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 June 30, 2007

OR

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

For the transition period from ___ to ___.

Commission file number: 1-14323

ENTERPRISE PRODUCTS PARTNERS L.P.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**76-0568219**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

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

(713) 381-6500
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

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

Large accelerated filer x Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

There were 434,062,817 common units of Enterprise Products Partners L.P. outstanding at August 1, 2007. These common units trade on the New York Stock Exchange under the ticker symbol "EPD."

ENTERPRISE PRODUCTS PARTNERS L.P.
TABLE OF CONTENTS

		Page No.
	PART I. FINANCIAL INFORMATION.	
Item 1.	**Financial Statements.**	
	Unaudited Condensed Consolidated Balance Sheets	2
	Unaudited Condensed Statements of Consolidated Operations	3
	Unaudited Condensed Statements of Consolidated Comprehensive Income	4
	Unaudited Condensed Statements of Consolidated Cash Flows	5
	Unaudited Condensed Statements of Consolidated Partners’ Equity	6
	Notes to Unaudited Condensed Consolidated Financial Statements:	
	1. Partnership Organization	7
	2. General Accounting Policies and Related Matters	8
	3. Accounting for Unit-Based Awards	11
	4. Financial Instruments	13
	5. Inventories	15
	6. Property, Plant and Equipment	16
	7. Investments in and Advances to Unconsolidated Affiliates	16
	8. Intangible Assets and Goodwill	19
	9. Debt Obligations	20
	10. Partners’ Equity and Distributions	24
	11. Business Segments	26
	12. Related Party Transactions	29
	13. Earnings Per Unit	34
	14. Commitments and Contingencies	35
	15. Significant Risks and Uncertainties – Weather-Related Risks	37
	16. Supplemental Cash Flow Information	38
	17. Condensed Financial Information of EPO	39
Item 2.	**Management’s Discussion and Analysis of Financial Condition and Results of Operations.**	41
Item 3.	**Quantitative and Qualitative Disclosures about Market Risk.**	66
Item 4.	**Controls and Procedures.**	69
	PART II. OTHER INFORMATION.	
Item 1.	**Legal Proceedings.**	69
Item 1A.	**Risk Factors.**	69
Item 2.	**Unregistered Sales of Equity Securities and Use of Proceeds.**	70
Item 3.	**Defaults upon Senior Securities.**	70
Item 4.	**Submission of Matters to a Vote of Security Holders.**	70
Item 5.	**Other Information.**	70
Item 6.	**Exhibits.**	70
Signatures		77

PART I. FINANCIAL INFORMATION.

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

ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

ASSETS	June 30, 2007	December 31, 2006
Current assets:		
Cash and cash equivalents	$ 63,363	$ 22,619
Restricted cash	23,359	23,667
Accounts and notes receivable - trade, net of allowance for doubtful accounts of $22,868 at June 30, 2007 and $23,406 at December 31, 2006	1,491,856	1,306,290
Accounts receivable - related parties	91,619	16,738
Inventories	335,622	423,844
Prepaid and other current assets	173,327	129,000
Total current assets	2,179,146	1,922,158
Property, plant and equipment, net	10,734,130	9,832,547
Investments in and advances to unconsolidated affiliates	836,091	564,559
Intangible assets, net of accumulated amortization of $297,002 at June 30, 2007 and $251,876 at December 31, 2006	950,260	1,003,955
Goodwill	590,647	590,541
Deferred tax asset	2,369	1,855
Other assets	77,630	74,103
Total assets	$ 15,370,273	$ 13,989,718
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities:		
Accounts payable – trade	$ 285,671	$ 277,070
Accounts payable – related parties	32,846	6,785
Accrued gas payables	1,552,074	1,364,493
Accrued expenses	44,539	35,763
Accrued interest	94,837	90,865
Other current liabilities	194,894	209,945
Total current liabilities	2,204,861	1,984,921
Long-term debt: (see Note 9)		
Senior debt obligations – principal	5,063,949	4,779,068
Junior Subordinated Notes A – principal	550,000	550,000
Junior Subordinated Notes B – principal	700,000	--
Other	(54,234)	(33,478)
Total long-term debt	6,259,715	5,295,590
Deferred tax liabilities	17,310	13,723
Other long-term liabilities	108,716	86,121
Minority interest	434,665	129,130
Commitments and contingencies		
Partners' equity:		
Limited partners		
Common units (432,466,493 units outstanding at June 30, 2007 and 431,303,193 units outstanding at December 31, 2006)	6,145,945	6,320,577
Restricted common units (1,596,324 units outstanding at June 30, 2007 and 1,105,237 units outstanding at December 31, 2006)	11,389	9,340
General partner	126,037	129,175
Accumulated other comprehensive income	61,635	21,141
Total partners' equity	6,345,006	6,480,233
Total liabilities and partners' equity	$ 15,370,273	$ 13,989,718

See Notes to Unaudited Condensed Consolidated Financial Statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS
(Dollars in thousands, except per unit amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Revenues:				
Third parties	$ 4,076,573	$ 3,404,419	$ 7,335,185	$ 6,564,418
Related parties	136,233	113,434	200,475	203,509
Total	4,212,806	3,517,853	7,535,660	6,767,927
Costs and expenses:				
Operating costs and expenses:				
Third parties	3,875,050	3,244,576	6,915,583	6,189,796
Related parties	85,622	79,009	169,568	180,652
Total operating costs and expenses	3,960,672	3,323,585	7,085,151	6,370,448
General and administrative costs:				
Third parties	10,628	5,405	14,203	8,137
Related parties	20,733	10,830	33,788	21,838
Total general and administrative costs	31,361	16,235	47,991	29,975
Total costs and expenses	3,992,033	3,339,820	7,133,142	6,400,423
Equity in income (loss) of unconsolidated affiliates	(6,211)	8,012	(32)	12,041
Operating income	214,562	186,045	402,486	379,545
Other income (expense):				
Interest expense	(71,275)	(56,333)	(134,633)	(114,410)
Interest income	2,408	1,455	4,443	3,116
Other, net	339	1,938	232	2,246
Other expense	(68,528)	(52,940)	(129,958)	(109,048)
Income before provision for income taxes, minority interest and the cumulative effect of change in accounting principle	146,034	133,105	272,528	270,497
Provision for income taxes	1,860	(6,272)	(6,928)	(9,164)
Income before minority interest and the cumulative effect of change in accounting principle	147,894	126,833	265,600	261,333
Minority interest	(5,740)	(538)	(11,401)	(2,736)
Income before the cumulative effect of change in accounting principle	142,154	126,295	254,199	258,597
Cumulative effect of change in accounting principle (see Note 2)	--	--	--	1,475
Net income	$ 142,154	$ 126,295	$ 254,199	$ 260,072
Net income allocation: (see Note 13)				
Limited partners' interest in net income	$ 113,527	$ 103,192	$ 198,576	$ 215,561
General partner interest in net income	$ 28,627	$ 23,103	$ 55,623	$ 44,511
Earning per unit: (see Note 13)				
Basic income per unit before change in accounting principle	$ 0.26	$ 0.25	$ 0.46	$ 0.53
Basic income per unit	$ 0.26	$ 0.25	$ 0.46	$ 0.54
Diluted income per unit before change in accounting principle	$ 0.26	$ 0.25	$ 0.46	$ 0.53
Diluted income per unit	$ 0.26	$ 0.25	$ 0.46	$ 0.54

See Notes to Unaudited Condensed Consolidated Financial Statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
(Dollars in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Net income	$ 142,154	$ 126,295	$ 254,199	$ 260,072
Other comprehensive income:				
Cash flow hedges:				
Net commodity financial instrument gains (losses) during period	(3,121)	(7,951)	846	(7,700)
Net interest rate financial instrument gains during period	29,752	1,638	40,264	1,638
Less: Amortization of cash flow financing hedges	(1,180)	(1,052)	(2,269)	(2,093)
Total cash flow hedges	25,451	(7,365)	38,841	(8,155)
Foreign currency translation adjustment	148	--	549	--
Total other comprehensive income	25,599	(7,365)	39,390	(8,155)
Comprehensive income	$ 167,753	$ 118,930	$ 293,589	$ 251,917

See Notes to Unaudited Condensed Consolidated Financial Statements.

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

	For the Six Months Ended June 30,	
	2007	**2006**
Operating activities:		
Net income	$ 254,199	$ 260,072
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion in operating costs and expenses	240,653	212,768
Depreciation and amortization in general and administrative costs	4,259	3,752
Amortization in interest expense	201	487
Equity in loss (income) of unconsolidated affiliates	32	(12,041)
Distributions received from unconsolidated affiliates	35,026	20,348
Cumulative effect of change in accounting principle	--	(1,475)
Operating lease expense paid by EPCO, Inc.	1,053	1,056
Minority interest	11,401	2,736
Loss (gain) on sale of assets	5,664	(197)
Deferred income tax expense	4,088	9,180
Changes in fair market value of financial instruments	(302)	(53)
Net effect of changes in operating accounts (see Note 16)	(4,225)	74,692
Net cash flows provided by operating activities	552,049	571,325
Investing activities:		
Capital expenditures	(1,129,263)	(613,519)
Contributions in aid of construction costs	48,570	34,941
Proceeds from sale of assets	1,015	256
Decrease (increase) in restricted cash	308	(6,703)
Cash used for business combinations	(785)	--
Investments in unconsolidated affiliates	(294,598)	(111,882)
Advances (to) from unconsolidated affiliates	(12,434)	7,120
Net cash used in investing activities	(1,387,187)	(689,787)
Financing activities:		
Borrowings under debt agreements	3,048,734	1,435,000
Repayments of debt	(2,063,374)	(1,402,000)
Debt issuance costs	(9,261)	--
Distributions paid to partners	(470,561)	(400,474)
Distributions paid to minority interests	(9,416)	(4,131)
Net proceeds from initial public offering of Duncan Energy Partners reflected as a contribution from minority interests (see Notes 1 and 2)	291,044	--
Other contributions from minority interests	12,506	19,018
Settlement of treasury lock contracts	42,269	--
Repurchase of restricted units and options	(1,568)	--
Net proceeds from issuance of our common units	35,899	453,475
Net cash provided by financing activities	876,272	100,888
Effect of exchange rate changes on cash	(390)	--
Net change in cash and cash equivalents	41,134	(17,574)
Cash and cash equivalents, January 1	22,619	42,098
Cash and cash equivalents, June 30	$ 63,363	$ 24,524

See Notes to Unaudited Condensed Consolidated Financial Statements.

ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED PARTNERS' EQUITY
(See Note 10 for Unit History and Detail of Changes in Limited Partners' Equity)
(Dollars in thousands)

	Limited Partners	General Partner	AOCI	Total
Balance, December 31, 2006	$ 6,329,917	$ 129,175	$ 21,141	$ 6,480,233
Net income	198,576	55,623	--	254,199
Operating leases paid by EPCO, Inc.	1,032	21	--	1,053
Cash distributions to partners	(407,826)	(59,896)	--	(467,722)
Net proceeds from sales of common units	27,676	877	--	28,553
Proceeds from exercise of unit options	7,139	207	--	7,346
Repurchase of restricted units and options	(1,568)	--	--	(1,568)
Unit option reimbursements to EPCO, Inc.	(2,786)	(57)	--	(2,843)
Change in funded status of pension and postretirement plans, net of tax	--	--	1,104	1,104
Amortization of equity awards	5,174	87	--	5,261
Foreign currency translation adjustment	--	--	549	549
Cash flow hedges	--	--	38,841	38,841
Balance, June 30, 2007	$ 6,157,334	$ 126,037	$ 61,635	$ 6,345,006

See Notes to Unaudited Condensed Consolidated Financial Statements.

Note 1. Partnership Organization

Partnership Organization

Enterprise Products Partners L.P. is a publicly traded Delaware limited partnership, the common units of which are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "EPD." Unless the context requires otherwise, references to "we," "us," "our," or "Enterprise Products Partners" are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries.

We were formed in April 1998 to own and operate certain natural gas liquids ("NGLs") related businesses of EPCO, Inc. ("EPCO"). We conduct substantially all of our business through our wholly owned subsidiary, Enterprise Products Operating LLC ("EPO"), as successor in interest by merger to Enterprise Products Operating L.P. We are owned 98% by our limited partners and 2% by Enterprise Products GP, LLC (our general partner, referred to as "Enterprise Products GP"). Enterprise Products GP is owned 100% by Enterprise GP Holdings L.P. ("Enterprise GP Holdings"), a publicly traded affiliate, the units of which are listed on the NYSE under the ticker symbol "EPE." The general partner of Enterprise GP Holdings is EPE Holdings, LLC ("EPE Holdings"), a wholly owned subsidiary of Dan Duncan LLC, the membership interests of which are owned by Dan L. Duncan. We, Enterprise Products GP, Enterprise GP Holdings, EPE Holdings and Dan Duncan LLC are affiliates and under common control of Dan L. Duncan, the Chairman and controlling shareholder of EPCO.

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

References to "Energy Transfer Equity" mean the business and operations of Energy Transfer Equity, L.P. and its consolidated subsidiaries. References to "ETE GP" mean LE GP, LLC, which is the general partner of Energy Transfer Equity. On May 7, 2007, Enterprise GP Holdings acquired non-controlling interests in both ETE GP and Energy Transfer Equity.

References to "Employee Partnerships" mean EPE Unit L.P. ("EPE Unit I"), EPE Unit II, L.P. ("EPE Unit II") and EPE Unit III, L.P. ("EPE Unit III"), collectively, which are private company affiliates of EPCO.

On February 5, 2007, a consolidated subsidiary of ours, Duncan Energy Partners L.P. ("Duncan Energy Partners"), completed an initial public offering of its common units (see Note 12). Duncan Energy Partners owns equity interests in certain of our midstream energy businesses.

For financial reporting purposes, we consolidate the financial statements of Duncan Energy Partners with those of our own and reflect its operations in our business segments. We control Duncan Energy Partners through our ownership of its general partner. Also, due to common control of the entities by Dan L. Duncan, the initial consolidated balance sheet of Duncan Energy Partners reflects our historical carrying basis in each of the subsidiaries contributed to Duncan Energy Partners. Public ownership of Duncan Energy Partners' net assets and earnings are presented as a component of minority interest in our consolidated financial statements. The borrowings of Duncan Energy Partners are presented as part of our consolidated debt; however, we do not have any obligation for the payment of interest or repayment of borrowings incurred by Duncan Energy Partners.

Basis of Presentation

Our results of operations for the three and six months ended June 30, 2007 are not necessarily indicative of results expected for the full year.

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

Essentially all of our assets, liabilities, revenues and expenses are recorded at EPO's level in our consolidated financial statements. We act as guarantor of certain of EPO's debt obligations. See Note 17 for condensed consolidated financial information of EPO.

In our opinion, the accompanying Unaudited Condensed Consolidated Financial Statements include all adjustments consisting of normal recurring accruals necessary for fair presentation. Although we believe the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These Unaudited Condensed Consolidated Financial Statements should be read in conjunction with our annual report on Form 10-K for the year ended December 31, 2006 (Commission File No. 1-14323).

Note 2. General Accounting Policies and Related Matters

Accounting for Employee Benefit Plans

Dixie Pipeline Company ("Dixie"), a consolidated subsidiary, employs the personnel that operate its pipeline system and certain of these employees are eligible to participate in a defined contribution plan and pension and postretirement benefit plans. Due to the immaterial nature of Dixie's employee benefit plans to our consolidated financial position, results of operations and cash flows, our discussion is limited to the following:

Defined Contribution Plan. Dixie contributed $0.1 million to its company-sponsored defined contribution plan during each of the three month periods ended June 30, 2007 and 2006. During each of the six month periods ended June 30, 2007 and 2006, Dixie contributed $0.2 million to its company-sponsored defined contribution plan.

Pension and Postretirement Benefit Plans. Dixie's net pension benefit costs were $0.1 million and $0.2 million for the three months ended June 30, 2007 and 2006, respectively. For each of the six month periods ended June 30, 2007 and 2006, Dixie's net pension benefit costs were $0.3 million. Dixie's net postretirement benefit costs were $0.1 million for each of the three month periods ended June 30, 2007 and 2006. For the six months ended June 30, 2007 and 2006, Dixie's net postretirement benefit costs were $0.2 million and $0.1 million, respectively. During the remainder of 2007, Dixie expects to contribute approximately $1.2 million to its postretirement benefit plan and approximately $0.2 million to its pension plan.

Consolidation Policy

We evaluate our financial interests in business enterprises to determine if they represent variable interest entities where we are the primary beneficiary. If such criteria are met, we consolidate the financial statements of such businesses with those of our own. Our consolidated financial statements include our accounts and those of our majority-owned subsidiaries in which we have a controlling interest, after the elimination of intercompany accounts and transactions. We also consolidate other entities and ventures in which we possess a controlling financial interest as well as partnership interests where we are the sole general partner of the partnership.

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

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

Cumulative Effect of Change in Accounting Principle

In January 2006, we adopted the provisions of Statement of Financial Accounting Standards ("SFAS") 123(R), "Share-Based Payment." Upon adoption of this accounting standard, we recognized, as a benefit, a cumulative effect of change in accounting principle of $1.5 million.

Environmental Costs

Environmental costs for remediation are accrued based on estimates of known remediation requirements. Such accruals are based on management's best estimate of the ultimate cost to remediate a site and are adjusted as further information and circumstances develop. Those estimates may change substantially depending on information about the nature and extent of contamination, appropriate remediation technologies, and regulatory approvals. Ongoing environmental compliance costs are charged to expense as incurred. In accruing for environmental remediation liabilities, costs of future expenditures for environmental remediation are not discounted to their present value, unless the amount and timing of the expenditures are fixed or reliably determinable. Expenditures to mitigate or prevent future environmental contamination are capitalized.

At June 30, 2007 and December 31, 2006, our accrued liabilities for environmental remediation projects totaled $28.6 million and $24.2 million, respectively. These amounts were derived from a range of reasonable estimates based upon studies and site surveys. Unanticipated changes in circumstances and/or legal requirements could result in expenses being incurred in future periods in addition to an increase in actual cash required to remediate contamination for which we are responsible.

In February 2007, we reserved $6.5 million in cash received from a third party to fund anticipated future environmental remediation costs associated with certain assets that we had acquired from the third party. Previously, the third party had been obligated to indemnify us for such costs. As a result of the settlement, this indemnification was terminated.

Estimates

Preparing our Unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our actual results could differ from these estimates. On an ongoing basis, management reviews its estimates based on currently available information. Changes in facts and circumstances may result in revised estimates.

Income Taxes

We are organized as a pass-through entity for income tax purposes. As a result, our partners are responsible for federal income taxes on their share of our taxable income. For the three and six months ended June 30, 2007 and 2006, our provision for income taxes is applicable to state tax obligations under

the Texas Margin Tax and certain federal and state tax obligations of Seminole Pipeline Company ("Seminole") and Dixie.

In accordance with Financial Accounting Standards Board Interpretation ("FIN") 48, "Accounting for Uncertainty in Income Taxes," we must recognize the tax effects of any uncertain tax positions we may adopt, if the position taken by us is more likely than not sustainable. If a tax position meets such criteria, the tax effect to be recognized by us would be the largest amount of benefit with more than a 50% chance of being realized upon settlement. This guidance was effective January 1, 2007, and our adoption of this guidance had no material impact on our financial position, results of operations or cash flows.

Minority Interest

As presented in our Unaudited Condensed Consolidated Balance Sheets, minority interest represents third-party ownership interests in the net assets of our consolidated subsidiaries. For financial reporting purposes, the assets and liabilities of our majority owned subsidiaries are consolidated with those of our own, with any third-party ownership interests in such amounts presented as minority interest. Effective February 1, 2007, the public owners of Duncan Energy Partners' common units are presented as a minority interest in our consolidated financial statements.

Minority interest, as reflected on our June 30, 2007 balance sheet, consists of $293.5 million attributable to third party owners of Duncan Energy Partners and the remainder to our other consolidated affiliates.

Minority interest expense for the three and six months ended June 30, 2007 includes $3.3 million and $6.1 million, respectively, attributable to third party owners of Duncan Energy Partners. The remaining minority interest expense amounts for these periods in 2007 and likewise those for 2006 are attributable to our other consolidated affiliates.

Contributions from minority interests for the six months ended June 30, 2007 includes $291.0 million received from third parties in connection with the initial public offering of Duncan Energy Partners in February 2007.

Recent Accounting Developments

SFAS 157, "Fair Value Measurements," defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007 and we will be required to adopt SFAS 157 on January 1, 2008. We do not believe SFAS 157 will have a material impact on our financial position, results of operations, and cash flows since we already apply its basic concepts in measuring fair values used to record various transactions such as business combinations and asset acquisitions.

SFAS 159, "Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115," permits entities to choose to measure many financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected would be reported in net income. SFAS 159 also establishes presentation and disclosure requirements designed to draw comparisons between the different measurement attributes the company elects for similar types of assets and liabilities. SFAS 159 is effective for fiscal years beginning after November 15, 2007. We do not believe SFAS 159 will have a material impact on our financial position, results of operations, and cash flows.

Note 3. Accounting for Unit-Based Awards

We account for unit-based awards in accordance with SFAS 123(R). SFAS 123(R) requires us to recognize compensation expense related to equity awards based on the fair value of the award at grant date. The fair value of restricted unit awards is based on the market price of the underlying common units on the date of grant. The fair value of other unit-based awards is estimated using the Black-Scholes option pricing model. Under SFAS 123(R), the fair value of an equity-classified award is amortized to earnings on a straight-line basis over the requisite service or vesting period. Compensation expense for liability-classified awards is recognized over the requisite service or vesting period of an award based on the fair value of the award remeasured at each reporting period.

Unit Options and Restricted Units

Under EPCO's 1998 Long-Term Incentive Plan (the "1998 Plan"), non-qualified incentive options to purchase a fixed number of our common units may be granted to EPCO's key employees who perform management, administrative or operational functions for us.

The information in the following table presents unit option activity under the 1998 Plan for the periods indicated:

	Number of Units	Weighted-average strike price (dollars/unit)	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic Value [1]
Outstanding at December 31, 2006	2,416,000	$ 23.32		
Granted [2]	795,000	30.96		
Exercised	(230,500)	18.89		
Settled	(710,000)	24.35		
Outstanding at June 30, 2007	2,270,500	26.12	8.14	$ 3,502
Options exercisable at:				
June 30, 2007	360,500	$ 22.10	4.52	$ 3,502

(1) Aggregate intrinsic value reflects fully vested unit options at June 30, 2007.

(2) The total grant date value of these awards was $2.1 million based on the following assumptions (i) expected life of the option of seven years; (ii) risk-free interest rate of 4.83%; (iii) expected distribution yield on units of 8.42%; and (iv) expected unit price volatility on units of 23.21%.

The total intrinsic value of unit options exercised during the three and six months ended June 30, 2007 was $1.2 million and $2.8 million, respectively. We recognized $3.9 million and $0.2 million of compensation expense associated with unit options during the three month periods ended June 30, 2007 and 2006, respectively. We recognized $4.1 million and $0.3 million of compensation expense associated with unit options during the six months ended June 30, 2007 and 2006, respectively. Compensation expense for the three and six months ended June 30 ,2007 includes $3.7 million associated with the resignation of our former chief executive officer.

As of June 30, 2007, there was an estimated $3.2 million of total unrecognized compensation cost related to non-vested unit options granted under the 1998 Plan. We expect to recognize our share of this cost over a weighted-average period of 3.25 years in accordance with the EPCO administrative services agreement.

During the six months ended June 30, 2007 and 2006, we received cash of $7.3 million and $1.6 million, respectively, from the exercise of unit options, and our option-related reimbursements to EPCO were $2.8 million and $0.7 million, respectively.

Under the 1998 Plan, we may also issue restricted common units to key employees of EPCO and directors of our general partner. The following table summarizes information regarding our restricted common units for the periods indicated:

	Number of Units	Weighted-Average Grant Date Fair Value per Unit (1)
Restricted units at December 31, 2006	1,105,237	
Granted (2)	620,140	$ 25.74
Forfeited or settled	(129,053)	$ 23.28
Restricted units at June 30, 2007	1,596,324	

(1) Determined by dividing the aggregate grant date fair value of awards (including an allowance for forfeitures) by the number of awards issued.
(2) Aggregate grant date fair value of restricted common unit awards issued during 2007 was $16.0 million based on a grant date market price of our common units ranging from $30.16 to $30.96 per unit and estimated forfeiture rates ranging from 9.2% to 17.0%.

During the three months ended June 30, 2007 and 2006, we recognized $2.3 million and $1.8 million, respectively, of compensation expense in connection with restricted common units. We recognized $3.7 million and $2.7 million of compensation expense in connection with restricted common units during the six months ended June 30, 2007 and 2006, respectively. No restricted units vested during the three and six months ended June 30, 2007. Compensation expense for the three and six months ended June 30 ,2007 includes $0.9 million associated with the resignation of our former chief executive officer.

As of June 30, 2007, there was $27.8 million of total unrecognized compensation cost related to restricted common units. We will recognize our share of such costs in accordance with the EPCO administrative services agreement. At June 30, 2007, these costs are expected to be recognized over a weighted-average period of 2.8 years.

The 1998 Plan provides for the issuance of up to 7,000,000 common units. As of June 30, 2007, 1,689,500 common units had been issued in connection with the exercise of unit options. After giving effect to outstanding unit options at June 30, 2007 and the issuance and forfeiture of restricted common units through June 30, 2007, a total of 3,606,303 additional common units could be issued under the 1998 Plan.

Employee Partnerships

For the three months ended June 30, 2007 and 2006, we recorded $0.7 million and $0.6 million, respectively, of compensation expense associated with EPE Unit I, EPE Unit II and EPE Unit III ("the Employee Partnerships"). We recorded $1.2 million and $1.1 million of compensation expense associated with the Employee Partnerships during the six months ended June 30, 2007 and 2006, respectively. As of June 30, 2007, there was $8.2 million of total unrecognized compensation cost related to EPE Unit I and EPE Unit II, of which we will recognize our share in accordance with the EPCO administrative services agreement.

EPE Unit III. EPE Unit III was formed on May 7, 2007 and owns 4,421,326 units of Enterprise GP Holdings contributed to it by a private company affiliate of EPCO, which, in turn, was made the Class A limited partner of EPE Unit III. On the date of contribution, the fair market value of the units contributed by the Class A limited partner was $170.0 million (the "Class A limited partner capital base"). Certain EPCO employees were issued Class B limited partner interests and admitted as Class B limited partners of EPE Unit III without any capital contribution. The profits interest awards (i.e., Class B limited partner interests) in EPE Unit III entitle the holder to participate in the appreciation in value of units of Enterprise GP Holdings owned by EPE Unit III.

Unless otherwise agreed to by EPCO, the Class A limited partner and a majority in interest of the Class B limited partners of EPE Unit III, EPE Unit III will be liquidated upon the earlier of: (i) May 7, 2012 or (ii) a change in control of Enterprise GP Holdings or its general partner. EPE Unit III has the following material terms regarding its quarterly cash distribution to partners:

§ Distributions of Cashflow – Each quarter, 100% of the cash distributions received by EPE Unit III from Enterprise GP Holdings will be distributed to the Class A limited partner until it has received an amount equal to the Class A preferred return (as defined below), and any remaining distributions received by EPE Unit III will be distributed to the Class B limited partners. The Class A preferred return equals 3.797%, of the Class A limited partner's capital base. The Class A limited partner's capital base equals approximately $170.0 million plus any unpaid Class A preferred return from prior periods, less any distributions made by EPE Unit III of proceeds from the sale of Enterprise GP Holdings' units owned by EPE Unit III (as described below).

§ Liquidating Distributions – Upon liquidation of EPE Unit III, units having a fair market value equal to the Class A limited partner capital base will be distributed to a private company affiliate of EPCO, plus any accrued Class A preferred return for the quarter in which liquidation occurs. Any remaining units will be distributed to the Class B limited partners.

§ Sale Proceeds – If EPE Unit III sells any of the 4,421,326 of Enterprise GP Holdings' units that it owns, the sale proceeds will be distributed to the Class A limited partner and the Class B limited partners in the same manner as liquidating distributions described above.

The Class B limited partner interests in EPE Unit III that are owned by EPCO employees are subject to forfeiture if the participating employee's employment with EPCO and its affiliates is terminated prior to May 7, 2012, with customary exceptions for death, disability and certain retirements. The risk of forfeiture associated with the Class B limited partner interests in EPE Unit III will also lapse upon certain change of control events.

As of June 30, 2007, there was $22.4 million of total unrecognized compensation cost related to these awards, of which we will recognize our share in accordance with the EPCO administrative services agreement.

Note 4. Financial Instruments

We are exposed to financial market risks, including changes in commodity prices and interest rates. In addition, we are exposed to fluctuations in exchange rates between the U.S. dollar and Canadian dollar. We may use financial instruments (i.e., futures, forwards, swaps, options and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions. In general, the type of risks we attempt to hedge are those related to (i) variability of future earnings, (ii) fair values of certain debt instruments and (iii) cash flows resulting from changes in applicable interest rates, commodity prices or exchange rates. As a matter of policy, we do not use financial instruments for speculative (or "trading") purposes.

Interest Rate Risk Hedging Program

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

Fair Value Hedges – Interest Rate Swaps. As summarized in the following table, we had eleven interest rate swap agreements outstanding at June 30, 2007 that were accounted for as fair value hedges.

Hedged Fixed Rate Debt	Number Of Swaps	Period Covered by Swap	Termination Date of Swap	Fixed to Variable Rate (1)	Notional Amount
Senior Notes B, 7.50% fixed rate, due Feb. 2011	1	Jan. 2004 to Feb. 2011	Feb. 2011	7.50% to 8.74%	$50 million
Senior Notes C, 6.375% fixed rate, due Feb. 2013	2	Jan. 2004 to Feb. 2013	Feb. 2013	6.38% to 7.28%	$200 million
Senior Notes G, 5.6% fixed rate, due Oct. 2014	6	4th Qtr. 2004 to Oct. 2014	Oct. 2014	5.60% to 6.30%	$600 million
Senior Notes K, 4.95% fixed rate, due June 2010	2	Aug. 2005 to June 2010	June 2010	4.95% to 5.80%	$200 million

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

The total fair value of these eleven interest rate swaps at June 30, 2007 and December 31, 2006, was a liability of $49.7 million and $29.1 million, respectively, with an offsetting decrease in the fair value of the underlying debt. Interest expense for the three months ended June 30, 2007 and 2006 includes a $2.3 million and $1.1 million loss from these swap agreements, respectively. For the six months ended June 30, 2007 and 2006, interest expense reflects a loss of $4.6 million and $0.9 million from these swap agreements, respectively.

Cash Flow Hedges – Treasury Locks. During the fourth quarter of 2006, EPO entered into treasury lock transactions having a notional value of $562.5 million. EPO entered into these transactions to hedge the underlying U.S. treasury rates related to its anticipated issuances of debt during the second and fourth quarters of 2007. On February 27, 2007, EPO entered into additional treasury lock transactions having a notional value of $437.5 million. EPO entered into these transactions to hedge the underlying U.S. treasury rates related to its anticipated issuances of debt during 2007. Each of the treasury lock transactions was designated as a cash flow hedge under SFAS 133, “Accounting for Derivative Instruments and Hedging Activities,” as amended and interpreted.

During the second quarter of 2007, treasury locks having a notional amount of $875.0 million were terminated. Treasury locks having a notional amount of $500.0 million were terminated concurrent with the issuance of EPO’s Junior Notes B (see Note 9). An additional $375.0 million notional amount of treasury locks related to the anticipated issuance of debt in the fourth quarter of 2007 were also terminated. The termination of the treasury locks resulted in gains of $42.3 million of which $10.6 million is related to EPO’s Junior Notes B and the remaining $31.7 million is related to a future debt issuance. The $10.6 million gain is being amortized into income using the effective interest method as reductions to future interest expense over the fixed rate term of the Junior Notes B, which is ten years. The remaining $31.7 million gain will be amortized into income over the life of the future debt issuance using the effective interest rate method.

At June 30, 2007, there was one treasury lock outstanding which has a notional amount of $125.0 million and a fair value of $9.3 million.

Commodity Risk Hedging Program

The prices of natural gas, NGLs and certain petrochemical products are subject to fluctuations in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. In order to manage the price risks associated with such products, we may enter into commodity financial instruments.

The primary purpose of our commodity risk management activities is to hedge our exposure to price risks associated with (i) natural gas purchases, (ii) the value of NGL production and inventories, (iii) related firm commitments, (iv) fluctuations in transportation revenues where the underlying fees are based on natural gas index prices and (v) certain anticipated transactions involving either natural gas, NGLs or certain petrochemical products. From time to time, we inject natural gas into storage and utilize hedging instruments to lock in the value of our inventory positions. The commodity financial instruments we utilize may be settled in cash or with another financial instrument.

At June 30, 2007 and December 31, 2006, we had a limited number of commodity financial instruments in our portfolio, which primarily consisted of cash flow hedges. The fair value of our commodity financial instrument portfolio at June 30, 2007 and December 31, 2006 was a liability of $1.0 million and $3.2 million, respectively. During the three and six months ended June 30, 2007, we recorded income of $1.1 million and expense of $1.3 million, respectively, related to our commodity financial instruments. During the three and six months ended June 30, 2006 we recorded $5.9 million and $5.5 million, respectively, of expense related to our commodity financial instruments.

Foreign Currency Hedging Program

We own an NGL marketing business located in Canada and have entered into construction agreements where payments are indexed to the Canadian dollar. As a result, we could be adversely affected by fluctuations in the foreign currency exchange rate between the U.S. dollar and the Canadian dollar. We attempt to hedge this risk using foreign exchange purchase contracts to fix the exchange rate. Due to the limited duration of these contracts, we utilize mark-to-market accounting for these transactions, the effect of which has had a minimal impact on our earnings. We had $3.1 million of such contracts outstanding at June 30, 2007 that settled in July 2007.

Note 5. Inventories

Our inventory amounts were as follows at the dates indicated:

	June 30, 2007	December 31, 2006
Working inventory	$ 325,539	$ 387,973
Forward-sales inventory	10,083	35,871
Inventory	$ 335,622	$ 423,844

Our regular trade (or “working”) inventory is comprised of inventories of natural gas, NGLs, and certain petrochemical products that are available-for-sale or used by us in the provision of services. Our forward sales inventory consists of segregated NGL and natural gas volumes dedicated to the fulfillment of forward-sales contracts. Our inventory values reflect payments for product purchases, freight charges associated with such purchase volumes, terminal and storage fees, vessel inspection costs, demurrage charges and other related costs. We value our inventories at the lower of average cost or market.

Operating costs and expenses, as presented on our Unaudited Condensed Statements of Consolidated Operations, include cost of sales amounts related to the sale of inventories. Our cost of sales was $3.6 billion and $3.0 billion for the three months ended June 30, 2007 and 2006, respectively. For the six months ended June 30, 2007 and 2006, our cost of sales was $6.4 billion and $5.7 billion, respectively.

Due to fluctuating commodity prices in the NGL, natural gas and petrochemical industry, we recognize lower of cost or market (“LCM”) adjustments when the carrying value of our inventories exceed their net realizable value. These non-cash charges are a component of cost of sales in the period they are recognized. For the three months ended June 30, 2007 and 2006, we recognized LCM adjustments of approximately $2.1 million and $0.3 million, respectively. We recognized LCM adjustments of $13.1 million and $12.0 million for the six months ended June 30, 2007 and 2006, respectively.

Note 6. Property, Plant and Equipment

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

	Estimated Useful Life in Years	June 30, 2007	December 31, 2006
Plants and pipelines [1]	3-35 [5]	$ 9,454,757	$ 8,774,683
Underground and other storage facilities [2]	5-35 [6]	679,147	596,649
Platforms and facilities [3]	20-31	591,272	161,839
Transportation equipment [4]	3-10	28,964	27,008
Land		41,945	40,010
Construction in progress		1,632,248	1,734,083
Total		12,428,333	11,334,272
Less accumulated depreciation		1,694,203	1,501,725
Property, plant and equipment, net		$ 10,734,130	$ 9,832,547

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

Depreciation expense for the three months ended June 30, 2007 and 2006 was $99.1 million and $86.9 million, respectively. For the six months ended June 30, 2007 and 2006, depreciation expense was $194.1 million and $170.4 million, respectively. We capitalized $20.4 million and $12.4 million of interest in connection with capital projects during the three months ended June 30, 2007 and 2006, respectively. During the six months ended June 30, 2007 and 2006, we capitalized $41.1 million and $21.6 million, respectively, in connection with capital projects.

Note 7. Investments In and Advances to Unconsolidated Affiliates

We own interests in a number of related businesses that are accounted for using the equity method of accounting. Our investments in and advances to unconsolidated affiliates are grouped according to the business segment to which they relate. See Note 11 for a general discussion of our business segments.

The following table presents our investments in and advances to unconsolidated affiliates at the dates indicated:

	Ownership Percentage at June 30, 2007	Investments in and advances to unconsolidated affiliates at June 30, 2007	Investments in and advances to unconsolidated affiliates at December 31, 2006
NGL Pipelines & Services:			
Venice Energy Service Company L.L.C. ("VESCO")	13.1%	$ 42,340	$ 39,618
K/D/S Promix, L.L.C. ("Promix")	50%	55,091	46,140
Baton Rouge Fractionators LLC ("BRF")	32.3%	25,057	25,471
Onshore Natural Gas Pipelines & Services:			
Jonah Gas Gathering Company ("Jonah")	19.6%	200,649	120,370
Evangeline (1)	49.5%	3,641	4,221
Offshore Pipelines & Services:			
Poseidon Oil Pipeline Company, L.L.C. ("Poseidon")	36%	59,161	62,324
Cameron Highway Oil Pipeline Company ("Cameron Highway") (2)	50%	259,369	60,216
Deepwater Gateway, L.L.C. ("Deepwater Gateway")	50%	113,345	117,646
Neptune Pipeline Company, L.L.C. ("Neptune")	25.7%	56,676	58,789
Nemo Gathering Company, LLC ("Nemo") (3)	33.9%	2,637	11,161
Petrochemical Services:			
Baton Rouge Propylene Concentrator, LLC ("BRPC")	30%	13,896	13,912
La Porte (4)	50%	4,229	4,691
Total		$ 836,091	$ 564,559

(1) Refers to our ownership interests in Evangeline Gas Pipeline Company, L.P. and Evangeline Gas Corp., collectively.
(2) During the second quarter of 2007, we contributed $216.5 million to Cameron Highway to fund our portion of the repayment of Cameron Highway's debt. See "Cameron Highway" discussion within this Note 7.
(3) During the three months ended June 30, 2007, we recorded a $7.0 million non-cash impairment charge attributable to our investment in Nemo. See "Nemo" discussion within this Note 7.
(4) Refers to our ownership interests in La Porte Pipeline Company, L.P. and La Porte GP, LLC, collectively.

On occasion, the price we pay to acquire an ownership interest in a company exceeds the underlying book value of the capital accounts we acquire. Such excess cost amounts are included within the carrying values of our investments in and advances to unconsolidated affiliates. At June 30, 2007 and December 31, 2006, our investments in Promix, La Porte, Neptune, Poseidon, Cameron Highway, Nemo and Jonah included excess cost amounts totaling $42.9 million and $38.7 million, respectively. These amounts are attributable to the excess of the fair value of each entity's tangible assets over their respective book carrying values at the time we acquired an interest in each entity. We amortize such excess cost amounts as a reduction in equity earnings. Amortization of such excess cost amounts was $0.5 million and $0.6 million during the three months ended June 30, 2007 and 2006, respectively. For the six months ended June 30, 2007 and 2006, amortization of such amounts was $1.0 million and $1.1 million, respectively.

The following table presents our equity in income (loss) of unconsolidated affiliates by business segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
NGL Pipelines & Services	$ 1,089	$ 1,924	$ 1,680	$ 3,442
Onshore Natural Gas Pipelines & Services	1,212	904	2,241	1,506
Offshore Pipelines & Services (1) (2)	(8,846)	4,769	(4,771)	6,703
Petrochemical Services	334	415	818	390
Total	$ (6,211)	$ 8,012	$ (32)	$ 12,041

(1) Equity earnings from Nemo for the three and six months ended June 30, 2007 includes a $7.0 million non-cash impairment charge. See "Nemo" discussion within this Note 7.
(2) Equity earnings from Cameron Highway for the three and six months ended June 30, 2007 were reduced by a charge of $8.8 million for costs associated with the early retirement of Cameron Highway's debt.

Summarized Financial Information of Unconsolidated Affiliates

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

	Summarized Income Statement Information for the Three Months Ended					
	June 30, 2007			June 30, 2006		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
NGL Pipelines & Services (1)	$ 59,056	$ (779)	$ (74)	$ 60,220	$ (2,238)	$ (1,785)
Onshore Natural Gas Pipelines & Services	125,132	25,198	24,102	117,636	20,127	16,315
Offshore Pipelines & Services	40,433	24,146	1,894	39,554	20,166	12,804
Petrochemical Services	4,969	1,403	1,429	5,557	1,645	1,665

(1) During the three months ended June 30, 2006, VESCO earnings were reduced due to the lingering effects of Hurricane Katrina, including significant storm-related repair expenses.

	Summarized Income Statement Information for the Six Months Ended					
	June 30, 2007			June 30, 2006		
	Revenues	Operating Income	Net Income	Revenues	Operating Income (Loss)	Net Income (Loss)
NGL Pipelines & Services (1)	$ 100,788	$ 2,481	$ 3,755	$ 80,506	$ (24,363)	$ (23,463)
Onshore Natural Gas Pipelines & Services	234,030	46,813	44,415	226,424	59,023	50,759
Offshore Pipelines & Services	77,626	43,864	14,230	71,250	31,096	16,484
Petrochemical Services	10,522	3,290	3,340	9,425	1,831	1,875

(1) During the six months ended June 30, 2006, VESCO earnings were reduced due to the lingering effects of Hurricane Katrina, including significant storm-related repair expenses.

Cameron Highway

We own a 50.0% interest in Cameron Highway, which owns a crude oil pipeline that gathers production from deepwater areas of the Gulf of Mexico, primarily the South Green Canyon area, for delivery to refineries and terminals in southeast Texas. In May 2007, we made an approximate $191.0 million cash contribution to Cameron Highway. This capital contribution, along with an equal amount contributed by our joint venture partner in Cameron Highway, was used by Cameron Highway to repay $365.0 million outstanding under its Senior Notes A and $14.1 million of related make-whole premiums and accrued interest. In June 2007, we and our joint venture partner in Cameron Highway, made an additional capital contribution of approximately $25.5 million each. These capital contributions were used by Cameron Highway to repay its Series B notes on June 7, 2007. The amount of the repayment was $50.9 million, which included $0.9 million of related make-whole premiums and accrued interest. As of June 30, 2007, Cameron Highway no longer has any outstanding debt.

Nemo

Nemo was formed in 1999 to construct, own and operate the Nemo Gathering System, a 24-mile natural gas gathering system in the Gulf of Mexico offshore Louisiana. The Nemo Gathering System, which began operations in 2001, gathers natural gas from certain developments in the Green Canyon area of the Gulf of Mexico to a pipeline interconnect with the Manta Ray Gathering System. Due to a recent decrease in throughput volumes on the Nemo Gathering System, we evaluated our 33.9% investment in Nemo for impairment during the second quarter of 2007. The decrease in throughput volumes is primarily due to underperformance of certain fields and natural depletion.

At December 31, 2006, the carrying value of our investment in Nemo was $11.2 million, which included $0.6 million of excess cost related to its original acquisition in 2001. Our review of Nemo’s estimated future cash flows during the second quarter of 2007 indicated that the carrying value of our investment exceeded its fair value, which resulted in a non-cash charge of $7.0 million. This loss is recorded as a component of “Equity in income of unconsolidated affiliates” in our Unaudited Condensed Statements of Consolidated Operations for the three and six months ended June 30, 2007. Equity earnings from our investment in Nemo are classified under our Offshore Pipelines & Services business segment.

After recording this impairment charge, the carrying value of our investment in Nemo at June 30, 2007 was $2.6 million, which reflects $0.5 million in losses and $2.0 million of distributions we recorded during the first six months of 2007.

Our investment in Nemo was written down to fair value, which management prepared using recognized business valuation techniques. The fair value analysis is based upon management's expectation of future cash flows. Such expectation of future cash flows incorporates industry information and assumptions made by management. For example, the review of Nemo included management estimates regarding the remaining natural gas reserves of producers served by the Nemo Gathering System. If the assumptions underlying our fair value analysis change and expected cash flows are reduced, additional impairment charges may result.

Note 8. Intangible Assets and Goodwill

Identifiable Intangible Assets

The following table summarizes our intangible assets at the dates indicated:

	June 30, 2007			December 31, 2006		
	Gross Value	Accum. Amort.	Carrying Value	Gross Value	Accum. Amort.	Carrying Value
NGL Pipelines & Services [1]	$ 520,025	$ (128,577)	$ 391,448	$ 528,594	$ (110,644)	$ 417,950
Onshore Natural Gas Pipelines & Services	463,551	(93,611)	369,940	463,551	(77,402)	386,149
Offshore Pipelines & Services	207,012	(64,624)	142,388	207,012	(54,636)	152,376
Petrochemical Services	56,674	(10,190)	46,484	56,674	(9,194)	47,480
Total	$ 1,247,262	$ (297,002)	$ 950,260	$ 1,255,831	$ (251,876)	$ 1,003,955

(1) During the second quarter of 2007, we adjusted our preliminary purchase price allocation related to the Piceance Creek Acquisition. This adjustment resulted in the reclassification of $8.5 million from intangible assets to property, plant and equipment.

The following table presents the amortization expense of our intangible assets by segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
NGL Pipelines & Services	$ 8,801	$ 6,304	$ 18,042	$ 12,665
Onshore Natural Gas Pipelines & Services	8,049	8,348	16,209	16,806
Offshore Pipelines & Services	4,908	5,633	9,988	11,467
Petrochemical Services	498	497	996	996
Total	$ 22,256	$ 20,782	$ 45,235	$ 41,934

For the remainder of 2007, amortization expense associated with our intangible assets is currently estimated at $44.5 million.

Goodwill

The following table summarizes our goodwill amounts by segment at the dates indicated:

	June 30, 2007	December 31, 2006
NGL Pipelines & Services	$ 152,701	$ 152,595
Onshore Natural Gas Pipelines & Services	282,121	282,121
Offshore Pipelines & Services	82,135	82,135
Petrochemical Services	73,690	73,690
Totals	$ 590,647	$ 590,541

Note 9. Debt Obligations

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

	June 30, 2007	December 31, 2006
EPO senior debt obligations:		
Multi-Year Revolving Credit Facility, variable rate, due October 2011	$ 495,000	$ 410,000
Pascagoula 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	350,000
Senior Notes D, 6.875% fixed-rate, due March 2033	500,000	500,000
Senior Notes E, 4.00% fixed-rate, due October 2007 (1)	500,000	500,000
Senior Notes F, 4.625% fixed-rate, due October 2009	500,000	500,000
Senior Notes G, 5.60% fixed-rate, due October 2014	650,000	650,000
Senior Notes H, 6.65% fixed-rate, due October 2034	350,000	350,000
Senior Notes I, 5.00% fixed-rate, due March 2015	250,000	250,000
Senior Notes J, 5.75% fixed-rate, due March 2035	250,000	250,000
Senior Notes K, 4.950% fixed-rate, due June 2010	500,000	500,000
Duncan Energy Partners' debt obligation:		
$300 Million Revolving Credit Facility, variable rate, due February 2011	190,000	--
Dixie Revolving Credit Facility, variable rate, due June 2010	10,000	10,000
Canadian Enterprise Revolving Credit Facility, variable rate, due October 2011	9,881	--
Other, 8.75% fixed-rate, due June 2010(2)	5,068	5,068
Total principal amount of senior debt obligations	5,063,949	4,779,068
EPO Junior Subordinated Notes A, due August 2066	550,000	550,000
EPO Junior Subordinated Notes B, due January 2068	700,000	--
Total principal amount of senior and junior debt obligations	6,313,949	5,329,068
Other, including unamortized discounts and premiums and changes in fair value (3)	(54,234)	(33,478)
Long-term debt	$ 6,259,715	$ 5,295,590
Standby letters of credit outstanding	$ 4,000	$ 49,858

(1) In accordance with SFAS 6, "Classification of Short-Term Obligations Expected to be Refinanced," long-term and current maturities of debt reflects the classification of such obligations at June 30, 2007 and December 31, 2006. With respect to Senior Notes E due in October 2007, EPO has the ability to use cash and available credit capacity under its $1.25 billion Multi-Year Revolving Credit Facility to fund the repayment of this debt.

(2) Represents remaining debt obligations assumed in connection with the GulfTerra Merger.

(3) The June 30, 2007 amount includes $49.7 million related to fair value hedges and a net $4.5 million in unamortized discounts and premiums. The December 31, 2006 amount includes $29.1 million related to fair value hedges and a net $4.4 million in unamortized discounts and premiums.

Parent-Subsidiary guarantor relationships

We act as guarantor of the debt obligations of EPO with the exception of the Dixie revolving credit facility and the senior subordinated notes we assumed in connection with the GulfTerra Merger. If EPO were to default on any debt we guarantee, we would be responsible for full repayment of that obligation. We do not act as guarantor of the debt obligations of Duncan Energy Partners.

EPO's debt obligations

Apart from that discussed below, there have been no significant changes in the terms of EPO's debt obligations since those reported in our annual report on Form 10-K for the year ended December 31, 2006.

Junior Notes B. EPO sold $700 million in principal amount of fixed/floating, unsecured, long-term subordinated notes due January 2068 ("Junior Notes B") during the second quarter of 2007. EPO used the proceeds from this subordinated debt to temporarily reduce borrowings outstanding under its Multi-Year Revolving Credit Facility and for general partnership purposes. EPO's payment obligations under Junior Notes B are subordinated to all of its current and future senior indebtedness (as defined in the

Indenture Agreement). We have guaranteed repayment of amounts due under Junior Notes B through an unsecured and subordinated guarantee.

The indenture agreement governing Junior Notes B allows EPO to defer interest payments on one or more occasions for up to ten consecutive years subject to certain conditions. During any period in which interest payments are deferred and subject to certain exceptions, neither we nor EPO can declare or make any distributions to any of our respective equity securities or make any payments on indebtedness or other obligations that rank pari passu with or are subordinate to Junior Notes B. Junior Notes B rank pari passu with the Junior Subordinated Notes A, due August 2066 ("Junior Notes A"), which were issued during the third quarter of 2006.

The Junior Notes B will bear interest at a fixed annual rate of 7.034% through January 15, 2018, payable semi-annually in arrears in January and July of each year, commencing in January 2008. After January 2018, the Junior Notes B will bear variable rate interest at the greater of (1) the sum of the 3-month London Interbank Offered Rate ("LIBOR") for the related interest period plus a spread of 268 basis points or (2) 7.034% per annum, payable quarterly in arrears in January, April, July and October of each year commencing in April 2018. Interest payments may be deferred on a cumulative basis for up to ten consecutive years, subject to the certain provisions. The Junior Notes B mature in January 2068 and are not redeemable by EPO prior to January 2018 without payment of a make-whole premium.

In connection with the issuance of Junior Notes B, we and EPO entered into a Replacement Capital Covenant in favor of the covered debt holders (as named therein) pursuant to which we and EPO agreed for the benefit of such debt holders that we nor EPO would not redeem or repurchase such junior notes on or before January 15, 2038, unless such redemption or repurchase is made from the proceeds of issuance of certain securities.

Duncan Energy Partners' debt obligation

We consolidate the debt of Duncan Energy Partners with that of our own; however, we do not have the obligation to make interest payments or debt payments with respect to the debt of Duncan Energy Partners.

Duncan Energy Partners entered into a $300.0 million revolving credit facility, all of which may be used for letters of credit, with a $30.0 million sublimit for Swingline loans. Letters of credit outstanding under this facility reduce the amount available for borrowings. At the closing of its initial public offering, Duncan Energy Partners made its initial borrowing of $200.0 million under the facility to fund the $198.9 million cash distribution to EPO and the remainder to pay debt issuance costs. At June 30, 2007, the balance outstanding under this facility was $190.0 million.

This credit facility matures in February 2011 and will be used by Duncan Energy Partners in the future to fund working capital and other capital requirements and for general partnership purposes. Duncan Energy Partners may make up to two requests for one-year extensions of the maturity date (subject to certain restrictions). The revolving credit facility is available to pay distributions upon the initial contribution of assets to Duncan Energy Partners, fund working capital, make acquisitions and provide payment for general purposes. Duncan Energy Partners can increase the revolving credit facility, without consent of the lenders, by an amount not to exceed $150.0 million by adding to the facility one or more new lenders and/or increasing the commitments of existing lenders. No existing lender is required to increase its commitment, unless it agrees to do so in its sole discretion.

This revolving credit facility offers the following unsecured loans, each having different interest requirements: (i) LIBOR loans bear interest at a rate per annum equal to LIBOR plus the applicable LIBOR margin (as defined in the credit agreement), (ii) Base Rate loans bear interest at a rate per annum equal to the higher of (a) the rate of interest publicly announced by the administrative agent, Wachovia Bank, National Association, as its Base Rate and (b) 0.5% per annum above the Federal Funds Rate in effect on such date and (iii) Swingline loans bear interest at a rate per annum equal to LIBOR plus an applicable LIBOR margin.

The revolving credit facility requires Duncan Energy Partners to maintain a leverage ratio for the prior four fiscal quarters of not more than 4.75 to 1.00 at the last day of each fiscal quarter commencing June 30, 2007; provided that, upon the closing of a permitted acquisition, such ratio shall not exceed (a) 5.25 to 1.00 at the last day of the fiscal quarter in which such specified acquisition occurred and at the last day of each of the two fiscal quarters following the fiscal quarter in which such specified acquisition occurred, and (b) 4.75 to 1.00 at the last day of each fiscal quarter thereafter. In addition, prior to obtaining an investment-grade rating by Standard & Poor's Ratings Services, Moody's Investors Service or Fitch Ratings, Duncan Energy Partners' interest coverage ratio, for the prior four fiscal quarters shall not be less than 2.75 to 1.00 at the last day of each fiscal quarter commencing June 30, 2007.

The Duncan Energy Partners' credit facility contains other customary covenants. Also, if an event of default exists under the credit agreement, the lenders will be able to accelerate the maturity date of amounts borrowed under the credit agreement and exercise other rights and remedies.

Canadian Debt Obligations

In May 2007, Canadian Enterprise Gas Products, Ltd. ("Canadian Enterprise"), a wholly-owned subsidiary of EPO, entered into a $30.0 million Canadian revolving credit facility with The Bank of Nova Scotia. The credit facility, which includes the issuance of letters of credit, matures in October 2011. Letters of credit outstanding under this facility reduce the amount available for borrowings.

Borrowings may be made in Canadian or U.S. dollars. Canadian denominated borrowings may be comprised of Canadian Prime Rate ("CPR") loans or Bankers' Acceptances and U.S denominated borrowings may be comprised of Alternative Base Rate ("ABR") or Eurodollar loans, each having different interest rate requirements. CPR loans bear interest at a rate determined by reference to the Canadian Prime Rate. ABR loans bear interest at a rate determined by reference to an alternative base rate as defined in the credit agreement. Eurodollar loans bear interest at a rate determined by the LIBOR plus an applicable rate as defined in the credit agreement. Bankers' Acceptances carry interest at the rate for Canadian bankers' acceptances plus an applicable rate as defined in the credit agreement.

The credit facility contains customary covenants and events of default. The restrictive covenants limit Canadian Enterprise from materially changing the nature of its business or operations, dissolving, or completing mergers. A continuing event of default would accelerate the maturity of amounts borrowed under the credit facility. The obligations under the credit facility are guaranteed by EPO.

Covenants

We are in compliance with the covenants of our consolidated debt agreements at June 30, 2007 and December 31, 2006.

Information regarding variable interest rates paid

The following table presents the range of interest rates paid and weighted-average interest rate paid on our consolidated variable-rate debt obligations during the six months ended June 30, 2007.

	Range of interest rates paid	**Weighted-average interest rate paid**
EPO's Multi-Year Revolving Credit Facility	5.82% to 8.25%	5.86%
Duncan Energy Partners' Revolving Credit Facility	6.17%	6.17%
Dixie Revolving Credit Facility	5.66% to 5.67%	5.66%
Canadian Enterprise Revolving Credit Facility	4.95% to 5.82%	5.77%

Consolidated debt maturity table

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

2007	$ --
2008	--
2009	500,000
2010	569,068
2011	1,644,881
Thereafter	3,600,000
Total scheduled principal payments	$ 6,313,949

In accordance with SFAS 6, long-term and current maturities of debt reflect the classification of such obligations at June 30, 2007 and December 31, 2006. With respect to the $500.0 million in principal due under Senior Notes E in October 2007, EPO has the ability to use cash and available credit capacity under its Multi-Year Revolving Credit Facility to fund the repayment of this debt. The preceding table and our Unaudited Condensed Consolidated Balance Sheets at June 30, 2007 and December 31, 2006 reflect this ability to refinance.

Debt Obligations of Unconsolidated Affiliates

We have two unconsolidated affiliates with long-term debt obligations. The following table shows (i) our ownership interest in each entity at June 30, 2007, (ii) total debt of each unconsolidated affiliate at June 30, 2007 (on a 100% basis to the affiliate) and (iii) the corresponding scheduled maturities of such debt.

	Our Ownership Interest	Total	Scheduled Maturities of Debt 2007	2008	2009	2010	2011	After 2011
Poseidon	36.0%	$ 91,000	$ --	$ --	$ --	$ --	$ 91,000	$ --
Evangeline	49.5%	25,650	5,000	5,000	5,000	10,650	--	--
Total		$ 116,650	$ 5,000	$ 5,000	$ 5,000	$ 10,650	$ 91,000	$ --

Previously, Cameron Highway’s debt consisted of $365.0 million of Series A notes and $50.0 million of Series B notes. Cameron Highway repaid its Series A notes on May 23, 2007 using proceeds from capital contributions from its partners. The total amount of the repayment was $379.1 million, which included an $11.0 million make-whole premium and $3.1 million of accrued interest. Our share of the capital contribution was funded by borrowings under EPO’s Multi-Year Revolving Credit Facility. With another capital contribution from its partners, Cameron Highway also repaid its Series B notes on June 7, 2007. The amount of the repayment was $50.9 million, which included a $0.3 million make-whole premium and $0.6 million of accrued interest. As of June 30, 2007, Cameron Highway no longer has any outstanding debt.

The credit agreements of our unconsolidated affiliates contain various affirmative and negative covenants, including financial covenants. These businesses were in compliance with such covenants at June 30, 2007. The credit agreements of our unconsolidated affiliates restrict their ability to pay cash dividends if a default or an event of default (as defined in each credit agreement) has occurred and is continuing at the time such dividend is scheduled to be paid.

Apart from the repayment of Cameron Highway’s Series A and Series B notes, there have been no significant changes in the terms of the debt obligations of our unconsolidated affiliates since those reported in our annual report on Form 10-K for the year ended December 31, 2006.

Note 10. Partners' Equity and Distributions

Our common units represent limited partner interests, which give the holders thereof the right to participate in distributions and to exercise the other rights or privileges available to them under our Fifth Amended and Restated Agreement of Limited Partnership (together with all amendments thereto, the "Partnership Agreement"). We are managed by our general partner, Enterprise Products GP.

In accordance with the Partnership Agreement, capital accounts are maintained for our general partner and limited partners. The capital account provisions of our Partnership Agreement incorporate principles established for U.S. Federal income tax purposes and are not comparable to the equity accounts reflected under GAAP in our consolidated financial statements.

Our Partnership Agreement sets forth the calculation to be used in determining the amount and priority of cash distributions that our limited partners and general partner will receive. The Partnership Agreement also contains provisions for the allocation of net earnings and losses to our limited partners and general partner. For purposes of maintaining partner capital accounts, the Partnership Agreement specifies that items of income and loss shall be allocated among the partners in accordance with their respective percentage interests. Normal income and loss allocations according to percentage interests are done only after giving effect to priority earnings allocations in an amount equal to incentive cash distributions allocated to our general partner.

Equity Offerings and Registration Statements

In general, the Partnership Agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities for such consideration and on such terms and conditions as may be established by Enterprise Products GP in its sole discretion (subject, under certain circumstances, to the approval of our unitholders).

We have a universal shelf registration statement on file with the SEC registering the issuance of up to $4 billion of equity and debt securities. After taking into account past issuance of securities under this registration statement, we have the ability to issue approximately $1.4 billion of additional securities under this registration statement as of June 30, 2007.

In April 2007, we filed a registration statement with the SEC authorizing the issuance of up to 25,000,000 common units in connection with our distribution reinvestment plan ("DRIP"). The DRIP 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 into the purchase of additional common units. A total of 932,800 of our common units were issued in February 2007 and May 2007 in connection with the DRIP and the employee unit purchase plan ("EUPP"). The issuance of these units generated $28.6 million in net proceeds.

In May 2007, EPO sold $700 million in principal amount of Junior Notes B under our universal shelf registration statement. For additional information regarding this debt offering, see Note 9.

The following table reflects the number of common units issued and the net proceeds received from underwritten and other common unit offerings completed during the six months ended June 30, 2007:

	Net Proceeds from Sale of Common Units			
	Number of common units issued	Contributed by Limited Partners	Contributed by General Partner	Total Net Proceeds
February DRIP and EUPP	438,631	$ 12,495	$ 255	$ 12,750
May DRIP and EUPP	494,169	15,181	622	15,803
Total 2007	932,800	$ 27,676	$ 877	$ 28,553

Summary of Changes in Outstanding Units

The following table summarizes changes in our outstanding units since December 31, 2006:

	Common Units	Restricted Common Units
Balance, December 31, 2006	431,303,193	1,105,237
Units issued in connection with DRIP and EUPP	932,800	--
Units issued in connection with equity-based awards	230,500	--
Restricted common units issued	--	620,140
Forfeiture or settlement of restricted units	--	(129,053)
Balance, June 30, 2007	432,466,493	1,596,324

Summary of Changes in Limited Partners' Equity

The following table details the changes in limited partners' equity since December 31, 2006:

	Common Units	Restricted Common Units	Total
Balance, December 31, 2006	$ 6,320,577	$ 9,340	$ 6,329,917
Net income	198,010	566	198,576
Operating leases paid by EPCO	1,029	3	1,032
Cash distributions to partners	(406,778)	(1,048)	(407,826)
Net proceeds from sales of common units	27,676	--	27,676
Proceeds from exercise of unit options	7,139	--	7,139
Repurchase of restricted units and options	(512)	(1,056)	(1,568)
Unit option reimbursements to EPCO	(2,786)	--	(2,786)
Amortization of equity-based awards	1,590	3,584	5,174
Balance, June 30, 2007	$ 6,145,945	$ 11,389	$ 6,157,334

Distributions to Partners

The percentage interest of Enterprise Products GP in our quarterly cash distributions is increased after certain specified target levels of quarterly distribution rates are met. At current distribution rates, we are in the highest tier of such incentive targets. Enterprise Products GP's quarterly incentive distribution thresholds are as follows:

- 2% of quarterly cash distributions up to $0.253 per unit;
- 15% of quarterly cash distributions from $0.253 per unit up to $0.3085 per unit; and
- 25% of quarterly cash distributions that exceed $0.3085 per unit.

We paid incentive distributions of $26.3 million and $21.0 million to Enterprise Products GP during the three months ended June 30, 2007 and 2006, respectively. During the six months ended June 30, 2007 and 2006, we paid incentive distributions of $51.6 million and $40.1 million, respectively, to Enterprise Products GP.

Our quarterly cash distributions for 2007 are presented in the following table:

	Cash Distribution History		
	Distribution per Unit	**Record Date**	**Payment Date**
1st Quarter 2007	$ 0.4750	Apr. 30, 2007	May 10, 2007
2nd Quarter 2007	$ 0.4825	Jul. 31, 2007	Aug. 9, 2007

Note 11. Business Segments

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

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

We define total segment gross operating margin as consolidated operating income before: (i) depreciation, amortization and accretion expense; (ii) operating lease expenses for which we do not have the payment obligation; (iii) gains and losses on the sale of assets; and (iv) general and administrative costs. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest, extraordinary charges and the cumulative effect of change in accounting principle. 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 intersegment and intrasegment transactions.

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

We include equity earnings from unconsolidated affiliates in our measurement of segment gross operating margin and operating income. Our equity investments with industry partners are a vital component of our business strategy. They are a means by which we conduct our operations to align our interests with those of our customers and/or suppliers. This method of operation enables us to achieve favorable economies of scale relative to the level of investment and business risk assumed versus what we could accomplish on a stand-alone basis. Many of these businesses perform supporting or complementary roles to our other business operations.

Our integrated midstream energy asset system (including the midstream energy assets of our equity method investees) provides services to producers and consumers of natural gas, NGLs, crude oil and certain petrochemicals. In general, hydrocarbons enter our asset system in a number of ways, such as an offshore natural gas or crude oil pipeline, an offshore platform, a natural gas processing plant, an onshore natural gas gathering pipeline, an NGL fractionator, an NGL storage facility, or an NGL transportation or distribution pipeline.

Many of our equity investees are included within our integrated midstream asset system. For example, we have ownership interests in several offshore natural gas and crude oil pipelines. Other examples include our use of the Promix NGL fractionator to process mixed NGLs extracted by our gas plants. The fractionated NGLs we receive from Promix can then be sold in our NGL marketing activities. Given the integral nature of our equity method investees to our operations, we believe the presentation of earnings from such investees as a component of gross operating margin and operating income is meaningful and appropriate.

Historically, substantially all of our consolidated revenues were earned in the United States and derived from a wide customer base. The majority of our plant-based operations are located in Texas, Louisiana, Mississippi, New Mexico and Wyoming. Our natural gas, NGL and crude oil pipelines are located in a number of regions of the United States including (i) the Gulf of Mexico offshore Texas and

Louisiana; (ii) the south and southeastern United States (primarily in Texas, Louisiana, Mississippi and Alabama); and (iii) certain regions of the central and western United States, including the Rocky Mountains. Our marketing activities are headquartered in Houston, Texas and serve customers in a number of regions of the United States including the Gulf Coast, West Coast and Mid-Continent areas.

Consolidated property, plant and equipment and investments in and advances to unconsolidated affiliates are assigned to each segment on the basis of each asset's or investment's principal operations. The principal reconciling difference between consolidated property, plant and equipment and the total value of segment assets is construction-in-progress. Segment assets represent the net book carrying value of facilities and other assets that contribute to gross operating margin of that particular segment. Since assets under construction generally do not contribute to segment gross operating margin, such assets are excluded from segment asset totals until they are placed in service. Consolidated intangible assets and goodwill are assigned to each segment based on the classification of the assets to which they relate.

We consolidate the financial statements of Duncan Energy Partners with those of our own. As a result, our consolidated gross operating margin amounts include the gross operating margin amounts of Duncan Energy Partners on a 100% basis.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Revenues [1]	$ 4,212,806	$ 3,517,853	$ 7,535,660	$ 6,767,927
Less: Operating costs and expenses [1]	(3,960,672)	(3,323,585)	(7,085,151)	(6,370,448)
Add: Equity in income (loss) of unconsolidated affiliates [1]	(6,211)	8,012	(32)	12,041
Depreciation, amortization and accretion in operating costs and expenses [2]	121,161	107,952	240,653	212,768
Operating lease expense paid by EPCO [2]	527	528	1,053	1,056
Loss (gain) on sale of assets in operating costs and expenses [2]	5,737	(136)	5,664	(197)
Total segment gross operating margin	$ 373,348	$ 310,624	$ 697,847	$ 623,147

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Total segment gross operating margin	$ 373,348	$ 310,624	$ 697,847	$ 623,147
Adjustments to reconcile total segment gross operating margin to operating income:				
Depreciation, amortization and accretion in operating costs and expenses	(121,161)	(107,952)	(240,653)	(212,768)
Operating lease expense paid by EPCO	(527)	(528)	(1,053)	(1,056)
Gain (loss) on sale of assets in operating costs and expenses	(5,737)	136	(5,664)	197
General and administrative costs	(31,361)	(16,235)	(47,991)	(29,975)
Consolidated operating income	214,562	186,045	402,486	379,545
Other expense, net	(68,528)	(52,940)	(129,958)	(109,048)
Income before provision for income taxes, minority interest and cumulative effect of change in accounting principle	$ 146,034	$ 133,105	$ 272,528	$ 270,497

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

	Reportable Segments					
	NGL Pipelines & Services	Onshore Natural Gas Pipelines & Services	Offshore Pipelines & Services	Petrochemical Services	Adjustments and Eliminations	Consolidated Totals
Revenues from third parties:						
Three months ended June 30, 2007	$ 3,022,604	$ 459,202	$ 55,130	$ 539,637	$ --	$ 4,076,573
Three months ended June 30, 2006	2,553,212	308,410	29,506	513,291	--	3,404,419
Six months ended June 30, 2007	5,387,722	875,432	88,113	983,918	--	7,335,185
Six months ended June 30, 2006	4,891,908	721,411	51,858	899,241	--	6,564,418
Revenues from related parties:						
Three months ended June 30, 2007	66,155	69,101	977	--	--	136,233
Three months ended June 30, 2006	37,101	75,914	419	--	--	113,434
Six months ended June 30, 2007	76,058	123,103	1,305	9	--	200,475
Six months ended June 30, 2006	44,049	158,869	591	--	--	203,509
Intersegment and intrasegment revenues:						
Three months ended June 30, 2007	1,151,803	42,917	499	123,044	(1,318,263)	--
Three months ended June 30, 2006	1,077,547	31,588	390	103,449	(1,212,974)	--
Six months ended June 30, 2007	2,274,650	61,486	1,047	228,041	(2,565,224)	--
Six months ended June 30, 2006	1,973,792	59,729	703	186,266	(2,220,490)	--
Total revenues:						
Three months ended June 30, 2007	4,240,562	571,220	56,606	662,681	(1,318,263)	4,212,806
Three months ended June 30, 2006	3,667,860	415,912	30,315	616,740	(1,212,974)	3,517,853
Six months ended June 30, 2007	7,738,430	1,060,021	90,465	1,211,968	(2,565,224)	7,535,660
Six months ended June 30, 2006	6,909,749	940,009	53,152	1,085,507	(2,220,490)	6,767,927
Equity in income (loss) of unconsolidated affiliates:						
Three months ended June 30, 2007	1,089	1,212	(8,846)	334	--	(6,211)
Three months ended June 30, 2006	1,924	904	4,769	415	--	8,012
Six months ended June 30, 2007	1,680	2,241	(4,771)	818	--	(32)
Six months ended June 30, 2006	3,442	1,506	6,703	390	--	12,041
Gross operating margin by individual business segment and in total:						
Three months ended June 30, 2007	208,805	83,163	31,046	50,334	--	373,348
Three months ended June 30, 2006	146,414	86,651	20,515	57,044	--	310,624
Six months ended June 30, 2007	399,499	159,678	50,753	87,917	--	697,847
Six months ended June 30, 2006	317,364	183,454	37,767	84,562	--	623,147
Segment assets:						
At June 30, 2007	3,690,731	3,684,425	1,169,248	557,478	1,632,248	10,734,130
At December 31, 2006	3,249,486	3,611,974	734,659	502,345	1,734,083	9,832,547
Investments in and advances to unconsolidated affiliates (see Note 7):						
At June 30, 2007	122,488	204,290	491,188	18,125	--	836,091
At December 31, 2006	111,229	124,591	310,136	18,603	--	564,559
Intangible Assets (see Note 8):						
At June 30, 2007	391,448	369,940	142,388	46,484	--	950,260
At December 31, 2006	417,950	386,149	152,376	47,480	--	1,003,955
Goodwill (see Note 8):						
At June 30, 2007	152,701	282,121	82,135	73,690	--	590,647
At December 31, 2006	152,595	282,121	82,135	73,690	--	590,541

The following table summarizes the contribution to consolidated revenues from the sale of NGL, natural gas and petrochemical products for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
NGL Pipelines & Services:				
Sale of NGL products	$ 2,923,058	$ 2,423,219	$ 5,114,682	$ 4,615,235
Percent of consolidated revenues	69%	69%	68%	68%
Onshore Natural Gas Pipelines & Services:				
Sale of natural gas	422,722	268,601	783,753	636,145
Percent of consolidated revenues	10%	8%	10%	9%
Petrochemical Services:				
Sale of petrochemical products	436,309	396,439	824,061	739,789
Percent of consolidated revenues	10%	11%	11%	11%

Note 12. Related Party Transactions

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues from consolidated operations:				
EPCO and affiliates	$ 64,127	$ 33,448	$ 72,669	$ 39,080
Unconsolidated affiliates	72,106	79,986	127,806	164,429
Total	$ 136,233	$ 113,434	$ 200,475	$ 203,509
Operating costs and expenses:				
EPCO and affiliates	$ 74,681	$ 71,105	$ 153,354	$ 166,062
Unconsolidated affiliates	10,941	7,904	16,214	14,590
Total	$ 85,622	$ 79,009	$ 169,568	$ 180,652
General and administrative costs:				
EPCO and affiliates	$ 20,733	$ 10,830	$ 33,788	$ 21,838

Relationship with EPCO and affiliates

We have an extensive and ongoing relationship with EPCO and its affiliates, which include the following significant entities that are not part of our consolidated group of companies:

§ EPCO and its private company subsidiaries;
§ Enterprise Products GP, our sole general partner;
§ Enterprise GP Holdings, which owns and controls our general partner;
§ TEPPCO and TEPPCO GP, which are controlled by Enterprise GP Holdings ; and
§ the Employee Partnerships.

We also have an ongoing relationship with Duncan Energy Partners, the financial statements of which are consolidated with those of our own. Our transactions with Duncan Energy Partners are eliminated in consolidation; therefore, they are not part of the totals presented in the preceding table. A description of our relationship with Duncan Energy Partners is presented within this Note 12.

Unless noted otherwise, our agreements with EPCO are not the result of arm’s length transactions. As a result, we cannot provide assurance that the terms and provisions of such agreements are at least as favorable to us as we could have obtained from unaffiliated third parties.

EPCO is a private company controlled by Dan L. Duncan, who is also a director and Chairman of Enterprise Products GP, our general partner. At June 30, 2007, EPCO and its affiliates beneficially owned 146,317,198 (or 33.7%) of our outstanding common units, which include 13,454,498 of our common units

owned by Enterprise GP Holdings. In addition, at June 30, 2007, EPCO and its affiliates beneficially owned 90.1% of the limited partner interests of Enterprise GP Holdings and 100% of its general partner, EPE Holdings. Enterprise GP Holdings owns all of the membership interests of Enterprise Products GP. The principal business activity of Enterprise Products GP is to act as our managing partner. The executive officers and certain of the directors of Enterprise Products GP and EPE Holdings are employees of EPCO.

In connection with its general partner interest in us, Enterprise Products GP received cash distributions of $59.9 million and $47.3 million from us during the six months ended June 30, 2007 and 2006, respectively. These amounts include incentive distributions of $51.6 million and $40.1 million for the six months ended June 30, 2007 and 2006, respectively.

We and Enterprise Products GP are both separate legal entities apart from each other and apart from EPCO, Enterprise GP Holdings and their respective other affiliates, with assets and liabilities that are separate from those of EPCO, Enterprise GP Holdings and their respective other affiliates. EPCO and its private company subsidiaries depend on the cash distributions they receive from us, Enterprise GP Holdings and other investments to fund their other operations and to meet their debt obligations. Enterprise GP Holdings, EPCO and its private company affiliates received $185.8 million and $163.4 million in cash distributions from us during the six months ended June 30, 2007 and 2006, respectively.

The ownership interests in us that are owned or controlled by Enterprise GP Holdings are pledged as security under its credit facility. In addition, substantially all of the ownership interests in us that are owned or controlled by EPCO and its affiliates, other than those interests owned by Enterprise GP Holdings, Dan Duncan LLC and certain trusts affiliated with Dan L. Duncan, are pledged as security under the credit facility of a private company affiliate of EPCO. This credit facility contains customary and other events of default relating to EPCO and certain affiliates, including Enterprise GP Holdings, us and TEPPCO.

We have entered into an agreement with an affiliate of EPCO to provide trucking services to us for the transportation of NGLs and other products. We also lease office space in various buildings from affiliates of EPCO. The rental rates in these lease agreements approximate market rates.

Historically, we entered into transactions with a Canadian affiliate of EPCO for the purchase and sale of NGL products in the normal course of business. These transactions were at market-related prices. We acquired this affiliate in October 2006 and began consolidating its financial statements with those of our own from the date of acquisition.

Relationship with TEPPCO

We received $21.6 million and $11.5 million from TEPPCO during the three months ended June 30, 2007 and 2006, respectively, primarily from the sale of NGLs. We received $30.1 million and $17.0 million from TEPPCO during the six months ended June 30, 2007 and 2006, respectively, primarily from the sale of NGLs. We paid TEPPCO $2.8 million and $6.2 million for NGL pipeline transportation and storage services during the three months ended June 30, 2007 and 2006, respectively. We paid TEPPCO $9.3 million and $10.6 million for NGL pipeline transportation and storage services during the six months ended June 30, 2007 and 2006, respectively.

Purchase and lease of pipelines for DEP South Texas NGL Pipeline System from TEPPCO. In January 2007, we purchased a 10-mile segment of pipeline from TEPPCO located in the Houston area for $8.0 million that is part of the DEP South Texas NGL Pipeline System. In addition, we entered into a lease with TEPPCO for an 11-mile interconnecting pipeline located in the Houston area. The primary term of this lease expires in September 2007, and will continue on a month-to-month basis subject to termination by either party upon 60 days notice. This pipeline is being leased by a subsidiary of Duncan Energy Partners in connection with operations on its DEP South Texas NGL Pipeline System until construction of a parallel pipeline is completed in December 2007.

Jonah Joint Venture with TEPPCO. In August 2006, we formed a joint venture with TEPPCO to be partners in TEPPCO's Jonah Gas Gathering Company, or Jonah. Jonah owns the Jonah Gas Gathering System (the "Jonah Gathering System"), located in the Greater Green River Basin of southwestern Wyoming. The Jonah Gathering System gathers and transports natural gas produced from the Jonah and Pinedale fields to regional natural gas processing plants and major interstate pipelines that deliver natural gas to end-user markets.

Prior to entering into the Jonah joint venture, we managed the construction of the Phase V expansion and funded the initial construction costs under a letter of intent we signed in February 2006. In connection with the joint venture arrangement, we and TEPPCO will continue the Phase V expansion, which is expected to increase the capacity of the Jonah Gathering System from 1.5 Bcf/d to 2.3 Bcf/d. The Phase V expansion is also expected to significantly reduce system operating pressures, which we anticipate will lead to increased production rates and ultimate reserve recoveries. The first portion of the expansion, which is expected to increase the system gathering capacity to 2.0 Bcf/d, was completed in July 2007. The second portion of the expansion is expected to be completed by the first quarter of 2008. We will operate the Jonah Gathering System.

We manage the Phase V construction project. TEPPCO is entitled to all distributions from the joint venture until specified milestones are achieved, at which point, we will be entitled to receive 50% of the incremental cash flow from portions of the system placed in service as part of the expansion. After subsequent milestones are achieved, we and TEPPCO will share distributions based on a formula that takes into account the respective capital contributions of the parties, including expenditures by TEPPCO prior to the expansion.

Since August 1, 2006, we and TEPPCO equally share in the construction costs of the Phase V expansion. TEPPCO has reimbursed us $176.0 million for its share of the Phase V costs. At June 30, 2007, we had a receivable from TEPPCO of $10.9 million for additional Phase V costs incurred through June 30, 2007.

Upon completion of the expansion project and based on the formula in the joint venture partnership agreement, we expect to own an interest in Jonah of approximately 20%, with TEPPCO owning the remaining 80%. At June 30, 2007, we and TEPPCO owned an approximate 19.6% interest and 80.4% interest, respectively, in Jonah. For the six months ended June 30, 2007, our earnings sharing ratio in Jonah was 4.7% compared to TEPPCO's 95.3%.

The joint venture is governed by a management committee comprised of two representatives approved by us and two representatives appointed by TEPPCO, each with equal voting power. After an in-depth consideration of all relevant factors, this transaction was approved by the Audit, Conflicts and Governance Committee of our general partner and that of TEPPCO GP.

EPCO Administrative Services Agreement

We have no employees. All of our management, administrative and operating functions are performed by employees of EPCO pursuant to an administrative services agreement (the "ASA"). We and our general partner, Enterprise GP Holdings and its general partner, Duncan Energy Partners and its general partner, and TEPPCO and its general partner, among other affiliates, are parties to the ASA.

Under the ASA, we reimburse EPCO for all costs and expenses it incurs in providing management, administrative and operating services to us. The ASA also addresses potential conflicts that may arise among us, Enterprise GP Holdings, Duncan Energy Partners and other affiliates of EPCO.

Relationship with Duncan Energy Partners

For financial reporting purposes, we consolidate the financial statements of Duncan Energy Partners with those of our own and reflect its operations in our business segments. All intercompany transactions between us and Duncan Energy Partners are eliminated in the preparation of our consolidated financial statements. Also, due to common control of the entities by Dan L. Duncan, the initial consolidated balance sheet of Duncan Energy Partners reflects our historical carrying basis in each of the subsidiaries contributed to Duncan Energy Partners. Public ownership of Duncan Energy Partners' net assets and earnings are presented as a component of minority interest in our consolidated financial statements.

The borrowings of Duncan Energy Partners are presented as part of our consolidated debt; however, we do not have any obligation for the payment of interest or repayment of borrowings incurred by Duncan Energy Partners.

On February 5, 2007, Duncan Energy Partners completed its initial public offering of 14,950,000 common units (including an overallotment amount of 1,950,000 common units) at $21.00 per unit, which generated net proceeds to Duncan Energy Partners of $291.9 million. As consideration for assets contributed and reimbursement for capital expenditures related to these assets, Duncan Energy Partners distributed $260.6 million of these net proceeds to us along with $198.9 million in borrowings under its credit facility and a final amount of 5,351,571 common units of Duncan Energy Partners. Duncan Energy Partners used $38.5 million of net proceeds from the overallotment to redeem 1,950,000 of the 7,301,571 common units it had originally issued to Enterprise Products Partners, resulting in the final amount of 5,351,571 common units beneficially owned by Enterprise Products Partners. We used the cash received from Duncan Energy Partners to temporarily reduce amounts outstanding under EPO's Multi-Year Revolving Credit Facility.

We contributed 66% of our equity interests in the following subsidiaries to Duncan Energy Partners:

§ Mont Belvieu Caverns, LLC ("Mont Belvieu Caverns"), a recently formed subsidiary, which owns salt dome storage caverns located in Mont Belvieu, Texas that receive, store and deliver NGLs and certain petrochemical products for industrial customers located along the upper Texas Gulf Coast, which has the largest concentration of petrochemical plants and refineries in the United States;

§ Acadian Gas, LLC ("Acadian Gas"), which owns an onshore natural gas pipeline system that gathers, transports, stores and markets natural gas in Louisiana. The Acadian Gas system links natural gas supplies from onshore and offshore Gulf of Mexico developments (including offshore pipelines, continental shelf and deepwater production) with local gas distribution companies, electric generation plants and industrial customers, including those in the Baton Rouge-New Orleans-Mississippi River corridor. A subsidiary of Acadian Gas owns our 49.5% equity interest in Evangeline;

§ Sabine Propylene Pipeline L.P. ("Sabine Propylene"), which transports polymer-grade propylene between Port Arthur, Texas and a pipeline interconnect located in Cameron Parish, Louisiana;

§ Enterprise Lou-Tex Propylene Pipeline L.P. ("Lou-Tex Propylene"), which transports chemical-grade propylene from Sorrento, Louisiana to Mont Belvieu, Texas; and

§ South Texas NGL Pipelines, LLC ("South Texas NGL"), a recently formed subsidiary, which began transporting NGLs from Corpus Christi, Texas to Mont Belvieu, Texas in January 2007. South Texas NGL owns the DEP South Texas NGL Pipeline System.

In addition to the 34% direct ownership interest we retained in such entities, we also own the 2% general partner interest in Duncan Energy Partners and 26.4% of Duncan Energy Partners' outstanding common units at June 30, 2007. Accordingly, we have in effect retained a net economic interest in Duncan Energy Partners' of approximately 52.7% as of June 30, 2007. EPO directs the business operations of

Duncan Energy Partners indirectly through its ownership and control of the general partner of Duncan Energy Partners.

We have significant involvement with all of the subsidiaries of Duncan Energy Partners, including the following types of transactions:

§ We utilize storage services provided by Mont Belvieu Caverns to support our Mont Belvieu fractionation and other businesses;

§ We buy natural gas from and sell natural gas to Acadian Gas in connection with its normal business activities; and

§ We are currently the sole shipper on the DEP South Texas NGL Pipeline System.

We may contribute or sell other equity interests in our subsidiaries to Duncan Energy Partners and use the proceeds we receive from Duncan Energy Partners to fund our capital spending program. We have no obligation or commitment to make such contributions or sales to Duncan Energy Partners.

Relationship with Energy Transfer Equity

Enterprise GP Holdings acquired equity method investments in Energy Transfer Equity and its general partner in May 2007. As a result, Energy Transfer Equity and its consolidated subsidiaries became related parties to our consolidated businesses.

For the two months ended June 30, 2007, we recorded $42.6 million of revenues from Energy Transfer Partners, L.P. (“ETP”), primarily from NGL marketing activities, and incurred $5.8 million in operating costs and expenses. We have a long-term revenue generating contract with Titan Energy Partners, L.P. (“Titan”), a consolidated subsidiary of ETP. Titan purchases substantially all of its propane requirements from us. The contract continues until March 31, 2010 and contains renewal and extension options. We and Energy Transfer Company (“ETC OLP”) transport natural gas on each other’s systems and share operating expenses on certain pipelines. ETC OLP also sells natural gas to us.

Relationships with Unconsolidated Affiliates

Our significant related party revenue and expense transactions with unconsolidated affiliates consist of the sale of natural gas to Evangeline and the purchase of NGL storage, transportation and fractionation services from Promix. In addition, we sell natural gas to Promix and process natural gas at VESCO. For additional information regarding our unconsolidated affiliates, see Note 7.

See “Relationship with TEPPCO” within this Note 12 for a description of ongoing transactions involving our Jonah joint venture with TEPPCO.

Note 13. Earnings Per Unit

Basic earnings per unit is computed by dividing net income or loss allocated to limited partner interests by the weighted-average number of distribution-bearing units outstanding during a period. Diluted earnings per unit is computed by dividing net income or loss allocated to limited partner interests by the sum of (i) the weighted-average number of distribution-bearing units outstanding during a period (as used in determining basic earnings per unit); (ii) the weighted-average number of performance-based phantom units outstanding during a period; and (iii) the number of incremental common units resulting from the assumed exercise of dilutive unit options outstanding during a period (the "incremental option units").

In a period of net operating losses, restricted units, phantom units and incremental option units are excluded from the calculation of diluted earnings per unit due to their antidilutive effect. The dilutive incremental option units are calculated using the treasury stock method, which assumes that proceeds from the exercise of all in-the-money options at the end of each period are used to repurchase common units at an 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.

The amount of net income or loss allocated to limited partner interests is net of our general partner's share of such earnings. The following table presents the allocation of net income to Enterprise Products GP for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Net income	$ 142,154	$ 126,295	$ 254,199	$ 260,072
Less incentive earnings allocations to Enterprise Products GP	(26,310)	(20,997)	(51,570)	(40,112)
Net income available after incentive earnings allocation	115,844	105,298	202,629	219,960
Multiplied by Enterprise Products GP ownership interest	2.0%	2.0%	2.0%	2.0%
Standard earnings allocation to Enterprise Products GP	$ 2,317	$ 2,106	$ 4,053	$ 4,399
Incentive earnings allocation to Enterprise Products GP	$ 26,310	$ 20,997	$ 51,570	$ 40,112
Standard earnings allocation to Enterprise Products GP	2,317	2,106	4,053	4,399
Enterprise Products GP interest in net income	$ 28,627	$ 23,103	$ 55,623	$ 44,511

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Income before change in accounting principle and Enterprise Products GP interest	$ 142,154	$ 126,295	$ 254,199	$ 258,597
Cumulative effect of change in accounting principle	--	--	--	1,475
Net income	142,154	126,295	254,199	260,072
Enterprise Products GP interest in net income	(28,627)	(23,103)	(55,623)	(44,511)
Net income available to limited partners	$ 113,527	$ 103,192	$ 198,576	$ 215,561
BASIC EARNINGS PER UNIT				
Numerator				
Income before change in accounting principle and Enterprise Products GP interest	$ 142,154	$ 126,295	$ 254,199	$ 258,597
Cumulative effect of change in accounting principle	--	--	--	1,475
Enterprise Products GP interest in net income	(28,627)	(23,103)	(55,623)	(44,511)
Limited partners' interest in net income	$ 113,527	$ 103,192	$ 198,576	$ 215,561
Denominator				
Common units	432,213	408,275	431,925	401,820
Time-vested restricted units	1,329	968	1,220	862
Total	433,542	409,243	433,145	402,682
Basic earnings per unit				
Income before change in accounting principle and Enterprise Products GP interest	$ 0.33	$ 0.31	$ 0.59	$ 0.64
Cumulative effect of change in accounting principle	--	--	--	0.01
Enterprise Products GP interest in net income	(0.07)	(0.06)	(0.13)	(0.11)
Limited partners' interest in net income	$ 0.26	$ 0.25	$ 0.46	$ 0.54
DILUTED EARNINGS PER UNIT				
Numerator				
Income before change in accounting principle and Enterprise Products GP interest	$ 142,154	$ 126,295	$ 254,199	$ 258,597
Cumulative effect of change in accounting principle	--	--	--	1,475
Enterprise Products GP interest in net income	(28,627)	(23,103)	(55,623)	(44,511)
Limited partners' interest in net income	$ 113,527	$ 103,192	$ 198,576	$ 215,561
Denominator				
Common units	432,213	408,275	431,925	401,820
Time-vested restricted units	1,329	968	1,220	862
Performance-based restricted units	9	27	9	27
Incremental option units	576	234	547	241
Total	434,127	409,504	433,701	402,950
Diluted earnings per unit				
Income before change in accounting principle and Enterprise Products GP interest	$ 0.33	$ 0.31	$ 0.59	$ 0.64
Cumulative effect of change in accounting principle	--	--	--	0.01
Enterprise Products GP interest in net income	(0.07)	(0.06)	(0.13)	(0.11)
Limited partners' interest in net income	$ 0.26	$ 0.25	$ 0.46	$ 0.54

Note 14. Commitments and Contingencies

Litigation

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

threatened, that could have a significant adverse effect on our financial position, cash flows or results of operations.

On September 18, 2006, Peter Brinckerhoff, a purported unitholder of TEPPCO, filed a complaint in the Court of Chancery of New Castle County in the State of Delaware, in his individual capacity, as a putative class action on behalf of other unitholders of TEPPCO, and derivatively on behalf of TEPPCO, concerning, among other things, certain transactions involving TEPPCO and us or our affiliates. Mr. Brinkerhoff filed an amended complaint on July 12, 2007. The amended complaint names as defendants (i) TEPPCO, its current and certain former directors, and certain of its affiliates; (ii) us and certain of our affiliates; (iii) EPCO, Inc.; and (iv) Dan L. Duncan.

The amended complaint alleges, among other things, that the defendants have caused TEPPCO to enter into certain transactions with us or our affiliates that were unfair to TEPPCO or otherwise unfairly favored us or our affiliates over TEPPCO. These transactions are alleged to include the joint venture to further expand the Jonah Gathering System entered into by TEPPCO and one of our affiliates in August 2006 and the sale by TEPPCO to one of our affiliates of the Pioneer gas processing plant in March 2006. The amended complaint seeks (i) rescission of these transactions or an award of rescissory damages with respect thereto; (ii) damages for profits and special benefits allegedly obtained by defendants as a result of the alleged wrongdoings in the amended complaint; and (iii) awarding plaintiff costs of the action, including fees and expenses of his attorneys and experts. We believe this lawsuit is without merit and intend to vigorously defend against it. See Note 12 for additional information regarding our relationship with TEPPCO.

On February 13, 2007, EPO received notice from the U.S. Department of Justice ("DOJ") that it was the subject of a criminal investigation related to an ammonia release in Kingman County, Kansas on October 27, 2004 from a pressurized anhydrous ammonia pipeline owned by a third party, Magellan Ammonia Pipeline, L.P. ("Magellan"). EPO is the operator of this pipeline. On February 14, 2007, EPO received a letter from the Environment and Natural Resources Division ("ENRD") of the DOJ regarding this incident and a previous release of ammonia on September 27, 2004 from the same pipeline. The ENRD has indicated that it may pursue civil damages against EPO and Magellan as a result of these incidents. Based on this correspondence from the ENRD, the statutory maximum amount of civil fines that could be assessed against EPO and Magellan is up to $17.4 million in the aggregate. EPO is cooperating with the DOJ and is pursuing a resolution acceptable to all parties. EPO is seeking defense and indemnity under the pipeline operating agreement between it and Magellan. At this time, we do not believe that a final resolution of either the criminal investigation by the DOJ or the civil claims by the ENRD will have a material impact on our consolidated financial position, results of operations or cash flows.

On October 25, 2006, a rupture in the Magellan Ammonia Pipeline resulted in the release of ammonia near Clay Center, Kansas. The pipeline has been repaired and environmental remediation tasks related to this incident have been completed. At this time, we do not believe that this incident will have a material impact on our consolidated financial position, results of operations or cash flows.

Several lawsuits have been filed by municipalities and other water suppliers against a number of manufacturers of reformulated gasoline containing methyl tertiary butyl ether. In general, such suits have not named manufacturers of this product as defendants, and there have been no such lawsuits filed against our subsidiary that owns an octane-additive production facility. It is possible, however, that former manufacturers such as our subsidiary could ultimately be added as defendants in such lawsuits or in new lawsuits.

Operating Leases

We lease certain property, plant and equipment under noncancelable and cancelable operating leases. Our significant lease agreements involve (i) the lease of underground caverns for the storage of natural gas and NGLs, (ii) leased office space with an affiliate of EPCO, and (iii) land held pursuant to right-of-way agreements. In general, our material lease agreements have original terms that range from 14 to 20 years and include renewal options that could extend the agreements for up to an additional 20 years.

Lease expense is charged to operating costs and expenses on a straight line basis over the period of expected economic benefit. Contingent rental payments are expensed as incurred.

There have been no material changes in our operating lease commitments since December 31, 2006, except for the commitments associated with a new natural gas storage lease. In order to provide firm natural gas transportation and storage services under long-term agreements with CenterPoint Energy Resources Corp. ("CenterPoint Energy") in Houston, Texas, we entered into a 2-year agreement during the second quarter of 2007 for firm natural gas storage capacity in Texas. Our rental payments under the lease are at a fixed rate. Contingent rental payments are based upon the actual volume of natural gas we inject or withdrawal from the storage cavern over the term of the lease agreement. The incremental future minimum lease payments associated with our new natural gas storage lease are $3.7 million in 2007, $4.9 million in 2008 and $1.2 million in 2009. CenterPoint Energy will reimburse us for the costs we incur associated with this natural gas storage lease.

Lease and rental expense included in operating costs and expenses was $11.8 million and $10.0 million during the three months ended June 30, 2007 and 2006, respectively. For the six months ended June 30, 2007 and 2006, lease and rental expense included in operating costs and expenses was $19.9 million and $19.7 million, respectively.

Contractual Obligations

With the exception of the debt incurred by Duncan Energy Partners in connection with its initial public offering and the issuance of Junior Notes B by EPO, there have been no significant changes in our consolidated scheduled maturities of long-term debt since those reported in our annual report on Form 10-K for the year ended December 31, 2006. See Note 9 for additional information regarding the debt obligations of Duncan Energy Partners and the issuance of Junior Notes B.

Performance Guaranty

In December 2004, a subsidiary of ours entered into the Independence Hub Agreement with six oil and natural gas producers. We guaranteed to the producers the construction-related performance of our subsidiary up to an amount of $340.8 million. The performance guaranty expired during the second quarter of 2007.

Other Claims

As part of our normal business activities with joint venture partners and certain customers and suppliers, we occasionally make claims against such parties or have claims made against us as a result of disputes related to contractual agreements or similar arrangements. As of June 30, 2007, our contingent claims against such parties were approximately $1.9 million and claims against us were approximately $33.8 million. These matters are in various stages of assessment and the ultimate outcome of such disputes cannot be reasonably estimated. However, in our opinion, the likelihood of a material adverse outcome related to disputes against us is remote. Accordingly, accruals for loss contingencies related to these matters, if any, that might result from the resolution of such disputes have not been reflected in our consolidated financial statements.

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

The following is a discussion of the general status of our insurance claims related to recent significant storm events. To the extent we include any estimate or range of estimates regarding the dollar value of damages, please be aware that a change in our estimates may occur as additional information becomes available. To the extent we receive nonrefundable cash proceeds from business interruption insurance claims, they are recorded as revenue in our Unaudited Condensed Statements of Consolidated Operations in the period of receipt.

Hurricane Ivan insurance claims. We have submitted business interruption insurance claims for our estimated losses caused by Hurricane Ivan, which struck the eastern U.S. Gulf Coast region in September 2004. We are continuing our efforts to collect residual balances and expect to complete the process during 2007.

Hurricanes Katrina and Rita insurance claims. Hurricanes Katrina and Rita, both significant storms, affected certain of our Gulf Coast assets in August and September of 2005, respectively. We continue to pursue collection of our property damage and business interruption claims related to Hurricanes Katrina and Rita.

The following table summarizes the proceeds we received for the three and six months ended June 30, 2007 and 2006 from business interruption and property damage insurance claims with respect to certain named storms:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Business interruption proceeds:				
Hurricane Ivan	$ --	$ 2,021	$ 377	$ 12,226
Hurricane Katrina	13,199	--	13,199	--
Hurricane Rita	8,258	--	8,258	--
Other	--	--	996	--
Total proceeds	21,457	2,021	22,830	12,226
Property damage proceeds:				
Hurricane Ivan	204	--	1,273	24,104
Hurricane Katrina	6,563	--	6,563	--
Other	--	--	184	--
Total proceeds	6,767	--	8,020	24,104
Total	$ 28,224	$ 2,021	$ 30,850	$ 36,330

Note 16. Supplemental Cash Flow Information

Our Unaudited Condensed Statements of Consolidated Cash Flows are prepared using the indirect method. The indirect method derives net cash flows from operating activities by adjusting net income to remove (i) the effects of all deferrals of past operating cash receipts and payments, such as changes during the period in inventory, deferred income and similar transactions, (ii) the effects of all accruals of expected future operating cash receipts and cash payments, such as changes during the period in receivables and payables, (iii) the effects of all items classified as investing or financing cash flows, such as gains or losses on sale of property, plant and equipment or extinguishment of debt, and (iv) other non-cash amounts such as depreciation, amortization and changes in the fair market value of financial instruments.

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

	For the Six Months Ended June 30,	
	2007	**2006**
Decrease (increase) in:		
Accounts and notes receivable	$ (272,644)	$ 117,826
Inventories	1,580	(111,631)
Prepaid and other current assets	(43,145)	(48,347)
Other assets	3,308	7,601
Increase (decrease) in:		
Accounts payable	33,418	12,898
Accrued gas payable	187,642	19,402
Accrued expenses	98,219	35,911
Accrued interest	3,972	(1,248)
Other current liabilities	(16,937)	45,843
Other long-term liabilities	362	(3,563)
Net effect of changes in operating accounts	$ (4,225)	$ 74,692

Third parties may be obligated to reimburse us for all or a portion of expenditures on certain of our capital projects. The majority of such arrangements are associated with projects related to pipeline construction and production well tie-ins. We received $48.6 million and $34.9 million as contributions in aid of our construction costs during the six months ended June 30, 2007 and 2006, respectively.

Note 17. Condensed Financial Information of EPO

EPO conducts substantially all of our business. Currently, we have no independent operations and no material assets outside those of EPO. EPO consolidates the financial statements of Duncan Energy Partners with those of its own.

We guarantee the consolidated debt obligations of EPO with the exception of the Dixie revolving credit facility, Duncan Energy Partners' credit facility and the senior subordinated notes assumed in connection with the GulfTerra Merger. If EPO were to default on any debt we guarantee, we would be responsible for full repayment of that obligation. See Note 9 for additional information regarding our consolidated debt obligations.

The reconciling items between our consolidated financial statements and those of EPO are insignificant. The following table presents condensed consolidated balance sheet data for EPO at the dates indicated:

	June 30, 2007	December 31, 2006
ASSETS		
Current assets	$ 2,172,755	$ 1,915,937
Property, plant and equipment, net	10,734,128	9,832,547
Investments in and advances to unconsolidated affiliates, net	836,091	564,559
Intangible assets, net	950,260	1,003,955
Goodwill	590,647	590,541
Deferred tax asset	2,051	1,632
Other assets	77,630	74,103
Total	$ 15,363,562	$ 13,983,274
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	$ 2,203,066	$ 1,986,444
Long-term debt	6,259,715	5,295,590
Other long-term liabilities	126,026	99,845
Minority interest	439,812	136,249
Partners' equity	6,334,943	6,465,146
Total	$ 15,363,562	$ 13,983,274
Total EPO debt obligations guaranteed by us	$ 6,108,881	$ 5,314,000

The following table presents condensed consolidated statements of operations data for EPO for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues	$ 4,212,806	$ 3,517,853	$ 7,535,660	$ 6,767,927
Costs and expenses	3,989,249	3,339,326	7,128,979	6,397,972
Equity in income (loss) of unconsolidated affiliates	(6,211)	8,012	(32)	12,041
Operating income	217,346	186,539	406,649	381,996
Other expense	(69,123)	(53,413)	(131,087)	(109,925)
Income before provision for income taxes, minority interest and change in accounting principle	148,223	133,126	275,562	272,071
Provision for income taxes	1,845	(6,272)	(6,934)	(9,164)
Income before minority interest and change in accounting principle	150,068	126,854	268,628	262,907
Minority interest	(5,778)	(534)	(11,521)	(2,733)
Income before change in accounting principle	144,290	126,320	257,107	260,174
Cumulative effect of change in accounting principle	--	--	--	1,475
Net income	$ 144,290	$ 126,320	$ 257,107	$ 261,649

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

For the three and six months ended June 30, 2007 and 2006.

The following information should be read in conjunction with our Unaudited Condensed Consolidated Financial Statements and our accompanying notes included under Item 1 of this quarterly report on Form 10-Q and with the information contained within our annual report on Form 10-K for the year ended December 31, 2006. Our discussion and analysis includes the following:

§ Overview of Business.

§ Results of Operations – Discusses material period-to-period variances in our Unaudited Condensed Statements of Consolidated Operations.

§ Liquidity and Capital Resources – Addresses available sources of liquidity and analyzes cash flows.

§ Critical Accounting Policies – Presents accounting policies that are among the most significant to the portrayal of our financial condition and results of operations.

§ Other Items – Includes information related to contractual obligations, off-balance sheet arrangements, related party transactions, recent accounting pronouncements and similar disclosures.

This discussion contains various forward-looking statements and information that are based on our beliefs and those of our general partner, as well as assumptions made by us and information currently available to us. When used in this document, words such as "anticipate," "project," "expect," "plan," "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 as described in more detail in Item 1A, "Risk Factors," included in our annual report on Form 10-K for 2006. 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.

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

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

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP").

Unless the context requires otherwise, references to "we," "us," "our" or "Enterprise Products Partners" are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries, including Duncan Energy Partners L.P. ("Duncan Energy Partners").

In addition, references to “TEPPCO” mean TEPPCO Partners, L.P., a publicly traded Delaware limited partnership, which is an affiliate of us. References to “TEPPCO GP” refer to Texas Eastern Products Pipeline Company LLC, which is the general partner of TEPPCO and wholly owned by Enterprise GP Holdings L.P. (“Enterprise GP Holdings”).

Overview of Business

We are a North American midstream energy company providing a wide range of services to producers and consumers of natural gas, natural gas liquids (“NGLs”), crude oil, and certain petrochemicals. In addition, we are an industry leader in the development of pipeline and other midstream energy infrastructure in the continental United States and Gulf of Mexico. We are a publicly traded Delaware limited partnership formed in 1998, the common units of which are listed on the New York Stock Exchange (“NYSE”) under the ticker symbol “EPD.”

Our midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States, Canada and the Gulf of Mexico with domestic consumers and international markets. We have four reportable business segments: NGL Pipelines & Services; Onshore Natural Gas Pipelines & Services; Offshore Pipelines & Services; and Petrochemical Services. Our business segments are generally organized and managed according to the type of services rendered (or technologies employed) and products produced and/or sold.

We conduct substantially all of our business through Enterprise Products Operating LLC (“EPO”), as successor in interest by merger to Enterprise Products Operating L.P. We are owned 98% by our limited partners and 2% by Enterprise Products GP, LLC (our general partner, referred to as “Enterprise Products GP”). Enterprise Products GP is owned 100% by Enterprise GP Holdings, a publicly traded affiliate listed on the NYSE under the ticker symbol “EPE.” We, Enterprise Products GP and Enterprise GP Holdings are affiliates and under common control of Dan L. Duncan, the Chairman and the controlling shareholder of EPCO, Inc. (“EPCO”).

Recent Developments

The following information highlights our significant developments since January 1, 2007 through the date of this filing.

§ In August 2007, we completed the expansion of our petrochemical assets in Mont Belvieu and southeast Texas. This expansion project included (i) the construction of a fourth propylene fractionator at our Mont Belvieu complex, which will increase our propylene/propane fractionation capacity by approximately 15 MBPD, and (ii) the expansion of two refinery grade propylene gathering pipelines which will add 50 MBPD of gathering capacity into Mont Belvieu.

§ In August 2007, we completed construction of our Hobbs NGL fractionator, which is designed to handle up to 75 MBPD of mixed NGLs. The new fractionator is located at the interconnection of our Mid-America Pipeline System and our Seminole Pipeline near Hobbs, New Mexico.

§ In July 2007, our Independence Hub platform and Independence Trail pipeline received first production from deepwater production wells connected to the Independence Hub platform. As a result, these assets began earning fee-based revenues for natural gas processing and transportation services. These amounts are in addition to the demand fee revenues that Independence Hub began earning in March 2007.

§ In July 2007, we announced changes to our senior management team that became effective August 1, 2007. The board of directors of our general partner elected Michael A. Creel president and chief executive officer, W. Randall Fowler executive vice president and chief

financial officer, and William Ordemann executive vice president and chief operating officer. Mr. Creel replaces Robert G. Phillips who resigned effective June 30, 2007. Mr. Fowler was promoted to fill the position left vacant by Mr. Creel's promotion. Mr. Ordemann was promoted to fill the position vacated by Dr. Ralph S. Cunningham, who is now the chief executive officer of Enterprise GP Holdings. Mr. Creel had previously held this position.

§ In July 2007, we completed the first portion of the Phase V Expansion of the Jonah Gathering System, which will increase the system gathering capacity to 2.0 Bcf/d.

§ In June 2007, we announced the completion of our project to expand the capabilities of our import/export terminal at the Houston Ship Channel to handle incremental volumes of natural gas liquids and liquefied petroleum gases.

§ In May 2007, EPO sold $700 million in principal amount of fixed/floating unsecured junior subordinated notes due January 2068. For additional information regarding this issuance of debt, see "Liquidity and Capital Resources — Debt Obligations" included within this Item 2.

§ In March 2007, we announced the formation of a natural gas services and marketing businesses similar to our existing NGL and petrochemical marketing businesses. This new group will be the focal point for all of our existing natural gas supply and marketing activities, which currently include producer wellhead services, facility fuel procurement, pipeline and storage capacity optimization, and a full range of market customer delivery arrangements. This initiative is expected to broaden our role in the natural gas markets by linking our extensive U.S. natural gas pipeline and storage assets, thus providing customers with value-added solutions and reducing our operating costs through enhanced fuel procurement practices.

§ In February 2007, Duncan Energy Partners, a consolidated subsidiary of ours, completed an underwritten initial public offering of 14,950,000 of its common units. We formed Duncan Energy Partners as a Delaware limited partnership to acquire ownership interests in certain of our midstream energy businesses. For additional information regarding Duncan Energy Partners, see "Other Items – Initial Public Offering of Duncan Energy Partners" included within this Item 2.

Capital Spending

We are committed to the long-term growth and viability of Enterprise Products Partners. Part of our business strategy involves expansion through business combinations, growth capital projects and investments in joint ventures. We believe we are positioned to continue to grow our system of assets through the construction of new facilities and to capitalize on expected future production increases from such areas as the Piceance Basin of western Colorado, the Greater Green River Basin in Wyoming, the Barnett Shale in North Texas, and the deepwater Gulf of Mexico.

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

Based on information currently available, we estimate our consolidated capital spending for the remainder of 2007 (i.e., the third and fourth quarters) will approximate $984.0 million, which includes estimated expenditures of approximately $900.0 million for growth capital projects and acquisitions and $84.0 million for sustaining capital expenditures. For information regarding selected major growth capital projects, please see "Capital Spending" under Item 7 of the annual report on Form 10-K for the year ended December 31, 2006.

Our forecast of consolidated capital expenditures is based on our strategic operating and growth plans, which are dependent upon our ability to generate the required funds from either operating cash flows or from other means, including borrowings under debt agreements, issuance of equity, and potential divestitures of certain assets to third and/or related parties. Our forecast of capital expenditures may change due to factors beyond our control, such as weather related issues, changes in supplier prices, changes in our estimates or adverse economic conditions. Furthermore, our forecast may change as a result of decisions made by management at a later date, which may include acquisitions or decisions to take on additional partners.

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

The following table summarizes our cash basis capital spending by activity for the periods indicated (dollars in thousands):

	For the Six Months Ended June 30,	
	2007	**2006**
Capital spending for business combinations:		
Additional ownership interests in Dixie Pipeline Company ("Dixie") and other	$ 785	$ --
Total	785	--
Capital spending for property, plant and equipment:		
Growth capital projects, net	1,029,382	514,743
Sustaining capital projects	51,311	63,835
Total	1,080,693	578,578
Capital spending attributable to unconsolidated affiliates:		
Investments in and advances to unconsolidated affiliates (1)	307,032	104,762
Total	307,032	104,762
Total capital spending	$ 1,388,510	$ 683,340

(1) Includes $216.5 million in cash contributions to Cameron Highway Oil Pipeline Company ("Cameron Highway") to fund our share of the repayment of its debt obligations.

Our capital spending for growth capital projects (as presented in the preceding table) are net of amounts we received from third parties as contributions in aid of our construction costs. Such contributions were $48.6 million and $34.9 million for the six months ended June 30, 2007 and 2006, respectively. On certain of our capital projects, third parties are obligated to reimburse us for all or a portion of project expenditures. The majority of such arrangements are associated with projects related to pipeline construction and production well tie-ins.

At June 30, 2007, we had $551.3 million in outstanding purchase commitments. These commitments primarily relate to growth capital projects in the Rocky Mountains that are expected to be placed in service in 2007 and 2008 and the Shenzi Oil Export Pipeline Project, which is expected to be completed in 2009.

We own a 50.0% interest in Cameron Highway, which owns a crude oil pipeline that gathers production from deepwater areas of the Gulf of Mexico, primarily the South Green Canyon area, for delivery to refineries and terminals in southeast Texas. In May 2007, we made an approximate $191.0 million cash contribution to Cameron Highway. This capital contribution, along with an equal amount contributed by our joint venture partner in Cameron Highway, was used by Cameron Highway to repay $365.0 million outstanding under its Series A notes and $14.1 million of related make-whole premiums and accrued interest. In June 2007, we and our joint venture partner in Cameron Highway, made an additional capital contribution of approximately $25.5 million each. These capital contributions were used by Cameron Highway to repay its Series B notes on June 7, 2007. The amount of the repayment was $50.9

million, which included $0.9 million of related make-whole premiums and accrued interest. As of June 30, 2007, Cameron Highway no longer has any outstanding debt.

In March 2007, we announced the successful installation of our Independence Hub platform at its deepwater site in the Mississippi Canyon of the eastern Gulf of Mexico. As a result of this event, the Independence Hub platform has started earning demand revenues. With the installation now complete, control of the Independence Hub will be transferred to Anadarko Petroleum Corporation as platform operator. First production from the fields served by the Independence Hub platform began in July 2007.

Pipeline Integrity Costs

Our NGL, petrochemical and natural gas pipelines are subject to pipeline safety programs administered by the U.S. Department of Transportation, through its Office of Pipeline Safety. The following table summarizes our pipeline integrity costs for the periods indicated (dollars in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Pipeline Integrity Costs				
Operating Expense	$ 15,349	$ 8,412	$ 23,672	$ 14,292
Capitalized	15,445	4,673	25,864	17,355
Total	$ 30,794	$ 13,085	$ 49,536	$ 31,647

We expect our net cash outlay for pipeline integrity program expenditures to approximate $29.7 million for the remainder of 2007. Our forecast is net of certain costs we expect to recover from El Paso in connection with an indemnification agreement. During the second quarter of 2007, we received $30.9 million from El Paso related to our 2006 expenditures, which leaves a remainder $0.2 million to be collected for 2006 expenditures. For the remainder of 2007, $5.4 million is reimbursable by El Paso for 2007 pipeline integrity costs.

Results of Operations

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

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

We define total segment gross operating margin as consolidated operating income before (i) depreciation, amortization and accretion expense; (ii) operating lease expenses for which we do not have the payment obligation; (iii) gains and losses on the sale of assets; and (iv) general and administrative costs. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, minority interest, extraordinary charges and the cumulative effect of change in accounting principle. 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 intersegment and intrasegment transactions. Intercompany accounts and transactions are eliminated in consolidation.

We include earnings from equity method unconsolidated affiliates in our measurement of segment gross operating margin and operating income. Our equity investments with industry partners are a vital component of our business strategy. They are a means by which we conduct our operations to align our interests with those of our customers and/or suppliers. 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. As circumstances dictate, we may increase our ownership interest in equity investments, which could result in their subsequent consolidation into our operations.

Our consolidated gross operating margin amounts include the gross operating margin amounts of Duncan Energy Partners on a 100% basis. Volumetric data associated with the operations of Duncan Energy Partners are also included on a 100% basis in our consolidated statistical data.

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

Selected Price and Volumetric Data

The following table illustrates selected quarterly industry index prices for natural gas, crude oil and selected NGL and petrochemical products for the periods presented.

	Natural Gas, $/MMBtu	Crude Oil, $/barrel	Ethane, $/gallon	Propane, $/gallon	Normal Butane, $/gallon	Isobutane, $/gallon	Natural Gasoline, $/gallon	Polymer Grade Propylene, $/pound	Refinery Grade Propylene, $/pound
	(1)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
2006									
1st Quarter	$9.01	$63.35	$0.57	$0.94	$1.20	$1.27	$1.38	$0.45	$0.40
2nd Quarter	$6.80	$70.53	$0.68	$1.05	$1.22	$1.26	$1.52	$0.50	$0.44
3rd Quarter	$6.58	$70.44	$0.76	$1.10	$1.28	$1.30	$1.53	$0.51	$0.46
4th Quarter	$6.56	$60.03	$0.62	$0.95	$1.11	$1.12	$1.31	$0.44	$0.35
2006 Averages	$7.24	$66.09	$0.66	$1.01	$1.20	$1.24	$1.44	$0.47	$0.41
2007									
1st Quarter	$6.77	$58.02	$0.59	$0.97	$1.13	$1.22	$1.37	$0.45	$0.40
2nd Quarter	$7.55	$64.97	$0.72	$1.13	$1.33	$1.45	$1.65	$0.51	$0.46
2007 Averages	$7.16	$61.49	$0.66	$1.05	$1.23	$1.33	$1.51	$0.48	$0.43

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

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

The following table presents our significant average throughput, production and processing volumetric data. These statistics are reported on a net basis, taking into account our ownership interests in certain joint ventures, and reflect the periods in which we owned an interest in such operations.

	For the Three Months Ended June 30,		For the Six Months Ended June 30	
	2007	2006	2007	2006
NGL Pipelines & Services, net:				
NGL transportation volumes (MBPD)	1,696	1,586	1,652	1,515
NGL fractionation volumes (MBPD)	370	308	361	282
Equity NGL production (MBPD)	67	61	68	59
Fee-based natural gas processing (MMcf/d)	2,405	2,465	2,403	2,138
Onshore Natural Gas Pipelines & Services, net:				
Natural gas transportation volumes (BBtus/d)	6,325	5,907	6,206	5,979
Offshore Pipelines & Services, net:				
Natural gas transportation volumes (BBtus/d)	1,294	1,523	1,338	1,500
Crude oil transportation volumes (MBPD)	175	161	164	137
Platform gas processing (Mcf/d)	188	158	175	158
Platform oil processing (MBPD)	24	18	22	12
Petrochemical Services, net:				
Butane isomerization volumes (MBPD)	89	83	92	84
Propylene fractionation volumes (MBPD)	55	56	58	54
Octane additive production volumes (MBPD)	10	9	8	7
Petrochemical transportation volumes (MBPD)	103	93	102	90
Total, net:				
NGL, crude oil and petrochemical transportation volumes (MBPD)	1,974	1,840	1,918	1,742
Natural gas transportation volumes (BBtus/d)	7,619	7,430	7,544	7,479
Equivalent transportation volumes (MBPD) (1)	3,979	3,795	3,903	3,710

(1) Reflects equivalent energy volumes where 3.8 MMBtus of natural gas are equivalent to one barrel of NGLs.

Comparison of Results of Operations

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues	$ 4,212,806	$ 3,517,853	$ 7,535,660	$ 6,767,927
Operating costs and expenses	3,960,672	3,323,585	7,085,151	6,370,448
General and administrative costs	31,361	16,235	47,991	29,975
Equity in income (loss) of unconsolidated affiliates	(6,211)	8,012	(32)	12,041
Operating income	214,562	186,045	402,486	379,545
Interest expense	71,275	56,333	134,633	114,410
Net income	142,154	126,295	254,199	260,072

Our gross operating margin by segment and in total is as follows for the periods indicated (dollars in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	2006	2007	2006
Gross operating margin by segment:				
NGL Pipelines & Services	$ 208,805	$ 146,414	$ 399,499	$ 317,364
Onshore Natural Gas Pipelines & Services	83,163	86,651	159,678	183,454
Offshore Pipelines & Services	31,046	20,515	50,753	37,767
Petrochemical Services	50,334	57,044	87,917	84,562
Total segment gross operating margin	$ 373,348	$ 310,624	$ 697,847	$ 623,147

For a reconciliation of non-GAAP gross operating margin to GAAP operating income and further to GAAP income before provision for income taxes, minority interest and the cumulative effect of change in accounting principle, see “Other Items – Non-GAAP reconciliations” included within this Item 2.

The following table summarizes the contribution to consolidated revenues from the sale of NGL, natural gas and petrochemical products during the periods indicated (dollars in thousands):

	For the Three Months Ended June 30,		**For the Six Months Ended June 30,**	
	2007	**2006**	**2007**	**2006**
NGL Pipelines & Services:				
Sale of NGL products	$ 2,923,058	$ 2,423,219	$ 5,114,682	$ 4,615,235
Percent of consolidated revenues	69%	69%	68%	68%
Onshore Natural Gas Pipelines & Services:				
Sale of natural gas	422,722	268,601	783,753	636,145
Percent of consolidated revenues	10%	8%	10%	9%
Petrochemical Services:				
Sale of petrochemical products	436,309	396,439	824,061	739,789
Percent of consolidated revenues	10%	11%	11%	11%

As noted in the following sections, changes in our revenues period-to-period are explained in part by changes in energy commodity prices.

Comparison of Three Months Ended June 30, 2007 with Three Months Ended June 30, 2006

Consolidated revenues increased $695.0 million quarter-to-quarter to $4.2 billion for the second quarter of 2007 from $3.5 billion for the second quarter of 2006. The quarter-to-quarter increase in consolidated revenues is primarily due to higher sales volumes and energy commodity prices in the second quarter of 2007 relative to the second quarter of 2006. These factors accounted for a $693.8 million increase in consolidated revenues from our NGL, natural gas and petrochemical marketing activities. Revenues for the second quarter of 2007 include $21.5 million of proceeds from business interruption insurance associated with Hurricanes Katrina and Rita in 2005. Revenues for the second quarter of 2006 include $2.0 million of proceeds from business interruption insurance associated with Hurricane Ivan in 2004.

Operating costs and expenses were $4.0 billion for the second quarter of 2007 versus $3.3 billion for the second quarter of 2006. The $637.1 million quarter-to-quarter increase in consolidated operating costs and expenses is primarily due to an increase in the cost of sales associated with our marketing activities. The cost of sales of our NGL, natural gas and petrochemical products increased $423.4 million quarter-to-quarter as a result of an increase in volumes and higher energy commodity prices. Operating costs and expenses associated with our natural gas processing plants increased $37.9 million quarter-to-quarter as a result of higher energy commodity prices and processing volumes in the second quarter of 2007 compared to the second quarter of 2006. The second quarter of 2007 includes $54.0 million of consolidated operating costs and expenses attributable to businesses we acquired or assets we placed in-service after the second quarter of 2006.

General and administrative costs were $31.4 million for the second quarter of 2007 compared to $16.2 million for the second quarter of 2006. The $15.1 million quarter-to-quarter increase in general and administrative costs is primarily due to the recognition of a severance obligation to our former chief executive officer in the second quarter of 2007 and higher accounting and legal fees in the second quarter of 2007 compared to the second quarter of 2006.

Changes in our revenues and costs and expenses quarter-to-quarter are explained in part by changes in energy commodity prices. The weighted-average indicative market price for NGLs was $1.13 per gallon during the second quarter of 2007 versus $1.04 per gallon during the second quarter of 2006. Our determination of the weighted-average indicative market price for NGLs is based on U.S. Gulf Coast

prices for such products at Mont Belvieu, Texas, which is the primary industry hub for domestic NGL production. The market price of natural gas (as measured at Henry Hub) averaged $7.55 per MMBtu during the second quarter of 2007 versus $6.80 per MMBtu during the second quarter of 2006. For additional historical energy commodity pricing information, see the table on page 46.

Equity earnings from our unconsolidated affiliates were a loss of $6.2 million for the second quarter of 2007 compared to earnings of $8.0 million for the second quarter of 2006. The second quarter of 2007 includes a $7.0 million non-cash impairment charge associated with our investment in the Nemo Gathering System. Equity earnings from our investment in Cameron Highway decreased $7.3 million quarter-to-quarter primarily due to expenses we recognized during the second quarter of 2007 for the early retirement of Cameron Highway's debt. The second quarter of 2007 includes $1.1 million of equity earnings from our investment in Jonah.

Operating income for the second quarter of 2007 was $214.6 million compared to $186.0 million for the second quarter of 2006. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to the $28.6 million increase in operating income quarter-to-quarter.

Interest expense increased $14.9 million quarter-to-quarter primarily due to our issuance of junior subordinated notes in the third quarter of 2006 and the second quarter of 2007. In addition, our consolidated interest expense for the second quarter of 2007 includes $2.4 million associated with Duncan Energy Partners' credit facility. Our average debt principal outstanding was $6.0 billion in the second quarter of 2007 compared to $4.8 billion in the second quarter of 2006. Provision for income taxes decreased $8.1 million quarter-to-quarter primarily due to amounts recorded in the second quarter of 2006 for the initial recognition of deferred taxes associated with the Texas Margin Tax. Minority interest expense increased $5.2 million quarter-to-quarter attributable to the public unit holders of Duncan Energy Partners.

As a result of items noted in the previous paragraphs, our consolidated net income increased $15.9 million quarter-to-quarter to $142.2 million in the second quarter of 2007 compared to $126.3 million in the second quarter of 2006.

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

NGL Pipelines & Services. Gross operating margin from this business segment was $208.8 million for the second quarter of 2007 compared to $146.4 million for the second quarter of 2006. The second quarter of 2007 includes $20.2 million of proceeds from business interruption insurance claims compared to $2.0 million of proceeds during the second quarter of 2006. The following paragraphs provide a discussion of segment results excluding proceeds from business interruption insurance claims.

Gross operating margin from our natural gas processing and related NGL marketing business was $102.0 million for the second quarter of 2007 compared to $79.9 million for the second quarter of 2006. Equity NGL production increased to 67 MBPD during the second quarter of 2007 from 61 MBPD during the second quarter of 2006. The $22.1 million quarter-to-quarter increase in gross operating margin is primarily due to higher processing fees and equity NGL production from our Louisiana gas plants and improved results from our NGL marketing activities, which benefited from higher sales volumes and margins in the second quarter of 2007 relative to the second quarter of 2006. Gross operating margin from our Chaco natural gas processing plant increased $7.1 million quarter-to-quarter primarily due to higher volumes. Also, the second quarter of 2007 includes $2.8 million of gross operating margin from contracts we acquired in connection with the Encinal acquisition in 2006.

Gross operating margin from our NGL pipelines and related storage business was $65.7 million for the second quarter of 2007 compared to $50.6 million for the second quarter of 2006. Total NGL transportation volumes increased to 1,696 MBPD during the second quarter of 2007 from 1,586 MBPD during the second quarter of 2006. The $15.1 million quarter-to-quarter increase in gross operating margin from this business is primarily due to higher NGL transportation volumes and higher tariffs charged to shippers on our Mid-America Pipeline System during the second quarter of 2007 relative to the same

quarter in 2006. Also, segment gross operating margin for the second quarter of 2007 includes $5.3 million from the DEP South Texas NGL Pipeline, which was placed in-service in January 2007.

Gross operating margin from NGL fractionation was $21.0 million for the second quarter of 2007 compared to $13.9 million for the second quarter of 2006. Fractionation volumes increased from 308 MBPD during the second quarter of 2006 to 370 MBPD during the second quarter of 2007. The $7.1 million quarter-to-quarter increase in gross operating margin is largely due to increased fractionation volumes at both our Norco and Mont Belvieu NGL fractionators. The Norco facility suffered a reduction of volumes in the second quarter of 2006 due to the lingering effects of Hurricane Katrina. Our Mont Belvieu NGL fractionator benefited from a 15 MBPD expansion project that was completed during the second quarter of 2006.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment was $83.2 million for the second quarter of 2007 compared to $86.7 million for the second quarter of 2006. Our onshore natural gas transportation volumes increased to 6,325 BBtu/d during the second quarter of 2007 from 5,907 BBtu/d for the second quarter of 2006. Segment gross operating margin from our onshore natural gas pipelines decreased $6.0 million quarter-to-quarter primarily due to higher pipeline integrity and maintenance costs on our Texas Intrastate System and lower natural gas sales margins. Segment gross operating margin from our San Juan Gathering System increased $4.1 million quarter-to-quarter attributable to higher revenues from certain gathering contracts in which fees are based on an index price for natural gas.

Gross operating margin for the second quarter of 2007 includes $1.3 million from the Piceance Creek Gathering System, which we acquired in December 2006 and placed in-service in January 2007. The Piceance Creek Gathering System contributed 385 BBtu/d of gathering volumes during the second quarter of 2007. The second quarter of 2007 also includes $1.1 million of equity earnings from Jonah.

In addition, gross operating margin from our natural gas storage business increased $2.5 million quarter-to-quarter largely due to the timing of repair projects at our Wilson natural gas storage facility in Texas. Our Wilson facility, which has been out of service and undergoing repairs since the second quarter of 2006, experienced mechanical problems associated with three natural gas storage caverns. We completed repairs on two of the storage caverns at our Wilson facility in the second quarter of 2007 and expect to return all three caverns to service in the second half of 2007.

Offshore Pipelines & Services. Gross operating margin from this business segment was $31.0 million for the second quarter of 2007 compared to $20.5 million for the second quarter of 2006. Segment gross operating margin for the second quarter of 2007 includes $1.3 million of proceeds from business interruption insurance claims. The following paragraphs provide a discussion of segment results excluding proceeds from business interruption insurance claims.

Gross operating margin from our offshore platforms and services business was $26.8 million for the second quarter of 2007 compared to $8.2 million for the second quarter of 2006. The $18.6 million quarter-to-quarter increase in gross operating margin is primarily due to our Independence Hub platform, which started earning revenues in March 2007. In addition, gross operating margin from this business increased $4.9 million quarter-to-quarter primarily due to higher volumes in the second quarter of 2007 compared to the second quarter of 2006.

Gross operating margin from our offshore natural gas pipelines was $4.0 million for the second quarter of 2007 compared to $6.5 million for the second quarter of 2006. Offshore natural gas transportation volumes were 1,294 BBtu/d during the second quarter of 2007 versus 1,523 BBtu/d during the second quarter of 2006. The $2.5 million decrease in gross operating margin quarter-to-quarter is primarily due to a $7.0 million non-cash impairment charge in the second quarter of 2007 associated with our investment in the Nemo Gathering System and lower volumes on our Viosca Knoll Gathering System. Segment gross operating margin from our HIOS system increased $7.8 million quarter-to-quarter due to an increase in the tariff rate charged to shippers. For additional information regarding our investments in

unconsolidated affiliates, see Note 7 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

One of our objectives for 2006 was to seek relief through filings with the FERC to increase the tariff on our HIOS system and recover increased operating costs. In March 2007, the tariff charged to shippers on our HIOS system increased. At which time, we began collecting the increased rate (subject to refund pending FERC approval); however, revenue related to this increase was deferred. In June 2007, the new tariff on our HIOS system was uncontested by the FERC staff and all intervening shippers. Due to the uncontested status of the HIOS rate case filing, we elected to recognize $5.5 million of deferred gathering revenues in the second quarter of 2007.

Gross operating margin from our offshore crude oil pipelines decreased $6.8 million quarter-to-quarter. Segment gross operating margin for the second quarter of 2007 includes a one-time expense of $8.8 million associated with the early termination of Cameron Highway’s debt. Our Marco Polo, Constitution and Poseidon oil pipelines posted higher crude oil transportation volumes during the second quarter of 2007 due to increased production activity by our customers. Collectively, gross operating margin from these oil pipelines improved $1.0 million quarter-to-quarter. Total offshore crude oil transportation volumes increased to 175 MBPD during the second quarter of 2007 from 161 MBPD during the second quarter of 2006.

Petrochemical Services. Gross operating margin from this business segment was $50.3 million for the second quarter of 2007 compared to $57.0 million for the second quarter of 2006. Gross operating margin from butane isomerization was $22.3 million for the second quarter of 2007 compared to $20.5 million for the second quarter of 2006. The quarter-to-quarter increase of $1.8 million is primarily due to higher processing volumes. Butane isomerization volumes increased to 89 MBPD during the second quarter of 2007 from 83 MBPD during the second quarter of 2006.

Gross operating margin from our octane enhancement business was $14.4 million for the second quarter of 2007 compared to $20.5 million for the second quarter of 2006. Gross operating margin from this business decreased $6.1 million quarter-to-quarter primarily due to higher maintenance costs and lower isooctane sales margins in the second quarter of 2007 versus the second quarter of 2006. Also, sales of isobutylene, which generally has lower sales margins than isooctane, increased quarter-to-quarter. Gross operating margin from our propylene fractionation and pipeline activities was $13.6 million for the second quarter of 2007 versus $16.0 million for the second quarter of 2006. The quarter-to-quarter decrease in gross operating margin of $2.4 million is largely due to lower propylene sales margins and higher power-related costs during the second quarter of 2007 compared to the second quarter of 2006.

Comparison of Six Months Ended June 30, 2007 with Six Months Ended June 30, 2006

Revenues for the first six months of 2007 were $7.5 billion compared to $6.8 billion for the first six months of 2006. The $767.7 million period-to-period increase in consolidated revenues is primarily due to higher sales volumes and energy commodity prices during the first six months of 2007 relative to the 2006 period. These differences accounted for a $731.3 million increase in consolidated revenues associated with our marketing activities. Revenues for the first six months of 2007 include $22.8 million of proceeds from business interruption insurance associated with Hurricanes Katrina, Rita and Ivan. Revenues for the first six months of 2006 include $12.2 million of proceeds from business interruption insurance associated with Hurricane Ivan.

Operating costs and expenses were $7.1 billion for the first six months of 2007 compared to $6.4 billion for the first six months of 2006. The $714.7 million period-to-period increase in consolidated operating costs and expenses is primarily due to an increase in the costs of sales associated with our marketing activities. The cost of sales of our natural gas, NGL and petrochemical products increased $424.9 million period-to-period as a result of an increase in volumes and higher energy commodity prices. Operating costs and expenses associated with our natural gas processing plants increased $48.9 million period-to-period as a result of higher energy commodity prices and processing volumes in the first six

months of 2007 compared to the 2006 period. The first six months of 2007 include $98.7 million of consolidated operating costs and expenses attributable to businesses we acquired or assets we placed in-service after the second quarter of 2006.

General and administrative costs were $48.0 million for the first six months of 2007 compared to $30.0 million for the first six months of 2006. The $18.0 million period-to-period increase in general and administrative costs is primarily due the recognition of a severance obligation during the first six months of 2007 and an increase in accounting and legal fees.

Changes in our revenues and costs and expenses period-to-period are explained in part by changes in energy commodity prices. The weighted-average indicative market price for NGLs was $1.04 per gallon for the six months ended June 30, 2007 versus $0.99 per gallon during the first six months of 2006—a period-to-period increase of 5%. The Henry Hub market price for natural gas averaged $7.16 per MMBtu for the first six months of 2007 versus $7.91 per MMBtu during the 2006 period. For additional historical energy commodity pricing information, please see the table on page 46.

Equity earnings from unconsolidated affiliates decreased $12.1 million period-to-period from $12.0 million for the first six months of 2006. The first six months of 2007 includes a $7.0 million non-cash impairment charge associated with our investment in the Nemo Gathering System. Equity earnings from our investment in Cameron Highway decreased $7.6 million period-to-period primarily due to expenses we recognized during first six months of 2007 associated with the early retirement of Cameron Highway's debt. The first six months of 2007 include $2.1 million of equity earnings from our investment in Jonah.

Operating income for the first six months of 2007 was $402.5 million compared to $379.5 million for the first six months of 2006. Collectively, the aforementioned changes in revenues, costs and expenses and equity earnings contributed to the $23.0 million increase in operating income period-to-period.

Interest expense increased to $134.6 million for the first six months of 2007 from $114.4 million for the first six months of 2006. The $20.2 million period-to-period increase in interest expense is primarily due to our issuance of junior subordinated notes in the third quarter of 2006 and the second quarter of 2007. In addition, our consolidated interest expense for the first six months of 2007 includes $3.5 million associated with Duncan Energy Partners' credit facility. Our average debt principal outstanding was $5.7 billion for the first six months of 2007 compared to $4.7 billion for the first six months of 2006. Provision for income taxes decreased $2.2 million period-to-period. Minority interest expense increased $8.7 million period-to-period attributable to the public unitholders of Duncan Energy Partners.

As a result of the items noted in previous paragraphs, our consolidated net income decreased $5.9 million to $254.2 million for the six months ended June 30, 2007 compared to $260.1 million for the 2006 period. The first six months of 2006 includes a $1.5 million benefit related to the cumulative effect of a change in accounting principle resulting from our adoption of Statement of Financial Accounting Standards ("SFAS") 123(R) on January 1, 2006. For additional information regarding this cumulative effect adjustment, please read Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

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

NGL Pipelines & Services. Gross operating margin from this business segment was $399.5 million for the first six months of 2007 compared to $317.4 million for the first six months of 2006, a period-to-period increase of $82.1 million. The first six months of 2007 include $21.6 million of proceeds from business interruption insurance claims compared to $10.3 million of proceeds during the first six months of 2006. The following paragraphs provide a discussion of segment results excluding proceeds from business interruption insurance claims.

Gross operating margin from our natural gas processing and related NGL marketing business was $187.4 million for the first six months of 2007 compared to $161.0 million for the first six months of 2006. The $26.4 million period-to-period increase in gross operating margin is largely due to higher natural gas processing volumes during the first six months of 2007 relative to the 2006 period. Collectively, gross operating margin from our South Louisiana and Chaco natural gas processing plants increased $23.3 million attributable to higher volumes. Fee-based processing volumes increased to 2.4 Bcf/d during the first six months of 2007 from 2.1 Bcf/d during the first six months of 2006. Equity NGL production volumes increased to 68 MBPD during the first six months of 2007 from 59 MBPD during the 2006 period. Lastly, segment gross operating margin from this business for the first six months of 2007 includes $5.7 million from natural gas processing contracts we acquired in connection with the Encinal acquisition in July 2006.

Gross operating margin from NGL pipelines and storage was $144.3 million for the first six months of 2007 compared to $119.1 million for the first six months of 2006. Total NGL transportation volumes increased to 1,652 MBPD for the first six months of 2007 from 1,515 MBPD for the first six months of 2006. The $25.2 million period-to-period increase in gross operating margin is largely due to higher pipeline transportation and NGL storage volumes at certain of our facilities and higher transportation fees charged to shippers on our Mid-America Pipeline System. In addition, the first six months of 2007 include $10.2 million of gross operating margin generated by the DEP South Texas NGL Pipeline.

Gross operating margin from NGL fractionation was $46.2 million for the first six months of 2007 compared to $27.0 million for the first six months of 2006. Fractionation volumes increased from 282 MBPD during the first six months of 2006 to 361 MBPD during the first six months of 2007. The period-to-period increase in gross operating margin and fractionation volumes is primarily due to our Mont Belvieu and Norco NGL fractionators. Gross operating margin from our Mont Belvieu NGL fractionator increased $10.8 million period-to-period largely due to increased demand for the fractionation of mixed NGLs. Our Norco NGL fractionator, which returned to normal operating rates in the second quarter of 2006, suffered a reduction of processing volumes during the first six months of 2006 due to the effects of Hurricane Katrina. Gross operating margin from our Norco NGL fractionator increased $10.5 million period-to-period.

Onshore Natural Gas Pipelines & Services. Gross operating margin from this business segment was $159.7 million for the first six months of 2007 compared to $183.5 million for the first six months of 2006. The $23.8 million decrease in gross operating margin period-to-period is primarily due to lower natural gas sales margins on our Acadian and Permian Basin Systems and lower gross operating margin from our Texas Intrastate System. The decrease in gross operating margin period-to-period on our Texas Intrastate System is primarily due to lower average rates realized and higher pipeline integrity and maintenance costs during the first six months of 2007 versus the 2006 period. Our onshore natural gas transportation volumes were 6,206 BBtu/d during the first six months of 2007 compared to 5,979 BBtu/d during the first six months of 2006.

The first six months of 2007 include $2.3 million of gross operating margin from our Piceance Creek Gathering System, which we placed-in service in January 2007. The Piceance Creek Gathering System contributed 336 BBtu/d of natural gas gathering volumes during the first six months of 2007. Also, the first six months of 2007 include $2.1 million of equity earnings from Jonah.

Offshore Pipelines & Services. Gross operating margin from this business segment was $50.8 million for the first six months of 2007 compared to $37.8 million for the first six months of 2006. The first six months of 2007 include $1.3 million of proceeds from business interruption insurance claims compared to $1.9 million of proceeds during the first six months of 2006. In addition, insurance costs for our offshore assets increased to $13.9 million for the first six months of 2007 compared to $7.5 million for the first six months of 2006. Insurance costs for our offshore operations have increased as a result of industry losses associated with significant storms in recent years. The following paragraphs provide a discussion of segment results excluding proceeds from business interruption insurance claims and insurance costs.

Gross operating margin from our offshore platforms and services business was $40.7 million for the first six months of 2007 compared to $14.8 million for the first six months of 2006. The $25.9 million period-to-period increase is primarily due to our Independence Hub platform, which began earning revenues in March 2007. In addition, gross operating margin from this business increased $6.4 million period-to-period primarily due to higher volumes in the first six months of 2007 compared to the 2006 period.

Gross operating margin from our offshore natural gas pipelines was $19.7 million for the first six months of 2007 compared to $21.2 million for the first six months of 2006. Offshore natural gas transportation volumes were 1,338 BBtu/d during the first six months of 2007 versus 1,500 BBtu/d during the first six months of 2006. The decrease in gross operating margin is primarily due to a $7.0 million non-cash impairment charge in the first six months of 2007 associated with our investment in the Nemo Gathering System. This decrease in gross operating margin was partially offset by the affects of a higher tariff on our HIOS system and higher volumes on our Phoenix Gathering System during the first six months of 2007 relative to the 2006 period.

Gross operating margin from our offshore crude oil pipelines was $3.0 million for the first six months of 2007 versus $7.4 million for the first six months of 2006. Improved gross operating margin period-to-period from our Marco Polo, Constitution and Poseidon Oil Pipelines was more than offset by expenses associated with the early retirement of Cameron Highway's credit facility. Segment gross operating margin for the first six months of 2007 includes a one-time expense of $8.8 million associated with the early termination of Cameron Highway's credit facility. Collectively, gross operating margin from our Marco Polo, Constitution and Poseidon Oil Pipelines increased $4.4 million period-to-period due to higher volumes. Offshore crude oil transportation volumes were 164 MBPD for the first six months of 2007 compared to 137 MBPD for the first six months of 2006.

Petrochemical Services. Gross operating margin from this business segment was $87.9 million for the first six months of 2007 compared to $84.6 million for the first six months of 2006. Gross operating margin from our octane enhancement business was $13.2 million for the first six months of 2007 compared to $9.4 million for the first six months of 2006. The $3.8 million period-to-period increase in gross operating margin is primarily due to higher isooctane sales volumes during the first six months of 2007 versus the first six months of 2006.

Gross operating margin from butane isomerization was $43.1 million for the first six months of 2007 compared to $38.6 million for the first six months of 2006. The period-to-period increase in gross operating margin of $4.5 million is largely due to higher volumes. Butane isomerization volumes increased to 92 MBPD during the first six months of 2007 from 84 MBPD during the first six months of 2006. Gross operating margin from propylene fractionation was $31.6 million for the first six months of 2007 versus $36.5 million for the first six months of 2006. The period-to-period decrease in gross operating margin of $4.9 million is largely due to lower propylene sales margins and higher power-related costs in the first six months of 2007 versus the first six months of 2006.

Significant Risks and Uncertainties – Weather-Related Risks

The following is a discussion of the general status of our insurance claims related to recent significant storm events. To the extent we include any estimate or range of estimates regarding the dollar value of damages, please be aware that a change in our estimates may occur as additional information becomes available. To the extent we receive nonrefundable cash proceeds from business interruption insurance claims, they are recorded as revenue in our Unaudited Condensed Statements of Consolidated Operations in the period of receipt.

Hurricane Ivan insurance claims. We have submitted business interruption insurance claims for our estimated losses caused by Hurricane Ivan, which struck the eastern U.S. Gulf Coast region in September 2004. We are continuing our efforts to collect residual balances and expect to complete the process during 2007.

Hurricanes Katrina and Rita insurance claims. Hurricanes Katrina and Rita, both significant storms, affected certain of our Gulf Coast assets in August and September of 2005, respectively. We continue to pursue collection of our property damage and business interruption claims related to Hurricanes Katrina and Rita.

The following table summarizes the proceeds we received for the three and six months ended June 30, 2007 and 2006 from business interruption and property damage insurance claims with respect to certain named storms (dollars in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Business interruption proceeds:				
Hurricane Ivan	$ --	$ 2,021	$ 377	$ 12,226
Hurricane Katrina	13,199	--	13,199	--
Hurricane Rita	8,258	--	8,258	--
Other	--	--	996	--
Total proceeds	21,457	2,021	22,830	12,226
Property damage proceeds:				
Hurricane Ivan	204	--	1,273	24,104
Hurricane Katrina	6,563	--	6,563	--
Other	--	--	184	--
Total proceeds	6,767	--	8,020	24,104
Total proceeds	$ 28,224	$ 2,021	$ 30,850	$ 36,330

Liquidity and Capital Resources

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

At June 30, 2007, we had $63.4 million of unrestricted cash on hand and approximately $751.0 million of available credit under EPO’s Multi-Year Revolving Credit Facility. At June 30, 2007, there was approximately $108.9 million of available credit under Duncan Energy Partners’ Credit Facility. In total, we had approximately $6.3 billion in principal outstanding under consolidated debt agreements at June 30, 2007.

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

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

Registration Statements

We may issue equity or debt securities to assist us in meeting our liquidity and capital spending requirements. Duncan Energy Partners may do likewise in meeting its liquidity and capital spending requirements. We have a universal shelf registration statement on file with the U.S. Securities and Exchange Commission ("SEC") registering the issuance of $4.0 billion of equity and debt securities. After taking into account the past issuance of securities under this universal registration statement, we can issue approximately $1.4 billion of additional securities under this registration statement as of August 1, 2007.

In February 2007, Duncan Energy Partners completed its initial public offering of 14,950,000 common units, the majority of proceeds from which were distributed to us. Duncan Energy Partners may issue additional amounts of equity in the future in connection with other acquisitions. For additional information regarding Duncan Energy Partners, see "Other Items – Initial Public Offering of Duncan Energy Partners" included within this Item 2.

In May 2007, EPO sold $700 million in principal amount of fixed/floating unsecured junior subordinated notes ("Junior Notes B") under our universal shelf registration statement. For additional information regarding this debt offering, see "Debt Obligations" within this section.

In April 2007, we filed a registration statement with the SEC authorizing the issuance of up to 25,000,000 common units in connection with our distribution reinvestment plan ("DRIP"). The DRIP 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 into the purchase of additional common units. A total of 932,800 of our common units were issued in February and May 2007 in connection with the DRIP and a related plan. The issuance of these units generated $28.6 million in net proceeds.

Credit Ratings of EPO

At August 1, 2007, the investment-grade credit ratings of EPO's debt securities were Baa3 by Moody's Investor Services ("Moody's"); BBB- by Fitch Ratings ("Fitch"); and BBB- by Standard and Poor's ("S&P"). Fitch and S&P have assigned to us a "stable outlook" and Moody's has assigned to us a "negative outlook" due primarily to the higher debt levels at Enterprise GP Holdings followings its acquisition of limited partner interests in Energy Transfer Equity in May 2007. This acquisition increased debt at Enterprise GP Holdings that could impact the overall credit ratings for us, EPCO Holdings, Inc., Enterprise GP Holdings and TEPPCO.

Debt Obligations

For detailed information regarding our consolidated debt obligations and those of our unconsolidated affiliates, see Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report. The following table summarizes our consolidated debt obligations at the dates indicated (dollars in thousands):

	June 30, 2007	December 31, 2006
EPO senior debt obligations:		
Multi-Year Revolving Credit Facility, variable rate, due October 2011	$ 495,000	$ 410,000
Pascagoula 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	350,000
Senior Notes D, 6.875% fixed-rate, due March 2033	500,000	500,000
Senior Notes E, 4.00% fixed-rate, due October 2007 (1)	500,000	500,000
Senior Notes F, 4.625% fixed-rate, due October 2009	500,000	500,000
Senior Notes G, 5.60% fixed-rate, due October 2014	650,000	650,000
Senior Notes H, 6.65% fixed-rate, due October 2034	350,000	350,000
Senior Notes I, 5.00% fixed-rate, due March 2015	250,000	250,000
Senior Notes J, 5.75% fixed-rate, due March 2035	250,000	250,000
Senior Notes K, 4.950% fixed-rate, due June 2010	500,000	500,000
Duncan Energy Partners' debt obligation:		
$300 Million Revolving Credit Facility, variable rate, due February 2011	190,000	--
Dixie Revolving Credit Facility, variable rate, due June 2010	10,000	10,000
Canadian Enterprise Revolving Credit Facility, variable rate, due October 2011	9,881	--
Other, 8.75% fixed-rate, due June 2010 (2)	5,068	5,068
Total principal amount of senior debt obligations	5,063,949	4,779,068
EPO Junior Subordinated Notes A, due August 2066	550,000	550,000
EPO Junior Subordinated Notes B, due January 2068	700,000	--
Total principal amount of senior and junior debt obligations	6,313,949	5,329,068
Other, including unamortized discounts and premiums and changes in fair value (3)	(54,234)	(33,478)
Long-term debt	$ 6,259,715	$ 5,295,590
Standby letters of credit outstanding	$ 4,000	$ 49,858

(1) In accordance with Statement of Financial Accounting Standards ("SFAS") 6, "Classification of Short-Term Obligations Expected to be Refinanced," long-term and current maturities of debt reflects the classification of such obligations at June 30, 2007 and December 31, 2006. With respect to Senior Notes E due in October 2007, EPO has the ability to use cash and available credit capacity under its Multi-Year Revolving Credit Facility to fund the repayment of this debt.
(2) Represents remaining debt obligations assumed in connection with the GulfTerra Merger.
(3) The June 30, 2007 amount includes $49.7 million related to fair value hedges and a net $4.5 million in unamortized discounts and premiums. The December 31, 2006 amount includes $29.1 million related to fair value hedges and a net $4.4 million in unamortized discounts and premiums.

We consolidate the debt of Duncan Energy Partners with that of our own; however, we do not have the obligation to make interest payments or debt payments with respects to the debt of Duncan Energy Partners.

Duncan Energy Partners' debt obligation. Duncan Energy Partners entered into a $300.0 million revolving credit facility, all of which may be used for letters of credit, with a $30.0 million sublimit for Swingline loans. Letters of credit outstanding under this facility reduce the amount available for borrowings. At the closing of its initial public offering, Duncan Energy Partners made its initial borrowing of $200.0 million under the facility to fund the $198.9 million cash distribution to EPO and the remainder to pay debt issuance costs. This credit facility matures in February 2011 and will be used by Duncan Energy Partners in the future to fund working capital and other capital requirements and for general partnership purposes. For additional information regarding the debt obligation of Duncan Energy Partners,

see Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Junior Notes B. EPO sold $700 million in principal amount of fixed/floating, unsecured, long-term subordinated notes due January 2068 during the second quarter of 2007. EPO used the proceeds from this subordinated debt to temporarily reduce borrowings outstanding under its Multi-Year Revolving Credit Facility and for general partnership purposes. EPO's payment obligations under Junior Notes B are similar to that of the junior subordinated notes due August 2066 ("Junior Notes A"), which were issued during the third quarter of 2006, in that they are subordinated to all of its current and future senior indebtedness (as defined in the Indenture Agreement). We have guaranteed repayment of amounts due under Junior Notes B through an unsecured and subordinated guarantee.

The indenture agreement governing Junior Notes B allows EPO to defer interest payments on one or more occasions for up to ten consecutive years subject to certain conditions. During any period in which interest payments are deferred and subject to certain exceptions, neither we nor EPO can declare or make any distributions to any of our respective equity securities or make any payments on indebtedness or other obligations that rank pari passu with or are subordinate to Junior Notes B. Junior Notes B rank pari passu with the Junior Notes A.

The Junior Notes B will bear interest at a fixed annual rate of 7.034% through January 15, 2018, payable semi-annually in arrears in January and July of each year, commencing in January 2008. After January 2018, the Junior Notes B will bear variable rate interest at the greater of (1) the sum of the 3-month London Interbank Offered Rate ("LIBOR") for the related interest period plus a spread of 268 basis points or (2) 7.034% per annum, payable quarterly in arrears in January, April, July and October of each year commencing in April 2018. Interest payments may be deferred on a cumulative basis for up to ten consecutive years, subject to the certain provisions. The Junior Notes B mature in January 2068 and are not redeemable by EPO prior to January 2018 without payment of a make-whole premium.

In connection with the issuance of Junior Notes B, we and EPO entered into a Replacement Capital Covenant in favor of the covered debt holders (as named therein) pursuant to which we and EPO agreed for the benefit of such debt holders that we nor EPO would not redeem or repurchase such junior notes on or before January 15, 2038, unless such redemption or repurchase is made from the proceeds of issuance of certain securities.

Debt obligations of unconsolidated affiliates. The following table summarizes the debt obligations of our unconsolidated affiliates (on a 100% basis to the joint venture) at June 30, 2007 and our ownership interest in each entity on that date (dollars in thousands):

	Our Ownership Interest	**Total**
Poseidon	36.0%	$ 91,000
Evangeline	49.5%	25,650
Total		$ 116,650

Previously, Cameron Highway's debt consisted of $365.0 million of Series A notes and $50.0 million of Series B notes. Cameron Highway repaid its Series A notes on May 23, 2007 using proceeds from capital contributions from its partners. The total amount of the repayment was $379.1 million, which included a $11.0 million make-whole premium and $3.1 million of accrued interest. Our share of the capital contribution was funded by borrowings under EPO's Multi-Year Revolving Credit Facility. With another capital contribution from its partners, Cameron Highway also repaid its Series B notes on June 7, 2007. The amount of the repayment was $50.9 million, which included a $0.3 million make-whole premium and $0.6 million of accrued interest. As of June 30, 2007, Cameron Highway no longer has any outstanding debt obligations.

Cash Flows from Operating, Investing and Financing Activities

The following table summarizes our net cash flows from operating, investing and financing activities for the periods indicated (dollars in thousands). For information regarding the individual components of our cash flow amounts, see the Unaudited Condensed Statements of Consolidated Cash Flows included under Item 1 of this quarterly report.

	For the Six Months Ended June 30,	
	2007	**2006**
Net cash flows provided by operating activities	$ 552,049	$ 571,325
Net cash used in investing activities	1,387,187	689,787
Net cash provided by financing activities	876,272	100,888

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

Cash used in investing activities primarily represents expenditures for capital projects, business combinations, asset purchases and investments in unconsolidated affiliates. Cash provided by (or used in) financing activities generally consists of borrowings and repayments of debt, distributions to partners and proceeds from the issuance of equity securities. Amounts presented in our Unaudited Condensed Statements of Consolidated Cash Flows for borrowings and repayments under debt agreements are influenced by the magnitude of cash receipts and payments under our revolving credit facilities.

The following information highlights the significant period-to-period variances in our cash flow amounts:

Comparison of Six Months Ended June 30, 2007 with Six Months Ended June 30, 2006

Operating activities. Net cash flows from operating activities for the six months ended June 30, 2007 decreased $19.3 million from that recorded for the six months ended June 30, 2006. The following information highlights significant factors that influenced the period-to-period change in net cash flows from operating activities:

§ Cash flows from operating activities are influenced by the timing of cash receipts and disbursements. Our accounts payable liquidity metrics for the six months ended June 30, 2007 and 2006 are comparable and approximate our liquidity metrics for the year ended December 31, 2006. Our accounts receivable metrics for the six months ended June 30, 2007 were slightly weaker than those for the same period in 2006. Specifically, as to cash receipts, the average collection period for accounts receivable for the six months ended June 30, 2007 was two days slower when compared to the same period in 2006, with the related turnover rate decreasing 6% period-to-period. Timing-related factors contributed to an approximate $15.1 million decrease in net cash receipts year-to-year.

- § Gross operating margin for the six months ended June 30, 2007 increased $74.7 million over that recorded for the six months ended June 30, 2006. The increase in gross operating margin is discussed under “Results of Operations” within this Item 2.

- § Cash distributions from unconsolidated affiliates increased $14.7 million period-to-period primarily due to higher distributions paid by Deepwater Gateway, Poseidon, and Cameron Highway. In general, distributions from our offshore projects were negatively affected during the six months ended June 30, 2006 due to the lingering effects of Hurricanes Katrina and Rita on production volumes.

Investing activities. Net cash used in investing activities was $1.4 billion for the six months ended June 30, 2007 compared to $689.8 million for the six months ended June 30, 2006. The $697.4 million increase in cash payments is primarily due to a $515.7 million increase in capital expenditures period-to-period. For additional information regarding our capital spending program, see “Overview of Business – Capital Spending” within this Item 2. Also contributing to the increase in cash payments was capital contributions made to Cameron Highway in May and June 2007 to fund the repayment of its debt.

Financing activities. Net cash provided by financing activities was $876.3 million for the six months ended June 30, 2007 compared to net cash provided by financing activities of $100.9 million for the same period during 2006. The following information highlights significant factors that influenced the period-to-period change in net cash provided by financing activities:

- § Net borrowings under our consolidated debt agreements were $985.4 million for the six months ended June 30, 2007 and were less than $0.1 million for the six months ended June 30, 2006. At the closing of its initial public offering in February 2007, Duncan Energy Partners made an initial borrowing of $200.0 million under its $300.0 million revolving credit facility. In addition, during the second quarter of 2007, EPO sold $700.0 million in Junior Notes B. Our borrowing amounts are significantly influenced by our capital spending program.

- § Net proceeds from issuance of our common units decreased $417.6 million year-to-year. Our March 2006 underwritten equity offering generated $430.0 million in net proceeds reflecting the sale of 18,400,000 units.

- § Contributions from minority interests increased $284.5 million period-to-period primarily due to the net proceeds received from Duncan Energy Partners’ initial public offering in February 2007.

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, 2006. For a detailed discussion of these policies, please read “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies” in our annual report on Form 10-K for the year ended December 31, 2006. The following describes the estimation risk underlying our most significant financial statement items:

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

In general, depreciation is the systematic and rational allocation of an asset’s cost, less its residual value (if any), to the periods it benefits. The majority of our property, plant and equipment are depreciated using the straight-line method, which results in depreciation expense being incurred evenly over the life of the assets. Our estimate of depreciation incorporates assumptions regarding the useful economic lives and

residual values of our assets. At the time we place our assets in service, we believe such assumptions are reasonable; however, circumstances may develop that would cause us to change these assumptions, which would change our depreciation amounts prospectively.

At June 30, 2007 and December 31, 2006, the net book value of our property, plant and equipment was $10.7 billion and $9.8 billion, respectively. For additional information regarding our property, plant and equipment, see Note 6 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Measuring recoverability of long-lived assets and equity method investments

In general, long-lived assets (including intangible assets with finite useful lives and property, plant and equipment) are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Equity method investments are evaluated for impairment whenever events or changes in circumstances indicate that there is a possible loss in value for the investment other than a temporary decline. The carrying value of an equity method investment is not recoverable if it exceeds the sum of discounted estimated cash flows expected to be derived from the investment. This estimate of discounted cash flows is based on a number of assumptions including discount rates; probabilities assigned to different cash flow scenarios; anticipated margins and volumes and estimated useful life of the investment. A significant change in these underlying assumptions could result in our recording an impairment charge.

Amortization methods and estimated useful lives of qualifying intangible assets

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

At June 30, 2007 and December 31, 2006, the carrying value of our intangible asset portfolio was $950.3 million and $1.0 billion, respectively. For additional information regarding our intangible assets, see Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Methods we employ to measure the fair value of goodwill

Goodwill represents the excess of the purchase prices we paid for certain businesses over their respective fair values and is primarily comprised of $385.9 million associated with the GulfTerra Merger. We do not amortize goodwill; however, we test our goodwill (at the reporting unit level) for impairment during the second quarter of each fiscal year, and more frequently, if circumstances indicate it is more likely than not that the fair value of goodwill is below its carrying amount. Our goodwill testing involves the determination of a reporting unit’s fair value, which is predicated on our assumptions regarding the future economic prospects of the reporting unit. Our estimates of such prospects (i.e., cash flows) are based on a number of assumptions including anticipated margins and volumes of the underlying assets or asset group. A significant change in these underlying assumptions could result in our recording an impairment charge.

At June 30, 2007 and December 31, 2006, the carrying value of our goodwill was $590.6 million and $590.5 million, respectively. For additional information regarding our goodwill, see Note 8 of the

Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report.

Our revenue recognition policies and use of estimates for revenues and expenses

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

Reserves for environmental matters

Each of our business segments is subject to federal, state and local laws and regulations governing environmental quality and pollution control. Such laws and regulations may, in certain instances, require us to remediate current or former operating sites where specified substances have been released or disposed of. We accrue reserves for environmental matters when our assessments indicate that it is probable that a liability has been incurred and an amount can be reasonably estimated. Our assessments are based on studies, as well as site surveys, to determine the extent of any environmental damage and the necessary requirements to remediate this damage. Future environmental developments, such as increasingly strict environmental laws and additional claims for damages to property, employees and other persons resulting from current or past operations, could result in substantial additional costs beyond our current reserves.

In February 2007, we reserved $6.5 million in cash received from a third party to fund anticipated future environmental remediation costs associated with certain assets that we had acquired from the third party. Previously, the third party had been obligated to indemnify us for such costs. As a result of the settlement, this indemnification was terminated.

At June 30, 2007 and December 31, 2006, our accrued liabilities for environmental remediation projects totaled $28.6 million and $24.2 million, respectively. These amounts were derived from a range of reasonable estimates based upon studies and site surveys. We follow the provisions of AICPA Statement of Position 96-1, which provides key guidance on recognition, measurement and disclosure of remediation liabilities. We have recorded our best estimate of the cost of remediation activities.

Natural gas imbalances

In the pipeline transportation business, natural gas imbalances frequently result from differences in gas volumes received from and delivered to our customers. Such differences occur when a customer delivers more or less gas into our pipelines than is physically redelivered back to them during a particular time period. The vast majority of our settlements are through in-kind arrangements whereby incremental volumes are delivered to a customer (in the case of an imbalance payable) or received from a customer (in the case of an imbalance receivable). Such in-kind deliveries are on-going and take place over several months. In some cases, settlements of imbalances built up over a period of time are ultimately cashed out and are generally negotiated at values which approximate average market prices over a period of time. As a result, for gas imbalances that are ultimately settled over future periods, we estimate the value of such current assets and liabilities using average market prices, which is representative of the estimated value of the imbalances upon final settlement. Changes in natural gas prices may impact our estimates.

At June 30, 2007 and December 31, 2006, our imbalance receivables, net of allowance for doubtful accounts were $64.8 million and $97.8 million, respectively, and are reflected as a component of “Accounts and notes receivable – trade” on our Unaudited Condensed Consolidated Balance Sheets. At June 30, 2007 and December 31, 2006, our imbalance payables were $46.9 million and $51.2 million, respectively, and are reflected as a component of “Accrued gas payables” on our Unaudited Condensed Consolidated Balance Sheets.

Other Items

Initial Public Offering of Duncan Energy Partners

In September 2006, we formed a consolidated subsidiary, Duncan Energy Partners, to acquire, own and operate a diversified portfolio of midstream energy assets. On February 5, 2007, this subsidiary completed its initial public offering of 14,950,000 common units (including an overallotment amount of 1,950,000 common units) at $21.00 per unit, which generated net proceeds to Duncan Energy Partners of $291.9 million. As consideration for assets contributed and reimbursement for capital expenditures related to these assets, Duncan Energy Partners distributed $260.6 million of these net proceeds to us along with $198.9 million in borrowings under its credit facility and a final amount of 5,351,571 common units of Duncan Energy Partners. Duncan Energy Partners used $38.5 million of net proceeds from the overallotment to redeem 1,950,000 of the 7,301,571 common units it had originally issued to Enterprise Products Partners, resulting in a final amount of 5,351,571 common units beneficially owned by Enterprise Products Partners. We used the cash received from Duncan Energy Partners to temporarily reduce amounts outstanding under EPO's Multi-Year Revolving Credit Facility.

In summary, we contributed 66% of our equity interests in the following subsidiaries to Duncan Energy Partners:

- Mont Belvieu Caverns, LLC ("Mont Belvieu Caverns"), a recently formed subsidiary, which owns salt dome storage caverns located in Mont Belvieu, Texas that receive, store and deliver NGLs and certain petrochemical products for industrial customers located along the upper Texas Gulf Coast, which has the largest concentration of petrochemical plants and refineries in the United States;

- Acadian Gas, LLC ("Acadian Gas"), which owns an onshore natural gas pipeline system that gathers, transports, stores and markets natural gas in Louisiana. The Acadian Gas system links natural gas supplies from onshore and offshore Gulf of Mexico developments (including offshore pipelines, continental shelf and deepwater production) with local gas distribution companies, electric generation plants and industrial customers, including those in the Baton Rouge-New Orleans-Mississippi River corridor. A subsidiary of Acadian Gas owns a 49.5% equity interest in Evangeline Gas Pipeline, L.P. ("Evangeline");

- Sabine Propylene Pipeline L.P. ("Sabine Propylene"), which transports polymer-grade propylene between Port Arthur, Texas and a pipeline interconnect located in Cameron Parish, Louisiana;

- Enterprise Lou-Tex Propylene Pipeline L.P. ("Lou-Tex Propylene"), which transports chemical-grade propylene from Sorrento, Louisiana to Mont Belvieu, Texas; and

- South Texas NGL Pipelines, LLC ("South Texas NGL"), a recently formed subsidiary, which began transporting NGLs from Corpus Christi, Texas to Mont Belvieu, Texas in January 2007. South Texas NGL owns the DEP South Texas NGL Pipeline System.

In addition to the 34% direct ownership interest we retained in such entities, we also own the 2% general partner interest in Duncan Energy Partners and 26.4% of Duncan Energy Partners' outstanding common units at June 30, 2007. Accordingly, we have in effect retained a net economic interest in Duncan Energy Partners of approximately 52.7% as of June 30, 2007. EPO directs the business operations of Duncan Energy Partners indirectly through its ownership and control of the general partner of Duncan Energy Partners.

For financial reporting purposes, we consolidate the financial statements of Duncan Energy Partners with those of our own and reflect its operations in our business segments. Also, due to common control of the entities by Dan L. Duncan, the initial consolidated balance sheet of Duncan Energy Partners reflects our historical carrying basis in each of the subsidiaries contributed to Duncan Energy Partners. Public ownership of Duncan Energy Partners' net assets and earnings are presented as a component of minority interest in our consolidated financial statements. The borrowings of Duncan Energy Partners are

presented as part of our consolidated debt; however, we do not have any obligation for the payment of interest or repayment of borrowings incurred by Duncan Energy Partners.

We have significant continuing involvement with all of the subsidiaries of Duncan Energy Partners, including the following types of transactions:

§ We utilize storage services provided by Mont Belvieu Caverns to support our Mont Belvieu fractionation and other businesses;

§ We buy natural gas from and sell natural gas to Acadian Gas in connection with its normal business activities; and

§ We are currently the sole shipper on the DEP South Texas NGL Pipeline System.

We may contribute or sell other equity interests in our subsidiaries to Duncan Energy Partners and use the proceeds we receive from Duncan Energy Partners to fund our capital spending program. We have no obligation or commitment to make such contributions or sales to Duncan Energy Partners.

Contractual Obligations

With the exception of the debt incurred by Duncan Energy Partners in connection with its initial public offering and the issuance of Junior Notes B by EPO, there have been no significant changes in our scheduled maturities of long-term debt since those reported in our annual report on Form 10-K for the year ended December 31, 2006. See Note 9 of the Notes to the Unaudited Condensed Consolidated Financial Statements under Item 1 of this quarterly report for additional information regarding the debt obligations of Duncan Energy Partners and the issuance of Junior Notes B.

The following table presents our consolidated debt obligations and related estimates of cash interest payments after giving effect to the debt incurred by Duncan Energy Partners and EPO's issuance of Junior Notes B as of June 30, 2007 (dollars in millions):

		Payment or Settlement due by Period			
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**More than 5 years**
Scheduled maturities of long-term debt (1)	$ 6,313.9	$ --	$ 500.0	$ 2,213.9	$ 3,600.0
Estimated cash payments for interest (2)	8,612.0	381.6	733.3	530.6	6,966.5

(1) Represents payment obligations under our consolidated debt agreements, including those of Duncan Energy Partners as of June 30, 2007. Amounts presented in the table represent the scheduled future maturities of long-term debt principal for the periods indicated.
(2) Represents estimates of future cash payments of interest assuming that principal amounts outstanding and the interest rates charged both remain at June 30, 2007 levels.

Off-Balance Sheet Arrangements

In May 2007, we made a $191.0 million cash contribution to Cameron Highway. This capital contribution, along with an equal amount contributed by our joint venture partner in Cameron Highway, was used by Cameron Highway to repay $365.0 million outstanding under its Series A notes and $14.1 million of related make-whole premiums and accrued interest. In June 2007, we and our joint venture partner in Cameron Highway made an additional capital contribution of approximately $25.5 million each. These capital contributions were used by Cameron Highway to repay its Series B notes. The amount of the repayment was $50.9 million, which included $0.9 million of related make-whole premiums and accrued interest. As of June 30, 2007, Cameron Highway no longer has any outstanding debt.

Apart from the repayment of Cameron Highway's Series A and B notes, there have been no significant changes with regards to our off-balance sheet arrangements since those reported in our annual report on Form 10-K for the year ended December 31, 2006.

Summary of Related Party Transactions

The following table summarizes our related party transactions for the periods indicated (dollars in thousands).

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Revenues from consolidated operations:				
EPCO and affiliates	$ 64,127	$ 33,448	$ 72,669	$ 39,080
Unconsolidated affiliates	72,106	79,986	127,806	164,429
Total	$ 136,233	$ 113,434	$ 200,475	$ 203,509
Operating costs and expenses:				
EPCO and affiliates	$ 74,681	$ 71,105	$ 153,354	$ 166,062
Unconsolidated affiliates	10,941	7,904	16,214	14,590
Total	$ 85,622	$ 79,009	$ 169,568	$ 180,652
General and administrative costs:				
EPCO and affiliates	$ 20,733	$ 10,830	$ 33,788	$ 21,838

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

We have an extensive and ongoing relationship with EPCO and its affiliates, including TEPPCO and Energy Transfer Equity. Our revenues from EPCO and affiliates are primarily associated with sales of NGL products. Our expenses with EPCO and affiliates are primarily due to (i) reimbursements we pay EPCO in connection with an administrative services agreement and (ii) purchases of NGL products. TEPPCO is an affiliate of ours due to the common control relationship of both entities. Enterprise GP Holdings acquired non-controlling ownership interests in both ETE GP and Energy Transfer Equity in May 2007. As a result of this transaction, ETE GP and Energy Transfer Equity became related parties to us.

Many of our unconsolidated affiliates perform supporting or complementary roles to our consolidated business operations. The majority of our revenues from unconsolidated affiliates relate to natural gas sales to a Louisiana affiliate. The majority of our expenses with unconsolidated affiliates pertain to payments we make to K/D/S Promix, L.L.C. for NGL transportation, storage and fractionation services.

On February 5, 2007, our consolidated subsidiary, Duncan Energy Partners, completed an underwritten initial public offering of its common units. Duncan Energy Partners was formed in September 2006 as a Delaware limited partnership to, among other things, acquire ownership interests in certain of our midstream energy businesses. For additional information regarding Duncan Energy Partners, see "Other Items – Initial Public Offering of Duncan Energy Partners" within this section.

Non-GAAP reconciliations

A reconciliation of our measurement of total non-GAAP gross operating margin to GAAP operating income and income before provision for income taxes, minority interest and the cumulative effect of change in accounting principle follows (dollars in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2007	**2006**	**2007**	**2006**
Total segment gross operating margin	$ 373,348	$ 310,624	$ 697,847	$ 623,147
Adjustments to reconcile total segment gross operating margin to operating income:				
Depreciation, amortization and accretion in operating costs and expenses	(121,161)	(107,952)	(240,653)	(212,768)
Operating lease expense paid by EPCO	(527)	(528)	(1,053)	(1,056)
Loss (gain) on sale of assets in operating costs and expenses	(5,737)	136	(5,664)	197
General and administrative costs	(31,361)	(16,235)	(47,991)	(29,975)
Consolidated operating income	214,562	186,045	402,486	379,545
Other expense, net	(68,528)	(52,940)	(129,958)	(109,048)
Income before provision for income taxes, minority interest and cumulative effect of change in accounting principle	$ 146,034	$ 133,105	$ 272,528	$ 270,497

EPCO subleases to us certain equipment located at our Mont Belvieu facility and 100 railcars for $1 per year (the “retained leases”). These subleases are part of the administrative services agreement that we executed with EPCO in connection with our formation in 1998. EPCO holds this equipment pursuant to operating leases for which it has retained the corresponding cash lease payment obligation. We record the full value of such lease payments made by EPCO as a non-cash related party operating expense, with the offset to partners’ equity recorded as a general contribution to our partnership. 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.

Cumulative effect of change in accounting principle

Net income for the first quarter of 2006 includes a non-cash benefit of $1.5 million related to the cumulative effect of a change in accounting principle resulting from our adoption of SFAS 123(R) on January 1, 2006.

Recent Accounting Pronouncements

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

- § SFAS 157, “Fair Value Measurements,” and
- § SFAS 159, “Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115.”

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

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

We are exposed to financial market risks, including changes in commodity prices and interest rates. In addition, we are exposed to fluctuations in exchange rates between the U.S. dollar and Canadian dollar. We may use financial instruments (i.e., futures, forwards, swaps, options and other financial instruments with similar characteristics) to mitigate the risks of certain identifiable and anticipated transactions. In general, the type of risks we attempt to hedge are those related to (i) the variability of

future earnings, (ii) fair values of certain debt instruments and (iii) cash flows resulting from changes in applicable interest rates, commodity prices or exchange rates. As a matter of policy, we do not use financial instruments for speculative (or "trading") purposes.

Interest Rate Risk Hedging Program

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

Fair value hedges – Interest rate swaps

As summarized in the following table, we had eleven interest rate swap agreements outstanding at June 30, 2007 that were accounted for as fair value hedges.

Hedged Fixed Rate Debt	Number Of Swaps	Period Covered by Swap	Termination Date of Swap	Fixed to Variable Rate (1)	Notional Amount
Senior Notes B, 7.50% fixed rate, due Feb. 2011	1	Jan. 2004 to Feb. 2011	Feb. 2011	7.50% to 8.74%	$50 million
Senior Notes C, 6.375% fixed rate, due Feb. 2013	2	Jan. 2004 to Feb. 2013	Feb. 2013	6.38% to 7.28%	$200 million
Senior Notes G, 5.6% fixed rate, due Oct. 2014	6	4th Qtr. 2004 to Oct. 2014	Oct. 2014	5.60% to 6.30%	$600 million
Senior Notes K, 4.95% fixed rate, due June 2010	2	Aug. 2005 to June 2010	June 2010	4.95% to 5.80%	$200 million

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

The total fair value of these eleven interest rate swaps at June 30, 2007 and December 31, 2006, was a liability of $49.7 million and $29.1 million, respectively, with an offsetting decrease in the fair value of the underlying debt. Interest expense for the three months ended June 30, 2007 and 2006 includes a $2.3 million loss and $1.1 million loss from these swap agreements, respectively. For the six months ended June 30, 2007 and 2006, interest expense includes a loss of $4.6 million and $0.9 million, respectively, from these swap agreements.

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

Scenario	Resulting Classification	Swap Fair Value at June 30, 2007	Swap Fair Value at July 24, 2007
FV assuming no change in underlying interest rates	*Asset (Liability)*	$ (49,720)	$ (45,344)
FV assuming 10% increase in underlying interest rates	*Asset (Liability)*	$ (79,392)	$ (74,663)
FV assuming 10% decrease in underlying interest rates	*Asset (Liability)*	$ (20,048)	$ (16,025)

Cash flow hedges – Treasury locks

During the fourth quarter of 2006, EPO entered into treasury lock transactions having a notional value of $562.5 million. EPO entered into these transactions to hedge the underlying U.S. treasury rates related to its anticipated issuances of debt during the second and fourth quarters of 2007. On February 27, 2007, EPO entered into additional treasury lock transactions having a notional value of $437.5 million. EPO entered into these transactions to hedge the underlying U.S. treasury rates related to its anticipated issuances of debt during 2007. Each of the treasury lock transactions was designated as a cash flow hedge under SFAS 133.

During the second quarter of 2007, treasury locks having a notional amount of $875.0 million were terminated. Treasury locks having a notional amount of $500.0 million were terminated concurrent

with the issuance of EPO's Junior Notes B (see Note 9 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of this quarterly report). An additional $375.0 million notional amount of treasury locks related to the anticipated issuance of debt in the fourth quarter of 2007 were also terminated. The termination of the treasury locks resulted in gains of $42.3 million, of which $10.6 million is related to EPO's Junior Notes B and the remaining $31.7 million is related to a future debt issuance. The $10.6 million gain is being amortized into income using the effective interest method as reductions to future interest expense over the fixed rate term of the Junior Notes B, which is ten years. The remaining $31.7 million gain will be amortized into income over the life of the future debt issuance using the effective interest rate method.

At June 30, 2007, there was one treasury lock outstanding which has a notional amount of $125.0 million and a fair value of $9.3 million.

In August 2007, we entered into two additional treasury locks having an aggregate $125.0 million in notional value and extending through October 15, 2007.

Commodity Risk Hedging Program

The prices of natural gas, NGLs and certain petrochemical products are subject to fluctuations in response to changes in supply, market uncertainty and a variety of additional factors that are beyond our control. In order to manage the price risks associated with such products, we may enter into commodity financial instruments.

The primary purpose of our commodity risk management activities is to hedge our exposure to price risks associated with (i) natural gas purchases, (ii) the value of NGL production and inventories, (iii) related firm commitments, (iv) fluctuations in transportation revenues where the underlying fees are based on natural gas index prices and (v) certain anticipated transactions involving either natural gas, NGLs or certain petrochemical products. From time to time, we inject natural gas into storage and utilize hedging instruments to lock in the value of our inventory positions. The commodity financial instruments we utilize may be settled in cash or with another financial instrument.

At June 30, 2007 and December 31, 2006, we had a limited number of commodity financial instruments in our portfolio, which primarily consisted of cash flow hedges. The fair value of our commodity financial instrument portfolio at June 30, 2007 and December 31, 2006 was a liability of $1.0 million and $3.2 million, respectively. During the three months ended June 30, 2007 and 2006, we recorded income of $1.1 million and expense of $ 5.7 million, respectively, related to our commodity financial instruments. During the six months ended June 30, 2007 and 2006, we recorded $1.3 million and $ 5.3 million, respectively, of expense related to our commodity financial instruments.

We assess the risk of our commodity financial instrument portfolio using a sensitivity analysis model. The sensitivity analysis applied to this portfolio measures the potential income or loss (i.e., the change in fair value of the portfolio) based upon a hypothetical 10% movement in the underlying quoted market prices of the commodity financial instruments outstanding at the date indicated within the following table. The following table shows the effect of hypothetical price movements on the estimated fair value ("FV") of this portfolio at the dates presented (dollars in thousands):

		Commodity Financial Instrument Portfolio FV	
Scenario	**Resulting Classification**	**June 30, 2007**	**July 24, 2007**
FV assuming no change in underlying commodity prices	*Asset (Liability)*	$ (1,049)	$ (4,731)
FV assuming 10% increase in underlying commodity prices	*Asset (Liability)*	$ 1,777	$ (2,625)
FV assuming 10% decrease in underlying commodity prices	*Asset (Liability)*	$ (3,875)	$ (6,836)

Foreign Currency Hedging Program

We own an NGL marketing business located in Canada and have entered into construction agreements where payments are indexed to the Canadian dollar. As a result, we could be adversely affected by fluctuations in the foreign currency exchange rate between the U.S. dollar and the Canadian dollar. Due to the limited duration of these contracts, we utilize mark-to-market accounting for these transactions, the effect of which has had a minimal impact on our earnings. At June 30, 2007, we had $3.1

million of such contracts outstanding that settled in July 2007. A 10% increase or decrease in the underlying exchange rate would have a nominal effect on our earnings.

Item 4. *Controls and Procedures*.

Our management, with the participation of the chief executive officer ("CEO") and chief financial officer ("CFO") of Enterprise Products GP, has evaluated the effectiveness of our disclosure controls and procedures, including internal controls over financial reporting, as of the end of the period covered by this report. Based on their evaluation, the CEO and CFO of Enterprise Products GP have concluded that our disclosure controls and procedures are effective to ensure that material information relating to our partnership is made known to management on a timely basis. Our CEO and CFO noted no material weaknesses in the design or operation of our internal controls over financial reporting that are likely to adversely affect our ability to record, process, summarize and report financial information. Also, they detected no fraud involving management or employees who have a significant role in our internal controls over financial reporting.

There have been no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that have not been evaluated by management and no other factors that occurred during our last fiscal quarter that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting.

Collectively, these disclosure controls and procedures are designed to provide us with reasonable assurance that the information required to be disclosed in our periodic reports filed with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosures. Our management does not expect that our disclosure controls and procedures will prevent all errors and all fraud. Based on the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

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

PART II. OTHER INFORMATION.

Item 1. *Legal Proceedings*.

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

Item 1A. *Risk Factors*.

In general, there have been no significant changes in our risk factors since December 31, 2006 other than the risk factor noted below. For a detailed discussion of our risk factors, please read, Item 1A "Risk Factors," in our annual report on Form 10-K for 2006.

Tax Risks to Common Unitholders

We have adopted certain methodologies that may result in a shift of income, gain, loss and deduction between the general partner and the unitholders. The Internal Revenue Service ("IRS") may challenge this treatment, which could adversely affect the value of our common units.

When we issue additional units or engage in certain other transactions, we determine the fair market value of our assets and allocate any unrealized gain or loss attributable to our assets to the capital accounts of our unitholders and our general partner. Our methodology may be viewed as understating the value of our assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and the general partner, which may be unfavorable to such unitholders. Moreover, under this methodology, subsequent purchasers of common units may have a greater portion of their Internal Revenue Code Section 743(b) adjustment allocated to our tangible assets and a lesser portion allocated to our intangible assets. The IRS may challenge our methods, or our allocation of the Section 743(b) adjustment attributable to our tangible and intangible assets, and allocations of income, gain, loss and deduction between the general partner and certain of our unitholders.

A successful IRS challenge to these methods or allocations could adversely affect the amount of taxable income or loss being allocated to our unitholders. It also could affect the amount of gain from our unitholders' sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to our unitholders' tax returns without the benefit of additional deductions.

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

We did not repurchase any of our common units during the three months ended June 30, 2007. As of June 30, 2007, we and our affiliates are authorized to repurchase up to 618,400 common units under the December 1998 common unit repurchase program.

Item 3. ***Defaults Upon Senior Securities*****.**

None.

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

None.

Item 5. ***Other Information*****.**

None.

Item 6. ***Exhibits*****.**

Exhibit Number	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).
2.6	Merger Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Form 8-K filed December 15, 2003).

2.7	Amendment No. 1 to Merger Agreement, dated as of August 31, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products Management LLC, GulfTerra Energy Partners, L.P. and GulfTerra Energy Company, L.L.C. (incorporated by reference to Exhibit 2.1 to Form 8-K filed September 7, 2004).
2.8	Parent Company Agreement, dated as of December 15, 2003, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.2 to Form 8-K filed December 15, 2003).
2.9	Amendment No. 1 to Parent Company Agreement, dated as of April 19, 2004, by and among Enterprise Products Partners L.P., Enterprise Products GP, LLC, Enterprise Products GTM, LLC, El Paso Corporation, Sabine River Investors I, L.L.C., Sabine River Investors II, L.L.C., El Paso EPN Investments, L.L.C. and GulfTerra GP Holding Company (incorporated by reference to Exhibit 2.1 to the Form 8-K filed April 21, 2004).
2.10	Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C., adopted by GulfTerra GP Holding Company, a Delaware corporation, and Enterprise Products GTM, LLC, a Delaware limited liability company, as of December 15, 2003, (incorporated by reference to Exhibit 2.3 to Form 8-K filed December 15, 2003).
2.11	Amendment No. 1 to Second Amended and Restated Limited Liability Company Agreement of GulfTerra Energy Company, L.L.C. adopted by Enterprise Products GTM, LLC as of September 30, 2004 (incorporated by reference to Exhibit 2.11 to Registration Statement on Form S-4 Registration Statement, Reg. No. 333-121665, filed December 27, 2004).
2.12	Purchase and Sale Agreement (Gas Plants), dated as of December 15, 2003, by and between El Paso Corporation, El Paso Field Services Management, Inc., El Paso Transmission, L.L.C., El Paso Field Services Holding Company and Enterprise Products Operating L.P. (incorporated by reference to Exhibit 2.4 to Form 8-K filed December 15, 2003).
3.1	Fifth Amended and Restated Agreement of Limited Partnership of Enterprise Products Partners L.P., dated effective as of August 8, 2005 (incorporated by reference to Exhibit 3.1 to Form 8-K filed August 10, 2005).
3.2	Fourth Amended and Restated Limited Liability Company Agreement of Enterprise Products GP, LLC, dated as of February 13, 2006 (incorporated by reference to Exhibit 3.1 to Form 8-K filed February 16, 2006).
3.3#	Limited Liability Company Agreement of Enterprise Products Operating LLC dated as of June 30, 2007.
3.4	Certificate of Incorporation of Enterprise Products OLPGP, Inc., dated December 3, 2003 (incorporated by reference to Exhibit 3.5 to Form S-4 Registration Statement, Reg. No. 333-121665, filed December 27, 2004).
3.5	Bylaws of Enterprise Products OLPGP, Inc., dated December 8, 2003 (incorporated by reference to Exhibit 3.6 to Form S-4 Registration Statement, Reg. No. 333-121665, filed December 27, 2004).
3.6	Certificate of Limited Partnership of Duncan Energy Partners L.P. (incorporated by reference to Exhibit 3.1 to Duncan Energy Partners L.P. Form S-1 Registration Statement, Reg. No. 333-138371, filed November 2, 2006).
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 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).
4.4	Second Supplemental Indenture dated as of February 14, 2003, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wachovia Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 10-K filed

March 31, 2003).

4.5	Global Note representing $500 million principal amount of 6.875% Series B Senior Notes due 2033 with attached Guarantee (incorporated by reference to Exhibit 4.8 to Form 10-K filed March 31, 2003).
4.6	Global Notes representing $450 million principal amount of 7.50% Senior Notes due 2011 (incorporated by reference to Exhibit 4.1 to Form 8-K filed January 25, 2001).
4.7	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).
4.8	Contribution Agreement dated September 17, 1999 (incorporated by reference to Exhibit "B" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.9	Registration Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "E" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.10	Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit "C" to Schedule 13D filed September 27, 1999 by Tejas Energy, LLC).
4.11	Amendment No. 1, dated September 12, 2003, to Unitholder Rights Agreement dated September 17, 1999 (incorporated by reference to Exhibit 4.1 to Form 8-K filed September 15, 2003).
4.12	Agreement dated as of March 4, 2005 among Enterprise Products Partners L.P., Shell US Gas & Power LLC and Kayne Anderson MLP Investment Company (incorporated by reference to Exhibit 4.31 to Form S-3 Registration Statement, Reg. No. 333-123150, filed March 4, 2005).
4.13	$750 Million Multi-Year Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as Co-Syndication Agents, and Mizuho Corporate Bank, Ltd., SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents (incorporated by reference to Exhibit 4.1 to Form 8-K filed on August 30, 2004).
4.14	Guaranty Agreement dated as of August 25, 2004, by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as Administrative Agent for the several lenders that are or become parties to the Credit Agreement included as Exhibit 4.13, above (incorporated by reference to Exhibit 4.2 to Form 8-K filed on August 30, 2004).
4.15	First Amendment dated October 5, 2005, to Multi-Year Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as CO-Syndication Agents, and Mizuho Corporate Bank, Ltd., SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents (incorporated by reference to Exhibit 4.3 to Form 8-K filed on October 7, 2005).
4.16	$2.25 Billion 364-Day Revolving Credit Agreement dated as of August 25, 2004, among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citicorp North America, Inc. and Lehman Commercial Paper Inc., as Co-Syndication Agents, JPMorgan Chase Bank, UBS Loan Finance LLC and Morgan Stanley Senior Funding, Inc., as Co-Documentation Agents, Wachovia Capital Markets, LLC, Citigroup Global Markets Inc. and Lehman Brothers Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 4.3 to Form 8-K filed on August 30, 2004).
4.17	Guaranty Agreement dated as of August 25, 2004, by Enterprise Products Partners L.P. in favor of Wachovia Bank, National Association, as Administrative Agent for the several lenders that are or become parties to the Credit Agreement included as Exhibit 4.16, above (incorporated by reference to Exhibit 4.4 to Form 8-K filed on August 30, 2004).
4.18	Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 6, 2004).
4.19	First Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed on October 6, 2004).
4.20	Second Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed on

	October 6, 2004).
4.21	Third Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.4 to Form 8-K filed on October 6, 2004).
4.22	Fourth Supplemental Indenture dated as of October 4, 2004, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.5 to Form 8-K filed on October 6, 2004).
4.23	Global Note representing $500 million principal amount of 4.000% Series B Senior Notes due 2007 with attached Guarantee (incorporated by reference to Exhibit 4.14 to Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2005).
4.24	Global Note representing $500 million principal amount of 5.600% Series B Senior Notes due 2014 with attached Guarantee (incorporated by reference to Exhibit 4.17 to Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2005).
4.25	Global Note representing $150 million principal amount of 5.600% Series B Senior Notes due 2014 with attached Guarantee (incorporated by reference to Exhibit 4.18 to Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2005).
4.26	Global Note representing $350 million principal amount of 6.650% Series B Senior Notes due 2034 with attached Guarantee (incorporated by reference to Exhibit 4.19 to Form S-3 Registration Statement Reg. No. 333-123150 filed on March 4, 2005).
4.27	Global Note representing $500 million principal amount of 4.625% Series B Senior Notes due 2009 with attached Guarantee (incorporated by reference to Exhibit 4.27 to Form 10-K for the year ended December 31, 2004 filed on March 15, 2005).
4.28	Fifth Supplemental Indenture dated as of March 2, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.2 to Form 8-K filed on March 3, 2005).
4.29	Sixth Supplemental Indenture dated as of March 2, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.3 to Form 8-K filed on March 3, 2005).
4.30	Global Note representing $250,000,000 principal amount of 5.00% Series B Senior Notes due 2015 with attached Guarantee (incorporated by reference to Exhibit 4.31 to Form 10-Q filed on November 4, 2005).
4.31	Global Note representing $250,000,000 principal amount of 5.75% Series B Senior Notes due 2035 with attached Guarantee (incorporated by reference to Exhibit 4.32 to Form 10-Q filed on November 4, 2005).
4.32	Registration Rights Agreement dated as of March 2, 2005, among Enterprise Products Partners, L.P., Enterprise Products Operating L.P. and the Initial Purchasers named therein (incorporated by reference to Exhibit 4.6 to Form 8-K filed on March 3, 2005).
4.33	Assumption Agreement dated as of September 30, 2004 between Enterprise Products Partners L.P. and GulfTerra Energy Partners, L.P. relating to the assumption by Enterprise of GulfTerra's obligations under the GulfTerra Series F2 Convertible Units (incorporated by reference to Exhibit 4.4 to Form 8-K/A-1 filed on October 5, 2004).
4.34	Statement of Rights, Privileges and Limitations of Series F Convertible Units, included as Annex A to Third Amendment to the Second Amended and Restated Agreement of Limited Partnership of GulfTerra Energy Partners, L.P., dated May 16, 2003 (incorporated by reference to Exhibit 3.B.3 to Current Report on Form 8-K of GulfTerra Energy Partners, L.P., file no. 001-11680, filed with the Commission on May 19, 2003).
4.35	Unitholder Agreement between GulfTerra Energy Partners, L.P. and Fletcher International, Inc. dated May 16, 2003 (incorporated by reference to Exhibit 4.L to Current Report on Form 8-K of GulfTerra Energy Partners, L.P., file no. 001-11680, filed with the Commission on May 19, 2003).
4.36	Indenture dated as of May 17, 2001 among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and the Chase Manhattan Bank, as

Trustee (filed as Exhibit 4.1 to GulfTerra's Registration Statement on Form S-4 filed June 25, 2001, Registration Nos. 333-63800 through 333-63800-20); First Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.1 to GulfTerra's 2002 First Quarter Form 10-Q); Second Supplemental Indenture dated as of April 18, 2002 (filed as Exhibit 4.E.2 to GulfTerra's 2002 First Quarter Form 10-Q); Third Supplemental Indenture dated as of October 10, 2002 (filed as Exhibit 4.E.3 to GulfTerra's 2002 Third Quarter Form 10-Q); Fourth Supplemental Indenture dated as of November 27, 2002 (filed as Exhibit 4.E.1 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Fifth Supplemental Indenture dated as of January 1, 2003 (filed as Exhibit 4.E.2 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Sixth Supplemental Indenture dated as of June 20, 2003 (filed as Exhibit 4.E.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).

4.37	Seventh Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.E.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.38	Indenture dated as of November 27, 2002 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee (filed as Exhibit 4.1 to GulfTerra's Current Report of Form 8-K dated December 11, 2002); First Supplemental Indenture dated as of January 1, 2003 (filed as Exhibit 4.1.1 to GulfTerra's Current Report on Form 8-K dated March 19, 2003); Second Supplemental Indenture dated as of June 20, 2003 (filed as Exhibit 4.1.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.39	Third Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.1.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.40	Indenture dated as of March 24, 2003 by and among GulfTerra Energy Partners, L.P., GulfTerra Energy Finance Corporation, the Subsidiary Guarantors named therein and JPMorgan Chase Bank, as Trustee dated as of March 24, 2003 (filed as Exhibit 4.K to GulfTerra's Quarterly Report on Form 10-Q dated May 15, 2003); First Supplemental Indenture dated as of June 30, 2003 (filed as Exhibit 4.K.1 to GulfTerra's 2003 Second Quarter Form 10-Q, file no. 001-11680).
4.41	Second Supplemental Indenture dated as of August 17, 2004 (filed as Exhibit 4.K.1 to GulfTerra's Current Report on Form 8-K filed on August 19, 2004, file no. 001-11680).
4.42	Amended and Restated Credit Agreement dated as of June 29, 2005, among Cameron Highway Oil Pipeline Company, the Lenders party thereto, and SunTrust Bank, as Administrative Agent and Collateral Agent (incorporated by reference to Exhibit 4.1 to Form 8-K filed on July 1, 2005).
4.43	Seventh Supplemental Indenture dated as of June 1, 2005, among Enterprise Products Operating L.P., as Issuer, Enterprise Products Partners L.P., as Guarantor, and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.46 to Form 10-Q filed November 4, 2005).
4.44	Global Note representing $500,000,000 principal amount of 4.95% Senior Notes due 2010 with attached Guarantee (incorporated by reference to Exhibit 4.47 to Form 10-Q filed November 4, 2005).
4.45	Note Purchase Agreement dated as of December 15, 2005 among Cameron Highway Oil Pipeline Company and the Note Purchasers listed therein (incorporated by reference to Exhibit 4.1 to Form 8-K filed December 21, 2005.)
4.46	Second Amendment dated June 22,2006, to Multi-Year Revolving Credit Agreement dated as of August 25, 2004 among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as Co-Syndication Agents and Mizuho Corporate Bank, LTD., SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents (incorporated by reference to Exhibit 4.6 to Form 10-Q filed August 8, 2006).
4.47	Third Amendment dated January 5, 2007, to Multi-Year Revolving Credit Agreement dated as of August 25, 2004 among Enterprise Products Operating L.P., the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as Co-Syndication Agents and Mizuho Corporate Bank, LTD, SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents. (incorporated by reference to Exhibit 4.47 to Form 10-K filed February 28, 2006).
4.48	Eighth Supplemental Indenture dated as of July 18, 2006 to Indenture dated October 4, 2004 among Enterprise Products Operating L.P., as issuer, Enterprise Products Partners L.P., as parent

guarantor, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to exhibit 4.2 to Form 8-K filed July 19, 2006).

4.49	Form of Junior Note, including Guarantee (incorporated by reference to Exhibit 4.3 to Form 8-K file July 19, 2006).
4.50	Purchase Agreement, dated as of July 12, 2006 between Cerrito Gathering Company, Ltd., Cerrito Gas Marketing, Ltd., Encinal Gathering, Ltd., as Sellers, Lewis Energy Group, L.P. as Guarantor, and Enterprise Products Partners L.P., as buyer (incorporated by reference to Exhibit 4.6 to Form 10-Q filed August 8, 2006).
4.51	Purchase Agreement dated as of July 12, 2006 between Cerrito Gathering Company, Ltd., Cerrito Gas Marketing, Ltd., Encinal Gathering, Ltd., as Sellers, Lewis Energy Group, L.P., as Guarantor, and Enterprise Products Partners L.P., as Buyer (incorporated by reference to Exhibit 4.6 to Form 10-Q filed August 8, 2006).
4.52	Ninth Supplemental Indenture, dated as of May 24, 2007, by and among Enterprise Products Operating L.P., as issuer, Enterprise Products Partners L.P., as parent guarantor, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K filed by Enterprise Products Partners L.P. on May 24, 2007).
4.53	Form of Junior Subordinated Note, including Guarantee (included in Exhibit 4.52 hereto).
4.54#	Tenth Supplemental Indenture, dated as of June 30, 2007, by and among Enterprise Products Operating LLC, as issuer, Enterprise Products Partners L.P., as parent guarantor, and Wells Fargo Bank, National Association, as trustee.
4.55#	Third Supplemental Indenture dated as of June 30, 2007, among Enterprise Products Operating LLC, as Issuer, Enterprise Products Partners L.P., as Guarantor, and U.S. Bank National Association, as successor Trustee.
4.56#	Fourth Amendment dated June 30, 2007, to Multi-Year Revolving Credit Agreement dated as of August 25, 2004 among Enterprise Products Operating LLC, the Lenders party thereto, Wachovia Bank, National Association, as Administrative Agent, Citibank, N.A. and JPMorgan Chase Bank, as Co-Syndication Agents and Mizuho Corporate Bank, LTD, SunTrust Bank and The Bank of Nova Scotia, as Co-Documentation Agents.
10.1***	EPE Unit III, L.P. Agreement of Limited Partnership dated May 7, 2007 (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K filed by Enterprise GP Holdings L.P. on May 10, 2007).
10.2	Replacement Capital Covenant, dated May 24, 2007, executed by Enterprise Products Operating L.P. and Enterprise Products Partners L.P. in favor of the covered debtholders described therein (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Enterprise Products Partners L.P. on May 24, 2007).
10.3#	Agreement and Release, dated May 31, 2007, between EPCO, Inc. and Robert G. Phillips.
10.4	Revolving Credit Agreement, dated as of January 5, 2007, among Duncan Energy Partners L.P., as borrower, Wachovia Bank, National Association, as Administrative Agent, The Bank of Nova Scotia and Citibank, N.A., as Co-Syndication Agents, JPMorgan Chase Bank, N.A. and Mizuho Corporate Bank, Ltd., as Co-Documentation Agents, and Wachovia Capital Markets, LLC, The Bank of Nova Scotia and Citigroup Global Markets Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 10.20 to Amendment No. 2 to Form S-1 Registration Statement (Reg. No. 333-138371) filed January 12, 2007).
10.5	First Amendment to Revolving Credit Agreement, dated as of June 30, 2007, among Duncan Energy Partners L.P., as borrower, Wachovia Bank, National Association, as Administrative Agent, The Bank of Nova Scotia and Citibank, N.A., as Co-Syndication Agents, JPMorgan Chase Bank, N.A. and Mizuho Corporate Bank, Ltd., as Co-Documentation Agents, and Wachovia Capital Markets, LLC, The Bank of Nova Scotia and Citigroup Global Markets Inc., as Joint Lead Arrangers and Joint Book Runners (incorporated by reference to Exhibit 4.2 to Form 10-Q filed August 8, 2007 by Duncan Energy Partners).
10.6	Second Amendment to Fourth Amended and Restated Administrative Services Agreement dated August 7, 2007, but effective as of May 7, 2007 (incorporated by reference to Exhibit 10.1 to Form 10-Q filed by Duncan Energy Partners L.P. on August 8, 2007).
10.7	First Amendment to EPE Unit L.P. Agreement of limited partnership dated August 7, 2007 (incorporated by reference to Exhibit 10.3 to Form 10-Q filed by Duncan Energy Partners L.P. on August 8, 2007).

10.8	First Amendment to EPE Unit II, L.P. Agreement of limited partnership dated August 7, 2007 (incorporated by reference to Exhibit 10.4 to Form 10-Q filed by Duncan Energy Partners L.P. on August 8, 2007).
10.9	First Amendment to EPE Unit III, L.P. Agreement of limited partnership dated August 7, 2007 (incorporated by reference to Exhibit 10.5 to Form 10-Q filed by Duncan Energy Partners L.P. on August 8, 2007).
31.1#	Sarbanes-Oxley Section 302 certification of Michael A. Creel for Enterprise Products Partners L.P. for the June 30, 2007 quarterly report on Form 10-Q.
31.2#	Sarbanes-Oxley Section 302 certification of W. Randall Fowler for Enterprise Products Partners L.P. for the June 30, 2007 quarterly report on Form 10-Q.
32.1#	Section 1350 certification of Michael A. Creel for the June 30, 2007 quarterly report on Form 10-Q.
32.2#	Section 1350 certification of W. Randall Fowler for the June 30, 2007 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; Enterprise GP Holdings L.P., 1-32610; and Duncan Energy Partners, L.P., 1-33266.
***	Identifies management contract and compensatory plan arrangements.
#	Filed with this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this quarterly report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized, in the City of Houston, State of Texas on August 8, 2007.

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

By: Enterprise Products GP, LLC,
as General Partner

By: ___/s/ Michael J. Knesek____________________
Name: Michael J. Knesek
Title: Senior Vice President, Controller
and Principal Accounting Officer
of the general partner

EXHIBIT 3.3

COMPANY AGREEMENT

OF

ENTERPRISE PRODUCTS OPERATING LLC

Dated June 30, 2007

TABLE OF CONTENTS

		Page
Article I	DEFINITIONS	2
1.1	Definitions	2
1.2	Construction	2
Article II	ORGANIZATION	2
2.1	Formation	2
2.2	Name	2
2.3	Registered Office; Registered Agent; Principal Office; Other Offices	2
2.4	Purpose and Business	3
2.5	Powers	4
2.6	Power of Attorney	4
2.7	Term	5
2.8	Title to Company Assets	5
Article III	RIGHTS OF THE MEMBERS	6
3.1	Limitation of Liability	6
3.2	Management of Business	6
3.3	Rights of the Members Relating to the Company	6
3.4	Outside Activities of the Members	7
Article IV	TRANSFER OF MEMBERSHIP INTERESTS	7
4.1	Transfer Generally	7
4.2	Transfer of the Member’s Membership Interests	7
4.3	Restrictions on Transfers	8
Article V	CAPITAL CONTRIBUTIONS AND RELATED MATERS	8
5.1	Prior Contributions; Closing Date Contribution of MLP	8
5.2	Additional Capital Contributions	8
5.3	Interest and Withdrawal	9
5.4	Capital Accounts	9
5.5	Loans from Members	11
5.6	Limited Preemptive Rights	12
5.7	Fully Paid and Non-Assessable Nature of Members Membership Interests	12
Article VI	ALLOCATIONS AND DISTRIBUTIONS	12
6.1	Allocations for Capital Account Purposes	12
6.2	Allocations for Tax Purposes	16
6.3	Distributions	18
Article VII	MANAGEMENT AND OPERATION OF BUSINESS	18
7.1	Management	18
7.2	Certificate of Formation	20
7.3	Restrictions on Manager’s Authority	21

TABLE OF CONTENTS
(continued)

		Page
7.4	Reimbursement of the Manager	21
7.5	Outside Activities	22
7.6	Loans from the Manager; Loans or Contributions from the Company; Contracts with Affiliates; Certain Restrictions on the Manager	23
7.7	Indemnification	24
7.8	Liability of Indemnitees	26
7.9	Resolution of Conflicts of Interest	27
7.10	Other Matters Concerning the Manager	28
7.11	Reliance by Third Parties	29
Article VIII	BOOKS, RECORDS, ACCOUNTING AND REPORTS	30
8.1	Records and Accounting	30
8.2	Fiscal Year	30
Article IX	TAX MATTERS	30
9.1	Preparation of Tax Returns	30
9.2	Tax Elections	30
9.3	Tax Controversies	30
9.4	Withholding	31
Article X	ADMISSION OF MEMBERS	31
10.1	Admission of the Members	31
10.2	Admission of Substituted Members	31
10.3	Admission of Additional Members	31
10.4	Amendment of Agreement and Certificate of Formation	31
Article XI	RESIGNATION OR REMOVAL OF PARTNERS	32
11.1	Resignation of the Manager	32
11.2	Removal of the Manager	33
11.3	Withdrawal of the Members	33
Article XII	WINDING UP AND LIQUIDATION	33
12.1	Winding Up	33
12.2	Continuation of the Business of the Company After Winding Up	34
12.3	Liquidator	34
12.4	Liquidation	35
12.5	Termination of Certificate of Formation	35
12.6	Return of Capital Contributions	36
12.7	Waiver of Partition	36
12.8	Capital Account Restoration	36
Article XIII	AMENDMENT OF COMPANY AGREEMENT	36
13.1	Amendment to be Adopted Solely by the Manager	36
13.2	Amendment Procedures	37

TABLE OF CONTENTS
(continued)

		Page
Article XIV	MERGER	37
14.1	Authority	37
14.2	Procedure for Merger or Consolidation	38
14.3	Approval by the Members of Merger or Consolidation	39
14.4	Certificate of Merger	39
14.5	Effect of Merger	39
Article XV	GENERAL PROVISIONS	40
15.1	Addresses and Notices	40
15.2	References	40
15.3	Further Action	40
15.4	Binding Effect	40
15.5	Integration	40
15.6	Creditors	40
15.7	Waiver	40
15.8	Counterparts	41
15.9	Applicable Law	41
15.10	Invalidity of Provisions	41
15.11	Amendments to Reflect GP Reorganization Agreement	41

COMPANY AGREEMENT
OF
ENTERPRISE PRODUCTS OPERATING LLC

THIS COMPANY AGREEMENT OF ENTERPRISE PRODUCTS OPERATING LLC dated as of June 30, 2007, is entered into by and among Enterprise Products OLPGP, Inc., a Delaware corporation ("OLPGP"), and Enterprise Products Partners L.P., a Delaware limited partnership (the "MLP"), as the Members, together with any other Persons who become members in the Company or parties hereto as provided herein.

RECITALS

WHEREAS, OLPGP and the MLP adopted that certain Plan of Conversion dated June 30, 2007 (the "Plan of Conversion"), to convert (the "Conversion") Enterprise Products Operating L.P., a Delaware limited partnership (the "Delaware partnership"), to a Texas limited partnership (the "Texas Partnership");

WHEREAS, pursuant to the Plan of Conversion, a Certificate of Formation and a Certificate of Conversion were filed with the Secretary of State of the State of Texas and a Certificate of Conversion to Non-Delaware Entity was filed with the Secretary of State of the State of Delaware to convert the Delaware Partnership to the Texas Partnership effective at 10:59 p.m., Central Time, on June 30, 2007 (the "Effective Time of the Conversion"), in accordance with the provisions of Section 17-219 of the Delaware Revised Uniform Limited Partnership Act (6 Del.C. § 17-101, et seq.), as amended, and Section 10.102, et seq., of the Texas Business Organizations Code, as amended (the "TBOC");

WHEREAS, pursuant to the Plan of Conversion, and at the Effective Time of the Conversion, the 0.001% and 99.999% partnership interests of the Converting Entity owned by OLPGP and the MLP, respectively, immediately prior to the Effective Time of the Conversion were converted into 0.001% and 99.999% of the partnership interest in the Texas Partnership;

WHEREAS, effective at 11:58 p.m., Central Time, on June 30, 2007, OLGP and the MLP formed the Company, with OLPGP acquiring 0.001% of the Membership Interest and the MLP acquiring 99.999% of the Membership Interest;

WHEREAS, pursuant to an Agreement and Plan of Merger, the Texas Partnership will merge (the "Merger") with and into the Company at 11:59 p.m., Central Time;

WHEREAS, as a result of the Conversion and the Merger, the Company will be the successor to each of the Delaware Partnership and the Texas Partnership; and

WHEREAS, certain provisions of the Delaware Partnership Agreement are adopted by the Members in this Agreement to contemplate the Company being the successor-in-interest to each of the Texas Partnership and the Delaware Partnership;

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants, rights and obligations set forth in this Agreement, the benefits to be derived from them, and other good and valuable consideration, the receipt and the sufficiency of which each Member acknowledges and confesses, the Members agree as follows:

ARTICLE I
DEFINITIONS

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

1.2 ***Construction.*** Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; and (c) “include” or “includes” means includes, without limitation, and “including” means including, without limitation.

ARTICLE II
ORGANIZATION

2.1 ***Formation.*** The Company was formed when its Certificate of Formation was filed by an “organizer” (within the meaning of the Texas Act) with the Secretary of State of the State of Texas pursuant to and in accordance with the Texas Act. The execution of the Certificate of Formation by such organizer, and the filing of the Certificate of Formation with the Secretary of State of the State of Texas, are hereby ratified, confirmed and approved. Upon the filing of the Certificate of Formation with the Secretary of State of the State of Texas, such organizer’s powers as the “organizer” ceased. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Members and the administration, winding up and termination of the Company shall be governed by the Texas Act. All Membership Interests shall constitute personal property of the owner thereof for all purposes and a Member has no interest in specific Partnership property.

2.2 ***Name.*** The name of the Company shall be “Enterprise Products Operating LLC” The Company’s business may be conducted under any other name or names deemed necessary or appropriate by the Manager in its sole discretion. The words “Limited Liability Company,” “LLC,” or similar words or letters shall be included in the Company’s name where necessary for the purpose of complying with the laws of any jurisdiction that so requires. The Manager in its discretion may change the name of the Company at any time and from time to time and shall notify the Members of such change in the next regular communication to the Members.

2.3 ***Registered Office; Registered Agent; Principal Office; Other Offices.*** Unless and until changed by the Manager, the registered office of the Company in the State of Texas shall be located at 1021 Main Street, Suite 1150, Houston, Texas 77002, and the registered agent for service of process on the Company in the State of Texas at such registered office shall be CT Corporation System. The principal office of the Company shall be located at 1100 Louisiana

Street, Houston, Texas 77002 or such other place as the Manager may from time to time designate by notice to the Members. The Company may maintain offices at such other place or places within or outside the State of Texas as the Manager deems necessary or appropriate. The address of the Manager shall be 1100 Louisiana Street, Houston, Texas 77002 or such other place as the Manager may from time to time designate by notice to the Members.

2.4 ***Purpose and Business.*** The purpose and nature of the business to be conducted by the Company shall be to conduct the following businesses or activities, in each case provided that any such business or activity is conducted within North America:

(a) to serve as a partner, member or other equity owner of any Subsidiaries of the Company pursuant to the applicable partnership agreements, limited liability company agreements or other applicable documents and, in connection therewith, to exercise all of the rights and powers conferred upon the Company under such agreements or documents;

(b) to acquire, manage, lease, sell, operate and otherwise deal with any and all assets or properties contributed or transferred to the Company (by operation of law or otherwise) by the Manager, its Affiliates or any other Persons prior to or in connection with the consummation of the transactions taking place on the Closing Date and any similar assets or properties and, in connection therewith, to exercise all of the rights and powers conferred upon the Company pursuant to any agreements relating to such assets;

(c) to engage directly in, or to enter into or form any corporation, limited liability company, partnership, joint venture or other arrangement to engage indirectly in, any type of business or activity engaged in by EPC or its Affiliates immediately prior to the Closing Date and, in connection therewith, to exercise all of the rights and powers conferred upon the Company pursuant to the agreements relating to such business or activity;

(d) to engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by the Manager and which may lawfully be conducted by a limited liability company organized pursuant to the Texas Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Company pursuant to the agreements relating to such business activity; provided, however, that the Manager determines in good faith, prior to the conduct of such activity, that the conduct by the Company of such activity is not likely to result in the Company being treated as an association taxable as a corporation for federal income tax purposes; and

(e) to do anything necessary or appropriate to the foregoing, including, without limitation, the making of capital contributions to a Group Member, the MLP or any Subsidiary of the MLP.

The Manager has no obligation or duty to the Company, the Members or any Assignee to propose or approve, and in its sole discretion may decline to propose or approve, the conduct by the Company of any business.

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

2.6 ***Power of Attorney.***

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

(i) execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Formation and all amendments or restatements hereof or thereof) that the Manager or the Liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Company as a limited liability company in the State of Texas and in all other jurisdictions in which the Company may conduct business or own property; (B) all certificates, documents and other instruments that the Manager or the Liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Manager or the Liquidator deems necessary or appropriate to reflect the winding up and liquidation of the Company pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission, withdrawal, removal or substitution of any Member pursuant to, or other events described in, Article IV, Article X, Article XI or Article XII; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Membership Interests; and (F) all certificates, documents and other instruments (including agreements and a certificate of merger) relating to a merger or consolidation of the Company pursuant to Article XIV; and

(ii) execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the discretion of the Manager or the Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Members hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the discretion of the Manager or the Liquidator, to effectuate the terms or intent of this Agreement; provided, that when the approval of the Members is required by any provision of this Agreement, the Manager or the Liquidator may exercise the power of

attorney made in this Section 2.6(a)(ii) only after the necessary vote, consent or approval of the Members is obtained.

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

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

2.7 ***Term.*** The term of the Company commenced upon the filing of the Certificate of Formation in accordance with the Texas Act and shall continue in existence in perpetuity, or until the earlier termination of the Company in accordance with the provisions of Article XII. The existence of the Company as a separate legal entity shall continue until the cancellation of the Certificate of Formation as provided in the Texas Act.

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

ARTICLE III
RIGHTS OF THE MEMBERS

3.1 ***Limitation of Liability.*** The Members and the Assignees shall have no liability under this Agreement except as expressly provided in this Agreement or the Texas Act**.**

3.2 ***Management of Business.*** Neither any Member nor any Assignee, in its capacity as such, shall participate in the operation, management or control of the Company's business, transact any business in the Company's name or have the power to sign documents for or otherwise bind the Company. Any action taken by any Affiliate of the Manager or any officer, director, employee, member, partner, agent or trustee of the Manager or any of its Affiliates, or any officer, director, employee, member, partner, agent or trustee of a Group Member, the MLP or any Subsidiary of the MLP, in its capacity as such, shall not be deemed to be participating in the control of the business of the Company by a Member of the Company and shall not affect, impair or eliminate the limitations on the liability of the Members or Assignee under this Agreement.

3.3 ***Rights of the Members Relating to the Company.***

(a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 3.3(b), each Member shall have the right, for a purpose reasonably related to the Member's interest as a member in the Company, upon reasonable demand and at the Member's own expense:

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

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

(iii) to have furnished to it, a current list of the name and last known business, residence or mailing address of each Member;

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

(v) to obtain information regarding the amount of cash and a description and statement of the **[**Net Member**]** and which each Member has agreed to contribute in the future, and the date on which each became a Member; and

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

(b) Notwithstanding any other provision of this Agreement, the Manager may keep confidential from the Members and any Assignee, for such period of time as the

Manager deems reasonable, (i) any information that the Manager reasonably believes to be in the nature of trade secrets or (ii) other information the disclosure of which the Manager in good faith believes (A) is not in the best interests of the MLP or the Partnership Group, (B) could damage the MLP or the Partnership Group or (C) that the MLP or any Group Member is required by law or by agreement with any third party to keep confidential (other than agreements with Affiliates the primary purpose of which is to circumvent the obligations set forth in this Section 3.3).

3.4 ***Outside Activities of the Members.*** Subject to the provisions of Section 7.5, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Person shall also be a Member, the Members shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Company, including business interests and activities in direct competition with the Partnership Group.

ARTICLE IV
TRANSFER OF MEMBERSHIP INTERESTS

4.1 ***Transfer Generally.***

(a) The term "transfer," when used in this Agreement with respect to a Membership Interest, shall be deemed to refer to a transaction by which a Member assigns its Membership Interest as a member in the Company to another Person who becomes the Member or Assignee, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise.

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

(c) Nothing contained in this Agreement shall be construed to prevent a disposition by any member or partner of the Member of any or all of the issued and outstanding member or partner interests of the Member.

4.2 ***Transfer of the Member's Membership Interests.*** A Member may transfer all, but not less than all, of its Membership Interest as a member of the Company in connection with the merger, consolidation or other combination of the Member with or into any other Person or the transfer by the Member of all or substantially all of its assets to another Person, and following any such transfer such Person may become a Substituted Member pursuant to Article X. Except as set forth in the immediately preceding sentence, or in connection with any pledge of (or any related foreclosure on) the Member's Membership Interest of the Company solely for the purpose of securing, directly or indirectly, indebtedness of the Company or the MLP, a Member may not transfer all or any part of its Membership Interest or withdraw from the Company.

4.3 ***Restrictions on Transfers.***

(a) Notwithstanding the other provisions of this Article IV, no transfer of any Membership Interest shall be made if such transfer would (i) violate the then applicable federal or state securities laws or rules and regulations of the Commission, any state securities commission or any other governmental authorities with jurisdiction over such transfer, (ii) terminate the existence or qualification of the Company or the MLP under the laws of the jurisdiction of its formation or (iii) cause the Company or the MLP to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed).

(b) The Manager may impose restrictions on the transfer of Membership Interests if a subsequent Opinion of Counsel determines that such restrictions are necessary to avoid a significant risk of the Company's or the MLP's becoming taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes. The restrictions may be imposed by making such amendments to this Agreement as the Manager may determine to be necessary or appropriate to impose such restrictions.

ARTICLE V
CAPITAL CONTRIBUTIONS AND RELATED MATERS

5.1 ***Prior Contributions; Closing Date Contribution of MLP.***

(a) Prior to the Closing Date, (i) the OLPGP made certain Capital Contributions to the Delaware Partnership in exchange for an interest in the Delaware Partnership and was admitted as the general partner of the Delaware Partnership, and (ii) the MLP made certain Capital Contributions to the Delaware Partnership in exchange for an interest in the Delaware Partnership and was admitted as a limited partner of the Delaware Partnership.

(b) On the Closing Date, the partnership interest of OLPGP in the Delaware Partnership continued and was subject to all of the rights, privileges and duties of the OLPGP under the Delaware Partnership Agreement.

(c) On the Closing Date, the MLP made a cash Capital Contribution to the Delaware Partnership equal to the net proceeds to the MLP from the Initial Offering and in exchange therefor the partnership interest of the MLP as a limited partner in the Delaware Partnership continued, subject to the rights, privileges and duties of the MLP under the Delaware Partnership Agreement.

5.2 ***Additional Capital Contributions.*** With the consent of the Manager, the Members may, but shall not be obligated to, make additional Capital Contributions to the Company. Contemporaneously with the making of any such additional Capital Contributions by the MLP, OLPGP shall be obligated to make an additional Capital Contribution to the Company in an amount equal to 0.001/99.999 of the cash, cash equivalents or Net Agreed Value of the additional Capital Contribution then made by the MLP (including with respect to additional Capital Contributions by the MLP of the net proceeds received by the MLP upon the issuance of Common Units pursuant to the Over-Allotment Option). Except as set forth in the immediately

preceding sentence and Article XII, the Members shall not be obligated to make any additional Capital Contributions to the Company.

5.3 ***Interest and Withdrawal.*** No interest shall be paid by the Company on Capital Contributions. No Member or Assignee shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon termination of the Company may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Member or Assignee shall have priority over any other Member or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions. Any such return shall be a compromise to which all Members and Assignees agree within the meaning of Section 101.154 of the Texas Act.

5.4 ***Capital Accounts.***

(a) The Company shall maintain for each Member owning a Membership Interest a separate Capital Account with respect to such Membership Interest in accordance with the rules of Treasury Regulation Section 1.704-l(b)(2)(iv). Such Capital Account shall be increased by (i) the amount of all Capital Contributions made to the Company with respect to such Membership Interest pursuant to this Agreement and (ii) all items of Company income and gain (including, without limitation, income and gain exempt from tax) computed in accordance with Section 5.4(b) and allocated with respect to such Membership Interest pursuant to Section 6.1, and decreased by (x) the amount of cash or the Net Agreed Value of all actual and deemed distributions of cash or property made with respect to such Membership Interest pursuant to this Agreement and (y) all items of Partnership deduction and loss computed in accordance with Section 5.4(b) and allocated with respect to such Membership Interest pursuant to Section 6.1.

(b) For purposes of computing the amount of any item of income, gain, loss or deduction which is to be allocated pursuant to Article VI and is to be reflected in the Members' Capital Accounts, the determination, recognition and classification of any such item shall be the same as its determination, recognition and classification for federal income tax purposes (including, without limitation, any method of depreciation, cost recovery or amortization used for that purpose), provided, that:

(i) Solely for purposes of this Section 5.4, the Company shall be treated as owning directly its proportionate share (as determined by the Manager) of all property owned by any OLP Subsidiary that is classified as a partnership for federal income tax purposes.

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

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

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

(v) In accordance with the requirements of Section 704(b) of the Code, any deductions for depreciation, cost recovery or amortization attributable to any Contributed Property shall be determined as if the adjusted basis of such property on the date it was acquired by the Company were equal to the Agreed Value of such property. Upon an adjustment pursuant to Section 5.4(d) to the Carrying Value of any Company property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization attributable to such property shall be determined (A) as if the adjusted basis of such property were equal to the Carrying Value of such property immediately following such adjustment and (B) using a rate of depreciation, cost recovery or amortization derived from the same method and useful life (or, if applicable, the remaining useful life) as is applied for federal income tax purposes; provided, however, that, if the asset has a zero adjusted basis for federal income tax purposes, depreciation, cost recovery or amortization deductions shall be determined using any reasonable method that the Manager may adopt.

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

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

(d) (i) In accordance with Treasury Regulation Section 1.704-l(b)(2)(iv)(f), on an issuance of additional Membership Interests for cash or Contributed Property, the Capital Account of all Members and the Carrying Value of each Partnership property immediately prior to such issuance shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Partnership property, as if such Unrealized Gain or Unrealized Loss had been recognized on an actual sale of each such property immediately prior to such issuance and had been allocated to the Members at such time pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized during such period would have been allocated. In determining such Unrealized Gain or Unrealized Loss, the aggregate cash amount and fair market value of all Company assets (including, without limitation, cash or cash equivalents) immediately prior to the issuance of additional Membership Interests shall be determined by the Manager using such reasonable method of valuation as it may adopt; provided, however, that the Manager, in arriving at such valuation, must take fully into account the fair market value of the Company Interests of all Members at such time. The Manager shall allocate such aggregate value among the assets of the Company (in such manner as it determines in its discretion to be reasonable) to arrive at a fair market value for individual properties.

(i) In accordance with Treasury Regulation Section 1.704-l(b)(2)(iv)(f), immediately prior to any actual or deemed distribution to a Member of any Company property (other than a distribution of cash that is not in redemption or retirement of a Membership Interest), the Capital Accounts of all Members and the Carrying Value of all Company property shall be adjusted upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to such Company property, as if such Unrealized Gain or Unrealized Loss had been recognized in a sale of such property immediately prior to such distribution for an amount equal to its fair market value, and had been allocated to the Members, at such time, pursuant to Section 6.1 in the same manner as any item of gain or loss actually recognized during such period would have been allocated. In determining such Unrealized Gain or Unrealized Loss the aggregate cash amount and fair market value of all Company assets (including, without limitation, cash or cash equivalents) immediately prior to a distribution shall (A) in the case of an actual distribution which is not made pursuant to Section 12.4 or in the case of a deemed contribution and/or distribution occurring as a result of a termination of the Company pursuant to Section 708 of the Code, be determined and allocated in the same manner as that provided in Section 5.4(d)(i) or (B) in the case of a liquidating distribution pursuant to Section 12.4, be determined and allocated by the Liquidator using such reasonable method of valuation as it may adopt.

5.5 ***Loans from Members.*** Loans by a Member to the Company shall not constitute Capital Contributions. If any Member shall advance funds to the Company in excess of the amounts required hereunder to be contributed by it to the capital of the Company, the making of such excess advances shall not result in any increase in the amount of the Capital Account of such Member. The amount of any such excess advances shall be a debt obligation of the

Company to such Member and shall be payable or collectible only out of the Company assets in accordance with the terms and conditions upon which such advances are made.

5.6 ***Limited Preemptive Rights.*** Except as provided in Section 5.2, no Person shall have preemptive, preferential or other similar rights with respect to (a) additional Capital Contributions; (b) issuance or sale of any class or series of Membership Interests, whether unissued, held in the treasury or hereafter created; (c) issuance of any obligations, evidences of indebtedness or other securities of the Company convertible into or exchangeable for, or carrying or accompanied by any rights to receive, purchase or subscribe to, any such Membership Interests; (d) issuance of any right of subscription to or right to receive, or any warrant or option for the purchase of, any such Membership Interests; or (e) issuance or sale of any other securities that may be issued or sold by the Company.

5.7 ***Fully Paid and Non-Assessable Nature of Members Membership Interests.*** All Membership Interests issued pursuant to, and in accordance with the requirements of, this Article V shall be fully paid and non-assessable Membership Interests in the Company, except as such non-assessability may be affected by Section 101.206 of the Texas Act.

ARTICLE VI
ALLOCATIONS AND DISTRIBUTIONS

6.1 ***Allocations for Capital Account Purposes.*** For purposes of maintaining the Capital Accounts and in determining the rights of the Members among themselves, the Company’s items of income, gain, loss and deduction (computed in accordance with Section 5.4(b)) shall be allocated among the Members in each taxable year (or portion thereof) as provided hereinbelow.

(a) *Net Income*. After giving effect to the special allocations set forth in Section 6.1(d), Net Income for each taxable year and all items of income, gain, loss and deduction taken into account in computing Net Income for such taxable year shall be allocated among the Members as follows:

(i) First, 100% to OLPGP until the Net Income allocated to OLPGP pursuant to this Section 6.1(a)(i) for the current taxable year and all previous taxable years is equal to the aggregate Net Losses allocated to OLPGP pursuant to Section 6.1(b)(ii) for all previous taxable years under the Delaware Partnership Agreement;

(ii) Second, 100% to the Members in accordance with their respective Percentage Interests.

(b) *Net Losses*. After giving effect to the special allocations set forth in Section 6.1(d), Net Losses for each taxable period and all items of income, gain, loss and deduction taken into account in computing Net Losses for such taxable period shall be allocated to the Members in accordance with their respective Percentage Interests.

(c) *Net Termination Gains and Losses*. After giving effect to the special allocations set forth in Section 6.1(d), all items of income, gain, loss and deduction taken

into account in computing Net Termination Gain or Net Termination Loss for such taxable period shall be allocated in the same manner as such Net Termination Gain or Net Termination Loss is allocated hereunder. All allocations under this Section 6.1(c) shall be made after Capital Account balances have been adjusted by all other allocations provided under this Section 6.1 and after all distributions of Available Cash provided under Section 6.3 have been made with respect to the taxable period ending on or before the Liquidation Date; provided, however, that solely for purposes of this Section 6.1(c), Capital Accounts shall not be adjusted for distributions made pursuant to Section 12.4.

(i) If a Net Termination Gain is recognized (or deemed recognized pursuant to Section 5.4(d)), such Net Termination Gain shall be allocated between the Manager and the Members in the following manner (and the Capital Accounts of the Members shall be increased by the amount so allocated in each of the following subclauses, in the order listed, before an allocation is made pursuant to the next succeeding subclause):

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

(B) Second, 100% to the Members in accordance with their respective Percentage Interests.

(ii) If a Net Termination Loss is recognized (or deemed recognized pursuant to Section 5.4(d)), such Net Termination Loss shall be allocated to the Members in the following manner:

(A) First, 100% to the Members in proportion to, and to the extent of, the positive balances in their respective Capital Accounts; and

(B) Second, the balance, if any, 100% to the Members in accordance with their respective Percentage Interests.

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

(i) *Partnership Minimum Gain Chargeback*. Notwithstanding any other provision of this Section 6.1, if there is a net decrease in Partnership Minimum Gain during any Company taxable period, each Member shall be allocated items of Company income and gain for such period (and, if necessary, subsequent periods) in the manner and amounts provided in Treasury Regulation Sections 1.704-2(f)(6), 1.704-2(g)(2) and 1.704-2(j)(2)(i), or any successor provision. For purposes of this Section 6.1(d), each Member’s Adjusted Capital Account balance shall be determined, and the allocation of income or gain required hereunder shall be effected, prior to the application of any other allocations pursuant to this Section 6.1(d) with respect to such taxable period

(other than an allocation pursuant to Sections 6.1(d)(v) and 6.1(d)(vi)). This Section 6.1(d)(i) is intended to comply with the Partnership Minimum Gain chargeback requirement in Treasury Regulation Section 1.704-2(f) and shall be interpreted consistently therewith.

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

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

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

(v) *Nonrecourse Deductions*. Nonrecourse Deductions for any taxable period shall be allocated to the Members in accordance with their respective

Percentage Interests. If the Manager determines in its good faith discretion that the Company's Nonrecourse Deductions must be allocated in a different ratio to satisfy the safe harbor requirements of the Treasury Regulations promulgated under Section 704(b) of the Code, the Manager is authorized, upon notice to the Members, to revise the prescribed ratio to the numerically closest ratio that does satisfy such requirements.

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

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

(viii) *Code Section 754 Adjustments*. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or 743(c) of the Code is required, pursuant to Treasury Regulation Section 1.704-l(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such item of gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Treasury Regulations.

(ix) *Curative Allocation*.

(A) Notwithstanding any other provision of this Section 6.1, other than the Required Allocations, the Required Allocations shall be taken into account in making the Agreed Allocations so that, to the extent possible, the net amount of items of income, gain, loss and deduction allocated to each Member pursuant to the Required Allocations and the Agreed Allocations, together, shall be equal to the net amount of such items that would have been allocated to each such Member under the Agreed Allocations had the Required Allocations and the related Curative Allocation not otherwise been provided in this Section 6.1. Notwithstanding the preceding sentence, Required Allocations relating to (1) Nonrecourse Deductions shall not be taken into account except to the

extent that there has been a decrease in Partnership Minimum Gain and (2) Partner Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partner Nonrecourse Debt Minimum Gain. Allocations pursuant to this Section 6.1(d)(ix)(A) shall only be made with respect to Required Allocations to the extent the Manager reasonably determines that such allocations will otherwise be inconsistent with the economic Agreement among the Members. Further, allocations pursuant to this Section 6.1(d)(ix)(A) shall be deferred with respect to allocations pursuant to clauses (1) and (2) hereof to the extent the Manager reasonably determines that such allocations are likely to be offset by subsequent Required Allocations.

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

6.2 ***Allocations for Tax Purposes.***

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

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

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

(ii) (A) In the case of an Adjusted Property, such items shall (1) first, be allocated among the Members in a manner consistent with the principles of Section 704(c) of the Code to take into account the Unrealized Gain or Unrealized Loss attributable to such property and the allocations thereof pursuant to Section 5.4(d)(i) or 5.4(d)(ii), and (2) second, in the event such property was originally a Contributed Property, be allocated among the Members in a manner consistent with Section 6.2(b)(i)(A); and (B) any item of Residual Gain or Residual Loss attributable to an Adjusted Property shall be allocated among the Members in the

same manner as its correlative item of “book” gain or loss is allocated pursuant to Section 6.1.

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

(c) For the proper administration of the Company and for the preservation of uniformity of Units of the MLP (or any class or classes thereof), the Manager shall have sole discretion to (i) adopt such conventions as it deems appropriate in determining the amount of depreciation, amortization and cost recovery deductions; (ii) make special allocations for federal income tax purposes of income (including, without limitation, gross income) or deductions; and (iii) amend the provisions of this Agreement as appropriate (x) to reflect the proposal or promulgation of Treasury Regulations under Section 704(b) or Section 704(c) of the Code or (y) otherwise to preserve or achieve uniformity of Units of the MLP (or any class or classes thereof). The Manager may adopt such conventions, make such allocations and make such amendments to this Agreement as provided in this Section 6.2(c) only if such conventions, allocations or amendments would not have a material adverse effect on the Members, the holders of any class or classes of Units of the MLP issued and outstanding or the Company, and if such allocations are consistent with the principles of Section 704 of the Code.

(d) The Manager in its discretion may determine to depreciate or amortize the portion of an adjustment under Section 743(b) of the Code attributable to unrealized appreciation in any Adjusted Property (to the extent of the unamortized Book-Tax Disparity) using a predetermined rate derived from the depreciation or amortization method and useful life applied to the Company’s common basis of such property, despite any inconsistency of such approach with Proposed Treasury Regulation Section 1.168-2(n), Treasury Regulation Section 1.167(c)-l(a)(6) or Proposed Treasury Regulation Section 1.197-2(g)(3). If the Manager determines that such reporting position cannot reasonably be taken, the Manager may adopt depreciation and amortization conventions under which all purchasers acquiring Units of the MLP in the same month would receive depreciation and amortization deductions, based upon the same applicable rate as if they had purchased a direct interest in the Company’s property. If the Manager chooses not to utilize such aggregate method, the Manager may use any other reasonable depreciation and amortization conventions to preserve the uniformity of the intrinsic tax characteristics of any class or classes of Units of the MLP that would not have a material adverse effect on the Members or the holders of any class or classes of Units of the MLP.

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

(f) All items of income, gain, loss, deduction and credit recognized by the Company for federal income tax purposes and allocated to the Members in accordance

with the provisions hereof shall be determined without regard to any election under Section 754 of the Code which may be made by the Company; provided, however, that such allocations, once made, shall be adjusted as necessary or appropriate to take into account those adjustments permitted or required by Sections 734 and 743 of the Code.

(g) The Manager may adopt such methods of allocation of income, gain, loss or deduction between a transferor and a transferee of a Membership Interest as it determines necessary, to the extent permitted or required by Section 706 of the Code and the regulations or rulings promulgated thereunder.

6.3 ***Distributions.***

(a) Within 45 days following the end of each Quarter, an amount equal to 100% of Available Cash with respect to such Quarter shall, subject to Section 153.210 of the Texas Act, be distributed in accordance with this Article VI by the Company to the Members in accordance with their respective Percentage Interests. The immediately preceding sentence shall not require any distribution of cash if and to the extent such distribution would be prohibited by applicable law or by any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets are subject. All distributions required to be made under this Agreement shall be made subject to Section 153.210 of the Texas Act.

(b) In the event of the winding up and liquidation of the Company, all receipts received during or after the Quarter in which the Liquidation Date occurs (other than from borrowings described in (a) (ii) of the definition of Available Cash) shall be applied and distributed solely in accordance with, and subject to the terms and conditions of, Section 12.4.

(c) The Manager shall have the discretion to treat taxes paid by the Company on behalf of, or amounts withheld with respect to, all or less than all of the Members, as a distribution of Available Cash to such Members.

ARTICLE VII
MANAGEMENT AND OPERATION OF BUSINESS

7.1 ***Management.***

(a) The Manager shall conduct, direct and manage all activities of the Company. Except as otherwise expressly provided in this Agreement, all management powers over the business and affairs of the Company shall be exclusively vested in the Manager, and neither the Members, in their capacity as members of the Company, nor any Assignees shall have any management power over the business and affairs of the Company. In addition to the powers now or hereafter granted a manager of a limited liability company under applicable law or which are granted to the Manager under any other provision of this Agreement, the Manager, subject to Section 7.3, shall have full power and authority to do all things and on such terms as it, in its sole discretion, may deem necessary or appropriate to conduct the business of the Company, to exercise all

powers set forth in Section 2.5 and to effectuate the purposes set forth in Section 2.4, including the following:

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

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

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

(iv) the use of the assets of the Company (including cash on hand) for any purpose consistent with the terms of this Agreement, including the financing of the conduct of the operations of the Partnership Group; subject to Section 7.6(a), the lending of funds to other Persons (including the MLP); the repayment of obligations of the MLP or any member of the Partnership Group; and the making of capital contributions to any member of the Partnership Group;

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

(vi) the distribution of Company cash;

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

(viii) the maintenance of such insurance for the benefit of the Partnership Group and the Members (including the assets of the Company) as it deems necessary or appropriate;

(ix) the formation of, or acquisition of an interest in, and the contribution of property and the making of loans to, any further limited or general

partnerships, joint ventures, corporations or other relationships subject to the restrictions set forth in Section 2.4;

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

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

(xii) the undertaking of any action in connection with the Company's participation as a partner or equity owner of any Group Member.

(b) Notwithstanding any other provision of this Agreement, the MLP Agreement, the Texas Act or any applicable law, rule or regulation, each of the Members and Assignees (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of the MLP Agreement, the Underwriting Agreement, the EPCO Agreement and the other agreements described in or filed as a part of the Registration Statement that are related to the transactions contemplated by the Registration Statement; (ii) agrees that the Manager (on its own or through any officer of the Company) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence and the other agreements, acts, transactions and matters described in or contemplated by the Registration Statement on behalf of the Company without any further act, approval or vote of the Members or the Assignees or the other Persons who may acquire an interest in Partnership Securities; and (iii) agrees that the execution, delivery or performance by the Manager, the MLP, any Group Member or any Affiliate of any of them, of this Agreement or any agreement authorized or permitted under this Agreement, shall not constitute a breach by the Manager of any duty that the Manager may owe the Company or the Members or the Assignees or any other Persons under this Agreement (or any other agreements) or of any duty stated or implied by law or equity.

7.2 ***Certificate of Formation.*** The Manager has caused the Certificate of Formation to be filed with the Secretary of State of the State of Texas as required by the Texas Act and shall use all reasonable efforts to cause to be filed such other certificates or documents as may be determined by the Manager in its sole discretion to be reasonable and necessary or appropriate for the formation, continuation, qualification and operation of a limited liability company in the State of Texas or any other state in which the Company may elect to do business or own property. To the extent that such action is determined by the Manager in its sole discretion to be reasonable and necessary or appropriate, the Manager shall file amendments to and restatements of the Certificate of Formation and do all things to maintain the Company as a limited liability ompany under the laws of the State of Texas or of any other state in which the Company may elect to do business or own property. Subject to the terms of Section 3.3(a), the Manager shall not be required, before or after filing, to deliver or mail a copy of the Certificate of Formation, any qualification document or any amendment thereto to the Members or any Assignee.

7.3 ***Restrictions on Manager's Authority.***

(a) The Manager may not, without written approval of the specific act by the Members or by other written instrument executed and delivered by the Members subsequent to the date of this Agreement, take any action in contravention of this Agreement, including, except as otherwise provided in this Agreement, (i) committing any act that would make it impossible to carry on the ordinary business of the Company; (ii) possessing Company property, or assigning any rights in specific Company property, for other than a Company purpose; (iii) admitting a Person as a member; or (iv) amending this Agreement in any manner.

(b) Except as provided in Article XII and Article XIV, the Manager may not sell, exchange or otherwise dispose of or approve on behalf of the Company the sale, exchange or other disposition of all or substantially all of the Company's assets in a single transaction or a series of related transactions without the approval of the Members; provided, however, that this provision shall not preclude or limit the Manager's ability to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of the Company and shall not apply to any forced sale of any or all of the assets of the Company pursuant to the foreclosure of, or other realization upon, any such encumbrance.

7.4 ***Reimbursement of the Manager.***

(a) Except as provided in this Section 7.4 and elsewhere in this Agreement or in the MLP Agreement, the Manager shall not be compensated for its services as general partner or manager of the MLP or any Group Member.

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

(c) The Manager, in its sole discretion and without the approval of the Members (who shall have no right to vote in respect thereof), may propose and adopt on behalf of the Company employee benefit plans, employee programs and employee practices or cause the Company to issue Partnership Securities, in connection with, or pursuant to, any employee benefit plan, employee program or employee practice

maintained or sponsored by OLPGP or any of its Affiliates, in each case for the benefit of employees of the OLPGP, any Group Member or any Affiliate, or any of them, in respect of services performed, directly or indirectly, for the benefit of the Partnership Group. Expenses incurred by OLPGP in connection with any such plans, programs and practices shall be reimbursed in accordance with Section 7.4(b). Any and all obligations of OLPGP under any employee benefit plans, employee programs or employee practices adopted by the Manager as permitted by this Section 7.4(c) shall constitute obligations of the OLPGP.

7.5 ***Outside Activities.***

(a) The Manager, for so long as it is the manager of the Company (i) agrees that its sole business will be to act as the general partner or managing member of the Company, the MLP, and any other partnership or limited liability company of which the Company or the MLP is, directly or indirectly, a partner or managing member and to undertake activities that are ancillary or related thereto (including being a limited partner in the partnership), (ii) shall not engage in any business or activity or incur any debts or liabilities except in connection with or incidental to (A) its performance as general partner or managing member of one or more Group Members or as described in or contemplated by the Registration Statement or (B) the acquiring, owning or disposing of debt or equity securities in any Group Member and (iii) except to the extent permitted by the EPCO Agreement, shall not, and shall cause its Affiliates not to, engage in any Restricted Activity.

(b) EPC has entered into the EPCO Agreement with the Company and the MLP, which agreement sets forth certain restrictions on the liability of EPC and its Affiliates to engage in Restricted Activities.

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

(d) Subject to the terms of the EPCO Agreement and Sections 7.5(a), 7.5(b), and 7.5(c), but otherwise notwithstanding anything to the contrary in this Agreement, (i) the engaging in competitive activities by any Indemnitees (other than the Manager) in accordance with the provisions of this Section 7.5 is hereby approved by the Company and all Members, (ii) it shall be deemed not to be a breach of the Manager’s fiduciary duty or any other obligation of any type whatsoever of the Manager for the Indemnitees

(other than the Manager) to engage in such business interests and activities in preference to or the exclusion of the Company and (iii) the Manager and the Indemnitees shall have no obligation to present business opportunities to the Company.

(e) The Manager and any of its Affiliates may acquire Partnership Securities in addition to those acquired on the Closing Date and, except as otherwise provided in this Agreement, shall be entitled to exercise all rights relating to such Partnership Securities.

(f) The term “Affiliates” when used in Sections 7.5(a) and 7.5(b) with respect to the Manager shall not include any Group Member or any Subsidiary of a Group Member.

7.6 ***Loans from the Manager; Loans or Contributions from the Company; Contracts with Affiliates; Certain Restrictions on the Manager.***

(a) The Manager or any of its Affiliates may lend to the MLP or any Group Member, and the MLP or any Group Member may borrow from the Manager or any of its Affiliates, funds needed or desired by the MLP or the Group Member for such periods of time and in such amounts as the Manager may determine; provided, however, that in any such case the lending party may not charge the borrowing party interest at a rate greater than the rate that would be charged the borrowing party or impose terms less favorable to the borrowing party than would be charged or imposed on the borrowing party by unrelated lenders on comparable loans made on an arm’s-length basis (without reference to the lending party’s financial abilities or guarantees). The borrowing party shall reimburse the lending party for any costs (other than any additional interest costs) incurred by the lending party in connection with the borrowing of such funds. For purposes of this Section 7.6(a) and Section 7.6(b), the term “Group Member” shall include any Affiliate of a Group Member that is controlled by the Group Member. No Group Member may lend funds to the Manager or any of its Affiliates (other than the MLP, a Subsidiary of the MLP or another Group Member).

(b) The Company may lend or contribute to any Group Member and any Group Member may borrow from the Company, funds on terms and conditions established in the sole discretion of the Manager; provided, however, that the Company may not charge the Group Member interest at a rate less than the rate that would be charged to the Group Member (without reference to the Manager’s financial abilities or guarantees) by unrelated lenders on comparable loans. The foregoing authority shall be exercised by the Manager in its sole discretion and shall not create any right or benefit in favor of any Group Member or any other Person.

(c) The Manager may itself, or may enter into an agreement, in addition to the EPCO Agreement, with any of its Affiliates to, render services to a Group Member or to the Manager in the discharge of its duties as the manager of the Company. Any services rendered to a Group Member by the Manager or any of its Affiliates shall be on terms that are fair and reasonable to the Company; provided, however, that the requirements of this Section 7.6(c) shall be deemed satisfied as to (i) any transaction approved by Special

Approval, (ii) any transaction, the terms of which are no less favorable to the Partnership Group than those generally being provided to or available from unrelated third parties or (iii) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Partnership Group), is equitable to the Partnership Group. The provisions of Section 7.4 shall apply to the rendering of services described in this Section 7.6(c).

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

(e) Neither the Manager nor any of its Affiliates shall sell, transfer or convey any property to, or purchase any property from, the Company, directly or indirectly, except pursuant to transactions that are fair and reasonable to the Company; provided, however, that the requirements of this Section 7.6(e) shall be deemed to be satisfied as to (i) the transactions effected pursuant to Section 5.1 and any other transactions described in or contemplated by the Registration Statement, (ii) any transaction approved by Special Approval, (iii) any transaction, the terms of which are no less favorable to the Company than those generally being provided to or available from unrelated third parties, or (iv) any transaction that, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Company), is equitable to the Company.

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

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

7.7 ***Indemnification.***

(a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, all Indemnitees shall be indemnified and held harmless by the Company from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as a Person of the type described in clauses (a)-(d) of the definition of the term “Indemnitee”; provided, that in each case the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in, or (in the

case of a Person other than the Manager) not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful; provided, further, no indemnification pursuant to this Section 7.7 shall be available to the Manager with respect to its obligations incurred pursuant to the Underwriting Agreement (other than obligations incurred by the Manager on behalf of the Company or the MLP). The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Company, it being agreed that the Manager shall not be personally liable for such indemnification and shall have no obligation to contribute or loan any monies or property to the Company to enable it to effectuate such indemnification.

(b) To the fullest extent permitted by law, expenses (including legal fees and expenses) incurred by an Indemnitee who is indemnified pursuant to Section 7.7(a) in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of any undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 7.7.

(c) The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Members, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity as a Person of the type described in clauses (a)-(d) of the definition of the term "Indemnitee," and as to actions in any other capacity (including any capacity under the Underwriting Agreement), and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee.

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

(e) For purposes of this Section 7.7, the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Company also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 7.7(a); and action taken or omitted by it with respect to any employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and

beneficiaries of the plan shall be deemed to be for a purpose which is in, or not opposed to, the best interests of the Company.

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

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) No amendment, modification or repeal of this Section 7.7 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitee to be indemnified by the Company, nor the obligations of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

7.8 ***Liability of Indemnitees.***

(a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Company, the Members, the Assignees or any other Persons who have acquired interests in the Units, for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith.

(b) Subject to its obligations and duties as Manager set forth in Section 7.1(a), the Manager may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents, and the Manager shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the Manager in good faith.

(c) To the extent that, at law or in equity, an Indemnitee has duties (including fiduciary duties) and liabilities relating thereto to the Company or to the Members, the Manager and any other Indemnitee acting in connection with the Company's business or affairs shall not be liable to the Company or to any Member for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or otherwise modify the duties and liabilities of an Indemnitee otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Indemnitee.

(d) Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability to the Company, the Members, the Manager, and the Company's and Manager's directors, officers and employees under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

7.9 ***Resolution of Conflicts of Interest.***

(a) Unless otherwise expressly provided in this Agreement or the MLP Agreement, whenever a potential conflict of interest exists or arises between the Manager or any of its Affiliates, on the one hand, and the Company, the MLP, any Member or any Assignee, on the other, any resolution or course of action by the Manager or its Affiliates in respect of such conflict of interest shall be permitted and deemed approved by all Members, and shall not constitute a breach of this Agreement, of the MLP Agreement, of any agreement contemplated herein or therein, or of any duty stated or implied by law or equity, if the resolution or course of action is, or by operation of this Agreement is deemed to be, fair and reasonable to the Company. The Manager shall be authorized but not required in connection with its resolution of such conflict of interest to seek Special Approval of such resolution. Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable to the Company if such conflict of interest or resolution is (i) approved by Special Approval (as long as the material facts within the actual knowledge of the officers and directors of the Manager and EPC regarding the proposed transaction were disclosed to the Audit and Conflicts Committee at the time it gave its approval), (ii) on terms no less favorable to the Company than those generally being provided to or available from unrelated third parties or (iii) fair to the Company, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to the Company). The Manager may also adopt a resolution or course of action that has not received Special Approval. The Manager (including the Audit and Conflicts Committee in connection with Special Approval) shall be authorized in connection with its determination of what is "fair and reasonable" to the Company and in connection with its resolution of any conflict of interest to consider (A) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (B) any customary or accepted industry practices and any customary or historical dealings with a particular Person; (C) any applicable generally accepted accounting practices or principles; and (D) such additional factors as the Manager (including the Audit and Conflicts Committee) determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the Manager (including the Audit and Conflicts Committee) to consider the interests of any Person other than the Company. In the absence of bad faith by the Manager, the resolution, action or terms so made, taken or provided by the Manager with respect to such matter shall not constitute a breach of this Agreement or any other agreement contemplated herein or a breach of any standard of care or duty imposed herein or therein

or, to the extent permitted by law, under the Texas Act or any other law, rule or regulation.

(b) Whenever this Agreement or any other agreement contemplated hereby provides that the Manager or any of its Affiliates is permitted or required to make a decision (i) in its “sole discretion” or “discretion,” that it deems “necessary or appropriate” or “necessary or advisable” or under a grant of similar authority or latitude, except as otherwise provided herein, the Manager or such Affiliate shall be entitled to consider only such interests and factors as it desires and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Company, the MLP, the Members or, any limited partner of the MLP or any Assignee, (ii) it may make such decision in its sole discretion (regardless of whether there is a reference to “sole discretion” or “discretion”) unless another express standard is provided for, or (iii) in “good faith” or under another express standard, the Manager or such Affiliate shall act under such express standard and shall not be subject to any other or different standards imposed by this Agreement, the MLP Agreement, any other agreement contemplated hereby or under the Texas Act or any other law, rule or regulation. In addition, any actions taken by the Manager or such Affiliate consistent with the standards of “reasonable discretion” set forth in the definitions of Available Cash shall not constitute a breach of any duty of the Manager to the Company, the Members or any limited partner of the MLP. The Manager shall have no duty, express or implied, to sell or otherwise dispose of any asset of the Partnership Group other than in the ordinary course of business. No borrowing by any Group Member or the approval thereof by the Manager shall be deemed to constitute a breach of any duty of the Manager to the Company or the Members by reason of the fact that the purpose or effect of such borrowing is directly or indirectly to (A) enable distributions to OLPGP or its Affiliates to exceed 0.001% of the total amount distributed to all members or (B) hasten the expiration of the Subordination Period or the conversion of any Subordinated Units into Common Units.

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

(d) The Members hereby authorizes the Manager, on behalf of the Company as a partner or member of a Group Member, to approve of actions by the general partner or managing member of such Group Member similar to those actions permitted to be taken by the Manager pursuant to this Section 7.9.

7.10 ***Other Matters Concerning the Manager.***

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

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

(c) The Manager shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers, a duly appointed attorney or attorneys-in-fact or the duly authorized officers of the Company. Each such attorney shall, to the extent provided by the Manager in the power of attorney, have full power and authority to do and perform each and every act and duty that is permitted or required to be done by the Manager hereunder.

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

7.11 ***Reliance by Third Parties.*** Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Company shall be entitled to assume that the Manager and any officer of the Manager authorized by the Manager to act on behalf of and in the name of the Company has full power and authority to encumber, sell or otherwise use in any manner any and all assets of the Company and to enter into any authorized contracts on behalf of the Company, and such Person shall be entitled to deal with the Manager or any such officer as if it were the Company's sole party in interest, both legally and beneficially. The Members hereby waive any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the Manager or any such officer in connection with any such dealing. In no event shall any Person dealing with the Manager or any such officer or its representatives be obligated to ascertain that the terms of the Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the Manager or any such officer or its representatives. Each and every certificate, document or other instrument executed on behalf of the Company by the Manager or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (i) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (ii) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Company and (iii) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Company.

ARTICLE VIII
BOOKS, RECORDS, ACCOUNTING AND REPORTS

8.1 ***Records and Accounting.*** The Manager shall keep or cause to be kept at the principal office of the Company appropriate books and records with respect to the Company's business, including all books and records necessary to provide to the Members any information required to be provided pursuant to Section 3.3(a). Any books and records maintained by or on behalf of the Company in the regular course of its business, including books of account and records of Company proceedings, may be kept on, or be in the form of, computer disks, hard drives, punch cards, magnetic tape, photographs, micrographics or any other information storage device, provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Company shall be maintained, for financial reporting purposes, on an accrual basis in accordance with U.S. GAAP**.**

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

ARTICLE IX
TAX MATTERS

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

9.2 ***Tax Elections.***

(a) The Company shall make the election under Section 754 of the Code in accordance with applicable regulations thereunder, subject to the reservation of the right to seek to revoke any such election upon the Manager's determination that such revocation is in the best interests of the Members.

(b) The Company shall elect to deduct expenses incurred in organizing the Company ratably over a sixty-month period as provided in Section 709 of the Code.

(c) Except as otherwise provided herein, the Manager shall determine whether the Company should make any other elections permitted by the Code.

9.3 ***Tax Controversies.*** Subject to the provisions hereof, the Manager is designated as the Tax Matters Member (as defined in Section 6231 of the Code) and is authorized and required to represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs

associated therewith. Each Member agrees to cooperate with the Manager and to do or refrain from doing any or all things reasonably required by the Manager to conduct such proceedings.

9.4 ***Withholding.*** Notwithstanding any other provision of this Agreement, the Manager is authorized to take any action that it determines in its discretion to be necessary or appropriate to cause the Company to comply with any withholding requirements established under the Code or any other federal, state or local law including, without limitation, pursuant to Sections 1441, 1442, 1445 and 1446 of the Code. To the extent that the Company is required or elects to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Member (including, without limitation, by reason of Section 1446 of the Code), the amount withheld may be treated as a distribution of cash pursuant to Section 6.3 in the amount of such withholding from such Member.

ARTICLE X
ADMISSION OF MEMBERS

10.1 ***Admission of the Members.*** The Members were each admitted to the Company as a member contemporaneously with the formation of the Company under the Texas Act.

10.2 ***Admission of Substituted Members.*** Any Person that is the successor in interest to the Members as described in Section 4.2 shall be admitted to the Company as the Members upon (a) furnishing to the Manager (i) acceptance in form satisfactory to the Manager of all of the terms and conditions of this Agreement and (ii) such other documents or instruments as may be required to effect its admission as the Members in the Company and (b) obtaining the consent of the Manager, which consent may be given or withheld in the Manager’s sole discretion. Such Person shall be admitted to the Company as the Members immediately prior to the transfer of the Membership Interest, and the business of the Company shall continue without dissolution**.**

10.3 ***Admission of Additional Members.***

(a) A Person (other than a Member or a Substituted Member) who makes a Capital Contribution to the Company in accordance with this Agreement shall be admitted to the Company as an Additional Members only upon furnishing to the Manager (i) evidence of acceptance in form satisfactory to the Manager of all of the terms and conditions of this Agreement, including the granting of the power of attorney granted in Section 2.6 and (ii) such other documents or instruments as may be required in the discretion of the Manager to effect such Person’s admission as an Additional Member.

(b) Notwithstanding anything to the contrary in this Section 10.3, no Person shall be admitted as an Additional Member without the consent of the Manager, which consent may be given or withheld in the Manager’s discretion. The admission of any Person as an Additional Member shall become effective on the date upon which the name of such Person is recorded as such in the books and records of the Company, following the consent of the Manager to such admission.

10.4 ***Amendment of Agreement and Certificate of Formation.*** To effect the admission to the Company of any Member, the Manager shall take all steps necessary and appropriate under the Texas Act to amend the records of the Company to reflect such admission

and, if necessary, to prepare as soon as practicable an amendment to this Agreement and, if required by law, the Manager shall prepare and file an amendment to the Certificate of Formation, and the Manager may for this purpose, among others, exercise the power of attorney granted pursuant to Section 2.6**.**

ARTICLE XI
RESIGNATION OR REMOVAL OF PARTNERS

11.1 ***Resignation of the Manager.***

(a) The Manager shall be deemed to have resigned as the manager of the Company upon the occurrence of any one of the following events (each such event herein referred to as an "Event of Resignation");

(i) the Manager voluntarily resignes from the Company by giving written notice to the other Members;

(ii) the Manager is removed pursuant to Section 11.2;

(iii) [Reserved]

(iv) the Manager (A) makes a general assignment for the benefit of creditors; (B) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (C) files a petition or answer seeking for itself a liquidation, dissolution or similar relief (but not a reorganization) under any law; (D) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Manager in a proceeding of the type described in clauses (A)-(C) of this Section 11.1(a)(iv); or (E) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor in possession), receiver or liquidator of the Manager or of all or any substantial part of its properties;

(v) a final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against the Manager; or

(vi) (A) in the event the Manager is a corporation, a certificate of dissolution or its equivalent is filed for the Manager, or 90 days expire after the date of notice to the Manager of revocation of its charter without a reinstatement of its charter, under the laws of its state of incorporation; (B) in the event the Manager is a partnership or limited liability company, the dissolution and commencement of winding up of the Manager; (C) in the event the Manager is acting in such capacity by virtue of being a trustee of the trust, the termination of the trust; (D) in the event the Manager is a natural person, his death or adjudication of incompetency; (E) and otherwise in the event of the termination of the Manager.

If an Event of Resignation specified in Section 11.1(a)(iii) (with respect to resignation), (iv), (v) or (vi)(A), (B), (C) or (E) occurs, the resigning Manager shall give notice to the Members within 30 days after such occurrence. The Members hereby agree that only the Events of Resignation described in this Section 11.1 shall result in the resignation of the Manager from the Company.

(b) Resignation of the Manager from the Company upon the occurrence of an Event of Resignation shall not constitute a breach of this Agreement under the following circumstances: (i) at any time during the period beginning on the Closing Date and ending at 12:00 midnight, Eastern Standard Time, on December 31, 2008, the Manager voluntarily resigns by giving at least 90 days' advance notice of its intention to resign to the Members; (ii) at any time after 12:00 midnight, Eastern Standard Time, on December 31, 2008, the Manager voluntarily resigns by giving at least 90 days' advance notice to the Members, such resignation to take effect on the date specified in such notice; or (iii) at any time that the Manager ceases to be the Manager pursuant to Section 11.1(a)(ii). If the Manager gives a notice of resignation pursuant to Section 11.1(a)(i) hereof, the MLP may, prior to the effective date of such resignation, elect a successor Manager. If, prior to the effective date of the Manager's resignation, a successor is not selected by the MLP as provided herein, the Company shall be dissolved in accordance with Section 12.1.

11.2 ***Removal of the Manager.*** The Manager may be removed by the MLP. If the Manager is removed pursuant to this Section 11.2, the MLP may, prior to the effective date of such removal, elect a successor Manager.

11.3 ***Withdrawal of the Members.*** Without the prior written consent of the Manager, which may be granted or withheld in its sole discretion, and except as provided in Section 10.1, the Members shall not have the right to withdraw from the Company.

ARTICLE XII
WINDING UP AND LIQUIDATION

12.1 ***Winding Up.*** The Company shall wind up, and (subject to Section 12.2) its affairs shall be wound up, upon:

(a) the expiration of its term as provided in Section 2.7;

(b) an Event of Resignation of the Manager as provided in Section 11.1(a)(i), unless a successor is elected as provided in Section 11.1(b) or 11.2;

(c) an election to wind up the Company by the Manager that is approved by the Members;

(d) entry of judicial dissolution of the Company pursuant to the provisions of the Texas Act;

(e) the sale of all or substantially all of the assets and properties of the Partnership Group; or

(f) the dissolution of the MLP.

12.2 ***Continuation of the Business of the Company After Winding Up.*** Upon (a) winding up of the Company following an Event of Resignation caused by the resignation or removal of the Manager as provided in Section 11.1(a)(i) or (ii) and the failure of the MLP to select a successor pursuant to Section 11.1 or 11.2, then within 90 days thereafter or (b) winding up of the Company upon an event constituting an Event of Resignation pursuant to Section 11.1(a)(iii), (iv) or (v) of the MLP Agreement, then, to the maximum extent permitted by law, within 180 days thereafter, the Members may elect to reconstitute the Company and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited liability company on terms identical to those set forth in this Agreement and having as a manager a Person approved by the MLP. In addition, upon winding up of the Company pursuant to Section 12.1(f), if the MLP is reconstituted pursuant to Section 12.2 of the MLP Agreement, the reconstituted MLP may (whether or not it is the sole member), within 180 days after such event of winding up, as a Member, elect to reconstitute the Company in accordance with the immediately preceding sentence. Upon any such election by the Members, all Members shall be bound thereby and shall be deemed to have approved same. Unless such an election is made within the applicable time period as set forth above, the Company shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

(i) the reconstituted Company shall continue until the end of the term set forth in Section 2.7 unless earlier wound up in accordance with this Article XII; and

(ii) all necessary steps shall be taken to cancel this Agreement and the Certificate of Formation and to enter into and, as necessary, to file a new company agreement and certificate of formation, and the successor Manager may for this purpose exercise the powers of attorney granted the Manager pursuant to Section 2.6; provided, that the right to approve a successor Manager and to reconstitute and to continue the business of the Company shall not exist and may not be exercised unless the Company has received an Opinion of Counsel that (x) the exercise of the right would not result in the loss of limited liability of the Members or any limited partner of the MLP and (y) neither the Company, the reconstituted limited liability company nor any Group Member would be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes upon the exercise of such right to continue.

12.3 ***Liquidator.*** Upon winding up of the Company, unless the Company is continued under an election to reconstitute and continue the Company pursuant to Section 12.2, the Manager shall select one or more Persons to act as Liquidator. The Liquidator (if other than the Manager) shall be entitled to receive such compensation for its services as may be approved by the Members. The Liquidator (if other than the Manager) shall agree not to resign at any time without 15 days' prior notice and may be removed at any time, with or without cause, by notice of removal approved by the Members. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by the Members. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Article XII, the Liquidator

approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the Manager under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, other than the limitation on sale set forth in Section 7.3(b)) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding up and liquidation of the Company as provided for herein**.**

12.4 ***Liquidation.*** The Liquidator shall proceed to dispose of the assets of the Company, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as the Liquidator determines to be in the best interest of the Members, subject to Section 11.053 of the Texas Act and the following:

(a) Disposition of Assets. The assets may be disposed of by public or private sale or by distribution in kind to one or more Members on such terms as the Liquidator and such Member or Members may agree. If any property is distributed in kind, the Member receiving the property shall be deemed for purposes of Section 12.4(c) to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Members. The Liquidator may, in its absolute discretion, defer liquidation or distribution of the Company's assets for a reasonable time if it determines that an immediate sale or distribution of all or part of the Company's assets would be impractical or would cause undue loss to the Members. The Liquidator may, in its absolute discretion, distribute the Company's assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Members.

(b) Discharge of Liabilities. Liabilities of the Company include amounts owed to Members otherwise than in respect of their distribution rights under Article VI. With respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment. When paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds.

(c) Liquidation Distributions. All property and all cash in excess of that required to discharge liabilities as provided in Section 12.4(b) shall be distributed to the Members in accordance with, and to the extent of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments (other than those made by reason of distributions pursuant to this Section 12.4(c)) for the taxable year of the Company during which the liquidation of the Company occurs (with such date of occurrence being determined pursuant to Treasury Regulation, Section 1.704-l(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable year (or, if later, within 90 days after said date of such occurrence).

12.5 ***Termination of Certificate of Formation.*** Upon the completion of the distribution of Company cash and property as provided in Section 12.4 in connection with the

liquidation of the Company, the Company shall be terminated and the Certificate of Formation and all qualifications of the Company as a foreign limited liability company in jurisdictions other than the State of Texas shall be canceled and such other actions as may be necessary to terminate the Company shall be taken.

12.6 ***Return of Capital Contributions.*** The Manager shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Company to enable it to effectuate, the return of the Capital Contributions of the Members, or any portion thereof, it being expressly understood that any such return shall be made solely from Company assets.

12.7 ***Waiver of Partition.*** To the maximum extent permitted by law, each Member hereby waives any right to partition of the Company property.

12.8 ***Capital Account Restoration.*** No Member shall have any obligation to restore any negative balance in its Capital Account upon liquidation of the Company.

ARTICLE XIII
AMENDMENT OF COMPANY AGREEMENT

13.1 ***Amendment to be Adopted Solely by the Manager.*** Each Member agrees that the Manager, without the approval of any Member or Assignee, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Company, the location of the principal place of business of the Company, the registered agent of the Company or the registered office of the Company;

(b) admission, substitution, withdrawal or removal of Members in accordance with this Agreement;

(c) a change that, in the sole discretion of the Manager, is necessary or advisable to qualify or continue the qualification of the Company as a limited liability company under the laws of any state or to ensure that no Group Member nor the MLP will be treated as an association taxable as a corporation or otherwise be taxable as an entity for federal income tax purposes;

(d) a change that, in the discretion of the Manager, (i) does not adversely affect the Members in any material respect, (ii) is necessary or advisable to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute (including the Texas Act), compliance with any of which the Manager determines in its discretion to be in the best interests of the Company and the Members, (iii) is required to effect the intent expressed in the Registration Statement or the intent of the provisions of this Agreement or is otherwise contemplated by this Agreement or (iv) is required to conform the provisions of this Agreement with the

provisions of the MLP Agreement as the provisions of the MLP Agreement may be amended, supplemented or restated from time to time;

(e) a change in the fiscal year or taxable year of the Company and any changes that, in the discretion of the Manager, are necessary or advisable as a result of a change in the fiscal year or taxable year of the Company including, if the Manager shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by the Company;

(f) an amendment that is necessary, in the Opinion of Counsel, to prevent the Company or the Manager or its directors, officers, trustees or agents from in any manner being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended, regardless of whether such are substantially similar to plan asset regulations currently applied or proposed by the United States Department of Labor;

(g) any amendment expressly permitted in this Agreement to be made by the Manager acting alone;

(h) an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 14.1;

(i) an amendment that, in the discretion of the Manager, is necessary or advisable to reflect, account for and deal with appropriately the formation by the Company of, or investment by the Company in, any corporation, partnership, joint venture, limited liability company or other entity in connection with the conduct by the Company of activities permitted by the terms of Section 2.4;

(j) a merger or conveyance pursuant to Section 14.3(d); or

(k) any other amendments substantially similar to the foregoing.

13.2 ***Amendment Procedures.*** Except as provided in Section 13.1, all amendments to this Agreement shall be made in accordance with the following requirements: Amendments to this Agreement may be proposed only by or with the consent of the Manager which consent may be given or withheld in its sole discretion. A proposed amendment shall be effective upon its approval by the Members**.**

ARTICLE XIV
MERGER

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

14.2 ***Procedure for Merger or Consolidation.*** Merger or consolidation of the Company pursuant to this Article XIV requires the prior approval of the Manager. If the Manager shall determine, in the exercise of its discretion, to consent to the merger or consolidation, the Manager shall approve the Merger Agreement, which shall set forth:

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

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

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

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

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

(f) The effective time of the merger, which may be the date of the filing of the certificate of merger pursuant to Section 14.4 or a later date specified in or determinable in accordance with the Merger Agreement (provided, that if the effective time of the merger is to be later than the date of the filing of the certificate of merger, the effective time shall be fixed no later than the time of the filing of the certificate of merger and stated therein); and

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

14.3 ***Approval by the Members of Merger or Consolidation.***

(a) Except as provided in Section 14.3(d), the Manager, upon its approval of the Merger Agreement, shall direct that a copy or a summary of the Merger Agreement be submitted to the Members for its approval.

(b) Except as provided in Section 14.3(d) the Merger Agreement shall be approved upon receiving the approval of the Members.

(c) Except as provided in Section 14.3(d), after such approval by the Members, and at any time prior to the filing of the certificate of merger pursuant to Section 14.4, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.

(d) Notwithstanding anything else contained in this Article XIV or in this Agreement, the Manager is permitted, in its discretion and without Member approval, to (i) convert the Company or any Group Member to another type of limited liability entity as provided by Section 10.101 of the Texas Act or (ii) merge the Company or any Group Member into, or convey all of the Company's assets to, another limited liability entity which shall be newly formed and shall have no assets, liabilities or operations at the time of such merger or conveyance other than those it receives from the Company or other Group Member, provided that in any such case (A) Manager has received an Opinion of Counsel that the conversion, merger or conveyance, as the case may be, would not result in the loss of the limited liability of the Members or of any limited partner of the MLP or cause the Company or the MLP to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated as such), (B) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Company into another limited liability entity and (C) the governing instruments of the new entity provide the Members with rights and obligations that are, in all material respects, the same rights and obligations of the Members hereunder.

14.4 ***Certificate of Merger.*** Upon the required approval by the Manager and the Members of a Merger Agreement, a certificate of merger shall be executed and filed with the Secretary of State of the State of Texas in conformity with the requirements of the Texas Act**.**

14.5 ***Effect of Merger.***

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

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

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

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

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

(b) A merger or consolidation effected pursuant to this Article XIV shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another.

ARTICLE XV
GENERAL PROVISIONS

15.1 ***Addresses and Notices.*** Any notice, demand, request, report or proxy materials required or permitted to be given or made to a Member under this Agreement shall be in writing and shall be deemed given or made when received by it at the principal office of the Company referred to in Section 2.3.

15.2 ***References.*** Except as specifically provided as otherwise, references to “Articles” and “Sections” are to Articles and Sections of this Agreement.

15.3 ***Further Action.*** The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

15.4 ***Binding Effect.*** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

15.5 ***Integration.*** This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

15.6 ***Creditors.*** None of the provisions of this Agreement shall be for the benefit of, or shall be enforceable by, any creditor of the Company.

15.7 ***Waiver.*** No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach of any other covenant, duty, agreement or condition.

15.8 ***Counterparts.*** This Agreement may be executed in counterparts, all of which together shall constitute an agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto, independently of the signature of any other party.

15.9 ***Applicable Law.*** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas, without regard to the principles of conflicts of law.

15.10 ***Invalidity of Provisions.*** If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

15.11 ***Amendments to Reflect GP Reorganization Agreement.*** Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be deemed to be amended and modified to the extent necessary, but only to the extent necessary, to carry out the purposes and intent of the GP Reorganization Agreement.

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

MANAGER

ENTERPRISE PRODUCTS OLPGP, INC.

By: /s/ Stephanie C. Hildebrandt
Name: Stephanie C. Hildebrandt
Title: Vice President

MEMBERS

ENTERPRISE PRODUCTS OLPGP, INC.

By: /s/ Stephanie C. Hildebrandt
Name: Stephanie C. Hildebrandt
Title: Vice President

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC, as general partner

By: /s/ Stephanie C. Hildebrandt
Name: Stephanie C. Hildebrandt
Title: Vice President

Attachment I

DEFINITIONS

"*Additional Members*" means a Person admitted to the Company as a Members pursuant to Section 10.3 and who is shown as such on the books and records of the Company.

"*Adjusted Capital Account*" means the Capital Account maintained for each Member as of the end of each fiscal year of the Company, (a) increased by any amounts that such Member is obligated to restore under the standards set by Treasury Regulation Section 1.704-l(b)(2)(ii)(c) (or is deemed obligated to restore under Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5)) and (b) decreased by (i) the amount of all losses and deductions that, as of the end of such fiscal year, are reasonably expected to be allocated to such Member in subsequent years under Sections 704(e)(2) and 706(d) of the Code and Treasury Regulation Section 1.751-l(b)(2)(ii), and (ii) the amount of all distributions that, as of the end of such fiscal year, are reasonably expected to be made to such Member in subsequent years in accordance with the terms of this Agreement or otherwise to the extent they exceed offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the year in which such distributions are reasonably expected to be made (other than increases as a result of a minimum gain chargeback pursuant to Section 6.1(d)(i) or 6.1(d)(ii)). The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-l(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"*Adjusted Property*" means any property the Carrying Value of which has been adjusted pursuant to Section 5.4(d)(i) or 5.4(d)(ii). Once an Adjusted Property is deemed contributed to a new partnership for federal income tax purposes in exchange for an interest in the new partnership, followed by the deemed liquidation of the Company for federal income tax purposes upon a termination of the Company pursuant to Treasury Regulation Section 1.708-(b)(l)(iv), such property shall thereafter constitute a Contributed Property until the carrying value of such property is subsequently adjusted pursuant to Section 5.4(d)(i) or 5.4(d)(ii).

"*Affiliate*" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with (either directly or indirectly), the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"*Agreed Allocation*" means any allocation, other than a Required Allocation, of an item of income, gain, loss or deduction pursuant to the provisions of Section 6.1, including, without limitation, a Curative Allocation (if appropriate to the context in which the term "Agreed Allocation" is used).

"*Agreed Value*" of any Contributed Property means the fair market value of such property or other consideration at the time of contribution as determined by the Manager using such reasonable method of valuation as it may adopt. The Manager shall, in its discretion, use such method as it deems reasonable and appropriate to allocate the aggregate Agreed Value of

Contributed Properties contributed to the Company in a single or integrated transaction among each separate property on a basis proportional to the fair market value of each Contributed Property.

"*Agreement*" means this Company Agreement of Enterprise Products Operating LLC, as it may be amended, supplemented or restated from time to time.

"*Assignee*" means a Person to whom one or more Membership Interests of a Member have been transferred in the manner permitted under this Agreement but who has not been admitted as a Substituted Member.

"Audit and Conflicts Committee" means a committee of the board of directors of the MLP Manager composed entirely of two or more directors who are neither security holders, officers nor employees of the MLP General Partner nor officers, directors or employees of any Affiliate of such entity.

"*Available Cash*" means, with respect to any Quarter ending prior to the Liquidation Date,

(a) the sum of (i) all cash and cash equivalents of the Partnership Group on hand at the end of such Quarter, and (ii) all additional cash and cash equivalents of the Partnership Group on hand on the date of determination of Available Cash with respect to such Quarter resulting from (A) borrowings for working capital purposes made subsequent to the end of such Quarter or (B) Interim Capital Transactions after the end of such Quarter designated by the Manager as Operating Surplus in accordance with clause (a)(iii)(A) of the definition of Operating Surplus, less

(b) the amount of any cash reserves that is necessary or appropriate in the reasonable discretion of the Manager to (i) provide for the proper conduct of the business of the Partnership Group (including reserves for future capital expenditures and anticipated for the future credit needs of the Partnership Group) subsequent to such Quarter, (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which any member of the Partnership Group is a party or by which it is bound or its assets are subject or (iii) provide funds for distributions under Section 6.4 or 6.5 of the MLP Agreement in respect of any one or more of the next four Quarters; provided, however, that the Manager may not establish cash reserves pursuant to (iii) above if the effect of such reserves would be that the MLP is unable to distribute the Minimum Quarterly Distribution on all Common Units with respect to such Quarter; and, provided further, that disbursements made by a Group Member or cash reserves established, increased or reduced after the end of such Quarter but on or before the date of determination of Available Cash with respect to such Quarter shall be deemed to have been made, established, increased or reduced, for purposes of determining Available Cash, within such Quarter if the Manager so determines.

Notwithstanding the foregoing, "Available Cash" with respect to the Quarter in which the Liquidation Date occurs and any subsequent Quarter shall equal zero.

"*Book-Tax Disparity*" means with respect to any item of Contributed Property or Adjusted Property, as of the date of any determination, the difference between the Carrying

Value of such Contributed Property or Adjusted Property and the adjusted basis thereof for federal income tax purposes as of such date. A Member's share of the Company's Book-Tax Disparities in all of its Contributed Property and Adjusted Property will be reflected by the difference between such Member's Capital Account balance as maintained pursuant to Section 5.4 and the hypothetical balance of such Member's Capital Account computed as if it had been maintained strictly in accordance with federal income tax accounting principles.

"*Business Day*" means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the states of New York or Texas shall not be regarded as a Business Day.

"*Capital Account*" means the capital account maintained for a Member pursuant to Section 5.4.

"*Capital Contribution*" means any cash, cash equivalents or the Net Agreed Value of Contributed Property that a Member contributes to the Company pursuant to this Agreement.

"*Carrying Value*" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, amortization and cost recovery deductions charged to the Members' and Assignees' Capital Accounts in respect of such Contributed Property, and (b) with respect to any other Partnership property, the adjusted basis of such property for federal income tax purposes, all as of the time of the determination. The Carrying Value of any property shall be adjusted from time to time in accordance with Sections 5.4(d)(i) and 5.4(d)(ii) and to reflect changes, additions or other adjustments to the Carrying Value for dispositions and acquisitions of Partnership properties, as deemed appropriate by the Manager.

"*Certificate of Formation*" means the Certificate of Formation of the Company filed with the Secretary of State of the State of Texas as referenced in Section 2.1, as such Certificate of Formation may be amended, supplemented or restated from time to time.

"*Closing Date*" means the first date on which Common Units were sold by the MLP to the Underwriters pursuant to the provisions of the Underwriting Agreement.

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"*Common Unit*" has the meaning assigned to such term in the MLP Agreement.

"*Company*" means Enterprise Products Operating LLC, a Texas limited liability company, and any successors thereto.

"*Contributed Property*" means each property or other asset, in such form as may be permitted by the Texas Act, but excluding cash, contributed to the Company (or deemed contributed to the Company on termination and reconstitution thereof pursuant to Section 708 of the Code). Once the Carrying Value of a Contributed Property is adjusted pursuant to

Section 5.4(d), such property shall no longer constitute a Contributed Property, but shall be deemed an Adjusted Property.

"*Curative Allocation*" means any allocation of an item of income, gain, deduction, loss or credit pursuant to the provisions of Section 6.1(d)(ix).

"*Delaware Partnership Agreement*" means the Amended and Restated Agreement of Limited Partnership of Enterprise Products Operating L.P, as amended and in effect immediately prior to the Conversion.

"*Economic Risk of Loss*" has the meaning set forth in Treasury Regulation Section 1.752-2(a).

"*EPC*" means Enterprise Products Company, a Delaware corporation.

"*EPC PartnersII*" means EPC PartnersII, Inc., a Delaware corporation.

"*EPCO Agreement*" has the meaning assigned to such term in the MLP Agreement.

"*Event of Resignation*" has the meaning assigned to such term in Section 11.1.

"*GP Reorganization Agreement*" means the Reorganization Agreement, dated as of December 10, 2003 among the Delaware Partnership, the MLP, the OLPGP and the MLP General Partner.

"*Group Member*" means a member of the Partnership Group.

"*Indemnitee*" means (a) the Manager and any Person who is or was an Affiliate of the Manager, (b) any Person who is or was a member, director, officer, employee, agent or trustee of the MLP or any Group Member, (c) any Person who is or was an officer, member, partner, director, employee, agent or trustee of the Manager or any Affiliate of the Manager, or any Affiliate of any such Person and (d) any Person who is or was serving at the request of the Manager or any such Affiliate as a director, officer, employee, member, partner, agent, fiduciary or trustee of another Person; provided, that a Person shall not be an Indemnitee by reason of providing, on a fee-for-services basis, trustee, fiduciary or custodial services.

"*Initial Offering*" means the initial offering and sale of Common Units to the public, as described in the Registration Statement.

"*Interim Capital Transactions*" has the meaning assigned to such term in the MLP Agreement.

"*Liquidation Date*" means (a) in the case of an event giving rise to the winding up of the Company of the type described in clauses (a) and (b) of the first sentence of Section 12.2, the date on which the applicable time period during which the Members have the right to elect to reconstitute the Company and continue its business has expired without such an election being made, and (b)in the case of any other event giving rise to the dissolution of the Company, the date on which such event occurs.

“*Liquidator*” means one or more Persons selected by the Manager to perform the functions described in Section 12.3.

“*Manager*” means (i) OLPGP in its capacity as the sole manager of the Company prior to its removal or resignation and (ii) any other Person designated as a manager of the Company pursuant to the terms of this Agreement. References herein to actions taken by the Manager prior to the Effective Time of the Merger and after December 10, 2003, shall refer to actions taken by OLPGP in its capacity as the sole general partner of the Delaware Partnership, and references to actions by the Manager prior to December 10, 2003, shall refer to the MLP General Partner, as the predecessor of OLPGP as general partner of the Delaware Partnership.

“*Members*” means OLPGP, the MLP and any other Person that is admitted to the Company as a member pursuant to the terms and conditions of this Agreement, but does not include any Person from and after the time such Person ceases to be a member (within the meaning of the Texas Act).

“*Membership Interest*” means the membership interest of a Member in the Company.

“*Merger Agreement*” has the meaning assigned to such term in Section 14.1.

“*Minimum Quarterly Distribution*” has the meaning assigned to such term in the MLP Agreement.

“*MLP*” has the meaning assigned to such term in the introductory paragraph hereof.

“*MLP Agreement”* means the Third Amended and Restated Agreement of Limited Partnership of the MLP, dated May 15, 2002, as amended, supplemented or restated from time to time.

“*MLP General Partner*” means Enterprise Products GP, LLC and its successors and permitted assigns in its capacity as general partner of the MLP.

“*National Securities Exchange*” means an exchange registered with the Commission under Section 6(a) of the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time, and any successor to such statute, or the Nasdaq Stock Market or any successor thereto.

“*Net Agreed Value*” means, (a) in the case of any Contributed Property, the Agreed Value of such property reduced by any liabilities either assumed by the Company upon such contribution or to which such property is subject when contributed, and (b) in the case of any property distributed to a Member by the Company, the Company’s Carrying Value of such property (as adjusted pursuant to Section 5.4(d)(ii)) at the time such property is distributed, reduced by any indebtedness either assumed by such Member upon such distribution or to which such property is subject at the time of distribution, in either case, as determined under Section 752 of the Code.

“*Net Income*” means, for any taxable year, the excess, if any, of the Company’s items of income and gain (other than those items taken into account in the computation of Net

Termination Gain or Net Termination Loss) for such taxable year over the Company's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Income shall be determined in accordance with Section 5.4(b) and shall not include any items specially allocated under Section 6.1(d).

"*Net Loss*" means, for any taxable year, the excess, if any, of the Company's items of loss and deduction (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year over the Company's items of income and gain (other than those items taken into account in the computation of Net Termination Gain or Net Termination Loss) for such taxable year. The items included in the calculation of Net Loss shall be determined in accordance with Section 5.4(b) and shall not include any items specially allocated under Section 6.1(d).

"*Net Termination Gain*" means, for any taxable year, the sum, if positive, of all items of income, gain, loss or deduction recognized by the Company after the Liquidation Date. The items included in the determination of Net Termination Gain shall be determined in accordance with Section 5.4(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"*Net Termination Loss*" means, for any taxable year, the sum, if negative, of all items of income, gain, loss or deduction recognized by the Company after the Liquidation Date. The items included in the determination of Net Termination Loss shall be determined in accordance with Section 5.4(b) and shall not include any items of income, gain or loss specially allocated under Section 6.1(d).

"*Nonrecourse Built-in Gain*" means with respect to any Contributed Properties or Adjusted Properties that are subject to a mortgage or pledge securing a Nonrecourse Liability, the amount of any taxable gain that would be allocated to the Members pursuant to Sections 6.2(b)(i)(A), 6.2(b)(ii)(A) and 6.2(b)(iii) if such properties were disposed of in a taxable transaction in full satisfaction of such liabilities and for no other consideration.

"*Nonrecourse Deductions*" means any and all items of loss, deduction or expenditures (described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(b), are attributable to a Nonrecourse Liability.

"*Nonrecourse Liability*" has the meaning set forth in Treasury Regulation Section 1.752-l(a)(2).

"*OLPGP*" has the meaning assigned to such term in the introductory paragraph hereof.

"*OLP Subsidiary*" means a Subsidiary of the Company.

"*Operating Surplus*" has the meaning assigned to such term in the MLP Agreement.

"*Opinion of Counsel*" means a written opinion of counsel (who may be regular counsel to the Company, the Manager or any of their Affiliates) acceptable to the Manager in its reasonable discretion.

“*Over-Allotment Option*” has the meaning assigned to such term in the MLP Agreement.

“*Partner Nonrecourse Debt*” has the meaning set forth in Treasury Regulation Section 1.704-2(b)(4).

“*Partner Nonrecourse Debt Minimum Gain*” has the meaning set forth in Treasury Regulation Section 1.704-2(i)(2).

“*Partner Nonrecourse Deductions*” means any and all items of loss, deduction or expenditure (including, without limitation, any expenditure described in Section 705(a)(2)(B) of the Code) that, in accordance with the principles of Treasury Regulation Section 1.704-2(i), are attributable to a Partner Nonrecourse Debt.

“*Partnership Group*” means the Company and the OLP Subsidiaries, treated as a single consolidated entity.

“*Partnership Minimum Gain*” means that amount determined in accordance with the principles of Treasury Regulation Section 1.704-2(d).

“*Partnership Securities*” shall have the meaning given to such term in the MLP Agreement.

“*Percentage Interest*” means as of the date of such determination (a) as to OLPGP, 0.001% and (b) as to the MLP, 99.999%.

“*Person*” means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

“*Quarter*” means, unless the context requires otherwise, a fiscal quarter of the Company.

“*Recapture Income*” means any gain recognized by the Company (computed without regard to any adjustment required by Sections 734 or 743 of the Code) upon the disposition of any property or asset of the Company, which gain is characterized as ordinary income because it represents the recapture of deductions previously taken with respect to such property or asset.

“*Registration Statement*” means the Registration Statement on Form S-1 (Registration No.333-52537), as it has been or as it may be amended or supplemented from time to time, filed by the MLP with the Securities and Exchange Commission under the Securities Act to register the offering and sale of the Common Units in the Initial Offering.

“*Required Allocations*” means (a) any limitation imposed on any allocation of Net Losses or Net Termination Losses under Section 6.1(b) or 6.1(c)(ii) and (b) any allocation of an item of income, gain, loss or deduction pursuant to Section 6.1(d)(i), 6.1(d)(ii), 6.1(d)(iii), 6.1(d)(v), 6.1(d)(vi) or 6.1(d)(viii).

“*Residual Gain*” or “*Residual Loss*” means any item of gain or loss, as the case may be, of the Company recognized for federal income tax purposes resulting from a sale, exchange or

other disposition of a Contributed Property or Adjusted Property, to the extent such item of gain or loss is not allocated pursuant to Section 6.2(b)(i)(A) or 6.2(b)(ii)(A), respectively, to eliminate Book-Tax Disparities.

"*Restricted Activities*" has the meaning assigned to such term in the MLP Agreement.

"*Securities Act*" means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute.

"*Special Approval*" means approval by a majority of the members of the Audit and Conflicts Committee.

"*Subordinated Unit*" has the meaning assigned to such term in the MLP Agreement.

"*Subordination Period*" has the meaning assigned to such term in the MLP Agreement.

"*Subsidiary*" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Subsidiary of such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, by one or more Subsidiaries of such Person or a combination thereof or (c) any other Person (other than a corporation or a partnership) in which such person, one or more Subsidiaries of such Person, or a combination thereof, directly or indirectly, at the date of determination has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"*Substituted Members*" means a Person who is admitted as a Member to the Company pursuant to Section 10.2 in place of and with all the rights of a Member and who is shown as a Member on the books and records of the Company.

"*Surviving Business Entity*" has the meaning assigned to such term in Section 14.2(b).

"*Texas Act*" means the Texas Limited Liability Company Law, a part of the Texas Business Organizations Code, as amended, supplemented or restated from time to time, and any successor to such statute.

"*Transfer*" has the meaning assigned to such term in Section 4.1(a).

"*Underwriter*" means each Person named as an underwriter in Exhibit A to the Underwriting Agreement that purchases Common Units pursuant thereto.

"*Underwriting Agreement*" means the Underwriting Agreement dated July 27, 1998, among the Underwriters, the MLP, the Manager and certain other parties, providing for the purchase of Common Units by such Underwriters.

"*Unit*" has the meaning assigned to such term in the MLP Agreement.

"*Unrealized Gain*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the fair market value of such property as of such date (as determined under Section 5.4(d)) over (b) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.4(d) as of such date).

"*Unrealized Loss*" attributable to any item of Partnership property means, as of any date of determination, the excess, if any, of (a) the Carrying Value of such property as of such date (prior to any adjustment to be made pursuant to Section 5.4(d) as of such date) over (b) the fair market value of such property as of such date (as determined under Section 5.4(d)).

"*U.S. GAAP*" means United States Generally Accepted Accounting Principles consistently applied.

EXHIBIT 4.54

ENTERPRISE PRODUCTS OPERATING L.P.

AS ORIGINAL ISSUER,

ENTERPRISE PRODUCTS PARTNERS L.P.

AS PARENT GUARANTOR,

ENTERPRISE PRODUCTS OPERATING LLC

AS NEW ISSUER,

and

WELLS FARGO BANK,
NATIONAL ASSOCIATION,

AS TRUSTEE

____

TENTH SUPPLEMENTAL INDENTURE

Dated as of June 30, 2007

to

Indenture dated as of October 4, 2004

TENTH SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of June 30, 2007, among Enterprise Products Operating L.P., a Delaware limited partnership (the "Original Issuer"), Enterprise Products Partners L.P., a Delaware limited partnership (the "Parent Guarantor"), Enterprise Products Operating LLC, a Texas limited liability company (the "New Issuer"), an indirect, wholly owned subsidiary of the Parent Guarantor, and Wells Fargo Bank, National Association, a national banking association, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Original Issuer and the Parent Guarantor have heretofore executed and delivered to the Trustee an indenture dated as of October 4, 2004 (as the same may have been amended or supplemented from time to time, the "Indenture") among the Original Issuer, the Parent Guarantor and the Trustee, providing for the issuance of the Original Issuer's Debt Securities (as defined in the Indenture);

WHEREAS, on June 30, 2007, the New Issuer was formed as a limited liability company organized under the laws of the State of Texas;

WHEREAS, immediately prior to the Merger (as defined below), the Original Issuer was converted into a limited partnership organized under the laws of the State of Texas (the "Conversion") and, immediately subsequent to the Conversion and pursuant to an Agreement and Plan of Merger dated as of June 30, 2007 among the successor entity to the Original Issuer and the New Issuer, the successor entity to the Original Issuer merged with and into the New Issuer, with the New Issuer continuing as the surviving entity (the "Merger");

WHEREAS, Section 10.01 of the Indenture provides, in part, that the Original Issuer shall not consolidate with or merge with or into any Person unless: (a) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of the United States, any State thereof or the District of Columbia and the Successor Company shall expressly assume, by an Indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Original Issuer under the Indenture and the Debt Securities and Coupons, if any, according to their tenor; (b) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default would occur or be continuing; (c) the Successor Company waives any right to redeem any Bearer Security under circumstances in which the Successor Company would be entitled to redeem such Bearer Security but the Original Issuer would not have been so entitled to redeem if the consolidation, merger, conveyance, transfer or lease had not occurred; (d) each Guarantor shall confirm that its Guarantee shall continue to apply to the obligations under the Debt Securities and the Indenture; and (e) the Company and the Parent Guarantor shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease

and such supplemental Indenture (if any) comply with the Indenture; and

WHEREAS, pursuant to Section 9.01(a) of the Indenture, the Original Issuer, the Parent Guarantor and the Trustee are authorized to execute and deliver this Supplemental Indenture;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Original Issuer, the Parent Guarantor, the New Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Debt Securities as follows:

1. Definitions. (a) Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(b) For all purposes of this Supplemental Indenture, except as otherwise herein expressly provided or unless the context otherwise requires: (i) the terms and expressions used herein shall have the same meanings as corresponding terms and expressions used in the Indenture; and (ii) the words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Assumption of Obligations by Successor Company. The New Issuer, as the Successor Company pursuant to Section 10.01 of the Indenture, hereby expressly assumes all the obligations of the Original Issuer under the Indenture and the Debt Securities and Coupons, if any, according to their tenor. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Debt Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

3. Waiver of Right to Redeem Bearer Security. The New Issuer, as the Successor Company pursuant to Section 10.01 of the Indenture, hereby waives any right to redeem any Bearer Security under circumstances in which the Successor Company would be entitled to redeem such Bearer Security but the Original Issuer would not have been so entitled to redeem if the consolidation, merger, conveyance, transfer or lease had not occurred.

4. Confirmation of Guarantee. Pursuant to Section 10.01 of the Indenture, the Parent Guarantor hereby confirms that its Guarantee shall continue to apply to the obligations under the Debt Securities and the Indenture.

5. **GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE DEEMED TO BE A NEW YORK CONTRACT, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental

Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products OLPGP, Inc.
Its General Partner

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Senior Vice President and Treasurer

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC
Its General Partner

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Senior Vice President and Treasurer

ENTERPRISE PRODUCTS OPERATING LLC

By: /s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Senior Vice President and Treasurer

[Signature page to Tenth Supplemental Indenture]

WELLS FARGO BANK,
NATIONAL ASSOCIATION, as Trustee

By: /s/ Patrick T. Giordano
Name: Patrick T. Giordano
Title: Vice President

[Signature page to Tenth Supplemental Indenture]

EXHIBIT 4.55

ENTERPRISE PRODUCTS OPERATING L.P.

AS ORIGINAL ISSUER,

ENTERPRISE PRODUCTS PARTNERS L.P.

AS PARENT GUARANTOR,

ENTERPRISE PRODUCTS OPERATING LLC

AS NEW ISSUER,

and

U.S. BANK
NATIONAL ASSOCIATION,

AS TRUSTEE

THIRD SUPPLEMENTAL INDENTURE

Dated as of June 30, 2007

to

Indenture dated as of March 15, 2000

THIRD SUPPLEMENTAL INDENTURE

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of June 30, 2007, among Enterprise Products Operating L.P., a Delaware limited partnership (the "Original Issuer"), Enterprise Products Partners L.P., a Delaware limited partnership (the "Parent Guarantor"), Enterprise Products Operating LLC, a Texas limited liability company (the "New Issuer"), an indirect, wholly owned subsidiary of the Parent Guarantor, and U.S. Bank National Association, a national banking association, as successor trustee to Wachovia Bank, National Association, as successor trustee to First Union National Bank, as trustee under the indenture referred to below (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Original Issuer and the Parent Guarantor have heretofore executed and delivered to the Trustee an indenture dated as of March 15, 2000 (as the same may have been amended or supplemented from time to time, the "Indenture") among the Original Issuer, the Parent Guarantor and the Trustee, providing for the issuance of the Original Issuer's Debt Securities (as defined in the Indenture);

WHEREAS, on June 30, 2007, the New Issuer was formed as a limited liability company organized under the laws of the State of Texas;

WHEREAS, immediately prior to the Merger (as defined below), the Original Issuer was converted into a limited partnership organized under the laws of the State of Texas (the "Conversion") and, immediately subsequent to the Conversion and pursuant to an Agreement and Plan of Merger dated as of June 30, 2007 among the successor entity to the Original Issuer and the New Issuer, the successor entity to the Original Issuer merged with and into the New Issuer, with the New Issuer continuing as the surviving entity (the "Merger");

WHEREAS, Section 10.01 of the Indenture provides, in part, that the Original Issuer shall not consolidate with or merge with or into any Person unless: (a) the resulting, surviving or transferee Person (the "Successor Company") shall be a Person organized and existing under the laws of the United States, any State thereof or the District of Columbia and the Successor Company shall expressly assume, by an Indenture supplemental to the Indenture, executed and delivered to the Trustee, in form satisfactory to the Trustee, all the obligations of the Original Issuer under the Indenture and the Debt Securities and Coupons, if any, according to their tenor; (b) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Company or any Subsidiary of the Successor Company as a result of such transaction as having been incurred by the Successor Company or such Subsidiary at the time of such transaction), no Default or Event of Default would occur or be continuing; (c) the Successor Company waives any right to redeem any Bearer Security under circumstances in which the Successor Company would be entitled to redeem such Bearer Security but the Original Issuer would not have been so entitled to redeem if the consolidation, merger, conveyance, transfer or lease had not occurred; (d) each Guarantor shall confirm that its Guarantee shall continue to apply to the obligations under the Debt Securities and the Indenture; and (e) the Company and the Parent Guarantor shall have delivered to the Trustee an Officers' Certificate and

an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and such supplemental Indenture (if any) comply with the Indenture; and

WHEREAS, pursuant to Section 9.01(a) of the Indenture, the Original Issuer, the Parent Guarantor and the Trustee are authorized to execute and deliver this Supplemental Indenture;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Original Issuer, the Parent Guarantor, the New Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the Holders of the Debt Securities as follows:

1. Definitions. (a) Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(b) For all purposes of this Supplemental Indenture, except as otherwise herein expressly provided or unless the context otherwise requires: (i) the terms and expressions used herein shall have the same meanings as corresponding terms and expressions used in the Indenture; and (ii) the words “herein,” “hereof” and “hereby” and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Assumption of Obligations by Successor Company. The New Issuer, as the Successor Company pursuant to Section 10.01 of the Indenture, hereby expressly assumes all the obligations of the Original Issuer under the Indenture and the Debt Securities and Coupons, if any, according to their tenor. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Debt Securities heretofore or hereafter authenticated and delivered shall be bound hereby.

3. Waiver of Right to Redeem Bearer Security. The New Issuer, as the Successor Company pursuant to Section 10.01 of the Indenture, hereby waives any right to redeem any Bearer Security under circumstances in which the Successor Company would be entitled to redeem such Bearer Security but the Original Issuer would not have been so entitled to redeem if the consolidation, merger, conveyance, transfer or lease had not occurred.

4. Confirmation of Guarantee. Pursuant to Section 10.01 of the Indenture, the Parent Guarantor hereby confirms that its Guarantee shall continue to apply to the obligations under the Debt Securities and the Indenture.

5. **GOVERNING LAW. THIS SUPPLEMENTAL INDENTURE SHALL BE DEEMED TO BE A NEW YORK CONTRACT, AND FOR ALL PURPOSES SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

ENTERPRISE PRODUCTS OPERATING L.P.

By: Enterprise Products OLPGP, Inc.
Its General Partner

By: /s/ Michael A. Creel
Name: Michael A. Creel
Title: Executive Vice President and
Chief Financial Officer

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC
Its General Partner

By: /s/ Michael A. Creel
Name: Michael A. Creel
Title: Executive Vice President and
Chief Financial Officer

ENTERPRISE PRODUCTS OPERATING LLC

By: /s/ Michael A. Creel
Name: Michael A. Creel
Title: Executive Vice President and
Chief Financial Officer

[Signature page to Third Supplemental Indenture]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ Steven A. Finklea
Name: Steven A. Finklea, CCTS
Title: Vice President

[Signature page to Third Supplemental Indenture]

EXHIBIT 4.56

FOURTH AMENDMENT TO
MULTI-YEAR REVOLVING CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO MULTI-YEAR REVOLVING CREDIT AGREEMENT (this "Fourth Amendment") is made and entered into as of the 30th day of June, 2007 (the "Fourth Amendment Effective Date"), among ENTERPRISE PRODUCTS OPERATING LLC, a Texas limited liability company, successor-in-interest to Enterprise Products Operating L.P., a Delaware limited partnership ("Borrower"); WACHOVIA BANK, NATIONAL ASSOCIATION, 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 August 25, 2004, the Borrower, the Lenders and the Administrative Agent entered into a certain Multi-Year Revolving Credit Agreement, amended by that certain First Amendment to Multi-Year Revolving Credit Agreement dated October 5, 2005, that certain Second Amendment to Multi-Year Revolving Credit Agreement dated June 22, 2006, and that certain Third Amendment to Multi-Year Revolving Credit Agreement dated January 5, 2007 (as so amended, 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 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 1.01 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 "Borrower" as defined in Section 1.01 of the Credit Agreement, is hereby amended in its entirety to read as follows:

"Borrower" means Enterprise Products Operating LLC, a Texas limited liability company, successor-in-interest to Enterprise Products Operating L.P., a Delaware limited partnership.

(c) The term "Change in Control" as defined in Section 1.01 of the Credit Agreement, is hereby amended in its entirety to read as follows:

"Change in Control" means the occurrence of any of the following events:

(i) Continuing Directors cease for any reason to constitute collectively a majority of the members of the board of directors of Manager or GP LLC then in office;

(ii) any Person or related Persons constituting a group (as such term is used in Rule 13d-5 under the Securities Exchange Act of 1934, as amended) obtains direct or indirect beneficial ownership interest in the Manager or GP LLC greater than the direct or indirect beneficial ownership interests of EPCO and its Affiliates in the Manager or GP LLC; or

(iii) Manager and EPD shall cease to own, directly or indirectly, all of the Equity Interests (including all securities which are convertible into Equity Interests) of Borrower.

As used herein, "Continuing Director" means any member of the board of directors of Manager or GP LLC, respectively, who (x) is a member of such board of directors as of the date hereof or is specified in EPD's filings with the SEC filings prior to the date hereof as a Person who is to become a member of such board as of the Effective Date, or (y) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board at the time of such nomination or election.

(d) The terms "General Partner", "Limited Partner", "Limited Partner Guaranty Agreement" and "Partnership Agreement" as defined in Section 1.01 of the Credit Agreement are hereby deleted.

2.2 Additional Defined Terms. Section 1.01 of the Credit Agreement is hereby further amended and supplemented by adding the following new definitions, which read in their entirety as follows:

"Company Agreement" means the Company Agreement of the Borrower dated as of June 30, 2007 between Manager and EPD, as members, substantially in the form provided to the Lenders, as such Company Agreement may be amended, modified and supplemented from time to time.

"EPD" 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 or any replacement indenture.

"EPD Guaranty Agreement" means an agreement executed by EPD in form and substance satisfactory to the Administrative Agent guaranteeing, unconditionally, payment of any principal of or interest on the Loans, any reimbursement obligations in

respect of any LC Disbursement or any other amount payable under this Agreement, when and as the same shall become due and payable.

"Fourth Amendment" means that certain Fourth Amendment to Multi-Year Revolving Credit Agreement dated as of June 30, 2007, among the Borrower, the Lenders party thereto and the Administrative Agent.

"Fourth Amendment Effective Date" means June 30, 2007.

"Manager" means Enterprise Products OLPGP, Inc., a Delaware corporation.

2.3 Manager; EPD. Each reference to "General Partner" in the Credit Agreement is hereby amended to refer instead to "Manager", and each reference to "Limited Partner" in the Credit Agreement is hereby amended to refer instead to "EPD".

2.4 EPD Guaranty Agreement. Each reference to "Limited Partner Guaranty Agreement" in the Credit Agreement is hereby amended to refer instead to "EPD Guaranty Agreement".

2.5 Company Agreement. Each reference to "Partnership Agreement" in the Credit Agreement is hereby amended to refer instead to "Company Agreement".

2.6 Authorization. The references to "partnership" in the first sentence of Section 3.02 of the Credit Agreement are hereby amended to refer instead to "limited liability company", and the reference to "partner" in such first sentence of Section 3.02 of the Credit Agreement is hereby amended to refer instead to "member".

2.7 Liability of Manager. Section 9.14 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 9.14. Liability of Manager. It is hereby understood and agreed that Manager shall have no personal liability, as a member of the Borrower or otherwise, for the payment of any amount owing or to be owing hereunder.

2.8 Consent and Waiver re: Reorganization of Borrower. Each Lender party hereto hereby consents to the conversion of Borrower from a Delaware limited partnership into a Texas limited partnership, and Borrower's subsequent merger with and into a Texas limited liability company, with such Texas limited liability company as survivor (the "Reorganization") and as the Borrower under the Credit Agreement, and each Lender party hereto hereby waives any Default or Event of Default under Section 6.03 of the Credit Agreement caused thereby.

2.9 Conditions Precedent. 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 Required Lenders; and acknowledged and ratified by EPD pursuant to a duly executed Acknowledgement and Ratification in the form of Exhibit A attached hereto.

(b) The Administrative Agent shall have received a certificate, dated the Fourth Amendment 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 of the Credit Agreement, and Section 2.9(d) hereof.

(c) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Fourth Amendment 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.

(d) As of the Fourth Amendment Effective Date, no Material Adverse Change exists.

(e) The Administrative Agent shall have received a fully-executed copy of the Company Agreement and file-stamped copies of such documents, certificates and articles as the Administrative Agent or its counsel may reasonably request relating to the Reorganization.

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

Section 2.10 Effectiveness. Subject to the satisfaction of the conditions precedent set forth in Section 2.9 hereof, this Fourth Amendment shall be effective immediately upon the consummation of the Reorganization.

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;

(c) the representations and warranties of the Borrower contained in the Credit Agreement, as hereby amended and supplemented, were true and correct in all material respects 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; and

(d) Borrower, as successor-in-interest to Enterprise Products Operating L.P., a Delaware limited partnership, hereby ratifies and affirms its obligations under the Credit Agreement and the Notes, acknowledges that all such obligations have been assumed by Borrower by operation of law, and expressly assumes all such obligations.

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 the 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 DOCUMENTS EXECUTED IN CONNECTION HEREWITH OR THEREWITH 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 LLC,
a Texas limited liability company, successor-in-interest to Enterprise Products Operating L.P., a Delaware limited partnership

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

By /s/ W. Randall Fowler
W. Randall Fowler
Senior Vice President and Treasurer

WACHOVIA BANK,
NATIONAL ASSOCIATION,
individually, as Administrative Agent,
as Issuing Bank and as Swingline Lender

By /s/ Shannan Townsend
Name: Shannan Townsend
Title: Director

CITIBANK, N.A.
Individually and as Co-Syndication Agent

By /s/ Todd Mogil
Name: Todd Mogil
Title: Attorney-in-Fact

JPMORGAN CHASE BANK,
Individually and as Co-Syndication Agent

By /s/ Dianne L. Russell
Name: Dianne L. Russell
Title: Vice President

MIZUHO CORPORATE BANK, LTD.,
Individually and as Co-Documentation Agent

By /s/ Raymond Ventura
Name: Raymond Ventura
Title: Deputy General Manager

SUNTRUST BANK,
Individually and as Co-Documentation Agent

By /s/ David Edge
Name: David Edge
Title: Managing Director

THE BANK OF NOVA SCOTIA,
Individually and as Co-Documentation Agent

By /s/ A. Ostrov
Name: A. Ostrov
Title: Director

BARCLAYS BANK PLC,
Individually and as a Senior Managing Agent

By /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

BAYERISCHE HYPO-UND VEREINSBANK
AG, NEW YORK BRANCH, Individually and as
a Senior Managing Agent

By /s/ Yoram Dankner
Name: Yoram Dankner
Title: Managing Director

By /s/ Shannon Batchman
Name: Shannon Batchman
Title: Director

BMO CAPITAL MARKETS FINANCING, INC.,
Individually and as a Senior Managing Agent

By /s/ Cahal B. Carmody
Name: Cahal B. Carmody
Title: Vice President

THE ROYAL BANK OF SCOTLAND plc,
Individually and as a Senior Managing Agent

By /s/ Patricia Dundee
Name: Patricia Dundee
Title: Managing Director

BANK OF AMERICA, N.A.,
Individually and as a Managing Agent

By /s/ Gabe Gomez
Name: Gabe Gomez
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., HOUSTON AGENCY, Individually and as a Managing Agent

By /s/ John McGhee
Name: John McGhee
Title: Vice President & Manager

BNP PARIBAS,
Individually and as a Managing Agent

By /s/ Polly Schott
Name: Polly Schott
Title: Vice President

By /s/ Greg Smothers
Name: Greg Smothers
Title: Vice President

LEHMAN COMMERCIAL PAPER INC.,
Individually and as a Managing Agent

By /s/ Adrian De LaGarde
Name: Adrian De LaGarde
Title: Authorized Signatory

MORGAN STANLEY BANK,
Individually and as a Managing Agent

By /s/ Stephen B. King
Name: Stephen B. King
Title: Authorized Signatory
Morgan Stanley Bank

UBS LOAN FINANCE LLC,
Individually and as a Managing Agent

By /s/ Irja R. Otsa
Name: Irja R. Otsa
Title: Associate Director

By /s/ Richard L. Tavrow
Name: Richard L. Tavrow
Title: Director

SOCIETE GENERALE,
Individually and as Co-Agent

By /s/ Christian Nelly
Name: Christian Nelly
Title: Vice President

FORTIS BANK S.A./N.V., CAYMAN ISLANDS BRANCH, a Lender

By /s/ Mason Chau
Name: Mason Chau
Title: AVP

By /s/ Laurie Albright
Name: Laurie Albright
Title: Loan Closer

ING CAPITAL LLC, a Lender

By /s/ Richard Ennis
Name: Richard Ennis
Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION, a Lender

By /s/ William M. Ginn
Name: William M. Ginn
Title: General Manager

BAYERISCHE LANDESBANK,
NEW YORK BRANCH,
Individually and as Co-Agent

By /s/ Nikolai von Mengden
Name: Nikolai von Mengden
Title: Senior Vice President

By /s/ Donna M. Quilty
Name: Donna M. Quilty
Title: Vice President

[INTENTIONALLY OMITTED]

DNB NOR BANK ASA,
Individually and as Co-Agent

By /s/ Thomas Tangen
Name: Thomas Tangen
Title: Vice President

By /s/ Cathleen Buckley
Name: Cathleen Buckley
Title: Vice President

ROYAL BANK OF CANADA,
Individually and as Co-Agent

By /s/ David A. McCluskey
Name: David A. McCluskey
Title: Authorized Signatory

INTENTIONALLY OMITTED

MERRILL LYNCH BANK USA, a Lender

By /s/ Derek Befus
Name: Derek Befus
Title: Vice President

WELLS FARGO BANK,
NATIONAL ASSOCIATION, a Lender

By   /s/ Charles W. Randall
Name: Charles W. Randall
Title: Vice President

CAPITAL ONE, N.A., a Lender

By /s/ Nancy G. Moragas
Name: Nancy G. Moragas
Title: Senior Vice President

EXHIBIT A

ACKNOWLEDGMENT AND RATIFICATION OF GUARANTOR

The undersigned ("Guarantor") hereby expressly (i) acknowledges the terms of the foregoing Fourth Amendment to Multi-Year Revolving Credit Agreement; (ii) ratifies and affirms its obligations under its Guaranty Agreement dated as of August 25, 2004, 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 space 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 /s/ W. Randall Fowler
W. Randall Fowler
Senior Vice President and Treasurer

EXHIBIT 10.3

AGREEMENT AND RELEASE

This Agreement and Release (this "AGREEMENT") is between Robert G. Phillips ("EMPLOYEE") and EPCO, Inc. ("COMPANY").

WITNESSETH

Whereas, EMPLOYEE is employed by COMPANY.

Whereas, EMPLOYEE is resigning from COMPANY effective June 30, 2007.

Whereas, EMPLOYEE and COMPANY desire to resolve any and all disputes about EMPLOYEE's employment with COMPANY.

Whereas, EMPLOYEE, during his employment had access to trade secrets and/or proprietary and confidential information belonging to COMPANY.

Whereas, EMPLOYEE and COMPANY desire to clarify EMPLOYEE's obligations with respect to any trade secrets and/or proprietary and confidential information acquired during EMPLOYEE's employment.

Whereas, EMPLOYEE and COMPANY desire to avoid the expense, delay and uncertainty attendant to any claims that may arise from EMPLOYEE's employment with, and resignation from, COMPANY, as well as any claims that may arise from the disclosure of any trade secrets and/or proprietary and confidential information that EMPLOYEE acquired during his employment with COMPANY.

Whereas, EMPLOYEE desires to release any claims or causes of action EMPLOYEE may have arising from EMPLOYEE's employment with, or his resignation from the COMPANY.

Now, therefore, for and in consideration of the mutual covenants and promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, EMPLOYEE and COMPANY hereby agree:

Section 1. Severance and Other Payments. COMPANY, in exchange for the promises of EMPLOYEE contained below, agrees as follows:

A. COMPANY agrees to pay EMPLOYEE the lump sum amount of twelve million dollars and no cents ($12,000,000.00), less applicable legal standard deductions, within seven (7) days after the expiration of the EMPLOYEE's revocation option in Section 5(C) below; and

B. COMPANY agrees to pay EMPLOYEE an amount of twenty-nine thousand two hundred dollars and no cents ($29,200.00) as liquidated unused vacation days, less applicable legal standard deductions, when such payroll payments are made generally for the pay period; and

C. EMPLOYEE may be eligible for up to eighteen (18) months of COBRA coverage following EMPLOYEE's termination of employment. If at the time of EMPLOYEE's termination of employment, EMPLOYEE is enrolled in COMPANY's medical and dental plan coverages as an active employee and EMPLOYEE exercises health coverage continuation rights under COBRA following termination of employment, EMPLOYEE's COBRA premium will equal zero ($0.00) and will be paid for in full by COMPANY until the earliest of: (i) the expiration the first eighteen (18) full calendar months immediately following EMPLOYEE's termination of employment; (ii) the date EMPLOYEE obtains subsequent employment and becomes eligible for medical and/or dental benefits coverages to employees of the new employer; or (iii) the expiration of your COBRA rights. After the expiration of the foregoing applicable period, EMPLOYEE will be responsible for the full cost of any health and dental coverage.

EMPLOYEE acknowledges and agrees that payment of the foregoing amounts are, and shall be deemed to be, in full and complete satisfaction of any and all obligations, if any, of COMPANY and/or its affiliates to EMPLOYEE in respect of his employment with COMPANY and/or any of its affiliates or otherwise.

Section 2. Prior Rights and Obligations. Except as otherwise provided for in this AGREEMENT, this AGREEMENT extinguishes all rights, if any, which EMPLOYEE may have, contractual or otherwise, relating to his employment with, or resignation from, COMPANY.

Section 3. Resignation. EMPLOYEE hereby resigns (i) from employment with COMPANY and/or any of the affiliates of COMPANY and (ii) as an officer and/or director and/or any other similar position of COMPANY and/or any of the affiliates of COMPANY. EMPLOYEE agrees that the effective date of such resignation is June 30, 2007.

Section 4. Release.

A. Release and Waiver: EMPLOYEE hereby agrees to release COMPANY and its predecessors, subsidiaries, related entities, officers, directors, shareholders, parent companies, agents, attorneys, employees, successors, or assigns, (hereinafter referred to as "COMPANY") from all claims or demands EMPLOYEE has, may have, or may have had based on or in any way related to EMPLOYEE's employment with COMPANY, the resignation or termination of that employment, or based on any previous act or omission by or on behalf of COMPANY. EMPLOYEE further agrees to waive any right EMPLOYEE may have with respect to the claims or demands from which COMPANY is herewith released. This release and waiver includes any rights or claims EMPLOYEE may have under, but not limited to, the Age Discrimination in Employment Act, which prohibits age discrimination in employment; Title VII of the Civil Rights Acts of 1964, as amended, which prohibits discrimination in employment based on race, color, national origin, religion or sex (including claims of sexual harassment); 42 U.S.C. §1981, which prohibits race discrimination; claims under the Family and Medical Leave Act; the federal and Texas Equal Pay Acts, which prohibit paying men and women unequal pay for equal work; the Rehabilitation Act of 1973 and the Americans with Disabilities Act, which prohibit

discrimination on the basis of handicap or disability; the Employee Retirement Income Security Act; claims for discrimination under the Texas Commission on Human Rights Act as codified in the Texas Labor Code; claims for discrimination or retaliation under the Texas Workers' Compensation Act; or any other federal, state or local laws or regulations prohibiting employment discrimination, retaliation or harassment. This release and waiver also includes any claims for wrongful discharge, whether based on claimed violations of statutes, regulations or public policy, or based on claims in contract or tort. This release and waiver also includes any claims that EMPLOYEE suffered any harm by or through the actions or omissions of COMPANY, including, but not limited to, negligence claims and any other tort or contract claims.

B. Scope of Release/Non-release of Future Claims based on subsequent acts or omissions: The release and waiver, to which EMPLOYEE voluntarily agrees, covers all claims or demands based on any facts or events, whether known or unknown by EMPLOYEE, that occurred on or before June 30, 2007. EMPLOYEE fully understands that if any of the facts or circumstances on which EMPLOYEE premises EMPLOYEE's execution of this release and waiver be found, suspected or claimed hereafter to be other than or different from the facts and circumstances now believed by EMPLOYEE to be true, EMPLOYEE nonetheless expressly accepts and assumes the risk of such possible differences in fact or circumstances and agrees that this release and waiver shall be and remain effective notwithstanding any such difference in any such fact or circumstances. COMPANY acknowledges that EMPLOYEE has not released any rights or claims that EMPLOYEE may have under the Age Discrimination in Employment Act that arise after the date this release and waiver is executed.

C. No Future Lawsuits, Complaints, or Claims: EMPLOYEE hereby waives EMPLOYEE's right to file any charge or complaint against COMPANY arising out of EMPLOYEE's employment with or separation from employment before any federal, state or local court or any federal, state or local administrative agency, except where such waivers are prohibited by law. This Agreement, however, does not prevent EMPLOYEE from filing a timely charge with the EEOC (or with any other agency with similar provisions or regulations concerning the regulation of releases between private parties) concerning claims of discrimination, including a challenge to the validity of the waiver contained in this Agreement; although EMPLOYEE hereby waives EMPLOYEE's right to recover any damages or other relief in any claim or suit brought by or through the EEOC or any other federal, state, or local agency on his behalf. EMPLOYEE acknowledges that EMPLOYEE has no pending workers' compensation claims and that this Agreement is not related in any way to any claim for workers' compensation benefits. EMPLOYEE further acknowledges that EMPLOYEE has no basis for such a claim.

D. COMPANY acknowledges and agrees that EMPLOYEE shall remain covered by COMPANY's or any affiliates', as applicable, Directors and Officers Errors and Omissions Liability Insurance on the same basis as applicable to other officers of the Company (or any successor) in regard to claims pertaining to the time when EMPLOYEE was employed by COMPANY or was a director or officer of COMPANY. EMPLOYEE shall continue to be indemnified by COMPANY, or any affiliates thereof as applicable, in regard to any claims pertaining to the time when EMPLOYEE was employed by or a director or officer of

COMPANY, on the same basis as in effect immediately prior to EMPLOYEE's resignation from COMPANY.

Section 5. ADEA Rights. EMPLOYEE further acknowledges that:

A. He has been advised in writing by virtue of this AGREEMENT that he has the right to seek legal counsel before signing this AGREEMENT;

B. He has been given twenty-one (21) days after the effective date hereof within which to consider the waivers included in this AGREEMENT. If EMPLOYEE chooses to sign the AGREEMENT at any time prior to that date, it is agreed that EMPLOYEE signs willingly and voluntarily and **expressly waives** his right to wait the entire twenty-one (21) day period as provided in the law. EMPLOYEE agrees that any changes to this Agreement do not restart the running of the twenty-one (21) day period;

C. EMPLOYEE has **seven** (7) **days** after signing this AGREEMENT to revoke it. This AGREEMENT will not become effective or enforceable until the revocation period has expired. Any notice of revocation of the AGREEMENT is effective only if given to Thomas M. Zulim, Senior Vice President, Human Resources (at the delivery address of the COMPANY set forth in Section 15 below), in writing by the close of business at 5:00 p.m. on the seventh (7th) day after the signing of this AGREEMENT; and

D. EMPLOYEE agrees that he is receiving, pursuant to this AGREEMENT, consideration that is in addition to any that he may be entitled to pursuant to his at will employment with COMPANY and/or its affiliates.

Section 6. Proprietary and Confidential Information. EMPLOYEE agrees and acknowledges that, because of his employment with COMPANY, he has acquired information regarding COMPANY's trade secrets and/or proprietary and confidential information (collectively "Confidential Information") related to COMPANY's past, present or anticipated business. EMPLOYEE will take all reasonable steps and precautions to insure that the COMPANY's Confidential Information is kept secret and confidential for the sole use and benefit of COMPANY. EMPLOYEE will follow COMPANY's instructions regarding handling of its Confidential Information. Therefore, except as may be required by law, EMPLOYEE acknowledges that EMPLOYEE will not, at any time, disclose to others, permit to be disclosed, used, permit to be used, copy or permit to be copied, any Confidential Information acquired during his employment with COMPANY unless such information has ceased to be confidential other than through an action of the EMPLOYEE in violation of this paragraph. EMPLOYEE agrees that in the event of an actual or threatened breach by EMPLOYEE of the provisions of this paragraph, COMPANY shall be entitled to inform all potential or new employers of this AGREEMENT.

Section 7. Non-solicitation of COMPANY's employees and customers. EMPLOYEE agrees not to solicit or help solicit, directly or indirectly, any employees or customers of the COMPANY or any affiliated entity to cease employment or to cease or curtail doing business with the COMPANY or any of its affiliates. Nothing herein is intended to preclude EMPLOYEE's employment in the midstream energy business.

Section 8. <u>Amendments.</u> This AGREEMENT may only be amended in writing signed by EMPLOYEE and an authorized officer of the COMPANY.

Section 9. <u>Confidentiality.</u> EMPLOYEE agrees that he or any persons acting on his behalf will not, directly or indirectly, speak about, disclose or in any way, shape or form, communicate to anyone, except as permitted in this Section, the terms of this AGREEMENT or the consideration received from the COMPANY. EMPLOYEE agrees that the above described information may be disclosed only as follows:

A. to the extent as may be required by law to support the filing of EMPLOYEE’s income tax returns;

B. to the extent as may be compelled by legal process;

C. to the extent necessary to EMPLOYEE’s legal or financial advisors, but only after such person to whom the disclosure is to be made agrees to maintain the confidentiality of such information and to refrain from making further disclosures or use of such information; or

D. to the extent necessary to enforce or comply with this AGREEMENT.

Section 10. <u>Non-disparagement.</u> EMPLOYEE agrees that he will not disparage, criticize, condemn or impugn the business or personal reputation or character of the COMPANY or any affiliate of COMPANY or any present or former COMPANY employees, officers or board members or any employees, officers or board members of any affiliate of COMPANY, or any of the actions which are, have been or may be taken by the COMPANY with respect to or based upon matters, events, facts or circumstances arising or occurring prior to the date of execution of this AGREEMENT. In response to inquiries by potential employers, EMPLOYEE may respond that he resigned. Further inquiries by a potential employer to COMPANY or its affiliates shall be met with advice of the dates of EMPLOYEE’s employment, his job title and functions in factually accurate terms. COMPANY shall have no obligation to respond to any inquiries from prospective employers unless they are made in writing and addressed specifically to COMPANY and in response to such inquiries shall not be obligated to provide any information other than to confirm dates of employment and job title. COMPANY shall not make any unfavorable or unflattering statements in public about EMPLOYEE. COMPANY agrees that it will not disparage, criticize, condemn or impugn the business or personal reputation or character of EMPLOYEE.

Section 11. <u>Cooperation.</u> EMPLOYEE shall cooperate with COMPANY to the extent reasonably required by COMPANY in all matters relating to the winding up of his pending work on behalf of COMPANY and the orderly transfer of any such pending work. COMPANY hereby agrees to indemnify EMPLOYEE in connection with all such lawful actions which EMPLOYEE shall take after the effective date hereof in performing such cooperation requested by COMPANY. EMPLOYEE agrees to immediately notify COMPANY, if he is served with legal process to compel him to disclose any information related to his employment with COMPANY, unless prohibited to do so by law.

Section 12. <u>Documents.</u> EMPLOYEE agrees to deliver at the termination of employment all

correspondence, memoranda, notes, records, data, or information, analysis, or other documents and all copies thereof, including information in electronic form, which are related in any manner to the past, present or anticipated business of COMPANY or any of its affiliates.

Section 13. Forfeiture of Unvested Grants of Restricted Units, Options and Profits Interests. EMPLOYEE acknowledges and agrees that, pursuant to, and consistent with, the terms of any grant or grants to EMPLOYEE by COMPANY or any of its affiliates of restricted Common Units of Enterprise Products Partners L.P. ("EPD") and/or options to acquire Common Units of EPD and/or any agreement pursuant to which EMPLOYEE has any profits interests in any partnership (general or limited) which owns Common Units of EPD and/or Enterprise GP Holdings L.P., to the extent that such restricted Common Units, options or profits interests have not vested as of the effective date of resignation provided in Section 3 of this AGREEMENT, are automatically forfeited as of such effective date of resignation and EMPLOYEE has, and shall have, no rights or interests therein.

Section 14. Enforcement of Agreement and Release. Should any provisions of this AGREEMENT be held to be invalid or wholly or partially unenforceable, such holdings shall not invalidate or void the remainder of this AGREEMENT. Portions held to be invalid or unenforceable shall be revised and reduced in scope as to be valid and enforceable, or if such is not possible, then such portion shall be deemed to have been wholly excluded with the same force and effect as if they had never been included herein.

Section 15. Notices. Any notice, request, demand, waiver or consent required or permitted hereunder shall be in writing and shall be given (i) by prepaid registered or certified mail, with return receipt requested, addressed as follows or (ii) personally delivered at the following address:

For COMPANY:

EPCO, Inc.

If by mail:

Post Office Box 4735
Houston, Texas 77210-4735

If by delivery:

1100 Louisiana Street, Suite 1000
Houston, Texas 77002-5227

Attn: Thomas M. Zulim
Senior Vice President, Human Resources

For EMPLOYEE:

Robert G. Phillips
3 Country Court
Houston, Texas 77024

The date of any such notice and of such service thereof shall be deemed to be the date of mailing. Each party may change its address for the purpose of notice by giving notice to the other in writing.

Section 15. Choice of Law. It is agreed that the laws of Texas shall govern this AGREEMENT.

Section 16. Remedies. The Parties agree that, because damages at law for any breach or nonperformance of this AGREEMENT by EMPLOYEE, while recoverable, will be irreparable and inadequate, this AGREEMENT may be enforced in equity by specific performance, injunction, or otherwise. Should any provisions of this AGREEMENT be held to be invalid, such holdings shall not invalidate or void the remainder of this AGREEMENT. EMPLOYEE shall be entitled to enforce his rights and COMPANY's obligations under this Agreement by any and all applicable actions at law or equity. In addition to other remedies available to it, COMPANY shall be entitled to petition an appropriate court for temporary restraining orders and temporary and permanent injunctions without the necessity of proving actual damages to prevent a breach or contemplate a breach by EMPLOYEE of any provision of this Agreement since COMPANY will have no adequate remedy at law. The amount for the bond to be posted if an injunction is sought by COMPANY shall be $1,000.00 (One Thousand and no/100 Dollars). COMPANY shall also be entitled to recover its costs and attorneys' fees incurred in enforcing this Agreement.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AND RELEASE EFFECTIVE AS OF MAY 31, 2007.

By: /s/ Robert G. Phillips
Robert G. Phillips

May 31, 2007
Date

EPCO, INC.

By: /s/ Thomas M. Zulim
Thomas M. Zulim
Senior Vice President

May 31, 2007
Date

EXHIBIT 31.1

CERTIFICATIONS

I, Michael A. Creel, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2007

/s/ Michael A. Creel
Name: Michael A. Creel
Title: Principal Executive Officer of our General Partner, Enterprise Products GP, LLC

EXHIBIT 31.2

CERTIFICATIONS

I, W. Randall Fowler, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2007

/s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Principal Financial Officer of our General Partner, Enterprise Products GP, LLC

EXHIBIT 32.1

SARBANES-OXLEY SECTION 906 CERTIFICATION

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

In connection with this quarterly report of Enterprise Products Partners L.P. (the “Registrant”) on Form 10-Q for the quarterly period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael A. Creel, Chief Executive Officer of Enterprise Products GP, LLC, the general partner of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Michael A. Creel
Name: Michael A. Creel
Title: Chief Executive Officer of Enterprise Products GP, LLC
on behalf of Enterprise Products Partners L.P.

Date: August 8, 2007

EXHIBIT 32.2

SARBANES-OXLEY SECTION 906 CERTIFICATION

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

In connection with this quarterly report of Enterprise Products Partners L.P. (the "Registrant") on Form 10-Q for the quarterly period ended June 30, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, W. Randall Fowler, Chief Financial Officer of Enterprise Products GP, LLC, the general partner of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ W. Randall Fowler
Name: W. Randall Fowler
Title: Chief Financial Officer of Enterprise Products GP, LLC
on behalf of Enterprise Products Partners L.P.

Date: August 8, 2007