SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

OR

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

FOR THE QUARTER ENDED JUNE 30, 1998

Commission File No. 1-10403

TEPPCO Partners, L.P.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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

COMMISSION FILE NO. 1-13603

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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

2929 Allen Parkway
P.O. Box 2521
Houston, Texas 77252-2521
(Address of principal executive offices, Including zip code)

(713) 759-3636
(Registrant's telephone number, including area code)

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

PRELIMINARY NOTE

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

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TEPPCO PARTNERS, L.P.

CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	JUNE 30, 1998 (UNAUDITED)	DECEMBER 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 39,755	$ 43,961
Short-term investments	840	2,105
Accounts receivable, trade	13,833	19,826
Inventories	22,146	21,094
Other	3,189	4,173
Total current assets	79,763	91,159
Property, plant and equipment, at cost (Net of accumulated depreciation and amortization of $181,536 and $170,063)	566,702	567,681
Investments	9,171	10,010
Intangible assets	37,844	--
Other assets	5,366	5,059
Total assets	$ 698,846	$ 673,909
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Current maturities, First Mortgage Notes	$ --	$ 17,000
Accounts payable and accrued liabilities	8,032	9,615
Accounts payable, general partner	3,615	3,735
Accrued interest	12,119	10,539
Other accrued taxes	6,320	6,246
Other	5,915	6,740
Total current liabilities	36,001	53,875
First Mortgage Notes	--	309,512
Senior Notes	389,707	--
Other long-term debt	38,000	--
Other liabilities and deferred credits	4,174	4,462
Minority interest	2,335	3,093
Partners' capital:		
General partner's interest	(865)	5,760
Limited partners' interests	229,494	297,207
Total partners' capital	228,629	302,967
Total liabilities and partners' capital	$ 698,846	$ 673,909

See accompanying Notes to Consolidated Financial Statements.

TEPPCO PARTNERS, L.P.

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

	THREE MONTHS ENDED JUNE 30, 1998	THREE MONTHS ENDED JUNE 30, 1997	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
Operating revenues:				
Transportation - Refined products	$ 32,755	$ 30,957	$ 55,217	$ 52,661
Transportation - LPGs	9,762	13,805	31,577	37,744
Mont Belvieu operations	2,418	2,857	5,088	5,620
Other	6,625	5,030	9,883	12,049
Total operating revenues	51,560	52,649	101,765	108,074
Costs and expenses:				
Operating, general and administrative	16,972	16,440	32,816	31,890
Operating fuel and power	6,575	7,342	12,765	14,130
Depreciation and amortization	6,625	5,933	12,705	11,701
Taxes - other than income taxes	2,459	2,418	5,036	4,892
Total costs and expenses	32,631	32,133	63,322	62,613
Operating income	18,929	20,516	38,443	45,461
Interest expense	(7,521)	(8,367)	(14,677)	(16,971)
Interest capitalized	233	317	517	972
Other income - net	1,033	793	1,680	1,774
Income before minority interest and extraordinary loss on debt extinguishment	12,674	13,259	25,963	31,236
Minority interest	(128)	(134)	(262)	(316)
Income before extraordinary loss on debt extinguishment	12,546	13,125	25,701	30,920
Extraordinary loss on debt extinguishment, net of minority interest	--	--	(72,767)	--
Net income (loss)	$ 12,546	$ 13,125	$ (47,066)	$ 30,920
Basic income (loss) per Limited Partner Unit:*				
Income before extraordinary loss	$ 0.39	$ 0.42	$ 0.80	$ 0.99
Extraordinary loss	--	--	(2.28)	--
Net income (loss)	$ 0.39	$ 0.42	$ (1.48)	$ 0.99
Diluted income (loss) per Limited Partner Unit:*				
Income before extraordinary loss	$ 0.39	$ 0.42	$ 0.80	$ 0.99
Extraordinary loss	--	--	(2.28)	--
Net income (loss)	$ 0.39	$ 0.42	$ (1.48)	$ 0.99

See accompanying Notes to Consolidated Financial Statements.

* Per Limited Partner Unit amounts have been adjusted to reflect the two-for-one Unit split announced on July 21, 1998.

TEPPCO PARTNERS, L.P.

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

	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997
Cash flows from operating activities:		
Net income (loss)	$ (47,066)	$ 30,920
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Depreciation and amortization	12,705	11,701
Extraordinary loss on early extinguishment of debt, net of minority interest	72,767	--
Gain on sale of property, plant and equipment	(356)	--
Decrease in accounts receivable, trade	5,993	1,472
Decrease (increase) inventories	(1,052)	1,235
Decrease (increase) in other current assets	984	(1,045)
Decrease in accounts payable and accrued expenses	(874)	(3,189)
Other	(425)	(614)
Net cash provided by operating activities	42,676	40,480
Cash flows from investing activities:		
Proceeds from investments	2,105	15,970
Purchases of investments	--	(3,906)
Insurance proceeds related to damaged asset	--	1,046
Purchase of fractionator assets and related intangible assets	(40,000)	--
Proceeds from the sale of property, plant and equipment	525	--
Capital expenditures	(9,530)	(15,420)
Net cash used in investing activities	(46,900)	(2,310)
Cash flows from financing activities:		
Principal payment, First Mortgage Notes	(326,512)	(13,000)
Prepayment premium, First Mortgage Notes	(70,093)	--
Issuance of Senior Notes	389,694	--
Debt issuance costs, Senior Notes	(3,651)	--
Proceeds from term-loan	38,000	--
Distributions	(27,420)	(23,554)
Net cash provided by (used in) financing activities	18	(36,554)
Net increase (decrease) in cash and cash equivalents	(4,206)	1,616
Cash and cash equivalents at beginning of period	43,961	34,047
Cash and cash equivalents at end of period	$ 39,755	$ 35,663
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:		
Interest paid during the period (net of capitalized interest)	$ 12,292	$ 16,121

See accompanying Notes to Consolidated Financial Statements.

TEPPCO PARTNERS, L.P.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Organization and Basis of Presentation

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

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

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

Basic net income per Limited Partner Unit is computed by dividing net income, after deduction of the general partner's interest, by the weighted average number of Limited Partner Units outstanding (a total of 29,000,000 Units as of June 30, 1998, including the effect of the two-for-one split noted above). The general partner's percentage interest in net income is based on its percentage of cash distributions from Available Cash for each period (see Note 7. Cash Distributions). The general partner was allocated $4.1 million (8.78%) of the net loss for the six months ended June 30, 1998, and $2.1 million (6.72%) of the net income for the six months ended June 30, 1997.

Diluted net income per Limited Partner Unit is similar to the computation of basic net income per Limited Partner Unit above, except that the denominator was increased to include the dilutive effect of outstanding Unit options by application of the treasury stock method. For the quarters ended June 30, 1998 and 1997, the denominator was increased by 50,896 Units and 30,552 Units, respectively. For the six months ended June 30, 1998 and 1997, the denominator was increased by 48,732 Units and 31,436 Units, respectively.

TEPPCO PARTNERS, L.P.

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

Note 2. Accounting Policy Changes

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

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

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

NOTE 3. RELATED PARTY TRANSACTIONS

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

NOTE 4. INVESTMENTS

SHORT-TERM INVESTMENTS

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

LONG-TERM INVESTMENTS

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

TEPPCO PARTNERS, L.P.

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

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

NOTE 5. INVENTORIES

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

	JUNE 30, 1998	DECEMBER 31, 1997
Gasolines	$ 3,568	$ 3,779
Propane	6,062	6,872
Butanes	4,448	3,152
Fuel oils	701	82
Other products	3,383	3,099
Materials and supplies	3,984	4,110
Total	$ 22,146	$ 21,094

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

NOTE 6. LONG TERM DEBT

SENIOR NOTES

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

The Senior Notes do not have sinking fund requirements. Interest on the Senior Notes is payable semiannually in arrears on January 15 and July 15 of each year, commencing July 15, 1998. The Senior Notes are unsecured obligations of the Operating Partnership and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Operating Partnership. The indenture governing the Senior Notes contains covenants, including, but not limited to, covenants limiting (i) the creation of liens securing indebtedness and (ii) sale and leaseback transactions. However, the indenture does not limit the Partnership's ability to incur additional indebtedness.

OTHER LONG TERM DEBT

In connection with the purchase of the fractionation assets from DEFS as of March 31, 1998, TEPPCO Colorado received a $38 million bank loan from SunTrust Bank. Proceeds from the loan were received on April 21, 1998. TEPPCO Colorado paid interest to DEFS at a per annum rate of 5.75% on the amount of the total purchase price outstanding for the period from March 31, 1998 until April 21, 1998. The SunTrust loan bears interest at a rate of 6.53%, which is payable quarterly beginning in July 1998. The principal balance of the loan is payable in full on April 21, 2001. The Operating Partnership is guarantor on the loan. The loan agreement contains a restrictive covenant which was amended effective June 29, 1998 to increase the leverage ratio.

NOTE 7. CASH DISTRIBUTIONS

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

On May 8, 1998, the Partnership paid the first quarter cash distribution of $0.425 per Unit (adjusted for the two-for-one Unit split discussed in Note 1) to Unitholders of record on April 30, 1998. Additionally, on July 21, 1998, the Partnership declared a cash distribution of $0.45 per Unit (adjusted for the two-for-one Unit split discussed in Note 1) for the quarter ended June 30, 1998, which represents an annualized increase of $0.10 per Unit. The second quarter distribution was paid on August 7, 1998, to Unitholders of record on July 31, 1998.

The Company receives incremental incentive distributions of 15%, 25% and 50% on quarterly distributions of Available Cash that exceed $0.275, $0.325 and $0.45 per Unit, respectively (adjusted for the two-for-one Unit split discussed in Note 1). During the six months ended June 30, 1998 and 1997, incentive distributions paid to the Company totaled $2.3 million and $1.4 million, respectively.

NOTE 8. COMMITMENTS AND CONTINGENCIES

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

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

The Partnership and the Indiana Department of Environmental Management ("IDEM") have entered into an Agreed Order that will ultimately result in a remediation program for any on-site and off-site groundwater contamination attributable to the Partnership's operations at the Seymour, Indiana, terminal. The Partnership is currently negotiating with IDEM the clean-up levels to be attained at the Seymour terminal. The Partnership estimates that the costs of the remediation program to be proposed by the Partnership for the Seymour terminal will not exceed the amount accrued therefore (approximately $1.5 million at June 30, 1998). In the opinion of the Company, the completion of the remediation program to be proposed by the Partnership, if such program is approved by IDEM, will not have a material adverse impact on the Partnership's financial condition, results of operations or liquidity.

In 1997, the Company initiated a program to prepare the Partnership's process controls and business computer systems for the "Year 2000 issue." Process controls are the automated equipment including hardware and software systems which run operational activities. Business computer systems are the computer hardware and software used by the Partnership. The Partnership expects to incur internal staff costs as well as consulting and other expenses related to testing and conversion of these assets. The Company continues to evaluate appropriate courses of corrective action, including replacement of certain systems whose associated costs would be recorded as assets and amortized. The Company estimates that the amounts required to address the Year 2000 issue during 1998 and 1999 will range between approximately $4.0 million and $6.0 million. Testing and conversion is expected to be completed by mid-year 1999. The Partnership has initiated formal communications with all of its significant suppliers and large customers to determine the extent to which the Partnership is vulnerable to those third parties' failure to remediate their own Year 2000 issues. However, there can be no assurance that the systems of other companies, on which the Partnership's systems rely, will be timely converted, or converted in a manner that is compatible with the Partnership's systems, or that any such failures by such other companies would not have a material adverse effect on the Partnership.

Substantially all of the petroleum products transported and stored by the Partnership are owned by the Partnership's customers. At June 30, 1998, the Partnership had approximately 19.8 million barrels of products in its custody owned by customers. The Partnership is obligated for the transportation, storage and delivery of such products on behalf of its customers. The Partnership maintains insurance it believes to be adequate to cover product losses through circumstances beyond its control.

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

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

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

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

RESULTS OF OPERATIONS

Net income for the quarter ended June 30, 1998 was $12.5 million, compared with net income of $13.1 million for the 1997 second quarter. The decrease in net income resulted primarily from a $1.1 million decrease in operating revenues and a $0.5 million increase in costs and expenses. These decreases in net income were partially offset by a $0.8 million decrease in interest expense and a $0.2 million increase in other income.

For the six months ended June 30, 1998, the Partnership reported a net loss of $47.1 million. The net loss included an extraordinary loss for early extinguishment of debt of $72.8 million, net of $0.7 million allocated to minority interest. Excluding the extraordinary loss, net income would have been $25.7 million for the first six months of 1998, compared with net income of $30.9 million for the corresponding period in 1997. The $5.2 million decrease in income before loss on debt extinguishment resulted primarily from a $6.3 million decrease in operating revenues, a $0.7 million increase in costs and expenses and a $0.5 million decrease in capitalized interest. These variances were partially offset by a $2.3 million decrease in interest expense. See discussion below of factors affecting net income for the comparative periods.

See volume and average tariff information below:

	QUARTER ENDED JUNE 30, 1998	QUARTER ENDED JUNE 30, 1997	PERCENTAGE INCREASE (DECREASE)	SIX MONTHS ENDED JUNE 30, 1998	SIX MONTHS ENDED JUNE 30, 1997	PERCENTAGE INCREASE (DECREASE)
VOLUMES DELIVERED (in thousands of barrels)						
Refined products	35,183	34,389	2%	59,694	59,594	--
LPGs	5,660	7,947	(29%)	15,811	20,011	(21%)
Mont Belvieu operations	5,518	6,631	(17%)	11,462	12,819	(11%)
Total	46,361	48,967	(5%)	86,967	92,424	(6%)
AVERAGE TARIFF PER BARREL						
Refined products	$ 0.93	$ 0.90	3%	$ 0.93	$ 0.88	6%
LPGs	1.72	1.74	(1%)	2.00	1.89	6%
Mont Belvieu operations	0.15	0.13	15%	0.16	0.14	14%
Average system tariff	$ 0.94	$ 0.93	1%	$ 1.02	$ 1.00	2%

RESULTS OF OPERATIONS - (CONTINUED)

Refined products transportation revenues increased $1.8 million for the quarter ended June 30, 1998, compared with the prior-year quarter, as a result of higher deliveries of motor fuel and blend stocks in the Midwest market area and increased utilization of delivery capacity from the expansion of the Ark-La-Tex system between Shreveport, Louisiana, and El Dorado, Arkansas, which was placed in service on March 31, 1997. Additionally, $0.3 million of deficit transportation payments received and deferred in prior periods was recognized as revenue in June 1998. The increase in the refined products average tariff per barrel reflects an increase in the percentage of long-haul deliveries, higher tariff rates on the Ark-La-Tex system and tariff rate increases on selective refined products tariffs, averaging 1.7%, effective July 1, 1997.

LPGs transportation revenues decreased $4.0 million for the quarter ended June 30, 1998, compared with the second quarter of 1997, due primarily to the 29% decrease in volumes delivered. Increased Canadian imports negatively impacted demand for Gulf Coast supply in the Midwest and Northeast market areas. Additionally, the termination of a throughput agreement and a turnaround at a Midwest refinery reduced isobutane deliveries during the second quarter of 1998.

For the six months ended June 30, 1998, refined products transportation revenues increased $2.6 million, compared with the corresponding period in 1997, due to a (i) 6% increase in the refined products average tariff per barrel, which reflects the full-period impact of new tariff structures for volumes transported on the expanded portion of the Partnership's pipeline between Shreveport, Louisiana, and El Dorado, Arkansas, which was placed in service on March 31, 1997, (ii) higher tariff rates on barrels originating from the pipeline connection with Colonial Pipeline Company's ("Colonial") pipeline at Beaumont, which was placed in service on May 1, 1997, and (iii) tariff rate increases on selective refined products tariffs, averaging 1.7%, effective July 1, 1997. Refined products transportation volumes increased slightly due to higher demand for motor fuels during the second quarter of 1998, partially offset by decreased short-haul deliveries of methyl tertiary butyl ether ("MTBE") at the Partnership's marine terminal near Beaumont, Texas.

LPGs transportation revenues decreased $6.2 million during the six months ended June 30, 1998, compared with the same period in 1997, due primarily to a 21% decrease in propane deliveries in the Midwest and Northeast market areas attributable to warmer winter and spring weather during 1998 and unfavorable differentials versus competing Canadian product. Additionally, short-haul propane deliveries decreased 51% as a result of operational constraints at a petrochemical facility on the upper Texas Gulf Coast served by the Partnership. These decreases were partially offset by a 19% increase in butane deliveries due to favorable Midwest price differentials and the resumption of operations during the second quarter of 1997 at a Northeast area refinery served by the Partnership. The 6% increase in the LPGs average tariff per barrel resulted primarily from the decrease in the short-haul propane deliveries, which have lower tariffs, along the upper Texas Gulf Coast.

Revenues generated from Mont Belvieu operations decreased during both the quarter and six months ended June 30, 1998, compared with the corresponding periods in 1997, due primarily to lower storage revenue and lower product receipt charges. Mont Belvieu shuttle deliveries decreased during both the quarter and six months ended June 30, 1998, compared with the prior year periods, but was largely offset by a higher percentage of non-contract deliveries, which generally carry higher tariffs.

Other operating revenues increased $1.6 million during the second quarter of 1998, as compared with the second quarter of 1997, due primarily to $1.9 million of operating revenues from the fractionator facilities acquired on March 31, 1998, partially offset by lower refined products terminaling revenues and lower product sales during 1998.

During the six months ended June 30, 1998, other operating revenues decreased $2.2 million, as compared to the same period in 1997, due primarily to decreased product inventory volumes sold, unfavorable product location exchange differentials incurred to position system inventory, decreased terminaling revenues and lower propane imports received at the marine terminal at Providence, Rhode Island. These decreases were partially offset by operating revenues from the fractionator facilities acquired on March 31, 1998.

Costs and expenses increased $0.5 million for the quarter ended June 30, 1998, compared with the second quarter of 1997, primarily due to a $0.5 million increase in operating, general and administrative expenses and a $0.7 million increase in depreciation and amortization expense, partially offset by a $0.8 million volume-related decrease in operating fuel and power expense. The increase in operating, general and administrative expenses was primarily attributable to $0.5 million of expense to write down the book-value of product inventory to market-value at June 30, 1998, and increased benefits expense, partially offset by lower insurance expense and insurance reimbursement of past litigation costs related to the Partnership's Seymour, Indiana, terminal. Depreciation and amortization expense increased as a result of amortization of the value assigned to the Fractionation Agreement beginning on March 31, 1998.

Costs and expenses increased $0.7 million for the six-months ended June 30, 1998, compared with the same period in 1997, primarily due to a $0.9 million increase in operating, general and administrative expenses and a $1.0 million increase in depreciation and amortization expense, partially offset by a $1.4 million volume-related decrease in operating fuel and power expense. The increase in operating, general and administrative expenses was primarily due to the same factors noted above related to the second quarter, as well as the full-period impact of expense related to the capacity lease with Colonial, which commenced in May 1997. Depreciation and amortization expense increased as a result of the completion of capital projects subsequent to the first quarter of 1997, coupled with second-quarter 1998 amortization of the value assigned to the Fractionation Agreement.

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

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

Other income increased during the quarter ended June 30, 1998, compared with the second quarter of 1997, due primarily to a $0.4 million gain on the disposition of non-carrier assets in June 1998, partially offset by lower interest income as a result of lower cash balances in 1998.

FINANCIAL CONDITION AND LIQUIDITY

Net cash from operations for the six-month period ended June 30, 1998, totaled $42.7 million, comprised of $38.4 million of income before extraordinary loss on early extinguishment of debt and charges for depreciation and amortization and $4.3 million provided by working capital changes. This compares with cash flows from operations of $40.5 million for the corresponding period in 1997, which was comprised of $42.6 million of income before charges for depreciation and amortization, partially offset by $2.1 million used for working capital changes. The increase in cash provided by working capital changes during the six month period ended June 30, 1998, as compared with the same period in 1997, resulted primarily from lower interest payments during 1998 and increased collection of accounts receivable balances. Net cash from operations for the six months ended June 30, 1998 included interest payments related to the First Mortgage Notes of $12.8 million paid on January 27, 1998 in connection with repayment of the outstanding balance of the First Mortgage Notes. Net cash from operations for the six months ended June 30, 1997 included interest payments related to the First Mortgage Notes of $17.1 million paid in March 1997.

FINANCIAL CONDITION AND LIQUIDITY - (CONTINUED)

Cash flows used in investing activities during the first six months of 1998 included $40.0 million for the purchase price of the fractionation assets and related intangible assets and $9.5 million of capital expenditures, partially offset by $2.1 million from investment maturities and $0.5 million received from the sale of non-carrier assets. Cash flows used in investing activities during the first six months of 1997 included $15.4 million of capital expenditures and $3.9 million of additional cash investments, partially offset by $16.0 million from investment maturities and $1.0 million of insurance proceeds related to the replacement value of a 20-inch diameter auxiliary pipeline at the Red River in central Louisiana, which was damaged in 1994 and subsequently removed from service. Capital expenditures are expected to total approximately $23 million for the full year of 1998. The Partnership revises capital spending periodically in response to changes in cash flows and operations. Interest income earned on all investments is included in cash from operations.

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

The Senior Notes do not have sinking fund requirements. Interest on the Senior Notes is payable semiannually in arrears on January 15 and July 15 of each year, commencing July 15, 1998. The Senior Notes are unsecured obligations of the Operating Partnership and will rank on a parity with all other unsecured and unsubordinated indebtedness of the Operating Partnership. The indenture governing the Senior Notes contains covenants, including, but not limited to, covenants limiting (i) the creation of liens securing indebtedness and (ii) sale and leaseback transactions. However, the indenture does not limit the Partnership's ability to incur additional indebtedness.

In connection with the purchase of the fractionation assets from DEFS as of March 31, 1998, TEPPCO Colorado received a $38 million bank loan from SunTrust Bank. Proceeds from the loan were received on April 21, 1998. The loan bears interest at a rate of 6.53%, which is payable quarterly beginning in July 1998. The principal balance of the loan is payable in full on April 21, 2001. The Operating Partnership is guarantor on the loan. The loan agreement contains a restrictive covenant which was amended effective June 29, 1998 to increase the leverage ratio.

On July 21, 1998, the Partnership announced a two-for-one split of the Parent Partnership's outstanding Units. The Unit split will entitle Unitholders of record at the close of business on August 10, 1998 to receive one additional Unit for each Unit held. Certificates for the additional Units will be issued and mailed on or about August 21, 1998.

The Partnership paid cash distributions of $27.4 million during the six months ended June 30, 1998. Additionally, on July 21, 1998, the Partnership declared a cash distribution of $0.45 per Unit (adjusted for the two-for-one split) for the three months ended June 30, 1998, increasing the annualized distribution to $1.80 per Unit from $1.70 per Unit (adjusted for the two-for-one split). The second quarter cash distribution was paid on August 7, 1998 to Unitholders of record on July 31, 1998.

OTHER MATTERS

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

The Partnership and the Indiana Department of Environmental Management ("IDEM") have entered into an Agreed Order that will ultimately result in a remediation program for any on-site and off-site groundwater contamination attributable to the Partnership's operations at the Seymour, Indiana, terminal. The Partnership is currently negotiating with IDEM the clean-up levels to be attained at the Seymour terminal. The Partnership estimates that the costs of the remediation program to be proposed by the Partnership for the Seymour terminal will not exceed the amount accrued therefore (approximately $1.5 million at June 30, 1998). In the opinion of the Company, the completion of the remediation program to be proposed by the Partnership, if such program is approved by IDEM, will not have a material adverse impact on the Partnership's financial condition, results of operations or liquidity.

In 1997, the Company initiated a program to prepare the Partnership's process controls and business computer systems for the "Year 2000 issue." Process controls are the automated equipment including hardware and software systems which run operational activities. Business computer systems are the computer hardware and software used by the Partnership. The Partnership expects to incur internal staff costs as well as consulting and other expenses related to testing and conversion of these assets. The Company continues to evaluate appropriate courses of corrective action, including replacement of certain systems whose associated costs would be recorded as assets and amortized. The Company estimates that the amounts required to address the Year 2000 issue during 1998 and 1999 will range between approximately $4.0 million and $6.0 million. Testing and conversion is expected to be completed by mid-year 1999. The Partnership has initiated formal communications with all of its significant suppliers and large customers to determine the extent to which the Partnership is vulnerable to those third parties' failure to remediate their own Year 2000 issues. However, there can be no assurance that the systems of other companies, on which the Partnership's systems rely, will be timely converted, or converted in a manner that is compatible with the Partnership's systems, or that any such failures by such other companies would not have a material adverse effect on the Partnership.

The matters discussed herein include "forward-looking statements" within the meaning of various provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this document that address activities, events or developments that the Partnership expects or anticipates will or may occur in the future, including such things as estimated future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strengths, goals, expansion and growth of the Partnership's business and operations, plans, references to future success, references to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Partnership in light of its experience and its perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate under the circumstances. However, whether actual results and developments will conform with the Partnership's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by the Partnership, competitive actions by other pipeline companies, changes in laws or regulations, and other factors, many of which are beyond the control of the Partnership. Consequently, all of the forward-looking statements made in this document are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Partnership will be realized or, even if substantially

OTHER MATTERS - (CONTINUED)

realized, that they will have the expected consequences to or effect on the Partnership or its business or operations. For additional discussion of such risks and uncertainties, see TEPPCO Partners, L.P.'s 1997 Annual Report on Form 10-K.

PART II. OTHER INFORMATION

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

(a) Exhibits:

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

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

10.7 Employees' Savings Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.10 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).

10.8 Retirement Income Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.11 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).

10.9 Panhandle Eastern Corporation Key Executive Retirement Benefit Equalization Plan, adopted December 20, 1993; effective January 1, 1994 (Filed as Exhibit 10.12 to Form 10-K of Panhandle Eastern Corporation (Commission File No. 1-8157) for the year ended December 31, 1993 and incorporated herein by reference).

10.10 Employment Agreement with William L. Thacker, Jr. (Filed as Exhibit 10 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended September 30, 1992 and incorporated herein by reference).

10.11 Texas Eastern Products Pipeline Company 1994 Long Term Incentive Plan executed on March 8, 1994 (Filed as Exhibit 10.1 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).

10.12 Panhandle Eastern Corporation Key Executive Deferred Compensation Plan established effective January 1, 1994 (Filed as Exhibit 10.2 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).

10.13 Asset Purchase Agreement between Duke Energy Field Services, Inc. and TEPPCO Colorado, LLC, dated March 31, 1998 (Filed as Exhibit 10.14 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).

10.14 Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, dated April 21, 1998 (Filed as Exhibit 10.15 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).

10.15* First Amendment to Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, effective June 29, 1998.

22.1 Subsidiaries of the Partnership (Filed as Exhibit 22.1 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).

27* Financial Data Schedules as of and for the six months ended June 30, 1998.

----

* Filed herewith.

(b) Reports on Form 8-K: None

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

SIGNATURE

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

TEPPCO Partners, L.P.
(Registrant)

By: Texas Eastern Products Pipeline Company,
General Partner

/s/ CHARLES H. LEONARD

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

TE Products Pipeline Company, Limited Partnership
(Registrant)

By: Texas Eastern Products Pipeline Company,
General Partner

/s/ CHARLES H. LEONARD

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

Date: August 7, 1998

EXHIBIT INDEX

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

10.7 Employees' Savings Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.10 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).

10.8 Retirement Income Plan of Panhandle Eastern Corporation and Participating Affiliates (Effective January 1, 1991) (Filed as Exhibit 10.11 to Form 10-K of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the year ended December 31, 1990 and incorporated herein by reference).

10.9 Panhandle Eastern Corporation Key Executive Retirement Benefit Equalization Plan, adopted December 20, 1993; effective January 1, 1994 (Filed as Exhibit 10.12 to Form 10-K of Panhandle Eastern Corporation (Commission File No. 1-8157) for the year ended December 31, 1993 and incorporated herein by reference).

10.10 Employment Agreement with William L. Thacker, Jr. (Filed as Exhibit 10 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended September 30, 1992 and incorporated herein by reference).

10.11 Texas Eastern Products Pipeline Company 1994 Long Term Incentive Plan executed on March 8, 1994 (Filed as Exhibit 10.1 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).

10.12 Panhandle Eastern Corporation Key Executive Deferred Compensation Plan established effective January 1, 1994 (Filed as Exhibit 10.2 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1994 and incorporated herein by reference).

10.13 Asset Purchase Agreement between Duke Energy Field Services, Inc. and TEPPCO Colorado, LLC, dated March 31, 1998 (Filed as Exhibit 10.14 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).

10.14 Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, dated April 21, 1998 (Filed as Exhibit 10.15 to Form 10-Q of TEPPCO Partners, L.P. (Commission File No. 1-10403) for the quarter ended March 31, 1998 and incorporated herein by reference).

10.15* First Amendment to Credit Agreement between TEPPCO Colorado, LLC, SunTrust Bank, Atlanta, and Certain Lenders, effective June 29, 1998.

22.1 Subsidiaries of the Partnership (Filed as Exhibit 22.1 to the Registration Statement of TEPPCO Partners, L.P. (Commission File No. 33-32203) and incorporated herein by reference).

27* Financial Data Schedules as of and for the six months ended June 30, 1998.

----

* Filed herewith.

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS DOCUMENT is entered into as of July 28, 1998, but is effective as of June 29, 1998, between TEPPCO COLORADO, LLC, a Delaware limited liability company ("Borrower"), the Lenders named below, and SUNTRUST BANK, ATLANTA, as Agent for Lenders ("Agent").

Borrower, Lenders, and Agent are party to the Credit Agreement (as it may have been renewed, extended, and amended through the date of this document, the "Credit Agreement") dated as of April 21, 1998, providing for a $38,000,000 term loan to Borrower. Borrower, Lenders, and Agent have agreed, upon the following terms and conditions, to amend the Credit Agreement as provided in Paragraph 2 below. Accordingly, for adequate and sufficient consideration, Borrower, Lenders, and Agent agree as follows:

1. TERMS AND REFERENCES. Unless otherwise stated in this document (A) terms defined in the Credit Agreement have the same meanings when used in this document and (B) references to "Sections," "Schedules," and "Exhibits" are to the Credit Agreement's sections, schedules, and exhibits.

2. AMENDMENTS. The Credit Agreement is amended as follows:

(A) The words "90 days" in Section 6.1(f) are amended to read "150 days".

(B) The table in Section 8.1 and Table 2 in Exhibit C are entirely amended as follows:

Quarter(s) Ending	Ratio
06/30/98 through 03/31/99	0.70 to 1.00
06/30/99 through 12/31/99	0.67 to 1.00
03/31/00 and thereafter	0.65 to 1.00

3. CONDITIONS PRECEDENT. Notwithstanding any contrary provision, the foregoing paragraph in this document is not effective unless and until (A) the representations and warranties in this document are true and correct and (B) Agent receives counterparts of this document executed by each party named on the signature page of this document.

4. REPRESENTATIONS. To induce Lenders and Agent to enter into this document, Borrower represents and warrants to Lenders and Agent that as of the date of this document (A) Borrower has all requisite authority and power to execute, deliver, perform its obligations under this document, which execution, delivery, and performance have been duly authorized by all necessary corporate action, require no action by or filing with any Governmental Authority, do not violate any of its Constituent Documents or (except where not a Material-Adverse Event) violate any Legal Requirements applicable to it or any material agreement to which it or its assets are bound, (B) upon execution and delivery by all parties to it, this document will constitute Borrower's legal and binding obligation, enforceable against it in accordance with this document's terms except as that enforceability may be limited by Debtor Laws and general principles of equity, (C) all other representations and warranties in the Credit Documents are true and correct in all material respects except to the extent that (1) any of them speak to a different specific date or (2) the facts on which any of them were based have been changed by transactions contemplated or permitted by the Credit Agreement, and (E) no Material-Adverse Event, Event of Default or Potential Default exists.

5. EXPENSES. Borrower shall pay all costs, fees, and expenses paid or incurred by Agent incident to this document, including, without limitation, the reasonable fees and expenses of Agent's special counsel in

connection with the negotiation, preparation, delivery, and execution of this document and any related documents.

6. MISCELLANEOUS. All references in the Credit Documents to the "Credit Agreement" refer to the Credit Agreement as amended by this document. This document is a "Credit Document" referred to in the Credit Agreement; therefore, the provisions relating to Credit Documents in Sections 1 and 12 are incorporated in this document by reference. Except as specifically amended and modified in this document, the Credit Agreement is unchanged and continues in full force and effect. This document may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts must be construed together to constitute one and the same instrument. This document binds and inures to each of the undersigned and their respective successors and permitted assigns, subject to Section 12.10. This document and the other Credit Documents represent the final agreement between the parties in respect of the matters covered by the Credit Documents and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements by the parties. There are no unwritten oral agreements between the parties.

REMAINDER OF PAGE INTENTIONALLY BLANK.
SIGNATURE PAGE FOLLOWS.

EXECUTED as of the date first stated in this First Amendment to Credit Agreement.

TEPPCO COLORADO, LLC, as Borrower

By: TE Products Pipeline Company, Limited Partnership, as Sole Member

By: Texas Eastern Products Pipeline Company, as General Partner

By /s/ CHARLES H. LEONARD

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

SUNTRUST BANK, ATLANTA, as Agent and a Lender

By /s/ JOHN A. FIELDS

John A. Fields, Jr., Vice President

By /s/ STEVEN J. NEWBY

Name: Steven J. Newby

Title: Corporate Banking Officer

BANK ONE, TEXAS, N.A., as a Lender

By /s/ GARY STONE

Gary Stone, Senior Vice President

CONSENT AND AGREEMENT

To induce Lender to enter into this document, the undersigned (a) consents and agrees to this document's execution and delivery, (b) ratifies and confirms that the guaranty granted to Agent and Lenders under the Credit Documents (as it may have been renewed, extended, and amended) is not released, diminished, impaired, reduced, or otherwise adversely affected by this document and continues to guarantee, the full payment and performance of all present and future Obligation, and (c) waives notice of acceptance of this consent and agreement, which consent and agreement binds the undersigned and its successors and permitted assigns and inures to Agent and Lenders and their respective successors and permitted assigns.

TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP, as Guarantor

By: TEXAS EASTERN PRODUCTS PIPELINE COMPANY, as General Partner

By /s/ CHARLES H. LEONARD

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

5
0000857644
TEPPCO PARTNERS, L.P.
1,000

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
39,755
840
13,833
0
22,146
79,763
748,238
181,536
698,846
36,001
389,707
0
0
0
228,629
698,846
0
101,765
0
63,322
0
0
14,677
25,963
0
25,701
0
(72,767)
0
(47,066)
$0.80
$0.80

Reflects a two-for-one Unit split announced on July 21, 1998. Prior Financial
Date Schedules have not been restated to reflect the split.

5
0001045548
TE PRODUCTS PIPELINE COMPANY, LIMITED PARTNERSHIP
1,000

6-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
39,755
840
13,833
0
22,146
79,763
748,238
181,536
698,846
36,001
389,707
0
0
0
228,629
698,846
0
101,765
0
63,322
0
0
14,677
25,963
0
25,701
0
(72,767)
0
(47,066)
$0.80
$0.80

Reflects a two-to-one Unit split announced on July 21, 1998. Prior Financial Data Schedules have not been restated to reflect the split.