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, 2005 or

o 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: 1-32610

ENTERPRISE GP HOLDINGS L.P.

(Exact name of Registrant as specified in its Charter)

Delaware	**13-4297064**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

2727 North Loop West, Houston, Texas 77008-1044
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, including area code: **(713) 426-4500**

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 o NO x

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES o NO x

There were 88,884,116 common units of *Enterprise GP Holdings L.P.* outstanding at October 31, 2005. Enterprise GP Holdings L.P.'s common units trade on the New York Stock Exchange under the symbol "EPE."

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ENTERPRISE GP HOLDINGS L.P.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

ASSETS	September 30, 2005	December 31, 2004
Current assets		
Cash and cash equivalents	$ 33,155	$ 25,006
Restricted cash	6,893	26,157
Accounts and notes receivable - trade, net of allowance for doubtful accounts of $24,620 at September 30, 2005 and $24,310 at December 31, 2004	1,292,571	1,058,375
Accounts receivable - related parties	202	25,151
Inventories	573,091	189,019
Assets held for sale		36,562
Prepaid and other current assets	105,430	80,893
Total current assets	2,011,342	1,441,163
Property, plant and equipment, net	8,415,573	7,831,467
Investments in and advances to unconsolidated affiliates	470,033	519,164
Intangible assets, net of accumulated amortization of $141,682 at September 30, 2005 and $74,183 at December 31, 2004	941,484	980,601
Goodwill	489,444	459,198
Deferred tax asset	5,530	6,467
Long-term receivables	14,741	14,931
Other assets	41,969	62,910
Total assets	$ 12,390,116	$ 11,315,901
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities		
Current maturities of debt	$ 164,000	$ 18,450
Accounts payable - trade	82,321	203,144
Accounts payable - related parties	17,985	41,293
Accrued gas payables	1,392,426	1,021,294
Accrued expenses	82,436	130,051
Accrued interest	71,702	73,151
Other current liabilities	131,856	104,979
Total current liabilities	1,942,726	1,592,362
Long-term debt	4,788,840	4,629,219
Other long-term liabilities	74,337	63,739
Minority interest	4,879,358	4,956,543
Commitments and contingencies		
Partners' equity		
Limited partners	684,659	49,478
General partner	10	6
Accumulated other comprehensive income	20,186	24,554
Total partners' equity	704,855	74,038
Total liabilities and partners’ equity	$ 12,390,116	$ 11,315,901

See Notes to Unaudited Condensed Consolidated Financial Statements

ENTERPRISE GP HOLDINGS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS AND COMPREHENSIVE INCOME
(Dollars in thousands, except per unit amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
REVENUES				
Third parties	$ 3,130,327	$ 1,801,946	$ 8,218,476	$ 4,862,082
Related parties	118,964	238,325	258,105	596,425
Total	3,249,291	2,040,271	8,476,581	5,458,507
COST AND EXPENSES				
Operating costs and expenses				
Third parties	2,967,579	1,704,953	7,748,068	4,537,821
Related parties	77,766	246,614	211,054	688,571
Total operating costs and expenses	3,045,345	1,951,567	7,959,122	5,226,392
General and administrative costs				
Third parties	5,014	4,576	19,161	8,706
Related parties	8,640	5,724	28,528	18,363
Total general and administrative costs	13,654	10,300	47,689	27,069
Total costs and expenses	3,058,999	1,961,867	8,006,811	5,253,461
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES	3,703	14,289	14,563	42,224
OPERATING INCOME	193,995	92,693	484,333	247,270
OTHER INCOME (EXPENSE)				
Interest expense	(61,348)	(32,471)	(171,507)	(96,956)
Interest expense – related parties	(3,978)		(15,306)	
Other, net	1,408	599	3,590	932
Other expense	(63,918)	(31,872)	(183,223)	(96,024)
INCOME BEFORE PROVISION FOR INCOME TAXES, MINORITY INTEREST AND CHANGES IN ACCOUNTING PRINCIPLES	130,077	60,821	301,110	151,246
Provision for income taxes	(3,223)	(662)	(3,958)	(2,706)
INCOME BEFORE MINORITY INTEREST AND CHANGES IN ACCOUNTING PRINCIPLES	126,854	60,159	297,152	148,540
Minority interest	(111,553)	(56,499)	(261,549)	(127,085)
INCOME BEFORE CHANGES IN ACCOUNTING PRINCIPLES	15,301	3,660	35,603	21,455
Cumulative effect of changes in accounting principles (see Note 2)				216
NET INCOME	15,301	3,660	35,603	21,671
Cash flow financing hedges		(85,126)		19,405
Amortization of cash flow financing hedges	(1,017)	(105)	(3,018)	(311)
Change in fair value of commodity hedges	84		(1,350)	
COMPREHENSIVE INCOME	$ 14,368	$ (81,571)	$ 31,235	$ 40,765
ALLOCATION OF NET INCOME:				
Limited partners' interest in net income	$ 15,299	$ 3,660	$ 35,599	$ 21,669
General partner interest in net income	$ 2		$ 4	$ 2
EARNINGS PER UNIT: (see Note 14)				
Basic and diluted net income per unit	$ 0.19	$ 0.05	$ 0.46	$ 0.29

See Notes to Unaudited Condensed Consolidated Financial Statements

ENTERPRISE GP HOLDINGS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Dollars in thousands)

	For the Nine Months Ended September 30,	
	2005	**2004**
OPERATING ACTIVITIES		
Net income	$ 35,603	$ 21,671
Adjustments to reconcile net income to cash flows provided by operating activities:		
Depreciation and amortization in operating costs and expenses	304,041	94,674
Depreciation in general and administrative costs	5,075	302
Amortization in interest expense	(117)	2,868
Equity in income of unconsolidated affiliates	(14,563)	(42,224)
Distributions received from unconsolidated affiliates	47,388	54,580
Provision for impairment of long-lived asset		4,016
Cumulative effect of changes in accounting principles		(216)
Operating lease expense paid by EPCO, Inc.	1,584	6,820
Minority interest	261,549	127,085
Loss (gain) on sale of assets	(4,742)	158
Deferred income tax expense	5,827	6,293
Changes in fair market value of financial instruments	122	82
Net effect of changes in operating accounts (see Note 11)	(312,546)	(240,137)
Cash provided by operating activities	329,221	35,972
INVESTING ACTIVITIES		
Capital expenditures	(627,913)	(39,435)
Contributions in aid of construction costs	40,368	490
Proceeds from sale of assets	43,220	110
Decrease (increase) in restricted cash	19,263	(3,036)
Cash used for business combinations, net of cash received	(325,080)	(1,065,269)
Acquisition of intangible asset	(1,750)	
Investments in unconsolidated affiliates	(80,833)	(1,076)
Advances from unconsolidated affiliates	3,361	497
Return of investment from unconsolidated affiliate	47,500	
Cash used in investing activities	(881,864)	(1,107,719)
FINANCING ACTIVITIES		
Borrowings under debt agreements	3,912,345	3,958,000
Repayments of debt	(3,767,463)	(2,164,677)
Debt issuance costs	(8,380)	(3,450)
Borrowing proceeds held in escrow for tender offers		(1,100,000)
Distributions paid to minority interests	(478,900)	(259,289)
Contributions from minority interests	554,954	747,299
Distributions paid to partners	(24,764)	(8,728)
Net proceeds from issuance of common units in initial public offering	373,000	
Settlement of cash flow financing hedges		19,405
Cash provided by financing activities	560,792	1,188,560
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,149	116,813
CASH AND CASH EQUIVALENTS, JANUARY 1	25,006	30,466
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	$ 33,155	$ 147,279

See Notes to Unaudited Condensed Consolidated Financial Statements

ENTERPRISE GP HOLDINGS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED PARTNERS' EQUITY
(See Note 9 for Unit History)
(Dollars in thousands)

	Limited Partners	General Partner	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2004	$ 49,478	$ 6	$ 24,554	$ 74,038
Net income	35,599	4		35,603
Distributions to partners	(24,764)			(24,764)
Operating leases paid by EPCO, Inc.	44			44
Amortization of equity-related awards	34			34
Acquisition of minority interest from El Paso	90,845			90,845
Contribution of net assets from sponsor affiliates in connection with initial public offering	160,604			160,604
Net proceeds from initial public offering	373,000			373,000
Change in fair value of commodity hedges			(1,350)	(1,350)
Interest rate hedging financial instruments recorded as cash flow hedges: Amortization of gain as component of interest expense			(3,018)	(3,018)
Other	(181)			(181)
Balance, September 30, 2005	$ 684,659	$ 10	$ 20,186	$ 704,855

See Notes to Unaudited Condensed Consolidated Financial Statements

1. PARTNERSHIP ORGANIZATION AND BASIS OF FINANCIAL STATEMENT PRESENTATION

Partnership organization and formation

Enterprise GP Holdings L.P. is a publicly traded Delaware limited partnership listed on the New York Stock Exchange ("NYSE") under ticker symbol “EPE.” Enterprise GP Holdings L.P. ("Enterprise GP Holdings") was formed in April 2005 and completed its initial public offering of 14,216,784 common units in August 2005. For information regarding the initial public offering of Enterprise GP Holdings, see Note 9.

Enterprise GP Holdings is the sole member of Enterprise Products GP, LLC (“Enterprise Products GP”), which is the general partner of Enterprise Products Partners L.P. ("Enterprise Products Partners"). The primary business purpose of Enterprise Products GP is to manage the affairs and operations of Enterprise Products Partners, a North American energy company providing a wide range of processing, storage and transportation or midstream services to producers and consumers of natural gas, natural gas liquids (“NGLs”), and crude oil, and an industry leader in the development of pipeline and other midstream infrastructure in the continental United States and deepwater Gulf of Mexico. Enterprise Products Partners conducts substantially all of its business through a wholly owned subsidiary, Enterprise Products Operating L.P. (the “Operating Partnership”).

We are owned 99.99% by our limited partners and 0.01% by EPE Holdings LLC (our general partner, referred to as “EPE Holdings”). Enterprise GP Holdings, Enterprise Products GP, EPE Holdings, and Enterprise Products Partners are all affiliates and under common control of Dan L. Duncan, the Chairman and the controlling shareholder of EPCO, Inc. (“EPCO”). We and Enterprise Products GP have no independent operations outside those of Enterprise Products Partners.

Unless the context requires otherwise, references to “we,” “us,” “our,” “Enterprise GP Holdings” or the “Company” within these notes shall mean Enterprise GP Holdings L.P. and its consolidated subsidiaries, which include Enterprise Products GP and Enterprise Products Partners. On a standalone basis, Enterprise GP Holdings is referred to as the “parent company.” Also, “GulfTerra Merger” refers to the merger of GulfTerra Energy Partners, L.P. with a wholly owned subsidiary of Enterprise Products Partners on September 30, 2004 and the various transactions related thereto. References to “GulfTerra” mean Enterprise GTM Holdings L.P., the successor to GulfTerra Energy Partners, L.P. References to “GulfTerra GP” mean Enterprise GTMGP, L.L.C., which was formerly known as GulfTerra Energy Company, L.L.C., the general partner of GulfTerra Energy Partners, L.P. Enterprise GTMGP, L.L.C. is the general partner of Enterprise GTM Holdings L.P.

Contributions made by affiliates of EPCO in August 2005 in connection with the initial public offering of Enterprise GP Holdings

In connection with the initial public offering of Enterprise GP Holdings, affiliates of EPCO contributed certain ownership interests in Enterprise Products Partners to Enterprise GP Holdings consisting of (i) 13,454,498 common units of Enterprise Products Partners acquired from an affiliate of El Paso Corporation ("El Paso") in January 2005 and (ii) a 100% ownership interest in Enterprise Products GP. Concurrent with the contribution of these ownership interests, Enterprise GP Holdings assumed $160 million of debt and $0.5 million of accrued interest from EPCO.

In accordance with Statement of Financial Accounting Standard (“SFAS”) No. 141, the transfer of such net assets from affiliates of EPCO to Enterprise GP Holdings was recorded at the transferors’ net historical carrying amounts of $160.6 million since both the transferors and transferee are under the

common control of EPCO. As consideration for these transfers, affiliates of EPCO received 74,667,332 common units (the "sponsor units") of Enterprise GP Holdings.

Basis of presentation of consolidated financial statements

Our results of operations for the three and nine months ended September 30, 2005 are not necessarily indicative of results expected for the full year.

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

In accordance with generally accepted accounting principles, the transfer of net assets to us from affiliates of EPCO in August 2005 was accounted for as a reorganization of entities under common control in a manner similar to a pooling of interests. As a result, the historical consolidated financial information of Enterprise GP Holdings presented in this quarterly report on Form 10-Q for periods prior to its receipt of such contributions from EPCO has been presented using the consolidated financial information of Enterprise Products GP, which has been deemed the predecessor company of Enterprise GP Holdings.

The presentation of such unaudited predecessor condensed consolidated financial statements assumes that (i) the historical ownership interest in Enterprise Products GP held by El Paso (during the fourth quarter of 2004 and a portion of January 2005) was a third-party minority ownership interest in the net assets of such subsidiary and (ii) the historical ownership interests in Enterprise Products GP held by affiliates of EPCO (prior to the contribution of net assets from EPCO to us in August 2005) were owned by us. This method of presentation is substantially on the same basis that our consolidated results of operations and financial condition have been presented since the contribution of net assets from EPCO.

Since we own the general partner of Enterprise Products Partners, our unaudited condensed consolidated financial statements reflect the consolidated financial results of Enterprise Products Partners and its general partner. The amount of net earnings of Enterprise Products Partners allocated to its limited partner interests not owned by us is reflected as minority interest expense in our consolidated results of operations. Likewise, the amount of net assets of Enterprise Products Partners allocated to its limited partner interests not owned by us is reflected as minority interest in our consolidated balance sheet. Apart from such minority interest-related amounts, debt and interest expense recognized in connection with the parent company's borrowings, our consolidated financial statements do not differ materially from those of Enterprise Products Partners.

In the opinion of the Company, the accompanying unaudited condensed consolidated 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 generally accepted accounting principles in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

Enterprise GP Holdings parent company-only financial information

Enterprise GP Holdings (the "parent company") has no separate operating activities apart from those conducted by the Operating Partnership (see Note 15). The principal sources of cash flow for the parent company are its investments in the limited and general partner ownership interests in Enterprise Products Partners. The parent company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. The parent company-only assets and liabilities of Enterprise GP Holdings are not available to satisfy the debts and other obligations of Enterprise Products Partners and its consolidated subsidiaries.

In order to fully understand the financial condition and results of operations of the parent company on a standalone basis, we are providing the financial information of Enterprise GP Holdings apart from that of our consolidated partnership information included within this Item 1. The following financial statements reflect the transactions of Enterprise GP Holdings on a standalone basis since its formation in April 2005.

The following table shows the parent company's balance sheet data at September 30, 2005:

ASSETS		
Current assets	$	517
Investments in affiliates (1)		837,565
Total assets	$	838,082
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities		
Current maturities of debt (2)	$	149,000
Other current liabilities (3)		4,405
Total current liabilities		153,405
Partners' equity (4)		684,677
Total liabilities and partners' equity	$	838,082

(1) Represents Enterprise GP Holdings' equity-method investments in Enterprise Products GP and Enterprise Products Partners. These ownership interests were contributed to Enterprise GP Holdings by affiliates of EPCO in August 2005 in connection with the initial public offering of Enterprise GP Holdings. These parent company-only investments are eliminated in the process of consolidating the financial statements of Enterprise GP Holdings with those of Enterprise Products GP and Enterprise Products Partners.

(2) Represents borrowings outstanding under Enterprise GP Holdings $525 Million Credit Facility. For additional information regarding this parent company debt obligation, see Note 8.

(3) Represents current payable amounts primarily related to accrued initial public offering expenses and interest.

(4) Represents partner capital accounts recorded under generally accepted accounting principles including $373 million in net proceeds resulting from Enterprise GP Holdings' initial public offering in August 2005.

The following table shows the parent company's statement of operations since its formation in April, 2005.

Equity in income of affiliates (1)	$	2,146
General and administrative costs (2)		92
Operating income		2,054
Other income (expense)		
Interest expense (3)		(1,109)
Interest income		13
Net income	$	958

(1) Represents Enterprise GP Holdings' earnings from its equity-method investments in Enterprise Products GP and Enterprise Products Partners. Enterprise GP Holdings obtained these investments as a result of net asset contributions from affiliates of EPCO that were made in connection with Enterprise GP Holdings initial public offering in August 2005; therefore, the equity earnings shown are for the period since the assets were contributed.

(2) Represents parent company-only general and administrative costs since late August 2005.

(3) Primarily represents interest expense associated with Enterprise GP Holdings $525 Million Credit Facility.

The following table shows the parent company's statement of cash flow since its formation in April 2005. As with Enterprise GP Holdings' statement of operations, the cash flow information presented below primarily reflects activity since Enterprise GP Holdings' initial public offering in late August 2005.

Operating activities		
Net income	$	958
Adjustments to reconcile net income to cash flows used in operating activities:		
Equity in income of affiliates		(2,146)
Net effect of changes in operating accounts		4,262
Cash used in operating activities		3,074
Investing activities		
Investments in affiliates (1)		(364,456)
Cash used in investing activities		(364,456)
Financing activities		
Borrowings under debt agreements (2)		525,000
Repayments of debt (3)		(536,246)
Contribution from general partner		1
Proceeds from issuance of common units in initial public offering (4)		373,000
Cash provided by financing activities		361,755
Net change in cash and cash equivalents		373
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period	$	373

(1) Represents cash contribution made to Enterprise Products GP in August 2005 using proceeds from Enterprise GP Holdings Credit Facility. Enterprise Products GP used this contribution to repay indebtedness owed to an affiliate of EPCO.

(2) Represents Enterprise GP Holdings' borrowings under its $525 Million Credit Facility (the "Enterprise GP Holdings' Credit Facility") to repay (i) $364.5 million of indebtedness owed by Enterprise Products GP to an affiliate of EPCO that was originally incurred to finance Enterprise Products GP's purchase of a 50% interest in the general partner of GulfTerra Energy Partners, L.P. in September 2004 and (ii) $160.5 million of debt assumed from EPCO as part of the contribution of net assets to Enterprise GP Holdings in August 2005.

(3) Represents repayment of (i) $160.5 million of debt assumed from affiliates of EPCO using borrowings under Enterprise GP Holdings $525 Million Credit Facility and (ii) $376 million of borrowings under Enterprise GP Holdings Credit Facility using proceeds from Enterprise GP Holdings initial public offering.

(4) Represents net proceeds from Enterprise GP Holdings' initial public offering in August 2005.

Enterprise GP Holdings did not receive any cash distributions from Enterprise Products Partners or Enterprise Products GP during the period after the completion of its initial public offering, August 29, 2005, through September 30, 2005. Conversely, Enterprise GP Holdings did not make any parent company distributions to its partners during this period.

2. GENERAL ACCOUNTING POLICIES AND RELATED MATTERS

Use of estimates

In accordance with GAAP, we use estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during each reporting period. Our actual results could differ from these estimates.

New accounting pronouncements

Statement of Financial Accounting Standards ("SFAS") No. 123(R), "Share-Based Payment." This accounting guidance, which is applicable for public companies the first fiscal year beginning on or after June 15, 2005, replaces SFAS No. 123, "*Accounting for Stock-Based Compensation*" and supersedes Accounting Principles Board ("APB") Opinion No. 25, "*Accounting for Stock Issued to Employees*." This Statement eliminates the ability to account for share-based compensation transactions using APB No. 25, and generally requires instead that such transactions be accounted for using a fair-value-based method. We are continuing to evaluate the provisions of SFAS No. 123(R) and will adopt the standard on January 1, 2006. Upon the required effective date, we will apply this statement using a modified prospective application as described in the standard.

On March 29, 2005, the SEC issued Staff Accounting Bulletin ("SAB") 107 to provide public companies additional guidance in applying the provisions of SFAS No. 123(R). Among other things, SAB 107 describes the SEC staff's expectations in determining the assumptions that underlie the fair value estimates and discusses the interaction of SFAS No. 123(R) with certain existing SEC guidance. The guidance is also beneficial to users of financial statements in analyzing the information provided under SFAS No. 123(R). We will apply the provisions of SAB 107 upon the adoption of SFAS No. 123(R).

FASB Interpretation ("FIN") 46(R)-5, "Implicit Variable Interests Under FASB Interpretation No. 46(R), Consolidation of Variable Interest Entities." On March 3, 2005, the Financial Accounting Standards Board ("FASB") issued this guidance to address whether a reporting enterprise has an implicit variable interest in a variable interest entity or potential variable interest entity when specific conditions exist. FIN 46(R)-5 covers issues that commonly arise in leasing arrangements among related parties, as well as other types of arrangements involving both related and unrelated parties. Implicit variable interests are implied financial interests in an entity's net assets exclusive of variable interests. An implicit variable interest acts the same as in an explicit variable interest except it involves the absorbing and (or) receiving of variability indirectly from the entity (rather than directly). The identification of an implicit variable interest is a matter of judgment that depends on the relevant facts and circumstances. This guidance was effective for our fiscal quarter ended June 30, 2005, and our adoption of this guidance had no impact on our financial position, results of operations or cash flows.

FIN 47, "Accounting for Conditional Asset Retirement Obligations." Under SFAS No. 143, "*Accounting for Asset Retirement Obligations*," a company must record a liability for its legal obligations resulting from the eventual retirement of its tangible long-lived assets, whether that obligation results from the acquisition, construction, or development of the asset. However, many companies have not recorded a liability, concluding that either (1) the conditional nature of the obligation does not create a liability until the retirement activity occurs or (2) the timing and/or the method of settling the obligation is unknown. FIN 47 concludes otherwise. If required legally, an obligation associated with the asset's retirement is inevitable even though uncertainties exist about the timing and/or method of settling the obligation. According to FIN 47, these uncertainties affect the fair value of the liability, rather than prevent the need to record one at all. Additionally, the ability of a company to postpone indefinitely the settlement of the obligation, or to sell the asset prior to its retirement, does not relieve a company of its present duty to settle the obligation. We are currently determining the effect of adopting FIN 47 on our asset retirement obligations. We will adopt FIN 47 in December 2005.

SFAS No. 154, "Accounting Changes and Error Corrections." This accounting guidance, which replaces APB No. 20, "*Accounting Changes*" and SFAS No. 3, "*Reporting Accounting Changes in Interim Financial Statements - an amendment of APB No. 28*," provides guidance on the accounting for and reporting of accounting changes and error corrections. It establishes, unless impracticable, retrospective application as the required method for reporting a change in accounting principle in the absence of explicit transition requirements specific to the newly adopted accounting principle. SFAS No. 154 is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. We will adopt the provisions of SFAS No. 154 as applicable beginning in fiscal 2006.

Emerging Issues Task Force ("EITF") Issue No. 04-13, "Accounting for Purchases and Sale of Inventory With the Same Counterparty," In September 2005, the FASB ratified the EITF consensus relating to entities that may sell inventory to another entity in the same line of business from which it also purchases inventory. The purchase and sale transactions may be pursuant to a single contractual arrangement or separate contractual arrangements and the inventory purchased or sold may be in the form of raw materials, work-in-process, or finished goods. The EITF reached a consensus that two or more inventory transactions with the same counterparty should be viewed as a single nonmonetary transaction for purposes of applying APB No. 29, *"Accounting for Nonmonetary Transactions,"* if the transactions were entered into in contemplation of one another. The EITF reached a consensus to account for exchanges of inventory in the same line of business at fair value or recorded amounts based on inventory classification. This guidance is effective for new (including renegotiated or modified) inventory arrangements entered into in the first interim or annual reporting period beginning after March 15, 2006. We are studying this guidance to determine if it has any effect on us.

Financial statements – changes in accounting principles and reclassifications

The cumulative effect of changes in accounting principles during 2004 represents the combined impact of changing (i) the method our Belvieu Environmental Fuels, L.P. (“BEF”) subsidiary uses to account for its planned major maintenance activities from the accrue-in-advance method to the expense-as-incurred method and (ii) the method we used to account for our investment in Venice Energy Services Company, LLC (“VESCO”). The cumulative effect of these changes in accounting principles resulted in a benefit of $10.8 million, of which $10.6 million was recorded as a reduction to minority interest expense.

Certain reclassifications have been made to the prior year’s financial statements to conform to the current year presentation. In accordance with SFAS No. 3, “*Reporting Accounting Changes in Interim Financial Statements*,” we have reclassified amounts related to our adoption of EITF 03-16, “*Accounting for Investments in Limited Liability Companies*,” on July 1, 2004. Our adoption of EITF 03-16 on that date required us to change our method of accounting for our 13.1% investment in VESCO to the equity method from the cost method. Since this change in accounting principle was made during the third quarter of 2004, our statement of consolidated operations and statement of consolidated cash flows for the three and nine months ended September 30, 2004 has been recast for comparability purposes.

During the second quarter of 2005, we changed the classification of changes in restricted cash to present such changes as an investing activity in our Unaudited Condensed Consolidated Statement of Cash Flows. We previously presented such changes as an operating activity. In the accompanying Unaudited Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 2004, we reclassified the change in restricted cash to be consistent with our 2005 presentation which resulted in a $3 million increase to cash flows used in investing activities and a corresponding increase to cash provided by operating activities from the amounts previously presented.

Accounting for equity awards

Unit option plan accounting. Our unit option plan accounting is based on the intrinsic-value method described in APB No. 25, “*Accounting for Stock Issued to Employees.*” Under this method, no compensation expense is recorded related to options granted when the exercise price is equal to or greater than the market price of the underlying equity on the date of grant.

Employee Partnership equity-award accounting. In connection with our initial public offering in August 2005, EPE Unit L.P. (the “Employee Partnership”) was formed to allow certain employees of EPCO to increase their ownership in us and to serve as an incentive arrangement for such employees through a “profits interest” in the Employee Partnership. The Employee Partnership was formed on August 23, 2005 with EPCO as the general partner, Duncan Family Interests, Inc. (“DFI”) a subsidiary of EPCO, as the Class A limited partner, and certain EPCO employees, excluding Dan L. Duncan, as Class B limited partners. The Class B limited partners were admitted to the Employee Partnership without any capital contribution.

On August 29, 2005, DFI contributed $51 million to the Employee Partnership as a capital contribution with respect to its Class A limited partner interest, and the Employee Partnership used the funds to purchase 1,821,428 of our common units at our initial public offering price of $28.00 per unit. Pursuant to the terms of the partnership agreement of the Employee Partnership, DFI is entitled to receive (i) the Class A Capital Base, initially equal to the $51 million that DFI contributed to the Employee Partnership, and (ii) the Class A Preference Return, which is defined in the partnership agreement as a annual rate of return of 6.25% payable to DFI on the outstanding Class A Capital Base (which includes any accrued and unpaid Class A Preference Return).

The Employee Partnership will liquidate in August 2010, on the five-year anniversary of our initial public offering. Upon liquidation, the “profits interest” in the Employee Partnership will be distributed to the Class B limited partners. The value of the profits interest is equal to the then current market value of our common units multiplied by the 1,821,428 common units owned by the Employee Partnership, less the return to DFI of the Class A Capital Base outstanding.

EPCO will account for this share-based compensation arrangement under APB No. 25 until it adopts SFAS No. 123(R) on January 1, 2006. Under APB No. 25, the value of the Class B limited partnership interest (the “profits interest”) will be accounted for similar to a stock appreciation right. EPCO's compensation expense related to this share-based compensation arrangement is allocated to us and other affiliates of EPCO. For the three and nine months ended September 30, 2005, we were allocated $0.6 million of compensation expense associated with this share-based compensation arrangement.

Neither we, our general partner, Enterprise Products Partners nor Enterprise Products GP will reimburse EPCO, the Employee Partnership or any of their affiliates or partners, through the Administrative Services Agreement or otherwise, for (i) any expenses related to the Employee Partnership, (ii) the $51 million contribution to the Employee Partnership or (iii) the purchase of our units by the Employee Partnership.

Pro forma disclosures under SFAS No. 123. In accordance with SFAS No. 148, “*Accounting for Stock-Based Compensation – Transition and Disclosure*,” we disclose the pro forma effect on our earnings as if the fair value method of SFAS No. 123, “*Accounting for Stock-Based Compensation*” had been used instead of APB No. 25 to account for our equity awards. The effects of applying SFAS No. 123 in the following pro forma disclosure may not be indicative of future amounts as additional awards in future years are anticipated.

The fair value of each option grant of Enterprise Products Partners' units is estimated on the date of grant using the Black-Scholes option pricing model and various assumptions. For those options granted during 2005, we used the following assumptions to develop our Black-Scholes model estimates: (i) expected life of options of 7 years; (ii) risk-free interest rate of 4.2%, (iii) expected dividend yield on the units of 9.2% and (iv) expected unit price volatility of 20%.

The fair value of the Class B partnership equity award is estimated on the date of grant using the Black-Scholes option pricing model and various assumptions. We used the following assumptions to develop our Black-Scholes model estimate: (i) expected life of award of 5 years; (ii) risk-free interest rate of 4.1%; (iii) expected dividend yield on our units of 3.0% and (iv) expected unit price volatility on our units of 30%.

The following table shows the pro forma effects for the periods indicated.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Reported net income	$ 15,301	$ 3,660	$ 35,603	$ 21,671
Additional unit option-based compensation expense estimated using fair value-based method	(10)	(5)	(28)	(14)
Reduction in compensation expense related to Employee Partnership equity awards	20		20	
Pro forma net income	15,311	3,655	35,595	21,657
Multiplied by general partner ownership interest	0.01%	0.01%	0.01%	0.01%
General partner interest in pro forma net income	$ 2	$ 0	$ 4	$ 2
Pro forma net income	$ 15,311	$ 3,655	$ 35,595	$ 21,657
Less general partner interest in pro forma net income	(2)	(0)	(4)	(2)
Pro forma net income available to limited partners	$ 15,309	$ 3,655	$ 35,591	$ 21,655
Basic and diluted earnings per unit, net of general partner interest:				
Historical units outstanding	80,522	74,677	76,640	74,677
As reported	$ 0.19	$ 0.05	$ 0.47	$ 0.29
Pro forma	$ 0.19	$ 0.05	$ 0.46	$ 0.29

Accounting for employee benefit plans

During the first quarter of 2005, we acquired additional ownership interests in Dixie Pipeline Company (“Dixie”) that resulted in Dixie becoming a consolidated subsidiary of ours (see Note 3). Dixie employs the personnel who operate the Dixie pipeline. Dixie's employees are eligible to participate in Dixie's company-sponsored defined contribution plan. Additionally, certain Dixie employees are eligible to participate in Dixie's pension and postretirement benefit plans. At September 30, 2005, the preliminary estimated fair value of Dixie's employee benefit plan obligations was approximately $6.6 million, and is included in other long-term liabilities on our Unaudited Condensed Consolidated Balance Sheet. This valuation could change due to this transaction being so recent and future refinement of our estimate.

Defined contribution plan. Dixie sponsors a defined contribution plan in which its employees are eligible to participate. Dixie contributes 3% of eligible compensation to the plan (the "Automatic Contribution") for employees hired on or after July 1, 2004. Plan participants may contribute from 1% to 16% of their eligible compensation to the plan, and Dixie matches each participant's contributions up to a maximum of 6% of eligible compensation, less the Automatic Contribution amount. For the three and nine months ended September 30, 2005, Dixie contributed approximately $0.1 million and $0.2 million, respectively, to its defined contribution plan.

Pension and postretirement benefit plans. Certain Dixie employees hired prior to July 1, 2004, are eligible to participate in Dixie's pension and postretirement benefit plans. Dixie's pension plan is a noncontributory defined benefit plan that provides for the payment of benefits to retirees based on age at retirement, years of credited service, and average compensation. Dixie's postretirement benefit plan provides medical and life insurance to retired employees. The medical plan is contributory and the life insurance plan is noncontributory. Any Dixie employee retiring on or after July 1, 2004 will receive postretirement benefits only until such retiree becomes eligible for Medicare benefits.

The following table shows the components of Dixie's net pension and postretirement benefit costs for the periods indicated:

	Pension plan		Postretirement plan	
	Three Months Ended	Nine Months Ended	Three Months Ended	Nine Months Ended
	September 30, 2005		September 30, 2005	
Service cost	$ 113	$ 263	$ 22	$ 52
Interest cost	128	300	60	140
Expected return on plan assets	(89)	(208)		
Amortization of transition obligation			37	86
Amortization of prior service cost	(3)	(8)	(67)	(156)
Amortization of net loss	21	49	3	6
Net periodic benefit cost	$ 170	$ 396	$ 55	$ 128

During the remainder of 2005, Dixie expects to contribute approximately $0.1 million to its postretirement benefit plan. Dixie does not expect to make additional contributions to its pension plan during the remainder of 2005.

Minority interest

Minority interest represents third-party and related party ownership interests in the net assets of certain of our subsidiaries. For financial reporting purposes, the assets and liabilities of our majority owned subsidiaries are consolidated with those of our own, with any third-party investor's ownership in our consolidated balance sheet amounts shown as minority interest. The following table shows the components of minority interest at the dates indicated:

	September 30, 2005	December 31, 2004
Third-party owners of Enterprise Products GP		$ 90,845
Limited partners of Enterprise Products Partners:		
Non-affiliates of Enterprise Products GP	$ 4,344,811	4,305,309
Affiliates of Enterprise Products GP	444,316	489,349
Joint venture partners	90,231	71,040
Total minority interest on consolidated balance sheet	$ 4,879,358	$ 4,956,543

The minority interest attributable to third-party ownership of Enterprise Products GP consists of El Paso’s 9.9% member interest during the fourth quarter of 2004. We granted El Paso a 9.9% member interest in Enterprise Products GP in connection with the GulfTerra Merger. In January 2005, an affiliate of EPCO acquired El Paso’s 9.9% membership interest in Enterprise Products GP and 13,454,498 common units of Enterprise Products Partners from El Paso for approximately $425 million in cash. Upon completion of EPCO’s purchase of El Paso’s 9.9% ownership interest in Enterprise Products GP, EPCO and its affiliates owned 100% of the membership interests in Enterprise Products GP.

The minority interest attributable to the limited partners of Enterprise Products Partners consists of common units held by the public and affiliates of the Company (primarily EPCO), and is net of unamortized deferred compensation of $15.5 million and $10.9 million at September 30, 2005 and December 31, 2004, respectively, which represents the value of restricted common units of Enterprise Products Partners issued to key employees of EPCO.

The minority interest attributable to joint venture partners as of September 30, 2005, is primarily attributable to our partners in Tri-States, Seminole, Wilprise, Independence Hub, Dixie and Belle Rose. As of December 31, 2004, the minority interest attributable to joint venture partners is primarily attributable to our partners in Tri-States, Seminole, Wilprise, Independence Hub and the Mid-America pipeline system.

The following table reflects the components of minority interest expense for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Limited partners of Enterprise Products Partners	$ 110,599	$ 53,350	$ 258,362	$ 120,238
Joint venture partners and other	954	3,149	3,187	6,847
Minority interest expense	$ 111,553	$ 56,499	$ 261,549	$ 127,085

The following table shows distributions paid to and contributions from minority interests attributable to each component of minority interest for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Distributions paid to minority interests:				
Limited partners of Enterprise Products Partners	$ 162,323	$ 88,962	$ 473,409	$ 253,964
Joint venture partners	1,337	3,272	5,491	5,325
	$ 163,660	$ 92,234	$ 478,900	$ 259,289
Contributions from minority interests:				
Limited partners of Enterprise Products Partners	$ 11,767	$ 337,447	$ 526,467	$ 747,299
Joint venture partners	4,923		28,487	
	$ 16,690	$ 337,447	$ 554,954	$ 747,299

Distributions paid to the limited partners of Enterprise Products Partners primarily represent the quarterly cash distributions paid by Enterprise Products Partners in accordance with its partnership agreement. Contributions from the limited partners of Enterprise Products Partners primarily represent proceeds Enterprise Products Partners received from common unit offerings. For additional information regarding our distributions, please see Note 10.

Use of industry terms in report

As used within this quarterly report, the following industry terms have the following meanings:

/d	= per day
BBtus	= billion British Thermal units
Bcf	= billion cubic feet
MBPD	= thousand barrels per day
Mdth	= thousand dekatherms
MMBbls	= million barrels
MMBtus	= million British thermal units
MMcf	= million cubic feet
Mcf	= thousand cubic feet

3. BUSINESS COMBINATIONS

As summarized below, during the nine months ended September 30, 2005, we completed several acquisitions and recorded purchase accounting adjustments related to the GulfTerra Merger.

Indian Springs acquisition in January 2005. In January 2005, we paid $74.5 million for membership interests in Teco Gas Gathering, LLC and Teco Gas Processing, LLC. As a result of this acquisition, we indirectly own an 80% equity interest in the 89-mile Indian Springs Gathering System and a 75% equity interest in the Indian Springs natural gas processing facility, both of which are located in East Texas. The Indian Springs processing facility has capacity to process up to 120 MMcf/d of natural gas and there is an idle 20 MMcf/d production train available for restart to support increases in natural gas volumes.

The natural gas processed at the Indian Springs processing facility is sourced from the Indian Springs Gathering System, as well as our nearby Big Thicket Gathering System.

Acquisition of additional interests in Dixie in January and February 2005. We purchased an approximate 20% interest in Dixie in January 2005 for $31 million and an approximate 26% interest in Dixie in February 2005 for $40 million. As a result of these acquisitions, our ownership interest in Dixie increased to approximately 66% and Dixie became a consolidated subsidiary of ours in February 2005. Dixie owns and operates a 1,301-mile natural gas liquid ("NGL") pipeline, which transports propane from supply areas in Texas, Louisiana and Mississippi to markets throughout the southeastern United States.

Acquisition of additional interests in Mid-America and Seminole Pipelines in June 2005. We exercised our option to acquire a 2% indirect ownership interest in the Mid-America Pipeline System and a 1.6% indirect interest in the Seminole pipeline for a total purchase price of $25 million. As a result of this transaction, we indirectly own 100% of the Mid-America Pipeline System and 90% of the Seminole pipeline. The Mid-America Pipeline System is a 7,226-mile NGL pipeline system located in the central and western regions of the United States. The Seminole pipeline is a 1,281-mile NGL pipeline that interconnects with the Mid-America Pipeline System at the Hobbs Hub on the Texas-New Mexico border and extends to Mont Belvieu, Texas.

Acquisition of NGL underground storage and terminaling assets in July 2005. We purchased three NGL underground storage facilities and four propane terminals from Ferrellgas L.P. ("Ferrellgas") in July 2005 for $144 million in cash. The underground storage facilities are located in Kansas, Arizona and Utah and have a combined capacity of 6.1 MMBbls. Approximately 70% of the aggregate storage capacity is leased to third party customers under fee-based contracts. The four propane terminals are located in Minnesota and North Carolina. The Minnesota facilities are connected to our Mid-America Pipeline System, and the North Carolina terminals are connected by rail to our facilities on the Gulf Coast. As part of the transaction, Ferrellgas has contracted with us to maintain a certain level of storage volume and terminal throughput for five years with the option to extend for an additional five years.

Other. During the nine months ended September 30, 2005, we made purchase price adjustments related to the GulfTerra Merger, and we revised our preliminary purchase price allocation related to the GulfTerra Merger. The purchase price adjustments of $7 million, which increased our overall consideration paid to complete the GulfTerra Merger, were primarily attributable to merger-related financial advisory services and involuntary severance costs, both of which were attributable to the GulfTerra Merger. As of September 30, 2005, our purchase price and purchase price allocation related to the GulfTerra Merger were final.

The GulfTerra Merger was completed on September 30, 2004, when GulfTerra merged with a wholly owned subsidiary of Enterprise. The aggregate value of total consideration Enterprise paid or issued to complete the GulfTerra Merger was approximately $4 billion. Our final purchase price allocation for the GulfTerra Merger includes an estimated recovery of $26.2 million, which represents the probable recovery of expenditures for property damage to certain offshore operations due to the effects of Hurricane Ivan, a Category 3 hurricane that struck the U.S. Gulf Coast in September 2004 prior to the GulfTerra Merger. If our final recovery is different than this amount, we will recognize an income impact at that time. See Note 17 for additional information regarding loss contingencies associated with such storm events.

In addition, we purchased an approximate 41.7% interest in Belle Rose NGL Pipeline LLC ("Belle Rose) in June 2005 for approximately $4.5 million in cash. As a result of this acquisition, our indirect ownership interest in Belle Rose increased to 83.4% and Belle Rose became a consolidated subsidiary of ours in June 2005. The 48-mile Belle Rose NGL pipeline transports mixed NGLs to NGL fractionation facilities located in Louisiana.

Allocation of purchase price for 2005 business combinations and other purchase accounting adjustments

The acquisitions and purchase price adjustments described previously were accounted for under the purchase method of accounting and, accordingly, the cost of each has been allocated to the assets acquired and liabilities assumed based on their estimated preliminary fair values as follows:

	Indian Springs	Dixie	Mid-America & Seminole	Ferrellgas Assets	Other (2)	Total
Purchase price allocation:						
Assets acquired in business combination:						
Current assets	$ 252	$ 1,729		$ 3,679	$ 2,217	$ 7,877
Property, plant and equipment, net	41,572	91,417	$ 9,390	137,472	20,968	300,819
Investments in and advances to unconsolidated affiliates (1)		(36,279)			(10,017)	(46,296)
Intangible assets	19,095			6,528	1,009	26,632
Other assets		31,515			(3,694)	27,821
Total assets acquired	60,919	88,382	9,390	147,679	10,483	316,853
Liabilities assumed in business combination:						
Current liabilities		(4,963)		14	(4,761)	(9,710)
Long-term debt		(9,982)				(9,982)
Other long-term liabilities		(5,949)		(3,693)		(9,642)
Minority interest		(4,615)	15,610		(4,007)	6,988
Total liabilities assumed		(25,509)	15,610	(3,679)	(8,768)	(22,346)
Total assets acquired less liabilities assumed	60,919	62,873	25,000	144,000	1,715	294,507
Total consideration given	74,854	68,608	25,000	144,000	12,618	325,080
Goodwill	$ 13,935	$ 5,735	$ -	$ -	$ 10,903	$ 30,573

(1) Represents carrying value of our investment prior to consolidation.
(2) Includes purchase accounting adjustments for the GulfTerra Merger and Belle Rose transactions.

The purchase price allocations related to our Indian Springs, Dixie, Ferrellgas and Belle Rose acquisitions are preliminary. We engaged an independent third-party business valuation expert to assess the fair value of the tangible and intangible assets pertaining to these transactions. This information will assist management in the development of definitive allocations of the overall purchase prices for these transactions. The allocation of the purchase price for additional interests in Dixie reflects preliminary estimates of Dixie's pension and postretirement obligations. Management independently developed the fair value estimates for our acquisition of additional interests in the Mid-America and Seminole pipelines using recognized business valuation techniques.

4. INVENTORIES

Our inventories consisted of the following at the dates indicated:

	September 30, 2005	December 31, 2004
Working inventory	$ 399,351	$ 171,485
Forward-sales inventory	173,740	17,534
Inventory	$ 573,091	$ 189,019

Our regular trade (or "working") inventory is comprised of inventories of natural gas, NGLs, and petrochemical products that are available for sale or used in the provision of services. The forward sales inventory is comprised of segregated NGL volumes dedicated to the fulfillment of forward-sales contracts. Both inventories are valued at the lower of average cost or market.

Costs and expenses, as shown on our Unaudited Condensed Statements of Consolidated Operations and Comprehensive Income, include cost of sales related to inventories. For the three months ended September 30, 2005 and 2004, such consolidated cost of sales amounts were $2.7 billion and $1.8 billion, respectively. We recorded $7.1 billion and $4.8 billion of such consolidated cost of sales amounts for the nine months ended September 30, 2005 and 2004, respectively.

Due to fluctuating prices in the NGL, natural gas and petrochemical industry, we recognize lower of cost or market adjustments when the carrying values of our inventories exceed their net realizable value. These non-cash adjustments are charged to cost of sales within operating costs and expenses in the period they are recognized. For the three months ended September 30, 2005 and 2004, we recognized $0.5 million and $0.1 million, respectively, of such adjustments. We recorded $17.5 million and $6.1 million of such adjustments for the nine months ended September 30, 2005 and 2004, respectively.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Estimated Useful Life in Years	September 30, 2005	December 31, 2004
Plants and pipelines (1)	5-35 (5)	$ 8,014,849	$ 7,691,197
Underground and other storage facilities (2)	5-35 (6)	678,154	531,394
Platforms and facilities (3)	23-31	163,214	162,645
Transportation equipment (4)	3-10	11,129	7,240
Land		30,324	29,142
Construction in progress		580,648	230,375
Total		9,478,318	8,651,993
Less accumulated depreciation		1,062,745	820,526
Property, plant and equipment, net		$ 8,415,573	$ 7,831,467

(1) Plants and pipelines includes processing plants; NGL, petrochemical, oil and natural gas pipelines; terminal loading and unloading facilities; office furniture and equipment; buildings; laboratory and shop equipment; and related assets.
(2) Underground and other storage facilities includes underground product storage caverns; storage tanks; water wells; and related assets.
(3) Platforms and facilities includes offshore platforms and related facilities and other associated assets.
(4) Transportation equipment includes vehicles and similar assets used in our operations.
(5) In general, the estimated useful lives of major components of this category are: processing plants, 20-35 years; pipelines, 18-35 years (with some equipment at 5 years); terminal facilities, 10-35 years; office furniture and equipment, 3-20 years; buildings 20-35 years; and laboratory and shop equipment, 5-35 years.
(6) In general, the estimated useful lives of major components of this category are: underground storage facilities, 20-35 years (with some components at 5 years); storage tanks, 10-35 years; and water wells, 25-35 years (with some components at 5 years).

Depreciation expense for the three months ended September 30, 2005 and 2004 was $81.8 million and $28.6 million, respectively. We recorded $239.9 million and $83.3 million of depreciation expense for the nine months ended September 30, 2005 and 2004, respectively. Capitalized interest on our construction projects for the three months ended September 30, 2005 and 2004 was $4.6 million and $0.1 million, respectively. We recorded $12.2 million and $0.5 million of capitalized interest on our construction projects for the nine months ended September 30, 2005 and 2004, respectively.

6. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

We own interests in a number of related businesses that are accounted for using the equity method. Our investments in and advances to our unconsolidated affiliates are grouped according to the business segment to which they relate. For a general discussion of our business segments, see Note 13. The following table shows our investments in and advances to unconsolidated affiliates at the dates indicated.

	Ownership Percentage at September 30, 2005	Investments in and advances to Unconsolidated Affiliates at	
		September 30, 2005	December 31, 2004
Offshore Pipelines & Services:			
Poseidon Oil Pipeline, L.L.C. (“Poseidon”)	36%	$ 63,053	$ 63,944
Cameron Highway Oil Pipeline Company (“Cameron Highway”) (1)	50%	57,634	114,354
Deepwater Gateway, L.L.C. (“Deepwater Gateway”)(2)	50%	116,927	56,527
Neptune Pipeline Company, L.L.C. (“Neptune”)	25.67%	68,740	72,052
Nemo Gathering Company, LLC (“Nemo”)	33.92%	11,691	12,586
Onshore Natural Gas Pipelines & Services:			
Evangeline (3)	49.5%	3,162	2,810
Coyote Gas Treating, LLC (“Coyote”)	50%	1,776	2,441
NGL Pipelines & Services:			
Dixie Pipeline Company (“Dixie”) (4)			32,514
Venice Energy Services Company, LLC (“VESCO”)	13.1%	38,731	38,437
Belle Rose NGL Pipeline LLC (“Belle Rose”) (5)			10,172
K/D/S Promix LLC (“Promix”)	50%	62,144	65,748
Baton Rouge Fractionators LLC (“BRF”)	32.3%	25,933	27,012
Petrochemical Services:			
Baton Rouge Propylene Concentrator, LLC (“BRPC”)	30%	15,031	15,617
La Porte (6)	50%	5,211	4,950
Total		$ 470,033	$ 519,164

(1) Cameron Highway began deliveries of Gulf of Mexico crude oil production to major refining markets along the Texas Gulf Coast during the first quarter of 2005. In June 2005, we received a $47.5 million return of our investment in Cameron Highway due to the refinancing of Cameron Highway’s project debt. For additional information regarding the refinancing of Cameron Highway's debt, please read Note 8.
(2) In March 2005, we contributed $72 million to Deepwater Gateway to fund our share of the repayment of its $144 million term loan. For additional information regarding Deepwater Gateway's repayment of its term loan, please read Note 8.
(3) Refers to our ownership interests in Evangeline Gas Pipeline Company, L.P. and Evangeline Gas Corp., collectively.
(4) We acquired an additional 20% ownership interest in Dixie in January 2005 and an additional 26.1% ownership interest in February 2005. As a result of these acquisitions, Dixie became a consolidated subsidiary.
(5) We acquired an additional 41.7% ownership interest in Belle Rose in June 2005. As a result of this acquisition, Belle Rose became a consolidated subsidiary.
(6) Refers to our ownership interests in La Porte Pipeline Company, L.P. and La Porte GP, LLC, collectively.

In connection with obtaining regulatory approval for the GulfTerra Merger, we were required by the U.S. Federal Trade Commission ("FTC") to sell our ownership interest in Starfish Pipeline Company, LLC ("Starfish") by March 31, 2005. The $36.6 million carrying value of this investment was classified as "Assets held for sale" on our balance sheet at December 31, 2004. On March 31, 2005, we sold this asset to a third-party for $42.1 million in cash and realized a gain on the sale of $5.5 million.

On occasion, the price we pay to acquire an investment exceeds the carrying value of the underlying historical net assets (i.e., the underlying equity account balances on the books of the investee) that we purchase. These excess cost amounts are a component of our investments in and advances to unconsolidated affiliates. At September 30, 2005, our investments in Promix, La Porte, Neptune, Poseidon, Cameron Highway and Nemo included excess cost. At September 30, 2005, excess cost amounts included in our investments in and advances to unconsolidated affiliates totaled $48.6 million, which was attributed to tangible assets. Amortization of our excess cost amounts attributed to tangible assets was $0.5 million and $0.4 million during the three months ended September 30, 2005 and 2004, respectively. For the nine months

ended September 30, 2005 and 2004, amortization of such amounts was $1.7 million and $1.3 million, respectively.

The following table shows our equity in income of unconsolidated affiliates by business segment for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Offshore Pipelines & Services (1)	$ 2,321	$ 720	$ 4,221	$ 2,576
Onshore Natural Gas Pipelines & Services	604	158	1,866	314
NGL Pipelines & Services	773	2,407	8,058	6,349
Petrochemical Services	5	245	418	960
Other (2)		10,759		32,025
Total	$ 3,703	$ 14,289	$ 14,563	$ 42,224

(1) Equity earnings from Cameron Highway for the nine months ended September 30, 2005 were reduced by a charge of $11.5 million for costs associated with the refinancing of Cameron Highway's project debt (see Note 8). The reduction in equity earnings from Cameron Highway for the nine months ended September 30, 2005, is offset by increases in equity earnings from investments we acquired in connection with the GulfTerra Merger.

(2) This category represents equity income from GulfTerra GP. In connection with the GulfTerra Merger, GulfTerra GP became a wholly owned consolidated subsidiary on September 30, 2004. We had previously accounted for our 50% ownership interest in GulfTerra GP as an equity method investment from December 15, 2003 through September 29, 2004.

Summarized financial information of unconsolidated affiliates

The following table presents unaudited income statement data for our current unconsolidated affiliates, aggregated by business segment, for the periods indicated (on a 100% basis).

	Summarized Income Statement Information for the Three Months Ended					
	September 30, 2005			September 30, 2004		
	Revenues	Operating Income	Net Income	Revenues	Operating Income	Net Income
Offshore Pipelines & Services	$ 364,873	$ 34,044	$ 26,591	$ 25,030	$ 14,695	$ 12,209
Onshore Natural Gas Pipelines & Services	96,809	633	1,216	80,360	3,290	1,292
NGL Pipelines & Services	54,816	5,267	5,671	60,563	9,867	9,889
Petrochemical Services	3,782	281	298	4,377	1,094	1,104

	Summarized Income Statement Information for the Nine Months Ended					
	September 30, 2005			September 30, 2004		
	Revenues	Operating Income	Net Income	Revenues	Operating Income	Net Income
Offshore Pipelines & Services	$ 925,738	$ 67,840	$ 25,026	$ 60,129	$ 28,740	$ 22,680
Onshore Natural Gas Pipelines & Services	232,217	6,835	3,539	200,519	9,695	3,695
NGL Pipelines & Services	194,162	33,100	34,102	87,896	15,003	15,029
Petrochemical Services	11,829	2,130	2,169	13,928	4,012	4,023

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

The following table summarizes our intangible assets (which primarily consists of contracts and customer relationships) by segment at the dates indicated:

	At September 30, 2005			At December 31, 2004	
	Gross Value	Accum. Amort.	Carrying Value	Accum. Amort.	Carrying Value
Offshore Pipelines & Services	$ 207,012	$ (26,436)	$ 180,576	$ (6,965)	$ 200,047
Onshore Natural Gas Pipelines & Services	457,798	(35,383)	422,415	(8,875)	446,267
NGL Pipelines & Services	361,682	(73,161)	288,521	(53,135)	282,963
Petrochemical Services	56,674	(6,702)	49,972	(5,208)	51,324
Total	$ 1,083,166	$ (141,682)	$ 941,484	$ (74,183)	$ 980,601

During the nine months ended September 30, 2005, we recorded an additional $28.4 million of intangible assets primarily due to acquisitions and changes in our purchase accounting estimates.

The following table shows amortization expense by segment associated with our intangible assets for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Offshore Pipelines & Services	$ 6,261		$ 19,471	
Onshore Natural Gas Pipelines & Services	8,690		26,510	
NGL Pipelines & Services	6,555	$ 3,413	20,027	$ 10,066
Petrochemical Services	498	493	1,495	1,485
Total	$ 22,004	$ 3,906	$ 67,503	$ 11,551

For the remainder of 2005, amortization expense associated with these intangible assets is currently estimated at $21.7 million.

Goodwill

The following table summarizes our goodwill amounts by segment at the dates indicated. Of the $489.4 million of goodwill we have recorded as of September 30, 2005, $387.1 million relates to goodwill we recorded in connection with the GulfTerra Merger.

	September 30, 2005	December 31, 2004
Offshore Pipelines & Services	$ 82,386	$ 62,348
Onshore Natural Gas Pipelines & Services	282,840	290,397
NGL Pipelines & Services	50,528	32,763
Petrochemical Services	73,690	73,690
Totals	$ 489,444	$ 459,198

8. DEBT OBLIGATIONS

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

	September 30, 2005	December 31, 2004
Parent company debt obligation:		
$525 Million Credit Facility, variable rate, due February 2006	$ 149,000	
Enterprise Products GP related party obligation:		
$370 Million Note, 6.25% fixed-rate, repaid August 2005 (1)		$ 366,433
Operating Partnership debt obligations:		
364-Day Acquisition Credit Facility, variable rate, repaid in February 2005 (2)		242,229
Multi-Year Revolving Credit Facility, variable rate, due October 2010 (3)	335,000	321,000
30-Day Promissory Note, variable rate, repaid October 2005 (4)	100,000	
Seminole Notes, 6.67% fixed-rate, due December 2005	15,000	15,000
Pascagoula MBFC Loan, 8.70% fixed-rate, due March 2010	54,000	54,000
Senior Notes A, 8.25% fixed-rate, repaid March 2005		350,000
Senior Notes B, 7.50% fixed-rate, due February 2011	450,000	450,000
Senior Notes C, 6.375% fixed-rate, due February 2013	350,000	350,000
Senior Notes D, 6.875% fixed-rate, due March 2033	500,000	500,000
Senior Notes E, 4.00% fixed-rate, due October 2007	500,000	500,000
Senior Notes F, 4.625% fixed-rate, due October 2009	500,000	500,000
Senior Notes G, 5.60% fixed-rate, due October 2014	650,000	650,000
Senior Notes H, 6.65% fixed-rate, due October 2034	350,000	350,000
Senior Notes I, 5.00% fixed-rate, due March 2015	250,000	
Senior Notes J, 5.75% fixed-rate, due March 2035	250,000	
Senior Notes K, 4.95% fixed-rate, due June 2010	500,000	
Dixie revolving credit facility, due June 2007	17,000	
GulfTerra Senior Notes and Senior Subordinated Notes (5)	5,673	6,469
Total principal amount	4,975,673	4,655,131
Other, including unamortized discounts and premiums and changes in fair value (6)	(22,833)	(7,462)
Subtotal long-term debt	4,952,840	4,647,669
Less current maturities of debt (7)	(164,000)	(18,450)
Long-term debt	$ 4,788,840	$ 4,629,219
Standby letters of credit outstanding	$ 66,411	$ 139,052

(1) This amount was repaid in August 2005 using borrowings under our $525 Million Credit Facility.

(2) Enterprise Products Partners used the proceeds from its February 2005 common unit offering to fully repay and terminate the 364-Day Acquisition Credit Facility.

(3) At September 30, 2005 and December 31, 2004, the Multi-Year Revolving Credit Facility had a $750 million borrowing capacity, which was reduced by the amount of standby letters of credit outstanding. In October 2005, the Operating Partnership executed an amended Multi-Year Revolving Credit Facility, which among other things, (i) increased the borrowing capacity to $1.25 billion, which is reduced by the amount of standby letters of credit outstanding, (ii) extended the maturity date from September 2009 to October 2010 and (iii) removed the $100 million limit on the total amount of standby letters of credit that can be outstanding under the facility. For additional information regarding the amended Multi-Year Revolving Credit Facility, please see Note 18.

(4) The Operating Partnership used borrowings under the Multi-Year Revolving Credit Facility to repay the 30-Day Promissory Note in October 2005.

(5) GulfTerra's remaining $0.8 million of 6.25% Senior Notes due June 2010 were called and retired in February 2005. Additionally, in October 2005, we called and retired $0.6 million of GulfTerra' Senior Subordinated Notes.

(6) The September 30, 2005 amount includes $8.5 million related to fair value hedges and $14.3 million in net unamortized discounts.

(7) In accordance with SFAS No. 6, "*Classification of Short-Term Obligations Expected to Be Refinanced*," long-term and current maturities of debt at September 30, 2005, reflected our repayment of the 30-Day Promissory Note in October 2005 using borrowings under our Multi-Year Revolving Credit Facility, which is due October 2010. Additionally, in accordance with SFAS No. 6, long-term and current maturities of debt at December 31, 2004 reflected (i) our refinancing of Senior Notes A with proceeds from our Senior Notes I and J in March 2005 and (ii) the repayment of our 364-Day Acquisition Credit Facility using proceeds from an equity offering completed in February 2005.

Letters of credit

At September 30, 2005, we had $66.4 million in standby letters of credit outstanding, of which $40 million was associated with a letter of credit facility we entered into during November 2004 in connection with our Independence Trail capital project and the remaining amounts were issued under our Multi-Year Revolving Credit Facility. At December 31, 2004, we had $139.1 million of standby letters of credit outstanding, of which $115 million was associated with the Independence Trail letter of credit facility. The decrease in standby letters of credit outstanding since December 31, 2004 under our Independence Trail letter of credit facility is the result of construction payments made in connection with the Independence Trail capital project. In late October 2005, the letter of credit facility associated with the Independence Trail capital project expired.

Parent company debt obligation

$525 Million Credit Facility. On August 29, 2005, we entered into a $525 million credit facility consisting of a $475 million term loan and a $50 million revolving credit facility, both maturing in February 2006. Additionally, on August 29, 2005, we borrowed $525 million under the new facility to repay (i) the indebtedness owed by Enterprise Products GP to an affiliate of EPCO that was originally incurred to finance Enterprise Products GP's purchase of a 50% interest in GulfTerra's general partner and (ii) the $160.5 million of debt we assumed from EPCO as part of the contribution of net assets to us (see Note 1) by affiliates of EPCO. We used the proceeds from our August 2005 initial public offering to repay some of the borrowings under the new credit facility. At September 30, 2005, we had approximately $124.5 million of borrowings outstanding under the $475 million term loan portion of the new credit facility and approximately $25.5 million of liquidity under the $50 million revolving portion of the new credit facility.

Borrowings under the credit facility are secured by (i) a pledge by us of the 13,454,498 common units of Enterprise Products Partners that we own and (ii) a pledge by us of our 100% membership interest in Enterprise Products GP.

As defined by the credit facility, variable interest rates charged under this facility generally will bear interest, at our election at the time of each borrowing, at (1) the greater of (a) the interest rate per annum publicly announced by Citibank N.A. as its prime rate or (b) the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published by the Federal Reserve Bank of New York plus ½ of 1%, in either case plus an applicable margin of 1%; or LIBOR plus an applicable margin of 2.25%.

The credit facility contains various covenants related to our ability, and the ability of certain of its subsidiaries (including Enterprise Products GP), to incur certain indebtedness, grant certain liens, make fundamental structural changes, make distributions following an event of default and enter into certain restrictive agreements. The credit facility also requires us to satisfy certain financial covenants at the end of each fiscal quarter.

Enterprise Products GP related party obligation

$370 Million Note Payable. In September 2004, Enterprise Products GP borrowed $370 million from an affiliate of EPCO to fund the cash portion of consideration paid to El Paso for a 50% membership interest in GulfTerra's general partner. This related party promissory note bore a fixed-interest rate of 6.25%. Installment payments of $6.6 million were due quarterly from November 2004 through November 2019. Under terms of the note agreement, we were allowed to defer up to $13.2 million of scheduled quarterly installment payments at any time, except that all principal and accrued interest must be repaid by the November 2019 maturity date. On August 29, 2005, this note payable was repaid in full using borrowings under Enterprise GP Holdings' new $525 million credit facility.

Enterprise Products Partners-Subsidiary guarantor relationships

Enterprise Products Partners acts as guarantor of the debt obligations of the Operating Partnership, with the exception of the Seminole Notes, the Dixie revolving credit facility and the senior subordinated notes of GulfTerra. If the Operating Partnership were to default on any debt Enterprise Products Partners guarantees, Enterprise Products Partners would be responsible for full repayment of that obligation.

The Operating Partnership's senior indebtedness is structurally subordinated to and ranks junior in right of payment (but only to the extent that payment is dependent upon the assets and operations of GulfTerra, Dixie and Seminole) to the indebtedness of GulfTerra, Dixie and Seminole. The Seminole Notes are unsecured obligations of Seminole Pipeline Company (of which we own 90% of its capital stock). The Dixie revolving credit facility is an unsecured obligation of Dixie (of which we own 66% of its capital stock). The senior subordinated notes of GulfTerra are unsecured obligations of GulfTerra (of which we own 100% of its limited and general partnership interests).

Operating Partnership debt obligations

Multi-Year Revolving Credit Facility. In October 2005, the borrowing capacity under this facility was increased from $750 million to $1.25 billion. See Note 18 for additional information.

30-Day Promissory Note. In September 2005, the Operating Partnership borrowed $100 million under a 30-day promissory note to provide the Operating Partnership with additional borrowing capacity ahead of the amended Multi-Year Revolving Credit Facility. The promissory note was repaid using borrowings under the Operating Partnership's amended Multi-Year Revolving Credit Facility. For additional information regarding the amended Multi-Year Revolving Credit Facility, please see Note 18.

Senior Notes E, F, G and H. In September 2004, the Operating Partnership priced a private offering of an aggregate of $2 billion in principal amount of senior unsecured notes in a transaction exempt from the registration requirements under the Securities Act of 1933, as amended, and in October 2004, these notes were issued. In January 2005, we filed a registration statement for an offer to exchange these notes for registered debt securities with identical terms. The exchange of notes was completed in March 2005.

Senior Notes I and J. In February 2005, the Operating Partnership sold $500 million in principal amount of senior notes in a Rule 144A private placement offering, comprised of $250 million in principal amount of 10-year senior unsecured notes and $250 million in principal amount of 30-year senior unsecured notes. The 10-year notes ("Senior Notes I") were issued at 99.379% of their principal amount and have annual fixed-rate interest of 5.00% and a maturity date of March 1, 2015. The 30-year notes ("Senior Note J") were issued at 98.691% of their principal amount and have annual fixed-rate interest of 5.75% and a maturity date of March 1, 2035. The Operating Partnership used the net proceeds from the issuance of Senior Notes I and J to repay $350 million of indebtedness outstanding under Senior Notes A, which was due on March 15, 2005, and the remaining proceeds for general partnership purposes, including the temporary repayment of indebtedness outstanding under the Multi-Year Revolving Credit Facility. In July 2005, we filed a registration statement for an offer to exchange these notes for registered debt securities with identical terms. The exchange of notes was completed in August 2005.

These fixed-rate notes are unsecured obligations of the Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness. The Operating Partnership's borrowings under these notes are non-recourse to Enterprise Products GP. Enterprise Products Partners has guaranteed repayment of amounts due under these notes through an unsecured and unsubordinated guarantee, which is also non-recourse to Enterprise Products GP. These notes were issued under an indenture containing certain covenants, which restrict our ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Senior Notes K. In June 2005, the Operating Partnership sold $500 million in principal amount of five-year senior unsecured notes. These notes were issued at 99.834% of their principal amount and have a

fixed-rate interest of 4.95% and a maturity date of June 1, 2010. The Operating Partnership used the net proceeds from the issuance of these notes to temporarily reduce indebtedness outstanding under the Multi-Year Revolving Credit Facility and for general partnership purposes, including capital expenditures and business combinations.

These fixed-rate notes are unsecured obligations of the Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness. The Operating Partnership's borrowings under these notes are non-recourse to Enterprise Products GP. Enterprise Products Partners has guaranteed repayment of amounts due under these notes through an unsecured and unsubordinated guarantee, which is also non-recourse to Enterprise Products GP. These notes were issued under an indenture containing certain covenants, which restrict our ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Dixie. Dixie has a senior unsecured revolving credit facility with a borrowing capacity of $28 million. As defined by the credit agreement, variable interest rates charged under this facility generally bear interest, at our election at the time of each borrowing, at either (i) a Eurodollar rate plus an applicable margin or (ii) the greater of (a) the Prime Rate or (b) the Federal Funds Rate by 1/2%. This revolving credit agreement contains various covenants related to Dixie's ability to incur certain indebtedness; grant certain liens; enter into merger transactions; and make certain investments. The loan agreement also requires Dixie to satisfy a minimum net worth financial covenant.

Petal Industrial Development Revenue Bonds. In April 2004, Petal Gas Storage L.L.C. ("Petal"), one of our wholly owned subsidiaries, borrowed $52 million from the Mississippi Business Finance Corporation ("MBFC") pursuant to a loan agreement between Petal and the MBFC. On the same date, the MBFC issued $52 million in Industrial Development Bonds to another one of our wholly owned subsidiaries. Petal had the option to repay the loan agreement without penalty, and thus cause the Industrial Development Revenue Bonds to be redeemed, any time after one year from their date of issue. In August 2005, Petal exercised its option to repay the loan agreement and the $52 million in Industrial Development Bonds were redeemed and retired.

Prior to redemption, we netted the loan amount and the bond amount and the interest payable and interest receivable amounts on our balance sheet. Additionally, we netted the interest expense and interest income amounts attributable to these instruments on our statements of consolidated operations and comprehensive income. This presentation was reflected in accordance with the provisions of FIN 39, "*Offsetting of Amounts Related to Certain Contracts*," and SFAS No. 140, "*Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*," since we had the ability and intent to offset these items.

Covenants

We are in compliance with all covenants of our consolidated debt agreements at September 30, 2005 and December 31, 2004.

Information regarding variable interest rates paid

The following table shows the range of interest rates paid and weighted-average interest rate paid on our significant consolidated variable-rate debt obligations during the nine months ended September 30, 2005.

	Range of interest rates paid	Weighted-average interest rate paid
Enterprise GP Holdings' Credit Facility	5.91% to 7.50%	5.96%
Enterprise Products Partners' 364-Day Acquisition Credit Facility	3.25% to 3.40%	3.30%
Enterprise Products Partners' Multi-Year Revolving Credit Facility	3.22% to 6.75%	3.91%
Enterprise Products Partners' 30-Day Promissory Note	4.66%	4.66%

Consolidated debt maturity table

The following table shows scheduled maturities of the principal amounts of our debt obligations for the next 5 years and in total thereafter.

2005	$ 15,000
2006	149,000
2007	517,000
2009	500,000
Thereafter	3,794,673
Total scheduled principal payments	$ 4,975,673

In accordance with SFAS No. 6, "*Classification of Short-Term Obligations Expected to Be Refinanced*," the amount shown in the table above for 2005 excludes the $100 million due under our 30-Day Promissory Note at September 30, 2005. We refinanced this short-term obligation using borrowings from our Multi-Year Revolving Credit Facility in October 2005. As a result, we have reclassified this amount to long-term debt and shown it as a component of principal amounts due after 2009.

Joint venture debt obligations

We have three unconsolidated affiliates with long-term debt obligations. The following table shows (i) our ownership interest in each entity at September 30, 2005, (ii) total long-term debt obligations (including current maturities) of each unconsolidated affiliate at September 30, 2005, on a 100% basis to the joint venture and (iii) the corresponding scheduled maturities of such long-term debt.

	Our Ownership Interest	Total	Scheduled Maturities of Long-Term Debt					
			2005	2006	2007	2008	2009	After 2009
Cameron Highway	50.0%	$ 415,000		$ 415,000				
Poseidon	36.0%	96,000				$ 96,000		
Evangeline	49.5%	35,650	$ 5,000	5,000	$ 5,000	5,000	$ 5,000	$ 10,650
Total		$ 546,650	$ 5,000	$ 420,000	$ 5,000	$ 101,000	$ 5,000	$ 10,650

The credit agreements of our joint ventures each contain various affirmative and negative covenants, including financial covenants. Our joint ventures were in compliance with all such covenants at September 30, 2005.

Extinguishment of Deepwater Gateway credit agreement in March 2005. In accordance with terms of its credit agreement, Deepwater Gateway had the right to repay the principal amount plus any accrued interest due under its term loan at any time without penalty. During the first quarter of 2005, Deepwater Gateway exercised this right and extinguished its term loan. We and our 50% joint venture partner in Deepwater Gateway made equal cash contributions of $72 million to Deepwater Gateway to fund the repayment of the $144 million in principal amount owed under Deepwater Gateway's term loan.

Refinancing of Cameron Highway debt in June 2005. In June 2005, Cameron Highway executed an Amended and Restated Credit Agreement with a total credit commitment of $415 million and borrowed the full amount. This 364-day loan matures in June 2006 and is secured by (i) mortgages on and pledges of substantially all of the assets of Cameron Highway, (ii) mortgages on and pledges of certain assets related to certain rights of way and pipeline assets of an indirect wholly-owned subsidiary of Enterprise Products Partners that serves as the operator of the Cameron Highway Oil Pipeline, (iii) pledges by Enterprise Products Partners and its joint venture partner in Cameron Highway of their 50% partnership interests in Cameron Highway, and (iv) letters of credit in the amount of $14 million each issued by the Operating Partnership and an affiliate of our joint venture partner. Except for the foregoing, the Cameron Highway lenders do not have any recourse against the assets of Enterprise Products Partners under the amended credit agreement.

A portion of the proceeds of the loan were used to refinance Cameron Highway's existing $325 million project debt and to make cash distributions to the owners of Cameron Highway. In connection with this refinancing, Cameron Highway incurred approximately $22 million in one-time make whole premiums and related fees and costs, which include $6.3 million of non-cash charges. Our equity earnings from Cameron Highway for the second quarter of 2005 were reduced by our 50% share of such costs.

As defined in the amended credit agreement, variable interest rates charged to Cameron Highway under this loan generally bear interest, at Cameron Highway's election from time to time, at either (i) the greater of (a) the Prime Rate or (b) the Federal Funds Rate plus 1/2%, or (ii) a Eurodollar rate plus an applicable margin.

The amended credit agreement contains various covenants restricting Cameron Highway's ability to incur certain indebtedness; grant certain liens; enter into certain merger or consolidation transactions; make certain investments; make certain restricted payments; enter into certain hedging agreements; enter into certain transactions with affiliates; form any subsidiaries; make any material changes in the Cameron Highway pipeline system; enter into any sale and leaseback transaction; or enter into or amend certain other agreements. The amended loan agreement also requires Cameron Highway to satisfy certain financial covenants at the end of each fiscal quarter.

9. PARTNERS' EQUITY

General

We are a Delaware limited partnership that was formed in April 2005 to become the sole member of Enterprise Products GP, which is the general partner of Enterprise Products Partners. We are owned 99.99% by our limited partners and 0.01% by EPE Holdings. EPE Holdings is owned 100% by Dan Duncan, LLC, which is wholly-owned by Dan L. Duncan. In connection with the contribution of net assets by affiliates of EPCO to us in August 2005 (see Note 1), EPCO affiliates received 74,667,332 of our common units.

Our common units represent limited partner interests, which give the holders thereof the right to participate in distributions and to exercise the other rights or privileges available to them under our First Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"). Our common units trade on the NYSE under the ticker symbol "EPE." We are managed by our general partner, EPE Holdings.

Capital accounts, under the Partnership Agreement, are maintained for our general partner and our limited partners. 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 statement. Earnings and cash distributions are allocated to our partners in accordance with their respective percentage interests.

In April 2005, we filed a registration statement regarding an initial public offering of our common units. In August 2005, we sold 14,216,784 common units under this registration statement (including an over-allotment amount of 1,616,784 common units) at an offering price of $28.00 per common unit. Total net proceeds from the sale of these common units was approximately $373 million after deducting applicable underwriting discounts, commissions, structuring fees and other offering expenses of $25.6 million. The net proceeds from this initial public offering were used to reduce debt outstanding under Enterprise GP Holdings' $525 Million Credit Facility.

Unit History

The following table details the outstanding balance of our common units for the periods and at the dates indicated:

Common units issued to affiliates of EPCO in connection with the contribution of net assets to us in August 2005 (the “sponsor units”)	74,667,332
Common units issued in August 2005 in connection with initial public offering	14,216,784
Balance, September 30, 2005	88,884,116

As described in Note 1, the consolidated financial information presented under Item 1 of this quarterly report for periods prior to August 2005 is based on the consolidated financial information of our predecessor, Enterprise Products GP. Our earnings per unit amounts for periods prior to our initial public offering in August 2005 assume that affiliates of EPCO owned the sponsor units during those periods.

Accumulated Other Comprehensive Income

The following table summarizes the effect of our cash flow hedging financial instruments (see Note 12) on accumulated other comprehensive income (“AOCI”) since December 31, 2004.

		Interest Rate Fin. Instrs.		
	Commodity Financial Instruments	Treasury Locks	Forward-Starting Interest Rate Swaps	Accumulated Other Comprehensive Income Balance
Balance, December 31, 2004	$ 1,434	$ 4,572	$ 18,548	$ 24,554
Change in fair value of commodity financial instruments	(1,350)			(1,350)
Reclassification of gain on settlement of treasury locks to interest expense		(331)		(331)
Reclassification of gain on settlement of forward-starting swaps to interest expense			(2,687)	(2,687)
Balance, September 30, 2005	$ 84	$ 4,241	$ 15,861	$ 20,186

During the remainder of 2005, we will reclassify a combined $1 million from accumulated other comprehensive income as a reduction in interest expense from our treasury locks and forward-starting interest rate swaps. In addition, we reclassified an approximate $1.4 million gain into income from accumulated other comprehensive income related to a commodity cash flow hedge acquired in the GulfTerra Merger. This gain is primarily due to an increase in fair value from that recorded for the commodity cash flow hedge at September 30, 2004.

Distributions

Our cash distribution policy is consistent with the terms of our Partnership Agreement, which requires that we distribute to partners our available cash (as defined in our Partnership Agreement) no later than 50 days after the end of each fiscal quarter. Our quarterly cash distributions are not cumulative. As a result, if distributions on our units are not paid at the targeted levels, our unitholders will not be entitled to receive such payments in the future.

Our cash generating assets currently consist only of our partnership interests in Enterprise Products Partners from which we receive quarterly distributions. At September 30, 2005, Enterprise GP Holdings' assets (on a parent company basis) consist of the following partnership interests in Enterprise Products Partners:

- a 100% ownership interest of Enterprise Products GP, which owns a 2% general partner interest in Enterprise Products Partners that entitles Enterprise GP Holdings to receive 2% of the cash distributed by Enterprise Products Partners;

- the incentive distribution rights associated with Enterprise Products GP's general partner interest in Enterprise Products Partners, which entitle Enterprise GP Holdings to receive increasing percentages of the cash distributed by Enterprise Products Partners (up to a maximum of 25% of Enterprise Products Partners' quarterly distributions that exceed $0.3085 per unit); and

- 13,454,498 common units of Enterprise Products Partners, representing an approximate 3.4% limited partner interest in Enterprise Products Partners.

Since our primary source of operating cash flow currently consists of cash distributions from Enterprise Products Partners, the amount of distributions we are able to make to our unitholders may fluctuate based on the level of distributions Enterprise Products Partners makes to its partners. If Enterprise Products Partners does not have sufficient available cash from Operating Surplus (as defined in Enterprise Products Partners' Partnership Agreement), or if the Operating Partnership is not able to satisfy certain financial covenants in accordance with its credit agreements, Enterprise Products Partners will be restricted from making distributions to its partners.

The primary restriction on our Operating Partnership's ability to make cash distributions to Enterprise Products Partners and hence to us, is a financial covenant in the Operating Partnership's Multi-Year Revolving Credit Facility that requires the Operating Partnership to maintain capital accounts of at least $4 billion. At September 30, 2005, the Operating Partnership's equity accounts totaled $5.6 billion.
In addition, if we are not able to satisfy certain financial covenants in accordance with our $525 Million Credit Facility, we will be restricted from making distributions to our partners. As of September 30, 2005, we and Enterprise Products Partners are in compliance with the various covenants of our debt agreements.

On November 10, 2005, we expect to pay a prorated quarterly distribution of $0.092 per unit (based on our initial declared quarterly distribution of $0.265 per unit) for the 32-day period beginning on August 30, 2005 (the day after the completion date of our initial public offering) to September 30, 2005.

10. RELATED PARTY TRANSACTIONS

The following table summarizes our related party transactions for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Revenues from consolidated operations				
EPCO and subsidiaries	$ 1	$ 129	$ 287	$ 2,347
Shell		148,821		397,805
Unconsolidated affiliates	118,963	89,375	257,818	196,273
Total	$ 118,964	$ 238,325	$ 258,105	$ 596,425
Operating costs and expenses				
EPCO and subsidiaries	$ 62,326	$ 49,762	$ 176,499	$ 128,389
TEPPCO	3,976		12,625	
Shell		189,442		536,284
Unconsolidated affiliates	11,464	7,410	21,930	23,898
Total	$ 77,766	$ 246,614	$ 211,054	$ 688,571
Selling, general and administrative expenses				
EPCO	$ 8,640	$ 5,724	$ 28,528	$ 18,363
Interest Expense				
EPCO	$ 3,978		$ 15,306	

Historically, Shell Oil Company, its subsidiaries and affiliates ("Shell") were collectively considered a related party because Shell owned more than 10% of Enterprise Products Partners' limited partner interests and, prior to September 2003, owned a 30% ownership interest in Enterprise Products GP. As a result of Shell selling a portion of its limited partner interests in Enterprise Products Partners to third parties in December 2004 and during the first seven months of 2005, Shell now owns less than 10% of

Enterprise Products Partners' common units. Shell sold its 30% interest in Enterprise Products GP to an affiliate of EPCO in September 2003. As a result of Shell's reduced equity interest in Enterprise Products Partners and its lack of control of Enterprise Products GP, Shell ceased to be considered a related party beginning in the first quarter of 2005.

Relationship with EPCO

We have an extensive and ongoing relationship with EPCO. Collectively, EPCO and its affiliates own an 86.5% equity interest in us at September 30, 2005. EPCO is controlled by Dan L. Duncan, who is also a director and Chairman of our general partner and Enterprise Products GP. Additionally, all of the executive officers and non-independent directors of our general partner also serve as executive officers or directors of Enterprise Products GP.

In August 2005, affiliates of EPCO contributed certain partnership interests in Enterprise Products Partners to the parent company consisting of (i) a 100% ownership of Enterprise Products GP and (ii) 13,454,498 common units of Enterprise Products Partners acquired from an affiliate of El Paso in January 2005, representing an approximate 3.4% limited partner interest in Enterprise Products Partners.

Administrative Services Agreement. We have no employees. All of our management, administrative and operating functions are performed by employees of EPCO pursuant to the Administrative Services Agreement. We reimburse EPCO for the costs of its employees who perform operating functions for us and for costs related to its other management and administrative employees. Additionally, we reimburse EPCO for the costs associated with the office space we occupy related to our partnership's headquarters.

In August 2005, the Third Amended and Restated Administrative Services Agreement (the "Amended Agreement") was executed, which was effective as of February 24, 2005. The Amended Agreement reflects the following changes:

- Enterprise GP Holdings, EPE Holdings, and the TEPPCO Parties (i.e., TEPPCO Partners, L.P., Texas Eastern Products Pipeline Company, LLC, TE Products Pipeline Company, Limited Partnership, TEPPCO Midstream Companies, L.P., TCTM, L.P. and TEPPCO GP, Inc.) were added as parties to the Agreement;
- substantial revisions were made to the "Business Opportunities" section of the Agreement (see below);
- an Exhibit was added to the Agreement describing the structure of corporate governance, policies and procedures (see below); and
- other changes to reflect the new parties and procedures.

The "Business Opportunities" section of the Amended Agreement addresses conflicts that may arise among Enterprise Products Partners, Enterprise Products GP, Enterprise GP Holdings, EPE Holdings and the EPCO Group (defined as EPCO and its affiliates other than the parties to the Amended Agreement). This section of the Amended Agreement provides, among other things, that:

- if a business opportunity to acquire equity securities (as defined in the Amended Agreement) is presented to the EPCO Group, Enterprise Products Partners, Enterprise Products GP, Enterprise GP Holdings or EPE Holdings, then Enterprise GP Holdings will have the first right to pursue such opportunity, and Enterprise Products Partners will have the second right to pursue such opportunity.
- if any business opportunity not covered by the preceding bullet point is presented to the EPCO Group, Enterprise Products Partners, Enterprise Products GP, Enterprise GP Holdings or EPE Holdings, Enterprise Products Partners will have the first right to pursue such opportunity, and Enterprise GP Holdings will have the second right to pursue such opportunity.

Additionally, an Exhibit was added to the Amended Agreement, which outlines the corporate governance structure and policies and procedures to address potential conflicts among, protect the

confidential information of, and govern the sharing of EPCO personnel between the Partnership Entities ("Enterprise Products Partners, Enterprise Products GP, the Operating Partnership and the general partner of the Operating Partnership"), the TEPPCO Parties and Enterprise GP Holdings. The Exhibit provides, among other things, that:

- there shall be no overlap in the independent directors of Enterprise Products GP, EPE Holdings and Texas Eastern Products Pipeline Company, LLC ("TEPPCO GP");
- there shall be no overlap in the EPCO employees performing commercial and development activities involving certain defined potential overlapping assets for the Partnership Entities and Enterprise GP Holdings on one hand and the TEPPCO Parties on the other hand; and
- certain screening procedures are to be followed if an EPCO employee performing commercial and development activities becomes privy to commercial information relating to a potential overlapping asset of any entity for which such employee does not perform commercial and development activities.

Other related party transactions with EPCO. The following is a summary of other significant ongoing related party transactions between EPCO and us.

- We have entered into an agreement with an affiliate of EPCO to provide trucking services to us for the transportation of NGLs and other products.
- In the normal course of business, we buy from and sell certain NGL products to an affiliate of EPCO.

In September 2004, our subsidiary, Enterprise Products GP, borrowed $370 million from an affiliate of EPCO to finance the purchase of a 50% membership interest in GulfTerra GP. This promissory note bore fixed-rate interest of 6.25% and was repaid in August 2005 using borrowings under the Enterprise GP Holdings Credit Facility. We recorded $3.1 million and $15.3 million in interest related to this promissory note for the three and nine months ended September 30, 2005.

We, Enterprise Products GP and Enterprise Products Partners are all separate legal entities from EPCO and its other affiliates, with assets and liabilities that are separate from those of EPCO and its other affiliates. EPCO depends on cash distributions it receives as an equity owner in us and Enterprise Products Partners to fund most of its other operations and to meet its debt obligations. For the nine months ended September 30, 2005 and 2004, EPCO affiliates received $185 million and $136.4 million in distributions from us, respectively. The ownership interests in Enterprise Products Partners and Enterprise Products GP that are owned or controlled by EPCO and its affiliates, other than Dan Duncan LLC and trusts affiliated with Dan L. Duncan, are pledged as security under an EPCO affiliate credit facility. In the event of a default under such credit facility, a change in control of Enterprise Products Partners or Enterprise Products GP could occur.

Relationship with TEPPCO

On February 24, 2005, an affiliate of EPCO acquired Texas Eastern Products Pipeline Company, LLC ("TEPPCO GP"), the general partner of TEPPCO Partners, L.P. (“TEPPCO”) from Duke Energy Field Services, LLC, and 2,500,000 common units of TEPPCO from Duke Energy Corporation for approximately $1.2 billion in cash. TEPPCO GP owns a 2% general partner interest in TEPPCO and is the managing partner of TEPPCO and its subsidiaries. Subsequently, EPCO reconstituted the board of directors of TEPPCO GP and Dr. Ralph Cunningham (a former independent director of Enterprise Products GP) was named Chairman of TEPPCO GP. Due to EPCO's ownership of TEPPCO GP and TEPPCO GP's ability to direct the management of TEPPCO, TEPPCO GP and TEPPCO became related parties to EPCO and the Company during the first quarter of 2005. The employees of TEPPCO became EPCO employees on June 1, 2005. Our related party transactions with TEPPCO consist of the purchase of NGL pipeline transportation and storage services.

On March 11, 2005, the Bureau of Competition of the FTC delivered written notice to EPCO’s legal advisor that it was conducting a non-public investigation to determine whether EPCO’s acquisition of

TEPPCO GP may tend substantially to lessen competition. No filings were required under the Hart-Scott-Rodino Act in connection with EPCO's purchase of TEPPCO GP. EPCO and its affiliates, including us, may receive similar inquiries from other regulatory authorities and intend to cooperate fully with any such investigations and inquiries. In response to such FTC investigation or any inquiries EPCO and its affiliates may receive from other regulatory authorities, we may be required to divest certain assets. In the event we are required to divest significant assets, our financial condition could be affected.

Relationship with unconsolidated affiliates

Our significant related party transactions with unconsolidated affiliates consist of the sale of natural gas to Evangeline, purchase of pipeline transportation services from Dixie (prior to its consolidation with our results beginning in February 2005, see Note 3) and the purchase of NGL storage, transportation and fractionation services from Promix. In addition, we sell natural gas to Promix and process natural gas at VESCO.

11. SUPPLEMENTAL CASH FLOW DISCLOSURE

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

	For the Nine Months Ended September 30,	
	2005	**2004**
Decrease (increase) in:		
Accounts and notes receivable	$ (201,932)	$ (204,275)
Inventories	(386,057)	(187,519)
Prepaid and other current assets	(31,636)	6,244
Long-term receivables	202	
Other assets	49,484	(195)
Increase (decrease) in:		
Accounts payable	(143,166)	(28,275)
Accrued gas payable	369,568	197,115
Accrued expenses	20,325	2,038
Accrued interest	(1,435)	(30,503)
Other current liabilities	11,850	5,800
Other liabilities	251	(567)
Net effect of changes in operating accounts	$ (312,546)	$ (240,137)

During the first nine months of 2005, we completed several acquisitions, made adjustments to the September 2004 purchase price allocation for the GulfTerra Merger and consolidated entities that had been previously accounted for using the equity method. See Note 3 for information regarding these transactions, including a table showing the various balance sheet accounts affected in the allocation of the various purchase prices.

On certain of our capital projects, third parties are obligated to reimburse us for all or a portion of the capital expenditures associated with such projects. As a result of completing the GulfTerra Merger, the number of such arrangements has increased, particularly for projects involving pipeline construction and production well tie-ins. These reimbursements for the nine months ended September 30, 2005 and 2004, were $40.4 million and $0.5 million, respectively, and are reflected as a source of investing cash inflows under the caption "Contributions in aid of construction costs" on our Unaudited Condensed Statements of Consolidated Cash Flows.

Net income for the nine months ended September 30, 2005 includes a gain on the sale of assets of $4.7 million (recorded as a reduction in operating costs and expenses), which is primarily related to the sale of our 50% interest in Starfish. In connection with gaining regulatory approval for the GulfTerra Merger, we were required to sell our 50% interest in Starfish by March 31, 2005.

In June 2005, we received $47.5 million in cash from Cameron Highway as a return of investment. These funds were distributed to us in connection with the refinancing of Cameron Highway's project debt (see Note 8).

In August 2005, various non-cash amounts were recorded by the parent company in connection with the contribution of net assets from affiliates of EPCO (see Note 1). In general, these contributions impacted investments, debt and partners' equity.

12. 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. In general, the type of risks we attempt to hedge are those related to the variability of future earnings, fair values of certain debt instruments and cash flows resulting from changes in applicable interest rates or commodity prices. As a matter of policy, we do not use financial instruments for speculative (or "trading") purposes.

Interest rate risk hedging program

Our interest rate exposure results from variable and fixed rate borrowings under debt agreements. We manage a portion of our interest rate exposures by utilizing interest rate swaps and similar arrangements, which allow us to convert a portion of fixed rate debt into variable rate debt or a portion of variable rate debt into fixed rate debt.

In August 2005, the Operating Partnership entered into two additional interest rate swap agreements with an aggregate notional amount of $200 million in which we exchanged the payment of fixed rate interest on a portion of the principal outstanding under Senior Notes K for variable rate interest. We have designated these two interest rate swaps as fair value hedges under SFAS No. 133 , *"Accounting for Derivative Instruments and Hedging Activities"* (as amended and interpreted), since they mitigate changes in the fair value of the underlying fixed rate debt. Under each swap agreement, we will pay the counterparty a variable interest rate based on six-month LIBOR rates (plus an applicable margin as defined in each swap agreement) and receive back from the counterparty a fixed interest rate payment of 4.95%, which is the stated interest rate of Senior Notes K. We will settle amounts receivable from or payable to the counterparty every six months (the "settlement period"), with the first settlement occurring on December 1, 2005. The settlement amount will be amortized ratably to earnings as either an increase or a decrease in interest expense over the settlement period.

As summarized in the following table, we had eleven interest rate swap agreements outstanding at September 30, 2005 that were accounted for as fair value hedges.

Hedged Fixed Rate Debt	Number Of Swaps	Period Covered by Swap	Termination Date of Swap	Fixed to Variable Rate (1)	Notional Amount
Senior Notes B, 7.50% fixed rate, due Feb. 2011	1	Jan. 2004 to Feb. 2011	Feb. 2011	7.50% to 7.26%	$50 million
Senior Notes C, 6.375% fixed rate, due Feb. 2013	2	Jan. 2004 to Feb. 2013	Feb. 2013	6.375% to 5.81%	$200 million
Senior Notes G, 5.6% fixed rate, due Oct. 2014	6	4th Qtr. 2004 to Oct. 2014	Oct. 2014	5.6% to 4.36%	$600 million
Senior Notes K, 4.95% fixed rate, due June 2010	2	Aug. 2005 to June 2010	June 2010	4.95% to 4.34%	$200 million

(1) The variable rate indicated is the all-in variable rate for the current settlement period.

The total fair value of these eleven interest rate swaps at September 30, 2005, was a liability of $9.6 million, with an offsetting decrease in the fair value of the underlying debt. The total fair value of the nine interest rate swaps we had outstanding at December 31, 2004, was an asset of $0.5 million, with an offsetting increase in the fair value of the underlying debt. Interest expense for the three months ended September 30, 2005 and 2004 reflects a benefit of $2.3 million and $1.7 million, respectively, from interest

rate swap agreements. For the nine months ended September 30, 2005 and 2004, interest expense reflects a benefit of $7.5 million and $5.3 million, respectively, from interest rate swap agreements.

During 2004, we entered into two groups of four forward-starting interest rate swap transactions having an aggregate notional amount of $2 billion each in anticipation of our financing activities associated with the closing of the GulfTerra Merger. These interest rate swaps were accounted for as cash flow hedges and were settled during 2004 at a net gain to us of $19.4 million, which will be reclassified from accumulated other comprehensive income to reduce interest expense over the life of the associated debt.

Commodity risk hedging program

The prices of natural gas, NGLs and petrochemical products are subject to fluctuations in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. In order to manage the risks associated with natural gas and NGLs, we may enter into commodity financial instruments. The primary purpose of our commodity risk management activities is to hedge our exposure to price risks associated with (i) natural gas purchases, (ii) NGL production and inventories, (iii) related firm commitments, (iv) fluctuations in transportation revenues where the underlying fees are based on natural gas index prices and (v) certain anticipated transactions involving either natural gas or NGLs.

At September 30, 2005 and December 31, 2004, we had a limited number of commodity financial instruments in our portfolio, which primarily consisted of natural gas cash flow and fair value hedges. The fair value of our commodity financial instrument portfolio at September 30, 2005 and December 31, 2004 was an asset of $0.1 million and $0.2 million, respectively. Excluding the reclassification of amounts from AOCI (see Note 9), we recorded nominal amounts of earnings from our commodity financial instruments during the three and nine months ended September 30, 2005 and 2004.

13. BUSINESS SEGMENT INFORMATION

Business segments are components of a business about which separate financial information is available. The components are regularly evaluated by the CEO of Enterprise Products GP, the general partner of Enterprise Products Partners, in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. Our business segments are generally organized and managed according to the type of services rendered and products produced and/or sold, as applicable. We have revised our prior segment information in order to conform to the current business segment operations and presentation.

We have segregated our business activities into four reportable business segments: Offshore Pipelines & Services, Onshore Natural Gas Pipelines & Services, NGL Pipelines & Services and Petrochemical Services. The Offshore Pipelines & Services business segment consists of (i) approximately 1,150 miles of offshore natural gas pipelines strategically located to serve production areas in some of the most active drilling and development regions in the Gulf of Mexico, (ii) approximately 810 miles of Gulf of Mexico offshore crude oil pipeline systems and (iii) seven multi-purpose offshore hub platforms located in the Gulf of Mexico.

The Onshore Natural Gas Pipelines & Services business segment consists of approximately 17,200 miles of onshore natural gas pipeline systems that provide for the gathering and transmission of natural gas in Alabama, Colorado, Louisiana, Mississippi, New Mexico and Texas. In addition, this segment includes two salt dome natural gas storage facilities located in Mississippi, which are strategically located to serve the Northeast, Mid-Atlantic and Southeast domestic natural gas markets. This segment also includes leased natural gas storage facilities located in Texas and Louisiana.

The NGL Pipelines & Services business segment includes our (i) natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 12,810 miles and related storage facilities, which include our strategic Mid-America and Seminole NGL pipeline systems

and (iii) NGL fractionation facilities located in Texas and Louisiana. This segment also includes our import and export terminaling operations.

The Petrochemical Services business segment includes four propylene fractionation facilities, an isomerization complex and an octane additive production facility. This segment also includes 530 miles of petrochemical pipeline systems.

The Other non-segment category is presented for financial reporting purposes only to reflect the historical equity earnings we received from GulfTerra GP. We acquired a 50% membership interest in GulfTerra GP on December 15, 2003 in connection with Step One of the GulfTerra Merger. Our investment in GulfTerra GP was accounted for using the equity method until the GulfTerra Merger was completed on September 30, 2004. On that date, GulfTerra GP became a wholly owned consolidated subsidiary of ours. Since the historical equity earnings of GulfTerra GP were based on net income amounts allocated to it by GulfTerra, it is impractical for us to allocate the equity income we received during the periods presented to each of our new business segments. Therefore, we have segregated equity earnings from GulfTerra GP from our other segment results to aid in comparability between the periods presented.

Our revenues are derived from a wide customer base. All consolidated revenues were earned in the United States. Most of our plant-based operations are located either along the western Gulf Coast in Texas, Louisiana and Mississippi or in New Mexico. Our natural gas, NGL and oil pipelines and related operations are in a number of regions of the United States including the Gulf of Mexico offshore Texas and Louisiana; the south and southeastern United States (primarily in Texas, Louisiana, Mississippi and Alabama); and certain regions of the central and western United States. Our marketing activities are headquartered in Houston, Texas, at our main office and serve customers in a number of regions in the United States including the Gulf Coast, West Coast and Mid-Continent areas.

We evaluate segment performance based on segment 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 business segments. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results.

We define total (or consolidated) segment gross operating margin as operating income before: (i) depreciation and amortization expense; (ii) operating lease expenses for which we do not have the payment obligation; (iii) gains and losses on the sale of assets; and (iv) general and administrative expenses. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest, extraordinary charges and the cumulative effect of changes in accounting principles. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions.

Segment revenues and expenses include intersegment and intrasegment transactions, which are generally based on transactions made at market-related rates. Our consolidated revenues reflect the elimination of all material intercompany (both intersegment and intrasegment) transactions.

We include equity earnings from unconsolidated affiliates in our measurement of segment gross operating margin. Our equity investments with industry partners are a vital component of our business strategy. They are a means by which we conduct our operations to align our interests with those of our customers, which may be a supplier of raw materials or a consumer of finished products. This method of operation also 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. Many of these businesses perform supporting or complementary roles to our other business operations. For example, we use the Promix NGL fractionator to process a portion of the mixed NGLs extracted by our gas plants. Another example was our use of the Dixie pipeline to transport propane sold to customers through our NGL marketing activities (prior to the consolidation of Dixie’s results with ours beginning in February 2005, see

Note 3). See Note 10 for additional information regarding our related party relationships with unconsolidated affiliates.

Consolidated property, plant and equipment and investments in and advances to unconsolidated affiliates are allocated to each segment on the basis of each asset's or investment's principal operations. The principal reconciling item between consolidated property, plant and equipment and segment assets is construction-in-progress. Segment assets represents those facilities and projects that contribute to gross operating margin and is net of accumulated depreciation on these assets. Since assets under construction generally do not contribute to segment gross operating margin, these assets are excluded from the business segment totals until they are deemed operational. Consolidated intangible assets and goodwill are allocated to each segment based on the classification of the assets to which they relate.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues (1)	$ 3,249,291	$ 2,040,271	$ 8,476,581	$ 5,458,507
Less: Operating costs and expenses (1)	(3,045,345)	(1,951,567)	(7,959,122)	(5,226,392)
Add: Equity in income of unconsolidated affiliates (1)	3,703	14,289	14,563	42,224
Depreciation and amortization in operating costs and expenses (2)	103,028	32,439	304,041	94,674
Retained lease expense, net in operating expenses allocable to us and minority interest (3)	528	2,273	1,584	6,820
Loss (gain) on sale of assets in operating costs and expenses (2)	611	43	(4,742)	158
Total gross operating margin	$ 311,816	$ 137,748	$ 832,905	$ 375,991

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

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

(3) These non-cash expenses represent the value of the operating leases contributed by EPCO to us for which EPCO has retained the cash payment obligation (i.e., the “retained leases”). The value of the retained leases contributed directly to us is shown on our Unaudited Condensed Statements of Consolidated Cash Flows under the line item titled “Operating lease expense paid by EPCO.”

A reconciliation of our measurement of total segment gross operating margin to operating income and income before provision for income taxes, minority interest and the cumulative effect of changes in accounting principles follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Total gross operating margin	$ 311,816	$ 137,748	$ 832,905	$ 375,991
Adjustments to reconcile total gross operating margin to operating income:				
Depreciation and amortization in operating costs and expenses	(103,028)	(32,439)	(304,041)	(94,674)
Retained lease expense, net in operating costs and expenses	(528)	(2,273)	(1,584)	(6,820)
Gain (loss) on sale of assets in operating costs and expenses	(611)	(43)	4,742	(158)
General and administrative costs	(13,654)	(10,300)	(47,689)	(27,069)
Consolidated operating income	193,995	92,693	484,333	247,270
Other expense	(63,918)	(31,872)	(183,223)	(96,024)
Income before provision for income taxes, minority interest and cumulative effect of changes in accounting principles	$ 130,077	$ 60,821	$ 301,110	$ 151,246

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

	Operating Segments						
	Offshore Pipelines & Services	Onshore Pipelines & Services	NGL Pipelines & Services	Petrochem. Services	Non-Segmt. Other	Adjustments and Eliminations	Consolidated Totals
Revenues from third parties:							
Three months ended September 30, 2005	$ 25,018	$ 304,215	$ 2,426,672	$ 374,422			$ 3,130,327
Three months ended September 30, 2004		77,432	1,361,317	363,197			1,801,946
Nine months ended September 30, 2005	86,550	810,362	6,229,322	1,092,242			8,218,476
Nine months ended September 30, 2004		285,206	3,599,905	976,971			4,862,082
Revenues from related parties:							
Three months ended September 30, 2005	203	106,870	11,869	22			118,964
Three months ended September 30, 2004		84,891	151,002	2,432			238,325
Nine months ended September 30, 2005	642	241,901	15,489	73			258,105
Nine months ended September 30, 2004		189,328	399,537	7,560			596,425
Intersegment and intrasegment revenues:							
Three months ended September 30, 2005	403	10,047	792,744	106,598		$ (909,792)	
Three months ended September 30, 2004		3,171	543,439	65,378		(611,988)	
Nine months ended September 30, 2005	1,031	28,464	2,289,451	248,485		(2,567,431)	
Nine months ended September 30, 2004		6,508	1,312,481	185,195		(1,504,184)	
Total revenues:							
Three months ended September 30, 2005	25,624	421,132	3,231,285	481,042		(909,792)	3,249,291
Three months ended September 30, 2004		165,494	2,055,758	431,007		(611,988)	2,040,271
Nine months ended September 30, 2005	88,223	1,080,727	8,534,262	1,340,800		(2,567,431)	8,476,581
Nine months ended September 30, 2004		481,042	5,311,923	1,169,726		(1,504,184)	5,458,507
Equity in income in unconsolidated affiliates (see Note 6):							
Three months ended September 30, 2005	2,321	604	773	5			3,703
Three months ended September 30, 2004	720	158	2,407	245	$ 10,759		14,289
Nine months ended September 30, 2005	4,221	1,866	8,058	418			14,563
Nine months ended September 30, 2004	2,576	314	6,349	960	32,025		42,224
Gross operating margin by individual business segment and in total:							
Three months ended September 30, 2005	16,922	93,513	153,760	47,621			311,816
Three months ended September 30, 2004	721	7,186	83,560	35,522	10,759		137,748
Nine months ended September 30, 2005	62,180	257,774	427,392	85,559			832,905
Nine months ended September 30, 2004	2,577	18,928	231,730	90,731	32,025		375,991
Segment assets:							
At September 30, 2005	632,080	3,617,489	3,085,667	499,689		580,648	8,415,573
At December 31, 2004	648,181	3,729,650	2,753,934	469,327		230,375	7,831,467
Investments in and advances to unconsolidated affiliates (see Note 6):							
At September 30, 2005	318,045	4,938	126,808	20,242			470,033
At December 31, 2004	319,463	5,251	173,883	20,567			519,164
Intangible Assets (see Note 7):							
At September 30, 2005	180,576	422,415	288,521	49,972			941,484
At December 31, 2004	200,047	446,267	282,963	51,324			980,601
Goodwill (see Note 7):							
At September 30, 2005	82,386	282,840	50,528	73,690			489,444
At December 31, 2004	62,348	290,397	32,763	73,690			459,198

Revenues from the sale and marketing of NGL products within the NGL Pipelines & Services business segment accounted for 60% and 69% of total consolidated revenues for the three months ended September 30, 2005 and 2004, and 59% and 68% for the nine months ended September 30, 2005 and 2004, respectively. Revenues from the other businesses within this segment accounted for 15% of total consolidated revenues for the three and nine months ended September 30, 2005. Revenues from the sale of petrochemical products within the Petrochemical Services segment accounted for 12% of total consolidated revenues for the three months ended September 30, 2004, and 11% and 13% for the nine months ended September 30, 2005 and 2004, respectively. Revenues from the transportation, sale and storage of natural gas using onshore assets accounted for 13% and 12% of total consolidated revenues for the three and nine months ended September 30, 2005, respectively.

14. EARNINGS PER UNIT

Basic earnings per unit is computed by dividing net income or loss allocated to limited partner interests by the weighted-average number of distribution-bearing common units outstanding during a period. We currently have no dilutive securities. The amount of net income allocated to limited partner interests is derived by subtracting our general partner's share of our net income from net income. In connection with the contribution of net assets to us by affiliates of EPCO in August 2005 (see Note 1), such affiliates of EPCO received 74,667,332 of our common units as consideration.

The following table shows the allocation of net income to our general partner for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Net income	$ 15,301	$ 3,660	$ 35,603	$ 21,671
Multiplied by general partner ownership interest	0.01%	0.01%	0.01%	0.01%
General partner interest in net income	$ 2	$ *	$ 4	$ 2

** Amount is negligible*

The following tables show our calculation of limited partners' interest in net income and basic and diluted earnings per unit.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Income before changes in accounting principles and general partner interest	$ 15,301	$ 3,660	$ 35,603	$ 21,455
Cumulative effect of changes in accounting principles				216
Net income	15,301	3,660	35,603	21,671
General partner interest in net income	(2)	*	(4)	(2)
Net income available to limited partners	$ 15,299	$ 3,660	$ 35,599	$ 21,669
BASIC & DILUTED EARNINGS PER UNIT				
Numerator				
Income before changes in accounting principles and general partner interest	$ 15,301	$ 3,660	$ 35,603	$ 21,455
Cumulative effect of changes in accounting principles				216
General partner interest in net income	(2)	*	(4)	(2)
Limited partners' interest in net income	$ 15,299	$ 3,660	$ 35,599	$ 21,669
Denominator				
Common units	80,522	74,667	76,640	74,667
Basic & Diluted earnings per unit				
Income before changes in accounting principles and general partner interest	$ 0.19	$ 0.05	$ 0.46	$ 0.29
Cumulative effect of changes in accounting principles				*
General partner interest in net income	*	*	*	*
Limited partners' interest in net income	$ 0.19	$ 0.05	$ 0.46	$ 0.29

** Amount is negligible*

15. CONDENSED FINANCIAL INFORMATION OF OPERATING PARTNERSHIP

The Operating Partnership and its subsidiaries conduct substantially all of the business of Enterprise Products Partners. Currently, neither we, Enterprise Products GP nor Enterprise Products Partners have any independent operations and any material assets outside of those of the Operating Partnership. Enterprise Products Partners acts as guarantor of all the Operating Partnership’s consolidated debt obligations, with the exception of the Seminole Notes, the Dixie revolving credit facility and the remaining amounts outstanding under GulfTerra’s senior subordinated notes. If the Operating Partnership were to default on any debt Enterprise Products Partners guarantees, Enterprise Products Partners would be responsible for full repayment of that obligation. Enterprise Products Partners' guarantee of these debt obligations is full and unconditional and non-recourse to Enterprise Products GP. For additional information regarding our consolidated debt obligations, see Note 8.

The number and dollar amounts of reconciling items between our consolidated financial statements and those of the Operating Partnership are substantially the same as the differences between our consolidated financial statements and those of Enterprise Products Partners, as discussed in Note 1.

The following table shows condensed consolidated balance sheet data for the Operating Partnership at the dates indicated:

	September 30, 2005	December 31, 2004
ASSETS		
Current assets	$ 2,001,530	$ 1,425,574
Property, plant and equipment, net	8,415,573	7,831,467
Investments in and advances to unconsolidated affiliates	470,033	519,164
Intangible assets, net	941,483	980,601
Goodwill	489,444	459,198
Deferred tax asset	5,530	6,467
Long-term receivables	14,741	14,931
Other assets	31,422	43,208
Total	$ 12,369,756	$ 11,280,610
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	$ 1,793,933	$ 1,582,911
Long-term debt	4,788,840	4,266,236
Other long-term liabilities	74,106	63,521
Minority interest	93,042	73,858
Partners' equity	5,619,835	5,294,084
Total	$ 12,369,756	$ 11,280,610
Total Operating Partnership debt obligations guaranteed by Enterprise Products Partners	$ 4,789,000	$ 4,267,229

The following table shows condensed consolidated statements of operations data for the Operating Partnership for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues	$ 3,249,291	$ 2,040,271	$ 8,476,581	$ 5,458,507
Costs and expenses	3,058,042	1,960,313	8,003,909	5,251,042
Equity in income of unconsolidated affiliates	3,703	16,414	14,563	42,213
Operating income	194,952	96,372	487,235	249,678
Other income (expense)	(59,483)	(33,863)	(167,699)	(95,566)
Income before provision for income taxes, minority interest and changes in accounting principles	135,469	62,509	319,536	154,112
Provision for income taxes	(3,223)	(662)	(3,958)	(2,706)
Income before minority interest and changes in accounting principles	132,246	61,847	315,578	151,406
Minority interest	(902)	(3,152)	(3,235)	(6,800)
Income before changes in accounting principles	131,344	58,695	312,343	144,606
Cumulative effect of changes in accounting principles				10,781
Net income	$ 131,344	$ 58,695	$ 312,343	$ 155,387

16. COMMITMENTS AND CONTINGENCIES

Operating leases. We lease certain property, plant and equipment under noncancelable and cancelable operating leases. Our material agreements consist of operating leases, with original terms ranging from 5 to 24 years, for natural gas and NGL underground storage facilities. We generally have the option to renew these leases, under the terms of the agreements, for one or more renewal terms ranging from 2 to 10 years. Lease expense is charged to operating costs and expenses on a straight-line basis over the period of expected economic benefit. Contingent rental payments are expensed as incurred. Third-party lease and rental expense included in operating income for the three months ended September 30, 2005 and 2004 was approximately $7.6 million and $5.5 million, respectively. We recorded $24.7 million and

$15.8 million of third-party lease and rental expense for the nine months ended September 30, 2005 and 2004, respectively.

Litigation. We are sometimes named as a defendant in litigation relating to our normal business operations, including litigation related to various federal, state and local regulatory and environmental matters. Although we insure against various business risks, to the extent management believes 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 ordinary business activity. Management is not aware of any significant litigation, pending or threatened, that would have a significant adverse effect on our financial position or results of operations.

We own an octane-additive production facility that historically produced, and is currently capable of producing, methyl tertiary butyl ether ("MTBE"), a motor gasoline additive that enhances octane and is used in reformulated motor gasoline. We operate the facility, which is located within our Mont Belvieu complex. The production of MTBE was primarily driven by oxygenated fuel programs enacted under the federal Clean Air Act Amendments of 1990. In recent years, MTBE has been detected in water supplies. The major source of ground water contamination appears to be leaks from underground storage tanks. As a result of environmental concerns, several states enacted legislation to ban or significantly limit the use of MTBE in motor gasoline within their jurisdictions. The Energy Bill approved by the U.S. Congress in July 2005 (and signed by the President in August 2005) eliminates oxygenates in motor gasoline.

A number of lawsuits have been filed by municipalities and other water suppliers against a number of manufacturers of reformulated gasoline containing MTBE, although generally such suits have not named manufacturers of MTBE as defendants, and there have been no such lawsuits filed against our subsidiary that owns the facility. It is possible, however, that MTBE manufacturers such as our subsidiary could ultimately be added as defendants in such lawsuits or in new lawsuits. In connection with our purchase of ownership interests in the octane-additive production facility in 2003 from an affiliate of Devon Energy Corporation (“Devon”) and in 2004 from an affiliate of Sunoco, Inc. (“Sun”), Devon and Sun indemnified us for any liability (including liabilities described above) that are in respect of periods prior to the date we purchased such interests.

Performance Guaranty. In December 2004, our Independence Hub, LLC subsidiary entered into the Independence Hub Agreement (the "Agreement") with six oil and natural gas producers. The Agreement obligates Independence Hub, LLC (i) to construct an offshore platform production facility to process 850 MMcf/d of natural gas and condensate and (ii) to process certain natural gas and condensate production of the six producers following construction of the platform facility.

In conjunction with the Agreement, the Operating Partnership guaranteed the performance of its Independence Hub, LLC subsidiary under the Agreement up to $397.5 million. In December 2004, 20% of this guaranteed amount was assumed by Cal Dive, our joint venture partner in the Independence Hub project. The remaining $318 million represents our share of the anticipated cost of the platform facility. This amount represents the cap on the Operating Partnership's potential obligation to the six producers for our share of the cost of constructing the platform in the unlikely scenario where the six producers take over the construction of the platform facility. Our performance guarantee continues until the earlier to occur of (i) all of the guaranteed obligations of Independence Hub, LLC shall have been terminated or expired, or shall have been indefeasibly paid or otherwise performed or discharged in full, (ii) upon mutual written consent of the Operating Partnership and the producers or (iii) mechanical completion of the production facility. We expect that mechanical completion will occur on or about November 1, 2006; therefore, we anticipate that the performance guaranty will exist until at least this future date.

In accordance with FIN 45, "*Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*," we recorded the fair value of the performance guaranty using an expected present value approach. Given the remote probability that the Operating Partnership would be required to perform under the guaranty, we have estimated the fair value of the performance guaranty at approximately $1.2 million, which is a component of current and other long-term liabilities on our unaudited condensed consolidated balance sheet at September 30, 2005.

17. SIGNIFICANT RISKS AND UNCERTAINTIES – HURRICANES

We participate as named insureds in EPCO's current insurance program, which provides us with property damage, business interruption and other coverages, which are customary for the nature and scope of our operations. Historically, most of the insurance carriers in EPCO's portfolio of coverage were rated "A" or higher by recognized ratings agencies. The financial impact of recent storm events such as Hurricanes Katrina and Rita has resulted in the lowering of credit ratings of many insurance carriers, with a number of providers also being placed on negative credit watch. We are unaware of any of our existing carriers dropping below the "A" rating level. At present, there is no indication of any insurance carrier in the EPCO insurance program being unable or unwilling to meet its coverage obligations.

We believe that EPCO maintains adequate insurance coverage on behalf of us, although insurance will not cover every type of interruption that might occur. As a result of insurance market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available for only reduced amounts of coverage. As a result, EPCO may not be able to renew existing insurance policies on behalf of us or procure other desirable insurance on commercially reasonable terms, if at all. At present, the annualized cost of insurance premiums allocated to us by EPCO for all lines of coverage is approximately $27 million. This amount includes a $1.8 million increase in premiums related to Hurricane Katrina that we recognized during the third quarter of 2005 Additional premium increases from our insurance carriers resulting from damage caused by Hurricane Rita in September 2005 are possible but not yet determinable due to the recent nature of the event.

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 and results of operations. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur. 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 partners and, accordingly, adversely affect the market price of our common units and those of Enterprise Products Partners.

The following is a discussion of the general status of insurance claims related to recent significant storm events that affected our assets. To the extent we include any estimate or range of estimates regarding the dollar value of damages, please be aware that it is reasonably possible that a change in our estimates may occur in the near term as additional information becomes available to us.

Hurricane Ivan insurance claims

Our final purchase price allocation for the GulfTerra Merger includes the expected recovery of $26.2 million, which represents the probable recovery of property damage insurance claims related to completed expenditures for damage to certain assets due to the significant effects of Hurricane Ivan, which struck the eastern U.S. Gulf Coast region in September 2004 prior to the GulfTerra Merger. These expenditures represent our total costs to restore the former GulfTerra damaged facilities to operation. Since this loss event occurred prior to completion of the GulfTerra Merger, the claim was filed under the insurance program of GulfTerra and El Paso. We expect to receive these proceeds directly from the insurance carriers or from the former owners on our behalf during the first quarter of 2006. If the final recovery of funds is different than the amount previously expended, we will recognize an income impact at that time.

In addition, we have submitted business interruption insurance claims for our estimated losses caused by Hurricane Ivan. During the fourth quarter of 2005, we expect to receive $6.6 million from such claims. In addition, we estimate an additional $15 million to $16 million will be received during the first quarter of 2006. To the extent we receive cash proceeds from such business interruption claims, they will be recorded as a gain in our statements of consolidated operations and comprehensive income in the period of receipt.

Hurricanes Katrina and Rita insurance claims

Hurricanes Katrina and Rita, both significant storms, affected certain of our Gulf Coast assets in August and September of 2005, respectively. Inspection and evaluation of damage to our facilities is a continuing effort. We expensed $5 million during the third quarter of 2005 related to property damage insurance deductibles for both storms. To the extent that insurance proceeds from property damage claims do not cover our expenditures (in excess of the insurance deductibles we have expensed), such shortfall will be expensed when realized. In addition, we expect to file business interruption claims for losses related to these hurricanes. To the extent we receive cash proceeds from such business interruption claims, they will be recorded as a gain in our statements of consolidated operations and comprehensive income in the period of receipt.

18. SUBSEQUENT EVENT

October 2005 Amendment to Multi-Year Revolving Credit Facility

In October 2005, the Operating Partnership executed an amendment to its Multi-Year Revolving Credit Facility which increased borrowing capacity from $750 million to $1.25 billion. Additionally, the amendment provides that the borrowing capacity under the Multi-Year Revolving Credit Facility may be increased further to $1.4 billion, subject to certain conditions. The amendment also reduces by 0.375% the aggregate total facility fee and the Eurodollar borrowing rate that was previously in effect. The maturity date of the credit facility was extended from September 2009 to October 2010, and the Operating Partnership may make up to two requests for one-year extensions of the maturity date (subject to certain restrictions). Additionally, the amendment removed the $100 million limit on the total amount of standby letters of credit that can be outstanding under the credit facility.

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

For the three and nine months ended September 30, 2005 and 2004.

Enterprise GP Holdings L.P. is a publicly traded Delaware limited partnership listed on the New York Stock Exchange ("NYSE") under the ticker symbol “EPE.” Enterprise GP Holdings L.P. ("Enterprise GP Holdings") was formed in April 2005 and completed its initial public offering of 14,216,784 common units in August 2005.

Enterprise GP Holdings is currently the sole member of Enterprise Products GP, LLC (“Enterprise Products GP”), which is the general partner of Enterprise Products Partners L.P. ("Enterprise Products Partners"). The primary business purpose of Enterprise Products GP is to manage the affairs and operations of Enterprise Products Partners, a North American energy company providing a wide range of processing, storage and transportation or midstream services to producers and consumers of natural gas, natural gas liquids (“NGLs”), and crude oil, and an industry leader in the development of pipeline and other midstream infrastructure in the continental United States and deepwater Gulf of Mexico. Enterprise Products Partners conducts substantially all of its business through a wholly owned subsidiary, Enterprise Products Operating L.P. (the “Operating Partnership”).

We are owned 99.99% by our limited partners and 0.01% by EPE Holdings LLC (our general partner, referred to as “EPE Holdings”). Enterprise GP Holdings, Enterprise Products GP, and Enterprise Products Partners are all affiliates and under common control of Dan L. Duncan, the Chairman and the controlling shareholder of EPCO, Inc. (“EPCO”). EPCO and its affiliates own 86.5% of Enterprise GP Holdings at September 30, 2005. We and Enterprise Products GP have no independent operations outside those of Enterprise Products Partners.

Unless the context requires otherwise, references to “we,” “us,” “our,” “Enterprise GP Holdings” or the “Company” within these notes shall mean Enterprise GP Holdings L.P. and its consolidated subsidiaries, which include Enterprise Products GP and Enterprise Products Partners. Also, “GulfTerra Merger” refers to the merger of GulfTerra Energy Partners, L.P. with a wholly owned subsidiary of Enterprise Products Partners on September 30, 2004 and the various transactions related thereto. References to “GulfTerra” mean Enterprise GTM Holdings L.P., the successor to GulfTerra Energy Partners, L.P. References to “GulfTerra GP” mean Enterprise GTMGP, L.L.C., which was formerly known as GulfTerra Energy Company, L.L.C., the general partner of GulfTerra Energy Partners, L.P. Enterprise GTMGP, L.L.C. is the general partner of Enterprise GTM Holdings L.P."

This quarterly report 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. Please read “*Cautionary Statement Regarding Forward-Looking Statements and Risk Factors*” for additional information.

Unless otherwise indicated, the dollar amounts presented in the tabular data within this discussion and analysis are stated in thousands of dollars.

In addition, as generally used in the industry and in this discussion and analysis, the identified terms have the following meanings:

/d	= per day
BBtus	= billion British Thermal units
Bcf	= billion cubic feet
MBPD	= thousand barrels per day
Mdth	= thousand dekatherms
MMBbls	= million barrels
MMBtus	= million British thermal units
MMcf	= million cubic feet
Mcf	= thousand cubic feet

BASIS OF PRESENTATION

Currently, Enterprise GP Holdings (the "parent company") has no separate operating activities apart from those conducted by the Operating Partnership of Enterprise Products Partners. The principal sources of cash flow for the parent company are its investments in limited and general partner ownership interests of Enterprise Products Partners. The parent company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. The parent company-only assets and liabilities of Enterprise GP Holdings are not available to satisfy the debts and other obligations of Enterprise Products Partners and its consolidated subsidiaries.

In order to fully understand the financial condition and results of operations of the parent company on a standalone basis, we have included discussions of parent company matters apart from those of our consolidated partnership. In general, our discussion of parent company matters pertains to the period since Enterprise GP Holdings' initial public offering on August 23, 2005.

The historical consolidated financial information of Enterprise GP Holdings presented in this quarterly report on Form 10-Q for periods prior to August 2005 has been presented using the consolidated financial information of Enterprise Products GP, which has been deemed the predecessor company of Enterprise GP Holdings. For additional information regarding the basis of presentation of our consolidated financial information, please read Note 1 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

RECENT DEVELOPMENTS

The following summarizes our recent significant developments since December 31, 2004.

- In January 2005, we paid $74.5 million for an indirect 80% equity interest in the 89-mile Indian Springs Gathering System and an indirect 75% equity interest in the Indian Springs natural gas processing facility, both of which are located in East Texas.

- In January 2005, we purchased an approximate 20% interest in Dixie Pipeline Company ("Dixie") for $31 million. Additionally, we purchased an approximate 26% interest in Dixie in February 2005 for $40 million. We currently own approximately 66% of Dixie.

- In February 2005, Enterprise Products Partners sold 17,250,000 common units (including the over-allotment amount of 2,250,000 common units which closed on March 11, 2005), which generated net proceeds of approximately $456.7 million.

- In February 2005, the Operating Partnership sold $500 million in principal amount of senior notes in a private offering, comprised of $250 million in principal amount of our 10-year Senior Notes I and $250 million in principal amount of our 30-year Senior Notes J.

- In March 2005, Enterprise Products Partners filed a universal shelf registration statement with the U.S. Securities and Exchange Commission ("SEC") registering the issuance of $4 billion of partnership equity and public debt obligations. In June 2005, the Operating Partnership sold $500 million in principal amount of 4.95% senior notes due June 2010 (“Senior Notes K”) under this universal shelf registration statement.

- Cameron Highway Oil Pipeline Company ("Cameron Highway") began deliveries of Gulf of Mexico crude oil production to major refining markets along the Texas Gulf Coast during the first quarter of 2005. The Cameron Highway Oil Pipeline is designed to gather production from the deepwater areas of the Gulf of Mexico, primarily the South Green Canyon area, for delivery to refineries and terminals in Port Arthur and Texas City, Texas. This pipeline can currently transport up to 500 MBPD of crude oil production. We own a 50% equity interest in Cameron Highway.

- In June 2005, we announced our plans to construct a new NGL fractionator near Hobbs, New Mexico. See “--*Capital Spending*” for additional information regarding this growth project.

- In June 2005, we exercised our option to acquire a 2% indirect ownership interest in the Mid-America pipeline and a 1.6% indirect ownership interest in the Seminole pipeline for a total purchase price of $25 million. This transaction was completed on June 30, 2005, and as a result, we now own 100% of the Mid-America pipeline and 90% of the Seminole pipeline.

- In July 2005, we purchased three NGL underground storage facilities and four propane terminals from Ferrellgas L.P. (“Ferrellgas”) for $144 million in cash. See “--*Capital Spending*” for additional information regarding this acquisition.

- In August 2005, the parent company, Enterprise GP Holdings, sold 14,216,784 common units in connection with its initial public offering (see the following discussion, “Parent Company – Enterprise GP Holdings” for additional information regarding this recent event).

- In late August 2005, Hurricane Katrina, a Category 4 hurricane, struck the U.S. Gulf Coast regions of Alabama, Louisiana and Mississippi. Additionally, in late September 2005, Hurricane Rita, a Category 3 hurricane, struck the U.S. Gulf Coast regions of Louisiana and Texas. Certain of our assets on the U.S. Gulf Coast and offshore in the Gulf of Mexico in the paths of Hurricane Katrina and Hurricane Rita incurred structural damage as a result of the hurricanes. In addition to this damage, certain of our operations were interrupted from damage to production and other facilities that supply our assets. For information regarding the general status of insurance claims associated with Hurricanes Katrina and Rita, please read “– *Capital Spending – Significant Risks and Uncertainties – Hurricanes*” included within this Item 2. Also, for information regarding the impact that these storm events had on our results of operations, please read "— *Our Consolidated Results of Operations*" included within this Item 2.

Parent Company – Enterprise GP Holdings

In April 2005, the parent company filed a registration statement regarding its initial public offering of our common units. In August 2005, we sold 14,216,784 common units under this registration statement (including an over-allotment amount of 1,616,784 common units) at an offering price of $28.00 per common unit. Total net proceeds from the sale of these common units was approximately $373 million after deducting applicable underwriting discounts, commissions, structuring fees and other offering expenses of $25.6 million. The net proceeds from this initial public offering were used to reduce debt outstanding under Enterprise GP Holdings' $525 Million Credit Facility.

In connection with the initial public offering of Enterprise GP Holdings, affiliates of EPCO contributed certain ownership interests in Enterprise Products Partners to Enterprise GP Holdings consisting of (i) 13,454,498 common units of Enterprise Products Partners acquired from an affiliate of El

Paso Corporation ("El Paso") in January 2005 and (ii) a 100% ownership interest in Enterprise Products GP. Concurrent with the contribution of these ownership interests, Enterprise GP Holdings assumed $160 million in debt and $0.5 million of accrued interest from EPCO.

In accordance with Statement of Financial Accounting Standard (“SFAS”) No. 141, the transfer of such net assets from affiliates of EPCO to Enterprise GP Holdings was recorded at the transferors’ net historical carrying amounts of $160.6 million since both the transferors and transferee are under the common control of EPCO. As consideration for these transfers, affiliates of EPCO received 74,667,332 common units (the “sponsor units”) of Enterprise GP Holdings.

CAPITAL SPENDING

We are committed to the long-term growth and viability of the Company. As owner of the general (or managing) partner of Enterprise Products Partners, part of our business strategy for Enterprise Products Partners and its subsidiaries involves expansion through business combinations, growth capital projects and investments in joint ventures. We have no capital spending program apart from that of Enterprise Products Partners and its subsidiaries.

In recent years, major oil and gas companies have sold non-strategic assets in the midstream energy sector in which Enterprise Products Partners operates. We forecast that this trend will continue, and expect independent oil and natural gas companies to consider similar divestitures. Management continues to analyze potential acquisitions, joint ventures and similar transactions with businesses that operate in complementary markets or geographic regions.

We believe that Enterprise Products Partners is well positioned to continue to grow through acquisitions that will expand its system of assets and through growth capital projects. We estimate our consolidated capital spending over the next six months (fourth quarter of 2005 and first quarter of 2006) will approximate $570 million, which includes estimated expenditures of approximately $510 million for growth capital projects and acquisitions and $60 million for sustaining capital expenditures.

Our forecast of consolidated capital expenditures is based upon our strategic operating and growth plans for Enterprise Products Partners and its subsidiaries, which are also dependent upon our ability to provide capital from operating cash flows or otherwise obtain the capital necessary to accomplish our objectives. Enterprise Products Partners' forecast may change due to factors beyond our control, such as weather related issues, changes in supplier prices or deteriorating economic conditions. Furthermore, our forecast may change as a result of decisions made at a later date, which may include acquisitions or decisions to take on additional partners.

Enterprise Products Partners' success in raising capital, including the formation of joint ventures to share costs and risks, continues to be the critical factor that determines how much we can spend. We believe Enterprise Products Partners' access to capital resources is sufficient to meet the demands of our current and future operating growth needs, and although we currently intend to make the forecasted expenditures discussed above, we may adjust the timing and amounts of such projected expenditures in response to changes in capital markets.

The following table summarizes our consolidated capital spending by activity for the periods indicated:

	For the Nine Months Ended September 30,	
	2005	2004
Capital spending for business combinations:		
GulfTerra Merger	$ 7,028	$ 1,007,334
NGL underground storage and terminaling assets purchased from Ferrellgas	144,000	
Indirect interests in the Indian Springs natural gas gathering and processing assets	74,854	
Additional ownership interests in Dixie Pipeline Company ("Dixie")	68,608	
Additional ownership interests in Mid-America and Seminole pipeline systems	25,000	
Additional ownership interest in Seminole Pipeline Company ("Seminole")		28,010
Additional ownership interest in Tri-States NGL Pipeline LLC ("Tri States")	900	16,485
Additional ownership interest in Belvieu Environmental Fuels, L.P. ("BEF")		13,440
Other business combinations	4,690	
Total capital spending related to business combinations	325,080	1,065,269
Capital spending for property, plant and equipment:		
Growth capital projects	524,767	22,944
Sustaining capital projects	62,778	16,001
Total capital spending for property, plant and equipment	587,545	38,945
Capital spending attributable to unconsolidated affiliates:		
Investments in unconsolidated affiliates, excluding advances	80,833	1,076
Total capital spending	$ 993,458	$ 1,105,290

Capital spending for consolidated property, plant and equipment as shown in the preceding table, is shown net of contributions in aid of construction costs of $40.4 million and $0.5 million for the nine months ended September 30, 2005 and 2004, respectively. On certain of Enterprise Products Partners' capital projects, third parties are obligated to reimburse it for all or a portion of the capital expenditures associated with such projects. As a result of completing the GulfTerra Merger, the number of such arrangements has increased, particularly for projects involving pipeline construction and production well tie-ins.

At September 30, 2005, we had approximately $179.4 million in outstanding purchase commitments related to capital projects, the majority of which pertain to pipeline and platform growth projects in the Gulf of Mexico that are expected to be placed in service during 2005 and 2006.

Significant Announced Growth Capital Projects

Western Expansion Project – NGL fractionation. In June 2005, we announced plans to construct a new NGL fractionator, designed to handle up to 75 MBPD of mixed NGLs, located at the interconnection of our Mid-America pipeline system and our Seminole pipeline system near Hobbs, New Mexico. Additionally, we will construct a purity ethane storage well near the new fractionator and reconfigure the interconnection between the Mid-America pipeline and the Seminole pipeline. These projects are expected to cost approximately $150 million and be placed in service by mid-2007.

In January 2005, we announced that we had commenced initial permitting, engineering and design work for our Western Expansion Project, which included adding 50 MBPD of transportation capacity on the Rocky Mountain segment of our Mid-America pipeline system and a new 60 MBPD NGL fractionator at our Mont Belvieu complex. After additional analysis, we decided to build the new fractionator at Hobbs (as described in the previous paragraph) instead of the previously announced 60 MBPD fractionator at our Mont Belvieu complex because the Hobbs fractionator will provide more commercial and operating flexibility for the handling of increased Rocky Mountain volumes.

Purchase of NGL underground storage and terminaling assets. In July 2005, we purchased three NGL underground storage facilities and four propane terminals from Ferrellgas for $144 million in cash. The underground storage facilities are located in Kansas, Arizona and Utah and have a combined capacity

of 6.1 MMBbls. Approximately 70% of the aggregate storage capacity is leased to third party customers under fee-based contracts. The four propane terminals are located in Minnesota and North Carolina. The Minnesota facilities are connected to our Mid-America pipeline system, and the North Carolina terminals are connected by rail to our facilities on the Gulf Coast. As part of the transaction, Ferrellgas has contracted with us to maintain a certain level of storage volume and terminal throughput for five years with the option to extend for an additional five years.

Significant Risks and Uncertainties – Hurricanes

We participate as named insureds in EPCO's current insurance program, which provides us with property damage, business interruption and other coverages, which are customary for the nature and scope of our operations. Historically, most of the insurance carriers in EPCO's portfolio of coverage were rated "A" or higher by recognized ratings agencies. The financial impact of recent storm events such as Hurricanes Katrina and Rita has resulted in the lowering of credit ratings of many insurance carriers, with a number of providers also being placed on negative credit watch. We are unaware of any of our existing carriers dropping below the "A" rating level. At present, there is no indication of any insurance carrier in the EPCO insurance program being unable or unwilling to meet its coverage obligations.

We believe that EPCO maintains adequate insurance coverage on behalf of us, although insurance will not cover every type of interruption that might occur. As a result of insurance market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available for only reduced amounts of coverage. As a result, EPCO may not be able to renew existing insurance policies on behalf of us or procure other desirable insurance on commercially reasonable terms, if at all. At present, the annualized cost of insurance premiums allocated to us by EPCO for all lines of coverage is approximately $27 million. This amount includes a $1.8 million increase in premiums related to Hurricane Katrina that we recognized during the third quarter of 2005 Additional premium increases from our insurance carriers resulting from damage caused by Hurricane Rita in September 2005 are possible but not yet determinable due to the recent nature of the event.

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 and results of operations. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur. 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 partners and, accordingly, adversely affect the market price of our common units and those of Enterprise Products Partners.

The following is a discussion of the general status of insurance claims related to recent significant storm events that affected our assets. To the extent we include any estimate or range of estimates regarding the dollar value of damages, please be aware that it is reasonably possible that a change in our estimates may occur in the near term as additional information becomes available to us.

Hurricane Ivan insurance claims

Our final purchase price allocation for the GulfTerra Merger includes the expected recovery of $26.2 million, which represents the probable recovery of property damage insurance claims related to completed expenditures for damage to certain assets due to the significant effects of Hurricane Ivan, which struck the eastern U.S. Gulf Coast region in September 2004 prior to the GulfTerra Merger. These expenditures represent our total costs to restore the former GulfTerra damaged facilities to operation. Since this loss event occurred prior to completion of the GulfTerra Merger, the claim was filed under the insurance program of GulfTerra and El Paso. We expect to receive these proceeds directly from the insurance carriers or from the former owners on our behalf during the first quarter of 2006. If the final recovery of funds is different than the amount previously expended, we will recognize an income impact at that time.

In addition, we have submitted business interruption insurance claims for our estimated losses caused by Hurricane Ivan. During the fourth quarter of 2005, we expect to receive $6.6 million from such claims. In addition, we estimate an additional $15 million to $16 million will be received during the first quarter of 2006. To the extent we receive cash proceeds from such business interruption claims, they will be recorded as a gain in our statements of consolidated operations and comprehensive income in the period of receipt.

Hurricanes Katrina and Rita insurance claims

Hurricanes Katrina and Rita, both significant storms, affected certain of our Gulf Coast assets in August and September of 2005, respectively. Inspection and evaluation of damage to our facilities is a continuing effort. We expensed $5 million during the third quarter of 2005 related to property damage insurance deductibles for both storms. To the extent that insurance proceeds from property damage claims do not cover our expenditures (in excess of the insurance deductibles we have expensed), such shortfall will be expensed when realized. In addition, we expect to file business interruption claims for losses related to these hurricanes. To the extent we receive cash proceeds from such business interruption claims, they will be recorded as a gain in our statements of consolidated operations and comprehensive income in the period of receipt.

RESULTS OF OPERATIONS

Parent Company Only – Enterprise GP Holdings

The parent company has no separate operating activities apart from those conducted by Enterprise Products Partners and its Operating Partnership. The principal sources of earnings for the parent company are its equity investments in limited and general partner ownership interests of Enterprise Products Partners. The following table summarizes the key components of the results of operations of the parent company since its formation in April 2005.

Equity in income of affiliates	$ 2,146
Interest expense	1,109
Net income	958

For additional information regarding the standalone financial results of the parent company, please see Note 1 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report. The following is a discussion of the highlights of the parent company's results of operations since its initial public offering in August 2005.

Equity income. The parent company recorded $2.1 million in equity earnings from its investments in Enterprise Products Partners' limited and general partner ownership interests. Of this amount, $0.6 million results from our investment in the general partner of Enterprise Products Partners and the remainder from our investment in 13,454,498 common units of Enterprise Products Partners.

Interest expense. The parent company recorded $1.1 million in interest expense during the period primarily due to borrowings incurred under its $525 Million Credit Facility. Included in this interest expense amount is $0.3 million related to the $160 million in principal amount of debt Enterprise GP Holdings assumed from affiliates of EPCO in August 2005. This debt was repaid in late August 2005 using borrowings under the $525 Million Credit Facility.

Consolidated Results of Operations

Since we own the general partner of Enterprise Products Partners, our primary financial results reflect the consolidated financial results of Enterprise Products Partners and its general partner. The following is a discussion of our consolidated results of operations.

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

The Offshore Pipelines & Services business segment consists of (i) approximately 1,150 miles of offshore natural gas pipelines strategically located to serve production areas in some of the most active drilling and development regions in the Gulf of Mexico, (ii) approximately 810 miles of Gulf of Mexico offshore crude oil pipeline systems and (iii) seven multi-purpose offshore hub platforms located in the Gulf of Mexico.

The Onshore Natural Gas Pipelines & Services business segment consists of approximately 17,200 miles of onshore natural gas pipeline systems that provide for the gathering and transmission of natural gas in Alabama, Colorado, Louisiana, Mississippi, New Mexico and Texas. In addition, this segment includes two salt dome natural gas storage facilities located in Mississippi, which are strategically located to serve the Northeast, Mid-Atlantic and Southeast domestic natural gas markets. This segment also includes leased natural gas storage facilities located in Texas and Louisiana.

The NGL Pipelines & Services business segment includes our (i) natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 12,810 miles and related storage facilities, which include our strategic Mid-America and Seminole NGL pipeline systems and (iii) NGL fractionation facilities located in Texas and Louisiana. This segment also includes our import and export terminaling operations.

The Petrochemical Services business segment includes four propylene fractionation facilities, an isomerization complex and an octane additive production facility. This segment also includes 530 miles of petrochemical pipeline systems.

The Other non-segment category is presented for financial reporting purposes only to reflect the historical equity earnings we received from GulfTerra GP. We acquired a 50% membership interest in GulfTerra GP on December 15, 2003, in connection with the GulfTerra Merger. Our investment in GulfTerra GP was accounted for using the equity method until the GulfTerra Merger was completed on September 30, 2004. On that date, GulfTerra GP became a wholly owned consolidated subsidiary of ours. Since the historical equity earnings of GulfTerra GP were based on net income amounts allocated to it by GulfTerra, it is impractical for us to allocate the equity income we received during the periods presented to each of our new business segments. Therefore, we have segregated equity earnings from GulfTerra GP from our other segment results to aid in comparability between the periods presented.

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 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 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 (or consolidated) segment gross operating margin as operating income before: (i) depreciation and amortization expense; (ii) operating lease expenses for which we do not have the payment obligation; (iii) gains and losses on the sale of assets; and (iv) general and administrative expenses. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest, extraordinary charges and the cumulative effect of changes in accounting principles. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions.

We have historically included equity earnings from unconsolidated affiliates in our measurement of segment gross operating margin and operating income. Our equity investments with industry partners are a vital component of our business strategy. They are a means by which we conduct our operations to align our interests with those of our customers, which may be suppliers of raw materials or consumers of finished products. This method of operation also 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. Many of these businesses perform supporting or complementary roles to our other business operations.

For additional information regarding our business segments, please read Note 13 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Selected Price and Volumetric Data

The following table illustrates selected average quarterly industry index prices for natural gas, crude oil, selected NGL and petrochemical products since the beginning of 2004:

	Natural Gas, $/MMBtu	Crude Oil, $/barrel	Ethane, $/gallon	Propane, $/gallon	Normal Butane, $/gallon	Isobutane, $/gallon	Natural Gasoline, $/gallon	Polymer Grade Propylene, $/pound	Refinery Grade Propylene, $/pound
	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
2004									
1st Quarter	$5.69	$35.25	$0.43	$0.66	$0.76	$0.76	$0.87	$0.29	$0.26
2nd Quarter	$6.00	$38.34	$0.45	$0.65	$0.79	$0.79	$0.92	$0.32	$0.26
3rd Quarter	$5.75	$43.90	$0.52	$0.79	$0.92	$0.92	$1.05	$0.32	$0.27
4th Quarter	$7.07	$48.31	$0.60	$0.85	$1.03	$1.04	$1.15	$0.40	$0.35
Average for Year	$6.13	$41.45	$0.50	$0.74	$0.88	$0.88	$1.00	$0.33	$0.29
2005									
1st Quarter	$6.27	$49.68	$0.52	$0.79	$0.98	$1.00	$1.14	$0.45	$0.39
2nd Quarter	$6.74	$53.09	$0.52	$0.82	$0.98	$1.01	$1.16	$0.37	$0.30
3rd Quarter	$8.53	$63.08	$0.69	$0.97	$1.14	$1.26	$1.36	$0.37	$0.33
Average for Year	$7.18	$55.28	$0.58	$0.86	$1.03	$1.09	$1.22	$0.40	$0.34

(1) Natural gas, NGL, polymer grade propylene and refinery grade propylene prices represent an average of various commercial index prices including OPIS and CMAI. Natural gas price is representative of Henry-Hub I-FERC. NGL prices are representative of Mont Belvieu Non-TET pricing. Refinery grade propylene represents an average of CMAI spot prices. Polymer-grade propylene represents average CMAI contract pricing.

(2) Crude oil price is representative of an index price for West Texas Intermediate.

The following table presents our significant average throughput, production and processing volumetric data for the periods indicated (on a net basis, taking into account our ownership interests). In general, the increase in volumes period-to-period is primarily due to the assets we acquired in connection with the GulfTerra Merger, including the South Texas midstream assets. The GulfTerra Merger was completed on September 30, 2004.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005 (1)	**2004** (1)	**2005** (1)	**2004** (1)
Offshore Pipelines & Services, net:				
Natural gas transportation volumes (BBtus/d)	1,623	393	1,876	423
Crude oil transportation volumes (MBPD)	124		134	
Platform gas treating (Mdth/d)	221		285	
Platform oil treating (MBPD)	8		8	
Onshore Natural Gas Pipelines & Services, net:				
Natural gas transportation volumes (BBtus/d)	6,035	685	5,933	650
NGL Pipelines & Services, net:				
NGL transportation volumes (MBPD)	1,468	1,450	1,463	1,358
NGL fractionation volumes (MBPD)	270	239	311	235
Equity NGL production (MBPD)	82	84	94	84
Fee-based natural gas processing (MMcf/d)	1,471	1,822	1,828	1,544
Petrochemical Services, net:				
Butane isomerization volumes (MBPD)	96	82	82	73
Propylene fractionation volumes (MBPD)	55	58	55	58
Octane additive production volumes (MBPD)	8	12	5	9
Petrochemical transportation volumes (MBPD)	50	77	65	72
Total, net:				
NGL, crude oil and petrochemical transportation volumes (MBPD)	1,642	1,527	1,662	1,430
Natural gas transportation volumes (BBtus/d)	7,658	1,079	7,809	1,074
Equivalent transportation volumes (MBPD) (2)	3,657	1,811	3,717	1,713

(1) Volumetric data shown above reflects net operating rates of the underlying assets for the periods in which we owned them.
(2) Reflects equivalent energy volumes where 3.8 MMBtus of natural gas are equivalent to one barrel of NGLs.

Comparisons of Our Consolidated Results of Operations

The following table summarizes the key components of our consolidated results of operations for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Revenues	$3,249,291	$2,040,271	$8,476,581	$5,458,507
Operating costs and expenses	3,045,345	1,951,567	7,959,122	5,226,392
General and administrative costs	13,654	10,300	47,689	27,069
Equity in income of unconsolidated affiliates	3,703	14,289	14,563	42,224
Operating income	193,995	92,693	484,333	247,270
Interest expense	61,348	32,471	171,507	96,956
Minority interest	111,553	56,499	261,549	127,085
Net income	15,301	3,660	35,603	21,671

Revenues from the sale and marketing of NGL products within the NGL Pipelines & Services business segment accounted for 60% and 69% of total consolidated revenues for the three months ended September 30, 2005 and 2004, and 59% and 68% for the nine months ended September 30, 2005 and 2004, respectively. Revenues from the other businesses within this segment accounted for 15% of total consolidated revenues for the three and nine months ended September 30, 2005. Revenues from the sale of petrochemical products within the Petrochemical Services segment accounted for 12% of total consolidated revenues for the three months ended September 30, 2004, and 11% and 13% for the nine months ended September 30, 2005 and 2004, respectively. Revenues from the transportation, sale and storage of natural

gas using onshore assets accounted for 13% and 12% of total consolidated revenues for the three and nine months ended September 30, 2005, respectively.

In general, an increase in our revenues and costs and expenses period-to-period is attributable to the results of businesses acquired or consolidated since the second quarter of 2004 and an increase in NGL and petrochemical sales volumes including the effects of higher energy commodity prices. Higher energy commodity prices result in increased revenues from our NGL and petrochemical marketing activities; however, these same higher prices also increase the cost of sales within these activities as feedstock and other related purchase prices rise. For selected general energy commodity price information and detailed segment-level volumetric information, please review the tables under "*—Selected Price and Volumetric Data*."

Minority interest expense represents third-party and related party ownership interests in the earnings of Enterprise Products Partners and certain other subsidiaries. For financial reporting purposes, the assets and liabilities of our majority-owned subsidiaries are consolidated with those of our own, with any third-party investor's ownership in our consolidated balance sheet amounts shown as minority interest. For additional information regarding our minority interest amounts, please see Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Our consolidated gross operating margin by segment and in total is as follows for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Gross operating margin by segment:				
Offshore Pipelines & Services	$ 16,922	$ 721	$ 62,180	$ 2,577
Onshore Natural Gas Pipelines & Services	93,513	7,186	257,774	18,928
NGL Pipelines & Services	153,760	83,560	427,392	231,730
Petrochemical Services	47,621	35,522	85,559	90,731
Other, non-segment		10,759		32,025
Total segment gross operating margin	$ 311,816	$ 137,748	$ 832,905	$ 375,991

For a reconciliation of our consolidated non-GAAP gross operating margin to our consolidated GAAP operating income and further to our consolidated GAAP income before provision for taxes, minority interest and the cumulative effect of changes in accounting principles, please read "*Other Items*" included within this Item 2.

Three Months Ended September 30, 2005 Compared with the Three Months Ended September 30, 2004

Revenues for the third quarter of 2005 increased $1.2 billion over those recorded during the same period in 2004. The trend in consolidated revenues can be attributed to (i) a $583 million increase in revenues from our NGL and petrochemical marketing activities primarily resulting from an increase in sales volumes and energy commodity prices and (ii) the addition of $495 million in revenues from businesses acquired or consolidated during or after the third quarter of 2004 (primarily revenues generated by the GulfTerra and South Texas midstream assets).

Consolidated costs and expenses increased $1.1 billion quarter-to-quarter primarily due to (i) an increase in volumes purchased including the effects of higher energy commodity prices, which resulted in a $572 million increase in the cost of sales of our NGL and petrochemical marketing activities and (ii) the addition of $381 million in costs and expenses attributable to businesses acquired or consolidated during or after the third quarter of 2004. General and administrative costs also increased $3.2 million quarter-to-quarter primarily due to businesses acquired since September 30, 2004.

Changes in our revenues and costs and expenses quarter-to-quarter are explained in part by changes in energy commodity prices. The indicative weighted-average market price for NGLs was 98

cents per gallon for the three months ended September 30, 2005 versus 77 cents per gallon during the same period in 2004—a quarter-to-quarter increase of 27%. Our determination of the weighted-average market price for NGLs is based on selected U.S. Gulf Coast prices for such products at Mont Belvieu, which is the primary industry hub for domestic NGL production. The market price of natural gas (as measured at Henry Hub) averaged $8.53 per MMBtu for the third quarter of 2005 versus $5.75 per MMBtu during the 2004 period. Polymer grade propylene index prices increased 16% quarter-to-quarter and refinery grade propylene index prices increased 22% quarter-to-quarter.

Equity earnings from unconsolidated affiliates decreased $10.6 million quarter-to-quarter. Equity earnings for the third quarter of 2005 include our share of earnings from investments we acquired in connection with the GulfTerra Merger. The third quarter of 2004 includes $10.8 million of equity earnings from GulfTerra GP, which we began consolidating on September 30, 2004 as a result of completing the GulfTerra Merger. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to a $101.3 million increase in operating income quarter-to-quarter.

The $28.8 million increase in interest expense is primarily due to additional debt we incurred in October 2004 as a result of the GulfTerra Merger (Senior Notes E, F, G and H), Senior Notes I and J in February 2005 and Senior Notes K in June 2005. Our weighted-average debt principal outstanding was $5 billion during the third quarter of 2005 compared to $2.8 billion during the third quarter of 2004.

As a result of the items noted in previous paragraphs, our net income increased $11.7 million to $15.4 million for the third quarter of 2005 from $3.7 million for the third quarter of 2004.

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

In general, due to our geographic and business diversification, Hurricanes Katrina and Rita had varying effects across our business segments. The hurricanes impacted supply and demand for natural gas, NGLs, crude oil and motor gasoline. In general, this resulted in an increase in energy commodity prices, which was exacerbated in certain regions due to local supply and demand imbalances. The 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, natural gas processing plants and NGL fractionators, which in turn caused a decrease in gross operating margin for certain operations. In addition, operating costs at certain of our plants and pipelines were negatively impacted due to the increase in natural gas prices. These effects were offset by an increase in gross operating margin from certain of our businesses, which benefited from increased demand for NGLs and octane additives used in the production of motor gasoline, regional demand for natural gas and the general increase in commodity prices.

We estimate that gross operating margin for the third quarter of 2005 decreased by approximately $27 million due to the direct effects of Hurricanes Katrina and Rita as a result of loss of volumes, expected costs to repair facilities limited to the deductibles under our insurance program and the cost of increased insurance premiums. We currently expect a decrease in gross operating margin for the fourth quarter of 2005 directly related to the storms to be approximately $34 million prior to any future recoveries under business interruption insurance.

Offshore Pipelines & Services. Gross operating margin from this business segment increased $16.2 million quarter-to-quarter primarily due to offshore Gulf of Mexico assets acquired in connection with the GulfTerra Merger. These assets accounted for $17.3 million of gross operating margin recorded for this segment during the third quarter of 2005.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment increased $86.3 million quarter-to-quarter primarily due to onshore natural gas pipeline and storage assets we acquired in connection with the GulfTerra Merger. These assets accounted for $82.4 million of gross operating margin recorded for this segment during the third quarter of 2005.

Our Texas Intrastate System generated gross operating margin of $21.9 million during the third quarter of 2005 on average transportation volumes of 3,577 BBtus/d. The Texas Intrastate System is an 8,222-mile natural gas pipeline system that gathers and transports natural gas from supply basins in Texas and offshore in the Gulf of Mexico to local gas distribution companies and electric generation and industrial customers. Our San Juan Gathering System contributed $36.3 million of gross operating margin during the third quarter of 2005 on average transportation volumes of 1,181 BBtus/d. The San Juan Gathering System is a 5,404-mile natural gas pipeline system that serves natural gas producers in the San Juan Basin of New Mexico and Colorado. We own 100% of the Texas Intrastate System and the San Juan Gathering System, both of which were acquired in connection with the GulfTerra Merger.

NGL Pipelines & Services. Gross operating margin from this business segment increased $70.2 million quarter-to-quarter. This increase is primarily due to an $82.7 million increase in gross operating margin from our natural gas processing and related businesses, which includes $45.3 million from assets acquired during or after the third quarter of 2004 and a $41.1 million increase from our NGL marketing activities. NGL marketing benefited from an increase in demand for NGLs used as feedstocks in the production of motor gasoline, an increase in NGL import activity, and improved sales margins.

Gross operating margin from NGL pipelines and related storage services decreased $6.4 million quarter-to-quarter. An increase in gross operating margin attributable to assets acquired or consolidated since September 30, 2004 was more than offset by lower gross operating margin from our Mid-America and Seminole pipelines and NGL storage facilities. A reduction in gross operating margin quarter-to-quarter on our Mid-America and Seminole pipelines is attributable to the net impact of tariffs that became effective in the second and third quarters of 2005 (see discussion below) and a 54 MBPD decrease in transportation volumes, caused in part by planned maintenance outages during the third quarter of 2005 at several third party-owned gas processing facilities located in the Rockies that are connected to our pipeline system.

Gross operating margin from NGL fractionation increased $0.8 million quarter-to-quarter primarily due to NGL fractionation assets we acquired in connection with the GulfTerra Merger. Expenses related to support services classified within this segment (e.g., product distribution and related direct costs) increased $7 million quarter-to-quarter primarily due to an increase in business activity related to acquired assets.

One of our objectives for 2005 was to seek relief through filings with the FERC to increase tariffs on our Mid-America and Seminole pipeline systems to recover increased costs of operating the pipelines, principally those costs attributable to fuel and pipeline integrity expenses. In March 2005, the joint tariff rate for Mid-America and Seminole increased, which should result in additional revenues of approximately $10 million per year on a combined basis for these assets based on expected transportation rates. In May 2005, the FERC allowed a cost of service increase in Mid-America's local tariffs (subject to refund and further review) that is expected to provide our Mid-America pipeline additional revenues of approximately $12 million per year based on expected transportation rates. This cost of service adjustment has been protested by shippers, so although the increased rates are being collected from customers, revenue related to this cost of service adjustment is being deferred. If these protests are settled in favor of Mid-America during 2005, the deferred revenues will be recognized in earnings at that time. If these protests are settled in favor of the shippers, the deferred revenue amount will be refunded. As of September 30, 2005, $3.4 million in revenue associated with this cost of service adjustment has been deferred.

In addition to the above rate changes, in July 2005, Mid-America voluntarily filed a new tariff with the FERC to reduce certain transportation rates for mixed NGL product movements from the northern Rockies to Mont Belvieu, Texas. We filed this new tariff, which is a discount to our general commodity rate, to promote higher NGL recoveries at existing processing facilities connected to the system and to encourage the construction of new cryogenic natural gas processing plants in the region that could be connected to the system. Additionally, we believe that, subject to negotiations with our shippers, the new tariff could result in longer term dedications of NGL supplies to the system and higher fuel reimbursement from our shippers than we have under our existing contracts. Based on current transportation volumes, if the new lower rates are fully implemented, system revenues on Mid-America may decrease by as much as

$12 million per year depending upon actual product recoveries and movements. However, it is expected that the lower revenues would be offset by the benefit of longer term dedications, higher fuel recovery and increased volumes. We will periodically review the effectiveness of the new rates to determine if we will elect to keep them in place.

Petrochemical Services. Gross operating margin from this business segment increased $12.1 million quarter-to-quarter primarily due to a $12 million increase in gross operating margin from our octane enhancement business and isomerization facilities. Improved results from these businesses are attributable to increased demand for motor gasoline and motor gasoline additives in the third quarter of 2005. Our octane-additive production facility is capable of producing either MTBE or isooctane as economic conditions warrant. The facility may be further modified in the future to produce alkylate.

Other. Gross operating margin from this segment pertains to equity earnings we recorded from GulfTerra GP prior to its consolidation with our financial results upon completion of the GulfTerra merger on September 30, 2004.

Nine Months Ended September 30, 2005 Compared with the Nine Months Ended September 30, 2004

Revenues for the nine months ended September 30, 2005 increased $3 billion over those recorded during the same period in 2004. The trend in consolidated revenues can be attributed to (i) a $1.5 billion increase in revenues from our NGL and petrochemical marketing activities primarily resulting from an increase in sales volumes and energy commodity prices and (ii) the addition of $1.4 billion in revenues from acquired or consolidated businesses, primarily those generated by the GulfTerra and South Texas midstream assets.

Consolidated costs and expenses increased $2.7 billion period-to-period primarily due to (i) an increase in volumes purchased including the effects of higher product prices, which resulted in a $1.3 billion increase in the cost of sales of our NGL and petrochemical marketing activities and (ii) the addition of $1.1 billion in costs and expenses attributable to acquired or consolidated businesses. General and administrative costs increased $20 million period-to-period primarily due to businesses acquired since September 30, 2004.

Changes in our revenues and costs and expenses period-to-period are explained in part by changes in commodity prices. The indicative weighted-average market price for NGLs was 86 cents per gallon for the nine months ended September 30, 2005 versus 69 cents per gallon during the same period in 2004—a period-to-period increase of 25%. The Henry Hub market price for natural gas averaged $7.18 per MMBtu for the nine months ended September 30, 2005 versus $5.81 per MMBtu during the 2004 period. Polymer grade propylene index prices increased 29% period-to-period and refinery grade propylene index prices increased 31% period-to-period.

Equity earnings from unconsolidated affiliates decreased $27.7 million period-to-period, which includes an $11.5 million one-time charge recorded in the second quarter of 2005 related to the refinancing of Cameron Highway’s project debt. Our share of earnings from investments we acquired in connection with the GulfTerra Merger is included in equity earnings for the first nine months of 2005. The first nine months of 2004 includes $32 million of equity earnings from GulfTerra GP, which we began consolidating on September 30, 2004 as a result of completing the GulfTerra Merger. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to a $237.1 million increase in operating income period-to-period.

The $74.6 million increase in interest expense is attributable to the senior notes we issued during October 2004 in connection with the GulfTerra Merger and the issuance of additional senior notes during the first nine months of 2005. Our weighted-average debt principal outstanding was $4.8 billion during the first nine months of 2005 compared to $2.3 billion during the same period in 2004.

As a result of the items noted in previous paragraphs, our net income increased $14 million to $35.6 million for the nine months ended September 30, 2005 from $21.7 million for the 2004 period. The first nine months of 2004 includes a $0.2 million benefit related to the cumulative effect of changes in accounting principles adopted during 2004. For additional information regarding the cumulative effect of changes in accounting principles we recorded during 2004, please read "*Other Items*" included within this Item 2.

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

Offshore Pipelines & Services. Gross operating margin from this business segment increased $59.6 million period-to-period primarily due to offshore Gulf of Mexico assets acquired in connection with the GulfTerra Merger. These assets accounted for $57.4 million of gross operating margin recorded for this segment during the nine months ended September 30, 2005. Gross operating margin for the 2005 period also includes $11.5 million in one-time charges related to the refinancing of Cameron Highway's project debt and a $5.1 million one-time benefit related to the resolution of a transportation contract dispute involving Neptune. For additional information regarding Cameron Highway's debt restructuring, please read Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment increased $238.8 million period-to-period primarily due to onshore natural gas pipeline and storage assets we acquired in connection with the GulfTerra Merger. These assets accounted for $235.9 million of gross operating margin recorded for this segment during the first nine months of 2005. Our Texas Intrastate System generated gross operating margin of $75.2 million during the 2005 period on average transportation volumes of 3,463 BBtus/d. Our San Juan Gathering System contributed $108.2 million of gross operating margin during the 2005 period on average transportation volumes of 1,188 BBtus/d. We acquired the Texas Intrastate System and the San Juan Gathering System in connection with the GulfTerra Merger. Natural gas storage assets acquired in the GulfTerra Merger contributed $31.1 million to gross operating margin during 2005.

NGL Pipelines & Services. Gross operating margin from this business segment increased $195.7 million period-to-period primarily due to contributions from assets we acquired in connection with the GulfTerra Merger and improved processing economics and NGL sales margins. Gross operating margin from natural gas processing assets we acquired in connection with the GulfTerra Merger accounted for $131.2 million of the increase in gross operating margin for this segment. Gross operating margin from our NGL marketing activities and Louisiana natural gas processing facilities increased $60.5 million period-to-period primarily due to higher NGL sales volumes and energy commodity prices.

Gross operating margin from our NGL pipelines and related storage assets decreased $3.3 million period-to-period due to a $4.3 million charge recorded by Dixie in May 2005 related to off specification propane injected into its pipeline system and lower earnings from our Mid-America pipeline, NGL storage facilities and South Louisiana pipelines. These decreases were partially offset by improved results from our NGL import facility and related pipeline system and the addition of gross operating margin from assets acquired or consolidated since September 30, 2004.

Gross operating margin from NGL fractionation increased $19.4 million period-to-period primarily due to NGL fractionation assets we acquired in connection with the GulfTerra Merger. Expenses related to support services classified within this segment increased $14.7 million period-to-period primarily due to increased business activities associated with acquired assets.

Petrochemical Services. Gross operating margin from this business segment decreased $5.2 million period-to-period due to a decrease in earnings from our octane enhancement and propylene fractionation businesses partially offset by an $8.5 million increase from our isomerization business. Our octane additive production facility encountered isooctane production difficulties during the second quarter of 2005, which resulted in a prolonged period of start-up activities. Gross operating margin from propylene

fractionation decreased period-to-period primarily due to lower product sales margins and propylene transportation volumes caused by a sharp decline in propylene prices during the second quarter of 2005.

Other. Gross operating margin from this segment pertains to equity earnings we recorded from GulfTerra GP prior to its consolidation with our financial results upon completion of the GulfTerra merger on September 30, 2004.

LIQUIDITY AND CAPITAL RESOURCES

Parent Company Only – Enterprise GP Holdings

The parent company has no separate operating activities apart from those conducted by the Operating Partnership. The primary sources of cash flow for the parent company are its investments in the limited and general partner ownership interests of Enterprise Products Partners. The amount of cash that Enterprise Products Partners can distribute to its partners, including us, each quarter is based on earnings from Enterprise Products Partners' business activities, which are exposed to certain risks. For a summary of these risks, please read "*Cautionary Statement Regarding Forward-Looking Information and Risk Factors*" included within this Item 2.

The parent company's primary cash requirements are for general and administrative expenses, debt service requirements and distributions to its partners. We expect to fund our short-term needs for such items as general and administrative expenses with operating cash flows. Debt service requirements are expected to be funded by operating cash flows and/or refinancing arrangements. We expect to fund cash distributions to our partners primarily with operating cash flows.

In April 2005, the parent company filed a registration statement regarding its initial public offering of our common units. In August 2005, we sold 14,216,784 common units under this registration statement (including an over-allotment amount of 1,616,784 common units) at an offering price of $28.00 per common unit. Total net proceeds from the sale of these common units was approximately $373 million after deducting applicable underwriting discounts, commissions, structuring fees and other offering expenses of $25.6 million. The net proceeds from this initial public offering were used to reduce debt outstanding under Enterprise GP Holdings' $525 Million Credit Facility.

We did not receive any cash distributions from Enterprise Products Partners or Enterprise Products GP during the period August 29, 2005 through September 30, 2005. Conversely, we did not make any parent company distributions to its partners during this period. On November 10, 2005, we will pay a prorated quarterly distribution of $0.092 per unit (based on our initial declared quarterly distribution of $0.265 per unit) for the 32-day period after the closing of our initial public offering beginning on August 30, 2005 and ending September 30, 2005. For additional information regarding our cash distribution policy, please read Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Parent company debt obligation – $525 Million Credit Facility. On August 29, 2005, the parent company entered into a $525 million credit facility consisting of a $475 million term loan and a $50 million revolving credit facility, both maturing in February 2006. Additionally, on August 29, 2005, we borrowed $525 million under the new facility to repay (i) $160 million of indebtedness owed by Enterprise Products GP to an affiliate of EPCO that was originally incurred to finance Enterprise Products GP's purchase of a 50% interest in GulfTerra's general partner and (ii) the $160 million of debt we assumed from EPCO as part of the contribution of net assets to us by affiliates of EPCO. The parent company used proceeds from its August 2005 initial public offering to repay some of the borrowings under the new credit facility. At September 30, 2005, the parent company had approximately $124.5 million of borrowings outstanding under the $475 million term loan portion of the new credit facility and approximately $25.5 million of liquidity under the $50 million revolving portion of the new credit facility.

Consolidated Liquidity and Capital Resources

As previously discussed, we own the general partner of Enterprise Products Partners. As a result, our financial results reflect the consolidated financial results of Enterprise Products Partners and its general partner. The following is a discussion of our consolidated liquidity and capital resources, which includes Enterprise Products Partners and its general partner.

Our primary consolidated cash requirements, in addition to normal operating expenses and debt service, are for capital expenditures, business acquisitions 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. Capital expenditures for long-term needs resulting from internal growth projects and business acquisitions are expected to be funded by a variety of sources (either separately or in combination) including cash flows from operating activities, borrowings under commercial bank credit facilities, the issuance of additional partnership equity in Enterprise Products Partners and public or private placement debt. 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 refinancing arrangements.

As noted above, certain of our liquidity and capital resource requirements are fulfilled by borrowings made under debt agreements and/or proceeds from the issuance of additional partnership equity of Enterprise Products Partners. At September 30, 2005, we had $33.2 million of unrestricted cash, approximately $25.5 million of available credit under the revolving portion of our $525 million Credit Facility and approximately $388.9 million of available credit under the Operating Partnership's Multi-Year Revolving Credit Facility . In total, we had approximately $5 billion in principal outstanding under various debt agreements at September 30, 2005. In October 2005, we increased the borrowing capacity under our Operating Partnership’s Multi-Year Revolving Credit Facility from $750 million to $1.25 billion. On a pro forma basis at September 30, 2005, total availability under the Operating Partnership’s Multi-Year Revolving Credit Facility increased to $788.9 million, after taking into account the aforementioned amendment which increased borrowing capacity by $500 million and the contemporaneous repayment of $100 million under a short-term promissory note.

As a result of our growth objectives, we expect to access debt and equity capital markets from time-to-time and we believe that additional financing arrangements to support our goals can be obtained on reasonable terms. Furthermore, we believe that maintenance of an investment grade credit rating combined with continued ready access to debt and equity capital at reasonable rates and sufficient trade credit to operate our businesses efficiently provide a solid foundation to meet our long and short-term liquidity and capital resource requirements.

For additional information regarding our growth strategy, please read “*Capital Spending*” included within this Item 2.

Registration Statements and Equity and Debt Offerings

In March 2005, Enterprise Products Partners filed a universal shelf registration statement with the SEC registering the issuance of $4 billion of partnership equity and public debt obligations. In connection with this registration statement, Enterprise Products Partners also registered for resale 35,368,522 common units owned by Shell and 5,631,478 common units owned by a third party, Kayne Anderson MLP Investment Company ("Kayne Anderson"). Kayne Anderson purchased its unregistered common units from Shell in December 2004 and March 2005. We were obligated to register the resale of these common units under a registration rights agreement we executed with Shell in connection with our acquisition of certain of Shell's Gulf Coast midstream energy businesses in September 1999.

In February 2005, Enterprise Products Partners sold 17,250,000 common units (including the over-allotment amount of 2,250,000 common units which closed on March 11, 2005) under a preexisting registration statement from which it received net proceeds of approximately $456.7 million, including Enterprise Products GP’s proportionate net capital contribution of $9.1 million. The proceeds from this public offering were used to repay our 364-Day Acquisition Credit Facility, to temporarily reduce

indebtedness outstanding under our Multi-Year Revolving Credit Facility and for general partnership purposes.

In February 2005, the Operating Partnership sold $500 million in principal amount of senior notes in a private offering, comprised of $250 million in principal amount of 10-year senior unsecured notes and $250 million in principal amount of 30-year senior unsecured notes. The 10-year notes ("Senior Notes I") were issued at 99.379% of their principal amount and have annual fixed-rate interest of 5.00% and mature in March 2015. The 30-year notes ("Senior Note J") were issued at 98.691% of their principal amount and have annual fixed-rate interest of 5.75% and a mature in March 2035. The Operating Partnership used the net proceeds from the issuance of Senior Notes I and J to repay $350 million of indebtedness outstanding under Senior Notes A, which was due in March 2005, and the remaining proceeds for general partnership purposes, including the temporary repayment of indebtedness outstanding under the Multi-Year Revolving Credit Facility. In July 2005, we filed a registration statement for an offer to exchange these notes for registered debt securities with identical terms. The exchange of notes was completed in August 2005.

In June 2005, the Operating Partnership sold $500 million in principal amount of five-year senior unsecured notes. The five-year notes ("Senior Notes K") were issued at 99.834% of their principal amount and have a fixed-rate interest of 4.95% and mature in June 2010. The Operating Partnership used the net proceeds from the issuance of Senior Notes K to temporarily reduce borrowings outstanding under the Multi-Year Revolving Credit Facility and for general partnership purposes, including capital expenditures and business combinations. These notes were registered under the $4 billion universal shelf registration statement we filed with the SEC in March.

In August 2005, we sold 14,216,784 common units (including the over-allotment amount of 1,616,784 common units) in our initial public offering. For additional information regarding the parent company’s standalone activities, please read “*Liquidity and Capital Resources – Parent Company – Enterprise GP Holdings*.”

Consolidated Debt Obligations

The following table summarizes our consolidated debt obligations at the dates indicated.

	September 30, 2005	December 31, 2004
Parent company debt obligation:		
$525 Million Credit Facility, variable rate, due February 2006	$ 149,000	
Enterprise Products GP related party obligation:		
$370 Million Note, 6.25% fixed-rate, repaid August 2005 (1)		$ 366,433
Operating Partnership debt obligations:		
364-Day Acquisition Credit Facility, variable rate, repaid in February 2005 (2)		242,229
Multi-Year Revolving Credit Facility, variable rate, due October 2010 (3)	335,000	321,000
30-Day Promissory Note, variable rate, repaid October 2005 (4)	100,000	
Seminole Notes, 6.67% fixed-rate, due December 2005	15,000	15,000
Pascagoula MBFC Loan, 8.70% fixed-rate, due March 2010	54,000	54,000
Senior Notes A, 8.25% fixed-rate, repaid March 2005		350,000
Senior Notes B, 7.50% fixed-rate, due February 2011	450,000	450,000
Senior Notes C, 6.375% fixed-rate, due February 2013	350,000	350,000
Senior Notes D, 6.875% fixed-rate, due March 2033	500,000	500,000
Senior Notes E, 4.00% fixed-rate, due October 2007	500,000	500,000
Senior Notes F, 4.625% fixed-rate, due October 2009	500,000	500,000
Senior Notes G, 5.60% fixed-rate, due October 2014	650,000	650,000
Senior Notes H, 6.65% fixed-rate, due October 2034	350,000	350,000
Senior Notes I, 5.00% fixed-rate, due March 2015	250,000	
Senior Notes J, 5.75% fixed-rate, due March 2035	250,000	
Senior Notes K, 4.95% fixed-rate, due June 2010	500,000	
Dixie revolving credit facility, due June 2007	17,000	
GulfTerra Senior Notes and Senior Subordinated Notes (5)	5,673	6,469
Total principal amount	4,975,673	4,655,131
Other, including unamortized discounts and premiums and changes in fair value (6)	(22,833)	(7,462)
Subtotal long-term debt	4,952,840	4,647,669
Less current maturities of debt (7)	(164,000)	(18,450)
Long-term debt	$ 4,788,840	$ 4,629,219
Standby letters of credit outstanding	$ 66,411	$ 139,052

(1) This amount was repaid in August 2005 using borrowings under our $525 Million Credit Facility.

(2) Enterprise Products Partners used the proceeds from its February 2005 common unit offering to fully repay and terminate the 364-Day Acquisition Credit Facility.

(3) At September 30, 2005 and December 31, 2004, the Multi-Year Revolving Credit Facility had a $750 million borrowing capacity, which was reduced by the amount of standby letters of credit outstanding. In October 2005, the Operating Partnership executed an amended Multi-Year Revolving Credit Facility, which among other things, (i) increased the borrowing capacity to $1.25 billion, which is reduced by the amount of standby letters of credit outstanding, (ii) extended the maturity date from September 2009 to October 2010 and (iii) removed the $100 million limit on the total amount of standby letters of credit that can be outstanding under the facility. For additional information regarding the amended Multi-Year Revolving Credit Facility, please see Note 18 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report..

(4) The Operating Partnership used borrowings under the Multi-Year Revolving Credit Facility to repay the 30-Day Promissory Note in October 2005.

(5) GulfTerra's remaining $0.8 million of 6.25% Senior Notes due June 2010 were called and retired in February 2005. Additionally, in October 2005, we called and retired $0.6 million of GulfTerra' Senior Subordinated Notes.

(6) The September 30, 2005 amount includes $8.5 million related to fair value hedges and $14.3 million in net unamortized discounts.

(7) In accordance with SFAS No. 6, "*Classification of Short-Term Obligations Expected to Be Refinanced*," long-term and current maturities of debt at September 30, 2005, reflected our repayment of the 30-Day Promissory Note in October 2005 using borrowings under our Multi-Year Revolving Credit Facility, which is due in October 2010. Additionally, in accordance with SFAS No. 6, long-term and current maturities of debt at December 31, 2004 reflected (i) our refinancing of Senior Notes A with proceeds from our Senior Notes I and J in March 2005 and (ii) the repayment of our 364-Day Acquisition Credit Facility using proceeds from an equity offering completed in February 2005.

We have three unconsolidated affiliates with long-term debt obligations. The following table shows our ownership interest in each entity at September 30, 2005 and total long-term debt obligations (including current maturities) of each unconsolidated affiliate at September 30, 2005, on a 100% basis to the joint venture.

	Our Ownership Interest	Total
Cameron Highway	50.0%	$ 415,000
Poseidon	36.0%	96,000
Evangeline	49.5%	35,650
Total		$ 546,650

For additional information regarding our consolidated debt obligations and those of our unconsolidated affiliates, please read Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Credit Ratings

Currently, the credit ratings of our Operating Partnership's debt obligations are Baa3 with a stable outlook as rated by Moody's Investor Services; BB+ with a stable outlook as rated by Standard and Poor's; and BBB- with a stable outlook by Fitch ratings.

Comparison of Consolidated Cash Flows for the Nine Months Ended September 30, 2005 with Consolidated Cash Flows for the Nine Months Ended September 30, 2004

Cash flows from our consolidated operating activities primarily reflect net income adjusted for depreciation, amortization and similar non-cash amounts; equity earnings and cash distributions from unconsolidated affiliates; and changes in operating accounts. For additional information regarding changes in operating accounts, please read Note 11 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Cash flow from operations is primarily based on earnings from our consolidated business activities. As a result, these cash flows are exposed to certain risks. We operate predominantly in the midstream energy industry, which includes gathering, transporting, processing, fractionating and storing natural gas, NGLs and crude oil. In general, we provide services for producers and consumers of natural gas, NGLs and crude oil from the wellhead to the end user. The products that we process, sell or transport are principally used as fuel for residential, agricultural and commercial heating, 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 or 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 cash from operating activities. Other risks include fluctuations in oil, natural gas and NGL prices, competitive practices in the midstream energy industry and the impact of operational and systems risks. For a summary of the risk factors pertinent to our business, please read "*Cautionary Statement Regarding Forward-Looking Information and Risk Factors*" included within this Item 2.

Operating activities. For the nine months ended September 30, 2005 and 2004, cash provided by operating activities was $329.2 million and $36 million, respectively. The period-to-period increase in cash provided by operating activities is partially attributable to increased earnings as discussed under "*Results of Operations - Consolidated Results of Operations*," included within this Item 2. A description of the other significant period-to-period fluctuations of the remaining line items within this section of our Unaudited Condensed Statements of Consolidated Cash Flows follows:

- As measured by the net effect of changes in our operating accounts, we used an additional $72.4 million of cash for working capital purposes when compared to the nine months ended September

30, 2004. In general, the net effect of changes in operating accounts is the result of timing of cash receipts from sales and cash payments for purchases and other expenses near the end of each period, including the effects of increased transactions resulting from the GulfTerra Merger. Increases or decreases in inventory are influenced by changes in commodity prices and our marketing activities.

- Cash distributions from unconsolidated affiliates decreased $7.2 million period-to-period primarily due to distributions of $32.3 million from GulfTerra GP, which we began consolidating on September 30, 2004, offset by $25.6 million in distributions received from investments we acquired in the GulfTerra Merger.

Investing activities. For the nine months ended September 30, 2005 and 2004, we used $881.9 million and $1.1 billion, respectively, for investing activities. During the nine months ended September 30, 2005, we used $144 million to purchase NGL underground storage and terminaling assets from Ferrellgas, $74.9 million to purchase from El Paso two entities which owned interests in the Indian Springs natural gas gathering and processing assets, $73 million to purchase additional ownership interests in Dixie and Belle Rose and $25 million to purchase an additional 2% indirect interest in the Mid-America Pipeline System and an additional 1.6% indirect interest in the Seminole pipeline. During the 2004 period we used $1 billion to complete the GulfTerra Merger, and we used $57.9 million to purchase additional ownership interests in Tri-States, Seminole and BEF. Capital expenditures were $627.9 million during the nine months ended September 30, 2005 period compared to $39.4 million for the same period in 2004, and contributions in aid of construction costs were $40.4 million during the nine months ended September 30, 2005 period compared to $0.5 million for the same period in 2004. For additional information regarding our capital expenditures and contributions in aid of construction costs, please read "*Capital Spending*" included within this Item 2.

Our investments in unconsolidated affiliates were $80.8 million during the nine months ended September 30, 2005 compared to $1.1 million during the same period in 2004. In March 2005, we contributed $72 million to Deepwater Gateway to fund our share of the repayment of its $144 million term loan. In addition, our cash flows from investing activities for the nine months ended September 30, 2005, include (i) $42.1 million in proceeds from the sale of our 50% equity interest in Starfish in March 2005, which was required to gain regulatory approval for the GulfTerra Merger and (ii) $47.5 million related to a return of our investment in Cameron Highway associated with the refinancing of its project debt in June 2005, which we will use to fund capital expenditures associated with our growth capital projects. For additional information regarding the refinancing of Cameron Highway's debt, please read Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report. The period-to-period fluctuation in the restricted cash balance is primarily due to timing of physical purchases of natural gas on the NYMEX exchange.

Financing activities. For the nine months ended September 30, 2005 and 2004, cash provided by financing activities was $560.8 million and $1.2 billion, respectively. During the nine months ended September 30, 2005, we had net borrowings on our debt obligations of $144.9 million compared to net borrowings of $1.8 billion during the same period in 2004.

During the nine months ended September 30, 2005, the Operating Partnership issued an aggregate of $1 billion in senior notes, the proceeds of which were used to repay $350 million due under Senior Notes A, to temporarily reduce amounts outstanding under the Operating Partnership's bank credit facilities and for general partnership purposes, including capital expenditures and business combinations. Additionally, the Operating Partnership repaid the remaining $242.2 million that was due under our 364-Day Acquisition Credit Facility using proceeds from Enterprise Products Partners' February 2005 equity offering. In August 2005, we borrowed $525 million under our new credit facility to repay (i) the indebtedness owed by Enterprise Products GP to an affiliate of EPCO that was originally incurred to finance Enterprise Products GP's purchase of a 50% interest in GulfTerra's general partner and (ii) the $160 million of debt we assumed from EPCO as part of the contribution of net assets to us by affiliates of EPCO in August 2005. We used the proceeds from our initial public offering in August 2005 to repay some of the borrowings under our new credit facility.

The 2004 period reflects the Operating Partnership's borrowings of approximately $2.8 billion under bank credit facilities on September 30, 2004 to (i) fund $655.3 million in cash payment obligations to El Paso associated with the GulfTerra Merger, (ii) escrow $1.1 billion to finance our tender offers for GulfTerra's senior and senior subordinated notes and (iii) extinguish $962 million outstanding under GulfTerra's revolving credit facility and secured term loans. Additionally, on September 30, 2004, Enterprise Products GP borrowed $370 million from an affiliate of EPCO to fund additional cash payment obligations to El Paso associated with the GulfTerra Merger. Our repayments of debt during the 2004 period reflect the use of proceeds from Enterprise Products Partners' May 2004 and August 2004 equity offerings to repay the Operating Partnership's $225 million Interim Term Loan and to temporarily reduce amounts outstanding under the Operating Partnership's bank credit facilities.

Distributions paid to minority interests increased from $259.3 million during the nine months ended September 30, 2004 to $478.9 million during the same period in 2005. Distributions paid to minority interests primarily represents the distributions paid to the limited partners of Enterprise Products Partners excluding the limited partner interests owned by Enterprise GP Holdings, in accordance with Enterprise Products Partners' partnership agreement. The increase in quarterly cash distributions paid by Enterprise Products Partners is primarily due to an increase in the number of Enterprise Products Partners' common units eligible for distributions and an increase in Enterprise Products Partners' declared quarterly cash distribution rate. We expect that future distributions paid to minority interests will increase as a result of Enterprise Products Partners' periodic issuance of common units under the DRIP and other equity offerings.

Contributions from minority interests was $555 million for the nine months ended September 30, 2005, compared to $747.3 million for the same period in 2004. Contributions from minority interests primarily represent (i) net proceeds Enterprise Products Partners' limited partners received from common unit offerings, (ii) proceeds Enterprise Products Partners' limited partners received from the exercise of unit options under EPCO's 1998 Long-Term Incentive Plan and (iii) contributions from Enterprise Products Partners' joint venture partners.

During the nine months ended September 30, 2005, the limited partners of Enterprise Products Partners received net proceeds of approximately $506 million from common unit offerings, and proceeds of $20.5 million from the exercise of unit options. In February 2005, Enterprise Products Partners sold 17,250,000 common units (including the over-allotment amount of 2,250,000 common units) in a public offering. Additionally, during the nine months ended September 30, 2005, Enterprise Products Partners sold 2,326,622 common units in connection with the DRIP. During the nine months ended September 30, 2004, the limited partners of Enterprise Products Partners received net proceeds of approximately $740.8 million from common unit offerings. In each of May 2004 and August 2004, Enterprise Products Partners sold 17,250,000 common units (including the over-allotment amounts of 2,250,000 common units) in two separate public offerings. Additionally, during the nine months ended September 2004, Enterprise Products Partners sold 2,912,864 common units in connection with the DRIP.

CONTRACTUAL OBLIGATIONS

With regards to our material contractual obligations, there have been no significant changes outside of the ordinary course of business since those reported in our registration statement on Form S-1 for the year ended December 31, 2004 with the exception of debt. For additional information regarding changes in our consolidated debt obligations since December 31, 2004, please read Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

RECENT ACCOUNTING DEVELOPMENTS

The accounting standard setting bodies and the SEC have recently issued the following accounting guidance that will or may affect our financial statements:

- SFAS No. 123(R), "*Share-Based Payment*" issued by the FASB and the related SAB 107 issued by the SEC;
- FIN 46(R)-5, "*Implicit Variable Interests Under FASB Interpretation No. 46(R), Consolidation of Variable Interest Entities*";
- FIN 47, "*Accounting for Conditional Asset Retirement Obligations*",
- SFAS No. 154, "*Accounting Changes and Error Corrections*;" and
- EITF 04-13, *"Accounting for Purchases and Sale of Inventory with Same Counterparty."*

For additional information regarding these recent accounting developments that may affect our future financial statements, please read Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

CRITICAL ACCOUNTING POLICIES

In our financial reporting process, we employ methods, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our financial statements. These methods, estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Investors should be aware that actual results could differ from these estimates if the underlying assumptions prove to be incorrect.

The following describes the estimation risk underlying our most significant financial statement items:

Depreciation methods and estimated useful lives of property, plant and equipment. In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. The majority of our property, plant and equipment is depreciated using the straight-line method, which incorporates our assumptions regarding the useful economic lives and residual values of such assets. At the time we place our assets in service, we believe such assumptions are reasonable; however, circumstances may develop that would cause us to change these assumptions, which would change our depreciation amounts on a going forward basis.

At September 30, 2005 and December 31, 2004, the net book value of our property, plant and equipment was $8.4 billion and $7.8 billion, respectively. For additional information regarding our property, plant and equipment, please read Note 5 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Measuring recoverability of long-lived assets and equity method investments. In general, long-lived assets (including intangible assets with finite useful lives and property, plant and equipment) are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that there is a loss in value of the investment that is an other than temporary decline. Measuring the potential impairment of such assets and investments involves the estimation of future cash flows to be derived from the asset being tested. Our estimates of such cash flows are based on a number of assumptions including anticipated margins and volumes; estimated useful life of the asset or asset group; and salvage values. A significant change in these underlying assumptions could result in our recording an impairment charge.

In connection with obtaining regulatory approval for the GulfTerra Merger, we were required to sell our undivided 50% interest in a Mississippi propane storage facility by December 31, 2004. As a result

of our determination of this long-lived asset's current market value, we recorded a non-cash asset impairment charge of $4 million during the third quarter of 2004, which is reflected as a component of operating costs and expenses on our Unaudited Condensed Statements of Consolidated Operations and Comprehensive Income. We did not record any impairment charges during the nine months ended September 30, 2005.

Amortization methods and estimated useful lives of qualifying intangible assets. In general, our intangible asset portfolio consists primarily of the estimated values assigned to certain customer relationships and customer contracts. We amortize the customer relationship values using methods that closely resemble the pattern in which the economic benefits of the underlying oil and natural gas resource bases from which the customers produce are estimated to be consumed or otherwise used. We amortize the customer contract intangible assets over the estimated remaining economic life of the underlying contract. A change in the estimates we use to determine amortization rates of our intangible assets (e.g., oil and natural gas production curves, remaining economic life of the contracts, etc.) could result in a material change in the amortization expense we record and the carrying value of our intangible assets.

At September 30, 2005 and December 31, 2004, the carrying value of our intangible asset portfolio was $941.5 million and $980.6 million. For additional information regarding our intangible assets, please read Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Methods we employ to measure the fair value of goodwill. In general, goodwill is attributable to the excess of the purchase price over the fair value of assets acquired. Goodwill is not amortized. Instead, goodwill is tested for impairment at a reporting unit level during the second quarter of each fiscal year, and more frequently, if circumstances indicate it is more likely than not that the fair value of goodwill is below its carrying amount. Testing goodwill for impairment involves calculating the fair value of a reporting unit, which in turn is based on our assumptions regarding the future economic prospects of the reporting unit. Our estimates of such prospects (i.e., cash flows) are based on a number of assumptions including anticipated margins and volumes of the underlying assets or asset group. A significant change in these underlying assumptions could result in our recording an impairment charge.

At September 30, 2005 and December 31, 2004, the carrying value of our goodwill was $489.4 million and $459.2 million. For additional information regarding our goodwill, please read Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Our use of estimates for revenues and expenses. Our use of estimates for revenues, as well as our use of estimates for operating costs and other expenses has increased as a result of SEC regulations that require us to submit financial information on increasingly accelerated time frames. Such estimates are necessary due to the timing of compiling actual billing information and receiving third-party data needed to record transactions for financial reporting purposes. If the basis of our estimates proves incorrect, it could result in material adjustments to our results of operations between periods.

Reserves for environmental matters. Each of our business segments is subject to extensive federal, state and local laws and regulations governing environmental quality and pollution control. We accrue reserves for environmental matters when our assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. Our assessments are based on studies, as well as site surveys, to determine the extent of any environmental damage and the necessary requirements to remediate this damage. Our actual results may differ from our estimates, and our estimates can be, and often are, revised in the future, either negatively or positively, depending upon the outcome or expectations based on the facts surrounding each exposure.

At September 30, 2005 and December 31, 2004, we had a liability for environmental remediation of $21 million, which was derived from a range of reasonable estimates based upon studies and site surveys. In accordance with SFAS No. 5 "*Accounting for Contingencies*" and FASB Interpretation No. 14,

"*Reasonable Estimation of the Amount of a Loss*," we recorded our best estimate of the costs for these remediation activities.

Natural gas imbalances. Natural gas imbalances result when customers physically deliver a larger or smaller quantity of gas into our pipelines than they take out. We generally value our imbalances using a twelve-month moving average of natural gas prices, which we believe is an appropriate assumption to estimate the value of the imbalances at the time of settlement given that the actual settlement dates are generally not known. Changes in natural gas prices may impact our estimates.

At September 30, 2005 and December 31, 2004, our imbalance receivables were $70 million and $56.7 million, respectively, and are reflected as a component of accounts receivable. At September 30, 2005 and December 31, 2004, our imbalance payables were $52 million and $59 million, respectively, and are reflected as a component of accrued gas payables.

SUMMARY OF RELATED PARTY TRANSACTIONS

The following is a summary of our related party relationships and transactions. For additional information regarding our current and historical related party relationships, please read Note 10 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Relationship with EPCO. We have an extensive and ongoing relationship with EPCO. Collectively, EPCO and its affiliates owned a 86.5% equity interest in us at September 30, 2005. EPCO is controlled by Dan L. Duncan, who is also a director and Chairman of our general partner and Enterprise Products GP. Additionally, all of the executive officers and non-independent directors of our general partner also serve as executive officers or directors of Enterprise Products GP.

On August 29, 2005, affiliates of EPCO contributed certain partnership interests in Enterprise Products Partners to us (on a standalone basis) consisting of (i) a 100% ownership of Enterprise Products GP and (ii) 13,454,498 common units of Enterprise Products Partners acquired from an affiliate of El Paso in January 2005, representing an approximate 3.4% limited partner interest in Enterprise Products Partners.

We also assumed $160 million in debt and $0.5 million of accrued interest from EPCO in connection with the transfer of these assets, which was subsequently repaid using borrowings under our new credit facility (see Note 1 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report). The assumed debt amount represents a portion of the $425 million borrowed by EPCO in January 2005 to purchase 13,454,498 common units of Enterprise Products Partners and a 9.9% ownership interest in Enterprise Products GP from an affiliate of El Paso. Upon completion of EPCO's purchase of El Paso's 9.9% ownership interest in Enterprise Products GP, EPCO and its affiliates owned 100% of the equity interests in Enterprise Products GP. Additionally, EPCO affiliates received 74,667,332 of our common units in connection with the contribution of net assets by affiliates of EPCO to us.

We have no employees. All of our management, administrative and operating functions are performed by employees of EPCO pursuant to the Administrative Services Agreement. We reimburse EPCO for the costs of its employees who perform operating functions for us and for costs related to its other management and administrative employees. Additionally, we reimburse EPCO for the costs associated with the office space we occupy related to our partnership's headquarters. In August 2005, a Third Amended and Restated Administrative Services Agreement was executed, which was effective as of February 24, 2005. For additional information regarding the Amended and Restated Administrative Services Agreement, see Note 10 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of the quarterly report. Our other transactions with EPCO and its affiliates include:

- We have entered into an agreement with an affiliate of EPCO to provide trucking services to us for the transportation of NGLs and other products.

- In the normal course of business, we buy from and sell certain NGL products to an affiliate of EPCO.

In September 2004, our subsidiary, Enterprise Products GP, borrowed $370 million from an affiliate of EPCO to finance the purchase of a 50% membership interest in GulfTerra GP. This promissory note bore fixed-rate interest of 6.25% and was repaid in August 2005 using borrowings under the Enterprise GP Holdings Credit Facility. We recorded $3.7 million and $15.2 million in interest related to this promissory note for the three and nine months ended September 30, 2005.

We, Enterprise Products GP and Enterprise Products Partners are all separate legal entities from EPCO and its other affiliates, with assets and liabilities that are separate from those of EPCO and its other affiliates. EPCO depends on cash distributions it receives as an equity owner in us and Enterprise Products Partners to fund most of its other operations and to meet its debt obligations. For the nine months ended September 30, 2005 and 2004, EPCO affiliates received $185 million and $136.4 million in distributions from us, respectively. The ownership interests in Enterprise Products Partners and Enterprise Products GP that are owned or controlled by EPCO and its affiliates, other than Dan Duncan LLC and trusts affiliated with Dan L. Duncan, are pledged as security under an EPCO affiliate credit facility. In the event of a default under such credit facility, a change in control of Enterprise Products Partners or Enterprise Products GP could occur.

Our related party revenues from EPCO and affiliates were nominal for the three months ended September 30, 2005 and 2004, and $0.3 million and $2.3 million for the nine months ended September 30, 2005 and 2004, respectively. Our related party expenses paid to EPCO and affiliates were $71 million and $55.5 million for the three months ended September 30, 2005 and 2004, and $205 million and $146.8 million for the nine months ended September 30, 2005 and 2004, respectively.

Relationship with TEPPCO. On February 24, 2005, an affiliate of EPCO acquired Texas Eastern Products Pipeline Company, LLC ("TEPPCO GP"), the general partner of TEPPCO Partners, L.P. (“TEPPCO”) from Duke Energy Field Services, LLC, and 2,500,000 common units of TEPPCO from Duke Energy Corporation for approximately $1.2 billion in cash. TEPPCO GP owns a 2% general partner interest in TEPPCO and is the managing partner of TEPPCO and its subsidiaries. Subsequently, EPCO reconstituted the board of directors of TEPPCO GP and Dr. Ralph Cunningham (a former independent director of Enterprise Products GP) was named Chairman of TEPPCO GP. Due to EPCO's ownership of TEPPCO GP and TEPPCO GP's ability to direct the management of TEPPCO, TEPPCO GP and TEPPCO became related parties to EPCO and the Company during the first quarter of 2005. The employees of TEPPCO became EPCO employees on June 1, 2005. Our related party transactions with TEPPCO consist of the purchase of NGL pipeline transportation and storage services.

On March 11, 2005, the Bureau of Competition of the U.S. Federal Trade Commission (“FTC”) delivered written notice to EPCO’s legal advisor that it was conducting a non-public investigation to determine whether EPCO’s acquisition of TEPPCO GP may tend substantially to lessen competition. No filings were required under the Hart-Scott-Rodino Act in connection with EPCO’s purchase of TEPPCO GP. EPCO and its affiliates, including us, may receive similar inquiries from other regulatory authorities and intend to cooperate fully with any such investigations and inquiries. In response to such FTC investigation or any inquiries EPCO and its affiliates may receive from other regulatory authorities, we may be required to divest certain assets. In the event we are required to divest significant assets, our financial condition could be affected.

We did not have any related party revenues from TEPPCO and affiliates for the three and nine months ended September 30, 2005. Our related party expenses paid to TEPPCO and affiliates were $4 million and $12.6 million for the three and nine months ended September 30, 2005, respectively.

Relationship with unconsolidated affiliates. Our significant related party transactions with unconsolidated affiliates consist of the sale of natural gas to Evangeline, purchase of pipeline transportation services from Dixie (prior to its consolidation with our results beginning in February 2005, see Note 2) and the purchase of NGL storage, transportation and fractionation services from Promix. In addition, we sell

natural gas to Promix and process natural gas at VESCO. Our related party revenues from unconsolidated affiliates were $119 million and $89.4 million for the three months ended September 30, 2005 and 2004, and $257.8 million and $196.3 million for the nine months ended September 30, 2005 and 2004, respectively. Our related party expenses paid to unconsolidated affiliates were $11.5 million and $7.4 million for the three months ended September 30, 2005 and 2004, and $21.9 million and $23.9 million for the nine months ended September 30, 2005 and 2004, respectively.

Historical relationship with Shell. Historically, Shell Oil Company, its subsidiaries and affiliates (“Shell”) were collectively considered a related party because Shell owned more than 10% of Enterprise Products Partners' limited partner interests and, prior to September 2003, owned a 30% ownership interest in Enterprise Products GP. As a result of Shell selling a portion of its limited partner interests in Enterprise Products Partners to third parties in December 2004 and during the first seven months of 2005, Shell now owns less than 10% of Enterprise Products Partners common units. Shell sold its 30% interest in Enterprise Products GP to an affiliate of EPCO in September 2003. As a result of Shell's reduced equity interest in Enterprise Products Partners and its lack of control of Enterprise Products GP, Shell ceased to be considered a related party beginning in the first quarter of 2005. For the three months ended September 30, 2004, our related party revenues from Shell and expenses paid to Shell were $148.8 million and $189.4 million, respectively. Our related party revenues from Shell and expenses paid to Shell for the nine months ended September 30, 2004, were $397.8 million and $536.3 million, respectively.

OTHER ITEMS

Recent regulatory developments. On May 4, 2005, the FERC issued a policy statement providing that all entities owning public utility assets – oil and gas pipelines and electric utilities – would be permitted to include an income tax allowance in their rates to reflect the actual or potential income tax liability attributable to their public utility income, regardless of the form of ownership. Any tax pass-through entity seeking an income tax allowance would have to establish that its partners or members have an actual or potential income tax obligation on the entity's public utility income. The FERC has stated that it will determine on a case-by-case basis whether there is an actual or potential income tax liability. The policy appears to provide an opportunity for partnership-owned pipelines to seek allowances based upon their entire income paid to partners, rather than the partial allowance which was limited to partner interests owned by corporate partners. The policy statement is subject to rehearing and clarification by the FERC. We have not yet been able to determine the effect, if any, that this new FERC policy statement will have on the rates for transportation services on our interstate pipelines we charge or on the rates we will be allowed to charge in the future. We expect the implementation of the policy in individual cases will be subject to review by the United States Court of Appeals.

In December 2002, High Island Offshore System (“HIOS’), an interstate natural gas pipeline owned by us, filed a rate case pursuant to Section 4 of the Natural Gas Act before the FERC to increase its transportation fees. The FERC accepted HIOS’ tariff sheets implementing the new rates, subject to refund, and set certain issues for hearing before an Administrative Law Judge (“ALJ”). The ALJ issued an initial decision on the issues, proposing rates lower than the rate initially proposed by HIOS. In August 2004, in response to the ALJ’s initial decision, HIOS filed a settlement agreement whereby HIOS proposed to implement its rates in effect prior to this proceeding for a prospective three-year period. In January 2005, the FERC issued an order rejecting HIOS’ settlement offer and generally affirming the ALJ’s initial decision, resulting in rates significantly lower than the rate proposed in HIOS’ settlement offer. In February 2005, HIOS filed a request for rehearing with the FERC. In July 2005, the FERC issued an order denying all requests for rehearing, and the FERC required HIOS to implement the approved rate and to make refunds to its customers. The refunds to HIOS' customers were due in August 2005, and HIOS is fully reserved for the refund obligations.

Pipeline integrity costs. Our NGL, petrochemical and natural gas pipelines are subject to pipeline integrity management programs administered by the U.S. Department of Transportation, through its Office of Pipeline Safety. During the three months ended September 30, 2005, we spent approximately $10 million to comply with these programs, of which $6.1 million was recorded as an operating expense with

the remaining $3.9 million being capitalized. We spent approximately $20.5 million to comply with these programs during the nine months ended September 30, 2005, of which $13.3 million was recorded as an operating expense with the remaining $7.2 million being capitalized. Our net cash outlay for the pipeline integrity program is estimated to be approximately $53 million over the next six months (fourth quarter of 2005 and first quarter of 2006), of which $24 million is estimated to be recorded as an operating expense with the remaining $29 million being capitalized. The forecasted cost for the next six months is net of the value of an indemnification for such expenses that we expect to receive from El Paso related to pipelines acquired from GulfTerra.

Non-GAAP reconciliation. A reconciliation of our measurement of total non-GAAP gross operating margin to GAAP operating income and income before provision for income taxes, minority interest and the cumulative effect of changes in accounting principles (as shown on our Unaudited Condensed Statements of Consolidated Operations and Comprehensive Income included under Item 1 of this quarterly report on Form 10-Q) follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2005	**2004**	**2005**	**2004**
Total non-GAAP gross operating margin	$ 311,816	$ 137,748	$ 832,905	$ 375,991
Adjustments to reconcile total non-GAAP gross operating margin to GAAP operating income:				
Depreciation and amortization in operating costs and expenses	(103,028)	(32,439)	(304,041)	(94,674)
Retained lease expense, net in operating costs and expenses	(528)	(2,273)	(1,584)	(6,820)
Gain (loss) on sale of assets in operating costs and expenses	(611)	(43)	4,742	(158)
General and administrative costs	(13,654)	(10,300)	(47,689)	(27,069)
GAAP consolidated operating income	193,995	92,693	484,333	247,270
Other expense	(63,918)	(31,872)	(183,223)	(96,024)
GAAP income before provision for income taxes, minority interest and cumulative effect of changes in accounting principles	$ 130,077	$ 60,821	$ 301,110	$ 151,246

EPCO subleases to us certain equipment located at our Mont Belvieu facility and 100 railcars for $1 per year. These subleases (the “retained lease expense” in the previous table) are part of the Administrative Services Agreement that we executed with EPCO in connection with Enterprise Products Partners formation in 1998. EPCO holds these items pursuant to operating leases for which it has retained the corresponding cash lease payment obligation.

Operating costs and expenses (as shown on the Unaudited Condensed Statements of Consolidated Operations and Comprehensive Income included under Item 1 of this quarterly report on Form 10-Q) classify the lease payments being made by EPCO as a non-cash related party operating expense, with the offset to minority interest and partners’ equity on the Unaudited Condensed Consolidated Balance Sheets recorded as a general contribution to Enterprise Products Partners. Apart from the partnership interests we granted to EPCO at its formation, EPCO does not receive any additional ownership rights as a result of its contribution to us of the retained leases.

Cumulative effect of accounting changes recorded during 2004. The cumulative effect of changes in accounting principles represents the combined impact of changing (i) the method Enterprise Products Partners' BEF subsidiary uses to account for its planned major maintenance activities from the accrue-in-advance method to the expense-as-incurred method and (ii) the method Enterprise Products Partners used to account for our investment in VESCO. The cumulative effect of these changes in accounting principles resulted in a benefit of $10.8 million ($10.6 million recorded as a reduction to minority interest expense).

Financial statement classifications. Certain reclassifications have been made to the prior year’s financial statements to conform to the current year presentation. In accordance with SFAS No. 3, “*Reporting Accounting Changes in Interim Financial Statements*,” we have reclassified amounts related to our adoption of EITF 03-16, “*Accounting for Investments in Limited Liability Companies*,” on July 1, 2004.

Our adoption of EITF 03-16 on that date required us to change our method of accounting for our 13.1% investment in VESCO to the equity method from the cost method.
Since this change in accounting principle was made during the third quarter of 2004, our statement of consolidated operations and statement of consolidated cash flows for the three and nine months ended September 30, 2004 has been recast for comparability purposes.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION AND RISK FACTORS

This quarterly report 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,” “goal,” “forecast,” “intend,” “could,” “believe,” “may” 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 such 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. 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. When considering forward-looking statements, please read our summarized “*Risk Factors*” below.

Risk Factors. An investment in our common units involves risks. If any of these risks were to occur, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our common units could decline, and you could lose all or part of your investment. Among the key risk factors that may have a direct impact on our results of operations and financial condition are:

- Currently, our operating cash flow is derived primarily from cash distributions from Enterprise Products Partners, of which the risks of Enterprise Products Partners' business are:
- Changes in the prices of hydrocarbons may materially adversely affect Enterprise Products Partners' results of operations, cash flow and financial condition;
- A decline in the volumes of natural gas, NGLS and crude oil delivered to Enterprise Products Partners' facilities could materially adversely affect its results of operations, cash flows and financial condition;
- A reduction in the demand for NGL products by the petrochemical, refining or heating industries could materially adversely affect Enterprise Products Partners' results of operations, cash flows and financial condition.

We have no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For additional information regarding our risk factors, please refer to the section titled “*Risk Factors*” included within our registration statement on Form S-1. Other risks involved in our business are discussed under “*Quantitative and Qualitative Disclosures about Market Risk*” included under Item 3 of this quarterly report on Form 10-Q.

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. In general, the type of risks we attempt to hedge are those related to the variability of future earnings, fair values of certain debt instruments and cash flows resulting from changes in applicable interest rates or commodity prices. As a matter of policy, we do not use financial instruments for speculative (or "trading") purposes.

Interest rate risk hedging program. Our interest rate exposure results from variable and fixed rate borrowings under debt agreements. We manage a portion of our interest rate exposures by utilizing interest rate swaps and similar arrangements, which allow us to convert a portion of fixed rate debt into variable rate debt or a portion of variable rate debt into fixed rate debt.

In August 2005, the Operating Partnership entered into two additional interest rate swap agreements with an aggregate notional amount of $200 million in which we exchanged the payment of fixed rate interest on a portion of the principal outstanding under Senior Notes K for variable rate interest. We have designated these two interest rate swaps as fair value hedges under SFAS No. 133 since they mitigate changes in the fair value of the underlying fixed rate debt. Under each swap agreement, we will pay the counterparty a variable interest rate based on six-month LIBOR rates (plus an applicable margin as defined in each swap agreement) and receive back from the counterparty a fixed interest rate payment of 4.95%, which is the stated interest rate of Senior Notes K. We will settle amounts receivable from or payable to the counterparty every six months (the "settlement period"), with the first settlement occurring on December 1, 2005. The settlement amount will be amortized ratably to earnings as either an increase or a decrease in interest expense over the settlement period.

As summarized in the following table, we had eleven interest rate swap agreements outstanding at September 30, 2005 that were accounted for as fair value hedges.

Hedged Fixed Rate Debt	Number Of Swaps	Period Covered by Swap	Termination Date of Swap	Fixed to Variable Rate (1)	Notional Amount
Senior Notes B, 7.50% fixed rate, due Feb. 2011	1	Jan. 2004 to Feb. 2011	Feb. 2011	7.50% to 7.26%	$50 million
Senior Notes C, 6.375% fixed rate, due Feb. 2013	2	Jan. 2004 to Feb. 2013	Feb. 2013	6.375% to 5.81%	$200 million
Senior Notes G, 5.6% fixed rate, due Oct. 2014	6	4th Qtr. 2004 to Oct. 2014	Oct. 2014	5.6% to 4.36%	$600 million
Senior Notes K, 4.95% fixed rate, due June 2010	2	Aug. 2005 to June 2010	June 2010	4.95% to 4.34%	$200 million

(1) The variable rate indicated is the all-in variable rate for the current settlement period.

The total fair value of these eleven interest rate swaps at September 30, 2005, was a liability of $9.6 million, with an offsetting decrease in the fair value of the underlying debt. The total fair value of the nine interest rate swaps we had outstanding at December 31, 2004, was an asset of $0.5 million, with an offsetting increase in the fair value of the underlying debt. Interest expense for the three months ended September 30, 2005 and 2004 reflects a benefit of $2.3 million and $1.7 million, respectively, from interest rate swap agreements. For the nine months ended September 30, 2005 and 2004, interest expense reflects a benefit of $7.5 million and $5.3 million, respectively, from interest rate swap agreements.

The following table shows the effect of hypothetical changes in interest rates on the estimated fair value ("FV") of our interest rate swap portfolio and the related change in fair value of the underlying debt at October 12, 2005 (dollars in thousands). Income is not affected by changes in the fair value of these swaps; however, these swaps effectively convert the hedged portion of fixed-rate debt to variable-rate debt. As a result, interest expense (and related cash outlays for debt service) will increase or decrease with the change in the periodic "reset" rate associated with the respective swap. Typically, the reset rate is an agreed upon index rate published for the first day of the six-month interest calculation period.

Scenario	Resulting Classification	Swap FV at October 12, 2005	Change in FV of Debt Increase (Decrease)
FV assuming no change in underlying interest rates	*Asset (Liability)*	$ (16,792)	
FV assuming 10% increase in underlying interest rates	*Asset (Liability)*	(49,742)	$ (32,950)
FV assuming 10% decrease in underlying interest rates	*Asset (Liability)*	16,157	32,950

During 2004, we entered into two groups of four forward-starting interest rate swap transactions having an aggregate notional amount of $2 billion each in anticipation of our financing activities associated with the closing of the GulfTerra Merger. These interest rate swaps were accounted for as cash flow hedges and were settled during 2004 at a net gain to us of $19.4 million, which will be reclassified from accumulated other comprehensive income to reduce interest expense over the life of the associated debt.

Commodity risk hedging program. The prices of natural gas, NGLs and petrochemical products are subject to fluctuations in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. In order to manage the risks associated with natural gas and NGLs, we may enter into commodity financial instruments. The primary purpose of our commodity risk management activities is to hedge our exposure to price risks associated with (i) natural gas purchases, (ii) NGL production and inventories, (iii) related firm commitments, (iv) fluctuations in transportation revenues where the underlying fees are based on natural gas index prices and (v) certain anticipated transactions involving either natural gas or NGLs.

At September 30, 2005 and December 31, 2004, we had a limited number of commodity financial instruments in our portfolio, which primarily consisted of natural gas cash flow and fair value hedges. The fair value of our commodity financial instrument portfolio at September 30, 2005 and December 31, 2004 was an asset of $0.1 million and $0.2 million, respectively. Excluding the reclassification of a $1.4 million gain from accumulated other comprehensive income during the first quarter of 2005 (see discussion below regarding the effect of financial instruments on accumulated other comprehensive income), we recorded nominal amounts of earnings from our commodity financial instruments during the three and nine months ended September 30, 2005 and 2004.

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% movement in the underlying quoted market prices of the commodity financial instruments outstanding at the date indicated within the following table. The following table shows the effect of hypothetical price movements on the estimated fair value ("FV") of this portfolio at October 12, 2005 (dollars in thousands):

Scenario	Resulting Classification	Commodity Financial Instr. Portfolio FV
FV assuming no change in underlying commodity prices	*Asset (Liability)*	$ (277)
FV assuming 10% increase in underlying commodity prices	*Asset (Liability)*	(1,127)
FV assuming 10% decrease in underlying commodity prices	*Asset (Liability)*	572

Effect of financial instruments on Accumulated Other Comprehensive Income. The following table summarizes the effect of our cash flow hedging financial instruments on accumulated other comprehensive income since December 31, 2004.

		Interest Rate Fin. Instrs.		
	Commodity Financial Instruments	Treasury Locks	Forward-Starting Interest Rate Swaps	Accumulated Other Comprehensive Income Balance
Balance, December 31, 2004	$ 1,434	$ 4,572	$ 18,548	$ 24,554
Change in fair value of commodity financial instruments	(1,350)			(1,350)
Reclassification of gain on settlement of treasury locks to interest expense		(331)		(331)
Reclassification of gain on settlement of forward-starting swaps to interest expense			(2,687)	(2,687)
Balance, September 30, 2005	$ 84	$ 4,241	$ 15,861	$ 20,186

During the remainder of 2005, we will reclassify a combined $1 million from accumulated other comprehensive income as a reduction in interest expense from our treasury locks and forward-starting interest rate swaps. In addition, we reclassified an approximate $1.4 million gain into income from accumulated other comprehensive income related to a commodity cash flow hedge acquired in the GulfTerra Merger. This gain is primarily due to an increase in fair value from that recorded for the commodity cash flow hedge at September 30, 2004.

ITEM 4. CONTROLS AND PROCEDURES.

Our management, with the participation of the CEO and CFO of our general partner, have evaluated the effectiveness of our disclosure controls and procedures, including internal controls over financial reporting. Collectively, these disclosure controls and procedures are designed to provide us with a reasonable assurance that the information required to be disclosed in periodic reports filed with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also designed to provide reasonable assurance that such information is accumulated and communicated to our management, including our general partner's CEO and CFO, as appropriate to allow such persons to make 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 company 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 also is 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. Our disclosure controls and procedures are designed to provide such reasonable assurances of achieving our desired control objectives, and our CEO and CFO have concluded that our disclosure controls and procedures are effective in achieving that level of reasonable assurance.

Based on their evaluation, the CEO and CFO of our general partner have concluded that our disclosure controls and procedures are effective to ensure that material information relating to our partnership is made known to management on a timely basis. The CEO and CFO noted no material weaknesses in the design or operation of our internal controls over financial reporting that are likely to adversely affect our ability to record, process, summarize and report financial information. Also, they detected no fraud involving management or employees who have a significant role in our internal controls over financial reporting. There have been no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) or in other factors that occurred since the time we

became a public company on August 24, 2005, that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting. As a result of becoming a public company during August 2005, our report regarding the effectiveness of our "internal control over financial reporting" that is required under the SEC's rules under Section 404 of the Sarbanes-Oxley Act of 2002 is not applicable to us in 2005.

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 Note 16 of the Notes to Unaudited Consolidated Financial Statements for Commitments and Contingencies regarding litigation, which is incorporated herein by reference.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On April 26, 2005, we filed a registration statement (Registration No. 333-124320) relating to the initial public offering of Enterprise GP Holdings. This registration statement was declared effective by the Securities and Exchange Commission on August 23, 2005. The offering closed on August 29, 2004. Citigroup Global Markets Inc and Lehman Brothers Inc. acted as co-managers for the offering.

On August 29 2005, we sold 14,216,784 common units under this registration statement (including an over-allotment amount of 1,616,784 common units) at an offering price of $28.00 per common unit. Total net proceeds from the sale of these common units was approximately $373 million after deducting applicable underwriting discounts, commissions, structuring fees and other offering expenses of $25.6 million. The net proceeds from this initial public offering were used to reduce debt outstanding under Enterprise GP Holdings' $525 Million Credit Facility.

We sold 2,357,142 common units to affiliates of EPCO that are included in the 14,216,784 common units issued. Our related party sales include:

- 1,821,428 common units sold to a partnership affiliated with, and established for the benefit of certain employees of, EPCO;
- 357,143 common units to other affiliates of EPCO and Dan L. Duncan; and
- 178,571 common units sold to O.S. Andras, a director of Enterprise Products GP.

The underwriters did not receive any discount or commission on the 2,178,571 units sold to entities controlled by Dan L. Duncan or on the 178,571 units offered to O.S. Andras, a director of Enterprise Products GP.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

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

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit No.	Exhibit*
1.1	Underwriting Agreement, dated August 23, 2005, by and among Enterprise GP Holdings L.P., EPE Holdings, LLC, and the underwriters named therein (incorporated by reference to Exhibit 1.1 of the Current Report on Form 8-K filed September 1, 2005).
1.2	Unit Purchase Agreement dated August 23, 2005, by and between Enterprise GP Holdings L.P. and EPE Unit L.P. (incorporated by reference to Exhibit 1.2 of the Current Report on Form 8-K filed September 1, 2005).
2.1	Purchase and Sale Agreement between Coral Energy, LLC and Enterprise Products Operating L.P. dated September 22, 2000 (incorporated by reference to Exhibit 10.1 to Enterprise Products Partners' Form 8-K filed September 26, 2000).
2.2	Purchase and Sale Agreement dated January 16, 2002 by and between Diamond-Koch, L.P. and Diamond-Koch III, L.P. and Enterprise Products Texas Operating L.P. (incorporated by reference to Exhibit 10.1 to Enterprise Products Partners' Form 8-K filed February 8, 2002.)
2.3	Purchase and Sale Agreement dated January 31, 2002 by and between D-K Diamond-Koch, L.L.C., Diamond-Koch, L.P. and Diamond-Koch III, L.P. as Sellers and Enterprise Products Operating L.P. as Buyer (incorporated by reference to Exhibit 10.2 to Enterprise Products Partners' Form 8-K filed February 8, 2002).
2.4	Purchase Agreement by and between E-Birchtree, LLC and Enterprise Products Operating L.P. dated July 31, 2002 (incorporated by reference to Exhibit 2.2 to Enterprise Products Partners' Form 8-K filed August 12, 2002).
2.5	Purchase Agreement by and between E-Birchtree, LLC and E-Cypress, LLC dated July 31, 2002 (incorporated by reference to Exhibit 2.1 to Enterprise Products Partners' Form 8-K filed August 12, 2002).
2.6	Merger Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Enterprise Products Partners' Form 8-K filed December 15, 2003).
2.7	Amendment No. 1 to Merger Agreement, dated as of August 31, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Enterprise Products Partners' Form 8-K filed September 7, 2004).
2.8	Parent Company Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.2 to Enterprise Products Partners' Form 8-K filed December 15, 2003).
2.9	Amendment No. 1 to Parent Company Agreement, dated as of April 19, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.1 to Enterprise Products Partners' Form 8-K filed April 21, 2004).
2.10	Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., adopted by GulfTerra GP Holding Company, a Delaware corporation, and Enterprise Products GTM, LLC, a Delaware limited liability company, as of December 15, 2003, (incorporated by reference to Exhibit 2.3 to Enterprise Products Partners' Form 8-K filed December 15, 2003).
2.11	Amendment No. 1 to Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C. adopted by Enterprise Products GTM, LLC as of September 30, 2004 (incorporated by reference to Exhibit 2.11 to Enterprise Products Partners' Registration Statement on Form S-4 filed December 27, 2004).
2.12	Purchase and Sale Agreement (Gas Plants), dated as of December 15, 2003, by and between El Paso Corporation, El Paso Field Services Management, Inc., El Paso Transmission, L.L.C., El Paso Field Services Holding Company and Enterprise Products Operating L.P. (incorporated by

	reference to Exhibit 2.4 to Enterprise Products Partners' Form 8-K filed December 15, 2003).
3.1#	Amended and Restated Agreement of Limited Partnership of Enterprise GP Holdings L.P., dated as of August 29, 2005.
3.2	Amended and Restated Limited Liability Company Agreement of EPE Holdings, LLC, dated as of August 29, 2005 (incorporated by reference to Exhibit 3.2 of the Current Report on Form 8-K filed September 1, 2005).
3.3	Fifth Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P., dated effective as of August 8, 2005 (incorporated by reference to Exhibit 3.1 to Enterprise Products Partners' Form 8-K filed August 10, 2005).
3.4	Third Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC, dated as of August 29, 2005 (incorporated by reference to Exhibit 3.1 to Enterprise Products Partners' Form 8-K filed September 1, 2005).
3.5	Amended and Restated Agreement of Limited Partnership of Enterprise Products Operating L.P. dated as of July 31, 1998 (restated to include all agreements through December 10, 2003)(incorporated by reference to Exhibit 3.1 to Enterprise Products Partners' Form 8-K filed July 1, 2005).
3.6	Certificate of Incorporation of Enterprise Products OLPGP, Inc., dated December 3, 2003 (incorporated by reference to Exhibit 3.5 to Enterprise Products Partners' Form S-4 filed December 27, 2004).
3.7	Bylaws of Enterprise Products OLPGP, Inc., dated December 8, 2003 (incorporated by reference to Exhibit 3.6 to Enterprise Products Partners' Form S-4 filed December 27, 2004).
3.8	Certificate of Limited Partnership of Enterprise GP Holdings L.P., dated April 18, 2005 (incorporated by reference to Exhibit 3.1 to Amendment No. 2 to Form S-1 Registration Statement, Reg. No. 333-124320, filed July 21, 2005).
3.9	Certificate of Formation of EPE Holdings LLC, dated April 18, 2005 (incorporated by reference to Exhibit 3.3 to Amendment No. 2 to Form S-1 Registration Statement, Reg. No. 333-124320, filed July 21, 2005).
4.1	Indenture dated as of March 15, 2000, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and First Union National Bank, as Trustee (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed March 10, 2000).
4.2	First Supplemental Indenture dated as of January 22, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Enterprise Products Partners' Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.3	Global Note representing $350 million principal amount of 6.375% Series B Senior Notes due 2013 with attached Guarantee (incorporated by reference to Exhibit 4.4 to Enterprise Products Partners' Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.4	Second Supplemental Indenture dated as of February 14, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form 10-K filed March 31, 2003).
4.5	Global Note representing $500 million principal amount of 6.875% Series B Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit 4.8 to Enterprise Products Partners' Form 10-K filed March 31, 2003).
4.6	Global Notes representing $450 million principal amount of 7.50% Senior Notes due 2011 (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed January 25, 2001).
4.7	Form of Unit certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 3 to Form S-1 Registration Statement, Reg. No. 333-124320, filed August 11, 2005).
4.8	Contribution Agreement dated September 17, 1999 (incorporated by reference to Exhibit "B" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.9	Registration Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "E" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.10	Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "C" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).

4.11	Amendment No. 1, dated September 12, 2003, to Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed September 15, 2003).
4.12	Agreement dated as of March 4, 2004 among Enterprise Products Partners L.P., Shell US Gas & Power LLC and Kayne Anderson MLP Investment Company (incorporated by reference to Exhibit 4.31 to Enterprise Products Partners' Form S-3 Registration Statement, Reg. No. 333-123150, filed March 4, 2004).
4.13	$750 Million Multi-Year Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as Co-Syndication Agents and Mizuho Corporate Bank, Ltd., SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed on August 30, 2004).
4.14	Guaranty Agreement dated as of August 25, 2004, by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as Administrative Agent for the several lenders that are or become parties to the Credit Agreement included as Exhibit 4.1, above (incorporated by reference to Exhibit 4.2 to Enterprise Products Partners' Form 8-K filed on August 30, 2004).
4.15	First Amendment dated October 5, 2005, to Multi-Year Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, CitiBank, N.A. and JPMorgan Chase Bank, as CO-Syndication Agents, and Mizuho Corporate Bank, Ltd., SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form 8-K filed on October 7, 2005).
4.16	$2.25 Billion 364-Day Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citicorp North America, Inc. and Lehman Commercial Paper Inc., as Co-Syndication Agents, JPMorgan Chase Bank, UBS Loan Finance LLC and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents, Wachovia Capital Markets, LLC, Citigroup Global Markets Inc. and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form 8-K filed on August 30, 2004).
4.17	Guaranty Agreement dated as of August 25, 2004, by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as Administrative Agent for the several lenders that are or become parties to the Credit Agreement included as Exhibit 4.3, above (incorporated by reference to Exhibit 4.4 to Enterprise Products Partners' Form 8-K filed on August 30, 2004).
4.18	Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).
4.19	First Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).
4.20	Second Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).
4.21	Third Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).
4.22	Fourth Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.5 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).
4.23	Global Note representing $500 million principal amount of 4.000% Series B Senior Notes due

2007 with attached Guarantee (incorporated by reference to Exhibit 4.14 to Enterprise Products Partners' Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2004).

4.24 Global Note representing $500 million principal amount of 5.600% Series B Senior Notes due 2014 with attached Guarantee (incorporated by reference to Exhibit 4.17 to Enterprise Products Partners' Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2004).

4.25 Global Note representing $150 million principal amount of 5.600% Series B Senior Notes due 2014 with attached Guarantee (incorporated by reference to Exhibit 4.18 to Enterprise Products Partners' Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2004).

4.26 Global Note representing $350 million principal amount of 6.650% Series B Senior Notes due 2034 with attached Guarantee (incorporated by reference to Exhibit 4.19 to Enterprise Products Partners' Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2004).

4.27 Global Note representing $500 million principal amount of 4.625% Series B Senior Notes due 2009 with attached Guarantee (incorporated by reference to Exhibit 4.27 to Enterprise Products Partners' Form 10-K for the year ended December 31, 2004 filed on March 15, 2005).

4.28 Registration Rights Agreement dated as of October 4, 2004, among Enterprise Products Operating L.P., Enterprise Products Partners L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.17 to Enterprise Products Partners' Form 8-K filed on October 6, 2004).

4.29 Fifth Supplemental Indenture dated as of March 2, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Enterprise Products Partners' Form 8-K filed on March 3, 2005).

4.30 Sixth Supplemental Indenture dated as of March 2, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form 8-K filed on March 3, 2005).

4.31 Global Note representing $250,000,000 principal amount of 5.00% Series B Senior Notes due 2015 with attached Guarantee (incorporated by reference to Exhibit 4.31 to Enterprise Products Partners' Form 10-Q for the quarter ended September 30, 2005 filed on November 4, 2005).

4.32 Global Note representing $250,000,000 principal amount of 5.75% Series B Senior Notes due 2035 with attached Guarantee (incorporated by reference to Exhibit 4.32 to Enterprise Products Partners' Form 10-Q for the quarter ended September 30, 2005 filed on November 4, 2005).

4.33 Registration Rights Agreement dated as of March 2, 2005, among Enterprise Products Partners, L.P., Enterprise Products Operating L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.6 to Enterprise Products Partners' Form 8-K filed on March 3, 2005).

4.34 Assumption Agreement dated as of September 30, 2004 between Enterprise Products Partners L.P. and GulfTerra Energy Partners, L.P. relating to the assumption by Enterprise of GulfTerra's obligations under the GulfTerra Series F2 Convertible Units (incorporated by reference to Exhibit 4.4 to Enterprise Products Partners' Form 8-K/A-1 filed on October 5, 2004).

4.35 Statement of Rights, Privileges and Limitations of Series F Convertible Units, included as Annex A to Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P., dated May 16, 2003 (incorporated by reference to Exhibit 3.B.3 to Current Report on Form 8-K of GulfTerra Energy Partners, L.P., file no. 001-11680, filed with the Commission on May 19, 2003).

4.36 Unitholder Agreement between GulfTerra Energy Partners, L.P. and Fletcher International, Inc. dated May 16, 2003 (incorporated by reference to Exhibit 4.L to Current Report on Form 8-K of GulfTerra Energy Partners, L.P., file no. 001-11680, filed with the Commission on May 19, 2003).

4.37 Indenture dated as of May 17, 2001 among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and the Chase Manhattan Bank, as Trustee (filed as Exhibit 4.1 to GulfTerra’s Registration Statement on Form S-4 filed June 25, 2001, Registration Nos. 333-63800 through 333-63800-20); First Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.1 to GulfTerra’s 2002 First Quarter Form 10-Q); Second Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.2

	to GulfTerra's 2002 First Quarter Form 10-Q); Third Supplemental Indenture dated as of October 10, 2002 (filed as Exhibit 4.E.3 to GulfTerra's 2002 Third Quarter Form 10-Q); Fourth Supplemental Indenture dated as of November 27, 2002 (filed as Exhibit 4.E.1 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Fifth Supplemental Indenture dated as of January 1, 2003 (filed as Exhibit 4.E.2 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Sixth Supplemental Indenture dated as of June 20, 2003 (filed as Exhibit 4.E.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.38	Indenture dated as of May 17, 2001 among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and the Chase Manhattan Bank, as Trustee (filed as Exhibit 4.1 to GulfTerra's Registration Statement on Form S-4 filed June 25, 2001, Registration Nos. 333-63800 through 333-63800-20); First Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.1 to GulfTerra's 2002 First Quarter Form 10-Q); Second Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.2 to GulfTerra's 2002 First Quarter Form 10-Q); Third Supplemental Indenture dated as of October 10, 2002 (filed as Exhibit 4.E.3 to GulfTerra's 2002 Third Quarter Form 10-Q); Fourth Supplemental Indenture dated as of November 27, 2002 (filed as Exhibit 4.E.1 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Fifth Supplemental Indenture dated as of January 1, 2003 (filed as Exhibit 4.E.2 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Sixth Supplemental Indenture dated as of June 20, 2003 (filed as Exhibit 4.E.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.38	Seventh Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.E.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.39	Indenture dated as of November 27, 2002 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee (filed as Exhibit 4.1 to GulfTerra's Current Report of Form 8-K dated December 11, 2002); First Supplemental Indenture dated as of January 1, 2003 (filed as Exhibit 4.1.1 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Second Supplemental Indenture dated as of June 20, 2003 (filed as Exhibit 4.1.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.40	Third Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.1.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.41	Indenture dated as of March 24, 2003 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee dated as of March 24, 2003 (filed as Exhibit 4.K to GulfTerra's Quarterly Report on Form 10-Q dated May 15, 2003); First Supplemental Indenture dated as of June 30, 2003 (filed as Exhibit 4.K.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.42	Second Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.K.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.43	Indenture dated as of July 3, 2003, by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and Wells Fargo Bank, National Association, as Trustee (Filed as Exhibit 4.L to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.44	First Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.K.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.45	Amended and Restated Credit Agreement dated as of June 29, 2005, among Cameron Highway Oil Pipeline Company, the Lenders party thereto, and SunTrust Bank, as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 4.1 to Enterprise Products Partners' Form 8-K filed on July 1, 2005).
4.46	Credit Agreement, dated as of August 29, 2005, by and among Enterprise GP Holdings L.P., the lenders party thereto, Lehman Commercial Paper Inc., as Co-Administrative Agent, Citicorp North America, Inc., as Co-Administrative Agent and Paying Agent, The Bank of Nova Scotia, as Syndication Agent, and SunTrust Bank, as Documentation Agent (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K filed September 1, 2005).
4.47	Seventh Supplemental Indenture dated as of June 1, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.46 to Enterprise Products Partners' Form 10-Q for the quarter ended September 30, 2005, filed November 4, 2005).
4.48	Global Note representing $500,000,000 principal amount of 4.95% Senior Notes due 2010 with attached Guarantee (incorporated by reference to Exhibit 4.47 to Enterprise Products Partners' Form 10-Q for the quarter ended September 30, 2005 filed November 4, 2005).
10.1	Transportation Contract between Enterprise Products Operating L.P. and Enterprise Transportation Company dated June 1, 1998 (incorporated by reference to Exhibit 10.3 to Enterprise Products Partners' Registration Statement Form S-1/A filed July 8, 1998).
10.2	Partnership Agreement among Sun BEF, Inc., Liquid Energy Fuels Corporation and Enterprise Products Company dated May 1, 1992 (incorporated by reference to Exhibit 10.5 to Enterprise Products Partners' Registration Statement on Form S-1 filed May 13, 1998).
10.3	Propylene Facility and Pipeline Agreement between Enterprise Petrochemical Company and Hercules Incorporated dated December 13, 1978 (incorporated by reference to Exhibit 10.9 to Enterprise Products Partners' Registration Statement on Form S-l filed May 13, 1998).
10.4	Restated Operating Agreement for the Mont Belvieu Fractionation Facilities Chambers County, Texas among Enterprise Products Company, Texaco Producing Inc., El Paso Hydrocarbons Company and Champlin Petroleum Company dated July 17, 1985 (incorporated by reference to Exhibit 10.10 to Enterprise Products Partners' Registration Statement on Form S-l/A filed July 8,

	1998).
10.5	Amendment to Propylene Facility and Pipeline Agreement and Propylene Sales Agreement between HIMONT U.S.A., Inc. and Enterprise Products Company dated January 1, 1993 (incorporated by reference to Exhibit 10.12 to Enterprise Products Partners' Registration Statement on Form S-l/A filed July 8, 1998).
10.6	Amendment to Propylene Facility and Pipeline Agreement and Propylene Sales Agreement between HIMONT U.S.A., Inc. and Enterprise Products Company dated January 1, 1995 (incorporated by reference to Exhibit 10.13 to Enterprise Products Partners' Registration Statement on Form S-l/A filed July 8, 1998).
10.7	Seventh Amendment to Conveyance of Gas Processing Rights, dated as of April 1, 2004 among Enterprise Gas Processing, LLC, Shell Oil Company, Shell Exploration & Production Company, Shell Offshore Inc., Shell Consolidated Energy Resources Inc., Shell Land & Energy Company, Shell Frontier Oil & Gas Inc. and Shell Gulf of Mexico Inc. (incorporated by reference to Exhibit 10.1 to Enterprise Products Partners' Form 8-K filed April 26, 2004).
10.8 ***	Enterprise Products 1998 Long-Term Incentive Plan, amended and restated as of April 8, 2004 (incorporated by reference to Appendix B to Enterprise Products Partners' Notice of Written Consent dated April 22, 2004, filed April 22, 2004).
10.9 ***	Form of Option Grant Award under 1998 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form S-8 Registration Statement, Reg. No. 333-115633, filed May 19, 2004).
10.10***	Form of Restricted Unit Grant under the Enterprise Products 1998 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.3 to Enterprise Products Partners' Form S-8 Registration Statement, Reg. No. 333-115633, filed May 19, 2004).
10.11***	1998 Omnibus Compensation Plan of GulfTerra Energy Partners, L.P., Amended and Restated as of January 1, 1999 (incorporated by reference to Exhibit 10.9 to Form 10-K for the year ended December 31, 1998 of GulfTerra Energy Partners, L.P., file no. 001-11680); Amendment No. 1, dated as of December 1, 1999 (incorporated by reference to Exhibit 10.8.1 to Form 10-Q for the quarter ended June 30, 2000 of GulfTerra Energy Partners, L.P., file no. 001-116800); Amendment No. 2 dated as of May 15, 2003 (incorporated by reference to Exhibit 10.M.1 to Form 10-Q for the quarter ended June 30, 2003 of GulfTerra Energy Partners, L.P., file no. 001-11680).
10.12	Third Amended and Restated Administrative Services Agreement by and among EPCO, Inc., Enterprise Products Partners L.P., Enterprise Products Operating L.P., Enterprise Products GP, LLC, Enterprise Products OLPGP, Inc., Enterprise GP Holdings L.P., EPE Holdings, LLC, TEPPCO Partners, L.P., Texas Eastern Products Pipeline Company, LLC, TE Products Pipeline Company, Limited Partnership, TEPPCO Midstream Companies, L.P., TCTM, L.P. and TEPPCO GP, Inc. dated August 15, 2005, but effective as of February 24, 2005 (incorporated by reference to Exhibit 10.1 to Enterprise Products Partners' Form 8-K filed August 22, 2005).
10.13	Contribution, /conveyance and Assumption Agreement, dated as of August 29, 2005, by and among Enterprise GP Holdings L.P., EPE Holdings, LLC, Dan Duncan, LLC, Duncan Family Interests, Inc., DFI GP Holdings L.P. and DFI Holdings, LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed September 1, 2005).
10.14***	EPE Unit L.P. Agreement of Limited Partnership (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed September 1, 2005).
10.15***	Enterprise Products Company 2005 EPE Long Term Incentive Plan (incorporated by reference to Exhibit 10.28 to Amendment No. 3 to Form S-1 Registration Statement, Reg. No. 333-124320, filed August 11, 2005).
10.16***	Form of Restricted Unit Grant under the Enterprise Products Company 2005 EPE Long Term Incentive Plan (incorporated by reference to Exhibit 10.29 to Amendment No. 3 to Form S-1 Registration Statement, Reg. No. 333-124320, filed August 11, 2005).
10.17***	Form of Phantom Unit Grant under the Enterprise Products company 2005 EPE Long Term Incentive Plan (incorporated by reference to Exhibit 10.30 to Amendment No. 3 to Form S-1 Registration Statement, Reg. No. 333-124320, filed August 11, 2005).
10.18	$370,000,000 Note of Enterprise Products GP, LLC, payable to Dan Duncan LLC (incorporated by reference to Exhibit 10.33 to Amendment No. 3 to Form S-1 Registration Statement, Reg. No. 333-124320 filed August 11, 2005).
10.19#	Promissory Note assumed by Enterprise GP Holdings L.P. in the amount of $160,023,385.34,

	payable to EPCO, Inc.
18.1	Letter regarding Change in Accounting Principles dated May 4, 2004 (incorporated by reference to Exhibit 18.1 to Enterprise Products Partners' Form 10-Q filed May 10, 2004).
31.1#	Sarbanes-Oxley Section 302 certification of Michael A. Creel for Enterprise GP Holdings L.P. for the September 30, 2005 quarterly report on Form 10-Q.
31.2#	Sarbanes-Oxley Section 302 certification of W. Randall Fowler for Enterprise GP Holdings L.P. for the September 30, 2005 quarterly report on Form 10-Q.
32.1#	Section 1350 certification of Michael A. Creel for the September 30, 2005 quarterly report on Form 10-Q.
32.2#	Section 1350 certification of W. Randall Fowler for the September 30, 2005 quarterly report on Form 10-Q.

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

*** 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 8, 2005.

ENTERPRISE GP HOLDINGS L.P.
(A Delaware Limited Partnership)

By: EPE Holdings, LLC,
as General Partner

By: ___/s/ Michael J. Knesek_____
Name: Michael J. Knesek
Title: Senior Vice President, Controller
and Principal Accounting Officer
of the General Partner

EXHIBIT 10.19

PROMISSORY NOTE
ENTERPRISE GP HOLDINGS L.P.

US$160,023,385.34 August 10, 2005

FOR VALUE RECEIVED, ENTERPRISE GP HOLDINGS L.P., a Delaware limited partnership (the "Borrower") hereby promises to pay to the order of EPCO, INC., a Texas corporation (together with any subsequent holder of this promissory note, for so long as such person or entity is a holder hereof, "Holder"), the principal sum of US$160,023,385.34, together with interest on the outstanding principal balance hereof at the fixed rate of 6.25% per annum (the "Fixed Rate"), on or before May 20, 2020 (the "Maturity Date").

1. **Payment Terms**. This promissory note ("Note") shall be payable as follows:

(a) Installment payments of $2,527,989.52 shall be due and payable on or before each February 19, May 20, August 19, and November 19 of each calendar year (each, a "Payment Date") of the term hereof, commencing November 19, 2005 and ending May 20, 2020.

(b) The outstanding principal balance of this Note, together with all accrued and unpaid interest on such principal balance, and all other amounts due and payable hereunder shall be fully and finally due and payable on the Maturity Date.

(c) Any installment payment deferred hereunder shall be deemed to be a part of the principal balance hereof and shall bear interest at the Fixed Rate until paid.

(d) This Note may be prepaid, in whole or in part, at any time, without penalty or premium. All payments hereunder shall be applied first to accrued and unpaid interest to the date of payment hereunder, next to other amounts, if any, then due and unpaid hereunder, and then to the outstanding principal balance hereof in regular order of maturity.

(e) Payments of both principal and interest are to be made in lawful money of the United States of America in same day or immediately available finds to the account from time to time designated by the Holder.

2. **Acceleration**. No failure by the Borrower to pay any amount due hereunder, or to perform any other obligation hereunder, shall entitle the Holder to accelerate the indebtedness evidenced hereby. The Holder's rights upon any such default shall be limited to the judicial enforcement of the Borrower's obligations that have not been so paid or performed. If (a) the obligations due under that certain Credit Agreement dated January 11, 2005 (the "Credit Agreement") among EPCO, Inc., the lenders party thereto and Citicorp North America, Inc., as administrative agent, are not paid when due at maturity, or (b) a default occurs under the Credit Agreement and the obligations due thereunder are accelerated or required to be prepaid prior to their stated maturity as a result of such default, the Holder may demand that the Borrower pay the then outstanding principal balance of this Note, together with all accrued and unpaid interest on such principal balance, and all other amounts due and payable hereunder.

3. **Non-Petition**. In no event shall the Holder commence or join in any proceeding to file a petition in bankruptcy against the Borrower, to declare the Borrower insolvent or bankrupt, to appoint or to have appointed, a receiver, liquidator, sequestrator, trustee, guardian, or other similar official for all or any portion of the Borrower's assets, or to take any action similar to the foregoing. However, the foregoing sentence shall not prevent the Holder from judicially enforcing the Borrower's obligations hereunder as described in paragraph 2 above.

4. **Default Rate**. Any amount not paid when due that is not properly deferred pursuant to paragraph 1 above, shall bear interest at two percent (2%) per annum in excess of the Fixed Rate until paid.

5. **Borrower's Waivers**. The Borrower waives presentment, demand, notice of dishonor, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note.

6. **Holder's Waivers**. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or any other right under this Note. No waiver of any right shall be effective unless in writing and signed by the Holder, nor shall a waiver on one occasion be construed as a bar to or waiver of any such right on any future occasion.

7. **Costs of Enforcement**. The Borrower will pay, on demand, all costs of collection and attorneys' fees paid or incurred by the Holder in enforcing the obligations of the Borrower hereunder.

8. **Governing Law**. This Note shall be governed by and construed in accordance with the laws of the State of Texas.

9. **Holder's Notations**. The Borrower hereby irrevocably authorizes the Holder to make (or cause to be made) appropriate notations on the grid attached to this Note (or any continuation of such grid) or in its records, which notations, if made, shall evidence, inter ailia, as of any particular date, the outstanding principal hereof, and the available Deferral Amount. Such notations shall be conclusive and binding on the Borrower, absent manifest error; provided however, that the failure of the Holder to make any such notations shall not limit or otherwise affect any rights or obligations of the Borrower hereunder.

10. **No Oral Agreements**. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE BORROWER AND THE HOLDER AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE BORROWER AND THE HOLDER. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

IN WITNESS WHEREOF, this Note has been executed by a duly authorized representative of the Borrower.

ENTERPRISE GP HOLDINGS L.P.

By: EPE Holdings, LLC, its sole general partner

By: /s/ Richard H. Bachmann
Richard H. Bachmann
Executive Vice President

DATE	OUTSTANDING PRINCIPAL BALANCE	DEFFERAL AMOUNT

EXHIBIT 32.1

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF MICHAEL A. CREEL, CHIEF EXECUTIVE OFFICER OF EPE HOLDINGS, LLC, THE GENERAL PARTNER OF ENTERPRISE GP HOLDINGS L.P.

In connection with this quarterly report of Enterprise GP Holdings L.P. (the “Registrant”) on Form 10-Q for three and nine months ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Creel, Chief Executive Officer of EPE 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.

/s/ Michael A. Creel

Name: Michael A. Creel
Title: Chief Executive Officer of EPE Holdings, LLC on behalf of Enterprise GP Holdings L.P.

Date: November 4, 2005

EXHIBIT 32.2

SARBANES-OXLEY SECTION 906 CERTIFICATION

CERTIFICATION OF W. RANDALL FOWLER, CHIEF FINANCIAL OFFICER OF EPE HOLDINGS, LLC, THE GENERAL PARTNER OF ENTERPRISE GP HOLDINGS L.P.

In connection with this quarterly report of Enterprise GP Holdings L.P. (the “Registrant”) on Form 10-Q for the three and nine months ended September 30, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Randall Fowler, Chief Financial Officer of EPE 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.

/s/ W. Randall Fowler

Name: W. Randall Fowler
Title: Chief Financial Officer of EPE Holdings, LLC
on behalf of Enterprise GP Holdings L.P.

Date: November 4, 2005

EXHIBIT 31.1

CERTIFICATIONS

I, Michael A. Creel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise GP Holdings 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 4, 2005

/s/ Michael A. Creel

Name: Michael A. Creel
Title: Principal Executive Officer of our General Partner, EPE Holdings, LLC

EXHIBIT 31.2

CERTIFICATIONS

I, W. Randall Fowler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise GP Holdings 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 4, 2005

/s/ W. Randall Fowler

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

EXHIBIT 3.1

FIRST AMENDED AND RESTATED

AGREEMENT OF LIMITED PARTNERSHIP

OF

ENTERPRISE GP HOLDINGS L.P.

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FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
OF ENTERPRISE GP HOLDINGS L.P.

THIS FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF ENTERPRISE GP HOLDINGS L.P. dated effective as of August 29, 2005, is entered into by and among EPE Holdings, LLC, a Delaware limited liability company, as the General Partner, together with any other Persons who become Partners in the Partnership or parties hereto as provided herein. In consideration of the covenants, conditions and agreements contained herein, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Definitions. The definitions listed on Attachment I shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement.

1.2 Construction. Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) the terms "include", "includes", "including" or words of like import shall be deemed to be followed by the words "without limitation" and (d) the terms "hereof", "herein" or "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement. The table of contents and headings contained in this Agreement are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE II
ORGANIZATION

2.1 Formation. The Partnership has been previously formed as a limited partnership pursuant to the provisions of the Delaware Act. The General Partner and the Limited Partners hereby amend and restate in its entirety the Agreement of Limited Partnership of Enterprise GP Holdings L.P., dated as of April 19, 2005. Subject to the provisions of this Agreement, the General Partner and the Limited Partners hereby continue the Partnership as a limited partnership pursuant to the provisions of the Delaware Act. This amendment and restatement shall become effective on the date of this Agreement. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Delaware Act. All Partnership Interests shall constitute personal property of the owner thereof for all purposes.

2.2 Name. The name of the Partnership shall be "Enterprise GP Holdings L.P." The Partnership's business may be conducted under any other name or names as determined by the General Partner, including the name of the General Partner. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The General Partner may change the name of the Partnership at any time and from time to time and shall notify the Limited Partners of such change in the next regular communication to the Limited Partners.

2.3 Registered Office; Registered Agent; Principal Office; Other Offices. Unless and until changed by the General Partner, the registered office of the Partnership in the State of Delaware shall be located at 1209 Orange Street, New Castle County, Wilmington, Delaware 19801, and the registered agent for service of process on the Partnership in the State of Delaware at such registered office shall be The Corporation Trust Company. The principal office of the Partnership shall be located at 2727 North Loop West, Suite 101, Houston, Texas 77008-1044 or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Delaware as the General Partner deems necessary or appropriate. The address of the General Partner shall be 2727 North Loop West, Suite 101, Houston, Texas 77008-1044 or such other place as the General Partner may from time to time designate by notice to the Limited Partners.

2.4 *Purpose and Business.* The purpose and nature of the business to be conducted by the Partnership shall be to engage in any business activity that is approved by the General Partner and that lawfully may be conducted by a limited partnership organized pursuant to the Delaware Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Partnership pursuant to the agreements relating to such business activity; *provided*, *however*, unless approved by a majority of the independent directors of the General Partner's Board of Directors, the Partnership's business shall be limited to owning partnership and related interests in the MLP and owning the membership interests in the MLP General Partner; and *provided further* that the General Partner shall not cause the Partnership to engage, directly or indirectly in any business activity that the General Partner determines would cause the Partnership, the MLP General Partner or the MLP to be treated as an association taxable as a corporation or otherwise taxable as an entity for federal income tax purposes. The Partnership shall at all times maintain a sufficient number of employees in light of its then current business operations if adequate personnel and services are not provided to the Partnership under the Administrative Services Agreement. To the fullest extent permitted by law, the General Partner shall have no duty or obligation to propose or approve, and may decline to propose or approve, the conduct by the Partnership of any business free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner and, in declining to so propose or approve, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity.

2.5 *Powers.* The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described in Section 2.4 and for the protection and benefit of the Partnership.

2.6 *Power of Attorney.*

(a) Each Limited Partner hereby constitutes and appoints the General Partner and, if a Liquidator (other than the General Partner) shall have been selected pursuant to Section 12.3, the Liquidator, severally (and any successor to either thereof by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, as the case may be, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements hereof or thereof) that the General Partner or the Liquidator determines to be necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all certificates, documents and other instruments that the General Partner or the Liquidator determines to be necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner or the Liquidator determines to be necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Partner pursuant to, or other events described in, Article IV, X, XI or XII; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Partnership Securities issued pursuant to Section 5.6; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger, consolidation or conversion of the Partnership pursuant to Article XIV; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments that the General Partner or the Liquidator determines to be necessary or appropriate to (A) make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or (B) effectuate the terms or intent of this

Agreement; provided, that when required by Section 13.3 or any other provision of this Agreement that establishes a percentage of the Limited Partners or of the Limited Partners of any class or series required to take any action, the General Partner and the Liquidator may exercise the power of attorney made in this Section 2.6(a)(ii) only after the necessary vote, consent or approval of the Limited Partners or of the Limited Partners of such class or series, as applicable.

Nothing contained in this Section 2.6(a) shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article XIII or as may be otherwise expressly provided for in this Agreement.

(b) The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and, to the maximum extent permitted by law, not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner and the transfer of all or any portion of such Limited Partner's Partnership Interest and shall extend to such Limited Partner's heirs, successors, assigns and personal representatives. Each such Limited Partner hereby agrees to be bound by any representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner, to the maximum extent permitted by law, hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. Each Limited Partner shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator may request in order to effectuate this Agreement and the purposes of the Partnership.

2.7 Term. The term of the Partnership commenced upon the filing of the Certificate of Limited Partnership in accordance with the Delaware Act and shall continue in existence until the dissolution of the Partnership in accordance with the provisions of Article XII. The existence of the Partnership as a separate legal entity shall continue until the cancellation of the Certificate of Limited Partnership as provided in the Delaware Act.

2.8 Title to Partnership Assets. Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more third party nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Partnership assets for which record title is held in the name of the General Partner or one or more third party nominees shall be held by the General Partner or such third party nominee for the use and benefit of the Partnership in accordance with the provisions of this Agreement; *provided, however*, that the General Partner shall use reasonable efforts to cause record title to such assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; *provided, further*, that, prior to the withdrawal or removal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer to the Partnership of record title to all Partnership assets held by the General Partner, and, prior to any such transfer, will provide for the use of such assets in a manner satisfactory to the General Partner. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Partnership assets is held.

2.9 Certain Undertakings Relating to the Separateness of the Partnership.

(a) Separateness Generally. The Partnership shall conduct its business and operations separate and apart from those of any other Person (other than the General Partner) in accordance with this Section 2.9.

(b) Separate Records. The Partnership shall (i) maintain its books and records and its accounts separate from those of any other Person, (ii) maintain its financial records, which will be used by it in its ordinary course of business, showing its assets and liabilities separate and apart from those of any other Person, (iii) not have its assets and/or liabilities included in a consolidated financial statement of any Affiliate of the General Partner unless the General Partner shall cause appropriate notation to be made on such Affiliate's

consolidated financial statements to indicate the separateness of the Partnership and the General Partner and their assets and liabilities from such Affiliate and the assets and liabilities of such Affiliate, and to indicate that the assets and liabilities of the Partnership and the General Partner are not available to satisfy the debts and other obligations of such Affiliate, and (iv) file its own tax returns separate from those of any other Person, except to the extent that the Partnership is treated as a "disregarded entity" for tax purposes or is not otherwise required to file tax returns under applicable law or is required under applicable law to file a tax return which is consolidated with another Person.

(c) Separate Assets. The Partnership shall not commingle or pool its funds or other assets with those of any other Person, except the General Partner, and shall maintain its assets in a manner that is not costly or difficult to segregate, ascertain or otherwise identify as separate from those of any other Person.

(d) Separate Name. The Partnership shall (i) conduct its business in its own name or in the name of the General Partner, (ii) use separate stationery, invoices, and checks, (iii) correct any known misunderstanding regarding its separate identity, and (iv) generally hold itself out as an entity separate from any other Person (other than the General Partner).

(e) Separate Credit. The Partnership (i) shall pay its obligations and liabilities from its own funds (whether on hand or borrowed), (ii) shall maintain adequate capital in light of its business operations, (iii) shall not pledge its assets for the benefit of any other Person or guarantee or become obligated for the debts of any other Person, (iv) shall not hold out its credit as being available to satisfy the obligations or liabilities of any other Person, (v) shall not acquire obligations or debt securities (other than those assumed and paid off on the Closing Date pursuant to the Contribution Agreement) of EPCO or its Affiliates (other than the General Partner) nor the MLP, the MLP General Partner or their subsidiaries or the Teppco MLP**,** the Teppco MLP General Partner or their subsidiaries, (vi) shall not make loans, advances or capital contributions to any Person, and (vii) shall use its commercially reasonable efforts to cause the operative documents under which the Partnership or the General Partner borrows money, is an issuer of debt securities, or guarantees any such borrowing or issuance, to contain provisions to the effect that (A) the lenders or purchasers of debt securities, respectively, acknowledge that they have advanced funds or purchased debt securities, respectively, in reliance upon the separateness of the Partnership and the General Partner from any other Person, including any Affiliate of the General Partner and (B) the Partnership and the General Partner have assets and liabilities that are separate from those of other Persons, including any Affiliate of the General Partner; provided that, the Partnership may engage in any transaction described in clauses (v) or (vi) of this Section 2.9(e) if prior Special Approval has been obtained for such transaction and either (A) the Audit and Conflicts Committee has determined (by Special Approval) that the borrower or recipient of the credit support is not then insolvent and will not be rendered insolvent as a result of such transaction or (B) in the case of transactions described in clause (v), such transaction is completed through a public auction or a National Securities Exchange.

(f) Separate Formalities. The Partnership shall (i) observe all partnership formalities and other formalities required by its organizational documents, the laws of the jurisdiction of its formation, or other laws, rules, regulations and orders of governmental authorities exercising jurisdiction over it, (ii) engage in transactions with EPCO and its Affiliates (other than the General Partner) or the MLP, the MLP General Partner or their subsidiaries or Teppco MLP,Teppco MLP General Partner or their subsidiaries in conformity with the requirements of Section 7.9, and (iii) subject to the terms of the Administrative Services Agreement, promptly pay, from its own funds, and on a current basis, a fair and reasonable share of general and administrative expenses, capital expenditures, and costs for shared services performed by EPCO or Affiliates of EPCO (other than the General Partner). Each material contract between the Partnership or the General Partner, on the one hand, and EPCO or Affiliates of EPCO (other than the General Partner), on the other hand, shall be in writing.

(g) No Effect. Failure by the General Partner or the Partnership to comply with any of the obligations set forth above shall not affect the status of the Partnership as a separate legal entity, with its separate assets and separate liabilities.

ARTICLE III
RIGHTS OF LIMITED PARTNERS

3.1 Limitation of Liability. The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Delaware Act.

3.2 Management of Business. No Limited Partner, in its capacity as such, shall participate in the operation, management or control (within the meaning of the Delaware Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. Any action taken by any Affiliate of the General Partner or any officer, director, employee, member, manager, general partner, agent or trustee of the General Partner or any of its Affiliates, or any officer, director, employee, member, manager, general partner, agent or trustee of the Partnership or its subsidiaries, in its capacity as such, shall not be deemed to be participation in the control of the business of the Partnership by a limited partner of the Partnership (within the meaning of Section 17-303(a) of the Delaware Act) and shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

3.3 Outside Activities of the Limited Partners. Subject to the provisions of Section 7.5 and the Administrative Services Agreement, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners, any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities in direct competition with the Partnership and its subsidiaries. Neither the Partnership nor any of the other Partners shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner.

3.4 Rights of Limited Partners.

(a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 3.4(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a Limited Partner in the Partnership, upon reasonable written demand stating the purpose of such demand and at such Limited Partner's own expense:

(i) to obtain true and full information regarding the status of the business and financial condition of the Partnership;

(ii) promptly after its becoming available, to obtain a copy of the Partnership's federal, state and local income tax returns for each year;

(iii) to obtain a current list of the name and last known business, residence or mailing address of each Partner;

(iv) to obtain a copy of this Agreement and the Certificate of Limited Partnership and all amendments thereto, together with a copy of the executed copies of all powers of attorney pursuant to which this Agreement, the Certificate of Limited Partnership and all amendments thereto have been executed;

(v) to obtain true and full information regarding the amount of cash and a description and statement of the Net Agreed Value of any other Capital Contribution by each Partner and that each Partner has agreed to contribute in the future, and the date on which each became a Partner; and

(vi) to obtain such other information regarding the affairs of the Partnership as is just and reasonable.

(b) Notwithstanding any other provision of this Agreement, the General Partner may keep confidential from the Limited Partners, for such period of time as the General Partner deems reasonable, (i) any information that the General Partner reasonably believes to be in the nature of trade secrets or (ii) other information the

disclosure of which the General Partner in good faith believes (A) is not in the best interests of the Partnership or its subsidiaries, (B) could damage the Partnership's or its subsidiaries' business or (C) that the Partnership or any of its subsidiaries is required by law or by agreement with any third party to keep confidential (other than agreements with Affiliates of the Partnership the primary purpose of which is to circumvent the obligations set forth in this Section 3.4).

ARTICLE IV
CERTIFICATES; RECORD HOLDERS; TRANSFER OF PARTNERSHIP INTERESTS; REDEMPTION OF PARTNERSHIP INTERESTS

4.1 Certificates. Upon the Partnership's issuance of Units to any Person, the Partnership shall issue, upon the request of such Person, one or more Certificates in the name of such Person evidencing the number of such Units being so issued. In addition, (a) upon the General Partner's request, the Partnership shall issue to it one or more Certificates in the name of the General Partner evidencing its interests in the Partnership and (b) upon the request of any Person owning any Partnership Securities, the Partnership shall issue to such Person one or more Certificates evidencing such Partnership Securities. Certificates shall be executed on behalf of the Partnership by the Chairman of the Board, President or any Executive Vice President or Vice President and the Secretary or any Assistant Secretary of the General Partner. No Unit Certificate shall be valid for any purpose until it has been countersigned by the Transfer Agent; *provided, however*, that if the General Partner elects to issue Partnership Units in global form, the Unit Certificates shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Partnership Units have been duly registered in accordance with the directions of the Partnership.

4.2 Mutilated, Destroyed, Lost or Stolen Certificates.

(a) If any mutilated Certificate is surrendered to the Transfer Agent, the appropriate officers of the General Partner on behalf of the Partnership shall execute, and the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number and type of Partnership Securities as the Certificate so surrendered.

(b) The appropriate officers of the General Partner on behalf of the Partnership shall execute and deliver, and the Transfer Agent shall countersign a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:

(i) makes proof by affidavit, in form and substance satisfactory to the General Partner, that a previously issued Certificate has been lost, destroyed or stolen;

(ii) requests the issuance of a new Certificate before the General Partner has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(iii) if requested by the General Partner, delivers to the General Partner a bond, in form and substance satisfactory to the General Partner, with surety or sureties and with fixed or open penalty as the General Partner may direct to indemnify the Partnership, the Partners, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and

(iv) satisfies any other reasonable requirements imposed by the General Partner.

If a Limited Partner fails to notify the General Partner within a reasonable period of time after he has notice of the loss, destruction or theft of a Certificate, and a transfer of the Limited Partner Interests represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Limited Partner shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

(c) As a condition to the issuance of any new Certificate under this Section 4.2, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Transfer Agent) reasonably connected therewith.

4.3 Record Holders. The Partnership shall be entitled to recognize the Record Holder as the Partner with respect to any Partnership Interest and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Partnership Interest on the part of any other Person, regardless of whether the Partnership shall have actual or other notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any National Securities Exchange on which such Partnership Interests are listed or admitted for trading. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Partnership Interests, as between the Partnership on the one hand, and such other Persons on the other, such representative Person shall be the Record Holder of such Partnership Interest.

4.4 Transfer Generally.

(a) The term "transfer," when used in this Agreement with respect to a Partnership Interest, shall be deemed to refer to a transaction (i) by which the General Partner assigns its General Partner Interest to another Person and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise or (ii) by which the holder of a Limited Partner Interest assigns such Limited Partner Interest to another Person who is or becomes a Limited Partner, and includes a sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

(b) No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article IV. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article IV shall be null and void.

(c) Nothing contained in this Agreement shall be construed to prevent a disposition by any stockholder, member, partner or other owner of the General Partner of any or all of the issued and outstanding equity interests of the General Partner.

4.5 Registration and Transfer of Limited Partner Interests.

(a) The General Partner shall keep or cause to be kept on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 4.5(b), the Partnership will provide for the registration and transfer of Limited Partner Interests. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Units and transfers of such Units as herein provided. The Partnership shall not recognize transfers of Certificates evidencing Limited Partner Interests unless such transfers are effected in the manner described in this Section 4.5. Upon surrender of a Certificate for registration of transfer of any Limited Partner Interests evidenced by a Certificate, and subject to the provisions of Section 4.5(b), the appropriate officers of the General Partner on behalf of the Partnership shall execute and deliver, and in the case of Units, the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new ertificates evidencing the same aggregate number and type of Limited Partner Interests as was evidenced by the Certificate so surrendered.

(b) Except as otherwise provided in Section 4.9, the General Partner shall not recognize any transfer of Limited Partner Interests until the Certificates evidencing such Limited Partner Interests are surrendered for registration of transfer. No charge shall be imposed by the General Partner for such transfer; provided, that as a condition to the issuance of any new Certificate under this Section 4.5, the General Partner may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed with respect thereto.

(c) Subject to (i) the foregoing provisions of this Section 4.5, (ii) Section 4.3, (iii) Section 4.7, (iv) Section 4.8, (v) with respect to any series of Limited Partner Interests, the provisions of any statement of designations or amendment to this Agreement establishing such series, (vi) any contractual provisions binding on any Limited Partner and (vii) provisions of applicable law including the Securities Act, Limited Partnership Interests shall be freely transferable.

4.6 Transfer of General Partner Interest.

(a) Subject to Section 4.6(c) below, prior to June 30, 2015, the General Partner shall not transfer all or any part of its General Partner Interest to a Person unless such transfer (i) has been approved by the prior written consent or vote of the holders of at least a majority of the Outstanding Units (excluding any Units held by the General Partner and its Affiliates) or (ii) is of all, but not less than all, of its General Partner Interest to (A) an Affiliate (other than an individual) of the General Partner or (B) another Person (other than an individual) in connection with the merger or consolidation of the General Partner with or into another Person or the transfer by the General Partner of all or substantially all of its assets to another Person (other than an individual).

(b) Subject to Section 4.6(c) below, on or after June 30, 2015, the General Partner may transfer all or any of its General Partner Interest without Unitholder approval.

(c) Notwithstanding anything contained in this Agreement to the contrary, no transfer by the General Partner of all or any part of its General Partner Interest to another Person or replacement of the General Partner pursuant to Section 10.2 shall be permitted unless (i) the transferee or successor (as applicable) agrees to assume the rights and duties of the General Partner under this Agreement and to be bound by the provisions of this Agreement, (ii) the Partnership receives an Opinion of Counsel that such transfer or replacement would not result in the loss of limited liability of any Limited Partner or cause the Partnership, the MLP General Partner, the MLP or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed), and (iii) for so long as any Affiliate of Duncan controls the General Partner, the organizational documents of the owner(s) of all the General Partner Interest, together, provide for the establishment of an "Audit and Conflicts Committee" to approve certain matters with respect to the General Partner and the Partnership, the selection of "Independent Directors" as members of such Audit and Conflicts Committee, and the submission of certain matters to the vote of such Audit and Conflicts Committee or to the requirement of Special Approval upon similar terms and conditions as set forth herein or in the limited liability company agreement of the General Partner, as the same exists as of the date of this Agreement so as to provide the Limited Partners and the General Partner with the same rights and obligations as are herein contained. In the case of a transfer or replacement pursuant to and in compliance with this Section 4.6, the transferee or successor (as applicable) shall, subject to compliance with the terms of Section 10.2, be admitted to the Partnership as a General Partner immediately prior to the transfer of the General Partner Interest, and the business of the Partnership shall continue without dissolution.

4.7 Restrictions on Transfers.

(a) Except as provided in Section 4.7(c) below, but notwithstanding the other provisions of this Article IV, no transfer of any Partnership Interests shall be made if such transfer would (i) violate the then applicable federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authority with jurisdiction over such transfer, (ii) terminate the existence or qualification of the Partnership under the laws of the jurisdiction of its formation, or (iii) cause the Partnership, the MLP General Partner, the MLP or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed).

(b) The General Partner may impose restrictions on the transfer of Partnership Interests if it reviews an Opinion of Counsel that determines that such restrictions are necessary to avoid a significant risk of the Partnership, the MLP General Partner, the MLP or the Operating Partnership becoming taxable as a corporation

or otherwise becoming taxable as an entity for federal income tax purposes. The General Partner may impose such restrictions by amending this Agreement; *provided*, *however*, that any amendment that would result in the delisting or suspension of trading of any class of Limited Partner Interests on the principal National Securities Exchange on which such class of Limited Partner Interests is then listed or admitted for trading must be approved, prior to such amendment being effected, by the holders of at least a majority of the Outstanding Limited Partner Interests of such class.

(c) Nothing contained in this Article IV, or elsewhere in this Agreement, shall preclude the settlement of any transactions involving Partnership Interests entered into through the facilities of any National Securities Exchange on which such Partnership Interests are listed for trading.

4.8 Citizenship Certificates; Non-citizen Assignees.

(a) If the Partnership or any of its subsidiaries is or becomes subject to any federal, state or local law or regulation that, the General Partner determines would create a substantial risk of cancellation or forfeiture of any property in which the Partnership or any of its subsidiaries has an interest based on the nationality, citizenship or other related status of a Limited Partner, the General Partner may request any Limited Partner to furnish to the General Partner, within 30 days after receipt of such request, an executed Citizenship Certification or such other information concerning his nationality, citizenship or other related status (or, if the Limited Partner is a nominee holding for the account of another Person, the nationality, citizenship or other related status of such Person) as the General Partner may request. If a Limited Partner fails to furnish to the General Partner within the aforementioned 30-day period such Citizenship Certification or other requested information or if upon receipt of such Citizenship Certification or other requested information the General Partner determines that a Limited Partner is not an Eligible Citizen, the Partnership Interests owned by such Limited Partner shall be subject to redemption in accordance with the provisions of Section 4.9. In addition, the General Partner may require that the status of any such Limited Partner be changed to that of a Non-citizen Assignee and, thereupon, the General Partner shall be substituted for such Non-citizen Assignee as the Limited Partner in respect of his Limited Partner Interests.

(b) The General Partner shall, in exercising voting rights in respect of Limited Partner Interests held by it on behalf of Non-citizen Assignees, distribute the votes in the same ratios as the votes of Partners (including the General Partner) in respect of Limited Partner Interests other than those of Non-citizen Assignees are cast, either for, against or abstaining as to the matter.

(c) Upon dissolution of the Partnership, a Non-citizen Assignee shall have no right to receive a distribution in kind pursuant to Section 12.4 but shall be entitled to the cash equivalent thereof, and the Partnership shall provide cash in exchange for an assignment of the Non-citizen Assignee's share of any distribution in kind. Such payment and assignment shall be treated for Partnership purposes as a purchase by the Partnership from the Non-citizen Assignee of his Limited Partner Interest (representing his right to receive his share of such distribution in kind).

(d) At any time after he can and does certify that he has become an Eligible Citizen, a Non-citizen Assignee may, upon application to the General Partner, request that with respect to any Limited Partner Interests of such Non-citizen Assignee not redeemed pursuant to Section 4.9, such Non-citizen Assignee be admitted as a Limited Partner, and upon approval of the General Partner, such Non-citizen Assignee shall be admitted as a Limited Partner and shall no longer constitute a Non-citizen Assignee, and the General Partner shall cease to be deemed to be the Limited Partner in respect of the Non-citizen Assignee's Limited Partner Interests.

4.9 Redemption of Partnership Interests of Non-citizen Assignees.

(a) If at any time a Limited Partner fails to furnish a Citizenship Certification or other information requested within the 30-day period specified in Section 4.8(a), or if upon receipt of such Citizenship Certification or other information the General Partner determines, with the advice of counsel, that a Limited Partner is not an Eligible Citizen, the Partnership may, unless the Limited Partner establishes to the satisfaction

of the General Partner that such Limited Partner is an Eligible Citizen or has transferred his Partnership Interests to a Person who is an Eligible Citizen and who furnishes a Citizenship Certification to the General Partner prior to the date fixed for redemption as provided below, redeem the Limited Partner Interest of such Limited Partner as follows:

(i) The General Partner shall, not later than the 30th day before the date fixed for redemption, give notice of redemption to the Limited Partner, at his last address designated on the records of the Partnership or the Transfer Agent, by registered or certified mail, postage prepaid. The notice shall be deemed to have been given when so mailed. The notice shall specify the Redeemable Interests, the date fixed for redemption, the place of payment, that payment of the redemption price will be made upon surrender of the Certificate evidencing the Redeemable Interests and that on and after the date fixed for redemption no further allocations or distributions to which the Limited Partner would otherwise be entitled in respect of the Redeemable Interests will accrue or be made.

(ii) The aggregate redemption price for Redeemable Interests shall be an amount equal to the Current Market Price (the date of determination of which shall be the date fixed for redemption) of Partnership Interests of the class to be so redeemed multiplied by the number of Partnership Interests of each such class included among the Redeemable Interests. The redemption price shall be paid as determined by the General Partner, in cash or by delivery of a promissory note of the Partnership in the principal amount of the redemption price, bearing interest at the rate of 10% annually and payable in three equal annual installments of principal together with accrued interest, commencing one year after the redemption date.

(iii) Upon surrender by or on behalf of the Limited Partner, at the place specified in the notice of redemption, of the Certificate evidencing the Redeemable Interests, duly endorsed in blank or accompanied by an assignment duly executed in blank, the Limited Partner or his duly authorized representative shall be entitled to receive the payment therefor.

(iv) After the redemption date, Redeemable Interests shall no longer constitute issued and Outstanding Partnership Interests.

(b) The provisions of this Section 4.9 shall also be applicable to Partnership Interests held by a Limited Partner as nominee of a Person determined to be other than an Eligible Citizen.

(c) Nothing in this Section 4.9 shall prevent the recipient of a notice of redemption from transferring his Partnership Interest before the redemption date if such transfer is otherwise permitted under this Agreement. Upon receipt of notice of such a transfer, the General Partner shall withdraw the notice of redemption, provided the transferee of such Partnership Interest certifies to the satisfaction of the General Partner in a Citizenship Certification that he is an Eligible Citizen. If the transferee fails to make such certification, such redemption shall be effected from the transferee on the original redemption date.

ARTICLE V
CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS

5.1 Prior Contributions.

(a) In connection with formation of the Partnership, the General Partner made certain Capital Contributions to the Partnership in exchange for a 0.01% General Partner interest in the Partnership and was admitted as the General Partner of the Partnership, and each of DFI and Dan Duncan LLC made certain Capital Contributions to the Partnership in exchange for a 95.0% Limited Partner Interest and a 4.99% Limited Partner Interest, respectively, in the Partnership and were each admitted as a Limited Partner of the Partnership.

(b) On the date of this Agreement, DFI, Dan Duncan LLC and their Affiliates made additional Capital Contributions to the Partnership consisting of a 100% equity interest in the MLP General Partner and 13,454,498 common units of the MLP, subject to certain indebtedness associated with those assets.

5.2 Continuation of General Partner and Limited Partner Interests; Initial Offering; Contributions by the General Partner.

(a) The Interest of the General Partner in the Partnership shall be continued as a 0.01% General Partner Interest, subject to all of the rights, privileges and duties of the General Partner under this Agreement.

(b) On the Closing Date, the Limited Partner Interest of DFI in the Partnership shall be unitized and converted into 70,941,059 Units, and the Limited Partner Interest of Dan Duncan LLC in the Partnership shall be unitized and converted into 3,726,273 Units, and such Limited Partner Interests shall be continued.

(c) Upon the issuance of any additional Limited Partner Interests by the Partnership, the General Partner shall maintain its Percentage Interest without any requirement to make additional Capital Contributions. Except as set forth in Sections 11.3(c) and 12.2(ii), the General Partner shall not be obligated to make any additional Capital Contributions to the Partnership.

5.3 Contributions by the Underwriters and the Employee Partnership.

(a) On the Closing Date and pursuant to the Underwriting Agreement, each Underwriter shall contribute to the Partnership cash in an amount equal to the Issue Price per Initial Unit, multiplied by the number of Units specified in the Underwriting Agreement to be purchased by such Underwriter at the Issue Price per Initial Unit at the Closing Date. In exchange for such Capital Contributions by the Underwriters, the Partnership shall issue Units to each Underwriter on whose behalf such Capital Contribution is made in an amount equal to the quotient obtained by dividing (i) such cash contribution to the Partnership by or on behalf of such Underwriter by (ii) the Issue Price per Initial Unit.

(b) On the Closing Date and pursuant to the Underwriting Agreement, each Underwriter that purchases Affiliate Units shall contribute to the Partnership cash in the amount equal to the Offering Price per Initial Unit, multiplied by the number of Affiliate Units specified in the Underwriting Agreement to be purchased by such Underwriter at the Closing Date. In exchange for such Capital Contribution by each such Underwriter, the Partnership shall issue Units to each such Underwriter in an amount equal to the quotient obtained by dividing (i) the cash contribution to the Partnership by or on behalf of such Underwriter with respect to Affiliate Units by (ii) the Offering Price per Initial Unit.

(c) Upon the exercise of the Over-Allotment Option, each Underwriter shall contribute to the Partnership cash in an amount equal to the Issue Price per Initial Unit, multiplied by the number of Units to be purchased by such Underwriter at the Option Closing Date. In exchange for such Capital Contributions by the Underwriters, the Partnership shall issue Units to each Underwriter on whose behalf such Capital Contribution was made in an amount equal to the quotient obtained by dividing (i) the cash contributions to the Partnership by or on behalf of such Underwriter by (ii) the Issue Price per Initial Unit.

(d) On the Closing Date and pursuant to the Unit Purchase Agreement, the Employee Partnership shall contribute to the Partnership cash in the amount of $50,999,984. In exchange for such Capital Contribution by the Employee Partnership, the Partnership shall issue 1,821,428 Units to the Employee Partnership.

(e) No Units shall be issued or issuable as of or at the Closing Date other than (i) the Units issuable pursuant to subparagraph (a) hereof in aggregate number equal to 10,778,572, (ii) the “Option Units” as such term is used in the Underwriting Agreementin aggregate number up to of the following units representing limited partner interests in the Partnership (“Units”) 1,616,784 issuable upon exercise of the Over-Allotment Option pursuant to subparagraph (c) hereof, (iii) the 1,821,428 Units issuable to the Employee Partnership

pursuant to subparagraph (d) hereof, (iv) the 70,941,059 Units issuable to DFI and (v) the 3,726,273 Units issuable to Dan Duncan LLC.

5.4 Interest and Withdrawal. No interest shall be paid by the Partnership on Capital Contributions. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Partners agree within the meaning of Section 17-502(b) of the Delaware Act.

5.5 Capital Accounts.

(a) The Partnership shall maintain for each Partner (or a beneficial owner of Partnership Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method acceptable to the General Partner) owning a Partnership Interest a separate Capital Account with respect to such Partnership Interest in accordance with the rules of Treasury Regulation Section 1.704-1(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Partnership with respect to such Partnership Interest pursuant to this Agreement and (ii) all items of Partnership income and gain (including income and gain exempt from tax) computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1, and decreased by (A) the amount of cash or Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Partnership Interest pursuant to this Agreement and (B) all items of Partnership deduction and loss computed in accordance with Section 5.5(b) and allocated with respect to such Partnership Interest pursuant to Section 6.1.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction which is to be allocated pursuant to Article VI and is to be reflected in the Partners' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including any method of depreciation, cost recovery or amortization used for that purpose), provided, that:

(i) Solely for purposes of this Section 5.5, the Partnership shall be treated as owning directly its proportionate share (as determined by the General Partner based upon the provisions of the MLP Partnership Agreement) of all property owned by the MLP, the Operating Partnership and any other Subsidiary classified as a partnership for federal income tax purposes.

(ii) All fees and other expenses incurred by the Partnership to promote the sale of (or to sell) a Partnership Interest that can neither be deducted nor amortized under Section 709 of the Code, if any, shall, for purposes of Capital Account maintenance, be treated as an item of deduction at the time such fees and other expenses are incurred and shall be allocated among the Partners pursuant to Section 6.1.

(iii) Except as otherwise provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(m), the computation of all items of income, gain, loss and deduction shall be made without regard to any election under Section 754 of the Code which may be made by the Partnership and, as to those items described in Section 705(a)(1)(B) or 705(a)(2)(B) of the Code, without regard to the fact that such items are not includable in gross income or are neither currently deductible nor capitalized for federal income tax purposes. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment in the Capital Accounts shall be treated as an item of gain or loss.

(iv) Any income, gain or loss attributable to the taxable disposition of any Partnership property shall be determined as if the adjusted basis of such property as of such date of disposition were equal in amount to the Partnership's Carrying Value with respect to such property as of such date.

(v) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Partnership were equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 5.5(d) to the Carrying Value of any Partnership property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; *provided*, *however*, that, if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any method that the General Partner may adopt.

(vi) If the Partnership's adjusted basis in a depreciable or cost recovery property is reduced for federal income tax purposes pursuant to Section 48(q)(1) or 48(q)(3) of the Code, the amount of such reduction shall, solely for purposes hereof, be deemed to be an additional depreciation or cost recovery deduction in the year such property is placed in service and shall be allocated among the Partners pursuant to Section 6.1. Any restoration of such basis pursuant to Section 48(q)(2) of the Code shall, to the extent possible, be allocated in the same manner to the Partners to whom such deemed deduction was allocated.

(c) A transferee of a Partnership Interest shall succeed to a pro rata portion of the Capital Account of the transferor relating to the Partnership Interest so transferred.

(d) (i) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), on an issuance of additional Partnership Interests for cash or Contributed Property, the issuance of Partnership Interests as consideration for the provision of services or the conversion of the General Partner's Purchased Interest to Units pursuant to Section 11.3(c), the Capital Account of all Partners and the Carrying Value of each Partnership property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Partners at such time pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized during such period would have been allocated. In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Partnership assets (including cash or cash equivalents) immediately prior to the issuance of additional Partnership Interests shall be determined by the General Partner using such method of valuation as it may adopt; *provided*, *however*, that the General Partner, in arriving at such valuation, must take fully into account the fair market value of the Partnership Interests of all Partners at such time. The General Partner shall allocate such aggregate value among the assets of the Partnership (in such manner as it determines) to arrive at a fair market value for individual properties.

(ii) In accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Partner of any Partnership property (other than a distribution of cash that is not in redemption or retirement of a Partnership Interest), the Capital Accounts of all Partners and the Carrying Value of all Partnership property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated to the Partners, at such time, pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized during such period would have been allocated. In determining such Unrealized Gain or Unrealized Loss the aggregate cash amount and fair market value of all Partnership

assets (including cash or cash equivalents) immediately prior to a distribution shall (A) in the case of an actual distribution that is not made pursuant to Section 12.4 or in the case of a deemed contribution and/or distribution occurring as a result of a termination of the Partnership pursuant to Section 708 of the Code, be determined and allocated in the same manner as that provided in Section 5.5(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined and allocated by the Liquidator using such method of valuation as it may adopt.

5.6 Issuances of Additional Partnership Securities.

(a) The Partnership may issue additional Partnership Securities and options, rights, warrants and appreciation rights relating to the Partnership Securities for any Partnership purpose at any time and from time to time to such Persons for such consideration and on such terms and conditions as the General Partner shall determine, all without the approval of any Limited Partners.

(b) Each additional Partnership Security authorized to be issued by the Partnership pursuant to Section 5.6(a) may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Securities), as shall be fixed by the General Partner, including (i) the right to share in Partnership profits and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may or shall be required to redeem the Partnership Security (including sinking fund provisions); (v) whether such Partnership Security is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (vi) the terms and conditions upon which each Partnership Security will be issued, evidenced by certificates and assigned or transferred; (vii) the method for determining the Percentage Interest as to such Partnership Security; and (viii) the right, if any, of each such Partnership Security to vote on Partnership matters, including matters relating to the relative rights, preferences and privileges of such Partnership Security.

(c) The General Partner is hereby authorized and directed to take all actions that it determines to be necessary or appropriate in connection with (i) each issuance of Partnership Securities and options, rights, warrants and appreciation rights relating to Partnership Securities pursuant to this Section 5.6, (ii) the conversion of the General Partner Interest into Partnership Units pursuant to the terms of this Agreement, (iii) the admission of additional Limited Partners and (iv) all additional issuances of Partnership Securities. The General Partner shall determine the relative rights, powers and duties of the holders of the Partnership Units or other Partnership Securities being so issued. The General Partner shall do all things necessary to comply with the Delaware Act and is authorized and directed to do all things that it determines to be necessary or appropriate in connection with any future issuance of Partnership Securities or in connection with the conversion of the General Partner Interest into Partnership Units pursuant to the terms of this Agreement, including compliance with any statute, rule, regulation or guideline of any federal, state or other governmental agency or any National Securities Exchange on which the Partnership Units or other Partnership Securities are listed or admitted for trading.

(d) No fractional Partnership Units shall be issued by the Partnership.

5.7 [Reserved].

5.8 [Reserved].

5.9 Limited Preemptive Right. Except as provided in this Section 5.9 and in Section 5.2, no Person shall have any preemptive, preferential or other similar right with respect to the issuance of any Partnership Security, whether unissued, held in the treasury or hereafter created. The General Partner shall have the right, which it may from time to time assign in whole or in part to any of its Affiliates, to purchase Partnership Securities from the Partnership whenever, and on the same terms that, the Partnership issues Partnership Securities to Persons other than the General Partner and its Affiliates, to the extent necessary to maintain the Percentage Interests (other than the General Partner Interest) of the

General Partner and its Affiliates equal to that which existed immediately prior to the issuance of such Partnership Securities.

5.10 Splits and Combinations.

(a) Subject to Section 5.10(d), the Partnership may make a Pro Rata distribution of Partnership Securities to all Record Holders or may effect a subdivision or combination of Partnership Securities so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event, and any amounts calculated on a per Partnership Unit basis or stated as a number of Partnership Units are proportionately adjusted retroactive to the beginning of the Partnership.

(b) Whenever such a distribution, subdivision or combination of Partnership Securities is declared, the General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The General Partner also may cause a firm of independent public accountants selected by it to calculate the number of Partnership Securities to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

(c) Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Securities as of the applicable Record Date representing the new number of Partnership Securities held by such Record Holders, or the General Partner may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Securities Outstanding, the Partnership shall require, as a condition to the delivery to a Record Holder of such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.

(d) The Partnership shall not issue fractional Partnership Units upon any distribution, subdivision or combination of Partnership Units. If a distribution, subdivision or combination of Partnership Units would result in the issuance of fractional Partnership Units but for the provisions of Section 5.6(d) and this Section 5.10(d), each fractional Partnership Unit shall be rounded to the nearest whole Partnership Unit (and a 0.5 Partnership Unit shall be rounded to the next higher Partnership Unit).

5.11 Fully Paid and Non-Assessable Nature of Limited Partner Interests. All Limited Partner Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Limited Partner Interests in the Partnership, except as such non-assessability may be affected by Section 17-607 of the Delaware Act.

5.12 Non-Voting Units. Pursuant to Section 5.6, the General Partner hereby designates and creates a special class of Partnership Units to be designated as "Non-Voting Units" and fixes the designations, preferences and relative, participating, optional or other special rights, powers and duties of holders of the Non-Voting Units as follows:

(a) Except as otherwise provided in this Agreement, each Non-Voting Unit shall be identical to a Unit, and each holder of a Non-Voting Unit shall have all the rights of a holder of a Unit with respect to Partnership distributions and allocations of income, gain, loss or deductions.

(b) Holders of the Non-Voting Units shall not have voting rights, and the Partnership may take any action, including the amendment of this Agreement, without the vote or approval of any holder of Non-Voting Units, including an action to create under the provisions of this Agreement a class or group of Partnership Securities that was not previously outstanding. The Non-Voting Units shall not be deemed to be Outstanding for purposes of determining whether a quorum is present or whether the approval of the holders of the requisite number of Partnership Units has been obtained.

(c) Each Non-Voting Unit shall be convertible from time to time, in whole, but not in part, at the option of the holder thereof, into one Unit from and after the date on which the issuance of Units upon conversion of the Non-Voting Units has been approved either (i) by holders of not less than a majority of the Partnership Units (not including for this purpose the Non-Voting Units) present and entitled to vote at a meeting of Unitholders called to consider and vote thereon, or (ii) by the holders of a majority of the outstanding Partnership Units (not including for this purpose the Non-Voting Units) pursuant to written consents solicited by the Partnership without a meeting, in either case in accordance with all applicable rules and regulations promulgated by the Commission and the National Securities Exchange on which the Partnership Units or other Partnership Securities are listed or admitted to trading. The Non-Voting Units are not otherwise convertible except as provided in this Section 5.12(c).

(d) Before any holder of Non-Voting Units shall be entitled to convert such holder's Non-Voting Units into Units, such holder shall surrender the Certificates evidencing the Non-Voting Units, duly endorsed, at the office of the General Partner or of any transfer agent for the Non-Voting Units, whereupon the Partnership shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Non-Voting Units one or more Certificates evidencing Units, registered in the name of such holder, for the number of Units to which the holder shall be entitled. Such conversion shall be deemed to have been made as of the date of the surrender of the Non-Voting Units to be converted.

(e) The Certificates evidencing Non-Voting Units shall be separately identified and shall not bear the same CUSIP number, if any, as the Certificates evidencing Units.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

6.1 Allocations for Capital Account Purposes. For purposes of maintaining the Capital Accounts and in determining the rights of the Partners among themselves, the Partnership's items of income, gain, loss and deduction (computed in accordance with Section 5.5(b)) shall be allocated among the Partners in each taxable year (or portion thereof) as provided herein below.

(a) Net Income and Net Loss.

(i) *Net Income*. After giving effect to the special allocations set forth in Section 6.1(b) and any allocations to other Partnership Securities, Net Income for each taxable year and all items of income, gain, loss and deduction taken into account in computing Net Income for such taxable year shall be allocated to the Partners in accordance with their respective Percentage Interests.

(ii) *Net Losses*. After giving effect to the special allocations set forth in Section 6.1(b) and any allocations to other Partnership Securities, Net Losses for each taxable period and all items of income, gain, loss and deduction taken into account in computing Net Losses for such taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests; provided that Net Losses shall not be allocated pursuant to this Section 6.1(b) to the extent that such allocation would cause any Partner to have a deficit balance in its Adjusted Capital Account at the end of such taxable year (or increase any existing deficit balance in its Adjusted Capital Account), instead any such Net Losses shall be allocated to Partners with positive Adjusted Capital Accounts in accordance with their Percentage Interests until such positive Adjusted Capital Accounts are reduced to zero, and thereafter to the General Partner.

(b) *Special Allocations*. Notwithstanding any other provision of this Section 6.1, the following special allocations shall be made for such taxable period:

(i) *Partnership Minimum Gain Chargeback*. Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Partnership Minimum Gain during any Partnership taxable period, each Partner shall be allocated items of Partnership income and gain for such period (and, if

necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(b), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(b) with respect to such taxable period (other than an allocation pursuant to Sections 6.1(b)(v) and 6.1(b)(vi)). This Section 6.1(b)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) *Chargeback of Partner Nonrecourse Debt Minimum Gain*. Notwithstanding the other provisions of this Section 6.1 (other than Section 6.1(b)(i)), except as provided in Treasury Regulation Section 1.704-2(i)(4), if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during any Partnership taxable period, any Partner with a share of Partner Nonrecourse Debt Minimum Gain at the beginning of such taxable period shall be allocated items of Partnership income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2 (i)(4) and 1.704-2(j)(2)(ii), or any successor provisions. For purposes of this Section 6.1(b), each Partner's Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(b), other than Section 6.1(b)(i) and other than an allocation pursuant to Sections 6.1(b)(v) and 6.1(b)(vi), with respect to such taxable period. This Section 6.1(b)(ii) is intended to comply with the chargeback of items of income and gain requirement in Treasury Regulation Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(iii) *Qualified Income Offset*. In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6), items of Partnership income and gain shall be specially allocated to such Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code, the deficit balance, if any, in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible unless such deficit balance is otherwise eliminated pursuant to Section 6.1(b)(i) or (ii).

(iv) *Gross Income Allocations*. In the event any Partner has a deficit balance in its Capital Account at the end of any Partnership taxable period in excess of the sum of (A) the amount such Partner is required to restore pursuant to the provisions of this Agreement and (B) the amount such Partner is deemed obligated to restore pursuant to Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership gross income and gain in the amount of such excess as quickly as possible; provided, that an allocation pursuant to this Section 6.1(b)(iv) shall be made only if and to the extent that such Partner would have a deficit balance in its Capital Account as adjusted after all other allocations provided for in this Section 6.1 have been tentatively made as if this Section 6.1(b)(iv) were not in this Agreement.

(v) *Nonrecourse Deductions*. Nonrecourse Deductions for any taxable period shall be allocated to the Partners in accordance with their respective Percentage Interests. If the General Partner determines that the Partnership's Nonrecourse Deductions should be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the General Partner is authorized, upon notice to the other Partners, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

(vi) *Partner Nonrecourse Deductions*. Partner Nonrecourse Deductions for any taxable period shall be allocated 100% to the Partner that bears the Economic Risk of Loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i). If more than one Partner bears the Economic Risk of Loss with respect to a Partner Nonrecourse Debt, such Partner Nonrecourse Deductions

attributable thereto shall be allocated between or among such Partners in accordance with the ratios in which they share such Economic Risk of Loss.

(vii) *Nonrecourse Liabilities*. For purposes of Treasury Regulation Section 1.752-3(a)(3), the Partners agree that Nonrecourse Liabilities of the Partnership in excess of the sum of (A) the amount of Partnership Minimum Gain and (B) the total amount of Nonrecourse Built-in Gain shall be allocated among the Partners in accordance with their respective Percentage Interests.

(viii) *Code Section 754 Adjustments*. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m), 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 Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(ix) Curative Allocation.

A. Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of income, gain, loss and deduction allocated to each Partner pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Partner under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1. Notwithstanding the preceding sentence, Required Allocations relating to (1) Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partnership Minimum Gain and (2) Partner Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partner Nonrecourse Debt Minimum Gain. Allocations pursuant to this Section 6.1(b)(ix)(A) shall only be made with respect to Required Allocations to the extent the General Partner determines that such allocations will otherwise be inconsistent with the economic agreement among the Partners. Further, allocations pursuant to this Section 6.1(b)(ix)(A) shall be deferred with respect to allocations pursuant to clauses (1) and (2) hereof to the extent the General Partner determines that such allocations are likely to be offset by subsequent Required Allocations.

B. The General Partner shall, with respect to each taxable period, (1) apply the provisions of Section 6.1(b)(ix)(A) in whatever order is most likely to minimize the economic distortions that might otherwise result from the Required Allocations, and (2) divide all allocations pursuant to Section 6.1(b)(ix)(A) among the Partners in a manner that is likely to minimize such economic distortions.

6.2 Allocations for Tax Purposes.

(a) Except as otherwise provided herein, for federal income tax purposes, each item of income, gain, loss and deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Section 6.1.

(b) In an attempt to eliminate Book-Tax Disparities attributable to a Contributed Property or Adjusted Property, items of income, gain, loss, depreciation, amortization and cost recovery deductions shall be allocated for federal income tax purposes among the Partners as follows:

(i) (A) In the case of a Contributed Property, such items attributable thereto shall be allocated among the Partners in the manner provided under Section 704(c) of the Code that takes into account the variation between the Agreed Value of such property and its adjusted basis at the time of contribution; and (B) any item of Residual Gain or Residual Loss attributable to a Contributed Property shall be allocated among the Partners in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 6.1.

(ii) (A) In the case of an Adjusted Property, such items shall (1) first, be allocated among the Partners in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 5.5(d)(i) or 5.5(d)(ii), and (2) second, in the event such property was originally a Contributed Property, be allocated among the Partners in a manner consistent with Section 6.2(b)(i)(A); and (B) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Partners in the same manner as its correlative item of "book" gain or loss is allocated pursuant to Section 6.1.

(iii) The General Partner shall apply the principles of Treasury Regulation Section 1.704-3(d) to eliminate Book-Tax Disparities.

(c) For the proper administration of the Partnership and for the preservation of uniformity of the Limited Partner Interests (or any class or classes thereof), the General Partner shall (i) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; (ii) make special allocations for federal income tax purposes of income (including gross income) or deductions; and (iii) amend the provisions of this Agreement as appropriate (A) to reflect the proposal or promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code or (B) otherwise to preserve or achieve uniformity of the Limited Partner Interests (or any class or classes thereof). The General Partner may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 6.2(c) only if such conventions, allocations or amendments would not have a material adverse effect on the Partners, the holders of any class or classes of Limited Partner Interests issued and Outstanding or the Partnership, and if such allocations are consistent with the principles of Section 704 of the Code.

(d) The General Partner may determine to depreciate or amortize the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation or amortization method and useful life applied to the Partnership's common basis of such property, despite any inconsistency of such approach with Treasury Regulation Section 1.167(c)-l(a)(6). If the General Partner determines that such reporting position cannot reasonably be taken, the General Partner may adopt depreciation and amortization conventions under which all purchasers acquiring Limited Partner Interests in the same month would receive depreciation and amortization deductions, based upon the same applicable rate as if they had purchased a direct interest in the Partnership's property. If the General Partner chooses not to utilize such aggregate method, the General Partner may use any other depreciation and amortization conventions to preserve the uniformity of the intrinsic tax characteristics of any Limited Partner Interests so long as such conventions would not have a material adverse effect on the Limited Partners or the Record Holders of any class or classes of Limited Partner Interests.

(e) Any gain allocated to the Partners upon the sale or other taxable disposition of any Partnership asset shall, to the extent possible, after taking into account other required allocations of gain pursuant to this Section 6.2, be characterized as Recapture Income in the same proportions and to the same extent as such Partners (or their predecessors in interest) have been allocated any deductions directly or indirectly giving rise to the treatment of such gains as Recapture Income.

(f) All items of income, gain, loss, deduction and credit recognized by the Partnership for federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code which may be made by the Partnership; *provided*,

however, that such allocations, once made, shall be adjusted (in the manner determined by the General Partner) to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(g) Each item of Partnership income, gain, loss and deduction attributable to a transferred Partnership Interest, shall for federal income tax purposes, be determined on an annual basis and prorated on a monthly basis and shall be allocated to the Partners as of the opening of the principal National Securities Exchange on which the Units are then traded on the first Business Day of each month; *provided, however*, that such items for the period beginning on the Closing Date and ending on the last day of the month in which the Option Closing Date or the expiration of the Over-Allotment Option occurs shall be allocated to the Partners as of the opening of the National Securities Exchange on which the Units are then traded on the first Business Day of the next succeeding month; and *provided, further*, that gain or loss on a sale or other disposition of any assets of the Partnership other than in the ordinary course of business shall be allocated to the Partners as of the opening of the National Securities Exchange on which the Units are then traded on the first Business Day of the month in which such gain or loss is recognized for federal income tax purposes. The General Partner may revise, alter or otherwise modify such methods of allocation to the extent permitted or required by Section 706 of the Code and the regulations or rulings promulgated thereunder.

(h) Allocations that would otherwise be made to a Limited Partner under the provisions of this Article VI shall instead be made to the beneficial owner of Limited Partner Interests held by a nominee in any case in which the nominee has furnished the identity of such owner to the Partnership in accordance with Section 6031(c) of the Code or any other method determined by the General Partner.

6.3 Requirement and Characterization of Distributions; Distributions to Record Holders.

(a) Within 50 days following the end of each Quarter commencing with the Quarter ending on September 30, 2005, an amount equal to 100% of Available Cash with respect to such Quarter shall, subject to Section 17-607 of the Delaware Act, be distributed in accordance with this Article VI by the Partnership to the Partners in accordance with their respective Percentage Interests as of the Record Date selected by the General Partner. All distributions required to be made under this Agreement shall be made subject to Section 17-607 of the Delaware Act.

(b) Notwithstanding Section 6.3(a), in the event of the dissolution and liquidation of the Partnership, all receipts received during or after the Quarter in which the Liquidation Date occurs shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(c) The General Partner may treat taxes paid by the Partnership on behalf of, or amounts withheld with respect to, all or less than all of the Partners, as a distribution of Available Cash to such Partners.

(d) Each distribution in respect of a Partnership Interest shall be paid by the Partnership, directly or through the Transfer Agent or through any other Person or agent, only to the Record Holder of such Partnership Interest as of the Record Date set for such distribution. Such payment shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise.

ARTICLE VII
MANAGEMENT AND OPERATION OF BUSINESS

7.1 Management.

(a) The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner shall have any management power over the business and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner

under any other provision of this Agreement, the General Partner, subject to Sections 2.9, 7.3 and 12.9, shall have full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of the Partnership, to exercise all powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

(i) the making of any expenditures, the lending or borrowing of money, the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness, including indebtedness that is convertible into Partnership Securities, and the incurring of any other obligations;

(ii) the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the acquisition, disposition, mortgage, pledge, encumbrance, hypothecation or exchange of any or all of the assets of the Partnership or the merger or other combination of the Partnership with or into another Person (the matters described in this clause (iii) being subject, however, to any prior approval that may be required by Section 7.3 and Article XIV);

(iv) the use of the assets of the Partnership (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership; subject to Section 7.6(a), the lending of funds to other Persons; and the repayment or guarantee of obligations of the Partnership or the General Partner;

(v) the negotiation, execution and performance of any contracts, conveyances or other instruments (including instruments that limit the liability of the Partnership under contractual arrangements to all or particular assets of the Partnership, with the other party to the contract to have no recourse against the General Partner or its assets other than its interest in the Partnership, even if same results in the terms of the transaction being less favorable to the Partnership than would otherwise be the case);

(vi) the distribution of Partnership cash;

(vii) the selection and dismissal of employees (including employees having titles such as “president,” “vice president,” “secretary” and “treasurer”) and agents, outside attorneys, accountants, consultants and contractors and the determination of their compensation and other terms of employment or hiring;

(viii) the maintenance of such insurance for the benefit of the Partnership, the Partners and the Indemnitees as it deems necessary or appropriate (if such insurance is not maintained pursuant to the Administrative Services Agreement);

(ix) the formation of, or acquisition of an interest in, and the contribution of cash or property and the making of loans to, any further limited or general partnerships, joint ventures, limited liability companies, corporations or other relationships (including the acquisition of interests in the MLP and the contributions of cash or property to the MLP General Partner from time to time) subject to the restrictions set forth in Sections 2.4 and 2.9;

(x) the control of any matters affecting the rights and obligations of the Partnership, including the bringing and defending of actions at law or in equity and otherwise engaging in the conduct of litigation, arbitration or mediation and the incurring of legal expense and the settlement of claims and litigation;

(xi) the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xii) the entering into of listing agreements with any National Securities Exchange and the delisting of some or all of the Limited Partner Interests from, or requesting that trading be suspended on, any such exchange (subject to any prior approval that may be required under Section 4.8);

(xiii) the purchase, sale or other acquisition or disposition of Partnership Securities, or the issuance of options, rights, warrants and appreciation rights relating to Partnership Securities;

(xiv) the undertaking of any action in connection with the Partnership's participation in themanagement of the MLP through its ownership of the MLP General Partner and certain common units representing limited partner interestsin the MLP; and

(xv) cause to be registered for resale under the Securities Act and applicable state securities laws, the Partnership Securities held by the General Partner or any Affiliate of the General Partner; *provided*, *however* that such registration for resale of any Partnership Securities shall be subject to certain restrictions and limitations.

(b) Notwithstanding any other provision of this Agreement, the Delaware Act or any applicable law, rule or regulation, each of the Partners and each other Person who may acquire an interest in Partnership Securities hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of the Underwriting Agreement, the Administrative Services Agreement, and the other agreements described in or filed as a part of the Registration Statement that are related to the transactions contemplated by the Registration Statement; (ii) agrees that the General Partner (on its own or through any officer of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Partnership without any further act, approval or vote of the Partners or the other Persons who may acquire an interest in Partnership Securities; and (iii) agrees that the execution, delivery or performance by the General Partner, the Partnership or any Affiliate of either of them, of this Agreement or any agreement authorized or permitted under this Agreement (including the exercise by the General Partner or Partnership of the rights accorded pursuant to Article XV), shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement (or any other agreements) or of any duty stated or implied by law or equity.

7.2 Certificate of Limited Partnership.? The General Partner has caused the Certificate of Limited Partnership to be filed with the Secretary of State of the State of Delaware as required by the Delaware Act and shall use all reasonable efforts to cause to be filed such other certificates or documents that the General Partner determines to be necessary or appropriate for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability) in the State of Delaware or any other state in which the Partnership may elect to do business or own property. To the extent that the General Partner determines such action to be necessary or appropriate, the General Partner shall file amendments to and restatements of the Certificate of Limited Partnership and do all things to maintain the Partnership as a limited partnership (or a partnership or other entity in which the limited partners have limited liability) under the laws of the State of Delaware or of any other state in which the Partnership may elect to do business or own property. Subject to the terms of Section 3.4(a), the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Limited Partnership, any qualification document or any amendment thereto to any Limited Partner.

7.3 Restrictions on General Partner's Authority. Except as provided in Articles XII and XIV, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the Partnership's assets in a single transaction or a series of related transactions (including by way of merger, consolidation or other combination or sale of ownership interests) or approve on behalf of the Partnership the sale, exchange or other disposition of all or substantially all of the assets of the Partnership, without the approval of holders of a majority of Outstanding Partnership Units and Special Approval; *provided however,* that this provision shall not preclude or limit the General Partner's ability to

mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Partnership and shall not apply to any forced sale of any or all of the assets of the Partnership pursuant to the foreclosure of, or other realization upon, any such encumbrance. Without the approval of holders of a majority of Outstanding Partnership Units, the General Partner shall not, on behalf of the Partnership except as permitted under Sections 4.6, 11.1 and 11.2, elect or cause the Partnership to elect a successor general partner of the Partnership.

7.4 Reimbursement of the General Partner.

(a) Except as provided in this Section 7.4 and elsewhere in this Agreement, the General Partner shall not be compensated for its services as general partner of the Partnership.

(b) Subject to any applicable limitations contained in the Administrative Services Agreement, the General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including amounts paid by the General Partner to EPCO under the Administrative Services Agreement and including salary, bonus, incentive compensation and other amounts paid to any Person, including Affiliates of the General Partner, to perform services for the Partnership or the General Partner in the discharge of its duties to the Partnership), and (ii) all other expenses allocable to the Partnership or otherwise incurred by the General Partner in connection with operating the Partnership's business (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the expenses that are allocable to the Partnership. Reimbursements pursuant to this Section 7.4 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 7.7.

(c) The General Partner, without the approval of the Limited Partners (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Partnership employee benefit plans, employee programs and employee practices (including plans, programs and practices involving the issuance of Partnership Securities or options to purchase or rights, warrants or appreciation rights relating to Partnership Securities), or cause the Partnership to issue Partnership Securities in connection with, or pursuant to, any employee benefit plan, employee program or employee practice maintained or sponsored by the General Partner or any of its Affiliates, in each case for the benefit of employees of the General Partner, the MLP General Partner or any Affiliate, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership or the MLP General Partner. The Partnership agrees to issue and sell to the General Partner or any of its Affiliates, or directly to the applicable employees, any Partnership Securities that the General Partner or such Affiliate is obligated to provide to any employees pursuant to any such employee benefit plans, employee programs or employee practices. Expenses incurred by the General Partner in connection with any such plans, programs and practices (including the net cost to the General Partner or such Affiliate of Partnership Securities purchased by the General Partner or such Affiliate (on behalf of the applicable employees) from the Partnership to fulfill options or awards under such plans, programs and practices) shall be reimbursed in accordance with Section 7.4(b). Any and all obligations of the General Partner under any employee benefit plans, employee programs or employee practices adopted by the General Partner as permitted by this Section 7.4(c) shall constitute obligations of the General Partner hereunder and shall be assumed by any successor General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the General Partner's Partnership Interest as the General Partner in the Partnership pursuant to Section 4.6.

7.5 Outside Activities.

(a) After the Closing Date, the General Partner, for so long as it is the general partner of the Partnership (i) agrees that its sole business will be to act as the general partner of the Partnership and to undertake activities that are ancillary or related thereto (including being a limited partner in the Partnership), and (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner of the Partnership or (B) the acquiring, owning or disposing of debt or equity securities in the Partnership.

(b) [*Reserved*].

(c) Except as specifically restricted by Section 7.5(a) and the Administrative Services Agreement, each Indemnitee (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit and to engage in and possess an interest in other business ventures of any and every type or description, whether in businesses engaged in or anticipated to be engaged in by the Partnership or its subsidiaries, independently or with others, including business interests and activities in direct competition with the business and activities of the Partnership or its subsidiaries, and none of the same shall constitute a breach of this Agreement or any duty expressed or implied by law to the Partnership or its subsidiaries or any Partner. Neither the Partnership or its subsidiaries, any Limited Partner nor any other Person shall have any rights by virtue of this Agreement, the MLP Agreement or the partnership relationship established hereby or thereby in any business ventures of any Indemnitee.

(d) Subject to the terms of the Administrative Services Agreement and Sections 7.5(a) and 7.5(c), but otherwise notwithstanding anything to the contrary in this Agreement, (i) the engaging in competitive activities by any Indemnitees (other than the General Partner) in accordance with the provisions of this Section 7.5 is hereby approved by the Partnership and all Partners, (ii) it shall be deemed not to be a breach of any fiduciary duty or any other obligation of any type whatsoever of the General Partner or of any Indemnitee for the Indemnitees (other than the General Partner) to engage in such business interests and activities in preference to or to the exclusion of the Partnership and (iii) the General Partner and the Indemnitees shall have no obligation hereunder or as a result of any duty expressed or implied by law to present business opportunities to the Partnership.

(e) The General Partner and each of its Affiliates may acquire Partnership Securities in addition to those acquired on the Closing Date and, except as otherwise provided in this Agreement, shall be entitled to exercise, at their option, all rights of the General Partner or Limited Partner, as applicable, relating to such Partnership Securities.

(f) Notwithstanding anything to the contrary in this Agreement, to the extent that any provision of this Agreement purports or is interpreted to have the effect of restricting the fiduciary duties that might otherwise, as a result of Delaware or other applicable law, be owed by the General Partner to the Partnership and its Limited Partners, or to constitute a waiver or consent by the Limited Partners to any such restriction, such provisions shall be inapplicable and have no effect in determining whether the General Partner has complied with its fiduciary duties in connection with determinations made by it under this Section 7.5.

7.6 Loans from the General Partner; Contracts with Affiliates; Certain Restrictions on the General Partner.

(a) The General Partner or its Affiliates may, but shall be under no obligation to, lend to the Partnership, upon the written request of the Partnership to the General Partner or any of its Affiliates, funds needed or desired by the Partnership for such periods of time and in such amounts as may be determined pursuant to Special Approval; *provided, however*, that in any such case the terms thereof shall be such terms as would be charged or imposed on the Partnership by unrelated lenders on comparable loans made on an arm's-length basis (without reference to the lending party's financial abilities or guarantees) all as determined pursuant to Special Approval. The Partnership shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. The Partnership may not lend funds to the General Partner or any of its Affiliates.

(b) *[Reserved]*

(c) The General Partner may itself, or may enter into an agreement, in addition to the Administrative Services Agreement, with any of its Affiliates to, render services to the Partnership in the discharge of its duties as general partner of the Partnership. Any services rendered to the Partnership by the General Partner shall be on terms that are fair and reasonable to the Partnership; *provided, however*, that the requirements of this Section 7.6(c) shall be deemed satisfied as to (i) any transaction approved by Special Approval, (ii) any transaction, the terms of which are objectively demonstrable to be no less favorable to the Partnership or the MLP General

Partner than those generally being provided to or available from unrelated third parties, or (iii) any transaction that, taking into account the totality of the relationship between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership. The provisions of Section 7.4 shall apply to the rendering of services described in this Section 7.6(c).

(d) The Partnership may transfer assets to joint ventures, other partnerships, corporations, limited liability companies or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions as are consistent with this Agreement and applicable law.

(e) Neither the General Partner nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Partnership; *provided, however*, that the requirements of this Section 7.6(e) shall be deemed to be satisfied as to (i) the transactions effected pursuant to Sections 5.2 and 5.3 and any other transactions described in or contemplated by the Registration Statement, (ii) any transaction approved by Special Approval, (iii) any transaction, the terms of which are objectively demonstrable to be no less favorable to the Partnership than those generally being provided to or available from unrelated third parties, or (iv) any transaction that, taking into account the totality of the relationship between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership), is equitable to the Partnership. With respect to any contribution of assets to the Partnership in exchange for Partnership Securities, the Audit and Conflicts Committee, in determining (in connection with Special Approval) whether the appropriate number of Partnership Securities are being issued, may take into account, among other things, the fair market value of the assets, the liquidated and contingent liabilities assumed, the tax basis in the assets, the extent to which tax-only allocations to the transferor will protect the existing partners of the Partnership against a low tax basis, and such other factors as the Audit and Conflicts Committee determines to be relevant under the circumstances.

(f) The General Partner and its Affiliates will have no obligation to permit the Partnership to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use, nor shall there be any obligation on the part of the General Partner or its Affiliates to enter into such contracts.

(g) Without limitation of Sections 7.6(a) through 7.6(f), and notwithstanding anything to the contrary in this Agreement, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners.

7.7 Indemnification.

(a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee; provided, that the 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 7.7, 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; *provided, further*, no indemnification pursuant to this Section 7.7 shall be available to the General Partner or its Affiliates with respect to its or their obligations incurred pursuant to the Underwriting Agreement (other than obligations incurred by the General Partner on behalf of the Partnership). Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, it being agreed that the General Partner shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.7(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to a determination that the Indemnitee is not entitled to be indemnified, upon receipt by the Partnership of any 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 7.7.

(c) The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the holders of Outstanding Limited Partner Interests entitled to vote on such matter, 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 (including any capacity under the Underwriting Agreement), and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

(d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner, its Affiliates and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities or such Person's activities on behalf of the Partnership, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 7.7, the Partnership shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Partnership also imposes duties on, or otherwise involves services by, it 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 7.7(a); and action taken or omitted by the Indemnitee with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interest of the Partnership.

(f) In no event may an Indemnitee subject the Limited Partners to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 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 7.7 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 7.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify 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.

7.8 Liability of Indemnitees.

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership, the Limited Partners or any other Persons who have acquired interests in the Partnership Securities, 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 by 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 General Partner set forth in Section 7.1(a), the General Partner 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 its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, the General Partner and any other Indemnitee acting in connection with the Partnership's business or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement.

(d) Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnitees under this Section 7.8 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.

7.9 Resolution of Conflicts of Interest; Standard of Conduct and Modification of Duties..

(a) Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership or any Partner, on the other hand, any resolution or course of action by the General Partner or its Affiliates in respect of such conflict of interest shall be permitted and deemed approved by all Partners, and shall not constitute a breach of this Agreement or of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action in respect of such conflict of interest is (i) approved by Special Approval, (ii) approved by the vote of a majority of the Units excluding Units owned by the General Partner and its Affiliates, (iii) on terms no less favorable to the Partnership than those generally being provided to or available from unrelated third parties or (iv) fair and reasonable to the Partnership, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership). The General Partner shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of such resolution, and the General Partner may also adopt a resolution or course of action that has not received Special Approval. If Special Approval is not sought and the Board of Directors of the General Partner determines that the resolution or course of action taken with respect to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it shall be presumed that, in making its decision, the Board of Directors acted in goodfaith, and in any proceeding brought by any Limited Partner or by or on behalf of such Limited Partner or any other Limited Partner or the Partnership challenging such approval, the Person bringing or prosecuting such proceeding shall have the burden of overcoming such presumption. Notwithstanding anything to the contrary in this Agreement or any duty otherwise existing at law or equity, the existence of the conflicts of interest described in the Registration Statement are hereby approved by all Partners and shall not constitute a breach of this Agreement.

(b) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its capacity as the general partner of the Partnership as opposed to in its individual capacity, whether under this Agreement, or any other agreement contemplated hereby or otherwise, then unless another express standard is provided for in this Agreement, the General Partner, or such Affiliates causing it to do so, shall make such determination or take or decline to take such other action in good faith and shall not be subject to any other or different standards imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. In order for a determination or other action to be in "good faith" for purposes of this Agreement, the Person or

Persons making such determination or taking or declining to take such other action must believe that the determination or other action is in the best interests of the Partnership.

(c) Whenever the General Partner makes a determination or takes or declines to take any other action, or any of its Affiliates causes it to do so, in its individual capacity as opposed to in its capacity as a general partner of the Partnership, whether under this Agreement or any other agreement contemplated hereby or otherwise, then the General Partner, or such Affiliates causing it to do so, are entitled to make such determination or to take or decline to take such other action free of any fiduciary duty or obligation whatsoever to the Partnership, any Limited Partner, and the General Partner, or such Affiliates causing it to do so, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation. By way of illustration and not of limitation, whenever the phrase, "at the option of the General Partner," or some variation of that phrase, is used in this Agreement, it indicates that the General Partner is acting in its individual capacity. For the avoidance of doubt, whenever the General Partner votes or transfers its Partnership Units, or refrains from voting or transferring its Partnership Units, it shall be acting in its individual capacity.

(d) Notwithstanding anything to the contrary in this Agreement, the General Partner and its Affiliates shall have no duty or obligation, express or implied, to (i) sell or otherwise dispose of any asset of the Partnership or its subsidiaries other than in the ordinary course of business or (ii) permit the Partnership or its subsidiaries to use any facilities or assets of the General Partner and its Affiliates, except as may be provided in contracts entered into from time to time specifically dealing with such use. Any determination by the General Partner or any of its Affiliates to enter into such contracts shall be at its option.

(e) Except as expressly set forth in this Agreement, neither the General Partner nor any other Indemnitee shall have any duties or liabilities, including fiduciary duties, to the Partnership or any Limited Partner and the provisions of this Agreement, to the extent that they restrict or otherwise modify the duties and liabilities, including fiduciary duties, of the General Partner or any other Indemnitee otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of the General Partner or such other Indemnitee.

(f) The Unitholders hereby authorize the General Partner, on behalf of the Partnership as a partner of the Partnership, to approve of actions by the Partnership, in its capacity as the sole member of the MLP General Partner, similar to those actions permitted to be taken by the General Partner pursuant to this Section 7.9.

(g) Whenever a particular transaction, arrangement or resolution of a conflict of interest is required under this Agreement to be "fair and reasonable" to any Person, the fair and reasonable nature of such transaction, arrangement or resolution shall be considered in the context of all similar or related transactions.

7.10 Other Matters Concerning the General Partner.

(a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion (including an Opinion of Counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(c) The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Partnership. Each such attorney shall, to the extent provided by the General Partner in

the power of attorney, have full power and authority to do and perform each and every act and duty that is permitted or required to be done by the General Partner hereunder.

(d) Any standard of care and duty imposed by this Agreement or under the Delaware Act or any applicable law, rule or regulation shall be modified, waived or limited, to the extent permitted by law, as required to permit the General Partner to act under this Agreement and to make any decision pursuant to the authority prescribed in this Agreement, so long as such action is reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership.

7.11 Purchase or Sale of Partnership Securities. The General Partner may cause the Partnership to purchase or otherwise acquire Partnership Securities, such Partnership Securities shall be held by the Partnership as treasury securities unless they are expressly canceled by action of an appropriate officer of the General Partner. As long as Partnership Securities are held by the Partnership, such Partnership Securities shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Partnership Securities for its own account, subject to the provisions of Articles IV and X.

7.12 Registration Rights of the General Partner and its Affiliates.

(a) If (i) the General Partner or any Affiliate of the General Partner (including for purposes of this Section 7.12, any Person that is an Affiliate of the General Partner at the date hereof notwithstanding that it may later cease to be an Affiliate of the General Partner) holds Partnership Securities that it desires to sell and (ii) Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such holder of Partnership Securities (the "Holder") to dispose of the number of Partnership Securities it desires to sell at the time it desires to do so without registration under the Securities Act, then at the option and upon the request of the Holder, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use all reasonable efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Partnership Securities covered by such registration statement have been sold, a registration statement under the Securities Act registering the offering and sale of the number of Partnership Securities specified by the Holder; *provided, however*, that the Partnership shall not be required to effect more than three registrations pursuant to this Section 7.12(a) and Section 7.12(b); and *provided further*, however, that if the Audit and Conflicts Committee determines in good faith that the requested registration would be materially detrimental to the Partnership and its Partners because such registration would (x) materially interfere with a significant acquisition, reorganization or other similar transaction involving the Partnership, (y) require premature disclosure of material information that the Partnership has a bona fide business purpose for preserving as confidential or (z) render the Partnership unable to comply with requirements under applicable securities laws, then the Partnership shall have the right to postpone such requested registration for a period of not more than six months after receipt of the Holder's request, such right pursuant to this Section 7.12(a) or Section 7.12(b) not to be utilized more than once in any twelve-month period. The Partnership shall be deemed not to have used all reasonable efforts to keep the registration statement effective during the applicable period if it voluntarily takes any action that would result in Holders of Partnership Securities covered thereby not being able to offer and sell such Partnership Securities at any time during such period, unless such action is required by applicable law. In connection with any registration pursuant to the immediately preceding sentence, the Partnership shall (i) promptly prepare and file (A) such documents as may be necessary to register or qualify the securities subject to such registration under the securities laws of such states as the Holder shall reasonably request; *provided, however*, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction solely as a result of such registration, and (B) such documents as may be necessary to apply for listing or to list the Partnership Securities subject to such registration on such National Securities Exchange as the Holder shall reasonably request, and (ii) do any and all other acts and things that may be necessary or appropriate to enable the Holder to consummate a public sale of such Partnership Securities in such states. Except as set forth in Section 7.12(d), all costs and expenses of any such registration and offering (other than

the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(b) If any Holder holds Partnership Securities that it desires to sell and Rule 144 of the Securities Act (or any successor rule or regulation to Rule 144) or another exemption from registration is not available to enable such Holder to dispose of the number of Partnership Securities it desires to sell at the time it desires to do so without registration under the Securities Act, then at the option and upon the request of the Holder, the Partnership shall file with the Commission as promptly as practicable after receiving such request, and use all reasonable efforts to cause to become effective and remain effective for a period of not less than six months following its effective date or such shorter period as shall terminate when all Partnership Securities covered by such shelf registration statement have been sold, a "shelf" registration statement covering the Partnership Securities specified by the Holder on an appropriate form under Rule 415 under the Securities Act, or any similar rule that may be adopted by the Commission; *provided, however*, that the Partnership shall not be required to effect more than three registrations pursuant to Section 7.12(a) and this Section 7.12(b); and *provided further, however*, that if the Audit and Conflicts Committee determines in good faith that any offering under, or the use of any prospectus forming a part of, the shelf registration statement would be materially detrimental to the Partnership and its Partners because such offering or use would (x) materially interfere with a significant acquisition, reorganization or other similar transaction involving the Partnership, (y) require premature disclosure of material information that the Partnership has a bona fide business purpose for preserving as confidential or (z) render the Partnership unable to comply with requirements under applicable securities laws, then the Partnership shall have the right to suspend such offering or use for a period of not more than six months after receipt of the Holder's request, such right pursuant to Section 7.12(a) or this Section 7.12(b) not to be utilized more than once in any twelve-month period. The Partnership shall be deemed not to have used all reasonable efforts to keep the shelf registration statement effective during the applicable period if it voluntarily takes any action that would result in Holders of Partnership Securities covered thereby not being able to offer and sell such Partnership Securities at any time during such period, unless such action is required by applicable law. In connection with any shelf registration pursuant to this Section 7.12(b), the Partnership shall (i) promptly prepare and file (A) such documents as may be necessary to register or qualify the securities subject to such shelf registration under the securities laws of such states as the Holder shall reasonably request; *provided, however*, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Partnership would become subject to general service of process or to taxation or qualification to do business as a foreign corporation or partnership doing business in such jurisdiction solely as a result of such shelf registration, and (B) such documents as may be necessary to apply for listing or to list the Partnership Securities subject to such shelf registration on such National Securities Exchange as the Holder shall reasonably request, and (ii) do any and all other acts and things that may be necessary or appropriate to enable the Holder to consummate a public sale of such Partnership Securities in such states. Except as set forth in Section 7.12(d), all costs and expenses of any such shelf registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(c) If the Partnership shall at any time propose to file a registration statement under the Securities Act for an offering of equity securities of the Partnership for cash (other than an offering relating solely to an employee benefit plan), the Partnership shall use all reasonable efforts to include such number or amount of securities held by the Holder in such registration statement as the Holder shall request; provided, that the Partnership is not required to make any effort or take an action to so include the securities of the Holder once the registration statement is declared effective by the Commission, including any registration statement providing for the offering from time to time of securities pursuant to Rule 415 of the Securities Act. If the proposed offering pursuant to this Section 7.12(c) shall be an underwritten offering, then, in the event that the managing underwriter or managing underwriters of such offering advise the Partnership and the Holder in writing that in their opinion the inclusion of all or some of the Holder's Partnership Securities would adversely and materially affect the success of the offering, the Partnership shall include in such offering only that number or amount, if any, of securities held by the Holder that, in the opinion of the managing underwriter or managing underwriters, will not so adversely and materially affect the offering. Except as set forth in Section 7.12(d), all costs and expenses of any such registration and offering (other than the underwriting discounts and commissions) shall be paid by the Partnership, without reimbursement by the Holder.

(d) If underwriters are engaged in connection with any registration referred to in this Section 7.12, the Partnership shall provide indemnification, representations, covenants, opinions and other assurance to the underwriters in form and substance reasonably satisfactory to such underwriters. Further, in addition to and not in limitation of the Partnership's obligation under Section 7.7, the Partnership shall, to the fullest extent permitted by law, indemnify and hold harmless the Holder, its officers, directors and each Person who controls the Holder (within the meaning of the Securities Act) and any agent thereof (collectively, "Indemnified Persons") from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnified Person may be involved, or is threatened to be involved, as a party or otherwise, under the Securities Act or otherwise (hereinafter referred to in this Section 7.12(d) as a "claim" and in the plural as "claims") based upon, arising out of or resulting from any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which any Partnership Securities were registered under the Securities Act or any state securities or Blue Sky laws, in any preliminary prospectus (if used prior to the effective date of such registration statement), or in any summary or final prospectus or in any amendment or supplement thereto (if used during the period the Partnership is required to keep the registration statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein not misleading; *provided*, *however*, that the Partnership shall not be liable to any Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, such preliminary, summary or final prospectus or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Partnership by or on behalf of such Indemnified Person specifically for use in the preparation thereof.

(e) The provisions of Sections 7.12(a), 7.12(b) and 7.12(c) shall continue to be applicable with respect to the General Partner (and any of the General Partner's Affiliates) after it ceases to be a Partner of the Partnership, during a period of two years subsequent to the effective date of such cessation and for so long thereafter as is required for the Holder to sell all of the Partnership Securities with respect to which it has requested during such two-year period inclusion in a registration statement otherwise filed or that a registration statement be filed; *provided*, *however*, that the Partnership shall not be required to file successive registration statements covering the same Partnership Securities for which registration was demanded during such two-year period. The provisions of Section 7.12(d) shall continue in effect thereafter.

(f) The rights to cause the Partnership to register Partnership Securities pursuant to this Section 7.12 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such Partnership Securities, provided (i) the Partnership is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the Partnership Securities with respect to which such registration rights are being assigned; and (b) such transferee or assignee agrees in writing to be bound by and subject to the terms set forth in this Section 7.12.

(g) Any request to register Partnership Securities pursuant to this Section 7.12 shall (i) specify the Partnership Securities intended to be offered and sold by the Person making the request, (ii) express such Person's present intent to offer such shares for distribution, (iii) describe the nature or method of the proposed offer and sale of Partnership Securities, and (iv) contain the undertaking of such Person to provide all such information and materials and take all action as may be required in order to permit the Partnership to comply with all applicable requirements in connection with the registration of such Partnership Securities.

7.13 Reliance by Third Parties. Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner and any officer of the General Partner authorized by the General Partner to act on behalf of and in the name of the Partnership has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any authorized contracts on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner or any such officer as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner or any such officer in connection with any such dealing. In no event shall any Person

dealing with the General Partner or any such officer or its representatives be obligated to ascertain that the terms of the Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or any such officer or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE VIII
BOOKS, RECORDS, ACCOUNTING AND REPORTS

8.1 Records and Accounting. The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business, including all books and records necessary to provide to the Limited Partners any information required to be provided pursuant to Section 3.4(a). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including the record of the Record Holders of Partnership Units or other Partnership Securities, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device; provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP.

8.2 Fiscal Year. The fiscal year of the Partnership shall be a fiscal year ending December 31.

8.3 Reports.

(a) As soon as practicable, but in no event later than 120 days after the close of each fiscal year of the Partnership, the General Partner shall cause to be mailed or made available to each Record Holder of a Partnership Unit as of a date selected by the General Partner, an annual report containing financial statements of the Partnership for such fiscal year of the Partnership, presented in accordance with U.S. GAAP, including a balance sheet and statements of operations, Partnership equity and cash flows, such statements to be audited by a firm of independent public accountants selected by the General Partner.

(b) As soon as practicable, but in no event later than 90 days after the close of each Quarter except the last Quarter of each fiscal year, the General Partner shall cause to be mailed or made available to each Record Holder of a Partnership Unit, as of a date selected by the General Partner, such information as may be required by applicable law, regulation or rule of any National Securities Exchange on which the Partnership Units are listed for trading, or as the General Partner determines to be necessary or appropriate.

(c) Such reports shall contain disclosure indicating that the assets and liabilities of the Partnership are separate from the assets and liabilities of (i) EPCO and the other Affiliates of the General Partner and (ii) the MLP and the MLP General Partner and each of their Subsidiaries.

ARTICLE IX
TAX MATTERS

9.1 Tax Returns and Information. The Partnership shall timely file all returns of the Partnership that are required for federal, state and local income tax purposes on the basis of the accrual method and a taxable year ending on December 31. The tax information reasonably required by Record Holders for federal and state income tax reporting purposes with respect to a taxable year shall be furnished to them within 90 days of the close of the calendar year in which the Partnership's taxable year ends. The classification, realization and recognition of income, gain, losses and deductions and other items shall be on the accrual method of accounting for federal income tax purposes.

9.2 Tax Elections.

(a) The Partnership shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the General Partner's determination that such revocation is in the best interests of the Limited Partners. Notwithstanding any other provision herein contained, for the purposes of computing the adjustments under Section 743(b) of the Code, the General Partner shall be authorized (but not required) to adopt a convention whereby the price paid by a transferee of a Limited Partner Interest will be deemed to be the lowest quoted closing price of such Limited Partner Interests on any National Securities Exchange on which such Limited Partner Interests are listed or admitted for trading during the calendar month in which such transfer is deemed to occur pursuant to Section 6.2(g) without regard to the actual price paid by such transferee.

(b) The Partnership shall elect to deduct expenses incurred in organizing the Partnership ratably over a 60-month period as provided in Section 709 of the Code.

(c) Except as otherwise provided herein, the General Partner shall determine whether the Partnership should make any other elections permitted by the Code.

9.3 Tax Controversies. Subject to the provisions hereof, the General Partner is designated as the Tax Matters Partner (as defined in the Code) and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

9.4 Withholding. Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that may be required to cause the Partnership to comply with any withholding requirements established under the Code or any other federal, state or local law including pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Partnership is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner (including by reason of Section 1446 of the Code), the General Partner may treat the amount withheld as a distribution of cash pursuant to Section 6.3 in the amount of such withholding from such Partner.

ARTICLE X
ADMISSION OF PARTNERS

10.1 Admission of Limited Partners.

(a) By acceptance of the transfer of any Limited Partner Interests in accordance with this Section 10.1 or the issuance of any Limited Partner Interests in a merger or consolidation pursuant to Article XIV, and except as provided in Section 4.8, each transferee of a Limited Partner Interest (including any nominee holder or an agent or representative acquiring such Limited Partner Interests for the account of another Person) (i) shall be admitted to the Partnership as a Limited Partner with respect to the Limited Partner Interests so transferred to such Person when any such transfer or admission is reflected in the books and records of the Partnership, with or without execution of this Agreement, (ii) shall become bound by the terms of, and shall be deemed to have executed, this Agreement, (iii) shall become the Record Holder of the Limited Partner Interests so transferred, (iv) represents that the transferee has the capacity, power and authority to enter into this Agreement, (v) grants the powers of attorney set forth in this Agreement and (vi) makes the consents and waivers contained in this Agreement. The transfer of any Limited Partner Interests and the admission of any new Limited Partner shall not constitute and amendment to this Agreement. A Person may become a Record Holder of a Limited Partner Interest without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Limited Partner Interest and until such Person is reflected in the books and records of the Partnership as the Record Holder of such Limited Partner Interest. The rights and obligations of a Person who is a Non-citizen Assignee shall be determined in accordance with Sections 4.8 and 4.9 hereof.

(b) The name and mailing address of each Limited Partner shall be listed on the books and records of the Partnership maintained for such purpose by the Partnership or the Transfer Agent. The General Partner shall update the books and records of the Partnership from time to time as necessary to reflect accurately the information therein (or shall cause the Transfer Agent to do so, as applicable). A Limited Partner Interest may be represented by a Certificate, as provided in Section 4.1 hereof.

(c) Any transfer of a Limited Partner Interest shall not entitle the transferee to share in the profits and losses, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a Limited Partner pursuant to Section 10.1(a).

10.2 Admission of Successor General Partner. A successor General Partner approved pursuant to Section 11.1 or 11.2 or the transferee of or successor to all of the General Partner's Partnership Interest as general partner in the Partnership pursuant to Section 4.6 who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately prior to the withdrawal or removal of the predecessor or transferring General Partner pursuant to Section 11.1 or 11.2 or the transfer of the General Partner's Partnership Interest as a general partner in the Partnership pursuant to Section 4.6; *provided, however*, that no such successor shall be admitted to the Partnership until compliance with the terms of Section 4.6 has occurred and such successor has executed and delivered such other documents or instruments as may be required to effect such admission. Any such successor shall, subject to the terms hereof, carry on the business of the Partnership without dissolution.

10.3 Amendment of Agreement and Certificate of Limited Partnership. To effect the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Delaware Act to amend the records of the Partnership to reflect such admission and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the General Partner shall prepare and file an amendment to the Certificate of Limited Partnership, and the General Partner may for this purpose, among others, exercise the power of attorney granted pursuant to Section 2.6.

ARTICLE XI
WITHDRAWAL OR REMOVAL OF PARTNERS

11.1 Withdrawal of the General Partner.

(a) The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an "Event of Withdrawal"):

(i) the General Partner voluntarily withdraws from the Partnership by receiving Special Approval and giving notice to the other Partners;

(ii) the General Partner transfers all of its rights as General Partner pursuant to Section 4.6, following the receipt of Special Approval thereof;

(iii)the General Partner is removed pursuant to Section 11.2;

(iv) the General Partner (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in clauses (A)-(C) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor-in-possession), receiver or liquidator of the General Partner or of all or any substantial part of its properties;

(v) a final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the General Partner; or

(vi) (A) in the event the General Partner is a corporation, a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (B) in the event the General Partner is a partnership or a limited liability company, the dissolution and commencement of winding up of the General Partner; (C) in the event the General Partner is acting in such capacity by virtue of being a trustee of a trust, the termination of the trust; (D) in the event the General Partner is a natural person, his death or adjudication of incompetency; and (E) otherwise in the event of the termination of the General Partner.

If an Event of Withdrawal specified in Section 11.1(a)(iv), (v) or (vi)(A), (B), (C) or (E) occurs, the withdrawing General Partner shall give notice to the Limited Partners within 30 days after such occurrence. The Partners hereby agree that only the Events of Withdrawal described in this Section 11.1 shall result in the withdrawal of the General Partner from the Partnership.

(b) Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, Eastern Standard Time, on June 30, 2015, the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners; provided that prior to the effective date of such withdrawal, the withdrawal receives Special Approval and is approved by Unitholders holding at least a majority of the Outstanding Units (excluding Units held by the General Partner and its Affiliates) and the General Partner delivers to the Partnership an Opinion of Counsel ("Withdrawal Opinion of Counsel") that such withdrawal (following the selection of the successor General Partner) would not result in the loss of the limited liability of any Limited Partner or cause the Partnership, the MLP General Partner, the MLP or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such); (ii) at any time after 12:00 midnight, Eastern Standard Time, on June 30, 2015, the General Partner voluntarily withdraws by giving at least 90 days' advance notice to the Unitholders, such withdrawal to take effect on the date specified in such notice; (iii) at any time that the General Partner ceases to be the General Partner pursuant to Section 11.1(a)(ii) or is removed pursuant to Section 11.2; or (iv) notwithstanding clause (i) of this sentence, at any time that the General Partner voluntarily withdraws by giving at least 90 days' advance notice of its intention to withdraw to the Limited Partners, such withdrawal to take effect on the date specified in the notice, if at the time such notice is given one Person and its Affiliates (other than the General Partner and its Affiliates) own beneficially or of record or control at least 50% of the Outstanding Partnership Units. If the General Partner gives a notice of withdrawal pursuant to Section 11.1(a)(i), the holders of a majority of Outstanding Partnership Units, may, prior to the effective date of such withdrawal, elect a successor General Partner. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the Unitholders as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 12.1. Any successor General Partner elected in accordance with the terms of this Section 11.1 shall be subject to the provisions of Section 10.3.

11.2 Removal of the General Partner. The General Partner may be removed if such removal receives Special Approval and is approved by Unitholders holding at least 66?% of the Outstanding Partnership Units (including Partnership Units held by the General Partner and its Affiliates) voting as a single class. Any such action by such holders for removal of the General Partner must also provide for the election of a successor General Partner by the Unitholders holding a majority of the Outstanding Partnership Units (including Partnership Units held by the General Partner and its Affiliates) voting as a single class. Such removal shall be effective immediately following the admission of a successor General Partner pursuant to Section 10.3. The right of the holders of Outstanding Partnership Units to remove the General Partner shall not exist or be exercised unless the Partnership has received an opinion opining as to the matters

covered by a Withdrawal Opinion of Counsel. Any successor General Partner elected in accordance with the terms of this Section 11.2 shall be subject to the provisions of Sections 10.2 and 10.3.

11.3 Interest of Departing General Partner and Successor General Partner.

(a) In the event of (i) withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement or (ii) removal of the General Partner by the holders of Outstanding Partnership Units under circumstances where Cause does not exist and the Partnership Units held by the General Partner and its Affiliates are not voted in favor of such removal, if a successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2, the Departing General Partner shall have the option exercisable prior to the effective date of the departure of such Departing General Partner to require its successor to purchase its Partnership Interest as a general partner in the Partnership (the "Purchased Interest") in exchange for an amount in cash equal to the fair market value of such Purchased Interest, such amount to be determined and payable as of the effective date of its departure or, if there is not agreement as to the fair market value of such Purchased Interest, within ten (10) days after such agreement is reached. If the General Partner is removed by the Unitholders under circumstances where Cause exists or if the General Partner withdraws under circumstances where such withdrawal violates this Agreement, and if a successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner), such successor shall have the option, exercisable prior to the effective date of the departure of such Departing General Partner (or, in the event the business of the Partnership is continued, prior to the date the business of the Partnership is continued), to purchase the Purchased Interest for such fair market value of such Purchased Interest of the Departing General Partner. In either event, the Departing General Partner shall be entitled to receive all reimbursements due such Departing General Partner pursuant to Section 7.4, including any employee-related liabilities (including severance liabilities), incurred in connection with the termination of any employees employed by the Departing General Partner or its Affiliates (other than the Partnership of the MLP General Partner) for the benefit of the Partnership or the MLP General Partner.

For purposes of this Section 11.3(a), the fair market value of the Departing General Partner's Purchased Interest shall be determined by agreement between the Departing General Partner and its successor or, failing agreement within 30 days after the effective date of such Departing General Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing General Partner and its successor, which, in turn, may rely on other experts, and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing General Partner shall designate an independent investment banking firm or other independent expert, the Departing General Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which third independent investment banking firm or other independent expert shall determine the fair market value of the Purchased Interest of the Departing General Partner. In making its determination, such third independent investment banking firm or other independent expert may consider the then current trading price of Partnership Units on any National Securities Exchange on which Partnership Units are then listed or admitted for trading, the value of the Partnership's assets, the rights and obligations of the Departing General Partner and other factors it may deem relevant.

(b) If the Purchased Interest is not purchased in the manner set forth in Section 11.3(a), the Departing General Partner (or its transferee) shall become a Limited Partner and its Purchased Interest shall be converted into Units pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 11.3(a), without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor). Any successor General Partner shall indemnify the Departing General Partner (or its transferee) as to all debts and liabilities of the Partnership arising on or after the date on which the Departing General Partner (or its transferee) becomes a Limited Partner. For purposes of this Agreement, conversion of the Purchased Interest of the Departing General Partner to Units will be characterized as if the General Partner (or its transferee) contributed its Purchased Interest to the Partnership in exchange for the newly issued Units.

(c) If a successor General Partner is elected in accordance with the terms of Section 11.1 or 11.2 (or if the business of the Partnership is continued pursuant to Section 12.2 and the successor General Partner is not the former General Partner), and the option described in Section 11.3(a) is not exercised by the party entitled to do so, the successor General Partner shall, at the effective date of its admission to the Partnership, contribute to the Partnership cash in the amount equal to 1/9999th of the Net Agreed Value of the Partnership's assets on such date. In such event, such successor General Partner shall, subject to the following sentence, be entitled to 0.01% of all Partnership allocations and distributions to which the Departing General Partner was entitled. The successor General Partner shall cause this Agreement to be amended to reflect that, from and after the date of such successor General Partner's admission, the successor General Partner's interest in all Partnership distributions and allocations shall be 0.01%.

11.4 [Reserved].

11.5 Withdrawal of Limited Partners. No Limited Partner shall have any right to withdraw from the Partnership; *provided, however*, that when a transferee of a Limited Partner's Limited Partner Interest becomes a Record Holder of the Limited Partner Interest so transferred, such transferring Limited Partner shall cease to be a Limited Partner with respect to the Limited Partner Interest so transferred.

ARTICLE XII
DISSOLUTION AND LIQUIDATION

12.1 Dissolution. The Partnership shall not be dissolved by the admission of additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the removal or withdrawal of the General Partner, if a successor General Partner is elected pursuant to Section 11.1 or 11.2, the Partnership shall not be dissolved and such successor General Partner shall continue the business of the Partnership. The Partnership shall dissolve, and (subject to Section 12.2) its affairs shall be wound up, upon:

(a) an Event of Withdrawal of the General Partner as provided in Section 11.1(a) (other than Section 11.1(a)(ii)), unless a successor is elected and an Opinion of Counsel is received as provided in Section 11.1(b) or 11.2 and such successor is admitted to the Partnership pursuant to Section 10.3;

(b) an election to dissolve the Partnership by the General Partner that receives Special Approval and is approved by the holders of a majority of Outstanding Partnership Units;

(c) the entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Delaware Act; or

(d) at any time there are no Limited Partners, unless the Partnership is continued without dissolution in accordance with the Delaware Act.

12.2 Continuation of the Business of the Partnership After Dissolution. Upon (a) dissolution of the Partnership following an Event of Withdrawal caused by the withdrawal or removal of the General Partner as provided in Section 11.1(a)(i) or (iii) and the failure of the Partners to select a successor to such Departing General Partner pursuant to Section 11.1 or 11.2, then within 90 days thereafter, or (b) dissolution of the Partnership upon an event constituting an Event of Withdrawal as defined in Section 11.1(a)(iv), (v) or (vi), then, to the maximum extent permitted by law, within 180 days thereafter, the holders of a majority of Outstanding Partnership Units may elect to continue the business of the Partnership on the same terms and conditions set forth in this Agreement by appointing as the successor General Partner a Person approved by the holders of a majority of Outstanding Partnership Units. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the Partnership shall continue without dissolution unless earlier dissolved in accordance with this Article XII;

(ii) if the successor General Partner is not the former General Partner, then the interest of the former General Partner shall be treated in the manner provided in Section 11.3; and

(iii) the successor General Partner shall be admitted to the Partnership as General Partner, effective as of the Event of Withdrawal, by agreeing in writing to be bound by this Agreement; provided, that the right of the holders of a majority of Outstanding Partnership Units to approve a successor General Partner and to continue the business of the Partnership shall not exist and may not be exercised unless the Partnership has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of any Limited Partner and (y) none of the Partnership, the MLP General Partner, the MLP or the Operating Partnership would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of such right to continue (to the extent not already so treated or taxed).

12.3 Liquidator. Upon dissolution of the Partnership, unless the Partnership is continued pursuant to Section 12.2, the General Partner shall select one or more Persons to act as Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by holders of at least a majority of the Outstanding Units voting as a single class. The Liquidator (if other than the General Partner) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by holders of at least a majority of the Outstanding Units voting as a single class. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by holders of at least a majority of the Outstanding Units voting as a single class. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 7.3 necessary or appropriate to carry out the duties and functions of the Liquidator hereunder for and during the period of time required to complete the winding up and liquidation of the Partnership as provided for herein.

12.4 Liquidation. The Liquidator shall proceed to dispose of the assets of the Partnership, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as determined by the Liquidator, subject to Section 17-804 of the Delaware Act and the following:

(a) *Disposition of Assets*. The assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidator and such Partner or Partners may agree. If any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 12.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners. The Liquidator may defer liquidation or distribution of the Partnership's assets for a reasonable time if it determines that an immediate sale or distribution of all or some of the Partnership's assets would be impractical or would cause undue loss to the Partners. The Liquidator may distribute the Partnership's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners.

(b) *Discharge of Liabilities*. Liabilities of the Partnership include amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 12.3) and amounts to Partners otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) *Liquidation Distributions*. All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed to the Partners in accordance with, and to the extent

of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments (other than those made by reason of distributions pursuant to this Section 12.4(c)) for the taxable year of the Partnership during which the liquidation of the Partnership occurs (with such date of occurrence being determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable year (or, if later, within 90 days after said date of such occurrence).

12.5 Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership cash and property as provided in Section 12.4 in connection with the liquidation of the Partnership, the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than the State of Delaware shall be canceled and such other actions as may be necessary to terminate the Partnership shall be taken.

12.6 Return of Contributions. The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Limited Partners or Unitholders, or any portion thereof, it being expressly understood that any such return shall be made solely from Partnership assets.

12.7 Waiver of Partition. To the maximum extent permitted by law, each Partner hereby waives any right to partition of the Partnership property.

12.8 Capital Account Restoration. No Partner shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Partnership.

12.9 Certain Prohibited Acts. Without obtaining Special Approval, the General Partner shall not take any action to cause the Partnership, the MLP General Partner or the MLP to (i) make or consent to a general assignment for the benefit of the Partnership's or the MLP's creditors; (ii) file or consent to the filing of any bankruptcy, insolvency or reorganization petition for relief under the United States Bankruptcy Code naming the Partnership, the MLP General Partner or the MLP or otherwise seek, with respect to the Partnership, the MLP General Partner or the MLP, relief from debts or protection from creditors generally; (iii) file or consent to the filing of a petition or answer seeking for the Partnership, the MLP General Partner or the MLP a liquidation, dissolution, arrangement, or similar relief under any law; (iv) file an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partnership, the MLP General Partner or the MLP in a proceeding of the type described in clauses (i) – (iii) of this Section 12.9; (v) seek, consent to or acquiesce in the appointment of a receiver, liquidator, conservator, assignee, trustee, sequestrator, custodian or any similar official for the Partnership, the MLP General Partner or the MLP or for all or any substantial portion of its properties; (vi) sell all or substantially all of its assets, except in accordance with Section 7.3(b); (vii) dissolve or liquidate, except in accordance with Article XII; or (viii) merge or consolidate, except in accordance with Article XIV.

ARTICLE XIII
AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE

13.1 Amendments to be Adopted Solely by the General Partner. Each Partner agrees that the General Partner, without the approval of any Partner, may amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership, the location of the principal place of business of the Partnership, the registered agent of the Partnership or the registered office of the Partnership;

(b)the admission, substitution, withdrawal or removal of Partners in accordance with this Agreement;

(c) a change that the General Partner determines to be necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership or a partnership in which the Limited Partners have limited liability under the laws of any state or to ensure that neither the Partnership nor the MLP General

Partner will be treated as an association taxable as a corporation or otherwise taxed as an entity for federal income tax purposes;

(d) a change that the General Partner determines (i) does not adversely affect the Limited Partners (including any particular class of Partnership Interests as compared to other classes of Partnership Interests) in any material respect, (ii) to be necessary or appropriate to (A) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Delaware Act) or (B) facilitate the trading of the Limited Partner Interests (including the division of any class or classes of Outstanding Limited Partner Interests into different classes to facilitate uniformity of tax consequences within such classes of Limited Partner Interests) or comply with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Units are or will be listed or admitted for trading, (iii) to be necessary or advisable in connection with action taken by the General Partner pursuant to Section 5.10 or (iv) to be required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement;

(e) a change in the fiscal year or taxable year of the Partnership and any other changes that the General Partner determines to be necessary or appropriate as a result of a change in the fiscal year or taxable year of the Partnership including, if the General Partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Partnership;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership, or the General Partner or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) an amendment that the General Partner determines to be necessary or appropriate in connection with the authorization of issuance of any class or series of Partnership Securities pursuant to Section 5.6;

(h) any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;

(i) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.3;

(j) an amendment that the General Partner determines to be necessary or appropriate to reflect, account for the formation by the Partnership of, or investment by the Partnership in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by the Partnership of activities permitted by the terms of Section 2.4;

(k) a merger or conveyance pursuant to Section 14.3(d); or (l)any other amendments substantially similar to the foregoing.

13.2 Amendment Procedures. Except as provided in Sections 13.1 and 13.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed only by the General Partner; *provided, however* that the General Partner shall have no duty or obligation to propose any amendment to this greement and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner and, in declining to propose an amendment to the fullest extent permitted by law, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. A proposed amendment shall be effective upon its approval by the General Partner and the holders of a majority of Outstanding Partnership Units, unless a greater or different percentage is required under this Agreement or by Delaware law. Each proposed amendment that requires the approval of the holders of a specified percentage of Outstanding Partnership Units shall be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, the General Partner shall seek the written approval of the requisite percentage of Outstanding

Partnership Units or call a meeting of the Unitholders to consider and vote on such proposed amendment. The General Partner shall notify all Record Holders upon final adoption of any such proposed amendments. Notwithstanding the provisions of Sections 13.1 and 13.2, no amendment of (i) the definitions of "Audit and Conflicts Committee" or "Special Approval", (ii) Section 2.9, (iii) Section 4.6, (iv) Section 7.3, (v) Section 7.9(a), (vi) Section 8.3(c), (vii) Section 10.2, (viii) Section 12.9; (ix) Section 14.3 or (x) this Section 13.2 or any other provision of this Agreement requiring that Special Approval be obtained as a condition to any action, shall be effective without first obtaining Special Approval.

13.3 Amendment Requirements.

(a) Notwithstanding the provisions of Sections 13.1 and 13.2, no provision of this Agreement that establishes a percentage of Outstanding Partnership Units (including Partnership Units deemed owned by the General Partner) required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of holders of Outstanding Partnership Units whose aggregate Outstanding Partnership Units constitute not less than the voting requirement sought to be reduced.

(b) Notwithstanding the provisions of Sections 13.1 and 13.2, no amendment to this Agreement may (i) enlarge the obligations of any Limited Partner without its consent, unless such shall be deemed to have occurred as a result of an amendment approved pursuant to Section 13.3(c) or (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, the General Partner or any of its Affiliates without its consent, which consent may be given or withheld at its option.

(c) Except as provided in Sections 5.12 and 14.3, and without limitation of the General Partner's authority to adopt amendments to this Agreement without the approval of any Partners as contemplated in Section 13.1, any amendment that would have a material adverse effect on the rights or preferences of any class of Partnership Interests in relation to other classes of Partnership Interests must be approved by the holders of not less than a majority of the Outstanding Partnership Interests of the class affected.

(d) Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 13.1 and except as otherwise provided by Sections 5.12 and 14.3(b), no amendments shall become effective without the approval of the holders of at least 90% of the Outstanding Units voting as a single class unless the Partnership obtains an Opinion of Counsel to the effect that such amendment will not affect the limited liability of any Limited Partner under applicable law.

(e) Except as provided in Section 13.1, this Section 13.3 shall only be amended with the approval of the holders of at least 90% of the Outstanding Units.

13.4 Special Meetings. All acts of Limited Partners to be taken pursuant to this Agreement shall be taken in the manner provided in this Article XIII. Special meetings of the Limited Partners may be called by the General Partner or by Limited Partners owning 20% or more of the Outstanding Limited Partner Interests of the class or classes for which a meeting is proposed. Limited Partners shall call a special meeting by delivering to the General Partner one or more requests in writing stating that the signing Limited Partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called. Within 60 days after receipt of such a call from Limited Partners or within such greater time as may be reasonably necessary for the Partnership to comply with any statutes, rules, regulations, listing agreements or similar requirements governing the holding of a meeting or the solicitation of proxies for use at such a meeting, the General Partner shall send a notice of the meeting to the Limited Partners either directly or indirectly through the Transfer Agent. A meeting shall be held at a time and place determined by the General Partner on a date not less than 10 days nor more than 60 days after the mailing of notice of the meeting. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of

the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Delaware Act or the law of any other state in which the Partnership is qualified to do business.

13.5 Notice of a Meeting. Notice of a meeting called pursuant to Section 13.4 shall be given to the Record Holders of the class or classes of Limited Partner Interests for which a meeting is proposed in writing by mail or other means of written communication in accordance with Section 16.1. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication.

13.6 Record Date. For purposes of determining the Limited Partners entitled to notice of or to vote at a meeting of the Limited Partners or to give approvals without a meeting as provided in Section 13.11 the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Limited Partner Interests are listed or admitted for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern) or (b) in the event that approvals are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to give such approvals.

13.7 Adjournment. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed, if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given in accordance with this Article XIII.

13.8 Waiver of Notice. Approval of Meeting; Approval of Minutes. The transactions of any meeting of Limited Partners, however called and noticed, and whenever held, shall be as valid as if it had occurred at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy. Attendance of a Limited Partner at a meeting shall constitute a waiver of notice of the meeting, except when the Limited Partner attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened; and except that attendance at a meeting is not a waiver of any right to disapprove the consideration of matters required to be included in the notice of the meeting, but not so included, if the disapproval is expressly made at the meeting.

13.9 Quorum. The holders of a majority of the Outstanding Limited Partner Interests of the class or classes for which a meeting has been called (including Limited Partner Interests deemed owned by the General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Limited Partners of such class or classes unless any such action by the Limited Partners requires approval by holders of a greater percentage of such Limited Partner Interests, in which case the quorum shall be such greater percentage. At any meeting of the Limited Partners duly called and held in accordance with this Agreement at which a quorum is present, the act of Limited Partners holding Outstanding Limited Partner Interests that in the aggregate represent a majority of the Outstanding Limited Partner Interests entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Limited Partners holding Outstanding Limited Partner Interests that in the aggregate represent at least such greater or different percentage shall be required. The Limited Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Limited Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of Outstanding Limited Partner Interests specified in this Agreement (including Limited Partner Interests deemed owned by the General Partner). In the absence of a quorum any meeting of Limited Partners may be adjourned from time to time by the affirmative vote of holders of at least a majority of the Outstanding Limited Partner Interests entitled to vote at such meeting (including Limited Partner Interests deemed owned by the General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 13.7.

13.10 Conduct of a Meeting. The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of approvals in writing, including the determination of

Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 13.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of approvals in writing.

13.11 Action Without a Meeting. If authorized by the General Partner, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting if an approval in writing setting forth the action so taken is signed by Limited Partners owning not less than the minimum percentage of the Outstanding Limited Partner Interests (including Limited Partner Interests deemed owned by the General Partner) that would be necessary to authorize or take such action at a meeting at which all the Limited Partners were present and voted (unless such provision conflicts with any rule, regulation, guideline or requirement of any National Securities Exchange on which the Limited Partner Interests are listed or admitted for trading, in which case the rule, regulation, guideline or requirement of such exchange shall govern). Prompt notice of the taking of action without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot submitted to Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Limited Partner Interests held by the Limited Partners the Partnership shall be deemed to have failed to receive a ballot for the Limited Partner Interests that were not voted. If approval of the taking of any action by the Limited Partners is solicited by any Person other than by or on behalf of the General Partner, the written approvals shall have no force and effect unless and until (a) they are deposited with the Partnership in care of the General Partner, (b) approvals sufficient to take the action proposed are dated as of a date not more than 90 days prior to the date sufficient approvals are deposited with the Partnership and (c) an Opinion of Counsel is delivered to the General Partner to the effect that the exercise of such right and the action proposed to be taken with respect to any particular matter (i) will not cause the Limited Partners to be deemed to be taking part in the management and control of the business and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability, and (ii) is otherwise permissible under the state statutes then governing the rights, duties and liabilities of the Partnership and the Partners.

13.12 Voting and Other Rights.

(a) Only those Record Holders of the applicable Limited Partner Interests on the Record Date set pursuant to Section 13.6 (and also subject to the limitations contained in the definition of "Outstanding") shall be entitled to notice of, and to vote at, a meeting of Limited Partners or to act with respect to matters as to which the holders of the applicable Outstanding Limited Partner Interests have the right to vote or to act. All references in this Agreement to votes of, or other acts that may be taken by, the Outstanding Limited Partner Interests shall be deemed to be references to the votes or acts of the Record Holders of such applicable Outstanding Limited Partner Interests.

(b) With respect to Limited Partner Interests that are held for a Person's account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Limited Partner Interests are registered, such other Person shall, in exercising the voting rights in respect of such Limited Partner Interests on any matter, and unless the arrangement between such Persons provides otherwise, vote such Limited Partner Interests in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 13.12(b) (as well as all other provisions of this Agreement) are subject to the provisions of Section 4.3.

ARTICLE XIV
MERGER

14.1 Authority. The Partnership may merge or consolidate with or into one or more corporations, limited liability companies, statutory trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a partnership (whether general or limited and including a limited liability partnership), formed under the laws of the State of Delaware or any other state of the United States of America, pursuant to a written agreement of merger or consolidation ("Merger Agreement") in accordance with this Article XIV.

14.2 Procedure for Merger or Consolidation. Merger or consolidation of the Partnership pursuant to this Article XIV requires the prior consent of the General Partner and Special Approval, *provided*, *however*, that, to the fullest extent permitted by law, the General Partner shall have no duty or obligation to consent to any merger or consolidation of the Partnership and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership, any Limited Partner and, in declining to consent to a merger or consolidation, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Delaware Act or any other law, rule or regulation or at equity. If the General Partner shall determine to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which 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 (the "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 partner interests, rights, securities or obligations of the Surviving Business Entity; and (i) if any general or limited partner interests, securities or rights of any constituent business entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity, the cash, property or general or limited partner interests, rights, securities or obligations of any general or limited partnership, corporation, trust, limited liability company, unincorporated business or other entity (other than the Surviving Business Entity) which the holders of such general or limited partner interests, securities or rights are to receive in exchange for, or upon conversion of their general or limited partner interests, securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partner interests, rights, securities or obligations of the Surviving Business Entity or any general or limited partnership, corporation, trust, limited liability company, unincorporated business 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, operating agreement 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, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, the effective time shall be fixed at a date or time certain at or prior to the time of the filing of such certificate of merger and stated therein); and

(g) such other provisions with respect to the proposed merger or consolidation that the General Partner determines to be necessary or appropriate.

14.3 Approval by Limited Partners of Merger or Consolidation.

(a) Except as provided in Section 14.3(d) and Section 14.3(e), the General Partner, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Limited Partners, whether at a special meeting or by written consent, in either case in accordance with the requirements of Article XIII. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a special meeting or the written consent.

(b) Except as provided in Section 14.3(d) and Section 14.3(e), the Merger Agreement shall be approved upon receiving the affirmative vote or consent of the holders of a majority of Outstanding Partnership Units.

(c) Except as provided in Section 14.3(d) and Section 14.3(e), after such approval by vote or consent of the Limited Partners, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Agreement, the General Partner is permitted without Limited Partner approval, to (i) convert the Partnership into a new limited liability entity or (ii) merge the Partnership into, or convey all of the Partnership's assets to, another limited liability entity which shall be newly formed and shall have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Partnership, provided that in each such case (A) the General Partner has received an Opinion of Counsel that the conversion, merger or conveyance, as the case may be, would not result in the loss of the limited liability of any Limited Partner or cause the Partnership, the MLP General Partner, the MLP or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (B) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity, (C) the governing instruments of the new entity provide the Limited Partners and the General Partner with rights and obligations that are, in all material respects, the same rights and obligations of the Limited Partners hereunder and (D) the organizational documents of the new entity and of the new entity's general partner, manager, board of directors or other Person exercising management and decision-making control over the new entity recognize and provide for, respectively, the establishment of an "Audit and Conflicts Committee" and the other matters described in Section 4.6(c)(iv).

(e) Additionally, notwithstanding anything else contained in this Agreement, the General Partner is permitted, without Limited Partner approval or Special Approval, to merge or consolidate the Partnership with or into another entity if (A) the General Partner has received an Opinion of Counsel that the merger or consolidation, as the case may be, would not result in the loss of the limited liability of any Limited Partner or cause the Partnership, the MLP General Partner, the MLP or the Operating Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (B) the merger or consolidation would not result in an amendment to the Partnership Agreement, other than any amendments that could be adopted pursuant to Section 13.1, (C) the Partnership is the Surviving Business Entity in such merger or consolidation, (D) each Partnership Unit outstanding immediately prior to the effective date of the merger or consolidation is to be an identical Partnership Unit of the Partnership after the effective date of the merger or consolidation, (E) the number of Partnership Securities to be issued by the Partnership in such merger or consolidation do not exceed 20% of the Partnership Securities Outstanding immediately prior to the effective date of such merger or consolidation, and (F) Section 4.6(c)(iv) is not affected thereby.

14.4 Certificate of Merger. Upon the required approval by the General Partner and the Limited Partners of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Delaware in conformity with the requirements of the Delaware Act.

14.5 Effect of Merger.

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

(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 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 interests 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 shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another.

14.6 Amendment of Partnership Agreement. Pursuant to Section 17-211(g) of the Delaware Act, an agreement of merger or consolidation approved in accordance with Section 17-211(b) of the Delaware Act may (a) effect any amendment to this Agreement or (b) effect the adoption of a new partnership agreement for a limited partnership if it is the Surviving Business Entity. Any such amendment or adoption made pursuant to this Section 14.6 shall be effective at the effective time or date of the merger or consolidation.

ARTICLE XV
RIGHT TO ACQUIRE LIMITED PARTNER INTERESTS

15.1 Right to Acquire Limited Partner Interests.

(a) Notwithstanding any other provision of this Agreement, if at any time less than 10% of the total Limited Partner Interests of any class then Outstanding is held by Persons other than the General Partner and its Affiliates, the General Partner shall then have the right, which right it may assign and transfer in whole or in part to the Partnership or any Affiliate of the General Partner, exercisable at its option, to purchase all, but not less than all, of such Limited Partner Interests of such class then Outstanding held by Persons other than the General Partner and its Affiliates, at the greater of (x) the Current Market Price as of the date three days prior to the date that the notice described in Section 15.1(b) is mailed and (y) the highest price paid by the General Partner or any of its Affiliates for any such Limited Partner Interest of such class purchased during the 90-day period preceding the date that the notice described in Section 15.1(b) is mailed. As used in this Agreement, (i) “Current Market Price” as of any date of any class of Limited Partner Interests listed or admitted to trading on any National Securities Exchange means the average of the daily Closing Prices (as hereinafter defined) per limited partner interest of such class for the 20 consecutive Trading Days (as hereinafter defined) immediately prior to such date; (ii) “Closing Price” for any day means the last sale price on such day, regular way, or in case no such sale takes place on such day, the average of the closing bid and asked prices on such day, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted for trading on the principal National Securities Exchange (other than the Nasdaq Stock Market) on which such Limited Partner Interests of such class are listed or admitted to trading or, if such Limited Partner Interests of such class are not listed or admitted to trading on any National Securities Exchange (other than the Nasdaq Stock Market), the last quoted price on such day or, if not so quoted, the average of the high bid and

low asked prices on such day in the over-the-counter market, as reported by the Nasdaq Stock Market or such other system then in use, or, if on any such day such Limited Partner Interests of such class are not quoted by any such organization, the average of the closing bid and asked prices on such day as furnished by a professional market maker making a market in such Limited Partner Interests of such class selected by the General Partner, or if on any such day no market maker is making a market in such Limited Partner Interests of such class, the fair value of such Limited Partner Interests on such day as determined by the General Partner; and (iii) "Trading Day" means a day on which the principal National Securities Exchange on which such Limited Partner Interests of any class are listed or admitted to trading is open for the transaction of business or, if Limited Partner Interests of a class are not listed or admitted to trading on any National Securities Exchange, a day on which banking institutions in New York City generally are open.

(b) If the General Partner elects to exercise the right to purchase Limited Partner Interests granted pursuant to Section 15.1(a), the General Partner shall deliver to the Transfer Agent notice of such election to purchase (the "Notice of Election to Purchase") and shall cause the Transfer Agent to mail a copy of such Notice of Election to Purchase to the Record Holders of Limited Partner Interests of such class (as of a Record Date selected by the General Partner) at least 10, but not more than 60, days prior to the Purchase Date. Such Notice of Election to Purchase shall also be published for a period of at least three consecutive days in at least two daily newspapers of general circulation printed in the English language and published in the Borough of Manhattan, New York. The Notice of Election to Purchase shall specify the Purchase Date and the price (determined in accordance with Section 15.1(a)) at which Limited Partner Interests will be purchased and state that the General Partner, its Affiliate or the Partnership, as the case may be, elects to purchase such Limited Partner Interests, upon surrender of Certificates representing such Limited Partner Interests in exchange for payment, at such office or offices of the Transfer Agent as the Transfer Agent may specify, or as may be required by any National Securities Exchange on which such Limited Partner Interests are listed or admitted to trading. Any such Notice of Election to Purchase mailed to a Record Holder of Limited Partner Interests at his address as reflected in the records of the Transfer Agent shall be conclusively presumed to have been given regardless of whether the owner receives such notice. On or prior to the Purchase Date, the General Partner, its Affiliate or the Partnership, as the case may be, shall deposit with the Transfer Agent cash in an amount sufficient to pay the aggregate purchase price of all of such Limited Partner Interests to be purchased in accordance with this Section 15.1. If the Notice of Election to Purchase shall have been duly given as aforesaid at least 10 days prior to the Purchase Date, and if on or prior to the Purchase Date the deposit described in the preceding sentence has been made for the benefit of the holders of Limited Partner Interests subject to purchase as provided herein, then from and after the Purchase Date, notwithstanding that any Certificate shall not have been surrendered for purchase, all rights of the holders of such Limited Partner Interests (including any rights pursuant to Articles IV, V, VI, and XII) shall thereupon cease, except the right to receive the purchase price (determined in accordance with Section 15.1(a)) for Limited Partner Interests therefor, without interest, upon surrender to the Transfer Agent of the Certificates representing such Limited Partner Interests, and such Limited Partner Interests shall thereupon be deemed to be transferred to the General Partner, its Affiliate or the Partnership, as the case may be, on the record books of the Transfer Agent and the Partnership, and the General Partner or any Affiliate of the General Partner, or the Partnership, as the case may be, shall be deemed to be the owner of all such Limited Partner Interests from and after the Purchase Date and shall have all rights as the owner of such Limited Partner Interests (including all rights as owner of such Limited Partner Interests pursuant to Articles IV, V, VI and XII).

(c) At any time from and after the Purchase Date, a holder of an Outstanding Limited Partner Interest subject to purchase as provided in this Section 15.1 may surrender his Certificate evidencing such Limited Partner Interest to the Transfer Agent in exchange for payment of the amount described in Section 15.1(a), therefor, without interest thereon.

ARTICLE XVI
GENERAL PROVISIONS

16.1 Addresses and Notices. Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Partner under this Agreement shall be in writing and shall be deemed given or made when

delivered in person or when sent by first class United States mail or by other means of written communication to the Partner at the address described below. Any notice, payment or report to be given or made to a Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give such notice or report or to make such payment shall be deemed conclusively to have been fully satisfied, upon sending of such notice, payment or report to the Record Holder of such Partnership Securities at his address as shown on the records of the Transfer Agent or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Securities by reason of any assignment or otherwise. An affidavit or certificate of making of any notice, payment or report in accordance with the provisions of this Section 16.1 executed by the General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or making of such notice, payment or report. If any notice, payment or report addressed to a Record Holder at the address of such Record Holder appearing on the books and records of the Transfer Agent or the Partnership is returned by the United States Post Office marked to indicate that the United States Postal Service is unable to deliver it, such notice, payment or report and any subsequent notices, payments and reports shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in his address) if they are available for the Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such notice, payment or report to the other Partners. Any notice to the Partnership shall be deemed given if received by the General Partner at the principal office of the Partnership designated pursuant to Section 2.3. The General Partner may rely and shall be protected in relying on any notice or other document from a Partner or other Person if believed by it to be genuine.

16.2 Further Action. The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

16.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

16.4 Integration. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

16.5 Creditors. None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Partnership.

16.6 Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

16.7 Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto or, in the case of a Person acquiring a Limited Partner Interest pursuant to Section 10.1(a) without execution hereof.

16.8 Applicable Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to the principles of conflicts of law.

16.9 Invalidity of Provisions. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

16.10 Consent of Partners. Each Partner hereby expressly consents and agrees that, whenever in this Agreement it is specified that an action may be taken upon the affirmative vote or consent of less than all of the Partners, such action may be so taken upon the concurrence of less than all of the Partners and each Partner shall be bound by the results of such action.

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

GENERAL PARTNER:
EPE HOLDINGS, LLC

By: /s/ Michael A Creel
Michael A. Creel
President and Chief Executive Officer

LIMITED PARTNERS:

All Limited Partners now and hereafter admitted as Limited Partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to the General Partner or without execution pursuant to Section 10.1(a) hereof.

By: EPE Holdings, LLC

General Partner, as attorney-in-fact for the Limited Partners pursuant to the Powers of Attorney granted pursuant to Section 2.6.

By: /s/ Michael A Creel
Michael A. Creel
President and Chief Executive Officer

Attachment I

DEFINED TERMS

"*Adjusted Capital Account*" means the Capital Account maintained for each Partner as of the end of each fiscal year of the Partnership, (a) increased by any amounts that such Partner is obligated to restore under the standards set by Treasury Regulation Section 1.704-1(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such fiscal year, are reasonably expected to be allocated to such Partner in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-1(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such fiscal year, are reasonably expected to be made to such Partner in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Partner's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 6.1(b)(i) or 6.1(b)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith. The "Adjusted Capital Account" of a Partner in respect of a General Partner Interest, a Unit or any other specified interest in the Partnership shall be the amount which such Adjusted Capital Account would be if such General Partner Interest, Unit or other interest in the Partnership were the only interest in the Partnership held by a Partner from and after the date on which such General Partner Interest, Unit or other interest was first issued.

"*Adjusted Property*" means any property the Carrying Value of which has been adjusted pursuant to Section 5.5(d)(i) or 5.5(d)(ii). Once an Adjusted Property is deemed contributed to a new partnership in exchange for an interest in the new partnership, followed by the deemed liquidation of the Partnership for federal income tax purposes upon a termination of the Partnership pursuant to Treasury Regulation Section 1.708-(b)(1)(iv), such property shall thereafter constitute a Contributed Property until the Carrying Value of such property is subsequently adjusted pursuant to Section 5.5(d)(i) or 5.5(d)(ii).

"*Administrative Services Agreement*" means the Third Amended and Restated Administrative Services Agreement, dated as of August 15, 2005, but effective as of February 24, 2005, by and among EPCO, the Partnership, the MLP, the Operating Partnership, the General Partner, the MLP General Partner, the Operating General Partner, Teppco MLP, Teppco MLP General Partner and certain other parties thereto, as it may be amended or restated from time to time.

"*Affiliate*" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, a Person shall only be considered an "Affiliate" of the General Partner if such Person owns, directly or indirectly, 50% or more of the voting securities of the General Partner or otherwise possesses the sole power to direct or cause the direction of the management and policies of the General Partner.

"Affiliate Units" means a total of 535,714 Partnership Units to be purchased by the Underwriters at the Offering Price per Initial Unit pursuant to the Underwriting Agreement for resale at the same price to (i) Duncan Family Interests, Inc. (178,572 Units), (ii) the Duncan Family 2000 Trust (178,571 Units), and (iii) O. S. Andras (178,571 Units).

"*Agreed Allocation*" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including a Curative Allocation (if appropriate to the context in which the term "Agreed Allocation" is used).

"*Agreed Value*" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the General Partner. The General Partner shall use such method as it determines to be appropriate to allocate the aggregate Agreed Value of Contributed Properties contributed to the Partnership in a single or integrated transaction among each separate property on a basis proportional to the fair market value of each Contributed Property.

"*Agreement*" means this First Amended and Restated Agreement of Limited Partnership of Enterprise GP Holdings L.P., as it may be amended, supplemented or restated from time to time.

"*Associate*" means, when used to indicate a relationship with any Person, (a) any corporation or organization of which such Person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock or other voting interest; (b) any trust or other estate in which such Person has at least a 20% beneficial interest or as to which such Person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such Person, or any relative of such spouse, who has the same principal residence as such Person.

"*Audit and Conflicts Committee*" means a committee of the Board of Directors of the General Partner composed entirely of three or more directors who meet the independence, qualification and experience requirements established by the Securities Exchange Act and the rules and regulations of the Commission thereunder and by the New York Stock Exchange.

"*Available Cash*" means, with respect to any Quarter ending prior to the Liquidation Date,

(a)the sum of all cash and cash equivalents of the Partnership on hand at the end of such Quarter, less

(b) the amount of any cash reserves that is established by the General Partner to (i) satisfy general, administrative and other expenses and debt service requirements, (ii) permit the MLP General Partner to make capital contributions to the MLP to maintain its 2% general partner interest upon the issuance of partnership securities by the MLP (subject to the provisions of Section 2.9(e)), (iii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Partnership is a party or by which it is bound or its assets are subject, (iv) provide funds for distributions under Section 6.4 or 6.5 in respect of any one or more of the next four Quarters; *provided, however*, that disbursements made by the MLP or the MLP General Partner or cash reserves established, increased or reduced after the end of such Quarter, but on or before the date of determination of Available Cash with respect to such Quarter, shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the General Partner so determines or (v) otherwise provide for the proper conduct of the business of the Partnership subsequent to such Quarter.

Notwithstanding the foregoing, "Available Cash" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"*Board of Directors*" means, with respect to the Board of Directors of the General Partner, its board of directors or managers, as applicable, if a corporation or limited liability company, or if a limited partnership, the board of directors or board of managers of the general partner of the General Partner.

"*Book-Tax Disparity*" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Partner's share of the Partnership's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Partner's Capital Account balance as maintained pursuant to Section 5.5 and the hypothetical balance of such Partner's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

"*Business Day*" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the states of New York or Texas shall not be regarded as a Business Day.

"*Capital Account*" means the capital account maintained for a Partner pursuant to Section 5.5. The "*Capital Account*" of a Partner in respect of a General Partner Interest, a Unit or any other Partnership Interest shall be the amount which such Capital Account would be if such General Partner Interest, Unit or other Partnership Interest were the only interest in the Partnership held by a Partner from and after the date on which such General Partner Interest, Unit or other Partnership Interest was first issued.

"*Capital Contribution*" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Partner contributes to the Partnership.

"*Carrying Value*" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Partners' Capital Accounts in respect of such Contributed Property, and (b) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Sections 5.5(d)(i) and 5.5(d)(ii) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the General Partner.

"*Cause*" means a court of competent jurisdiction has entered a final, non-appealable judgment finding the General Partner liable for actual fraud or willful misconduct in its capacity as general partner of the Partnership.

"*Certificate*" means (a) a certificate (i) substantially in the form of Exhibit A to this Agreement, (ii) issued in global form in accordance with the rules and regulations of the Depositary or (iii) in such other form as may be adopted by the General Partner, issued by the Partnership evidencing ownership of one or more Units, or (b) a certificate, in such form as may be adopted by the General Partner, issued by the Partnership evidencing ownership of one or more other Partnership Securities.

"*Certificate of Limited Partnership*" means the Certificate of Limited Partnership of the Partnership filed with the Secretary of State of the State of Delaware as referenced in Section 2.1, as such Certificate of Limited Partnership may be amended, supplemented or restated from time to time.

"*Citizenship Certification*" means a properly completed certificate in such form as may be specified by the General Partner by which a Limited Partner certifies that he (and if he is a nominee holding for the account of another Person, that to the best of his knowledge such other Person) is an Eligible Citizen.

"*Claim*" has the meaning assigned to such term in Section 7.12(c).

"*Closing Date*" means the first date on which the Units are sold by the Partnership to the Underwriters pursuant to the provisions of the Underwriting Agreement.

"*Closing Price*" has the meaning assigned to such term in Section 15.1(a).

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time and as interpreted by the applicable regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of successor law.

"*Commission*" means the United States Securities and Exchange Commission.

"*Contributed Property*" means each property or other asset, in such form as may be permitted by the Delaware Act, but excluding cash, contributed to the Partnership (or deemed contributed to a new partnership on termination of the Partnership pursuant to Section 708 of the Code). Once the Carrying Value of a Contributed Property is adjusted pursuant to Section 5.5(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"*Contribution Agreement*" means the Contribution, Conveyance and Assignment Agreement by and among the Partnership, the General Partner, Dan Duncan LLC, Duncan Family Interests, Inc., DFI GP Holdings L.P. and DFI Holdings, LLC, dated as of the date of this Agreement.

"*Curative Allocation*" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(b)(ix).

"*Current Market Price*" has the meaning assigned to such term in Section 15.1(a).

"*Dan Duncan LLC*" means Dan Duncan LLC, a Delaware limited liability company.

"*Delaware Act*" means the Delaware Revised Uniform Limited Partnership Act, 6 Del C. §17-101, et seq., as amended, supplemented or restated from time to time, and any successor to such statute.

"*Departing General Partner*" means a former General Partner from and after the effective date of any withdrawal or removal of such former General Partner pursuant to Section 11.1 or 11.2.

"*Depositary*" means, with respect to any Partnership Units issued in global form, The Depository Trust Company and its successors and permitted assigns.

"*DFI*" means Duncan Family Interests, Inc. (formerly, EPC Partners II, Inc.), a Delaware corporation.

"Duncan" means, collectively, individually or in any combination, Dan L. Duncan, his wife, descendants, heirs and/or legatees and/or distributees of Dan L. Duncan's estate, and/or trusts established for the benefit of his wife, descendants, such legatees and/or distributees and/or their respective descendants, heirs, legatees and distributees.

"*Economic Risk of Loss*" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"*Eligible Citizen*" means a Person qualified to own interests in real property in jurisdictions in which the Partnership or the MLP General Partner does business or proposes to do business from time to time, and whose status as a Limited Partner does not or would not subject the Partnership or theMLPGeneral Partner to a significant risk of cancellation or forfeiture of any of its properties or any interest therein, as determined by the General Partner.

"*Employee Partnership*" means EPE Unit L.P., a Delaware limited partnership, of which EPCO is the general partner.

"*EPCO*" means EPCO, Inc. (formerly, Enterprise Products Company), a Texas Subchapter S corporation.

"*Event of Withdrawal*" has the meaning assigned to such term in Section 11.1(a).

"*General Partner*" means EPE Holdings, LLC, a Delaware limited liability company, and its successors and permitted assigns that are admitted to the Partnership as general partner of the Partnership, in its capacity as general partner of the Partnership (except as the context otherwise requires).

"*General Partner Interest*" means the management and ownership interest, if any, of the General Partner in the Partnership (in its capacity as a general partner without reference to any Limited Partner Interest held by it) which may be evidenced by Partnership Securities or a combination thereof or interest therein, and includes any and all benefits to which the General Partner is entitled as provided in this Agreement, together with all obligations of the General Partner to comply with the terms and provisions of this Agreement.

"*Group*" means a Person that with or through any of its Affiliates or Associates has any contract, arrangement, understanding or relationship for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent given to such Person in response to a proxy or consent solicitation made to 10 or more Persons), exercising investment power or disposing of any Partnership Securities with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, Partnership Interests.

"*Holder*" as used in Section 7.12, has the meaning assigned to such term in Section 7.12(a).

"*Indemnified Persons*" has the meaning assigned to such term in Section 7.12(c).

"*Indemnitee*" means (a) the General Partner, any Departing General Partner and any Person who is or was an Affiliate of the General Partner or any Departing General Partner, (b) any Person who is or was a member, director, officer, fiduciary or trustee of the Partnership, (c) any Person who is or was an officer, member, partner, director, employee, agent or trustee of the General Partner or any Departing General Partner or any Affiliate of the General Partner or any Departing General Partner, or any Affiliate of any such Person and (d) any Person who is or was serving at the

request of the General Partner or any Departing General Partner or any such Affiliate as a director, officer, employee, member, partner, agent, fiduciary or trustee of another Person; provided, that a Person shall not be an Indemnitee by reason of providing, on a fee-for- services basis, trustee, fiduciary or custodial services and (e) any Person the General Partner designates as an "Indemnitee" for purposes of this Agreement.

"*Initial Limited Partners*" means DFI, Dan Duncan LLC and the Underwriters, in each case upon being admitted to the Partnership in accordance with Section 10.1.

"*Initial Offering*" means the initial offering and sale of Units to the public, as described in the Registration Statement.

"*Initial Units*" means the Units sold in the Initial Offering.

"*Issue Price*" means the price at which a Partnership Unit other than an Affiliate Unit is purchased from the Partnership, after taking into account any sales commission or underwriting discount charged to the Partnership.

"*Limited Partner*" means, unless the context otherwise requires, each Initial Limited Partner, each additional Person that becomes a Limited Partner pursuant to the terms of this Agreement, each additional Limited Partner and any Departing General Partner upon the change of its status from General Partner to Limited Partner pursuant to Section 11.3, in each case, in such Person's capacity as a limited partner of the Partnership.

"*Limited Partner Interest*" means the ownership interest of a Limited Partner in the Partnership, which may be evidenced by Units or other Partnership Securities or a combination thereof or interest therein, and includes any and all benefits to which such Limited Partner is entitled as provided in this Agreement, together with all obligations of such Limited Partner to comply with the terms and provisions of this Agreement.

"*Liquidation Date*" means (a) in the case of an event giving rise to the dissolution of the Partnership of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the holders of Outstanding Partnership Units have the right to elect to continue the business of the Partnership has expired without such an election being made, and (b) in the case of any other event giving rise to the dissolution of the Partnership, the date on which such event occurs.

"*Liquidator*" means one or more Persons selected by the General Partner to perform the functions described in Section 12.3 as liquidating trustee of the Partnership within the meaning of the Delaware Act.

"*Merger Agreement*" has the meaning assigned to such term in Section 14.1.

"*MLP*" means Enterprise Products Partners L.P., a Delaware limited partnership, and any successors thereto.

"*MLP General Partner*" means Enterprise Products GP, LLC, a Delaware limited liability company, and its successors and permitted assigns as general partner of the MLP.

"*MLP Partnership Agreement*" means the Fifth Amended and Restated Agreement of Limited Partnership of the MLP, as it may be amended or restated from time to time.

"*National Securities Exchange*" means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act or The Nasdaq Stock Market or any successor thereto.

"*Net Agreed Value*" means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Partnership upon such contribution or to which such property is subject when contributed, and (b) in the case of any property distributed to a Partner by the Partnership, the Partnership's Carrying Value of such property (as adjusted pursuant to Section 5.5(d)(ii)) at the time such property is distributed, reduced by any indebtedness either assumed by such Partner upon such distribution or to which such property is subject at the time of distribution, in either case, as determined under Section 752 of the Code.

"*Net Income*" means, for any taxable year, the excess, if any, of the Partnership's items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year over the Partnership's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Income shall be determined in accordance with Section 5.5(b) and shall not include any items specially allocated under Section 6.1(b).

"*Net Loss*" means, for any taxable year, the excess, if any, of the Partnership's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year over the Partnership's items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Loss shall be determined in accordance with Section 5.5(b) and shall not include any items specially allocated under Section 6.1(b).

"*Net Termination Gain*" means, for any taxable year, the sum, if positive, of all items of income, gain, loss or deduction recognized by the Partnership after the Liquidation Date. The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(b).

"*Net Termination Loss*" means, for any taxable year, the sum, if negative, of all items of income, gain, loss or deduction recognized by the Partnership after the Liquidation Date. The items included in the determination of Net Termination Loss shall be determined in accordance with Section 5.5(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(b).

"*Non-citizen Assignee*" means a Person whom the General Partner has determined does not constitute an Eligible Citizen and as to whose Partnership Interest the General Partner has become substituted as the limited partner, pursuant to Section 4.8.

"*Nonrecourse Built-in Gain*" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Partners pursuant to Sections 6.2(b)(i)(A), 6.2(b)(ii)(A) and 6.2(b)(iii) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"*Nonrecourse Deductions*" means any and all items of loss, deduction or expenditures (described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

"*Nonrecourse Liability*" has the meaning set forth in Treasury Regulation Section 1.752-1(a)(2).

"Non-Voting Units" has the meaning assigned to such term in Section 5.12.

"*Notice of Election to Purchase*" has the meaning assigned to such term in Section 15.1(b) hereof.

"Offering Price" means the price at which an Affiliate Unit is purchased from the Partnership, with no sales commission or underwriting discount being charged to the Partnership.

"*Operating General Partner*" means Enterprise Products OLPGP, Inc., a Delaware corporation and wholly owned subsidiary of the MLP, and any successors and permitted assigns as the General Partner of the Operating Partnership.

"*Operating Partnership*" means Enterprise Products Operating L.P., a Delaware limited partnership, and any successors thereto.

"*Opinion of Counsel*" means a written opinion of counsel (who may be regular counsel to the Partnership or the General Partner or any of its Affiliates) acceptable to the General Partner.

"*Option Closing Date*" has the meaning assigned to such term in the Underwriting Agreement.

"*Outstanding*" means, with respect to Partnership Securities, all Partnership Securities that are issued by the Partnership and reflected as outstanding on the Partnership's books and records as of the date of determination; *provided, however*, that, with respect to Partnership Securities, if at any time any Person or Group (other than the General Partner or its Affiliates) beneficially owns 20% or more of any Outstanding Partnership Securities of any class then Outstanding, all Partnership Securities owned by such Person or Group shall not be voted on any matter and shall not be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement, except that Units so owned shall be considered to be Outstanding for purposes of Section 11.1(b)(iv) (such Units shall not, however, be treated as a separate class of Partnership Securities for purposes of this Agreement); *provided, further*, that the foregoing limitation shall not apply to (i) any Person or Group who acquired 20% or more of any Outstanding Partnership Securities of any class then Outstanding directly from the General Partner or its Affiliates, (ii) to any Person or Group who acquired 20% or more of any Outstanding Partnership Securities of any class then Outstanding directly or indirectly from a Person or Group described in clause (i) provided that the General Partner shall have notified such Person or Group in writing that such limitation shall not apply or (iii) to any Person or Group who acquired 20% or more of any Partnership Securities issued by the Partnership with the approval of the prior Board of Directors of the General Partner. In addition, Non-Voting Units shall not be voted on any matter (unless otherwise required by law) and shall not be considered to be Outstanding when sending notices of a meeting of Limited Partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under this Agreement.

"*Over-Allotment Option*" means the over-allotment option granted to the Underwriters by the Partnership pursuant to the Underwriting Agreement.

"*Partner Nonrecourse Debt*" has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

"*Partner Nonrecourse Debt Minimum Gain*" has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

"*Partner Nonrecourse Deductions*" means any and all items of loss, deduction or expenditure (including any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Partner Nonrecourse Debt.

"*Partners*" means the General Partner and the Limited Partners.

"*Partnership*" means Enterprise GP Holdings L.P., a Delaware limited partnership, and any successors thereto.

"*Partnership Interest*" means an ownership interest in the Partnership, which shall include General Partner Interests and Limited Partner Interests.

"*Partnership Minimum Gain*" means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(d).

"*Partnership Security*" means any class or series of equity interest in the Partnership (but excluding any options, rights, warrants and appreciation rights relating to any equity interest in the Partnership), including Units.

"*Partnership Unit*" means a Partnership Security that is designated as a "Partnership Unit" and shall include Units but shall not include a General Partner Interest; provided, that each Unit at any time Outstanding shall represent the same fractional part of the Partnership Interests of all Limited Partners holding Units as each other Unit.

"*Percentage Interest*" means as of the date of such determination (a) as to the General Partner, 0.01%; (b) as to any Partner holding Units, the product obtained by multiplying (i) 99.99% less the percentage applicable to clause (c) below, multiplied by the quotient obtained by dividing (A) the number of Units held by such Partner by (B) the total number of all Outstanding Units; and (c) as to the holders of additional Partnership Securities issued by the Partnership in accordance with Section 5.6, the percentage established as a part of such issuance.

"*Person*" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"*Pro Rata*" means (a) when modifying Partnership Units or any class thereof, apportioned equally among all designated Partnership Units in accordance with their relative Percentage Interests and (b) when modifying Partners or Record Holders, apportioned among all Partners or Record Holders, as the case may be, in accordance with their respective Percentage Interests.

"*Purchase Date*" means the date determined by the General Partner as the date for purchase of all Outstanding Partnership Units (other than Partnership Units owned by the General Partner and its Affiliates) pursuant to Article XV.

"*Purchased Interest*" has the meaning assigned to such term in Section 11.3(a).

"*Quarter*" means, unless the context requires otherwise, a fiscal quarter of the Partnership, or with respect to the first fiscal quarter of the Partnership after the Closing Date, the portion of such fiscal quarter after the Closing Date.

"*Recapture Income*" means any gain recognized by the Partnership (computed without regard to any adjustment required by Sections 734 or 743 of the Code) upon the disposition of any property or asset of the Partnership, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

"*Record Date*" means the date established by the General Partner for determining (a) the identity of the Record Holders entitled to notice of, or to vote at, any meeting of Limited Partners or entitled to vote by ballot or give approval of Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution or to participate in any offer.

"*Record Holder*" means the Person in whose name a Unit is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, or with respect to other Partnership Interests, the Person in whose name any such other Partnership Interest is registered on the books that the General Partner has caused to be kept as of the opening of business on such Business Day.

"*Redeemable Interests*" means any Partnership Interests for which a redemption notice has been given, and has not been withdrawn, pursuant to Section 4.10.

"*Registration Statement*" means the Registration Statement on Form S-1 (Registration No. 333-124320) as it has been or as it may be amended or supplemented from time to time, filed by the Partnership with the Commission under the Securities Act to register the offering and sale of the Units in the Initial Offering.

"*Required Allocations*" means (a) any limitation imposed on any allocation of Net Losses under Section 6.1(a) and (b) any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1(b)(i), 6.1(b)(ii), 6.1(b)(iii), 6.1(b)(v), 6.1(b)(vi) or 6.1(b)(viii).

"*Residual Gain*" or "*Residual Loss*" means any item of gain or loss, as the case may be, of the Partnership recognized for federal income tax purposes resulting from a sale, exchange or other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 6.2(b)(i)(A) or 6.2(b)(ii)(A), respectively, to eliminate Book-Tax Disparities.

"*Securities Act*" means the Securities Act of 1933, as amended, supplemented or restated from time to time, and any successor to such statute.

"*Securities Exchange Act*" means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute.

"*Special Approval*" means approval by a majority of the members of the Audit and Conflicts Committee.

"*Subsidiary*" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which

such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"*Surviving Business Entity*" has the meaning assigned to such term in Section 14.2(b).

"*Teppco MLP*" means TEPPCO Partners, L.P., a Delaware limited partnership, and any successors thereto.

"*Teppco MLP General Partner*" means Texas Eastern Products Pipeline Company, LLC, a Delaware limited liability company, and any successors thereto.

"*Trading Day*" has the meaning assigned to such term in Section 15.1(a).

"*transfer*" has the meaning assigned to such term in Section 4.4(a).

"*Transfer Agent*" means such bank, trust company or other Person (including the General Partner or one of its Affiliates) as shall be appointed from time to time by the Partnership to act as registrar and transfer agent for the Units and as may be appointed from time to time by the Partnership to act as registrar and transfer agent for any other Partnership Securities; provided that if no Transfer Agent is specifically designated for any such other Partnership Securities, the General Partner shall act in such capacity.

"*Underwriter*" means each Person named as an underwriter in Schedule 1 to the Underwriting Agreement who purchases Units pursuant thereto.

"*Underwriting Agreement*" means the Underwriting Agreement dated August 23, 2005, among the Underwriters, the Partnership and certain other parties, providing for the purchase of Units by such Underwriters.

"*Unit*" means a Partnership Security representing a fractional part of the Partnership Interests of all Limited Partners and of the General Partner (exclusive of its interest as a holder of a General Partner Interest) and having the rights and obligations specified with respect to Units in this Agreement.

"*Unit Purchase Agreement*" means the Unit Purchase Agreement dated August 23, 2005, between the Employee Partnership, the Partnership and the General Partner, providing for the purchase of Units by the Employee Partnership directly from the Partnership.

"*Unitholders*" means the holders of Partnership Units.

"*Unrealized Gain*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date (as determined under Section 5.5(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date).

"*Unrealized Loss*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.5(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 5.5(d)).

"*U.S. GAAP*" means United States generally accepted accounting principles consistently applied.

"*Withdrawal Opinion of Counsel*" has the meaning assigned to such term in Section 11.1(b).