit before minority interest		
Basic	$ 0.40	$ 0.60
Diluted	$ 0.33	$ 0.49
Net income per Unit		
Basic	$ 0.40	$ 0.60
Diluted	$ 0.33	$ 0.49

LIQUIDITY AND CAPITAL RESOURCES

General. The Company's primary cash requirements, in addition to normal operating expenses, are debt service, maintenance capital expenditures, expansion capital expenditures, and quarterly distributions to the partners. The Company expects to fund future cash distributions and maintenance capital expenditures with cash flows from operating activities. Capital expenditures for future expansion activities and asset acquisitions are expected to be funded with cash flows from operating activities and borrowings under the revolving bank credit facility or issuance of additional Common Units.

Cash flows from operating activities were a $177.6 million inflow for the first six months of 2000 compared to a $14.2 million inflow for the comparable period of 1999. Cash flows from operating activities primarily reflect the effects of net income, depreciation and amortization, extraordinary items, equity income of unconsolidated affiliates and changes in working capital. Net income increased significantly as a result of improved overall margins and the TNGL acquisition. Depreciation and amortization increased a combined $8.6 million in the first six months of 2000 over comparable 1999 levels as a result of additional capital expenditures and the TNGL and MBA acquisitions in the third quarter of 1999. Amortization expense increased by $2.8 million due to amortization of the intangible asset associated with the Shell Processing Agreement ($1.5 million), the write-off of prepaid loan costs associated with the payoff of the $200 Million Bank Credit Facility in March 2000 ($0.3 million) and the continued amortization of excess costs and other prepaid loan and bond issue costs ($1.0 million). The net effect of changes in operating accounts from year to year is generally the result of timing of NGL sales and purchases near the end of the period.

Cash outflows used in investing activities were $136.4 million in the first six months of 2000 and $31.6 million for the comparable period of 1999. Cash outflows included capital expenditures of $154.2 million for the first six months of 2000 versus $2.5 million for the same period in 1999. Capital expenditures for the first six months of 2000 included $99.6 million for the purchase of the Lou-Tex Propylene Pipeline and related assets, $39.2 million in construction costs for the Lou-Tex NGL Pipeline, and $4.4 million in construction costs for the Neptune gas processing facility. Included in capital expenditures for the first six months of 2000 are maintenance capital expenditures of $0.5 million versus $0.7 million for the same period in 1999. Investing cash outflows in 2000 include $3.0 million in advances to and investments in unconsolidated affiliates versus $40.4 million for 1999. The $37.4 million decrease stems primarily from the completion of the BRF facility and the Tri-States and Wilprise pipeline systems in 1999. The first six months of 1999 included $27.9 million in investments in and advances to these projects.

On March 8, 2000, the Company's offer of February 23, 2000 to buy the remaining 88.5% ownership interests in Dixie Pipeline Company ("Dixie") from the other seven owners expired, with no interest being purchased. In July 2000, the Company entered into a letter of intent with a stockholder of Dixie to purchase all or a portion of that stockholder's interest in Dixie (currently 8.38%) for a purchase price of up to $19.4 million. The purchase of this stockholder's interest is subject to a right of first refusal held by the other stockholders of Dixie.

During the first six months of 2000, the Company received $6.5 million in payments from its participation in the BEF note that was purchased during 1998 with the proceeds from the Company's IPO. BEF made its final note payment in May 2000. With BEF's final payment, the Company's receivable relating to its participation in the BEF note was extinguished.

Cash flows from financing activities were a $40.7 million inflow in the first six months of 2000 versus a $2.8 million outflow for the same period in 1999. Cash flows from financing activities are primarily affected by repayments of long-term debt, borrowings under the long-term debt agreements and distributions to the partners. The first six months of 2000 include proceeds from the $350 Million Senior Notes and the $54 Million MBFC Loan. Also included are the March 2000 payments made to retire the outstanding balances on the $200 Million and $350 Million Bank Credit Facilities using the proceeds of the $350 Million Senior Notes and $54 Million MBFC Loan. For a complete discussion of the $350 Million Senior Notes and $54 Million MBFC Loan, see the sections below entitled "Long-term Debt" and "Senior Notes and MBFC Loan." Cash flows from financing activities for 1999 reflected the purchase of $4.6 million of Common Units by a consolidated trust. The Company used $36.1 million of the $87.1 million in cash and cash equivalents at June 30, 2000 to fund the quarterly cash distribution to Unitholders and the General Partner paid on August 10, 2000.

On July 27, 2000, the Company announced that the Board of Directors of the General Partner had authorized the Company to purchase up to 1.0 million of the outstanding Common Units over the next two years. The Units may be purchased from time to time in the open market or in privately negotiated transactions as conditions warrant. The timing of any such purchases will be based on the Unit price and other market factors. The Company may use the repurchased Common Units as currency in connection with significant and accretive acquisitions to maintain an appropriate capital structure and increase Unitholder value.

Future Capital Expenditures. The Company estimates that its share of remaining capital expenditures for 2000 in the projects of its unconsolidated affiliates will be approximately $5.0 million (including $3.2 million for the BRPC propylene fractionator). In addition, the Company forecasts that $95.0 million will be spent during the last six months of 2000 on capital projects that will be recorded as property, plant, and equipment. Of this amount, the most significant projects and their remaining expenditures for 2000 are as follows:

- $40.5 million for the Lou-Tex NGL Pipeline;
- $16.1 million for the Garyville, Louisiana to Norco, Louisiana butane pipelines;
- $ 9.9 million for the Venice, Louisiana to Grand Isle, Louisiana pipeline; and
- $ 3.6 million for the Norco fractionator ethane liquefaction facility.

The Company expects to fund these expenditures with operating cash flows, borrowings under its bank credit facility, and offerings of debt and/or equity securities. As of June 30, 2000, the Company had $15.8 million in outstanding purchase commitments attributable to its capital projects. Of this amount, $7.5 million is related to the construction of the Lou-Tex NGL Pipeline and $1.3 million is associated with capital projects which will be recorded as additional investments in unconsolidated affiliates.

DISTRIBUTIONS AND DIVIDENDS FROM UNCONSOLIDATED AFFILIATES

Distributions from unconsolidated affiliates. The Company received $14.3 million in distributions from its equity method investments in the first six months of 2000 compared to $4.0 million for the same period in 1999. Of the $10.3 million increase in distributions, $4.7 million was from EPIK. As noted before, EPIK's earnings increased in the first six months of 2000 due to higher export activity. In addition, the first six months of 2000 included $3.3 million in cash receipts from Promix which was acquired as a result of the TNGL acquisition in August 1999.

Dividends received from unconsolidated affiliates. The Company received $4.0 million in cash dividend payments from its cost method investments in Dixie and VESCO. Specifically, dividends paid by Dixie and VESCO were $0.6 million and $3.4 million, respectively. Distributions received from these investments are recorded by the Company as "Dividend income from unconsolidated affiliates" in the Statements of Consolidated Operations. Both Dixie and VESCO were acquired in August 1999 as part of the TNGL acquisition.

LONG-TERM DEBT

Long-term debt at June 30, 2000 was comprised of $350 million in 5-year public Senior Notes (the "$350 Million Senior Notes") and a 10-year $54 million loan agreement with the Mississippi Business Finance Corporation ("MBFC" and the "$54 Million MBFC Loan"). The issuance of the $350 Million Senior Notes represented a partial takedown of the $800 million universal shelf registration (the "Registration Statement") that was filed with the Securities and Exchange Commission in December 1999. The proceeds from the $350 Million Senior Notes and the $54 Million MBFC Loan were used to extinguish all outstanding balances owed under the $200 Million Bank Credit Facility and the $350 Million Bank Credit Facility.

The following table summarizes long-term debt at:

	JUNE 30, 2000	DECEMBER 31, 1999
Borrowings under:		
$200 Million Bank Credit Facility		$ 129,000
$350 Million Bank Credit Facility		166,000
$350 Million Senior Notes	$ 350,000	
$54 Million MBFC Loan	54,000	
Total	404,000	295,000
Less current maturities of long-term debt	-	129,000
Long-term debt	$ 404,000	$ 166,000

At June 30, 2000, the Company had a total of $40 million of standby letters of credit available of which approximately $13.3 million were outstanding under letter of credit agreements with the banks.

Bank Credit Facilities

$200 Million Bank Credit Facility. In July 1998, the Enterprise Products Operating L.P. (the "Operating Partnership") entered into a $200 Million Bank Credit Facility that included a $50 million working capital facility and a $150 million revolving term loan facility. On March 15, 2000, the Company used $169 million of the proceeds from the issuance of the $350 Million Senior Notes to retire this credit facility in accordance with its agreement with the banks.

$350 Million Bank Credit Facility. In July 1999, the Operating Partnership entered into a $350 Million Bank Credit Facility that includes a $50 million working capital facility and a $300 million revolving term loan facility. The $300 million revolving term loan facility includes a sublimit of $40 million for letters of credit. Borrowings under the $350 Million Bank Credit Facility will bear interest at either the bank's prime rate or the Eurodollar rate plus the applicable margin as defined in the facility. The Company elects the basis for the interest rate at the time of each borrowing.

This facility is scheduled to expire in July 2001 and all amounts borrowed thereunder shall be due and payable at that time. There must be no amount outstanding under the working capital facility for at least 15 consecutive days during each fiscal year. In March 2000, the Company used $179 million of the proceeds from the issuance of the $350 Million Senior Notes and $47 million from the $54 Million MBFC Loan to payoff the outstanding balance on this credit facility. No amount was outstanding on this credit facility at June 30, 2000.

The credit agreement relating to this facility contains a prohibition on distributions on, or purchases or redemptions of Units if any event of default is continuing. In addition, the bank credit facility contains various affirmative and negative covenants applicable to the ability of the Company to, among other things, (i) incur certain additional indebtedness, (ii) grant certain liens, (iii) sell assets in excess of certain limitations, (iv) make investments, (v) engage in transactions with affiliates and (vi) enter into a merger, consolidation, or sale of assets. The bank credit facility requires that the Operating Partnership satisfy the following financial covenants at the end of each fiscal quarter: (i) maintain Consolidated Tangible Net Worth (as defined in the bank credit facility) of at least $250.0 million, (ii) maintain a ratio of EBITDA (as defined in the bank credit facility) to Consolidated Interest Expense (as defined in the bank credit facility) for the previous 12-month period of at least 3.5 to 1.0 and (iii) maintain a ratio of Total Indebtedness (as defined in the bank credit facility) to EBITDA of no more than 3.0 to 1.0. The Company was in compliance with the restrictive covenants at June 30, 2000.

Senior Notes and MBFC Loan

$350 Million Senior Notes. On March 13, 2000, the Operating Partnership completed a public offering of $350 million in principal amount of 8.25% fixed-rate Senior Notes due March 15, 2005 at a price to the public of 99.948% per Senior Note. In the offering, the Operating Partnership received proceeds, net of underwriting discounts and commissions, of approximately $347.7 million. The proceeds were used to pay the entire $169 million outstanding principal balance on the $200 Million Bank Credit Facility and $179 million of the $226 million outstanding principal balance on the $350 Million Bank Credit Facility.

The notes are subject to a make-whole redemption right by the Operating Partnership. They are an unsecured obligation of the Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness and senior to any future subordinated indebtedness. The notes are guaranteed by the Company through an unsecured and unsubordinated guarantee and were issued under an indenture containing certain restrictive covenants. These covenants restrict the ability of the Company and the Operating Partnership, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions. The Company and Operating Partnership were in compliance with these restrictive covenants at June 30, 2000.

Settlement was completed on March 15, 2000. The offering of the $350 Million Senior Notes was a takedown under the Company's $800 million Registration Statement; therefore, the amount of securities available under the Registration Statement is reduced to $450 million.

$54 Million MBFC Loan. On March 27, 2000, the Operating Partnership executed a $54 million loan agreement with the MBFC which was funded by the proceeds from the sale of Revenue Bonds by the MBFC. The Revenue Bonds issued by the MBFC are 10-year bonds with a maturity date of March 1, 2010 and bear a fixed rate interest coupon of 8.70 percent. The Operating Partnership received proceeds from the sale of the Revenue Bonds, net of underwriting discounts and commissions, of approximately $53.6 million. The proceeds were used to pay the remaining $47 million outstanding principal balance on the $350 Million Bank Credit Facility and for working capital and other general partnership purposes. In general, the proceeds of the Revenue Bonds were used to reimburse the Operating Partnership for costs it incurred in acquiring and constructing the Pascagoula, Mississippi natural gas processing plant.

The Revenue Bonds were issued at par and are subject to a make-whole redemption right by the Operating Partnership. The Revenue Bonds are guaranteed by the Company through an unsecured and unsubordinated guarantee. The loan agreement contains certain covenants including maintaining appropriate levels of insurance on the Pascagoula natural gas processing facility and restrictions regarding mergers. The Company was in compliance with these restrictive covenants at June 30, 2000.

Interest Rate Swaps. The Company's interest rate exposure results from variable rate borrowings from commercial banks and fixed rate borrowings pursuant to the $350 Million Senior Notes and the $54 Million MBFC Loan. The company manages its exposure to changes in interest rates in its consolidated debt portfolio by utilizing interest rate swaps. An interest rate swap, in general, requires one party to pay a fixed rate on the notional amount while the other party pays a floating rate based on the notional amount.

In March 2000, after the issuance of the $350 Million Senior Notes and the execution of the $54 Million MBFC Loan, 100% of the Operating Partnership's consolidated debt were fixed rate obligations. To maintain a balance between variable rate and fixed rate exposure, the Operating Partnership entered into interest rate swap agreements with a notional amount of $154 million by which the Operating Partnership receives payments based on a fixed rate and pays an amount based on a floating rate. The Operating Partnership's consolidated debt portfolio interest rate exposure was 62 percent fixed and 38 percent floating, after considering the effect of the interest rate swap agreements. The notional amount does not represent exposure to credit loss. The Operating Partnership monitors its positions and the credit ratings of its counterparties. Management believes the risk of incurring a credit related loss is remote, and that if incurred, such losses would be immaterial.

The effect of these swaps (none of which are leveraged) was to decrease the Company's interest expense by $3.2 million for the three months ended June 30, 2000 and $3.5 million for the six months ended June 30, 2000. For further information regarding the interest rate swaps, see Note 9 of the unaudited Notes to the Consolidated Financial Statements.

AMENDMENT TO PARTNERSHIP AGREEMENT

The Partnership Agreement generally authorizes the Company to issue an unlimited number of additional limited partner interests and other equity securities of the Company for such consideration and on such terms and conditions as shall be established by the General Partner in its sole discretion without the approval of the Unitholders. During the Subordination Period, however, the Company is limited with regards to the number of equity securities that it may issue that rank senior to Common Units (except for Common Units upon conversion of Subordinated Units, pursuant to employee benefit plans, upon conversion of the general partner interest as a result of the withdrawal of the General Partner or in connection with acquisitions or capital improvements that are accretive on a per Unit basis) or an equivalent number of securities ranking on a parity with the Common Units, without the approval of the holders of at least a Unit Majority. A Unit Majority is defined as at least a majority of the outstanding Common Units (during the Subordination Period), excluding Common Units held by the General Partner and its affiliates, and at least a majority of the outstanding Common Units (after the Subordination Period).

In April 2000, the Company mailed a Proxy Statement to its public Unitholders asking them to consider and vote for a proposal to amend the Partnership Agreement to increase the number of additional Common Units that may be issued during the Subordination Period without the approval of a Unit Majority from 22,775,000 Common Units to 47,775,000 Common Units. The primary purpose of the requested increase was to improve the future financial flexibility of the Company since 20,500,000 Common Units of the 22,775,000 Common Units available to the partnership during the Subordination Period were reserved for issuance in connection with the TNGL acquisition. At a special meeting of the Unitholders and General Partner held on June 9, 2000, this proposal was approved by 90.7% of the public Unitholders. The amendment increases the number of Common Units available (and unreserved) to the Company for general partnership purposes during the Subordination Period from 2,275,000 to 27,275,000.

MTBE FACILITY

The Company owns a 33.33% economic interest in the BEF partnership that owns the MTBE production facility located within the Company's Mont Belvieu complex. The production of MTBE is driven by oxygenated fuels programs enacted under the federal Clean Air Act Amendments of 1990 and other legislation. Any changes to these programs that enable localities to opt out of these programs, lessen the requirements for oxygenates or favor the use of non-isobutane based oxygenated fuels reduce the demand for MTBE and could have an adverse effect on the Company's results of operations.

In recent years, MTBE has been detected in water supplies. The major source of the ground water contamination appears to be leaks from underground storage tanks. Although these detections have been limited and the great majority of these detections have been well below levels of public health concern, there have been actions calling for the phase-out of MTBE in motor gasoline in various federal and state governmental agencies.

In light of these developments, the Company is formulating a contingency plan for use of the BEF facility if MTBE were banned or significantly curtailed. Management is exploring a possible conversion of the BEF facility from MTBE production to alkylate production. At present the forecast cost of this conversion would be in the $20 million to $25 million range, with the Company's share being $6.7 million to $8.3 million. Management anticipates that if MTBE is banned alkylate demand will rise as producers use it to replace MTBE as an octane enhancer. Alkylate production would be expected to generate spot market margins comparable to those of MTBE. Greater alkylate production would be expected to increase isobutane consumption nationwide and result in improved isomerization margins for the Company.

Sun, the MTBE facility's major customer and one of the partners of BEF, has entered into a contract with BEF to take all of the MTBE production through September 2004.

YEAR 2000 READINESS DISCLOSURE

The Company's efforts at preparing its computer systems for the Year 2000 were successful and no significant problems were encountered. The Year 2000 Readiness team reported that all systems functioned properly as the date changed from December 31, 1999 to January 1, 2000. The Company is also pleased to note that no problems were reported to it by its customers or vendors as a result of the Year 2000 issue. The Company continues to be vigilant in monitoring its systems for any potential Year 2000 problems that may arise in the short-term. There is no assurance that residual Year 2000 issues will not arise in the future which could have a material adverse effect on the operations of the Company.

ACCOUNTING STANDARDS

In June 1999, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard ("SFAS") No. 137, "Accounting for Derivative Instruments and Hedging Activities-Deferral of the Effective Date of FASB Statement No. 133-an amendment of FASB Statement No. 133" which effectively delays the application of SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" for one year, to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" which amends and supercedes various sections of SFAS No. 133. Management is currently studying SFAS No. 133 and its amendments for their possible impact on the consolidated financial statements when they are adopted in January 2001.

UNCERTAINTY OF FORWARD-LOOKING STATEMENTS AND INFORMATION

This quarterly report contains various forward-looking statements and information that are based on the belief of the Company and the General Partner, as well as assumptions made by and information currently available to the Company and the General Partner. When used in this document, words such as "anticipate," "estimate," "project," "expect," "plan," "forecast," "intend," "could," and "may," and similar expressions and statements regarding the plans and objectives of the Company for future operations, are intended to identify forward-looking statements. Although the Company and the General Partner believe that the expectations reflected in such forward-looking statements are reasonable, they can give no assurance that such expectations will prove to be correct. Such statements are subject to certain risks, uncertainties, and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, projected, or expected. Among the key risk factors that may have a direct bearing on the Company's results of operations and financial condition are: (a) competitive practices in the industries in which the Company competes, (b) fluctuations in oil, natural gas, and NGL product prices and production, (c) operational and systems risks, (d) environmental liabilities that are not covered by indemnity or insurance, (e) the impact of current and future laws and governmental regulations (including environmental regulations) affecting the NGL industry in general, and the Company's operations in particular, (f) loss of a significant customer, and (g) failure to complete one or more new projects on time or within budget.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is exposed to financial market risks, including changes in interest rates with respect to a portion of its debt obligations and changes in commodity prices. The Company may use derivative financial instruments (i.e., futures, forwards, swaps, options, and other financial instruments with similar characteristics) to mitigate these risks. The Company does not use derivative financial instruments for speculative (or trading) purposes.

Beginning with the fourth quarter of 1999, the Company adopted a commercial policy to manage exposures to the risks generated by the NGL businesses acquired in the TNGL acquisition. The objective of the policy is to assist the Company in achieving its profitability goals while maintaining a portfolio of conservative risk, defined as remaining with the position limits established by the Board of Directors of the General Partner. The Company will enter into risk management transactions to manage price risk, basis risk, physical risk or other risks related to energy commodities on both a short-term (less than 30 days) and long-term basis, not to exceed 18 months. The General Partner has established a Risk Committee (the "Committee") that will oversee overall strategies associated with physical and financial risks. The Committee will approve specific commercial policies of the Company subject to this policy, including authorized products, instruments and markets. The Committee is also charged with establishing specific guidelines and procedures for implementing the policy and ensuring compliance with the policy.

INTEREST RATE RISK

Variable rate Debt. At June 30, 2000 and December 31, 1999, the Company had no derivative instruments in place to cover any potential interest rate risk on its variable-rate debt obligations. Variable interest rate debt obligations do expose the Company to possible increases in interest expense and decreases in earnings if interest rates were to rise. The Company's long-term debt associated with the $350 Million Bank Credit Facility is at variable interest rates. No amount was outstanding under this facility during the second quarter of 2000.

If the weighted average base interest rates selected on the variable-rate long-term debt at December 31, 1999 were to have been 10% higher than the weighted average of the actual base interest rates selected, assuming no changes in weighted average variable debt levels, interest expense would have increased by approximately $1.4 million with a corresponding decrease in earnings before minority interest. No calculation has been made on the variable-rate debt for June 30, 2000 since no amount was outstanding under the $350 Million Bank Credit Facility.

Fixed rate Debt. In March 2000, the Operating Partnership entered into interest rate swaps whereby the fixed rate of interest on a portion of the $350 Million Senior Notes and the $54 Million MBFC Loan was effectively swapped for floating rates tied to the six month London Interbank Offering Rate ("LIBOR"). Interest rate swaps are used to manage the Company's exposure to changes in interest rates and to lower overall costs of financing. An interest rate swap, in general, requires one party to pay a fixed rate on the notional amount while the other party pays a floating rate based on the notional amount.

After the issuance of the $350 Million Senior Notes and the execution of the $54 Million MBFC Loan, 100% of the Operating Partnership's consolidated debt were fixed rate obligations. To maintain a balance between variable rate and fixed rate exposure, the Operating Partnership entered into interest rate swap agreements with a notional amount of $154 million by which the Operating Partnership receives payments based on a fixed rate and pays an amount based on a floating rate. The Operating Partnership's consolidated debt portfolio interest rate exposure was 62 percent fixed and 38 percent floating, after considering the effect of the interest rate swap agreements. The notional amount does not represent exposure to credit loss. The Operating Partnership monitors its positions and the credit ratings of its counterparties. Management believes the risk of incurring a credit related loss is remote, and that if incurred, such losses would be immaterial.

The effect of these swaps (none of which are leveraged) was to decrease the Company's interest expense by $3.2 million for the three months ended June 30, 2000 and $3.5 million for the six months ended June 30, 2000. Following is selected information on the Company's portfolio of interest rate swaps at June 30, 2000:

INTEREST RATE SWAP PORTFOLIO AT JUNE 30, 2000 (1) :
(Dollars in millions)

Notional Amount	Period Covered	Early Termination Date (2)	Fixed / Floating Rate (3)
$ 50.0	March 2000 - March 2005	March 2001	8.25% / 6.9500%
$ 50.0	March 2000 - March 2005	March 2001	8.25% / 6.9550%
$ 54.0	March 2000 - March 2010	March 2003	8.70% / 7.2575%

Notes:

(1) All swaps outstanding at June 30, 2000 were entered into for the purpose of managing the Operating Partnership's exposure to fluctuations in market interest rates.
(2) In each case, the counterparty has the option to terminate the interest rate swap on the Early Termination Date.
(3) In each case, the Operating Partnership is the floating-price payor. The floating rate was the rate in effect as of June 30, 2000.

If the six month LIBOR rates on the notional amounts of fixed-rate long-term debt at June 30, 2000 were to have been 10% higher than the six month LIBOR rates actually used in the swap agreements, assuming no changes in weighted average fixed-rate debt levels, interest expense for the three and six months ended June 30, 2000 would have increased by approximately $0.3 million with a corresponding decrease in earnings before minority interest.

Other. At June 30, 2000 and December 31, 1999, the Company had $87.1 million and $5.2 million invested in cash and cash equivalents, respectively. All cash equivalent investments other than cash are highly liquid, have original maturities of less than three months, and are considered to have insignificant interest rate risk.

COMMODITY PRICE RISK

The Company is exposed to commodity price risk through its NGL businesses acquired in the TNGL acquisition. In order to effectively manage this risk, the Company may enter into swaps, forwards, commodity futures, options and other derivative commodity instruments with similar characteristics that are permitted by contract or business custom to be settled in cash or with another financial instrument. The purpose of these risk management activities is to hedge exposure to price risks associated with natural gas, NGL inventories, commitments and certain anticipated transactions. The table below presents the hypothetical changes in fair values arising from immediate selected potential changes in the quoted market prices of derivative commodity instruments outstanding at December 31, 1999 and June 30, 2000. Gain or loss on these derivative commodity instruments would be offset by a corresponding gain or loss on the hedged commodity positions, which are not included in the table. The fair value of the commodity futures at December 31, 1999 and June 30, 2000 was estimated at $0.5 million payable and $7.7 million receivable, respectively, based on quoted market prices of comparable contracts and approximate the gain or loss that would have been realized if the contracts had been settled at the balance sheet date. The change in fair value of the commodity futures since December 31, 1999 is primarily due to an increase in volumes hedged, change in composition of commodities hedged and higher natural gas prices. The change in fair value between June 30, 2000 and August 1, 2000 is due to the settlement of the July 2000 contract volumes and changes in natural gas prices.

(MILLIONS OF DOLLARS)	NO CHANGE	10% INCREASE		10% DECREASE	
IMPACT OF CHANGES IN QUOTED MARKET PRICES ON:	FAIR VALUE	FAIR VALUE	INCREASE (DECREASE)	FAIR VALUE	INCREASE (DECREASE)
Commodity futures					
At December 31, 1999	$ (0.5)	$ 1.2	$ 1.7	$ (2.2)	$ (1.7)
At June 30, 2000	$ 7.7	$ 12.1	$ 4.4	$ 3.2	$ (4.5)
At August 1, 2000	$ 0.7	$ 5.6	$ 4.9	$ (4.2)	$ (4.9)

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

The following table shows the Use of Proceeds from the $350 Million Senior Notes offering completed on March 15, 2000. The $350 Million Senior Notes represented a partial takedown of the Company's and the Operating Partnership's $800 million Registration Statement filed with the Securities and Exchange Commission in December 1999 (File Nos. 333-93239 and 333-93239-01, effective January 14, 2000); therefore, the amount of securities available under the Registration Statement was reduced to $450 million.

The title of the registered debt securities was "8.25% Senior Notes Due 2005." The underwriters of the offering were Chase Securities, Inc., Lehman Brothers Inc., Banc One Capital Markets, Inc., FleetBoston Robertson Stephens Inc., First Union Securities, Inc., Scotia Capital (USA) Inc. and SG Cowen Securities Corp.. The 5-year Senior Notes have a maturity date of March 15, 2005 and bear a fixed-rate interest coupon of 8.25%.

	Amounts (in millions)
Proceeds:	
Sale of $350 Million Senior Notes to public at 99.948% per Note	$ 350
Less underwriting discount of 0.600% per Note	(2)
Total Proceeds to Company and Operating Partnership	$ 348
Use of Proceeds:	
Retire balance on $200 Million Bank Credit Facility	$ (169)
Partial retirement of balance on $350 Million Bank Credit Facility	(179)
Total uses of funds	$ (348)

See Note 4 of the Notes to Consolidated Financial Statements for a description of the $350 Million Senior Notes.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

In April 2000, the Company mailed a Proxy Statement to its public Unitholders asking them to consider and vote for a proposal to amend the Partnership Agreement to increase the number of additional Common Units that may be issued during the Subordination Period without the approval of a Unit Majority from 22,775,000 Common Units to 47,775,000 Common Units. The primary purpose of the requested increase was to improve the future financial flexibility of the Company since 20,500,000 Common Units of the 22,775,000 Common Units available to the partnership during the Subordination Period were reserved for issuance in connection with the TNGL acquisition. At a special meeting of the public Unitholders held on June 9, 2000 in Houston, Texas, this proposal was approved by 90.7% of the public Unitholders. The amendment increases the number of Common Units available (and unreserved) to the Company for general partnership purposes during the Subordination Period from 2,275,000 to 27,275,000.

The voting results were as follows:

Number of votes cast approving the amendment	9,533,215
Number of votes cast against the amendment	381,608
Number of votes withheld	489,637
Number of abstentions	104,406
Total number of public Unitholders	10,508,866

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) EXHIBITS

*1.1 Underwriting Agreement dated March 10, 2000, among Enterprise Products Partners L.P., Enterprise Products Operating L.P., Chase Securities Inc., Lehman Brothers Inc., Banc One Capital Markets, Inc., FleetBoston Robertson Stephens Inc., First Union Securities, Inc., Scotia Capital (USA) Inc. and SG Cowen Securities Corp. (Exhibit 1.1 on Form 8-K filed March 10, 2000).

*3.1 Form of Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. (Exhibit 3.1 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*3.2 Form of Amended and Restated Agreement of Limited Partnership of Enterprise Products Operating L.P. (Exhibit 3.2 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 21, 1998).

*3.3 LLC Agreement of Enterprise Products GP (Exhibit 3.3 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 21, 1998).

*3.4 Second Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated September 17, 1999. (The Company incorporates by reference the above document included in the Schedule 13D filed September 27, 1999 by Tejas Energy LLC ; filed as Exhibit 99.7 on Form 8-K dated October 4, 1999).

*3.5 First Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC dated September 17, 1999. (Exhibit 99.8 on Form 8-K/A-1 filed October 27, 1999).

3.6 Amendment No. 1 to Second Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated June 9, 2000.

*4.1 Form of Common Unit certificate (Exhibit 4.1 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 21, 1998).

*4.2 $200 million Credit Agreement among Enterprise Products Operating L.P., the Several Banks from Time to Time Parties Hereto, Den Norske Bank ASA, and Bank of Tokyo-Mitsubishi, Ltd., Houston Agency as Co-Arrangers, The Bank of Nova Scotia, as Co-Arranger and as Documentation Agent and The Chase Manhattan Bank as Co-Arranger and as Agent dated as of July 27, 1998 as Amended and Restated as of September 30, 1998. (Exhibit 4.2 on Form 10-K for year ended December 31, 1998, filed March 17, 1999).

*4.3 First Amendment to $200 million Credit Agreement dated July 28, 1999 among Enterprise Products Operating L.P. and the several banks thereto. (Exhibit 99.9 on Form 8-K/A-1 filed October 27, 1999).

*4.4 $350 million Credit Agreement among Enterprise Products Operating L.P., BankBoston, N.A., Societe Generale, Southwest Agency and First Union National Bank, as Co-Arrangers, The Chase Manhattan Bank, as Co-Arranger and as Administrative Agent, The First National Bank of Chicago, as Co-Arranger and as Documentation Agent, The Bank of Nova Scotia, as Co-Arranger and Syndication Agent, and the Several Banks from Time to Time parties hereto with First Union Capital Markets acting as Managing Agent and Chase Securities Inc. acting as Lead Arranger and Book Manager dated July 28, 1999 (Exhibit 99.10 on Form 8-K/A-1 filed October 27, 1999).

*4.5 Unitholder Rights Agreement among Tejas Energy LLC, Tejas Midstream Enterprises, LLC, Enterprise Products Partners L.P., Enterprise Products Operating L.P., Enterprise Products Company, Enterprise Products GP, LLC and EPC Partners II, Inc. dated September 17, 1999. (The Company incorporates by reference the above document included in the Schedule 13D filed September 27, 1999 by Tejas Energy LLC; filed as Exhibit 99.5 on Form 8-K dated October 4, 1999).

*4.6 Form of Indenture dated as of March 15, 2000, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and First Union National Bank, as Trustee. (Exhibit 4.1 on Form 8-K filed March 10, 2000).

*4.7 Form of Global Note representing all 8.25% Senior Notes Due 2005. (Exhibit 4.2 on Form 8-K filed March 10, 2000).

*4.8 Second Amendment, dated as of January 24, 2000, to $200 Million Credit Agreement dated as of July 27, 1998, as Amended and Restated as of September 30, 1998, among Enterprise Products Operating L.P. and the several banks thereto. (Exhibit 4.3 on Form 8-K filed March 10, 2000).

*4.9 First Amendment, dated as of January 24, 2000, to $350 Million Credit Agreement among Enterprise Products Operating L.P., BankBoston, N.A., Societe Generale, Southwest Agency and First Union National Bank, as Co-Arrangers, The Chase Manhattan Bank, as Co-Arranger and as Administrative Agent, BankOne N.A., as Co- Arranger and as Documentation Agent, The Bank of Nova Scotia, as Co-Arranger and as Syndication Agent, and the several Banks from time to time parties thereto, with First Union Capital Markets acting as Managing Agent and Chase Securities Inc. acting as Lead Arranger and Manager dated as of July 28, 1999. (Exhibit 4.4 on Form 8-K filed March 10, 2000).

*4.10 Second Amendment, dated as of March 7, 2000, to $350 Million Credit Agreement among Enterprise Products Operating L.P., BankBoston, N.A., Societe Generale, Southwest Agency and First Union National Bank, as Co-Arrangers, The Chase Manhattan Bank, as Co-Arranger and as Administrative Agent, BankOne N.A., as Co- Arranger and as Documentation Agent, The Bank of Nova Scotia, as Co-Arranger and as Syndication Agent, and the several Banks from time to time parties thereto, with First Union Capital Markets acting as Managing Agent and Chase Securities Inc. acting as Lead Arranger and Manager dated as of July 28, 1999. (Exhibit 4.5 on Form 8-K filed March 10, 2000).

*4.11 Guaranty Agreement, dated as of March 7, 2000, by Enterprise Products Partners L.P. in favor of The Chase Manhattan Bank, as Administrative Agent, with respect to the $350 Million Credit Agreement referred to in Exhibits 4.4 and 4.5. (Exhibit 4.6 on Form 8-K filed March 10, 2000).

*10.1 Articles of Merger of Enterprise Products Company, HSC Pipeline Partnership, L.P., Chunchula Pipeline Company, LLC, Propylene Pipeline Partnership, L.P., Cajun Pipeline Company, LLC and Enterprise Products Texas Operating L.P. dated June 1, 1998 (Exhibit 10.1 to Registration Statement on Form S-1/A, File No: 333-52537, filed on July 8, 1998).

*10.2 Form of EPCO Agreement between Enterprise Products Partners L.P., Enterprise Products Operating L.P., Enterprise Products GP, LLC and Enterprise Products Company (Exhibit 10.2 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 21, 1998).

*10.3 Transportation Contract between Enterprise Products Operating L.P. and Enterprise Transportation Company dated June 1, 1998 (Exhibit 10.3 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 8, 1998).

*10.4 Venture Participation Agreement between Sun Company, Inc. (R&M), Liquid Energy Corporation and Enterprise Products Company dated May 1, 1992 (Exhibit 10.4 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*10.5 Partnership Agreement between Sun BEF, Inc., Liquid Energy Fuels Corporation and Enterprise Products Company dated May 1, 1992 (Exhibit 10.5 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*10.6 Amended and Restated MTBE Off-Take Agreement between Belvieu Environmental Fuels and Sun Company, Inc. (R&M) dated August 16, 1995 (Exhibit 10.6 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*10.7 Articles of Partnership of Mont Belvieu Associates dated July 17, 1985 (Exhibit 10.7 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*10.8 First Amendment to Articles of Partnership of Mont Belvieu Associates dated July 15, 1996 (Exhibit 10.8 to Registration Statement on Form S-1, File No. 333-52537, filed on May 13, 1998).

*10.9 Propylene Facility and Pipeline Agreement between Enterprise Petrochemical Company and Hercules Incorporated dated December 13, 1978 (Exhibit 10.9 to Registration Statement on Form S-1, File No. 333-52537, dated May 13, 1998).

*10.10 Restated Operating Agreement for the Mont Belvieu Fractionation Facilities Chambers County, Texas between Enterprise Products Company, Texaco Producing Inc., El Paso Hydrocarbons Company and Champlin Petroleum Company dated July 17, 1985 (Exhibit 10.10 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 8, 1998).

*10.11 Ratification and Joinder Agreement relating to Mont Belvieu Associates Facilities between Enterprise Products Company, Texaco Producing Inc., El Paso Hydrocarbons Company, Champlin Petroleum Company and Mont Belvieu Associates dated July 17, 1985 (Exhibit 10.11 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 8, 1998).

*10.12 Amendment to Propylene Facility and Pipeline Sales Agreement between HIMONT U.S.A., Inc. and Enterprise Products Company dated January 1, 1993 (Exhibit 10.12 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 8, 1998).

*10.13 Amendment to Propylene Facility and Pipeline Agreement between HIMONT U.S.A., Inc. and Enterprise Products Company dated January 1, 1995 (Exhibit 10.13 to Registration Statement on Form S-1/A, File No. 333-52537, filed on July 8, 1998).

*10.14 Fourth Amendment to Conveyance of Gas Processing Rights between Tejas Natural Gas Liquids, LLC and Shell Oil Company, Shell Exploration & Production Company, Shell Offshore Inc., Shell Deepwater Development Inc., Shell Land & Energy Company and Shell Frontier Oil & Gas Inc. dated August 1, 1999. (Exhibit 10.14 to Form 10-Q filed on November 15, 1999).

*12.1 Computation of ratio of earnings to fixed charges for the year ended December 31, 1999. (Exhibit 12.1 on Form 8-K filed March 10, 2000).

*25.1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 on Form T-1 of First Union National Bank. (Exhibit 25.1 on Form 8-K filed March 10, 2000).

*99.1 Contribution Agreement between Tejas Energy LLC, Tejas Midstream Enterprises, LLC, Enterprise Products Partners L.P., Enterprise Products Operating L.P., Enterprise Products Company, Enterprise Products GP, LLC and EPC Partners II, Inc. dated September 17, 1999. (The Company incorporates by reference the above document included in the Schedule 13D filed September 27, 1999 by Tejas Energy LLC; filed as Exhibit 99.4 on Form 8-K dated October 4, 1999).

*99.2 Registration Rights Agreement between Tejas Energy LLC and Enterprise Products Partners L.P. dated September 17, 1999. (The Company incorporates by reference the above document included in the Schedule 13D filed September 27, 1999 by Tejas Energy LLC ; filed as Exhibit 99.6 on Form 8-K dated October 4, 1999).

27.1 Financial Data Schedule

* Asterisk indicates exhibits incorporated by reference as indicated; all other exhibits are filed herewith

(B) REPORTS ON FORM 8-K

There were no reports on Form 8-K filed during the quarter.

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 thereunto duly authorized.

ENTERPRISE PRODUCTS PARTNERS L.P.
(A Delaware Limited Partnership)

By: Enterprise Products GP, LLC
as General Partner

/s/ Michael J. Knesek

Vice President, Controller and
Principal Accounting Officer

Date: August 11, 2000

EXHIBIT 3.6

AMENDMENT NO. 1
TO
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
ENTERPRISE PRODUCTS PARTNERS L.P.

This Amendment No. 1, dated as of June 9, 2000 (this "Amendment"), to the Second Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated as of September 17, 1999 (the "Partnership Agreement"), is entered into by and among Enterprise Products GP, LLC, a Delaware limited liability company, as the General Partner, and the Limited Partners as provided herein. Each capitalized term used but not otherwise defined herein shall have the meaning assigned to such term in the Partnership Agreement.

W I T N E S S E T H:

WHEREAS, the first sentence of Section 5.7(a) of the Partnership Agreement limits the unrestricted number of additional Parity Units that the Partnership may issue during the Subordination Period without prior approval of the holders of a Unit Majority to 22,775,000 Parity Units;

WHEREAS, the General Partner deems it advisable to increase such number of additional Parity Units to 47,775,000 to give the Partnership more flexibility in connection with acquisitions and capital raising transactions;

WHEREAS, on March 28, 2000, the Board of Directors of the General Partner approved this Amendment and directed that it be presented to the holders of the Outstanding Common Units excluding any Common Units held by the General Partner and its Affiliates (the "Public Unitholders"), for their approval;

WHEREAS, in accordance with the provisions of Article XIII of the Partnership Agreement, the General Partner presented the Amendment to the Public Unitholders for their approval at a special meeting held on June 9, 2000 and the approval of the Amendment was received at that meeting by the holders of a Unit Majority, as required by Section 13.2 of the Partnership Agreement;

NOW, THEREFORE, in consideration of the premises, the parties hereto agree as follows:

1. The first sentence of Section 5.7(a) of the Partnership Agreement is hereby amended to read in its entirety as follows:

   "During the Subordination Period, the Partnership shall not issue (and shall not issue any options, rights, warrants or appreciation rights relating to) an aggregate of more than 47,775,000 additional Parity Units without the prior approval of the holders of a Unit Majority."

2. As amended hereby, the Partnership Agreement is in all respects ratified, confirmed and approved and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

GENERAL PARTNER:

ENTERPRISE PRODUCTS GP, LLC

By: /s/ O.S. Andras

O. S. Andras
President and Chief Executive Officer

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as Limited Partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to the General Partner.

By: Enterprise Products GP, LLC
General Partner, as attorney-in-fact for the Limited Partners pursuant to the Powers of Attorney granted pursuant to Section 2.6.

By: /s/ O.S. Andras

O. S. Andras
President and Chief Executive Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM COMBINED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

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