SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (date of earliest event reported) : January 22, 2002

Commission File No. 1-10403

TEPPCO Partners, L.P.

(Exact name of Registrant as specified in its charter)

Delaware **(State of Incorporation** **or Organization)**	**76-0291058** **(I.R.S. Employer** **Identification Number)**

2929 Allen Parkway
P.O. Box 2521
Houston, Texas 77252-2521
(Address of principal executive offices, including zip code)

(713) 759-3636
(Registrant’s telephone number, including area code)

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SIGNATURE

Press Release of the Partnership

Presentation by the Partnership in January 2002

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Item 5. Other Events

On January 22, 2002, TEPPCO Partners, L.P. (the “Partnership”) publicly announced the results of operations for the year ended December 31, 2001. One of purposes of this report is to include information contained in the press release containing such announcement in the Partnership's reports under the Securities Exchange Act of 1934, as amended. Accordingly, the information contained in the press release, a copy of which is filed as Exhibit 99.1 to this report, is incorporated by reference in this Item 5.

Item 7. Financial Statements and Exhibits

(c) Exhibits:

Exhibit Number	Description
99.1	Press release of the Partnership dated January 22, 2002.
99.2	Presentation by the Partnership in January 2002 (filed solely pursuant to Item 9 of this report).

Item 9. Regulation FD Disclosure

The Partnership is filing herewith certain data being presented at a conference in January 2002. This information, which is incorporated by reference into this Item 9 from exhibit 99.2 hereof, is being filed solely for the purpose of complying with Regulation FD.

The matters discussed herein include “forward-looking statements” within the meaning of various provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on certain assumptions and analyses made by the Partnership in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate under the circumstances. However, whether actual results and developments will conform with the Partnership’s expectations and predictions is subject to a number of risks and uncertainties, including general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by the Partnership, competitive actions by other pipeline companies, changes in laws or regulations, and other factors, many of which are beyond the control of the Partnership. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Partnership will be realized or, even if substantially realized, that they will have the expected consequences to or effect on the Partnership or its business or operations.

SIGNATURE

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

TEPPCO Partners, L.P.
(Registrant)

By: Texas Eastern Products Pipeline Company, LLC General Partner

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

Date: January 28, 2002

EXHIBIT 99.1

Jan. 22, 2002

TEPPCO PARTNERS, L.P.
REPORTS FOURTH QUARTER AND 2001 ANNUAL RESULTS

HOUSTON — TEPPCO Partners, L.P. (NYSE:TPP) today reported net income for 2001 of $109.1 million, or $2.18 per unit, compared with net income of $77.4 million, or $1.89 per unit for the year ended Dec. 31, 2000. Fourth quarter 2001 net income was $21.2 million, or $0.40 per unit. This compares with fourth quarter 2000 net income of $22.8 million, or $0.53 per unit. Per unit net income for the quarter reflects 5.5 million units issued in November 2001. Per unit net income for 2001 reflects 11.45 million units issued since October 2000. The number of units outstanding at Dec. 31, 2001 was 44.4 million, compared with 36.6 million at Dec. 31, 2000.

“This was the best year in TEPPCO’s history,” said William L. Thacker, chairman and chief executive officer of the general partner of TEPPCO. “Net income, adjusted for the $19 million Pennzoil settlement, was still over $90 million, exceeding the previous best year by $13 million, with earnings before interest, taxes, depreciation and amortization (EBITDA) totaling $229 million.

“The Partnership enjoyed strong performance from both its Upstream and Downstream segments throughout the year, and benefited from a solid contribution from the Jonah Gas Gathering System acquisition during fourth quarter. Our 2001 performance and growth strategy allowed us to increase the quarterly distribution by 9.5 percent during the year to an annualized rate of $2.30. Our excellent unit performance resulted in a total year return of 30 percent to our investors,” said Thacker.

“For 2002, we expect EBITDA to be in the range of $240 million to $260 million, which is a substantial increase over 2001 after adjusting for the Pennzoil contract termination. Although we face a number of uncertainties regarding the state of the economy, refined

- more -

products demand and crude oil pricing, we are optimistic about TEPPCO’s ability to continue its recent history of growing cash flows and distributions. We are excited about the growth potential created by our recent Jonah Gas Gathering System and Chaparral Pipeline acquisitions, and the opportunities for growth that the upcoming completion of the Centennial Pipeline will provide. We intend to continue to pursue additional acquisitions with the same energy and focus that we have demonstrated in recent years,” added Thacker.

Operating Results by Business Segment

Upstream Segment

The Upstream Segment includes crude oil pipeline transportation, storage, gathering and marketing activities; natural gas liquids (NGLs) pipelines; and distribution of lubrication oils and specialty chemicals.

Operating income for the Upstream Segment was $4.3 million for fourth quarter 2001, compared with $7.4 million for fourth quarter 2000. The decrease was due primarily to a charge of $4.3 million for a doubtful receivable due under a transportation agreement with a subsidiary of Enron Corp. Year 2001 operating income was $25.7 million, compared with $18 million for the 2000 period. The year-over-year increase was due to increased margin and revenue from a full-year contribution from 2000 acquisitions, and acquisitions made in 2001, offset by increases in ad valorem taxes, depreciation, environmental expenses and the charge for the doubtful receivable.

Equity earnings from the investment in Seaway were $2.6 million and EBITDA was $4.6 million for fourth quarter 2001, compared with $2.9 million and $4.6 million, respectively, for the 2000 quarter. Year 2001 equity earnings from the investment in Seaway were $18.5 million and EBITDA was $26.7 million, compared with $12.2 million and $15.4 million, respectively, for 2000. The increase in equity earnings was due to a full year of volumes in 2001 compared with approximately six months in 2000, increased activity at the Texas City, Texas, terminal and lower expenses. Long-haul volume on Seaway averaged 190,000 barrels per day in 2001, compared with 171,000 barrels per day for full-year 2000.

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Upstream gross margin was $21.4 million for fourth quarter 2001, compared with $16.7 million in the 2000 quarter. Year 2001 gross margin was $90.8 million, compared with $51.9 million for 2000. An increase of $28.8 million was due primarily to strong location and quality differentials for crude, increased activity at the Cushing, Okla., terminal, and from assets acquired in the Red River area early in first quarter 2001. Volumes shipped for an Upstream Segment affiliate on Seaway accounted for $2.6 million and $10.1 million of the margin increase between the respective quarter and full-year periods.

Costs and expenses, including fuel and power, for the Upstream Segment were $16.6 million in fourth quarter 2001, compared with $9.6 million for the 2000 quarter. Year 2001 costs and expenses for the segment were $63.7 million, compared with $31.2 million for 2000. The increase was due to expenses associated with assets acquired in mid-year 2000 and late 2001, the charge for a doubtful receivable from Enron Corp. and environmental expenses.

Downstream Segment

The Downstream Segment provides a wide range of service options for the transportation of refined products, liquefied petroleum gases (LPGs) and petrochemicals.

Downstream operating income was $27.1 million, compared with $27.8 million in fourth quarter 2000. Year 2001 operating income was $122.2 million, compared with $90 million for year 2000. The increase was due to higher revenues and reduced ad valorem taxes, offset somewhat by slightly higher operating, general and administrative costs, increased depreciation and amortization.

Downstream fourth quarter 2001 revenues were $66.7 million, compared with $65.5 million in fourth quarter 2000. Year 2001 revenues were $271.6 million, compared with $236.7 million for year 2000. The increase was due to increased transportation of LPGs, pipeline transportation of petrochemicals, and the settlement of a canceled transportation agreement with Pennzoil-Quaker State Company related to the sale of their refinery in Shreveport, La.

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Costs and expenses, including fuel and power, for the Downstream Segment were $32.4 million in fourth quarter 2001, compared with $30.6 million for the 2000 quarter. Year 2001 costs and expenses were $120.7 million, compared with $119 million for year 2000. The increase was due to higher costs for rentals, information systems and compensation.

Midstream Segment

The Midstream Segment includes natural gas gathering services. The segment was formed effective Sept. 30, 2001, with the acquisition of the Jonah Gas Gathering Company.

Operating income for the Midstream Segment was $3.1 million for fourth quarter and year 2001. Midstream Segment revenues were $9.1 million, costs and expenses were $1.5 million, and depreciation was $4.5 million. The pipeline component of the previously announced Jonah System expansion was completed on Dec. 10, 2001. Compression facilities are expected to be completed by March 2002, which will bring the Jonah System capacity to a level of 730 million cubic feet per day (MMcf/day).

Financing Activities

For the quarter, interest expense was $18.7 million, offset by capitalized interest of $1.9 million and other income (net) of $1.4 million. Interest expense was $16 million for fourth quarter 2000, offset by capitalized interest of $0.7 million.

For 2001, interest expense was $66.1 million compared to $49 million for 2000. Increased interest expenses were due to acquisitions during the year, plus borrowing to support the Centennial Pipeline project, offset somewhat by lower interest rates. The combination of interest capitalized and other income (net) for 2001 was $6.8 million compared to $6.2 million for 2000.

TEPPCO will host a conference call related to earnings performance at 9 a.m. CST on Tuesday, Jan. 22, 2002. Interested parties may listen via the Internet, live or on a replay basis at www.teppco.com.

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TEPPCO Partners, L.P. is a publicly traded master limited partnership, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines of refined petroleum products and liquefied petroleum gases in the United States; owns and operates petrochemical and natural gas liquid pipelines; is engaged in crude oil transportation, storage, gathering and marketing; owns and operates a natural gas gathering system; and owns a 50-percent interest in Seaway Crude Pipeline Company and an undivided ownership interest in the Rancho and Basin Pipelines. Texas Eastern Products Pipeline Company, LLC, an indirect wholly owned subsidiary of Duke Energy Field Services, LLC, is the general partner of TEPPCO Partners, L.P. For more information, visit TEPPCO's website at www.teppco.com.

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties. These risks and uncertainties include, among other things, market conditions, governmental regulations and factors discussed in TEPPCO Partners, L.P. filings with the Securities and Exchange Commission.

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TEPPCO Partners, L. P.
FINANCIAL HIGHLIGHTS
(Unaudited — In Millions, Except Per Unit Amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Operating Revenues:				
Sales of crude oil and petroleum products	$ 618.2	$ 762.8	$ 3,219.8	$ 2,822.0
Transportation — Refined Products	29.6	29.1	139.3	119.3
Transportation — LPGs	23.6	25.9	77.8	73.9
Transportation — Crude oil and NGLs	10.4	8.7	44.9	24.5
Gathering — Natural Gas	8.8	—	8.8	—
Mont Belvieu operations	4.3	2.9	14.1	13.3
Other	11.8	10.2	51.7	34.9
Total Operating Revenues	706.7	839.6	3,556.4	3,087.9
Costs and Expenses:				
Purchases of crude oil and petroleum products	607.0	754.8	3,173.6	2,794.6
Operating expenses — general and administrative	41.8	30.2	149.3	115.5
Operating fuel and power	8.7	10.0	36.6	34.7
Depreciation and amortization	14.7	9.4	45.9	35.1
Total Costs and Expenses	672.2	804.4	3,405.4	2,979.9
Operating income	34.5	35.2	151.0	108.0
Interest expense	(18.7)	(16.0)	(66.1)	(49.0)
Interest capitalized	1.9	0.7	4.0	4.6
Equity earnings (1)	2.1	2.9	17.4	12.2
Other income — net	1.4	—	2.8	1.6
Net Income	$ 21.2	$ 22.8	$ 109.1	$ 77.4
Net Income Allocation:				
Limited Partner Unitholders	$ 15.0	$ 16.6	$ 77.0	$ 56.1
Class B Unitholder	1.5	2.1	8.6	7.4
General Partner	4.7	4.1	23.5	13.9
Total Net Income Allocated	$ 21.2	$ 22.8	$ 109.1	$ 77.4
Basic and Diluted Net Income Per Limited Partner and Class B Unit	$ 0.40	$ 0.53	$ 2.18	$ 1.89
Weighted Average Number of Limited Partner and and Class B Units	41.4	35.6	39.3	33.6

(1) ***Equity earnings for Seaway Crude Pipeline Company were $2.6 million and $18.5 million, respectively, for the three- and twelve-month periods ended Dec. 31, 2001. Seaway EBITDA was $4.6 million and $26.7 million for the respective Dec. 31, 2001 periods. Seaway equity earnings and EBITDA were $12.2 million and $15.4 million, respectively, for the period from the July 21, 2000 acquisition date through Dec. 31, 2000.***

TEPPCO Partners, L.P.
BUSINESS SEGMENT DATA
(Unaudited — In Millions)

Three Months Ended December 31, 2001	Downstream	Midstream	Upstream	Consolidated
Operating revenues	$ 66.7	$ 9.1	$ 631.2	$ 706.7(2)
Operating expenses	32.4	1.5	623.9(1)	657.5(2)
Depreciation and amortization	7.2	4.5	3.0	14.7
Operating Income	$ 27.1	$ 3.1	$ 4.3	$ 34.5

Three Months Ended December 31, 2000	Downstream	Midstream	Upstream	Consolidated
Operating revenues	$ 65.5	$ —	$ 774.1	$ 839.6
Operating expenses	30.6	—	764.4(1)	795.0
Depreciation and amortization	7.1	—	2.3	9.4
Operating Income	$ 27.8	$ —	$ 7.4	$ 35.2

Twelve Months Ended December 31, 2001	Downstream	Midstream	Upstream	Consolidated
Operating revenues	$ 271.6	$ 9.1	$ 3,276.0	$ 3,556.4(2)
Operating expenses	120.7	1.5	3,237.6(1)	3,359.5(2)
Depreciation and amortization	28.7	4.5	12.7	45.9
Operating Income	$ 122.2	$ 3.1	$ 25.7	$ 151.0

Twelve Months Ended December 31, 2000	Downstream	Midstream	Upstream	Consolidated
Operating revenues	$ 236.7	$ —	$ 2,851.2	$ 3,087.9
Operating expenses	119.0	—	2,825.8(1)	2,944.8
Depreciation and amortization	27.7	—	7.4	35.1
Operating Income	$ 90.0	$ —	$ 18.0	$ 108.0

(1) ***Includes purchases of crude oil and petroleum products of $607.3 million and $3,173.9 million, respectively, for the three- and twelve-month periods ended Dec. 31, 2001. Includes purchases of crude oil and petroleum products of $754.8 million and $2,794.6 million, respectively, for the three- and twelve-month periods ended Dec. 31, 2000.***

(2) ***Consolidated amounts reflect the elimination of $0.3 million of inter-company transactions.***

TEPPCO Partners, L. P.
Condensed Statements of Cash Flows (Unaudited) (In Millions)

	Twelve Months Ended December 31, 2001	2000
Cash Flows from Operating Activities		
Net income	$ 109.1	$ 77.4
Depreciation, working capital and other	59.8	30.6
Net Cash Provided by Operating Activities	168.9	108.0
Cash Flows from Investing Activities:		
Proceeds from cash investments	4.2	3.5
Purchases of cash investments	—	(2.0)
Proceeds from sale of assets	1.3	—
Purchase of Jonah Gas Gathering Company	(359.8)	—
Purchase of Seaway Crude Pipeline interest and other assets	(11.0)	(322.6)
Purchase of crude oil assets	(20.0)	(99.5)
Capital expenditures	(107.6)	(68.5)
Investments in Centennial Pipeline Company	(65.0)	(5.0)
Net Cash Used in Investing Activities	(557.9)	(494.1)
Cash Flows from Financing Activities:		
Proceeds from term loan and revolving credit facility	546.1	552.0
Debt issuance costs	(2.6)	(7.1)
Payments on revolving credit facility	(291.4)	(172.0)
Proceeds from issuance of LP units, net	234.9	88.1
General Partner contributions	4.8	1.8
Distributions paid	(104.4)	(82.2)
Net Cash Provided by Financing Activities	387.4	380.6
Net Decrease in Cash and Cash Equivalents	(1.6)	(5.5)
Cash and Cash Equivalents — beginning of period	27.1	32.6
Cash and Cash Equivalents — end of period	$ 25.5	$ 27.1
Supplemental Cash Information:		
Interest paid during the period (net of capitalized interest)	$ 61.5	$ 36.7

TEPPCO Partners, L. P.
Condensed Balance Sheets (Unaudited)
(In Millions)

	December 31, 2001	December 31, 2000
Assets		
Current assets		
Cash and cash equivalents	$ 25.5	$ 27.1
Other	258.0	336.3
Total current assets	283.5	363.4
Property, plant and equipment — net	1,173.4	949.7
Intangible Assets (1)	252.5	34.2
Equity investments	292.2	241.6
Other assets	56.6	33.9
Total assets	$ 2,058.2	$ 1,622.8
Liabilities and Partners' Capital		
Current liabilities		
Notes payable	$ 360.0	—
Other	301.7	$ 358.3
Total current liabilities	661.7	358.3
Senior Notes	389.8	389.8
Other long-term debt	340.7	446.0
Other non-current liabilities and minority interest	17.2	8.3
Class B Units	105.6	105.4
Partners' capital		
Accumulated other comprehensive income	(20.3)	—
General partner's interest	13.2	1.8
Limited partners' interests	550.3	313.2
Total partners' capital	543.2	315.0
Total liabilities and partners' capital	$ 2,058.2	$ 1,622.8

(1) Includes the value of long-term service agreements between TEPPCO and its customers.

TEPPCO Partners, L. P.
OPERATING DATA
(Unaudited — In Millions, Except as Noted)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Downstream Segment:				
Barrels Delivered				
Refined Products	30.0	30.9	122.9	128.1
LPGs	12.6	12.2	40.0	39.6
Mont Belvieu Operations	6.9	8.0	23.1	27.2
TOTAL	49.5	51.1	186.0	194.9
Average Tariff Per Barrel				
Refined Products (1)	$ 0.99	$ 0.94	$ 0.98	$ 0.93
LPGs	1.89	2.12	1.95	1.86
Mont Belvieu Operations	0.18	0.19	0.18	0.16
Average System Tariff Per Barrel	$ 1.10	$ 1.11	$ 1.09	$ 1.01
Upstream Segment				
Margins:				
Crude oil transportation	$ 8.1	$ 7.0	$ 34.3	$ 23.5
Crude oil marketing	2.3	3.8	11.6	13.3
Crude oil terminaling	2.3	2.8	9.8	4.6
NGL transportation	5.1	1.9	20.9	7.0
LSI	1.0	1.2	4.1	3.5
Seaway Crude intercompany	2.6	—	10.1	—
Total Margin	$ 21.4	$ 16.7	$ 90.8	$ 51.9
Midstream Segment (2):				
Gathering — Natural Gas				
Mcf	45.5	—	45.5	—
Btu (In Trillions)	50.7	—	50.7	—
Average fee per MMBtu	$ 0.17	—	$ 0.17	—
Sales — Condensate				
Barrels (Thousands)	16.2	—	16.2	—
$/barrel	$ 19.91	—	$ 19.91	—

(1) Excludes the effect of the Pennzoil-Quaker State Company settlement recorded second quarter 2001.

(2) Operating data for Jonah Gas Gathering Company acquired effective Sept. 30, 2001.

EXHIBIT 99.2

TEPPCO

Analyst/Investor Presentation

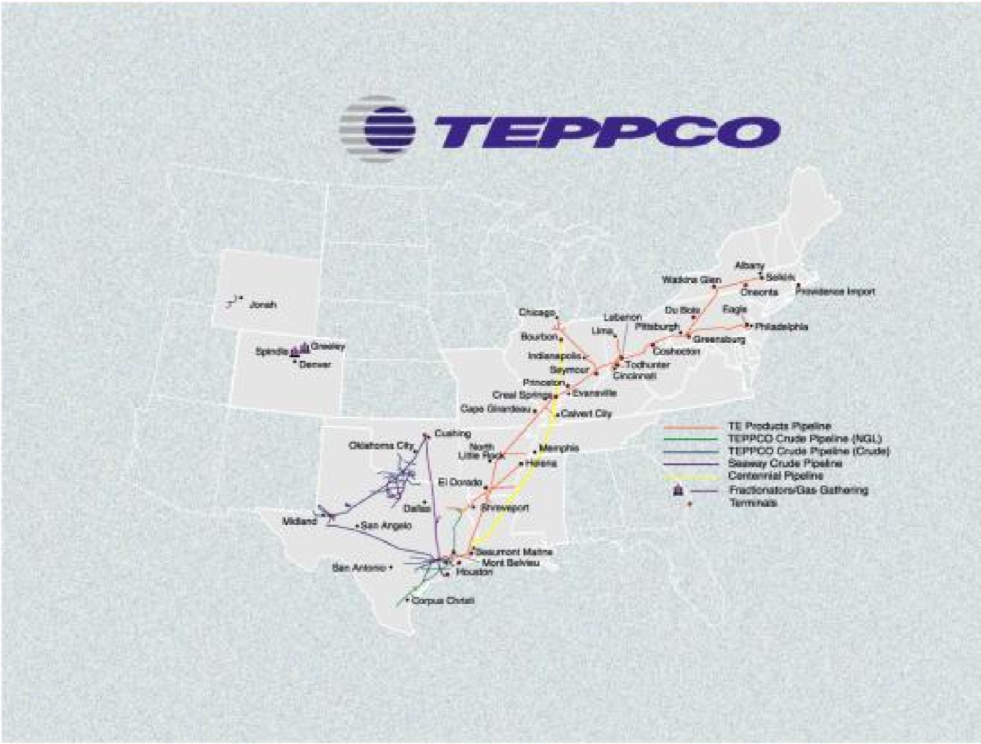
January 2002

TEPPCO

Forward-looking statements

- Except for the historical information contained herein, this document contains forward-looking statements regarding the Partnership, including projections, estimates, forecasts, plans, and objectives. Although management believes that all such statements are based upon reasonable assumptions, no assurances can be given that the actual results will not differ materially from those contained in such forward-looking statements. See TEPPCO Partners, L.P.'s filings with the Securities and Exchange Commission for additional discussion of risks and uncertainties that may affect such forward-looking statements.

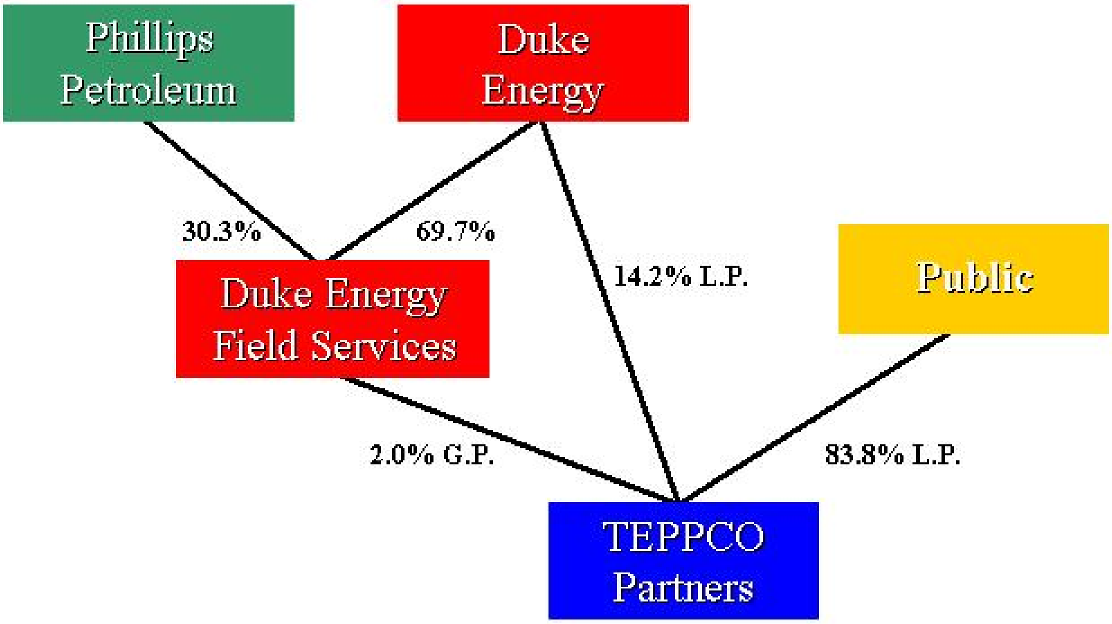
System Overview



Partnership Profile

- One of the largest pipeline master limited partnerships, providing a broad range of services to the petroleum and petrochemical industries
  - Crude gathering, marketing and transportation
  - Refined products and LPG transportation and terminaling
  - Natural gas gathering
  - Natural gas liquids and petrochemicals transportation and storage
- Publicly traded since 1990, with track record of consistent growth providing excellent returns to investors
- Strong, experienced management team
- Duke Energy Field Services, the largest U.S. mid-stream company, is the sole owner of the General Partner of the MLP

Partnership Structure



Diversified Operations

TEPPCO

Upstream

- Crude oil transportation, marketing and terminaling
- NGL transportation

Downstream

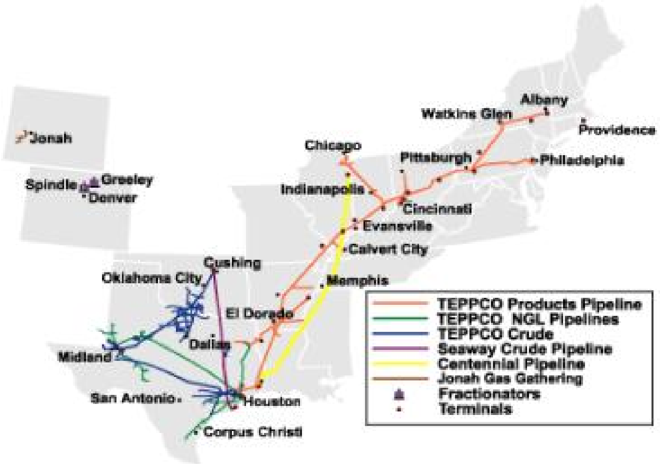
- Refined products and LPG transportation, storage and terminaling
- Petrochemicals transportation
- NGL fractionation

Midstream

- Natural gas gathering

Assets are strategically positioned to capitalize on market opportunities

- Refined products system serving lower Mississippi & Ohio River valleys and Chicago
- LPG system serving Midwest and Northeast markets
- Crude oil gathering in major basins, with substantial pipeline assets to both Gulf Coast and Cushing, OK market hubs
- NGL and petrochemical pipelines connected to strategic Mont Belvieu, TX storage
- Jonah Gas Gathering System in prolific Green River Basin, WY



Significant Achievements in 2001

Upstream

- Excellent gathering, marketing and transportation results
  - Positioned to benefit from strong market conditions
  - Enhanced market position in Red River basin
- Solid Seaway Pipeline performance
  - Increased mainline volumes and Texas City terminal utilization
  - Improved operational performance
- Strong Cushing and Midland Terminals performance

Significant Achievements in 2001

Downstream

- Maximized products pipeline system utilization
  - Record summer LPG movements
  - Strong refined products movements due to chronic Midwest supply shortage
- Market based rates implemented for substantially all refined products tariffs
- Centennial Pipeline approval and construction
- Successful start-up of BASF/FINA petrochemical pipelines

Significant Achievements in 2001

Midstream

- Jonah acquisition marked substantial, attractive entry to natural gas gathering business
  - Provides excellent organic growth potential
  - Demonstrates benefits of alignment with DEFS

Acquisitions

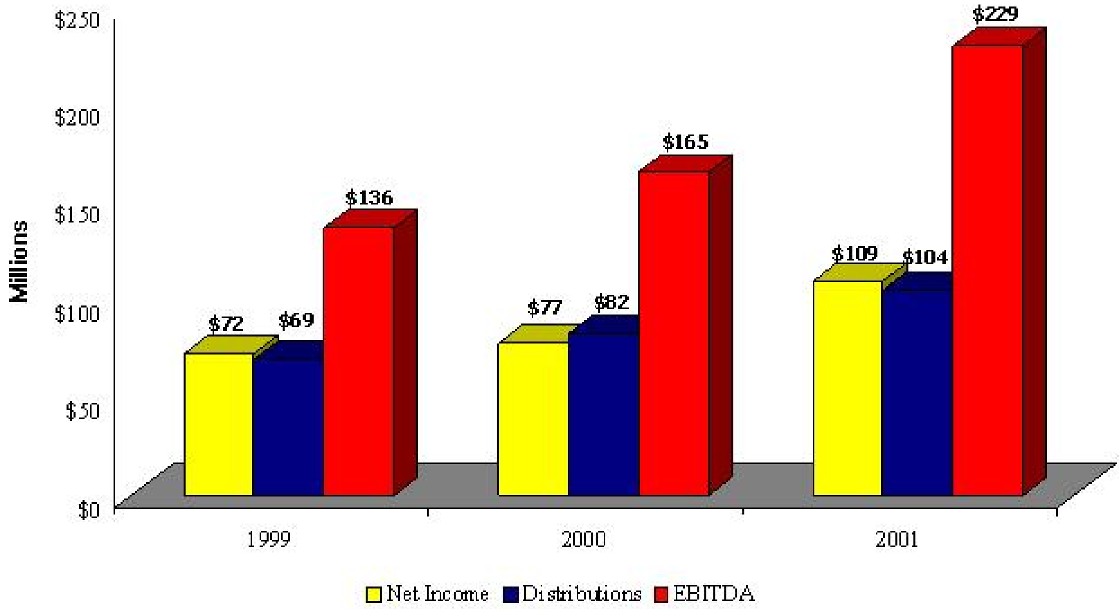
- $380 million of acquisitions achieved upper range of target
- Acquisitions in excess of $900 million since 1998

Significant Achievements in 2001

Financial

- Record earnings and EBITDA
- Completed $246 million in equity offerings
  - Target: 60% debt to total capitalization (12/31/01 actual: 62.7%)
- Successful debt restructuring
  - Positioned partnership for growth by increasing credit facility to $700 million
- Increased annualized distribution by 9.5% to $2.30 per unit
- Total return to investors exceeded 30%

TEPPCO achieved record results in 2001

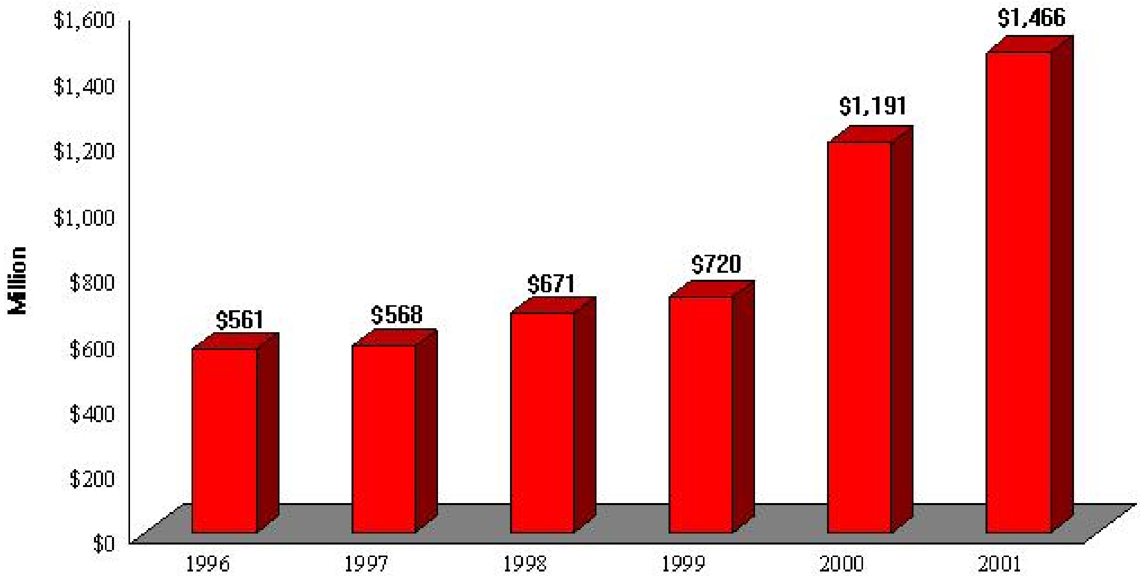


Note: EBITDA = Net Income + Interest Expense + D&A + (Equity EBITDA – Equity Earnings)

Acquisitions have facilitated TEPPCO's strategic shift to a Growth MLP

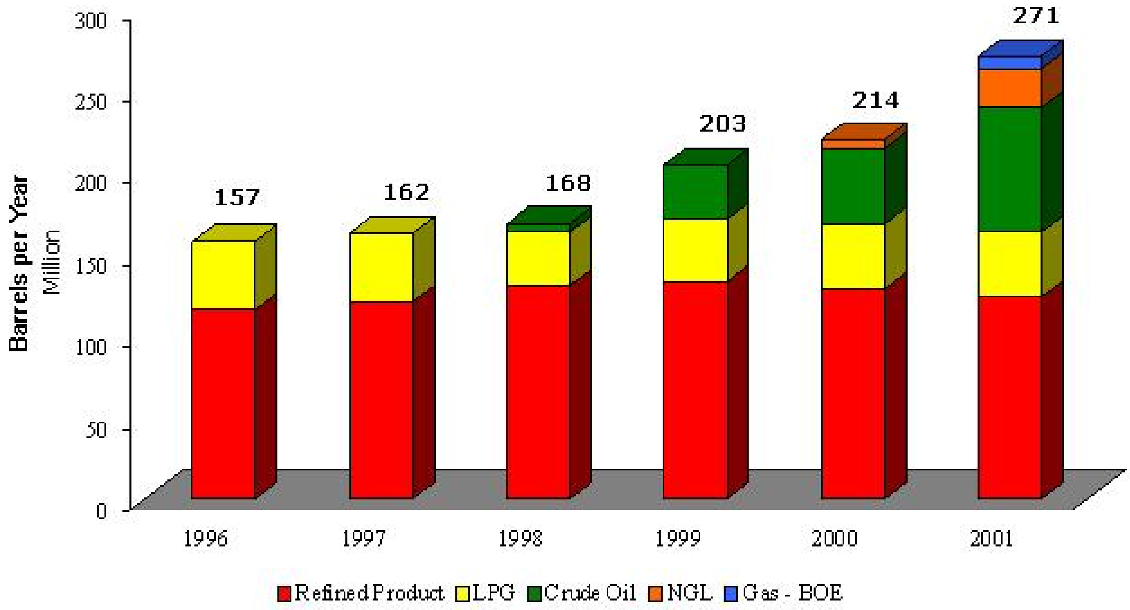
- Colorado fractionators ($40 MM) 1998
- Duke Energy Transport & Trading ($104 MM) 1998
- ARCO Mid-Continent pipeline assets ($330 MM) Jul 2000
- Panola Pipeline ($91 MM) Dec 2000
- UDS Red River assets ($20 MM) Mar 2001
- Jonah Gas Gathering System ($360 MM) Sep 2001
- Chaparral & Quanah Pipelines ($130 MM) Feb 2002

The Partnership has increased its asset base [1] significantly over the last 5 years

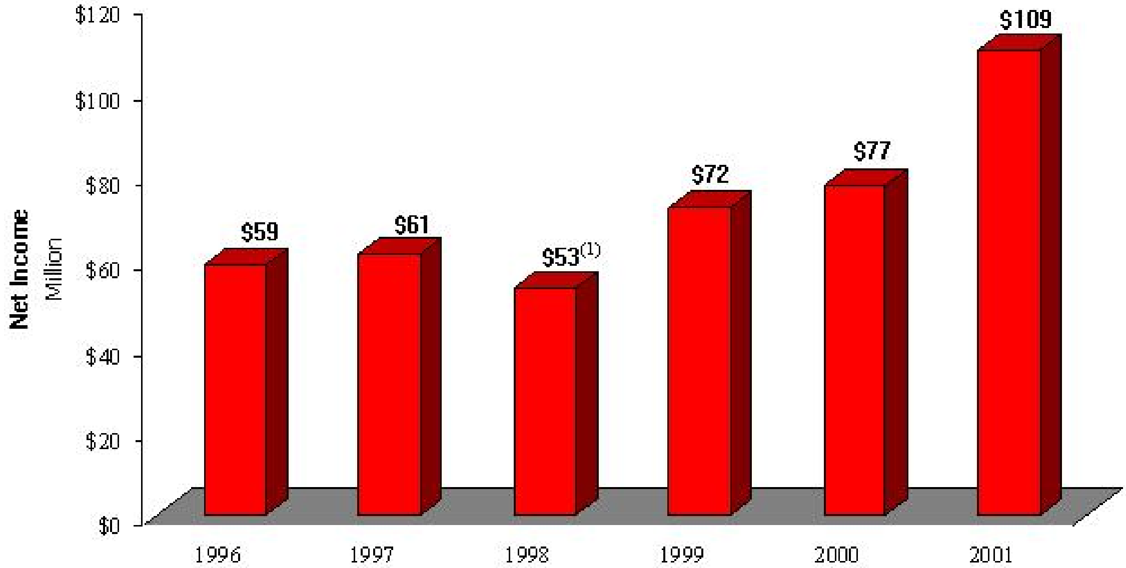


(1) Asset base represents Net PP&E and Equity investments at year-end periods

Consistent volumes growth has been augmented by recent acquisitions

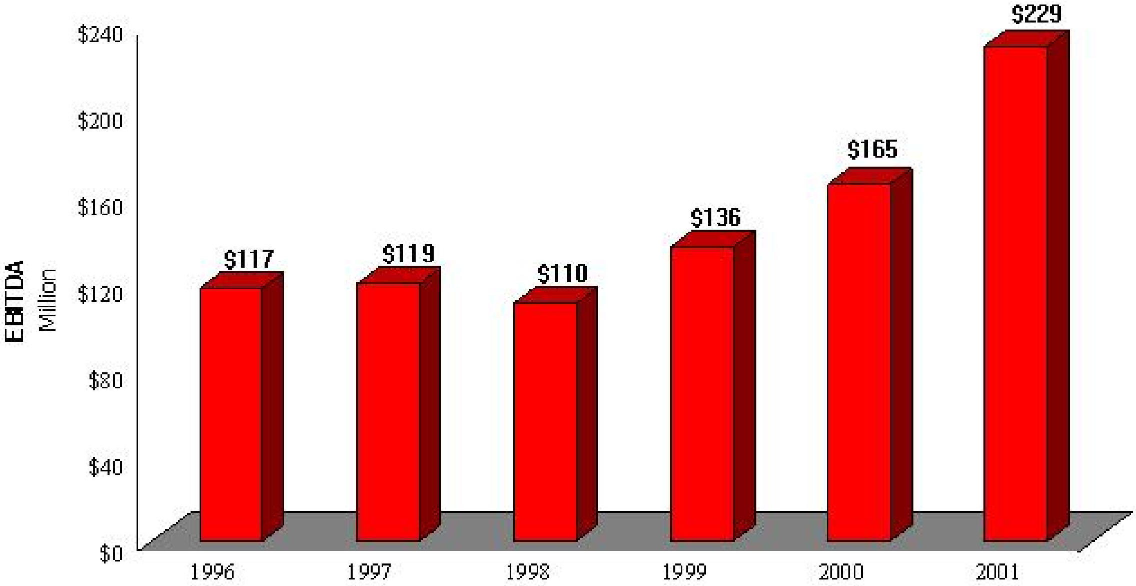


Recent acquisitions have contributed to earnings growth



(1) 1998 Net Income excludes an extraordinary charge of $72.8 million for early extinguishment of debt

TEPPCO growth strategy has significantly boosted EBITDA in recent years

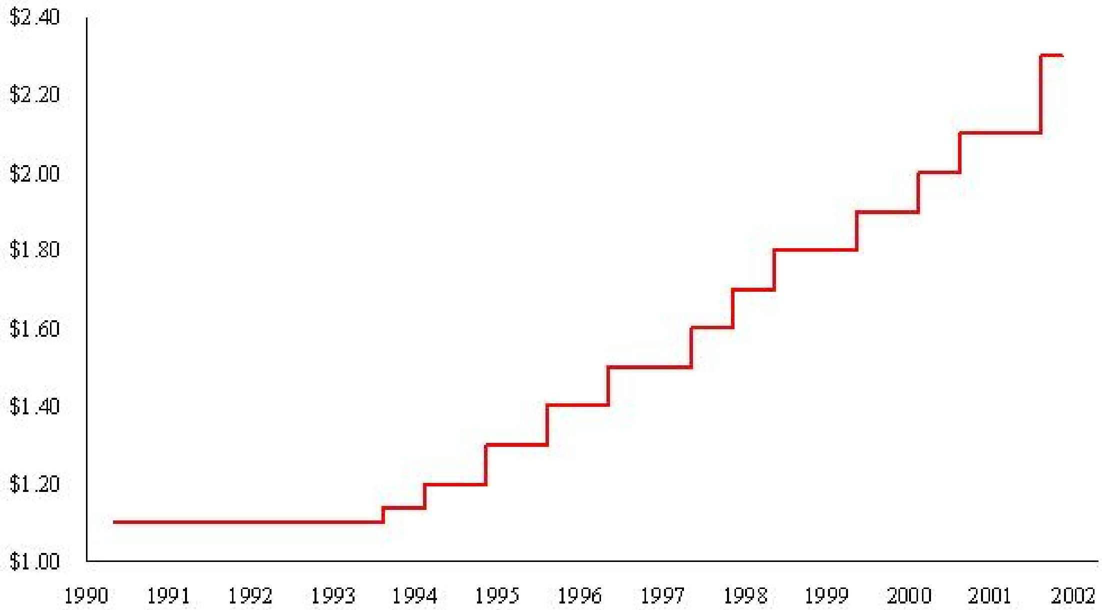


Unitholder Value substantially improved by transformation to Growth MLP

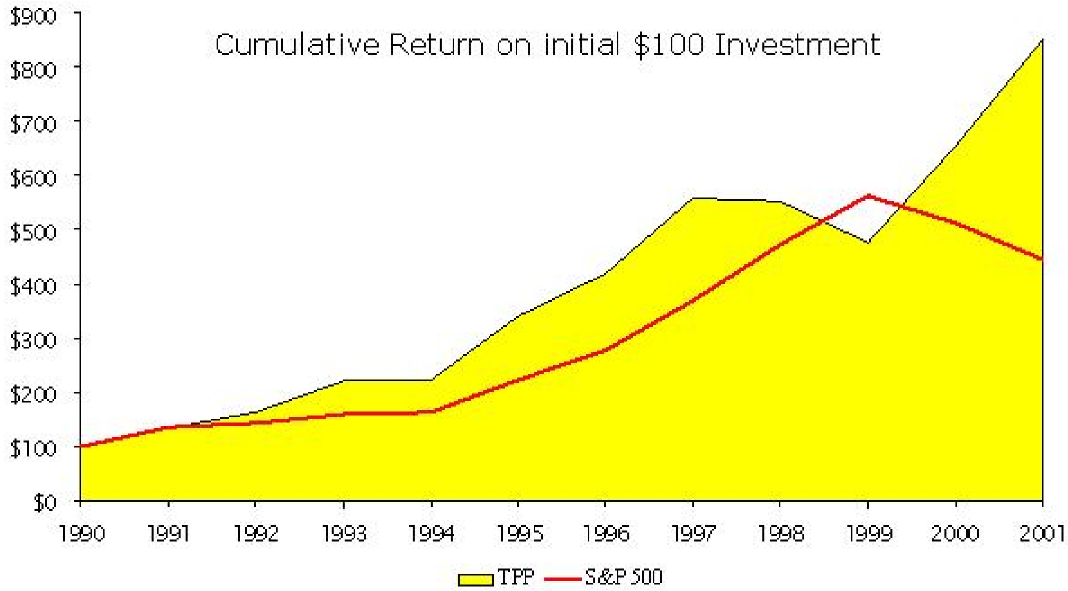
- Distributions supported by stable, diversified and growing cash flows that are linked to:
  - Broad spectrum of petroleum industry
  - Geographic diversity
  - Fee-based businesses with minimal commodity price exposure

- Consistently increasing cash distributions
  - 12 distribution increases since 1994
  - 28% distribution growth in the last three years

TEPPCO has consistently increased distributions since 1994



Unitholders have realized a 22% average annual return



TEPPCO well positioned to pursue diversified growth strategy

- Enhance existing systems and capitalize on market opportunities from recent investments
- Leverage position of assets on both sides of the refinery
- Maximize value from alignment with DEFS
- Aggressively pursue acquisition opportunities resulting from industry consolidation and financial restructuring
- Explore new business opportunities that fit MLP structure

Strategic relationship with DEFS provides substantial opportunities for TEPPCO

- DEFS is the largest midstream company in the U.S.
  - Natural gas gathering systems, storage and intrastate gas pipelines
  - NGL pipelines and fee-based gas processing facilities
- Asset purchases from DEFS have enhanced TEPPCO growth
  - Fractionators and crude oil gathering systems (1998)
  - Panola pipeline (2000)
- Alignment with DEFS has facilitated acquisitions
  - Jonah Gas Gathering System (2001)
  - Chaparral & Quanah Pipelines (pending 2002)
- DEFS committed to TEPPCO growth

TEPPCO

Recent investments provide attractive asset base to fuel internal growth

- Centennial Pipeline provides substantial growth opportunities for both refined products and LPG's
- BASF/FINA petrochemicals venture positions TEPPCO to expand presence in Gulf Coast petrochemicals market
- Mont Belvieu LPG assets provide midstream, refined products and chemicals opportunities
- Opportunities to further improve Seaway Pipeline performance and consolidate gathering and transportation business

TEPPCO's strategy

Continue to provide distribution growth and capital appreciation to investors

- Confident of our ability to continue to achieve our growth objectives
- Target a total return of 10% to 15% annually
- Increase distributions by a minimum of 10¢/unit per year
- Complete accretive acquisitions of $300-$400 million per year

2002 Outlook

- EBITDA: $240 – $260 million
  - Includes Chaparral & Quanah Pipelines
  - Full year of Jonah Gas Gathering System
- Net Income: $90 – $110 million
- Earnings Per Unit: $1.50 – $1.85
- Capital expenditures: $74 million
  - Includes $23 million maintenance capital

Factors impacting 2002 performance

- Refined products and petrochemicals demand
  - Economy & travel patterns
  - Market adjustments to Centennial Pipeline start-up
- Winter weather and Canadian pricing – LPGs
- Crude prices and differentials
- Natural gas prices and demand
- Acquistions
- Interest Rates

Foundation for long term growth is in place

- Growth MLP transformation is well underway
  - Acquisition momentum firmly established
  - Demonstrated benefits from alignment with DEFS
- Existing businesses have attractive growth potential
- Diversification opens access to industry-wide opportunities