

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) : APRIL 16, 2002

COMMISSION FILE NO. 1-10403

TEPPCO PARTNERS, L.P.
TE PRODUCTS PIPELINE COMPANY,
LIMITED PARTNERSHIP
TCTM, L.P.
TEPPCO MIDSTREAM COMPANIES, L.P.
JONAH GAS GATHERING COMPANY
(EXACT NAME OF REGISTRANT AS
SPECIFIED IN ITS CHARTER)

DELAWARE
DELAWARE
DELAWARE
DELAWARE
WYOMING
(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)

ITEM 5. OTHER EVENTS

FINANCIAL INFORMATION FOR THE GENERAL PARTNER OF TEPPCO PARTNERS, L.P.

We are filing the consolidated balance sheet of Texas Eastern Products Pipeline Company, LLC and subsidiary as of December 31, 2001, which is incorporated herein by reference to Exhibit 99.1. Texas Eastern Products Pipeline Company, LLC is the General Partner of TEPPCO Partners, L.P.

Additionally, we have included as an exhibit an auditors' consent to the incorporation by reference of this report in previously filed registration statements.

ITEM 7. STATEMENTS AND EXHIBITS

(c) EXHIBITS:

| Exhibit Number ----- | Description ----- |
|----------------------------|---|
| 23.1 | Consent of KPMG LLP. |
| 99.1 | Consolidated Balance Sheet of Texas Eastern Products Pipeline Company, LLC and subsidiary as of December 31, 2001. |

SIGNATURE

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

TEPPCO Partners, L.P.
(Registrant)

By: Texas Eastern Products Pipeline Company, LLC
General Partner

/s/ CHARLES H. LEONARD

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

Date: April 16, 2002

INDEPENDENT AUDITORS' CONSENT

To the Partners of
TEPPCO Partners, L.P.:

We consent to the incorporation by reference in the registration statements (No. 3-81976) and (No. 333-74286) on Form S-3 and the registration statement (No. 33-82892) on Form S-8 of TEPPCO Partners, L.P. of our report dated April 9, 2002, with respect to the consolidated balance sheet of Texas Eastern Products Pipeline Company, LLC and subsidiary as of December 31, 2001, which report appears in the Current Report on Form 8-K of TEPPCO Partners, L.P. filed April 16, 2002.

KPMG LLP

Houston, Texas
April 16, 2002

INDEX TO FINANCIAL STATEMENTS

Texas Eastern Products Pipeline Company, LLC

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Texas Eastern Products Pipeline Company, LLC:

We have audited the accompanying consolidated balance sheet of Texas Eastern Products Pipeline Company, LLC and subsidiary as of December 31, 2001. This consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated financial statement based on our audit.

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

In our opinion, the consolidated balance sheet referred to above presents fairly, in all material respects, the financial position of Texas Eastern Products Pipeline Company, LLC and subsidiary as of December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

KMPG LLP

Houston, Texas
April 9, 2002

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC
AND SUBSIDIARY

Consolidated Balance Sheet

December 31, 2001

(In thousands)

ASSETS

Current assets:

| | | |
|--|----|--------|
| Accounts receivable, related parties | \$ | 23,312 |
| Advances to Duke Energy Field Services, L.P. | | 1,017 |
| Investment in TEPPCO Partners, L.P. | | 13,190 |
| | | ----- |
| Total assets | \$ | 37,519 |
| | | ===== |

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:

| | | |
|---|----|----------|
| Accrued income taxes | \$ | 120 |
| Deferred income taxes | | 1,095 |
| Member's equity: | | |
| Member's equity | | 46,304 |
| Note receivable, Duke Energy Field Services, L.P. | | (10,000) |
| | | ----- |
| Total member's equity | | 36,304 |
| Commitments and contingencies | | |
| | | ----- |
| Total liabilities and member's equity | \$ | 37,519 |
| | | ===== |

See accompanying notes to consolidated balance sheet.

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC
AND SUBSIDIARY

Notes to Consolidated Balance Sheet

December 31, 2001

(1) BASIS OF PRESENTATION

The accompanying consolidated balance sheet as of December 31, 2001 includes the accounts of Texas Eastern Products Pipeline Company, LLC and its wholly owned subsidiary TEPPCO Investments, LLC (collectively, the Company). On March 31, 2000, Texas Eastern Products Pipeline Company and TEPPCO Investments, Inc. were converted to limited liability companies, with a resulting name change for both companies to Texas Eastern Products Pipeline Company, LLC and TEPPCO Investments, LLC, respectively. Additionally on March 31, 2000, Texas Eastern Products Pipeline Company, LLC (the LLC) distributed its ownership of a wholly owned subsidiary, TEPPCO Holdings, Inc. to Duke Energy Corporation (Duke Energy), the Company's ultimate parent. The LLC also distributed to, and Duke Energy assumed, all assets and liabilities of the LLC, except those relating to the performance of its duties as general partner of TEPPCO Partners, L.P., TE Products Pipeline Company, Limited Partnership, and TCTM, L.P., and \$10 million of the demand note receivable due from Duke Energy Field Services, L.P. (DEFS), a joint venture formed between Duke Energy and Phillips Petroleum Corporation. Also on March 31, 2000, Duke Energy indirectly contributed its remaining investment in the LLC to DEFS.

The Company is the general partner of TEPPCO Partners, L.P. (the Partnership). The Company, as general partner, performs all management and operating functions required for the Partnership pursuant to the Agreement of Limited Partnership of TEPPCO Partners, L.P. (the Partnership Agreement). The general partner is reimbursed by the Partnership for all reasonable direct and indirect expenses incurred in managing the Partnership.

On July 26, 2001, the Company restructured its general partner ownership of TE Products Pipeline Company, Limited Partnership and TCTM, L.P. (collectively the Operating Partnerships) to cause them to be indirectly wholly owned by the Partnership. TEPPCO GP, Inc., a subsidiary of the Partnership, succeeded the Company as general partner of the Operating Partnerships. All remaining partner interests in the Operating Partnerships not already owned by the Partnership were transferred to the Partnership. In exchange for this contribution, the Company's interest as general partner of the Partnership was increased to 2%. The increased percentage is the economic equivalent of the aggregate interest the Company had prior to the restructuring through its combined interests in the Partnership and the Operating Partnerships. This reorganization was undertaken to simplify required financial reporting by the Operating Partnerships when guarantees of Partnership debt are issued by the Operating Partnerships.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION

The consolidated balance sheet includes the accounts of the Company. Significant intercompany items have been eliminated in consolidation. The Company's investments in the Partnership and the Operating Partnerships are accounted for using the equity method.

(b) CASH AND CASH EQUIVALENTS

Cash equivalents are defined as all highly marketable securities with a maturity of three months or less when purchased. The Company generally does not maintain cash balances. Cash transactions are generally settled through intercompany accounts (see note 3).

(Continued)

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC
AND SUBSIDIARY

Notes to Consolidated Balance Sheet

December 31, 2001

(c) FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounts receivable and accounts payable approximate fair value due to the short-term maturity of these financial instruments. The fair value of the Company's note receivable is more fully described in note 4.

(d) USE OF ESTIMATES

The preparation of the consolidated balance sheet in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

(e) INCOME TAXES

As discussed in note 1, on March 31, 2000, Texas Eastern Products Pipeline Company and TEPPCO Investments, Inc. were converted to limited liability companies, and the Company's ownership of TEPPCO Holdings, Inc. was distributed to Duke Energy. As such, the Company became a nontaxable entity for federal income tax purposes as of March 31, 2000, but remains a taxable entity for state income taxes.

Prior to March 31, 2000, the Company followed the asset and liability method of accounting for federal income tax. Under this method, deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities for financial reporting purposes, and such amounts as measured by tax laws and regulations. These deferred income taxes are measured by applying enacted tax laws and statutory tax rates applicable to the period in which the differences are expected to affect taxable income. Also prior to March 31, 2000, under an agreement with Duke Energy, the Company computed federal taxes as if it was filing a separate consolidated tax return and paid such tax, if any, to Duke Energy in lieu of federal taxes otherwise payable to the government. The Company continues to follow the asset and liability method of accounting for state income taxes.

(3) RELATED PARTY TRANSACTIONS

The Company generally does not maintain cash balances. Cash transactions are generally settled through intercompany accounts. Accounts receivable, related parties, on the consolidated balance sheet at December 31, 2001 and 2000 represents unpaid amounts charged to the Partnership related to business activities of the Partnership and cash advances to DEFS.

(Continued)

TEXAS EASTERN PRODUCTS PIPELINE COMPANY, LLC
AND SUBSIDIARY

Notes to Consolidated Balance Sheet

December 31, 2001

(4) NOTE RECEIVABLE

As of December 31, 2001, the Company held a \$10 million demand note receivable due from DEFS. Interest is payable quarterly. The rate on the note fluctuates quarterly based on the one-month LIBOR rate, plus 50 basis points, as of the last day of the preceding calendar quarter. Under the terms of the note, DEFS may prepay the note, in whole or in part, without premium or penalty. The Company believes that the amount included in the consolidated balance sheet for the note receivable materially represents fair value at December 31, 2001, as the underlying interest rate is based on market rates. The note receivable due from DEFS is classified as contra-equity on the consolidated balance sheet as of December 31, 2001. On March 31, 2000, the LLC distributed \$115 million of the note receivable to Duke Energy (see note 1), reducing the note receivable balance from \$125 million to \$10 million.

(5) INVESTMENTS

On March 7, 1990, in conjunction with the formation of the Partnership, the Company contributed cash and conveyed all assets and liabilities (other than certain intercompany and tax-related items) to the Partnership in return for a 1.0101% general partner interest in TE Products Pipeline Company, Limited Partnership and a 1% general partner interest in TEPPCO Partners, L.P. On July 26, 2001, the Company restructured its general partner ownership of the Operating Partnerships (see note 1). The assets and liabilities of the Partnership are summarized below (in thousands):

DECEMBER 31, 2001 --

Current assets \$
283,480 Property,
plant, and
equipment, net
1,180,461 Equity
investments 292,224
Intangible assets
253,413 Other assets
55,770 -----
----- \$ 2,065,348
=====

Current liabilities
\$ 668,842 Long-term
debt 730,472 Other
liabilities and
deferred credits
17,223 Redeemable
Class B Units held
by related party
105,630 Partners'
capital 543,181 ----
----- \$
2,065,348
=====

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TEXAS EASTERN
PRODUCTS PIPELINE
COMPANY, LLC AND
SUBSIDIARY Notes to
Consolidated Balance
Sheet December 31,
2001 (6) INCOME
TAXES As discussed
in note 1, Basis of
Presentation, as of
March 31, 2000,
Texas Eastern
Products Pipeline
Company and TEPPCO
Investments, Inc.
were converted to
limited liability
companies, and the
Company's ownership
of TEPPCO Holdings,
Inc. was distributed
to Duke Energy. As
such, the Company
became a nontaxable
entity for federal

income tax purposes as of March 31, 2000. In connection with the conversion to limited liability companies, the federal deferred tax liability balance of \$39.2 million at March 31, 2000 was recorded as a tax benefit in earnings.

Also discussed in note 1, in connection with the contribution of the LLC to DEFS on March 31, 2000, accrued income taxes of \$15.7 million and deferred taxes of \$2.2 million of the Company were assumed by Duke Energy. At December 31, 2001, accrued income taxes payable was comprised of \$120,000 of state income taxes. As of December 31, 2001, the difference between the financial statement carrying value and related tax basis of existing assets and liabilities, primarily the Company's equity investment in the Partnership, resulted in a deferred tax liability for state income taxes of \$1,095,000. (7)

COMMITMENTS AND CONTINGENCIES In the fall of 1999 and on December 1, 2000, the Company and the Partnership were named as defendants in two separate lawsuits in Jackson County Circuit Court, Jackson County, Indiana, in Ryan E. McCleery and Marcia S. McCleery, et. al. v. Texas Eastern Corporation, et. al. (including the Company and Partnership) and Gilbert Richards and Jean Richards v. Texas Eastern Corporation, et. al. (including the Company and Partnership). In

both cases, the plaintiffs contend, among other things, that the Company and other defendants stored and disposed of toxic and hazardous substances and hazardous wastes in a manner that caused the materials to be released into the air, soil, and water. They further contend that the release caused damages to the plaintiffs. In their complaints, the plaintiffs allege

strict liability for both personal injury and property damage together with gross negligence, continuing nuisance, trespass, criminal mischief, and loss of consortium. The plaintiffs are seeking compensatory, punitive, and treble damages. The Company has filed an answer to both complaints, denying the allegations, as well as various other motions. These cases are in the early stages of discovery and are not covered by insurance. The Company is defending itself vigorously against the lawsuits. The plaintiffs have not stipulated the amount of damages that they are seeking in the suit. The Company cannot estimate the loss, if any, associated with these pending lawsuits. The Partnership would be responsible for the liability for any settlements and judgments associated with these lawsuits.