

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report: December 17, 2002

ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS OPERATING L.P.
(Exact name of registrants as specified in their charters)

Delaware
Delaware
(State or other jurisdiction of
incorporation of organization)

1-14323
333-93239-01
(Commission
File Number)

76-0568219
76-0568220
(I.R.S. Employer
Identification No.)

2727 North Loop West, Houston, Texas
(Address of principal executive offices)

77008-1037
(Zip Code)

Registrants telephone number, including area code:
(713) 880-6500

EXPLANATORY NOTE

This report constitutes a combined report for Enterprise Products Partners L.P. (“Enterprise”) (Commission File No. 1-14323) and its 98.9899% owned subsidiary, Enterprise Products Operating L.P. (the “Operating Partnership”) (Commission File No. 333-93239-01). Since the Operating Partnership owns substantially all of Enterprise’s consolidated assets and conducts substantially all of Enterprise’s business and operations, the information set forth herein constitutes combined information for Enterprise and the Operating Partnership.

Unless the context requires otherwise, references to “we”, “us” or “our” are intended to mean the consolidated business and operations of Enterprise Products Partners L.P., which includes Enterprise Products Operating L.P. and its subsidiaries.

Item 5. OTHER EVENTS.

On December 17, 2002, Enterprise Products Partners L.P. (NYSE: “EPD”) announced that it and its General Partner, Enterprise Products GP LLC, have amended Enterprise’s partnership agreement to eliminate the General Partner’s incentive distribution right to receive 50% of total cash distributions with respect to that portion of quarterly cash distributions that exceed \$0.392 per unit. This amendment is effective immediately and no consideration was paid to the General Partner to give up this right.

Under the terms of the amendment, Enterprise has capped the General Partner’s incentive distribution rights at its current level of 25% of the total cash distributions with respect to that portion of the quarterly cash distribution to partners that exceeds \$0.3085 per unit. On November 12, 2002, Enterprise paid a distribution of \$0.345 per unit with respect to the third quarter of 2002. Prior to the amendment, the General Partner was also entitled to 50% of the total quarterly cash distributions in excess of \$0.392 per unit.

A copy of the press release announcing this amendment is attached as Exhibit 99.1 to this Current Report on Form 8-K. We have also attached the amendment to the partnership agreement as Exhibit 3.5.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial statements of businesses acquired.

Not applicable.

- (b) Pro forma unaudited financial information.

Not applicable.

- (c) Exhibits.

3.5 Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated December 17, 2002.

99.1 Press Release regarding change in General Partner’s incentive distribution rights.

99.2 Slide Presentation regarding change in General Partner’s incentive distribution rights.

Item 9. REGULATION FD DISCLOSURE

On December 17, 2002, Enterprise will host a conference call that will further discuss the aforementioned amendment to Enterprise’s partnership agreement. The call will be broadcast live over the Internet at 5:30 p.m. Eastern Time. To access the webcast, participants should visit Enterprise’s website (<http://www.epplp.com>) at least fifteen minutes prior to the start of the conference call to download and install any necessary audio software. A slide presentation describing the amendment is filed as Exhibit 99.2 to this Current Report on Form 8-K. This information is also available on our website under Investor Information, “Presentations.”

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

ENTERPRISE PRODUCTS PARTNERS L.P.
ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, the general partner of Enterprise and Operating Partnership

Date: December 17, 2002

By: /s/ Michael J. Knesek

Michael J. Knesek
Vice President, Controller, and
Principal Accounting Officer of
Enterprise Products GP, LLC

**AMENDMENT NO. 2
TO
THIRD AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
ENTERPRISE PRODUCTS PARTNERS L.P.**

This Amendment No. 2, dated as of December 17, 2002 (this "Amendment"), to the Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. (the "Partnership Agreement"), is entered into by and among Enterprise Products GP, LLC, a Delaware limited liability company, as the General Partner, and the Limited Partners as provided herein. Each capitalized term used but not otherwise defined herein shall have the meaning assigned to such term in the Partnership Agreement.

WITNESSETH:

WHEREAS, Section 13.1(d) of the Partnership Agreement provides that the General Partner, without the approval of any Partner, may amend any provision of the Partnership Agreement to reflect a change that, in the discretion of the General Partner, does not adversely affect the Limited Partners in any material respect; and

WHEREAS, the General Partner deems it in the best interest of the Partnership to effect this Amendment in order to reduce the highest level of Incentive Distributions that the General Partner is entitled to receive under the Partnership Agreement from 49.4898% to 24.2347%; and

WHEREAS, on December 17, 2002, the Board of Directors and the Executive Committee of the General Partner approved this Amendment;

NOW, THEREFORE, the Partnership Agreement is hereby amended as follows:

1. Section 6.1(c)(i) is hereby amended to read in its entirety as follows:

(i) If a Net Termination Gain is recognized (or deemed recognized pursuant to Section 5.5(d)), such Net Termination Gain shall be allocated among the Partners in the following manner (and the Capital Accounts of the Partners shall be increased by the amount so allocated in each of the following subclauses, in the order listed, before an allocation is made pursuant to the next succeeding subclause):

A. First, to each Partner having a deficit balance in its Capital Account, in the proportion that such deficit balance bears to the total deficit balances in the Capital Accounts of all Partners, until each such Partner has been allocated Net Termination Gain equal to any such deficit balance in its Capital Account;

B. Second, if prior to the conversion of the last Outstanding Class A Special Unit, the Per Unit Capital Amount with respect to a Class A Special Unit is higher or lower than the Per Unit Capital Amount with respect to each Common Unit, 99% to the Unitholders holding Common Units and Class A Special Units in the manner and amount necessary to equalize, to the maximum extent possible, the Per Unit Capital Amount with respect to each Common Unit and each Class A Special Unit, and 1% to the General Partner;

C. Third, 99% to all Unitholders holding Common Units, in proportion to their relative Percentage Interests, and 1% to the General Partner until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Capital plus (2) the Minimum Quarterly Distribution for the Quarter during which the Liquidation Date occurs, reduced by any distribution pursuant to Section 6.4(a)(i) or (b)(i) with respect to such

Common Unit for such Quarter (the amount determined pursuant to this clause (2) is hereinafter defined as the “Unpaid MQD”), plus (3) any then existing Cumulative Common Unit Arrearage;

D. Fourth, if such Net Termination Gain is recognized (or is deemed to be recognized) prior to the expiration of the Subordination Period, 99% to all Unitholders holding Subordinated Units, in proportion to their relative Percentage Interests, and 1% to the General Partner until the Capital Account in respect of each Subordinated Unit then Outstanding equals the sum of (1) its Unrecovered Capital, determined for the taxable year (or portion thereof) to which this allocation of gain relates, plus (2) the Minimum Quarterly Distribution for the Quarter during which the Liquidation Date occurs, reduced by any distribution pursuant to Section 6.4(a)(iii) with respect to such Subordinated Unit for such Quarter;

E. Fifth, 99% to all Unitholders, in accordance with their relative Percentage Interests, and 1% to the General Partner until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) its Unrecovered Capital, plus (2) the Unpaid MQD, plus (3) any then existing Cumulative Common Unit Arrearage, plus (4) the excess of (aa) the First Target Distribution less the Minimum Quarterly Distribution for each Quarter of the Partnership’s existence over (bb) the cumulative per Unit amount of any distributions of Operating Surplus that was distributed pursuant to Sections 6.4(a)(iv) and 6.4(b)(ii) (the sum of (1) plus (2) plus (3) plus (4) is hereinafter defined as the “First Liquidation Target Amount”);

F. Sixth, 85.8673% to all Unitholders, in accordance with their relative Percentage Interests, and 14.1327% to the General Partner until the Capital Account in respect of each Common Unit then Outstanding is equal to the sum of (1) the First Liquidation Target Amount, plus (2) the excess of (aa) the Second Target Distribution less the First Target Distribution for each Quarter of the Partnership’s existence over (bb) the cumulative per Unit amount of any distributions of Operating Surplus that was distributed pursuant to Sections 6.4(a)(v) and 6.4(b)(iii); and

G. Finally, any remaining amount 75.7653% to all Unitholders, in accordance with their relative Percentage Interests, and 24.2347% to the General Partner.

2. Section 6.4 is hereby amended to read in its entirety as follows:

(a) During Subordination Period. Available Cash with respect to any Quarter within the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or 6.5 shall, subject to Section 17- 607 of the Delaware Act, be distributed as follows, except as otherwise required by Section 5.6(b) in respect of additional Partnership Securities issued pursuant thereto:

(i) First, 99% to the Unitholders holding Common Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, 99% to the Unitholders holding Common Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each Common Unit then Outstanding an amount equal to the Cumulative Common Unit Arrearage existing with respect to such Quarter;

(iii) Third, 99% to the Unitholders holding Subordinated Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each Subordinated Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(iv) Fourth, 99% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(v) Fifth, 85.8673% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 14.1327% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter; and

(vi) Thereafter, 75.7653% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 24.2347% to the General Partner;

provided, however, if the Minimum Quarterly Distribution, the First Target Distribution and the Second Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.6(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(a)(vi).

(b) After Subordination Period. Available Cash with respect to any Quarter after the Subordination Period that is deemed to be Operating Surplus pursuant to the provisions of Section 6.3 or 6.5, subject to Section 17-607 of the Delaware Act, shall be distributed as follows, except as otherwise required by Section 5.6(b) in respect of additional Partnership Securities issued pursuant thereto:

(i) First, 99% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the Minimum Quarterly Distribution for such Quarter;

(ii) Second, 99% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 1% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the First Target Distribution over the Minimum Quarterly Distribution for such Quarter;

(iii) Third, 85.8673% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 14.1327% to the General Partner until there has been distributed in respect of each such Unit then Outstanding an amount equal to the excess of the Second Target Distribution over the First Target Distribution for such Quarter;

(iv) Thereafter, 75.7653% to all Unitholders holding Common Units and all Unitholders holding Subordinated Units, Pro Rata, and 24.2347% to the General Partner;

provided, however, if the Minimum Quarterly Distribution, the First Target Distribution and the Second Target Distribution have been reduced to zero pursuant to the second sentence of Section 6.6(a), the distribution of Available Cash that is deemed to be Operating Surplus with respect to any Quarter will be made solely in accordance with Section 6.4(b)(iv).

3. Section 6.6(a) is hereby amended to delete the references to the Third Target Distribution.

4. Section 6.6(b) is hereby amended to delete the reference to the Third Target Distribution.

5. Section 6.8 is hereby amended to delete the reference to the Third Target Distribution.

6. In Attachment I to the Partnership Agreement, the definitions of "Second Liquidation Target Amount" and "Third Target Distribution" are hereby deleted, and the definition of "Incentive Distributions" is hereby amended to delete the references to Section 6.4(a)(vii) and Section 6.4(b)(v).

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

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

GENERAL PARTNER:

ENTERPRISE PRODUCTS GP, LLC

By: /s/ Richard H. Bachmann

Richard H. Bachmann
Executive Vice President

LIMITED PARTNERS:

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

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

By: /s/ Richard H. Bachmann

Richard H. Bachmann
Executive Vice President

Enterprise Eliminates General Partner's 50% Incentive Rights

Houston, Texas – December 17, 2002 – Enterprise Products Partners L.P. (NYSE: “EPD”) announced that it and its general partner, Enterprise Products GP LLC, have amended Enterprise’s partnership agreement to eliminate the general partner’s incentive distribution right to receive 50% of total cash distributions with respect to that portion of quarterly cash distributions that exceed \$0.392 per unit. This amendment is effective immediately and no consideration was paid to the general partner to give up this right.

Under the terms of the amendment, Enterprise has capped the general partner’s incentive distribution rights at its current level of 25% of the total cash distributions with respect to that portion of the quarterly cash distribution to partners that exceeds \$0.3085 per unit. On November 12, 2002, Enterprise paid a distribution of \$0.345 per unit with respect to the third quarter of 2002. Prior to the amendment, the general partner was also entitled to 50% of the total quarterly cash distributions in excess of \$0.392 per unit.

“The elimination of the general partner’s 50% incentive distribution rights significantly increases the intrinsic value of our limited partner units,” said O.S. “Dub” Andras, President and Chief Executive Officer of Enterprise. “This amendment is consistent with our efforts to maximize the long-term total return of our limited partner units, including our goal of increasing the cash distribution rate on our units by at least 10% per year.”

“We believe that as our partnership continues to grow, this action will substantially increase the amount of cash available for distributions to our limited partners, for reinvestment in the growth of our partnership and for debt retirement to provide our partnership with greater financial flexibility. Eliminating the general partner’s highest level of incentive distributions reduces our cash cost of capital, which should enable us to provide our limited partners with greater economic returns on capital investments,” stated Andras.

Today, Enterprise will host a conference call that will further discuss this amendment to Enterprise’s partnership agreement. The call will be broadcast live over the Internet at 5:30 p.m. Eastern Time at <http://www.epplp.com>. To access the webcast, participants should visit the home page of the website, at least fifteen minutes prior to the start of the conference call to download and install any necessary audio software.

Enterprise Products Partners L.P. is the second largest publicly traded, midstream energy partnership with an enterprise value of approximately \$6 billion. Enterprise is a leading North American provider of midstream energy services to producers and consumers of natural gas and natural gas liquids (“NGLs”). The Company’s services include natural gas transportation, processing and storage and NGL fractionation (or separation), transportation, storage and import/export terminalling.

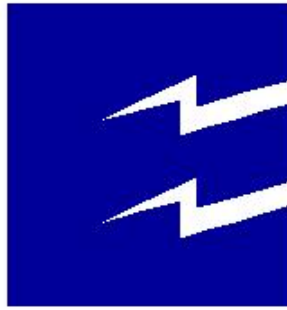
This press release contains various forward-looking statements and information that are based on the Company’s beliefs and those of its general partner, as well as assumptions made by and information currently available to the Company. When used in this press release, words such as “anticipate”, “project”, “expect”, “plan”, “goal”, “forecast”, “intend”, “could”, “believe”, “may”, and similar expressions and statements regarding the plans and objectives of the Company for future operations, are intended to identify forward-looking statements. Although the Company and its general partner believe that such expectations reflected in such forward looking statements are reasonable, neither the Company nor its general partner can give 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, the Company's actual results may vary materially from those the Company anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on the Company's results of operations and financial condition are:

- competitive practices in the industries in which the Company competes;
- fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces;
- operational and systems risks;
- environmental liabilities that are not covered by indemnity or insurance;
- the impact of current and future laws and governmental regulations (including environmental regulations) affecting the midstream energy industry in general and the Company's NGL and natural gas operations in particular;
- the loss of a significant customer;
- the use of financial instruments to hedge commodity and other risks that prove to be economically ineffective; and
- failure to complete one or more new projects on time or within budget.

The Company has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Contact: Randy Burkhalter, Investor Relations, Enterprise Products Partners L.P. (713) 880-6812, www.epplp.com



Enterprise Products Partners L.P.

Eliminating the General Partner's 50% Splits

December 17, 2002

Forward Looking Statements



- This presentation contains various forward-looking statements and information that are based on the Company's beliefs and those of its general partner, as well as assumptions made by and information currently available to the Company. When used in this press release, words such as "anticipate", "project", "expect", "plan", "goal", "forecast", "intend", "could", "believe", "may", and similar expressions and statements regarding the plans and objectives of the Company for future operations, are intended to identify forward-looking statements. Although the Company and its general partner believe that such expectations reflected in such forward looking statements are reasonable, neither the Company nor its general partner can give 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, the Company's actual results may vary materially from those the Company anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on the Company's results of operations and financial condition are:
 - competitive practices in the industries in which the Company competes;
 - fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces;
 - operational and systems risks;
 - environmental liabilities that are not covered by indemnity or insurance;
 - the impact of current and future laws and governmental regulations (including environmental regulations) affecting the midstream energy industry in general and the Company's NGL and natural gas operations in particular;
 - the loss of a significant customer;
 - the use of financial instruments to hedge commodity and other risks that prove to be economically ineffective; and failure to complete one or more new projects on time or within budget.
- The Company has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Summary



- EPD's partnership agreement has been amended to eliminate the GP's 50% incentive distribution rights
- No consideration was paid to the GP to give up its 50% incentive distribution rights
- Amendment is effective immediately
- Transfers significant intrinsic value from the GP to the Limited Partners

Significance of Eliminating 50% Splits



- As EPD's annual LP distribution rate grows beyond \$1.568 per unit, this action will substantially increase the amount of cash available to
 - Increase the cash distribution rate to limited partners,
 - Reinvest in capital projects and acquisitions to grow the partnership, and
 - Retire debt to provide greater financial flexibility
- Lowers EPD's cost of capital, which will make new investments significantly more accretive to LP units in terms of cash flow per unit
- Enhances prospects of future LP distribution growth
 - GP's 50% splits make it difficult to sustain 10% cash distribution growth rate over the long-term

Comparison of Old & New GP Splits



Tier	Old Splits			New Splits		
	LP %	GP %	Up to	LP %	GP %	Up to
2% Tier	98%	2%	\$ 1.012	98%	2%	\$ 1.012
15% Tier	85%	15%	\$ 1.234	85%	15%	\$ 1.234
25% Tier	75%	25%	\$ 1.568	75%	25%	\$ -
50% Tier	50%	50%				

The distributions to the general partner shown above in excess of its aggregate 2% general partner interest represent the Incentive Distributions. Cash distribution rates are annualized.

Illustration of Free Cash Flow Generated from Eliminating 50% GP Splits



\$000s	Current Rate						
Assumed Units Outstanding (Millions)	184.7	184.7	184.7	184.7	184.7	184.7	184.7
LP Distribution Rate →	\$ 1.38	\$ 1.568	\$ 1.75	\$ 2.00	\$ 2.50	\$ 3.00	
<u>Old Splits:</u>							
LP Distributions	\$ 255	\$ 290	\$ 323	\$ 369	\$ 462	\$ 554	
GP Distributions	20	32	65	111	204	296	
Cash Required for Distribution	\$ 275	\$ 322	\$ 388	\$ 480	\$ 666	\$ 850	
<u>New Splits:</u>							
LP Distributions	\$ 255	\$ 290	\$ 323	\$ 369	\$ 462	\$ 554	
GP Distributions	20	32	43	58	89	120	
Cash Required for Distribution	\$ 275	\$ 322	\$ 366	\$ 427	\$ 551	\$ 674	
⁽¹⁾ Free Cash from New GP Splits	\$ -	\$ -	\$ 22	\$ 53	\$ 115	\$ 176	

⁽¹⁾ Free cash flow resulting from new GP splits is available to increase the cash distribution rate to LPs, reinvest in capital projects to grow the partnership and to retire debt for greater financial flexibility.

Lower Cost of Capital = Greater Cash Accretion to LP Units from Investment



Hypothetical Investment \$Millions	Fully Diluted Cash Accretion per EPD Unit ⁽¹⁾⁽²⁾					
	7.0x Multiple			8.0x Multiple		
	Old Splits	New Splits	% Increase	Old Splits	New Splits	% Increase
\$ 1,500	\$ 0.189	\$ 0.324	72%	\$ 0.130	\$ 0.234	80%
\$ 1,250	\$ 0.163	\$ 0.285	76%	\$ 0.112	\$ 0.207	86%
\$ 1,000	\$ 0.134	\$ 0.244	81%	\$ 0.093	\$ 0.179	94%
\$ 750	\$ 0.104	\$ 0.199	91%	\$ 0.072	\$ 0.149	107%
\$ 500	\$ 0.072	\$ 0.150	109%	\$ 0.050	\$ 0.116	133%

⁽¹⁾ Assumes investment financed 50% debt / 50% equity, a pre-tax debt cost of 7.0%, a \$1.568 annual distribution rate, an EPD unit price of \$18.00 and 184.7 million EPD limited partner units outstanding. For "New Splits," assumes \$100 million of retained operating cash flow is available to fund a portion of the investment funded by equity.

⁽²⁾ Illustration of cash accretion per LP unit based on various forward-looking assumption, hypothetical assumptions. While EPD believes that these assumptions are reasonable, it can give no assurance that such results will materialize. See risk factors in SEC filings for further discussion.

Effect of Eliminating GP Splits

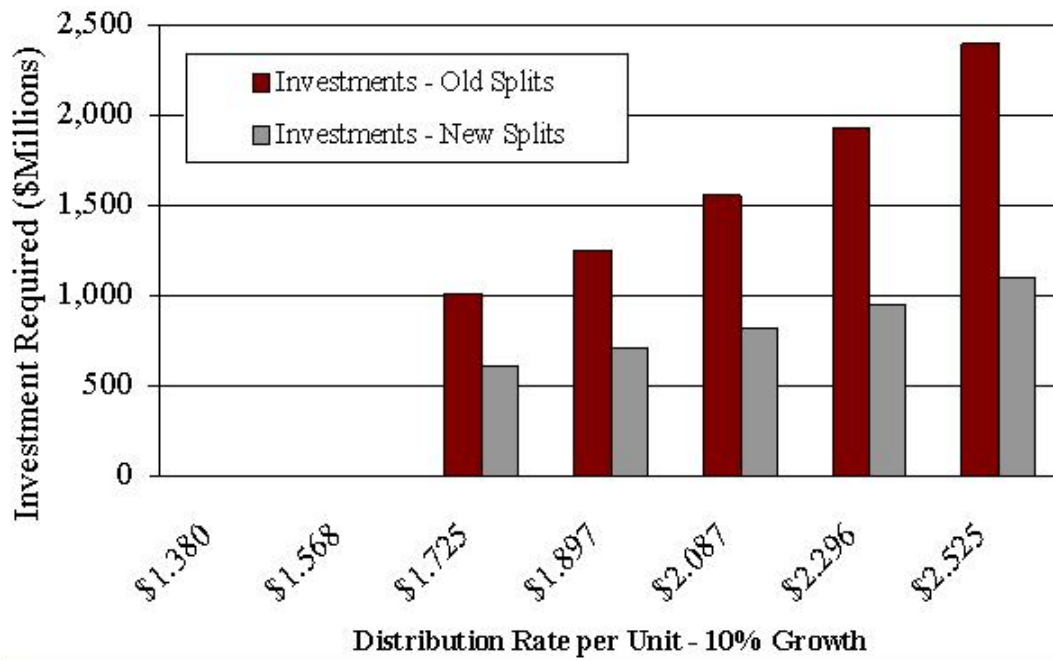
Case Study



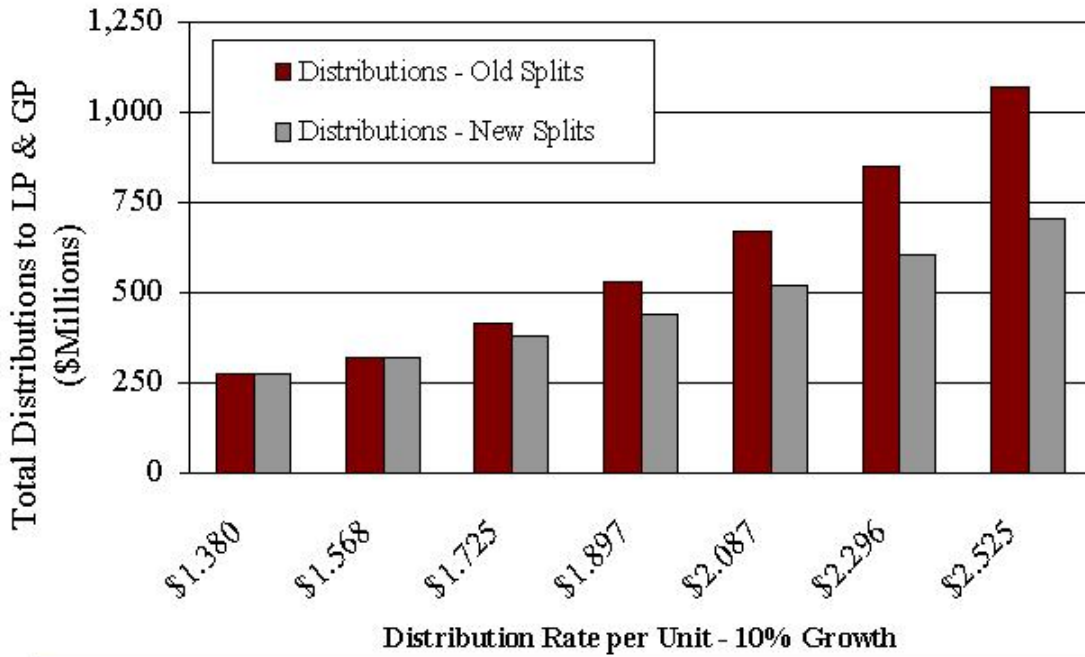
- Base Assumptions
 - Case Study begins with cash distribution rate of \$1.568, the threshold for GP's 50% splits
 - Assumes all growth comes from capital investment (for illustration purposes only)
 - Assumes 15% cash return on investment
 - Pre-Tax cost of debt is 7.0%
 - 20% of total partnership cash is retained in the partnership for reinvestment
 - All investment funded with 50% debt and 50% from combination of new equity and reinvested cash flow
 - Yield of 7.0% for EPD units and 4.25% underwriting discount
- Conclusion – Enhances prospects of future LP distribution growth

Investment Required to Grow LP

Distribution Rate 10% per Year



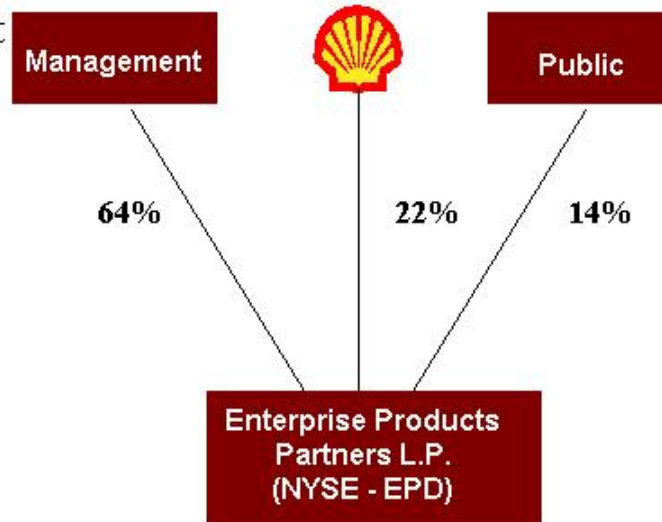
Total Distributions Required to Grow LP Distribution Rate 10%/Year



Unique Ownership Structure



- Largest % ownership of LP units by Management & GP in the energy industry



- GP owns 86% of LP units. Focused on long-term total return of LP units

GP's Focus on Total Return of LP Units



- September 1999, Management contributed 30% of EPD's GP to Shell Oil Company for nominal value to complete the acquisition of Shell's midstream business and enhance the value of LP units
- From 3Q1999 through 3Q2002, EPD has retained \$294 million of cash to reinvest in the growth of the partnership and to provide financial flexibility
- Currently, GP owns 86% of LP units
- Today, GP gave up its 50% incentive distribution rights for no consideration, shifting value to the LP units and further enhancing the growth prospects for LP units