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

FORM 10-Q

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

For the quarterly period ended September 30, 2003 or

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

For the transition period from ________ to ________.

Commission file numbers: 1-14323
333-93239-01

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

Delaware	**76-0568219**
Delaware	**76-0568220**
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

2727 North Loop West, Houston, Texas 77008-1037
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrants: (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

YES [X] NO [ ]

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

YES [X] NO [ ]

There were 211,768,371 Common Units of *Enterprise Products Partners L.P.* outstanding at November 1, 2003. Enterprise Products Partners L.P.'s Common Units trade on the New York Stock Exchange under symbol "EPD." *Enterprise Products Operating L.P.* is owned 98.9899% by its parent, EPD, and 1.0101% by the General Partner. No common equity securities of Enterprise Products Operating L.P. are publicly-traded.

EXPLANATORY NOTE

This report constitutes a combined quarterly report on Form 10-Q for Enterprise Products Partners L.P. (the "Company")(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 the Company's consolidated assets and conducts substantially all of the Company's business and operations, the information set forth herein, except for Part I, Item 1, constitutes combined information for the Company and the Operating Partnership. In accordance with Rule 3-10 of Regulation S-X, Part I, Item 1 contains separate financial statements for the Company and the Operating Partnership.

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

The following abbreviations, acronyms or terms used in this Form 10-Q are defined below:

Acadian Gas	Acadian Gas, LLC and subsidiaries, acquired from Shell in April 2001
Accum. OCI	Accumulated Other Comprehensive Income (Loss), as applicable
BBtus	Billion British thermal units, a measure of heating value
Bcf	Billion cubic feet
BEF	Belvieu Environmental Fuels, an equity investment of EPOLP through September 2003. On September 30, 2003, BEF became a majority-owned consolidated subsidiary (see footnote 3 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report)
Belle Rose	Belle Rose NGL Pipeline LLC, an equity investment of EPOLP
BRF	Baton Rouge Fractionators LLC, an equity investment of EPOLP
BRPC	Baton Rouge Propylene Concentrator, LLC, an equity investment of EPOLP
Btu	British thermal unit, a measure of heating value
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMAI	Chemical Market Associates, Inc.
Company	Enterprise Products Partners L.P. and its consolidated subsidiaries, including the Operating Partnership
Diamond-Koch	Refers to affiliates of Valero Energy Corporation and Koch Industries, Inc.
Dixie	Dixie Pipeline Company, an equity investment of EPOLP
EPCO	Enterprise Products Company (including its affiliates), an affiliate of the Company and our ultimate parent company
EPIK	EPIK Terminalling L.P. and EPIK Gas Liquids, LLC, collectively, an equity

	investment of EPOLP until March 1, 2003, after which time it became 100% owned by EPOLP
EPOLP	Enterprise Products Operating L.P., the operating subsidiary of the Company (also referred to as the "Operating Partnership")
Evangeline	Evangeline Gas Pipeline Company, L.P. and Evangeline Gas Corp., collectively, an equity investment of EPOLP
FASB	Financial Accounting Standards Board
Feedstock	A raw material required for an industrial process such as in petrochemical manufacturing
Forward sales contracts	The sale of a commodity or other product in a current period for delivery in a future period
GAAP	Generally Accepted Accounting Principles in the United States of America
General Partner	Enterprise Products GP, LLC, the General Partner of the Company and the Operating Partnership
La Porte	La Porte Pipeline Company, L.P. and La Porte GP, LLC, collectively, an equity investment of EPOLP
MBA	Mont Belvieu Associates, see "MBA acquisition" below
MBA acquisition	Refers to the acquisition of Mont Belvieu Associates' remaining interest in the Mont Belvieu NGL fractionation facility in 1999
MBFC	Mississippi Business Finance Corporation
MBPD	Thousand barrels per day
Mid-America	Mid-America Pipeline Company, LLC (we acquired an indirect 98% interest in Mid-America in July 2002)
MMBtus	Million British thermal units, a measure of heating value
Mont Belvieu	Mont Belvieu, Texas
Mont Belvieu Storage II	Refers to NGL and petrochemical storage businesses located in Mont Belvieu that were acquired from Diamond-Koch
Mont Belvieu Splitter III	See "Splitter III"
Moody's	Moody's Investors Service
MTBE	Methyl tertiary butyl ether

Glossary (continued)

Nemo	Nemo Gathering Company, LLC, an equity investment of EPOLP
Neptune	Neptune Pipeline Company LLC, an equity investment of EPOLP
NGL or NGLs	Natural gas liquid(s)
NYMEX	New York Merchantile Exchange
NYSE	New York Stock Exchange
OPIS	Oil Price Information Service
Operating Partnership	Enterprise Products Operating L.P. and its subsidiaries
OTC	Olefins Terminal Corporation, an equity investment of the Company until August 1, 2003, after which time it became a consolidated subsidiary (see footnote 3 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report)
Promix	K/D/S Promix LLC, an equity investment of EPOLP
SEC	U.S. Securities and Exchange Commission
Seminole	Seminole Pipeline Company (we acquired an indirect 78.4% interest in Seminole in July 2002)
SFAS	Statement of Financial Accounting Standards issued by the FASB
Shell	Shell Oil Company, its subsidiaries and affiliates
Splitter III	Refers to the propylene fractionation facility we acquired from Diamond-Koch
Starfish	Starfish Pipeline Company LLC, an equity investment of EPOLP
Throughput	Refers to the physical movement of volumes through a pipeline
Toca-Western	Refers to natural gas processing and NGL fractionation assets acquired from Western Gas Resources, Inc.
Tri-States	Tri-States NGL Pipeline LLC, an equity investment of EPOLP
Venice	Refers to natural gas processing and NGL fractionation assets owned by VESCO
Unit	Refers to limited partner interests in the Company (i.e., Common, Subordinated and Special Units)
VESCO	Venice Energy Services Company, LLC, a cost method investment of EPOLP
Williams	The Williams Companies, Inc. and subsidiaries
Wilprise	Wilprise Pipeline Company, LLC, an equity investment of EPOLP through September 2003. On October 1, 2003, Wilprise became a majority-owned consolidated subsidiary (see our discussion of "Subsequent Events" in the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report)
1999 Trust	EPOLP 1999 Grantor Trust, a subsidiary of EPOLP

For definitions of other commonly used terms used in our industry, please refer to the "Glossary" section of our 2002 annual report on Form 10-K/A (Commission File No. 1-14323).

PART I. FINANCIAL STATEMENTS.
Item 1A. ENTERPRISE PRODUCTS PARTNERS L.P.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	September 30, 2003	December 31, 2002
ASSETS		
Current Assets		
Cash and cash equivalents (includes restricted cash of $14,655 at September 30, 2003 and $8,751 at December 31, 2002)	$ 54,887	$ 22,568
Accounts and notes receivable - trade, net of allowance for doubtful accounts of $20,372 at September 30, 2003 and $21,196 at December 31, 2002	372,984	399,187
Accounts receivable - affiliates	211	228
Inventories	181,098	167,369
Prepaid and other current assets	30,045	48,216
Total current assets	639,225	637,568
Property, Plant and Equipment, Net	2,920,641	2,810,839
Investments in and Advances to Unconsolidated Affiliates	334,872	396,993
Intangible assets, net of accumulated amortization of $36,332 at September 30, 2003 and $25,546 at December 31, 2002	266,875	277,661
Goodwill	81,547	81,547
Deferred Tax Asset	10,763	15,846
Long-Term Receivables	5,792	12
Other Assets	22,031	9,806
Total	$ 4,281,746	$ 4,230,272
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities		
Current maturities of debt	$ 15,000	$ 15,000
Accounts payable - trade	70,904	67,283
Accounts payable - affiliates	28,045	40,772
Accrued gas payables	476,580	489,562
Accrued expenses	24,504	35,760
Accrued interest	14,893	30,338
Other current liabilities	58,229	42,641
Total current liabilities	688,155	721,356
Long-Term Debt	1,874,577	2,231,463
Other Long-Term Liabilities	15,717	7,666
Minority Interest	98,018	68,883
Commitments and Contingencies		
Partners' Equity		
Common Units (211,768,371 Units outstanding at September 30, 2003 and 141,694,766 at December 31, 2002)	1,600,555	949,835
Subordinated Units (32,114,804 Units outstanding at December 31, 2002)		116,288
Special Units (10,000,000 Units outstanding at December 31, 2002)		143,926
Treasury Units acquired by Trust, at cost (798,958 Units outstanding at September 30, 2003 and 859,200 Units at December 31, 2002)	(16,533)	(17,808)
General Partner	16,167	12,223
Accumulated Other Comprehensive Income (Loss)	5,090	(3,560)
Total Partners' Equity	1,605,279	1,200,904

Total	$ 4,281,746	$ 4,230,272

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
STATEMENTS OF CONSOLIDATED OPERATIONS
AND COMPREHENSIVE INCOME
(Dollars in thousands, except per Unit amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
REVENUES				
Third parties	$1,044,044	$ 794,642	$3,484,134	$2,040,700
Related parties	190,736	148,671	442,891	350,924
Total	1,234,780	943,313	3,927,025	2,391,624
COST AND EXPENSES				
Operating costs and expenses				
Third parties	1,004,563	709,454	3,115,864	1,811,826
Related parties	174,140	159,208	583,573	467,043
Selling, general and administrative				
Third parties	203	6,170	8,386	10,084
Related parties	7,212	6,119	20,553	17,907
Total	1,186,118	880,951	3,728,376	2,306,860
EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED AFFILIATES	(18,040)	5,963	(16,647)	22,258
OPERATING INCOME	30,622	68,325	182,002	107,022
OTHER INCOME (EXPENSE)				
Interest expense	(32,559)	(30,690)	(107,750)	(68,235)
Dividend income from unconsolidated affiliates	156		4,551	2,196
Interest income - other	223	434	587	2,009
Other, net	77	133	(15)	357
Other income (expense)	(32,103)	(30,123)	(102,627)	(63,673)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND MINORITY INTEREST	(1,481)	38,202	79,375	43,349
PROVISION FOR INCOME TAXES	(1,023)	(2,056)	(4,628)	(2,056)
INCOME (LOSS) BEFORE MINORITY INTEREST	(2,504)	36,146	74,747	41,293
MINORITY INTEREST	(757)	(1,296)	(4,398)	(1,326)
NET INCOME (LOSS)	(3,261)	34,850	70,349	39,967
Reclassification of change in value of financial instruments recorded as cash flow hedges			3,560	
Gain on settlement of financial instruments recorded as cash flow hedges			5,354	
Amortization of gain on settlement of financial instruments to earnings	(99)		(264)	
COMPREHENSIVE INCOME (LOSS)	$ (3,360)	$ 34,850	$ 78,999	$ 39,967
ALLOCATION OF NET INCOME (LOSS) TO:				
Limited partners	$ (8,273)	$ 32,076	$ 56,123	$ 33,299
General partner	$ 5,012	$ 2,774	$ 14,226	$ 6,668

BASIC EARNINGS PER UNIT				
Income (loss) before minority interest	$ (0.04)	$ 0.21	$ 0.31	$ 0.23
Net income (loss) per Common and Subordinated unit	$ (0.04)	$ 0.20	$ 0.29	$ 0.22
DILUTED EARNINGS PER UNIT				
Income (loss) before minority interest	$ (0.04)	$ 0.19	$ 0.30	$ 0.20
Net income (loss) per Common, Subordinated and Special unit	$ (0.04)	$ 0.18	$ 0.28	$ 0.19

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
STATEMENTS OF CONSOLIDATED CASH FLOWS
(Dollars in thousands)

	For the Nine Months Ended September 30,	
	2003	**2002**
OPERATING ACTIVITIES		
Net income	$ 70,349	$ 39,967
Adjustments to reconcile net income to cash flows provided by (used for) operating activities:		
Depreciation and amortization in operating costs and expenses	83,761	58,491
Depreciation in selling, general and administrative costs	83	55
Amortization in interest expense	12,237	4,361
Equity in loss (income) of unconsolidated affiliates	16,647	(22,258)
Distributions received from unconsolidated affiliates	25,703	40,114
Operating lease expense paid by EPCO	6,752	6,782
Other expenses paid by EPCO	605	
Minority interest	4,398	1,326
Loss (gain) on sale of assets	(67)	6
Deferred income tax expense	4,182	529
Changes in fair market value of financial instruments	(25)	12,830
Net effect of changes in operating accounts	3,944	27,906
Operating activities cash flows	228,569	170,109
INVESTING ACTIVITIES		
Capital expenditures	(97,968)	(46,958)
Proceeds from sale of assets	177	18
Business combinations, net of cash received	(26,255)	(1,615,298)
Acquisition of intangible asset		(2,000)
Investments in and advances to unconsolidated affiliates	(29,414)	(13,193)
Investing activities cash flows	(153,460)	(1,677,431)
FINANCING ACTIVITIES		
Borrowings under debt agreements	1,326,210	1,883,000
Repayments of debt	(1,683,000)	(270,000)
Debt issuance costs	(7,773)	(16,522)
Distributions paid to partners	(223,416)	(150,674)
Distributions paid to minority interests	(7,202)	(1,650)
Contributions from minority interests	5,601	109
Proceeds from issuance of Common Units	540,154	
Treasury Units purchased		(12,788)
Treasury Units reissued	1,282	
Settlement of treasury lock financial instruments	5,354	
Increase in restricted cash	(5,904)	(1,521)

Financing activities cash flows	(48,694)	1,429,954
NET CHANGE IN CASH AND CASH EQUIVALENTS	26,415	(77,368)
CASH AND CASH EQUIVALENTS, JANUARY 1	13,817	132,071
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	$ 40,232	$ 54,703

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
STATEMENTS OF CONSOLIDATED PARTNERS' EQUITY
(Dollars in thousands, see Note 9 for Unit History)

	Limited Partners						
	Common Units	**Subord. Units**	**Special Units**	**Treasury Units**	**General Partner**	**Accum. OCI**	**Total**
Balance, December 31, 2002	$ 949,835	$116,288	$ 143,926	$(17,808)	$ 12,223	$ (3,560)	$1,200,904
Net income	45,557	10,566			14,226		70,349
Operating leases paid by EPCO	5,933	751			68		6,752
Other expenses paid by EPCO	598				6		604
Cash distributions to partners	(177,177)	(30,482)			(15,757)		(223,416)
Proceeds from issuance of Common Units in January 2003	253,107				2,557		255,664
Proceeds from issuance of Common Units in June 2003	256,001				2,586		258,587
Proceeds from issuance of Common Units in connection with DRP in August 2003	25,765				260		26,025
Proceeds from August 2003 issuance of Common Units in connection with:							
- EUPP	156				1		157
- EPCO Unit option plan	644				6		650
Reissuance of Treasury Units to satisfy EPCO Unit option plan in August 2003	7			1,275			1,282
Conversion of 10.7 million EPCO Subordinated Units to Common Units	97,123	(97,123)					
Conversion of 10.0 million Shell Special Units to Common Units	143,926		(143,926)				
Retirement of Common Units	(629)				(6)		(635)
Treasury Lock financial instruments recorded as cash flow hedges:							
- Reclassification of change in fair value						3,560	3,560
- Cash gains on settlement						5,354	5,354
- Amortization of gain as component of interest expense						(264)	(264)
Other	(291)				(3)		(294)
Balance, September 30, 2003	$1,600,555	$ -	$ -	$(16,533)	$ 16,167	$ 5,090	$1,605,279

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

In the opinion of Enterprise Products Partners L.P., the accompanying unaudited consolidated financial statements include all adjustments consisting of normal recurring accruals necessary for a fair presentation of its:

- consolidated financial position as of September 30, 2003;
- consolidated results of operations for the three and nine months ended September 30, 2003 and 2002;
- consolidated cash flows for the nine months ended September 30, 2003 and 2002; and
- consolidated partners' equity for the nine months ended September 30, 2003.

Within these footnote disclosures of Enterprise Products Partners L.P., references to "we", "us", "our" or "the Company" shall mean the consolidated financial statements of Enterprise Products Partners L.P.

References to "Operating Partnership" shall mean the consolidated financial statements of our primary operating subsidiary, Enterprise Products Operating L.P., which are included elsewhere in this combined quarterly report on Form 10-Q. We own 98.9899% of the Operating Partnership and act as guarantor of certain of its debt obligations. Our General Partner, Enterprise Products GP, LLC, owns the remaining 1.0101% of the Operating Partnership. Essentially all of our assets, liabilities, revenues and expenses are recorded at the Operating Partnership level in our consolidated financial statements.

Although we believe the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. These unaudited financial statements should be read in conjunction with our annual report on Form 10-K/A (File No. 1-14323) for the year ended December 31, 2002.

The results of operations for the three and nine months ended September 30, 2003 are not necessarily indicative of the results to be expected for the full year.

Dollar amounts presented in the tabular data within these footnote disclosures are stated in thousands of dollars, unless otherwise indicated.

Certain abbreviated entity names and other capitalized and industry terms are defined within the glossary of this quarterly report on Form 10-Q.

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of consolidated operations.

See Note 13 for the pro forma effect on net income and earnings per Unit if we had used the fair-value based method of accounting for Unit options.

2. RECENTLY ISSUED ACCOUNTING STANDARDS

SFAS No. 143, "Accounting for Asset Retirement Obligations." We adopted this standard as of January 1, 2003. This statement establishes accounting standards for the recognition and measurement of an asset retirement obligation ("ARO") liability and the associated asset retirement cost. Our adoption of this standard had no material impact on our financial statements. For a discussion regarding our implementation of this new standard, see Note 5.

SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." We adopted provisions of this standard as of January 1, 2003. This statement revised accounting guidance related to the extinguishment of debt and accounting for certain lease transactions. It also

amended other accounting literature to clarify its meaning, applicability and to make various technical corrections. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 146, "Accounting for Costs Associated with Exit and Disposal Activities." We adopted this standard as of January 1, 2003. This statement requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of an entity's commitment to an exit or

disposal plan. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." We adopted this standard as of December 31, 2002. This statement provides alternative methods of transition from a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 in both annual and interim financial statements. We have provided the information required by this statement under Note 13. Apart from this additional footnote disclosure, our adoption of this standard has had no material impact on our financial statements.

SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies accounting guidance for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after June 30, 2003, for hedging relationships designated after June 30, 2003, and to certain preexisting contracts. We adopted SFAS No. 149 on a prospective basis as of July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This standard establishes classification and measurement standards for financial instruments with characteristics of both liabilities and equity. It requires an issuer of such financial instruments to reclassify the instrument from equity to a liability or an asset. The effective date of this standard for us was July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

FIN 45, "Guarantor's Accounting and Disclosure Requirement from Guarantees, Including Indirect Guarantees of Indebtedness of Others." We implemented this FASB interpretation as of December 31, 2002. This interpretation of SFAS No. 5, 57 and 107, and rescission of FASB Interpretation No. 34 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. We have provided the information required by this interpretation under Note 8.

FIN 46, "Consolidation of Variable Interest Entities – An Interpretation of ARB No. 51." This interpretation of ARB No. 51 addresses requirements for accounting consolidation of a variable interest entity ("VIE") with its primary beneficiary. In general, if an equity owner of a VIE meets certain criteria defined within FIN 46, the assets, liabilities and results of the activities of the VIE should be included in the consolidated financial statements of the owner. Our adoption of FIN 46 as of January 31, 2003 has had no material effect on our financial statements.

3. BUSINESS COMBINATIONS

During the first nine months of 2003, we acquired EPIK's remaining 50% ownership interest, the Port Neches Pipeline, and an additional 33.33% interest in BEF. In addition, we began consolidating the financial statements of OTC beginning August 2003 as a result of our obtaining control over this entity. We also made minor adjustments to the allocation of the purchase price we paid to acquire indirect interests in Mid-America and Seminole pipelines. Due to the immaterial nature of each transaction or event, individually and in the aggregate, our discussion of each of these transactions is limited to the following:

Acquisition of remaining 50% interest in EPIK. In March 2003, we purchased the remaining 50% ownership interests in EPIK. EPIK owns an NGL export terminal located in southeast Texas on the Houston Ship

Channel. As a result of this acquisition, EPIK became a consolidated wholly-owned subsidiary of ours (previously, it had been an equity-method unconsolidated affiliate).

Acquisition of Port Neches Pipeline. In March 2003, we acquired entities owning the Port Neches Pipeline (formerly known as the Quest Pipeline). The 70-mile Port Neches Pipeline transports high-purity grade isobutane produced at our facilities in Mont Belvieu to customers in Port Neches, Texas.

Acquisition of 33.33% interest in BEF. At the end of September 2003, we acquired an additional 33.33% partnership interest in BEF, which owns a facility that currently produces MTBE (a motor gasoline additive that enhances octane and is used in reformulated gasoline). Due to this acquisition, BEF became a majority-owned consolidated subsidiary of ours on September 30, 2003. Previously, BEF was accounted for as an equity-method unconsolidated affiliate.

Consolidation of OTC. In August 2003, we became the operator of OTC's above ground polymer grade propylene storage and export facility located in Seabrook, Texas. We currently own 50% of OTC and represent its major customer. As a result of obtaining significant control over OTC through our operator, owner and customer relationship with the facility, we began consolidating OTC's financial statements with ours beginning August 1, 2003. Previously, OTC was accounted for as an equity-method unconsolidated affiliate.

Other purchase price adjustments. We made purchase price adjustments relating to our $1.2 billion acquisition of indirect interests in the Mid-America and Seminole pipelines. These adjustments total a net $4.8 million and primarily relate to liabilities existing at July 31, 2002, which was the closing date of the acquisitions.

The following table shows our allocation of the purchase price for 2003 acquisitions, effects of consolidating entities that were formerly accounted for under the equity-method, and adjustments to purchase price allocations from prior periods.

	2003 Business Acquisitions	Consolidation of OTC	Other Purchase Price Adjustments	Total

Cash and cash equivalents	$ 18,562	$ 665		$ 19,227
Accounts receivable	7,819	740	$ (172)	8,387
Inventories	10,593			10,593
Prepaid and other current assets	5,114	62	(1,525)	3,651
Property, plant and equipment, net	85,087	4,946	20,930	110,963
Investments in and advances to unconsolidated affiliates	(43,684)	(5,501)		(49,185)
Other assets	4,989		(124)	4,865
Accounts payable	(5,007)	(635)		(5,642)
Accrued gas payables	(5,370)			(5,370)
Accrued expenses	(1,734)	(137)	(1,887)	(3,758)
Other current liabilities	(4,329)	(140)	(11,449)	(15,918)
Other liabilities	(5,001)		(1,062)	(6,063)
Minority interest	(26,437)		169	(26,268)
Total net assets recorded	40,602	-	4,880	45,482
Investee cash balances recorded upon consolidation	(18,562)	(665)		(19,227)
Business combinations, net of cash received	$ 22,040	$ (665)	$ 4,880	$ 26,255

4. INVENTORIES

Our inventories were as follows at the dates indicated:

	September 30, 2003	December 31, 2002
Regular inventory	$ 156,993	$ 131,769
Forward-sales inventory	24,105	35,600
Inventory	$ 181,098	$ 167,369

Our regular inventory is comprised of inventories of NGLs, certain petrochemical products, and natural gas that are available for sale through our marketing activities. The forward sales inventory is comprised of segregated NGL volumes dedicated to the fulfillment of forward sales contracts.

Due to fluctuating market conditions in the midstream energy industry in which we operate, we occasionally recognize lower of cost or market ("LCM") adjustments when the costs of our inventories exceed their net realizable value. These non-cash adjustments are charged to operating costs and expenses in the period they are recognized. For the three and nine months ended September 30, 2003, we recognized $0.7 million and $15.1 million, respectively, of such LCM adjustments. For the three and nine months ended September 30, 2002, we recognized $1.5 million and $6.2 million, respectively, of these adjustments. The majority of these write-downs were taken against NGL inventories.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Estimated Useful Life in Years	September 30, 2003	December 31, 2002
Plants and pipelines	5-35	$ 3,098,701	$ 2,860,180
Underground and other storage facilities	5-35	296,548	283,114
Transportation equipment	3-35	5,586	5,118
Land		24,040	23,817
Construction in progress		105,770	49,586
Total		3,530,645	3,221,815
Less accumulated depreciation		610,004	410,976
Property, plant and equipment, net		$ 2,920,641	$ 2,810,839

Depreciation expense for the three months ended September 30, 2003 and 2002 was $24.7 million and $20.7 million, respectively. For the nine months ended September 30, 2003 and 2002, it was $73.1 million and $48.6 million, respectively.

Asset retirement obligations. SFAS No. 143 establishes accounting standards for the recognition and measurement of an ARO liability and the associated asset retirement cost. Under the implementation guidelines of SFAS No. 143, we reviewed our long-lived assets for ARO liabilities and identified such liabilities in several operational areas. These include ARO liabilities related to (i) right-of-way easements over property not owned by us and (ii) regulatory requirements triggered by the abandonment or retirement of certain currently operated facilities.

As a result of our analysis of identified AROs, we were not required to recognize such potential liabilities. Our rights under the easements are renewable and only require retirement action upon nonrenewal of the easement agreements. We currently expect to renew all such easement agreements and to use these properties for the

foreseeable future. Therefore, an ARO liability is not estimable for such easements. Should we decide not to renew these right-of-way agreements, an ARO liability would be recorded at that time. We also identified potential ARO liabilities arising from regulatory requirements related to the future abandonment or retirement of certain currently operated facilities. At present, we currently have no intention or legal obligation to abandon or retire such facilities. An ARO liability would be recorded if future abandonment or retirement of such facilities occurred.

Certain Gulf of Mexico natural gas pipelines owned by our equity method investees, Starfish, Neptune and Nemo, have identified ARO's relating to regulatory requirements. At present, these entities have no plans to abandon or retire their major transmission pipelines; however, there are plans to retire certain minor gas gathering lines periodically through 2013. Should the management of these companies decide to abandon or retire their major transmission pipelines, an ARO liability would be recorded at that time. With regard to the minor gas gathering pipelines scheduled for retirement, Starfish and Neptune collectively recorded ARO liabilities during 2003 totaling $2.8 million (on a gross basis).

6. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

We own interests in a number of related businesses that are accounted for under the equity or cost methods. The investments in and advances to these unconsolidated affiliates are grouped according to the business segment to which they relate. For a general discussion of our business segments, see Note 12. The following table shows our investments in and advances to unconsolidated affiliates at the dates indicated:

	Ownership Percentage	September 30, 2003	December 31, 2002
Accounted for on equity basis:			
Fractionation:			
BRF	32.25%	$ 27,853	$ 28,293
BRPC	30.00%	16,668	17,616
Promix	33.33%	39,919	41,643
La Porte	50.00%	5,334	5,737
OTC (1)	50.00%	n/a	2,178
Pipeline:			
EPIK (1)	50.00%	n/a	11,114
Wilprise (1)	37.35%	8,215	8,566
Tri-States (1)	33.33%	25,074	25,552
Belle Rose	41.67%	10,666	11,057
Dixie	19.88%	37,383	36,660
Starfish	50.00%	40,566	28,512
Neptune	25.67%	75,299	77,365
Nemo	33.92%	12,231	12,423
Evangeline	49.50%	2,664	2,383
Octane Enhancement:			
BEF (1)	33.33%	n/a	54,894
Accounted for on cost basis:			
Processing:			
VESCO	13.10%	33,000	33,000
Total		$ 334,872	$ 396,993

(1) See Notes 3 and 15 for a discussion of changes in ownership or control.

The following table shows our equity in income (loss) of unconsolidated affiliates for the periods indicated:

	Ownership Percentage	For the Three Months Ended September 30, 2003	For the Three Months Ended September 30, 2002	For the Nine Months Ended September 30, 2003	For the Nine Months Ended September 30, 2002
Fractionation:					
BRF	32.25%	$ 227	$ 719	$ 308	$ 2,011
BRPC	30.00%	231	264	773	791
Promix	33.33%	676	1,175	1,270	3,214
La Porte	50.00%	(159)	(134)	(493)	(399)
OTC	50.00%	(57)	79	(77)	97
Pipelines:					
EPIK	50.00%		435	1,818	2,064
Wilprise	37.35%	83	267	276	734
Tri-States	33.33%	52	645	1,176	1,479
Belle Rose	41.67%	(20)	74	(137)	188
Dixie	19.88%	366	(138)	739	423
Starfish	50.00%	781	499	3,265	2,284
Neptune	25.67%	541	504	1,235	1,964
Nemo	33.92%	326	369	920	391
Evangeline	49.50%	108	51	144	(20)
Octane Enhancement:					
BEF	33.33%	(21,195)	1,154	(27,864)	7,037
Total		$ (18,040)	$ 5,963	$ (16,647)	$ 22,258

The following tables present summarized income statement information for our unconsolidated affiliates accounted for under the equity method (for the periods indicated, on a 100% basis). We have grouped this information by the business segment to which the entities relate.

Summarized Income Statement Information for the Three Months Ended

	September 30, 2003			September 30, 2002		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
Pipelines	$ 98,997	$ 12,650	$ 8,770	$ 79,903	$ 12,379	$ 10,277
Fractionation	17,485	3,217	3,222	21,180	6,874	6,842
Octane Enhancement	48,255	(63,608)	(63,585)	61,501	3,393	3,466

Summarized Income Statement Information for the Nine Months Ended

	September 30, 2003			September 30, 2002		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
Pipelines	$ 282,878	$ 42,010	$ 30,788	$ 210,789	$ 36,569	$ 29,987
Fractionation	53,028	7,053	6,998	60,360	18,719	18,686
Octane Enhancement	134,543	(83,677)	(83,592)	167,562	20,940	21,113

Our initial investment in Promix, La Porte, Dixie, Neptune and Nemo exceeded our share of the historical cost of the underlying net assets of such entities (the “excess cost”). The excess cost of these investments is reflected in our investments in and advances to unconsolidated affiliates for these entities. That portion of excess cost attributable to the tangible plant and/or pipeline assets of each entity is amortized against equity earnings from these entities in a manner similar to depreciation. That portion of excess cost attributable to goodwill is subject to periodic impairment testing and is not amortized.

The following table summarizes our excess cost information at September 30, 2003 and December 31, 2002 by the business segment to which the unconsolidated affiliates relate:

		Original Excess Cost attributable to		Unamortized balance at	
	Amort. Periods	**Tangible assets**	**Goodwill**	**September 30, 2003**	**December 31, 2002**
Fractionation	20-35 years	$ 8,828		$ 7,152	$ 7,429
Pipelines	35 years *(1)*	41,943	$ 9,246	46,735	47,637

(1) Goodwill is not amortized; however, it is subject to periodic impairment testing.

For each of the three months ended September 30, 2003 and 2002, we recorded $0.4 million of excess cost amortization, which is reflected in our equity in earnings from unconsolidated affiliates. We recorded $1.2 million of excess cost amortization for each of the nine month periods ended September 30, 2003 and 2002.

Purchase of remaining 50% interest in EPIK

As discussed in Note 3, we purchased the remaining 50% ownership interest in EPIK in March 2003. As a result of this acquisition, EPIK became a consolidated wholly-owned subsidiary. We recorded $1.8 million of equity income from EPIK for the two months that it was an unconsolidated subsidiary during the first quarter of 2003.

Purchase of an additional 33.33% interest in BEF

As discussed in Note 3, we purchased an additional 33.33% partnership interest in BEF on September 30, 2003. As a result of this acquisition, BEF became a majority-owned consolidated subsidiary of ours. Prior to this acquisition and consolidation, our share of BEF's losses for the first nine months of 2003 was $27.9 million, which reflects an impairment charge recorded by BEF prior to our purchase of the additional partnership interest.

BEF owns a facility that currently produces MTBE, a motor gasoline additive that enhances octane and is used in reformulated gasoline. The production of MTBE is primarily driven by oxygenated fuel programs enacted under the federal Clean Air Act Amendments of 1990. As a result of environmental concerns, several states have enacted legislation to ban or significantly limit the use of MTBE in motor gasoline within their jurisdictions. In addition, federal legislation has been drafted to ban MTBE and replace the oxygenate with renewable fuels such as ethanol.

As a result of declining domestic demand and a prolonged period of weak MTBE production economics, several of BEF's competitors have announced their withdrawal from the marketplace. Due to the deteriorating business environment and outlook and the completion of its preliminary engineering studies regarding conversion alternatives, BEF evaluated the carrying value of its long-lived assets for impairment during the third quarter of 2003. This review indicated that the carrying value of its long-lived assets exceeded their collective fair value, which resulted in a non-cash impairment charge of $67.5 million. Our share of this loss is $22.5 million and is recorded as a component of "Equity in income (loss) of unconsolidated affiliates" in our Statements of Consolidated Operations and Comprehensive Income for the three and nine months ended September 30, 2003. Our historical equity (and in the future, consolidated) earnings from BEF are classified under the Octane Enhancement business segment.

BEF's assets were written down to fair value, which was determined by independent appraisers using present value techniques. The impaired assets principally represent the plant facility and other assets associated with MTBE production. The fair value analysis incorporates future courses of action being taken (or contemplated to be taken) by BEF management, including modification of the facility to produce iso-octane and alkylate. If the underlying assumptions in the fair value analysis change resulting in expected future cash flows being less than the new carrying value of the facility, additional impairment charges may result in the future.

BEF is currently in the process of preparing detailed engineering plans to convert the facility to iso-octane production. The project is expected to be complete by mid-2004. The facility will continue to produce MTBE as market conditions warrant and will be capable of producing either MTBE or iso-octane once the plant modifications are complete. Depending on the outcome of various factors (including pending federal legislation) the facility may be further modified in the future to produce alkylate.

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

The following table summarizes our intangible assets at September 30, 2003 and December 31, 2002:

	At September 30, 2003	At December 31, 2002

	Gross Value	Accum. Amort.	Carrying Value	Accum. Amort.	Carrying Value
Shell natural gas processing agreement	$ 206,216	$ (31,301)	$ 174,915	$ (23,015)	$ 183,201
Mont Belvieu Storage II contracts	8,127	(407)	7,720	(232)	7,895
Mont Belvieu Splitter III contracts	53,000	(2,524)	50,476	(1,388)	51,612
Toca-Western natural gas processing contracts	11,187	(745)	10,442	(326)	10,861
Toca-Western NGL fractionation contracts	20,042	(1,336)	18,706	(585)	19,457
Venice contracts	4,635	(19)	4,616		4,635
Total	$ 303,207	$ (36,332)	$ 266,875	$ (25,546)	$ 277,661

The following table shows amortization expense associated with our intangible assets for the three and nine months ended September 30, 2003 and 2002:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Shell natural gas processing agreement	$ 2,762	$ 2,763	$ 8,286	$ 8,286
Mont Belvieu Storage II contracts	58	58	174	178
Mont Belvieu Splitter III contracts	379	379	1,137	1,010
Toca-Western natural gas processing contracts	140	185	420	185
Toca-Western NGL fractionation contracts	250	334	750	334
Venice contracts	19		19	
Total	$ 3,608	$ 3,719	$ 10,786	$ 9,993

Goodwill

Our goodwill is attributable to the excess of the purchase price over the fair value of assets acquired and is comprised of the following (at September 30, 2003 and December 31, 2002):

Mont Belvieu Splitter III acquisition	$ 73,690
MBA acquisition	7,857
	$ 81,547

Our goodwill amounts are recorded as part of the Fractionation segment since they are related to assets classified within this operating segment.

8. DEBT OBLIGATIONS

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

	September 30, 2003	December 31, 2002
Borrowings under:		
364-Day Term Loan, variable rate, due July 2003		$ 1,022,000
364-Day Revolving Credit facility, variable rate, due November 2004		99,000
Multi-Year Revolving Credit facility, variable rate, due November 2005	$ 145,000	225,000
Senior Notes A, 8.25% fixed rate, due March 2005	350,000	350,000
Seminole Notes, 6.67% fixed rate, $15 million due each December, 2002 through 2005	45,000	45,000
MBFC Loan, 8.70% fixed rate, due March 2010	54,000	54,000
Senior Notes B, 7.50% fixed rate, due February 2011	450,000	450,000
Senior Notes C, 6.375% fixed rate, due February 2013	350,000	
Senior Notes D, 6.875% fixed rate, due March 2033	500,000	

	September 30, 2003	December 31, 2002
Total principal amount	1,894,000	2,245,000
Unamortized balance of increase in fair value related to hedging a portion of fixed-rate debt	1,591	1,774
Less unamortized discount on:		
Senior Notes A	(53)	(81)
Senior Notes B	(208)	(230)
Senior Notes D	(5,753)	
Less current maturities of debt	(15,000)	(15,000)
Long-term debt	$ 1,874,577	$ 2,231,463

Letters of credit. At September 30, 2003 and December 31, 2002, we had $75 million of standby letter of credit capacity under our Multi-Year Revolving Credit facility. We had $13.9 million of letters of credit outstanding under this facility at September 30, 2003 and $2.4 million outstanding at December 31, 2002.

Covenants. We were in compliance with the various covenants of our debt agreements at September 30, 2003 and December 31, 2002. Certain financial ratio covenants of our revolving credit facilities were amended in connection with the refinancing of our 364-Day Revolving Credit facility in October 2003 (see Note 15).

Parent-Subsidiary guarantor relationships. We act as guarantor of all of our Operating Partnership's consolidated debt obligations, with the exception of the Seminole Notes. If the Operating Partnership were to default on any debt we guarantee, we would be responsible for full repayment of that obligation. The Seminole Notes are unsecured obligations of Seminole Pipeline Company (of which we own an effective 78.4% of its ownership interests).

New senior notes issued during first quarter of 2003

During the first quarter of 2003, we completed the issuance of $850 million of long-term senior notes (Senior Notes C and D). Senior Notes C and D are unsecured obligations of our Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness and senior to any future subordinated indebtedness. We guarantee both Senior Notes C and D for our subsidiary through an unsecured and unsubordinated guarantee that is non-recourse to the General Partner. These notes were issued under an indenture containing certain covenants and are subject to a make-whole redemption right if we elect to call the debt prior to its scheduled maturity. These covenants restrict our ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Senior Notes C. In January 2003, we issued $350 million in principal amount of 6.375% fixed-rate senior notes due February 1, 2013 ("Senior Notes C"), from which we received net proceeds before offering expenses of approximately $347.7 million. These private placement notes were sold at face value with no discount or premium. We used the proceeds from this offering to repay a portion of the indebtedness outstanding under the 364-Day Term Loan that we incurred to finance the Mid-America and Seminole acquisitions. In May 2003, we exchanged 100% of the private placement Senior Notes C for publicly-registered Senior Notes C.

Senior Notes D. In February 2003, we issued $500 million in principal amount of 6.875% fixed-rate senior notes due March 1, 2033 ("Senior Notes D"), from which we received net proceeds before offering expenses of approximately $489.8 million. These private placement notes were sold at 98.842% of their face amount. We used $421.4 million from this offering to repay the remaining principal balance outstanding under the 364-Day Term Loan. In addition, we applied $60.0 million of the proceeds to reduce the balance outstanding under the 364-Day Revolving Credit facility. The remaining proceeds were used for working capital purposes. In July 2003, we exchanged 100% of the private placement Senior Notes D for publicly-registered Senior Notes D.

Repayment of 364-Day Term Loan

In July 2002, our Operating Partnership entered into the $1.2 billion senior unsecured 364-Day Term Loan to fund the acquisition of indirect interests in Mid-America and Seminole. We used $178.5 million of the $182.5 million in proceeds from our October 2002 equity offering to partially repay this loan. We also used $252.8 million of the $258.2 million in proceeds from the January 2003 equity offering (see Note 9), $347.0 million of the $347.7 million in proceeds from our issuance of Senior Notes C and $421.4 million in proceeds from our issuance of Senior Notes D to completely repay the 364-Day Term Loan in February 2003.

Revolving credit facilities

We used $60.0 million in proceeds from the issuance of Senior Notes D in February 2003 to reduce the balance outstanding under our 364-Day Revolving Credit facility. In addition, we applied $261.2 million of the net proceeds from our June 2003 equity offering (see Note 9) to reduce the balances then outstanding under our revolving credit facilities, of which $102 million was applied against the 364-Day Revolving Credit facility and $159.2 million against the Multi-Year Revolving Credit facility.

At September 30, 2003, we had $230 million of stand-alone borrowing capacity available under our 364-Day Revolving Credit facility, with no principal balance outstanding. In addition, we had $270 million in stand-alone borrowing capacity available under our Multi-Year Revolving Credit facility at September 30, 2003. We had $145 million of principal and $13.9 million in letters of credit outstanding under this facility at that date, with $111.1 million of unused capacity.

The original credit line available under our 364-Day Revolving Credit facility was set to expire in November 2003. In late October 2003, we refinanced the term of this facility. See Note 15 for additional information regarding this subsequent event.

Information regarding variable interest rates paid

The following table shows the range of interest rates paid and weighted-average interest rate paid on our variable-rate debt obligations for the nine months ended September 30, 2003:

	Range of interest rates paid	**Weighted- average interest rate paid**
364-Day Term Loan (a)	2.59% - 2.88%	2.85%
364-Day Revolving Credit facility	2.44% - 4.25%	2.52%
Multi-Year Revolving Credit facility	1.68% - 4.25%	1.89%

(a) This facility was repaid in February 2003.

9. CAPITAL STRUCTURE

Our Common Units represent, and prior to their conversion to Common Units on August 1 2003, our, Subordinated Units and convertible Special Units represented limited partner interests in the Company. We are managed by our General Partner. The rights available to our partners are described in the *Third Amended and Restated Agreement of Limited Partnership* (together with any amendments thereto). Our Common Units trade on the NYSE under the symbol "EPD."

We allocate earnings and related amounts to Common and Subordinated (prior to their conversion to Common Units on August 1, 2003) Unitholders and the General Partner in accordance with our partnership agreement. These classes of partnership interests are also entitled to receive cash distributions. For financial accounting and tax purposes, the Special Units (prior to their conversion to Common Units on August 1, 2003), were not allocated any portion of net income; however, for tax purposes, the Special Units were allocated a certain amount of depreciation.

In January 2003, we completed a public offering of 14,662,500 Common Units (including 1,912,500 Common Units sold pursuant to the underwriters' over-allotment option) from which we received net proceeds before offering expenses of approximately $258.2 million, including our General Partner's $5.2 million in capital contributions. We used $252.8 million of the proceeds from this offering to repay a portion of the indebtedness outstanding under our 364-Day Term Loan (see Note 8). The remaining proceeds were used for working capital purposes and offering expenses.

In June 2003, we completed a public offering of 11,960,000 Common Units (including 1,560,000 Common Units sold pursuant to the underwriters' over-allotment option) from which we received net proceeds before offering expenses of approximately $261.9 million, including our General Partner's $5.3 million in capital contributions. We used the net proceeds from this offering to reduce indebtedness outstanding under our revolving credit facilities (see Note 8). The remaining proceeds were used for offering expenses.

In August 2003, we issued 1,268,404 Common Units in connection with our distribution reinvestment plan from which we received net proceeds of approximately $26.0 million, including our General Partner's $0.3 million in capital contributions. The proceeds from this offering were used for general partnership purposes. We also issued 67,897 Common Units as a result of equity-based awards and employee Common Unit purchases.

Our partnership agreement stipulated that the Subordinated Units would undergo an early conversion to Common Units if certain criteria were satisfied. As a result of meeting the necessary criteria, 10,704,936 of EPCO's Subordinated Units converted to Common Units on May 1, 2003 and the remaining 21,409,868 Subordinated Units converted on August 1, 2003. These conversions have no impact upon our earnings per unit or distributions since Subordinated Units were already included in both the basic and fully-diluted earnings per unit calculations and are distribution-bearing.

On August 1, 2003, the last 10,000,000 of Shell's non-distribution bearing Special Units converted to Common Units. The conversion affected basic earnings per Unit beginning with the third quarter of 2003. These units were already included in our fully-diluted earnings per Unit computations. Since Common Units are distribution-bearing, our limited partner cash distributions to Shell will increase beginning with the distribution we expect to make in November 2003.

The following table details Unit activity within each class of our limited partner interests during the nine months ended September 30, 2003:

	Limited Partners			
	Common Units	Subordinated Units	Special Units	Treasury Units
Balance, December 31, 2002	141,694,766	32,114,804	10,000,000	859,200
Common Units issued in January 2003	14,662,500			
Conversion of Subordinated Units to Common Units in May 2003	10,704,936	(10,704,936)		
Common Units issued in June 2003	11,960,000			
Conversion of Special Units to Common Units in August 2003	10,000,000		(10,000,000)	
Conversion of Subordinated Units to Common Units in August 2003	21,409,868	(21,409,868)		
Common Units issued for DRP in August 2003	1,268,404			
Common Units issued for EUPP in August 2003	7,655			
Common Units issued due to exercise of options in August 2003	30,000			
Reissuance of Treasury Units to satisfy exercise of options in August 2003	30,242			(30,242)
Retirement of Treasury Units in August 2003				(30,000)
Balance, September 30, 2003	211,768,371	-	-	798,958

10. SUPPLEMENTAL CASH FLOWS DISCLOSURE

The net effect of changes in operating accounts is as follows for the periods indicated:

	For the Nine Months Ended September 30,	
	2003	2002
(Increase) decrease in:		
Accounts and notes receivable	$ 34,613	$ (49,675)
Inventories	18,861	(144,746)
Prepaid and other current assets	10,256	16,183
Other assets	(72)	(3,326)
Increase (decrease) in:		
Accounts payable	(14,677)	54,198
Accrued gas payable	(18,353)	170,407
Accrued expenses	(15,013)	(5,884)
Accrued interest	(15,446)	(9,478)
Other current liabilities	4,571	372
Other liabilities	(796)	(145)
Net effect of changes in operating accounts	$ 3,944	$ 27,906

During the first nine months of 2003, we completed three business acquisitions; made adjustments to the purchase price allocation of the Mid-America and Seminole acquisitions; and consolidated three entities that had been previously accounted for using the equity-method. These transactions and events affected various balance sheet accounts (see Note 3). The 2002 period reflects our acquisition of indirect interests in Mid-America and Seminole pipelines from Williams and propylene fractionation and NGL and petrochemical storage assets from Diamond-Koch.

We record certain financial instruments relating to commodity positions and interest rate hedging activities at their respective fair values using mark-to-market accounting. For the nine months ended September 30, 2002, we recognized a net $12.8 million in non-cash mark-to-market decreases in the fair value of these instruments, primarily in our commodity financial instruments portfolio. We had a limited number of such positions outstanding during the first nine months of 2003, with the non-cash change in fair value of these instruments being an increase of $25 thousand.

Cash and cash equivalents (as shown on our Statements of Consolidated Cash Flows) exclude restricted cash held by a brokerage firm both as margin deposits associated with our financial instruments portfolio and cash deposits pertaining to physical natural gas purchase transactions we made on the NYMEX exchange. The restricted cash balance at September 30, 2003 and December 31, 2002 was $14.7 million and $8.8 million, respectively.

During the second quarter of 2003, we recognized a $6.7 million long-term receivable from a customer relating to the construction of certain pipeline equipment. Of this amount, $3.9 million relates to charges originally recorded as construction-in-progress and $2.8 million represents deferred revenue classified as a component of other liabilities. This receivable is expected to be collected over the next ten years and bears an effective annual interest rate of approximately 12%.

Certain of our expenses are paid by EPCO, which are accounted for as non-cash related party expenses in our Statements of Consolidated Operations and Comprehensive Income (with an offset to Partners' Equity on the Consolidated Balance Sheets recorded as a general contribution to the Company). These expenses include (i) operating leases for which EPCO has retained the corresponding cash lease payment obligation and (ii) administrative service costs incurred by EPCO on behalf of us in excess of our actual cash reimbursement to EPCO. For the nine months ended September 30, 2003 and 2002, operating leases paid by EPCO totaled $6.8 million for each period. EPCO's unreimbursed administrative service costs for the three and nine months ended September 30, 2003 were $0.6 million.

11. FINANCIAL INSTRUMENTS

We are exposed to financial market risks, including changes in commodity prices and interest rates. We may use financial instruments (i.e., futures, forwards, swaps, options, and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions, primarily within our Processing segment. In general, the types of risks we attempt to hedge are those relating to the variability of future earnings and cash flows caused by changes in commodity prices and interest rates. As a matter of policy, we do not use financial instruments for speculative (or trading) purposes.

Commodity hedging financial instruments

During the first nine months of 2002, we recognized a loss of $52.3 million from our Processing segment's commodity hedging activities that was recorded as an operating cost in our Statements of Consolidated Operations and Comprehensive Income. Of this loss, $1.4 million was recorded during the third quarter of 2002. In March 2002, the effectiveness of our primary commodity hedging strategy deteriorated due to an unexpected rapid increase in natural gas prices whereby the loss in value of our fixed-price natural gas financial instruments was not offset by increased gas processing margins. We exited the strategy underlying this loss in 2002.

During the first nine months of 2003, we utilized a limited number of commodity financial instruments from which we recorded a loss of $0.9 million. Of this loss amount, $6 thousand was recognized during the third quarter of 2003. The fair value of open positions at September 30, 2003 was a nominal payable amount.

Interest rate hedging financial instruments

During the fourth quarter of 2002, we entered into seven treasury lock transactions. Each treasury lock transaction carried a maturity date of either January 31, 2003 or April 15, 2003. The purpose of these financial instruments was to hedge the underlying U.S. treasury interest rate associated with our anticipated issuance of debt

in early 2003 to refinance the Mid-America and Seminole acquisitions. The notional amounts of the treasury lock transactions totaled $550 million, with a total treasury lock rate of approximately 4%.

These transactions were accounted for as cash flow hedges under SFAS No. 133. The fair value of these financial instruments at December 31, 2002 was a current liability of $3.8 million offset by a current asset of $0.2 million. The net $3.6 million non-cash mark-to-market liability was recorded as a component of comprehensive income on that date, with no impact on 2002 net income.

We settled all of the treasury locks in early February 2003 in connection with our issuance of Senior Notes C and D (see Note 8). The settlement of these financial instruments resulted in our receipt of $5.4 million in cash. This amount was recorded as a gain in other comprehensive income during the first quarter of 2003 and represents the effective portion of the treasury locks.

Of the $5.4 million recorded in other comprehensive income during the first quarter of 2003, $4.0 million is attributable to our issuance of Senior Notes C and is being amortized to earnings as a reduction in interest expense over the 10-year term of this debt. The remaining $1.4 million is attributable to our issuance of Senior Notes D and is being amortized to earnings as a reduction in interest expense over the 10-year term of the anticipated transaction as required by SFAS No. 133. The estimated amount to be reclassified from accumulated other comprehensive income to earnings during 2003 is $0.4 million. As a result of settlement of the treasury locks, the $3.6 million non-cash mark-to-market liability recorded at December 31, 2002 was reclassified out of accumulated other comprehensive income in Partners' Equity to offset the current asset and liability we recorded at December 31, 2002 with no impact on 2003 net income.

12. SEGMENT INFORMATION

We have five reportable business (or operating) segments: Pipelines, Fractionation, Processing, Octane Enhancement and Other. Our reportable segments are generally organized according to the type of services rendered (or process employed) and products produced and/or sold, as applicable. The segments are regularly evaluated by the CEO of the General Partner. Pipelines consists of NGL, petrochemical and natural gas pipeline systems, storage and import/export terminal services. Fractionation primarily includes NGL fractionation, isomerization, and polymer-grade and chemical-grade propylene fractionation services.

Processing includes the natural gas processing business and its related NGL marketing activities. Octane Enhancement represents our investment in BEF, a facility that produces motor gasoline additives to enhance octane (currently producing MTBE). The Other business segment consists of fee-based marketing services and various operational support activities.

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. We define total segment gross operating margin as operating income before: (1) depreciation and amortization expense; (2) operating lease expenses for which we do not have the payment obligation; (3) gains and losses on the sale of assets; and (4) selling, general and administrative expenses. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest and extraordinary charges. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation.

Gross operating margin (either in total or by individual segment) is an important performance measure of the core profitability of our operations. This non-GAAP financial measure forms the basis of our internal financial reporting and is used by senior management in deciding how to allocate capital resources among business segments. We believe that investors benefit from having access to the same financial measures that our management uses. The GAAP measure most directly comparable to total segment gross operating margin is operating income.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
Revenues (a)	$ 1,234,780	$ 943,313	$ 3,927,025	$ 2,391,624
Less operating costs and expenses (a)	(1,178,703)	(868,662)	(3,699,437)	(2,278,869)
Add equity in income (loss) of unconsolidated affiliates (b)	(18,040)	5,963	(16,647)	22,258
Subtotal	38,037	80,614	210,941	135,013
Add: Depreciation and amortization in operating costs and expenses (c)	28,259	24,292	83,761	58,491
Retained lease expense, net in operating expenses allocable to us (d)	2,250	2,248	6,752	6,782
Retained lease expense, net in operating expenses allocable to our General Partner's minority interest in us (e)	23	26	68	70
Loss (gain) on sale of assets in operating costs and expenses (c)	(35)	(6)	(67)	6
Total segment gross operating margin	$ 68,534	$ 107,174	$ 301,455	$ 200,362

(a) These amounts are comprised of both third-party and related party totals as shown on our Statements of Consolidated Operations and Comprehensive Income.
(b) This amount is taken directly from our Statements of Consolidated Operations and Comprehensive Income.
(c) This amount is taken directly from the operating activities section of our Statements of Consolidated Cash Flows.
(d) This non-cash amount represents our share of the value of the operating leases contributed by EPCO to the Operating Partnership for which EPCO has retained the cash payment obligation (the "retained leases"). This amount is taken from the operating activities section ("Operating lease expense paid to EPCO" line item) of our Statements of Consolidated Cash Flows.
(e) This non-cash amount represents a minority interest holder's share of the value of the retained leases. This amount is a component of "Contributions from minority interests" as shown in the financing activities section of our Statements of Consolidated Cash Flows.

The following table reconciles GAAP operating income as shown on our Statements of Consolidated Operations and Comprehensive Income to total segment gross operating margin for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
Operating income	$ 30,622	$ 68,325	$182,002	$107,022
Adjustments to reconcile operating income to total gross operating margin:				
Depreciation and amortization in operating costs and expenses	28,259	24,292	83,761	58,491

Retained lease expense, net in operating costs and expenses	2,273	2,274	6,820	6,852
Loss (gain) on sale of assets in operating costs and expenses	(35)	(6)	(67)	6
Selling, general and administrative costs	7,415	12,289	28,939	27,991
Total segment gross operating margin	$ 68,534	$ 107,174	$301,455	$200,362

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

	Operating Segments					Adjs. and Elims.	Consol. Totals
	Fractionation	Pipelines	Processing	Octane Enhancement	Other		
Revenues from third parties:							
Three months ended September 30, 2003	$ 182,559	$ 94,833	$ 766,039		$ 613		$1,044,044
Three months ended September 30, 2002	173,304	121,717	499,251		370		794,642
Nine months ended September 30, 2003	582,582	477,109	2,422,526		1,917		3,484,134
Nine months ended September 30, 2002	440,162	296,929	1,302,431		1,178		2,040,700
Revenues from related parties:							
Three months ended September 30, 2003	744	115,524	74,468				190,736
Three months ended September 30, 2002	6,477	52,586	89,577		31		148,671
Nine months ended September 30, 2003	2,017	189,578	251,296				442,891
Nine months ended September 30, 2002	18,386	115,044	217,372		122		350,924
Intersegment and intrasegment revenues:							
Three months ended September 30, 2003	52,570	32,915	225,136		101	$(310,722)	
Three months ended September 30, 2002	59,737	27,469	123,049		100	(210,355)	
Nine months ended September 30, 2003	194,669	136,602	563,397		303	(894,971)	
Nine months ended September 30, 2002	149,237	77,557	390,278		302	(617,374)	
Total revenues:							
Three months ended September 30, 2003	235,873	243,272	1,065,643		714	(310,722)	1,234,780
Three months ended September 30, 2002	239,518	201,772	711,877		501	(210,355)	943,313
Nine months ended September 30, 2003	779,268	803,289	3,237,219		2,220	(894,971)	3,927,025
Nine months ended September 30, 2002	607,785	489,530	1,910,081		1,602	(617,374)	2,391,624
Equity in income (loss) of unconsolidated affiliates:							
Three months ended September 30, 2003	918	2,237		$ (21,195)			(18,040)
Three months ended September	2,102	2,705		1,156			5,963

30, 2002							
Nine months ended September 30, 2003	1,781	9,436		(27,864)			(16,647)
Nine months ended September 30, 2002	5,714	9,506		7,038			22,258
Gross operating margin by individual business segment and in total:							
Three months ended September 30, 2003	30,617	66,589	(6,884)	(21,195)	(593)		68,534
Three months ended September 30, 2002	34,585	63,887	8,417	1,155	(870)		107,174
Nine months ended September 30, 2003	95,535	210,490	25,757	(27,864)	(2,463)		301,455
Nine months ended September 30, 2002	92,815	128,745	(26,141)	7,038	(2,095)		200,362
Segment assets:							
At September 30, 2003	438,751	2,148,423	164,233	39,105	24,359	105,770	2,920,641
At December 31, 2002	444,016	2,166,524	134,237		16,825	49,237	2,810,839
Investments in and advances to unconsolidated affiliates:							
At September 30, 2003	89,774	212,098	33,000				334,872
At December 31, 2002	95,467	213,632	33,000	54,894			396,993
Intangible Assets:							
At September 30, 2003	69,182	7,720	189,973				266,875
At December 31, 2002	71,069	7,895	198,697				277,661
Goodwill:							
At September 30, 2003 and December 31, 2002	81,547						81,547

Our revenues are derived from a wide customer base. All consolidated revenues during the three and nine months ended September 30, 2003 and 2002 were earned in the United States. The increase in period-to-period revenues is primarily due to acquisitions and higher NGL, propylene and natural gas prices, both of which offset the effects of lower volumes at many of our pipelines and facilities.

For the three months ended September 30, 2003 and 2002, total segment gross operating margin was $68.5 million and $107.2 million, respectively. The $38.7 million decrease in gross operating margin for the 2003 period is primarily due to weaker Processing segment sales margins and propylene fractionation results and a $22.5 million impairment charge related to our investment in BEF, which more than offset higher earnings from the Pipelines segment. Our Pipelines segment benefited from acquisitions and increased demand for import-related services.

For the nine month periods ended September 30, 2003 and 2002, total segment gross operating margin was $301.5 million and $200.4 million, respectively. The primary reasons for the increase in total segment gross operating margin between the periods are (a) 2003 includes gross operating margin from Mid-America and Seminole (acquired in July 2002) and (b) 2002 includes significant commodity hedging losses (see Note 11). Mid-America and Seminole's gross operating margin is classified under our Pipelines segment while commodity hedging results are primarily a function of our Processing segment activities.

Segment assets for Octane Enhancement totaled $39.1 million at September 30, 2003. This amount reflects the consolidation of BEF at that date due to our acquisition of an additional 33.33% ownership interest in BEF. As a result of this consolidation, our investment in and advances to BEF recorded under the Octane Enhancement segment was eliminated. The September 30, 2003 carrying value of segment assets related to BEF reflects the impairment charge noted previously. For additional information regarding our purchase of the additional interest in BEF, see Note 3. For additional information regarding BEF's impairment charge, see Note 6.

13. UNIT OPTION PLAN ACCOUNTING

During 1998, EPCO adopted its 1998 Long-Term Incentive Plan (the "1998 Plan"). Under the 1998 Plan, non-qualified incentive options to purchase a fixed number of our Common Units (the "Units") may be granted to EPCO's key employees who perform management, administrative or operational functions for us. The exercise price per Unit, vesting and expiration terms, and rights to receive distributions on Units granted are determined by EPCO for each grant. EPCO purchases Units under the 1998 Plan at fair value either in the open market or from us (in the form of newly-issued Common Units or reissued Treasury Units). In general, our responsibility for reimbursing EPCO for the cash outlay it incurs when these options are exercised is as follows:

- We pay EPCO for the costs attributable to equity-based awards granted to operations personnel it employs on our behalf. Our payment to EPCO is in the form of a special distribution.

- We pay EPCO for the costs attributable to equity-based awards granted to administrative and management personnel it hires in response to our expansion and business activities. Our payment to EPCO is in the form of a special distribution.
- We pay EPCO for our share of the costs attributable to equity-based awards granted to certain of its employees in administrative and management positions that were active at the time of our initial public offering in July 1998 who manage our business and affairs. These costs are reimbursed through the administrative service fees we pay EPCO. EPCO is responsible for the actual costs of such awards when these options are exercised. To the extent that EPCO's total administrative costs (including the cost of such equity-based awards) exceed the annual administrative service fees we pay to them, such excess costs will result in a charge against our earnings as a non-cash related party expense and a corresponding credit to Partners' Equity recorded as a contribution.

We account for our share of the cost of these awards using the intrinsic value-based method in accordance with APB No. 25, "Accounting for Stock Issued to Employees." The exercise price of each option granted is equivalent to or greater than the market price of the Unit at the date of grant. Accordingly, no compensation expense related to Unit option grants has been recognized in our Statements of Consolidated Operations and Comprehensive Income. Any special distributions that we make to reimburse EPCO are a component of "Cash distributions to partners" as shown in our Statements of Consolidated Partners' Equity.

Accounting principles require us to illustrate the pro forma effect on our net income and earnings per Unit as if the fair value-based method of accounting (based on SFAS No. 123, "Accounting for Stock Based Compensation") had been applied to the 1998 Plan. The following table shows these pro forma effects for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Historical net income (loss)	$ (3,261)	$ 34,850	$ 70,349	$ 39,967
Additional Unit option-based compensation expense estimated using the fair value-based method	(171)	(273)	(514)	(820)
Pro forma net income (loss)	$ (3,432)	$ 34,577	$ 69,835	$ 39,147
Basic net income (loss) per Unit:				
As reported	$ (0.04)	$ 0.20	$ 0.29	$ 0.22
Pro forma	$ (0.04)	$ 0.20	$ 0.28	$ 0.22
Diluted net income (loss) per Unit:				
As reported	$ (0.04)	$ 0.18	$ 0.28	$ 0.19
Pro forma	$ (0.04)	$ 0.18	$ 0.27	$ 0.19

14. EARNINGS PER UNIT

Basic earnings per Unit is computed by dividing net income available to limited partner interests by the weighted-average number of Common and Subordinated Units outstanding during a period. In general, diluted earnings per Unit is computed by dividing net income available to limited partner interests by the weighted-average number of Common, Subordinated, Special Units and incremental Common Units from the assumed exercise of dilutive Unit options outstanding during a period. In a period of net operating losses, the Special Units and incremental Common Units from the assumed exercise of dilutive Unit options are excluded from the calculation of diluted earnings per Unit due to their antidilutive effect (as occurred for the first quarter of 2002 and third quarter of 2003). Treasury Units are not considered to be outstanding Units; therefore, they are excluded from the computation of both basic and diluted earnings per Unit.

Dilutive potential Common Units are calculated in accordance with the treasury stock method, which assumes that proceeds from the exercise of all in-the-money options at the beginning of each period are used to repurchase Common Units at average market value during the period. The amount of Common Units remaining after the proceeds are exhausted represents the potentially dilutive effect of the securities.

Beginning in August 2003, we issued new Common Units to satisfy the exercise of a small number of Unit options by the employees of EPCO (see Note 13). The issuance of new Common Units to satisfy EPCO's Unit option liability has a dilutive effect on our earnings per Unit. Prior to August 2003, EPCO had purchased practically all of the Units associated with the 1998 Plan in the open market. As a result, EPCO's Unit option plan did not have any effect on our fully diluted earnings per Unit in prior periods.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Income (loss) before minority interest	$ (2,504)	$ 36,146	$ 74,747	$ 41,293
General partner interest	(5,012)	(2,774)	(14,226)	(6,668)
Income (loss) before minority interest available to Limited Partners	(7,516)	33,372	60,521	34,625
Minority interest	(757)	(1,296)	(4,398)	(1,326)
Net income (loss) available to Limited Partners	$ (8,273)	$ 32,076	$ 56,123	$ 33,299
BASIC EARNINGS PER UNIT				
Numerator				
Income (loss) before minority interest available to Limited Partners	$ (7,516)	$ 33,372	$ 60,521	$ 34,625
Net income (loss) available to Limited Partners	$ (8,273)	$ 32,076	$ 56,123	$ 33,299
Denominator				
Common Units outstanding	200,587	125,502	174,057	112,699
Subordinated Units outstanding	7,214	32,115	21,331	36,820
Total	207,801	157,617	195,388	149,519
Basic Earnings per Unit				
Income (loss) before minority interest available to Limited Partners	$ (0.04)	$ 0.21	$ 0.31	$ 0.23
Net income (loss) available to Limited Partners	$ (0.04)	$ 0.20	$ 0.29	$ 0.22
DILUTED EARNINGS PER UNIT				
Numerator				
Income (loss) before minority interest available to Limited Partners	$ (7,516)	$ 33,372	$ 60,521	$ 34,625
Net income (loss) available to Limited Partners	$ (8,273)	$ 32,076	$ 56,123	$ 33,299
Denominator				
Common Units outstanding	200,587	125,502	174,057	112,699
Subordinated Units outstanding	7,214	32,115	21,331	36,820
Special Units outstanding	n/a	16,402	7,766	24,755
Incremental Common Units from the assumed exercise of dilutive Unit options	n/a	n/a	662	n/a
Total	207,801	174,019	203,816	174,274
Diluted Earnings per Unit				
Income (loss) before minority interest available to Limited Partners	$ (0.04)	$ 0.19	$ 0.30	$ 0.20
Net income (loss) available to Limited Partners	$ (0.04)	$ 0.18	$ 0.28	$ 0.19

For the third quarter of 2003, the following securities were not included in the computation of diluted earnings per Unit as their effect would have been anti-dilutive (in thousands): Special Units, 3,370; Incremental Common Units from the assumed exercise of dilutive Unit options, 595.

15. SUBSEQUENT EVENTS

In October 2003, our Operating Partnership refinanced its 364-Day Revolving Credit facility. The credit line available under this facility now expires in October 2004. In accordance with terms of the new credit agreement, we have the option to convert any revolving credit balance outstanding at maturity to a one-year term loan (due October 2005). In connection with this refinancing, certain financial ratio covenants of our 364-Day and Multi-Year Revolving Credit facilities were amended to increase our financial flexibility.

In October 2003, we purchased from Williams an additional 37.35% interest in Wilprise and 16.67% interest in Tri-States. The initial purchase price of these interests was $26.5 million. As a result of these acquisitions, our ownership interest in Wilprise is now 74.7% and for Tri-States, 50%.

PART I. FINANCIAL STATEMENTS.
Item 1B. ENTERPRISE PRODUCTS OPERATING L.P.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	September 30, 2003	December 31, 2002
ASSETS		
Current Assets		
Cash and cash equivalents (includes restricted cash of $14,655 at September 30, 2003 and $8,751 at December 31, 2002)	$ 54,742	$ 20,795
Accounts and notes receivable - trade, net of allowance for doubtful accounts of $20,372 at September 30, 2003 and $21,196 at December 31, 2002	372,984	399,187
Accounts receivable - affiliates	633	3,369
Inventories	181,098	167,369
Prepaid and other current assets	29,940	48,137
Total current assets	639,397	638,857
Property, Plant and Equipment, Net	2,920,641	2,810,839
Investments in and Advances to Unconsolidated Affiliates	334,872	396,993
Intangible assets, net of accumulated amortization of $36,332 at		

September 30, 2003 and $25,546 at December 31, 2002	266,875	277,661
Goodwill	81,547	81,547
Deferred Tax Asset	10,763	15,846
Long-term Receivables	5,792	12
Other Assets	22,031	9,806
Total	$4,281,918	$ 4,231,561
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities		
Current maturities of debt	$ 15,000	$ 15,000
Accounts payable - trade	70,904	67,283
Accounts payable - affiliates	26,069	40,773
Accrued gas payables	476,580	489,562
Accrued expenses	23,638	35,760
Accrued interest	14,893	30,338
Other current liabilities	58,231	42,644
Total current liabilities	685,315	721,360
Long-Term Debt	1,874,577	2,231,463
Other Long-Term Liabilities	15,717	7,666
Minority Interest	84,413	59,336
Commitments and Contingencies		
Partners' Equity		
Limited Partner	1,609,047	1,211,593
General Partner	16,419	12,363
Parent's Units acquired by Trust	(8,660)	(8,660)
Accumulated Other Comprehensive Income (Loss)	5,090	(3,560)
Total Partners' Equity	1,621,896	1,211,736
Total	$4,281,918	$ 4,231,561

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS OPERATING L.P.
STATEMENTS OF CONSOLIDATED OPERATIONS
AND COMPREHENSIVE INCOME
(Dollars in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
REVENUES				
Revenues from consolidated operations				
Third parties	$1,044,044	$ 794,642	$3,484,134	$2,040,700
Related parties	190,736	148,671	442,891	350,924
Total	1,234,780	943,313	3,927,025	2,391,624
COST AND EXPENSES				
Operating costs and expenses				
Third parties	1,004,563	709,454	3,115,864	1,811,826
Related parties	174,140	159,208	583,573	467,043
Selling, general and administrative				
Third parties	50	6,152	7,896	9,965
Related parties	7,212	6,119	20,553	17,907
Total	1,185,965	880,933	3,727,886	2,306,741
EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED	(18,040)	5,963	(16,647)	22,258

AFFILIATES				
OPERATING INCOME	30,775	68,343	182,492	107,141
OTHER INCOME (EXPENSE)				
Interest expense	(32,559)	(30,690)	(107,751)	(68,235)
Dividend income from unconsolidated affiliates	156		4,551	2,196
Interest income - other	377	576	1,036	2,396
Other, net	74	134	(15)	247
Other income (expense)	(31,952)	(29,980)	(102,179)	(63,396)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES AND MINORITY INTEREST	(1,177)	38,363	80,313	43,745
PROVISION FOR INCOME TAXES	(1,023)	(2,056)	(4,628)	(2,056)
INCOME (LOSS) BEFORE MINORITY INTEREST	(2,200)	36,307	75,685	41,689
MINORITY INTEREST	(808)	(988)	(3,767)	(1,074)
NET INCOME (LOSS)	(3,008)	35,319	71,918	40,615
Reclassification of change in value of financial instruments recorded as cash flow hedges			3,560	
Gain on settlement of financial instruments recorded as cash flow hedges			5,354	
Amortization of gain on settlement of financial instruments to earnings	(99)		(264)	
COMPREHENSIVE INCOME (LOSS)	$ (3,107)	$ 35,319	$ 80,568	$ 40,615

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS OPERATING L.P.
STATEMENTS OF CONSOLIDATED CASH FLOW
(Dollars in thousands)

	For the Nine Months Ended September 30,	
	2003	**2002**
OPERATING ACTIVITIES		
Net income	$ 71,918	$ 40,615
Adjustments to reconcile net income to cash flows provided by (used for) operating activities:		
Depreciation and amortization in operating costs and expenses	83,761	58,491
Depreciation in selling, general and administrative costs	83	55
Amortization in interest expense	12,237	4,361
Equity in income (loss) of unconsolidated affiliates	16,647	(22,258)
Distributions received from unconsolidated affiliates	25,703	40,114
Operating lease expense paid by EPCO	6,820	6,852
Other expenses paid by EPCO	611	
Minority interest	3,767	1,074
Loss (gain) on sale of assets	(67)	6
Deferred income tax expense	4,182	529
Changes in fair market value of financial instruments	(25)	12,830
Net effect of changes in operating accounts	3,848	23,055
Operating activities cash flows	229,485	165,724
INVESTING ACTIVITIES		
Capital expenditures	(97,968)	(46,958)

Proceeds from sale of assets	177	18
Business combinations, net of cash received	(26,255)	(1,615,298)
Acquisition of intangible asset		(2,000)
Investments in and advances to unconsolidated affiliates	(29,414)	(13,193)
Investing activities cash flows	(153,460)	(1,677,431)
FINANCING ACTIVITIES		
Borrowings under debt agreements	1,326,210	1,883,000
Repayments of debt	(1,683,000)	(270,000)
Debt issuance costs	(7,773)	(16,522)
Distributions paid to partners	(224,929)	(159,510)
Distributions paid to minority interests	(5,110)	(173)
Contributions from partners	547,090	39
Contributions from minority interests	80	1,324
Parent's Units acquired by consolidated Trust		(2,439)
Settlement of treasury lock financial instruments	5,354	
Increase in restricted cash	(5,904)	(1,521)
Financing activities cash flows	(47,982)	1,434,198
NET CHANGE IN CASH AND CASH EQUIVALENTS	28,043	(77,509)
CASH AND CASH EQUIVALENTS, JANUARY 1	12,044	132,071
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	$ 40,087	$ 54,562

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS OPERATING L.P.
STATEMENTS OF CONSOLIDATED PARTNERS' EQUITY
(Dollars in thousands)

	Limited Partner	General Partner	Parent's Units	Accum. OCI	Total
Balances, December 31, 2002	$1,211,593	$ 12,363	$ (8,660)	$ (3,560)	$1,211,736
Net income	71,192	726			71,918
Operating leases paid by EPCO	6,751	69			6,820
Other expenses paid by EPCO	605	6			611
Contributions from partners	541,563	5,527			547,090
Cash distributions to partners	(222,657)	(2,272)			(224,929)
Treasury Lock financial instruments recorded as cash flow hedges:					
- Reclassification of change in fair value				3,560	3,560
- Cash gains on settlement				5,354	5,354
- Amortization of gain as component of interest expense				(264)	(264)
Balances, September 30, 2003	$1,609,047	$ 16,419	$ (8,660)	$ 5,090	$1,621,896

See Notes to Unaudited Consolidated Financial Statements

ENTERPRISE PRODUCTS OPERATING L.P.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

In the opinion of Enterprise Products Operating L.P., the accompanying unaudited consolidated financial statements include all adjustments consisting of normal recurring accruals necessary for a fair presentation of its:

- consolidated financial position as of September 30, 2003;
- consolidated results of operations for the three and nine months ended September 30, 2003 and 2002;
- consolidated cash flows for the nine months ended September 30, 2003 and 2002; and
- consolidated partners' equity for the nine months ended September 30, 2003.

Within these footnote disclosures of Enterprise Products Operating L.P., references to "we", "us", "our" or "the Company" shall mean the consolidated financial statements of Enterprise Products Operating L.P. References to "Limited Partner" shall mean the consolidated financial statements of our parent, Enterprise Products Partners L.P., which are included elsewhere in this combined quarterly report on Form 10-Q.

Although we believe the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC. These unaudited financial statements should be read in conjunction with our annual report on Form 10-K/A (File No. 333-93239-01) for the year ended December 31, 2002.

The results of operations for the three and nine months ended September 30, 2003 are not necessarily indicative of the results to be expected for the full year.

Dollar amounts presented in the tabular data within these footnote disclosures are stated in thousands of dollars, unless otherwise indicated.

Certain abbreviated entity names and other capitalized and industry terms are defined within the glossary of this quarterly report on Form 10-Q.

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of consolidated operations.

See Note 13 for the pro forma effect on net income if we had used the fair-value based method of accounting for equity-based options.

2. RECENTLY ISSUED ACCOUNTING STANDARDS

SFAS No. 143, "*Accounting for Asset Retirement Obligations.*" We adopted this standard as of January 1, 2003. This statement establishes accounting standards for the recognition and measurement of an asset retirement obligation ("ARO") liability and the associated asset retirement cost. Our adoption of this standard had no material impact on our financial statements. For a discussion regarding our implementation of this new standard, see Note 5.

SFAS No. 145, "*Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*." We adopted provisions of this standard as of January 1, 2003. This statement revised accounting guidance related to the extinguishment of debt and accounting for certain lease transactions. It also amended other accounting literature to clarify its meaning, applicability and to make various technical corrections. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 146, "*Accounting for Costs Associated with Exit and Disposal Activities.*" We adopted this standard as of January 1, 2003. This statement requires companies to recognize costs associated with exit or

disposal activities when they are incurred rather than at the date of an entity's commitment to an exit or disposal plan. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure." We adopted this standard as of December 31, 2002. This statement provides alternative methods of transition from a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 in both annual and interim financial statements. We have provided the information required by this statement under Note 13. Apart from this additional footnote disclosure, our adoption of this standard has had no material impact on our financial statements.

SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies accounting guidance for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after June 30, 2003, for hedging relationships designated after June 30, 2003, and to certain preexisting contracts. We adopted SFAS No. 149 on a prospective basis as of July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity." This standard establishes classification and measurement standards for financial instruments with characteristics of both liabilities and equity. It requires an issuer of such financial instruments to reclassify the instrument from equity to a liability or an asset. The effective date of this standard for us was July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

FIN 45, "Guarantor's Accounting and Disclosure Requirement from Guarantees, Including Indirect Guarantees of Indebtedness of Others." We implemented this FASB interpretation as of December 31, 2002. This interpretation of SFAS No. 5, 57 and 107, and rescission of FASB Interpretation No. 34 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. We have provided the information required by this interpretation under Note 8.

FIN 46, "Consolidation of Variable Interest Entities – An Interpretation of ARB No. 51." This interpretation of ARB No. 51 addresses requirements for accounting consolidation of a variable interest entity ("VIE") with its primary beneficiary. In general, if an equity owner of a VIE meets certain criteria defined within FIN 46, the assets, liabilities and results of the activities of the VIE should be included in the consolidated financial statements of the owner. Our adoption of FIN 46 as of January 31, 2003 has had no material effect on our financial statements.

3. BUSINESS COMBINATIONS

During the first nine months of 2003, we acquired EPIK's remaining 50% ownership interest, the Port Neches Pipeline, and an additional 33.33% interest in BEF. In addition, we began consolidating the financial statements of OTC beginning August 2003 as a result of our obtaining control over this entity. We also made minor adjustments to the allocation of the purchase price we paid to acquire indirect interests in Mid-America and Seminole pipelines. Due to the immaterial nature of each transaction or event, individually and in the aggregate, our discussion of each of these transactions is limited to the following:

Acquisition of remaining 50% interest in EPIK. In March 2003, we purchased the remaining 50% ownership interests in EPIK. EPIK owns an NGL export terminal located in southeast Texas on the Houston Ship Channel. As a result of this acquisition, EPIK became a consolidated wholly-owned subsidiary of ours (previously, it had been an equity-method unconsolidated affiliate).

Acquisition of Port Neches Pipeline. In March 2003, we acquired entities owning the Port Neches Pipeline (formerly known as the Quest Pipeline). The 70-mile Port Neches Pipeline transports high-purity grade isobutane produced at our facilities in Mont Belvieu to customers in Port Neches, Texas.

Acquisition of 33.33% interest in BEF. At the end of September 2003, we acquired an additional 33.33% partnership interest in BEF, which owns a facility that currently produces MTBE (a motor gasoline additive that enhances octane and is used in reformulated gasoline). Due to this acquisition, BEF became a majority-owned consolidated subsidiary of ours on September 30, 2003. Previously, BEF was accounted for as an equity-method unconsolidated affiliate.

Consolidation of OTC. In August 2003, we became the operator of OTC's above ground polymer grade propylene storage and export facility located in Seabrook, Texas. We currently own 50% of OTC and represent its major customer. As a result of obtaining significant control over OTC through our operator, owner and customer relationship with the facility, we began consolidating OTC's financial statements with ours beginning August 1, 2003. Previously, OTC was accounted for as an equity-method unconsolidated affiliate.

Other purchase price adjustments. We made purchase price adjustments relating to our $1.2 billion acquisition of indirect interests in the Mid-America and Seminole pipelines. These adjustments total a net $4.8 million and primarily relate to liabilities existing at July 31, 2002, which was the closing date of the acquisitions.

The following table shows our allocation of the purchase price for 2003 acquisitions, effects of consolidating entities that were formerly accounted for under the equity-method, and adjustments to purchase price allocations from prior periods.

	2003 Business Acquisitions	Consolidation of OTC	Other Purchase Price Adjustments	Total
Cash and cash equivalents	$ 18,562	$ 665		$ 19,227
Accounts receivable	7,819	740	$ (172)	8,387
Inventories	10,593			10,593
Prepaid and other current assets	5,114	62	(1,525)	3,651
Property, plant and equipment, net	85,087	4,946	20,930	110,963
Investments in and advances to unconsolidated affiliates	(43,684)	(5,501)		(49,185)
Other assets	4,989		(124)	4,865
Accounts payable	(5,007)	(635)		(5,642)
Accrued gas payables	(5,370)			(5,370)
Accrued expenses	(1,734)	(137)	(1,887)	(3,758)
Other current liabilities	(4,329)	(140)	(11,449)	(15,918)
Other liabilities	(5,001)		(1,062)	(6,063)
Minority interest	(26,437)		169	(26,268)
Total net assets recorded	40,602	-	4,880	45,482
Investee cash balances recorded upon consolidation	(18,562)	(665)		(19,227)
Business combinations, net of cash received	$ 22,040	$ (665)	$ 4,880	$ 26,255

4. INVENTORIES

Our inventories were as follows at the dates indicated:

	September 30, 2003	December 31, 2002
Regular inventory	$ 156,993	$ 131,769
Forward-sales inventory	24,105	35,600
Inventory	$ 181,098	$ 167,369

Our regular inventory is comprised of inventories of NGLs, certain petrochemical products, and natural gas that are available for sale through our marketing activities. The forward sales inventory is comprised of segregated NGL volumes dedicated to the fulfillment of forward sales contracts.

Due to fluctuating market conditions in the midstream energy industry in which we operate, we occasionally recognize lower of cost or market ("LCM") adjustments when the costs of our inventories exceed their net realizable value. These non-cash adjustments are charged to operating costs and expenses in the period they are recognized. For the three and nine months ended September 30, 2003, we recognized $0.7 million and $15.1 million, respectively, of such LCM adjustments. For the three and nine months ended September 30, 2002, we recognized $1.5 million and $6.2 million, respectively, of these adjustments. The majority of these write-downs were taken against NGL inventories.

5. PROPERTY, PLANT AND EQUIPMENT

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

	Estimated Useful Life in Years	September 30, 2003	December 31, 2002
Plants and pipelines	5-35	$ 3,098,701	$ 2,860,180
Underground and other storage facilities	5-35	296,548	283,114
Transportation equipment	3-35	5,586	5,118

Land	24,040	23,817
Construction in progress	105,770	49,586
Total	3,530,645	3,221,815
Less accumulated depreciation	610,004	410,976
Property, plant and equipment, net	$ 2,920,641	$ 2,810,839

Depreciation expense for the three months ended September 30, 2003 and 2002 was $24.7 million and $20.7 million, respectively. For the nine months ended September 30, 2003 and 2002, it was $73.1 million and $48.6 million, respectively.

Asset retirement obligations. SFAS No. 143 establishes accounting standards for the recognition and measurement of an ARO liability and the associated asset retirement cost. Under the implementation guidelines of SFAS No. 143, we reviewed our long-lived assets for ARO liabilities and identified such liabilities in several operational areas. These include ARO liabilities related to (i) right-of-way easements over property not owned by us and (ii) regulatory requirements triggered by the abandonment or retirement of certain currently operated facilities.

As a result of our analysis of identified AROs, we were not required to recognize such potential liabilities. Our rights under the easements are renewable and only require retirement action upon nonrenewal of the easement agreements. We currently expect to renew all such easement agreements and to use these properties for the foreseeable future. Therefore, an ARO liability is not estimable for such easements. Should we decide not to renew these right-of-way agreements, an ARO liability would be recorded at that time. We also identified potential ARO liabilities arising from regulatory requirements related to the future abandonment or retirement of certain currently operated facilities. At present, we currently have no intention or legal obligation to abandon or retire such facilities. An ARO liability would be recorded if future abandonment or retirement of such facilities occurred.

Certain Gulf of Mexico natural gas pipelines owned by our equity method investees, Starfish, Neptune and Nemo, have identified ARO's relating to regulatory requirements. At present, these entities have no plans to abandon or retire their major transmission pipelines; however, there are plans to retire certain minor gas gathering lines periodically through 2013. Should the management of these companies decide to abandon or retire their major transmission pipelines, an ARO liability would be recorded at that time. With regard to the minor gas gathering

pipelines scheduled for retirement, Starfish and Neptune collectively recorded ARO liabilities during 2003 totaling $2.8 million (on a gross basis).

6. INVESTMENTS IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES

We own interests in a number of related businesses that are accounted for under the equity or cost methods. The investments in and advances to these unconsolidated affiliates are grouped according to the business segment to which they relate. For a general discussion of our business segments, see Note 12. The following table shows our investments in and advances to unconsolidated affiliates at the dates indicated:

	Ownership Percentage	September 30, 2003	December 31, 2002
Accounted for on equity basis:			
Fractionation:			
BRF	32.25%	$ 27,853	$ 28,293
BRPC	30.00%	16,668	17,616
Promix	33.33%	39,919	41,643
La Porte	50.00%	5,334	5,737
OTC (1)	50.00%	n/a	2,178
Pipeline:			
EPIK (1)	50.00%	n/a	11,114
Wilprise (1)	37.35%	8,215	8,566
Tri-States (1)	33.33%	25,074	25,552
Belle Rose	41.67%	10,666	11,057
Dixie	19.88%	37,383	36,660
Starfish	50.00%	40,566	28,512
Neptune	25.67%	75,299	77,365
Nemo	33.92%	12,231	12,423
Evangeline	49.50%	2,664	2,383
Octane Enhancement:			
BEF (1)	33.33%	n/a	54,894
Accounted for on cost basis:			
Processing:			
VESCO	13.10%	33,000	33,000
Total		$ 334,872	$ 396,993

(1) *See Notes 3 and 14 for a discussion of changes in ownership or control.*

The following table shows our equity in income (loss) of unconsolidated affiliates for the periods indicated:

	Ownership Percentage	For the Three Months Ended September 30, 2003	For the Three Months Ended September 30, 2002	For the Nine Months Ended September 30, 2003	For the Nine Months Ended September 30, 2002
Fractionation:					
BRF	32.25%	$ 227	$ 719	$ 308	$ 2,011
BRPC	30.00%	231	264	773	791
Promix	33.33%	676	1,175	1,270	3,214
La Porte	50.00%	(159)	(134)	(493)	(399)
OTC	50.00%	(57)	79	(77)	97
Pipelines:					
EPIK	50.00%		435	1,818	2,064
Wilprise	37.35%	83	267	276	734
Tri-States	33.33%	52	645	1,176	1,479
Belle Rose	41.67%	(20)	74	(137)	188
Dixie	19.88%	366	(138)	739	423
Starfish	50.00%	781	499	3,265	2,284
Neptune	25.67%	541	504	1,235	1,964
Nemo	33.92%	326	369	920	391
Evangeline	49.50%	108	51	144	(20)
Octane Enhancement:					
BEF	33.33%	(21,195)	1,154	(27,864)	7,037
Total		$ (18,040)	$ 5,963	$ (16,647)	$ 22,258

The following tables present summarized income statement information for our unconsolidated affiliates accounted for under the equity method (for the periods indicated, on a 100% basis). We have grouped this information by the business segment to which the entities relate.

Summarized Income Statement Information for the Three Months Ended

	September 30, 2003			September 30, 2002		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
Pipelines	$ 98,997	$ 12,650	$ 8,770	$ 79,903	$ 12,379	$ 10,277
Fractionation	17,485	3,217	3,222	21,180	6,874	6,842
Octane Enhancement	48,255	(63,608)	(63,585)	61,501	3,393	3,466

Summarized Income Statement Information for the Nine Months Ended

	September 30, 2003			September 30, 2002		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
Pipelines	$ 282,878	$ 42,010	$ 30,788	$ 210,789	$ 36,569	$ 29,987
Fractionation	53,028	7,053	6,998	60,360	18,719	18,686
Octane Enhancement	134,543	(83,677)	(83,592)	167,562	20,940	21,113

Our initial investment in Promix, La Porte, Dixie, Neptune and Nemo exceeded our share of the historical cost of the underlying net assets of such entities (the “excess cost”). The excess cost of these investments is reflected in our investments in and advances to unconsolidated affiliates for these entities. That

portion of excess cost attributable to the tangible plant and/or pipeline assets of each entity is amortized against equity earnings from these entities in a manner similar to depreciation. That portion of excess cost attributable to goodwill is subject to periodic impairment testing and is not amortized.

The following table summarizes our excess cost information at September 30, 2003 and December 31, 2002 by the business segment to which the unconsolidated affiliates relate:

		Original Excess Cost attributable to		**Unamortized balance at**	
	Amort. Periods	**Tangible assets**	**Goodwill**	**September 30, 2003**	**December 31, 2002**
Fractionation	20-35 years	$ 8,828		$ 7,152	$ 7,429
Pipelines	35 years *(1)*	41,943	$ 9,246	46,735	47,637

(1) Goodwill is not amortized; however, it is subject to periodic impairment testing.

For each of the three months ended September 30, 2003 and 2002, we recorded $0.4 million of excess cost amortization, which is reflected in our equity in earnings from unconsolidated affiliates. We recorded $1.2 million of excess cost amortization for each of the nine month periods ended September 30, 2003 and 2002.

Purchase of remaining 50% interest in EPIK

As discussed in Note 3, we purchased the remaining 50% ownership interest in EPIK in March 2003. As a result of this acquisition, EPIK became a consolidated wholly-owned subsidiary. We recorded $1.8 million of equity income from EPIK for the two months that it was an unconsolidated subsidiary during the first quarter of 2003.

Purchase of an additional 33.33% interest in BEF

As discussed in Note 3, we purchased an additional 33.33% partnership interest in BEF at the end of September 2003. As a result of this acquisition, BEF became a majority-owned consolidated subsidiary of ours. Prior to this acquisition and consolidation, our share of BEF’s losses for the first nine months of 2003 was $27.9 million, which reflects an impairment charge recorded by BEF prior to our purchase of the additional partnership interest.

BEF owns a facility that currently produces MTBE, a motor gasoline additive that enhances octane and is used in reformulated gasoline. The production of MTBE is primarily driven by oxygenated fuel programs enacted under the federal Clean Air Act Amendments of 1990. As a result of environmental concerns, several states have enacted legislation to ban or significantly limit the use of MTBE in motor gasoline within their jurisdictions. In addition, federal legislation has been drafted to ban MTBE and replace the oxygenate with renewable fuels such as ethanol.

As a result of declining domestic demand and a prolonged period of weak MTBE production economics, several of BEF’s competitors have announced their withdrawal from the marketplace. Due to the deteriorating business environment and outlook and the completion of its preliminary engineering studies regarding conversion alternatives, BEF evaluated the carrying value of its long-lived assets for impairment during the third quarter of 2003. This review indicated that the carrying value of its long-lived assets exceeded their collective fair value, which resulted in a non-cash impairment charge of $67.5 million. Our share of this loss is $22.5 million and is recorded as a component of “Equity in income (loss) of unconsolidated affiliates” in our Statements of Consolidated Operations and Comprehensive Income for the three and nine months ended September 30, 2003. Our historical equity (and in the future, consolidated) earnings from BEF are classified under the Octane Enhancement business segment.

BEF’s assets were written down to fair value, which was determined by independent appraisers using present value techniques. The impaired assets principally represent the plant facility and other assets associated with MTBE production. The fair value analysis incorporates future courses of action being taken (or contemplated to be taken) by BEF management, including modification of the facility to produce iso-octane and alkylate. If the underlying assumptions in the fair value analysis change resulting in expected future cash flows being less than the new carrying value of the facility, additional impairment charges may result in the future.

BEF is currently in the process of preparing detailed engineering plans to convert the facility to iso-octane production. The project is expected to be complete by mid-2004. The facility will continue to produce MTBE as market conditions warrant and will be capable of producing either MTBE or iso-octane once the plant modifications are complete. Depending on the outcome of various factors (including pending federal legislation) the facility may be further modified in the future to produce alkylate.

7. INTANGIBLE ASSETS AND GOODWILL

Intangible assets

The following table summarizes our intangible assets at September 30, 2003 and December 31, 2002:

		At September 30, 2003		At December 31, 2002	
	Gross Value	Accum. Amort.	Carrying Value	Accum. Amort.	Carrying Value
Shell natural gas processing agreement	$ 206,216	$ (31,301)	$ 174,915	$ (23,015)	$ 183,201
Mont Belvieu Storage II contracts	8,127	(407)	7,720	(232)	7,895
Mont Belvieu Splitter III contracts	53,000	(2,524)	50,476	(1,388)	51,612
Toca-Western natural gas processing contracts	11,187	(745)	10,442	(326)	10,861
Toca-Western NGL fractionation contracts	20,042	(1,336)	18,706	(585)	19,457
Venice contracts	4,635	(19)	4,616		4,635
Total	$ 303,207	$ (36,332)	$ 266,875	$ (25,546)	$ 277,661

The following table shows amortization expense associated with our intangible assets for the three and nine months ended September 30, 2003 and 2002:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Shell natural gas processing agreement	$ 2,762	$ 2,763	$ 8,286	$ 8,286
Mont Belvieu Storage II contracts	58	58	174	178
Mont Belvieu Splitter III contracts	379	379	1,137	1,010
Toca-Western natural gas processing contracts	140	185	420	185
Toca-Western NGL fractionation contracts	250	334	750	334
Venice contracts	19		19	
Total	$ 3,608	$ 3,719	$ 10,786	$ 9,993

Goodwill

Our goodwill is attributable to the excess of the purchase price over the fair value of assets acquired and is comprised of the following (at September 30, 2003 and December 31, 2002):

Mont Belvieu Splitter III acquisition	$ 73,690
MBA acquisition	7,857
	$ 81,547

Our goodwill amounts are recorded as part of the Fractionation segment since they are related to assets classified within this operating segment.

8. DEBT OBLIGATIONS

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

	September 30, 2003	December 31, 2002

	September 30, 2003	December 31, 2002
Borrowings under:		
364-Day Term Loan, variable rate, due July 2003		$ 1,022,000
364-Day Revolving Credit facility, variable rate, due November 2004		99,000
Multi-Year Revolving Credit facility, variable rate, due November 2005	$ 145,000	225,000
Senior Notes A, 8.25% fixed rate, due March 2005	350,000	350,000
Seminole Notes, 6.67% fixed rate, $15 million due each December, 2002 through 2005	45,000	45,000
MBFC Loan, 8.70% fixed rate, due March 2010	54,000	54,000
Senior Notes B, 7.50% fixed rate, due February 2011	450,000	450,000
Senior Notes C, 6.375% fixed rate, due February 2013	350,000	
Senior Notes D, 6.875% fixed rate, due March 2033	500,000	
Total principal amount	1,894,000	2,245,000
Unamortized balance of increase in fair value related to hedging a portion of fixed-rate debt	1,591	1,774
Less unamortized discount on:		
Senior Notes A	(53)	(81)
Senior Notes B	(208)	(230)
Senior Notes D	(5,753)	
Less current maturities of debt	(15,000)	(15,000)
Long-term debt	$ 1,874,577	$ 2,231,463

Letters of credit. At September 30, 2003 and December 31, 2002, we had $75 million of standby letter of credit capacity under our Multi-Year Revolving Credit facility. We had $13.9 million of letters of credit outstanding under this facility at September 30, 2003 and $2.4 million outstanding at December 31, 2002.

Covenants. We were in compliance with the various covenants of our debt agreements at September 30, 2003 and December 31, 2002. Certain financial ratio covenants of our revolving credit facilities were amended in connection with the refinancing of our 364-Day Revolving Credit facility in October 2003 (see Note 14).

Parent-Subsidiary guarantor relationships. Our parent (which is our Limited Partner) is the guarantor of certain of our consolidated debt obligations. This parent-subsidiary guaranty provision exists under all of our consolidated debt obligations, with the exception of the Seminole Notes. If we were to default on any debt guaranteed by the Limited Partner, our Limited Partner would be responsible for full repayment of that obligation. The Seminole Notes are unsecured obligations of Seminole Pipeline Company (of which we own an effective 78.4% of its ownership interests).

New senior notes issued during first quarter of 2003

During the first quarter of 2003, we completed the issuance of $850 million of long-term senior notes (Senior Notes C and D). Senior Notes C and D are unsecured obligations and rank equally with our existing and future unsecured and unsubordinated indebtedness and senior to any future subordinated indebtedness. Senior Notes C and D are guaranteed by our Limited Partner through an unsecured and unsubordinated guarantee that is non-recourse to the General Partner. These notes were issued under an indenture containing certain covenants and are subject to a make-whole redemption right if we elect to call the debt prior to its scheduled maturity. These covenants restrict our ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Senior Notes C. In January 2003, we issued $350 million in principal amount of 6.375% fixed-rate senior notes due February 1, 2013 (“Senior Notes C”), from which we received net proceeds before offering expenses of approximately $347.7 million. These private placement notes were sold at face value with no discount or premium. We used the proceeds from this offering to repay a portion of the indebtedness outstanding under the 364-Day Term Loan that we incurred to finance the Mid-America and Seminole acquisitions. In May 2003, we exchanged 100% of the private placement Senior Notes C for publicly-registered Senior Notes C.

Senior Notes D. In February 2003, we issued $500 million in principal amount of 6.875% fixed-rate senior notes due March 1, 2033 (“Senior Notes D”), from which we received net proceeds before offering expenses of approximately $489.8 million. These private placement notes were sold at 98.842% of their face amount. We used $421.4 million from this offering to repay the remaining principal balance outstanding under the 364-Day Term Loan. In addition, we applied $60.0 million of the proceeds to reduce the balance outstanding under the 364-Day Revolving Credit facility. The remaining proceeds were used for working capital purposes. In July 2003, we exchanged 100% of the private placement Senior Notes D for publicly-registered Senior Notes D.

Repayment of 364-Day Term Loan

In July 2002, we entered into the $1.2 billion senior unsecured 364-Day Term Loan to fund the acquisition of indirect interests in Mid-America and Seminole. We used $178.5 million of the $182.5 million in proceeds from our Limited Partner’s October 2002 equity offering to partially repay this loan. We also used $252.8 million of the $258.2 million in proceeds from our Limited Partner’s January 2003 equity offering (see Note 9), $347.0 million of the $347.7 million

in proceeds from our issuance of Senior Notes C and $421.4 million in proceeds from our issuance of Senior Notes D to completely repay the 364-Day Term Loan in February 2003.

Revolving credit facilities

We used $60.0 million in proceeds from the issuance of Senior Notes D in February 2003 to reduce the balance outstanding under our 364-Day Revolving Credit facility. In addition, we applied $261.2 million in contributions related to our Limited Partner's June 2003 equity offering (see Note 9) to reduce the balances then outstanding under our revolving credit facilities, of which $102 million was applied against the 364-Day Revolving Credit facility and $159.2 million against the Multi-Year Revolving Credit facility.

At September 30, 2003, we had $230 million of stand-alone borrowing capacity available under our 364-Day Revolving Credit facility, with no principal balance outstanding. In addition, we had $270 million in stand-alone borrowing capacity available under our Multi-Year Revolving Credit facility at September 30, 2003. We had $145 million of principal and $13.9 million in letters of credit outstanding under this facility at that date, with $111.1 million of unused capacity.

The original credit line available under our 364-Day Revolving Credit facility was set to expire in November 2003. In late October 2003, we refinanced the term of this facility. See Note 14 for additional information regarding this subsequent event.

Information regarding variable interest rates paid

The following table shows the range of interest rates paid and weighted-average interest rate paid on our variable-rate debt obligations for the nine months ended September 30, 2003:

	Range of interest rates paid	**Weighted- average interest rate paid**
364-Day Term Loan (a)	2.59% - 2.88%	2.85%
364-Day Revolving Credit facility	2.44% - 4.25%	2.52%
Multi-Year Revolving Credit facility	1.68% - 4.25%	1.89%

(a) This facility was repaid in February 2003.

9. CAPITAL STRUCTURE

We are owned 98.9899% by our Limited Partner and 1.0101% by our General Partner. The rights available to our partners are described in the *Amended and Restated Agreement of Limited Partnership*. We are managed by our General Partner.

In January 2003, our Limited Partner completed an equity offering from which we received a cash contribution of $258.2 million, which includes our General Partner's related capital contribution of $2.6 million. We used $252.8 million of the contribution to repay a portion of the indebtedness outstanding under the 364-Day Term Loan. The remaining balance of the contribution was used for working capital purposes.

In June 2003, our Limited Partner completed an equity offering from which we received a cash contribution of $261.2 million, which includes our General Partner's related capital contribution of $2.6 million. We used the proceeds from this contribution to reduce indebtedness outstanding under our revolving credit facilities.

In August 2003, our Limited Partner contributed $27.4 million to us in connection with proceeds received primarily from its distribution reinvestment plan. The General Partner contributed $0.3 million. We used the cash received for general partnership purposes.

10. SUPPLEMENTAL CASH FLOWS DISCLOSURE

The net effect of changes in operating accounts is as follows for the periods indicated:

	For the Nine Months Ended September 30,	
	2003	**2002**
(Increase) decrease in:		
Accounts and notes receivable	$ 37,332	$ (50,948)
Inventories	18,861	(144,746)
Prepaid and other current assets	10,283	16,183
Other assets	(72)	(3,326)

Increase (decrease) in:		
Accounts payable	(16,654)	50,393
Accrued gas payable	(18,353)	170,407
Accrued expenses	(15,879)	(5,657)
Accrued interest	(15,446)	(9,478)
Other current liabilities	4,571	372
Other liabilities	(795)	(145)
Net effect of changes in operating accounts	$ 3,848	$ 23,055

During the first nine months of 2003, we completed three business acquisitions; made adjustments to the purchase price allocation of the Mid-America and Seminole acquisitions; and consolidated three entities that had been previously accounted for using the equity-method. These transactions and events affected various balance sheet accounts (see Note 3). The 2002 period reflects our acquisition of indirect interests in Mid-America and Seminole pipelines from Williams and propylene fractionation and NGL and petrochemical storage assets from Diamond-Koch.

We record certain financial instruments relating to commodity positions and interest rate hedging activities at their respective fair values using mark-to-market accounting. For the nine months ended September 30, 2002, we recognized a net $12.8 million in non-cash mark-to-market decreases in the fair value of these instruments, primarily in our commodity financial instruments portfolio. We had a limited number of such positions outstanding during the first nine months of 2003, with the non-cash change in fair value of these instruments being an increase of $25 thousand.

Cash and cash equivalents (as shown on our Statements of Consolidated Cash Flows) exclude restricted cash held by a brokerage firm both as margin deposits associated with our financial instruments portfolio and cash deposits pertaining to physical natural gas purchase transactions we made on the NYMEX exchange. The restricted cash balance at September 30, 2003 and December 31, 2002 was $14.7 million and $8.8 million, respectively.

During the second quarter of 2003, we recognized a $6.7 million long-term receivable from a customer relating to the construction of certain pipeline equipment. Of this amount, $3.9 million relates to charges originally recorded as construction-in-progress and $2.8 million represents deferred revenue classified as a component of other liabilities. This receivable is expected to be collected over the next ten years and bears an effective annual interest rate of approximately 12%.

Certain of our expenses are paid by EPCO, which are accounted for as non-cash related party expenses in our Statements of Consolidated Operations and Comprehensive Income (with an offset to Partners' Equity on the Consolidated Balance Sheets recorded as a general contribution to the Company). These expenses include (i) operating leases for which EPCO has retained the corresponding cash lease payment obligation and (ii) administrative service costs incurred by EPCO on behalf of us in excess of our actual cash reimbursement to EPCO. For the nine months ended September 30, 2003 and 2002, operating leases paid by EPCO totaled $6.8 million and $6.9 million, respectively. EPCO's unreimbursed administrative service costs for the three and nine months ended September 30, 2003 were $0.6 million.

11. FINANCIAL INSTRUMENTS

We are exposed to financial market risks, including changes in commodity prices and interest rates. We may use financial instruments (i.e., futures, forwards, swaps, options, and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions, primarily within our Processing segment. In general, the types of risks we attempt to hedge are those relating to the variability of future earnings and cash flows caused by changes in commodity prices and interest rates. As a matter of policy, we do not use financial instruments for speculative (or trading) purposes.

Commodity hedging financial instruments

During the first nine months of 2002, we recognized a loss of $52.3 million from our Processing segment's commodity hedging activities that was recorded as an operating cost in our Statements of Consolidated Operations and Comprehensive Income. Of this loss, $1.4 million was recorded during the third quarter of 2002. In March 2002, the effectiveness of our primary commodity hedging strategy deteriorated due to an unexpected rapid increase in natural gas prices whereby the loss in value of our fixed-price natural gas financial instruments was not offset by increased gas processing margins. We exited the strategy underlying this loss in 2002.

During the first nine months of 2003, we utilized a limited number of commodity financial instruments from which we recorded a loss of $0.9 million. Of this loss amount, $6 thousand was recognized during the third quarter of 2003. The fair value of open positions at September 30, 2003 was a nominal payable amount.

Interest rate hedging financial instruments

During the fourth quarter of 2002, we entered into seven treasury lock transactions. Each treasury lock transaction carried a maturity date of either January 31, 2003 or April 15, 2003. The purpose of these financial instruments was to hedge the underlying U.S. treasury interest rate associated with our anticipated issuance of debt in early 2003 to refinance the Mid-America and Seminole acquisitions. The notional amounts of the treasury lock transactions totaled $550 million, with a total treasury lock rate of approximately 4%.

These transactions were accounted for as cash flow hedges under SFAS No. 133. The fair value of these financial instruments at December 31, 2002 was a current liability of $3.8 million offset by a current asset of $0.2 million. The net $3.6 million non-cash mark-to-market liability was recorded as a component of comprehensive income on that date, with no impact on 2002 net income.

We settled all of the treasury locks in early February 2003 in connection with our issuance of Senior Notes C and D (see Note 8). The settlement of these financial instruments resulted in our receipt of $5.4 million in cash. This amount was recorded as a gain in other comprehensive income during the first quarter of 2003 and represents the effective portion of the treasury locks.

Of the $5.4 million recorded in other comprehensive income during the first quarter of 2003, $4.0 million is attributable to our issuance of Senior Notes C and is being amortized to earnings as a reduction in interest expense over the 10-year term of this debt. The remaining $1.4 million is attributable to our issuance of Senior Notes D and is being amortized to earnings as a reduction in interest expense over the 10-year term of the anticipated transaction as required by SFAS No. 133. The estimated amount to be reclassified from accumulated other comprehensive income to earnings during 2003 is $0.4 million. As a result of settlement of the treasury locks, the $3.6 million non-cash mark-to-market liability recorded at December 31, 2002 was reclassified out of accumulated other comprehensive income in Partners' Equity to offset the current asset and liability we recorded at December 31, 2002 with no impact on 2003 net income.

12. SEGMENT INFORMATION

We have five reportable business (or operating) segments: Pipelines, Fractionation, Processing, Octane Enhancement and Other. Our reportable segments are generally organized according to the type of services rendered (or process employed) and products produced and/or sold, as applicable. The segments are regularly evaluated by the CEO of the General Partner. Pipelines consists of NGL, petrochemical and natural gas pipeline systems, storage and import/export terminal services. Fractionation primarily includes NGL fractionation, isomerization, and polymer-grade and chemical-grade propylene fractionation services. Processing includes the natural gas processing business and its related NGL marketing activities. Octane Enhancement represents our investment in BEF, a facility that produces motor gasoline additives to enhance octane (currently producing MTBE). The Other business segment consists of fee-based marketing services and various operational support activities.

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. We define total segment gross operating margin as operating income before: (1) depreciation and amortization expense; (2) operating lease expenses for which we do not have the payment obligation; (3) gains and losses on the sale of assets; and (4) selling, general and administrative expenses. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest and extraordinary charges. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation.

Gross operating margin (either in total or by individual segment) is an important performance measure of the core profitability of our operations. This non-GAAP financial measure forms the basis of our internal financial reporting and is used by senior management in deciding how to allocate capital resources among business segments. We believe that investors benefit from having access to the same financial measures that our management uses. The GAAP measure most directly comparable to total segment gross operating margin is operating income.

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
Revenues (a)	$ 1,234,780	$ 943,313	$ 3,927,025	$ 2,391,624

	For the Three Months Ended September 30, 2003	2002	For the Nine Months Ended September 30, 2003	2002
Less operating costs and expenses (a)	(1,178,703)	(868,662)	(3,699,437)	(2,278,869)
Add equity in income (loss) of unconsolidated affiliates (b)	(18,040)	5,963	(16,647)	22,258
Subtotal	38,037	80,614	210,941	135,013
Add: Depreciation and amortization in operating costs and expenses (c)	28,259	24,292	83,761	58,491
Retained lease expense, net in operating expenses allocable to us (d)	2,273	2,274	6,820	6,852
Loss on sale of assets in operating costs and expenses (c)	(35)	(6)	(67)	6
Total segment gross operating margin	$ 68,534	$ 107,174	$ 301,455	$ 200,362

(a) These amounts are comprised of both third-party and related party totals as shown on our Statements of Consolidated Operations and Comprehensive Income.
(b) This amount is taken directly from our Statements of Consolidated Operations and Comprehensive Income.
(c) This amount is taken directly from the operating activities section of our Statements of Consolidated Cash Flows.
(d) This non-cash amount represents the value of the operating leases contributed EPCO to us for which EPCO has retained the cash payment obligation (the "retained leases"). This amount is taken from the operating activities section ("Operating lease expense paid by EPCO" line item) of our Statements of Consolidated Cash Flows.

The following table reconciles GAAP operating income as shown on our Statements of Consolidated Operations and Comprehensive Income to total segment gross operating margin for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
Operating income	$ 30,775	$ 68,343	$182,492	$107,141
Adjustments to reconcile operating income to total gross operating margin:				
Depreciation and amortization in operating costs and expenses	28,259	24,292	83,761	58,491
Retained lease expense, net in operating costs and expenses	2,273	2,274	6,820	6,852
Loss (gain) on sale of assets in operating costs and expenses	(35)	(6)	(67)	6
Selling, general and administrative costs	7,262	12,271	28,449	27,872
Total segment gross operating margin	$ 68,534	$107,174	$301,455	$200,362

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

	Operating Segments						
	Fractionation	**Pipelines**	**Processing**	**Octane Enhancement**	**Other**	**Adjs. and Elims.**	**Consol. Totals**
Revenues from third parties:							
Three months ended September 30, 2003	$ 182,559	$ 94,833	$ 766,039		$ 613		$1,044,044
Three months ended September 30, 2002	173,304	121,717	499,251		370		794,642
Nine months ended September 30, 2003	582,582	477,109	2,422,526		1,917		3,484,134
Nine months ended September 30, 2002	440,162	296,929	1,302,431		1,178		2,040,700
Revenues from related parties:							
Three months ended September	744	115,524	74,468				190,736

30, 2003							
Three months ended September 30, 2002	6,477	52,586	89,577		31		148,671
Nine months ended September 30, 2003	2,017	189,578	251,296				442,891
Nine months ended September 30, 2002	18,386	115,044	217,372		122		350,924
Intersegment and intrasegment revenues:							
Three months ended September 30, 2003	52,570	32,915	225,136		101	$(310,722)	
Three months ended September 30, 2002	59,737	27,469	123,049		100	(210,355)	
Nine months ended September 30, 2003	194,669	136,602	563,397		303	(894,971)	
Nine months ended September 30, 2002	149,237	77,557	390,278		302	(617,374)	
Total revenues:							
Three months ended September 30, 2003	235,873	243,272	1,065,643		714	(310,722)	1,234,780
Three months ended September 30, 2002	239,518	201,772	711,877		501	(210,355)	943,313
Nine months ended September 30, 2003	779,268	803,289	3,237,219		2,220	(894,971)	3,927,025
Nine months ended September 30, 2002	607,785	489,530	1,910,081		1,602	(617,374)	2,391,624
Equity in income (loss) of unconsolidated affiliates:							
Three months ended September 30, 2003	918	2,237		$ (21,195)			(18,040)
Three months ended September 30, 2002	2,102	2,705		1,156			5,963
Nine months ended September 30, 2003	1,781	9,436		(27,864)			(16,647)
Nine months ended September 30, 2002	5,714	9,506		7,038			22,258
Gross operating margin by individual business segment and in total:							
Three months ended September 30, 2003	30,617	66,589	(6,884)	(21,195)	(593)		68,534
Three months ended September 30, 2002	34,585	63,887	8,417	1,155	(870)		107,174
Nine months ended September 30, 2003	95,535	210,490	25,757	(27,864)	(2,463)		301,455
Nine months ended September 30, 2002	92,815	128,745	(26,141)	7,038	(2,095)		200,362
Segment assets:							
At September 30, 2003	438,751	2,148,423	164,233	39,105	24,359	105,770	2,920,641
At December 31, 2002	444,016	2,166,524	134,237		16,825	49,237	2,810,839
Investments in and advances to unconsolidated affiliates:							
At September 30, 2003	89,774	212,098	33,000				334,872
At December 31, 2002	95,467	213,632	33,000	54,894			396,993
Intangible Assets:							
At September 30, 2003	69,182	7,720	189,973				266,875
At December 31, 2002	71,069	7,895	198,697				277,661
Goodwill:							
At September 30, 2003 and December 31, 2002	81,547						81,547

Our revenues are derived from a wide customer base. All consolidated revenues during the three and nine months ended September 30, 2003 and 2002 were earned in the United States. The increase in period-to-period revenues is primarily due to acquisitions and higher NGL, propylene and natural gas prices, both of which offset the effects of lower volumes at many of our pipelines and facilities.

For the three months ended September 30, 2003 and 2002, total segment gross operating margin was $68.5 million and $107.2 million, respectively. The $38.7 million decrease in gross operating margin for the 2003 period is primarily due to weaker Processing segment sales margins and propylene fractionation results and a $22.5 million impairment charge related to our investment in BEF, which more than offset higher earnings from the Pipelines segment. Our Pipelines segment benefited from acquisitions and increased demand for import-related services.

For the nine month periods ended September 30, 2003 and 2002, total segment gross operating margin was $301.5 million and $200.4 million, respectively. The primary reasons for the increase in total segment gross operating margin between the periods are (a) 2003 includes gross operating margin from Mid-America and Seminole (acquired in July 2002) and (b) 2002 includes significant commodity hedging losses (see Note 11). Mid-America and Seminole's gross operating margin is classified under our Pipelines segment while commodity hedging results are primarily a function of our Processing segment activities.

Segment assets for Octane Enhancement totaled $39.1 million at September 30, 2003. This amount reflects the consolidation of BEF at that date due to our acquisition of an additional 33.33% ownership interest in BEF. As a result of this consolidation, our investment in and advances to BEF recorded under the Octane Enhancement segment was eliminated. The September 30, 2003 carrying value of segment assets related to BEF reflects the impairment charge noted previously. For additional information regarding our purchase of the additional interest in BEF, see Note 3. For additional information regarding BEF's impairment charge, see Note 6.

13. UNIT OPTION PLAN ACCOUNTING

During 1998, EPCO adopted its 1998 Long-Term Incentive Plan (the "1998 Plan"). Under the 1998 Plan, non-qualified incentive options to purchase a fixed number of our Limited Partner's Common Units (the "Units") may be granted to EPCO's key employees who perform management, administrative or operational functions for us. The exercise price per Unit, vesting and expiration terms, and rights to receive distributions on Units granted are determined by EPCO for each grant. EPCO purchases the Units under the 1998 Plan at fair value either in the open market or from our Limited Partner (in the form of newly-issued common units or reissued treasury units). In general, our responsibility for reimbursing EPCO for the cash outlay it incurs when these options are exercised is as follows:

- We pay EPCO for the costs attributable to equity-based awards granted to operations personnel it employs on our behalf. Our payment to EPCO is in the form of a special distribution made through our Limited Partner.
- We pay EPCO for the costs attributable to equity-based awards granted to administrative and management personnel it hires in response to our expansion and business activities. Our payment to EPCO is in the form of a special distribution made through our Limited Partner.
- We pay EPCO for our share of the costs attributable to equity-based awards granted to certain of its employees in administrative and management positions that were active at the time of our initial public offering in July 1998 who manage our business and affairs. These costs are reimbursed through the administrative service fees we pay EPCO. EPCO is responsible for the actual costs of such awards when these options are exercised. To the extent that EPCO's total administrative costs (including the cost of such equity-based awards) exceed the annual administrative service fees we pay to them, such excess costs will result in a charge against our earnings as a non-cash related party expense with a corresponding credit to Partners' Equity recorded as a contribution.

We account for our share of the cost of these awards using the intrinsic value-based method in accordance with APB No. 25, "Accounting for Stock Issued to Employees." The exercise price of each option granted is equivalent to or greater than the market price of the Unit at the date of grant. Accordingly, no compensation expense related to Unit option grants has been recognized in our Statements of Consolidated Operations and Comprehensive Income.

Accounting principles require us to illustrate the pro forma effect on our net income as if the fair value-based method of accounting (based on SFAS No. 123, "Accounting for Stock Based Compensation") had been applied to the 1998 Plan. The following table shows these pro forma effects for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
Historical net income (loss)	$ (3,008)	$ 35,319	$ 71,918	$ 40,615
Additional Unit option-based compensation expense estimated using the fair value-based method	(171)	(273)	(514)	(820)
Pro forma net income (loss)	$ (3,179)	$ 35,046	$ 71,404	$ 39,795

14. SUBSEQUENT EVENTS

In October 2003, we refinanced our 364-Day Revolving Credit facility. The credit line available under this facility now expires in October 2004. In accordance with terms of the new credit agreement, we have the option to convert any revolving credit balance outstanding at maturity to a one-year term loan (due October 2005). In connection with this refinancing, certain financial ratio covenants of our 364-Day and Multi-Year Revolving Credit facilities were amended to increase our financial flexibility.

In October 2003, we purchased from Williams an additional 37.35% interest in Wilprise and 16.67% interest in Tri-States. The initial purchase price of these interests was $26.5 million. As a result of these acquisitions, our ownership interest in Wilprise is now 74.7% and for Tri-States, 50%.

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

For the three and nine months ended September 30, 2003 and 2002.

Enterprise Products Partners L.P. is a publicly-traded limited partnership (NYSE, symbol "EPD") that conducts substantially all of its business through its 98.9899% owned subsidiary, *Enterprise Products Operating L.P.* (the "Operating Partnership"), the Operating Partnership's subsidiaries, and a number of investments with industry partners. Since the Operating Partnership owns substantially all of Enterprise Products Partners L.P.'s consolidated assets and conducts substantially all of its business and operations, the information set forth herein constitutes combined information for the two registrants. Unless the context requires otherwise, references to "we", "us", "our" or the "Company" 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.

The following discussion and analysis should be read in conjunction with the unaudited consolidated financial statements and notes thereto of the Company and Operating Partnership included under Part I of this quarterly report on Form 10-Q. Additionally, certain abbreviated entity names and other capitalized and industry terms are defined within the glossary of this report.

Our results of operations

We have five reportable business (or operating) segments: Pipelines, Fractionation, Processing, Octane Enhancement and Other. Pipelines consists of NGL, petrochemical and natural gas pipeline systems, storage and import/export terminal services. Fractionation primarily includes NGL fractionation, isomerization and propylene fractionation. Processing includes our natural gas processing business and related NGL marketing activities. Octane Enhancement represents our investment in a facility that produces motor gasoline additives to enhance octane (currently producing MTBE). The Other business segment consists of fee-based marketing services and various operational support activities.

We evaluate segment performance based on the non-GAAP financial measure of gross operating margin. Gross operating margin (either in total or by individual segment) is an important performance measure of the core profitability of our operations. This measure forms the basis of our internal financial reporting and is used by senior management in deciding how to allocate capital resources among business segments. We believe that investors benefit from having access to the same financial measures that our management uses in evaluating segment results. The GAAP measure most directly comparable to total segment gross operating margin is operating income.

We define total segment gross operating margin as operating income before: (1) depreciation and amortization expense; (2) operating lease expenses for which we do not have the payment obligation; (3) gains and losses on the sale of assets; and (4) selling, general and administrative expenses. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest and extraordinary charges. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation. Our non-GAAP financial measure of total segment gross operating margin should not be considered as an alternative to GAAP operating income.

We include equity earnings from unconsolidated affiliates in our measurement of segment gross operating margin. Our equity investments with industry partners are a vital component of our business strategy. They are a means by which we conduct our operations to align our interests with those of our customers, which may be a supplier of raw materials or a consumer of finished products. This method of operation also enables us to achieve favorable economies of scale

relative to the level of investment and business risk assumed versus what we could accomplish on a stand-alone basis. Many of these businesses perform supporting or complementary roles to our other business operations. For additional information regarding our business segments, please read footnote 12 of our Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

The following table summarizes our consolidated revenues, costs and expenses, equity in income (loss) of unconsolidated affiliates and operating income for the periods indicated (dollars in thousands):

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2003	**2002**	**2003**	**2002**
Revenues	$ 1,234,780	$ 943,313	$ 3,927,025	$ 2,391,624
Operating costs and expenses	1,178,703	868,662	3,699,437	2,278,869
Selling, general and administrative costs	7,415	12,289	28,939	27,991
Equity in income (loss) of unconsolidated affiliates	(18,040)	5,963	(16,647)	22,258
Operating income	30,622	68,325	182,002	107,022

The following table reconciles consolidated operating income to our measurement of total segment gross operating margin for the periods indicated (dollars in thousands):

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2003	**2002**	**2003**	**2002**
Operating income	$ 30,622	$ 68,325	$182,002	$107,022
Adjustments to reconcile operating income to total gross operating margin:				
Depreciation and amortization in operating costs and expenses	28,259	24,292	83,761	58,491
Retained lease expense, net in operating costs and expenses	2,273	2,274	6,820	6,852
Loss (gain) on sale of assets in operating costs and expenses	(35)	(6)	(67)	6
Selling, general and administrative costs	7,415	12,289	28,939	27,991
Total segment gross operating margin	$ 68,534	$ 107,174	$301,455	$200,362

EPCO subleases to us certain equipment located at our Mont Belvieu facility and 100 railroad tankcars for $1 dollar per year. These subleases (the “retained lease expense” in the previous table) are part of the EPCO Agreement we executed with EPCO at our formation in 1998. EPCO holds these items pursuant to operating leases for which it has retained the corresponding cash lease payment obligation. Operating costs and expenses (as shown in the Statements of Consolidated Operations and Comprehensive Income) treat the lease payments being made by EPCO as a non-cash related party operating expense, with the offset to Partners’ Equity on the Consolidated Balance Sheets recorded as a general contribution to the Company. Apart from the partnership interests we granted to EPCO at our formation, EPCO does not receive any additional ownership rights as a result of its contribution to us of the retained leases. In addition, EPCO has assigned to us the purchase options associated with these leases. For additional information regarding the EPCO Agreement and the retained leases, please read “*Related party transactions – Relationship with EPCO and its affiliates*” on page 61 and “*Our liquidity and capital resources – Capital spending forecasts*” on page 59 of this quarterly report.

Our gross operating margin amounts by segment were as follows for the periods indicated (dollars in thousands):

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2003	**2002**	**2003**	**2002**
Gross operating margin by segment:				
Pipelines	$ 66,589	$ 63,887	$ 210,490	$ 128,745
Fractionation	30,617	34,585	95,535	92,815
Processing	(6,884)	8,417	25,757	(26,141)
Octane enhancement	(21,195)	1,155	(27,864)	7,038
Other	(593)	(870)	(2,463)	(2,095)
Total segment gross operating margin	$ 68,534	$ 107,174	$ 301,455	$ 200,362

Our significant pipeline throughput, plant production and processing volumetric data were as follows for the periods indicated (on a net basis, taking into account our ownership interests):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	2002	2003	2002
MBPD, net				
NGL and petrochemical pipelines	1,400	1,353	1,366	1,375
NGL fractionation	233	247	223	233
Propylene fractionation	54	55	57	55
Isomerization	77	88	80	82
Equity NGL production	57	78	53	78
Octane enhancement	4	5	4	5
BBtus per day, net				
Natural gas pipelines	1,058	1,250	1,042	1,254
Equivalent MBPD, net				
NGL, petrochemical and natural gas pipelines	1,678	1,682	1,640	1,705

The following table illustrates selected average quarterly industry index prices for natural gas, crude oil, selected NGL and petrochemical products and indicative gas processing gross spreads since the beginning of 2002:

	Natural Gas, $/MMBtu	Crude Oil, $/barrel	Ethane, $/gallon	Propane, $/gallon	Normal Butane, $/gallon	Isobutane, $/gallon	Natural Gasoline, $/gallon	Polymer Grade Propylene, $/pound	Refinery Grade Propylene, $/pound	Indicative Gas Processing Gross Spread, $/gallon
	(a)	(b)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(c)
2002										
1st Quarter	$ 2.34	$ 21.41	$ 0.22	$ 0.30	$ 0.38	$ 0.44	$ 0.47	$ 0.16	$ 0.12	$ 0.12
2nd Quarter	$ 3.38	$ 26.26	$ 0.26	$ 0.40	$ 0.48	$ 0.51	$ 0.58	$ 0.20	$ 0.17	$ 0.10
3rd Quarter	$ 3.16	$ 28.30	$ 0.26	$ 0.42	$ 0.52	$ 0.58	$ 0.61	$ 0.21	$ 0.16	$ 0.14
4th Quarter	$ 3.99	$ 28.33	$ 0.31	$ 0.49	$ 0.60	$ 0.63	$ 0.66	$ 0.20	$ 0.15	$ 0.13
Average	$ 3.22	$ 26.08	$ 0.26	$ 0.40	$ 0.50	$ 0.54	$ 0.58	$ 0.20	$ 0.15	$ 0.12
2003										
1st Quarter	$ 6.58	$ 34.12	$ 0.43	$ 0.65	$ 0.76	$ 0.80	$ 0.85	$ 0.24	$ 0.21	$ 0.05
2nd Quarter	$ 5.40	$ 29.04	$ 0.39	$ 0.53	$ 0.58	$ 0.62	$ 0.65	$ 0.25	$ 0.19	$ 0.04
3rd Quarter	$ 4.97	$ 30.21	$ 0.37	$ 0.56	$ 0.67	$ 0.68	$ 0.73	$ 0.21	$ 0.15	$ 0.10
Average	$ 5.65	$ 31.12	$ 0.40	$ 0.58	$ 0.67	$ 0.70	$ 0.74	$ 0.23	$ 0.18	$ 0.06

(a) Natural gas, NGL, polymer grade propylene and refinery grade propylene prices represent an average of various commercial index prices including OPIS and CMAI. Natural gas price is representative of Henry-Hub I-Ferc. NGL prices are representative of Mont Belvieu Non-TET pricing. Refinery grade propylene represents an average of CMAI spot prices. Polymer-grade propylene represents average CMAI contract pricing.
(b) Crude Oil price is representative of an index price for West Texas Intermediate.
(c) The Indicative Gas Processing Gross Spread is a relative measure used by the NGL industry as an indicator of the gross economic benefit derived from extracting NGLs from natural gas production on the U.S. Gulf Coast. Specifically, it is the amount that the economic value of a composite gallon of NGLs exceeds the value of the equivalent amount of energy of natural gas based on NGL and natural gas prices on the U.S. Gulf Coast. It is assumed that a gallon of NGLs is comprised of 33% ethane, 32% propane, 11% normal butane, 8% isobutane and 16% natural gasoline. The value of a composite gallon of NGLs is determined by multiplying these component percentages by industry index prices listed in the table above. The value of the equivalent amount of energy of natural gas to one gallon of NGLs is 8.9% of the price of a MMBtu of natural gas. The Indicative Gas Processing Gross Spread does not consider the operating and fuel costs incurred by a natural gas processing plant to extract the NGLs nor the transportation and fractionation costs to deliver the NGLs and natural gas to market.

Three months ended September 30, 2003 compared to three months ended September 30, 2002

Revenues, costs and expenses and operating income and total segment gross operating margin.

Revenues for the three months ended September 30, 2003 increased $291.5 million over those recorded during the same period in 2002. Costs and expenses for the third quarter of 2003 increased $305.2 million over those of the third quarter of 2002. The increase in revenues and costs and expenses is primarily due to higher NGL and natural gas prices quarter-to-quarter, both of which offset the effects of lower volumes at many of our pipelines and facilities.

In general, higher selling prices result in increased revenues from our various marketing activities; however, these same higher prices also increase our cost of sales within these activities as feedstock and other purchase prices rise. In addition, higher natural gas prices during the third quarter of 2003 increased energy-related costs for many of our businesses versus the same period in 2002.

When compared to the third quarter of 2002, volumes at many of our downstream pipelines and facilities were lower due to a combination of (i) decreased demand for NGLs by the petrochemical industry and (ii) lower NGL extraction rates at domestic gas processing facilities. The most significant determinant of the relative economic value of NGLs is demand by the petrochemical industry for use in manufacturing plastics and chemicals. When compared to 2002, this industry has been operating at lower utilization rates during 2003 primarily due to a recession in the domestic manufacturing sector. As a result of the higher relative cost of NGLs to other crude-based alternatives, the petrochemical industry has been utilizing less expensive feedstocks such as naphtha for their operations in place of NGLs such as ethane. The resulting weak demand for NGLs by the petrochemical industry has limited the ability of NGL producers to increase product prices, which in turn has resulted in decreased NGL extraction rates during the 2003 period.

Equity earnings from unconsolidated affiliates decreased $24.0 million quarter-to-quarter primarily due to a $22.5 million non-cash impairment charge we recorded related to our BEF investment. The deteriorating business environment and outlook prompted BEF to review the carrying value of its long-lived assets for impairment during September 2003.

As a result of items noted in the previous paragraphs, operating income for the third quarter of 2003 decreased $37.7 million from that of the third quarter of 2002. Total segment gross operating margin decreased $38.6 million quarter-to-quarter due to the same general reasons underlying the decrease in operating income. Operating income includes costs such as depreciation and amortization and selling, general and administrative expenses that are excluded from the non-GAAP financial measure of total segment gross operating margin.

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

Pipelines. Gross operating margin from our Pipelines segment was $66.6 million for the third quarter of 2003 compared to $63.9 million for the third quarter of 2002. On an energy-equivalent basis where 3.8 MMBtus of natural gas throughput are equivalent to one barrel of NGL throughput, net pipeline throughput was 1,678 MBPD during the third quarter of 2003 versus 1,682 MBPD during the same period in 2002.

Gross operating margin from the Mid-America and Seminole pipeline systems increased $2.6 million to $32.7 million for the third quarter of 2003 on aggregate net volume of 735 MBPD. Gross operating margin from these pipelines for the two months that we owned them during the third quarter of 2002 was $30.1 million on aggregate net volumes of 868 MBPD. Throughput and gross operating margin for these systems were lower quarter-to-quarter due to decreased demand for NGLs and weaker gas processing economics, which caused natural gas processing plants in the Rocky Mountains to reduce the amount of ethane extracted. This resulted in lower transportation volumes on both the Mid-America and Seminole pipeline systems.

Gross operating margin from our Houston Ship Channel NGL import facility (and related HSC pipeline system) increased $4.7 million quarter-to-quarter primarily due to a 141 MBPD increase in aggregate volumes. NGL import activity increased as a result of higher domestic prices for NGLs relative to international prices for such

products. Our recently acquired Port Neches Pipeline added $0.7 million in gross operating margin on volumes of 25 MBPD.

Gross operating margin from our other Gulf Coast region pipeline and storage assets decreased $5.3 million quarter-to-quarter. Our Louisiana Pipeline System posted a decrease in gross operating margin of $1.6 million for the third quarter of 2003 primarily due to lower equity NGL throughput rates. Gross operating margin from Acadian Gas for the third quarter of 2003 decreased $1.0 million from the same period in 2002 primarily due to lower natural gas throughput. Gross operating margin from our NGL and petrochemical storage operations declined $2.1 million quarter-to-quarter due to lower revenues and higher maintenance and energy-related expenses.

Fractionation. Gross operating margin from our Fractionation segment was $30.6 million for the third quarter of 2003 compared to $34.6 million for the third quarter of 2002. Gross operating margin from NGL fractionation was $5.6 million for both periods. Net NGL fractionation volumes decreased to 233 MBPD during the third quarter of 2003 from 247 MBPD during the same period in 2002. An increase in processing volumes and fees at our Mont Belvieu and Norco NGL fractionators were offset by lower volumes at our other facilities and higher overall energy-related expenses. The decrease in fractionation volumes is primarily due to lower NGL extraction rates at gas processing facilities.

Gross operating margin from propylene fractionation decreased $3.3 million quarter-to-quarter primarily due to weak demand for polymer-grade propylene and higher operating costs, which was partially offset by increased sales of refinery-grade propylene. Net propylene fractionation volumes were 54 MBPD during the third quarter of 2003 versus 55 MBPD during the third quarter of 2002.

Gross operating margin from isomerization increased $0.8 million quarter-to-quarter. Isomerization volumes decreased to 77 MBPD during the third quarter of 2003 from 88 MBPD during the third quarter of 2002. The increase in gross operating margin from isomerization is generally attributable to higher isomerization fees, which were partially offset by the effect of lower volumes and higher energy-related costs. Certain components of our isomerization fees are indexed to the price of natural gas, which was significantly higher during the third quarter of 2003 relative to the same period in 2002.

Processing. Gross operating margin from our Processing segment was a loss of $6.9 million for the third quarter of 2003 compared to income of $8.4 million for the third quarter of 2002. Gross operating margin from NGL marketing in the third quarter of 2003 decreased by approximately $8.0 million from the same period in 2002. This decrease was primarily due to lower sales margins.

Gross operating margin from natural gas processing decreased $7.3 million quarter-to-quarter primarily due to weaker gas processing economics. Equity NGL production at our gas processing plants was 57 MBPD for the third quarter of 2003 compared to 78 MBPD during the third quarter of 2002. The decrease in equity NGL production quarter-to-quarter is largely attributable to reduced demand for NGLs by industry and higher natural gas prices relative to NGL prices, the combination of which suppressed NGL extraction rates by gas processors.

Beginning in August 2003, approximately 200 million cubic feet per day of natural gas production volume flowing into our gas plants for processing (or approximately 10% of the total amount of gas processing by us) that had been historically processed under keepwhole arrangements was converted to fee-based arrangements. Unlike a traditional keepwhole contract, we will receive a tolling fee from the producer based on the volume of gas we process. NGL volumes under these fee-based arrangements continue to utilize our downstream pipeline, storage and NGL fractionation services.

We process approximately 2.1 Bcf of natural gas per day. For the remainder of 2003 and for 2004, we estimate that approximately 49% of this gas will be processed under the margin band agreement with Shell (for additional information regarding this agreement, please read "*Related party transactions – Relationship with Shell*" beginning on page 61 of this quarterly report); approximately 40% will be processed under percent-of-liquids arrangements; 10% under fee-based arrangements and 1% under legacy keepwhole arrangements.

Octane enhancement. Our equity in earnings from BEF was a loss of $21.2 million for the third quarter of 2003, which includes a non-cash impairment charge of $22.5 million. This compares to equity income of $1.2 million for the third quarter of 2002.

BEF owns a facility that currently produces MTBE, a motor gasoline additive that enhances octane and is used in reformulated gasoline. The production of MTBE is primarily driven by oxygenated fuel programs enacted under the federal Clean Air Act Amendments of 1990. As a result of environmental concerns, several states have enacted legislation to ban or significantly limit the use of MTBE in motor gasoline within their jurisdictions. In addition, federal legislation has been drafted to ban MTBE and replace the oxygenate with renewable fuels such as ethanol.

As a result of declining domestic demand and a prolonged period of weak MTBE production economics, several of BEF's competitors have announced their withdrawal from the marketplace. Due to the deteriorating business environment and outlook and the completion of its preliminary engineering studies regarding conversion alternatives, BEF evaluated the carrying value of its long-lived assets for impairment during the third quarter of 2003. This review indicated that the carrying value of its long-lived assets exceeded their collective fair value, which resulted in a non-cash impairment charge of $67.5 million.

BEF's assets were written down to fair value, which was determined by independent appraisers using present value techniques. The impaired assets principally represent the plant facility and other assets associated with MTBE production. The fair value analysis incorporates future courses of action being taken (or contemplated to be taken) by BEF management, including the production of iso-octane and alkylate. If the underlying assumptions in the fair value analysis change resulting in expected future cash flows being less than the new carrying value of the facility, additional impairment charges may result in the future.

BEF is currently in the process of preparing detailed engineering plans to convert the facility to iso-octane production. The facility will continue to produce MTBE as market conditions warrant and will be capable of producing either MTBE or iso-octane once the plant modifications are complete. Depending on the outcome of various factors (including pending federal legislation) the facility may be further modified in the future to produce alkylate.

At the end of September 2003, we acquired an additional 33.33% partnership interest in BEF. Due to this acquisition, BEF became a majority-owned consolidated subsidiary of ours on September 30, 2003. Historically, BEF was accounted for as an equity-method unconsolidated affiliate. Its results will continue to be reported under our Octane Enhancement segment.

Selling, general and administrative costs. These expenses were $7.4 million for the third quarter of 2003 versus $12.3 million for the same period in 2002. The 2002 period included approximately $4.0 million we paid to Williams for transition services associated with our acquisition of Mid-America and Seminole. These payments ceased in February 2003 when we began operating these two systems.

Interest expense. Interest expense increased to $32.6 million for the third quarter of 2003 from $30.7 million during the same period in 2002. Our average outstanding debt decreased to $1.9 billion during the third quarter of 2003 from $2.5 billion during the third quarter of 2002. The increase in expense is generally attributable to higher fixed-rate interest payments during the 2003 period. At September 30, 2003, approximately 92% of our debt is at fixed-interest rates compared to 36% at September 30, 2002. For additional information regarding our debt, please read "*Our liquidity and capital resources – Our debt obligations*" beginning on page 57 of this quarterly report.

Nine months ended September 30, 2003 compared to nine months ended September 30, 2002

Revenues, costs and expenses, operating income and total segment gross operating margin.

Revenues for the nine months ended September 30, 2003 increased $1.5 billion over those recorded during the same period in 2002. Year-to-date costs and expenses for 2003 increased $1.4 billion over those of the first nine months of 2002. As with the quarter-to-quarter variances noted previously, the increase in year-to-date revenues

and costs and expenses between the two nine month periods is primarily due to higher prices and acquisitions, both of which offset the effects of lower volumes at many of our pipelines and facilities. In addition, costs and expenses for the nine months ended September 30, 2002 includes a $52.3 million loss related to commodity hedging activities, which was not repeated during the 2003 period. Equity earnings from unconsolidated affiliates decreased $38.9 million period-to-period primarily due to an impairment charge and operating losses incurred by BEF.

As a result of the items noted in the previous paragraph, operating income for the first nine months of 2003 increased $75.0 million over that of the first nine months of 2002. Total segment gross operating margin increased $101.1 million period-to-period due to the same general reasons underlying the increase in operating income. On a period-to-period basis, depreciation and amortization charges increased $25.3 million and selling, general and administrative costs increased $1.0 million primarily due to acquisitions and other business expansion activities.

The following information highlights the significant variances in gross operating margin by business segment between the nine months ended September 30, 2003 and the same period in 2002:

Pipelines. Gross operating margin from our Pipelines segment was $210.5 million for the first nine months of 2003 compared to $128.8 million for the same period during 2002. On an energy-equivalent basis, net pipeline throughput was 1,640 MBPD during the 2003 period versus 1,705 MBPD during the 2002 period. The increase in gross operating margin is primarily due to our acquisition of Mid-America and Seminole. These two systems earned gross operating margin of $120.1 million during the first nine months of 2003 on aggregate net volumes of 769 MBPD. Since we acquired interests in these systems at the end of July 2002, the 2002 period includes $30.1 million we recorded from these systems during August and September 2002. When compared to their historical operating rates, net pipeline transportation volumes on the Mid-America and Seminole systems for the first nine months of 2003 were lower than those reported for the first nine months of 2002 primarily due to a decreased demand for NGLs by industry and lower NGL extraction rates at regional gas processing facilities.

Excluding the contributions of Mid-America and Seminole, gross operating margin for the Pipelines segment was $90.4 million for the first nine months of 2003 versus $98.7 million for the same period in 2002. On an energy-equivalent basis (excluding Mid-America and Seminole), net pipeline throughput volumes increased to 871 MBPD during the 2003 period from 837 MBPD during the 2002 period. An increase in gross operating margins from our Houston Ship Channel NGL import terminal (and related HSC pipeline), the Lou-Tex NGL and Lou-Tex Propylene pipelines plus the addition of gross operating margin from our recently acquired Port Neches Pipeline offset a net decline in our other Gulf Coast area pipeline operations (due in part to lower NGL extraction rates at regional gas processing facilities and demand for NGLs by industry). The 34 MBPD increase in net volumes was primarily due to higher throughput rates at our NGL import terminal (and related HSC pipeline). In addition, 2003 gross operating margin from our NGL and petrochemical storage operations was $7.0 million lower period-to-period primarily due to higher energy and maintenance-related costs and net charges associated with the measurement of liquids volumes held in storage.

Fractionation. Gross operating margin from our Fractionation segment was $95.5 million for the first nine months of 2003 compared to $92.8 million for the same period in 2002. Gross operating margin from NGL fractionation improved $6.4 million period-to-period. Net NGL fractionation volumes decreased to 223 MBPD during the first nine months of 2003 from 233 MBPD during the same period in 2002. The increase in NGL fractionation gross operating margin is primarily due to (i) mixed NGL measurement gains we recognized during the second quarter of 2003 at our Mont Belvieu facility and (ii) higher in-kind fees during the 2003 period at Norco attributable to the general increase in NGL prices, both of which more than offset a decline in gross operating margin from our other NGL fractionation facilities generally due to lower volumes and higher energy-related costs. The decrease in NGL fractionation volumes period-to-period is primarily due to lower NGL extraction rates at gas processing facilities and reduced demand for NGLs by industry.

Gross operating margin from propylene fractionation declined $9.8 million period-to-period primarily due to lower petrochemical marketing margins resulting from higher feedstock and energy-related costs. Net propylene fractionation volumes were 57 MBPD for the first nine months of 2003 compared to 55 MBPD for the same period during 2002.

Gross operating margin from isomerization increased $6.4 million period-to-period. Isomerization volumes were 80 MBPD during the 2003 period compared to 82 MBPD during the 2002 period. The increase in gross operating margin from isomerization is generally attributable to higher isomerization fees and by-product revenues, which were partially offset by higher energy-related operating costs.

Processing. Gross operating margin from our Processing segment was income of $25.8 million for the first nine months of 2003 compared to a loss of $26.1 million for the same period in 2002. The first nine months of 2002 includes $52.3 million in commodity hedging losses, the underlying strategies of which were discontinued in 2002. Our commodity hedging results for the first nine months of 2003 were a loss of $0.1 million.

Equity NGL production at our gas processing plants during the 2003 period averaged 53 MBPD compared to 78 MBPD during the 2002 period. The decrease in equity NGL production period-to-period is largely attributable to reduced demand for NGLs by industry and higher natural gas prices relative to NGL prices, which caused most natural gas processors to minimize the amount of NGLs extracted at their facilities. In order to meet the natural gas processing needs of Shell (our largest natural gas processing customer) in this challenging business environment, we renegotiated certain aspects of the 20-year Shell natural gas processing agreement during the first quarter of 2003. For a general discussion of this amendment, please read "*Related party transactions – Relationship with Shell*" beginning on page 61 of this quarterly report.

In addition, we converted contracts covering approximately 10% of the total amount of natural gas processed by us from traditional keepwhole contracts to fee-based arrangements during the third quarter of 2003. For a general discussion of these conversions, please read "*Our results of operations – Three months ended September 30, 2003 compared to three months ended September 30, 2002 – Processing*" on page 50 of this quarterly report.

Octane enhancement. Our equity earnings from BEF were a loss of $27.9 million for the first nine months of 2003 compared to income of $7.0 million for the same period during 2002. Net MTBE production from this facility decreased to 4 MBPD during the 2003 period versus 5 MBPD during the 2002 period. The $34.9 million decrease in equity earnings is primarily due to a $22.5 million impairment charge we recorded during the third quarter of 2003 and increased downtime during 2003 for maintenance and economic reasons and an overall deterioration of MTBE sales margins. For additional information regarding the impairment charge we recorded during the third quarter of 2003, please read "*Our results of operations – Three months ended September 30, 2003 compared to three months ended September 30, 2002 – Octane Enhancement*" on page 51 of this quarterly report.

Selling, general and administrative costs. These expenses were $28.9 million for the first nine months of 2003 compared to $28.0 million for the same period during 2002. The increase is primarily due to additional staff and resources required to support expanded business activities resulting from acquisitions and other business development.

Interest expense. Interest expense increased to $107.8 million for the first nine months of 2003 from $68.2 million for the same period in 2002. The increase is primarily due to additional debt we incurred as a result of business acquisitions. Our weighted-average debt principal outstanding was $2.0 billion for the 2003 period compared to $1.6 billion for the 2002 period.

Interest expense for 2003 includes $11.3 million of loan cost amortization related to the 364-Day Term Loan, which was fully repaid in February 2003. For additional information regarding our debt obligations and changes therein since December 31, 2002, please read "*Our liquidity and capital resources – Our debt obligations*" beginning on page 57 of this quarterly report.

Outlook for remainder of 2003

Our outlook for the remainder of 2003 is largely dependent on demand for NGLs by the petrochemical industry and an overall recovery in the domestic manufacturing sector; improved natural gas processing economics in the Rocky Mountains and new natural gas production from deepwater Gulf of Mexico developments. In general, business conditions were much better at the end of the third quarter than at its beginning. We are encouraged by the continued improvement in business conditions that we have seen early in the fourth quarter of 2003.

According to industry publications, petrochemical demand for various NGL products continues to increase. Ethane demand by the petrochemical industry appears to have bottomed out in June and July at an average of 574 MBPD, which was 23% below the five-year average of 750 MBPD. Average ethane demand climbed to approximately 700 MBPD from August through October. This increase in NGL demand has resulted in a strengthening of natural gas processing economics, which should result in higher NGL extraction rates at domestic gas processing facilities. The increase in NGL extraction rates should provide additional volumes for our pipelines and other downstream facilities during the fourth quarter of 2003 when compared to the second and third quarters of 2003.

On October 9, 2003, we published on Form 8-K our forecasts for net income and earnings per Unit for the fourth quarter of 2003 and full-year 2003 based on our expectations at that time. Our expectation for net income for the fourth quarter of 2003 was in the range of $40 million to $50 million, or approximately $0.16 to $0.20 per Unit (on a fully diluted basis).

Our liquidity and capital resources

The following represents a combined discussion of our liquidity and capital resources and those of our Operating Partnership. Within this section, references to partnership equity pertains to limited partner interests issued by us, whereas references to debt pertains to those obligations entered into by our Operating Partnership or its subsidiaries.

General

Our primary cash requirements, in addition to normal operating expenses and debt service, are for capital expenditures (both sustaining and expansion-related), business acquisitions and distributions to our partners. We expect to fund our short-term needs for such items as operating expenses and sustaining capital expenditures with operating cash flows. Capital expenditures for long-term needs resulting from internal growth projects and business acquisitions are expected to be funded by a variety of sources including (either separately or in combination) cash flows from operating activities, borrowings under commercial bank credit facilities, the issuance of additional partnership equity and public or private placement debt. We expect to fund cash distributions to partners primarily with operating cash flows. Our debt service requirements are expected to be funded by operating cash flows and/or refinancing arrangements.

Operating cash flows primarily reflect the effects of net income adjusted for depreciation and amortization, equity income and cash distributions from unconsolidated affiliates, fluctuations in the fair value of financial instruments and changes in operating accounts. The net effect of changes in operating accounts is generally the result of timing of sales and purchases near the end of each period. Cash flow from operations is primarily based on earnings from our business activities. As a result, these cash flows are exposed to certain risks. The products that we process, sell or transport are principally used as feedstocks in petrochemical manufacturing, in the production of motor gasoline and as fuel for residential, agricultural and commercial heating. Reduced demand for our products or services by industrial customers, whether because of general economic conditions, reduced demand for the end products made with our products, increased competition from petroleum-based products due to pricing differences or other reasons, could have a negative impact on our earnings and thus the availability of cash from operating activities. Other risks include fluctuations in NGL and energy prices, competitive practices in the midstream energy industry and the impact of operational and systems risks. For a more complete discussion of these and other risk factors pertinent to our business, please read "*Cautionary statement regarding forward-looking information and risk factors*" on page 66 of this quarterly report.

As noted above, certain of our liquidity and capital resource requirements are fulfilled by borrowings made under debt agreements and/or proceeds from the issuance of additional partnership equity. At September 30, 2003, we had approximately $1.9 billion in principal outstanding under various debt agreements. On that date, total borrowing capacity under our revolving commercial bank credit facilities was $500 million of which $341.1 million of capacity was available. For additional information regarding our debt, please read "– *Our debt obligations*" beginning on page 57 of this quarterly report.

In February 2001, we filed a universal shelf registration with the SEC covering the issuance of up to $500 million of partnership equity or public debt obligations. In October 2002, we sold 9,800,000 Common Units under

this shelf registration statement which generated $182.5 million of cash to us (including related capital contributions from our General Partner). In January 2003, we sold an additional 14,662,500 Common Units under this shelf registration which generated $258.2 million of cash to us (including related capital contributions from our General Partner). We used the cash generated by these equity offerings to reduce debt outstanding under our 364-Day Term Loan and for working capital purposes. Also, in January and February 2003, we issued Senior Notes C ($350 million principal amount) and Senior Notes D ($500 million principal amount). For information regarding our application of cash obtained through these debt offerings, please read "– *Our debt obligations*" beginning on page 57 of this quarterly report.

In January 2003, we filed a new $1.5 billion universal shelf registration statement with the SEC covering the issuance of an unallocated amount of partnership equity or public debt obligations (separately or in combination). In June 2003, we sold 11,960,000 Common Units under this shelf registration statement, which generated $261.2 million of cash to us (including related capital contributions from our General Partner). We used the cash generated by this equity offering to reduce debt outstanding under our revolving credit facilities. As a result of meeting certain financial tests, the Subordination Period (as defined within our partnership agreement) ended on August 1, 2003. With the expiration of the Subordination Period, we may prudently issue an unlimited number of Units for general partnership purposes.

In July 2003, we filed a registration statement with the SEC regarding our Distribution Reinvestment Plan (the "Plan"). The Plan provides unitholders of record and beneficial owners of our Common Units a voluntary means by which they can increase the number of Common Units they own by reinvesting the quarterly cash distributions they would otherwise receive in the purchase of additional Common Units. The registration statement covers the issuance of up to 5,000,000 Common Units under the Plan. As a result of any future reinvestment proceeds, our General Partner will be required to make cash contributions to us and our Operating Partnership in order to maintain its ownership interests. We expect to use the cash generated from this reinvestment program for general partnership purposes.

Initial reinvestments under the Plan occurred in August 2003 for those Common Unitholders of record and beneficial owners on July 31, 2003 who elected to participate with regards to our August 2003 distribution. We issued 1,268,404 Common Units and received proceeds of approximately $26.0 million (including related capital contributions from our General Partner). EPCO's reinvestment accounted for approximately $25 million of the $26 million reinvested during August 2003. To support our growth objectives and financial flexibility, EPCO has announced that it expects to reinvest under the Plan approximately $180 million of its cash distributions over the next six fiscal quarters beginning with the fourth quarter of 2003. As a result, we are preparing to increase the number of Common Units that can be issued under the Plan to approximately 15,000,000 Common Units.

If deemed necessary, we believe that additional financing arrangements can be obtained on reasonable terms. Furthermore, we believe that maintenance of our investment grade credit ratings combined with a continued ready access to debt and equity capital at reasonable rates and sufficient trade credit to operate our businesses efficiently provide a solid foundation to meet our long and short-term liquidity and capital resource requirements.

Nine months ended September 30, 2003 compared to nine months ended September 30, 2002

The following discussion highlights significant period-to-period comparisons regarding our consolidated operating, investing and financing activities cash flows:

Operating activities cash flows. Cash flow from operating activities was an inflow of $228.6 million during the first nine months of 2003 compared to an inflow of $170.1 million during the first nine months of 2002. The following table summarizes the major components of operating activities cash flows for first nine months of 2003 and 2002 (dollars in thousands):

	For the Nine Months Ended September 30,	
	2003	**2002**
Net income	$ 70,349	$ 39,967
Adjustments to reconcile net income to cash flows provided by (used for) operating activities before changes in operating accounts:		
Depreciation and amortization	96,081	62,907
Equity in loss (income) of unconsolidated affiliates	16,647	(22,258)
Distributions received from unconsolidated affiliates	25,703	40,114
Changes in fair market value of financial instruments	(25)	12,830
Other	15,870	8,643
Cash flow from operating activities before changes in operating accounts	224,625	142,203
Net effect of changes in operating accounts	3,944	27,906
Operating activities cash flows	$ 228,569	$ 170,109

As shown in the table above, cash flow before the net effect of changes in operating accounts was an inflow of $224.6 million during the first nine months of 2003 versus $142.2 million during the same period in 2002. We believe that cash flow from operating activities before the net effect of changes in operating accounts is an important measure of our ability to generate core cash flows from our assets and other investments. The $82.4 million increase in this element of our cash flows is primarily due to:

- earnings from acquired businesses present in the 2003 period but not in the 2002 period (particularly those of Mid-America and Seminole which we acquired in July 2002);
- the 2002 period including $52.3 million of commodity hedging losses versus $0.9 million of such losses during the 2003 period; offset by,
- higher interest costs associated with debt we incurred and issued since the first quarter of 2002 to finance acquisitions.

The $33.2 million increase in depreciation and amortization is primarily due to businesses we acquired since the first quarter of 2002. The net effect of changes in operating accounts is generally the result of timing of cash receipts from sales and cash payments for inventory, purchases and other expenses near the end of each period. For additional information regarding changes in operating accounts, please read footnote 10 in our Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Investing activities cash flows. During the first nine months of 2003, we used $153.5 million in cash for investing activities compared to $1.7 billion during the same period in 2002. We used $26.3 million and $1.6 billion for business acquisitions during the first nine months of 2003 and 2002, respectively. The 2002 period reflects our acquisition of indirect interests in Mid-America and Seminole pipelines from Williams and propylene fractionation and NGL and petrochemical storage assets from Diamond-Koch. The 2003 period includes only minor acquisitions, specifically those of the Port Neches Pipeline and additional interests in EPIK and BEF.

Our capital expenditures were $98.0 million during the first nine months of 2003 versus $47.0 million during the first nine months of 2002. The $51.0 million increase in capital expenditures is primarily due to (i) expansions of our Norco NGL fractionator and Neptune gas processing facility and (ii) the rerouting of a 14-mile segment of the Mid-America pipeline in connection with the development of a dam and reservoir by an agency of the federal government. In addition, we made investments in and advances to our unconsolidated affiliates of $29.4 million during the first nine months of 2003 compared to $13.2 million during the first nine months of 2002. This increase is primarily due to funding our share of the expansion projects of our Gulf of Mexico natural gas pipeline investments.

Financing activities cash flows. Our financing activities were a cash outflow of $48.7 million during the first nine months of 2003 versus a cash inflow of $1.4 billion during the first nine months of 2002. During the 2003 period, we made net payments on our debt obligations of $356.8 million primarily due to the use of proceeds from our January and June equity offerings. The 2003 period reflects our issuance of Senior Notes C ($350 million

in principal amount) and Senior Notes D ($500 million in principal amount) and the final repayment of $1.0 billion that was outstanding under our 364-Day Term Loan. The 2002 period primarily reflects borrowings to fund the Mid-America and Seminole acquisitions and those of Diamond-Koch's propylene fractionation business.

Proceeds from our equity offerings during 2003 totaled $540.2 million, which includes our General Partner's related $5.4 million contribution to us. Our General Partner also contributed $5.5 million to our Operating Partnership in connection with these offerings. Distributions to our partners and minority interests increased to $223.4 million during the first nine months of 2003 from $150.7 million during the first nine months of 2002. The $72.7 million increase in distributions to partners is primarily due to increases in both the declared quarterly distribution rates and the number of Units eligible for distributions.

Our debt obligations

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

	September 30, 2003	December 31, 2002
Borrowings under:		
364-Day Term Loan, variable rate, due July 2003		$ 1,022,000
364-Day Revolving Credit facility, variable rate, due November 2004		99,000
Multi-Year Revolving Credit facility, variable rate, due November 2005	$ 145,000	225,000
Senior Notes A, 8.25% fixed rate, due March 2005	350,000	350,000
Seminole Notes, 6.67% fixed rate, $15 million due each December, 2002 through 2005	45,000	45,000
MBFC Loan, 8.70% fixed rate, due March 2010	54,000	54,000
Senior Notes B, 7.50% fixed rate, due February 2011	450,000	450,000
Senior Notes C, 6.375% fixed rate, due February 2013	350,000	
Senior Notes D, 6.875% fixed rate, due March 2033	500,000	
Total principal amount	1,894,000	2,245,000
Unamortized balance of increase in fair value related to hedging a portion of fixed-rate debt	1,591	1,774
Less unamortized discount on:		
Senior Notes A	(53)	(81)
Senior Notes B	(208)	(230)
Senior Notes D	(5,753)	
Less current maturities of debt	(15,000)	(15,000)
Long-term debt	$ 1,874,577	$ 2,231,463

Letters of credit. At September 30, 2003 and December 31, 2002, we had $75 million of standby letter of credit capacity under our Multi-Year Revolving Credit facility. We had $13.9 million of letters of credit outstanding under this facility at September 30, 2003 and $2.4 million outstanding at December 31, 2002.

Covenants. We were in compliance with the various covenants of our debt agreements at September 30, 2003 and December 31, 2002. Certain financial ratio covenants of our revolving credit facilities were amended in connection with the refinancing of our 364-Day Revolving Credit facility in October 2003. For additional information regarding our credit facilities, please read "– *Revolving credit facilities*" beginning on page 58 of this quarterly report.

Parent-Subsidiary guarantor relationships. We act as guarantor of all of our Operating Partnership's consolidated debt obligations, with the exception of the Seminole Notes. If the Operating Partnership were to default on any debt we guarantee, we would be responsible for full repayment of that obligation. The Seminole

Notes are unsecured obligations of Seminole Pipeline Company (of which we own an effective 78.4% of its ownership interests).

New senior notes issued during first quarter of 2003

During the first quarter of 2003, we completed the issuance of $850 million of long-term senior notes (Senior Notes C and D). Senior Notes C and D are unsecured obligations of our Operating Partnership and rank equally with its existing and future unsecured and unsubordinated indebtedness and senior to any future subordinated indebtedness. We guarantee both Senior Notes C and D for our subsidiary through an unsecured and unsubordinated guarantee that is non-

recourse to the General Partner. These notes were issued under an indenture containing certain covenants and are subject to a make-whole redemption right if we elect to call the debt prior to its scheduled maturity. These covenants restrict our ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Senior Notes C. In January 2003, we issued $350 million in principal amount of 6.375% fixed-rate senior notes due February 1, 2013 ("Senior Notes C"), from which we received net proceeds before offering expenses of approximately $347.7 million. These private placement notes were sold at face value with no discount or premium. We used the proceeds from this offering to repay a portion of the indebtedness outstanding under the 364-Day Term Loan that we incurred to finance the Mid-America and Seminole acquisitions. In May 2003, we exchanged 100% of the private placement Senior Notes C for publicly-registered Senior Notes C.

Senior Notes D. In February 2003, we issued $500 million in principal amount of 6.875% fixed-rate senior notes due March 1, 2033 ("Senior Notes D"), from which we received net proceeds before offering expenses of approximately $489.8 million. These private placement notes were sold at 98.842% of their face amount. We used $421.4 million from this offering to repay the remaining principal balance outstanding under the 364-Day Term Loan. In addition, we applied $60.0 million of the proceeds to reduce the balance outstanding under the 364-Day Revolving Credit facility. The remaining proceeds were used for working capital purposes. In July 2003, we exchanged 100% of the private placement Senior Notes D for publicly-registered Senior Notes D.

Repayment of 364-Day Term Loan

In July 2002, our Operating Partnership entered into the $1.2 billion senior unsecured 364-Day Term Loan to fund the acquisition of indirect interests in Mid-America and Seminole. We used $178.5 million of the $182.5 million in proceeds from our October 2002 equity offering to partially repay this loan. We also used $252.8 million of the $258.2 million in proceeds from the January 2003 equity offering, $347.0 million of the $347.7 million in proceeds from our issuance of Senior Notes C and $421.4 million in proceeds from our issuance of Senior Notes D to completely repay the 364-Day Term Loan in February 2003.

Revolving credit facilities

We used $60.0 million in proceeds from the issuance of Senior Notes D in February 2003 to reduce the balance outstanding under our 364-Day Revolving Credit facility. In addition, we applied $261.2 million of the net proceeds from our June 2003 equity offering to reduce the balances then outstanding under our revolving credit facilities, of which $102 million was applied against the 364-Day Revolving Credit facility and $159.2 million against the Multi-Year Revolving Credit facility.

At September 30, 2003, we had $230 million of stand-alone borrowing capacity available under our 364-Day Revolving Credit facility, with no principal balance outstanding. In addition, we had $270 million in stand-alone borrowing capacity available under our Multi-Year Revolving Credit facility at September 30, 2003. We had $145 million of principal and $13.9 million in letters of credit outstanding under this facility at that date, with $111.1 million of unused capacity.

In October 2003, our Operating Partnership refinanced its 364-Day Revolving Credit facility. The credit line available under this facility now expires in October 2004. In accordance with terms of the new credit agreement, we have the option to convert any revolving credit balance outstanding at maturity to a one-year term

loan (due October 2005). In connection with this refinancing, certain financial ratio covenants of our revolving credit facilities were amended to increase our financial flexibility.

Information regarding variable interest rates paid

The following table shows the range of interest rates paid and weighted-average interest rate paid on our variable-rate debt obligations for the nine months ended September 30, 2003:

	Range of interest rates paid	**Weighted- average interest rate paid**
364-Day Term Loan (a)	2.59% - 2.88%	2.85%
364-Day Revolving Credit facility	2.44% - 4.25%	2.52%
Multi-Year Revolving Credit facility	1.68% - 4.25%	1.89%

(a) This facility was repaid in February 2003.

Credit ratings

Our current investment grade credit ratings are Baa2 by Moody's Investor Service and BBB by Standard and Poors. In October 2003, both agencies affirmed their current ratings; however, Standard and Poors revised its outlook from stable to negative. Moody's Investor Service affirmed that its outlook was stable.

Standard and Poors stated that its negative outlook primarily reflected concerns regarding the sustainability of the current rebound in the NGL industry. Their advisory stated that if our near-term financial results do not meet their current expectations, our rating would be lowered. They are also evaluating what effect, if

any, that the purchase of Shell's interest in our General Partner by an affiliate of EPCO might have on our overall credit quality.

We believe that the maintenance of an investment grade credit rating is important in managing our liquidity and capital resource requirements. We maintain regular communications with these ratings agencies, which independently judge our creditworthiness based on a variety of quantitative and qualitative factors.

Capital spending forecasts

At September 30, 2003, we had $2.6 million in estimated outstanding purchase commitments attributable to capital projects, practically all of which were related to the construction of assets that will be recorded as property, plant and equipment. During the fourth quarter of 2003, we expect capital spending on internal growth projects to approximate $63.9 million, of which $32.8 million is forecasted for various projects within our Pipelines segment; $12.3 million for the expansion of our Norco NGL fractionator (completed in October 2003) and $5.7 million for the expansion of our Neptune gas processing facility (expected completion during fourth quarter of 2003). Our unconsolidated affiliates forecast a combined $16.4 million in capital expenditures for the remainder of 2003, the majority of which relate to Gulf of Mexico natural gas pipeline projects. Our share of these forecasted capital expenditures is approximately $5.4 million.

In October 2003, we purchased from Williams an additional 37.35% interest in Wilprise and 16.67% interest in Tri-States. The total purchase price of these interests was $26.5 million. The initial purchase price excludes approximately $8.3 million in future consideration that is contingent upon throughput volumes on these pipeline systems through 2006. As a result of these acquisitions, our ownership interest in Wilprise is now 74.7% and for Tri-States, 50%.

EPCO subleases to us all of the equipment it holds pursuant to operating leases relating to an isomerization unit, a deisobutanizer tower, a cogeneration unit and approximately 100 railcars for one dollar per year and has assigned to us its purchase option under such leases (the "retained leases"). EPCO remains liable for the lease payments associated with these items. We have notified the original lessor of the isomerization unit of our intent to

exercise the purchase option assigned to us. The purchase price of this equipment is expected to be up to $23.1 million and be payable in 2004.

Pipeline Integrity Management Program

In March 2001, the U.S. Department of Transportation issued safety regulations containing requirements for the development of integrity management programs for oil pipelines (which includes NGL and petrochemical pipelines such as ours) in certain "high consequence areas" (CFR 195.452). High consequence areas include but are not limited to high population areas, environmentally-sensitive locations, and areas containing drinking water supplies. In connection with these regulations, we developed an Integrity Management Program and identified those segments of our liquids pipelines located in such areas by the end of 2002. The regulation stipulates that a pipeline company must assess the condition of its pipeline in such areas and perform any necessary repairs. We are required to evaluate at least 50% of our identified pipeline mileage in such high consequence areas by the end of 2004 with the balance completed before April 2008. After this initial testing is complete, the identified pipeline segments must be reassessed every five years thereafter.

During 2003, we expect to spend approximately $10 million to comply with this new regulation (of which $5 million has been spent during the first nine months). During each of the years 2004 through 2008, these costs are expected to be in the range of $15 million to $19 million. Of these forecasted costs, we expect that approximately 90% will be expensed and the remainder will be recorded as capital expenditures.

Material contractual obligations

There have been no significant changes in our material contractual obligations outside the ordinary course of business since December 31, 2002 except for the following:

- In February 2003, we completely repaid the $1.0 billion principal balance that was outstanding under the 364-Day Term Loan at December 31, 2002 using proceeds from debt and equity offerings we completed during the first quarter of 2003 (which included the issuance of our Senior Notes C and D discussed below).
- We issued our $350 million in principal amount Senior Notes C in January 2003. These notes mature in 2013.
- We issued our $500 million in principal amount Senior Notes D in February 2003. These notes mature in 2033.
- We used $60 million in proceeds from the issuance of Senior Notes D to repay a portion of indebtedness then outstanding under our 364-Day Revolving Credit facility.
- We used $261.2 million in proceeds and contributions related to our June 2003 equity offering to reduce indebtedness outstanding under our 364-Day Revolving Credit and Multi-Year Revolving Credit facilities.

The following table summarizes our updated material contractual obligations related to debt at September 30, 2003:

Contractual Obligations	Total	2003	2004 through 2005	2006 through 2007	After 2007
Principal payments to be made under debt obligations	$ 1,894,000	$ 15,000	$ 525,000	$ 0	$ 1,354,000

Related party transactions

Relationship with EPCO and Its Affiliates

We have an extensive and ongoing relationship with EPCO and its affiliates. EPCO is controlled by Dan L. Duncan, who is also a director (and Chairman of the Board of Directors) of our General Partner. In addition, three other members of the Board of Directors (O.S. Andras, Randa D. Williams and Richard H. Bachmann) and the remaining executive and other officers of the General Partner are employees of EPCO. The principal business activity of the General Partner is to act as our managing partner. Collectively, EPCO and its affiliates owned 55.4% of our limited partnership interests and 100.0% of our General Partner at September 30, 2003. In September 2003, an affiliate of EPCO purchased Shell's 30.0% interest in our General Partner.

We have no employees. All of our management, administrative and operating functions are performed by employees of EPCO. We reimburse EPCO for the costs of its employees who perform operating functions for us. In addition, we reimburse EPCO for the costs of certain of its employees who manage our business and affairs.

EPCO is the operator of certain facilities we own or have an equity interest in. We also have entered into an agreement with EPCO to provide trucking services for us pertaining to the loading and transportation of products. Lastly, in the normal course of business, we buy from and sell NGL products to EPCO's Canadian affiliate.

The following table shows our related party revenues and operating expenses attributable to EPCO for the periods indicated:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2003	**2002**	**2003**	**2002**
Revenues from consolidated operations	$ 1,255	$ 723	$ 2,814	$ 3,183
Operating costs and expenses	29,251	24,417	103,396	64,405
Selling, general and administrative expenses	7,212	6,119	20,553	17,907

Relationship with Shell

We have a significant commercial relationship with Shell as a partner, customer and vendor. At September 30, 2003, Shell owned approximately 19.0% of our Common Units. Shell sold its 30.0% interest in our General Partner to an affiliate of EPCO in September 2003.

Shell and its affiliates are the Company's single largest customer. During the nine months ended September 30, 2003 and 2002, they accounted for 5.7% and 8.6%, respectively, of our consolidated revenues. Our revenues from Shell primarily reflect the sale of NGL and petrochemical products to them and the fees we charge them for pipeline transportation and NGL fractionation services. Our operating costs and expenses with Shell primarily reflect the payment of energy-related expenses related to the Shell natural gas processing agreement and the purchase of NGL products from them.

The most significant contract affecting our natural gas processing business is the 20-year Shell processing agreement, which grants us the right to process Shell's current and future production within state and federal waters of the Gulf of Mexico. The Shell processing agreement includes a life of lease dedication, which may extend the agreement well beyond its initial 20-year term ending in 2019. This contract was amended effective March 1, 2003. In general, the amended contract includes the following rights and obligations:

- the exclusive right, but not the obligation in all cases, to process substantially all of Shell's Gulf of Mexico natural gas production; plus
- the exclusive right, but not the obligation in all cases, to process all natural gas production from leases dedicated by Shell for the life of such leases; plus
- the right to all title, interest and ownership in the mixed NGL stream extracted by our gas processing plants from Shell's natural gas production from such leases; with
- the obligation to re-deliver to Shell the natural gas stream after any mixed NGLs are extracted.

As part of our natural gas processing obligations under this contract, we reimburse Shell for the energy value of (i) the NGLs we extract from the natural gas stream and (ii) the natural gas we remove from the stream and consume as fuel. This energy value is referred to as plant thermal reduction ("PTR") and is based on the energy content of the natural gas taken out of the stream (measured in Btus). The amended contract contains a mechanism (termed "Consideration Adjustment Outside of Normal Operations" or "CAONO") to adjust the value of the PTR we reimburse to Shell. The CAONO, in effect, protects us from processing Shell's natural gas at an economic loss when the value of the NGLs we extract is less than the sum of the cost of the PTR reimbursement, operating costs of the gas processing facility and other costs such as NGL fractionation and pipeline fees.

In general, the CAONO adjustment requires the comparison of our average net gas processing margin to an upper and lower limit (all as defined within the agreement). If our average net processing margin is below the lower limit, the PTR reimbursement payable to Shell is decreased by the product of the absolute value of the difference between our average net processing margin and the specified lower limit multiplied by the volume of NGLs extracted. To the extent our average net processing margin is higher than the upper limit , the PTR reimbursement payable to Shell is increased by the product of the difference between the average net gas processing margin and the specified upper limit multiplied by the volume of NGLs extracted. The underlying purpose of the CAONO mechanism is to provide Shell with relative assurance that its gas will continue to be processed during periods when natural gas prices are high relative to NGL prices (times when we would normally choose not to process a producer’s natural gas stream) while continuing to protect us from processing Shell’s gas at an economic loss.

The following table shows our related party revenues and operating expenses attributable to Shell for the periods indicated:

	For the Three Months Ended September 30,		**For the Nine Months Ended September 30,**	
	2003	**2002**	**2003**	**2002**
Revenues from consolidated operations	$ 62,806	$ 84,750	$ 224,242	$ 207,108
Operating costs and expenses	131,932	123,172	444,873	362,761

Recent accounting developments

SFAS No. 143, “*Accounting for Asset Retirement Obligations.*” We adopted this standard as of January 1, 2003. This statement establishes accounting standards for the recognition and measurement of an asset retirement obligation (“ARO”) liability and the associated asset retirement cost. Our adoption of this standard had no material impact on our financial statements. For a discussion regarding our implementation of this new standard, please read footnote 5 of our Notes to Unaudited Consolidated Financial Statements under Item 1 of this quarterly report.

SFAS No. 145, “*Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections*.” We adopted provisions of this standard as of January 1, 2003. This statement revised accounting guidance related to the extinguishment of debt and accounting for certain lease transactions. It also amended other accounting literature to clarify its meaning, applicability and to make various technical corrections. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 146, “*Accounting for Costs Associated with Exit and Disposal Activities.*” We adopted this standard as of January 1, 2003. This statement requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of an entity’s commitment to an exit or disposal plan. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 148, “*Accounting for Stock-Based Compensation – Transition and Disclosure.*” We adopted this standard as of December 31, 2002. This statement provides alternative methods of transition from a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 in both annual and interim financial statements. We have provided the information required by this statement in footnote 13 of the Notes to Unaudited Consolidated

Financial Statements included under Item 1 of this quarterly report. Apart from this additional footnote disclosure, our adoption of this standard has had no material impact on our financial statements.

SFAS No. 149, “*Amendment of Statement 133 on Derivative Instruments and Hedging Activities.*” This statement amends and clarifies accounting guidance for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. This statement is effective for contracts entered into or modified after June 30, 2003, for hedging relationships designated after June 30, 2003, and to certain preexisting contracts. We adopted SFAS No. 149 on a prospective basis as of July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

SFAS No. 150, “*Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity*.” This standard establishes classification and measurement standards for financial instruments with characteristics of both liabilities and equity. It requires an issuer of such financial instruments to reclassify the instrument from equity to a liability or an asset. The effective date of this standard for us was July 1, 2003. Our adoption of this standard has had no material impact on our financial statements.

FIN 45, “*Guarantor’s Accounting and Disclosure Requirement from Guarantees, Including Indirect Guarantees of Indebtedness of Others*.” We implemented this FASB interpretation as of December 31, 2002. This interpretation of SFAS No. 5, 57 and 107, and rescission of FASB Interpretation No. 34 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. We have provided the information required by this interpretation in footnote 8 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

FIN 46, “*Consolidation of Variable Interest Entities – An Interpretation of ARB No. 51*.” This interpretation of ARB No. 51 addresses requirements for accounting consolidation of a variable interest entity (“VIE”) with its primary beneficiary. In general, if an equity owner of a VIE meets certain criteria defined within FIN 46, the assets, liabilities and results of the activities of the VIE should be included in the consolidated financial statements of the owner. Our adoption of FIN 46 as of January 31, 2003 has had no material effect on our financial statements.

Our critical accounting policies

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

In general, there have been no significant changes in our critical accounting policies since December 31, 2002. For a detailed discussion of these policies, please read "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Our critical accounting policies*" in our annual report on Form 10-K/A for 2002. The following is a condensed discussion of our critical accounting policies and the estimates and assumptions underlying them.

Depreciation methods and estimated useful lives of property, plant and equipment

In general, depreciation is the systematic and rational allocation of an asset's cost, less its residual value (if any), to the periods it benefits. We use the straight-line method to depreciate our property, plant and equipment. Our estimate of an asset's useful life is based on a number of assumptions including technological changes that may affect the asset's usefulness and the manner in which we intend to physically use the asset. If we subsequently change our assumptions regarding these factors, it would result in an increase or decrease in depreciation expense.

At September 30, 2003 and December 31, 2002, the net book value of our property, plant and equipment was $2.9 billion and $2.8 billion, respectively. For additional information regarding our property, plant and

equipment, please read footnote 5 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Impairment charges and underlying estimated fair values

If we determine that an asset's undepreciated cost may not be recoverable due to impairment, this would result in a charge against earnings. Long-lived assets with recorded values that are not expected to be recovered through future expected cash flows are written-down to their estimated fair values. An asset is tested for impairment when events or circumstances indicate that its carrying value may not be recoverable. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of undiscounted cash flows expected to result from the use and eventual disposition of the existing asset. Our estimates of such undiscounted cash flows are based on a number of assumptions including anticipated margins and volumes; estimated useful life of the asset or asset group; and salvage values. If we initially determine that an asset's carrying value is recoverable through such undiscounted estimated cash flows and later revise these assumptions leading to a finding that the opposite is true, we would be required to ascertain the fair value of the facility, which might ultimately result in an impairment charge being recorded.

If the carrying value of an asset exceeds the sum of its undiscounted expected cash flows, an impairment loss equal to the amount the carrying value exceeds the fair value of the asset is recognized. The quoted market price of an asset on an active exchange or similar venue is the best determinant of fair value. However, in many instances, quoted market prices in such markets are not available. In those instances, the estimate of fair value is based on the best information available, including prices for similar assets and the results of using other valuation techniques (including present value techniques).

Since most of our plant and other fixed and intangible assets are not traded in an active market, we generally rely on the use of present value techniques when determining the fair value of such assets for the purpose of impairment testing. These techniques incorporate our best information and assumptions regarding future cash flows, alternative courses of action, probabilities of such courses of action occurring and discount rates. To the extent that any of these underlying assumptions prove incorrect, it may result in additional future impairment charges.

Due to a deteriorating business environment and outlook and the completion of its preliminary engineering studies regarding conversion alternatives, BEF evaluated the carrying value of its long-lived assets for impairment during the third quarter of 2003. This review indicated that the carrying value of BEF's long-lived assets exceeded their collective fair value, which resulted in a non-cash impairment charge of $67.5 million. Our share of this loss is $22.5 million and is recorded as a component of "Equity in income (loss) of unconsolidated affiliates" in our Statements of Consolidated Operations and Comprehensive Income for the three and nine months ended September 30, 2003. Our historical equity (and in the future, consolidated) earnings from BEF are classified under the Octane Enhancement business segment. For additional information regarding this impairment charge, please read footnote 6 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Amortization methods and estimated useful lives of qualifying intangible assets

Our recorded intangible assets primarily consist of the estimated value assigned to certain contract-based assets representing the rights we own arising from contractual agreements. A contract-based intangible asset with a finite useful life is amortized over its estimated useful life. Our estimate of useful life is based on a number of factors including the expected useful life of related assets (i.e., fractionation facility, pipeline, etc.) and the effects of obsolescence, demand, competition and other factors. If our underlying assumptions regarding the useful life of an intangible asset change, we then might need to adjust the amortization period of such asset which would increase or decrease amortization expense. Additionally, if we determine that an intangible asset's unamortized cost may not be recoverable due to impairment, this would result in a charge against earnings.

At September 30, 2003 and December 31, 2002, the carrying value of our intangible asset portfolio was $266.9 million and $277.7 million. For additional information regarding our intangible assets, please read footnote 7 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Methods we employ to measure the fair value of goodwill

Our goodwill is attributable to the excess of the purchase price over the fair value of assets acquired. Goodwill is not amortized. Instead, goodwill is tested for impairment at a reporting unit level annually, and more frequently, if circumstances warrant. This testing involves calculating the fair value of a reporting unit, which in turn is based on our assumptions regarding the future economic prospects of the reporting unit. If the fair value of the reporting unit (including related goodwill) is less than its book value, a charge to earnings would be required to reduce the carrying value of goodwill to its implied fair value. If our underlying assumptions regarding the future economic prospects of a reporting unit change, this could impact the fair value of the reporting unit and result in a charge to earnings to reduce the carrying value of goodwill.

At September 30, 2003 and December 31, 2002, the carrying value of our goodwill was $81.5 million. For additional information regarding our goodwill, please read footnote 7 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Our revenue recognition polices

In general, we recognize revenue from our customers when all of the following criteria are met: (i) firm contracts are in place, (ii) delivery has occurred or services have been rendered, (iii) pricing is fixed and determinable and (iv) collectibility is reasonably assured. When contracts settle (i.e., either physical delivery of product has taken place or the services designated in the contract have been performed), we determine if an allowance is necessary and record it accordingly. The revenues that we record are not materially based on estimates. We believe the assumptions underlying any revenue estimates that we use will not prove to be significantly different from actual amounts due to the routine nature of these estimates and the stability of our operations.

Mark-to-market accounting for certain financial instruments

Our earnings are also affected by use of the mark-to-market method of accounting for certain financial instruments. We use short-term, highly liquid financial instruments such as swaps, forwards and other contracts to manage price risks associated with inventories, firm commitments and certain anticipated transactions, primarily within our Processing segment. The use of mark-to-market accounting for financial instruments may cause our non-cash earnings to fluctuate based upon changes in underlying indexes, primarily those related to commodity prices. Fair value for the financial instruments we employ is determined using price data from highly liquid markets such as the NYMEX commodity exchange.

During the first nine months of 2002, we recognized a loss of $52.3 million from our commodity hedging activities. Of this loss, $10.6 million was attributable to the change in fair value of the portfolio between December 31, 2001 and September 30, 2002. The fair value of open positions at September 30, 2002 was a payable of $2.7 million. In March 2002, the effectiveness of our primary commodity hedging strategy deteriorated due to an unexpected rapid increase in natural gas prices; therefore, the loss in value of our fixed-price natural gas financial instruments was not offset by increased gas processing margins. We exited the strategy underlying this loss in 2002.

During the first nine months of 2003, we utilized a limited number of commodity financial instruments from which we recorded a loss of $0.9 million. The fair value of open positions at September 30, 2003 was a nominal payable amount. For additional information regarding our financial instruments, please read footnote 11 of the Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Other items

Conversion of EPCO Subordinated Units to Common Units

On May 1, 2003, 10,704,936 of EPCO’s Subordinated Units converted to Common Units as a result of our satisfying certain financial tests. The remaining 21,409,872 Subordinated Units converted to Common Units on August 1, 2003. These conversions have no impact upon our earnings per unit or distributions since Subordinated

Units are already included in both the basic and fully-diluted earnings per unit calculations and are distribution-bearing.

Conversion of Shell Special Units to Common Units

On August 1, 2003, the last 10,000,000 of Shell’s non-distribution bearing Special Units converted to Common Units. The conversion impacted basic earnings per Unit beginning in the third quarter of 2003. These units were already included in our fully-diluted earnings per Unit computations. Since Common Units are distribution-bearing, our limited partner cash distributions to Shell will increase beginning with the distribution we make in November 2003.

Cautionary statement regarding forward-looking information and risk factors

This quarterly report contains various forward-looking statements and information that are based on our beliefs and those of our General Partner, as well as assumptions made by us and information currently available to us. When used in this document, words such as “anticipate,” “project,” “expect,” “plan,” “goal,” “forecast,” “intend,” “could,” “believe,” “may” and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our General Partner believe that such expectations reflected in such forward-looking statements are reasonable, neither we nor our General Partner can give any assurances that such expectations will prove to be correct. Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please read our summarized “*Risk Factors*” below.

Risk Factors

Among the key risk factors that may have a direct impact on our results of operations and financial condition are:

- A decrease in the difference between NGL product prices and natural gas prices results in lower margins on volumes processed, which would adversely affect our profitability.
- A reduction in demand for our products by the petrochemical, refining or heating industries could adversely affect our results of operations.
- A decline in the volume of NGLs delivered to our facilities could adversely affect our results of operations.
- Our business requires extensive credit risk management that may not be adequate to protect against customer nonpayment.
- Acquisitions and expansions may affect our business by substantially increasing the level of our indebtedness and contingent liabilities and increasing our risks of being unable to effectively integrate these new operations.
- Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as our not being subject to entity-level taxation by states. If the IRS treats us as a corporation or we become subject to entity-level taxation for state tax purposes, it would substantially reduce distributions to our Unitholders and our ability to make payments on our debt securities.
- We have leverage that may restrict our future financial and operating flexibility.
- Terrorist attacks aimed at our facilities could adversely affect our business.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to financial market risks, including changes in commodity prices and interest rates. We may use financial instruments (i.e., futures, forwards, swaps, options, and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions, primarily within our Processing segment. In general, the types of risks we attempt to hedge are those relating to variability of future earnings and cash flows caused by changes in commodity prices and interest rates. As a matter of policy, we do not use financial instruments for speculative (or trading) purposes.

There has been no material change in our commodity financial instruments portfolio since December 31, 2002. During the first quarter of 2003, we settled all interest rate-related financial instruments that were outstanding at December 31, 2002. For additional information regarding our interest-rate related financial instruments, please read “– *Interest rate-related financial instruments portfolio*” below and footnote 11 of our Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Commodity financial instruments portfolio

At December 31, 2002, the net fair value of this portfolio was a payable of $26 thousand, based entirely upon quoted market prices. At September 30, 2003, the net fair value of this portfolio was a nominal payable amount. We continue to have only a limited number of commodity financial instruments outstanding. The sensitivity of the fair value of our commodity financial instruments portfolio at September 30, 2003 to a hypothetical 10% movement in the underlying quoted market prices is negligible.

At October 29, 2003, the net fair value of this portfolio was a receivable of $0.2 million. The increase is primarily due to an ethane-related transaction expiring by the end of November 2003. If underlying market prices were to increase by 10%, the fair value of the portfolio would decrease to a payable of $0.6 million. If these underlying prices were to decrease by 10%, the fair value of the portfolio would increase to a receivable of $1.0 million.

During the first nine months of 2002, we recognized a loss of $52.3 million from our Processing segment’s commodity hedging activities that was recorded as an operating cost in our Statements of Consolidated Operations and Comprehensive Income. In March 2002, the effectiveness of our primary commodity hedging strategy deteriorated due to an unexpected rapid increase in natural gas prices; therefore, the loss in value of our fixed-price natural gas financial instruments was not offset by increased gas processing margins. We exited the strategy underlying this loss in 2002.

During the first nine months of 2003, we recorded a loss of $0.9 million from our commodity hedging activities, of which $0.8 million is attributable to commodity hedging activities within the Pipelines segment and the remainder to those within the Processing segment.

Interest rate-related financial instruments portfolio

Interest rate swap agreements. At December 31, 2002, we had one interest rate swap outstanding having a notional amount of $54 million and a fair value at that date of $1.6 million. The counterparty elected to exercise its option to terminate this swap as of March 1, 2003 and we received $1.6 million associated with the final settlement of this swap on that date. The early termination of the swap had no impact on our earnings. At September 30, 2003, we have no interest rate swap agreements outstanding.

Treasury Locks. During the fourth quarter of 2002, we entered into seven treasury lock transactions, each with an original maturity of either January 31, 2003 or April 15, 2003. A treasury lock is a specialized agreement that fixes the price (or yield) on a specific U.S. treasury security for an established period of time. The purpose of these financial instruments was to hedge the underlying treasury interest rate associated with our anticipated issuance of debt in early 2003 to partially refinance the Mid-America and Seminole acquisitions. Our treasury lock transactions are accounted for as cash flow hedges under SFAS No. 133. The notional amounts of the treasury lock transactions totaled $550 million, with a total treasury lock rate of approximately 4%.

We elected to settle all of the treasury locks during the first quarter of 2003 in connection with our issuance of Senior Notes C and D. For additional information regarding our debt, please read "*Our liquidity and capital resources – Our debt* obligations" on page 57 of this quarterly report. The settlement of the treasury locks resulted in our receipt of $5.4 million in cash.

The fair value of these instruments at December 31, 2002 was a current liability of $3.8 million offset by a current asset of $0.2 million. The $3.6 million net liability was recorded as a component of comprehensive income on that date, with no impact on 2002 net income. As a result of settlement of the treasury locks, the $3.6 million net liability was reclassified out of accumulated other comprehensive income in Partners' Equity to offset the current asset and liabilities we recorded at December 31, 2002, with no impact on 2003 net income. For additional information regarding our treasury lock transactions, please read our footnote 11 of our Notes to Unaudited Consolidated Financial Statements included under Item 1 of this quarterly report.

Item 4. CONTROLS AND PROCEDURES.

As of the end of the period covered by this report, the CEO and CFO of the General Partner of Enterprise Products Partners L.P. and Enterprise Products Operating L.P. (collectively the "registrants") have evaluated the effectiveness of the registrants' disclosure controls and procedures, including internal control over financial reporting. These disclosure controls and procedures are those controls and other procedures we maintain, which are designed to provide reasonable assurance that all of the information required to be disclosed by the registrants in all of their combined and separate periodic reports filed with the SEC is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by the registrants in their reports filed or submitted under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including the CEO and CFO of the General Partner, as appropriate to allow those persons to make timely decisions regarding required disclosure.

In the course of their evaluation of the registrants' disclosure controls and procedures, the CEO and CFO noted no significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information. In addition, no fraud, whether or not material, was detected involving management or other employees who have a significant role in the registrants' internal control over financial reporting. In addition, there has not been any change in the registrants' disclosure controls and procedures during the quarter that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting. Since no significant deficiencies or material weaknesses were detected in the registrants' disclosure controls and procedures, no corrective actions regarding these controls and procedures are currently warranted.

PART II. OTHER INFORMATION.
Item 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

Exhibit No.	Exhibit*
2.1	Purchase and Sale Agreement between Coral Energy, LLC and Enterprise Products Operating L.P. dated September 22, 2000 (incorporated by reference to Exhibit 10.1 to Form 8-K filed September 26, 2000).
2.2	Purchase and Sale Agreement dated January 16, 2002 by and between Diamond-Koch, L.P. and Diamond-Koch III, L.P. and Enterprise Products Texas Operating L.P. (incorporated by reference to Exhibit 10.1 to Form 8-K filed February 8, 2002.)
2.3	Purchase and Sale Agreement dated January 31, 2002 by and between D-K Diamond-Koch, L.L.C., Diamond-Koch, L.P. and Diamond-Koch III, L.P. as Sellers and Enterprise Products Operating L.P. as Buyer (incorporated by reference to Exhibit 10.2 to Form 8-K filed February 8, 2002).
2.4	Purchase Agreement by and between E-Birchtree, LLC and Enterprise Products Operating L.P. dated July 31, 2002 (incorporated by reference to Exhibit 2.2 to Form 8-K filed August 12, 2002).
2.5	Purchase Agreement by and between E-Birchtree, LLC and E-Cypress, LLC dated July 31, 2002 (incorporated by reference to Exhibit 2.1 to Form 8-K filed August 12, 2002).
3.1	First Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC dated as of September 17, 1999 (incorporated by reference to Exhibit 99.8 to Form 8-K/A-l filed October 27, 1999).
3.2	Amendment No. 1 to the First Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC dated as of September 19, 2002 (incorporated by reference to Exhibit 3.2 to Form 10-K filed March 31, 2003).
3.3	Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated May 15, 2002 (incorporated by reference to Exhibit 3.3 to Form 10-Q filed August 13, 2002).
3.4	Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated August 7, 2002 (incorporated by reference to Exhibit 3.3 to Form 10-Q filed August 13, 2002).
3.5	Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P. dated December 17, 2002 (incorporated by reference to Exhibit 3.5 to Form 8-K filed December 17, 2002).
3.6	Amended and Restated Agreement of Limited Partnership of Enterprise Products Operating L.P. dated as of July 31, 1998 (incorporated by reference to Exhibit 3.2 to Registration Statement on Form S-1/A filed July 21, 1998).
4.1	Indenture dated as of March 15, 2000, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and First Union National Bank, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed March 10, 2000).
4.2	First Supplemental Indenture dated as of January 22, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.3	Global Note representing $350 million principal amount of 6.375% Series A Senior Notes due 2013 with attached Guarantee (incorporated by reference to Exhibit 4.3 to Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.4	Global Note representing $350 million principal amount of 6.375% Series B Senior Notes due 2013 with attached Guarantee (incorporated by reference to Exhibit 4.4 to Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.5	Registration Rights Agreement dated as of January 22, 2003, among Enterprise Products Operating L.P., Enterprise Products Partners L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-4, Reg. No. 333-102776, filed January 28, 2003).
4.6	Second Supplemental Indenture dated as of February 14, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 10-K filed March 31, 2003).

4.7	Rule 144 A Global Note representing $499.2 million principal amount of 6.875% Series A Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit 4.5 to Form 10-K filed March 31, 2003).
4.8	Regulation S Global Note representing $800,000 principal amount of 6.875% Series A Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit 4.6 to Form 10-K filed March 31, 2003).

4.9	Form of Global Note representing $500 million principal amount of 6.875% Series B Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit 4.8 to Form 10-K filed March 31, 2003).
4.10	Registration Rights Agreement dated as of February 14, 2003, among Enterprise Products Operating L.P., Enterprise Products Partners L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.10 to Form 10-K filed March 31, 2003).
4.11	Global Note representing $350 million principal amount of 8.25% Senior Notes due 2005 (incorporated by reference to Exhibit 4.2 to Form 8-K filed March 10, 2000).
4.12	Global Note representing $450 million principal amount of 7.50% Senior Notes due 2011 (incorporated by reference to Exhibit 4.1 to Form 8-K filed January 25, 2001).
4.13	Form of Common Unit certificate (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-1/A; File No. 333-52537, filed July 21, 1998).
4.14	$250 Million Multi-Year Revolving Credit Facility dated as of November 17, 2000, among Enterprise Products Operating L.P., First Union National Bank, as Administrative Agent, Bank One, NA, as Documentation Agent, the Chase Manhattan Bank, as Syndication Agent, and the several banks from time to time parties thereto, with First Union Securities, Inc. and Chase Securities Inc. as Joint Lead Arrangers and Joint Book Managers (incorporated by reference to Exhibit 4.2 to Form 8-K filed January 24, 2001).
4.15	$150 Million 364-Day Revolving Credit Facility November 17, 2000, among Enterprise Products Operating L.P., First Union National Bank, as Administrative Agent, Bank One, NA, as Documentation Agent, the Chase Manhattan Bank, as Syndication Agent, and the several banks from time to time parties thereto, with First Union Securities, Inc. and Chase Securities Inc. as Joint Lead Arrangers and Joint Book Managers (incorporated by reference to Exhibit 4.3 to Form 8-K filed January 24, 2001).
4.16	Guaranty Agreement dated as of November 17, 2000, by Enterprise Products Partners L.P. in favor of First Union National Bank, as Administrative Agent, with respect to the $250 Million Multi-Year Revolving Credit Facility included as Exhibit 4.4 above (incorporated by reference to Exhibit 4.4 to Form 8-K filed January 24, 2001).
4.17	Guaranty Agreement dated as of November 17, 2000, by Enterprise Products Partners L.P. in favor of First Union National Bank, as Administrative Agent, with respect to the $150 Million 364-Day Revolving Credit Facility (incorporated by reference to Exhibit 4.5 to Form 8-K filed January 24, 2001).
4.18	First Amendment to Multi-Year Credit Facility dated April 19, 2001 (incorporated by reference to Exhibit 4.12 to Form 10-Q filed May 14, 2001).
4.19	Second Amendment to Multi-Year Revolving Credit Facility dated April 14, 2002 (incorporated by reference to Exhibit 4.14 to Form 10-Q filed May 14, 2002).
4.20	Third Amendment to Multi-Year Revolving Credit Facility dated July 31, 2002 (incorporated by reference to Exhibit 4.1 to Form 10-Q filed August 12, 2002).
4.21	Fourth Amendment to 364-Day Revolving Credit Facility dated effective as of November 15, 2002 (incorporated by reference to Exhibit 4.19 to Form 10-Q filed November 13, 2002).
4.22	First Amendment to 364-Day Credit Facility dated November 6, 2001, effective as of November 16, 2001 (incorporated by reference to Exhibit 4.13 to Form 10-Q filed August 13, 2002).
4.23	Second Amendment to 364-Day Revolving Credit Facility dated April 24, 2002 (incorporated by reference to Exhibit 4.15 to Form 10-Q filed May 14, 2002).
4.24	Third Amendment to 364-Day Revolving Credit Facility dated July 31, 2002 (incorporated by reference to Exhibit 4.2 to Form 8-K filed August 12, 2002).
4.25	Contribution Agreement dated September 17, 1999 (incorporated by reference to Exhibit "B" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).

4.26	Registration Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "E" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.27	Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "C" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.28	Amendment No. 1, dated September 12, 2003, to Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit 4.1 to Form 8-K filed September 15, 2003).
4.29#	364-Day Revolving Credit Agreement dated as of October 30, 2003, among Enterprise Products Operating L.P., Wachovia Bank, National Association, as Administrative Agent, Bank One, N.A., as Syndication Agent, Royal Bank of Canada, The Bank of Nova Scotia and Suntrust Bank, as Co-Documentation Agents, and the several lenders from time to time parties thereto, with Wachovia Capital Markets, LLC and Banc One Capital Markets, Inc., as Joint Lead Arrangers, and Wachovia Capital Markets, LLC, as Sole Manager.
4.30#	Guaranty Agreement dated as of October 30, 2003 by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as Administrative Agent, with respect to 364-Day Revolving Credit Facility.
4.31#	Fourth Amendment to Multi-Year Revolving Credit Facility dated October 30, 2003.
31.1#	Sarbanes-Oxley Section 302 certification of O.S. Andras for Enterprise Products Partners L.P. for the September 30, 2003 quarterly report on Form 10-Q.

31.2#	Sarbanes-Oxley Section 302 certification of O.S. Andras for Enterprise Products Operating L.P. for the September 30, 2003 quarterly report on Form 10-Q.
31.3#	Sarbanes-Oxley Section 302 certification of Michael A. Creel for Enterprise Products Partners L.P. for the September 30, 2003 quarterly report on Form 10-Q.
31.4#	Sarbanes-Oxley Section 302 certification of Michael A. Creel for Enterprise Products Operating L.P. for the September 30, 2003 quarterly report on Form 10-Q.
32.1#	Sarbanes-Oxley Section 1350 certification of O.S. Andras for the September 30, 2003 quarterly report on Form 10-Q.
32.2#	Sarbanes-Oxley Section 1350 certification of Michael A. Creel for the September 30, 2003 quarterly report on Form 10-Q.

* With respect to any exhibits incorporated by reference to any Exchange Act filings, the Commission file number for Enterprise Products Partners L.P. is 1-14323 and the Commission file number for Enterprise Products Operating L.P. is 333-93239-01.

\# Filed with this report.

(b) Reports on Form 8-K.

July 16, 2003 filing, Items 5, 9 and 12. On July 16, 2003, we issued a press release declaring our second quarter 2003 quarterly cash distribution rate and providing earnings guidance for the three and six month periods ending June 30, 2003. A copy of this press release was furnished as an exhibit.

July 16, 2003 filing, Items 5 and 7. On May 1, 2003, 10,734,936 of EPCO's Subordinated Units converted to Common Units. As a result of this conversion, we updated the description of our Common Units. Exhibits related to our Third Amended and Restated Agreement of Limited Partnership were incorporated by reference.

July 31, 2003 filing, Items 5, 7 and 12. On July 31, 2003, we issued a press release regarding our financial results for the six months ended June 30, 2003 and 2002. A copy of the earnings press release was furnished as an exhibit.

September 15, 2003 filing, Items 5 and 7. On September 12, 2003, an affiliate of EPCO acquired Shell's 30% interest in our General Partner. As a result of this transaction, entities controlled by Dan L. Duncan, the Chairman of the General Partner, own 100% of the membership interests in the General Partner. In connection with this transaction, our Unitholder Rights Agreement was amended to, among other things, eliminate Shell's right to participate in our policy-making functions and to eliminate certain preemptive rights of Shell. In addition, the three designees of Shell that had been serving on the Board of Directors of the General Partner resigned their positions on September 12, 2003. The amended Unitholder Rights Agreement and a press release announcing the transaction were attached as exhibits.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrants have duly caused this combined quarterly report on Form 10-Q to be signed on their behalf by the undersigned thereunto duly authorized, in the City of Houston, State of Texas on November 13, 2003.

ENTERPRISE PRODUCTS PARTNERS L.P.
(A Delaware Limited Partnership)
ENTERPRISE PRODUCTS OPERATING L.P.
(A Delaware Limited Partnership)

By: Enterprise Products GP, LLC,
as General Partner for both registrants

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

FOURTH AMENDMENT AND SUPPLEMENT
TO CREDIT AGREEMENT
(Multi-Year Revolving Credit Facility)

THIS FOURTH AMENDMENT AND SUPPLEMENT TO CREDIT AGREEMENT (this "Fourth Amendment") is made and entered into as of the 30th day of October, 2003, effective as of September 30, 2003 (the "Fourth Amendment Effective Date"), among ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership ("Borrower"); WACHOVIA BANK, NATIONAL ASSOCIATION (formerly known as First Union National Bank), as administrative agent (in such capacity, the "Administrative Agent") for each of the lenders (the "Lenders") that is a signatory or which becomes a signatory to the hereinafter defined Credit Agreement; and the Lenders party hereto.

R E C I T A L S:

A. On November 17, 2000, the Borrower, the Lenders and the Administrative Agent entered into a certain Credit Agreement (as amended by First Amendment to Credit Agreement dated April 19, 2001, and as further amended and supplemented by Second Amendment and Supplement to Credit Agreement dated as of April 24, 2002, and as further amended and supplemented by Third Amendment and Supplement to Credit Agreement dated as of July 31, 2002, the "Credit Agreement") whereby, upon the terms and conditions therein stated, the Lenders agreed to make certain Loans (as defined in the Credit Agreement) and extend certain credit to the Borrower.

B. The parties hereto mutually desire to further amend the Credit Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Borrower, the Lenders party hereto and the Administrative Agent hereby agree as follows:

1. Certain Definitions.

1.1 Terms Defined Above. As used in this Fourth Amendment, the terms "Administrative Agent", "Borrower", "Credit Agreement", "Fourth Amendment" and "Fourth Amendment Effective Date", shall have the meanings indicated above.

1.2 Terms Defined in Agreement. Unless otherwise defined herein, all terms beginning with a capital letter which are defined in the Credit Agreement shall have the same meanings herein as therein unless the context hereof otherwise requires.

2. Amendments to Credit Agreement.

2.1 Defined Terms.

(a) The term "Agreement," as defined in Section 1.02 of the Credit Agreement, is hereby amended to mean the Credit Agreement, as amended and supplemented by this Fourth Amendment and as the same may from time to time be further amended or supplemented.

(b) The term "Consolidated EBITDA" is hereby amended in its entirety to read as follows:

"'Consolidated EBITDA' means for any period, the sum of (a) the consolidated net income of the Borrower and its consolidated Subsidiaries (excluding Project Finance Subsidiaries) for such period plus, to the extent deducted in determining consolidated net income for such period, the aggregate amount of (i) Consolidated Interest Expense, (ii) income tax expense and (iii) depreciation and amortization expense plus (b) the amount of cash dividends actually received during such period by the Borrower or a Subsidiary (other than a Project Finance Subsidiary) from a Project Finance Subsidiary plus (c) the amount of all payments during such period on leases of the type referred to in clause (d) of the definition herein of Indebtedness and the amount of all payments during such period under other off-balance sheet loans and financings of the type referred to in such clause (d)."

(c) The term "Material Adverse Change" is hereby amended in its entirety to read as follows

"'Material Adverse Change' means a material adverse change, from that in effect on December 31, 2002, in the financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole, as indicated in the most recent quarterly or annual financial statements, except as otherwise disclosed in the Borrower's and/or the Limited Partner's filings with the SEC prior to the Fourth Amendment Effective Date.

(d) The term "Program" is hereby amended in its entirety to read as follows:

"'Program' means the buy-back program initiated by the Limited Partner whereby the Limited Partner or the Borrower may after November 17, 2000 buy back up to the greater of (i) 2,000,000 publicly held Common Units or (ii) the number of publicly held Common Units the

aggregate purchase price of which is $30,000,000."

(e) The term "364-Day Credit Facility" is hereby amended in its entirety to read as follows:

"'364-Day Credit Facility' means the revolving credit facility of the Borrower under that certain 364-Day Revolving Credit Agreement dated as of October 30, 2003, among the Borrower, Wachovia Bank, National Association, as Administrative Agent, and the lenders party thereto, together with any and all amendments and supplements thereto (the '364-Day Credit Agreement')."

(f) The terms "Subordinated Units" and "Units" are hereby deleted in their entirety.

2.2 Additional Defined Term. Section 1.02 of the Credit Agreement is hereby further amended and supplemented by adding the following new definitions, which read in their entirety as follows:

"'Fourth Amendment' means that certain Fourth Amendment and Supplement to Credit Agreement dated effective as of October 30, 2003, among the Borrower, the Lenders party thereto and the Administrative Agent."

"'Fourth Amendment Effective Date' means October 30, 2003".

2.3 Not a Reportable Transaction. Article III of the Credit Agreement is hereby amended and supplemented by adding the following new Section 3.14, which reads in its entirety as follows:

"SECTION 3.14 Not a 'Reportable Transaction'. The Borrower does not intend to treat the Borrowings and related transactions as being a 'reportable transaction' (within the meaning of Treasury Regulation Section 1.6011-4). In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof. If the Borrower so notifies the Administrative Agent, the Borrower acknowledges that one or more of the Lenders may treat its Loans as part of a transaction that is subject to Treasury Regulation Section 301.6112-1, and such Lender or Lenders will maintain the lists and other records required by such Treasury Regulation."

2.4 Indebtedness. Section 6.01(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) Indebtedness of any Person that becomes a Subsidiary of the Borrower, to the extent such Indebtedness is outstanding at the time such Person becomes a Subsidiary of the Borrower and was not incurred in contemplation thereof and Indebtedness refinancing (but not increasing) such Indebtedness, and Indebtedness assumed by any Subsidiary in connection with its acquisition (whether by merger, consolidation, acquisition of all or substantially all of the assets or acquisition that results in the ownership of greater than fifty percent (50%) of the Equity Interests of a Person) of another Person and Indebtedness refinancing (but not increasing) such Indebtedness, provided that at the time of and after giving effect to the incurrence or assumption of such Indebtedness or refinancing Indebtedness and the application of the proceeds thereof, as the case may be, the aggregate principal amount of all such Indebtedness, and of all Indebtedness previously incurred or assumed pursuant to this Section 6.01(a), and then outstanding, shall not exceed 75% of Consolidated EBITDA for the period of four full fiscal quarters of the Borrower and its Subsidiaries (and such Person on a pro forma basis) then most recently ended; further provided, however, Indebtedness assumed in connection with the acquisition of equity interests in Seminole Pipeline Company, a Delaware corporation, shall be included as Indebtedness assumed pursuant to this Section 6.01(a);"

2.5 Ratio of Consolidated Indebtedness to Consolidated EBITDA. Section 6.07(b) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(b) Ratio of Consolidated Indebtedness to Consolidated EBITDA. The Borrower shall not permit its ratio of Consolidated Indebtedness to Consolidated EBITDA in each case for the four full fiscal quarters most recently ended (including, without limitation, the four fiscal-quarter period ending September 30, 2003) to exceed 4.75 to 1.00 as of the last day of any fiscal quarter of Borrower. For purposes of calculating such ratio the Project Finance Subsidiaries shall be disregarded. For purposes of this Section 6.07(b), if during any period of four fiscal quarters the Borrower or any Subsidiary acquires any Person (or any interest in any Person) or all or substantially all of the assets of any Person, the EBITDA attributable to such assets or an amount equal to the percentage of ownership of the Borrower or a Subsidiary, as the case may be, in such Person times the EBITDA of such Person, for such period determined on a pro forma basis (which determination, in each case, shall be subject to approval of the Administrative Agent, not to be unreasonably withheld) may be included as Consolidated EBITDA for such period as if such acquisition occurred on the first day of such four fiscal quarter period; provided that during the portion of such period that follows such acquisition, the computation in respect of the EBITDA of such Person or such assets, as the case may be, shall be made on the basis of actual (rather than pro forma) results."

2.6 Notices. Section 9.01(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) if to the Borrower, to it at 2727 North Loop West, 7th Floor, Houston, Texas 77008 (for delivery), Attention of Treasurer; P. O. Box 4324, Houston Texas 77210 (for mail) (Telecopy No. 713/803-8200);"

2.7 Pro Rata Assignments. Section 9.04(h) of the Credit Agreement is hereby deleted in its entirety.

2.8 Confidentiality. Section 9.12 of the Credit Agreement is hereby amended and supplemented in its entirety to read as follows:

"SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Syndication Agent, the Co-Documentation Agents, and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any

regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, Syndication Agent, the Co-Documentation Agents or any Lender on a nonconfidential basis from a source other than the Borrower and its Related Parties. Notwithstanding anything herein to the contrary, Information shall not include, and the Administrative Agent and each Lender may disclose without limitation of any kind, any Information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Administrative Agent or such Lender relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains Information concerning the tax treatment or tax structure of the transaction as well as other Information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the Loans and transactions contemplated hereby. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower."

2.9 Conditions Precedent. In addition to all other applicable conditions precedent contained in the Credit Agreement, the obligation of the Lenders party hereto and the Administrative Agent to enter into this Fourth Amendment shall be conditioned upon the following conditions precedent:

(a) The Administrative Agent shall have received a copy of this Fourth Amendment, duly completed and executed by the Borrower and the Required Lenders; and acknowledged and ratified by the Limited Partner;

(b) The Administrative Agent shall have received such other information, documents or instruments as it or its counsel may reasonably request.

3. Representations and Warranties. The Borrower represents and warrants that:

(a) there exists no Default or Event of Default, or any condition or act which constitutes, or with notice or lapse of time or both would constitute, an Event of Default under the Credit Agreement, as hereby amended and supplemented;

(b) the Borrower has performed and complied with all covenants, agreements and conditions contained in the Credit Agreement, as hereby amended and supplemented, required to be performed or complied with by it; and

(c) the representations and warranties of the Borrower contained in the Credit Agreement, as hereby amended and supplemented, were true and correct when made, and are true and correct in all material respects at and as of the time of delivery of this Fourth Amendment, except to the extent such representations and warranties relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

4. Extent of Amendments. Except as expressly herein set forth, all of the terms, conditions, defined terms, covenants, representations, warranties and all other provisions of the Credit Agreement are herein ratified and confirmed and shall remain in full force and effect.

5. Counterparts. This Fourth Amendment may be executed in two or more counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and same instrument.

6. References. On and after the Fourth Amendment Effective Date, the terms "Agreement", "hereof", "herein", "hereunder", and terms of like import when used in the Credit Agreement shall, except where the context otherwise requires, refer to the Credit Agreement, as amended and supplemented by this Fourth Amendment.

7. Governing Law. This Fourth Amendment shall be governed by and construed in accordance with the laws of the State of New York and applicable federal law.

THIS FOURTH AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, THE NOTES AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

This Fourth Amendment shall benefit and bind the parties hereto, as well as their respective assigns, successors, heirs and legal representatives.

[Signatures Begin on Next Page]

EXECUTED as of the Fourth Amendment Effective Date.

BORROWER:

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC , General Partner

By: /s/ Michael A. Creel

Name: Michael A. Creel

Title: Executive Vice President and CFO

LENDERS AND AGENTS:

WACHOVIA BANK, NATIONAL ASSOCIATION
(formerly known as First Union National Bank),
Individually and as Administrative Agent

By: /s/ Russell Clingman

Name: Russell Clingman

Title: Director

BANK ONE, NA (Main Office - Chicago),

Individually and as Documentation Agent

By: /s/ Jane Bek Keil

Name: Jane Bek Keil

Title: Director

THE BANK OF NOVA SCOTIA

By: /s/ N. Bell

Name: N. Bell

Title: Senior Manager

BAYERISCHE HYPO-UND VEREINSBANK AG, NEW YORK BRANCH

By: ______________________________

Name: ______________________________

Title: ______________________________

MIZUHO CORPORATE BANK, Ltd., Individually and as Managing Agent

By: /s/ Jun Shimmachi

Name: Jun Shimmachi

Title: Vice President

NATIONAL AUSTRALIA BANK LIMITED, A.C.N. 004044937, Individually and as Managing Agent

By: ______________________________

Name: ______________________________

Title: ______________________________

FLEET NATIONAL BANK, Individually and as Managing Agent

By: ______________________________

Name: ______________________________

Title: ______________________________

WESTLB AG, NEW YORK BRANCH,
Individually and as Co-Agent

By: /s/ Duncan Robertson

Name: Duncan Robertson

Title: Executive Director

By: /s/ Salvatore Battinelli

Name: Salvatore Battinelli

Title: Managing Director
Credit Department

TORONTO DOMINION (TEXAS), INC.,
Individually and As Managing Agent

By:

Name:

Title:

GUARANTY BANK

By: /s/ Jim R. Hamilton

Name: James R. Hamilton

Title: Senior Vice President

HIBERNIA NATIONAL BANK

By: /s/ Nancy G. Moragas

Name: Nancy G. Moragas

Title: Vice President

ROYAL BANK OF CANADA

By: /s/ Tom J. Oberaigner
Name: Tom J. Oberaigner
Title: Attorney-In-Fact

BANK OF TOKYO-MITSUBISHI, LTD.,
HOUSTON AGENCY, Individually and as Co-Agent

By: /s/ Donald W. Herrick, Jr.
Name: Donald W. Herrick, Jr.
Title: Vice President

SUNTRUST BANK, Individually and as Co-Agent

By: /s/ David J. Edge
Name: David J. Edge
Title: Director

CITIBANK, N.A.

By: /s/ Todd J. Mogil
Name: Todd J. Mogil
Title: Attorney-In-Fact

DEN NORSKE BANK ASA

By: /s/ Peter M. Dodge
Name: Peter M. Dodge
Title: First Vice President

By: /s/ Stig Kristiansen
Name: Stig Kristiansen
Title: Vice President

ACKNOWLEDGMENT AND RATIFICATION OF GUARANTOR

The undersigned ("Guarantor") hereby expressly (i) acknowledges the terms of the foregoing Fourth Amendment and Supplement to Credit Agreement; (ii) ratifies and affirms its obligations under its Guaranty Agreement dated as of November 17, 2000, in favor of the Administrative Agent; (iii) acknowledges, renews and extends its continued liability under said Guaranty Agreement and Guarantor hereby agrees that its Guaranty Agreement remains in full force and effect; and (iv) guarantees to the Administrative Agent the prompt payment when due of all amounts owing or to be owing by it under its Guaranty Agreement pursuant to the terms and conditions thereof, as modified hereby.

The foregoing acknowledgment and ratification of the undersigned Guarantor shall be evidenced by signing the spaces provided below, to be effective as of the Fourth Amendment Effective Date.

ENTERPRISE PRODUCTS PARTNERS L.P., a
Delaware limited partnership

By: Enterprise Products GP, LLC, General Partner

By: ______________________________

Name: ______________________________

Title: ______________________________

364-DAY REVOLVING CREDIT AGREEMENT

dated as of

October 30, 2003

among

ENTERPRISE PRODUCTS OPERATING L.P.

The Lenders Party Hereto

WACHOVIA BANK, NATIONAL ASSOCIATION
as Administrative Agent

BANK ONE, NA
as Syndication Agent

ROYAL BANK OF CANADA, THE BANK OF NOVA SCOTIA and SUNTRUST BANK
as Co-Documentation Agents

WACHOVIA CAPITAL MARKETS, LLC and BANC ONE CAPITAL MARKETS, INC.
as Joint Lead Arrangers

WACHOVIA CAPITAL MARKETS, LLC
as Sole Book Manager

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364-DAY REVOLVING CREDIT AGREEMENT dated as of October 30, 2003, among ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership; the LENDERS party hereto; WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent; BANK ONE, NA, as Syndication Agent; and ROYAL BANK OF CANADA, THE BANK OF NOVA SCOTIA and SUNTRUST BANK, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE I – Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to a Loan, or Loans, in the case of a Borrowing, which bear interest at a rate determined by reference to the Alternate Base Rate.

"Administrative Agent" means Wachovia Bank, National Association, in its capacity as administrative agent for the Lenders hereunder.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this 364-Day Revolving Credit Agreement dated October 30, 2003, among Enterprise Products Operating L.P., a Delaware limited partnership; the Lenders party hereto; Wachovia Bank, National Association, as Administrative Agent; Bank One, NA, as Syndication Agent, and Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, as Co-Documentation Agents, as amended, extended or otherwise modified from time to time.

"Alternate Base Rate" means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day, and (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

“Applicable Rate” means, for any day, with respect to any Eurodollar Loan, ABR Loan, or with respect to the facility fees payable hereunder, as the case may be (subject to the two immediately following paragraphs of this defined term), the applicable rate per annum set forth

below under the caption “Eurodollar Spread”, “ABR Spread” or “Facility Fee Rate”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

Index Debt Ratings: (Moody’s/S&P)		**Eurodollar Spread**	**ABR Spread**	**Facility Fee Rate**
Category 1	equal or greater than A3/A-	0.415%	0.0%	0.085%
Category 2	equal or greater than Baa1/BBB+	0.525%	0.0%	0.100%
Category 3	equal or greater than Baa2/BBB	0.625%	0.0%	0.125%
Category 4	equal or greater than Baa3/BBB-	0.825%	0.0%	0.175%
Category 5	<Baa3/BBB-	1.050%	0.0%	0.200%

For purposes of the foregoing, (a) if either Moody’s or S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the penultimate sentence of this definition), then such rating agency shall be deemed to have established a rating in the same Category as the other rating agency; (b) if the ratings established by Moody’s and S&P for the Index Debt shall fall within different Categories, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Categories lower than the other, in which case the Applicable Rate shall be determined by reference to the Category one rating higher than the lower of the two ratings; and (c) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody’s or S&P shall change, or if either such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation.

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, substantially in the form of Exhibit A or any other form approved by the Administrative Agent.

“Attributable Indebtedness” with respect to any Sale/Leaseback Transaction, means, as at the time of determination, the present value (discounted at the rate set forth or implicit in the terms of the lease included in such transaction) of the total obligations of the lessee for rental payments (other than amounts required to be paid on account of property taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights) during the remaining term of the lease included in such Sale/Leaseback Transaction (including any period for which such lease has been extended). In the case of any lease that is terminable by the lessee upon the payment of a penalty or other termination payment, such amount shall be the lesser of the amount determined assuming termination upon the first date such lease may

be terminated (in which case the amount shall also include the amount of the penalty or termination payment, but no rent shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated) or the amount determined assuming no such termination.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Conversion Date and the date of termination of the Commitments.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means Enterprise Products Operating L.P., a Delaware limited partnership.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance with Section 2.03, and being in the form of attached Exhibit B.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

"CERCLA" means the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980, as amended.

"Change in Control" means Duncan shall cease to own, directly or indirectly, at least a majority (on a fully converted, fully diluted basis) of the economic interest in the capital stock of EPCO and/or EPCO shall cease to own, directly or indirectly, at least a majority (on a fully converted, fully diluted basis) of the membership interest of the General Partner.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender (or, for purposes of Section 2.15(b), by any lending office of such Lender or by such Lender's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to Section 2.01 or assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is $230,000,000.

"Common Units" means the common units of limited partner interests in the Limited Partner.

"Consolidated EBITDA" means for any period, the sum of (a) the consolidated net income of the Borrower and its consolidated Subsidiaries (excluding Project Finance Subsidiaries) for such period plus, to the extent deducted in determining consolidated net income for such period, the aggregate amount of (i) Consolidated Interest Expense, (ii) income tax expense and (iii) depreciation and amortization expense plus (b) the amount of cash dividends actually received during such period by the Borrower or a Subsidiary (other than a Project Finance Subsidiary) from a Project Finance Subsidiary plus (c) the amount of all payments during such period on leases of the type referred to in clause (d) of the definition herein of Indebtedness and the amount of all payments during such period under other off-balance sheet loans and financings of the type referred to in such clause (d).

"Consolidated Indebtedness" means the Indebtedness of the Borrower and its consolidated Subsidiaries (excluding Project Finance Subsidiaries) including, without duplication, guaranties of funded debt, determined on a consolidated basis as of such date.

"Consolidated Interest Expense" means for any period, the interest expense of the Borrower and its consolidated Subsidiaries (excluding Project Finance Subsidiaries), determined on a consolidated basis for such period.

"Consolidated Net Tangible Assets" means, at any date of determination, the total amount of assets of the Limited Partner and its consolidated subsidiaries after deducting therefrom:

(a) all current liabilities (excluding (A) any current liabilities that by their terms are extendable or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed, and (B) current maturities of long-term debt); and

(b) the value (net of any applicable reserves) of all goodwill, trade names, trademarks, patents and other like intangible assets, all as set forth, or on a pro forma basis would be set forth, on the consolidated balance sheet of the Limited Partner and its consolidated subsidiaries for the Limited Partner's most recently completed fiscal quarter, prepared in accordance with GAAP.

"Consolidated Net Worth" means as to any Person, at any date of determination, the sum of preferred stock (if any), par value of common stock, capital in excess of par value of common stock,

partners' capital or equity, and retained earnings, less treasury stock (if any), of such Person, all as determined on a consolidated basis.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Conversion" means the conversion of the outstanding Revolving Loans to Term Loans pursuant to the terms and conditions of Section 2.01(d), which conversion shall occur on October 29, 2004, unless the Availability Period is extended pursuant to Section 2.01(c).

"Conversion Date" means the date on which the Conversion occurs.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosed Matters" means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

"dollars" or "$" refers to lawful money of the United States of America.

"Duncan" means, collectively, individually or in any combination, Dan L. Duncan, his wife, descendants, heirs and/or legatees and/or distributees of Dan L. Duncan's estate, and/or trusts established for the benefit of his wife, descendants, such legatees and/or distributees and/or their respective descendants, heirs, legatees and distributees.

"Effective Date" means the date specified in the notice referred to in the last sentence of Section 4.01.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"EPCO" means Enterprise Products Company, a Texas corporation.

"Equity Interest" means shares of the capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, or any warrants, options or other rights to acquire such interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" means (a) any "reportable event", as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurocurrency Liabilities" has the meaning assigned to that term in Regulation D of the Board, as in effect from time to time.

"Eurodollar", when used in reference to any Loan or Borrowing, refers to a Loan, or Loans, in the case of a Borrowing, which bear interest at a rate determined by reference to the LIBO Rate.

"Eurodollar Rate Reserve Percentage" of any Lender for any Interest Period for each Eurodollar Borrowing means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

"Event of Default" has the meaning assigned to such term in Article VII.

"Excluded Taxes" means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, by any state thereof or the District of Columbia or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States of America, any state thereof or the District of Columbia or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Foreign Lender's failure to comply with Section 2.17(e).

"Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans at such time.

"Existing $230,000,000 Credit Facility" means the $230,000,000 revolving credit facility of the Borrower under that certain Credit Agreement 364-Day Revolving Credit Facility dated as of November 17, 2000, among the Borrower, Wachovia Bank, National Association, f/k/a First Union National Bank, as Administrative Agent, and the lenders party thereto, together with any and all amendments and supplements thereto prior to the date hereof.

"Federal Funds Effective Rate" means, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Final Availability Period" means the Availability Period for which no extension has been requested by the Borrower or consented to by the Lenders pursuant to Section 2.01(c).

"Financial Officer" means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"GAAP" means generally accepted accounting principles in the United States of America.

"General Partner" means Enterprise Products GP, LLC, a Delaware limited liability company.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an

account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

"Guaranty Agreement" means an agreement executed by the Limited Partner in form and substance satisfactory to the Administrative Agent guaranteeing, unconditionally, payment of any principal of or interest on the Loans or any other amount payable under this Agreement, when and as the same shall become due and payable.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature, in each case regulated pursuant to any Environmental Law.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for the repayment of money borrowed which are or should be shown on a balance sheet as debt in accordance with GAAP, (b) obligations of such Person as lessee under leases which, in accordance with GAAP, are capital leases, (c) guaranties of such Person of payment or collection of any obligations described in clauses (a) and (b) of other Persons; provided, that clauses (a) and (b) include, in the case of obligations of the Borrower or any Subsidiary, only such obligations as are or should be shown as debt or capital lease liabilities on a consolidated balance sheet of the Borrower in accordance with GAAP and (d) all obligations of such Person under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing if the obligation under such synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing, as the case may be, is considered indebtedness for borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP; provided, further, that the liability of any Person as a general partner of a partnership for Indebtedness of such partnership, if such partnership is not a subsidiary of such Person, shall not constitute Indebtedness.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Index Debt" means senior, unsecured, non-credit enhanced (except for any guaranty by the Limited Partner) Indebtedness of the Borrower.

"Information Memorandum" means the Confidential Information Memorandum dated October, 2003 relating to the Borrower and the Transactions.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.08, and being in the form of attached Exhibit D.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, the day that occurs three (3) months after the first day of such Interest Period.

"Interest Period" means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Lenders" means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Acceptance or pursuant to Section 2.01(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Acceptance or pursuant to Section 2.01(c).

"LIBO Rate" means, with respect to any Eurodollar Borrowing for any Interest Period, (a) the rate per annum appearing on Page 3750 of the Bridge Telerate Service (formerly Dow Jones Market Service) (or on any successor or substitute page of such Service, or any successor to or substitute for such Service, providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period; (b) if for any reason the rate specified in clause (a) of this definition does not so appear on Page 3750 of the Bridge Telerate Service (or any successor or substitute page or any such successor to or substitute for such Service), the rate per annum appearing on Reuters Screen LIBO page (or any successor or substitute page) as the London interbank offered rate for deposits in dollars at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period for a maturity comparable to such Interest Period; and (c) if the rate specified in clause (a) of this definition does not so appear on Page 3750 of the Bridge Telerate Service (or any successor or

substitute page or any such successor to or substitute for such Service) and if no rate specified in clause (b) of this definition so appears on Reuters Screen LIBO page (or any successor or substitute page), the average of the interest rates per annum at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the respective principal London offices of the Reference Banks in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities. For avoidance of doubt, operating leases are not "Liens".

"Limited Partner" means Enterprise Products Partners L.P., a Delaware limited partnership, or any other Person that is the "Guarantor" as defined in the March 15, 2000 Indenture.

"Loans" means (a) during the Availability Period, the Revolving Loans, and (b) from and after the Conversion Date, the Term Loans, as the case may be.

"March 15, 2000 Indenture" means that certain Indenture dated as of March 15, 2000, among the Borrower, the Limited Partner and Wachovia Bank, National Association, f/k/a First Union National Bank, as Trustee.

"Material Adverse Change" means a material adverse change, from that in effect on December 31, 2002, in the financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole, as indicated in the most recent quarterly or annual financial statements, except as otherwise disclosed in the Borrower's and/or the Limited Partner's filings with the SEC prior to the date hereof.

"Material Adverse Effect" means a material adverse effect on financial condition or results of operations of the Borrower and its consolidated Subsidiaries taken as a whole, as indicated in the most recent quarterly or annual financial statements.

"Material Indebtedness" means Indebtedness (other than the Loans), of any one or more of the Borrower and its Subsidiaries (other than Project Finance Subsidiaries) in an aggregate principal amount exceeding $25,000,000.

"Material Subsidiary" means (i) those Subsidiaries designated on Schedule 3.12 as Material Subsidiaries and (ii) each Subsidiary that, as of the last day of the fiscal year of the Borrower most recently ended prior to the relevant determination of Material Subsidiaries, has a net worth determined in accordance with GAAP that is greater than 10% of the Consolidated Net Worth of the Borrower as of such day.

"Maturity Date" means (i) if the Availability Period is extended pursuant to Section 2.01(c), the last day of such extended Availability Period, unless Conversion occurs, (ii) if Conversion occurs pursuant to Section 2.01(d), the date which is one year after the Conversion Date, and (iii) if neither the Availability Period is extended nor does Conversion occur, October 29, 2004; provided, however, if such date is not a Business Day, then the Maturity Date shall be the Business Day immediately preceding such date.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Multi-Year Credit Facility" means the revolving credit facility of the Borrower under that certain Credit Agreement dated as of November 17, 2000, among the Borrower, Wachovia Bank, National Association, f/k/a First Union National Bank, as Administrative Agent, Issuing Bank and Swingline Lender, and the lenders party thereto, as amended by a First Amendment to Credit Agreement dated April 19, 2001, a Second Amendment and Supplement to Credit Agreement dated April 24, 2002, a Third Amendment and Supplement to Credit Agreement dated July 31, 2002 and a Fourth Amendment and Supplement to Credit Agreement dated October 30, 2003, together with any and all other amendments and supplements thereto (the "Multi-Year Credit Agreement").

"Multi-Year Credit Facility Commitments" means the "Commitments" (as defined in the Multi-Year Credit Agreement) of the Lenders under the Multi-Year Credit Facility.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement.

"Partnership Agreement" means the Agreement of Limited Partnership of the Borrower among the General Partner and the Limited Partner substantially in the form provided to the Lenders, as amended, modified and supplemented from time to time.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Permitted Liens" means:

(a) liens upon rights-of-way for pipeline purposes;

(b) any statutory or governmental lien or lien arising by operation of law, or any mechanics', repairmen's, materialmen's, suppliers', carriers', landlords', warehousemen's or similar lien incurred in the ordinary course of business which is not yet due or which is being contested in good faith by appropriate proceedings and any undetermined lien which is incidental to construction, development, improvement or repair; or any right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any property;

(c) liens for taxes and assessments which are (i) for the then current year, (ii) not at the time delinquent, or (iii) delinquent but the validity or amount of which is being contested at the time by the Borrower, any Subsidiary or the Limited Partner in good faith by appropriate proceedings;

(d) liens of, or to secure performance of, leases, other than capital leases, or any lien securing industrial development, pollution control or similar revenue bonds;

(e) any lien upon property or assets acquired or sold by the Borrower, any Subsidiary or the Limited Partner resulting from the exercise of any rights arising out of defaults on receivables;

(f) any lien in favor of the Borrower, any Subsidiary or the Limited Partner; or any lien upon any property or assets of the Borrower, any Subsidiary or the Limited Partner in existence on the date of the execution and delivery of the March 15, 2000 Indenture;

(g) any lien in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, to secure partial, progress, advance, or other payments pursuant to any contract or statute, or any debt incurred by the Borrower, any Subsidiary or the Limited Partner for the purpose of financing all or any part of the purchase price of, or the cost of constructing, developing, repairing or improving, the property or assets subject to such lien;

(h) any lien incurred in the ordinary course of business in connection with workmen's compensation, unemployment insurance, temporary disability, social security, retiree health or similar laws or regulations or to secure obligations imposed by statute or governmental regulations;

(i) liens in favor of any Person to secure obligations under provisions of any letters of credit, bank guarantees, bonds or surety obligations required or requested by any governmental authority in connection with any contract or statute; or any lien upon or deposits of any assets to secure performance of bids, trade contracts, leases or statutory obligations;

(j) any lien upon any property or assets created at the time of acquisition of such property or assets by the Borrower, any Subsidiary or the Limited Partner or within one year after such time to secure all or a portion of the purchase price for such property or assets or debt incurred to finance such purchase price, whether such debt was incurred prior to, at the time of or within one year after the date of such acquisition; or any lien upon any property or assets to secure all or part of the cost of construction, development, repair or improvements thereon or to secure debt incurred prior to, at the time of, or within one year after completion of such construction, development, repair or improvements or the commencement of full operations thereof (whichever is later), to provide funds for any such purpose;

(k) any lien upon any property or assets existing thereon at the time of the acquisition thereof by the Borrower, any Subsidiary or the Limited Partner and any lien upon any property or assets of a Person existing thereon at the time such Person becomes a Subsidiary by acquisition, merger or otherwise; provided that, in each case, such lien only encumbers the property or assets so acquired or owned by such Person at the time such Person becomes a Subsidiary;

(l) liens imposed by law or order as a result of any proceeding before any court or regulatory body that is being contested in good faith, and liens which secure a judgment or other court-ordered award or settlement as to which the Borrower, the applicable Subsidiary or the Limited Partner has not exhausted its appellate rights;

(m) any extension, renewal, refinancing, refunding or replacement (or successive extensions, renewals, refinancing, refunding or replacements) of liens, in whole or in part, referred to in clauses (a) through (l) above; provided, however, that any such extension, renewal, refinancing, refunding or replacement lien shall be limited to the property or assets covered by the lien extended, renewed, refinanced, refunded or replaced and that the obligations secured by any such extension, renewal, refinancing, refunding or replacement lien shall be in an amount not greater than the amount of the obligations secured by the lien extended, renewed, refinanced, refunded or replaced and any expenses of the Borrower, its Subsidiaries and the Limited Partner (including any premium) incurred in connection with such extension, renewal, refinancing, refunding or replacement; or

(n) any lien resulting from the deposit of moneys or evidence of indebtedness in trust for the purpose of defeasing debt of the Borrower, any Subsidiary or the Limited Partner;

"Permitted Sale/Leaseback Transactions" means any Sale/Leaseback Transaction:

(a) which occurs within one year from the date of completion of the acquisition of the Principal Property subject thereto or the date of the completion of construction, development or substantial repair or improvement, or commencement of full operations on such Principal Property, whichever is later; or

(b) involves a lease for a period, including renewals, of not more than three years; or

(c) the Borrower, any Subsidiary or the Limited Partner would be entitled to incur Indebtedness, in a principal amount equal to the Attributable Indebtedness with respect to such Sale/Leaseback Transaction, secured by a Lien on the property subject to such Sale/Leaseback Transaction pursuant to Section 6.02 without equally and ratably securing the Indebtedness under this Agreement pursuant to such Section; or

(d) the Borrower, any Subsidiary or the Limited Partner, within a one-year period after such Sale-Leaseback Transaction, applies or causes to be applied an amount not less than the Attributable Indebtedness from such Sale-Leaseback Transaction to (a) the prepayment, repayment, redemption, reduction or retirement of any Indebtedness of the Borrower, any Subsidiary or the Limited Partner that is not subordinated to the Indebtedness under this Agreement, or (b) the expenditure or expenditures for Principal Property used or to be used in the ordinary course of business of the Borrower, its Subsidiaries or the Limited Partner.

Notwithstanding the foregoing provisions of this definition, any Sale-Leaseback Transaction not covered by clauses (a) through (d), inclusive, of this definition, shall nonetheless be a Permitted Sale/Leaseback Transaction if the Attributable Indebtedness from such Sale-Leaseback Transaction, together with the aggregate principal amount of outstanding Indebtedness (other than Indebtedness under this Agreement and Indebtedness under the March 15, 2000 Indenture) secured by Liens other than Permitted Liens upon Principal Properties, does not exceed 10% of Consolidated Net Tangible Assets.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Prime Rate" means the rate of interest per annum publicly announced from time to time by Wachovia Bank, National Association as its prime rate in effect at its principal office in Charlotte, North Carolina, each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

"Principal Property" means whether owned or leased on the date hereof or thereafter acquired:

(a) any pipeline assets of the Borrower, any Subsidiary or the Limited Partner, including any related facilities employed in the transportation, distribution, storage or marketing of refined petroleum products, natural gas liquids, and petrochemicals, that are located in the United States of America or any territory or political subdivision thereof; and

(b) any processing or manufacturing plant or terminal owned or leased by the Borrower, any Subsidiary or the Limited Partner that is located in the United States or any territory or political subdivision thereof;

except, in the case of either of the foregoing clauses (a) or (b):

(i) any such assets consisting of inventories, furniture, office fixtures and equipment (including data processing equipment), vehicles and equipment used on, or useful with, vehicles; and

(ii) any such assets, plant or terminal which, in the opinion of the Board of Directors (as defined in the March 15, 2000 Indenture), is not material in relation to the activities of the Borrower or of the Limited Partner and its subsidiaries taken as a whole.

"Program" means the buy-back program initiated by the Limited Partner whereby the Limited Partner or the Borrower may after November 17, 2000 buy back up to the greater of (i) 2,000,000 publicly held Common Units or (ii) the number of publicly held Common Units the aggregate purchase price of which is $30,000,000.

"Project Financing" means Indebtedness incurred by a Project Finance Subsidiary to finance the acquisition or construction of any asset or project which Indebtedness does not permit or provide for recourse against the Borrower or any of its Subsidiaries (other than any Project Finance Subsidiary).

"Project Finance Subsidiaries" means a Subsidiary that is created principally to (i) construct or acquire any asset or project that will be or is financed solely with Project Financing for such asset or project, related equity investments and any loans to, or capital contributions in, such Subsidiary that are not prohibited hereby, (ii) own an Equity Interest in a Project Finance Subsidiary, and/or (iii) own an interest in any such asset or project.

"Reference Banks" means Wachovia Bank, National Association, JPMorgan Chase Bank and Citibank, N.A.

"Register" has the meaning set forth in Section 9.04.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Required Lenders" means, at any time, Lenders having Exposures and unused Commitments representing at least 51% of the sum of the total Exposures and unused Commitments at such time.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any class of Equity Interests of the Borrower, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests of the Limited Partner or the Borrower or any option, warrant or other right to acquire any Equity Interests of the Limited Partner or the Borrower.

"Revolving Loan" means a Loan made pursuant to Section 2.03.

"Sale/Leaseback Transaction" means any arrangement with any Person providing for the leasing, under a lease that is not a capital lease under GAAP, by the Borrower, or a Subsidiary (other than a Project Finance Subsidiary) or the Limited Partner of any Principal Property, which property has been or is to be sold or transferred by the Borrower, such Subsidiary or the Limited Partner to such Person in contemplation of such leasing.

"S&P" means Standard & Poor's Ratings Services, a division of McGraw Hill Companies, Inc.

"SEC" has the meaning set forth in Section 5.01(a).

"subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests, are, as of such date, owned, controlled or held by the parent and one or more subsidiaries of the parent.

"Subsidiary" means any subsidiary of the Borrower.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

"Term Loans" means outstanding Revolving Loans converted to term loans pursuant to Section 2.01(d).

"Transactions" means the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans and the use of the proceeds thereof.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the LIBO Rate or the Alternate Base Rate.

"Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a "Eurodollar Loan"). Borrowings also may be classified and referred to by Type (e.g., a "Eurodollar Borrowing").

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall

be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document

herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with (i) except for purposes of Section 6.07, GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith; and (ii) for purposes of Section 6.07, GAAP, as in effect on June 30, 2003.

ARTICLE II – The Credits

SECTION 2.01. Commitments; Extensions and Conversion. (a) Subject to the terms and conditions set forth herein, each Lender agrees to (i) make Revolving Loans to the Borrower from time to time during the Availability Period in an aggregate principal amount that will not result in (A) such Lender's Exposure exceeding such Lender's Commitment or (B) the sum of the total Exposures exceeding the total Commitments, and (ii) at the election of the Borrower, to convert the aggregate principal amount of all Revolving Loans outstanding immediately prior to the close of the Administrative Agent's business on the last day of the Final Availability Period to Term Loans. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) The Borrower shall have the right, without the consent of the Lenders but with the prior approval of the Administrative Agent, not to be unreasonably withheld, to cause from time to time an increase in the total Commitments of the Lenders by adding to this Agreement one or more additional Lenders or by allowing one or more Lenders to increase their respective Commitments; provided however (i) no Event of Default shall have occurred hereunder which is continuing, (ii) no such increase shall cause (A) the aggregate Commitments hereunder to exceed $250,000,000, or (B) the sum of the aggregate Commitments hereunder plus the aggregate Multi-Year Credit Facility Commitments to exceed $500,000,000, and (iii) no Lender's Commitment shall be increased without such Lender's consent.

(c) The Borrower may request a 364-day extension of the then effective Availability Period by delivering a written request for same to the Administrative Agent no earlier than 45 days and later than 30 days prior to the end of such Availability Period. Any such extension shall be granted if (i) consented to by Lenders having Exposures and unused Commitments representing more than 51% of the sum of the total Exposures and unused Commitments at such time, (ii) at the close of business on the last day of the Availability Period as it existed immediately prior to such extension (A) the Commitments of the dissenting Lenders are terminated (which termination shall be effective automatically), (B) all amounts owing to such dissenting Lenders are paid in full (which payments shall not be subject to Section 2.11), and (C) the total Commitments have been permanently reduced by an amount equal to such dissenting Lenders' Commitments so terminated, except to the extent that the Commitments of the dissenting Lenders are replaced pursuant to Section 2.19(b) and/or one or more Lenders agree(s) to increase their respective Commitment(s), and (iii) all conditions precedent for a Borrowing set forth in Section 4.02 have been satisfied.

(d) (i) At the option of the Borrower, upon written notice delivered to the Administrative Agent no earlier than 45 days and no later than 30 days prior to the end of the Final Availability Period, the aggregate principal amount of all Revolving Loans outstanding immediately prior to the close of the Administrative Agent's business on the last day of the Final Availability Period shall automatically convert to Term Loans maturing on the Maturity Date.

(ii) Any portion of each Lender's Commitment not utilized on or before the Conversion Date shall be permanently canceled.

(iii) Any Term Loans that are prepaid may not be reborrowed.

SECTION 2.02. Revolving Loans and Revolving Borrowings. (a) Each Revolving Loan shall be made as part of a Revolving Borrowing consisting of Revolving Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Revolving Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Revolving Loans as required.

(b) Subject to Section 2.14, (i) each Revolving Borrowing shall be comprised entirely of ABR Revolving Loans or Eurodollar Revolving Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Revolving Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $1,000,000 and not less than $5,000,000. At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $500,000 and not less than $1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type

may be outstanding at the same time; provided that there shall not at any time be more than a total of six Eurodollar Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Revolving Borrowings. To request a Revolving Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;

(iv) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and

(v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the Type of Revolving Borrowing is specified, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. Intentionally Omitted.

SECTION 2.05. Intentionally Omitted.

SECTION 2.06. Intentionally Omitted.

SECTION 2.07. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by

1:00 p.m., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account designated by the Borrower in the applicable Borrowing Request.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter (including on or after the Conversion Date), the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Revolving Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Interest Election Request signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration, in the case of a Eurodollar Borrowing.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.09. Termination and Reduction of Commitments. (a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of $1,000,000 and not less than $5,000,000 and (ii) the Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.11, the sum of the Exposures would exceed the total Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be

irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior

to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.10. Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and substantially in the form of note attached hereto as Exhibit G. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.11. Prepayment of Loans. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if

such notice of termination is revoked in accordance with Section 2.09. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that is an integral multiple of $1,000,000 and not less than $1,000,000 in the case of an ABR Borrowing, or $3,000,000 in the case of a Eurodollar Borrowing. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.13.

SECTION 2.12. Fees. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee, which shall accrue at the Applicable Rate on the daily amount of the Commitment of such Lender (whether used or unused) during the period from and including the Effective Date to but excluding the date on which such Commitment terminates; provided that, if such Lender continues to have any Exposure after its Commitment terminates, then such facility fee shall continue to accrue on the daily amount of such Lender's Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Exposure. Accrued facility fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date hereof; provided that any facility fees accruing after the date on which the Commitments terminate shall be payable on demand. All facility fees and utilization fees shall be computed on the basis of a year of 365 days (or 366 days in leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). In addition to the foregoing, the Borrower agrees to pay to the Administrative Agent for the account of each Lender a utilization fee, which shall accrue and be payable on Loans made hereunder at a rate of 0.125% per annum whenever the aggregate amount of Loans outstanding plus amounts outstanding under the Multi-Year Credit Facility exceed 50% of the total Commitments plus the Multi-Year Credit Facility Commitments.

(b) In the event the Borrower elects to convert the Revolving Loans to Term Loans pursuant to Section 2.01(d), the Borrower agrees to pay to the Administrative Agent for the account of each Lender a term-out fee, which shall accrue at a rate of 0.25% per annum on the outstanding daily amount of the Term Loans during the period from and including the Conversion Date to but excluding the Maturity Date, payable in arrears on the last day of March, June, September and December of each year and on the Maturity Date. The term-out fee shall be computed on the basis of a year of 365 days (or 366 days in leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of facility fees, utilization fees, participation and term-out fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.13. Interest. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion pursuant to Section 2.08 of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest determined by reference to the LIBO Rate or clause (b) of the definition of Alternate Base Rate shall be computed on the basis of a year of 360 days, and all other interest shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) The Borrower shall pay to each Lender, so long as such Lender shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities, additional interest on the unpaid principal amount of each Borrowing of such Lender during such periods as such Borrowing is a Eurodollar Borrowing, from the date of such Borrowing until such principal amount is paid in full, at an interest rate per annum equal at all times to the remainder obtained by subtracting (i) the LIBO Rate for the Interest Period in effect for such Eurodollar Borrowing from (ii) the rate obtained by dividing such LIBO Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period. Such additional interest shall be determined by such Lender. The Borrower shall from time to time, within 15 days after demand (which demand shall be accompanied by a certificate comporting with the requirements set forth in Section 2.15(c)) by such Lender (with a copy of such demand and certificate to the Administrative Agent) pay to the Lender giving such notice such additional interest; provided, however, that the Borrower shall not be required to pay to such Lender any portion of such additional interest that accrued more than 90 days prior to any such demand, unless such additional interest was not determinable on the date that is 90 days prior to such demand.

SECTION 2.14. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate, as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

SECTION 2.15. Illegality; Increased Costs. (a) If any Change in Law shall make it unlawful or impossible for any Lender to make, maintain or fund its Eurodollar Loans, such Lender shall so notify the Administrative Agent. Upon receipt of such notice, the Administrative Agent shall immediately give notice thereof to the other Lenders and to the Borrower, whereupon until such Lender notifies the Borrower and the Administrative Agent that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Eurodollar Loans shall be suspended. If such Lender shall determine that it may not lawfully continue to maintain and fund any of its outstanding Eurodollar Loans to maturity and shall so specify in such notice, the Borrower shall immediately prepay (which prepayment shall not be subject to Section 2.11) in full the then outstanding principal amount of such Eurodollar Loans, together with the accrued interest thereon.

(b) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in Section 2.13(f);

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender’s capital or on the capital of such Lender’s holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s policies and the policies of such Lender’s holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender’s holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth, in reasonable detail showing the computation thereof, the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. Such certificate shall further certify that such Lender is making similar demands of its other similarly structured borrowers. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof, if such certificate complies herewith.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender’s right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender’s intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof (to the extent that such period of retroactive effect is not already included in such 90-day period).

SECTION 2.16. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense (excluding loss of anticipated profits) attributable to such event. A certificate of any Lender setting forth, in reasonable detail showing the computation thereof, any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof, if such certificate complies herewith.

SECTION 2.17. Taxes. (a) Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary

so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or any Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that the Borrower shall not be required to indemnify or reimburse a Lender pursuant to this Section for any Indemnified Taxes or Other Taxes imposed or asserted more than 90 days prior to the date that such Lender notifies the Borrower of the Indemnified Taxes or Other Taxes imposed or asserted and of such Lender's intention to claim compensation therefor; provided further that, if the Indemnified Taxes or Other Taxes imposed or asserted giving rise to such claims are retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof (to the extent that such period of retroactive effect is not already included in such 90-day period). A certificate setting forth, in reasonable detail showing the computation thereof, the amount of such payment or liability delivered to the Borrower by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at such reduced rate.

(f) Should any Lender or the Administrative Agent during the term of this Agreement ever receive any refund, credit or deduction from any taxing authority to which such Lender or the Administrative Agent would not be entitled but for the payment by the Borrower of Taxes (it being understood that the decision as to whether or not to claim, and if claimed, as to the amount of any

such refund, credit or deduction shall be made by such Lender or the Administrative Agent in its sole discretion), such Lender or the Administrative Agent, as the case may be, thereupon shall repay to the Borrower an amount with respect to such refund, credit or deduction equal to any net reduction in taxes actually obtained by such Lender or the Administrative Agent, as the case may be, and determined by such Lender or the Administrative Agent, as the case may be, to be attributable to such refund, credit or deduction.

(g) Except for a request by the Borrower under Section 2.19(b), no Foreign Lender shall be entitled to the benefits of Sections 2.17(a) or 2.17(c) if withholding tax is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party to this Agreement or designates a new lending office.

SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 301 South College Street, Charlotte, North Carolina 28288-0608, except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment (other than any payment to a dissenting Lender pursuant to Section 2.01(c)) in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion

shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of

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this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.07(b) or 2.18(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations under such Sections until all such unsatisfied obligations are fully paid.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.15 or Section 2.13(f), or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13(f), 2.15 or 2.17, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. Subject to the foregoing, Lenders agree to use reasonable efforts to select lending offices which will minimize taxes and other costs and expenses for the Borrower.

(b) If any Lender requests compensation under Section 2.13(f) or Section 2.15, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, or if any Lender defaults in its obligation to fund Loans hereunder, or if any Lender refuses to consent to an extension pursuant to Section 2.01(c), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations

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under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13(f) or Section 2.15 or payments required to be made pursuant to Section 2.17, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. If any Lender refuses to assign and delegate all its interests, rights and obligations under this Agreement after the Borrower has required such Lender to do so as a result of a claim for compensation under Section 2.13(f) or Section 2.15 or payments required to be made pursuant to Section 2.17, such Lender shall not be entitled to receive such compensation or required payments.

ARTICLE III – Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Borrower and its Subsidiaries is duly formed, validly existing and (if applicable) in good standing (except, with respect to Subsidiaries (other than Material Subsidiaries), where the failure to be in good standing, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business in all material respects as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and (if applicable) is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within the Borrower's partnership powers and have been duly authorized by all necessary partnership and, if required, partner action. This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any law or regulation applicable to the Borrower or the limited partnership agreement, charter, by-laws or other organizational documents of the Borrower or any of its Subsidiaries or any order of any Governmental Authority to which the Borrower or any of its Subsidiaries is subject, (c) will not violate or result in a default under any material indenture,

agreement or other instrument binding upon the Borrower or any of its Subsidiaries or its assets, or give rise to a right thereunder to require any payment to be made by the Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Subsidiaries that is prohibited hereby.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Borrower has heretofore furnished to the Lenders its audited consolidated and unaudited consolidating balance sheets of the Borrower and its consolidated Subsidiaries and the related audited consolidated (and, as to statements of income, unaudited consolidating) statements of income, equity and cash flow of the Borrower and its consolidated Subsidiaries (i) as of and for the fiscal year ended December 31, 2002, and (ii) as of and for the fiscal quarter and the portion of the fiscal year ended June 30, 2003, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) No Material Adverse Change exists.

SECTION 3.05. Intentionally Omitted.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Subsidiaries (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) that involve this Agreement or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.07. Compliance with Laws. Each of the Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08. Investment and Holding Company Status. Neither the Borrower nor any of its Subsidiaries is (a) an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940 or (b) a "holding company" as defined in, or subject to regulation under, the Public Utility Holding Company Act of 1935.

SECTION 3.09. Taxes. Each of the Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. Disclosure. Neither the Information Memorandum nor any of the other reports, financial statements, certificates or other information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12. Subsidiaries. As of the Effective Date, Borrower has no Subsidiaries other than those listed on Schedule 3.12 hereto. As of the Effective Date, Schedule 3.12 sets forth the jurisdiction of incorporation or organization of each such Subsidiary, the percentage of Borrower's ownership of the outstanding Equity Interests of each Subsidiary directly owned by Borrower, and the percentage of each Subsidiary's ownership of the outstanding Equity Interests of each other Subsidiary.

SECTION 3.13. Margin Securities. Neither the Borrower nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulations U or X of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan will be used to purchase or carry any margin stock in violation of said Regulations U or X or to extend credit to others for the purpose of purchasing or carrying margin stock in violation of said Regulations U or X.

SECTION 3.14. Not a "Reportable Transaction". The Borrower does not intend to treat the Borrowings and related transactions as being a "reportable transaction" (within the meaning of Treasury Regulation Section 1.6011-4). In the event the Borrower determines to take any action inconsistent with such intention, it will promptly notify the Administrative Agent thereof. If the Borrower so notifies the Administrative Agent, the Borrower acknowledges that one or more of the Lenders may treat its Loans as part of a transaction that is subject to Treasury Regulation

Section 301.6112-1, and such Lender or Lenders will maintain the lists and other records required by such Treasury Regulation.

ARTICLE IV – Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the Effective Date which is scheduled to occur when each of the following conditions is satisfied:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Bracewell & Patterson LLP, counsel for the Borrower and the Limited Partner, substantially in the form of Exhibit E.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization and existence of the Borrower and the Limited Partner, the authorization of the Transactions and any other legal matters relating to the Borrower, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel, and, with respect to the Limited Partner, the authorization of the Guaranty Agreement and any other legal matters relating to the Limited Partner.

(d) The Administrative Agent shall have received the Guaranty Agreement dated as of the date hereof, duly and validly executed by the Limited Partner.

(e) The Administrative Agent shall have received each promissory note requested by a Lender pursuant to Section 2.10(e), each duly completed and executed by the Borrower.

(f) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, an Executive Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced five (5) Business Days prior to closing, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder.

(h) As of the Effective Date, no Material Adverse Change exists.

(i) There shall not have been any disruption or adverse change in the financial or capital markets generally or in the market for loan syndications in particular, which the Administrative Agent, in its reasonable judgment, deems material.

(j) The Lenders shall have received the audited financial statements for the Borrower and its Subsidiaries for the period ended December 31, 2002 and Form 10-Q for fiscal quarter ending June 30, 2003.

(k) All necessary governmental and third-party approvals, if any, required to be obtained by the Borrower in connection with the Transactions and otherwise referred to herein shall have been obtained and remain in effect (except where failure to obtain such approvals will not have a Material Adverse Effect), and all applicable waiting periods shall have expired without any action being taken by any applicable authority.

The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing (exclusive of continuations and conversions of a Borrowing) is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Borrower set forth in this Agreement shall be true and correct in all material respects on and as of the date of such Borrowing.

(b) At the time of and immediately after giving effect to such Borrowing no Default shall have occurred and be continuing.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V – Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements and Other Information. The Borrower will furnish, or cause to be furnished, to the Administrative Agent and each Lender:

(a) within 15 days after filing same with the Securities and Exchange Commission (“SEC”), copies of each annual report on Form 10-K, quarterly report on Form 10-Q and report on Form 8-K (or any successor or substitute forms) that the Limited Partner is required to file with the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, and any successor statute (the “Exchange Act”);

(b) within 15 days after filing same with the SEC, copies of each annual report on Form 10-K, quarterly report on Form 10-Q and report on Form 8-K (or any successor or substitute forms) that the Borrower is required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act;

(c) if the Borrower is not subject to the requirements of Section 13 or 15(d) of the Exchange Act and the Limited Partner owns direct subsidiaries (other than the Borrower and its Subsidiaries), promptly after becoming available and in any event within 105 days after the close of each fiscal year of the Borrower (i) the audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of such year and (ii) the audited consolidated statements of income, equity and cash flow of the Borrower and its consolidated Subsidiaries for such year setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, which report shall be to the effect that such statements have been prepared in accordance with GAAP;

(d) if the Borrower is not subject to Section 13 or 15(d) of the Exchange Act and the Limited Partner owns direct subsidiaries (other than the Borrower and its Subsidiaries), promptly after their becoming available and in any event within 60 days after the close of each fiscal quarter of the Borrower, (i) the unaudited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at the end of such quarter and (ii) the unaudited consolidated statements of income, equity and cash flow of the Borrower for such quarter, setting forth in each case in comparative form the corresponding figures for the preceding fiscal year, all of the foregoing certified by a Financial Officer of the Borrower to have been prepared in accordance with GAAP subject to normal changes resulting from year-end adjustment and accompanied by a written discussion of the financial performance and operating results, including the major assets, of the Borrower for such quarter; and

(e) within 60 days after the end of each fiscal quarter of each fiscal year of the Borrower, a certificate of a Financial Officer of the Borrower substantially in the form of Exhibit F (i) certifying as to whether a Default has occurred that is then continuing and, if a Default has occurred that is then continuing, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with Section 6.07.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Event of Default; and

(b) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution not prohibited under Section 6.03.

SECTION 5.04. Intentionally Omitted.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep in accordance with GAAP proper books of record and account in which full, true and correct entries are made in all material respects of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.07. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08. Use of Proceeds. The proceeds of the Loans will be used only (a) for the payment in full of the Existing $230,000,000 Credit Facility, (b) as a backstop for commercial paper, and (c) for working capital, acquisitions and other limited partnership purposes. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

SECTION 5.09. Environmental Matters. The Borrower has established and implemented, or will establish and implement, and will cause each of its Subsidiaries to establish and implement, such procedures as may be necessary to assure that any failure of the following does not have a Material Adverse Effect: (i) all property of the Borrower and its Subsidiaries and the operations conducted thereon are in compliance with and do not violate the requirements of any Environmental Laws, (ii) no oil or solid wastes are disposed of or otherwise released on or to any property owned by the Borrower or its Subsidiaries except in compliance with Environmental Laws, (iii) no Hazardous Materials will be released on or to any such property in a quantity equal to or exceeding that quantity which requires reporting pursuant to Section 103 of CERCLA, and (iv) no oil or Hazardous Materials is released on or to any such property so as to pose an imminent and substantial endangerment to public health or welfare or the environment.

SECTION 5.10. ERISA Information. The Borrower will furnish to the Administrative Agent:

(a) within 15 Business Days after the institution of or the withdrawal or partial withdrawal by the Borrower, any Subsidiary or any ERISA Affiliate from any Multiemployer Plan, which would cause the Borrower, any Subsidiary or any ERISA Affiliate to incur withdrawal liability in excess of $5,000,000 (in the aggregate for all such withdrawals), a written notice thereof signed by an executive officer of the Borrower stating the applicable details; and

(b) within 15 Business Days after an officer of the Borrower becomes aware of any material action at law or at equity brought against the Borrower, any of its Subsidiaries, any ERISA Affiliate, or any fiduciary of a Plan in connection with the administration of any Plan or the investment of assets thereunder, a written notice signed by an executive officer of the Borrower specifying the nature thereof and what action the Borrower is taking or proposes to take with respect thereto.

SECTION 5.11. Taxes. Pay and discharge, or cause to be paid and discharged, promptly or make, or cause to be made, timely deposit of all taxes (including Federal Insurance Contribution Act) payments and withholding taxes), assessments and governmental charges or levies imposed upon the Borrower or any Subsidiary or upon the income or any property of the Borrower or any Subsidiary; provided, however, that neither the Borrower nor any Subsidiary shall be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings diligently conducted by or on behalf of the Borrower or its Subsidiary, and if the Borrower or its Subsidiary shall have set up reserves therefor adequate under GAAP or if no Material Adverse Effect shall be occasioned by all such failures in the aggregate..

ARTICLE VI – Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not permit any Subsidiary to create, incur or assume any Indebtedness, except:

(a) Indebtedness of any Person that becomes a Subsidiary of the Borrower, to the extent such Indebtedness is outstanding at the time such Person becomes a Subsidiary of the Borrower and was not incurred in contemplation thereof and Indebtedness refinancing (but not increasing) such Indebtedness, and Indebtedness assumed by any Subsidiary in connection with its acquisition (whether by merger, consolidation, acquisition of all or substantially all of the assets or acquisition that results in the ownership of greater than fifty percent (50%) of the Equity Interests of a Person) of another Person and Indebtedness refinancing (but not increasing) such Indebtedness, provided that at the time of and after giving effect to the incurrence or assumption of such Indebtedness or refinancing Indebtedness and the application of the proceeds thereof, as the case may be, the aggregate principal amount of all such Indebtedness, and of all Indebtedness previously incurred or assumed pursuant to this Section 6.01(a), and then outstanding, shall not exceed 75% of Consolidated EBITDA for the period of four full fiscal quarters of the Borrower and its Subsidiaries (and such Person on a pro forma basis) then most recently ended; further provided, however, Indebtedness assumed in connection with the acquisition of equity interests in Seminole Pipeline Company, a Delaware corporation, shall be included as Indebtedness assumed pursuant to this Section 6.01(a);

(b) Indebtedness of the Subsidiaries not otherwise permitted by this Section 6.01, provided that at the time of and after giving effect to the incurrence of such Indebtedness and the application of the proceeds thereof the aggregate principal amount of all such Indebtedness, and of all Indebtedness previously incurred pursuant to this Section 6.01(b), and then outstanding, shall not exceed 25% of Consolidated EBITDA for the period of four fiscal quarters of the Borrower and the Subsidiaries then most recently ended;

(c) Indebtedness of Project Finance Subsidiaries;

(d) intercompany Indebtedness;

(e) Indebtedness existing on the date hereof and set forth on Schedule 6.01; and

(f) other unsecured Indebtedness in an aggregate principal amount not exceeding $25,000,000 at any time outstanding;

provided, however, that no Subsidiary (other than a Project Finance Subsidiary) shall create, incur or assume any Indebtedness pursuant to any provision of this Section 6.01 if an Event of Default shall have occurred and be continuing or would result from such creation, incurrence or assumption.

SECTION 6.02. Liens. The Borrower shall not, and shall not permit any Subsidiary (other than Project Finance Subsidiaries) or the Limited Partner to, create, assume, incur or suffer to exist any Lien, other than a Permitted Lien, on any Principal Property or upon any Equity Interests of the Borrower or any Subsidiary (other than Project Finance Subsidiaries) owning or leasing any Principal Property, now owned or hereafter acquired by the Borrower or such Subsidiary to secure any Indebtedness of the Borrower, the Limited Partner or any other Person (other than the Indebtedness under this Agreement), without in any such case making effective provision whereby any and all Indebtedness under this Agreement then outstanding will be secured by a Lien equally and ratably with, or prior to, such Indebtedness for so long as such Indebtedness shall be so secured. Notwithstanding the foregoing, the Borrower may, and may permit any Subsidiary (other than a Project Finance Subsidiary) and the Limited Partner to, create, assume, incur or suffer to exist any Lien upon any Principal Property to secure Indebtedness of the Borrower, the Limited Partner or any other Person (other than the Indebtedness under this Agreement), other than a Permitted Lien without securing the Indebtedness under this Agreement, provided that the aggregate principal amount of all Indebtedness then outstanding secured by such Lien and all similar Liens together with the aggregate amount of Attributable Indebtedness deemed to be outstanding in respect of all Sale/Leaseback Transactions (exclusive of any Permitted Sale/Leaseback Transactions), does not exceed 10% of Consolidated Net Tangible Assets.

SECTION 6.03. Fundamental Changes. The Borrower will not merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all of its assets, or all or

substantially all of the Equity Interests of any of its Subsidiaries(other than Project Finance Subsidiaries) (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Person may merge into or

consolidate with the Borrower in a transaction in which the Borrower is the surviving entity and (ii) Borrower may sell or otherwise dispose of all or any portion of the Equity Interests of any of its Subsidiaries.

SECTION 6.04. Investment Restriction. Neither the Borrower nor any Subsidiary (other than a Project Finance Subsidiary) will make investments in Project Finance Subsidiaries in excess of $50,000,000 in the aggregate at any one time outstanding.

SECTION 6.05. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries (other than Project Finance Subsidiaries) to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except as long as no Event of Default has occurred and is continuing or would result therefrom, (i) the Borrower and the Subsidiaries may make Restricted Payments necessary to fund the Program, (ii) the Borrower may make Restricted Payments from Available Cash (as defined in the Partnership Agreement) from Operating Surplus (as defined in the Partnership Agreement) cumulative from January 1, 1999 through the date of such Restricted Payment, and (iii) any Subsidiary may buy back any of its own Equity Interests; provided, that even if an Event of Default shall have occurred and is continuing, no Subsidiary shall be prohibited from upstreaming dividends or other payments to the Borrower or any Subsidiary (which is not a Project Finance Subsidiary) or making, in the case of any Subsidiary that is not wholly-owned (directly or indirectly) by the Borrower, ratable dividends or payments, as the case may be, to the other owners of Equity Interests in such Subsidiary.

SECTION 6.06. Restrictive Agreements. The Borrower will not, and will not permit any of its Subsidiaries (other than Project Finance Subsidiaries) to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement with any Person, other than the Lenders pursuant hereto or restrictions or conditions existing on the date hereof and identified on Schedule 6.06, which prohibits, restricts or imposes any conditions upon the ability of any Subsidiary (other than Project Finance Subsidiaries) to (a) pay dividends or make other distributions or pay any Indebtedness owed to the Borrower or any Subsidiary, or (b) make subordinate loans or advances to or make other investments in the Borrower or any Subsidiary.

SECTION 6.07. Financial Condition Covenants.

(a) Minimum Net Worth. The Borrower will not permit its Consolidated Net Worth as of the last day of any fiscal quarter of the Borrower to be less than $750,000,000.

(b) Ratio of Consolidated Indebtedness to Consolidated EBITDA. The Borrower shall not permit its ratio of Consolidated Indebtedness to Consolidated EBITDA in each case for the four full fiscal quarters most recently ended (including, without limitation, the four fiscal quarter period ending September 30, 2003) to exceed 4.75 to 1.00 as of the last day of any fiscal quarter of the Borrower. For purposes of calculating such ratio the Project Finance Subsidiaries shall be disregarded. For purposes of this Section 6.07(b), if during any period of four fiscal quarters the Borrower or any Subsidiary acquires any Person (or any interest in any Person) or all or substantially all of the assets of any Person, the EBITDA attributable to such assets or an amount equal to the percentage of ownership of the Borrower or a Subsidiary, as the case may be, in such Person times the EBITDA of such Person, for such period determined on a pro forma basis (which determination,

in each case, shall be subject to approval of the Administrative Agent, not to be unreasonably withheld) may be included as Consolidated EBITDA for such period as if such acquisition occurred on the first day of such four fiscal quarter period; provided that during the portion of such period that follows such acquisition, the computation in respect of the EBITDA of such Person or such assets, as the case may be, shall be made on the basis of actual (rather than pro forma) results.

ARTICLE VII – Events of Default

If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower, the Limited Partner or any Subsidiary in or in connection with this Agreement or any amendment or modification hereof or waiver hereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof or waiver hereunder, shall prove to have been incorrect in any material respect when made or deemed made and such materiality is continuing;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence) or 5.08 or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable subject to applicable grace periods;

(g) the Borrower or any of its Material Subsidiaries (other than Project Finance Subsidiaries) shall (i) fail to pay any principal of or premium or interest on any Material Indebtedness of the Borrower or such Material Subsidiary (as the case may be), when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Material Indebtedness; or (ii) default in the observance or performance of any covenant or obligation contained in any agreement or instrument

relating to any such Material Indebtedness that in substance is customarily considered a default in loan documents (in each case, other than a failure to pay specified in clause (i) of this subsection (g)) and such default shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect thereof is to accelerate the maturity of such Material Indebtedness or require such Material Indebtedness to be prepaid prior to the stated maturity thereof; for the avoidance of doubt the parties acknowledge and agree that any payment required to be made under a guaranty of payment or collection described in clause (c) of the definition of Indebtedness shall be due and payable at the time such payment is due and payable under the terms of such guaranty (taking into account any applicable grace period) and such payment shall be deemed not to have been accelerated or required to be prepaid prior to its stated maturity as a result of the obligation guaranteed having become due;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Material Subsidiary (other than Project Finance Subsidiaries) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate uninsured amount equal to or greater than $25,000,000 shall be rendered against the Borrower, any Material Subsidiary (other than Project Finance Subsidiaries) or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any such Material Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its

Subsidiaries in an aggregate amount exceeding (i) $5,000,000 in any year or (ii) $10,000,000 for all periods;

(m) the Limited Partner takes, suffers or permits to exist any of the events or conditions referred to in clauses (h), (i), (j) or (k) of this Article or if the section of the Guaranty Agreement that contains the payment obligation shall for any reason cease to be valid and binding on the Limited Partner or if the Limited partner shall so state in writing;

(n) the General Partner takes, suffers or permits to exist any of the events or conditions referred to in clauses (h), (i) or (j) of this Article;

(o) a Change in Control shall occur; or

(p) an "Event of Default" has occurred which is continuing under the Multi-Year Credit Facility;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII – The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable to the Lenders for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or wilful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the

Borrower's approval (which will not be unreasonably withheld), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, with the Borrower's approval (which will not be unreasonably withheld or delayed, and the Borrower's approval shall not be required if an Event of Default has occurred which is continuing), on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank and such bank, or its Affiliate, as applicable, shall have capital and surplus equal to or greater than $500,000,000. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

ARTICLE IX – Miscellaneous

SECTION 9.01. Notices. Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) if to the Borrower, to it at 2727 North Loop West, 7th Floor, Houston, Texas 77008 (for delivery), Attention of Treasurer; P. O. Box 4324, Houston Texas 77210 (for mail) (Telecopy No. 713/803-8200);

(b) if to the Administrative Agent, to Wachovia Bank, National Association, 201 South College Street, CP23, Charlotte, North Carolina 28288-0608, Attention of Syndication Agency Services (Telecopy No. 704/383-0288), with a copy to Wachovia Securities, Inc., 1001 Fannin, Suite 2255, Houston, Texas 77002, Attention of Russell T. Clingman (Telecopy No. 713/650-6354); and

(c) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 9.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase or extend the Commitment of any Lender without the written consent of such Lender, except as provided in Section 2.01(c), (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release the Limited Partner from any of its obligations under the Guaranty Agreement without the written consent of each Lender, or

(vi) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written consent of the Administrative Agent.

SECTION 9.03. Expenses; Indemnity; Damage Waiver. (a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one law firm, as counsel for the Administrative Agent, in connection with the syndication (prior to the date hereof) of the credit facilities provided for herein, the preparation and administration of this Agreement or any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses reasonably incurred during the existence of an Event of Default by the Administrative Agent or any Lender, including the fees, charges and

disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available (x) to the extent that such losses, claims, damages, liabilities or related expenses resulted from the gross negligence or wilful misconduct of such Indemnitee or any Related Party of such Indemnitee, or (y) in connection with disputes among or between the Administrative Agent, Lenders and/or their respective Related Parties.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than 30 days after written demand therefor, and such demand to be in reasonable detail setting forth the basis for and method of calculation of such amounts.

SECTION 9.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void). Nothing in this

Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or an Affiliate of a Lender, each of the Borrower and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's

Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than $10,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, (iii) each partial assignment shall result in the assignee retaining a Commitment of not less than $10,000,000 and shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, (iv) the parties (other than the Borrower) to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire and (vi) no assignment to a Foreign Bank shall be made hereunder unless, at the time of such assignment, there is no withholding tax applicable with respect to such Foreign Lender for which the Borrower would be or become responsible under Section 2.17; and provided further that any consent of the Borrower otherwise required under this paragraph shall not be required if an Event of Default has occurred and is continuing. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Acceptance the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03 as to matters occurring on or prior to date of assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in The City of New York, the address of which shall be made available to any party to this Agreement upon request; a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this

Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15 or 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.17 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.17(e) as though it were a Lender and has zero withholding at the time of participation.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that

the Administrative Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing and the Required Lenders have directed the Administrative Agent to accelerate under Article VII, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and

any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Syndication Agent, the Co-Documentation Agents, and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e)

in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (g) with the consent of the Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, Syndication Agent, the Co-Documentation Agents or any Lender on a nonconfidential basis from a source other than the Borrower and its Related Parties. Notwithstanding anything herein to the contrary, Information shall not include, and the Administrative Agent and each Lender may disclose without limitation of any kind, any Information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to the Administrative Agent or such Lender relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains Information concerning the tax treatment or tax structure of the transaction as well as other Information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the Loans and transactions contemplated hereby. For the purposes of this Section, "Information" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower.

SECTION 9.13. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together (to the extent lawful) with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.14. Liability of General Partner. It is hereby understood and agreed that the General Partner shall have no personal liability, as general partner or otherwise, for the payment of any amount owing or to be owing hereunder.

SECTION 9.15. Existing $230,000,000 Credit Facility. The undersigned, to the extent a party to the Existing $230,000,000 Credit Facility, agree and acknowledge that the Existing $230,000,000 Credit Facility is hereby terminated and all Revolving Credit Commitments (as defined in the Existing $230,000,000 Credit Facility) are hereby terminated, and the undersigned waive any right to receive any notice of such termination and any right to receive any notice of prepayment of amounts owed under the Existing $230,000,000 Credit Facility. Each Lender that was a party to the Existing $230,000,000 Credit Facility hereby agrees to return to the Borrower, with reasonable promptness, any Revolving Credit Note (as defined in the Existing $230,000,000 Credit

Facility) delivered by the Borrower to such Lender, and Administrative Agent agrees to return to the Borrower, with reasonable promptness, the Guaranty Agreement dated as of November 17, 2000 executed by the Limited Partner in favor of the Administrative Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, General Partner

By /s/ Michael A. Creel

Name: Michael A. Creel
Title: Executive Vice President and CFO

WACHOVIA BANK, NATIONAL ASSOCIATION,
individually and as Administrative Agent

By /s/ Russell Clingman

Name: Russell Clingman
Title: Director

BANK ONE, NA (Main Office-Chicago),
individually and as Syndication Agent

By /s/ Jane Bek Keil

Name: Jane Bek Keil
Title: Director

ROYAL BANK OF CANADA,
individually and as Co-Documentation Agent

By /s/ Tom J. Oberaigner

Name: Tom J. Oberaigner
Title: Attorney-In-Fact

THE BANK OF NOVA SCOTIA,
individually and as Co-Documentation Agent

By /s/ N. Bell

Name: N. Bell
Title: Senior Manager

SUNTRUST BANK,

individually and as Co-Documentation Agent

By /s/ David J. Edge

Name: David J. Edge
Title: Director

UBS LOAN FINANCE LLC

By /s/ Barbara Ezell-McMichael

Name: Barbara Ezell-McMichael
Title: Associate Director
Banking Products Services, US

By /s/ Joselin Fernandes

Name: Joselin Fernandes
Title: Associate Director
Banking Products Services, US

BAYERISCHE HYPO-UND VERIENSBANK AG,
NEW YORK BRANCH

By /s/ S. Beuerle
Name: Sebastian Beuerle
Title: Associate Director

By /s/ Marianne Weinzinger
Name: Marianne Weinzinger
Title: Director

AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED

By /s/ D. Giacalone
Name: David G. Giacalone
Title: Vice President

BMO NESBITT BURNS FINANCING, INC.

By /s/ Cahal B. Carmody

Name: Cahal B. Carmody
Title: Vice President

BARCLAYS BANK PLC

By /s/ Nicholas A. Bell

Name: Nicholas A. Bell
Title: Director
Loan Transaction Management

BNP PARIBAS

By /s/ J. Onischuk

Name: J. Onischuk
Title: Director

By /s/ Greg Smothers

Name: Greg Smothers
Title: Vice President

CITIBANK, N.A.

By /s/ Todd J Mogil

Name: Todd J Mogil
Title: Attorney-In-Fact

FLEET NATIONAL BANK

By /s/ Michael Brochetti
Name: Michael Brochetti
Title: Director

LEHMAN BROTHERS BANK, FSB

By /s/ Gary T. Taylor

Name: Gary T. Taylor
Title: Vice President

MIZUHO CORPORATE BANK, LTD.

By /s/ Jun Shimmachi

Name: Jun Shimmachi
Title: Vice President

BANK OF TOKYO - MITSUBISHI, LTD.,
HOUSTON AGENCY

By /s/ Donald W. Herrick, Jr.

Name: Donald W. Herrick, Jr.
Title: Vice President

WESTLB AG, NEW YORK BRANCH

By /s/ Duncan Robertson

Name: Duncan Robertson
Title: Executive Director

By /s/ Salvatore Battinelli

Name: Salvatore Battinelli
Title: Managing Director
Credit Department

DEN NORSKE BANK ASA

By /s/ Peter M. Dodge

Name: Peter M. Dodge
Title: First Vice President

By /s/ Alfred C. Jones, III

Name: Alfred C. Jones, III
Title: Senior Vice President
and General Counsel

KEY BANK NATIONAL ASSOCIATION

By /s/ Keven D. Smith

Name: Keven D. Smith
Title: Vice President

GUARANTY BANK

By /s/ Jim R. Hamilton

Jim R. Hamilton
Senior Vice President

HIBERNIA NATIONAL BANK

By /s/ Nancy G. Moragas

Name: Nancy G. Moragas
Title: Vice President

SCHEDULE 2.01
COMMITMENTS

Lender	Commitment
Wachovia Bank, National Association	$ 15,250,000.00
Bank One, NA (Main Office - Chicago)	$ 15,250,000.00
Royal Bank of Canada	$ 14,000,000.00
The Bank of Nova Scotia	$ 14,000,000.00
SunTrust Bank	$ 14,000,000.00
UBS Loan Finance LLC	$ 14,000,000.00
Bayerische Hypo-Und Veriensbank AG, New York Branch	$ 12,500,000.00
Australia and New Zealand Banking Group Limited	$ 11,000,000.00
BMO Nesbitt Burns Financing, Inc.	$ 11,000,000.00
Barclays Bank PLC	$ 11,000,000.00
BNP Paribas	$ 11,000,000.00
Citibank, N.A	$ 11,000,000.00
Fleet National Bank	$ 11,000,000.00
Lehman Brothers Bank, FSB	$ 11,000,000.00
Mizuho Corporate Bank, Ltd.	$ 11,000,000.00
Bank of Tokyo - Mitsubishi, Ltd., Houston Agency	$ 9,000,000.00
WestLB AG, New York Branch	$ 9,000,000.00
Den norske Bank ASA	$ 7,000,000.00
Key Bank National Association	$ 7,000,000.00
Guaranty Bank	$ 6,000,000.00
Hibernia National Bank	$ 5,000,000.00
TOTAL	$ 230,000,000.00

Schedule 3.06

Disclosed Matters

None

Schedule 1.01

SUBSIDIARIES

Name of Subsidiary	Type of Entity	Jurisdiction of Formation	Effective Ownership by the Borrower or a Subsidiary	Material Subsidiary
Acadian Acquisition, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Acadian Consulting LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Acadian Gas LLC	Limited Liability Company	Delaware	Borrower - 100%	Yes
Acadian Gas Pipeline System	General Partnership	Texas	TXO-Acadian Gas Pipeline, LLC - 50% MCN-Acadian Gas Pipeline, LLC - 50%	No
Belvieu Environmental Fuels	General Partnership		Borrower - 66.66% Third Party - 33.33%	No
Calcasieu Gas Gathering System	General Partnership	Texas	TXO-Acadian Gas Pipeline, LLC - 50% MCN-Acadian Gas Pipeline, LLC - 50%	No
Cajun Pipeline Company, LLC	Limited Liability Company	Texas	Borrower - 100%	No
Chunchula Pipeline Company, LLC	Limited Liability Company	Texas	Borrower - 100%	No
Cypress Gas Marketing, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Cypress Gas Pipeline, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Deep Gulf Development, LLC	Limited Liability Company	Delaware	Enterprise Offshore Development, LLC - 90.0% Third Party - 10%	No
E-Cypress, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
E-Oaktree, LLC	Limited Liability Company	Delaware	Borrower - 98.0% Third Party - 2.0%	Yes
EPOLP 1999 Grantor Trust	Trust	Texas	Borrower - 100%	No
Enterprise Fractionation LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Enterprise Gas Liquids LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Enterprise Gas Processing LLC, a	Limited Liability Company	Delaware	Borrower - 100%	Yes
Enterprise Lou-Tex NGL Pipeline L.P.	Limited Partnership	Texas	Borrower - 99.0% HSC Pipeline Partnership L.P. - 1.0%	No
Enterprise Lou-Tex Propylene Pipeline L.P.	Limited Partnership	Texas	Borrower - 99% Propylene Pipeline Partnership L.P. - 1.0%	No

Enterprise NGL Pipelines, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Enterprise NGL Private Lines & Storage LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Enterprise Norco LLC	Limited Liability Company	Delaware	Enterprise Gas Processing, LLC - 100%	No
Enterprise Offshore Development, LLC	Limited Liability Company	Delaware	Moray Pipeline Company, LLC - 100%	No

Enterprise Products Texas Operating, L.P.	Limited Partnership	Texas	Borrower - 99.0% Enterprise Products Partners L.P. - 1.0%	Yes
Enterprise Terminalling L.P.	Limited Partnership		Borrower - 99.0% Enterprise Gas Liquids LLC 1.0%	No
Enterprise Terminals & Storage, LLC	Limited Liability Company	Delaware	Mapletree, LLC - 100%	No
Evangeline Gulf Coast Gas, LLC	Limited Liability Company	Delaware	Acadian Gas, LLC - 100%	No
Grande Isle Pipeline LLC	Limited Liability Company	Delaware	Borrower - 100%	No
HSC Pipeline Partnership, L.P.	Limited Partnership	Texas	Borrower - 99.0% Enterprise Products Partners L.P. - 1.0%	No
MCN Acadian Gas Pipeline, LLC	Limited Liability Company	Delaware	Acadian Gas, LLC - 100%	No
MCN Pelican Interstate Gas, LLC	Limited Liability Company	Delaware	Acadian Gas, LLC - 100%	No
MCN Pelican Transmission LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Mapletree, LLC	Limited Liability Company	Delaware	Borrower - 98.0% Third Party - 2.0%	Yes
Mid-America Pipeline Company, LLC	Limited Liability Company	Delaware	Mapletree, LLC - 100%	Yes
Moray Pipeline Company, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Neches Pipeline System	General Partnership	Texas	TXO-Acadian Gas Pipeline, LLC - 50% MCN-Acadian Gas Pipeline, LLC - 50%	No
Norco-Tends Pipeline, LLC	Limited Liability Company	Delaware	Enterprise NGL Private Lines & Storage, LLC - 100%	
Olefins Terminal Corporation	Corporation	Delaware	Borrower - 50% Third Party - 50%	No
Ponchatrain Natural Gas System	General Partnership	Texas	TXO-Acadian Gas Pipeline, LLC - 50% MCN-Acadian Gas Pipeline, LLC - 50%	No
Port Neches GP, LLC	Limited Liability Company		Borrower - 100%	No
Port Neches Pipeline L.P.	Limited Partnership		Borrower - 99.0% Port Neches GP, LLC - 1.0%	No
Propylene Pipeline Partnership, L.P.	Limited Partnership	Texas	Borrower - 99.0% Enterprise Products Partners L.P. - 1.0%	No
Sabine Propylene Pipeline L.P.	Limited Partnership	Texas	Borrower - 99% Propylene Pipeline Partnership L.P. - 1%	No
Sailfish Pipeline Company, LLC	Limited Liability Company	Delaware	Borrower - 100%	No
Seminole Pipeline Company	Corporation	Delaware	E-Oaktree - 80.0% Third Parties - 20%	Yes
Sorrento Pipeline Company, LLC	Limited Liability Company	Texas	Borrower - 100%	No
TXO-Acadian Gas Pipleine, LLC	Limited Liability Company	Delaware	Borrower - 100%	No

Tejas-Magnolia Energy, LLC	Limited Liability Company	Delaware	Ponchatrain Natural Gas System - 96.6% MCN-Pelican Interstate Gas, LLC - 3.4%	No
Wilprise Pipeline Company, LLC	Limited Liability Company	Delaware	Borrower - 74.7%	No
Venice Pipeline LLC	Limited Liability Company	Delaware	Borrower - 100%	No

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Schedule 6.01

Existing Indebtedness of Subsidiaries

Note Agreement dated as of December 1, 1993, by and between Seminole Pipeline Company and the Purchasers named therein; Re: $75,000,000 6.67% Senior Notes Due December 1, 2005

Schedule 6.06

Restrictive Agreements

None

EXHIBIT A

FORM OF

ASSIGNMENT AND ACCEPTANCE

Reference is made to the 364-Day Revolving Credit Agreement dated as of October 30, 2003 (as amended and in effect on the date hereof, the “Credit Agreement”), among Enterprise Products Operating L.P., the Lenders named therein and Wachovia Bank, National Association, as Administrative Agent for the Lenders. Terms defined in the Credit Agreement are used herein with the same meanings.

The Assignor named herein sells and assigns, without recourse, to the Assignee named herein, and the Assignee hereby purchases and assumes, without recourse, from the Assignor, effective as of the Assignment Date set forth herein, the interests set forth herein (the “Assigned Interest”) in the Assignor’s rights and obligations under the Credit Agreement, including, without limitation, the interests set forth herein in the Commitment of the Assignor on the Assignment Date and Loans owing to the Assignor which are outstanding on the Assignment Date, held by the Assignor on the Assignment Date, but excluding accrued interest and fees to and excluding the Assignment Date. The Assignee hereby acknowledges receipt of a copy of the Credit Agreement. From and after the Assignment Date (i) the Assignee shall be a party to and be bound by the provisions of the Credit Agreement and, to the extent of the Assigned Interest, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent of the Assigned Interest, relinquish its rights and be released from its obligations under the Credit Agreement.

This Assignment and Acceptance is being delivered to the Administrative Agent together with (i) if the Assignee is a Foreign Lender, any documentation required to be delivered by the Assignee pursuant to Section 2.17(e) of the Credit Agreement, duly completed and executed by the Assignee, and (ii) if the Assignee is not already a Lender under the Credit Agreement, an Administrative Questionnaire in the form supplied by the Administrative Agent, duly completed by the Assignee. The [Assignee/Assignor] shall pay the fee payable to the Administrative Agent pursuant to Section 9.04(b) of the Credit Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

Date of Assignment:

Legal Name of Assignor:

Legal Name of Assignee:

Assignee’s Address for Notices:

Effective Date of Assignment
(“Assignment Date”):

Facility	Principal Amount Assigned	Percentage Assigned of Facility/Commitment (set forth, to at least 8 decimals, as a percentage of the Facility and the aggregate Commitments of all Lenders thereunder)
Commitment Assigned:	$	%
Loans:		

The terms set forth above are hereby agreed to:

[Name of Assignor], as Assignor

By:
Name:
Title:

[Name of Assignee], as Assignee

By:
Name:
Title:

The undersigned hereby consent to the within assignment:

Enterprise Products Operating L.P.

By: Enterprise Products GP, LLC,
General Partner

By: ______________________________
Name:
Title:

Wachovia Bank, National Association,
as Administrative Agent

By: ______________________________
Name:
Title:

EXHIBIT B

FORM OF BORROWING REQUEST

Dated __________

Wachovia Bank, National Association,
as Administrative Agent
One Wachovia Center, TW-10
301 South College Street
Charlotte, North Carolina 28288-0608
Attn: Syndication Agency Services

Ladies and Gentlemen:

This Borrowing Request is delivered to you by Enterprise Products Operating L.P. (the "Borrower"), a Delaware limited partnership, under Section 2.03 of the 364-Day Revolving Credit Agreement dated as of October 30, 2003 (as restated, amended, modified, supplemented and in effect, the "Credit Agreement"), by and among the Borrower, the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Bank One, NA, as Syndication Agent, and Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, as Co-Documentation Agents.

1. The Company hereby requests that the Lenders make a Loan or Loans in the aggregate principal amount of $______________ (the "Revolving Loan" or the "Revolving Loans").[1/]

2. The Company hereby requests that the Revolving Loan or Revolving Loans be made on the following Business Day: [2/]

3. The Company hereby requests that the Revolving Loan or Revolving Loans bear interest at the following interest rate, *plus* (if Eurodollar Loan) the Applicable Margin, as set forth below:

Type of Revolving Loan	Principal Component of Revolving Loan	Interest Rate	Interest Period (if applicable)	Maturity Date for Interest Period (if applicable)

1. Complete with an amount in accordance with Section 2.03 of the Credit Agreement.

2. Complete with a Business Day in accordance with Section 2.03 of the Credit Agreement.

Type of Revolving Loan	Principal Component of Revolving Loan	Interest Rate	Interest Period (if applicable)	Maturity Date for Interest Period (if applicable)

4. The Company hereby requests that the funds from the Revolving Loan or Revolving Loans be disbursed to the following bank account: ______________________________.

5. After giving effect to the requested Revolving Loan, the sum of the Exposures outstanding as of the date hereof (including the requested Loans) does not exceed the maximum amount permitted to be outstanding pursuant to the terms of the Credit Agreement.

6. All of the conditions applicable to the Revolving Loans requested herein as set forth in the Credit Agreement have been satisfied as of the date hereof and will remain satisfied to the date of such Loans.

7. All capitalized undefined terms used herein have the meanings assigned thereto in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Borrowing Request this _____ day of _______________, ______.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, its General Partner

By: ____________________

Name: ____________________

Title: ____________________

EXHIBIT C

INTENTIONALLY OMITTED

EXHIBIT D

FORM OF
INTEREST ELECTION REQUEST

Dated ______________

Wachovia Bank, National Association,
as Administrative Agent
One Wachovia Center, TW-10
301 South College Street
Charlotte, North Carolina 28288-0608
Attn: Syndication Agency Services

Ladies and Gentlemen:

This irrevocable Interest Election Request (the "Request") is delivered to you under Section 2.08 of the 364-Day Revolving Credit Agreement dated as of October 30, 2003 (as restated, amended, modified, supplemented and in effect from time to time, the "Credit Agreement"), by and among Enterprise Products Operating L.P., a Delaware limited partnership (the "Company"), the Lenders party thereto (the "Lenders"), Wachovia Bank, National Association, as Administrative Agent, Bank One, NA, as Syndication Agent, and Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, as Co-Documentation Agents.

1. This Interest Election Request is submitted for the purpose of:

(a) [Converting] [Continuing] a _____________ Loan [into] [as] a _____________ Loan.[1/]

(b) The aggregate outstanding principal balance of such Loan is $______________.

(c) The last day of the current Interest Period for such Loan is ______________.[2/]

(d) The principal amount of such Loan to be [converted] [continued] is $______________.[3/]

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1. Delete the bracketed language and insert "Alternate Base Rate" or "LIBO Rate", as applicable, in each blank.

2. Insert applicable date for any Eurodollar Loan being converted or continued.

3. Complete with an amount in compliance with Section 2.08 of the Credit Agreement.

(e) The requested effective date of the [conversion] [continuation] of such Loan is ________________.[4/]

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4. Complete with a Business Day in compliance with Section 2.08 of the Credit Agreement.

(f) The requested Interest Period applicable to the [converted] [continued] Loan is ____________________.[5/]

2. With respect to a Borrowing to be converted to or continued as a Eurodollar Borrowing, no Event of Default exists, and none will exist upon the conversion or continuation of the Borrowing requested herein.

3. All capitalized undefined terms used herein have the meanings assigned thereto in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Interest Election Request this _____ day of ___________________, ____.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, its General Partner

By: ______________________________

Name: ______________________________

Title: ______________________________

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5. Complete for each Eurodollar Loan in compliance with the definition of the term "Interest Period" specified in Section 1.01.

EXHIBIT E

FORM OF
OPINION OF BRACEWELL & PATTERSON LLP,
COUNSEL FOR THE BORROWER AND THE LIMITED PARTNER

October 30, 2003

To each of the Lenders and the Agents
party to the Credit Agreement described herein

Ladies and Gentlemen:

We have acted as counsel to Enterprise Products Operating L.P., a Delaware limited partnership (the "Borrower"), and Enterprise Products Partners L.P. (the "Limited Partner") in connection with the 364-Day Revolving Credit Agreement dated as of October 30, 2003 (the "Credit Agreement") among the Borrower, the financial institutions party thereto as lenders (the "Lenders"), Wachovia Bank, National Association, as Administrative Agent, Bank One, NA, as Syndication Agent, and Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, as Co-Documentation Agents (such Administrative Agent, such Syndication Agent and such Documentation Agents herein collectively called the "Agents"). This opinion is the opinion referred to in Section 4.01(b) of the Credit Agreement. Capitalized terms used herein and defined in the Credit Agreement but not defined herein are used herein as therein defined.

In connection with this opinion, we have examined copies of the following documents (the "Opinion Documents"):

(i) a counterpart of the Credit Agreement executed by the Borrower;

(ii) Notes dated October 30, 2003, each executed by the Borrower and payable to the Lenders (the "Notes"); and

(iii) Guaranty Agreement dated as of October 30, 2003 (the "Guaranty Agreement") executed by the Limited Partner in favor of Administrative Agent.

The Opinion Documents described in (i) and (ii) above are collectively herein called the "Borrower Documents." The Borrower and the Limited Partner are collectively herein called the "Opinion Parties," and each, an "Opinion Party."

The term "Applicable Law" means the Limited Partnership Act of the State of Delaware and those laws, rules and regulations of the State of New York, the State of Texas and the United States of America which in our experience are normally applicable to transactions of the type provided for in the Opinion Documents.

We have also examined originals or copies of such records and documents as we have deemed necessary and relevant for purposes of this opinion. In addition, we have relied on certificates or comparable documents of an officer, member or other representative of each Opinion Party as to certain matters of fact relating to this opinion and have made such investigations of law as we have deemed necessary and relevant as a basis for this opinion. We have assumed (a) the

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genuineness of all signatures (including, without limitation, those of the Opinion Parties), (b) the authenticity of all documents and records submitted to us as originals, (c) the conformity to original documents and records of all documents and records submitted to us as copies, and (d) the truthfulness of all statements of fact contained therein.

Based on the foregoing and subject to the limitations and assumptions set forth in this opinion, and having due regard for such legal considerations as we deem relevant, we are of the opinion that::

1. Each of the Borrower and the Limited Partner is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware and has the limited partnership power and authority to (i) own or lease the property which it owns or leases, (ii) conduct the business in which it is currently engaged and (iii) execute, deliver and perform the Opinion Documents to which it is a party in accordance with the terms and provisions thereof.

2. Each Opinion Party has taken all necessary limited partnership action to authorize the execution, delivery and performance of the Opinion Documents to which it is a party, including without limitation, in the case of the Borrower, the authority to authorize the borrowings under the Credit Agreement.

3. Each of the Opinion Documents has been duly executed and delivered by each Opinion Party that is party thereto.

4. Each of the Opinion Documents constitutes a legal, valid and binding obligation of each Opinion Party that is a party thereto, enforceable against such Opinion Party in accordance with its terms.

5. (a) The execution, delivery and performance by the Borrower of the Borrower Documents in accordance with the terms thereof will not (i) violate any provision of the limited partnership agreement of the Borrower, (ii) violate any Applicable Law or, to our knowledge after due inquiry, any order of any Governmental Authority under Applicable Law to which the Borrower is subject, or (iii) to our knowledge after due inquiry, violate or result in a default under any agreement binding upon the Borrower that is material to the business of the Borrower.

(b) The execution, delivery and performance by the Limited Partner of the Guaranty Agreement in accordance with the terms thereof will not (i) violate any provision of the limited partnership agreement of the Limited Partner, (ii) violate any Applicable Law or, to our knowledge after due inquiry, any order of any Governmental Authority under Applicable Law to which the Limited Partner is subject, or (iii) to our knowledge after due inquiry, violate or result in a default under any agreement binding upon the Limited Partner that is material to the business of the Limited Partner.

6. (a) There are no approvals or consents of any Governmental Authority under Applicable Law which have not been obtained that are required on or prior to the date hereof in connection with (i) the participation by the Borrower in the transactions contemplated by the Borrower Documents, or (ii) the execution, delivery and performance by the Borrower of the Borrower Documents.

(b) There are no approvals or consents of any Governmental Authority under Applicable Law which have not been obtained that are required on or prior to the date hereof in connection with (i) the participation by the Limited Partner in the transaction contemplated by the Guaranty Agreement, or (ii) the execution, delivery and performance by the Limited Partner of the Guaranty Agreement.

7. (a) To our knowledge after due inquiry, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending against the Borrower (i) with respect to any of the Opinion Documents or (ii) which, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) To our knowledge after due inquiry, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending against the Limited Partner (i) with respect to any of the Opinion Documents or (ii) which, if adversely determined, could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

8. To our knowledge after due inquiry, no Opinion Party is an “investment company”, or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

9. Except for instances covered by Section 35.51(e) or Section 35.51(f) of the Texas Business and Commerce Code, the courts of the State of Texas, and the courts of the United States of America sitting in the State of Texas, would, assuming that the applicable issues were properly brought before such courts and such courts were to apply existing Texas law, enforce any provision contained in any Opinion Document that provides that the law of the State of New York shall govern the interpretation or construction of such Opinion Document.

10. Provided that the proceeds of the Loans are used in accordance with the provisions of the Credit Agreement, the making of the initial Loans on the Effective Date and the application of the proceeds thereof by the Borrower do not violate Regulation U or X of the Board of Governors of the Federal Reserve System.

The foregoing opinion is, with your concurrence, predicated on and qualified in its entirety by the following:

(a) The foregoing opinion is based on and is limited to the law of the State of New York, the law of the State of Texas, the Limited Partnership Act of the State of Delaware, and applicable federal law of the United States. We render no opinion with respect to the law of any other jurisdiction.

(b) The opinions set forth above that are stated “To our knowledge after due inquiry” or “to our knowledge after due inquiry” refer to the actual knowledge of those lawyers in our firm who have represented any of the Opinion Parties in connection with the transactions contemplated by the Opinion Documents or material litigation, and in giving such opinions, we have relied exclusively on one or more certificates delivered to us by an officer, member or other representative of an Opinion Party. We have made no independent investigation as to the existence or non-existence of the matters set forth in such certificates.

(c) The opinions set forth in paragraph 1 above as to the organization, existence and good standing of the Opinion Parties are based solely on our review of certificates of public officials of the States of Delaware dated as of various dates in October, 2003.

(d) Our opinions are (i) subject to the effect of applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, preference, liquidation, conservatorship or other similar law affecting creditor’s rights generally, and such duties and standards as are or may be imposed on creditors (including, without limitation, good faith, materiality, reasonableness and fair dealing) under any applicable law or judicial decision, and (ii) subject to general principles of equity and public policy, and we express no opinion as to the availability of specific performance, injunctive relief or any other equitable remedy.

(e) We express no opinion as to the legality, validity, binding effect or enforceability of any provision in the Opinion Documents (i) purporting to restrict access to courts or to legal or equitable remedies; (ii) purporting to establish evidentiary standards; (iii) purporting to grant a right of set-

off of moneys, securities and other properties of a Person other than the Person granting such right; (iv) providing for rights of contribution; (v) purporting to indemnify, defend or hold harmless any Person (A) in conflict with principles of public policy, or (B) to the extent precluded by federal or state securities laws, (vi) purporting to indemnify or exculpate any Person from the consequences of its own negligence or strict liability or for illegality or violation of laws; (vii) purporting to affect any right to trial by jury, venue or jurisdiction; or (viii) pertaining to subrogation rights, delay or omission of enforcement of rights or remedies, severability or marshaling of assets.

(f) We express no opinion as to the legality, validity, binding effect or enforceability of any waiver (or any provision that has the effect of a waiver) under the Opinion Documents, or any consent (or any provision that has the effect of a consent) thereunder, relating to the rights of any party, or duties owing to them, which exist as a matter of law, except to the extent such party may legally so waive or consent and has so waived and consented.

(g) We have assumed, as to each Person (other than the Opinion Parties) shown as being a party to any of the Opinion Documents, (i) that such Person is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, (ii) that each of the Opinion Documents to which such Person is shown as a party has been duly authorized, executed and delivered by such Person, (iii) that such Person has the requisite power and authority to execute, deliver and perform its obligations under the Opinion Documents and will perform such obligations in compliance with all laws and regulations applicable to it, (iv) that there are neither suits, actions or proceedings pending against such Person nor judicial or administrative orders, judgments, or decrees binding on such Person that affect the legality, validity, binding effect or enforceability of the Opinion Documents to which such Person is a party, (v) that no consent, license, approval or authorization of, or filing or registration with, any governmental authority is required for the valid execution, delivery and performance of the Opinion Documents, and (vi) that the execution, delivery and performance of the Opinion Documents by such Person do not violate (1) any provision of any law or regulation, (2) any order, judgment, writ, injunction, award or decree of any court, arbitrator, or governmental authority, (3) the charter of bylaws of such Person, or (4) any indenture, lease or other agreement to which such Person is a party or by which such Person or any of its assets is bound. Furthermore, we have assumed as to each Person (other than the Opinion Parties) that each of the Opinion Documents to which such Person is shown as a party constitutes the legal, valid and binding obligation of such Person enforceable against such Person in accordance with its terms, subject to the type of qualifications regarding enforceability as are set forth in this opinion. We have also assumed that each Lender will make each Loan for its own account in the ordinary course of its commercial lending business and not with a view to, or for sale in connection with, any distribution of the Notes and that no Lender is participating in any such distribution.

(h) We have assumed that the Agents and the Lenders will comply with each usury savings clause in the Opinion Documents and that neither any of the Agents nor any of the Lenders has taken, reserved, charged or received interest, or will take, reserve, charge or receive interest, except as provided in the Opinion Documents. We express no opinion as to the effect of the law of any jurisdiction other than the State of New York wherein any Lender or Agent may be located or wherein enforcement of the Opinion Documents may be sought which limits the rates of interest legally chargeable or collectible.

(i) The enforceability of certain of the remedial, waiver and other provisions of the Opinion Documents is subject to, and may be limited by, applicable federal, state, or local governmental laws, rules, regulations, or court decisions, but such federal, state, or local governmental laws, rules, regulations, or court decisions will not, in our opinion, make the remedies afforded by the Opinion Documents inadequate for the practical realization of the benefits intended to be provided thereby (with no opinion expressed as to the economic consequences of any judicial, administrative or other procedural delay which may be imposed by, relate to or result from such laws, rules, regulations or court decisions).

(j) We express no opinion as to any choice of law provision except as set forth in paragraph 9 above. Furthermore, our opinion is subject to the effect of 12 U.S.C. § 85.

(k) No opinion is expressed as to the creation, existence, perfection or priority of any security interest or lien.

(l) This opinion is given only as of the date hereof, and we have no obligation to report to you or any other Person any fact or circumstance that may hereafter come to our attention or any change in law.

(m) We express no opinion as to the effect on the opinions herein stated of (A) the compliance or non-compliance of any party (other than the Opinion Parties) to the Opinion Documents with any state, federal or other laws or regulations applicable to it, (B) the legal or regulatory status or the nature of the business of any such party (other than the Opinion Parties), and (C) the effect of the laws of any jurisdiction in which any Lender is located (other than the State of New York) that limit the interest, fees or other charges such Lender may impose.

(n) Requirements in the Opinion Documents specifying that provisions thereof may only be waived in writing may not be legal, valid, binding and enforceable to the extent that an oral agreement or an implied agreement by trade practice or course of conduct has been created modifying any provision of such documents.

(o) We express no opinion as to (A) any provision in the Opinion Documents with respect to consent to jurisdiction, (B) any provision in the Opinion Documents with respect to a waiver of inconvenient forum with respect to proceedings in any court, (C) any provision in the Opinion Documents purporting to waive rights to notice, or (D) any provision in the Opinion Documents providing that remedies are cumulative or that decisions by a party are conclusive.

This opinion (i) is to be delivered only to counsel for the Administrative Agent, you and your assignees permitted under the Opinion Documents, solely in your capacities identified as addressees of this opinion, and only in connection with the transactions described above, (ii) does not extend to counsel for the Administrative Agent, you or your assignees when acting in any other capacity or to any other Person without our prior express written consent, and (iii) may not be quoted, circulated, or published, in whole or in part, or furnished to any other Person (other than to independent auditors and attorneys, participants or transferees, regulators or government agencies, or pursuant to a court order, subpoena or other legal process) without our prior express written consent.

Very truly yours,

Bracewell & Patterson, L.L.P.

EXHIBIT F

FORM OF COMPLIANCE CERTIFICATE

The undersigned hereby certifies that he is the ____________________________ of ENTERPRISE PRODUCTS GP, LLC, a Delaware limited liability company, general partner of ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership (the "Borrower"), and that as such he is authorized to execute this certificate on behalf of the Borrower. With reference to the 364-Day Revolving Credit Agreement dated as of October 30, 2003 (as restated, amended, modified, supplemented and in effect from time to time, the "Agreement"), among the Borrower, the Syndication Agent, the Co-Documentation Agents and Wachovia Bank, National Association, as Administrative Agent, for the lenders (the "Lenders"), which are or become a party thereto, and such Lenders, the undersigned represents and warrants as follows (each capitalized term used herein having the same meaning given to it in the Agreement unless otherwise specified);

(a) [There currently does not exist any Default under the Agreement.] [Attached hereto is a schedule specifying the details of [a] certain Default[s] which exist under the Agreement and the action taken or proposed to be taken with respect thereto.]

(b) Attached hereto are the detailed computations necessary to determine whether the Borrower is in compliance with Sections 6.07(a) and (b) of the Agreement as of the end of the [fiscal quarter][fiscal year] ending ________________.

EXECUTED AND DELIVERED this ____ day of _________________, 20__.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, its General Partner

By: ____________________________

Name: ____________________________

Title: ____________________________

EXHIBIT G

FORM OF NOTE
(364-Day Credit Facility)

$_____________ _______, 2003

ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership (the "<u>Borrower</u>"), for value received, promises and agrees to pay to ______________________________ (the "<u>Lender</u>"), or order, at the payment office of WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent, at 301 South College Street, Charlotte, North Carolina 28288-0608, the principal sum of ______________________________ AND NO/100 DOLLARS ($_____________), or such lesser amount as shall equal the aggregate unpaid principal amount of the Loans owed to the Lender under the Credit Agreement, as hereafter defined, in lawful money of the United States of America and in immediately available funds, on the dates and in the principal amounts provided in the Credit Agreement, and to pay interest on the unpaid principal amount as provided in the Credit Agreement for such Loans, at such office, in like money and funds, for the period commencing on the date of each such Loan until such Loan shall be paid in full, at the rates per annum and on the dates provided in the Credit Agreement.

This note evidences the Loans owed to the Lender under that certain 364-Day Revolving Credit Agreement dated as of October 30, 2003, by and among the Borrower, Wachovia Bank, National Association, individually and as Administrative Agent, Bank One, NA, as individually and as Syndication Agent, and Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, individually and as Co-Documentation Agents, and the other financial institutions parties thereto (including the Lender) (such Credit Agreement, together with all amendments or supplements thereto, being the "<u>Credit Agreement</u>"), and shall be governed by

the Credit Agreement. Capitalized terms used in this note and not defined in this note, but which are defined in the Credit Agreement, have the respective meanings herein as are assigned to them in the Credit Agreement.

The Lender is hereby authorized by the Borrower to endorse on Schedule A (or a continuation thereof) attached to this note, the Type of each Loan owed to the Lender, the amount and date of each payment or prepayment of principal of each such Loan received by the Lender and the Interest Periods and interest rates applicable to each Loan, provided that any failure by the Lender to make any such endorsement shall not affect the obligations of the Borrower under the Credit Agreement or under this note in respect of such Loans.

This note may be held by the Lender for the account of its applicable lending office and, except as otherwise provided in the Credit Agreement, may be transferred from one lending office of the Lender to another lending office of the Lender from time to time as the Lender may determine.

Except only for any notices which are specifically required by the Credit Agreement, the Borrower and any and all co-makers, endorsers, guarantors and sureties severally waive notice (including but not limited to notice of intent to accelerate and notice of acceleration, notice of protest

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and notice of dishonor), demand, presentment for payment, protest, diligence in collecting and the filing of suit for the purpose of fixing liability, and consent that the time of payment hereof may be extended and re-extended from time to time without notice to any of them. Each such person agrees that his, her or its liability on or with respect to this note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or maintain perfection of any lien against or security interest in any such security or the partial or complete unenforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

The Credit Agreement provides for the acceleration of the maturity of this note upon the occurrence of certain events and for prepayment of Loans upon the terms and conditions specified therein. Reference is made to the Credit Agreement for all other pertinent purposes.

This Note is issued pursuant to and is entitled to the benefits of the Credit Agreement.

It is hereby understood and agreed that Enterprise Products GP, LLC, the general partner of the Borrower, shall have no personal liability, as general partner or otherwise, for the payment of any amount owing or to be owing hereunder.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK AND THE UNITED STATES OF AMERICA FROM TIME TO TIME IN EFFECT.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products GP, LLC, its General Partner

By: ______________________________

Name: ______________________________

Title: ______________________________

SCHEDULE A
TO
NOTE
(364-Day Credit Facility)

This note evidences the Loans owed to the Lender under the Credit Agreement, in the principal amount set forth below and the applicable Interest Periods and rates for each such Loan, subject to the payments of principal set forth below:

SCHEDULE
OF
LOANS AND PAYMENTS OF PRINCIPAL AND INTEREST

Date	**Interest Period**	**Rate**	**Principal Amount of Loan**	**Amount of Principal Paid or Prepaid**	**Interest Paid**	**Balance of Loans**	**Notation Made by**

EXHIBIT 4.30

GUARANTY AGREEMENT
(364-Day Credit Facility)

by

ENTERPRISE PRODUCTS PARTNERS L.P.

in favor of

WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent

Dated as of October 30, 2003

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GUARANTY AGREEMENT
(364-Day Credit Facility)

THIS GUARANTY AGREEMENT, dated as of October 30, 2003, by ENTERPRISE PRODUCTS PARTNERS L.P., a Delaware limited partnership (the "Guarantor"), is in favor of WACHOVIA BANK, NATIONAL ASSOCIATION, as Administrative Agent (the "Agent") for the several lenders ("Lenders") that are or become parties to the Credit Agreement defined below.

W I T N E S S E T H:

WHEREAS, ENTERPRISE PRODUCTS OPERATING L.P., a Delaware limited partnership (the "Borrower"), the Agent, Bank One, NA, as Syndication Agent, Royal Bank of Canada, The Bank of Nova Scotia and SunTrust Bank, as Co-Documentation Agents, and the Lenders have entered into that certain 364-Day Revolving Credit Agreement dated as of October 30, 2003 (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement"); and

WHEREAS, one of the terms and conditions stated in the Credit Agreement for the making of the loans described therein is the execution and delivery to the Agent for the benefit of the Lenders of this Guaranty Agreement;

NOW, THEREFORE, (i) in order to comply with the terms and conditions of the Credit Agreement, (ii) to induce the Lenders, at any time or from time to time, to loan monies, with or without security to or for the account of Borrower in accordance with the terms of the Credit Agreement, (iii) at the special insistence and request of the Lenders, and (iv) for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Guarantor hereby agrees as follows:

ARTICLE 1

General Terms

Section 1.1 Terms Defined Above. As used in this Guaranty Agreement, the terms "Agent", "Borrower", "Credit Agreement", "Guarantor" and "Lenders" shall have the meanings indicated above.

Section 1.2 Certain Definitions. As used in this Guaranty Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

"Guarantor Claims" shall have the meaning indicated in Section 4.1 hereof.

"Guaranty Agreement" shall mean this Guaranty Agreement, as the same may from time to time be amended, supplemented, or otherwise modified.

"Liabilities" shall mean (a) any and all Indebtedness of the Borrower pursuant to the Credit Agreement, including without limitation (i) the unpaid principal of and interest

on the Loans, including without limitation, interest accruing subsequent to the filing of a petition or other action concerning bankruptcy or other similar proceeding, and (ii) any other amount owed by the Borrower under the Credit Agreement, including without limitation, fees and indemnity payments, and (b) all renewals, rearrangements, increases, extensions for any period, amendments, supplements, exchanges or reissuances in whole or in part of the Indebtedness of Borrower under the Credit Agreement, or any other documents or instruments evidencing any of the above.

Section 1.3 Credit Agreement Definitions. Unless otherwise defined herein, all terms beginning with a capital letter which are defined in the Credit Agreement shall have the same meanings herein as therein.

ARTICLE 2

The Guaranty

Section 2.1 Liabilities Guaranteed. Guarantor hereby irrevocably and unconditionally guarantees in favor of the Agent for the benefit of the Lenders the prompt payment of the Liabilities when due, whether at maturity or otherwise.

Section 2.2 Nature of Guaranty. This Guaranty Agreement is an absolute, irrevocable, completed and continuing guaranty of payment and not a guaranty of collection, and no notice of the Liabilities or any extension of credit already or hereafter contracted by or extended to Borrower need be given to Guarantor. This Guaranty Agreement may not be revoked by Guarantor and shall continue to be effective with respect to debt under the Liabilities arising or created after any attempted revocation by Guarantor and shall remain in full force and effect until the Liabilities are paid in full and the Commitments are terminated,

notwithstanding that from time to time prior thereto no Liabilities may be outstanding. Borrower and the Lenders may modify, alter, rearrange, extend for any period and/or renew from time to time the Liabilities, and the Lenders may waive any Default or Events of Default without notice to the Guarantor and in such event Guarantor will remain fully bound hereunder on the Liabilities. This Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of the Liabilities is rescinded or must otherwise be returned by any of the Lenders upon the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made. This Guaranty Agreement may be enforced by the Agent and any subsequent holder of any of the Liabilities and shall not be discharged by the assignment or negotiation of all or part of the Liabilities. Guarantor hereby expressly waives presentment, demand, notice of non-payment, protest and notice of protest and dishonor, notice of Default or Event of Default, notice of intent to accelerate the maturity and notice of acceleration of the maturity and any other notice in connection with the Liabilities, and also notice of acceptance of this Guaranty Agreement, acceptance on the part of the Agent for the benefit of the Lenders being conclusively presumed by the Lenders' request for this Guaranty Agreement and delivery of the same to the Agent.

Section 2.3 Agent's Rights. Guarantor authorizes the Agent, without notice or demand and without affecting Guarantor's liability hereunder, to take and hold security for the payment of

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this Guaranty Agreement and/or the Liabilities, and exchange, enforce, waive and release any such security; and to apply such security and direct the order or manner of sale thereof as the Agent in its discretion may determine; and to obtain a guaranty of the Liabilities from any one or more Persons and at any time or times to enforce, waive, rearrange, modify, limit or release any of such other Persons from their obligations under such guaranties.

Section 2.4 Guarantor's Waivers.

(a) General. Guarantor waives any right to require any of the Lenders to (i) proceed against Borrower or any other person liable on the Liabilities, (ii) enforce any of their rights against any other guarantor of the Liabilities, (iii) proceed or enforce any of their rights against or exhaust any security given to secure the Liabilities, (iv) have Borrower joined with Guarantor in any suit arising out of this Guaranty Agreement and/or the Liabilities, or (v) pursue any other remedy in the Lenders' powers whatsoever. Except as provided in the Credit Agreement, the Lenders shall not be required to mitigate damages or take any action to reduce, collect or enforce the Liabilities, and the failure to so mitigate or take any such action shall not release the Guarantor from this Guaranty Agreement. Guarantor waives any defense arising by reason of any disability, lack of partnership authority or power, or other defense of Borrower or any other guarantor of the Liabilities, and shall remain liable hereon regardless of whether Borrower or any other guarantor be found not liable thereon for any reason. Whether and when to exercise any of the remedies of the Lenders under the Credit Agreement shall be in the sole and absolute discretion of the Agent, and no delay by the Agent in enforcing any remedy, including delay in conducting a foreclosure sale, shall be a defense to the Guarantor's liability under this Guaranty Agreement. To the extent allowed by applicable law, the Guarantor hereby waives any good faith duty on the part of the Agent in exercising any remedies provided in the Credit Agreement.

(b) Subrogation. Until the Liabilities have been paid in full, the Guarantor waives all rights of subrogation or reimbursement against the Borrower, whether arising by contract or operation of law (including, without limitation, any such right arising under any federal or state bankruptcy or insolvency laws) and waives any right to enforce any remedy which the Lenders now have or may hereafter have against the Borrower, and waives any benefit or any right to participate in any security now or hereafter held by the Agent or any Lender.

Section 2.5 Maturity of Liabilities; Payment. Guarantor agrees that if the maturity of any of the Liabilities is accelerated by bankruptcy or otherwise, such maturity shall also be deemed accelerated for the purpose of this Guaranty Agreement without demand or notice to Guarantor. Guarantor will, forthwith upon notice from the Agent, pay to the Agent the amount due and unpaid by Borrower and guaranteed hereby. The failure of the Agent to give this notice shall not in any way release Guarantor hereunder.

Section 2.6 Agent's Expenses. If Guarantor fails to pay the Liabilities after notice from the Agent of Borrower's failure to pay any Liabilities at maturity, and if the Agent obtains the services of an attorney for collection of amounts owing by Guarantor hereunder, or obtaining advice of counsel in respect of any of its rights under this Guaranty Agreement, or if suit is filed to enforce

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this Guaranty Agreement, or if proceedings are had in any bankruptcy, receivership or other judicial proceedings for the establishment or collection of any amount owing by Guarantor hereunder, or if any amount owing by Guarantor hereunder is collected through such proceedings, Guarantor agrees to pay to the Agent the Agent's reasonable attorneys' fees.

Section 2.7 Liability. It is expressly agreed that the liability of the Guarantor for the payment of the Liabilities guaranteed hereby shall be primary and not secondary.

Section 2.8 Events and Circumstances Not Reducing or Discharging Guarantor's Obligations. Guarantor hereby consents and agrees to each of the following to the fullest extent permitted by law, and agrees that Guarantor's obligations under this Guaranty Agreement shall not be released, diminished, impaired, reduced or adversely affected by any of the following, and waives any rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:

(a) Modifications, etc. Any renewal, extension, modification, increase, decrease, alteration, rearrangement, exchange or reissuance of all or any part of the Liabilities, or of the Letters of Credit or the Credit Agreement or any instrument executed in connection therewith, or any contract or understanding between Borrower and any of the Lenders, or any other Person, pertaining to the Liabilities;

(b) Adjustment, etc. Any adjustment, indulgence, forbearance or compromise that might be granted or given by any of the Lenders to Borrower or Guarantor or any Person liable on the Liabilities;

(c) Condition of Borrower or Guarantor. The insolvency, bankruptcy arrangement, adjustment, composition, liquidation, disability, dissolution, death or lack of power of Borrower or Guarantor or any other Person at any time liable for the payment of all or part of the Liabilities; or any dissolution of Borrower or Guarantor, or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor, or any changes in the shareholders, partners, or members of Borrower or Guarantor; or any reorganization of Borrower or Guarantor;

(d) Invalidity of Liabilities. The invalidity, illegality or unenforceability of all or any part of the Liabilities, or any document or agreement executed in connection with the Liabilities, for any reason whatsoever, including without limitation the fact that the Liabilities, or any part thereof, exceed the amount permitted by law, the act of creating the Liabilities or any part thereof is ultra vires, the officers or representatives executing the documents or otherwise creating the Liabilities acted in excess of their authority, the Liabilities violate applicable usury laws, the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Liabilities wholly or partially uncollectible from Borrower, the creation, performance or repayment of the Liabilities (or the execution, delivery and performance of any document or instrument representing part of the Liabilities or executed in connection with the Liabilities, or given to secure the repayment of the Liabilities) is illegal, uncollectible, legally impossible or

unenforceable, or the Credit Agreement or other documents or instruments pertaining to the Liabilities have been forged or otherwise are irregular or not genuine or authentic;

(e) Release of Obligors. Any full or partial release of the liability of Borrower on the Liabilities or any part thereof, of any co-guarantors, or any other Person now or hereafter liable, whether directly or indirectly, jointly, severally, or jointly and severally, to pay, perform, guarantee or assure the payment of the Liabilities or any part thereof, it being recognized, acknowledged and agreed by Guarantor that Guarantor may be required to pay the Liabilities in full without assistance or support of any other Person, and Guarantor has not been induced to enter into this Guaranty Agreement on the basis of a contemplation, belief, understanding or agreement that other parties other than the Borrower will be liable to perform the Liabilities, or the Lenders will look to other parties to perform the Liabilities.

(f) Other Security. The taking or accepting of any other security, collateral or guaranty, or other assurance of payment, for all or any part of the Liabilities;

(g) Release of Collateral, etc. Any release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including without limitation negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security, at any time existing in connection with, or assuring or securing payment of, all or any part of the Liabilities;

(h) Care and Diligence. The failure of the Lenders or any other Person to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of such collateral, property or security;

(i) Status of Liens. The fact that any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Liabilities shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being recognized and agreed by Guarantor that Guarantor is not entering into this Guaranty Agreement in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any collateral for the Liabilities;

(j) Payments Rescinded. Any payment by Borrower to the Lenders is held to constitute a preference under the bankruptcy laws, or for any reason the Lenders are required to refund such payment or pay such amount to Borrower or someone else; or

(k) Other Actions Taken or Omitted. Any other action taken or omitted to be taken with respect to the Credit Agreement, the Liabilities, or the security and

collateral therefor, whether or not such action or omission prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Liabilities pursuant to the terms hereof; it being the unambiguous and unequivocal intention of Guarantor that Guarantor shall be obligated to pay the Liabilities when due, notwithstanding any occurrence, circumstance, event, action, or omission whatsoever, whether contemplated or uncontemplated, and whether or not otherwise or particularly described herein, except for the full and final payment and satisfaction of the Liabilities.

ARTICLE 3

Representations and Warranties

Section 3.1 By Guarantor. In order to induce the Lenders to accept this Guaranty Agreement, Guarantor represents and warrants to the Lenders (which representations and warranties will survive the creation of the Liabilities and any extension of credit thereunder) that:

(a) Benefit to Guarantor. Guarantor's guaranty pursuant to this Guaranty Agreement reasonably may be expected to benefit, directly or indirectly, Guarantor.

(b) Existence. Guarantor is a limited partnership duly organized and legally existing under the laws of the State of Delaware and is duly qualified in all jurisdictions wherein the property owned or the business transacted by it makes such qualification necessary, except where the failure to be so qualified could reasonably be expected to have a Material Adverse Effect.

(c) Power and Authorization. Guarantor is duly authorized and empowered to execute, deliver and perform this Guaranty Agreement and all action on Guarantor's part requisite for the due execution, delivery and performance of this Guaranty Agreement has been duly and effectively taken.

(d) Binding Obligations. This Guaranty Agreement constitutes a valid and binding obligation of Guarantor, enforceable in accordance with its terms (except that enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors' rights).

(e) No Legal Bar. This Guaranty Agreement will not violate any provisions of Guarantor's limited partnership agreement or any contract, agreement, law, regulation, order, injunction, judgment, decree or writ to which Guarantor is subject.

(f) No Consent. Guarantor's execution, delivery and performance of this Guaranty Agreement does not require the consent or approval of any other Person, including without limitation any regulatory authority or governmental body of the

United States or any state thereof or any political subdivision of the United States or any state thereof.

(g) Solvency. The Guarantor hereby represents that (i) it is not insolvent as of the date hereof and will not be rendered insolvent as a result of this Guaranty Agreement, (ii) it is not engaged in business or a transaction, or about to engage in a business or a transaction, for which any property or assets remaining with such Guarantor is unreasonably small capital, and (iii) it does not intend to incur, or believe it will incur, debts that will be beyond its ability to pay as such debts mature.

Section 3.2 No Representation by Lenders. Neither the Lenders nor any other Person has made any representation, warranty or statement to the Guarantor in order to induce the Guarantor to execute this Guaranty Agreement.

ARTICLE 4

Subordination of Indebtedness

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term "Guarantor Claims" shall mean all debts and liabilities of Borrower to Guarantor, whether such debts and liabilities now exist or are hereafter incurred or arise, or whether the obligation of Borrower thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or liabilities be evidenced by note, contract, open account, or otherwise, and irrespective of the person or persons in whose favor such debts or liabilities may, at their inception, have been, or may hereafter be created, or the manner in which they have been or may hereafter be acquired by Guarantor. The Guarantor Claims shall include without limitation all rights and claims of Guarantor against Borrower arising as a result of subrogation or otherwise as a result of Guarantor's payment of all or a portion of the Liabilities. Until the Liabilities shall be paid and satisfied in full and Guarantor shall have performed all of its obligations hereunder, Guarantor shall not receive or collect, directly or indirectly, from Borrower or any other party any amount upon the Guarantor Claims if an Event of Default exists at the time of such receipt or collection.

Section 4.2 Claims in Bankruptcy. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Borrower as debtor, the Lenders shall have the right to prove their claim in any proceeding, so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian, dividends and payments which would otherwise be payable upon Guarantor Claims up to the amount of the Liabilities. Guarantor hereby assigns such dividends and payments to the Lenders up to the amount of the Liabilities. Should the Agent or any Lender receive, for application upon the Liabilities, any such dividend or payment which is otherwise payable to Guarantor, and which, as between Borrower and Guarantor, shall constitute a credit upon the Guarantor Claims, then upon payment in full of the Liabilities, Guarantor shall become subrogated to the rights of the Lenders to the extent that such payments to the Lenders on the Guarantor Claims have contributed toward the liquidation of the Liabilities, and such subrogation shall be with respect to that proportion of the Liabilities which would have been unpaid if the Agent or a Lender had not received dividends or payments upon the Guarantor Claims.

Section 4.3 Payments Held in Trust. In the event that notwithstanding Sections 4.1 and 4.2 above, Guarantor should receive any funds, payments, claims or distributions which is prohibited by such Sections, Guarantor agrees to hold in trust for the Lenders an amount equal to the amount of all funds, payments, claims or distributions so received, and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions except to pay them promptly to the Agent, and Guarantor covenants promptly to pay the same to the Agent.

Section 4.4 Liens Subordinate. Guarantor agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Liabilities, regardless of whether such encumbrances in favor of Guarantor, the Agent or the Lenders presently exist or are hereafter created or attach. Without the prior written consent of the Lenders, Guarantor shall not (a) exercise or enforce any creditor's right it may have against the Borrower, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceeding (judicial or otherwise, including without limitation the commencement of or joinder in any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any lien, mortgages, deeds of trust, security interest, collateral rights, judgments or other encumbrances on assets of Borrower held by Guarantor.

Section 4.5 Notation of Records. All promissory notes accepted by or held by Guarantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Guaranty Agreement.

ARTICLE 5

Miscellaneous

Section 5.1 Successors and Assigns. This Guaranty Agreement is and shall be in every particular available to the respective successors and assigns of the Agent and the Lenders and is and shall always be fully binding upon the legal representatives, heirs, successors and assigns of Guarantor, notwithstanding that some or all of the monies, the repayment of which is guaranteed by this Guaranty Agreement, may be actually advanced after any bankruptcy, receivership, reorganization, death, disability or other event affecting Guarantor.

Section 5.2 Notices. Any notice or demand to Guarantor under or in connection with this Guaranty Agreement may be given and shall conclusively be deemed and considered to have been given and received in accordance with Section 9.01 of the Credit Agreement, addressed to Guarantor at the address on the signature page hereof or at such other address provided by the Guarantor to the Agent in writing.

Section 5.3 Construction. This Guaranty Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the State of New York.

Section 5.4 Invalidity. In the event that any one or more of the provisions contained in this Guaranty Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Guaranty Agreement.

Section 5.5 Liability of General Partner. It is hereby understood and agreed that Enterprise Products GP, LLC, the general partner of the Guarantor, shall have no personal liability, as general partner or otherwise, for the payment of the Liabilities or any amount owing or to be owing hereunder.

Section 5.6 ENTIRE AGREEMENT. **THIS WRITTEN GUARANTY AGREEMENT EMBODIES THE ENTIRE AGREEMENT AND UNDERSTANDING BETWEEN THE AGENT, THE LENDERS AND THE GUARANTOR AND SUPERSEDES ALL OTHER AGREEMENTS AND UNDERSTANDINGS BETWEEN SUCH PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF. THIS WRITTEN**

GUARANTY AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Section 5.7 Submission to Jurisdiction. The Guarantor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Guaranty Agreement, or for recognition or enforcement of any judgment, and the Guarantor hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. The Guarantor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Guaranty Agreement shall affect any right that the Administrative Agent may otherwise have to bring any action or proceeding relating to this Guaranty Agreement against the Guarantor or its properties in the courts of any jurisdiction. The Guarantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty Agreement in any court referred to above. The Guarantor hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. The Guarantor irrevocably consents to service of process in the manner provided for notices in Section 5.2 above. Nothing in this Guaranty Agreement will affect the right of Administrative Agent or any Lender to serve process in any other manner permitted by law.

SECTION 5.8 WAIVER OF JURY TRIAL. THE GUARANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT

OR ANY OTHER THEORY). THE GUARANTOR (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ADMINISTRATIVE AGENT, ANY LENDER OR ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND ADMINISTRATIVE AGENT, BY ITS ACCEPTANCE HEREOF, HAVE BEEN INDUCED TO ENTER INTO OR ACCEPT THIS GUARANTY AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

WITNESS THE EXECUTION HEREOF, as of the date first above written.

ENTERPRISE PRODUCTS PARTNERS L.P.,
a Delaware limited partnership

By: Enterprise Products GP, LLC, General Partner

By: ______________________________

Name: ______________________________

Title: ______________________________

2727 North Loop West
7th Floor
Houston, Texas 77008

EXHIBIT 31.2

SARBANES-OXLEY SECTION 302 CERTIFICATION

CERTIFICATION OF O.S. ANDRAS, PRINCIPAL EXECUTIVE OFFICER OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF ENTERPRISE PRODUCTS OPERATING L.P.

I, O.S. Andras, the Principal Executive Officer of Enterprise Products GP, LLC, the General Partner of Enterprise Products Operating L.P., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise Products Operating L.P.;

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

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

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

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ O.S. Andras

Name: O.S. Andras
Title: Principal Executive Officer of our General Partner, Enterprise Products GP, LLC

EXHIBIT 31.3

SARBANES-OXLEY SECTION 302 CERTIFICATION

CERTIFICATION OF MICHAEL A. CREEL, PRINCIPAL FINANCIAL OFFICER OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF ENTERPRISE PRODUCTS PARTNERS L.P.

I, Michael A. Creel, the Principal Financial Officer of Enterprise Products GP, LLC, the General Partner of Enterprise Products Partners L.P., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise Products Partners L.P.;

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

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

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

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ Michael A. Creel

Name: Michael A. Creel
Title: Principal Financial Officer of our General Partner, Enterprise Products GP, LLC

EXHIBIT 31.4

SARBANES-OXLEY SECTION 302 CERTIFICATION

CERTIFICATION OF MICHAEL A. CREEL, PRINCIPAL FINANCIAL OFFICER OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF ENTERPRISE PRODUCTS OPERATING L.P.

I, Michael A. Creel, the Principal Financial Officer of Enterprise Products GP, LLC, the General Partner of Enterprise Products Operating L.P., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise Products Operating L.P.;

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

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

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

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ Michael A. Creel

Name: Michael A. Creel
Title: Principal Financial Officer of our General Partner, Enterprise Products GP, LLC

EXHIBIT 32.1

SARBANES-OXLEY SECTION 906 CERTIFICATION

**CERTIFICATION OF O.S. ANDRAS, CHIEF EXECUTIVE OFFICER
OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF
ENTERPRISE PRODUCTS OPERATING L.P. AND ENTERPRISE PRODUCTS PARTNERS L.P.**

In connection with this combined quarterly report of Enterprise Products Partners L.P. and Enterprise Products Operating L.P. (collectively, the "Registrants") on Form 10-Q for the quarterly period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, O.S. Andras, Chief Executive Officer of Enterprise Products GP, LLC, the General Partner of the Registrants, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ O.S. Andras

Name: O.S. Andras
Title: Chief Executive Officer of Enterprise Products GP, LLC
on behalf of Enterprise Products Operating L.P. and
Enterprise Products Partners L.P.

Date: November 13, 2003

A signed original of this written statement required by Section 906 has been provided to the Registrants and will be retained by the Registrants and furnished to Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

SARBANES-OXLEY SECTION 906 CERTIFICATIONS

CERTIFICATION OF MICHAEL A. CREEL, CHIEF FINANCIAL OFFICER OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF ENTERPRISE PRODUCTS OPERATING L.P. AND ENTERPRISE PRODUCTS PARTNERS L.P.

In connection with the combined quarterly report of Enterprise Products Partners L.P. and Enterprise Products Operating L.P. (collectively, the “Registrants”) on Form 10-Q for the quarterly period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael A. Creel, Chief Financial Officer of Enterprise Products GP, LLC, the General Partner of the Registrants, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Michael A. Creel

Name: Michael A. Creel
Title: Chief Financial Officer of Enterprise Products GP, LLC on behalf of Enterprise Products Operating L.P. and Enterprise Products Partners L.P.

Date: November 13, 2003

A signed original of this written statement required by Section 906 has been provided to the Registrants and will be retained by the Registrants and furnished to Securities and Exchange Commission or its staff upon request.

EXHIBIT 31.1

SARBANES-OXLEY SECTION 302 CERTIFICATION

CERTIFICATION OF O.S. ANDRAS, PRINCIPAL EXECUTIVE OFFICER OF ENTERPRISE PRODUCTS GP, LLC THE GENERAL PARTNER OF ENTERPRISE PRODUCTS PARTNERS L.P.

I, O.S. Andras, the Principal Executive Officer of Enterprise Products GP, LLC, the General Partner of Enterprise Products Partners L.P., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Enterprise Products Partners L.P.;

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

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

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

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2003

/s/ O.S. Andras

Name: O.S. Andras
Title: Principal Executive Officer of our General Partner, Enterprise Products GP, LLC