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

OR

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

FOR THE QUARTER ENDED SEPTEMBER 30, 1998

COMMISSION FILE NO. 1-10403

TEPPCO PARTNERS, L.P.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	76-0291058
(STATE OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

COMMISSION FILE NO. 1-13603

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	76-0329620
(STATE OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

2929 ALLEN PARKWAY
P.O. BOX 2521
HOUSTON, TEXAS 77252-2521
(ADDRESS of PRINCIPAL EXECUTIVE OFFICES, INCLUDING ZIP CODE)

(713) 759-3636
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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 X No

PRELIMINARY NOTE

TEPPCO Partners, L.P. (the "Parent Partnership") is a holding company that owns all of its assets and conducts all of its business through TE Products Pipeline Company, Limited Partnership (the "Operating Partnership"), and TEPPCO Colorado, LLC ("TEPPCO Colorado"), which is a wholly-owned subsidiary of the Operating Partnership. The Operating Partnership is owned 99% by the Parent Partnership and 1% by Texas Eastern Products Pipeline Company, which serves as general partner of the Parent Partnership and the Operating Partnership. No separate financial information for the Operating Partnership has been provided or incorporated by reference in this report because: (i) the Parent Partnership does not itself conduct any operations but rather all operations of the Parent Partnership and its subsidiaries are conducted by the Operating Partnership and its subsidiary; (ii) the Parent Partnership has no material assets other than its ownership interest in the Operating Partnership; and (iii) all of the assets and liabilities shown in the consolidated financial statements for the Parent Partnership are located at the Operating Partnership and TEPPCO Colorado. Collectively, the Parent Partnership, the Operating Partnership and TEPPCO Colorado are referred to as "the Partnership."

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TEPPCO PARTNERS, L.P.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	SEPTEMBER 30, 1998 (UNAUDITED)	DECEMBER 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 32,118	$ 43,961
Short-term investments	840	2,105
Accounts receivable, trade	16,038	19,826
Inventories	21,889	21,094
Other	2,355	4,173
Total current assets	73,240	91,159
Property, plant and equipment, at cost (Net of accumulated depreciation and amortization of $187,513 and $170,063)	566,264	567,681
Investments	9,171	10,010
Intangible assets	37,383	--
Other assets	5,623	5,059
Total assets	$ 691,681	$ 673,909
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Current maturities, First Mortgage Notes	$ --	$ 17,000
Accounts payable and accrued liabilities	7,536	9,615
Accounts payable, general partner	3,457	3,735
Accrued interest	6,194	10,539
Other accrued taxes	6,439	6,246
Other	7,822	6,740
Total current liabilities	31,448	53,875
First Mortgage Notes	--	309,512
Senior Notes	389,714	--
Other long-term debt	38,000	--
Other liabilities and deferred credits	3,407	4,462
Minority interest	2,317	3,093
Partners' capital:		
General partner's interest	(1,433)	5,760
Limited partners' interests	228,228	297,207
Total partners' capital	226,795	302,967
Total liabilities and partners' capital	$ 691,681	$ 673,909

See accompanying Notes to Consolidated Financial Statements.

TEPPCO PARTNERS, L.P.

CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

	THREE MONTHS ENDED SEPTEMBER 30, 1998	THREE MONTHS ENDED SEPTEMBER 30, 1997	NINE MONTHS ENDED SEPTEMBER 30, 1998	NINE MONTHS ENDED SEPTEMBER 30, 1997
Operating revenues:				
Transportation - Refined products	$ 35,316	$ 28,359	$ 90,533	$ 81,020
Transportation - LPGs	10,625	14,843	42,202	52,587
Mont Belvieu operations	2,848	3,765	7,936	9,385
Other	5,440	6,338	15,323	18,387
Total operating revenues	54,229	53,305	155,994	161,379
Costs and expenses:				
Operating, general and administrative	18,366	16,807	51,182	48,697
Operating fuel and power	7,550	8,723	20,315	22,853
Depreciation and amortization	6,651	6,039	19,356	17,740
Taxes - other than income taxes	1,940	2,299	6,976	7,191
Total costs and expenses	34,507	33,868	97,829	96,481
Operating income	19,722	19,437	58,165	64,898
Interest expense	(7,550)	(8,368)	(22,227)	(25,339)
Interest capitalized	121	214	638	1,186
Other income - net	571	277	2,251	2,051
Income before minority interest and extraordinary loss on debt extinguishment	12,864	11,560	38,827	42,796
Minority interest	(130)	(116)	(392)	(432)
Income before extraordinary loss on debt extinguishment	12,734	11,444	38,435	42,364
Extraordinary loss on debt extinguishment, net of minority interest	--	--	(72,767)	--
Net income (loss)	$ 12,734	$ 11,444	$ (34,332)	$ 42,364
Basic income (loss) per Limited Partner Unit:				
Income before extraordinary loss	$ 0.39	$ 0.36	$ 1.19	$ 1.35
Extraordinary loss	--	--	(2.26)	--
Net income (loss)	$ 0.39	$ 0.36	$ (1.07)	$ 1.35
Diluted income (loss) per Limited Partner Unit:				
Income before extraordinary loss	$ 0.39	$ 0.36	$ 1.19	$ 1.35
Extraordinary loss	--	--	(2.26)	--
Net income (loss)	$ 0.39	$ 0.36	$ (1.07)	$ 1.35

See accompanying Notes to Consolidated Financial Statements.

TEPPCO PARTNERS, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30, 1998	NINE MONTHS ENDED SEPTEMBER 30, 1997
Cash flows from operating activities:		
Net income (loss)	$ (34,332)	$ 42,364
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	19,356	17,740
Extraordinary loss on early extinguishment of debt, not of minority interest	72,767	--
Loss (gain) on sale of property, plant and equipment	(356)	467
Equity in loss of affiliate	182	--
Decrease in accounts receivable, trade	3,788	2,845
Increase in inventories	(795)	(75)
Decrease (increase) in other current assets	1,818	(2,449)
Decrease in accounts payable and accrued expenses	(5,427)	(9,112)
Other	(1,615)	(736)
Net cash provided by operating activities	55,386	51,044
Cash flows from investing activities:		
Proceeds from investments	2,105	17,970
Purchases of investments	--	(3,906)
Insurance proceeds related to damaged asset	--	1,046
Purchase of fractionator assets and related intangible assets	(40,000)	--
Proceeds from the sale of property, plant and equipment	525	1,377
Capital expenditures	(15,200)	(24,549)
Net cash used in investing activities	(52,570)	(8,062)
Cash flows from financing activities:		
Principal payment, First Mortgage Notes	(326,512)	(13,000)
Prepayment premium, First Mortgage Notes	(70,093)	--
Issuance of Senior Notes	389,694	--
Debt issuance costs, Senior Notes	(3,651)	--
Proceeds from term-loan	38,000	--
Distributions	(42,097)	(36,298)
Net cash used in financing activities	(14,659)	(49,298)
Net decrease in cash and cash equivalents	(11,843)	(6,316)
Cash and cash equivalents at beginning of period	43,961	34,047
Cash and cash equivalents at end of period	$ 32,118	$ 27,731
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:		
Interest paid during the period (net of capitalized interest)	$ 26,210	$ 32,376

See accompanying Notes to Consolidated Financial Statements.

TEPPCO PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

TEPPCO Partners, L.P. (the "Parent Partnership") is a Delaware limited partnership which operates through TE Products Pipeline Company, Limited Partnership (the "Operating Partnership"), a Delaware limited partnership, in which TEPPCO Partners, L.P. holds a 99% interest as the sole limited partner. TEPPCO Colorado, LLC ("TEPPCO Colorado"), a Delaware limited liability company, is a wholly-owned subsidiary of the Operating Partnership. Texas Eastern Products Pipeline Company (the "Company"), an indirect wholly-owned subsidiary of Duke Energy Corporation ("Duke Energy"), owns a 1% general partner interest in both the Parent Partnership and the Operating Partnership. Collectively, the Parent Partnership, the Operating Partnership and TEPPCO Colorado are referred to as "the Partnership." The Company's 1% general partner interest in the Operating Partnership, is accounted for as a minority interest. The Company executed an Amended and Restated Agreement of Limited Partnership of both the Parent Partnership and the Operating Partnership, effective July 21, 1998 (the "Restated Partnership Agreements"). The Restated Partnership Agreements eliminate or update obsolete provisions of the prior partnership agreements and make certain other changes, none of which adversely affect any Unitholder of the Partnership.

The accompanying unaudited consolidated financial statements reflect all adjustments, which are, in the opinion of management, of a normal and recurring nature and necessary for a fair statement of the financial position of the Partnership as of September 30, 1998, and the results of operations and cash flows for the periods presented. The results of operations for the nine months ended September 30, 1998, are not necessarily indicative of results of operations for the full year 1998. The interim financial statements should be read in conjunction with the Partnership's consolidated financial statements and notes thereto presented in the TEPPCO Partners, L.P. Annual Report on Form 10-K for the year ended December 31, 1997. Certain amounts from the prior year have been reclassified to conform to current presentation.

On July 21, 1998, the Partnership announced a two-for-one split of the Parent Partnership's outstanding Units. The Unit split entitled Unitholders of record at the close of business on August 10, 1998 to receive one additional Unit for each Unit held. All references to the number of Units and per Unit amounts in the consolidated financial statements and related notes have been restated to reflect the two-for-one split for all periods presented.

Basic net income per Limited Partner Unit is computed by dividing net income, after deduction of the general partner's interest, by the weighted average number of Limited Partner Units outstanding (a total of 29,000,000 Units as of September 30, 1998, including the effect of the two-for-one split noted above). The general partner's percentage interest in net income is based on its percentage of cash distributions from Available Cash for each Period (see Note 7. Cash Distributions). The general partner was allocated $3.2 million (9.38%) of the net loss for the nine months ended September 30, 1998, and $3.3 million (7.73%) of the net income for the nine months ended September 30, 1997.

Diluted net income per Limited Partner Unit is similar to the computation of basic net income per Limited Partner Unit above, except that the denominator was increased to include the dilutive effect of outstanding Unit options by application of the treasury stock method. For the quarters ended September 30, 1998 and 1997, the denominator was increased by 41,884 Units and 37,700 Units, respectively. For the nine months ended September 30, 1998 and 1997, the denominator was increased by 46,468 Units and 33,872 Units, respectively.

TEPPCO PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -(CONTINUED)
(UNAUDITED)

NOTE 2. ACCOUNTING POLICY CHANGES

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting and display of comprehensive income and its components in a full set of financial statements. The Partnership adopted SFAS No. 130 during the first quarter of 1998 without impact on its financial condition or results of operations.

In June 1997, the FASB also issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." This statement establishes standards for reporting information about operating segments in annual financial statements and requires that enterprises report selected information about operating segments in interim reports. The Partnership will adopt this standard during the fourth quarter of 1998. As SFAS No. 131 establishes standards for reporting and display, the Partnership does not expect the adoption of this statement to have a material impact on its financial condition or results of operations.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes standards for and disclosures of derivative instruments and hedging activities. This statement is effective for fiscal years beginning after June 15, 1999. The Partnership does not expect the adoption of this statement to have a material impact on its financial condition or results of operations.

NOTE 3. RELATED PARTY TRANSACTIONS

As of March 31, 1998, TEPPCO Colorado purchased two fractionation facilities located in Weld County, Colorado, from Duke Energy Field Services, Inc. ("DEFS"), a wholly-owned subsidiary of Duke Energy. TEPPCO Colorado and DEFS entered into a twenty year fractionation agreement ("Fractionation Agreement"), whereby TEPPCO Colorado will receive a variable fee for all fractionated volumes delivered to DEFS. The purchase price of these transactions was $40 million. Intangible assets include $38 million of value assigned to the Fractionation Agreement, which will be amortized on a straight-line method over the term of the Fractionation Agreement. The remaining purchase price of $2.0 million was allocated to the fractionator facilities purchased. TEPPCO Colorado and DEFS also entered into an Operations and Management Agreement whereby DEFS will operate and maintain the fractionation facilities. TEPPCO Colorado pays DEFS a set volumetric rate for all fractionated volumes delivered to DEFS.

NOTE 4. INVESTMENTS

SHORT-TERM INVESTMENTS

The Partnership routinely invests cash in liquid short-term investments as part of its cash management program. Investments with maturities at date of purchase of 90 days or less are considered cash equivalents. At September 30, 1998, short-term investments included $0.8 million of investment-grade corporate notes, which mature within one year. All short-term investments are classified as held-to-maturity securities and are stated at amortized cost. The aggregate fair value of such securities approximates amortized cost at September 30, 1998.

LONG-TERM INVESTMENTS

At September 30, 1998, the Partnership had $9.2 million invested in investment-grade corporate notes, which have varying maturities from 1999 through 2002. These securities are classified as held-to-maturity

securities and are stated at amortized cost. At September 30, 1998, the aggregate fair value and unrealized gain for these securities was $9.3 million and $0.1 million, respectively. Such investments as of September 30, 1998, included a $0.9 million investment in corporate notes of Duke Power Company, an affiliate of the Company.

NOTE 5. INVENTORIES

Inventories are carried at the lower of cost (based on weighted average cost method) or market. The major components of inventories were as follows (in thousands):

	SEPTEMBER 30, 1998	DECEMBER 31, 1997
Gasolines	$ 2,123	$ 3,779
Propane	6,745	6,872
Butanes	4,872	3,152
Fuel oils	825	82
Other products	3,801	3,099
Materials and supplies	3,523	4,110
Total	$ 21,889	$ 21,094

The costs of inventories were lower than market at September 30, 1998, and December 31, 1997.

NOTE 6. LONG TERM DEBT

SENIOR NOTES

On January 27, 1998, the Operating Partnership completed the issuance of $180 million principal amount of 6.45% Senior Notes due 2008, and $210 million principal amount of 7.51% Senior Notes due 2028 (collectively the "Senior Notes"). The 6.45% Senior Notes due 2008 are not subject to redemption prior to January 15, 2008. The 7.51% Senior Notes due 2028 may be redeemed at any time after January 15, 2008, at the option of the Operating Partnership, in whole or in part, at a premium. Net proceeds from the issuance of the Senior Notes totaled approximately $386 million and was used to repay in full the $61.0 million principal amount of the 9.60% Series A First Mortgage Notes, due 2000, and the $265.5 million principal amount 10.20% Series B First Mortgage Notes, due 2010. The premium for the early redemption of the First Mortgage Notes totaled $70.1 million. The Partnership recorded an extraordinary charge of $73.5 million during the first quarter of 1998 (including $0.7 million allocated to minority interest), which represents the redemption premium of $70.1 million and unamortized debt issue costs related to the First Mortgage Notes of $3.4 million.

The Senior Notes do not have sinking fund requirements. Interest on the Senior Notes is payable semiannually in arrears on January 15 and July 15 of each year. The Senior Notes are unsecured obligations of the Operating Partnership and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Operating Partnership. The indenture governing the Senior Notes contains covenants, including, but not limited to, covenants limiting (i) the creation of liens securing indebtedness and (ii) sale and leaseback transactions. However, the indenture does not limit the Partnership's ability to incur additional indebtedness.

OTHER LONG TERM DEBT

In connection with the purchase of the fractionation assets from DEFS as of March 31, 1998, TEPPCO Colorado received a $38 million bank loan from SunTrust Bank. Proceeds from the loan were received on April 21,

TEPPCO PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -(CONTINUED)
(UNAUDITED)

1998. TEPPCO Colorado paid interest to DEFS at a per annum rate of 5.75% on the amount of the total purchase price outstanding for the period from March 31, 1998 until April 21, 1998. The SunTrust loan bears interest at a rate of 6.53%, which is payable quarterly beginning in July 1998. The principal balance of the loan is payable in full on April 21, 2001. The Operating Partnership is guarantor on the loan.

NOTE 7. CASH DISTRIBUTIONS

The Partnership makes quarterly cash distributions of all of its Available Cash, generally defined as consolidated cash receipts less consolidated cash disbursements and cash reserves established by the general partner in its sole discretion.

On August 7, 1998, the Partnership paid the second quarter cash distribution of $0.45 per Unit (adjusted for the two-for-one Unit split discussed in Note 1) to Unitholders of record on July 31, 1998. Additionally, on October 16, 1998, the Partnership declared a cash distribution of $0.45 per Unit (adjusted for the two-for-one Unit split discussed in Note 1) for the quarter ended September 30, 1998. The third quarter distribution was paid on November 6, 1998, to Unitholders of record on October 30, 1998.

The Company receives incremental incentive distributions of 15%, 25% and 50% on quarterly distributions of Available Cash that exceed $0.275, $0.325 and $0.45 per Unit, respectively (adjusted for the two-for-one Unit split discussed in Note 1). During the nine months ended September 30, 1998 and 1997, incentive distributions paid to the Company totaled $3.6 million and $2.3 million, respectively.

NOTE 8. COMMITMENTS AND CONTINGENCIES

The Partnership is involved in various claims and legal proceedings incidental to its business. In the opinion of management, these claims and legal proceedings will not have a material adverse effect on the Partnership's consolidated financial position or results of operations.

The operations of the Partnership are subject to federal, state and local laws and regulations relating to protection of the environment. Although the Partnership believes the operations of the pipeline system are in material compliance with applicable environmental regulations, risks of significant costs and liabilities are inherent in pipeline operations, and there can be no assurance that significant costs and liabilities will not be incurred. Moreover, it is possible that other developments, such as increasingly strict environmental laws and regulations and enforcement policies thereunder, and claims for damages to property or persons resulting from the operations of the pipeline system, could result in substantial costs and liabilities to the Partnership. The Partnership does not anticipate that changes in environmental laws and regulations will have a material adverse effect on its financial position, operations or cash flows in the near term.

The Partnership and the Indiana Department of Environmental Management ("IDEM") have entered into an Agreed Order that will ultimately result in a remediation program for any on-site and off-site groundwater contamination attributable to the Partnership's operations at the Seymour, Indiana, terminal. The Partnership is currently negotiating with IDEM the clean-up levels to be attained at the Seymour terminal. The Partnership estimates that the costs of the remediation program to be proposed by the Partnership for the Seymour terminal will not exceed the amount accrued therefore (approximately $1.0 million at September 30, 1998). In the opinion of the Company, the completion of the remediation program to be proposed by the Partnership, if such program is approved by IDEM, will not have a material adverse impact on the Partnership's financial condition, results of operations or liquidity.

In 1997, the Company initiated a program to prepare the Partnership's process controls and business computer systems for the "Year 2000" issue. Process controls are the automated equipment including hardware and software systems which run operational activities. Business computer systems are the computer hardware and software used by the Partnership. The Partnership is utilizing both internal and external resources to identify, test, remediate or replace all non-compliant computerized systems and applications. The Company continues to evaluate appropriate courses of corrective action, including replacement of certain systems whose associated costs would be recorded as assets and amortized. The Company estimates that the amounts required to address the Year 2000 issue during 1998 and 1999 will range between approximately $5.0 million and $6.0 million. A portion of such costs would have been incurred as part of normal system and application upgrades. In certain cases, the timing of expenditures has been accelerated due to the Year 2000 issue. Although the Company believes this estimate to be reasonable, due to the complexities of the Year 2000 issue, there can be no assurance that the actual costs to address the Year 2000 issue will not be significantly greater.

The Partnership has adopted a three-phase Year 2000 program consisting of: Phase I - Preliminary Assessment; Phase II - Detailed Assessment and Remediation Planning; and Phase III - Remediation Activities and Testing. The Partnership has completed Phase I; Phase II is nearing completion; and Phase III is ongoing. Remediation activities and testing for systems deemed most critical are scheduled to be completed by mid-1999, with testing of all process controls and business computer systems completed during the third quarter of 1999.

With respect to its third-party relationships, the Partnership has contacted its suppliers and service providers to assess their state of Year 2000 readiness. This process is effectively complete; however, information continues to be updated regularly, thus the Partnership anticipates receiving additional information in the near future that will assist in determining the extent to which the Partnership may be vulnerable to those third parties' failure to remediate their Year 2000 issues. However, there can be no assurance that the systems of other companies, on which the Partnership's systems rely, will be timely converted, or converted in a manner that is compatible with the Partnership's systems, or that any such failures by other companies would not have a material adverse effect on the Partnership.

Despite the Partnership's efforts to address and remediate its Year 2000 issue, there can be no assurance that all process controls and business computer systems will continue without interruption through January 1, 2000 and beyond. The complexity of identifying and testing all embedded microprocessors that are installed in hardware throughout the pipeline system used for process or flow control, transportation, security, communication and other systems may result in unforeseen operational failures. Although the amount of potential liability and lost revenue cannot be estimated, failures that result in substantial disruptions of business activities could have a material adverse effect on the Partnership. In order to mitigate potential disruptions, the Partnership intends to develop contingency plans for its critical systems, processes and external relationships.

Substantially all of the petroleum products transported and stored by the Partnership are owned by the Partnership's customers. At September 30, 1998, the Partnership had approximately 18.6 million barrels of products in its custody owned by customers. The Partnership is obligated for the transportation, storage and delivery of such products on behalf of its customers. The Partnership maintains insurance it believes to be adequate to cover product losses through circumstances beyond its control.

NOTE 9. SUBSEQUENT EVENTS

On October 16, 1998, the Partnership announced an agreement to acquire substantially all of the assets of Duke Energy Transport and Trading Company ("DETTCO") from Duke Energy. The transaction is expected to close by December 1, 1998, subject to regulatory approval. In consideration for such assets, Duke Energy will

TEPPCO PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
(UNAUDITED)

receive Class B Limited Partnership Units ("Class B Units"). The Class B Units will be substantially identical to the 29,000,000 Limited Partner Units currently outstanding, but they will not be listed on the New York Stock Exchange. The Class B Units will be convertible into Limited Partner Units upon approval by the Limited Partner Unitholders. If conversion is not approved within approximately sixteen months, the holder of the Class B Units will have the right to sell them to the Partnership at 95.5% of the market price of the Limited Partner Units.

DETTCO, based in Oklahoma City, gathers, stores, transports and markets crude oil principally in Oklahoma and Texas; operates two trunkline natural gas liquids ("NGL") pipelines in South Texas; and distributes lube oil to industrial and commercial accounts through its wholly-owned subsidiary, Lubrication Services, Inc. DETTCO's crude oil gathering, transportation and storage assets include two major systems and various smaller systems. The Red River System, located on the Texas-Oklahoma border, is the larger system, with 960 miles of pipeline and 750,000 barrels of storage. The majority of crude oil is delivered to Cushing, Oklahoma via connecting pipelines, or to two local refineries. The South Texas System, located west of Houston, consists of 550 miles of pipeline and 550,000 barrels of storage. The majority of the crude oil on this system is delivered on a tariff basis to the Houston refining complex. Other crude oil assets, located primarily in Texas and Louisiana, consist of 310 miles of pipeline and 240,000 barrels of storage. The NGL pipelines are located along the Texas Gulf Coast. The Dean NGL Pipeline consists of 338 miles of pipeline originating in South Texas and terminating at Mont Belvieu, Texas, and has a capacity of 20,000 barrels per day. The Dean NGL Pipeline is currently supported by a 17,000 barrel per day take-or-pay commitment through 2002. The Wilcox NGL Pipeline is 90 miles long, has a capacity of 5,000 barrels per day and currently transports third party volumes at contract rates.

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

The Partnership's operations consist primarily of the transportation, storage and terminaling of petroleum products. Operations are somewhat seasonal with higher revenues generally realized during the first and fourth quarters of each year. Refined products volumes are generally higher during the second and third quarters because of greater demand for gasolines during the spring and summer driving seasons. LPGs volumes are generally higher from November through March due to higher demand in the Northeast for propane, a major fuel for residential heating.

The Partnership's revenues are derived primarily from the transportation of refined products and LPGs, the storage and short-haul shuttle transportation of LPGs at the Mont Belvieu, Texas, complex, sale of product inventory and other ancillary services. Labor and electric power costs comprise the two largest operating expense items of the Partnership. Effective March 31, 1998, the Partnership's operations included the fractionation of natural gas liquids (see Note 3 - Related Party Transactions in Item 1).

The following information is provided to facilitate increased understanding of the 1998 and 1997 interim consolidated financial statements and accompanying notes presented in Item 1. Material period-to-period variances in the consolidated statements of income are discussed under "Results of Operations." The "Financial Condition and Liquidity" section analyzes cash flows and financial position. Discussion included in "Other Matters" addresses key trends, future plans and contingencies. Throughout these discussions, management addresses items that are reasonably likely to materially affect future liquidity or earnings.

RESULTS OF OPERATIONS

Net income for the quarter ended September 30, 1998 was $12.7 million, compared with net income of $11.4 million for the 1997 third quarter. The increase in net income resulted primarily from a $0.9 million increase in operating revenues and a $0.8 million decrease in interest expense. These increases in net income were partially offset by a $0.6 million increase in costs and expenses.

For the nine months ended September 30, 1998, the Partnership reported a net loss of $34.3 million. The net loss included an extraordinary loss for early extinguishment of debt of $72.8 million, net of $0.7 million allocated to minority interest. Excluding the extraordinary loss, net income would have been $38.4 million for the first nine months of 1998, compared with net income of $42.4 million for the corresponding period in 1997. The $4.0 million decrease in income before loss on debt extinguishment resulted primarily from a $5.4 million decrease in operating revenues, a $1.3 million increase in costs and expenses and a $0.5 million decrease in capitalized interest. These variances were partially offset by a $3.1 million decrease in interest expense. See discussion below of factors affecting net income for the comparative periods.

See volume and average tariff information below:

	QUARTER ENDED SEPTEMBER 30,		PERCENTAGE INCREASE (DECREASE)	NINE MONTHS ENDED SEPTEMBER 30,		PERCENTAGE INCREASE (DECREASE)
	1998	1997		1998	1997	
VOLUMES DELIVERED (in thousands of barrels)						
Refined products	37,103	31,226	19%	96,797	90,820	7%
LPGs	6,845	9,041	(24%)	22,656	29,052	(22%)
Mont Belvieu operations	6,890	7,782	(11%)	18,352	20,601	(11%)
Total	50,838	48,049	6%	137,805	140,473	(2%)
AVERAGE TARIFF PER BARREL						
Refined products	$ 0.95	$ 0.91	4%	$ 0.94	$ 0.89	6%
LPGs	1.55	1.64	(5%)	1.86	1.81	3%
Mont Belvieu operations	0.14	0.14	--	0.15	0.14	7%
Average system tariff	$ 0.92	$ 0.92	--	$ 0.98	$ 0.97	1%

RESULTS OF OPERATIONS - (CONTINUED)

Refined products transportation revenues increased $7.0 million for the quarter ended September 30, 1998, compared with the prior-year quarter, as a result of a 19% increase in volumes delivered and a 4% increase in the refined products average tariff per barrel. The increase in the volumes delivered resulted from favorable price differentials of motor fuel, distillate, jet fuel and natural gasoline in Midwest market areas served by the Partnership. The increase in the refined products average tariff per barrel reflects (i) an increase in the percentage of long-haul deliveries, (ii) higher tariff rates on barrels originating from the pipeline connection with Colonial Pipeline Company's ("Colonial") pipeline at Beaumont, Texas, and (iii) $0.6 million of revenue recognized in September 1998 related to a contract settlement and deficit transportation deferred in prior periods.

LPGs transportation revenues decreased $4.2 million for the quarter ended September 30, 1998, compared with the third quarter of 1997, due to a 24% decrease in volumes delivered and a 5% decrease in the LPGs average tariff per barrel. The decrease was comprised of a $3.9 million decrease in propane revenue and a $0.3 million decrease in butane revenue. The decrease in propane revenue was primarily due to greater amounts of Canadian supply being imported into the Partnership's Midwest and Northeast market areas as well as lower demand from a Midwest petrochemical facility served by the Partnership. The decrease in butane revenue was attributable to lower feed stock demand from Philadelphia area refineries. The decrease in the LPGs average tariff per barrel resulted from the decreased percentage of long-haul deliveries.

For the nine months ended September 30, 1998, refined products transportation revenues increased $9.5 million, compared with the corresponding period in 1997, due to a 7% increase in volumes delivered and a 6% increase in the refined products average tariff per barrel. The increase in volumes delivered was due to favorable Midwest price differentials for motor fuel, distillate, jet fuel and natural gasoline. Additionally, the full-period impact of increased delivery capacity from the expansion of the Ark-La-Tex system between Shreveport, Louisiana, and El Dorado, Arkansas, which was placed in service on March 31, 1997, and increased origin capability from the completion of the connection with Colonial's pipeline on May 1, 1997 contributed to the increase. The increase in the refined products average tariff per barrel reflects new tariff structures for volumes transported on the expanded portion of the Ark-La-Tex system, barrels originating from the pipeline connection with Colonial's pipeline and tariff rate increases on selective refined products tariffs, averaging 1.7%, effective July 1, 1997.

LPGs transportation revenues decreased $10.4 million during the nine months ended September 30, 1998, compared with the same period in 1997, due to a 22% decrease in volumes delivered, partially offset by a 3% increase in the LPGs average tariff per barrel. Propane revenues decreased $10.9 million, or 24%, from the prior year primarily due to decreased propane deliveries in the Midwest and Northeast market areas attributable to warmer winter and spring weather during 1998 and unfavorable differentials versus competing Canadian product. The decrease in propane revenue was partially offset by a $0.5 million increase in butane revenues primarily due to increased feed stock demand at refineries in the upper Midwest and the resumption of operations during the second quarter of 1997 at a Northeast area refinery served by the Partnership. The 3% increase in the LPGs average tariff per barrel resulted primarily from a 33% decrease in short-haul propane deliveries, which have lower tariffs, along the upper Texas Gulf Coast.

Revenues generated from Mont Belvieu operations decreased during both the quarter and nine months ended September 30, 1998, compared with the corresponding periods in 1997, primarily due to lower storage revenue, lower product receipt charges and decreased propane dehydration fees. Additionally, Mont Belvieu shuttle deliveries decreased 11% during both the quarter and nine months ended September 30, 1998, compared with the prior year periods, due to lower petrochemical demand for LPGs along the upper Texas Gulf Coast.

Other operating revenues decreased $0.9 million during the third quarter of 1998, as compared with the third quarter of 1997, primarily due to lower amounts of butane received in the Midwest for summer storage, unfavorable product location exchange differentials incurred to position system inventory, and decreased refined products terminaling revenues. These decreases were partially offset by $1.8 million of operating revenues from the fractionator facilities acquired on March 31, 1998.

RESULTS OF OPERATIONS - (CONTINUED)

During the nine months ended September 30, 1998, other operating revenues decreased $3.1 million, as compared to the same period in 1997, primarily due to decreased product inventory volumes sold, unfavorable product location exchange differentials incurred to position system inventory, lower amounts of butane received in the Midwest for summer storage and decreased terminaling revenues. These decreases were partially offset by $3.7 million of operating revenues from the fractionator facilities acquired on March 31, 1998.

Costs and expenses increased $0.6 million for the quarter ended September 30, 1998, compared with the third quarter of 1997, primarily due to a $1.6 million increase in operating, general and administrative expenses and a $0.6 million increase in depreciation and amortization expense, partially offset by a $1.2 million decrease in operating fuel and power expense and a $0.4 million decrease in taxes - other than income. The increase in operating, general and administrative expenses was primarily attributable to an insurance recovery of environmental litigation costs recorded in the third quarter of 1997, increased product measurement losses and increased contract services. These increases in operating, general and administrative expenses were partially offset by expenses recorded for environmental remediation at the Partnership's Seymour, Indiana, terminal in the third quarter of 1997. Depreciation and amortization expense increased as a result of amortization of the value assigned to the Fractionation Agreement beginning on March 31, 1998. The decrease in operating fuel and power expense was primarily due to increased mainline pumping efficiencies and lower summer peak power rates in Arkansas. The decrease in taxes - other than income, was attributable to a credit recorded during the third quarter of 1998 to reflect downward revisions of 1997 estimated property taxes.

Costs and expenses increased $1.3 million for the nine-months ended September 30, 1998, compared with the same period in 1997, primarily due to a $2.5 million increase in operating, general and administrative expenses and a $1.6 million increase in depreciation and amortization expense, partially offset by a $2.5 million decrease in operating fuel and power expense. The increase in operating, general and administrative expenses was primarily due to the same factors noted above related to the third quarter, as well as the full-period impact of expense related to the capacity lease with Colonial, which commenced in May 1997, and $0.5 million of expense recorded to write down the book-value of product inventory to market-value at June 30, 1998. Depreciation and amortization expense increased as a result of amortization of the value assigned to the Fractionation Agreement beginning on March 31, 1998, and the completion of construction projects throughout 1997 and 1998. The decrease in operating fuel and power expense was primarily due to lower long-haul LPGs transportation volumes, increased mainline pumping efficiencies and lower summer peak power rates in Arkansas.

Interest expense decreased during both the quarter and nine-months ended September 30, 1998, compared with the same periods in 1997, as a result of the payment on January 27, 1998 of the remaining $326.5 million principal balance of the First Mortgage Notes, partially offset by interest expense on the Senior Notes issued on January 27, 1998, and interest expense of the $38 million term-loan used to finance the purchase of the fractionation assets on March 31, 1998. Additionally, the $13 million principal payment on the First Mortgage Notes in March 1997, resulted in lower interest expense during the nine-month period ended September 30, 1998, compared with the same period in 1997.

Capitalized interest decreased $0.5 million during the nine-month period ended September 30, 1998, compared with the corresponding period in 1997, as a result of lower construction balances related to capital projects.

Other income increased during the quarter ended September 30, 1998, compared with the third quarter of 1997, primarily due to a $0.5 million loss on the sale of non-carrier assets in August 1997. During the nine months ended September 30, 1998, other income increased from the corresponding period in 1997 as a result of a $0.4 million gain on the sale of non-carrier assets in June 1998. During both the quarter and nine-months ended September 30, 1998, compared with the same periods in 1997, interest income decreased as a result of lower cash balances in 1998.

FINANCIAL CONDITION AND LIQUIDITY

Net cash from operations for the nine-month period ended September 30, 1998, totaled $55.4 million, comprised primarily of $57.8 million of income before extraordinary loss on early extinguishment of debt and charges for depreciation and amortization, partially offset by $2.2 million of cash used for working capital changes. This compares with cash flows from operations of $51.0 million for the corresponding period in 1997, which was comprised of $60.1 million of income before charges for depreciation and amortization, partially offset by $9.5 million used for working capital changes. The decrease in cash used for working capital changes during the nine month period ended September 30, 1998, as compared with the same period in 1997, resulted primarily from lower interest payments during 1998 and collection in 1998 of receivable balances from insurance claims settled in September 1997. Net cash from operations for the nine months ended September 30, 1998 and 1997 included interest payments of $26.8 million and $33.6 million, respectively.

Cash flows used in investing activities during the first nine months of 1998 included $40.0 million for the purchase price of the fractionation assets and related intangible assets and $15.2 million of capital expenditures, partially offset by $2.1 million from investment maturities and $0.5 million received from the sale of non-carrier assets. Cash flows used in investing activities during the first nine months of 1997 included $24.5 million of capital expenditures and $3.9 million of additional cash investments, partially offset by $18.0 million from investment maturities, $1.4 million received from the sale of non-carrier assets and $1.0 million of insurance proceeds related to the replacement value of a 20-inch diameter auxiliary pipeline at the Red River in central Louisiana, which was damaged in 1994 and subsequently removed from service. Capital expenditures are expected to total approximately $23 million for the full year of 1998. The Partnership revises capital spending periodically in response to changes in cash flows and operations. Interest income earned on all investments is included in cash from operations.

On January 27, 1998, the Operating Partnership completed the Issuance of $180 million principal amount of 6.45% Senior Notes due 2008, and $210 million principal amount of 7.51% Senior Notes due 2028 (collectively the "Senior Notes"). The 6.45% Senior Notes due 2008 are not subject to redemption prior to January 15, 2008. The 7.51% Senior Notes due 2028 may be redeemed at any time after January 15, 2008, at the option of the Operating Partnership, in whole or in part, at a premium. Net proceeds from the issuance of the Senior Notes totaled approximately $386 million and was used to repay in full the $61.0 million principal amount of the 9.60% Series A First Mortgage Notes, due 2000, and the $265.5 million principal amount of the 10.20% Series B First Mortgage Notes, due 2010. The premium for the early redemption of the First Mortgage Notes totaled $70.1 million. The repayment of the First Mortgage Notes and the issuance of the Senior Notes reduced the level of cash required for debt service until 2008. The Partnership recorded an extraordinary charge of $73.5 million during the first quarter of 1998 (including $0.7 million allocated to minority interest), which represents the redemption premium of $70.1 million and unamortized debt issue costs related to the First Mortgage Notes of $3.4 million.

The Senior Notes do not have sinking fund requirements. Interest on the Senior Notes is payable semiannually in arrears on January 15 and July 15 of each year. The Senior Notes are unsecured obligations of the Operating Partnership and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Operating Partnership. The indenture governing the Senior Notes contains covenants, including, but not limited to, covenants limiting (i) the creation of liens securing indebtedness and (ii) sale and leaseback transactions. However, the indenture does not limit the Partnership's ability to incur additional indebtedness.

In connection with the purchase of the fractionation assets from DEFS as of March 31, 1998, TEPPCO Colorado received a $38 million bank loan from SunTrust Bank. Proceeds from the loan were received on April 21, 1998. The loan bears interest at a rate of 6.53%, which is payable quarterly beginning in July 1998. The principal balance of the loan is payable in full on April 21, 2001. The Operating Partnership is guarantor on the loan.

On July 21, 1998, the Partnership announced a two-for-one split of the Parent Partnership's outstanding Units. The Unit split entitled Unitholders of record at the close of business on August 10, 1998 to receive one additional Unit for each Unit held.

The Partnership paid cash distributions of $42.1 million during the nine months ended September 30, 1998. Additionally, on October 16, 1998, the Partnership declared a cash distribution of $0.45 per Unit (adjusted for the two-for-one Unit split) for the three months ended September 30, 1998. The third quarter cash distribution was paid on November 6, 1998 to Unitholders of record on October 30, 1998.

OTHER MATTERS

Regulatory and Environmental

The operations of the Partnership are subject to federal, state and local laws and regulations relating to protection of the environment. Although the Partnership believes the operations of the Pipeline System are in material compliance with applicable environmental regulations, risks of significant costs and liabilities are inherent in pipeline operations, and there can be no assurance that significant costs and liabilities will not be incurred. Moreover, it is possible that other developments, such as increasingly strict environmental laws and regulations and enforcement policies thereunder, and claims for damages to property or persons resulting from the operations of the Pipeline System, could result in substantial costs and liabilities to the Partnership. The Partnership does not anticipate that changes in environmental laws and regulations will have a material adverse effect on its financial position, operations or cash flows in the near term.

The Partnership and the Indiana Department of Environmental Management ("IDEM") have entered into an Agreed Order that will ultimately result in a remediation program for any on-site and off-site groundwater contamination attributable to the Partnership's operations at the Seymour, Indiana, terminal. The Partnership is currently negotiating with IDEM the clean-up levels to be attained at the Seymour terminal. The Partnership estimates that the costs of the remediation program to be proposed by the Partnership for the Seymour terminal will not exceed the amount accrued therefore (approximately $1.0 million at September 30, 1998). In the opinion of the Company, the completion of the remediation program to be proposed by the Partnership, if such program is approved by IDEM, will not have a material adverse impact on the Partnership's financial condition, results of operations or liquidity.

Year 2000 Issues

In 1997, the Company initiated a program to prepare the Partnership's process controls and business computer systems for the "Year 2000" issue. Process controls are the automated equipment including hardware and software systems which run operational activities. Business computer systems are the computer hardware and software used by the Partnership. The Partnership is utilizing both internal and external resources to identify, test, remediate or replace all non-compliant computerized systems and applications. The Company continues to evaluate appropriate courses of corrective action, including replacement of certain systems whose associated costs would be recorded as assets and amortized. The Company estimates that the amounts required to address the Year 2000 issue during 1998 and 1999 will range between approximately $5.0 million and $6.0 million. A portion of such costs would have been incurred as part of normal system and application upgrades. In certain cases, the timing of expenditures has been accelerated due to the Year 2000 issue. Although the Company believes this estimate to be reasonable, due to the complexities of the Year 2000 issue, there can be no assurance that the actual costs to address the Year 2000 issue will not be significantly greater.

The Partnership has adopted a three-phase Year 2000 program consisting of: Phase I - Preliminary Assessment; Phase II - Detailed Assessment and Remediation Planning; and Phase III - Remediation Activities and Testing. The Partnership has completed Phase I; Phase II is nearing completion; and Phase III is ongoing. Remediation activities and testing for systems deemed most critical are scheduled to be completed by mid-1999, with testing of all process controls and business computer systems completed during the third quarter of 1999.

OTHER MATTERS - (CONTINUED)

With respect to its third-party relationships, the Partnership has contacted its suppliers and service providers to assess their state of Year 2000 readiness. This process is effectively complete; however, information continues to be updated regularly, thus the Partnership anticipates receiving additional information in the near future that will assist in determining the extent to which the Partnership may be vulnerable to those third parties' failure to remediate their Year 2000 issues. However, there can be no assurance that the systems of other companies, on which the Partnership's systems rely, will be timely converted, or converted in a manner that is compatible with the Partnership's systems, or that any such failures by other companies would not have a material adverse effect on the Partnership.

Despite the Partnership's efforts to address and remediate its Year 2000 issue, there can be no assurance that all process controls and business computer systems will continue without interruption through January 1, 2000 and beyond. The complexity of identifying and testing all embedded microprocessors that are installed in hardware throughout the pipeline system used for process or flow control, transportation, security, communication and other systems may result in unforeseen operational failures. Although the amount of potential liability and lost revenue cannot be estimated, failures that result in substantial disruptions of business activities could have a material adverse effect on the Partnership. In order to mitigate potential disruptions, the Partnership intends to develop contingency plans for its critical systems, processes and external relationships.

Pending Transactions

On October 16, 1998, the Partnership announced an agreement to acquire substantially all of the assets of Duke Energy Transport and Trading Company ("DETTCO") from Duke Energy. The transaction is expected to close by December 1, 1998, subject to regulatory approval. In consideration for such assets, Duke Energy will receive Class B Limited Partnership Units ("Class B Units"). The Class B Units will be substantially identical to the 29,000,000 Limited Partner Units currently outstanding, but they will not be listed on the New York Stock Exchange. The Class B Units will be convertible into Limited Partner Units upon approval by the Limited Partner Unitholders. If conversion is not approved within approximately sixteen months, the holder of the Class B Units will have the right to sell them to the Partnership at 95.5% of the market price of the Limited Partner Units.

DETTCO, based in Oklahoma City, gathers, stores, transports and markets crude oil principally in Oklahoma and Texas; operates two trunkline natural gas liquids ("NGL") pipelines in South Texas; and distributes lube oil to industrial and commercial accounts through its wholly-owned subsidiary, Lubrication Services, Inc. DETTCO's crude oil gathering, transportation and storage assets include two major systems and various smaller systems. The Red River System, located on the Texas-Oklahoma border, is the larger system, with 960 miles of pipeline and 750,000 barrels of storage. The majority of crude oil is delivered to Cushing, Oklahoma via connecting pipelines, or to two local refineries. The South Texas System, located west of Houston, consists of 550 miles of pipeline and 550,000 barrels of storage. The majority of the crude oil on this system is delivered on a tariff basis to the Houston refining complex. Other crude oil assets, located primarily in Texas and Louisiana, consist of 310 miles of pipeline and 240,000 barrels of storage. The NGL pipelines are located along the Texas Gulf Coast. The Dean NGL Pipeline consists of 338 miles of pipeline originating in South Texas and terminating at Mont Belvieu, Texas, and has a capacity of 20,000 barrels per day. The Dean NGL Pipeline is currently supported by a 17,000 barrel per day take-or-pay commitment through 2002. The Wilcox NGL Pipeline is 90 miles long, has a capacity of 5,000 barrels per day and currently transports third party volumes at contract rates.

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The matters discussed herein include "forward-looking statements" within the meaning of various provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this document that address activities, events or developments that the Partnership expects or anticipates will or may occur in the future, including such things as estimated future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strengths, goals, expansion and growth of the Partnership's business and operations, plans, references to

OTHER MATTERS - (CONTINUED)

future success, references to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Partnership in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate under the circumstances. However, whether actual results and developments will conform with the Partnership's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by the Partnership, competitive actions by other pipeline companies, changes in laws or regulations, and other factors, many of which are beyond the control of the Partnership. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Partnership will be realized or, even if substantially realized, that they will have the expected consequences to or effect on the Partnership or its business or operations. For additional discussion of such risks and uncertainties, see TEPPCO Partners, L.P.'s 1997 Annual Report on Form 10-K.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits:

Exhibit Number	Description
3.1	Certificate of Limited Partnership of the Partnership (Filed as Exhibit 3.2 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).
3.2	Certificate of Formation of TEPPCO Colorado, LLC (Filed as Exhibit 3.2 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).
3.3	Amended and Restated Agreement of Limited Partnership of TEPPCO Partners, L.P., effective July 21, 1998 (Filed as Exhibit 3.1 to Form 8-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) dated July 21, 1998 and incorporated herein by reference).
3.4	Amended and Restated Agreement of Limited Partnership of TE Products Pipeline Company, Limited Partnership, effective July 21, 1998 (Filed as Exhibit 3.2 to Form 8-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) dated July 21, 1998 and incorporated herein by reference).
4.1	Form of Certificate representing Units (Filed as Exhibit 4.1 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).
4.2	Form of Indenture between TE Products Pipeline Company, Limited Partnership and The Bank of New York, as Trustee, dated as of January 27, 1998 (Filed as Exhibit 4.3 to TE Products Pipeline Company, Limited Partnership's Registration Statement on Form S-3 (Commission File No. 333-38473) and incorporated herein by reference).
10.1	Assignment and Assumption Agreement, dated March 24, 1988, between Texas Eastern Transmission Corporation and the Company (Filed as Exhibit 10.8 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).
10.2	Texas Eastern Products Pipeline Company 1997 Employee Incentive Compensation Plan executed on July 14, 1997 (Filed as Exhibit 10 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended September 30, 1997 and incorporated herein by reference).
10.3	Agreement Regarding Environmental Indemnities and Certain Assets (Filed as Exhibit 10.5 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).
10.4	Texas Eastern Products Pipeline Company Management Incentive Compensation Plan executed on January 30, 1992 (Filed as Exhibit 10 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1992 and incorporated herein by reference).
10.5	Texas Eastern Products Pipeline Company Long-Term incentive Compensation Plan executed on October 31, 1990 (Filed as Exhibit 10.9 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).
10.6	Form of Amendment to Texas Eastern Products Pipeline Company Long-Term Incentive Compensation Plan (Filed as Exhibit 10.7 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1995 and incorporated herein by reference).

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K (CONTINUED).

10.7	Employees' Savings Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.10 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).
10.8	Retirement Income Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.11 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).
10.9	Panhandle Eastern Corporation Key Executive Retirement Benefit Equalization Plan, adopted December 20, 1993; effective January 1, 1994 (Filed as Exhibit 10.12 to Form 10-K of Panhandle Eastern Corporation (Commission File No. 1-8157) for the year ended December 31, 1993 and incorporated herein by reference).
10.10	Employment Agreement with William L. Thacker, Jr. (Filed as Exhibit 10 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended September 30, 1992 and incorporated herein by reference).
10.11	Texas Eastern Products Pipeline Company 1994 Long Term Incentive Plan executed on March 8, 1994 (Filed as Exhibit 10.1 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).
10.12	Panhandle Eastern Corporation Key Executive Deferred Compensation Plan established effective January 1, 1994 (Filed as Exhibit 10.2 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).
10.13	Asset Purchase Agreement between Duke Energy Field Services, Inc. and TEPPCO Colorado, LLC, dated March 31, 1998 (Filed as Exhibit 10.14 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).
10.14	Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, dated April 21, 1998 (Filed as Exhibit 10.15 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).
10.15	First Amendment to Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, effective June 29, 1998.
22.1	Subsidiaries of the Partnership (Filed as Exhibit 22.1 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).
27*	Financial Data Schedules as of and for the nine months ended September 30, 1998.

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* Filed herewith.

(b) Reports on Form 8-K filed during the quarter ended September 30, 1998:

Report dated July 21, 1998, on Form 8-K was filed on July 23, 1998, pursuant to Item 5. and Item 7. of such form.

Items 1, 2, 3, 4 and 5 of Part II were not applicable and have been omitted.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned duly authorized officer and principal financial officer.

TEPPCO Partners, L.P.
(Registrant)

By: Texas Eastern Products Pipeline Company,
General Partner

/s/ CHARLES H. LEONARD

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

TE Products Pipeline Company, Limited Partnership
(Registrant)

By: Texas Eastern Products Pipeline Company,
General Partner

/s/ CHARLES H. LEONARD

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

Date: November 10, 1998

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
27	Financial Data Schedules as of and for the nine months ended September 30, 1998.

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TEPPCO PARTNERS, L.P.
1,000

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SEP-30-1998
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TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP
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