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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

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: 1-33266

DUNCAN ENERGY PARTNERS L.P.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**20-5639997**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1100 Louisiana, 10th Floor
Houston, Texas 77002
(Address of Principal Executive Offices, Including Zip Code)

(713) 381-6500
(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 ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o
Accelerated filer ☑
Non-accelerated filer o (Do not check if a smaller reporting company)
Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No ☑

There were 20,301,571 common units of Duncan Energy Partners L.P. outstanding at November 3, 2008. These common units trade on the New York Stock Exchange under the ticker symbol "DEP."

DUNCAN ENERGY PARTNERS L.P.
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PART I. FINANCIAL INFORMATION.

Item 1. ***Financial Statements*****.**

DUNCAN ENERGY PARTNERS L.P.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(See Note 1 for Basis of Financial Statement Presentation)
(Dollars in thousands)

ASSETS	September 30, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	$ 12,846	$ 2,199
Accounts receivable – trade, net of allowance for doubtful accounts of $37 at September 30, 2008 and $47 at December 31, 2007	73,534	77,912
Accounts receivable – related parties	10,228	3,007
Inventories	13,811	8,510
Prepaid and other current assets	2,497	2,772
Total current assets	112,916	94,400
Property, plant and equipment, net	959,681	877,510
Investments in and advances to Evangeline	4,488	3,490
Intangible assets, net of accumulated amortization of $1,567 at September 30, 2008 and $1,393 at December 31, 2007	6,559	6,733
Other assets	295	273
Total assets	$ 1,083,939	$ 982,406
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Accounts payable – trade	$ 6,657	$ 17,367
Accounts payable – related parties	3,260	21,712
Accrued product payables	56,553	57,474
Accrued costs and expenses	5,459	1,204
Accrued interest	145	186
Accrued ad valorem taxes	6,626	2,335
Deferred revenue	4,961	1,197
Other current liabilities	3,688	4,005
Total current liabilities	87,349	105,480
Long-term debt (see Note 8)	212,000	200,000
Other long-term liabilities	4,094	3,937
Parent interest in subsidiaries (see Note 10)	473,496	356,214
Commitments and contingencies		
Partners' equity:		
Limited partners (20,301,571 common units outstanding at September 30, 2008 and December 31, 2007)	310,960	319,769
General partner	419	599
Accumulated other comprehensive loss	(4,379)	(3,593)
Total partners' equity	307,000	316,775
Total liabilities and partners' equity	$ 1,083,939	$ 982,406

See Notes to Financial Statements

DUNCAN ENERGY PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED/COMBINED OPERATIONS AND COMPREHENSIVE INCOME
(See Note 1 for Basis of Financial Statement Presentation)
(Dollars in thousands, except per unit amounts)

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine	For the Eight	For the One
			Months Ended September 30,		Month Ended
	2008	2007	2008	2007	January 31, 2007
Revenues:					
Third parties	$ 143,596	$ 116,569	$ 544,397	$ 361,629	$ 42,657
Related parties (see Note 12)	177,769	104,003	399,142	229,713	24,017
Total revenues (see Note 11)	321,365	220,572	943,539	591,342	66,674
Costs and expenses:					
Operating costs and expenses:					
Third parties	191,160	194,653	729,375	525,909	58,038
Related parties (see Note 12)	117,993	14,004	175,728	29,890	3,149
Total operating costs and expenses	309,153	208,657	905,103	555,799	61,187
General and administrative costs:					
Third parties	512	399	1,752	1,012	22
Related parties (see Note 12)	1,102	747	3,581	1,517	455
Total general and administrative costs	1,614	1,146	5,333	2,529	477
Total costs and expenses	310,767	209,803	910,436	558,328	61,664
Equity in income of Evangeline	311	(5)	697	155	25
Operating income	10,909	10,764	33,800	33,169	5,035
Other income (expense):					
Interest expense	(2,887)	(3,180)	(8,355)	(6,721)	--
Interest income	168	130	426	503	--
Total other expense	(2,719)	(3,050)	(7,929)	(6,218)	--
Income before provision for income taxes and Parent interest in income of subsidiaries	8,190	7,714	25,871	26,951	5,035
Provision for income taxes	(39)	(32)	(67)	(146)	--
Income before Parent interest in income of subsidiaries	8,151	7,682	25,804	26,805	5,035
Parent interest in income of subsidiaries (see Note 10)	(4,348)	(3,188)	(9,365)	(13,840)	--
Net income	3,803	4,494	16,439	12,965	5,035
Change in fair value of cash flow hedges	(474)	328	(786)	81	--
Comprehensive income	$ 3,329	$ 4,822	$ 15,653	$ 13,046	$ 5,035
Net income allocation: (see Note 13)					
Limited partners' interest in net income	$ 3,727	$ 4,404	$ 16,110	$ 12,706	
General partner interest in net income	$ 76	$ 90	$ 329	$ 259	
Earnings per unit: (see Note 13)					
Basic and diluted income per unit	$ 0.18	$ 0.22	$ 0.79	$ 0.63	

See Notes to Financial Statements

DUNCAN ENERGY PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED/COMBINED CASH FLOWS
(See Note 1 for Basis of Financial Statement Presentation)
(Dollars in thousands)

	Duncan Energy Partners		Duncan Energy Partners Predecessor
	For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	January 31, 2007
Operating activities:			
Net income	$ 16,439	$ 12,965	$ 5,035
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation, amortization and accretion in operating costs and expenses	25,114	18,967	2,209
Depreciation and amortization in general and administrative costs	265	132	--
Amortization in interest expense	97	85	--
Equity in income of Evangeline	(697)	(155)	(25)
Parent interest in income of subsidiaries	9,365	13,840	--
Gain from asset sales and related transactions	(402)	(19)	--
Deferred income tax expense	(28)	64	--
Changes in fair market value of financial instruments	(131)	157	--
Net effect of changes in operating accounts (see Note 16)	(28,125)	40,945	(10,754)
Net cash provided by (used in) operating activities	21,897	86,981	(3,535)
Investing activities:			
Capital expenditures	(120,334)	(131,793)	(5,348)
Contributions in aid of construction costs	2,282	368	349
Proceeds from asset sales and related transactions	398	3,256	--
Advances to Evangeline	(301)	(384)	--
Cash used in investing activities	(117,955)	(128,553)	(4,999)
Financing activities:			
Repayments of debt	(87,000)	(61,000)	--
Borrowings under debt agreements	99,000	276,000	--
Debt issuance costs	--	(518)	--
Net proceeds from initial public offering	--	290,466	--
Distributions to our unitholders and general partner	(25,688)	(13,341)	--
Distributions to Parent at time of initial public offering	--	(459,551)	--
Distributions to Parent of subsidiary operating cash flows	(25,972)	(20,728)	--
Contributions from Parent to subsidiaries	27,493	34,034	--
Contributions from Parent in connection with Omnibus Agreement (see Note 12)	32,465	--	--
Contributions from Parent in connection with Mont Belvieu Caverns’ LLC Agreement (see Note 12)	86,407	--	--
Net cash contributions from owners – predecessor (see Note 2)	--	--	8,534
Cash provided by financing activities	106,705	45,362	8,534
Net change in cash and cash equivalents	10,647	3,790	--
Cash and cash equivalents, beginning of period	2,199	3	--
Cash and cash equivalents, end of period (see Note 2)	$ 12,846	$ 3,793	$ --

See Notes to Financial Statements

DUNCAN ENERGY PARTNERS L.P.
UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED PARTNERS' EQUITY
(See Note 1 for Basis of Financial Statement Presentation and Note 9 for Unit History)
(Dollars in thousands)

	Limited Partners	General Partner	Accumulated Other Comprehensive Loss	Total
Balance, December 31, 2007	$ 319,769	$ 599	$ (3,593)	$ 316,775
Net income	16,110	329	--	16,439
Amortization of unit-based awards	255	5	--	260
Distributions to unitholders and general partner	(25,174)	(514)	--	(25,688)
Change in fair value of cash flow hedges	--	--	(786)	(786)
Balance, September 30, 2008	$ 310,960	$ 419	$ (4,379)	$ 307,000

See Notes to Financial Statements

Except per unit amounts, or as noted within the context of each footnote disclosure, dollar amounts presented in the tabular data within these footnote disclosures are stated in thousands of dollars.

Note 1. Background and Basis of Financial Statement Presentation

Partnership Organization and Background

Duncan Energy Partners L.P. (the "Partnership") is a publicly traded Delaware limited partnership, the common units of which are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "DEP." The Partnership is engaged in the business of (i) storing natural gas liquids ("NGLs") and certain petrochemical products, (ii) transporting NGLs and propylene and (iii) gathering, transporting, storing and marketing natural gas. The Partnership was formed in September 2006 to acquire, own and operate a diversified portfolio of midstream energy assets and to support the growth objectives of Enterprise Products Operating LLC ("EPO"). The Partnership is owned 98% by its limited partners and 2% by its general partner, DEP Holdings, LLC ("DEP GP"), a limited liability company, which is a wholly owned subsidiary of EPO. DEP GP is responsible for managing all of the Partnership's businesses. EPCO, Inc. provides all of the personnel necessary for operating the Partnership's assets and performs certain administrative services for the Partnership.

On February 5, 2007, the Partnership completed its initial public offering of 14,950,000 common units (including an overallotment amount of 1,950,000 common units) at a price of $21.00 per unit, which generated net proceeds to the Partnership of approximately $291.0 million. At the closing of its public offering, the Partnership made a special distribution to EPO of $459.6 million as consideration for assets contributed by EPO to the Partnership. The distribution amount was funded with approximately $260.6 million of net proceeds from the Partnership's initial public offering and $198.9 million in borrowings under the Partnership's revolving credit facility. In addition to the cash consideration, the Partnership issued 5,351,571 common units to EPO.

The Partnership did not own any assets prior to February 5, 2007. The financial information and related notes included under this Item 1 that pertain to periods prior to the Partnership's initial public offering reflect the assets, liabilities and operations contributed to the Partnership by EPO on February 5, 2007 (effective February 1, 2007 for financial accounting and reporting purposes). We refer to the business of Duncan Energy Partners L.P. prior to February 1, 2007 as "Duncan Energy Partners Predecessor" or the "Predecessor." Unless the context requires otherwise, references to "we," "us," "our," "the Partnership" or "Duncan Energy Partners" are intended to mean the business and operations of Duncan Energy Partners L.P. and its consolidated subsidiaries since February 1, 2007.

Duncan Energy Partners Predecessor was engaged in the same lines of business as the Partnership. The principal business entities included in the historical combined financial statements of Duncan Energy Partners Predecessor were (on a 100% basis): (i) Mont Belvieu Caverns, LLC ("Mont Belvieu Caverns"); (ii) Acadian Gas, LLC ("Acadian Gas"); (iii) Enterprise Lou-Tex Propylene Pipeline L.P. ("Lou-Tex Propylene"), including its general partner; (iv) Sabine Propylene Pipeline L.P. ("Sabine Propylene"), including its general partner; and (v) South Texas NGL Pipelines, LLC ("South Texas NGL"). EPO contributed a 66% equity interest in each of these five entities to the Partnership on February 5, 2007. EPO retained the remaining 34% equity interest in each of these subsidiaries.

References to "Enterprise Products Partners" mean Enterprise Products Partners L.P., which owns EPO. Enterprise Products Partners is a publicly traded partnership, the common units of which are listed on the NYSE under the ticker symbol "EPD." EPO, which is our Parent company, owns our general partner and is a significant owner of our common units. References to "EPGP" mean Enterprise Products GP, LLC, the general partner of Enterprise Products Partners.

References to “TEPPCO” mean TEPPCO Partners, L.P., an affiliated publicly traded partnership, the common units of which are listed on the NYSE under the ticker symbol “TPP.” References to “TEPPCO GP” refer to Texas Eastern Products Pipeline Company, LLC, which is the general partner of TEPPCO and wholly owned by Enterprise GP Holdings L.P.

References to “EPCO” mean EPCO, Inc., which is a related party affiliate to all of the foregoing named entities. All of the aforementioned entities are under common control of Dan L. Duncan, the Group Co-Chairman and controlling shareholder of EPCO.

Basis of Financial Statement Presentation

The Partnership’s financial and operating results are presented separately from those of Duncan Energy Partners Predecessor. There were a number of contracts and other arrangements that went into effect at the time of the Partnership’s initial public offering that affect the comparability of its results (i.e., post-February 1, 2007 periods) with those of Duncan Energy Partners Predecessor (i.e., pre-February 1, 2007 periods). These differences and other factors are summarized as follows:

§ The Partnership’s net income reflects its 66% ownership interest in the subsidiaries that hold its operating assets. The 34% ownership interest retained by EPO in these operating subsidiaries is recorded as Parent interest and deducted in determining the Partnership’s net income. The net income of Duncan Energy Partners Predecessor reflects EPO’s previous 100% ownership of these subsidiaries;

§ The fees Mont Belvieu Caverns charges EPO for underground storage services increased to market rates as a result of new agreements;

§ Storage well measurement gains and losses are retained by EPO rather than being allocated to Mont Belvieu Caverns;

§ Mont Belvieu Caverns makes a special allocation of its operational measurement gains and losses to EPO, which results in such gains and losses not impacting the net income or loss of Mont Belvieu Caverns. However, operational measurement gains and losses continue to be a component of gross operating margin (see Note 11 for an explanation of gross operating margin);

§ Transportation revenues recorded by Lou-Tex Propylene and Sabine Propylene decreased due to the assignment of certain exchange agreements to us by EPO;

§ The Partnership did not have any debt obligations prior to February 5, 2007 when it borrowed $200.0 million under its revolving credit facility. Duncan Energy Partners Predecessor did not have any debt obligations; and

§ The Partnership incurs additional general and administrative costs as a result of being a publicly traded entity. These costs include fees associated with annual and quarterly reports to unitholders, tax returns and Schedule K-1 preparation and distribution, investor relations, registrar and transfer agent fees, NYSE listing fees, accounting and legal services and estimated related party amounts payable to EPCO in connection with the administrative services agreement.

The financial information of Duncan Energy Partners Predecessor has been prepared using EPO’s separate historical accounting records related to the operations owned by Mont Belvieu Caverns, Acadian Gas, Lou-Tex Propylene, Sabine Propylene and South Texas NGL.

In our opinion, the accompanying Unaudited Condensed Consolidated/Combined Financial Statements include all adjustments consisting of normal recurring accruals necessary for fair presentation. Although we believe 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 U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These Unaudited Condensed Consolidated/Combined Financial Statements should be read in conjunction with our Annual Report on Form 10-K/A for the year ended December 31, 2007 (Commission File No. 1-33266).

See Note 12 for information regarding potential future changes in the allocation of earnings and cash flows of Mont Belvieu Caverns due to provisions of its limited liability company agreement.

Note 2. General Accounting Policies and Related Matters

Cash Flow Presentation

Duncan Energy Partners Predecessor operated within the EPO cash management program, which entailed the transfer of excess cash to EPO or, conversely, the funding of cash flow deficits by EPO. The result of this cash management program was that Duncan Energy Partners Predecessor did not present any ending cash balances. Cash flows used in financing activities represented transfers of excess cash from Duncan Energy Partners Predecessor to its owners equal to net cash provided by operating activities less cash used in investing activities. Such transfers of excess cash were reflected as distributions to owners. Conversely, if cash used in investing activities was greater than net cash provided by operating activities, then a deemed contribution by the owners of Duncan Energy Partners Predecessor was presented as cash provided by financing activities.

Following our initial public offering, we ceased participation in the EPO cash management program and maintain cash balances separately from EPO and its affiliates.

Consolidation Policy

We evaluate our financial interests in companies to determine if they represent variable interest entities where we are the primary beneficiary. If such criteria are met, we consolidate the financial statements of such businesses with those of our own. Our financial statements include our accounts and those of our majority-owned subsidiaries in which we have a controlling financial or equity interest, after the elimination of intercompany accounts and transactions.

If an investee is organized as a limited partnership or limited liability company and maintains separate ownership accounts, we account for our investment using the equity method if our ownership interest is between 3% and 50% and we exercise significant influence over the investee's operating and financial policies. For all other types of investments, we apply the equity method of accounting if our ownership interest is between 20% and 50% and we exercise significant influence over the investee's operating and financial policies. In consolidation, we eliminate our proportionate share of profits and losses from transactions with our equity method unconsolidated affiliate to the extent such amounts are material and remain on our balance sheet (or those of our equity method investment) in inventory or similar accounts.

If our ownership interest in an investee does not provide us with either control or significant influence over the investee, we would account for the investment using the cost method.

Estimates

Preparing our financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts presented in the financial statements (i.e. assets, liabilities, revenues and expenses) and disclosures about contingent assets and liabilities. Our actual results could differ from these estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Recent Accounting Developments

The following information summarizes recently issued accounting guidance since those reported in our Annual Report on Form 10-K for the year ended December 31, 2007 that will or may affect our future financial statements.

Statement of Financial Accounting Standards ("SFAS") No. 161, Disclosures about Derivative Instruments and Hedging Activities - An Amendment of FASB Statement No. 133. Issued in March, 2008, SFAS 161 changes the disclosure requirements for financial instruments and hedging activities with the intent to provide users of financial statements with an enhanced understanding of (i) how and why an entity uses financial instruments, (ii) how financial instruments and related hedged items are accounted for under SFAS 133, Accounting for Derivative Instruments and Hedging Activities, and its related interpretations, and (iii) how financial instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. SFAS 161 requires qualitative disclosures about objectives and strategies for using financial instruments, quantitative disclosures about fair value amounts of and gains and losses on financial instruments, and disclosures about credit-risk-related contingent features in financial instrument agreements. This statement has the same scope as SFAS 133, and accordingly applies to all entities. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. This Statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. SFAS 161 only affects disclosure requirements; therefore, our adoption of this statement effective January 1, 2009 will not impact our financial position or results of operations.

FSP No. FAS 157-2, Effective Date of FASB Statement No. 157. FSP 157-2 defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years, for all nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). As allowed under FSP 157-2, we have not applied the provisions of SFAS 157 to our nonfinancial assets and liabilities measured at fair value, which include certain assets and liabilities acquired in business combinations. On January 1, 2008, we adopted the provisions of SFAS 157 that apply to financial assets and liabilities. See Note 3 for these fair value disclosures. We do not expect any immediate impact from adoption of the remaining portions of SFAS 157 on January 1, 2009.

In light of current market conditions, the FASB has issued additional clarifying guidance regarding the implementation of SFAS 157, particularly with respect to financial assets that do not trade in active markets such as investments in joint ventures. This clarifying guidance did not result in a change in our accounting, reporting or impairment testing for such investments. We continue to monitor developments at the FASB and SEC for new matters and guidance that may affect our valuation processes.

FSP No. FAS 142-3, Determination of the Useful Life of Intangible Assets. In April 2008, the FASB issued FSP 142-3, which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of recognized intangible assets under SFAS 142, Goodwill and Other Intangible Assets. This change is intended to improve consistency between the useful life of a recognized intangible asset under SFAS 142 and the period of expected cash flows used to measure the fair value of such assets under SFAS 141(R) and other accounting guidance. The requirement for determining useful lives must be applied prospectively to intangible assets acquired after January 1, 2009 and the disclosure requirements must be applied prospectively to all intangible assets recognized as of, and subsequent to, January 1, 2009. We will adopt the provisions of FSP 142-3 on January 1, 2009.

Unit-Based Compensation

We do not directly employ any of the persons responsible for the management and operations of our businesses. These functions are performed by employees of EPCO pursuant to an administrative services agreement to which we are a party, together with several of our affiliates (see Note 12). Certain key employees of EPCO who perform services on our behalf participate in long-term incentive compensation plans managed by EPCO. The compensation expense we recorded in connection with such awards was immaterial to our consolidated financial position, results of operations and cash flows for all periods presented in this quarterly report on Form 10-Q.

Note 3. Financial Instruments

We are exposed to financial market risks, including changes in commodity prices and interest rates. We may use financial instruments (i.e. futures, forwards, swaps, options and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions.

Interest Rate Risk Hedging Program

In September 2007, we executed three floating-to-fixed interest rate swaps to reduce the sensitivity of our earnings to the variable interest rates charged under our revolving credit facility. We account for these swap agreements as cash flow hedges.

The following table presents selected information regarding these financial instruments at September 30, 2008:

Hedged Variable Rate Debt	Number Of Swaps	Period Covered by Swap	Termination Date of Swap	Variable to Fixed Rate (1)	Notional Value
Revolving Credit Facility, due Feb. 2011	3	Sep. 2007 to Sep. 2010	Sep. 2010	3.77% to 4.62%	$175.0 million

(1) Amounts receivable from or payable to the swap counterparties are settled every three months (the “settlement period”).

We recognized losses of $0.8 million and $1.6 million during the three and nine months ended September 30, 2008, respectively, from these swap agreements. At September 30, 2008 and December 31, 2007, the aggregate fair value of the swaps was a negative $4.3 million and $3.8 million, respectively, with the offset recorded in partners’ equity as accumulated other comprehensive loss. We expect to reclassify $0.4 million of this loss to earnings (as an increase in interest expense) during the fourth quarter of 2008. The remainder of the estimated loss would be similarly reclassified to earnings if the forward interest rate assumptions that existed on September 30, 2008 underlying the estimated loss materialized. With respect to the first, second and third quarters of 2009, the reclassification amount would be $1.0 million in the aggregate.

Commodity Risk Hedging Program

In addition to natural gas transportation, Acadian Gas engages in the purchase and sale of natural gas. The price of natural gas fluctuates in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. We may use commodity financial instruments such as futures, swaps and forward contracts to mitigate our risk exposure. In general, the types of risks we attempt to hedge are those related to the variability of future earnings and cash flows resulting from changes in applicable commodity prices. The commodity financial instruments we utilize may be settled in cash or with another financial instrument.

Acadian Gas enters into cash flow hedges in connection with its natural gas sales. In addition, Acadian Gas enters into mark-to-market financial instruments that effectively fix the price of natural gas for certain of its customers.

The fair value of the Acadian Gas commodity financial instrument portfolio was negligible at September 30, 2008 and December 31, 2007. We recorded a gain of $74 thousand and a loss of $0.6 million for the three months ended September 30, 2008 and 2007, respectively, related to these commodity financial instruments. We recorded a gain of $85 thousand, a loss of $0.6 million and a loss of $0.4 million for the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively.

Adoption of SFAS 157 - Fair Value Measurements

On January 1, 2008, we adopted the provisions of SFAS 157 that apply to financial assets and liabilities. We will adopt the provisions of SFAS 157 that apply to nonfinancial assets and liabilities on January 1, 2009 (see Note 2). SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a specified measurement date.

Our fair value estimates are based on either (i) actual market data or (ii) assumptions that other market participants would use in pricing an asset or liability. These assumptions include estimates of risk. Recognized valuation techniques employ inputs such as product prices, operating costs, discount factors and business growth rates. These inputs may be either readily observable, corroborated by market data or generally unobservable. In developing our estimates of fair value, we endeavor to utilize the best information available and apply market-based data to the extent possible. Accordingly, we utilize valuation techniques (such as the market approach) that maximize the use of observable inputs and minimize the use of unobservable inputs.

SFAS 157 established a three-tier hierarchy that classifies fair value amounts recognized or disclosed in the financial statements based on the observability of inputs used to estimate such fair values. The hierarchy considers fair value amounts based on observable inputs (Levels 1 and 2) to be more reliable and predictable than those based primarily on unobservable inputs (Level 3). At each balance sheet reporting date, we categorize our financial assets and liabilities using this hierarchy. The characteristics of fair value amounts classified within each level of the SFAS 157 hierarchy are described as follows:

§ Level 1 fair values are based on quoted prices, which are available in active markets for identical assets or liabilities as of the measurement date. Active markets are defined as those in which transactions for identical assets or liabilities occur in sufficient frequency so as to provide pricing information on an ongoing basis (e.g., the NYSE or the New York Mercantile Exchange). Level 1 primarily consists of financial assets and liabilities such as exchange-traded financial instruments, publicly-traded equity securities and U.S. government treasury securities. We had no Level 1 financial assets or liabilities at September 30, 2008.

§ Level 2 fair values are based on pricing inputs other than quoted prices in active markets (as reflected in Level 1 fair values) and are either directly or indirectly observable as of the measurement date. Level 2 fair values include instruments that are valued using financial models or other appropriate valuation methodologies. Such financial models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value of money, volatility factors for stocks, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are (i) observable in the marketplace throughout the full term of the instrument, (ii) can be derived from observable data or (iii) are validated by inputs other than quoted prices (e.g., interest rates and yield curves at commonly quoted intervals). Level 2 includes non-exchange-traded instruments such as over-the-counter forward contracts, options and repurchase agreements. Our interest rate swaps and commodity financial instruments are classified as Level 2 financial liabilities and, at September 30, 2008, have a negative fair value of $4.4 million.

§ Level 3 fair values are based on unobservable inputs. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the reporting entity's own ideas about the assumptions that market participants would use in pricing an asset or liability (including assumptions about risk). Unobservable inputs are based on the best information available in the circumstances, which might include the reporting entity's internally developed data. The reporting entity must not ignore information about market participant assumptions that is reasonably available without undue cost and effort. Level 3 inputs are typically used in connection with internally developed valuation methodologies where management makes its best estimate of an instrument's fair value. Level 3 generally includes specialized or unique financial instruments that are tailored to meet a customer's specific needs. We had no Level 3 financial assets or liabilities at September 30, 2008.

Note 4. Inventories

Our inventory consists of natural gas volumes valued at the lower of average cost or market ("LCM"). At September 30, 2008 and December 31, 2007, the value of our natural gas inventory was $13.8 million and $8.5 million, respectively.

Operating costs and expenses, as presented on our Unaudited Condensed Statements of Consolidated/Combined Operations and Comprehensive Income, include cost of sales amounts related to the sale of natural gas inventory. We recorded cost of sales amounts of $281.4 million and $185.7 million for the three months ended September 30, 2008 and 2007, respectively, for the sale of natural gas. We recorded cost of sales amounts of $821.4 million, $500.4 million and $54.2 million for the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively.

As a result of fluctuating market conditions, we recognize LCM adjustments when the historical cost of our inventory exceeds its net realizable value. These non-cash adjustments are recorded as a component of cost of sales. We had LCM adjustments of $1.3 million for the three and nine months ended September 30, 2008, respectively. For the eight months ended September 30, 2007 and the one month ended January 31, 2007, we recognized LCM adjustments of approximately $0.3 million and $37 thousand, respectively. We did not have any LCM adjustments for the three months ended September 30, 2007.

Note 5. Property, Plant and Equipment

Our property, plant and equipment values and accumulated depreciation balances were as follows at the dates indicated:

	Estimated Useful Life in Years	At September 30, 2008	At December 31, 2007
Plant and pipeline facilities (1)	3-35 (4)	$ 713,632	$ 560,702
Underground storage wells and related assets (2)	5-35 (5)	362,959	358,585
Transportation equipment (3)	3-10	1,568	1,414
Land		19,696	19,690
Construction in progress		59,002	109,561
Total		1,156,857	1,049,952
Less: accumulated depreciation		197,176	172,442
Property, plant and equipment, net		$ 959,681	$ 877,510

(1) Includes natural gas, NGL and petrochemical pipelines, office furniture and equipment, buildings and related assets.

(2) Underground storage facilities include underground product storage caverns and related assets such as pipes and compressors.

(3) Transportation equipment includes vehicles and similar assets used in our operations.

(4) In general, the estimated useful life of major components of this category are: pipelines, 18-35 years (with some equipment at 5 years); office furniture and equipment, 3-20 years; and buildings, 20-35 years.

(5) In general, the estimated useful life of underground storage facilities is 20-35 years (with some components at 5 years).

For the three months ended September 30, 2008 and 2007, we recorded depreciation expense of $8.3 million and $7.0 million, respectively. For the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, we recorded depreciation expense of $24.8 million, $18.7 million and $2.2 million, respectively.

For the three months ended September 30, 2008 and 2007, we recorded capitalized interest of $26 thousand and $0.4 million, respectively. For the nine months ended September 30, 2008 and the eight months ended September 30, 2007 we recorded capitalized interest of $0.4 million and $1.6 million, respectively.

Note 6. Investments in and Advances to Evangeline

Acadian Gas, through a wholly owned subsidiary, owns a collective 49.51% equity interest in Evangeline, which consists of a 45% direct ownership interest in Evangeline Gas Pipeline Company, L.P. ("EGP") and a 45.05% direct interest in Evangeline Gas Corp ("EGC"). EGC owns a 10% direct interest in EGP. Third parties own the remaining equity interests in EGP and EGC.

Evangeline owns a 27-mile natural gas pipeline system extending from Taft, Louisiana to Westwego, Louisiana that connects three electric generation stations owned by Entergy Louisiana ("Entergy"). Evangeline's most significant contract is a natural gas sales agreement with Entergy. Acadian Gas does not have a controlling interest in Evangeline, but does exercise significant influence on Evangeline's operating policies. Acadian Gas accounts for its investment in Evangeline using the equity method.

At September 30, 2008 and December 31, 2007, the carrying value of our investment in Evangeline was $4.5 million and $3.5 million, respectively. Our equity earnings from Evangeline were $0.3 million and a loss of $5 thousand for the three months ended September 30, 2008 and 2007, respectively. Our equity earnings from Evangeline were $0.7 million, $155 thousand, and $25 thousand for the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively. Our investment in Evangeline is classified within our Onshore Natural Gas Pipelines & Services business segment (see Note 11).

Summarized Financial Information of Evangeline

The following table presents unaudited summarized income statement data of Evangeline for the periods indicated (on a 100% basis):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2008	**2007**	**2008**	**2007**
Revenues	$ 130,265	$ 78,683	$ 315,476	$ 209,790
Operating income	1,946	1,436	5,500	4,706
Net income (loss)	636	(8)	1,415	366

On a quarterly basis, we monitor the underlying business fundamentals of our Evangeline investment and test it for impairment when impairment indicators are present. As a result of our review for the third quarter of 2008, no impairment charge was recognized. We have the intent and ability to hold this investment, which is integral to our operations.

Note 7. Intangible Assets

Our intangible assets represent the value attributable to renewable storage contracts with various customers. Our Predecessor acquired these contracts in connection with the purchase of storage caverns from a third party in January 2002. The gross value of these intangible assets was $8.1 million at inception. Due to the renewable nature of the underlying contracts, we amortize these intangible assets on a straight-line basis over the estimated remaining economic life of the storage assets to which they relate. We classify these intangible assets within our NGL & Petrochemical Storage Services business segment (see Note 11).

The carrying value of our intangible assets was $6.6 million and $6.7 million at September 30, 2008 and December 31, 2007, respectively. We recorded $58 thousand of amortization expense associated with these intangible assets for each of the three month periods ended September 30, 2008 and 2007. We recorded $174 thousand, $155 thousand and $19 thousand of amortization expense associated with these intangible assets during the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively. For the remainder of 2008, we estimate that the amortization expense associated with these intangible assets will be $58 thousand.

Note 8. Debt Obligations

Our consolidated debt consisted of the following at the dates indicated:

	September 30, 2008	December 31, 2007
$300 Million Revolving Credit Facility, variable rate, due February 2011	$ 212,000	$ 200,000
Long-term debt	$ 212,000	$ 200,000
Standby letter of credit outstanding	$ 1,100	$ 1,100

For the three months ended September 30, 2008, our weighted-average variable interest rate paid on borrowings under this facility was 3.49%. Our weighted-average variable interest rate paid was 4.15% for the nine months ended September 30, 2008.

There have been no changes in the terms of our $300 Million Revolving Credit Facility since December 31, 2007.

Covenants

We were in compliance with the covenants of our revolving credit facility at September 30, 2008 and December 31, 2007.

Evangeline debt obligations

Evangeline's total debt (on a 100% basis) was $20.7 million at September 30, 2008 and December 31, 2007. This debt consisted of $13.2 million due under its 9.9% fixed-rate senior secured notes (the "Series B" notes) and a $7.5 million subordinated note payable to an affiliate of our venture partner in Evangeline (the "LL&E Note"). Evangeline was in compliance with the covenants of its debt agreements at September 30, 2008 and December 31, 2007. There have been no changes in the terms of Evangeline's debt agreements since December 31, 2007.

The Partnership has furnished a letter of credit on behalf of Evangeline's debt service requirements. At September 30, 2008, the letter of credit amount was $1.1 million.

Note 9. Partners' Equity and Distributions

We are a Delaware limited partnership that was formed in September 2006. We are owned 98% by our limited partners and 2% by our general partner, DEP GP. We maintain capital accounts for our general partner and limited partners in accordance with our Partnership Agreement. The capital account provisions of our Partnership Agreement incorporate principles established for U.S. Federal income tax purposes and are not comparable to the equity accounts reflected under GAAP in our consolidated financial statements. Earnings and cash distributions are allocated to our partners in accordance with their respective percentage interests.

Unit History

There have been no changes in common units outstanding since December 31, 2007.

Registration Statement

On March 6, 2008, we filed a universal shelf registration statement with the SEC to periodically issue up to $1.00 billion in debt and equity securities. We expect to use any proceeds from such offerings for general partnership purposes, including debt repayments, working capital, capital expenditures and acquisitions. As of September 30, 2008, we had not issued any securities under this registration statement.

Distributions to Unitholders and General Partner

On a quarterly basis, we distribute our available cash (as defined in our Partnership Agreement) to our partners. Such distributions are not cumulative. Our general partner is entitled to 2% of all cash distributions we pay and has no incentive distribution rights. Our general partner may establish, at its sole discretion, reserves that reduce the amount of our cash available for distribution to partners. Such reserves may support future capital spending, credit needs, distributions to partners or other general partnership cash requirements.

We paid aggregate distributions to our unitholders and general partner of $25.7 million during the nine months ended September 30, 2008. These distributions pertained to the nine month period ended June 30, 2008 (i.e., the fourth quarter of 2007 and the first and second quarters of 2008). On November 12, 2008, we will pay a quarterly cash distribution of $0.42 per unit with respect to the third quarter of 2008, to unitholders of record at the close of business on October 31, 2008.

Accumulated Other Comprehensive Loss

The following table presents the components of accumulated other comprehensive loss at the dates indicated. See Note 3 for information regarding our financial instruments.

	September 30, 2008	December 31, 2007
Commodity financial instruments	$ (246)	$ 29
Interest rate financial instruments	(4,133)	(3,622)
Total	$ (4,379)	$ (3,593)

Note 10. Parent Interest in Subsidiaries

In connection with our initial public offering, EPO contributed to us a 66% equity interest in each of Mont Belvieu Caverns, Acadian Gas, Lou-Tex Propylene, Sabine Propylene and South Texas NGL. EPO retained the remaining 34% equity interest in each of these entities. We account for EPO's share of our subsidiaries' net assets and earnings as "Parent interest" in a manner similar to minority interest.

The following table presents the changes in "Parent interest in subsidiaries" (see our Unaudited Condensed Consolidated Balance Sheet) since December 31, 2007:

Parent interest in subsidiaries, December 31, 2007	$ 356,214
Parent interest in income of our subsidiaries	9,365
Contributions from Parent to Mont Belvieu Caverns in connection with capital projects in which EPO is funding 100% of the expenditures in accordance with the Mont Belvieu Caverns' limited liability company ("LLC") agreement, including accrued receivables at September 30, 2008 (see Note 12)	74,972
Contributions from Parent to Mont Belvieu Caverns and South Texas NGL in connection with capital projects in which EPO is funding 100% of the expenditures in excess of certain thresholds in accordance with the Omnibus Agreement, including accrued receivables at September 30, 2008 (see Note 12)	31,424
Other cash contributions from Parent to subsidiaries	27,493
Distributions to Parent of subsidiary operating cash flows	(25,972)
Parent interest in subsidiaries, September 30, 2008	$ 473,496

The following table presents our calculation of "Parent interest in income of subsidiaries" (see our Unaudited Condensed Statements of Consolidated/Combined Operations) for the three months ended September 30, 2008 and 2007:

		For The Three Months Ended September 30, 2008		For the Three Months Ended September 30, 2007
Net income amounts:				
Mont Belvieu Caverns' net income (before special allocation of operational measurement gains and losses)	$ 3,814		$ 3,824	
Add (deduct) operational measurement losses (gains) allocated to Parent	(1,129)	$ 1,129	936	$ (936)
Remaining Mont Belvieu Caverns' net income to allocate to partners	2,685		4,760	
Multiplied by Parent 34% interest in remaining net income	x 34%		x 34%	
Mont Belvieu Caverns' net income allocated to Parent	$ 913	913	$ 1,618	1,618
Acadian Gas net income multiplied by Parent 34% interest		733		364
Lou-Tex Propylene net income multiplied by Parent 34% interest		390		660
Sabine Propylene net income multiplied by Parent 34% interest		96		89
South Texas NGL net income multiplied by Parent 34% interest		1,087		1,393
Parent interest in income of subsidiaries		$ 4,348		$ 3,188

The following table presents our calculation of "Parent interest in income of subsidiaries" (see our Unaudited Condensed Statements of Consolidated/Combined Operations) for the nine months ended September 30, 2008 and eight months ended September 30, 2007:

		For The Nine Months Ended September 30, 2008		For the Eight Months Ended September 30, 2007
Net income amounts:				
Mont Belvieu Caverns' net income (before special allocation of operational measurement gains and losses)	$ 7,832		$ 15,376	
Add (deduct) operational measurement losses (gains) allocated to Parent	3,788	$ (3,788)	(3,209)	$ 3,209
Remaining Mont Belvieu Caverns' net income to allocate to partners	11,620		12,167	
Multiplied by Parent 34% interest in remaining net income	x 34%		x 34%	
Mont Belvieu Caverns' net income allocated to Parent	$ 3,951	3,951	$ 4,137	4,137
Acadian Gas net income multiplied by Parent 34% interest		3,620		610
Lou-Tex Propylene net income multiplied by Parent 34% interest		1,776		1,922
Sabine Propylene net income multiplied by Parent 34% interest		287		238
South Texas NGL net income multiplied by Parent 34% interest		3,519		3,724
Parent interest in income of subsidiaries		$ 9,365		$ 13,840

EPO's current sharing ratio of 34% in the net income of Mont Belvieu Caverns may increase in the future as a result of capital project funding provisions in the Mont Belvieu Caverns' LLC Agreement. See Note 12 for additional information regarding this agreement.

Operational measurement gains and losses are created when product is moved between storage wells and are attributable to pipeline and well connection measurement variances. Effective with our initial public offering, EPO is allocated all operational measurement gains and losses relating to Mont Belvieu Caverns' underground storage activities. As a result, EPO is required each period to contribute cash to Mont Belvieu Caverns for net operational measurement losses and is entitled to receive distributions from Mont Belvieu Caverns for net operational measurement gains. We continue to record operational measurement gains and losses associated with our Mont Belvieu storage facility. However, these operational measurement gains and losses neither affect our net income nor have a significant impact on us with respect to the timing of our net cash flows provided by operating activities. Accordingly, we have not established a reserve for operational measurement losses on our balance sheet.

Note 11. Business Segments

We classify our midstream energy operations into four reportable business segments: NGL & Petrochemical Storage Services; Onshore Natural Gas Pipelines & Services; Petrochemical Pipeline Services; and NGL Pipelines & Services. Our business segments are generally organized and managed according to the type of services rendered (or technologies employed) and products produced and/or sold.

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. Gross operating margin (either in total or by individual segment) is an important performance measure of the core profitability of our operations. This measure forms the basis of our internal financial reporting and is used by senior management in deciding how to allocate capital resources among our business segments. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results. The GAAP financial measure most directly comparable to total segment gross operating margin is operating income. Our non-GAAP financial measure of total segment gross operating margin should not be considered as an alternative to GAAP operating income.

We define total segment gross operating margin as consolidated/combined operating income before (i) depreciation, amortization and accretion expense; (ii) gains and losses from asset sales and related transactions; and (iii) general and administrative expenses. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of items (i) through (iii) noted in the preceding sentence) from segment revenues, with both segment totals before the elimination of any intersegment and intrasegment transactions. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, Parent interest in income of subsidiaries, extraordinary charges and the cumulative effect of changes in accounting principles. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation.

We include equity earnings from Evangeline in our measurement of segment gross operating margin and operating income. Our equity investment in Evangeline is a vital component of our business strategy and important to the operations of Acadian Gas. This method of operation enables us to achieve favorable economies of scale relative to the level of investment and business risk assumed versus what we could accomplish on a stand-alone basis. Evangeline performs complementary roles to the other business operations of Acadian Gas. As circumstances dictate, we may increase our ownership interest in Evangeline or make other equity method investments.

All of our consolidated revenues were earned in the United States. Our underground storage wells in Mont Belvieu, Texas receive, store and deliver NGLs and petrochemical products for refinery and other customers primarily along the U.S. Gulf Coast. Acadian Gas gathers, transports, stores and markets natural gas to customers in Louisiana. Our petrochemical pipelines provide propylene transportation services to shippers in southeast Texas and southwestern Louisiana. Our DEP South Texas NGL Pipeline System transports NGLs from south Texas to Mont Belvieu, Texas for EPO.

Combined property, plant and equipment and investments in and advances to Evangeline are allocated to each segment based on the primary operations of each asset or investment. The principal reconciling item between combined property, plant and equipment and the total value of segment assets is construction-in-progress. Segment assets represent the net carrying value of assets that contribute to the gross operating margin of a particular segment. Since assets under construction generally do not contribute to segment gross operating margin until completed, such assets are excluded from segment asset totals until they are deemed operational.

The following table shows our measurement of total segment gross operating margin for the periods indicated:

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Revenues (1)	$ 321,365	$ 220,572	$ 943,539	$ 591,342	$ 66,674
Less: Operating costs and expenses (1)	(309,153)	(208,657)	(905,103)	(555,799)	(61,187)
Add: Equity in income of Evangeline (1)	311	(5)	697	155	25
Depreciation, amortization and accretion in operating costs and expenses (2)	8,469	7,249	25,114	18,967	2,209
Gain from asset sales and related transactions in operating costs and expenses (2)	(64)	(17)	(402)	(19)	--
Total segment gross operating margin	$ 20,928	$ 19,142	$ 63,845	$ 54,646	$ 7,721

(1) These amounts are taken from our Unaudited Condensed Statements of Consolidated/Combined Operations and Comprehensive Income.

(2) These non-cash amounts are taken from the operating activities section of our Unaudited Condensed Statements of Consolidated/Combined Cash Flows.

The following table presents a reconciliation of our measurement of total gross operating margin to operating income and further to net income for the periods indicated:

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Total segment gross operating margin	$ 20,928	$ 19,142	$ 63,845	$ 54,646	$ 7,721
Adjustments to reconcile total non-GAAP segment gross operating margin to operating income:					
Depreciation, amortization and accretion in operating costs and expenses	(8,469)	(7,249)	(25,114)	(18,967)	(2,209)
Gain on asset sales and related transactions in operating costs and expenses	64	17	402	19	--
General and administrative costs	(1,614)	(1,146)	(5,333)	(2,529)	(477)
Operating income	10,909	10,764	33,800	33,169	5,035
Other expense, net	(2,719)	(3,050)	(7,929)	(6,218)	--
Provision for income taxes	(39)	(32)	(67)	(146)	--
Parent interest in income of subsidiaries	(4,348)	(3,188)	(9,365)	(13,840)	--
Net income	$ 3,803	$ 4,494	$ 16,439	$ 12,965	$ 5,035

The following table presents information by segment, together with reconciliations to our consolidated/combined totals, for the periods indicated:

	Reportable Segments					
	NGL and Petrochemical Storage Services	Onshore Natural Gas Pipelines & Services	Petrochemical Pipeline Services	NGL Pipelines & Services	Adjustments and Eliminations	Consolidated/ Combined Totals
Revenues from third parties:						
Three months ended September 30, 2008	$ 13,464	$ 126,984	$ 3,148	$ --	$ --	$ 143,596
Three months ended September 30, 2007	10,819	101,947	3,803	--	--	116,569
Nine months ended September 30, 2008	38,699	494,555	11,143	--	--	544,397
Eight months ended September 30, 2007	27,705	323,346	10,578	--	--	361,629
One month ended January 31, 2007	3,630	39,027	--	--	--	42,657
Revenues from related parties:						
Three months ended September 30, 2008	8,536	163,732	--	5,501	--	177,769
Three months ended September 30, 2007	7,561	90,878	--	5,564	--	104,003
Nine months ended September 30, 2008	25,438	356,597	--	17,107	--	399,142
Eight months ended September 30, 2007	19,653	195,374	--	14,686	--	229,713
One month ended January 31, 2007	1,534	17,742	2,990	1,751	--	24,017
Total revenues:						
Three months ended September 30, 2008	22,000	290,716	3,148	5,501	--	321,365
Three months ended September 30, 2007	18,380	192,825	3,803	5,564	--	220,572
Nine months ended September 30, 2008	64,137	851,152	11,143	17,107	--	943,539
Eight months ended September 30, 2007	47,358	518,720	10,578	14,686	--	591,342
One month ended January 31, 2007	5,164	56,769	2,990	1,751	--	66,674
Equity in income of Evangeline:						
Three months ended September 30, 2008	--	311	--	--	--	311
Three months ended September 30, 2007	--	(5)	--	--	--	(5)
Nine months ended September 30, 2008	--	697	--	--	--	697
Eight months ended September 30, 2007	--	155	--	--	--	155
One month ended January 31, 2007	--	25	--	--	--	25
Gross operating margin by individual business segment and in total:						
Three months ended September 30, 2008	9,238	4,543	2,497	4,650	--	20,928
Three months ended September 30, 2007	7,652	3,308	3,047	5,135	--	19,142
Nine months ended September 30, 2008	22,887	17,515	8,802	14,641	--	63,845
Eight months ended September 30, 2007	25,073	7,364	8,551	13,658	--	54,646
One month ended January 31, 2007	1,770	1,605	2,700	1,646	--	7,721
Segment assets:						
At September 30, 2008	418,161	208,489	87,409	186,620	59,002	959,681
At December 31, 2007	345,471	206,158	89,634	126,685	109,562	877,510
Investments in and advances to Evangeline (see Note 6):						

At September 30, 2008	--	4,488	--	--	--	4,488
At December 31, 2007	--	3,490	--	--	--	3,490
Intangible assets, net (see Note 7):						
At September 30, 2008	6,559	--	--	--	--	6,559
At December 31, 2007	6,733	--	--	--	--	6,733

See Note 1, “Background and Basis of Financial Statement Presentation,” for a summary of factors that affect the comparability of our segment totals for the nine months ended September 30, 2008 with prior periods.

Note 12. Related Party Transactions

We have business relationships with EPO, Evangeline, EPCO and certain other affiliates that give rise to various related party transactions. The following table summarizes our significant revenue and expense transactions with related parties during the periods indicated.

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Related party revenues:					
Revenues from EPO:					
Sale of natural gas	$ 21,668	$ 7,857	$ 66,873	$ 14,834	$ 2,327
NGL and petrochemical storage services	8,159	7,561	24,652	19,653	1,534
NGL transportation services	5,501	5,564	17,107	14,686	1,751
Petrochemical pipeline services	--	--	--	--	2,990
Other midstream services	9	--	9		
Storage revenues from TEPPCO	376	--	785	--	--
Total	35,713	20,982	109,426	49,173	8,602
Revenues from Evangeline:					
From sale of natural gas to Evangeline	142,056	83,021	289,716	180,540	15,415
Total	$ 177,769	$ 104,003	$ 399,142	$ 229,713	$ 24,017
Related party operating costs and expenses:					
Expenses with EPO:					
From purchase of natural gas	$ 102,818	$ 6,757	$ 138,701	$ 16,872	$ 654
Allocation of operational measurement losses (gains) to EPO by Mont Belvieu Caverns (see Note 10)	(1,129)	936	3,788	(3,209)	--
Other	3,508	1,824	9,425	4,022	--
Expenses with EPCO:					
From administrative services agreement	5,761	4,436	16,747	12,081	2,487
Lease expense with TEPPCO	--	27	27	99	--
Expenses with Nautilus					
From purchase of natural gas	7,034	--	7,034	--	--
Expenses with Evangeline	6	19	6	19	--
Other	(5)	5	--	6	8
Total	$ 117,993	$ 14,004	$ 175,728	$ 29,890	$ 3,149
Related party general and administrative costs:					
Expenses with EPCO:					
From administrative services agreement	$ 1,102	$ 747	$ 3,581	$ 1,517	$ 455
Total	$ 1,102	$ 747	$ 3,581	$ 1,517	$ 455

Relationship with EPO

We have an extensive and ongoing relationship with EPO, which is our Parent company. The Partnership was formed in September 2006 to acquire, own and operate a diversified portfolio of midstream energy assets and to support the growth objectives of EPO. On February 5, 2007, the Partnership completed its initial public offering of 14,950,000 common units (including an overallotment amount of 1,950,000 common units) at a price of $21.00 per unit, which generated net proceeds to the Partnership of approximately $291.0 million. At the closing of our initial public offering, the Partnership made a special distribution to EPO of $459.6 million as consideration for assets contributed by EPO to the Partnership. The distribution amount was funded with $260.6 million of net proceeds from the Partnership's initial public offering and $198.9 million in borrowings under the Partnership's revolving credit facility. In addition to the cash consideration, the Partnership issued a final amount of 5,351,571 common units to EPO (after giving effect to the redemption of 1,950,000 common units by the Partnership using proceeds from the overallotment).

EPO may contribute or sell other equity interests in its subsidiaries, or other of its or its subsidiaries' assets, to the Partnership. EPO has no obligation or commitment to make such contributions or sales to the Partnership.

The following information summarizes significant ongoing and historical transactions and arrangements between EPO and the Partnership and/or Duncan Energy Partners Predecessor.

Natural gas sales and purchases. We buy natural gas from and sell natural gas to EPO. We use the natural gas purchased from EPO to meet our fuel and other operational and contractual requirements. See preceding table for such revenue and expense amounts by period.

NGL and petrochemical storage services. Mont Belvieu Caverns provides underground storage services to EPO. Prior to our initial public offering, the intercompany storage fees charged to EPO by Mont Belvieu Caverns were below market rates. As a result of contracts executed in connection with our initial public offering, Mont Belvieu Caverns increased the storage fees it charges EPO to market-based rates. The terms of these new agreements commenced February 1, 2007 and will end on December 31, 2016. See preceding table for such revenue amounts by period.

Mont Belvieu Caverns makes a special allocation of its operational measurement gains and losses to EPO, which results in such gains and losses not impacting the net income or loss of Mont Belvieu caverns. See Note 10 for information regarding operational measurement gains and losses and related allocations to EPO as Parent. See preceding table for such allocation amounts by period.

NGL transportation services. In conjunction with our initial public offering in February 2007, South Texas NGL entered into a ten-year contract with EPO for the transportation of NGLs from South Texas to Mont Belvieu, Texas. Under this contract, EPO pays us a dedication fee of no less than $0.02 per gallon for all NGLs it produces at its Shoup and Armstrong NGL fractionation plants, whether or not any volumes are actually shipped on the pipeline owned by South Texas NGL. South Texas NGL does not take title to products transported on its pipeline system. EPO retains title to, and associated commodity risk with respect to, such products. See preceding table for such revenue amounts by period.

Petrochemical pipeline services. Prior to our initial public offering, EPO was the shipper of record on our Lou-Tex Propylene and Sabine Propylene Pipelines, and Duncan Energy Partners Predecessor charged it the maximum tariff rate for using these assets. EPO then contracted with third parties to ship volumes on these pipelines under product exchange agreements. In connection with our initial public offering, EPO assigned these third party product exchange agreements to us; therefore, EPO ceased paying us for such services. Although EPO has assigned these agreements to us, it remains jointly and severally liable to the Partnership for performance of these agreements. See preceding table for such revenue amounts recorded in January 2007.

Omnibus Agreement. On February 5, 2007, we entered into an Omnibus Agreement with EPO that governs the following matters:

- indemnification for certain environmental liabilities, tax liabilities and right-of-way defects with respect to assets it contributed to us in connection with our initial public offering;

- reimbursement of certain capital expenditures incurred by South Texas NGL and Mont Belvieu Caverns with respect to projects under construction at the time of our initial public offering;

- a right of first refusal to EPO in our current and future subsidiaries and a right of first refusal on the material assets of such subsidiaries, other than sales of inventory and other assets in the ordinary course of business; and

- a preemptive right with respect to equity securities issued by certain of our subsidiaries, other than as consideration in an acquisition or in connection with a loan or debt financing.

Our Audit, Conflicts and Governance Committee must approve amendments to the Omnibus Agreement when such amendments would adversely affect our unitholders.

Neither EPO nor any of its affiliates are restricted under the Omnibus Agreement from competing against us. As provided for in the EPCO administrative services agreement, EPO and its affiliates may acquire, construct or dispose of additional midstream energy or other assets in the future without any obligation to offer us the opportunity to acquire or construct such assets.

As noted previously, EPO indemnified us for certain environmental liabilities, tax liabilities and right-of-way defects associated with the assets it contributed to us at the time of our initial public offering. These indemnifications terminate on February 5, 2010. There is an aggregate cap of $15.0 million on the amount of indemnity coverage and we are not entitled to indemnification until the aggregate amount of claims we incur exceeds $250 thousand. Environmental liabilities resulting from a change of law after February 5, 2007 are excluded from the indemnity. We made no claims to EPO during the three and nine months ended September 30, 2008 in connection with these indemnity provisions.

Under the Omnibus Agreement, EPO agreed to make additional cash contributions to South Texas NGL and Mont Belvieu Caverns to fund 100% of project costs in excess of (i) the $28.6 million of estimated costs to complete the Phase II expansion of the DEP South Texas NGL Pipeline System and (ii) the $14.1 million of estimated costs for additional Mont Belvieu brine production capacity and above-ground storage reservoir projects. These projects were in progress at the time of our initial public offering. During the nine months ended September 30, 2008, EPO made cash contributions to our subsidiaries of $32.5 million in connection with the Omnibus Agreement, primarily as contributions to South Texas NGL to fund the costs of its Phase II pipeline project. We expect additional contributions of approximately $2.1 million from EPO during the remainder of 2008 in satisfaction of its project funding obligations under the Omnibus Agreement.   EPO will not receive an increased allocation of earnings or cash flows as a result of these contributions to South Texas NGL and Mont Belvieu Caverns.

Mont Belvieu Caverns' LLC Agreement. The Mont Belvieu Caverns' LLC Agreement (the "Caverns LLC Agreement") states that if the Partnership elects to not participate in certain projects of Mont Belvieu Caverns, then EPO is responsible for funding 100% of such projects. To the extent such non-participated projects generate identifiable incremental cash flows for Mont Belvieu Caverns in the future, the earnings and cash flows of Mont Belvieu Caverns will be adjusted to allocate such incremental amounts to EPO by special allocation or otherwise. Under the terms of the Caverns LLC Agreement, the Partnership may elect to acquire a 66% share of these projects from EPO within 90 days of such projects being placed in service.   In November 2008, the Caverns LLC Agreement was amended to provide that EPO would prospectively receive a special allocation of 100% of the depreciation related to projects that it has fully funded.

EPO made cash contributions of $86.4 million under the Caverns LLC Agreement during the nine months ended September 30, 2008. These expenditures are associated with storage-related projects sponsored by EPO's NGL marketing activities and represent 100% of the costs of such projects to date. At present, Mont Belvieu Caverns is not expected to generate any identifiable incremental cash flows in connection with these projects; thus, the sharing ratio for Mont Belvieu Caverns is not expected to change from the current ratio of 66% for the Partnership and 34% for EPO. However, as noted above, beginning in November 2008, EPO will receive a special allocation of depreciation related to these projects. We expect additional contributions of approximately $40.6 million from EPO under the Caverns LLC Agreement for the remainder of 2008 through the first quarter of 2009. The constructed assets will be the property of Mont Belvieu Caverns.

Relationship with Evangeline

Evangeline's most significant contract is a natural gas sales agreement with Entergy that expires in January 2013. Under this contract, Evangeline is obligated to make available for sale and deliver to Entergy certain specified minimum contract quantities of natural gas on an hourly, daily, monthly and annual basis. The sales contract provides for minimum annual quantities of 36.75 billion British thermal units ("BBtus").

In connection with the Entergy sales contract, Evangeline has entered into a natural gas purchase contract with Acadian Gas that contains annual purchase provisions that correspond to Evangeline's sales commitments to Entergy. The pricing terms of the sales agreement with Entergy and Evangeline's purchase agreement with Acadian Gas are based on a monthly weighted-average market price of natural gas (subject to certain market index price ceilings and incentive margins) plus a predetermined margin. See preceding table on page 20 for revenue amounts from Evangeline.

Relationship with EPCO

We have no employees. All of our operating functions are performed by employees of EPCO pursuant to an administrative services agreement (the "ASA"). EPCO also provides general and administrative support services to us in accordance with the ASA. Enterprise Products Partners, EPO and the other affiliates of EPCO, including the Partnership, are parties to the ASA. We are required to reimburse EPCO for its services in an amount equal to the sum of all costs and expenses incurred by EPCO which are directly or indirectly related to our business or activities, including EPCO expenses reasonably allocated to us. In addition, we have agreed to pay all sales, use, excise, value added or similar taxes, if any, which may be applicable to services provided by EPCO.

Our operating costs and expenses also include reimbursement payments to EPCO for the costs it incurs to operate our facilities, including the compensation of employees (i.e., salaries, medical benefits and retirement benefits) and insurance. We reimburse EPCO for actual direct and indirect expenses it incurs to employ the personnel necessary to operate our assets. In addition, EPCO allows us to participate as named insureds in its overall insurance program, of which a portion of the premiums and related costs are allocated to us. See the preceding table on page 20 for expense amounts by period. Likewise, our general and administrative costs include amounts we reimburse to EPCO for administrative services, including the compensation of employees (i.e., salaries, medical benefits and retirement benefits).

In general, our reimbursement to EPCO for administrative services is based either on (i) actual direct costs it incurs on our behalf (e.g., for the purchase of office supplies) or (ii) based on an allocation of such charges between the various parties to the ASA (e.g., the allocation of general, legal or accounting salaries based on estimates of time spent on each company's business and affairs). Since the vast majority of such expenses are charged to us on an actual basis (i.e. no mark-up or subsidy is charged or received by EPCO), we believe that such expenses are representative of what the amounts would have been on a standalone basis. With respect to allocated costs, we believe that the proportional direct allocation method employed by EPCO is reasonable and reflective of the estimated level of costs we would have incurred on a standalone basis.

Relationship with TEPPCO

Beginning in 2008, Mont Belvieu Caverns started providing storage services to TEPPCO. See the preceding table on page 20 for such revenue amounts.

For the period January 2007 through March 2008, we leased from TEPPCO an 11-mile pipeline that was part of our DEP South Texas NGL Pipeline System. We discontinued this lease during the first quarter of 2008 when we completed the construction of a parallel pipeline. See the preceding table on page 20 for such expense amounts.

TEPPCO may contribute or sell equity interests in its subsidiaries, or other of its or its subsidiaries' assets, to the Partnership. TEPPCO has no obligation or commitment to make such contributions or sales to the Partnership.

Note 13. Earnings Per Unit

We compute basic and diluted earnings per unit by dividing net income or loss allocated to limited partner interests by the weighted-average number of our common units outstanding during a period. We have no dilutive securities. The amount of net income or loss allocated to limited partner interests is net of our general partner's share of such earnings. The following table presents the allocation of net income to DEP GP for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,
	2008	2007	2008	2007
Net income	$ 3,803	$ 4,494	$ 16,439	$ 12,965
Multiplied by DEP GP ownership interest	2.0%	2.0%	2.0%	2.0%
Net income allocation to DEP GP	$ 76	$ 90	$ 329	$ 259

The following table presents our calculation of basic and diluted earnings per unit for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,
	2008	2007	2008	2007
Net income	$ 3,803	$ 4,494	$ 16,439	$ 12,965
Less net income allocation to DEP GP	76	90	329	259
Net income available to limited partners	$ 3,727	$ 4,404	$ 16,110	$ 12,706
Basic and Diluted Earnings per Unit:				
Numerator:				
Net income available to limited partners	$ 3,727	$ 4,404	$ 16,110	$ 12,706
Denominator:				
Common units (in thousands)	20,302	20,302	20,302	20,302
Earnings per unit	$ 0.18	$ 0.22	$ 0.79	$ 0.63

Note 14. Commitments and Contingencies

Litigation

On occasion, we are named as a defendant in litigation relating to our normal business operations, including regulatory and environmental matters. Although we insure against various business risks to the extent we believe it is prudent, there is no assurance that the nature and amount of such insurance will be adequate, in every case, to indemnify us against liabilities arising from future legal proceedings as a result of our ordinary business activity.

In 1997, Acadian Gas and numerous other energy companies were named as defendants in actions brought by Jack Grynberg on behalf of the U.S. Government under the False Claims Act. Generally, these complaints allege an industry-wide conspiracy to underreport the heating value, as well as the volumes, of natural gas produced from federal and Native American lands. The complaint alleges that the U.S. Government was deprived of royalties as a result of this conspiracy. The plaintiff in this case seeks royalties that he contends the U.S. government should have received had the heating value and volume been differently measured, analyzed, calculated and reported, together with interest, treble damages, civil penalties, expenses and future injunctive relief to require the defendants to adopt allegedly appropriate gas measurement practices. These matters have been consolidated for pretrial purposes (In re: Natural Gas

Royalties Qui Tam Litigation, U.S. District Court for the District of Wyoming, filed June 1997). On October 20, 2006, the U.S. District Court dismissed all of Grynberg's claims with prejudice. Grynberg has appealed the matter. We do not believe the resolution of this matter will have a material adverse effect on our financial position, results of operations or cash flows.

We are not aware of any other significant litigation, pending or threatened, that may have a material adverse effect on our financial position, results of operations or cash flows.

Redelivery Commitments

We transport and store natural gas, NGLs and petrochemical products for third parties under various contracts. These volumes are (i) accrued as product payables on our Unaudited Condensed Consolidated Balance Sheets, (ii) in transit for delivery to our customers or (iii) held at our storage facilities for redelivery to our customers. We are insured against any physical loss of such volumes due to catastrophic events. Under the terms of our NGL and petrochemical product storage agreements, we are generally required to redeliver volumes to the owner on demand. At September 30, 2008 and December 31, 2007, NGL and petrochemical products aggregating 22.3 million barrels and 18.1 million barrels, respectively, were due to be redelivered to their owners along with 552 BBtus and 711 BBtus, respectively, of natural gas.

Operating Leases

We lease certain property, plant and equipment under non-cancelable and cancelable operating leases. Our significant lease agreements consist of (i) a lease of an underground storage cavern for the storage of natural gas held-for-sale and (ii) leases of right-of-way for pipeline operations. The current term of the cavern lease expires in December 2012, but may be extended through negotiations with the lessor. Our significant right-of-way agreements have original terms that range from five to 50 years and include renewal options that could extend the agreements for up to an additional 25 years. Lease expense was $0.2 million and $74 thousand for the three months ended September 30, 2008 and 2007, respectively. Lease expense was $0.9 million, $0.7 million and $62 thousand for the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively.

There have been no material changes in our operating lease commitments since December 31, 2007.

Purchase Obligations

Acadian Gas has a product purchase commitment for the purchase of natural gas in Louisiana with our co-venture third party in Evangeline. This purchase agreement expires in January 2013. Our purchase price under this contract approximates the market price of natural gas at the time we take delivery of the volumes.

We also have short-term payment obligations relating to capital projects we have initiated. These commitments represent unconditional payment obligations to pay vendors for services to be rendered or products to be delivered in connection with our capital spending program. At September 30, 2008, we had approximately $6.7 million in outstanding capital project purchase commitments.

Note 15. Significant Risks and Uncertainties – Weather-Related Risks

We participate as named insureds in EPCO's insurance program, which provides us with property damage, business interruption and other coverages, the scope and amounts of which are customary and sufficient for the nature and extent of our operations. While we believe EPCO maintains adequate insurance coverage on our behalf, insurance will not cover every type of interruption that might occur. If we were to incur a significant liability for which we were not fully insured, it could have a material impact on our consolidated financial position, results of operations and cash flows. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient to reimburse us for our repair costs or lost income. Any event that interrupts the revenues generated by our consolidated operations, or which causes us to make significant expenditures not covered by insurance, could reduce our ability to pay distributions to our partners and, accordingly, adversely affect the market price of our common units.

EPCO's deductible for onshore physical damage is $10.0 million per event regardless of cause. To qualify for business interruption coverage, covered assets must be out-of-service in excess of 60 days. In meeting the deductible amounts, property damage costs are aggregated for EPCO and its affiliates, including us. Accordingly, our exposure with respect to the deductibles may be equal to or less than the stated amounts depending on whether other EPCO or affiliate assets are also affected by an event.

Hurricanes Gustav and Ike

In the third quarter of 2008, certain of our facilities were adversely impacted by Hurricanes Gustav and Ike. As a result of our allocated share of EPCO's insurance deductibles for windstorm coverage, we expensed a combined $0.9 million of repair costs for property damage in connection with these two storms. We expect to file property damage insurance claims to the extent repair costs exceed this amount. Due to the recent nature of these storms, we are still evaluating the total cost of repairs and the potential for business interruption claims on certain of our assets.

Note 16. Supplemental Cash Flow Information

Third parties may be obligated to reimburse us for all or a portion of project expenditures. The majority of such arrangements are associated with projects related to pipeline construction and production well tie-ins. We received $2.3 million, $0.4 million and $0.3 million from third parties as contributions in aid of our construction costs during the nine months ended September 30, 2008, eight months ended September 30, 2007 and one month ended January 31, 2007, respectively.

Accounts payable related to our capital spending projects totaled $5.2 million and $16.3 million at September 30, 2008 and December 31, 2007, respectively.

We determine net cash flows provided by operating activities using the indirect method, which adjusts net income for items that did not affect cash. Under GAAP, we use the accrual basis of accounting to determine net income. This basis of accounting requires that we record revenues when earned and expenses when incurred. Earned revenues may include credit sales that have not been collected in cash and expenses incurred that may not have been paid in cash. The extent to which changes in operating accounts influence net cash flows provided by operating activities generally depends on the following:

§ The timing of cash receipts from revenue transactions and cash payments for expense transactions near the end of each reporting period. For example, if significant cash receipts are posted on the last day of the current reporting period, but subsequent payments on expense invoices are made on the first day of the next reporting period, cash provided by operating activities will reflect an increase in the current reporting period that will be reduced as payments are made in the next period. We employ prudent cash management practices and monitor our daily cash requirements to meet our ongoing liquidity needs.

§ If commodity or other prices increase between reporting periods, changes in accounts receivable and accounts payable and accrued expenses may appear larger than in previous periods; however, overall levels of receivables and payables may still reflect normal ranges. From a receivables standpoint, we monitor the amount of credit extended to customers.

§ Additions to inventory for forward sales transactions or other reasons or increased expenditures for prepaid items would be reflected as a use of cash and reduce overall cash provided by operating activities in a given reporting period. As these assets are charged to expense in subsequent periods, the expense amount is reflected as a positive change in operating accounts; however, there is no impact on operating cash flows.

In addition to the adjustments noted above, noncash charges in the income statement are added back to net income and noncash credits are deducted to compute net cash flows provided by operating activities. Examples of noncash charges include depreciation and amortization.

The net effect of changes in operating assets and liabilities is as follows for the periods indicated:

	Duncan Energy Partners		Duncan Energy Partners Predecessor
	For The Nine Months Ended September 30, 2008	For the Eight Months Ended September 30, 2007	For the One Month Ended January 31, 2007
Decrease (increase) in:			
Accounts receivable	$ (2,911)	$ (4,949)	$ 8,088
Inventories	(5,301)	917	4,169
Prepaid and other current assets	906	(401)	13
Other assets	(121)	--	--
Increase (decrease) in:			
Accounts payable	(30,579)	45,027	65
Accrued product payables	(775)	841	(13,080)
Accrued expenses	4,254	(6,698)	(7,148)
Accrued interest	(41)	131	--
Other current liabilities	6,181	5,865	(2,841)
Other long-term liabilities	262	212	(20)
Net effect of changes in operating accounts	$ (28,125)	$ 40,945	$ (10,754)

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations*****.**

For the three and nine months ended September 30, 2008 and 2007.

The following information should be read in conjunction with our Unaudited Condensed Consolidated/Combined Financial Statements and accompanying footnotes included under Item 1 of this quarterly report on Form 10-Q and with the information contained within our Annual Report on Form 10-K/A for the year ended December 31, 2007. This discussion and analysis includes the following:

- Cautionary Note Regarding Forward-Looking Statements.
- Significant Relationships Referenced in this Discussion and Analysis.
- Overview of Business.
- Recent Developments – Discusses significant developments since December 31, 2007.
- Basis of Financial Statement Presentation, including a summary of factors that affect the comparability of our nine month operating results with those of our Predecessor.
- Results of Operations – Discusses material period-to-period variances in our Unaudited Condensed Statements of Consolidated/Combined Operations.
- Liquidity and Capital Resources – Addresses available sources of liquidity and capital resources and includes a discussion of our capital spending program.
- Overview of Critical Accounting Policies and Estimates.
- Other Items – Includes summary information related to contractual obligations, off-balance sheet arrangements, related party transactions, recent accounting pronouncements and similar disclosures.

As generally used in the energy industry and in this discussion, the identified terms have the following meanings:

/d	= per day
BBtus	= billion British thermal units
MBPD	= thousand barrels per day
MMBbls	= million barrels
MMBtus	= million British thermal units

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

Cautionary Note Regarding Forward-Looking Statements

This discussion contains various forward-looking statements and information that are based on our beliefs and those of our general partner, as well as assumptions made by us and information currently available to us. When used in this document, words such as "anticipate," "project," "expect," "plan," "seek," "goal," "forecast," "intend," "could," "should," "will," "believe," "may," "potential" and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our general partner believe that such expectations reflected in these forward-looking statements are reasonable, neither we nor our general partner can give any assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions as described in more detail in Part I, Item 1A, "Risk Factors," included in our Annual Report on Form 10-K/A for the year ended December 31, 2007. If *one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. You should not put undue reliance on any forward-looking statements.*

Significant Relationships Referenced in this Discussion and Analysis

Duncan Energy Partners L.P. did not own any assets prior to February 5, 2007, which was the date it completed its initial public offering of common units. The business and operations of Duncan Energy Partners L.P. prior to February 5, 2007 are referred to as “Duncan Energy Partners Predecessor” or the “Predecessor.” Unless the context requires otherwise, references to “we,” “us,” “our,” “the Partnership” or “Duncan Energy Partners” are intended to mean the business and operations of Duncan Energy Partners L.P. and its consolidated subsidiaries since February 5, 2007. References to “DEP GP” mean DEP Holdings, LLC, which is our general partner.

Duncan Energy Partners Predecessor was engaged in the same lines of business as the Partnership. The principal business entities included in the historical combined financial statements of Duncan Energy Partners Predecessor were (on a 100% basis): (i) Mont Belvieu Caverns, LLC (“Mont Belvieu Caverns”); (ii) Acadian Gas, LLC (“Acadian Gas”); (iii) Enterprise Lou-Tex Propylene Pipeline L.P. (“Lou-Tex Propylene”), including its general partner; (iv) Sabine Propylene Pipeline L.P. (“Sabine Propylene”), including its general partner; and (v) South Texas NGL Pipelines, LLC (“South Texas NGL”).

References to “Enterprise Products Partners” mean Enterprise Products Partners L.P., which owns Enterprise Products Operating LLC (“EPO”). Enterprise Products Partners is a publicly traded partnership, the common units of which are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “EPD.” EPO, our Parent, owns our general partner and is a significant owner of our common units. References to “EPGP” mean Enterprise Products GP, LLC, the general partner of Enterprise Products Partners.

References to “TEPPCO” mean TEPPCO Partners, L.P., an affiliated publicly traded partnership, the common units of which are listed on the NYSE under the ticker symbol “TPP.” References to “TEPPCO GP” mean Texas Eastern Products Pipeline Company, LLC, which is the general partner of TEPPCO and is wholly owned by Enterprise GP Holdings L.P.

References to “EPCO” mean EPCO, Inc., which is a related party affiliate to all of the foregoing named entities.

All of the aforementioned entities are affiliates and under common control of Dan L. Duncan, the Group Co-Chairman and controlling shareholder of EPCO.

Overview of Business

Duncan Energy Partners is a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol “DEP.” The Partnership is engaged in the business of (i) storing natural gas liquids (“NGLs”) and certain petrochemical products, (ii) transporting NGLs and propylene and (iii) gathering, transporting, storing and marketing natural gas. We were formed in September 2006 to acquire, own and operate a diversified portfolio of midstream energy assets and to support the growth objectives of EPO. We are owned 98% by our limited partners and 2% by DEP GP, our general partner, which is responsible for managing all of our operations and activities. EPCO provides all of the personnel necessary for operating our assets and performs certain administrative services for us.

On February 5, 2007, we completed our initial public offering of 14,950,000 common units (including an overallotment amount of 1,950,000 common units) at a price of $21.00 per unit, which generated net proceeds of approximately $291.0 million. At the closing of our public offering, we made a special distribution to EPO of $459.6 million as consideration for equity interests contributed to us by EPO. The distribution amount was funded with approximately $260.6 million of net proceeds from our initial public offering and $198.9 million in borrowings under our revolving credit facility. In addition to the cash consideration, we issued 5,351,571 of our common units to EPO.

EPO contributed to us a 66% equity interest in each of Mont Belvieu Caverns, Acadian Gas, Lou-Tex Propylene, Sabine Propylene and South Texas NGL effective February 1, 2007. The following is a brief description of these businesses:

- Mont Belvieu Caverns owns and operates salt dome caverns and a brine system located in Mont Belvieu, Texas.

- Acadian Gas gathers, transports, stores and markets natural gas in Louisiana utilizing over 1,000 miles of high-pressure transmission lines and lateral and gathering lines with an aggregate throughput capacity of one billion cubic feet per day (the "Acadian Gas System"), which includes a 27-mile pipeline owned by Evangeline and a leased natural gas storage cavern with three billion cubic feet of storage capacity.

- Lou-Tex Propylene owns a 263-mile pipeline used to transport chemical-grade propylene from Sorrento, Louisiana to Mont Belvieu, Texas.

- Sabine Propylene owns a 21-mile pipeline used to transport polymer-grade propylene from Port Arthur, Texas to a pipeline interconnect in Cameron Parish, Louisiana on a transport-or-pay basis.

- South Texas NGL owns the 297-mile DEP South Texas NGL Pipeline System, which extends from Corpus Christi, Texas to Pasadena, Texas. This pipeline commenced operations in January 2007 and is used to transport NGLs from EPO's South Texas fractionation facilities to Mont Belvieu, Texas.

We have an extensive and ongoing relationship with EPO. We believe this relationship will enhance our ability to maintain stable cash flows and optimize our economies of scale, strategic location and pipeline connections. The following information summarizes our current transactions and other arrangements with EPO:

- We buy natural gas from and sell natural gas to EPO.

- We provide EPO with underground storage services for its NGL and petrochemical products at our Mont Belvieu Caverns' facility.

- We provide EPO with NGL transportation services on our DEP South Texas NGL Pipeline System. EPO is our sole customer on this pipeline.

- In connection with the equity interests EPO contributed to us at the time of our initial public offering, we and EPO entered into an Omnibus Agreement that governs the following matters:

    - indemnification for certain environmental liabilities, tax liabilities and right-of-way defects with respect to the underlying assets of such businesses;

    - reimbursement of certain capital expenditures incurred by South Texas NGL and Mont Belvieu Caverns with respect to projects under construction at the time of our initial public offering;

    - a right of first refusal to EPO in our current and future subsidiaries and a right of first refusal on the material assets of these entities, other than sales of inventory and other assets in the ordinary course of business; and

    - a preemptive right with respect to equity securities issued by certain of our subsidiaries, other than as consideration in an acquisition or in connection with a loan or debt financing.

- EPO may contribute or sell other equity interests in its subsidiaries or other of its subsidiaries' assets to us. However, EPO has no obligation or commitment to make such contributions or sales to us in the future.

Please read Note 12 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements included under Item 1 of this quarterly report for additional information regarding related party transactions with EPO and other affiliates.

Recent Developments

In July 2008, Mr. A. J. Teague, Executive Vice President of Enterprise Products Partners, was elected a Director to the board of our general partner and as Chief Commercial Officer responsible for managing our commercial activities.

In March 2008, we filed a universal shelf registration statement with the U.S. Securities and Exchange Commission ("SEC") to periodically issue up to $1.00 billion in debt and equity securities. Please see "Liquidity and Capital Resources" included in this Item 2 for more information regarding this universal shelf registration.

Basis of Financial Statement Presentation

The Partnership's operating results are presented separately from those of Duncan Energy Partners Predecessor. There were a number of contracts and other arrangements that went into effect at the time of the Partnership's initial public offering that affect the comparability of its results (i.e., post-February 1, 2007 periods) with those of Duncan Energy Partners Predecessor (i.e., pre-February 1, 2007 periods). These differences and other factors are summarized as follows:

- The Partnership's net income reflects its 66% ownership interest in the subsidiaries that hold its operating assets. The 34% ownership interest retained by EPO in these operating subsidiaries is recorded as Parent interest and deducted in determining the Partnership's net income. The net income of Duncan Energy Partners Predecessor reflects EPO's previous 100% ownership of these subsidiaries;

- The fees Mont Belvieu Caverns charges EPO for underground storage services increased to market rates as a result of new agreements executed in connection with our initial public offering;

- Storage well measurement gains and losses relating to the Mont Belvieu Caverns' facility are now retained by EPO;

- Mont Belvieu Caverns makes a special allocation of its operational measurement gains and losses to EPO, which results in such gains and losses not impacting the net income or loss of Mont Belvieu Caverns. However, operational measurement gains and losses continue to be a component of gross operating margin;

- The transportation revenues recorded by Lou-Tex Propylene and Sabine Propylene decreased following our initial public offering due to the assignment of certain exchange agreements to us by EPO;

- The Partnership did not have any debt obligations prior to February 5, 2007 when it borrowed $200.0 million under its revolving credit facility. Duncan Energy Partners Predecessor did not have any debt obligations; and

§ The Partnership incurs additional general and administrative costs as a result of being a publicly traded entity. These costs include fees associated with annual and quarterly reports to unitholders, tax returns and Schedule K-1 preparation and distribution, investor relations, registrar and transfer agent fees, and accounting and legal services. These costs also include estimated related party amounts payable to EPCO in connection with the administrative services agreement.

The financial information of Duncan Energy Partners Predecessor has been prepared using EPO's separate historical accounting records related to the operations owned by Mont Belvieu Caverns, Acadian Gas, Lou-Tex Propylene, Sabine Propylene and South Texas NGL.

Results of Operations

We have four reportable business segments: NGL & Petrochemical Storage Services; Onshore Natural Gas Pipelines & Services; Petrochemical Pipeline Services; and NGL Pipelines & Services. Our business segments are generally organized and managed according to the type of services rendered (or technologies employed) and products produced and/or sold.

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. Gross operating margin (either in total or by individual segment) is an important performance measure of the core profitability of our operations. This measure forms the basis of our internal financial reporting and is used by senior management in deciding how to allocate capital resources among our business segments. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results. The GAAP financial measure most directly comparable to total segment gross operating margin is operating income. Our non-GAAP financial measure of total segment gross operating margin should not be considered as an alternative to GAAP operating income.

We define total segment gross operating margin as consolidated/combined operating income before (i) depreciation, amortization and accretion expense; (ii) gains and losses from asset sales and related transactions; and (iii) general and administrative expenses. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of items (i) through (iii) noted in the preceding sentence) from segment revenues, with both segment totals before the elimination of any intersegment and intrasegment transactions. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, Parent interest in income of subsidiaries, extraordinary charges and the cumulative effect of changes in accounting principles. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation.

Acadian Gas, through a wholly owned subsidiary, owns a collective 49.51% equity interest in Evangeline, which consists of a 45% direct ownership interest in Evangeline Gas Pipeline Company, L.P. ("EGP") and a 45.05% direct interest in Evangeline Gas Corp. ("EGC"). EGC owns a 10% direct interest in EGP. Third parties own the remaining equity interests in EGP and EGC. We include equity earnings from Evangeline in our measurement of segment gross operating margin and operating income. Our equity investment in Evangeline is a vital component of our business strategy and important to the operations of Acadian Gas. This method of operation enables us to achieve favorable economies of scale relative to the level of investment and business risk assumed versus what we could accomplish on a stand-alone basis. Evangeline performs complementary roles to the other business operations of Acadian Gas. As circumstances dictate, we may increase our ownership interest in Evangeline or make other equity method investments.

For additional information regarding our business segments, see Note 11 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements included under Item 1 of this quarterly report.

Selected Volumetric Data

The following table presents selected average volumes for the periods indicated:

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Onshore Natural Gas Pipelines & Services, net:					
Natural gas volumes (BBtus/d)					
Acadian Gas System transportation volumes	344	402	374	404	420
Acadian Gas System sales volumes	349	359	337	317	281
Total natural gas volumes	693	761	711	721	701
Petrochemical Pipeline Services:					
Propylene transportation volumes (MBPD)					
Lou-Tex Propylene Pipeline	24	28	28	25	24
Sabine Propylene Pipeline	9	11	10	12	13
Total propylene transportation volumes	33	39	38	37	37
NGL Pipelines & Services:					
Dedicated NGL volumes (MBPD)					
DEP South Texas NGL Pipeline System	73	73	73	72	67

Comparison of Results of Operations

The following table summarizes the key components of our results of operations for the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Revenues	$ 321,365	$ 220,572	$ 943,539	$ 591,342	$ 66,674
Operating costs and expenses	309,153	208,657	905,103	555,799	61,187
General and administrative costs	1,614	1,146	5,333	2,529	477
Operating income	10,909	10,764	33,800	33,169	5,035
Interest expense	(2,887)	(3,180)	(8,355)	(6,721)	--
Parent interest in income of subsidiaries	(4,348)	(3,188)	(9,365)	(13,840)	--
Net income	3,803	4,494	16,439	12,965	5,035

In connection with our initial public offering, EPO contributed to us 66% of the equity interests in Mont Belvieu Caverns, Acadian Gas, Lou-Tex Propylene, Sabine Propylene and South Texas NGL. EPO retained the remaining 34% equity interest in each of these entities. We account for EPO's share of our subsidiaries' net assets and earnings as "Parent interest in subsidiaries" and "Parent interest in income of subsidiaries," respectively, in a manner similar to minority interest.

The following table presents our gross operating margin by business segment and in total for the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Gross operating margin by segment:					
NGL & Petrochemical Storage Services	$ 9,238	$ 7,652	$ 22,887	$ 25,073	$ 1,770
Onshore Natural Gas Pipelines & Services	4,543	3,308	17,515	7,364	1,605
Petrochemical Pipeline Services	2,497	3,047	8,802	8,551	2,700
NGL Pipelines & Services	4,650	5,135	14,641	13,658	1,646
Total segment gross operating margin	$ 20,928	$ 19,142	$ 63,845	$ 54,646	$ 7,721

See "Other Items – Non-GAAP reconciliations" included within this Item 2 for a reconciliation of our non-GAAP gross operating margin to GAAP operating income and further to GAAP net income.

The following table summarizes the contribution to revenues from each business segment during the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
NGL & Petrochemical Storage Services	$ 22,000	$ 18,380	$ 64,137	$ 47,358	$ 5,164
Onshore Natural Gas Pipelines & Services	290,716	192,825	851,152	518,720	56,769
Petrochemical Pipeline Services	3,148	3,803	11,143	10,578	2,990
NGL Pipelines & Services	5,501	5,564	17,107	14,686	1,751
Total revenues	$ 321,365	$ 220,572	$ 943,539	$ 591,342	$ 66,674

With respect to our Onshore Natural Gas Pipelines & Services segment, changes in segment revenues and costs and expenses are explained in part by changes in the price of natural gas. In general, higher natural gas prices result in an increase in our revenues attributable to the sale of natural gas; however, these same higher prices also increase the associated cost of sales as purchase prices rise. The following table provides additional information regarding the natural gas marketing activities of Acadian Gas for the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Natural gas sales volumes (BBtus/d)	349	359	337	317	281
Natural gas marketing sales revenue	$ 288,215	$ 190,948	$ 843,654	$ 512,946	$ 55,868
Natural gas marketing cost of sales	$ 281,382	$ 185,716	$ 821,370	$ 500,407	$ 54,221

Comparison of Three Months Ended September 30, 2008 with Three Months Ended September 30, 2007

Consolidated revenues for the third quarter of 2008 were $321.4 million compared to $220.6 million for the third quarter of 2007, a quarter-to-quarter increase of $100.8 million. Revenues from our NGL & Petrochemical Storage Services business segment increased $3.6 million quarter-to-quarter primarily due to higher excess throughput fees and volumes. Revenues from our Onshore Natural Gas Pipelines & Services segment increased $97.9 million quarter-to-quarter primarily due to higher natural gas sales prices. Natural gas prices (as measured at Henry Hub) for the third quarter of 2008 averaged $10.25

per MMBtu compared to $6.16 per MMBtu during the third quarter of 2007. Revenues from our Petrochemical Pipeline Services segment decreased $0.7 million quarter-to-quarter primarily due to lower transportation volumes on our Lou-Tex Propylene Pipeline.

Consolidated operating costs and expenses were $309.2 million for the third quarter of 2008 compared to $208.7 million for the third quarter of 2007. The $100.5 million quarter-to-quarter increase in operating costs and expenses is primarily due to higher cost of sales associated with the natural gas marketing activities of Acadian Gas, which increased $95.7 million quarter-to-quarter attributable to higher natural gas prices during the third quarter of 2008 relative to the third quarter of 2007. Collectively, operating costs and expenses associated with the remainder of our operations increased $4.8 million quarter-to-quarter primarily due to higher expenses for repair and maintenance, salaries and employee costs and ad valorem taxes.

Consolidated general and administrative costs were $1.6 million for the third quarter of 2008 compared to $1.1 million for the third quarter of 2007. The $0.5 million quarter-to-quarter increase in such costs is primarily due to an increase in employee compensation costs. Equity earnings from Evangeline were $0.3 million for the third quarter of 2008 compared to a loss of $5 thousand for the third quarter of 2007.

Operating income for the third quarter of 2008 was $10.9 million compared to $10.8 million for the third quarter of 2007. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to the $0.1 million increase in operating income quarter-to-quarter.

Interest expense decreased $0.3 million quarter-to-quarter primarily due to lower average interest rates under our revolving credit facility.

Parent interest in the income of subsidiaries (i.e. EPO’s share of the earnings of our consolidated subsidiaries, including special allocations associated with the operations of Mont Belvieu Caverns) reflects the allocation of $4.3 million of income to EPO for the third quarter of 2008 compared to an allocation of $3.2 million for the third quarter of 2007. The quarter-to-quarter change is primarily due to Mont Belvieu Caverns allocating EPO operational measurement gains of $1.1 million during the third quarter of 2008 versus operational measurement losses of $0.9 million during the third quarter of 2007. See Note 10 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements for additional information regarding the Parent interest amounts.

As a result of the items noted in the previous paragraphs, net income decreased $0.7 million quarter-to-quarter to $3.8 million for the third quarter of 2008 compared to $4.5 million for the third quarter of 2007.

In general, Hurricanes Gustav and Ike had varying effects across our business segments during the third quarter of 2008. The storm-related disruptions in natural gas, NGL and crude oil production along the U.S. Gulf Coast resulted in decreased volumes for some of our pipeline systems as well as our NGL storage facility in Mont Belvieu, Texas, which in turn caused a decrease in gross operating margin for certain of our operations. In addition, property damage caused by Hurricanes Gustav and Ike resulted in lower revenues due to downtime and reduced volumes on our system of assets as well as higher operating costs and expenses at certain of our facilities. As a result of our allocated share of EPCO’s insurance deductibles for windstorm coverage, gross operating margin for the third quarter of 2008 includes $0.9 million of repair expenses for property damage sustained by our assets as a result of the hurricanes. These effects were partially offset by an increase in gross operating margin from natural gas sales on our Acadian Gas system, which benefited from increased regional demand for natural gas.

The following information highlights significant quarter-to-quarter variances in gross operating margin by business segment.

NGL & Petrochemical Storage Services. Gross operating margin from this business segment was $9.2 million for the third quarter of 2008 compared to $7.7 million for the third quarter of 2007. The $1.5

million quarter-to-quarter increase in gross operating margin is primarily due to an operational measurement gain of $1.1 million in the third quarter of 2008 compared to a $0.9 million operational measurement loss in the third quarter of 2007. Although included in gross operating margin, operational measurement gains and losses for this business are allocated to EPO through Parent interest in the income of Mont Belvieu Caverns; thus, such gains and losses are not included in our consolidated net income or loss. Revenues increased $3.6 million quarter-to-quarter primarily due to higher excess throughput fees and volumes. Operating costs and expenses excluding operational gains and losses allocated to EPO increased $5.1 million quarter-to-quarter primarily due to higher expenses for repair and maintenance and salaries and employee costs. This includes $0.6 million of property damage repair expenses in the third quarter of 2008 resulting from Hurricane Ike.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment was $4.5 million for the third quarter of 2008 compared to $3.3 million for the third quarter of 2007. Overall throughput volumes on the Acadian Gas system were 693 BBtus/d for the third quarter of 2008 compared to 761 BBtus/d for the third quarter of 2007. The $1.2 million quarter-to-quarter increase in segment gross operating margin is primarily due to improved natural gas sales margins on the Acadian Gas system during the third quarter of 2008 relative to the third quarter of 2007. Improved natural gas sales margins quarter-to-quarter were partially offset by higher operating costs and expenses, which includes $0.3 million of property damage repair expenses in the third quarter of 2008 as a result of Hurricanes Gustav and Ike. Equity earnings from our investment in Evangeline increased $0.3 million quarter-to-quarter primarily due to higher volumes, lower pipeline integrity expenses and lower interest expense in the third quarter of 2008 relative to the third quarter of 2007.

Petrochemical Pipeline Services. Gross operating margin from this business segment was $2.5 million for the third quarter of 2008 compared to $3.0 million for the third quarter of 2007. Petrochemical transportation volumes decreased to 33 MBPD during the third quarter of 2008 from 39 MBPD during the third quarter of 2007 due to disruptions caused by Hurricanes Gustav and Ike. The $0.5 million quarter-to-quarter decrease in segment gross operating margin is primarily due to lower transportation volumes on our Lou-Tex Propylene Pipeline.

NGL Pipelines & Services. Gross operating margin from this business segment was $4.7 million for the third quarter of 2008 compared to $5.1 million for the third quarter of 2007. Revenues from this business segment were flat quarter-to-quarter. Operating costs and expenses increased $0.4 million quarter-to-quarter primarily due to higher ad valorem tax and maintenance expenses. Dedicated NGL volumes to the DEP South Texas NGL Pipeline were 73 MBPD during the third quarters of 2008 and 2007.

Comparison of Nine Months Ended September 30, 2008 with Nine Months Ended September 30, 2007

Amounts referenced in this discussion pertaining to the first nine months of 2008 reflect the consolidated results of the Partnership. Amounts referenced in this discussion pertaining to the first nine months of 2007 reflect the combined results of Duncan Energy Partners Predecessor for the month of January 2007 and the consolidated results of the Partnership for the eight months ended September 30, 2007. We believe that this method of presentation is useful in analyzing and comparing our operating trends. Please read "Basis of Financial Statement Presentation" included within this Item 2 for a summary of factors that affect the comparability of the Partnership's operating results with those of Duncan Energy Partners Predecessor.

Consolidated revenues were $943.5 million for the first nine months of 2008 compared to $658.0 million for the first nine months of 2007. Revenues from our NGL & Petrochemical Storage Services segment increased $11.6 million period-to-period due to higher storage fees and volumes. Base reservation and facility fees as well as excess throughput volumes and fees were higher during the first nine months of 2008 compared to the first nine months of 2007. Revenues from our Onshore Natural Gas Pipelines & Services segment increased $275.6 million period-to-period primarily due to higher natural gas sales prices and volumes. The Henry Hub natural gas price averaged $9.74 per MMBtu for the first nine months of 2008 compared to an average of $6.83 per MMBtu during the first nine months of 2007. Overall, natural gas sales volumes averaged 337 BBtus/d during the first nine months of 2008 compared to 312 BBtus/d during the first nine months of 2007.

Revenues from our Petrochemical Pipeline Services segment decreased $2.4 million period-to-period primarily due to lower transportation fees resulting from the assignment of certain exchange agreements to us at the time of our initial public offering. Historically, EPO was the shipper of record on our Lou-Tex Propylene and Sabine Propylene Pipelines, and we charged EPO the maximum tariff rate for using these assets. EPO then contracted with third parties to ship volumes on these pipelines under product exchange agreements. In general, the revenues recognized by EPO in connection with these exchange agreements were lower than the maximum tariff rate it paid us. In connection with our initial public offering, EPO assigned the third party product exchange agreements to us. Accordingly, the transportation fees we receive from third parties for use of our Lou-Tex Propylene and Sabine Propylene Pipelines are less than the fees we received from EPO prior to February 2007. Although EPO has assigned these agreements to us, it remains jointly and severally liable to the Partnership for performance of the agreements.

Lastly, revenues from our NGL Pipelines & Services segment increased $0.7 million period-to-period due to higher fractionation volumes at EPO’s Shoup and Armstrong NGL fractionators and higher transportation fees during 2008. EPO currently pays us a dedication fee of $0.0204 per gallon for all NGLs produced at the Shoup and Armstrong plants whether or not EPO ships any NGLs on the DEP South Texas NGL Pipeline System. Revenues from this dedication fee represent substantially all of the revenues for this business segment. The transportation fee is subject to adjustment on an annual basis for inflation and power costs, but in no event can be less than $0.02 per gallon.

Consolidated operating costs and expenses were $905.1 million for the first nine months of 2008 compared to $617.0 million for the first nine months of 2007. The $288.1 million period-to-period increase in operating costs and expenses is primarily due to higher cost of sales associated with the natural gas marketing activities of Acadian Gas, which increased $266.7 million period-to-period due to higher natural gas prices and sales volumes during the first nine months of 2008 compared to the first nine months of 2007. The period-to-period increase in consolidated operating costs and expenses also reflects the recognition in our NGL & Petrochemical Storage Services segment of a net operational measurement loss of $3.8 million in the first nine months of 2008 compared to $2.6 million of operational measurement gains recorded during the first nine months of 2007. These operational measurement gains and losses are allocated to EPO through its Parent interest in the earnings of Mont Belvieu Caverns. Collectively, operating costs and expenses associated with the remainder of our operations increased $15.0 million period-to-period primarily due to higher expenses for repair and maintenance, salaries and employee costs, ad valorem taxes and power-related costs.

Consolidated general and administrative costs were $5.3 million for the first nine months of 2008 compared to $3.0 million for the first nine months of 2007. The $2.3 million period-to-period increase in such costs is primarily due to a $1.4 million increase in employee compensation costs, a $0.5 million increase in expenses for accounting and tax services and $0.4 million for professional services. Equity earnings from Evangeline were $0.7 million for the first nine months of 2008 compared to $0.2 million for the first nine months of 2007, which reflects higher natural gas throughput volumes, lower pipeline integrity expenses and lower interest expense in the first nine months of 2008 relative to the first nine months of 2007.

Operating income for the first nine months of 2008 was $33.8 million compared to $38.2 million for the first nine months of 2007. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to the $4.4 million decrease in operating income period-to-period.

Interest expense was $1.7 million higher period-to-period due to increased borrowings under our revolving credit facility and a decrease in capitalized interest.

Parent interest in the income of subsidiaries (i.e. EPO’s share of the earnings of our consolidated subsidiaries, including special allocations associated with the operations of Mont Belvieu Caverns) reflects the allocation of $9.4 million of income to EPO for the first nine months of 2008 compared to an income allocation of $13.8 million during the eight months ended September 30, 2007. The period-to-period change is primarily due to Mont Belvieu Caverns allocating EPO operational measurement losses of $3.8 million during the first nine months of 2008 versus operational measurement gains of $3.2 million during the eight months ended September 30, 2007. See Note 10 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements for additional information regarding the Parent interest amounts.

As a result of the items noted in the previous paragraphs, our net income decreased $1.6 million period-to-period to $16.4 million for the first nine months of 2008 compared to $18.0 million for the first nine months of 2007.

The following information highlights significant period-to-period variances in gross operating margin by business segment.

NGL & Petrochemical Storage Services. Gross operating margin from this business segment was $22.9 million for the first nine months of 2008 compared to $26.9 million for the first nine months of 2007. Revenues increased $11.6 million period-to-period due to higher volumes and fees. Operating costs and expenses increased $15.6 million period-to-period primarily due to the timing of operational measurement gains and losses and higher employee, power and maintenance costs during the first nine months of 2008 compared to the first nine months of 2007.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment was $17.5 million for the first nine months of 2008 compared to $9.0 million for the first nine months of 2007. The $8.5 million period-to-period increase in segment gross operating margin is primarily due to improved natural gas sales margins and higher sales volumes on the Acadian Gas system. Higher sales margins during the first nine months of 2008 reflect a period-to-period decrease in lost and unaccounted for natural gas, which is attributable to successful pipeline integrity and maintenance projects completed during 2007. This segment benefited from a $1.1 million decrease in pipeline integrity and maintenance expenses period-to-period despite approximately $0.3 million of property damage repair expenses in the third quarter of 2008 as a result of Hurricanes Gustav and Ike. Equity earnings from our investment in Evangeline increased $0.5 million period-to-period. Natural gas throughput volumes, which include sales and transportation volumes, decreased to 711 BBtu/d during the first nine months of 2008 from 719 BBtu/d during the first nine months of 2007.

Petrochemical Pipeline Services. Gross operating margin from this business segment was $8.8 million for the first nine months of 2008 compared to $11.3 million for the first nine months of 2007. Petrochemical transportation volumes increased to 38 MBPD during the first nine months of 2008 compared to 37 MBPD during the first nine months of 2007. Transportation revenues decreased $2.4 million period-to-period due to lower transportation fees.   Segment operating costs and expenses increased $0.1 million period-to-period.

NGL Pipelines & Services. Gross operating margin from this business segment was $14.6 million for the first nine months of 2008 compared to $15.3 million for the first nine months of 2007. Revenues from this business segment increased $0.7 million period-to-period due to an increase in NGL fractionation volumes at EPO’s Shoup and Armstrong NGL fractionators and higher transportation fees. These fractionators produced 73 MBPD of NGL volumes during the first nine months of 2008 compared to 72 MBPD during the first nine months of 2007. Operating costs and expenses increased $1.4 million period-to-period primarily due to higher ad valorem tax, electricity, maintenance and pipeline integrity expenses during the first nine months of 2008 relative to the first nine months of 2007.

Liquidity and Capital Resources

Our primary cash requirements, in addition to normal operating expenses and debt service, are for working capital, capital expenditures, business combinations and distributions to our partners. We expect to fund our short-term needs for such items as operating expenses and sustaining capital expenditures with operating cash flows and borrowings under our revolving credit facility. Capital expenditures for long-term needs resulting from business expansion projects and acquisitions are expected to be funded by a variety of sources (either separately or in combination) including operating cash flows, borrowings under credit facilities, cash contributions from our Parent, the issuance of additional equity and debt securities and proceeds from divestitures of ownership interests in assets to affiliates or third parties. We expect to fund cash distributions to partners primarily with operating cash flows. Our debt service requirements are expected to be funded by operating cash flows and/or financing arrangements.

At September 30, 2008, we had approximately $99.7 million of liquidity, which included $12.8 million of unrestricted cash on hand and approximately $86.9 million of credit available under our $300.0 Million Revolving Credit Facility. We had $212.0 million in borrowings and a $1.1 million letter of credit outstanding under this credit facility at September 30, 2008. Our revolving credit facility, which matures in February 2011, requires us to maintain certain financial and other customary covenants. We were in compliance with the covenants of our credit facility at September 30, 2008 and December 31, 2007. It is our belief that we will continue to have adequate liquidity to fund future recurring operating and investing activities.

Recent volatility in global capital markets has resulted in a significant increase in the costs of incremental debt and equity capital. We expect that the current cost of capital should trend lower in the coming months as coordinated government-led funding programs are implemented worldwide. Our disciplined approach to funding capital spending and other partnership needs, combined with sufficient trade credit to operate our businesses efficiently and available borrowing capacity under our revolving credit facilities, should provide us with a solid foundation to meet our anticipated liquidity and capital resource requirements.

Registration Statements

We may issue equity or debt securities to assist us in meeting our liquidity and capital spending requirements. On March 6, 2008, we filed a universal shelf registration statement with the SEC to periodically issue up to $1.00 billion in debt and equity securities. We expect to use any proceeds from such offerings for general partnership purposes, including debt repayments, working capital requirements, capital expenditures and business combinations. We have not issued any securities under this registration statement as of November 3, 2008.

Cash Flows from Operating, Investing and Financing Activities

This discussion of our cash flows addresses the nine month period ended September 30, 2008. Due to the factors affecting comparability of our financial statements with those of Duncan Energy Partners Predecessor (see “Basis of Financial Statement Presentation” within this Item 2), we do not believe that a discussion of cash flow variances between the nine months ended September 30, 2008 and 2007 is meaningful or relevant to investors.

We use the indirect method to compute net cash flows provided by operating activities. See Note 16 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this Quarterly Report for information regarding this method of presentation.

Net cash flows provided by operating activities are largely dependent on earnings from our business activities. As a result, these cash flows are exposed to certain risks. We operate predominantly in the midstream energy industry. We provide services for producers and consumers of natural gas and NGLs. The products that we store, sell or transport are principally used as fuel for residential, agricultural and commercial heating; as feedstocks in petrochemical manufacturing; and in the production of motor gasoline. Reduced demand for our services or products by industrial customers, whether because of general economic conditions, reduced demand for the end products made with our products, increased competition from other service providers or producers due to pricing differences or other reasons could have a negative impact on our earnings and thus the availability of net cash provided by operating activities.

Cash used in investing activities primarily represents expenditures for additions to property, plant and equipment and investments in unconsolidated affiliates. Cash provided by financing activities generally consists of borrowings and repayments of debt and distributions to partners and Parent interest. Amounts presented in our Unaudited Condensed Statements of Consolidated Cash Flows for borrowings and repayments under debt agreements are influenced by the magnitude of cash receipts and payments under our revolving credit facility.

The following table summarizes our total operating, investing and financing cash flows for the nine months ended September 30, 2008 (dollars in millions).

Net cash provided by operating activities	$ 21.9
Cash used in investing activities	118.0
Cash provided by financing activities	106.7

See our Unaudited Statements of Consolidated/Combined Cash Flows included under Item 1 of this quarterly report for information regarding the components of the cash flow totals presented above.

Net cash provided by operating activities was $21.9 million for the nine months ended September 30, 2008. This amount represents 100% of the cash flow generated by our operations, inclusive of Parent interest in the cash flows of our operating subsidiaries. Actual distributions to our Parent of subsidiary cash flows are presented as a component of financing cash flows. Operating cash flows for the nine months ended September 30, 2008 are primarily a reflection of our net income adjusted for non-cash amounts such as depreciation, amortization and Parent interest. Changes in operating accounts primarily reflect the timing of cash receipts and disbursements, use of prepaid and other current assets in the current period, and other adjustments for accrued expenditures. For information regarding our net income for the nine months ended September 30, 2008, please see “Results of Operations” included within this Item 2.

Cash used in investing activities was $118.0 million for the nine months ended September 30, 2008. This amount represents 100% of the cash used in investing activities by our subsidiaries, inclusive of capital spending funded entirely by EPO under the Omnibus Agreement and Mont Belvieu Caverns’ LLC Agreement. EPO’s contributions to our subsidiaries to fund these projects are presented as components of financing cash flows.

Our capital spending for property, plant and equipment was $118.1 million during the nine months ended September 30, 2008. This amount includes $75.6 million for the Mont Belvieu storage well optimization projects, $33.0 million for the DEP South Texas NGL Pipeline System growth capital expenditures and $9.0 million in sustaining capital expenditures. Based on information currently available, we estimate our sustaining capital spending for the remainder of 2008 will approximate $2.6 million. We anticipate that any capital spending for growth capital projects for the remainder of 2008 will be funded 100% by EPO.

Our forecast of consolidated capital expenditures is based on our strategic operating plans, which are dependent upon our ability to generate the required funds from either operating cash flows or from other means, including borrowings under our debt agreement or cash contributions from our Parent. Our forecast of capital expenditures may change due to factors beyond our control, such as weather, changes in supplier prices or adverse economic conditions. Furthermore, our forecast may change as a result of decisions made by management at a later date. We believe our access to capital resources is sufficient to meet the demands of our capital spending program, and although we currently intend to make the forecasted expenditures discussed above, we may adjust the timing and amounts of projected expenditures in response to unexpected changes.

Cash provided by financing activities was $106.7 million for the nine months ended September 30, 2008. This net cash inflow was generally due to contributions made by the Parent in connection with the Omnibus Agreement and Mont Belvieu Caverns’ LLC Agreement as described below.

In certain cases, EPO is responsible for funding 100% of project costs rather than sharing such costs with the Partnership in accordance with the existing sharing ratio of 66% funded by the Partnership and 34% funded by EPO.Under the Omnibus Agreement, EPO agreed to make additional cash contributions to South Texas NGL and Mont Belvieu Caverns to fund 100% of project costs in excess of (i) the $28.6 million of estimated costs to complete the Phase II expansion of the DEP South Texas NGL Pipeline System and (ii) the $14.1 million of estimated costs for additional Mont Belvieu brine production capacity and above-ground storage reservoir projects. These projects were in progress at the time of our initial public offering. During the nine months ended September 30, 2008, EPO made cash contributions to our subsidiaries of $32.5 million in connection with the Omnibus Agreement, primarily as contributions to South Texas NGL to fund the costs of its Phase II pipeline project. We expect additional contributions of approximately $2.1 million from EPO during the remainder of 2008 in satisfaction of its project funding obligations under the Omnibus Agreement. EPO will not receive an increased allocation of earnings or cash flows as a result of these contributions to South Texas NGL or Mont Belvieu Caverns.

The Mont Belvieu Caverns' LLC Agreement (the "Caverns LLC Agreement") states that if the Partnership elects to not participate in certain projects of Mont Belvieu Caverns, then EPO is responsible for funding 100% of such projects. To the extent such non-participated projects generate identifiable incremental cash flows for Mont Belvieu Caverns in the future, the earnings and cash flows of Mont Belvieu Caverns will be adjusted to allocate such incremental amounts to EPO by special allocation or otherwise. Under the terms of the Caverns LLC Agreement, the Partnership may elect to acquire a 66% share of these projects from EPO at a later date. In November 2008, the Caverns LLC Agreement was amended to provide that EPO would prospectively receive a special allocation of 100% of the depreciation related to projects that it has fully funded. See Item 5 of Part II of this Quarterly Report for additional information regarding amendments to the Caverns LLC Agreement.

EPO made cash contributions of $86.4 million under the Caverns LLC Agreement during the nine months ended September 30, 2008. These expenditures are associated with storage-related projects sponsored by EPO's NGL marketing activities. At present, Mont Belvieu Caverns is not expected to generate any identifiable incremental cash flows in connection with these projects; thus, the sharing ratios for Mont Belvieu Caverns are not expected to change. However, as noted above, beginning in November 2008, EPO will receive a special allocation of depreciation related to these projects. We expect additional contributions of approximately $37.5 million from EPO under the Caverns LLC Agreement for the remainder of 2008 through the first quarter of 2009.

In addition to the special contributions noted above, EPO made routine proportionate contributions to our subsidiaries (based on EPO's 34% ownership interests) of $27.5 million during the first nine months of 2008. These contributions were generally used to fund EPO's share of our subsidiaries' other capital spending requirements. Conversely, our subsidiaries paid aggregate distributions of $26.0 million to EPO during the nine months ended September 30, 2008 based on EPO's sharing ratio of 34% in each subsidiary's operating cash flows.

The Partnership made net borrowings of $12.0 million under its revolving credit agreement during the nine months ended September 30, 2008. The increase in principal was related to the spending requirements of our consolidated subsidiaries, including those related to capital projects.

The Partnership paid a total of $25.7 million in cash distributions to its partners during the nine months ended September 30, 2008. On October 15, 2008, the Partnership declared a cash distribution with respect to the third quarter of 2008 of $0.42 per common unit payable on November 12, 2008 to unitholders of record on October 31, 2008.

Overview of Critical Accounting Policies and Estimates

A summary of the significant accounting policies we have adopted and followed in the preparation of our financial statements is included in our Annual Report on Form 10-K/A for the year ended December 31, 2007. Certain of these accounting policies require the use of estimates. As more fully described therein, the following estimates, in our opinion, are subjective in nature, require the exercise of judgment and involve complex analysis: depreciation methods and estimated useful lives of property, plant and equipment; measuring recoverability of long-lived assets and equity method investments; amortization methods and estimated useful lives of qualifying intangible assets; revenue recognition policies and use of estimates for revenues and expenses; and natural gas imbalances. These estimates are based on our current knowledge and understanding and may change as a result of actions we take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. Subsequent changes in these estimates may have a significant impact on our financial position, results of operations and cash flows.

On a quarterly basis, we monitor the underlying business fundamentals of our Evangeline investment and test it for impairment when impairment indicators are present. As a result of our review for the third quarter of 2008, no impairment charge was recognized. We have the intent and ability to hold this investment, which is integral to our operations.

Other Items

Contractual Obligations

There have been no significant changes in our contractual obligations since those reported in our Annual Report on Form 10-K/A for the year ended December 31, 2007.

Off-Balance Sheet Arrangements

There have been no significant changes with regards to our off-balance sheet arrangements since those reported in our Annual Report on Form 10-K/A for the year ended December 31, 2007.

Summary of Related Party Transactions

The following table summarizes our significant revenue and expense transactions with related parties during the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Related party revenues:					
Revenues from EPO:					
Sale of natural gas	$ 21,668	$ 7,857	$ 66,873	$ 14,834	$ 2,327
NGL and petrochemical storage services	8,159	7,561	24,652	19,653	1,534
NGL transportation services	5,501	5,564	17,107	14,686	1,751
Petrochemical pipeline services	--	--	--	--	2,990
Other midstream services	9	--	9		
Storage revenues from TEPPCO	376	--	785	--	--
Total	35,713	20,982	109,426	49,173	8,602
Revenues from Evangeline:					
From sale of natural gas to Evangeline	142,056	83,021	289,716	180,540	15,415
Total	$ 177,769	$ 104,003	$ 399,142	$ 229,713	$ 24,017
Related party operating costs and expenses:					
Expenses with EPO:					
From purchase of natural gas	$ 102,818	$ 6,757	$ 138,701	$ 16,872	$ 654
Allocation of operational measurement losses (gains) to EPO by Mont Belvieu Caverns (see Note 10)	(1,129)	936	3,788	(3,209)	--
Other	3,508	1,824	9,425	4,022	--
Expenses with EPCO:					
From administrative services agreement	5,761	4,436	16,747	12,081	2,487
Lease expense with TEPPCO	--	27	27	99	--
Expenses with Nautilus					
From purchase of natural gas	7,034	--	7,034	--	--
Expenses with Evangeline	6	19	6	19	--
Other	(5)	5	--	6	8
Total	$ 117,993	$ 14,004	$ 175,728	$ 29,890	$ 3,149
Related party general and administrative costs:					
Expenses with EPCO:					
From administrative services agreement	$ 1,102	$ 747	$ 3,581	$ 1,517	$ 455
Total	$ 1,102	$ 747	$ 3,581	$ 1,517	$ 455

For additional information regarding our related party transactions, see Note 12 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements included under Item 1 of this quarterly report.

We have an extensive and ongoing relationship with EPCO and its affiliates. Our relationship with EPO includes various storage contracts, transportation agreements and partnership interests held by EPO in us. EPO also funds 100% of certain capital projects in connection with the Omnibus Agreement and Mont Belvieu Caverns' LLC Agreement. EPCO provides all of the personnel necessary for operating our assets and performs certain administrative services for us.

Non-GAAP reconciliations

The following table reconciles our measurement of total non-GAAP gross operating margin to GAAP operating income and further to GAAP net income for the periods indicated (dollars in thousands):

	Duncan Energy Partners				Duncan Energy Partners Predecessor
	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	For the Eight Months Ended September 30,	For the One Month Ended
	2008	2007	2008	2007	January 31, 2007
Total segment gross operating margin	$ 20,928	$ 19,142	$ 63,845	$ 54,646	$ 7,721
Adjustments to reconcile total non-GAAP segment gross operating margin to operating income:					
Depreciation, amortization and accretion in operating costs and expenses	(8,469)	(7,249)	(25,114)	(18,967)	(2,209)
Gain on asset sales and related transactions in operating costs and expenses	64	17	402	19	--
General and administrative costs	(1,614)	(1,146)	(5,333)	(2,529)	(477)
Operating income	10,909	10,764	33,800	33,169	5,035
Other expense, net	(2,719)	(3,050)	(7,929)	(6,218)	--
Provision for income taxes	(39)	(32)	(67)	(146)	--
Parent interest in income of subsidiaries	(4,348)	(3,188)	(9,365)	(13,840)	--
Net income	$ 3,803	$ 4,494	$ 16,439	$ 12,965	$ 5,035

Recent Accounting Pronouncements

For information regarding accounting developments during the first nine months of 2008 that will affect our future financial statements, see Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this Quarterly Report.

Weather-related Risks

We participate as named insureds in EPCO's insurance program, which provides us with property damage, business interruption and other coverages, the scope and amounts of which are customary and sufficient for the nature and extent of our operations. While we believe EPCO maintains adequate insurance coverage on our behalf, insurance will not cover every type of interruption that might occur. If we were to incur a significant liability for which we were not fully insured, it could have a material impact on our consolidated financial position, results of operations and cash flows. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient to reimburse us for our repair costs or lost income. Any event that interrupts the revenues generated by our consolidated operations, or which causes us to make significant expenditures not covered by insurance, could reduce our ability to pay distributions to our partners and, accordingly, adversely affect the market price of our common units.

EPCO's deductible for onshore physical damage is $10.0 million per event regardless of cause. To qualify for business interruption coverage, covered assets must be out-of-service in excess of 60 days. In meeting the deductible amounts, property damage costs are aggregated for EPCO and its affiliates, including us. Accordingly, our exposure with respect to the deductibles may be equal to or less than the stated amounts depending on whether other EPCO or affiliate assets are also affected by an event.

Hurricanes Gustav and Ike

In the third quarter of 2008, certain of our facilities were adversely impacted by Hurricanes Gustav and Ike. As a result of our allocated share of EPCO's insurance deductibles for windstorm coverage, we expensed a combined $0.9 million of repair costs for property damage in connection with these two storms. We expect to file property damage insurance claims to the extent repair costs exceed this amount. Due to the recent nature of these storms, we are still evaluating the total cost of repairs and the potential for business interruption claims on certain of our assets.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk.***

We are exposed to financial market risks, including changes in commodity prices and interest rates. We may use financial instruments (i.e. futures, forwards, swaps, options and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions.

Certain provisions of Statement of Financial Accounting Standards ("SFAS") 157, Fair Value Measurements, related to financial assets and liabilities, including financial instruments, became effective for us on January 1, 2008. See Note 3 of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements included under Item 1 of this quarterly report for information regarding new fair value-related disclosures required in connection with SFAS 157.

Interest Rate Risk Hedging Program

In September 2007, we executed three floating-to-fixed interest rate swaps having a combined notional value of $175 million. The purpose of these financial instruments, which are accounted for as cash flow hedges, is to reduce the sensitivity of our earnings to variable interest rates charged under our revolving credit facility.

At September 30, 2008 and December 31, 2007, the aggregate fair value of the swaps was a negative $4.3 million and $3.8 million, respectively, with the offset recorded in partners' equity as accumulated other comprehensive loss. We expect to reclassify $0.4 million of this loss to earnings (as an increase in interest expense) during the fourth quarter of 2008. The remainder of the estimated loss would be similarly reclassified to earnings if the forward interest rate assumptions underlying the estimated loss materialized. With respect to the first, second and third quarters of 2009, the reclassification amount would be $1.0 million in the aggregate.

If forward interest rates were to increase by 10%, the fair value of these instruments would change to a negative $3.3 million. Conversely, if forward interest rates were to decrease by 10%, the fair value would change to a negative $5.3 million.

Commodity Risk Hedging Program

In addition to natural gas transportation, Acadian Gas engages in the purchase and sale of natural gas. The price of natural gas fluctuates in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. We may use commodity financial instruments such as futures, swaps and forward contracts to mitigate our risk exposure. In general, the types of risks we attempt to hedge are those related to the variability of future earnings and cash flows resulting from changes in applicable commodity prices. The commodity financial instruments we utilize may be settled in cash or with another financial instrument.

Acadian Gas enters into cash flow hedges in connection with its natural gas sales. In addition, Acadian Gas enters into mark-to-market financial instruments that effectively fix the price of natural gas for certain of its customers.

The fair value of the Acadian Gas commodity financial instrument portfolio was negligible at September 30, 2008 and December 31, 2007. We recorded a gain of $74 thousand and a loss of $0.6 million for the three months ended September 30, 2008 and 2007, respectively, related to these commodity financial instruments. We recorded a gain of $85 thousand, a loss of $0.6 million and a loss of $0.4 million for the nine months ended September 30, 2008, the eight months ended September 30, 2007 and the one month ended January 31, 2007, respectively.

We assess the risk of our commodity financial instrument portfolio using a sensitivity analysis model. The sensitivity analysis applied to this portfolio measures the potential income or loss (i.e., the change in fair value of the portfolio) based upon a hypothetical 10% increase or decrease in the underlying quoted market prices of the commodity financial instruments outstanding. A 10% increase or decrease in commodity prices would have a nominal impact on the fair value of this portfolio.

Item 4. *Controls and Procedures*.

Our management, with the participation of the chief executive officer ("CEO") and chief financial officer ("CFO") of DEP GP, has evaluated the effectiveness of our disclosure controls and procedures, as of September 30, 2008. Based on their evaluation, the CEO and CFO of our general partner have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e)) are effective at a reasonable assurance level.

There have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time specified in the Commission's rules and forms, including to provide reasonable assurance that such information is accumulated and communicated to our management, including the CEO and CFO of our general partner, as appropriate, to allow timely decisions regarding required disclosures. Our management does not expect that our disclosure controls and procedures will prevent all errors and all fraud. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Based on the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Partnership have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The certifications of our general partner's CEO and CFO required under Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 have been included as exhibits to this quarterly report on Form 10-Q.

PART II. OTHER INFORMATION.

Item 1. Legal Proceedings.

See Part I, Item 1, Financial Statements, Note 14, “Commitments and Contingencies – Litigation,” of the Notes to Unaudited Condensed Consolidated/Combined Financial Statements included under Item 1 of this quarterly report, which is incorporated herein by reference.

Item 1A. *Risk Factors*.

Security holders and potential investors in our securities should carefully consider the risk factors set forth below and the risk factors set forth in our Annual Report on Form 10-K/A for the year ended December 31, 2007 in addition to other information in such Report and this Report. We have identified these risk factors as important factors that could cause our actual results to differ materially from those contained in any written or oral forward-looking statements made by us or on our behalf.

The global financial crisis may have impacts on our business and financial condition that we currently cannot predict.

The continued credit crisis and related turmoil in the global financial system has had, and may continue to have, an impact on our business and our financial condition. We may face significant challenges if conditions in the financial markets do not improve. Our ability to access the capital markets may be severely restricted at a time when we would like, or need, to do so, which could have an adverse impact on our ability to meet our capital commitments and flexibility to react to changing economic and business conditions. The credit crisis could have a negative impact on our lenders or our customers, causing them to fail to meet their obligations to us. Additionally, demand for our services and products depends on activity and expenditure levels in the energy industry, which are directly and negatively impacted by depressed oil and gas prices. Any of these factors could lead to reduced usage of our pipelines and energy logistics services, which could have a material negative impact on our revenues and prospects.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*.

None.

Item 3. *Defaults Upon Senior Securities*.

None.

Item 4. *Submission of Matters to a Vote of Unit Holders*.

None.

Item 5. *Other Information*.

Amendments to Partnership Agreement

On November 6, 2008, our general partner amended our agreement of limited partnership to amend Section 7.7(i) to clarify and to provide that any amendment of Section 7.7 shall not impair an indemnitee’s right to receive expense advancement, in addition to indemnification, from us as otherwise provided for under the partnership agreement. In addition, the member of our general partner amended its limited liability company agreement to make a similar change.

A copy of the amendments to our partnership agreement and our general partner's limited liability company agreement are attached hereto as Exhibit 3.4 and Exhibit 3.8, respectively, and are incorporated by reference herein.

Amendment to Mont Belvieu Caverns' Limited Liability Company Agreement

On November 6, 2008, EPO and DEP Operating Partnership L.P., ("DEP OLP"), an indirect wholly owned subsidiary of the Partnership, entered into a Second Amended and Restated Limited Liability Company Agreement of Mont Belvieu Caverns, LLC. This agreement amended the existing limited liability company agreement executed on February 7, 2007 to address more specifically the effects of capital contributions to fund expansion projects ("Expansion Cash Calls") made or contemplated to be made by the members. The amendments do not change DEP OLP's right to elect to participate subsequently in any expansion project by paying to EPO, within 90 days following the applicable initial commencement date, an amount specified therein in order to become an "Expansion Participating Member" with respect to such project.

As amended, the costs of construction of, or acquisition of assets relating to, and other expenditures for expansion projects funded exclusively out of capital contributions made by the members (the "Expansion Costs") and the related funding of Expansion Cash Calls will be borne solely by the Expansion Participating Members as set forth in the agreement, unless agreed to otherwise by all of the Expansion Participating Members. In addition, the amendments provide that Expansion Cash Calls include any capital contributions to fund any net cash deficit attributable to an expansion project.

If DEP OLP elects to participate in an Expansion Cash Call, each of the members will make additional capital contributions in accordance with the agreement and each of the members shall be Expansion Participating Members with respect to such expansion project. If DEP OLP elects not to participate in an expansion project, EPO will be the sole Expansion Participating Member with respect to such Expansion Project. If one or more expansion projects have occurred and all of the members are not Expansion Participating Members, the board of directors of Mont Belvieu Caverns will determine, in accordance with a procedure approved by the members for each expansion project, for each calendar month, the expansion cash flow. Within thirty days after the end of each such calendar month, the board of directors will cause the company to distribute to each Expansion Participating Member, the "Expansion Distributions" from the company. Furthermore, the Expansion Participating Member will receive a special allocation of depreciation associated with expansion projects in which such member participates. These provisions are effective November 1, 2008.

A copy of the Second Amended and Restated Limited Liability Company Agreement of Mont Belvieu Caverns, LLC is attached hereto as Exhibit 10.4 and is incorporated by reference herein.

Item 6. *Exhibits*.

Exhibit Number	Exhibit*
3.1	Certificate of Limited Partnership of Duncan Energy Partners L.P. (incorporated by reference to Exhibit 3.1 to Form S-1 Registration Statement (Reg. No. 333-138371) filed November 2, 2006).
3.2	Amended and Restated Agreement of Limited Partnership of Duncan Energy Partners L.P., dated February 5, 2007 (incorporated by reference to Exhibit 3.1 to Form 8-K filed February 5, 2007).
3.3	First Amendment to Amended and Restated Partnership Agreement of Duncan Energy Partners L.P. dated as of December 27, 2007 (incorporated by reference to Exhibit 3.1 to Form 8-K/A filed January 3, 2008).
3.4#	Second Amendment to Amended and Restated Partnership Agreement of Duncan Energy Partners L.P. dated as of November 6, 2008.

3.5 Second Amended and Restated Limited Liability Company Agreement of DEP Holdings, LLC, dated May 3, 2007 (incorporated by reference to Exhibit 3.4 to Form 10-Q for the period ended September 30, 2007, filed on May 4, 2007).

3.6 Certificate of Formation of DEP OLPGP, LLC (incorporated by reference to Exhibit 3.5 to Form S-1 Registration Statement (Reg. No. 333-138371) filed November 2, 2006).

3.7 Amended and Restated Limited Liability Company Agreement of DEP OLPGP, LLC, dated January 19, 2007 (incorporated by reference to Exhibit 3.6 to Amendment No. 3 to Form S-1 Registration Statement (Reg. No. 333-138371) filed January 22, 2007).

3.8# First Amendment to Amended and Restated Limited Liability Company Agreement of DEP OLPGP, LLC, dated November 6, 2008.

3.9 Certificate of Limited Partnership of DEP Operating Partnership, L.P. (incorporated by reference to Exhibit 3.7 to Form S-1 Registration Statement (Reg. No. 333-138371) filed November 2, 2006).

3.10 Agreement of Limited Partnership of DEP Operating Partnership, L.P., dated September 29, 2006 (incorporated by reference to Exhibit 3.8 to Amendment No. 1 to Form S-1 Registration Statement (Reg. No. 333-138371) filed December 15, 2006).

4.1 Revolving Credit Agreement, dated as of January 5, 2007, among Duncan Energy Partners L.P., as borrower, Wachovia Bank, National Association, as Administrative Agent, The Bank of Nova Scotia and Citibank, N.A., as Co-Syndication Agents, JPMorgan Chase Bank, N.A. and Mizuho Corporate Bank, Ltd., as Co-Documentation Agents, and Wachovia Capital Markets, LLC, The Bank of Nova Scotia and Citigroup Global Markets Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 10.20 to Amendment No. 2 to Form S-1 Registration Statement (Reg. No. 333-138371) filed January 12, 2007).

4.2 First Amendment to Revolving Credit Agreement, dated as of September 30, 2007, among Duncan Energy Partners L.P., as borrower, Wachovia Bank, National Association, as Administrative Agent, The Bank of Nova Scotia and Citibank, N.A., as Co-Syndication Agents, JPMorgan Chase Bank, N.A. and Mizuho Corporate Bank, Ltd., as Co-Documentation Agents, and Wachovia Capital Markets, LLC, The Bank of Nova Scotia and Citigroup Global Markets Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 4.2 to the Form 10-Q filed on August 8, 2007).

10.1*** Second Amendment to Agreement of Limited Partnership of EPE Unit L.P. dated July 1, 2008 (incorporated by reference to Exhibit 10.1 to Form 8-K filed by Enterprise GP Holdings L.P. on July 7, 2008).

10.2*** Second Amendment to Agreement of Limited Partnership of EPE Unit II, L.P. dated July 1, 2008 (incorporated by reference to Exhibit 10.2 to Form 8-K filed by Enterprise GP Holdings L.P. on July 7, 2008).

10.3*** Second Amendment to Agreement of Limited Partnership of EPE Unit III, L.P. dated July 1, 2008 (incorporated by reference to Exhibit 10.3 to Form 8-K filed by Enterprise GP Holdings L.P. on July 7, 2008).

10.4# Second Amended and Restated Limited Liability Company Agreement of Mont Belvieu Caverns, LLC, dated November 6, 2008.

31.1# Sarbanes-Oxley Section 302 certification of Richard H. Bachmann for Duncan Energy Partners L.P. for the September 30, 2008 quarterly report on Form 10-Q.

31.2# Sarbanes-Oxley Section 302 certification of W. Randall Fowler for Duncan Energy Partners L.P. September 30, 2008 quarterly report on Form 10-Q.

32.1# Section 1350 certification of Richard H. Bachmann for the September 30, 2008 quarterly report on Form 10-Q.

32.2# Section 1350 certification of W. Randall Fowler for the September 30, 2008 quarterly report on Form 10-Q.

* With respect to exhibits incorporated by reference to Exchange Act filings, the Commission file number for Enterprise Products Partners L.P. is 1-14323; Enterprise GP Holdings L.P., 1-32610; and Duncan Energy Partners L.P., 1-33266.

*** Identifies management contract and compensatory plan arrangements.

# Filed with this report..

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized, in the City of Houston, State of Texas on November 10, 2008.

DUNCAN ENERGY PARTNERS L.P.
(A Delaware Limited Partnership)

By: DEP Holdings, LLC,
as general partner

By: /s/ Michael J. Knesek
Name: Michael J. Knesek
Title: Senior Vice President, Controller
and Principal Accounting Officer
of DEP Holdings, LLC

Exhibit 3.4

AMENDMENT NO. 2 TO THE AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF DUNCAN ENERGY PARTNERS L.P.

This Amendment No. 2 (this "*Amendment No.2*") to the Amended and Restated Agreement of Limited Partnership of Duncan Energy Partners L.P. dated effective as of February 5, 2007 (the "*Partnership Agreement*") is hereby adopted by DEP Holdings, LLC, a Delaware limited liability company (the "*General Partner*"), as general partner of the Partnership. Capitalized terms used but not defined herein are used as defined in the Partnership Agreement.

WHEREAS, acting pursuant to the power and authority granted to it under Section 13.1(d) of the Partnership Agreement, the General Partner has determined that the following amendment to the Partnership Agreement does not require the approval of any Limited Partner.

NOW THEREFORE, the General Partner does hereby amend the Partnership Agreement as follows:

Section 1. Sections 7.7(i) is hereby amended to read in full as follows:

(i) No amendment, modification or repeal of this Section 7.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to receive indemnification (including expense advancement as provided by Section 7.7(b)) from the Partnership, nor the obligations of the Partnership to indemnify, or advance the expenses of, any such Indemnitee under and in accordance with the provisions of this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and provided such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

Section 2. Except as hereby amended, the Partnership Agreement shall remain in full force and effect.

Section 3. This Amendment No. 2 shall be governed by, and interpreted in accordance with, the laws of the State of Delaware, all rights and remedies being governed by such laws without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, this Amendment No. 2 has been executed as of November 6, 2008.

GENERAL PARTNER:

DEP HOLDINGS, LLC

/s/ Richard H. Bachmann
Richard H. Bachmann
President and Chief Executive Officer

Exhibit 3.8

FIRST AMENDMENT
TO THE
SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
DEP HOLDINGS, LLC

This First Amendment dated November 6, 2008 to the Second Amended and Restated Limited Liability Company Agreement (this "Amendment") of DEP Holdings, LLC ("DEP GP"), dated May 3, 2007, is executed by Enterprise Products Operating LLC ("EPOLLC"). Capitalized terms used but not defined in this Amendment shall have the meaning set forth in the Limited Liability Company Agreement of DEP GP dated May 3, 2007 (the "LLC Agreement").

RECITALS

WHEREAS, Enterprise Products OLPGP, Inc. (the "Company") is the sole manager of EPOLLC;

WHEREAS, EPOLLC is the sole member of DEP GP;

WHEREAS, DEP GP owns a 2% general partnership interest in Duncan Energy Partners L.P., a Delaware limited partnership ("DEP LP"), and is the sole general partner of EPD LP;

WHEREAS, the Company, in its capacity as sole manager of EPOLLC, has determined that it is advisable to amend the LLC Agreement.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, EPOLLC hereby agrees as follows:

AGREEMENT

1. Section 6.06(i) of the LLC Agreement shall be deleted and restated in its entirety as follows:

(i) No amendment, modification or repeal of this Section 6.06 or any provision hereof shall in any manner terminate, reduce or impair either the right of any past, present or future Indemnitee to receive indemnification (including expense advancement as provided by Section 6.06(b)) from the Company or the obligation of the Company to indemnify, or advance the expenses of, any such Indemnitee under and in accordance with the provisions of this Section 6.06 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and provided such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

2. Except as otherwise expressly provided by this Amendment, all of the terms, conditions and provisions of the LLC Agreement shall remain the same. This Amendment shall be governed by and construed under the laws of the State of Delaware as applied to agreements entered into solely between residents of, and to be performed entirely within, such state.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this Amendment to Limited Liability Company Agreement as of November 6, 2008.

ENTERPRISE PRODUCTS OPERATING LLC
(Sole Member of DEP Holdings, LLC)

By: Enterprise Products OLPGP, Inc., its sole manager

/s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Executive Vice President and Chief Financial Officer

EXHIBIT 10.4

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT

OF

MONT BELVIEU CAVERNS, LLC
A Delaware Limited Liability Company

SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
MONT BELVIEU CAVERNS, LLC
A Delaware Limited Liability Company

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SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
MONT BELVIEU CAVERNS, LLC
A Delaware Limited Liability Company

THIS SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (this "***Agreement***") of MONT BELVIEU CAVERNS, LLC, a Delaware limited liability company (the "***Company***"), executed on November 6, 2008, is adopted and agreed to, effective as of November 1, 2008, by Enterprise Products Operating LLC, a Texas limited liability company ("***EPOLLC***"), Enterprise Products OLPGP, Inc., a Delaware corporation ("***OLPGP***"), and DEP Operating Partnership, L.P., a Delaware limited partnership ("***DEP OLP***"), as the Members of the Company.

RECITALS

A. The Company was originally formed as a Delaware limited partnership on October 5, 2006 by the filing of a Certificate of Limited Partnership with the Secretary of State of the State of Delaware.

B. The Company was converted into a Delaware limited liability company on January 10, 2007 by the filing of a Certificate of Conversion with the Secretary of State of the State of Delaware.

C. The Limited Liability Company Agreement of the Company was executed effective January 10, 2007 by its Members, Enterprise Products Operating L.P. ("EPD OLP" predecessor to EPOLLC) and OLPGP (as amended by the First Amendment dated as of February 1, 2007, the "***Existing Agreement***").

D. EPD OLP, OLPGP, Enterprise Products Texas Operating L.P., a Delaware limited partnership ("***EP Texas***"), and the Company entered into a Contribution, Conveyance and Assumption Agreement dated as of January 23, 2007, but effective February 1, 2007 (the "***Asset Contribution Agreement***"), pursuant to which (i) EP Texas conveyed certain Mont Belvieu East and West assets to the Company as a capital contribution, with the Company assuming certain liabilities in connection therewith, (ii) EPD OLP contributed certain Mont Belvieu North assets to the Company as a capital contribution in exchange for a continuation of its respective membership interest after giving effect to the capital contributions, and (iii) EP Texas distributed 1.0% its membership interest to EPD OLP and 99.0% of its membership interest to OLPGP, with the result that EPD OLP owned a membership interest with a Sharing Ratio of 99.365% and OLPGP owned a membership interest with a Sharing Ratio of 0.635% after giving effect to such transactions under the Asset Contribution Agreement.

E. DEP OLP entered into that certain Contribution, Conveyance and Assumption Agreement by and among DEP Holdings, LLC, Duncan Energy Partners L.P. ("***MLP***"), DEP OLPGP, LLC and EPD OLP on the Effective Date (the "***Contribution Agreement***"), pursuant to which (i) EPD OLP contributed 66% of its membership interests in the Company (the "***Interest***") to MLP for the consideration set forth in the Contribution Agreement, and (ii) MLP contributed the Interest (including 0.001% on behalf of DEP OLPGP, LLC, a Delaware limited liability company ("***DEP OLPGP***")), to DEP OLP as a capital contribution.

F. EPD OLP and OLPGP, together with DEP OLPGP, amended and restated the Existing Agreement in its entirety pursuant to the Amended and Restated Limited Liability Company Agreement (the "***First A&R LLC Agreement***") executed on February 7, 2007 (the "***Effective Date***") to reflect (i) the contributions of the Interest from EPD OLP to MLP, and from MLP (including 0.001% on behalf of DEP OLPGP) to DEP OLP, and (ii) the admission of DEP OLP as a Member of the Company.

G. The Members deem it advisable to amend and restate the First A&R LLC Agreement to address more specifically the effects of Expansion Cash Calls as defined in the First A&R LLC Agreement made or contemplated to be made by the Members.

ARTICLE 1
DEFINITIONS

1.01 Definitions». Each capitalized term used herein shall have the meaning given such term in Attachment I.

1.02 Construction». Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine and neuter; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) references to Laws refer to such Laws as they may be amended from time to time, and references to particular provisions of a Law include any corresponding provisions of any succeeding Law; (d) references to money refer to legal currency of the United States of America; (e) "including" means "including without limitation" and is a term of illustration and not of limitation; (f) all definitions set forth herein shall be deemed applicable whether the words defined are used herein in the singular or the plural; and (g) neither this Agreement nor any other agreement, document or instrument referred to herein or executed and delivered in connection herewith shall be construed against any Person as the principal draftsperson hereof or thereof.

ARTICLE 2
ORGANIZATION

2.01 Formation». The Company was originally organized as a Delaware limited partnership by the filing of a Certificate of Limited Partnership on October 5, 2006 with the Secretary of State of the State of Delaware. The Company was converted into a limited liability company by the filing of a Certificate of Conversion ("***Organizational Certificate***") on January 10, 2007 with the Secretary of State of the State of Delaware under and pursuant to the Act.

2.02 Name». The name of the Company is "Mont Belvieu Caverns, LLC" and all Company business must be conducted in that name or such other names that comply with Law as the Board of Directors may select.

2.03 Registered Office; Registered Agent; Principal Office; Other Offices». The registered office of the Company required by the Act to be maintained in the State of Delaware shall be the office of the initial registered agent for service of process named in the Organizational Certificate or such other office (which need not be a place of business of the Company) as the Board of Directors may designate in the manner provided by Law. The registered agent for service of process of the Company in the State of Delaware shall be the initial registered agent for service of process named in the Organizational Certificate or such other Person or Persons as the Board of Directors may designate in the manner provided by Law. The principal office of the Company in the United States shall be at such a place as the Board of Directors may from time to time designate, which need not be in the State of Delaware, and the Company shall maintain records there and shall keep the street address of such principal office at the registered office of the Company in the State of Delaware. The Company may have such other offices as the Board of Directors may designate.

2.04 Purpose». The purposes of the Company are the transaction of any or all lawful business for which limited liability companies may be organized under the Act.

2.05 Term». The period of existence of the Company commenced on January 10, 2007 and shall end at such time as a Certificate of Cancellation is filed in accordance with Section 13.02(c).

2.06 No State-Law Partnership; Withdrawal». It is the intent that the Company shall be a limited liability company formed under the Laws of the State of Delaware and shall not be a partnership (including a limited partnership) or joint venture, and that the Members not be a partner or joint venturer of any other party for any purposes other than federal and state tax purposes, and this Agreement may not be construed to suggest otherwise. A Member does not have the right to Withdraw from the Company; *provided*, *however*, that a Member shall have the power to Withdraw at any time in violation of this Agreement. If a Member exercises such power in violation of this Agreement, (a) such Member shall be liable to the Company and its Affiliates for all monetary damages suffered by them as a result of such Withdrawal; and (b) such Member shall not have any rights under Section 18.604 of the Act. In no event shall the Company have the right, through specific performance or otherwise, to prevent a Member from Withdrawing in violation of this Agreement.

ARTICLE 3
MATTERS RELATING TO MEMBERS

3.01 Members».

(a) EPOLLC and OLPGP have previously been admitted as Members of the Company.

(b) DEP OLP was admitted as a Member of the Company as of the date of the First A&R LLC Agreement.

3.02 Creation of Additional Membership Interest». The Company may issue additional Membership Interests in the Company only in compliance with the provisions in Article 5 of the Omnibus Agreement. The Company shall be bound by the terms of such Omnibus Agreement.

3.03 Liability to Third Parties. No Member or beneficial owner of any Membership Interest shall be liable for the Liabilities of the Company.

ARTICLE 4
CAPITAL CONTRIBUTIONS

4.01 Initial Capital Contributions».

(a) The amount of money and the fair market value (as of the date of contribution) of any property (other than money) contributed to the Company by a Member shall constitute a "***Capital Contribution***." Any reference in this Agreement to the Capital Contribution of a Member shall include a Capital Contribution of its predecessors in interest.

(b) EPOLLC is the assignee of its Membership Interests, and the Member or its predecessor in interest has made certain Capital Contributions.

(c) DEP OLP is the assignee of its Membership Interests, and the Member or its predecessor in interest has made certain Capital Contributions.

4.02 Net Measurement Loss Additional Capital Contributions.» To the extent the Board of Directors determines in its reasonable judgment that a Net Measurement Loss exists as of the end of any month, EPOLLC shall make additional Capital Contributions of cash in an amount equal to such Net Measurement Loss. The Board of Directors shall provide written notice to EPOLLC of the date such contributions are due, which date shall not be more than 10 Days following the date of such notice, and setting forth in reasonable detail the determination of the amount of such Net Measurement Loss. The Sharing Ratios of the Members shall not be adjusted as the result of additional Capital Contributions, if any, in respect of any such Net Measurement Loss. In addition to all other remedies available, including, without limitation, those provided in the Act, a Member must pay the Company interest, at a rate comparable to the rate the Company could obtain from third parties, on all Capital Contributions that Member fails to make at or before the time required from the time required until actual paid.

4.03 Expansion Project Additional Capital Contributions.

(a) The Company may require additional Capital Contributions to fund Expansion Projects ("***Expansion Cash Calls***"), including any Net Cash Deficit attributable to an Expansion Project. If there is a Net Cash Deficit attributable to the Expansion Project, the Company shall invoice each Expansion Participating Member its proportionate share of such Net Cash Deficit. Except as otherwise provided in this Section 4.03, any such required Capital Contributions for Expansion Cash Calls shall be made by the Members in accordance with their Sharing Ratios. The costs of construction of, or acquisition of assets relating to, and other expenditures for Expansion Projects funded exclusively out of Capital Contributions made by the Members (the "***Expansion Costs***") and the related funding of Expansion Cash Calls shall be borne solely by the Members as set forth below in this Section 4.03 (the "***Expansion Participating Members***"), unless agreed to otherwise by all of the Expansion Participating Members, in an amount equal to the product of (A) the aggregate amount of the Expansion Costs multiplied by (B) a fraction (the "***Expansion Sharing Ratio***"), the numerator of which is the Sharing Ratio of such Expansion Participating Member and the denominator of which is the aggregate Sharing Ratios of all of the Expansion Participating Members.

(b) The Board of Directors shall provide written notice to the Members of the date contributions are due, which date shall be not less than 30 nor more than 90 Days following the date of such notice, the aggregate amount of the Capital Contribution required and each Member's share thereof, and setting forth in reasonable detail the proposed Expansion Project and Expansion Costs associated therewith. Each Member shall advise the Board of Directors in writing within 20 Days whether it elects to participate in such Expansion Project. Any failure to respond within such 20 day period shall be deemed an election not to participate in such Expansion Project.

(c) If DEP OLP elects to participate within 20 Days after notice of such Expansion Cash Call, then (i) EPOLLC may make additional Capital Contributions of cash in an amount up to the product of its Sharing Ratio and the amount of the applicable Expansion Cash Call, (ii) DEP OLP shall make additional Capital Contributions of cash equal to the excess of the Expansion Cash Call over amounts elected to be contributed by EPOLLC under clause (i) immediately preceding, and (iii) each of DEP OLP and EPOLLC shall be Expansion Participating Members with respect to such Expansion Project.

(d) If DEP OLP elects not to participate in an Expansion Project within 20 Days after notice of such Expansion Cash Call, then EPOLLC may make additional Capital Contributions of cash in an amount equal to 100% of such Expansion Cash Call, and EPOLLC shall be the sole Expansion Participating Member with respect to such Expansion Project. Notwithstanding the foregoing, DEP OLP may subsequently elect to participate in any Expansion Project by paying to EPOLLC, within 90 Days following the applicable Initial Commencement Date, an amount equal to the product of (i) the sum of (A) the amount of the Expansion Cash Call, *plus* (B) the effective cost of capital to EPOLLC based on the weighted average interest rate of EPOLLC incurred for borrowings during such period as determined by the Board of Directors in its reasonable judgment, *minus* (C) any amounts distributed to EPOLLC with respect to such Expansion Project pursuant to the provisions of Section 5.02(b), and (ii) the Sharing Ratio of DEP OLP. If DEP OLP makes a payment pursuant to this Section 4.03(d), then (x) DEP OLP shall be deemed to make a cash Capital Contribution to the Company in an amount equal to such payment, (y) the Company shall be deemed to make a cash distribution to EPOLLC in an amount equal to such payment, and (z) thereafter, each of DEP OLP and EPOLLC shall be Expansion Participating Members with respect to such Expansion Project Sharing Ratios of the Members shall not be adjusted as the result of any additional Capital Contributions for such Expansion Capital Call and EPOLLC shall cease to be entitled to any additional Expansion Distributions.

4.04 Loans». If the Company does not have sufficient cash to pay its obligations, any Member that may agree to do so may, upon approval by the Board of Directors, advance all or part of the needed funds for such obligation to or on behalf of the Company. An advance described in this Section 4.04 constitutes a loan from the Member to the Company, shall bear interest at a rate comparable to the rate the Company could obtain from third parties, from the date of the advance until the date of repayment, and is not a Capital Contribution.

4.05 Return of Contributions. A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. No Member will be required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.06 Capital Accounts». A capital account shall be established and maintained for each Member. Each Member's capital account (a) shall be increased by (i) the amount of money contributed by that Member to the Company, (ii) the fair market value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under section 752 of the Code), and (iii) allocations to that Member of Company income and gain (or items of income and gain), including income and gain exempt from tax and income and gain described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. § 1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the fair market value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under section 752 of the Code), (iii) allocations to that Member of expenditures of the Company described in section 705(a)(2)(B) of the Code, and (iv) allocations of Company loss and deduction (or items of loss and deduction), including loss and deduction described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. § 1.704-1(b)(4)(i) or § 1.704-1(b)(4)(iii). The Members' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. §§ 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Members of depreciation, depletion, amortization, and gain or loss as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. § 1.704-1(b)(2)(iv)(g). A Member that has more than one Membership Interest shall have a single capital account that reflects all its Membership Interests, regardless of the class of Membership Interests owned by that Member and regardless of the time or manner in which those Membership Interests were acquired.

ARTICLE 5
ALLOCATIONS AND DISTRIBUTIONS

5.01 Allocations».

(a) Except as otherwise set forth in Section 5.01(b), for purposes of maintaining the capital accounts and in determining the rights of the Members among themselves, all items of income, gain, loss, deduction, and credit of the Company shall be allocated among the Members in accordance with their Sharing Ratios.

(b) The following special allocations shall be made prior to making any allocations provided for in 5.01(a) above:

(i) *Minimum Gain Chargeback*. Notwithstanding any other provision hereof to the contrary, if there is a net decrease in Minimum Gain (as generally defined under

Treas. Reg. § 1.704-1 or § 1.704-2) for a taxable year (or if there was a net decrease in Minimum Gain for a prior taxable year and the Company did not have sufficient amounts of income and gain during prior years to allocate among the Members under this subsection 5.01(b)(i), then items of income and gain shall be allocated to each Member in an amount equal to such Member's share of the net decrease in such Minimum Gain (as determined pursuant to Treas. Reg. § 1.704-2(g)(2)). It is the intent of the Members that any allocation pursuant to this subsection 5.01(b)(i) shall constitute a "minimum gain chargeback" under Treas. Reg. § 1.704-2(f) and shall be interpreted consistently therewith.

(ii) *Member Nonrecourse Debt Minimum Gain Chargeback*. Notwithstanding any other provision of this Article 5, except subsection 5.01(b)(i), if there is a net decrease in Member Nonrecourse Debt Minimum Gain (as generally defined under Treas. Reg. § 1.704-1 or § 1.704-2), during any taxable year, any Member who has a share of the Member Nonrecourse Debt Minimum Gain shall be allocated such amount of income and gain for such year (and subsequent years, if necessary) determined in the manner required by Treas. Reg. § 1.704-2(i)(4) as is necessary to meet the requirements for a chargeback of Member Nonrecourse Debt Minimum Gain.

(iii) *Qualified Income Offset*. Except as provided in subsection 5.01(b)(i) and (ii) hereof, in the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treas. Reg. Sections 1.704-1(b)(2)(i)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Company income and gain shall be specifically allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Allocation Regulations, the deficit balance, if any, in its adjusted capital account created by such adjustments, allocations or distributions as quickly as possible.

(iv) *Gross Income Allocations*. In the event any Member has a deficit balance in its adjusted capital account at the end of any Company taxable period, such Member shall be specially allocated items of Company gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this subsection 5.01(b)(iv) shall be made only if and to the extent that such Member would have a deficit balance in its adjusted capital account after all other allocations provided in this Section 5.01 have been tentatively made as if subsection 5.01(b)(iv) were not in the Agreement.

(v) *Company Nonrecourse Deductions*. Company Nonrecourse Deductions (as determined under Treas. Reg. Section 1.704-2(c)) for any fiscal year shall be allocated among the Members in proportion to their Membership Interests.

(vi) *Member Nonrecourse Deductions*. Any Member Nonrecourse Deductions (as defined under Treas. Reg. Section 1.704-2(i)(2)) shall be allocated pursuant to Treas. Reg. Section 1.704-2(i) to the Member who bears the economic risk of loss with respect to the partner nonrecourse debt to which it is attributable.

(vii) *Code Section 754 Adjustment*. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to the Allocation Regulations, to be taken into account in determining capital accounts, the amount of such adjustment to the capital accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their capital accounts are required to be adjusted pursuant to the Allocation Regulations.

(vii) *Curative Allocation*. The special allocations set forth in subsections 5.01(b)(i)-(vi) (the "***Regulatory Allocations***") are intended to comply with the Allocation Regulations. Notwithstanding any other provisions of this Section 5.01, the Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Members such that, to the extent possible, the net amount of allocations of such items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each Member if the Regulatory Allocations had not occurred.

(ix) *Measurement Gains and Measurement Losses*. All items of Company income, gain, deduction or loss attributable to, or arising from, Measurement Gains and Measurement Losses shall be allocated 100% to EPOLLC;

(x) *Expansion Projects*. If an Expansion Project has occurred and all of the Members are not Expansion Participating Members, the Company shall determine (A) for each calendar month, the Expansion Net Income, which shall be allocated among Expansion Participating Members in accordance with their respective Expansion Sharing Ratios and (B) all items of depreciation and cost recovery related to Expansion Costs, which shall be specially allocated to the Expansion Participating Members in accordance with their Expansion Sharing Ratios.

(c) For federal income tax purposes, except as otherwise required by the Code, the Allocation Regulations or the following sentence, each item of Company income, gain, loss, deduction and credit shall be allocated among the Members in the same manner as corresponding items are allocated in Section 5.01(a). Notwithstanding any provisions contained herein to the contrary, solely for federal income tax purposes, items of income, gain, depreciation, gain or loss with respect to property contributed or deemed contributed to the Company by a Member or whose value is adjusted pursuant to the Allocation Regulations shall be allocated among the Members so as to take into account the variation between the Company's tax basis in such property and its Carrying Value in the manner provided under section 704(c) of the Code and Treas. Reg. § 1.704-3(d) (i.e. the "remedial method").

5.02 Distributions».

(a) At least once each month prior to commencement of winding up under Section 13.01, the Board of Directors shall determine in its reasonable judgment to what extent (if any) the Company's cash on hand other than cash attributable to Expansion Cash Flow exceeds its current and anticipated needs, including, without limitation, for operating expenses, debt service, acquisitions, and a reasonable contingency reserve. Except as otherwise set forth in Section 4.02 or this Section 5.02, if such an excess exists, the Board of Directors shall cause the Company to distribute to the Members in accordance with their Sharing Ratios, an amount in cash equal to that excess.

(b) If one or more Expansion Projects have occurred and all of the Members are not Expansion Participating Members, the Board of Directors shall determine, in accordance with a procedure approved by the Members for each Expansion Project, for each calendar month, the Expansion Cash Flow. Within thirty days after the end of each such calendar month, the Board of Directors shall cause the Company to distribute to each Expansion Participating Member, the "***Expansion Distributions***" from the Company, meaning an amount of cash equal to (x) such Expansion Participating Member's Expansion Sharing Ratio multiplied by (y) the excess Expansion Cash Flow for such calendar month, minus any reasonably anticipated current and anticipated needs with respect to the same Expansion Project, including, without limitation, a reasonable contingency reserve.

(c) Within 45 Days following the end of any fiscal quarter, the Board of Directors shall cause the Company to distribute to EPOLLC an amount in cash equal to the Net Measurement Gain, if any, for such period.

(d) From time to time the Board of Directors also may cause property of the Company other than cash to be distributed to the Members, which distribution must be made in accordance with their Sharing Ratios and may be made subject to existing liabilities and obligations. Immediately prior to such a distribution, the capital accounts of the Members shall be adjusted as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(f).

ARTICLE 6
RIGHTS AND OBLIGATIONS OF MEMBERS

6.01 Limitation of Members' Responsibility, Liability». The Members shall not perform any act on behalf of the Company, incur any expense, obligation or indebtedness of any nature on behalf of the Company, or in any manner participate in the management of the Company, except as specifically contemplated hereunder. No Member shall be liable under a judgment, decree or order of a court, or in any other manner, except as agreed to by any such Member, for the indebtedness or any other obligations or liabilities of the Company or liable, responsible or accountable in damages to the Company or its Members for breach of fiduciary duty as a Member, for any acts performed within the scope of the authority conferred on it by this Agreement, or for its failure or refusal to perform any acts except those expressly required by or pursuant to the terms of this Agreement, or for any debt or loss in connection with the affairs of the Company, except as required by the Delaware Act.

6.02 Return of Distributions». In accordance with Section 18-607 of the Delaware Act, a Member will be obligated to return any distribution from the Company only as provided by applicable law.

6.03 Priority and Return of Capital». Except as may be provided in this Agreement, no Member shall have priority over any other Member, either as to the return of Capital Contributions or as to profits, losses or distributions; *provided* that this Section shall not apply to loans (as distinguished from Capital Contributions) that a Member has made to the Company.

6.04 Competition». Except as otherwise expressly provided in this Agreement, each Member may engage in or possess an interest in any other business venture or ventures, including any activity that is competitive with the Company without offering any such opportunity to the Company, and neither the Company nor the other Member shall have any rights in or to such venture or ventures or activity or the income or profits derived therefrom.

6.05 Admission of Additional Members». The Company shall not admit additional Members without the prior written consent of all of the Members.

6.06 Resignation». Without the prior approval of all other Members, no Member may resign from the Company.

6.07 Indemnification». To the extent permitted by law, the Company shall (to the extent of the assets of the Company) indemnify, defend and hold harmless each Member and each officer, employee and director of such Member from and against all losses, expenses, claims or liabilities, including reasonable attorneys' fees and disbursements, arising out of or in connection with the indebtedness or any other obligation or liabilities of the Company, other than losses, expenses, claims or liabilities of such indemnified Member which result from a violation in any material respect of any of the provisions of this Agreement or fraud, willful misconduct, gross negligence or misappropriation of funds. The foregoing indemnity expressly includes an indemnity with respect to the negligence (excluding the gross negligence) of a Member.

ARTICLE 7
MEETINGS OF MEMBERS

7.01 Meetings». Meetings of the Members, for any purpose or purposes, unless otherwise prescribed by law, may be called by the Chairman of the Board of Directors or the President of the Company or by any Member. The chairperson at any meeting shall be designated by the Chairman of the Board of Directors or the President of the Company.

7.02 Place of Meetings». Meetings of the Members shall be held at the principal place of business of the Company or at such other place as may be designated by the Chairman of the Board of Directors or the President of the Company.

7.03 Notice of Meetings». Except as provided in Section 7.04, written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be sent not less than five days before the date of the meeting, either personally, by facsimile or by mail, by or at the direction of the person calling the meeting, to each Member.

7.04 Meeting of All Members». If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

7.05 Action by Members Without a Meeting». Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by all Members and delivered to the Secretary or any Assistant Secretary of the Company for inclusion in the minutes or for filing with the Company records. Action taken under this Section is effective when all Members have signed the consent, unless the consent specifies a different effective date.

7.06 Waiver of Notice. When any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at or after the time stated therein, shall be equivalent to the giving of such notice.

7.07 Delegation to Board». Except as may be otherwise specifically provided in this Agreement or the Delaware Act, the Members agree that they shall act solely through the mechanisms provided herein relating to the appointment and authority of the Board of Directors.

ARTICLE 8
MANAGEMENT

8.01 Management by Board of Directors».

(a) *Generally*. Subject to any powers reserved to the Members under this Agreement, the business and affairs of the Company shall be fully vested in, and managed by, a Board of Directors (the "***Board***") and subject to the discretion of the Board, officers elected pursuant to this Article 8. The Directors and officers shall collectively constitute "managers" of the Company within the meaning of the Act. Except as otherwise provided in this Agreement, the authority and functions of the Board, on the one hand, and of the officers, on the other hand, shall be identical to the authority and functions of the board of directors and officers, respectively, of a corporation organized under the General Corporation Law of the State of Delaware. The officers shall be vested with such powers and duties as are set forth in this Article 8 and as are specified by the Board. Accordingly, except as otherwise specifically provided in this Agreement, the business and affairs of the Company shall be managed under the direction of the Board, and the day-to-day activities of the Company shall be conducted on the Company's behalf by the officers who shall be agents of the Company.

(b) *Number; Qualification; Tenure*. The number of Directors constituting the initial Board of Directors shall be four. The number of Directors constituting the Board of Directors may be increased or decreased from time to time by resolution of the Members. Except as provided in Section 8.01(e) hereof, Directors shall be elected by the Members holding a plurality of the Member Interests, and each Director so elected shall hold office for the full term to which he shall have been elected and until his successor is duly elected and qualified, or until his earlier death, resignation or removal. Any Director may resign at any time upon notice to the Company. A Director need not be a Member of the Company or a resident of the State of Delaware.

(c) *Regular Meetings*. Regular quarterly and annual meetings of the Board shall be held at such time and place as shall be designated from time to time by resolution of the Board. Notice of such regular quarterly and annual meetings shall not be required.

(d) *Special Meetings*. Special meetings of the Board of Directors may be held at any time, whenever called by the Chairman of the Board of Directors, the President of the Company or a majority of Directors then in office, at such place or places within or without the State of Delaware as may be stated in the notice of the meeting. Notice of the time and place of a special meeting must be given by the person or persons calling such meeting at least twenty-four (24) hours, before the special meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

(e) *Term; Resignation; Vacancies; Removal*. Each Director shall hold office until his successor is appointed and qualified or until his earlier resignation or removal. Any Director may resign at any time upon written notice to the Board, the Chairman of the Board, to the Chief Executive Officer or to any other Officer. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Vacancies and newly created directorships resulting from any increase in the authorized number of Directors or from any other cause shall be filled by an affirmative vote of a majority of the remaining Directors then in office, though less than a quorum, or by a sole remaining Director, and each Director so elected shall hold office for the remainder of the full term in which the new directorship was created or the vacancy occurred and until such Director's successor is duly elected and qualified, or until his earlier death, resignation or removal. Any Director may be removed, with or without cause, by a majority of the Members at any time, and the vacancy in the Board caused by any such removal shall be filled by a majority of the Members.

(f) *Quorum; Required Vote for Action*. Except as may be otherwise specifically provided by law or this Agreement, at all meetings of the Board of Directors a majority of the whole Board of Directors shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at any meeting of the Board of Directors at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(g) *Committees*. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more committees, each committee to consist of one or more of the Directors of the Company. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any absent or disqualified member. Any committee, to the extent provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers which may require it. Each committee shall keep regular minutes and report to the Board of Directors when required.

The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law, nor shall such committee function where action of the Board of Directors is required under applicable law. The Board of Directors shall have the power at any time to change the membership of any such committee and to fill vacancies in it. A majority of the members of any such committee shall constitute a quorum. Each such committee may elect a chairman and appoint such subcommittees and assistants as it may deem necessary. Except as otherwise provided by the Board of Directors, meetings of any committee shall be conducted in the same manner as the Board of Directors conducts its business pursuant to this Agreement, as the same shall from time to time be amended. Any member of any such committee elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Company will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of a member of a committee shall not of itself create contract rights.

8.02 Officers».

(a) *Generally*. The officers of the Company shall be appointed by the Board of Directors. Unless provided otherwise by resolution of the Board of Directors, the Officers shall have the titles, power, authority and duties described below in this Section 8.02.

(b) *Titles and Number*. The Officers of the Company shall be the Chairman of the Board (unless the Board of Directors provides otherwise), the Chief Executive Officer, the President, any and all Vice Presidents (including any Vice Presidents who may be designated as Executive Vice President or Senior Vice President), the Secretary, the Chief Financial Officer, any Treasurer and any and all Assistant Secretaries and Assistant Treasurers and the General Counsel. There shall be appointed from time to time such Vice Presidents, Secretaries, Assistant Secretaries, Treasurers and Assistant Treasurers as the Board of Directors may desire. Any person may hold more than one office.

(c) *Appointment and Term of Office*. The Officers shall be appointed by the Board of Directors at such time and for such term as the Board of Directors shall determine. Any Officer may be removed, with or without cause, only by the Board of Directors. Vacancies in any office may be filled only by the Board of Directors.

(d) *Chairman of the Board*. The Chairman of the Board shall preside at all meetings of the Board of Directors and he shall be a non-executive unless and until other executive powers and duties are assigned to him from time to time by the Board of Directors.

(e) *Chief Executive Officer*. Subject to the limitations imposed by this Agreement, any employment agreement, any employee plan or any determination of the Board of Directors, the Chief Executive Officer, subject to the direction of the Board of Directors, shall be the chief executive officer of the Company and shall be responsible for the management and direction of the day-to-day business and affairs of the Company, its other Officers, employees and agents, shall supervise generally the affairs of the Company and shall have full authority to execute all documents and take all actions that the Company may legally take. In the absence of the Chairman of the Board, the Chief Executive Officer shall preside at all meetings (should he be a director) of the Board of Directors. The Chief Executive Officer shall exercise such other powers and perform such other duties as may be assigned to him by this Agreement or the Board of Directors, including any duties and powers stated in any employment agreement approved by the Board of Directors.

(f) *President*. Subject to the limitations imposed by this Agreement, any employment agreement, any employee plan or any determination of the Board of Directors, the President, subject to the direction of the Board of Directors, shall be the chief executive officer of the Company in the absence of a Chief Executive Officer and shall be responsible for the management and direction of the day-to-day business and affairs of the Company, its other Officers, employees and agents, shall supervise generally the affairs of the Company and shall have full authority to execute all documents and take all actions that the Company may legally take. The President shall preside at all meetings of the Members and, in the absence of the Chairman of the Board and a Chief Executive Officer, the President shall preside at all meetings (should he be a director) of the Board of Directors. The President shall exercise such other powers and perform such other duties as may be assigned to him by this Agreement or the Board of Directors, including any duties and powers stated in any employment agreement approved by the Board of Directors.

(g) *Vice Presidents*. In the absence of a Chief Executive Officer and the President, each Vice President (including any Vice Presidents designated as Executive Vice President or Senior Vice President) appointed by the Board of Directors shall have all of the powers and duties conferred upon the President, including the same power as the President to execute documents on behalf of the Company. Each such Vice President shall perform such other duties and may exercise such other powers as may from time to time be assigned to him by the Board of Directors or the President.

(h) *Secretary and Assistant Secretaries*. The Secretary shall record or cause to be recorded in books provided for that purpose the minutes of the meetings or actions of the Board of Directors, shall see that all notices are duly given in accordance with the provisions of this Agreement and as required by law, shall be custodian of all records (other than financial), shall see that the books, reports, statements, certificates and all other documents and records required by law are properly kept and filed, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may, from time to time, be assigned to him by this Agreement, the Board of Directors or the President. The Assistant Secretaries shall exercise the powers of the Secretary during that Officer’s absence or inability or refusal to act.

(i) *Chief Financial Officer*. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account of the Company. He shall receive and deposit all moneys and other valuables belonging to the Company in the name and to the credit of the Company and shall disburse the same and only in such manner as the Board of Directors or the appropriate Officer of the Company may from time to time determine. He shall render to the Board of Directors and the Chief Executive Officer, whenever any of them request it, an account of all his transactions as Chief Financial Officer and of the financial condition of the Company, and shall perform such further duties as the Board of Directors or the Chief Executive Officer may require. The Chief

Financial Officer shall have the same power as the Chief Executive Officer to execute documents on behalf of the Company.

(j) *Treasurer and Assistant Treasurers*. The Treasurer shall have such duties as may be specified by the Chief Financial Officer in the performance of his duties. The Assistant Treasurers shall exercise the power of the Treasurer during that Officer's absence or inability or refusal to act. Each of the Assistant Treasurers shall possess the same power as the Treasurer to sign all certificates, contracts, obligations and other instruments of the Company. If no Treasurer or Assistant Treasurer is appointed and serving or in the absence of the appointed Treasurer and Assistant Treasurer, the Senior Vice President, or such other Officer as the Board of Directors shall select, shall have the powers and duties conferred upon the Treasurer.

(k) *General Counsel*. The General Counsel subject to the discretion of the Board of Directors, shall be responsible for the management and direction of the day-to-day legal affairs of the Company. The General Counsel shall perform such other duties and may exercise such other powers as may from time to time be assigned to him by the Board of Directors or the President.

(l) *Powers of Attorney*. The Company may grant powers of attorney or other authority as appropriate to establish and evidence the authority of the Officers and other persons.

(m) *Delegation of Authority*. Unless otherwise provided by resolution of the Board of Directors, no Officer shall have the power or authority to delegate to any person such Officer's rights and powers as an Officer to manage the business and affairs of the Company.

(n) *Officers*. The Board of Directors shall appoint Officers of the Company to serve from the date of such appointment until the death, resignation or removal by the Board of Directors with or without cause of such officer.

8.03 Duties of Officers and Directors». Except as otherwise specifically provided in this Agreement, the duties and obligations owed to the Company and to the Board of Directors by the Officers of the Company and by members of the Board of Directors of the Company shall be the same as the respective duties and obligations owed to a corporation organized under the Delaware General Corporation Law by its officers and directors, respectively.

8.04 Compensation». The members of the Board of Directors who are neither Officers nor employees of the Company shall be entitled to compensation as directors and committee members as approved by the Board and shall be reimbursed for out-of-pocket expenses incurred in connection with attending meetings of the Board of Directors or committees thereof.

8.05 Indemnification».

(a) To the fullest extent permitted by Law but subject to the limitations expressly provided in this Agreement, each Indemnitee (as defined below) shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities (joint or several), expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any such person may be involved, or is threatened to be involved, as a party or otherwise, by reason of such person's status as (i) a present or former member of the Board of Directors or any committee thereof, (ii) a present or former Member, (iii) a present or former Officer, or (iv) a Person serving at the request of the Company in another entity in a similar capacity as that referred to in the immediately preceding clauses (i) or (iii), *provided*, that the Person described in the immediately preceding clauses (i), (ii), (iii) or (iv) ("***Indemnitee***") shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnitee is seeking indemnification pursuant to this Section 8.05, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was unlawful. Any indemnification pursuant to this Section 8.05 shall be made only out of the assets of the Company.

(b) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 8.05(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 8.05.

(c) The indemnification provided by this Section 8.05 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as an Indemnitee and as to actions in any other capacity, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) The Company may purchase and maintain insurance, on behalf of the members of the Board of Directors, the Officers and such other persons as the Board of Directors shall determine, against any liability that may be asserted against or expense that may be incurred by such person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 8.05, the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by the Indemnitee of such Indemnitee's duties to the Company also imposes duties on, or otherwise involves services by, the Indemnitee to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 8.05(a); and action taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of such Indemnitee's duties for a purpose reasonably believed by such Indemnitee to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Company.

(f) In no event may an Indemnitee subject any Members of the Company to personal liability by reason of the indemnification provisions of this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 8.05 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 8.05 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 8.05 or any provision hereof shall in any manner terminate, reduce or impair either the right of any past, present or future Indemnitee to be indemnified by the Company or the obligation of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 8.05 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and such Person became an Indemnitee hereunder prior to such amendment, modification or repeal.

(j) ***THE PROVISIONS OF THE INDEMNIFICATION PROVIDED IN THIS SECTION 8.05 ARE INTENDED BY THE PARTIES TO APPLY EVEN IF SUCH PROVISIONS HAVE THE EFFECT OF EXCULPATING THE INDEMNITEE FROM LEGAL RESPONSIBILITY FOR THE CONSEQUENCES OF SUCH PERSON'S NEGLIGENCE, FAULT OR OTHER CONDUCT.***

8.06 Liability of Indemnitees».

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Company, the Members or any other Person for losses sustained or liabilities incurred as a result of any act or omission of an Indemnitee unless there has been a final and non-appealable judgment entered in a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnitee acted in bad faith or engaged in fraud, willful misconduct or, in the case of a criminal matter, acted with knowledge that the Indemnitee's conduct was criminal.

(b) Subject to its obligations and duties as set forth in this Article 8, the Board of Directors and any committee thereof may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through the Company's Officers or agents, and neither the Board of Directors nor any committee thereof shall be responsible for any misconduct or negligence on the part of any such Officer or agent appointed by the Board of Directors or any committee thereof in good faith.

(c) Any amendment, modification or repeal of this Section 8.06 or any provision hereof shall be prospective only and shall not in any way affect the limitations on liability under this Section 8.06 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may be asserted.

ARTICLE 9
ACCOUNTING METHOD, PERIOD, RECORDS AND REPORTS

9.01 Accounting Method». The books and records of account of the Company shall be maintained in accordance with the accrual method of accounting.

9.02 Accounting Period». The Company's accounting period shall be the Fiscal Year.

9.03 Records, Audits and Reports». At the expense of the Company, the Board of Directors shall maintain books and records of account of all operations and expenditures of the Company.

9.04 Inspection». The books and records of account of the Company shall be maintained at the principal place of business of the Company or such other location as shall be determined by the Board of Directors and shall be open to inspection by the Members at all reasonable times during any business day.

ARTICLE 10
TAX MATTERS

10.01 Tax Returns.» The Board shall cause to be prepared and filed all necessary federal and state income tax returns for the Company, including making the elections described in Section 10.02. Each Member shall furnish to the Board all pertinent information in its possession relating to Company operations that is necessary to enable the Company's income tax returns to be prepared and filed.

10.02 Tax Elections». The Company shall make the following elections on the appropriate tax returns:

(a) to adopt a fiscal year ending on December 31 of each year;

(b) to adopt the accrual method of accounting and to keep the Company's books and records on the income-tax method;

(c) to adjust the basis of Company properties pursuant to section 754 of the Code; and

(d) any other election the Board may deem appropriate and in the best interests of the Members.

Neither the Company nor any Member may make an election for the Company to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law.

10.03 Tax Matters Partner». DEP OLP shall be the “tax matters partner” of the Company pursuant to section 6231(a)(7) of the Code. Tax matters partner shall take such action as may be necessary to cause each Member to become a “notice partner” within the meaning of section 6223 of the Code. The tax matters partner shall inform each Member of all significant matters that may come to its attention in its capacity as tax matters partner by giving notice on or before the fifth Business Day after becoming aware of the matter and, within that time, shall forward to each Member copies of all significant written communications it may receive in that capacity.

ARTICLE 11
RESTRICTIONS ON TRANSFERABILITY

11.01 Transfer Restrictions». Except as set forth in Article 4 of the Omnibus Agreement, no Member shall be permitted to sell, assign, transfer or otherwise dispose of, or mortgage, hypothecate or otherwise encumber, or permit or suffer any encumbrance of, all or any portion of its Member Interest without the prior written consent of all other Members (which consent may be withheld in the sole discretion of such Members).

ARTICLE 12
BOOKS, RECORDS, REPORTS, AND BANK ACCOUNTS

12.01 Maintenance of Books».

(a) The Board of Directors shall keep or cause to be kept at the principal office of the Company or at such other location approved by the Board of Directors complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company’s business and minutes of the proceedings of the Board of Directors and any other books and records that are required to be maintained by applicable Law.

(b) The books of account of the Company shall be maintained on the basis of a fiscal year that is the calendar year and on an accrual basis in accordance with GAAP, consistently applied, except that the capital accounts of the Members shall be maintained in accordance with Section 4.06.

12.02 Reports». The Board of Directors shall cause to be prepared and delivered to each Member such reports, forecasts, studies, budgets and other information as the Members may reasonably request from time to time.

12.03 Bank Accounts». Funds of the Company shall be deposited in such banks or other depositories as shall be designated from time to time by the Board of Directors. All withdrawals from any such depository shall be made only as authorized by the Board of Directors and shall be made only by check, wire transfer, debit memorandum or other written instruction.

***12.04 Tax Statements*».** The Company shall use reasonable efforts to furnish, within 90 Days of the close of each taxable year of the Company, estimated tax information reasonably required by the Members for federal and state income tax reporting purposes.

ARTICLE 13
DISSOLUTION, WINDING-UP AND TERMINATION

***13.01 Dissolution»*.**

(a) The Company shall dissolve and its affairs shall be wound up on the first to occur of the following events (each a "***Dissolution Event***"):

(i) the unanimous consent of the Members in writing;

(ii) the entry of a decree of judicial dissolution of the Company under Section 18-802 of the Act;

(iii) at any time there are no Members of the Company, unless the Company is continued in accordance with the Act or this Agreement.

(b) No other event shall cause a dissolution of the Company.

(c) Upon the occurrence of any event that causes there to be no Members of the Company, to the fullest extent permitted by law, the personal representative of the last remaining Member is hereby authorized to, and shall, within 90 days after the occurrence of the event that terminated the continued membership of such Member in the Company, agree in writing (i) to continue the Company and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute Member of the Company, effective as of the occurrence of the event that terminated the continued membership of such Member in the Company.

(d) Notwithstanding any other provision of this Agreement, the Bankruptcy of a Member shall not cause such Member to cease to be a member of the Company and, upon the occurrence of such an event, the Company shall continue without dissolution.

***13.02 Winding-Up and Termination»*.**

(a) On the occurrence of a Dissolution Event, the Board of Directors shall select one or more Persons to act as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of winding up shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Board of Directors. The steps to be accomplished by the liquidator are as follows:

(i) as promptly as possible after dissolution and again after final winding up, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last calendar day of the month in which the dissolution occurs or the final winding up is completed, as applicable;

(ii) the liquidator shall discharge from Company funds all of the debts, liabilities and obligations of the Company or otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

(iii) all remaining assets of the Company shall be distributed to the Members as follows:

(A) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(B) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(C) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the Company occurs (other than those made by reason of this clause (iii)); and those distributions shall be made by the end of the taxable year of the Company during which the liquidation of the Company occurs (or, if later, 90 days after the date of the liquidation).

(b) The distribution of cash or property to a Member in accordance with the provisions of this Section 13.02 constitutes a complete return to the Member of its Capital Contributions and a complete distribution to the Member of its share of all the Company's property and constitutes a compromise to which all Members have consented within the meaning of Section 18-502(b) of the Act. No Member shall be required to make any Capital Contribution to the Company to enable the Company to make the distributions described in this Section 13.02.

(c) On completion of such final distribution, the liquidator shall file a Certificate of Cancellation with the Secretary of State of the State of Delaware and take such other actions as may be necessary to terminate the existence of the Company.

ARTICLE 14
MERGER

14.01 Authority». The Company may merge or consolidate with one or more limited liability companies, corporations, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a general partnership or limited partnership, formed under the laws of the State of Delaware or any other jurisdiction, pursuant to a written agreement of merger or consolidation ("***Merger Agreement***") in accordance with this Article 14.

14.02 Procedure for Merger or Consolidation». The merger or consolidation of the Company pursuant to this Article 14 requires the prior approval of a majority the Board of Directors and compliance with Section 14.03. Upon such approval, the Merger Agreement shall set forth:

(a) The names and jurisdictions of formation or organization of each of the business entities proposing to merge or consolidate;

(b) The name and jurisdiction of formation or organization of the business entity that is to survive the proposed merger or consolidation ("***Surviving Business Entity***");

(c) The terms and conditions of the proposed merger or consolidation;

(d) The manner and basis of exchanging or converting the equity securities of each constituent business entity for, or into, cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partnership or limited liability company interests, rights, securities or obligations of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of any general or limited partnership, limited liability company, corporation, trust or other entity (other than the Surviving Business Entity) which the holders of such interests, rights, securities or obligations of the constituent business entity are to receive in exchange for, or upon conversion of, their interests, rights, securities or obligations and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partnership or limited liability company interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, limited liability company, corporation, trust or other entity (other than the Surviving Business Entity), or evidences thereof, are to be delivered;

(e) A statement of any changes in the constituent documents or the adoption of new constituent documents (the articles or certificate of incorporation, articles of trust, declaration of trust, certificate or agreement of limited partnership or limited liability company or other similar charter or governing document) of the Surviving Business Entity to be effected by such merger or consolidation;

(f) The effective time of the merger or consolidation, which may be the date of the filing of the certificate of merger pursuant to Section 14.04 or a later date specified in or determinable in accordance with the Merger Agreement (*provided*, that if the effective time of the merger or consolidation is to be later than the date of the filing of the certificate of merger or consolidation, the effective time shall be fixed no later than the time of the filing of the certificate of merger or consolidation and stated therein); and

(g) Such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the Board of Directors.

14.03 Approval by Members of Merger or Consolidation».

(a) The Board of Directors, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of the Members, whether at a meeting or by written consent. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the written consent.

(b) After approval by vote or consent of the Members, and at any time prior to the filing of the certificate of merger or consolidation pursuant to Section 14.04, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

14.04 Certificate of Merger or Consolidation». Upon the required approval by the Board of Directors and the Members of a Merger Agreement, a certificate of merger or consolidation shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Act.

14.05 Effect of Merger or Consolidation».

(a) At the effective time of the certificate of merger or consolidation:

(i) all of the rights, privileges and powers of each of the business entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those business entities and all other things and causes of action belonging to each of those business entities shall be vested in the Surviving Business Entity and after the merger or consolidation shall be the property of the Surviving Business Entity to the extent they were property of each constituent business entity;

(ii) the title to any real property vested by deed or otherwise in any of those constituent business entities shall not revert and is not in any way impaired because of the merger or consolidation;

(iii) all rights of creditors and all liens on or security interest in property of any of those constituent business entities shall be preserved unimpaired; and

(iv) all debts, liabilities and duties of those constituent business entities shall attach to the Surviving Business Entity, and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

(b) A merger or consolidation effected pursuant to this Article 14 shall not (i) be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred or (ii) require the Company (if it is not the Surviving Business Entity) to wind up its affairs, pay its liabilities or distribute its assets as required under Article 13 of this Agreement or under the applicable provisions of the Act.

ARTICLE 15
GENERAL PROVISIONS

15.01 Notices». Except as expressly set forth to the contrary in this Agreement, all notices, requests or consents provided for or permitted to be given under this Agreement must be in writing and must be delivered to the recipient in person, by courier or mail or by facsimile or other electronic transmission and a notice, request or consent given under this Agreement is effective on receipt by the Person to receive it; *provided*, *however*, that a facsimile or other electronic transmission that is transmitted after the normal business hours of the recipient shall be deemed effective on the next Business Day. All notices, requests and consents to be sent to a Member must be sent to or made at the addresses given for that Member as that Member may specify by notice to the other Members. Any notice, request or consent to the Company must be given to all of the Members. Whenever any notice is required to be given by applicable Law, the Organizational Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Whenever any notice is required to be given by Law, the Organizational Certificate or this Agreement, a written waiver thereof, signed by the Person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

15.02 Entire Agreement; Supersedure». This Agreement constitutes the entire agreement of the Members and their respective Affiliates relating to the subject matter hereof and supersedes all prior contracts or agreements with respect to such subject matter, whether oral or written.

15.03 Effect of Waiver or Consent». Except as provided in this Agreement, a waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Except as provided in this Agreement, failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

15.04 Amendment or Restatement». This Agreement may be amended or restated only by a written instrument executed by all Members.

15.05 Binding Effect». This Agreement is binding on and shall inure to the benefit of the Members and their respective heirs, legal representatives, successors and assigns.

15.06 Governing Law; Severability». THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Agreement and (a) any provision of the Organizational Certificate, or (b) any mandatory, non-waivable provision of the Act, such provision of the Organizational Certificate or the Act shall control. If any provision of the Act provides that it may be varied or superseded in the limited liability company agreement (or otherwise by agreement of the members or managers of a limited liability company), such provision shall be deemed superseded and waived in its entirety if this Agreement contains a provision addressing the same issue or subject matter. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, (a) the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by Law, and (b) the Members or Directors (as the case may be) shall negotiate in good faith to replace that provision with a new provision that is valid and enforceable and that puts the Members in substantially the same economic, business and legal position as they would have been in if the original provision had been valid and enforceable.

15.07 Further Assurances». In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

15.08 Offset». Whenever the Company is to pay any sum to any Member, any amounts that a Member owes the Company may be deducted from that sum before payment.

15.09 Counterparts». This Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

15.10 Execution of Additional Instruments». Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney and other instruments necessary to comply with any laws, rules or regulations.

15.11 Severability». If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

15.12 Headings». The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the Members have executed this Agreement as of the date first set forth above.

MEMBERS:

DEP OPERATING PARTNERSHIP, L.P.

By:DEP OLPGP, LLC,
its general partner

By: /s/ Richard H. Bachmann
Name: Richard H. Bachmann
Title: President and Chief Executive Officer

ENTERPRISE PRODUCTS OPERATING LLC

By:Enterprise Products OLPGP, Inc.,
its sole manager

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Executive Vice President and Chief Financial Officer

ENTERPRISE PRODUCTS OLPGP, INC.

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Executive Vice President and Chief Financial Officer

Attachment I

Defined Terms

Act – the Delaware Limited Liability Company Act and any successor statute, as amended from time to time.

Affiliate – with respect to any Person, each Person Controlling, Controlled by or under common Control with such first Person.

Agreement – this Amended and Restated Limited Liability Company Agreement of the Company, as the same may be amended, modified, supplemented or restated from time to time.

Allocation Regulations – means Treas. Reg. §§ 1.704-1(b), 1.704-2 and 1.704-3 (including any temporary regulations) as such regulations may be amended and in effect from time to time and any corresponding provision of succeeding regulations.

Asset Contribution Agreement - Recitals.

Bankruptcy or ***Bankrupt*** – with respect to any Person, that (a) such Person (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in bankruptcy; (iii) is insolvent, or has entered against such Person an order for relief in any bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in a proceeding of the type described in subclauses (i) through (iv) of this clause (a); or (vi) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person’s properties; or (b) 120 Days have passed after the commencement of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law, if the proceeding has not been dismissed, or 90 Days have passed after the appointment without such Person’s consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person’s properties, if the appointment is not vacated or stayed, or 90 Days have passed after the date of expiration of any such stay, if the appointment has not been vacated.

Board of Directors or ***Board*** – Section 8.01.

Business Day – any Day other than a Saturday, a Sunday or a Day on which national banking associations in the State of Texas are authorized or required by Law to close.

Capital Contribution – with respect to any Member of the Company, the amount of money and the initial Carrying Value of any property (other than money) contributed to the Company by such Member.

Carrying Value – means (a) with respect to property contributed to the Company, the fair market value of such property at the time of contribution reduced (but not below zero) by all depreciation, depletion (computed as a separate item of deduction), amortization and cost recovery deductions charged to the Members' capital accounts, (b) with respect to any property whose value is adjusted pursuant to the Allocation Regulations, the adjusted value of such property reduced (but not below zero) by all depreciation and cost recovery deductions charged to the Partner's capital accounts and (c) with respect to any other Company property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination.

Company – initial paragraph.

Control – shall mean the possession, directly or indirectly, of the power and authority to direct or cause the direction of the management and policies of a Person, whether through ownership or control of Voting Stock, by contract or otherwise.

Contribution Agreement - Recitals.

Day – a calendar Day; *provided*, *however*, that, if any period of Days referred to in this Agreement shall end on a Day that is not a Business Day, then the expiration of such period shall be automatically extended until the end of the first succeeding Business Day.

Debt – means, as applied to the Company:

(a) Any indebtedness for borrowed money or debt security of any Person which the Company has directly or indirectly created, incurred, guaranteed, assumed or otherwise become liable for;

(b) Obligations to make payments under leases that in accordance with GAAP are required to be capitalized on the balance sheet of Company, as the case may be; and

(c) Any guarantee by the Company of any debt of another Person of the type described in clause (a) or (b) of this definition.

Delaware General Corporation Law – Title 8 of the Delaware Code, as amended from time to time.

DEP OLPGP - - Recitals.

Director – each member of the Board of Directors elected as provided in Section 8.01.

Dispose, ***Disposing*** or ***Disposition*** means, with respect to any asset, any sale, assignment, transfer, conveyance, gift, exchange or other disposition of such asset, whether such disposition be voluntary, involuntary or by operation of Law.

Dissolution Event – Section 13.01(a).

Effective Date – initial paragraph.

EPD OLP –Recitals.

Existing Agreement – Recitals.

Expansion Cash Call **–** Section 4.03(a).

Expansion Cash Flow **–** the Net Cash Flow attributable to an Expansion Project (without deducting such Expansion Cash Flow from that definition).

Expansion Costs – Section 4.03(a).

Expansion Distributions **–** Section 5.02(b)(ii).

Expansion Net Income **–** the net items of income, gain, loss, deduction, expense or credit (taxable or non-taxable) attributable to an Expansion Project, except for depreciation and other cost recovery deductions related to Expansion Costs.

Expansion Participating Members **–** Section 4.03(a).

Expansion Project – any expansion activities with respect to the Company's facilities, including without limitation, development of new entries into and the conversion of existing storage wells and the installation of new piping and related facilities.

Expansion Sharing Ratio **–** Section 4.03(a).

First A&R LLC Agreement – Recitals.

GAAP **–**generally accepted accounting principles in the United States of America from time to time.

Indemnitee – Section 8.05(a).

Initial Commencement Date – the date on which the Board of Directors provides written notice to EPD OLP that any pipeline or storage portion of an Expansion Project is placed in service.

Initial Member – EPD OLP.

Law – any applicable constitutional provision, statute, act, code (including the Code), law, regulation, rule, ordinance, order, decree, ruling, proclamation, resolution, judgment, decision, declaration or interpretative or advisory opinion or letter of a governmental authority.

Liability – any liability or obligation, whether known or unknown, asserted or unasserted, absolute or contingent, matured or unmatured, conditional or unconditional, latent or patent, accrued or unaccrued, liquidated or unliquidated, or due or to become due.

Measurement Gains – items of the Company's income or gain relating to product movements to and from the Company's storage facility, including amounts retained or deducted by the Company as handling losses on product transferred into storage.

Measurement Losses – items of the Company’s loss or deduction relating to product movements to and from the Company’s storage facility.

Member – any Person executing this Agreement as of the date of this Agreement as a member or hereafter admitted to the Company as a member as provided in this Agreement, but such term does not include any Person who has ceased to be a member in the Company.

Membership Interest – with respect to any Member, (a) that Member’s status as a Member; (b) that Member’s share of the income, gain, loss, deduction and credits of, and the right to receive distributions from, the Company; (c) all other rights, benefits and privileges enjoyed by that Member (under the Act, this Agreement, or otherwise) in its capacity as a Member; and (d) all obligations, duties and liabilities imposed on that Member (under the Act, this Agreement or otherwise) in its capacity as a Member, including any obligations to make Capital Contributions.

Merger Agreement – Section 14.01.

MLP - Recitals.

Net Cash Deficit – for a period, means the net sum, if a negative number, of (without duplication):

(a) Net Earnings for such period, after interest and taxes but before depreciation and amortization, non-cash write-offs, and gains and losses on the sale of Company Assets; plus

(b) proceeds from the sale of Company Assets during such period to the extent not included in clause (a) of this definition; plus

(c) all other cash receipts during such period not included in clauses (a) or (b) of this definition from whatever source (including the proceeds of financing or refinancing or insurance, but excluding receipt of any Capital Contributions made in respect of any prior period); minus

(d) Capital expenditures incurred during such period in accordance with this Agreement (other than those capital expenditures with respect to which the Members have agreed to make Capital Contributions); minus

(e) principal payments made on Debt during such period; minus

(f) if an Expansion Project has occurred, the Expansion Cash Flow for such period.

Net Cash Flows – for a period, means the net sum, if a positive number, of (without duplication):

(a) Net Earnings for such period, after interest and taxes but before depreciation and amortization, non-cash write-offs, and gains and losses on the sale of Company Assets; plus

(b) proceeds from the sale of Company Assets during such period to the extent not included in clause (a) of this definition; plus

(c) all other cash receipts during such period not included in clauses (a) or (b) of this definition from whatever source (including the proceeds of financing or refinancing or insurance, but excluding receipt of any Capital Contributions made in respect of any prior period); minus

(d) Capital expenditures incurred during such period in accordance with this Agreement (other than those capital expenditures with respect to which the Members have agreed to make Capital Contributions); minus

(e) principal payments made on Debt during such period; minus

(f) if an Expansion Project has occurred, the Expansion Cash Flow for such period.

Net Earnings – for a period, the net sum of (i) the aggregate amount of all cash or cash equivalents (other than Capital Contributions and loans) received by the Company during such period minus (ii) the amount of operating expenses during such period (or if the Company, for such period, does not have any operating expenses, expenses paid during such period which are similar in nature to operating expenses).

Net Measurement Gain – for any applicable period, the excess, if any, of the Company's Measurement Gains for such period over the Company's Measurement Losses for such period.

Net Measurement Loss – for any applicable period, the excess, if any, of the Company's Measurement Losses for such period over the Company's Measurement Gains for such period.

Officers – any person elected as an officer of the Company as provided in Section 8.02(a), but such term does not include any person who has ceased to be an officer of the Company.

OLPGP - initial paragraph.

Omnibus Agreement – means the Omnibus Agreement between EPD OLP, DEP Holdings, LLC, MLP, DEP OLPGP, LLC, DEP OLP, Enterprise Lou-Tex Propylene Pipeline L.P., Sabine Propylene Pipeline L.P., Acadian Gas, LLC, South Texas NGL Pipelines, LLC and the Company, dated February 5, 2007, as amended or restated from time to time.

Organizational Certificate – Section 2.01.

Person – a natural person, partnership (whether general or limited), limited liability company, governmental entity, trust, estate, association, corporation, venture, custodian, nominee or any other individual or entity in its own or any representative capacity.

Sharing Ratio – subject in each case to adjustments as determined by the Board of Directors in accordance with this Agreement or in connection with Dispositions of Membership Interests, (a) in the case of a Member executing this Agreement as of the date of this Agreement or a Person acquiring such Member's Membership Interest, the percentage specified for that

Member as its Sharing Ratio on Exhibit A, and (b) in the case of Membership Interests issued pursuant to Section 3.02, the Sharing Ratio established pursuant thereto; provided, however, that the total of all Sharing Ratios shall always equal 100%.

Surviving Business Entity – Section 14.02(b).

Voting Stock – with respect to any Person, Equity Interests in such Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of, or otherwise appoint, directors (or Persons with management authority performing similar functions) of such Person.

Withdraw, ***Withdrawing*** and ***Withdrawal*** – the withdrawal, resignation or retirement of a Member from the Company as a Member.

Exhibit A

Name and Address of Partner	Sharing Ratio
DEP Operating Partnership, L.P. 1100 Louisiana Street, 10th Floor Houston, Texas 77002	66.000%
Enterprise Products Operating LLC 1100 Louisiana Street, 10th Floor Houston, Texas 77002	33.365%
Enterprise Products OLPGP, Inc. 1100 Louisiana Street, 10th Floor Houston, Texas 77002	0.635%

EXHIBIT 31.1

CERTIFICATIONS

I, Richard H. Bachmann, certify that:

1. I have reviewed this quarterly report on Form 10–Q of Duncan Energy Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2008

/s/ Richard H. Bachmann
Name: Richard H. Bachmann
Title: Principal Executive Officer of our General Partner,
DEP Holdings, LLC

EXHIBIT 31.2

CERTIFICATIONS

I, W. Randall Fowler, certify that:

1. I have reviewed this quarterly report on Form 10–Q of Duncan Energy Partners L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 10, 2008

/s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Principal Financial Officer of our General Partner,
DEP Holdings, LLC

EXHIBIT 32.1

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF RICHARD H. BACHMANN, CHIEF EXECUTIVE OFFICER OF DEP HOLDINGS, LLC, THE GENERAL PARTNER OF DUNCAN ENERGY PARTNERS L.P.

In connection with this quarterly report of Duncan Energy Partners L.P. (the “Registrant”) on Form 10-Q for the quarterly period ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard H. Bachmann, Chief Executive Officer of DEP Holdings, LLC, the general partner of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 10, 2008

/s/ Richard H. Bachmann
Name: Richard H. Bachmann
Title: Chief Executive Officer of DEP Holdings, LLC
on behalf of Duncan Energy Partners L.P.

EXHIBIT 32.2

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF W. RANDALL FOWLER, CHIEF FINANCIAL OFFICER OF DEP HOLDINGS, LLC, THE GENERAL PARTNER OF DUNCAN ENERGY PARTNERS L.P.

In connection with this quarterly report of Duncan Energy Partners L.P. (the “Registrant”) on Form 10-Q for the quarterly period ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Randall Fowler, Chief Financial Officer of DEP Holdings, LLC, the general partner of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 10, 2008

/s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Principal Financial Officer of DEP Holdings, LLC
on behalf of Duncan Energy Partners L.P.