

ENTERPRISE PRODUCTS PARTNERS L P

Form S-4

August 07, 2009

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As filed with the Securities and Exchange Commission on August 7, 2009  
Registration No. 333-

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

**Form S-4**

**REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Enterprise Products Partners L.P.**  
*(Exact name of registrant as specified in its charter)*

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

**1321**  
*(Primary Standard Industrial  
Classification Code Number)*

**76-0568219**  
*(I.R.S. Employer  
Identification Number)*

**1100 Louisiana St., Suite 1000**  
**Houston, Texas 77002**  
**(713) 381-6500**  
*(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)*

**Richard H. Bachmann, Esq.**  
**1100 Louisiana St., Suite 1000**  
**Houston, Texas 77002**  
**(713) 381-6500**  
*(Name, address, including zip code, and telephone number, including area code, of agent for service)*

*Copies to:*

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Houston, Texas 77002  
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**Approximate date of commencement of proposed sale to the public:** As soon as practicable after this registration statement becomes effective and upon consummation of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

<b>Title of Class of</b>	<b>Amount to be</b>	<b>Proposed</b>	<b>Proposed</b>	<b>Amount of</b>
<b>Securities to be Registered</b>	<b>Registered</b>	<b>Maximum</b>	<b>Maximum</b>	<b>Registration</b>
		<b>Offering</b>	<b>Aggregate</b>	<b>Fee</b>
		<b>Price</b>	<b>Offering Price</b>	
		<b>per</b>		
		<b>Security</b>		
Common Units	126,822,725(1)	N/A	N/A	N/A
Class B Units	4,520,431(2)	N/A	N/A	N/A
Total	N/A	N/A	\$ 3,543,087,555.00(3)	\$ 197,704.29

(1)

Represents the estimated maximum number of common units of the Registrant to be issued in the merger to holders of units of TEPPCO Partners, L.P. ( TEPPCO ), based on the product of 1.24 (the exchange ratio of Enterprise common units to be issued for each TEPPCO unit converted in the merger pursuant to the merger agreement) and 102,276,391 (the number of TEPPCO units outstanding and eligible for exchange into Enterprise common units pursuant to the merger agreement, including (a) 101,037,095 outstanding TEPPCO units exchangeable into Enterprise common units, (b) outstanding options to purchase 574,500 TEPPCO units, (c) outstanding awards for the issuance of 260,400 restricted TEPPCO units, (d) other equity awards in the form of 392,788 unit appreciation rights, (e) other equity-based awards in the form of 5,108 aggregate phantom units payable only in cash and (f) up to 6,500 TEPPCO units potentially issuable under TEPPCO's employee unit purchase plan).

- (2) Represents the number of Class B units of the Registrant to be issued in the merger to a TEPPCO unitholder pursuant to the merger agreement, based on the product of 1.24 (the exchange ratio of Enterprise Class B units to be issued for each TEPPCO unit converted) and 3,645,509 (the number of TEPPCO units to be exchanged into Enterprise Class B units pursuant to the merger agreement).
- (3) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933 and calculated in accordance with Rules 457(c) and (f)(1) under the Securities Act of 1933. The proposed maximum aggregate offering price of the Registrant's units was calculated based upon the market value of the units of TEPPCO in accordance with Rule 457(c) under the Securities Act of 1933 as follows: The product of (1) \$33.45, the average of the high and low prices of TEPPCO's units as reported on the New York Stock Exchange composite tape on August 5, 2009, and (2) 105,921,900, the maximum number of TEPPCO units expected to be exchanged in connection with the merger.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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The information in this preliminary proxy statement/prospectus is not complete and may be changed. Enterprise Products Partners L.P. may not distribute or issue the securities being registered pursuant to this registration statement until the registration statement, as filed with the Securities and Exchange Commission (of which this preliminary proxy statement/prospectus is a part), is effective. This preliminary proxy statement/prospectus is not an offer to sell nor should it be considered a solicitation of an offer to buy the securities described herein in any state where the offer or sale is not permitted.

**PRELIMINARY SUBJECT TO COMPLETION DATED AUGUST 7, 2009**

Dear TEPPCO Unitholders:

On June 28, 2009, the board of directors of Enterprise Products GP, LLC ( Enterprise GP ), which is the general partner of Enterprise Products Partners L.P. ( Enterprise ), and the board of directors of Texas Eastern Products Pipeline Company, LLC ( TEPPCO GP ), which is the general partner of TEPPCO Partners, L.P. ( TEPPCO ), agreed to combine the businesses of Enterprise and TEPPCO by merger (the merger ) pursuant to a merger agreement (the merger agreement ). Immediately prior and as a condition to the merger, TEPPCO GP will merge with a wholly-owned subsidiary of Enterprise. As a result of the merger, the outstanding limited partner interests in TEPPCO will be extinguished, TEPPCO will merge with a wholly-owned subsidiary of Enterprise, and TEPPCO and its operating subsidiaries will become directly or indirectly owned by Enterprise. TEPPCO and Enterprise are affiliated partnerships controlled by Dan L. Duncan.

In the merger, TEPPCO unitholders, except for a privately held affiliate of EPCO, Inc. ( EPCO, a private company controlled by Mr. Duncan), will receive 1.24 common units of Enterprise for each TEPPCO unit. The privately held affiliate of EPCO will exchange its 11,486,711 TEPPCO units for 14,243,521 Enterprise units, based on the 1.24 exchange ratio, which will consist of 9,723,090 Enterprise common units and 4,520,431 Enterprise Class B units. The Class B units will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the merger and will convert automatically into the same number of Enterprise common units on the date immediately following the payment date of the sixteenth quarterly distribution following the closing of the merger.

In order to complete the merger, the merger agreement and the merger must be approved by the affirmative vote of the TEPPCO unitholders holding at least a majority of the outstanding TEPPCO units. In addition, the number of votes actually cast in favor of the proposal by Unaffiliated TEPPCO Unitholders (which consist of TEPPCO unitholders other than Mr. Duncan, EPCO and certain other privately held affiliates of Mr. Duncan ; TEPPCO GP, Enterprise and Enterprise GP; and specified officers and directors of TEPPCO GP, Enterprise GP and the general partner of Enterprise GP Holdings L.P., the 100% owner of TEPPCO GP) must exceed the number of votes actually cast against the proposal by the Unaffiliated TEPPCO Unitholders in order for the proposal to be approved. TEPPCO has scheduled a special meeting of its unitholders to vote on the merger agreement and the merger on , 2009.

**Regardless of the number of units you own or whether you plan to attend the meeting, it is important that your units be represented and voted at the meeting. Voting instructions are set forth inside this proxy statement/prospectus.**

**A special committee (the TEPPCO Special Committee ) of the Audit, Conflicts and Governance Committee (the TEPPCO ACG Committee ) of the board of directors of TEPPCO GP (the TEPPCO board ) has unanimously determined that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommended that the TEPPCO board approve the merger agreement and the merger. Based on the TEPPCO Special Committee s determination and recommendation, the TEPPCO**

**board has unanimously approved the merger agreement and the merger and, together with the TEPPCO Special Committee, recommends that the Unaffiliated TEPPCO Unitholders vote in favor of the merger proposal.**

This proxy statement/prospectus provides you with detailed information about the proposed merger and related matters. TEPPCO encourages you to read the entire document carefully. **In particular, please read Risk Factors beginning on page 29 of this proxy statement/prospectus for a discussion of risks relevant to the merger and Enterprise's business following the merger.**

Enterprise's common units are listed on the NYSE under the symbol EPD, and TEPPCO's units are listed on the NYSE under the symbol TPP.

Donald H. Daigle  
*Chairman of the Special Committee  
of the Audit, Conflicts and Governance  
Committee of the Board of Directors of  
Texas Eastern Products Pipeline Company, LLC*

Murray H. Hutchison  
*Interim Executive Chairman  
Texas Eastern Products Pipeline Company, LLC*

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this proxy statement/prospectus or has determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.**

All information in this document concerning Enterprise has been furnished by Enterprise. All information in this document concerning TEPPCO has been furnished by TEPPCO. Enterprise has represented to TEPPCO, and TEPPCO has represented to Enterprise, that the information furnished by and concerning it is materially true and correct.

This proxy statement/prospectus is dated \_\_\_\_\_, 2009 and is being first mailed to TEPPCO unitholders on or about \_\_\_\_\_, 2009.

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Houston, Texas  
, 2009

**Notice of Special Meeting of Unitholders**

To the Unitholders of TEPPCO Partners, L.P.:

A special meeting of unitholders of TEPPCO Partners, L.P. ( TEPPCO ) will be held on \_\_\_\_\_, 2009 at \_\_\_\_\_ a.m., local time, at the Hyatt Regency Hotel, 1200 Louisiana Street, Houston, Texas 77002, for the following purposes:

To consider and vote upon the approval of the Agreement and Plan of Merger dated as of June 28, 2009, by and among Enterprise Products Partners L.P. ( Enterprise ), Enterprise Products GP, LLC ( Enterprise GP ), Enterprise Sub B LLC, TEPPCO and Texas Eastern Products Pipeline Company, LLC ( TEPPCO GP ), as it may be amended from time to time (the merger agreement ) and the merger contemplated by the merger agreement (the merger ); and

To transact other business as may properly be presented at the meeting or any adjournments of the meeting.

Pursuant to our partnership agreement, the proposal to approve the merger agreement requires the affirmative vote of the TEPPCO unitholders holding at least a majority of TEPPCO s outstanding units. In addition, under the merger agreement, the number of votes actually cast in favor of the proposal by Unaffiliated TEPPCO Unitholders (which consist of TEPPCO unitholders other than Dan L. Duncan, EPCO, Inc., a private company controlled by Mr. Duncan ( EPCO ), and certain other privately held affiliates of Mr. Duncan s; TEPPCO GP, Enterprise and Enterprise GP; and specified officers and directors of TEPPCO GP, Enterprise GP and the general partner of Enterprise GP Holdings L.P., the 100% owner of TEPPCO GP ( Enterprise GP Holdings )) must exceed the number of votes actually cast against the proposal by the Unaffiliated TEPPCO Unitholders. Failures to vote, abstentions and broker non-votes will have the same effect as a vote against the proposal for purposes of the majority vote required under the partnership agreement. Failures to vote, abstentions and broker non-votes will not be counted for purposes of the vote required under the merger agreement by Unaffiliated TEPPCO Unitholders.

**A special committee (the TEPPCO Special Committee ) of the Audit, Conflicts and Governance Committee (the TEPPCO ACG Committee ) of the board of directors of TEPPCO GP (the TEPPCO board ) has unanimously determined that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommended that the TEPPCO board approve the merger agreement and the merger. Based on the TEPPCO Special Committee s determination and recommendation, the TEPPCO board has unanimously approved the merger agreement and the merger and, together with the TEPPCO Special Committee, recommends that the Unaffiliated TEPPCO Unitholders vote in favor of the merger proposal.**

Only unitholders of record at the close of business on \_\_\_\_\_, 2009 are entitled to notice of and to vote at the meeting and any adjournments or postponements of the meeting. TEPPCO will keep at its offices in Houston, Texas a list of unitholders entitled to vote at the meeting available for inspection for any purpose relevant to the meeting during normal business hours for a period of 10 days before the meeting.

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE IN ONE OF THE FOLLOWING WAYS:**

use the toll-free telephone number shown on the proxy card;

use the internet website shown on the proxy card; or

mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope. It requires no postage if mailed in the United States.

By order of the Board of Directors of Texas Eastern Products Pipeline Company, LLC, as the general partner of TEPPCO Partners, L.P.

Patricia A. Totten  
*Vice President, General Counsel and Secretary*  
*Texas Eastern Products Pipeline Company, LLC*

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**IMPORTANT NOTE ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission, which is referred to as the SEC or the Commission, constitutes a proxy statement of TEPPCO under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, with respect to the solicitation of proxies for the special meeting of TEPPCO's unitholders to, among other things, approve the merger agreement and the merger. This proxy statement/prospectus is also a prospectus of Enterprise under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, for the Enterprise common units and Class B units that Enterprise will issue to TEPPCO's unitholders in the merger pursuant to the merger agreement.

As permitted under the rules of the SEC, this proxy statement/prospectus incorporates by reference important business and financial information about Enterprise and TEPPCO from other documents filed with the SEC that are not included in or delivered with this proxy statement/prospectus. Please read *Where You Can Find More Information* beginning on page 155. You can obtain any of the documents incorporated by reference into this document from Enterprise or TEPPCO, as the case may be, or from the SEC's website at <http://www.sec.gov>. This information is also available to you without charge upon your request in writing or by telephone from Enterprise or TEPPCO at the following addresses and telephone numbers:

Enterprise Products Partners L.P.  
1100 Louisiana St., Suite 1000  
Attention: Investor Relations  
Houston, Texas 77002  
Telephone: (713) 381-6500

TEPPCO Partners, L.P.  
1100 Louisiana St., Suite 1600  
Attention: Investor Relations  
Houston, Texas 77002  
Telephone: (713) 381-3636

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this proxy statement/prospectus.

You may obtain certain of these documents at Enterprise's website, [www.epplp.com](http://www.epplp.com), by selecting *Investor Relations* and then selecting *SEC Filings*, and at TEPPCO's website, [www.teppco.com](http://www.teppco.com), by selecting *Investors* and then selecting *SEC Filings*. Information contained on Enterprise's and TEPPCO's websites is expressly not incorporated by reference into this proxy statement/prospectus.

**In order to receive timely delivery of the documents in advance of the TEPPCO special meeting of unitholders, your request should be received no later than \_\_\_\_\_, 2009. If you request any documents, Enterprise or TEPPCO will mail them to you by first class mail, or another equally prompt means, within one business day after receipt of your request.**

Enterprise and TEPPCO have not authorized anyone to give any information or make any representation about the merger, Enterprise and/or TEPPCO that is different from, or in addition to, that contained in this proxy statement/prospectus or in any of the materials that have been incorporated by reference into this proxy statement/prospectus. Therefore, if anyone distributes this type of information, you should not rely on it. If you are in a jurisdiction where offers to exchange or sell, or solicitations of offers to exchange or purchase, the securities offered by this proxy statement/prospectus or the solicitation of proxies is unlawful, or you are a person to whom it is unlawful to direct these types of activities, then the offer presented in this proxy statement/prospectus does not extend to you. The information contained in this proxy statement/prospectus speaks only as of the date of this proxy statement/prospectus, or in the case of information in a document incorporated by reference, as of the date of such

document, unless the information specifically indicates that another date applies. All information in this document concerning Enterprise has been furnished by Enterprise. All information in this document concerning TEPPCO has been furnished by TEPPCO. Enterprise has represented to TEPPCO, and TEPPCO has represented to Enterprise, that the information furnished by and concerning it is materially true and correct.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

*Important Information and Risks: The following are brief answers to some questions that you may have regarding the proposed merger and the proposals being considered at the special meeting of TEPPCO unitholders. You should read and consider carefully the remainder of this proxy statement/prospectus, including the Risk Factors beginning on page 29 and the attached Annexes, because the information in this section does not provide all of the information that might be important to you. Additional important information and descriptions of risk factors are also contained in the documents incorporated by reference in this proxy statement/prospectus.*

**Q: Why am I receiving these materials?**

A: Enterprise and TEPPCO have agreed to combine their businesses by merging TEPPCO with a wholly-owned subsidiary of Enterprise. The merger cannot be completed without the approval of the unitholders of TEPPCO.

**Q: Who is soliciting my proxy?**

A: TEPPCO GP is sending you this proxy statement/prospectus in connection with its solicitation of proxies for use at TEPPCO's special meeting of unitholders. Certain directors and officers of TEPPCO GP, certain employees of EPCO and its affiliates providing services to TEPPCO, and Georgeson Inc. (a proxy solicitor) may also solicit proxies on TEPPCO's behalf by mail, telephone, fax or other electronic means, or in person.

**Q: What will happen to TEPPCO as a result of the merger?**

A: As a result of the merger, TEPPCO and TEPPCO GP will merge with wholly-owned subsidiaries of Enterprise, and TEPPCO and TEPPCO GP will be wholly-owned by Enterprise.

**Q: What will TEPPCO unitholders receive in the merger?**

A: TEPPCO unitholders, except for a privately held affiliate of EPCO, will be entitled to receive 1.24 Enterprise common units in exchange for each TEPPCO unit that the unitholders own. The privately held affiliate of EPCO will exchange its 11,486,711 TEPPCO units for 14,243,521 Enterprise units, based on the 1.24 exchange ratio, which will consist of 9,723,090 Enterprise common units and 4,520,431 Enterprise Class B units (the Class B units). The Class B units will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the merger. The Class B units will convert automatically into the same number of Enterprise common units on the date immediately following the payment date of the sixteenth quarterly distribution following the closing of the merger.

If the exchange ratio would result in a TEPPCO unitholder being entitled to receive a fraction of an Enterprise common unit, that unitholder will receive in lieu of such fractional interest cash from Enterprise in an amount equal to the amount of such fractional interest multiplied by the average of the daily high and low sale price of Enterprise common units for the ten consecutive NYSE trading days ending the day before the merger closes. For additional information regarding exchange procedures, please read *The Merger Agreement Exchange of Units; Fractional Units*.

**Q: Where will my units trade after the merger?**

A:

Enterprise common units will continue to trade on the New York Stock Exchange under the symbol EPD. TEPPCO units will no longer be publicly traded.

**Q: What will Enterprise common unitholders receive in the merger?**

A: Enterprise common unitholders will simply retain the Enterprise common units they currently own. They will not receive any additional Enterprise units in the merger.

**Q: What happens to my future distributions?**

A: Once the merger is completed and TEPPCO units are exchanged for Enterprise common units, when distributions are approved and declared by Enterprise GP and paid by Enterprise, former TEPPCO

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unitholders will receive distributions on their Enterprise common units in accordance with Enterprise's partnership agreement. The TEPPCO unitholder receiving Class B units will not receive regular quarterly distributions on those units for the first sixteen quarters following the closing of the merger. Current Enterprise common unitholders will continue to receive distributions on their common units in accordance with Enterprise's partnership agreement. Distributions are made in accordance with Enterprise's partnership agreement and at the discretion of the board of directors of Enterprise GP. For a description of the distribution provisions of Enterprise's partnership agreement, please read "Comparison of the Rights of Enterprise and TEPPCO Unitholders."

Subject to market conditions, Enterprise currently expects to be able to continue its practice of increasing its distributions each quarter through 2011 by the higher of \$0.0075 (\$0.03 annualized) per common unit or 1.25% (5% annualized).

**Q: What consideration did the TEPPCO Special Committee give to the difference in distribution rates on Enterprise and TEPPCO units in recommending approval of the merger proposal?**

A: The current annualized distribution rate per TEPPCO unit is \$2.90 (based on the quarterly distribution rate of \$0.7250 per unit declared with respect to the second quarter of 2009). Based on the exchange ratio of 1.24 in the merger, the distribution rate for each TEPPCO unit exchanged for 1.24 Enterprise common units would be \$2.70 (based on an annualized distribution rate of \$2.18 per Enterprise common unit, or the quarterly distribution rate of \$0.545 per unit declared with respect to the second quarter of 2009). Accordingly, based on current distribution rates and the 1.24 exchange ratio, a TEPPCO unitholder would initially receive approximately \$0.20 per current TEPPCO unit less in distributions on an annualized basis after giving effect to the merger.

The TEPPCO Special Committee considered this reduction in annualized distributions when negotiating the terms of the merger. Among other factors, the TEPPCO Special Committee considered: (i) the historical distribution growth rates of 46.3% and 9.4% over the past 20 quarters for Enterprise and TEPPCO, respectively (with Enterprise increasing distributions in each of the past 20 quarters, and TEPPCO increasing distributions in only five of the past 20 quarters); (ii) the higher coverage of distributable cash flow to the distributions paid historically to limited partners for Enterprise compared to TEPPCO; (iii) the total projected growth of distributable cash flow from 2009 to 2011 of 34% and 12% for Enterprise and TEPPCO, respectively; and (iv) the projected compound annual growth of the distribution rate from 2009 to 2011 of 5% and 0% for Enterprise and TEPPCO, respectively.

The TEPPCO Special Committee believes the exchange ratio of 1.24 provides TEPPCO unitholders with consideration that makes up for the initial reduction in distributions and the ability to continue to participate in the combined partnership fully through an equity-for-equity exchange. Based on the 1.24 exchange ratio as compared to the historical average trading price exchange ratios of TEPPCO and Enterprise units on June 26, 2009, the business day prior to the announcement of the merger, and one year prior to such date, the 1.24 exchange ratio reflects a premium of 9.3% and 15.3%, respectively. This premium per TEPPCO unit is several times greater than the \$0.20 per unit difference in annualized distribution rate, more than offsetting such difference. The TEPPCO Special Committee also considered that the initial annualized distribution rate shortfall of \$0.20 per TEPPCO unit would decrease over the near term as a result of the higher projected distribution growth rate for Enterprise versus TEPPCO, which higher distribution growth rate would bring Enterprise distributions to parity with TEPPCO distributions on an as-converted basis by the third quarter of 2010.

**Q: Should TEPPCO unitholders send in their certificates representing TEPPCO units now?**

A: No. After the merger is completed, TEPPCO unitholders who hold their units in certificated form will receive written instructions for exchanging their certificates representing TEPPCO units. Please do not send in your



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certificates representing TEPPCO units with your proxy card. If you own TEPPCO units in

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street name, the merger consideration should be credited to your account within a few days following the closing date of the merger.

**Q: What constitutes a quorum?**

A: A majority of TEPPCO's outstanding units on the record date present in person or by proxy at the special meeting will constitute a quorum and will permit TEPPCO to conduct the proposed business at the special meeting. Your units will be counted as present at the special meeting if you:

are present and vote in person at the meeting; or

have submitted a properly executed proxy card.

Proxies received but marked as abstentions will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum. If an executed proxy is returned by a broker or other nominee holding units in street name indicating that the broker does not have discretionary authority as to certain units to vote on the proposals (a broker non-vote), such units will be considered present at the meeting for purposes of determining the presence of a quorum but will not be considered entitled to vote.

**Q: What is the vote required of TEPPCO unitholders to approve the merger agreement and the merger?**

A: Under TEPPCO's partnership agreement, the affirmative vote of the holders of at least a majority of TEPPCO's outstanding units is required to approve the merger proposal. Accordingly, failures to vote, abstentions and broker non-votes will have the same effect as a vote against the merger proposal for purposes of the majority vote required under the partnership agreement.

Dan L. Duncan, certain of his privately held affiliates and Enterprise GP Holdings have agreed with Enterprise pursuant to a support agreement to vote an aggregate of 17,073,315 TEPPCO units, representing approximately 16.3% of TEPPCO's outstanding units, in favor of the merger proposal. As of the record date ( , 2009), directors and executive officers of TEPPCO GP and their affiliates had the right to vote TEPPCO units, or approximately % of TEPPCO's outstanding units. TEPPCO currently expects that all of the directors and executive officers of TEPPCO GP will vote their units in favor of the merger proposal, although none of them has entered into any agreement obligating them to do so.

In addition, the merger agreement requires that the actual votes cast in favor of the merger proposal by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the proposal by the Unaffiliated TEPPCO Unitholders in order for the proposal to be approved. Accordingly, failures to vote, abstentions and broker non-votes will not be counted for purposes of this vote required under the merger agreement.

**Q: What other transactions will occur in connection with the merger?**

A: Immediately prior to and as a condition to the merger, TEPPCO GP will merge with a wholly-owned subsidiary of Enterprise (the GP merger) pursuant to the terms of the Agreement and Plan of Merger dated as of June 28, 2009 by and among Enterprise, Enterprise GP, Enterprise Sub A LLC, TEPPCO and TEPPCO GP (the GP merger agreement). In connection with the GP merger, Enterprise GP Holdings, the owner of TEPPCO GP and Enterprise GP, will receive 1,331,681 Enterprise common units and an increase in the capital account of Enterprise GP in Enterprise sufficient to maintain Enterprise GP's 2% general partner interest therein.

**Q: When do you expect the merger to be completed?**

A: A number of conditions must be satisfied before Enterprise and TEPPCO can complete the merger, including approval of the merger agreement and the merger by the unitholders of TEPPCO. Although Enterprise and TEPPCO cannot be sure when all of the conditions to the merger will be satisfied, Enterprise and TEPPCO expect to complete the merger as soon as practicable following the TEPPCO

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unitholder meeting (assuming the merger proposal is approved by the unitholders). Please read [The Merger Agreement](#) [Conditions to the Merger](#).

**Q: What is the recommendation of the TEPPCO Special Committee and the TEPPCO board?**

A: The TEPPCO Special Committee and the TEPPCO board recommend that you vote **FOR** the merger proposal.

In light of conflicts of interest between Enterprise, TEPPCO GP and its controlling affiliates, including Enterprise GP Holdings and Mr. Duncan, on the one hand, and the interests of TEPPCO and the Unaffiliated TEPPCO Unitholders, on the other hand, the TEPPCO board requested in April 2009 that the TEPPCO ACG Committee, consisting exclusively of directors who meet the independence requirements of the New York Stock Exchange, review, negotiate and evaluate the merger and related matters for the purpose of obtaining the TEPPCO ACG Committee's Special Approval under TEPPCO's partnership agreement. Under the partnership agreement, any conflict of interest and any resolution thereof is deemed conclusively fair and reasonable to TEPPCO if approved by a majority of the members of the TEPPCO ACG Committee. However, two of the members of the TEPPCO ACG Committee had been named as defendants in a legal action brought derivatively on behalf of TEPPCO (please read [The Merger Pending Litigation Brinckerhoff Litigation Matters](#) for more information), presenting a potential conflict of interest for those directors with respect to the transaction the committee had been requested to review. In light of that potential conflict, the TEPPCO ACG Committee formed the TEPPCO Special Committee, consisting exclusively of members of the TEPPCO ACG Committee who are disinterested with respect to the merger (including because they were not named in the derivative legal action), to review, negotiate and evaluate the merger and related matters on behalf of the Unaffiliated TEPPCO Unitholders and TEPPCO.

On June 28, 2009, the TEPPCO Special Committee unanimously determined that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommended that the merger agreement and the merger be approved by the TEPPCO ACG Committee, the TEPPCO board and the Unaffiliated TEPPCO Unitholders.

The TEPPCO ACG Committee unanimously adopted the TEPPCO Special Committee's determination that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and approved the merger agreement and the merger, such approval constituting Special Approval under TEPPCO's partnership agreement. The TEPPCO ACG Committee also recommended that the TEPPCO board approve the merger agreement and the merger.

Based on the TEPPCO Special Committee's determination and recommendation, as well as the TEPPCO ACG Committee's determination, Special Approval and recommendation, the TEPPCO board unanimously approved the merger agreement and the merger and recommended that the Unaffiliated TEPPCO Unitholders vote in favor of the merger proposal.

**Q: What are the expected tax consequences to TEPPCO unitholders of the merger?**

A: It is expected that the TEPPCO unitholders who receive Enterprise common units in exchange for their TEPPCO units will not recognize any gain or loss for U.S. federal income tax purposes as a result of the merger, except with respect to cash received in lieu of fractional Enterprise common units. It is possible (as discussed below) that a TEPPCO unitholder will recognize taxable income or gain if (i) there is a net decrease in such unitholder's share of nonrecourse liabilities as a result of the merger, (ii) the assumption of any portion of TEPPCO's liabilities by Enterprise is deemed to be the proceeds of a disguised sale of a portion of TEPPCO's assets to Enterprise or (iii) any portion of the Enterprise common units received is deemed to be a taxable transfer of a disproportionate amount of consideration in the merger to the TEPPCO unitholders. For additional information, please read

Material Federal Income Tax Consequences.

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**Q: Under what circumstances could the merger result in a TEPPCO unitholder recognizing taxable income or gain?**

A: Under Section 752 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, each TEPPCO unitholder's tax basis in his units includes the unitholder's pro rata share of the nonrecourse liabilities of TEPPCO. For these purposes, nonrecourse liabilities are liabilities of the partnership for which no partner has liability. All of the liabilities of TEPPCO (and, after the merger, of Enterprise) will be considered nonrecourse liabilities. As a result of the merger, each TEPPCO unitholder's share of nonrecourse liabilities will be recalculated. Each TEPPCO unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of such unitholder's share of nonrecourse liabilities of TEPPCO immediately before the merger over such unitholder's share of nonrecourse liabilities of Enterprise immediately following the merger. If the amount of the deemed cash distribution received by a TEPPCO unitholder exceeds the unitholder's basis in his common units, such unitholder will recognize gain in an amount equal to such excess. Enterprise and TEPPCO do not expect any TEPPCO unitholders to recognize gain in this manner. For additional information, please read Material Federal Income Tax Consequences.

Enterprise will be deemed for federal income tax purposes to have assumed the liabilities of TEPPCO and its subsidiaries in the merger. A TEPPCO unitholder would recognize gain or loss to the extent any portion of the liabilities of TEPPCO or its subsidiaries assumed by Enterprise was deemed to be the proceeds of a disguised sale of assets to Enterprise. Enterprise and TEPPCO believe that all of the liabilities of TEPPCO and its subsidiaries will qualify for one or more exceptions to the disguised sale rules and that no gain or loss will be recognized by TEPPCO or its unitholders under the disguised sale rules.

There is a risk that a small portion of the Enterprise common units received by each unitholder will be deemed for federal income tax purposes to have been received as a taxable transfer. Neither Enterprise nor TEPPCO believes that any such transfer would be material to a TEPPCO unitholder on a per unit basis.

For additional information, please read Material Federal Income Tax Consequences.

**Q: How is the merger expected to affect the taxes for which a unitholder is liable?**

A: Currently, TEPPCO issues an annual report to each TEPPCO unitholder stating the distributive share of TEPPCO's income, gain, loss and deduction that TEPPCO has determined the unitholder must report on his federal income tax return. TEPPCO unitholders may also be liable for state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which TEPPCO does business or owns property or in which the unitholder is resident.

After the merger, in which former TEPPCO unitholders will become Enterprise unitholders, Enterprise will issue an annual report to each Enterprise unitholder stating the distributive share of Enterprise's income, gain, loss and deduction that Enterprise determines the unitholder must report on his federal income tax return. Enterprise unitholders may also be liable for state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which Enterprise does business or owns property or in which the unitholder is resident.

The merger may also require a TEPPCO unitholder who does not use a calendar tax year to include more than twelve months of TEPPCO income in the federal income tax return of the unitholder for the tax year of the unitholder in which the merger occurs.

For additional information, please read Material Federal Income Tax Consequences.

**Q: Are TEPPCO unitholders entitled to appraisal rights?**

A: No. TEPPCO unitholders do not have appraisal rights under applicable law or contractual appraisal rights under the TEPPCO partnership agreement or the merger agreement.

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**Q: How do I vote my units?**

A: After you have read this proxy statement/prospectus carefully, please respond by completing, signing and dating your proxy card and returning it in the enclosed postage-paid envelope as soon as possible or submit your proxy by telephone or the Internet in accordance with the instructions provided under The Special Unitholder Meeting Voting Procedures Voting by TEPPCO Unitholders, beginning on page 44.

**Q: What if I do not vote?**

A: If you do not return your proxy or if you abstain from voting, or a broker non-vote is made, it will have the same effect as a vote against the merger agreement for purposes of the vote required under the TEPPCO partnership agreement, but these actions or nonactions will not be counted for the additional approval by Unaffiliated TEPPCO Unitholders required under the merger agreement. If you sign and return your proxy card but do not indicate how you want to vote, your proxy will be counted as a vote in favor of the merger agreement.

**Q: If my TEPPCO units are held in street name by my broker or other nominee, will my broker or other nominee vote my units for me?**

A: No. Your broker cannot vote your TEPPCO units held in street name for or against the merger proposal unless you tell the broker or other nominee how you wish to vote. To tell your broker or other nominee how to vote, you should follow the directions that your broker or other nominee provides to you. Please note that you may not vote your TEPPCO units held in street name by returning a proxy card directly to TEPPCO or by voting in person at the special meeting of TEPPCO unitholders unless you provide a legal proxy, which you must obtain from your broker or other nominee. If you do not instruct your broker or other nominee on how to vote your TEPPCO units, your broker or other nominee may not vote your TEPPCO units, which will have the same effect as a vote against the merger for purposes of the vote required under the partnership agreement. You should therefore provide your broker or other nominee with instructions as to how to vote your TEPPCO units.

**Q: Who can attend and vote at the special meeting of TEPPCO unitholders?**

A: All TEPPCO unitholders of record as of the close of business on , 2009, the record date for the special meeting of TEPPCO unitholders, are entitled to receive notice of and vote at the special meeting of TEPPCO unitholders.

**Q: When and where is the special meeting?**

A: The special meeting will be held on , 2009, at a.m., local time, at the Hyatt Regency Houston Hotel, 1200 Louisiana Street, Houston, Texas 77002.

**Q: If I am planning on attending the special meeting in person, should I still vote by proxy?**

A: Yes. Whether or not you plan to attend the special meeting, you should vote by proxy. Your units will not be voted if you do not vote your proxy or if you do not vote in person at the scheduled special meeting of the unitholders of TEPPCO to be held on , 2009. This would have the same effect as a vote against the merger agreement for purposes of the vote required under the partnership agreement.

**Q: Can I change my vote after I have voted by proxy?**



A: Yes. You can change your vote at any time before your proxy is voted at the special meeting by following the procedures set forth in The Special Unitholder Meeting Voting Procedures Revocation.

**Q: What should I do if I receive more than one set of voting materials for the special meeting of TEPPCO unitholders?**

A: You may receive more than one set of voting materials for the special meeting of TEPPCO unitholders and the materials may include multiple proxy cards or voting instruction cards. For example, you will receive a separate voting instruction card for each brokerage account in which you hold units. If you are a

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holder of record registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive according to the instructions on it.

**Q: Whom do I call if I have further questions about voting, the meeting or the merger?**

A: TEPPCO unitholders may call TEPPCO's Investor Relations department at (800) 659-0059. If you would like additional copies, without charge, of this proxy statement/prospectus or if you have questions about the merger, including the procedures for voting your units, you should contact Georgeson Inc., which is assisting TEPPCO in the solicitation of proxies, at:

199 Water Street, 26<sup>th</sup> Floor  
New York, NY 10038-3560  
Banks and Brokers Call (212) 806-6859  
All Others Call Toll Free (888) 264-7035

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**SUMMARY**

*This summary highlights some of the information in this proxy statement/prospectus. It may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the terms of the merger, you should read carefully this document, the documents incorporated by reference and the full text of the merger agreement included as Annex A to this document. Please also read *Where You Can Find More Information*.*

**The Merger Parties Businesses (page 96)**

***TEPPCO Partners, L.P.***

TEPPCO is a publicly traded, diversified energy logistics company with operations that span much of the continental United States. TEPPCO's limited partner units are listed on the New York Stock Exchange, referred to as the NYSE, under the ticker symbol TPP. TEPPCO was formed in March 1990 as a Delaware limited partnership.

TEPPCO owns and operates an extensive network of assets that facilitate the movement, marketing, gathering and storage of various commodities and energy-related products. TEPPCO's pipeline network is comprised of approximately 12,500 miles of pipelines that gather and transport refined petroleum products, crude oil, natural gas, liquefied petroleum gases, referred to as LPGs, and natural gas liquids, referred to as NGLs, including one of the largest common carrier pipelines for refined petroleum products and LPGs in the United States. TEPPCO also owns a marine transportation business that transports petroleum products and provides marine vessel fueling and other ship-assist services. In addition, TEPPCO owns interests in Seaway Crude Pipeline Company, Centennial Pipeline LLC and Jonah Gas Gathering Company, and an undivided ownership interest in the Basin Pipeline.

TEPPCO's principal executive offices are located at 1100 Louisiana, Suite 1600, Houston, Texas 77002, and its phone number is (713) 381-3636.

***Enterprise Products Partners L.P.***

Enterprise is a North American midstream energy company that provides a wide range of services to producers and consumers of natural gas, NGLs, crude oil and certain petrochemicals. Enterprise is an industry leader in the development of pipeline and other midstream infrastructure in the continental United States and Gulf of Mexico. Enterprise's midstream 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. Enterprise operates an integrated midstream asset network within the United States that includes: natural gas gathering, treating, processing, transportation and storage; NGL fractionation (or separation), transportation, storage, and import and export terminaling; crude oil transportation; offshore production platform services; and petrochemical transportation and services. NGL products (ethane, propane, normal butane, isobutane and natural gasoline) are used as raw materials by the petrochemical industry, as feedstocks by refiners in the production of motor gasoline and as fuel by industrial and residential users.

Enterprise is a publicly traded Delaware limited partnership formed in 1998 and Enterprise's common units are listed on the NYSE under the ticker symbol EPD.

Enterprise's principal executive offices are located at 1100 Louisiana, Suite 1000, Houston, Texas 77002, and its telephone number is (713) 381-6500.

**Structure of the Merger and the GP Merger (page 79)**

Pursuant to the merger agreement, at the effective time of the merger, TEPPCO will merge with a wholly-owned subsidiary of Enterprise, and the outstanding units of TEPPCO will be converted into the right to receive Enterprise units and cash in lieu of fractional units, if applicable. Each TEPPCO unitholder, except for a privately held affiliate of EPCO, will receive 1.24 Enterprise common units for each TEPPCO unit that

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the unitholder owns at the effective time of the merger. An affiliate of EPCO will exchange its 11,486,711 TEPPCO units for 14,243,521 Enterprise units, based on the 1.24 exchange ratio, which will consist of 9,723,090 Enterprise common units and 4,520,431 Class B units. The Class B units will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the merger. Otherwise, the Class B units will have the same rights as common units. The Class B units will convert automatically into the same number of Enterprise common units on the date immediately following the payment date of the sixteenth quarterly distribution following the closing of the merger.

If the exchange ratio would result in a TEPPCO unitholder being entitled to receive a fraction of an Enterprise common unit, that unitholder will receive cash from Enterprise in lieu of such fractional interest in an amount equal to such fractional interest multiplied by the average of the daily high and low sale price of Enterprise common units for the ten consecutive full NYSE trading days ending on the day before the merger closes.

Immediately prior and as a condition to the merger, TEPPCO GP will merge with a wholly-owned subsidiary of Enterprise pursuant to the GP merger agreement. In connection with the GP merger, Enterprise GP Holdings, the owner of TEPPCO GP and Enterprise GP, will receive 1,331,681 Enterprise common units and an increase in the capital account of Enterprise GP in Enterprise sufficient to maintain its 2% general partner interest therein. For more information about the GP merger agreement, please read [The Merger Agreement](#) [Conditions to the Merger](#).

Once the merger is completed and TEPPCO units are exchanged for Enterprise units (and cash in lieu of fractional units), when distributions are declared by Enterprise GP and paid by Enterprise, former TEPPCO unitholders will receive distributions on their Enterprise common units in accordance with Enterprise's partnership agreement. For a description of the distribution provisions of Enterprise's partnership agreement, please read [Comparison of the Rights of Enterprise and TEPPCO Unitholders](#).

**Directors and Officers of Enterprise GP (page 107)**

The following individuals are currently and are expected to remain the members of the board of directors of Enterprise GP following the merger:

Dan L. Duncan

Michael A. Creel

W. Randall Fowler

Richard H. Bachmann

A.J. Teague

Dr. Ralph S. Cunningham

E. William Barnett

Rex C. Ross

Charles M. Rampacek

The following individuals are currently and are expected to remain the executive officers of Enterprise GP following the merger:

Michael A. Creel

W. Randall Fowler

Richard H. Bachmann

A.J. Teague

William Ordemann

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Michael J. Knesek

Christopher Skoog

Thomas M. Zulim

G.R. Cardillo

Certain executive officers of TEPPCO may become executive or non-executive officers of Enterprise following the merger. For more information on the directors and officers of Enterprise GP following the merger, please read *Directors and Officers of Enterprise GP* beginning on page 107.

**Market Prices of Enterprise Common Units and TEPPCO Units Prior to Announcing the Proposed Merger**

Enterprise's common units are traded on the NYSE under the symbol EPD. TEPPCO's units are traded on the NYSE under the symbol TPP. The following table shows the closing unit prices of Enterprise common units and TEPPCO units on June 26, 2009 (the last full trading day before Enterprise and TEPPCO announced the proposed merger) and the average closing unit price of Enterprise common units and TEPPCO units during the 20-day trading period prior to and including June 26, 2009.

<b>Date/Period</b>	<b>Enterprise Common Units</b>	<b>TEPPCO Units</b>
June 26, 2009	\$ 25.29	\$ 28.69
20-day Average	\$ 25.54	\$ 29.01

**The Special Unitholder Meeting (page 43)**

*Where and when:* The TEPPCO special unitholder meeting will take place at the Hyatt Regency Houston Hotel, 1200 Louisiana Street, Houston, Texas 77002 on \_\_\_\_\_, 2009 at \_\_\_\_\_ a.m., local time.

*What you are being asked to vote on:* At the TEPPCO meeting, TEPPCO unitholders will vote on the approval of the merger agreement and the merger. TEPPCO unitholders also may be asked to consider other matters as may properly come before the meeting. At this time, TEPPCO knows of no other matters that will be presented for the consideration of its unitholders at the meeting.

*Who may vote:* You may vote at the TEPPCO meeting if you owned TEPPCO units at the close of business on the record date, \_\_\_\_\_, 2009. On that date, there were \_\_\_\_\_ TEPPCO units outstanding. You may cast one vote for each outstanding TEPPCO unit that you owned on the record date.

*What vote is needed:* Under TEPPCO's partnership agreement, the affirmative vote of the holders of at least a majority of TEPPCO's outstanding units is required. In addition, the merger agreement requires that actual votes cast in favor of the proposal by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the proposal by the Unaffiliated TEPPCO Unitholders in order to approve the merger agreement and the merger.

For more information, please read *The Special Unitholder Meeting*.

**Recommendation to TEPPCO Unitholders (page 57)**

The TEPPCO Special Committee, composed of members of the TEPPCO ACG Committee who are disinterested with respect to the merger, have considered the benefits of the merger as well as the associated risks and have unanimously determined that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommended that the merger agreement and the merger be approved by the TEPPCO ACG Committee, the TEPPCO board and the Unaffiliated TEPPCO Unitholders. The TEPPCO ACG Committee unanimously adopted the TEPPCO Special Committee's determination that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and approved the merger agreement and the merger, such approval constituting Special Approval under TEPPCO's partnership agreement. The TEPPCO ACG Committee also



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recommended that the TEPPCO board approve the merger agreement and the merger. Based on the TEPPCO Special Committee's determination and recommendation, as well as the TEPPCO ACG Committee's determination, Special Approval and recommendation, the TEPPCO board has also unanimously approved the merger agreement and the merger and recommends that the Unaffiliated TEPPCO Unitholders vote to approve the merger agreement and the merger.

TEPPCO's unitholders are urged to carefully review the background and reasons for the merger described under "The Merger" and the risks associated with the merger described under "Risk Factors."

### **TEPPCO's Reasons for the Merger (page 57)**

The TEPPCO Special Committee consulted with management and legal and financial advisors and considered many factors in determining that the merger agreement and the merger are fair and reasonable to the Unaffiliated TEPPCO Unitholders. The TEPPCO Special Committee viewed the following factors as being generally positive or favorable in coming to its determination and recommendation:

The merger would provide the TEPPCO unitholders, except for a privately held affiliate of EPCO, with 1.24 Enterprise common units for each TEPPCO unit, which represented a 14.5% increase to the initial proposal made by Enterprise of 1.043 Enterprise common units and \$1.00 in cash for each TEPPCO unit (representing total value per common unit of \$21.89, which was a 4.8% premium to the 10-day average closing price of a TEPPCO unit on March 6, 2009, the business day prior to the date on which Enterprise made its initial proposal); an 18.8% increase to the initial proposal based on the last 10-day average closing prices of TEPPCO units and Enterprise common units on March 6, 2009; and a 9.3% premium to the closing price of TEPPCO units on June 26, 2009, the last trading day before the TEPPCO Special Committee considered recommending the transaction, and a price the TEPPCO Special Committee viewed as fair and reasonable in light of TEPPCO's recent and projected financial performance and recent trading prices of the TEPPCO units.

The TEPPCO Special Committee believed that the merger consideration reflected an appropriate value for the derivative action, captioned *Brinckerhoff v. Texas Eastern Products Pipeline Company, LLC, C.A. No. 2427-VCL* (the "Derivative Action"), an asset that the TEPPCO Special Committee considered valuable.

The financial analysis reviewed and discussed with the TEPPCO Special Committee by representatives of Credit Suisse as well as the oral opinion of Credit Suisse rendered to the TEPPCO Special Committee on June 28, 2009 (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) with respect to the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined in the opinion) of the exchange ratio set forth in the merger agreement.

The TEPPCO Special Committee's belief based on statements of Enterprise management that the 1.24 exchange ratio represented the highest per unit consideration that could be negotiated.

The positive long-term growth prospects and projected distribution growth for Enterprise, based upon Enterprise's historical performance and its projections, as compared to the less positive long-term growth prospects and projected distribution growth of TEPPCO, based upon TEPPCO's historical performance and its projections.

Enterprise's expectation that, subject to market conditions, it will be able to continue its practice of increasing its distribution each quarter through 2011 by the higher of \$0.0075 (\$0.03 annualized) per common unit or 1.25% (5% annualized). Such increases would bring Enterprise distributions to parity with TEPPCO distributions on an as-converted basis by the third quarter of 2010.



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The combined company will form the largest energy master limited partnership with an enterprise value greater than \$26 billion, which, among other things, is expected to provide access to capital at a lower cost than TEPPCO could obtain on a stand-alone basis, allowing for funding of accretive capital projects that would be more difficult and more expensive for TEPPCO to fund as a separate public company.

The merger will provide TEPPCO unitholders with the benefits of the combination while eliminating the potential of conflicts of interests between Enterprise and TEPPCO, both operationally and with respect to asset sales and joint ventures, such as are the subject of the Derivative Action.

The Class B units that will be issued to a privately held affiliate of EPCO will not receive regular quarterly cash distributions for the first sixteen quarters following the closing of the merger, making additional cash available for Enterprise's general partnership purposes, which may include, as deemed appropriate by Enterprise GP, future distributions, capital investment or reduction of debt.

The merger is expected to result in some operating, general and administrative and interest cost savings.

The TEPPCO unitholders will benefit from the application of Enterprise's commercial expertise in certain businesses to TEPPCO's assets.

Generally no gain or loss is expected to be recognized by the TEPPCO unitholders as a result of the merger.

The combined business of TEPPCO and Enterprise following the merger is expected to provide complementary growth opportunities.

The merger will result in significant business and geographic diversification.

The support of the merger by Mr. Brinckerhoff, the plaintiff in the Derivative Action and the consolidated class actions filed under the caption *Texas Eastern Products Pipeline Company, LLC Merger Litigation, C.A. No. 4548-VCL* (the Merger Action), and his counsel.

The TEPPCO Special Committee considered the following factors to be generally negative or unfavorable in making its determination and recommendation:

. Given that Mr. Duncan indirectly controls TEPPCO and Enterprise, it was unrealistic to expect or pursue a better alternative proposal from an unrelated third party.

The merger agreement's limitation on TEPPCO's ability to solicit third party offers.

The possibility that Enterprise's common unit price could diminish prior to closing, reducing or eliminating the premium to TEPPCO's unitholders reflected in the exchange ratio at the time of the signing of the merger agreement.

The merger might not be completed in a timely manner, or at all, which could result in significant costs and disruption to TEPPCO's normal business.

The operating covenants restrict TEPPCO's operational flexibility prior to closing.

**Opinion of the TEPPCO Special Committee's Financial Advisor (page 64)**

On June 28, 2009, Credit Suisse rendered its oral opinion to the TEPPCO Special Committee (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) to the effect that, as of June 28, 2009, the exchange ratio set forth in the merger agreement was fair, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined in the opinion).

Credit Suisse's opinion was directed to the TEPPCO Special Committee and only addressed the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders of the exchange ratio set forth in the merger agreement, and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its

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written opinion, which is included as Annex B to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and they do not constitute, advice or a recommendation to any holder of TEPPCO partnership interests as to how such holder should vote or act with respect to any matter relating to the merger.

### **Relationship of Enterprise and TEPPCO with EPCO and Affiliates (page 98); Interests of Directors and Executive Officers of TEPPCO GP in the Merger (page 71)**

Dan L. Duncan directly owns and controls EPCO and, through another privately held affiliate, indirectly owns and controls EPE Holdings, LLC, the general partner of Enterprise GP Holdings, a publicly traded partnership that owns all of the membership interests in TEPPCO GP and Enterprise GP. Mr. Duncan is the Chairman of the Board of Enterprise GP and EPE Holdings, LLC. Mr. Duncan, together with entities controlled by him, owns approximately 16.3% of TEPPCO's outstanding units, approximately 34.5% of Enterprise's outstanding common units and approximately 77.9% of Enterprise GP Holdings' outstanding units. The officers of TEPPCO, other than its interim executive chairman, are employees of EPCO. A number of EPCO employees that provide services to TEPPCO, including its acting chief financial officer, also provide services to Enterprise or Enterprise GP Holdings. TEPPCO has an extensive and ongoing relationship with Enterprise (including through the Jonah Gas Gathering Company, in which TEPPCO and Enterprise are joint venture partners), EPCO and other entities controlled by Mr. Duncan.

Further, TEPPCO GP's directors and executive officers have interests in the merger that may be different from, or in addition to, your interests as a unitholder of TEPPCO, including:

equity-based awards under benefit plans that will generally be converted into equity awards with respect to Enterprise units, adjusted for the exchange ratio, except for some awards to non-employee directors; and

indemnification for TEPPCO GP's directors and executive officers.

Although positions have not yet been determined, certain executive officers of TEPPCO GP may be executive or non-executive officers of Enterprise following the merger.

### **The Merger Agreement (page 79)**

The merger agreement is attached to this proxy statement/prospectus as Annex A and is incorporated by reference into this document. You are encouraged to read the merger agreement because it is the legal document that governs the merger.

### ***What Needs to be Done to Complete the Merger***

Enterprise and TEPPCO will complete the merger only if the conditions set forth in the merger agreement are satisfied or, in some cases, waived. The obligations of Enterprise and TEPPCO to complete the merger are subject to the following conditions:

the approval of the merger agreement and the merger by the requisite votes of the TEPPCO unitholders;

the absence of any decree, order, injunction or law that prohibits the merger or makes the merger unlawful;

the expiration or early termination of any waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the receipt of all other governmental consents and approvals, except for other consents and approvals the failure of which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on TEPPCO or Enterprise;

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the approval for listing on the NYSE of the Enterprise common units to be issued in the merger, subject to official notice of issuance;

the continued effectiveness of the registration statement of which this proxy statement/prospectus is a part; and

the consummation of the GP merger between Enterprise Sub A LLC and TEPPCO GP.

Enterprise's obligation to complete the merger is further subject to the following conditions:

the representations and warranties of the TEPPCO parties set forth in the merger agreement regarding organization, capitalization, authority, enforceability and qualifying income being true and correct (except for such inaccuracies as are *de minimis* in the aggregate) as of the closing, and all other representations and warranties of the TEPPCO parties set forth in the merger agreement being true and correct, other than such failures to be true and correct that would not, individually or the aggregate, reasonably be expected to result in a material adverse effect on the TEPPCO parties and subsidiaries, taken as a whole, and TEPPCO having performed all of its obligations under the merger agreement in all material respects, except for non-willful failure to comply that would not, individually or in the aggregate, have a material adverse effect on the TEPPCO parties and subsidiaries, taken as a whole; and

Enterprise having received an opinion of Andrews Kurth LLP as to the treatment of the merger for U.S. federal income tax purposes and as to certain other tax matters.

TEPPCO's obligation to complete the merger is further subject to the following conditions:

the representations and warranties of the Enterprise parties set forth in the merger agreement regarding organization, capitalization, authority and enforceability being true and correct (except for such inaccuracies as are *de minimis* in the aggregate) as of the closing, and all other representations and warranties of the Enterprise parties set forth in the merger agreement being true and correct, other than such failures to be true and correct that would not, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the Enterprise parties and subsidiaries, taken as a whole, and Enterprise having performed all of its obligations under the merger agreement in all material respects, except for non-willful failure to comply that would not, individually or in the aggregate, have a material adverse effect on the Enterprise parties and subsidiaries, taken as a whole; and

TEPPCO having received an opinion of Baker Botts L.L.P. as to the treatment of the merger for U.S. federal income tax purposes.

Each of Enterprise and TEPPCO may choose to complete the merger even though any condition to its obligation has not been satisfied if the necessary unitholder approval has been obtained and the law allows it to do so.

***No Solicitation***

The TEPPCO parties have agreed that neither they nor TEPPCO GP's subsidiaries will, directly or indirectly, and that they will use their reasonable best efforts to cause their respective officers, directors, advisors and representatives not to, directly or indirectly, initiate, solicit or encourage any discussions with any other person with respect to a business combination while the merger is pending or to engage in any of those discussions unless the failure to do so would be reasonably likely to constitute a violation of their fiduciary obligations under applicable law.

*Termination of the Merger Agreement*

Enterprise and TEPPCO can agree to terminate the merger agreement at any time without completing the merger, even after unitholder approval of the merger agreement and the merger by TEPPCO unitholders has



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been obtained. In addition, either party may terminate the merger agreement on its own without completing the merger if:

the merger is not completed by December 31, 2009 (which is referred to as the outside date), other than due to a breach of the merger agreement by the terminating party;

any legal prohibition to completing the merger has become final and non-appealable;

the necessary unitholder approval of the merger agreement and the merger is not obtained at the special meeting of TEPPCO unitholders; or

any condition to the closing of the merger cannot be satisfied.

The merger agreement does not provide for the payment of any termination or breakup fees by TEPPCO or Enterprise upon termination.

**Material Federal Income Tax Consequences (page 135)**

Tax matters are very complicated. The tax consequences of the merger to you will depend on your own situation. The tax discussions in this proxy statement/prospectus focus on the U.S. federal income tax consequences generally applicable to individuals who are residents or citizens of the United States that hold their units as capital assets, and these discussions have only limited application to other unitholders who are subject to special tax treatment. You are urged to consult your tax advisor for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger to you.

For U.S. federal income tax purposes, except with respect to cash received in lieu of fractional Enterprise common units, and as described below with respect to (i) a net decrease in a unitholder's share of nonrecourse liabilities, (ii) the possible treatment of Enterprise's assumption of TEPPCO liabilities as the taxable proceeds of a disguised sale and (iii) the possible treatment of a small portion of the Enterprise common units as a taxable transfer, no gain or loss is expected to be recognized by a TEPPCO unitholder as a result of the merger.

As result of the merger, the TEPPCO unitholders' allocable shares of nonrecourse liabilities will be recalculated to take into account the exchange of TEPPCO units for Enterprise units. The recalculation will affect the tax basis of each TEPPCO unitholder in his post-merger Enterprise common units and could, under certain circumstances, result in the recognition of gain by a unitholder. Enterprise and TEPPCO do not expect any TEPPCO unitholders to recognize gain in this manner.

Enterprise will be deemed for federal income tax purposes to have assumed the liabilities of TEPPCO and its subsidiaries in the merger. A TEPPCO unitholder would recognize gain or loss to the extent any portion of the liabilities of TEPPCO or its subsidiaries assumed by Enterprise was deemed to be the proceeds of a disguised sale of assets to Enterprise. Enterprise and TEPPCO believe that all of the liabilities of TEPPCO and its subsidiaries will qualify for one or more exceptions to the disguised sale rules and that no gain or loss will be recognized by TEPPCO or its unitholders under the disguised sale rules.

There is a risk that a small portion of the Enterprise common units received by each TEPPCO unitholder will be deemed for federal income tax purposes to have been received as a disproportionate amount of consideration in the merger that would be treated as a taxable transfer to the TEPPCO unitholders. Neither Enterprise nor TEPPCO believes that any such transfer would be material to a TEPPCO unitholder on a per unit basis.

For U.S. federal income tax purposes, except under certain circumstances with respect to any net decrease in a unitholder's share of nonrecourse liabilities, no income, gain or loss is expected to be recognized by an Enterprise unitholder as a result of the merger.

For additional information, please read Material Federal Income Tax Consequences.

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**Other Information Related to the Merger**

***No Appraisal Rights (page 75)***

TEPPCO unitholders do not have appraisal rights under applicable law or contractual appraisal rights under the partnership agreement or the merger agreement.

***Antitrust and Regulatory Matters (page 75)***

The merger is subject to both state and federal antitrust laws. Enterprise and TEPPCO will make the required filings with the Federal Trade Commission, or FTC, and the Antitrust Division of the Department of Justice, or DOJ, relating to the merger. Enterprise or TEPPCO may receive requests for information concerning the proposed merger and related transactions from the FTC or individual states.

***Listing of Common Units to be Issued in the Merger (page 76)***

Enterprise expects to obtain approval to list on the NYSE the common units to be issued pursuant to the merger agreement, which approval is a condition to the merger.

***Accounting Treatment (page 76)***

The proposed merger transactions will be accounted for as a reorganization of entities under common control in a manner similar to a pooling of interests. The financial and operating policies of Enterprise, TEPPCO, Enterprise GP Holdings and their respective general partners, and EPCO and its privately held subsidiaries, are under common control of Dan L. Duncan.

***Comparison of the Rights of Enterprise and TEPPCO Unitholders (page 111)***

TEPPCO unitholders will own Enterprise common units or Class B units following the completion of the merger, and their rights associated with the Enterprise common units or Class B units will be governed by, in addition to Delaware law, Enterprise's partnership agreement, which differs in a number of respects from TEPPCO's partnership agreement.

***Pending Litigation (page 76)***

***Brinckerhoff Litigation Matters.*** Concurrently with the execution of the merger agreement and the GP merger agreement on June 28, 2009, TEPPCO, Enterprise, Enterprise GP and certain other named defendants entered into a Memorandum of Understanding ( MOU ) with the plaintiffs setting forth an agreement in principle to settle the Merger Action and the Derivative Action. The Merger Action represents the consolidation of separate complaints originally filed on April 29, 2009, by Peter Brinckerhoff and Renee Horowitz, as Attorney in Fact for Rae Kenrow, purported unitholders of TEPPCO, in the Court of Chancery of the State of Delaware (the Court ), as putative class actions on behalf of other unitholders of TEPPCO, concerning the initial proposal made by Enterprise to TEPPCO GP to acquire by merger all of the partnership interests of TEPPCO. The complaints in the Merger Action allege, among other things, that the terms of the merger as initially proposed were grossly unfair to TEPPCO's unitholders and that the process through which the TEPPCO Special Committee was appointed to consider the proposed merger was contrary to the spirit and intent of TEPPCO's partnership agreement and constituted a breach of the implied covenant of fair dealing. The Derivative Action had been filed previously on behalf of TEPPCO by Peter Brinckerhoff against Enterprise, Enterprise GP, EPCO, Dan L. Duncan, TEPPCO GP and certain of TEPPCO GP's current and former

directors in connection with certain alleged breaches of fiduciary duties to TEPPCO and its unitholders, including in connection with transactions related to the Jonah Gas Gathering Company joint venture and the sale by TEPPCO to an Enterprise affiliate of the Pioneer plant, each during 2006.

On August 5, 2009 the parties entered into a Stipulation and Agreement of Compromise, Settlement and Release (the Settlement Agreement ) contemplated by the MOU and providing, among other things, that (i) the TEPPCO board will recommend to TEPPCO unitholders that they approve the adoption of the merger agreement and take all necessary steps to seek unitholder approval for the merger, and (ii) approval of the

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merger agreement and the merger will require, in addition to the vote required under the TEPPCO partnership agreement, that the number of votes actually cast in favor of the proposal by the Unaffiliated TEPPCO Unitholders exceed the number of votes actually cast against the proposal by the Unaffiliated TEPPCO Unitholders. Please read *The Merger Pending Litigation Brinckerhoff Litigation Matters* for a more complete description of the Merger Action, the Derivative Action and the Settlement Agreement.

*Other Litigation.* On June 29, 2009, M. Lee Arnold, a purported TEPPCO unitholder, and on June 30, 2009 Sharon Olesky, another purported TEPPCO unitholder, filed original petitions in the District Court of Harris County, Texas, as class actions on behalf of TEPPCO unitholders. The complaints name as defendants TEPPCO, TEPPCO GP, Enterprise, EPCO, Mr. Duncan and certain officers and directors of TEPPCO GP. These complaints allege, among other things, breaches, or aiding and abetting of other defendants' breaches, of fiduciary duties of loyalty, due care, candor, independence, good faith and fair dealing. The defendants intend to vigorously defend these claims. Please read *The Merger Pending Litigation Other Litigation* for a more complete description of this other litigation.

**Summary of Risk Factors (page 29)**

You should consider carefully all the risk factors together with all of the other information included in this proxy statement/prospectus before deciding how to vote. The risks related to the merger and the related transactions, Enterprise's business, Enterprise's common units and risks resulting from its partnership structure are described under the caption *Risk Factors* beginning on page 29 of this proxy statement/prospectus. Some of these risks include, but are not limited to, those described below:

TEPPCO's partnership agreement limits the fiduciary duties of TEPPCO GP to unitholders and restricts the remedies available to unitholders for actions taken by TEPPCO GP that might otherwise constitute breaches of fiduciary duty.

The directors and executive officers of TEPPCO GP may have interests that differ in certain respects from the Unaffiliated TEPPCO Unitholders.

The exchange ratio is fixed and the market value of the consideration to TEPPCO unitholders will be determined by the price of Enterprise common units, which market value will decrease if the market value of Enterprise's common units decreases.

The transactions contemplated by the merger agreement may not be consummated even if TEPPCO unitholders approve the merger agreement and the merger.

While the merger agreement is in effect, TEPPCO may lose opportunities to enter into different business combination transactions with other parties on more favorable terms, and both Enterprise and TEPPCO may be limited in their ability to pursue other attractive business opportunities.

Financial projections by Enterprise and TEPPCO may not prove accurate.

No ruling has been requested with respect to the tax consequences of the merger.

TEPPCO unitholders may recognize taxable income or gain as a result of the merger.

The intended tax consequences of the merger are dependent upon Enterprise being treated as a partnership for tax purposes.

Enterprise common unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of an investment in Enterprise common units.

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**Organizational Chart**

The following diagrams depict the organizational structure of Enterprise and TEPPCO as of June 30, 2009 before and immediately after giving effect to the merger.

*Before the Merger*

GP = General Partner Interest

LP = Limited Partner Interest

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*After the Merger*

*TEPPCO and Enterprise Limited Partnership Interests (% of LP units outstanding as of June 30, 2009)*

<b>Beneficial Owners</b>	<b>Enterprise</b>	<b>TEPPCO</b>	<b>Enterprise Pro Forma</b>
Dan L. Duncan and privately held affiliates	31.5%	12.1%	27.3%(1)
Enterprise GP Holdings	3.0%	4.2%	3.2%
Public unitholders	65.5%	83.7%	69.5%
Total	100.0%	100.0%	100.0%(1)

GP = General Partner Interest

LP = Limited Partner Interest

- (1) Pro forma ownership includes 4,520,431 Class B units that will be entitled to vote together with Enterprise common units but will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the merger.



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**SUMMARY HISTORICAL AND PRO FORMA FINANCIAL AND OPERATING INFORMATION OF ENTERPRISE AND TEPPCO**

The following tables set forth, for the periods and at the dates indicated, summary historical financial and operating information for Enterprise and TEPPCO and summary pro forma financial information for Enterprise after giving effect to the proposed merger with TEPPCO. The summary historical financial data as of and for each of the years ended December 31, 2006, 2007 and 2008 are derived from and should be read in conjunction with the audited financial statements and accompanying footnotes of Enterprise and TEPPCO, respectively, for such periods incorporated by reference into this proxy statement/prospectus. The summary historical financial data as of and for the six-month periods ended June 30, 2008 and 2009 are derived from and should be read in conjunction with the unaudited financial statements and accompanying footnotes of Enterprise and TEPPCO, respectively, for such periods incorporated by reference into this proxy statement/prospectus.

The summary unaudited pro forma condensed consolidated financial statements of Enterprise show the pro forma effect of Enterprise's proposed merger with TEPPCO. For a complete discussion of the pro forma adjustments underlying the amounts in the table on the following page, please read the section titled "Unaudited Pro Forma Condensed Consolidated Financial Statements" beginning on page F-2 of this document.

The unaudited pro forma condensed consolidated financial statements have been prepared to assist in the analysis of financial effects of the proposed merger between Enterprise and TEPPCO. The unaudited pro forma condensed statements of consolidated operations for the six-months ended June 30, 2009 and the year ended December 31, 2008 assume the merger-related transactions occurred on January 1 of each period presented. The unaudited pro forma condensed consolidated balance sheet shows the financial effects of the merger-related transactions as if they had occurred on June 30, 2009.

The non-generally accepted accounting principles, or non-GAAP, financial measures of gross operating margin and Adjusted EBITDA are presented in the summary historical and pro forma financial information of Enterprise. Please read "Non-GAAP Financial Measures," in which we have provided the necessary explanations and reconciliations for these non-GAAP financial measures.

**Table of Contents****Summary Historical and Pro Forma Financial and Operating Information of Enterprise**

	<b>Enterprise Consolidated Historical</b>					<b>Enterprise Pro Forma</b>	
	<b>For the Year Ended December 31,</b>			<b>For the Six Months</b>		<b>For the</b>	<b>For the</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>	<b>Year</b>	<b>Months</b>
	<b>For the Year Ended December 31,</b>			<b>Ended June 30,</b>		<b>Ended</b>	<b>Ended</b>
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>	<b>December 31,</b>	<b>June 30,</b>
						<b>2008</b>	<b>2009</b>
	<b>(In millions, except per unit amounts)</b>						
	<b>(unaudited)</b>					<b>(unaudited)</b>	
<b>Income statement data:</b>							
Revenues	\$ 13,991.0	\$ 16,950.1	\$ 21,905.7	\$ 12,024.2	\$ 6,931.0	\$ 35,469.6	\$ 10,321.2
Costs and expenses	13,152.5	16,096.8	20,551.6	11,316.4	6,226.3	33,756.1	9,415.2
Equity earnings	21.6	29.7	59.1	33.2	(4.2)	34.8	(51.4)
Operating income	860.1	883.0	1,413.2	741.0	700.5	1,748.3	854.6
Other income (expense):							
Interest expense	(238.0)	(311.8)	(400.7)	(187.7)	(246.6)	(542.4)	(311.0)
Other, net	8.0	8.3	9.3	1.6	0.9	12.2	2.0
Total other expense, net	(230.0)	(303.5)	(391.4)	(186.1)	(245.7)	(530.2)	(309.0)
Income before provision for income taxes and the cumulative effect of change in accounting principle	630.1	579.5	1,021.8	554.9	454.8	1,218.1	545.6
Provision for income taxes	(21.3)	(15.2)	(26.4)	(10.6)	(17.4)	(31.0)	(19.1)
Income before the cumulative effect of change in accounting principle	608.8	564.3	995.4	544.3	437.4	1,187.1	526.5
Cumulative effect of change in accounting principle	1.5						

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Net income	610.3	564.3	995.4	544.3	437.4	1,187.1	526.5
Net income attributable to non-controlling interest	(9.1)	(30.6)	(41.4)	(21.4)	(25.5)	(41.4)	(25.5)
Net income attributable to Enterprise	\$ 601.2	\$ 533.7	\$ 954.0	\$ 522.9	\$ 411.9	\$ 1,145.7	\$ 501.0
<b>Earnings per unit:</b>							
Basic earnings per unit	\$ 1.20	\$ 0.95	\$ 1.84	\$ 1.03	\$ 0.73	\$ 1.69	\$ 0.68
Diluted earnings per unit	\$ 1.20	\$ 0.95	\$ 1.84	\$ 1.03	\$ 0.73	\$ 1.68	\$ 0.68
<b>Distributions to limited partners:</b>							
Per common unit (declared with respect to period)	\$ 1.8250	\$ 1.9475	\$ 2.0750	\$ 1.0225	\$ 1.0825	\$ 2.0750	\$ 1.0825
<b>Balance sheet data (at period end):</b>							
Total assets	\$ 13,989.7	\$ 16,608.0	\$ 17,957.5	\$ 18,180.9	\$ 19,022.5	n/a	\$ 25,546.4
Total long-term debt, including current maturities	5,295.6	6,906.1	9,108.4	7,768.5	9,224.3	n/a	12,139.5
Equity	6,609.4	6,562.1	6,478.6	6,693.4	6,818.9	n/a	9,515.8
<b>Other financial data:</b>							
Net cash flows provided by operating activities	\$ 1,175.1	\$ 1,590.9	\$ 1,237.1	\$ 696.7	\$ 437.7	n/a	n/a
Cash used in investing activities	1,689.3	2,553.6	2,411.9	1,032.0	642.2	n/a	n/a
Cash provided by financing activities	495.0	979.4	1,171.0	320.2	236.3	n/a	n/a
Distributions received from unconsolidated affiliates	43.0	73.6	98.6	56.0	38.5	n/a	n/a
Total gross operating margin(1)	1,362.5	1,492.1	2,057.5	1,056.6	1,057.9	\$ 2,609.0	\$ 1,333.9
Adjusted EBITDA(1)	1,329.3	1,428.7	1,986.6	1,019.4	1,030.4	2,505.0	\$ 1,322.5

(1) Unaudited. See Non-GAAP Financial Measures below on page 25 for a reconciliation of non-GAAP total gross operating margin and Adjusted EBITDA to their most closely-related GAAP measures.

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	<b>Enterprise Consolidated Historical</b>				
	<b>For the Year Ended</b>			<b>For the Six Months</b>	
	<b>December 31,</b>			<b>Ended June 30,</b>	
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>
<b>Selected volumetric operating data by segment:</b>					
NGL Pipelines & Services, net:					
NGL transportation volumes (MBPD)	1,577	1,666	1,819	1,803	1,866
NGL fractionation volumes (MBPD)	312	394	429	430	440
Equity NGL production (MBPD)	63	88	108	107	116
Fee-based natural gas processing (MMcf/d)	2,218	2,565	2,524	2,673	2,908
Onshore Natural Gas Pipelines & Services, net:					
Natural gas transportation volumes (BBtus/d)	6,012	6,632	7,477	7,188	8,120
Offshore Pipelines & Services, net:					
Natural gas transportation volumes (BBtus/d)	1,520	1,641	1,408	1,553	1,501
Crude oil transportation volumes (MBPD)	153	163	169	211	219
Platform natural gas processing (MMcf/d)	159	494	632	591	771
Platform crude oil processing (MBPD)	15	24	15	21	7
Petrochemical Services, net:					
Butane isomerization volumes (MBPD)	81	90	86	92	95
Propylene fractionation volumes (MBPD)	56	68	58	60	67
Octane additive production volumes (MBPD)	9	9	9	9	7
Petrochemical transportation volumes (MBPD)	97	105	108	117	108

**Table of Contents****Summary Historical Financial and Operating Information of TEPPCO**

**TEPPCO Consolidated Historical**  
**For the Year Ended December 31,**      **For the Six Months**  
**2006**      **2007**      **2008**      **Ended June 30,**  
**2008**      **2009**  
(In millions, except per unit amounts)  
(unaudited)

**Income statement data:**

Operating revenues	\$ 9,607.5	\$ 9,658.1	\$ 13,532.9	\$ 6,989.0	\$ 3,370.8
Purchases of petroleum products	8,967.1	9,017.1	12,703.5	6,582.3	2,938.8
Depreciation and amortization	108.3	105.2	126.3	60.2	69.8
Operating, general and administrative expenses	309.7	304.8	449.7	203.7	220.6
Gain on sales of assets	(7.4)	(18.6)			
<b>Total costs and expenses</b>	<b>\$ 9,377.7</b>	<b>\$ 9,408.5</b>	<b>\$ 13,279.5</b>	<b>\$ 6,846.2</b>	<b>\$ 3,229.2</b>
Operating income	229.8	249.6	253.4	142.8	141.6
Interest expense net	(86.2)	(101.2)	(140.0)	(71.6)	(64.4)
Gain on sale of ownership interest in Mont Belvieu Storage Partners, L.P.		59.6			
Equity earnings	36.8	68.8	82.7	41.0	12.9
Other income net	3.0	3.0	2.1	1.4	1.0
Income before provision for income taxes	183.4	279.8	198.2	113.6	91.1
Provision for income taxes	(0.7)	(0.6)	(4.6)	(1.8)	(1.7)
Income from continuing operations	182.7	279.2	193.6	111.8	89.4
Income from discontinued operations	1.5				
Gain on sale of discontinued operations	17.9				
Discontinued operations	19.4				
<b>Net income</b>	<b>\$ 202.1</b>	<b>\$ 279.2</b>	<b>\$ 193.6</b>	<b>\$ 111.8</b>	<b>\$ 89.4</b>
<b>Basic and diluted earnings per unit:</b>					
Continuing operations	\$ 1.77	\$ 2.60	\$ 1.65	\$ 0.99	\$ 0.71
Discontinued operations	0.19				
Basic and diluted earnings per unit(1)	\$ 1.96	\$ 2.60	\$ 1.65	\$ 0.99	\$ 0.71
<b>Distributions to limited partners:</b>					
	\$ 2.7000	\$ 2.7600	\$ 2.8700	\$ 1.4200	\$ 1.4500

Per common unit (declared with respect to period)

**Balance sheet data (at period end):**

Total assets	\$ 3,922.1	\$ 4,750.1	\$ 5,049.8	\$ 6,146.0	\$ 5,354.9
Total long-term debt, including current maturities	1,603.3	1,865.1	2,529.6	2,545.2	2,733.8
Equity	1,320.3	1,264.6	1,591.5	1,382.5	1,506.4

**Other financial data:**

Net cash flows provided by operating activities	\$ 273.1	\$ 350.6	\$ 346.9	\$ 164.1	\$ 207.5
Cash used in investing activities	273.7	317.4	831.0	(564.1)	(234.6)
Cash provided by (used in) financing activities	0.6	(33.3)	484.2	400.0	27.1
Distributions received from unconsolidated affiliates	63.5	122.9	146.1	79.3	89.2

- (1) On January 1, 2009 TEPPCO adopted Emerging Issues Task Force 07-4, Application of the Two-Class Method under FASB Statement No. 128 to Master Limited Partnerships. The effect of this application would have increased earnings per unit by \$0.07 for the year ended 2006.

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	<b>TEPPCO Consolidated Historical</b>				
	<b>For the Year Ended</b>			<b>For the Six Months</b>	
	<b>December 31,</b>			<b>Ended June 30,</b>	
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2008</b>	<b>2009</b>
	<b>(In millions)</b>				
<b>Operating Data:</b>					
Downstream (barrels):					
Refined products	165.3	174.9	159.6	80.4	76.6
Liquefied petroleum gases	45.0	40.9	38.8	19.6	19.2
Upstream:					
Crude oil transportation (barrels)	91.5	96.5	114.3	57.2	57.7
Crude oil marketing (barrels)(1)	159.4	171.6	183.6	87.2	87.2
Crude oil terminaling (barrels)	126.0	135.0	166.8	72.9	97.6
Lubrication and oil volume (gallons)	14.4	15.3	21.9	7.8	10.4
Midstream:					
NGL transportation (barrels)	69.7	77.0	73.6	38.4	34.6
Gathering natural gas (billion cubic feet)(2)	655.8	763.1	876.8	420.4	484.1
Fractionation natural gas liquids (barrels)	4.4	4.2	4.2	2.1	1.8
Marine Services:(3)					
Number of tow boats (inland/offshore)			45/6	45/6	59/6
Number of tank barges (inland/offshore)			105/8	103/8	127/8
Fleet utilization			93%	93%	88%

(1) Reported quantities exclude inter-region transfers, which are transfers among TEPPCO Crude Oil, LLC's various geographically managed regions.

(2) Includes 100% of Jonah system gathering volumes.

(3) The assets of the Marine Services segment were acquired in February 2008.

**Table of Contents****Non-GAAP Financial Measures**

This proxy statement/prospectus contains the non-GAAP financial measures of gross operating margin and Adjusted EBITDA for Enterprise, and this section provides reconciliations of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP. Our non-GAAP financial measures should not be considered as an alternative to GAAP measures such as net income, operating income, net cash flows provided by operating activities or any other measure of financial performance calculated and presented in accordance with GAAP. Our non-GAAP financial measures may not be comparable to similarly-titled measures of other companies because they may not calculate such measures in the same manner as Enterprise does.

***Gross Operating Margin***

Enterprise evaluates 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 Enterprise's operations. This measure forms the basis of Enterprise's internal financial reporting and is used by management in deciding how to allocate capital resources among Enterprise's business segments. We believe that investors benefit from having access to the same financial measures that management uses in evaluating Enterprise's segment results. The GAAP measure most directly comparable to total segment gross operating margin is operating income.

Enterprise defines total segment gross operating margin as operating income before: (i) depreciation, amortization and accretion expense; (ii) operating lease expenses for which Enterprise does not have the payment obligation; (iii) gains and losses from asset sales and related transactions; and (iv) general and administrative costs. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, cumulative effect of changes in accounting principles, extraordinary charges and earnings attributable to noncontrolling interests. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions. In accordance with GAAP, intercompany accounts and transactions are eliminated in consolidation.

Enterprise includes equity earnings from unconsolidated affiliates in its measurement of segment gross operating margin. Enterprise's equity investments with industry partners are a vital component of its business strategy. They are a means by which Enterprise conducts its operations to align its interests with those of its customers and/or suppliers. This method of operation enables Enterprise to achieve favorable economies of scale relative to the level of investment and business risk assumed versus what Enterprise could accomplish on a standalone basis. Many of these businesses perform supporting or complementary roles to Enterprise's other business operations.

The following table presents a reconciliation of Enterprise's non-GAAP financial measure of total gross operating margin to the GAAP financial measure of operating income, on a historical and pro forma basis, as applicable for each of the periods indicated:

<b>Enterprise Consolidated Historical</b>		<b>Enterprise Pro Forma</b>	
	<b>For the Six</b>	<b>For the</b>	<b>For the</b>
<b>For the Year Ended</b>	<b>Months</b>	<b>Year</b>	<b>Six</b>
		<b>Ended</b>	<b>Months</b>
			<b>Ended</b>



	2006	December 31, 2007	2008	Ended June 30, 2008	2009	December 31, 2008	June 30, 2009
<b>Total segment gross operating margin</b>	\$ 1,362.5	\$ 1,492.1	\$ 2,057.5	\$ 1,056.6	\$ 1,057.9	\$ 2,609.0	\$ 1,333.9
<i>Adjustments to reconcile total segment gross operating margin to operating income:</i>							
Depreciation, amortization and accretion in operating costs and expenses	(440.3)	(513.9)	(555.4)	(270.2)	(306.7)	(725.5)	(398.1)
Operating lease expense paid by EPCO	(2.1)	(2.1)	(2.0)	(1.0)	(0.3)	(2.0)	(0.3)
Gains (losses) from asset sales and related transactions	3.4	(5.4)	3.7	0.8	0.4	4.0	0.1
General and administrative transactions	(63.4)	(87.7)	(90.6)	(45.2)	(50.8)	(137.2)	(81.0)
<b>Operating income</b>	\$ 860.1	\$ 883.0	\$ 1,413.2	\$ 741.0	\$ 700.5	\$ 1,748.3	\$ 854.6

**Table of Contents****Adjusted EBITDA**

Enterprise defines Adjusted EBITDA as income from continuing operations less equity earnings from unconsolidated affiliates and amounts attributed to noncontrolling interests; plus distributions received from unconsolidated affiliates, interest expense, provision for income taxes and depreciation, amortization and accretion expense. The GAAP measure most directly comparable to Adjusted EBITDA is net cash flows provided by operating activities. Adjusted EBITDA is commonly used as a supplemental financial measure by management and by external users of Enterprise's financial statements, such as investors, commercial banks, research analysts and rating agencies, to assess:

the financial performance of our assets without regard to financing methods, capital structures or historical cost basis;

the ability of our assets to generate cash sufficient to pay interest cost and support our indebtedness; and

the viability of projects and the overall rates of return on alternative investment opportunities.

The following table presents Enterprise's calculation of Adjusted EBITDA on a historical and pro forma basis and also a reconciliation of Enterprise's non-GAAP financial measure of Adjusted EBITDA to the GAAP financial measure of net cash flows provided by operating activities on a historical basis.

	Enterprise Consolidated Historical					Enterprise Pro Forma	
	For the Year Ended December 31,			For the Six Months		For the	For the
	2006	2007	2008	Ended June 30,	Ended June 30,	Year	Six
			2008	2009	December 31,	Months	Months
					2008	Ended	Ended
						June 30,	June 30,
						2009	2009
<b>Income from continuing operations (as applicable)</b>	\$ 610.3	\$ 564.3	\$ 995.4	\$ 544.3	\$ 437.4	\$ 1,187.1	\$ 526.5
<i>Adjustments to derive Adjusted EBITDA:</i>							
Income attributable to noncontrolling interests	(9.1)	(30.6)	(41.4)	(21.4)	(25.5)	(41.4)	(25.5)
Equity earnings	(21.6)	(29.7)	(59.1)	(33.2)	4.2	(34.8)	51.4
Distributions from unconsolidated affiliates	43.0	73.6	98.6	56.0	38.5	80.8	33.5
Interest expense	238.0	311.8	400.7	187.7	246.6	542.4	311.0
Provision for income taxes	21.3	15.2	26.4	10.6	17.4	31.0	19.1
Depreciation, amortization and accretion in costs and	447.4	524.1	566.0	275.4	311.8	739.9	406.5

expenses

<b>Adjusted EBITDA</b>	\$ 1,329.3	\$ 1,428.7	\$ 1,986.6	\$ 1,019.4	\$ 1,030.4	\$ 2,505.0	\$ 1,322.5
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*Adjustments to  
reconcile Adjusted  
EBITDA to net cash  
flows from operating  
activities:*

Interest expense	(238.0)	(311.8)	(400.7)	(187.7)	(246.6)		
Provision for income taxes	(21.3)	(15.2)	(26.4)	(10.6)	(17.4)		
Deferred income tax expense	14.4	8.3	6.2	2.5	1.8		
Income attributable to noncontrolling interests	9.1	30.6	41.4	21.4	25.5		
Net effect of changes in operating accounts	83.4	441.3	(357.4)	(156.9)	(345.2)		
Other	(1.8)	9.0	(12.6)	8.6	(10.8)		

**Net cash flows  
provided by**

<b>operating activities</b>	\$ 1,175.1	\$ 1,590.9	\$ 1,237.1	\$ 696.7	\$ 437.7		
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**Table of Contents****COMPARATIVE PER UNIT INFORMATION**

The following table presents: (1) historical per unit information for Enterprise; (2) pro forma per unit information of the combined company after giving effect to the merger and the transactions related to the merger; and (3) historical and equivalent pro forma per unit information for TEPPCO.

The combined company pro forma per unit information was derived by combining information from the historical consolidated financial statements of Enterprise and TEPPCO as in a reorganization of entities under common control, similar to a pooling of interests. You should read this table together with the historical consolidated financial statements of Enterprise and TEPPCO that are filed with the Securities and Exchange Commission and incorporated by reference into this proxy statement/prospectus. Please read the *Where You Can Find More Information* section of this document. You should not rely on the pro forma per unit information as being necessarily indicative of actual results had the merger occurred on January 1, 2008 or January 1, 2009 for net income and cash distribution information, or at period end with respect to book value information.

	<b>Year Ended December 31, 2008</b>			
	<b>Enterprise Historical</b>	<b>Combined Company Pro Forma(1)</b>	<b>TEPPCO Historical</b>	<b>Equivalent Pro Forma(2)</b>
Net income per limited partner unit:				
Basic	\$ 1.84	\$ 1.69	\$ 1.65	\$ 2.10
Diluted	\$ 1.84	\$ 1.68	\$ 1.65	\$ 2.08
Cash distributions per unit(3)	\$ 2.0750	\$ 2.0750	\$ 2.8700	\$ 2.5730
Book value per common unit	\$ 13.73	N/A	\$ 16.69	N/A

	<b>Six Months Ended June 30, 2009</b>			
	<b>Enterprise Historical</b>	<b>Combined Company Pro Forma(1)</b>	<b>TEPPCO Historical</b>	<b>Equivalent Pro Forma(2)</b>
Net income per limited partner unit:				
Basic	\$ 0.73	\$ 0.68	\$ 0.71	\$ 0.84
Diluted	\$ 0.73	\$ 0.68	\$ 0.71	\$ 0.84
Cash distributions per unit(3)	\$ 0.5450	\$ 0.5450	\$ 0.7250	\$ 0.6758
Book value per common unit	\$ 13.71	\$ 15.23	\$ 15.97	\$ 18.88

- (1) The combined company's pro forma information includes the effect of the merger on the basis described in the notes to the Index to Unaudited Pro Forma Condensed Consolidated Financial Statements included elsewhere in this proxy statement/prospectus.

- (2) TEPPCO's equivalent pro forma earnings and book value amounts have been calculated by multiplying the combined company's related pro forma per unit amounts by the 1.24 exchange ratio.
- (3) Represents cash distributions per common unit declared with respect to the period and paid in the following period.

**Table of Contents****MARKET PRICES AND DISTRIBUTION INFORMATION**

Enterprise common units are traded on the NYSE under the symbol EPD, and TEPPCO units are traded on the NYSE under the symbol TPP. The following table sets forth, for the periods indicated, the range of high and low sales prices per unit for Enterprise common units and TEPPCO units, on the NYSE composite tape, as well as information concerning quarterly cash distributions paid on those units. The sales prices are as reported in published financial sources.

	Enterprise Common Units			TEPPCO Units		
	High	Low	Distributions(1)	High	Low	Distributions(1)
<b>2006</b>						
First Quarter	\$ 26.00	\$ 23.69	\$ 0.4450	\$ 39.00	\$ 35.29	\$ 0.6750
Second Quarter	\$ 25.71	\$ 23.76	\$ 0.4525	\$ 38.49	\$ 35.20	\$ 0.6750
Third Quarter	\$ 27.06	\$ 25.00	\$ 0.4600	\$ 37.65	\$ 34.44	\$ 0.6750
Fourth Quarter	\$ 29.98	\$ 26.05	\$ 0.4675	\$ 41.86	\$ 36.90	\$ 0.6750
<b>2007</b>						
First Quarter	\$ 32.75	\$ 28.06	\$ 0.4750	\$ 44.53	\$ 39.88	\$ 0.6850
Second Quarter	\$ 33.35	\$ 30.22	\$ 0.4825	\$ 46.20	\$ 42.15	\$ 0.6850
Third Quarter	\$ 33.70	\$ 26.14	\$ 0.4900	\$ 46.01	\$ 37.04	\$ 0.6950
Fourth Quarter	\$ 32.45	\$ 29.92	\$ 0.5000	\$ 40.81	\$ 37.17	\$ 0.6950
<b>2008</b>						
First Quarter	\$ 32.63	\$ 26.75	\$ 0.5075	\$ 39.86	\$ 32.91	\$ 0.7100
Second Quarter	\$ 32.64	\$ 29.04	\$ 0.5150	\$ 36.88	\$ 32.50	\$ 0.7100
Third Quarter	\$ 30.07	\$ 22.58	\$ 0.5225	\$ 34.02	\$ 24.97	\$ 0.7250
Fourth Quarter	\$ 26.30	\$ 16.00	\$ 0.5300	\$ 30.09	\$ 16.90	\$ 0.7250
<b>2009</b>						
First Quarter	\$ 24.20	\$ 17.71	\$ 0.5375	\$ 26.94	\$ 19.20	\$ 0.7250
Second Quarter	\$ 26.55	\$ 21.10	\$ 0.5450(2)	\$ 30.74	\$ 22.09	\$ 0.7250(2)
Third Quarter (through August 5, 2009)	\$ 29.39	\$ 26.27	\$ (3)	\$ 35.79	\$ 29.49	\$ (3)

(1) Represents cash distributions per common unit declared with respect to the quarter presented and paid in the following quarter.

(2) Cash distributions in respect of the second quarter of 2009 have been declared but not paid.

(3) Cash distributions in respect of the third quarter of 2009 have not been declared or paid.

As of , 2009, Enterprise had outstanding common units beneficially held by approximately holders. Enterprise's partnership agreement requires it to distribute all of its available cash, as defined in its partnership agreement, within 45 days after the end of each quarter. The payment of quarterly cash distributions by Enterprise in the future, therefore, will depend on the amount of available cash on hand at the end of each quarter.

As of the record date for the special meeting, TEPPCO had            outstanding units beneficially held by approximately            holders. TEPPCO's partnership agreement requires it to distribute all of its available cash, as defined in its partnership agreement, within 50 days after the end of each quarter. If the merger is not completed, the payment of quarterly cash distributions by TEPPCO in the future will depend on the amount of available cash on hand at the end of each quarter.

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**RISK FACTORS**

*You should consider carefully the following risk factors, together with all of the other information included in, or incorporated by reference into, this proxy statement/prospectus before deciding how to vote. In particular, please read Part I, Item 1A, entitled Risk Factors, in the Annual Reports on Form 10-K for the year ended December 31, 2008 for each of Enterprise and TEPPCO and Part II, Item 1A, entitled Risk Factors, in the Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009 for each of Enterprise and TEPPCO, in each case incorporated by reference herein. This document also contains forward-looking statements that involve risks and uncertainties. Please read Information Regarding Forward-Looking Statements.*

**Risks Related to the Merger**

***TEPPCO's partnership agreement limits the fiduciary duties of TEPPCO GP to unitholders and restricts the remedies available to unitholders for actions taken by TEPPCO GP that might otherwise constitute breaches of fiduciary duty.***

In light of conflicts of interest in connection with the merger between Enterprise, TEPPCO GP and its controlling affiliates, including Enterprise GP Holdings and Dan L. Duncan, on the one hand, and TEPPCO and the Unaffiliated TEPPCO Unitholders, on the other hand, the TEPPCO board referred the merger and related matters to the TEPPCO ACG Committee to obtain approval of a majority of its members, which is referred to as Special Approval in TEPPCO's partnership agreement. Under the TEPPCO partnership agreement:

any conflict of interest and any resolution thereof is deemed conclusively fair and reasonable to TEPPCO if approved by Special Approval;

in the absence of bad faith by the TEPPCO ACG Committee, the actions taken by it in granting Special Approval are conclusive and binding on all persons (including all partners) and do not constitute a breach of the partnership agreement or any standard of care or duty imposed by law;

in connection with a conflict of interest, the TEPPCO ACG Committee is authorized to consider, among other things, relative interests of the parties to the conflict and any other factors that it determines, in its sole discretion, to be relevant, reasonable or appropriate under the circumstances; and

it is presumed that the actions of the TEPPCO ACG Committee in connection with granting Special Approval are not made in bad faith, and in any proceeding brought by or on behalf of any unitholder or TEPPCO, the person bringing such proceeding has the burden of overcoming that presumption.

In light of a potential conflict of interest for two members of the TEPPCO ACG Committee who are named as defendants in the Derivative Action brought on behalf of TEPPCO, the TEPPCO ACG Committee formed the TEPPCO Special Committee to review, negotiate and evaluate the merger and related matters on behalf of the Unaffiliated TEPPCO Unitholders and TEPPCO. Among other things, the TEPPCO Special Committee determined that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommended that the merger agreement and the merger be approved by the TEPPCO ACG Committee, the TEPPCO board and the Unaffiliated TEPPCO Unitholders. The TEPPCO ACG Committee unanimously adopted the TEPPCO Special Committee's determination that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and approved the merger agreement and the merger, thereby giving Special Approval under TEPPCO's partnership agreement. The fiduciary duties of the



TEPPCO ACG Committee and the TEPPCO Special Committee to you in connection with the merger are substantially limited by the TEPPCO partnership agreement, and any proceeding by a unitholder to challenge the transaction is made meaningfully more difficult by the presumption that the TEPPCO ACG Committee did not act in bad faith in granting Special Approval.

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***The directors and executive officers of TEPPCO GP may have interests that differ in certain respects from the Unaffiliated TEPPCO Unitholders.***

In considering the recommendations of the TEPPCO Special Committee and the TEPPCO board to approve the merger agreement and the merger, you should consider that some of the directors and executive officers of TEPPCO GP may have interests that differ from, or are in addition to, their interests as TEPPCO's unitholders generally, including:

equity-based awards under benefit plans that will generally be converted into awards with respect to Enterprise units, adjusted for the exchange ratio, except for some awards to non-employee directors; and

indemnification for TEPPCO GP's directors and executive officers.

You should consider these interests in voting on the merger, which are described more fully under the caption "The Merger - Interests of Directors and Executive Officers of TEPPCO GP in the Merger."

***The exchange ratio is fixed and the market value of the consideration to TEPPCO unitholders will be determined by the price of Enterprise common units, which market value will decrease if the market value of Enterprise's common units decreases.***

The market value of the consideration that TEPPCO unitholders will receive in the merger will depend on the trading price of Enterprise's common units at the closing of the merger. The 1.24 exchange ratio that determines the number of Enterprise common units that TEPPCO unitholders will receive in the merger is fixed. This means that there is no price protection mechanism contained in the merger agreement that would adjust the number of Enterprise common units that TEPPCO unitholders will receive based on any decreases in the trading price of Enterprise common units. If Enterprise's common unit price at the closing of the merger is less than Enterprise's common unit price on the date that the merger agreement was signed, then the market value of the consideration received by TEPPCO unitholders will be less than contemplated at the time the merger agreement was signed.

Enterprise common unit price changes may result from a variety of factors, including general market and economic conditions, changes in Enterprise's business, operations and prospects, and regulatory considerations. Many of these factors are beyond Enterprise's and TEPPCO's control. For historical and current market prices of Enterprise common units and TEPPCO units, please read the "Market Prices and Distribution Information" section of this proxy statement/prospectus.

***The transactions contemplated by the merger agreement may not be consummated even if TEPPCO unitholders approve the merger agreement and the merger.***

The merger agreement contains conditions that, if not satisfied or waived, would result in the merger not occurring, even though TEPPCO's unitholders may have voted in favor of the merger agreement. In addition, TEPPCO and Enterprise can agree not to consummate the merger even if TEPPCO unitholders approve the merger agreement and the merger. The closing conditions to the merger may not be satisfied, and any unsatisfied conditions may not be waived, which may cause the merger not to occur.

***While the merger agreement is in effect, TEPPCO may lose opportunities to enter into different business combination transactions with other parties on more favorable terms, and both Enterprise and TEPPCO may be limited in their ability to pursue other attractive business opportunities.***

While the merger agreement is in effect, TEPPCO is prohibited from soliciting, initiating or encouraging any inquiries or proposals that may lead to a proposal to acquire TEPPCO, or offering to enter into certain transactions such as a merger, sale of assets or other business combination, with any other person, subject to fiduciary obligations under applicable law. As a result of these provisions in the merger agreement, TEPPCO may lose opportunities to enter into more favorable transactions.

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Both Enterprise and TEPPCO have also agreed to refrain from taking certain actions with respect to their businesses and financial affairs pending completion of the merger or termination of the merger agreement. These restrictions and the non-solicitation provisions (described in more detail in The Merger Agreement ) could be in effect for an extended period of time if completion of the merger is delayed.

In addition to the economic costs associated with pursuing a merger, each of Enterprise's and TEPPCO's management is devoting substantial time and other human resources to the proposed transaction and related matters, which could limit Enterprise's and TEPPCO's ability to pursue other attractive business opportunities, including potential joint ventures, stand-alone projects and other transactions. If either Enterprise or TEPPCO is unable to pursue such other attractive business opportunities, then its growth prospects and the long-term strategic position of its business and the combined business could be adversely affected.

### ***Failure to complete the merger or delays in completing the merger could negatively impact the price of Enterprise common units and TEPPCO units and future business and operations.***

If the merger is not completed for any reason, Enterprise and TEPPCO may be subject to a number of material risks, including the following:

the individual companies will not realize the benefits expected from the merger, including a potentially enhanced financial and competitive position;

the price of Enterprise's common units and TEPPCO's units may decline to the extent that the current market price of these securities reflects a market assumption that the merger will be completed; and

some costs relating to the merger, such as certain investment banking fees and legal and accounting fees, must be paid even if the merger is not completed.

In addition, current and prospective employees of Enterprise and TEPPCO may experience uncertainty about their future roles with Enterprise and/or TEPPCO until after the merger is completed or if the merger is not completed. This may adversely affect the ability of Enterprise and TEPPCO to attract and retain key personnel.

### ***Financial projections by Enterprise and TEPPCO may not prove accurate.***

In performing their financial analyses and rendering their opinions regarding the fairness from a financial point of view of the exchange ratio, the financial advisor to the TEPPCO Special Committee reviewed and relied on, among other things, internal financial analyses and forecasts for TEPPCO and Enterprise prepared by their respective managements. These financial projections include assumptions regarding future operating cash flows, expenditures and distributable income of Enterprise and TEPPCO. These financial projections were not prepared with a view to public disclosure, are subject to significant economic, competitive, industry and other uncertainties and may not be achieved in full, at all or within projected timeframes. The failure of Enterprise's or TEPPCO's businesses to achieve projected results, including projected cash flows or distributable cash flows, could have a material adverse effect on Enterprise's common unit price, financial position and ability to maintain or increase its distributions following the merger.

### ***Regulatory agencies may delay approval of the merger, which may diminish the anticipated benefits of the merger.***

Completion of the merger is conditioned upon the receipt of required governmental consents, approvals, orders and authorizations. The requirement to receive these approvals before the merger could delay the completion of the merger, possibly for a significant period of time after TEPPCO's unitholders have approved the merger agreement and

the merger. Any delay in the completion of the merger could diminish anticipated benefits of the merger or result in additional transaction costs, loss of revenue or other effects associated with uncertainty about the transaction. Any uncertainty over the ability of the partnerships to complete the merger could make it more difficult for them to retain key employees or to pursue business strategies.

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***If the merger agreement is terminated and TEPPCO is unable to obtain external financing to repay any borrowings under the Loan Agreement with EPO, TEPPCO may suffer a default under a substantial majority of its outstanding indebtedness.***

In order to supplement its liquidity position during the pendency of the merger, TEPPCO entered into a Loan Agreement on August 5, 2009 (the "Loan Agreement") with Enterprise Products Operating LLC ("EPO"), which is a wholly-owned subsidiary of Enterprise. TEPPCO is not entitled to borrow under the Loan Agreement unless there is no remaining availability for borrowing under its revolving credit facility. In addition, borrowings under the Loan Agreement mature upon termination by either Enterprise or TEPPCO of the merger agreement, among other events. If TEPPCO were to incur material indebtedness under the Loan Agreement that became due either because of termination of the merger agreement or otherwise, TEPPCO would likely be required to seek additional bank financing to fund a repayment to EPO due to the likely unavailability of borrowing capacity under its revolving credit facility and of timely access to the capital markets. Failure to satisfy timely the accelerated obligations under the Loan Agreement would constitute a default under the Loan Agreement, which would entitle EPO to declare unpaid amounts under the Loan Agreement immediately due and payable. Such a default would constitute an event of default under TEPPCO's revolving credit facility and may constitute an event of default under its senior notes, which would allow for the acceleration of a substantial majority of its indebtedness.

### **Risks Related to the Enterprise's Business After the Merger**

***Enterprise's growth strategy may adversely affect its results of operations if it does not successfully integrate TEPPCO.***

Enterprise may be unable to successfully integrate TEPPCO or other businesses that it acquires in the future. Enterprise may incur substantial expenses or encounter delays or other problems in connection with its growth strategy that could negatively impact its financial position, results of operations and cash flows.

Moreover, the merger involves numerous risks, including but not limited to:

difficulties in the assimilation of the operations, technologies, services and products of TEPPCO;

experiencing operational interruptions or the loss of key employees, customers or suppliers;

inefficiencies and complexities that can arise because of unfamiliarity with new assets and the businesses associated with them, including with their markets; and

diversion of the attention of management and other personnel from day-to-day business to the development or acquisition of new businesses and other business opportunities.

In addition, any anticipated benefits of the merger, such as expected cost savings, may not be fully realized, if at all.

***Enterprise's cash distributions may vary based on its operating performance and level of cash reserves.***

Distributions will be dependent on the amount of cash Enterprise generates and may fluctuate based on its performance. Neither Enterprise nor TEPPCO can guarantee that after giving effect to the merger Enterprise will continue to pay distributions at the current level each quarter. The actual amount of cash that is available to be distributed each quarter will depend upon numerous factors, some of which will be beyond Enterprise's control and the control of its general partner. These factors include but are not limited to the following:

the volume of products that Enterprise handles and the prices it receives for its products and services;

the level of Enterprise's operating costs;

the level of competition from third parties;

prevailing economic conditions, including the price of and demand for crude oil, natural gas and other products Enterprise will process, transport, store and market;

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the level of capital expenditures Enterprise will make;

the restrictions contained in Enterprise's debt agreements and debt service requirements;

fluctuations in Enterprise's working capital needs;

the weather in Enterprise's operating areas;

the cost of acquisitions, if any; and

the amount, if any, of cash reserves established by Enterprise GP in its discretion.

In addition, Enterprise's ability to pay the minimum quarterly distribution each quarter will depend primarily on its cash flow, including cash flow from financial reserves and working capital borrowings, and not solely on profitability, which is affected by non-cash items. As a result, Enterprise may make cash distributions during periods when it records losses, and Enterprise may not make distributions during periods when it records net income.

***Enterprise will have substantial debt after the merger, which could have a material adverse effect on its financial health and limit its future operations.***

Following the completion of the merger, Enterprise will have a substantially increased level of consolidated debt, including TEPPCO's senior notes and junior subordinated notes. On a pro forma basis, Enterprise's consolidated long-term debt as of June 30, 2009 would have been approximately \$12.1 billion. The amount of Enterprise's future debt could have significant effects on its operations, including, among other things:

a substantial portion of Enterprise's cash flow, including that of Duncan Energy Partners L.P. (Duncan Energy Partners), could be dedicated to the payment of principal and interest on its future debt and may not be available for other purposes, including the payment of distributions on Enterprise's common units and capital expenditures;

credit rating agencies may view Enterprise's debt level negatively;

covenants contained in Enterprise's credit and debt agreements will require Enterprise to continue to meet financial tests that may adversely affect its flexibility in planning for and reacting to changes in its business, including possible acquisition opportunities;

Enterprise's ability to obtain additional financing, if necessary, for working capital, capital expenditures, acquisitions or other purposes may be impaired or such financing may not be available on favorable terms;

Enterprise may be at a competitive disadvantage relative to similar companies that have less debt; and

Enterprise may be more vulnerable to adverse economic and industry conditions as a result of Enterprise's significant debt level.

Enterprise's public debt indentures currently do not limit the amount of future indebtedness that it can create, incur, assume or guarantee. Although the Multi-Year Revolving Credit Facility of EPO will restrict Enterprise's ability to incur additional debt above certain levels, any debt Enterprise may incur in compliance with these restrictions could be substantial.



EPO's Multi-Year Revolving Credit Facility and each of its indentures for public debt contain customary financial covenants and other restrictions. As a result, Enterprise will be prohibited from making distributions to its partners if such distributions would cause an event of default or otherwise violate a covenant under such agreements. In addition, under the terms of EPO's junior subordinated notes, generally, if Enterprise elects to defer interest payments thereon, Enterprise will be restricted from making distributions with respect to its equity securities. A breach of any of these restrictions by Enterprise could permit Enterprise's lenders or noteholders, as applicable, to declare all amounts outstanding under these debt agreements to be immediately

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due and payable and, in the case of EPO's Multi-Year Revolving Credit Facility, to terminate all commitments to extend further credit.

Enterprise's ability to access capital on favorable terms could be affected by Enterprise's debt level, the timing of its debt maturities, and by prevailing market conditions. Moreover, if the rating agencies were to downgrade Enterprise's credit ratings, then Enterprise could experience an increase in its borrowing costs, difficulty accessing capital markets or a reduction in the market price of its common units. Such a development could adversely affect Enterprise's ability to obtain financing for working capital, capital expenditures or acquisitions or to refinance existing indebtedness. If Enterprise is unable to access the capital markets on favorable terms in the future, it might be forced to seek extensions for some of its short-term securities or to refinance some of Enterprise's debt obligations through bank credit, as opposed to long-term public debt securities or equity securities. The price and terms upon which Enterprise might receive such extensions or additional bank credit, if at all, could be more onerous than those contained in existing debt agreements. Any such arrangements could, in turn, increase the risk that Enterprise's leverage may adversely affect its future financial and operating flexibility and thereby impact Enterprise's ability to pay cash distributions at expected levels.

***Enterprise's and TEPPCO's variable rate debt and future maturities of fixed-rate, long-term debt make Enterprise vulnerable to increases in interest rates. Increases in interest rates could materially adversely affect Enterprise's business, financial position, results of operation and cash flows.***

On a pro forma basis, Enterprise would have had outstanding \$12.1 billion of consolidated debt (excluding the value of interest rate swaps and currency swaps) as of June 30, 2009. Of this amount, approximately \$2.7 billion, or 22%, was subject to variable interest rates, either as short-term or long-term variable rate debt obligations or as long-term fixed-rate debt converted to variable rates through the use of interest rate swaps. With respect to debt maturities prior to December 31, 2010, Enterprise will have \$500.0 million of 4.625% fixed-rate Senior Notes maturing in October 2009, \$54.0 million of 8.70% fixed-rate debt maturing in March 2010, and \$500.0 million of 4.95% fixed-rate Senior Notes maturing in June 2010. Should interest rates increase, Enterprise's refinancing cost would increase and the amount of cash required to service Enterprise's debt would increase. As a result, Enterprise's financial position, results of operations and cash flows, could be materially adversely affected.

An increase in interest rates may also cause a corresponding decline in demand for equity investments, in general, and in particular, for yield-based equity investments such as Enterprise's common units. Any such reduction in demand for Enterprise's common units resulting from other more attractive investment opportunities may cause the trading price of Enterprise's common units to decline.

***Substantially all of the common units of Enterprise that are owned or will be owned by EPCO and certain of its affiliates after giving effect to the mergers are pledged or will be pledged as security under the credit facility of an affiliate of EPCO. Additionally, all of the member interests in Enterprise GP and all of the common units of Enterprise that are owned by Enterprise GP Holdings are pledged under its credit facility. Upon an event of default under either of these credit facilities, a change in ownership or control of Enterprise could ultimately result.***

An affiliate of EPCO has pledged substantially all of its Enterprise common units (as well as TEPPCO units and member interests in TEPPCO GP that will be exchanged in connection with the mergers for Enterprise common units or Class B units) as security under its credit facility. This credit facility contains customary and other events of default relating to defaults of the borrower, including certain defaults by Enterprise and other affiliates of EPCO. An event of default, followed by a foreclosure on the pledged collateral, could ultimately result in a change in ownership of Enterprise. In addition, the 100.0% membership interest in Enterprise GP and the 13,670,925 Enterprise common units that are owned by Enterprise GP Holdings are pledged under Enterprise GP Holdings' credit facility. Enterprise GP Holdings' credit facility contains customary and other events of default. Upon an event of default, the lenders

under Enterprise GP Holdings credit facility could foreclose on Enterprise GP Holdings assets, which could ultimately result in a

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change in control of Enterprise GP and a change in the ownership of the Enterprise common units held by Enterprise GP Holdings.

***Enterprise's prior interest in the Texas Offshore Port System partnership and its April 2009 dissociation from the partnership could subject Enterprise to various liabilities.***

The Texas Offshore Port System partnership ( TOPS ) was expected to represent an important component of Enterprise's Offshore Pipelines & Services segment, requiring an estimated \$600.0 million in capital contributions from Enterprise through 2011. Effective April 16, 2009, Enterprise and a subsidiary of TEPPCO elected to dissociate, or exit, from TOPS. In dissociating from TOPS, Enterprise forfeited its investment and one-third ownership interest in the partnership. As a result, Enterprise's equity earnings and consolidated net income for the second quarter of 2009 reflect a non-cash charge of approximately \$34.2 million.

The third partner, an affiliate of Oiltanking Holding Americas, Inc. ( Oiltanking ), has filed an original petition against Enterprise Offshore Port System, LLC, EPO, TEPPCO O/S Port System, LLC, TEPPCO and TEPPCO GP in the District Court of Harris County, Texas, 61st Judicial District (Cause No. 2009-31367), asserting, among other things, that the dissociation was wrongful and in breach of the TOPS partnership agreement, citing provisions of the agreement that, if applicable, would continue to obligate Enterprise and TEPPCO to make capital contributions to fund the project and impose additional liabilities on Enterprise. Enterprise has not recorded any reserves for potential liabilities relating to this matter, although it may determine in the future that an accrual of reserves for potential liabilities (including costs of litigation) should be made.

## **Risks Related to Enterprise's Common Units and Risks Resulting from Its Partnership Structure**

***Enterprise may issue additional securities without the approval of its common unitholders.***

At any time, Enterprise may issue an unlimited number of limited partner interests of any type (to parties other than Enterprise's affiliates) without the approval of Enterprise's unitholders. Enterprise's partnership agreement does not give Enterprise's common unitholders the right to approve the issuance of equity securities including equity securities ranking senior to Enterprise's common units. The issuance of additional common units or other equity securities of equal or senior rank will have the following effects:

- the ownership interest of a unitholder immediately prior to the issuance will decrease;
- the amount of cash available for distributions on each common unit may decrease;
- the ratio of taxable income to distributions may increase;
- the relative voting strength of each previously outstanding common unit may be diminished; and
- the market price of Enterprise's common units may decline.

***Enterprise does not have the same flexibility as other types of organizations to accumulate cash and equity to protect against illiquidity in the future.***

Unlike a corporation, Enterprise's partnership agreement requires it to make quarterly distributions to its unitholders of all available cash reduced by any amounts of reserves for commitments and contingencies, including capital and operating costs and debt service requirements. The value of Enterprise's units and other limited partner interests may decrease in correlation with decreases in the amount Enterprise distributes per unit. Accordingly, if Enterprise

experiences a liquidity problem in the future, Enterprise may not be able to issue more equity to recapitalize.

***Cost reimbursements and fees due to EPCO and its affiliates, including Enterprise GP, may be substantial and will reduce Enterprise's cash available for distribution to holders of Enterprise units.***

Prior to making any distribution on its units, Enterprise will reimburse EPCO and its affiliates, including officers and directors of Enterprise GP, for all expenses they incur on Enterprise's behalf, including allocated

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overhead. These amounts will include all costs incurred in managing and operating Enterprise, including costs for rendering administrative staff and support services to Enterprise, and overhead allocated to Enterprise by EPCO. The payment of these amounts could adversely affect Enterprise's ability to pay cash distributions to holders of Enterprise's units. EPCO has sole discretion to determine the amount of these expenses. In addition, EPCO and its affiliates may provide other services to Enterprise for which Enterprise will be charged fees as determined by EPCO.

***Enterprise GP and its affiliates have limited fiduciary responsibilities to, and conflicts of interest with respect to, Enterprise, which may permit Enterprise GP to favor its own interests to your detriment.***

The directors and officers of Enterprise GP and its affiliates have duties to manage Enterprise GP in a manner that is beneficial to its member. At the same time, Enterprise GP has duties to manage Enterprise in a manner that is beneficial to Enterprise. Therefore, Enterprise GP's duties to Enterprise may conflict with the duties of its officers and directors to its member. Such conflicts may include, among others, the following:

neither Enterprise's partnership agreement nor any other agreement requires Enterprise GP or EPCO to pursue a business strategy that favors Enterprise;

decisions of Enterprise GP regarding the amount and timing of asset purchases and sales, cash expenditures, borrowings, issuances of additional units and reserves in any quarter may affect the level of cash available to pay quarterly distributions to unitholders and Enterprise GP;

under Enterprise's partnership agreement, Enterprise GP determines which costs incurred by it and its affiliates are reimbursable by Enterprise;

Enterprise GP is allowed to resolve any conflicts of interest involving Enterprise and Enterprise GP and its affiliates;

Enterprise GP is allowed to take into account the interests of parties other than Enterprise, such as EPCO, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to Enterprise's unitholders;

any resolution of a conflict of interest by Enterprise GP not made in bad faith and that is fair and reasonable to Enterprise shall be binding on the partners and shall not be a breach of Enterprise's partnership agreement;

affiliates of Enterprise GP may compete with Enterprise in certain circumstances;

Enterprise GP has limited its liability and reduced its fiduciary duties and has also restricted the remedies available to Enterprise's unitholders for actions that might, without the limitations, constitute breaches of fiduciary duty. As a result of acquiring Enterprise units, you are deemed to consent to some actions and conflicts of interest that might otherwise constitute a breach of fiduciary or other duties under applicable law;

Enterprise does not have any employees and relies solely on employees of EPCO and its affiliates;

in some instances, Enterprise GP may cause Enterprise to borrow funds in order to permit the payment of distributions, even if the purpose or effect of the borrowing is to make incentive distributions;

Enterprise's partnership agreement does not restrict Enterprise GP from causing Enterprise to pay it or its affiliates for any services rendered to Enterprise or entering into additional contractual arrangements with any of these entities on Enterprise's behalf;

Enterprise GP intends to limit its liability regarding Enterprise's contractual and other obligations and, in some circumstances, may be entitled to be indemnified by Enterprise;

Enterprise GP controls the enforcement of obligations it owes to Enterprise and other affiliates of EPCO;

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Enterprise GP decides whether to retain separate counsel, accountants or others to perform services for Enterprise; and

Enterprise has significant business relationships with entities controlled by Dan L. Duncan, including EPCO. For detailed information on these relationships and related transactions with these entities, please see Item 13 ( Certain Relationships and Related Transactions, and Director Independence ) of Enterprise s Annual Report on Form 10-K for the year ended December 31, 2008 and Note 12 ( Related Party Transactions ) to the Unaudited Condensed Consolidated Financial Statements included in Item 1 of Enterprise s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2009.

***Enterprise unitholders have limited voting rights and are not entitled to elect Enterprise GP or its directors, which could lower the trading price of Enterprise s common units. In addition, even if unitholders are dissatisfied, they cannot easily remove Enterprise GP as Enterprise s general partner.***

Unlike the holders of common stock in a corporation, unitholders have only limited voting rights on matters affecting Enterprise s business and, therefore, limited ability to influence management s decisions regarding Enterprise s business. Unitholders did not elect Enterprise GP or its directors and will have no right to elect Enterprise GP or its directors on an annual or other continuing basis. The Board of Directors of Enterprise GP, including the independent directors, is chosen by the owner of the general partner and not by the unitholders.

Furthermore, if unitholders are dissatisfied with the performance of Enterprise GP, they currently have no practical ability to remove Enterprise GP or its officers or directors. Enterprise GP may not be removed except upon the vote of the holders of at least 60.0% of Enterprise s outstanding units voting together as a single class. Because affiliates of Enterprise GP will own approximately 30.5% of Enterprise s outstanding common units and Class B units after giving effect to the merger, the removal of Enterprise GP as Enterprise s general partner is highly unlikely without the consent of both Enterprise GP and its affiliates. As a result of this provision, the trading price of Enterprise s common units may be lower than other forms of equity ownership because of the absence or reduction of a takeover premium in the trading price.

***Enterprise s partnership agreement restricts the voting rights of unitholders owning 20.0% or more of Enterprise s common units.***

Unitholders voting rights are further restricted by a provision in Enterprise s partnership agreement stating that any units held by a person that owns 20.0% or more of any class of Enterprise s common units then outstanding, other than Enterprise GP and its affiliates, cannot be voted on any matter. In addition, Enterprise s partnership agreement contains provisions limiting the ability of unitholders to call meetings or to acquire information about Enterprise s operations, as well as other provisions limiting Enterprise unitholders ability to influence the manner or direction of Enterprise s management. As a result of this provision, the trading price of Enterprise s common units may be lower than other forms of equity ownership because of the absence or reduction of a takeover premium in the trading price.

***Enterprise GP has a limited call right that may require common unitholders to sell their units at an undesirable time or price.***

If at any time Enterprise GP and its affiliates own 85.0% or more of the common units then outstanding, Enterprise GP will have the right, but not the obligation, which it may assign to any of its affiliates or to Enterprise, to acquire all, but not less than all, of the remaining common units held by unaffiliated persons at a price not less than the then current market price. As a result, common unitholders may be required to sell their common units at an undesirable time or price and may therefore not receive any return on their investment. They may also incur a tax liability upon a



sale of their units.

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### ***Enterprise's common unitholders may not have limited liability if a court finds that limited partner actions constitute control of its business.***

Under Delaware law, common unitholders could be held liable for Enterprise's obligations to the same extent as a general partner if a court determined that the right of limited partners to remove Enterprise GP or to take other action under Enterprise's partnership agreement constituted participation in the control of Enterprise's business.

Under Delaware law, Enterprise GP generally has unlimited liability for Enterprise's obligations, such as Enterprise's debts and environmental liabilities, except for those contractual obligations that are expressly made without recourse to Enterprise GP.

The limitations on the liability of holders of limited partner interests for the obligations of a limited partnership have not been clearly established in some of the states in which Enterprise does business. You could have unlimited liability for Enterprise's obligations if a court or government agency determined that:

Enterprise were conducting business in a state, but had not complied with that particular state's partnership statute; or

your right to act with other unitholders to remove or replace Enterprise GP, to approve some amendments to Enterprise's partnership agreement or to take other actions under Enterprise's partnership agreement constituted control of Enterprise's business.

### ***Unitholders may have liability to repay distributions.***

Under certain circumstances, Enterprise's unitholders may have to repay amounts wrongfully returned or distributed to them. Under Section 17-607 of the Delaware Revised Uniform Limited Partnership Act (the Delaware Act), Enterprise may not make a distribution to Enterprise's unitholders if the distribution would cause Enterprise's liabilities to exceed the fair value of its assets. Liabilities to partners on account of their partnership interests and liabilities that are non-recourse to the partnership are not counted for purposes of determining whether a distribution is permitted. Delaware law provides that for a period of three years from the date of an impermissible distribution, limited partners who received the distribution and who knew at the time of the distribution that it violated Delaware law will be liable to the limited partnership for the distribution amount. A purchaser of common units who becomes a limited partner is liable for the obligations of the transferring limited partner to make contributions to the partnership that are known to such purchaser of common units at the time it became a limited partner and for unknown obligations if the liabilities could be determined from Enterprise's partnership agreement.

### ***Enterprise GP's interest in Enterprise and the control of Enterprise GP may be transferred to a third party without unitholder consent.***

Enterprise GP, in accordance with Enterprise's partnership agreement, may transfer its general partner interest without the consent of unitholders. In addition, Enterprise GP may transfer its general partner interest to a third party in a merger or consolidation or in a sale of all or substantially all of its assets without the consent of Enterprise's unitholders. Furthermore, there is no restriction in Enterprise's partnership agreement on the ability of Enterprise GP Holdings or its affiliates to transfer their equity interests in Enterprise GP to a third party. The new equity owner of Enterprise GP would then be in a position to replace the board of directors and officers of Enterprise GP with their own choices and to influence the decisions taken by the board of directors and officers of Enterprise GP.

## **Tax Risks Related to the Merger and to Owning Enterprise Common Units**

You are urged to read **Material Federal Income Tax Consequences** beginning on page 135 for a more complete discussion of the expected material federal income tax consequences of the merger and owning and disposing of Enterprise common units received in the merger.

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***No ruling has been requested with respect to the tax consequences of the merger.***

Although it is anticipated that no gain or loss should be recognized by a TEPPCO unitholder as a result of the merger (except with respect to (i) cash received in lieu of fractional Enterprise common units, (ii) a net decrease in a unitholder's share of nonrecourse liabilities as discussed below, (iii) the possible treatment of Enterprise's assumption of TEPPCO liabilities as the taxable proceeds of a "disguised sale" discussed below and (iv) the possible treatment of a small portion of the Enterprise common units as a taxable transfer discussed below), no ruling has been or will be requested from the Internal Revenue Service, or IRS, with respect to the tax consequences of the merger. Instead, Enterprise and TEPPCO are relying on the opinions of their respective counsel as to the tax consequences of the merger, and counsel's conclusions may not be sustained if challenged by the IRS.

***TEPPCO unitholders may recognize taxable income or gain as a result of the merger.***

As a result of the merger, each TEPPCO unitholder's share of nonrecourse liabilities will be recalculated. Each TEPPCO unitholder will be treated as receiving a deemed cash distribution equal to the excess, if any, of such unitholder's share of nonrecourse liabilities of TEPPCO immediately before the merger over such unitholder's share of nonrecourse liabilities of Enterprise immediately following the merger. If the amount of any deemed cash distribution received by a TEPPCO unitholder exceeds the unitholder's basis in his common units, such unitholder will recognize gain in an amount equal to such excess. However, Enterprise and TEPPCO do not expect any TEPPCO unitholders to recognize gain in this manner. The application of the rules governing the allocation of nonrecourse liabilities in the context of the merger is complex and subject to uncertainty. There can be no assurance that there will not be a net decrease in the amount of nonrecourse liabilities allocable to a TEPPCO unitholder as a result of the merger.

Enterprise will be deemed for federal income tax purposes to have assumed the liabilities of TEPPCO and its subsidiaries in the merger. A TEPPCO unitholder would recognize gain or loss to the extent any portion of the liabilities of TEPPCO or its subsidiaries assumed by Enterprise was deemed to be the proceeds of a "disguised sale" of assets to Enterprise. Enterprise and TEPPCO believe that all of the liabilities of TEPPCO and its subsidiaries will qualify for one or more exceptions to the "disguised sale" rules and that no gain or loss will be recognized by TEPPCO or its unitholders under the "disguised sale" rules. However, the application of the rules governing "disguised sales" in the context of the merger is complex and subject to uncertainty. There can be no assurance that TEPPCO unitholders will not recognize taxable gain from a "disguised sale" as a result of the merger.

There is a risk that a small portion of the Enterprise units received by each TEPPCO unitholder will be deemed for federal income tax purposes to have been received as a disproportionate amount of consideration in the merger that would be treated as a taxable transfer to the TEPPCO unitholders.

***The merger may further limit the ability of a TEPPCO unitholder to utilize suspended passive activity losses.***

Passive loss limitations generally provide that specific taxpayers may only deduct losses from passive activities to the extent of the taxpayer's income from passive activities. The passive loss limitations are applied separately with respect to each publicly traded partnership. There is no guidance as to whether suspended passive losses related to TEPPCO units will be available to offset future passive income from Enterprise following the merger. Accordingly, a TEPPCO unitholder's ability to utilize suspended TEPPCO passive losses to offset Enterprise taxable income following the merger may be limited.

***The intended tax consequences of the merger are dependent upon Enterprise being treated as a partnership for tax purposes.***

The treatment of the exchange of TEPPCO units for Enterprise units in the merger as a tax-free exchange is dependent upon Enterprise being treated as a partnership for federal income tax purposes. If Enterprise were treated as a corporation for federal income tax purposes, the exchange would be a fully taxable transaction for a TEPPCO unitholder.

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***The tax treatment of Enterprise and its unitholders depends on Enterprise's status as a partnership for federal income tax purposes, as well as Enterprise not being subject to a material amount of entity-level taxation by individual states. If the IRS were to treat Enterprise as a corporation or if it were to be subject to a material amount of entity-level taxation for state tax purposes, then Enterprise's cash available for distribution to its common unitholders would be substantially reduced.***

The anticipated after-tax economic benefit of an investment in the Enterprise common units depends largely on Enterprise being treated as a partnership for federal income tax purposes. Enterprise has not requested, and does not plan to request, a ruling from the IRS on this or any other matter affecting Enterprise.

If Enterprise were treated as a corporation for federal income tax purposes, Enterprise would pay federal income tax on Enterprise's taxable income at the corporate tax rate, which is currently a maximum of 35%. Distributions to Enterprise's unitholders would generally be taxed again to them as corporate distributions, and no income, gains, losses, deductions or credits would flow through to them. Because tax would be imposed on Enterprise as a corporation, the cash available for distribution to Enterprise common unitholders would be substantially reduced. Thus, treatment of Enterprise as a corporation would result in a material reduction in the after-tax return to Enterprise unitholders, likely causing a substantial reduction in the value of Enterprise common units.

Current law may change, causing Enterprise to be treated as a corporation for federal income tax purposes or otherwise subjecting Enterprise to a material amount of entity-level taxation. In addition, because of widespread state budget deficits and other reasons, several states are evaluating ways to enhance state-tax collections.

For example, Enterprise's operating subsidiaries are subject to the Revised Texas Franchise Tax on that portion of their revenue generated in Texas. Specifically, the Revised Texas Franchise Tax is imposed at a maximum effective rate of 0.7% of the operating subsidiaries' gross revenue that is apportioned to Texas. If any additional state were to impose an entity-level tax upon Enterprise or its operating subsidiaries, the cash available for distribution to Enterprise's common unitholders would be reduced.

***The tax treatment of publicly traded partnerships or an investment in Enterprise's common units could be subject to potential legislative, judicial or administrative changes and differing interpretations, possibly on a retroactive basis.***

The present U.S. federal income tax treatment of publicly traded partnerships, including Enterprise, or an investment in Enterprise common units may be modified by administrative, legislative or judicial interpretation at any time. Any modification to the U.S. federal income tax laws and interpretations thereof could make it more difficult or impossible to meet the exception, which we refer to as the Qualifying Income Exception, for Enterprise to be treated as a partnership for U.S. federal income tax purposes that is not taxable as a corporation, affect or cause Enterprise to change its business activities, affect the tax considerations of an investment in Enterprise, change the character or treatment of portions of Enterprise's income and adversely affect an investment in Enterprise common units. For example, in response to certain recent developments, members of Congress are considering substantive changes to the definition of qualifying income under Section 7704(d) of the Internal Revenue Code. It is possible that these legislative efforts could result in changes to the existing U.S. tax laws that affect publicly traded partnerships, including Enterprise. Modifications to the U.S. federal income tax laws and interpretations thereof may or may not be applied retroactively. Enterprise is unable to predict whether any changes will ultimately be enacted. Any such changes could negatively impact the value of an investment in Enterprise common units.

***Enterprise prorates its items of income, gain, loss and deduction between transferors and transferees of its common units each month based upon the ownership of common units on the first day of each month, instead of on the basis of the date a particular common unit is transferred.***

Enterprise prorates its items of income, gain, loss and deduction between transferors and transferees of its common units each month based upon the ownership of common units on the first day of each month, instead of on the basis of the date a particular unit is transferred. The use of this proration method may not be permitted

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under existing Treasury regulations, and, accordingly, Enterprise's counsel is unable to opine as to the validity of this method. If the IRS were to challenge this method or new Treasury regulations are issued, Enterprise may be required to change the allocation of items of income, gain, loss and deduction among its unitholders.

***The sale or exchange of 50% or more of Enterprise's capital and profits interests during any twelve-month period will result in Enterprise's termination as a partnership for federal income tax purposes.***

Enterprise will be considered to have terminated as a partnership for federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in its capital and profits within a twelve-month period. Enterprise's termination would, among other things, result in the closing of its taxable year for all Enterprise unitholders and could result in a deferral of depreciation deductions allowable in computing Enterprise's taxable income.

***An IRS contest of the federal income tax positions Enterprise takes may adversely impact the market for Enterprise's common units, and the cost of any contests will be borne by Enterprise's unitholders and its general partner.***

The IRS may adopt positions that differ from the positions Enterprise takes, even positions taken with the advice of counsel. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions Enterprise takes. A court may not agree with some or all of the positions Enterprise takes. Any contest with the IRS may materially and adversely impact the market for Enterprise common units and the price at which they trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will be borne by Enterprise's unitholders and general partner.

***Even if Enterprise's common unitholders do not receive any cash distributions from Enterprise, they will be required to pay taxes on their share of Enterprise's taxable income.***

Enterprise common unitholders will be required to pay any federal income taxes and, in some cases, state and local income taxes on their share of Enterprise's taxable income whether or not they receive any cash distributions from Enterprise. Unitholders may not receive cash distributions from Enterprise equal to their share of Enterprise's taxable income or even equal to the actual tax liability that results from their share of Enterprise's taxable income.

***Tax gain or loss on disposition of common units could be different than expected.***

If Enterprise's unitholders sell their common units, they will recognize gain or loss equal to the difference between the amount realized and their tax basis in those common units. Prior distributions in excess of the total net taxable income allocated to a unitholder for a common unit, which decreased the unitholder's tax basis in that common unit, will, in effect, become taxable income to the unitholder if the common unit is sold at a price greater than the unitholder's tax basis in that common unit, even if the price the unitholder receives is less than the unitholder's original cost. A substantial portion of the amount realized, whether or not representing gain, may be ordinary income to the unitholder.

***Tax-exempt entities and foreign persons face unique tax issues from owning Enterprise's common units that may result in adverse tax consequences to them.***

Investments in Enterprise common units by tax-exempt entities, such as individual retirement accounts (IRAs), other retirement plans and non-U.S. persons raise issues unique to them. For example, virtually all of Enterprise's income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, will be unrelated business taxable income and will be taxable to them. Distributions to non-U.S. persons will be reduced by withholding taxes at the highest applicable effective tax rate, and non-U.S. persons will be required to file U.S. federal tax returns and pay tax on their share of Enterprise's taxable income.





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***Enterprise treats each purchaser of its common units as having the same tax benefits without regard to the actual units purchased. The IRS may challenge this treatment, which could adversely affect the value of Enterprise's common units.***

Because Enterprise and TEPPCO cannot match transferors and transferees of common units and because of other reasons, Enterprise and TEPPCO have adopted depreciation and amortization positions that may not conform with all aspects of applicable Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to Enterprise's unitholders. It also could affect the timing of these tax benefits or the amount of gain from a sale of common units and could have a negative impact on the value of the common units or result in audit adjustments to a unitholder's tax return.

***Enterprise common unitholders will likely be subject to state and local taxes and return filing requirements in states where they do not live as a result of an investment in Enterprise's common units.***

In addition to federal income taxes, Enterprise's common unitholders will likely be subject to other taxes, including state and local income taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which Enterprise does business or owns property. Enterprise's common unitholders will likely be required to file state and local income tax returns and pay state and local income taxes in some or all of these various jurisdictions. Further, they may be subject to penalties for failure to comply with those requirements. Enterprise may own property or conduct business in other states or foreign countries in the future. It is the responsibility of each unitholder to file its own federal, state and local tax returns.

***Enterprise has adopted certain valuation methodologies that may result in a shift of income, gain, loss and deduction between its general partner and its unitholders. The IRS may challenge this treatment, which could adversely affect the value of Enterprise common units.***

When Enterprise issues additional common units or engages in certain other transactions, Enterprise determines the fair market value of its assets and allocates unrealized gain or loss attributable to its assets to the capital accounts of its unitholders and general partner. Enterprise's methodology may be viewed as understating the value of its assets. In that case, there may be a shift of income, gain, loss and deduction between certain unitholders and Enterprise's 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 Code Section 743(b) adjustment allocated to Enterprise's tangible assets and a lesser portion allocated to Enterprise's intangible assets. The IRS may challenge Enterprise's methods, or its allocation of the Section 743(b) adjustment attributable to its tangible and intangible assets, and allocations of income, gain, loss and deduction between Enterprise's general partner and certain of its unitholders.

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

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**THE SPECIAL UNITHOLDER MEETING**

*Time, Place and Date.* The special meeting of TEPPCO unitholders will be held on \_\_\_\_\_, 2009 at \_\_\_\_\_ a.m., local time at the Hyatt Regency Hotel, 1200 Louisiana Street, Houston, Texas 77002. The meeting may be adjourned or postponed by TEPPCO GP to another date or place for proper purposes, including for the purpose of soliciting additional proxies.

*Purposes.* The purposes of the special meeting are:

To consider and vote on the approval of the merger agreement and the merger; and

To transact other business as may properly be presented at the meeting or any adjournments of the meeting.

At the present time, TEPPCO knows of no other matters that will be presented for consideration at the meeting.

*Quorum.* A quorum requires the presence, in person or by proxy, of holders of a majority of the outstanding TEPPCO units. TEPPCO units will be counted as present at the special meeting if the holder is present and votes in person at the meeting or has submitted a properly executed proxy card. Proxies received but marked as abstentions will be counted as units that are present and entitled to vote for purposes of determining the presence of a quorum. If an executed proxy is returned by a broker or other nominee holding units in street name indicating that the broker does not have discretionary authority as to certain units to vote on the proposals (a broker non-vote), such units will be considered present at the meeting for purposes of determining the presence of a quorum but will not be considered entitled to vote.

*Record Date.* The record date for the special meeting is the close of business on \_\_\_\_\_, 2009.

*Units Entitled to Vote.* Unitholders may vote at the special meeting if they owned TEPPCO units at the close of business on the record date. Unitholders may cast one vote for each TEPPCO unit owned on the record date.

*Votes Required.* Pursuant to the TEPPCO partnership agreement, the proposal to approve the merger agreement and the merger requires the affirmative vote of the holders of at least a majority of TEPPCO's outstanding units. Accordingly, failures to vote, abstentions and broker non-votes will have the same effect as a vote against the approval of the merger agreement and the merger for purposes of the majority vote required under the partnership agreement.

Enterprise GP Holdings, Duncan Family Interests, Inc., DFI GP Holdings L.P. and other entities controlled by Mr. Dan L. Duncan that own 17,073,315, or 16.3%, of TEPPCO's outstanding units have agreed pursuant to a support agreement with Enterprise to vote their units in favor of approval of the merger agreement and the merger. Mr. Duncan has also stated separately in an amended Schedule 13D filed with the SEC on June 30, 2009 that he intends to vote those units and any other TEPPCO units beneficially owned by him in favor of the merger. As of the record date, directors and executive officers of TEPPCO GP and their affiliates had the right to vote \_\_\_\_\_ TEPPCO units, or approximately \_\_\_\_\_% of TEPPCO's outstanding units. TEPPCO currently expects that all of the directors and executive officers of TEPPCO GP will vote their units in favor of approval of the merger agreement and the merger, although none of them has entered into any agreement obligating them to do so.

In addition, under the merger agreement, the proposal to approve the merger agreement and the merger requires that the actual votes cast in favor of the proposal by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast

against the proposal in order for the proposal to be approved. Accordingly, failures to vote,

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abstentions and broker non-votes will not be counted for purposes of this vote required under the merger agreement.

*Units Outstanding.* As of the record date, there were           TEPPCO units outstanding.

## **Voting Procedures**

*Voting by TEPPCO Unitholders.* TEPPCO unitholders may vote using any of the following methods:

call the toll-free phone number listed on your proxy card and follow the recorded instructions;

go to the Internet website listed on your proxy card and follow the instructions provided;

complete, sign and mail your proxy card in the postage-paid envelope; or

attend the meeting and vote in person.

If you have timely and properly submitted your proxy, clearly indicated your vote and have not revoked your proxy, your units will be voted as indicated. If you have timely and properly submitted your proxy but have not clearly indicated your vote, your units will be voted FOR approval of the merger agreement and the merger.

If any other matters are properly presented at the meeting for consideration, the persons named in your proxy will have the discretion to vote on these matters in accordance with their best judgment. Proxies voted against adoption of the merger agreement will not be voted in favor of any adjournment of the meeting for the purpose of soliciting additional proxies.

*Revocation.* You may revoke your proxy at any time prior to its exercise by:

giving written notice of revocation to the Secretary of TEPPCO GP;

appearing and voting in person at the special meeting; or

properly completing and executing a later dated proxy and delivering it to the Secretary of TEPPCO GP at or before the special meeting.

Your presence without voting at the meeting will not automatically revoke your proxy, and any revocation during the meeting will not affect votes previously taken.

*Validity.* The inspectors of election will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of proxies. Their determination will be final and binding. The board of directors of TEPPCO GP has the right to waive any irregularities or conditions as to the manner of voting. TEPPCO may accept your proxy by any form of communication permitted by Delaware law so long as TEPPCO is reasonably assured that the communication is authorized by you.

*Solicitation of Proxies.* The accompanying proxy is being solicited on behalf of the board of directors of TEPPCO GP. The expenses of preparing, printing and mailing the proxy and materials used in the solicitation will be borne by TEPPCO.

Georgeson Inc. has been retained by TEPPCO to aid in the solicitation of proxies for an initial fee of \$15,000 plus expenses and the reimbursement of out-of-pocket expenses. In addition to this mailing, proxies may also be solicited

from TEPPCO unitholders by personal interview, telephone, fax or other electronic means by directors and officers of TEPPCO GP and employees of EPCO and its affiliates who provide services to TEPPCO, who will not receive additional compensation for performing that service. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of proxy materials to the beneficial owners of TEPPCO units held by those persons, and TEPPCO will reimburse them for any reasonable expenses that they incur.

*Units Held in Street Name.* If you hold your units in the name of a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or nominee when voting your units or when granting or revoking a proxy.

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Absent specific instructions from you, your broker is not empowered to vote your units with respect to the approval of the merger agreement and the merger. The units not voted because brokers lack power to vote them without instructions are also known as broker non-votes.

Failures to vote, abstentions and broker non-votes will have the same effect as a vote against approval of the merger proposal for purposes of the majority vote required under the partnership agreement. However, failures to vote, abstentions and broker non-votes will not be counted for proposes of the vote required under the merger agreement to approve the proposal.

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**THE MERGER**

**Background of the Merger**

In February 2005, a privately held affiliate of Dan L. Duncan, the Chairman of Enterprise, acquired all the membership interests in TEPPCO GP, thereby acquiring control of TEPPCO. In connection with the acquisition, EPCO and its affiliates agreed to provide administrative, management and operating services to TEPPCO GP and TEPPCO pursuant to an administrative services agreement, and have provided shared services to TEPPCO GP and TEPPCO (as well as Enterprise and Enterprise GP Holdings) since that time. In May 2007, Enterprise GP Holdings, which is also controlled by Mr. Duncan, acquired TEPPCO GP from Mr. Duncan's private affiliate as well as 4,400,000 TEPPCO units owned by the privately-held affiliate. As a result of these transactions, Enterprise GP Holdings owns 4,400,000 TEPPCO units and all of the membership interests of TEPPCO GP, which owns a 2.0% general partner interest in TEPPCO and the incentive distribution rights in TEPPCO. Enterprise GP Holdings also owns 13,670,925 Enterprise common units and all of the membership interests in Enterprise GP.

On January 19, 2009, Mr. Duncan, Michael A. Creel, the Chief Executive Officer and President of Enterprise, and other members of Enterprise management met and decided to commence an evaluation of the feasibility of combining Enterprise and TEPPCO. Mr. Creel and other members of Enterprise management then met on January 21, 2009 with E. William Barnett, the Chairman of the Enterprise ACG Committee, to discuss a potential combination of Enterprise and TEPPCO and a process for sharing information between Enterprise and TEPPCO.

On January 29, 2009, the Enterprise ACG Committee met with Messrs. Duncan and Creel and other members of Enterprise management to discuss the proposed process for Enterprise and the Enterprise ACG Committee to follow in connection with considering a potential combination of Enterprise and TEPPCO, as well as to discuss the qualifications and possible engagement of Barclays Capital Inc. as a financial advisor to Enterprise. Representatives of Barclays Capital made a presentation regarding their qualifications to serve as financial advisor and discussed their preliminary qualitative assessment of a potential transaction based on publicly available information. On January 30, 2009, the Enterprise ACG Committee engaged Skadden, Arps, Slate, Meagher & Flom LLP as counsel to the committee.

On February 10, 2009, the Enterprise ACG Committee, together with representatives of Skadden, met with representatives from Morris, Nichols, Arsht & Tunnell, Delaware counsel to Enterprise, to discuss, among other things, an appropriate process for Enterprise to obtain financial and operating projections from TEPPCO. Based on this meeting, the Enterprise ACG Committee and Enterprise management decided that Messrs. Barnett and Creel should meet with Murray H. Hutchison, Chairman of the TEPPCO board, to discuss obtaining financial and operating projections from TEPPCO.

On February 12, 2009, representatives of Barclays Capital met with Messrs. Duncan and Creel and other members of Enterprise management to discuss initial views and Barclays Capital's preliminary analysis of a potential combination of Enterprise and TEPPCO based solely on publicly available data.

On February 17, 2009, Messrs. Barnett and Creel and other members of Enterprise management met with Mr. Hutchison. Mr. Creel informed Mr. Hutchison that Enterprise had commenced an evaluation of the feasibility of combining the two partnerships and indicated that Enterprise would like to enter into a confidentiality agreement with TEPPCO in order to permit the sharing of financial and other information between the parties. A draft mutual confidentiality agreement prepared by Skadden was provided to Mr. Hutchison.



On February 20, 2009, Mr. Hutchison informed the TEPPCO board members that Enterprise was considering a potential business combination with TEPPCO.

On February 23, 2009, TEPPCO and Enterprise entered into a mutual confidentiality agreement. Following its execution, Enterprise and TEPPCO began to exchange non-public information.

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Due to the conflicts of interest involved in a potential combination of Enterprise and TEPPCO, the TEPPCO ACG Committee, which consisted of Mr. Hutchison, Richard S. Snell, Michael B. Bracy (as Chairman) and Donald H. Daigle, anticipated that consideration of the potential combination would be referred to the TEPPCO ACG Committee by the TEPPCO board. Therefore, on February 23, 2009, members of the TEPPCO ACG Committee interviewed two law firms and, after due consideration of each firm's relevant industry experience and prior representation of special committees and conflicts committees, decided that Mayer Brown LLP would be retained as its counsel upon referral of the matter to the TEPPCO ACG Committee by the TEPPCO board.

On February 25, 2009, representatives of Barclays Capital met with Messrs. Duncan and Creel and other members of Enterprise management to review Barclays Capital's preliminary financial analyses of a potential combination based on Enterprise's and TEPPCO's respective 2009 internal profit plans. These preliminary analyses reflected the assumption that any transaction proposal would result initially in reasonably equivalent projected distributions from distributable cash flow to Enterprise GP Holdings.

On February 26, 2009, the TEPPCO board and representatives of Mayer Brown met to discuss a potential combination with Enterprise. The board members determined that, because Enterprise GP Holdings owned TEPPCO GP and Enterprise GP, the proposed transaction presented a conflict of interest that would be appropriate for the TEPPCO ACG Committee to review and approve and therefore referred the transaction to the TEPPCO ACG Committee for its consideration. Because the Derivative Action brought on September 18, 2006 by Peter R. Brinckerhoff for breach of fiduciary duty and disclosure claims could have an impact on the proposed transaction, the TEPPCO board also determined that it would be appropriate for the TEPPCO ACG Committee to consider and evaluate any impact the Derivative Action might have on a potential transaction with Enterprise. Following this meeting, the TEPPCO ACG Committee decided it would retain Mayer Brown in connection with the proposed transaction, subject to the execution of an acceptable engagement letter.

On March 4, 2009, the TEPPCO ACG Committee telephonically held its initial meeting regarding the anticipated proposal for a combination with Enterprise, at which meeting representatives of Mayer Brown reviewed with the committee members the requirements set forth in TEPPCO's organizational documents for service on the TEPPCO ACG Committee. Mr. Hutchison also informed the TEPPCO ACG Committee that Jerry E. Thompson, TEPPCO's Chief Executive Officer, was planning to take a temporary medical leave of absence, but would remain available on a limited basis, and that Mr. Hutchison was considering proposing to the TEPPCO board that he be appointed interim executive chairman during Mr. Thompson's leave. At the same meeting, it was decided that the TEPPCO ACG Committee would conduct interviews and retain a financial advisor to assist in the evaluation of the potential business combination between Enterprise and TEPPCO.

On March 9, 2009, Mr. Creel, other members of Enterprise's management and representatives of Barclays Capital met with the Enterprise ACG Committee to review and discuss preliminary information regarding combination structuring and related assumptions. Representatives of Andrews Kurth LLP, counsel to Enterprise, and Skadden were also in attendance. Based on these discussions and the concurrence of the Enterprise ACG Committee, Mr. Creel delivered an initial proposal from Enterprise to TEPPCO's Chairman regarding the terms of a potential business combination as set forth below, which terms were intended to form the basis for further discussions with TEPPCO.

The March 9, 2009 letter from Enterprise to Mr. Hutchison (the "March 9 Proposal") proposed a merger in which Enterprise would acquire all of the outstanding partnership units of TEPPCO for per unit consideration of \$21.89, which represented an approximate 4.8% premium to the 10-day average closing price of a TEPPCO unit on March 6, 2009, the last full business day before the March 9 Proposal. The proposed consideration consisted of: (a) 1.043 Enterprise common units for each issued and outstanding TEPPCO unit, or approximately 109.5 million Enterprise common units, and (b) cash equal to \$1.00 for each issued and outstanding TEPPCO unit. The March 9 Proposal was conditioned on Enterprise acquiring all of TEPPCO's partnership interests, but it did not address consideration with

respect to the general partner interest or incentive distribution rights in TEPPCO owned by TEPPCO GP or any other consideration or financial terms.

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Following the delivery of the March 9 Proposal, Mr. Creel forwarded a copy of the letter to Charles McMahan, the Chairman of the Enterprise GP Holdings ACG Committee.

On March 9, 2009, the TEPPCO board approved Mr. Thompson's temporary medical leave and the appointment of Mr. Hutchison as interim executive chairman.

On March 12, 2009, TEPPCO issued a press release announcing Mr. Thompson's temporary medical leave of absence and Mr. Hutchison's withdrawal from the TEPPCO ACG Committee in conjunction with his appointment as interim executive chairman.

On March 13, 2009, Mr. Daigle, as a member of the TEPPCO ACG Committee, and Mr. Creel discussed by phone the timing for a meeting between Enterprise and TEPPCO to discuss the basis for a potential transaction. The meeting was tentatively set for March 26, 2009. Mr. Daigle informed Mr. Creel that the TEPPCO ACG Committee intended to interview potential financial advisors the week of March 16, 2009.

On March 16, 2009, the TEPPCO ACG Committee held a meeting attended by representatives from Mayer Brown. The TEPPCO ACG Committee discussed the March 9 Proposal and the Derivative Action. On the advice of Mayer Brown, the TEPPCO ACG Committee decided to retain Delaware counsel to advise on the conflicts committee process and to assist in evaluating the Derivative Action. Pursuant to its decision to retain a financial advisor at the March 4th meeting, the TEPPCO ACG Committee, together with representatives of Mayer Brown, interviewed one financial advisor on March 16, 2009 and a second financial advisor on March 17, 2009. After meeting with the two firms, the TEPPCO ACG Committee determined, subject to the negotiation of an acceptable engagement letter, that Credit Suisse would be retained as its financial advisor in connection with the proposed transaction based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm and its knowledge of TEPPCO's industry and prior representation of special committees in connection with similar transactions.

At a telephonic meeting held on March 24, 2009, the TEPPCO ACG Committee agreed that Potter Anderson & Corroon, LLP would be retained as its Delaware counsel and appointed Mr. Daigle as project chairman of the TEPPCO ACG Committee for the purposes of the potential transaction. The TEPPCO ACG Committee, with the assistance of its legal and financial advisors, also discussed strategies for the upcoming meeting with Enterprise scheduled for March 26, 2009 at which Enterprise was expected to discuss the March 9 Proposal. After consulting with its legal and financial advisors, the TEPPCO ACG Committee decided that, after Enterprise's presentation, it would indicate to Enterprise that the offer price was unacceptably low because, among other things, it inadequately valued TEPPCO's business and it did not take into account the potential value of the Derivative Action.

On March 26, 2009, the TEPPCO ACG Committee and its legal and financial advisors, TEPPCO's management and representatives of Baker Botts L.L.P., counsel to TEPPCO, Enterprise's management and its legal and financial advisors and the Enterprise ACG Committee and its legal advisors met. At the meeting, members of Enterprise management and its advisors and representatives of Barclays Capital provided an overview of the March 9 Proposal. In connection with these discussions, Enterprise noted that the proposed cash component was intended to provide TEPPCO unitholders with cash approximating the net present value of the difference in quarterly distributions between Enterprise common units and TEPPCO units. The TEPPCO ACG Committee, after discussions with its legal and financial advisors, expressed a preference for consideration comprised solely of Enterprise common units because TEPPCO unitholders would receive more potential upside through a greater participation in equity and the consideration would not be taxable to the TEPPCO unitholders. A representative of Andrews Kurth provided a memorandum outlining a potential structure of the merger transaction.

At the same meeting, management of both Enterprise and TEPPCO provided presentations on the current status of the business of their respective partnerships. Mr. Daigle also inquired as to the consideration for the acquisition of TEPPCO GP from Enterprise GP Holdings, and Enterprise management responded that they would approach Enterprise GP Holdings in the near term to discuss such consideration. Mr. Daigle indicated that Enterprise should take the lead in communicating with Enterprise GP Holdings any proposals regarding

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consideration for TEPPCO GP, and Enterprise management agreed. At the conclusion of the meeting, Mr. Daigle informed Enterprise management that the TEPPCO ACG Committee did not believe the March 9 Proposal fairly valued TEPPCO because, among other things, it inadequately valued TEPPCO's business and it did not take into account the potential value of the Derivative Action. However, he indicated that the TEPPCO ACG Committee believed that a merger of the two partnerships on the right terms could be beneficial to both partnerships, and the TEPPCO ACG Committee would consider an increased proposal from Enterprise. The parties agreed to continue with due diligence at a meeting on April 2, 2009.

On March 26, 2009, Mr. Creel forwarded copies of the meeting materials to the Chairman of the Enterprise GP Holdings ACG Committee.

Between March 26 and April 1, 2009, Enterprise and TEPPCO exchanged projected financial and other diligence information, including preliminary assumptions regarding growth capital expenditures.

On March 30, 2009, Mr. Daigle met with representatives of Mayer Brown and Potter Anderson to discuss the impact of the potential transaction on the Derivative Action. Following that discussion, Mr. Daigle recommended to the TEPPCO ACG Committee that Mr. Bracy and Mr. Snell, each of whom was a named defendant in the Derivative Action, should not be involved in the negotiations with Enterprise. Mr. Daigle also recommended that two new directors who were both independent and disinterested with respect to the proposed transaction should be added to the TEPPCO ACG Committee and that the TEPPCO ACG Committee should form a new special committee composed of Mr. Daigle and the two new directors to evaluate and negotiate the proposal by Enterprise. On April 1, 2009, Mr. Daigle and representatives of Mayer Brown met with TEPPCO's general counsel and Mr. Hutchison to discuss Mr. Daigle's recommendation. Mr. Hutchison and TEPPCO's general counsel then met with Ralph S. Cunningham, President and Chief Executive Officer of Enterprise GP Holdings, which, as the sole member of TEPPCO GP, has the power to appoint members of the TEPPCO board, to inform him of Mr. Daigle's recommendation. Dr. Cunningham agreed that Mr. Daigle should begin the search for two new individuals to serve on a special committee of the TEPPCO ACG Committee as soon as possible.

On April 1, 2009, the Enterprise GP Holdings ACG Committee held a meeting, also attended, at the request of the committee, by Mr. Creel and other members of Enterprise management, and discussed the proposed transaction and the potential impact of the Derivative Action on the proposed transaction.

On April 2, 2009, the TEPPCO ACG Committee and its legal and financial advisors, TEPPCO's management and its legal advisors, Enterprise's management and its legal and financial advisors and the Enterprise ACG Committee and its legal advisors met to gather and exchange information regarding the two partnerships. Each partnership's management provided a commercial overview of its partnership's business and financial outlook, and the parties and their advisors asked and answered various questions. At the conclusion of the meeting, Mr. Daigle reiterated that the TEPPCO ACG Committee believed that the March 9 Proposal was too low and invited Enterprise to submit a higher proposal.

On the same day, Mr. Daigle met with representatives of Mayer Brown to begin the search for two new independent and disinterested directors. Over the next few days, a list of eight prospective candidates was prepared with the assistance of the TEPPCO ACG Committee's legal and financial advisors, but without assistance from TEPPCO management. The top five candidates were identified and contacted to ascertain their interest in serving on a special committee of the TEPPCO ACG Committee. From April 5, 2009 to April 15, 2009, Mr. Daigle, with assistance from representatives of Mayer Brown, interviewed the top three candidates. After the interviews, Mr. Daigle, after consulting with representatives of Mayer Brown, determined that Duke R. Ligon and Irvin Toole, Jr. both should be invited to join the TEPPCO board and serve on the TEPPCO ACG Committee and a special committee of the TEPPCO ACG Committee. On April 16, 2009, Mr. Daigle and representatives of Mayer Brown met with Mr. Hutchison and TEPPCO's general counsel to inform them of two nominees recommended by Mr. Daigle. After

this meeting, Mr. Daigle, Mr. Hutchison, TEPPCO's general counsel and representatives of Mayer Brown met with Dr. Cunningham to review Messrs. Ligon's and Toole's resumes and credentials.

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Concurrently with the search for the new members of the TEPPCO ACG Committee to serve on a special committee of the TEPPCO ACG Committee, Mr. Daigle held numerous conversations with representatives of Mayer Brown and Potter Anderson to assess the merits of the Derivative Action and the impact of the potential acquisition of TEPPCO by Enterprise on the Derivative Action. As a result of those discussions, it was decided that the TEPPCO Special Committee, once constituted, would engage in discussions with the plaintiff's counsel in the Derivative Action in order to better assess the Derivative Action.

On April 22, 2009, Enterprise GP Holdings appointed Messrs. Ligon and Toole to the TEPPCO board. Later that day, the TEPPCO board met with representatives of Mayer Brown and Baker Botts. Representatives of Baker Botts reviewed and discussed with the board members the standards for service on the TEPPCO ACG Committee under the New York Stock Exchange rules and under TEPPCO's organizational documents, after which the TEPPCO board appointed Messrs. Ligon and Toole to the TEPPCO ACG Committee and authorized the TEPPCO ACG Committee to review, evaluate and negotiate the terms and conditions of a proposal by Enterprise to acquire TEPPCO and any related arrangements or potential alternatives thereto, and to control all litigation related thereto. Mr. Daigle also provided an update to the other board members regarding the status of the proposed transaction with Enterprise. Following the meeting, the TEPPCO ACG Committee met, with representatives of Mayer Brown attending. Representatives of Mayer Brown discussed with the TEPPCO ACG Committee members independence and disinterestedness standards for Delaware conflicts purposes. The TEPPCO ACG Committee then formed a special committee of directors who are disinterested with respect to the proposed transaction with Enterprise composed of Messrs. Daigle, Ligon and Toole, and appointed Mr. Daigle as chairman of the TEPPCO Special Committee. The TEPPCO ACG Committee authorized the TEPPCO Special Committee to review, evaluate and negotiate the terms and conditions of a proposal by Enterprise to acquire TEPPCO and any related arrangements or any potential alternatives thereto and to control all litigation related thereto. The TEPPCO ACG Committee also authorized the TEPPCO Special Committee to retain its own legal and financial advisors. With the consent of the TEPPCO ACG Committee which had determined it no longer required separate legal and financial advisors, having delegated authority to the TEPPCO Special Committee, the TEPPCO Special Committee then retained Mayer Brown, Potter Anderson and Credit Suisse and thereafter entered into engagement letters with each of them.

On April 23, 2009, the TEPPCO Special Committee, along with its legal and financial advisors, met to discuss the March 9 Proposal. The TEPPCO Special Committee noted that TEPPCO units were now trading at a premium to the value of the March 9 Proposal, and that it did not believe that the trading price reflected the potential value of the Derivative Action. The TEPPCO Special Committee authorized Mr. Daigle to telephone Mr. Creel to indicate that the TEPPCO Special Committee was unwilling to recommend the acceptance of the March 9 Proposal, but that it was willing to consider an improved proposal.

On April 24, 2009, the management of Enterprise and the management of TEPPCO, together with their legal and financial advisors, met with the TEPPCO Special Committee and, for the benefit of Messrs. Ligon and Toole, reviewed the materials that had been previously presented to the TEPPCO ACG Committee on March 26, 2009. On the same day, the TEPPCO Special Committee and its legal advisors held a telephonic meeting during which representatives of Potter Anderson advised the TEPPCO Special Committee on its duties under Delaware law and TEPPCO's organizational documents and the legal considerations surrounding the Derivative Action. The TEPPCO Special Committee also determined, upon consultation with its legal advisors, that, in light of the fact that Mr. Duncan indirectly controls Enterprise and TEPPCO, it was unrealistic for TEPPCO to expect or pursue an alternative proposal from an unrelated third party.

On April 27, 2009, Mr. Daigle initiated a telephone call to Mr. Creel. Also participating in the call were representatives of Mayer Brown, Andrews Kurth and members of Enterprise management. Mr. Daigle informed Mr. Creel that the TEPPCO Special Committee could not support the March 9 Proposal because: (i) the March 9 Proposal represented a discount to the then-current market price of TEPPCO units; (ii) the TEPPCO Special



Committee had not yet been able to determine an appropriate value range for the Derivative Action; (iii) the TEPPCO Special Committee continued to believe that the March 9 Proposal should be an all unit exchange without a cash component; and (iv) the TEPPCO Special Committee needed to consider the proposed consideration to be paid to Enterprise GP Holdings in exchange for its ownership interests in TEPPCO GP. Furthermore, Mr. Daigle informed Mr. Creel that because of the uncertainty surrounding some

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of those factors, the TEPPCO Special Committee was not in a position to make a counterproposal at that time. Mr. Daigle requested that Enterprise make a revised all unit proposal and provide further information with respect to Enterprise's plans for the acquisition of TEPPCO GP. Mr. Creel responded that Enterprise was not prepared to make a new offer without having a better sense of the TEPPCO Special Committee's views on the value of TEPPCO. However, Enterprise was willing to engage the TEPPCO Special Committee and its advisors in further discussions regarding the March 9 Proposal and to consider an all unit proposal. Both parties agreed that the TEPPCO Special Committee and its advisors would meet with Enterprise and its advisors to have such discussions. The TEPPCO Special Committee, together with its legal advisors, later met telephonically for Mr. Daigle to update the other members on his conversation with Mr. Creel and to discuss a draft press release concerning the March 9 Proposal by Enterprise. During that meeting, representatives of Mayer Brown also gave a presentation on the duties and responsibilities of the TEPPCO Special Committee.

On April 28, 2009, Mr. Daigle called Mr. Creel to request a conference call among the parties and their advisors, which was then set for May 1, 2009.

On April 29, 2009, Enterprise issued a press release regarding the March 9 Proposal, and Mr. Duncan, Enterprise GP Holdings, EPCO and other affiliates of Mr. Duncan who own TEPPCO units filed disclosures under a Schedule 13D amendment concurrently with the press release. At the direction of the TEPPCO Special Committee and in response to the Enterprise press release, TEPPCO issued a press release on the same day regarding its receipt of the March 9 Proposal. TEPPCO's press release stated that in order to evaluate the proposed acquisition by Enterprise, the TEPPCO ACG Committee had formed the TEPPCO Special Committee consisting of Messrs. Daigle, Toole and Ligon, and that after considering the March 9 Proposal with the assistance of its financial and legal advisors, the TEPPCO Special Committee had unanimously concluded that it did not support the March 9 Proposal and that it had advised Enterprise of its decision. The TEPPCO press release noted that the TEPPCO Special Committee remained willing to consider a revised proposal that appropriately recognized the value of TEPPCO, including the significant benefits that would accrue to Enterprise as a result of a merger with TEPPCO.

Following the press releases by Enterprise and TEPPCO, on April 29, 2009, Mr. Brinckerhoff filed a class action complaint in the Delaware Court of Chancery challenging the fairness of the March 9 Proposal. On the same date, Renee Horowitz filed a second class action complaint in the Delaware Court of Chancery also challenging the fairness of the March 9 Proposal. These actions were consolidated on May 9, 2009. We refer to these consolidated actions as the Merger Action.

On April 30, 2009, the TEPPCO Special Committee met with its legal and financial advisors to prepare for the meeting with Enterprise scheduled for May 1, 2009. The TEPPCO Special Committee noted that the value of the March 9 Proposal remained below the then-current market price of TEPPCO units. The TEPPCO Special Committee also discussed the advantages of an all unit proposal and the need to consider the range of potential values of the Derivative Action in evaluating the merger consideration. After some discussion, the TEPPCO Special Committee decided that, if efforts to obtain a revised proposal from Enterprise were unsuccessful, it would make a counterproposal only after it was able to assess the merits and the range of potential values of the Derivative Action and that, to facilitate that assessment, it would schedule a meeting with the plaintiff's counsel in the Derivative Action and Merger Action.

On May 1, 2009, the TEPPCO Special Committee and its legal and financial advisors met with Enterprise and its legal and financial advisors and the Enterprise ACG Committee and its legal advisors. Enterprise's management team and representatives of Barclays Capital provided the TEPPCO Special Committee with their overview of their current business and the future prospects (including relative risks) of both companies and the reasoning behind the March 9 Proposal. Enterprise and representatives of Barclays Capital also indicated that they believed structuring the acquisition of TEPPCO GP from Enterprise GP Holdings to result initially in reasonably equivalent projected

distributions from distributable cash flow to Enterprise GP Holdings would be important to Enterprise GP Holdings. Mr. Daigle and representatives of Credit Suisse summarized the preliminary views of the TEPPCO Special Committee of the March 9 Proposal. At the conclusion of the session, Mr. Daigle informed Enterprise that the TEPPCO Special Committee was in the process of reviewing the Derivative Action and believed that the Derivative Action potentially represented

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a significant asset for TEPPCO. Mr. Daigle then encouraged Enterprise to revise its proposal to reflect both the then-current market value of the TEPPCO units and the value of the Derivative Action. Finally, Mr. Daigle stated that the TEPPCO Special Committee would contact Enterprise to continue discussions once it had further assessed the merits and value of the Derivative Action.

On May 5, 2009, the TEPPCO Special Committee held a telephonic meeting with its legal advisors to discuss the strategy for a meeting with Mr. Brinckerhoff, the lead plaintiff in the Derivative Action and the Merger Action, his legal advisors and their financial expert to be held the next day on May 6, 2009.

On May 6, 2009, the TEPPCO Special Committee met with Mr. Brinckerhoff, the lead plaintiff in the Derivative Action and the Merger Action, attorneys from Bragar, Wexler, Egel, & Squire, PC, the lead plaintiff's counsel in the Derivative Action and the Merger Action, and one of the plaintiff's financial experts to discuss the plaintiff's and his counsel's view of the merits and value of the Derivative Action. Representatives of Mayer Brown, Potter Anderson and Credit Suisse were also present at the meeting.

On May 12, 2009, the TEPPCO Special Committee and its legal advisors held a telephonic meeting to discuss the merits and value of the Derivative Action and the steps that the TEPPCO Special Committee should undertake to facilitate that assessment.

On May 14, 2009, the TEPPCO Special Committee held a telephonic meeting to review and discuss the March 9 Proposal with the assistance of its legal and financial advisors. After excusing the representatives of Credit Suisse, the TEPPCO Special Committee discussed the Derivative Action with representatives from Potter Anderson and Mayer Brown.

On May 18, 2009, the TEPPCO Special Committee held a telephonic meeting to discuss with its legal and financial advisors a possible counterproposal to Enterprise. The TEPPCO Special Committee decided that a counterproposal would be formulated based on the TEPPCO Special Committee's views on the value of TEPPCO following consultation with its financial advisors and a range of potential values for the Derivative Action that was based upon the damage estimates of the parties recently submitted in the pending mediation of the Derivative Action and the TEPPCO Special Committee's recent meeting with Mr. Brinckerhoff and his counsel. The TEPPCO Special Committee decided, after consulting with its legal and financial advisors, to make a counterproposal of 1.48 Enterprise common units for each TEPPCO unit, subject to understanding the consideration to be paid for TEPPCO GP. The TEPPCO Special Committee also authorized Potter Anderson to retain a financial advisor to further its assessment of the range of potential values of the Derivative Action.

On May 19, 2009, Mr. Daigle telephoned Mr. Creel with the counterproposal. Also participating were representatives from Mayer Brown, Andrews Kurth and members of Enterprise management. In the call, Mr. Daigle explained the process leading to the formation of the TEPPCO Special Committee and the steps that the TEPPCO Special Committee had taken thus far to evaluate Enterprise's proposal to acquire TEPPCO, including meetings with its legal and financial advisors and with Mr. Brinckerhoff and his legal advisors regarding the Derivative Action. Mr. Daigle informed Mr. Creel that the TEPPCO Special Committee was willing to support a proposal of 1.48 Enterprise common units for each TEPPCO unit, subject to understanding the consideration to be paid for TEPPCO GP. Mr. Creel responded that Enterprise would discuss the counterproposal with the Enterprise ACG Committee. Later that day, Mr. Daigle also informed Mr. Hutchison about the counterproposal.

On May 21, 2009, the TEPPCO Special Committee and representatives of Mayer Brown, Credit Suisse and Potter Anderson met with TEPPCO management to discuss TEPPCO's long-range forecast, in particular the forecast regarding distributable cash flow. The TEPPCO Special Committee also discussed with management TEPPCO's future liquidity requirements. At the conclusion of the meeting, the TEPPCO Special Committee concluded that it needed to

determine whether an acceptable transaction could be negotiated in the near term to enable TEPPCO to address its liquidity needs either after signing a potential transaction or terminating merger discussions.

On May 28, 2009, Enterprise management held a conference call with the Enterprise ACG Committee to discuss TEPPCO's counterproposal and the financial analyses of the exchange ratio proposed by Mr. Daigle.

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Representatives of Morris Nichols also participated for a portion of the meeting to discuss Delaware litigation matters.

On June 4, 2009, Mr. Daigle and representatives of Mayer Brown and Potter Anderson held a teleconference to discuss the Derivative Action and the TEPPCO Special Committee's strategy concerning that action.

On June 9, 2009, Enterprise management met with the Enterprise ACG Committee, its legal advisors, representatives of Barclays Capital and Enterprise's legal advisors to discuss the increased exchange ratio proposed by the TEPPCO Special Committee and plans for further meetings with the Enterprise GP Holdings ACG Committee and the TEPPCO Special Committee. Representatives of Morris Nichols also participated for a portion of the meeting to discuss Delaware litigation matters.

On June 10, 2009, Enterprise management met with the Enterprise GP Holdings ACG Committee, representatives of Baker & Hostetler LLP, counsel to the committee, and of Morgan Stanley & Co. Incorporated, financial advisor to the committee, and representatives of Andrews Kurth, to discuss the 1.48 exchange ratio proposed by the TEPPCO Special Committee and plans for further meetings with the TEPPCO Special Committee.

On June 12, 2009, the TEPPCO Special Committee and Enterprise agreed to engage in face-to-face merger negotiations at Mayer Brown's offices on June 15, 2009.

The negotiation session on June 15, 2009 was attended by the TEPPCO Special Committee and its legal and financial advisors and Enterprise management and its legal and financial advisors. In response to certain considerations raised by the TEPPCO Special Committee, Enterprise management made a presentation regarding its operational plans and the refined products markets. Enterprise then responded to the TEPPCO Special Committee's counterproposal with a new all unit proposal of 1.197 Enterprise common units for each TEPPCO unit. After a brief discussion of Enterprise's new proposal, both Enterprise and the TEPPCO Special Committee agreed to meet at Andrews Kurth's offices on June 16, 2009.

On June 16, 2009, after first consulting with its financial and legal advisors, the TEPPCO Special Committee and its financial and legal advisors held various meetings with Enterprise management and Enterprise's financial and legal advisors to negotiate potential terms for a transaction. At these meetings, the TEPPCO Special Committee proposed consideration of 1.275 Enterprise common units for each TEPPCO unit and that Enterprise condition the merger on the approval of a majority of units held by unitholders unaffiliated with TEPPCO GP, Enterprise, Mr. Duncan or their affiliates. On the same day, Enterprise management also held separate meetings with each of the Enterprise ACG Committee and the Enterprise GP Holdings ACG Committee and their respective advisors to update them on negotiations with the TEPPCO Special Committee.

Also, on June 16, 2009, Enterprise management consulted with Mr. Duncan regarding whether one of his affiliates that owns TEPPCO units would consider accepting, in lieu of some Enterprise common units, a new class of Enterprise units that would not receive distributions for a specified period of time in order to facilitate the transaction.

During a later meeting with the TEPPCO Special Committee on June 16, 2009, Enterprise responded with a revised proposal as follows: (i) 1.24 Enterprise common units would be exchanged for each TEPPCO unit other than certain units owned by Duncan Family Interests, Inc. and its affiliates (the Duncan Units); (ii) the Duncan Units would be exchanged for Class B units, each of which would not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the merger and would convert automatically into the same number of Enterprise common units on the date immediately following the payment date of the sixteenth quarterly distribution following the closing of the merger; (iii) in exchange for the membership interests of TEPPCO GP, 1,331,681 Enterprise common units would be issued to Enterprise GP Holdings, and Enterprise GP (owned by Enterprise GP Holdings) would be deemed to have made a capital contribution to Enterprise in an amount necessary for Enterprise

GP to maintain its 2% interest in Enterprise (the June 16 Proposal ). Along with the exchange ratio premium for TEPPCO unitholders, the June 16 Proposal also was intended to result initially in reasonably equivalent projected distributions from distributable cash flows to Enterprise GP Holdings. The parties then discussed that, instead of requiring approval of the

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merger by a majority of the Unaffiliated TEPPCO Unitholders, a requirement that the actual votes cast in favor of the merger by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the merger by the Unaffiliated TEPPCO Unitholders because of the anticipated difficulty in getting noninstitutional Unaffiliated TEPPCO Unitholders to vote. At the end of this discussion, Enterprise emphasized that this proposal represented its last and final proposal. Mr. Daigle stated that the TEPPCO Special Committee would meet with its advisors to consider the June 16 Proposal and respond the next day.

On June 17, 2009, the TEPPCO Special Committee met to discuss the June 16 Proposal with the assistance of its legal and financial advisors. Following that discussion, the TEPPCO Special Committee concluded that the June 16 Proposal reflected a reasonable valuation and a sufficient improvement over the March 9 Proposal to warrant efforts to negotiate acceptable documentation of the transaction. Later that day, Enterprise and TEPPCO, together with their legal and financial advisors, met and Mr. Daigle indicated that the TEPPCO Special Committee was willing to recommend the June 16 Proposal, subject to the merger being conditioned upon a requirement that the actual votes cast in favor of the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders and the negotiation of definitive documentation (the June 17 Proposal ).

On June 17, 2009, the ACG Committee of Enterprise GP Holdings, along with its legal and financial advisors, met with members of management of TEPPCO to review TEPPCO's business and financial information, confirm information previously provided to it regarding TEPPCO, and ask questions regarding TEPPCO's business and financial projections.

Also on June 17, 2009, Enterprise management consulted with Mr. Duncan regarding the June 17 Proposal and the potential acceptance by one of his affiliates of Class B units without distribution rights for a specified period of time in lieu of some Enterprise common units in order to support the transaction.

After the TEPPCO Special Committee's meeting on the morning of June 17, 2009, the TEPPCO Special Committee and Enterprise, with their respective legal and financial advisors, met with the Enterprise GP Holdings ACG Committee and the Enterprise ACG Committee, with their respective advisors, to discuss the June 17 Proposal. The parties agreed in principle to the June 17 Proposal, subject to the negotiation of definitive documents, and to undertake to settle the Derivative Action and the Merger Action in connection with the merger.

Later on June 17, 2009, the TEPPCO Special Committee and representatives of Mayer Brown and Potter Anderson held a telephonic conference with Mr. Brinckerhoff and his counsel to apprise them of the June 17 Proposal. Later that same day, Mr. Brinckerhoff's counsel telephoned counsel for the TEPPCO Special Committee and stated that Mr. Brinckerhoff had reflected on the June 17 Proposal and was willing to support it if the merger agreement contained a covenant that Enterprise would increase distributions to be equivalent with TEPPCO distributions on an as-converted basis.

During the evening of June 17, 2009, the TEPPCO Special Committee met, together with its legal and financial advisors, to discuss the remaining conditions and the process for finalizing the June 17 Proposal, including drafting a satisfactory merger agreement, securing approvals from each of the parties to any merger and any support agreements and securing the support of the plaintiff in the Derivative Action and the plaintiffs in the Merger Action. During this meeting, the TEPPCO Special Committee also consulted with representatives of Potter Anderson and received their final views on the merits of and range of values for the Derivative Action.

On June 18, 2009, Mr. Daigle and representatives of Mayer Brown met with Mr. Creel and members of Enterprise management to discuss Mr. Brinckerhoff's demands for a commitment to increase the distributions on Enterprise common units. Mr. Creel explained that the financial ramifications of the demand prevented Enterprise from agreeing



to the condition. However, Enterprise was willing to state that, subject to market conditions, Enterprise expected to be able to continue its practice of increasing its distribution each quarter through 2011 by the higher of \$0.0075 (\$0.03 annualized) per common unit or 1.25% (5% annualized). Such

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increases would bring Enterprise distributions to parity with TEPPCO distributions by the third quarter of 2010 on an as-converted basis.

On June 18, 2009, Enterprise's proposal regarding distributions was communicated to Mr. Brinckerhoff's counsel. After discussion with his counsel, Mr. Brinckerhoff agreed to give his counsel authority to execute a memorandum of understanding with the defendants subject to confirmatory discovery to settle all litigation related to the proposed transaction.

On June 18, 2009, Andrews Kurth distributed the initial drafts of the merger agreement, the GP merger agreement and other related documents.

On June 19, 2009, Mr. Daigle met with representatives of Mayer Brown to discuss the initial drafts of the merger agreements and the related documents. After discussing several issues regarding the drafts, Mr. Daigle and representatives of Mayer Brown contacted Enterprise and its legal advisors to discuss various issues that had been identified upon Mayer Brown's initial review. After some discussion, Mr. Daigle instructed representatives of Mayer Brown to provide comments on the outstanding issues to representatives of Andrews Kurth.

On June 22, 2009 and June 23, 2009, the TEPPCO Special Committee and TEPPCO management met with Enterprise management as well as the legal advisors for each of the TEPPCO Special Committee and Enterprise and negotiated the draft merger agreements and related transaction documents.

On June 24, 2009, the TEPPCO Special Committee met to review and discuss the June 17 Proposal with the assistance of its legal and financial advisors. Representatives of Potter Anderson provided the TEPPCO Special Committee with an overview of the applicable legal standards of, and the TEPPCO Special Committee's duties under, Delaware law and TEPPCO's organizational documents, and confirmed its assessment of the appropriate range of values for the Derivative Action. Representatives of Mayer Brown then reviewed the drafts of the merger agreements and related documents. At the conclusion of the meeting, representatives of Mayer Brown were instructed to continue to negotiate any open issues and to finalize all documents.

Between June 18 and June 27, 2009, the TEPPCO Special Committee, TEPPCO, the Enterprise ACG Committee and Enterprise and their respective legal advisors exchanged numerous drafts of the merger agreements, related disclosure schedules, the support agreement, the partnership agreement amendment relating to the Class B units and the related documents.

On June 28, 2009, the TEPPCO Special Committee met to consider the proposed form of merger agreements, with representatives of Credit Suisse, Mayer Brown and Potter Anderson in attendance. At that meeting, representatives of Credit Suisse reviewed with the TEPPCO Special Committee their financial analyses with respect to the proposed merger and responded to numerous questions from the TEPPCO Special Committee and its legal advisors. At the request of the TEPPCO Special Committee, Credit Suisse then rendered its oral opinion (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) with respect to the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined therein) of the 1.24 exchange ratio. Representatives of Potter Anderson reviewed their presentation of June 24, 2009 with the TEPPCO Special Committee regarding the Derivative Action and discussed the terms of the form MOU that had been provided to the TEPPCO Special Committee members. Representatives of Mayer Brown then reviewed the merger agreements and related documents and advised the TEPPCO Special Committee of changes to the terms of the merger agreements and related documents since the committee was last updated on June 24, 2009, and that all material open issues had been resolved. Following a subsequent discussion, the TEPPCO Special Committee resolved unanimously (i) that the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers, are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO

Unitholders; (ii) to recommend that the TEPPCO ACG Committee and the TEPPCO board approve the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers, any such approval and recommendation by the TEPPCO ACG Committee to constitute Special Approval as such term is defined in Section 6.9 of the

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TEPPCO partnership agreement; (iii) to recommend that the Unaffiliated TEPPCO Unitholders accept the exchange ratio and approve the merger agreement and the transactions contemplated thereby, including the exchange ratio and the merger; and (iv) to approve the form of the MOU.

Immediately following the TEPPCO Special Committee meeting, the TEPPCO board met to consider the proposed merger agreements and the determinations and recommendations of the TEPPCO Special Committee. Representatives of Baker Botts, Mayer Brown and Potter Anderson also attended the meeting. Representatives of Baker Botts briefly reviewed and discussed with the directors fiduciary principles applicable to them and the TEPPCO ACG Committee under Delaware law and TEPPCO's organizational documents in the context of a potential sale of TEPPCO. Mr. Daigle then reviewed for the TEPPCO board the work and evaluation of the TEPPCO Special Committee with respect to the proposed transaction with Enterprise. Mr. Daigle and the other members of the TEPPCO Special Committee discussed and reviewed with the board members the financial analysis Credit Suisse had provided to the TEPPCO Special Committee and advised the TEPPCO board that Credit Suisse had delivered its oral opinion to the TEPPCO Special Committee (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) with respect to the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined in the opinion) of the exchange ratio set forth in the merger agreement. Representatives of Mayer Brown provided the TEPPCO board with an overview of the proposed transaction and discussed the principal terms of the merger agreements and other transaction documents, which had been provided to the TEPPCO board. Representatives of Potter Anderson then provided the TEPPCO board with an overview of the TEPPCO Special Committee's negotiations and determinations relating to the settlement of the Derivative Action and the Merger Action and entering into the MOU related thereto.

The members of the TEPPCO Special Committee then informed the other TEPPCO board members that the TEPPCO Special Committee had determined that the merger agreements and the mergers are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders. The members of the TEPPCO Special Committee further advised the TEPPCO board that the TEPPCO Special Committee recommended that the TEPPCO ACG Committee and the TEPPCO board approve them as well and that the Unaffiliated TEPPCO Unitholders approve the merger agreement and the merger. The TEPPCO Special Committee members and representatives of Mayer Brown and Potter Anderson responded to a number of questions posed by the other directors regarding the negotiation process, the financial analysis reviewed by Credit Suisse with the TEPPCO Special Committee and terms of the proposed transaction documents and the MOU.

The meeting of the TEPPCO board was then adjourned, at which time the TEPPCO ACG Committee convened and held a meeting. Having participated in the briefing and discussion provided to the TEPPCO board, after further discussion and consideration, the TEPPCO ACG Committee unanimously (i) adopted the TEPPCO Special Committee's determinations that the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers, are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders, (ii) approved the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers, such approval constituting Special Approval as such term is defined in Section 6.9 of the TEPPCO partnership agreement; (iii) recommended that the TEPPCO board approve the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers; (iv) recommended that the Unaffiliated TEPPCO Unitholders accept the exchange ratio and approve the merger agreement and the transactions contemplated thereby, including the exchange ratio and the merger; and (v) ratified and approved the form of the MOU.

Upon notification that the TEPPCO ACG Committee had concluded its meeting, the TEPPCO board meeting was reconvened. The members of the TEPPCO ACG Committee informed the other TEPPCO board members that, after consideration of the TEPPCO Special Committee's evaluation, determinations and recommendation, the TEPPCO

ACG Committee adopted the TEPPCO Special Committee's determinations and determined that the mergers and the merger agreements are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders. The members of the TEPPCO ACG Committee further advised the TEPPCO board that the TEPPCO ACG Committee had approved such agreements and the transactions contemplated thereby and recommended that the TEPPCO board approve them as well and recommended that

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the Unaffiliated TEPPCO Unitholders approve the merger agreement and the merger. After further discussion and consideration, the TEPPCO board unanimously (i) determined, based on the determination and recommendation of the TEPPCO Special Committee and the determination, recommendation and Special Approval of the TEPPCO ACG Committee, that the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers, are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders; (ii) approved the forms, terms and provisions of the merger agreements and the transactions and other actions contemplated thereby, including the exchange ratio and the mergers; (iii) recommended that the Unaffiliated TEPPCO Unitholders accept the exchange ratio and approve the merger agreement and the transactions contemplated thereby, including the exchange ratio and the merger; and (iv) ratified and approved the form of the MOU.

On June 28, 2009, the Enterprise ACG Committee met with representatives of Skadden and representatives of Lazard Frères & Co., LLC, the Enterprise ACG Committee's financial advisor. After consideration of the terms of the proposed mergers and discussion among the members of the Enterprise ACG Committee and the Committee's legal and financial advisors, the Enterprise ACG Committee unanimously approved the mergers by Special Approval in accordance with Enterprise's partnership agreement. The Enterprise board (excluding Messrs. Bachmann, Cunningham, Duncan and Fowler, who did not attend) also met with representatives from Andrews Kurth and Barclays Capital, at which meeting the Enterprise board in attendance received the recommendation and notice of Special Approval by the Enterprise ACG Committee and discussed a summary of final material transaction terms with representatives of Andrews Kurth. After discussion and deliberation, the Enterprise board in attendance, with Mr. Creel abstaining, approved the merger agreements and the related documents and the issuance of Enterprise common units and Class B units in connection with the proposed mergers.

On June 28, 2009, the Enterprise GP Holdings ACG Committee met with its legal and financial advisors. After deliberation and review of a summary of material terms of the transactions, confirmation by Enterprise's legal advisors that the Enterprise ACG Committee and Enterprise had previously approved the merger agreements followed by confirmation by TEPPCO's legal advisor and the TEPPCO Special Committee's legal advisors that the TEPPCO Special Committee recommended and the TEPPCO ACG Committee and the TEPPCO board recommended and approved the mergers and merger agreements, the Enterprise GP Holdings ACG Committee unanimously approved the mergers and found them to be fair and reasonable to the unaffiliated unitholders of Enterprise GP Holdings, in accordance with Enterprise GP Holdings' partnership agreement, and approved the execution and delivery by Enterprise GP Holdings of the support agreement. The Enterprise GP Holdings board (excluding Messrs. Bachmann, Cunningham and Fowler, who did not attend) also met with the Enterprise GP Holdings ACG Committee's legal advisors, Enterprise's legal advisors, the general counsel of TEPPCO and Morgan Stanley. At this meeting, Morgan Stanley reviewed for the entire board its report delivered to the Enterprise GP Holdings ACG Committee. In addition, the Enterprise GP Holdings board in attendance received the recommendation and notice of approval by the Enterprise GP Holdings ACG Committee. After further discussion and deliberation, the Enterprise GP Holdings board in attendance, with Ms. Williams abstaining, approved the merger agreements and the support agreement, along with approval, in its capacity as sole member of TEPPCO GP, of the merger of TEPPCO GP with a subsidiary of Enterprise.

Following the Enterprise GP Holdings' meetings on June 28, 2009, TEPPCO and Enterprise management, together with their legal and financial advisors, met at the offices of Andrews Kurth to execute the definitive documents. Affiliates of Mr. Duncan also executed the support agreement. Concurrently with the execution and delivery of these definitive documents, counsel to the parties in the Merger Action and Derivative Action delivered the executed MOU.

On June 29, 2009, TEPPCO, Enterprise and Enterprise GP Holdings issued a joint press release announcing the merger agreements and the proposed mergers.

**Recommendation of the TEPPCO Special Committee and the TEPPCO Board and Reasons for the Merger**

The TEPPCO Special Committee consists of three independent directors: Donald H. Daigle, Duke R. Ligon and Irvin Toole, Jr. In resolutions approved by the TEPPCO ACG Committee on April 22, 2009, the

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TEPPCO Special Committee was authorized to review, evaluate, negotiate the terms and conditions of, and make recommendations to the TEPPCO ACG Committee and the TEPPCO board with respect to Enterprise's proposed acquisition of the outstanding TEPPCO units and potential alternative transactions, if any. The TEPPCO Special Committee retained Mayer Brown as its independent legal counsel, Potter Anderson as its independent Delaware legal counsel and Credit Suisse as its independent financial advisor. The TEPPCO Special Committee believed that Credit Suisse was independent based on the lack of recent material business relationships between Credit Suisse and TEPPCO or Enterprise or their affiliates. The TEPPCO Special Committee oversaw the performance of financial and legal due diligence by its advisors, conducted an extensive review and evaluation of Enterprise's proposal and conducted negotiations with Enterprise and its representatives with respect to the merger agreement, the GP merger agreement, the various other agreements related to the merger and all litigation related to the merger.

The TEPPCO Special Committee, by unanimous vote at a meeting held on June 28, 2009, determined that the forms, terms and provisions of the merger agreement and the transactions contemplated thereby, including the merger, were fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders. In addition, at the June 28, 2009 meeting, the TEPPCO Special Committee recommended that the TEPPCO ACG Committee and the TEPPCO board approve the forms, terms and provisions of the merger agreement, such approval by the TEPPCO ACG Committee to constitute Special Approval as such term is defined in Section 6.9 of the TEPPCO partnership agreement, and recommended that the Unaffiliated TEPPCO Unitholders approve the merger agreement and the transactions contemplated thereby, including the merger. In reaching its determination, the TEPPCO Special Committee consulted with and received the advice of its independent financial and legal advisors, considered the potential alternatives of TEPPCO, including the uncertainties and risks facing it, and considered the interests of the Unaffiliated TEPPCO Unitholders.

The TEPPCO ACG Committee unanimously adopted the TEPPCO Special Committee's determination that the merger agreement and the merger are fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and approved the merger agreement and the merger, such approval constituting Special Approval under TEPPCO's partnership agreement. The TEPPCO ACG Committee also recommended that the TEPPCO board approve the merger agreement and the merger.

Based on the TEPPCO Special Committee's determination and recommendation, as well as the TEPPCO ACG Committee's determination, Special Approval and recommendation, the TEPPCO board unanimously approved the merger agreement and the merger and recommended that the Unaffiliated TEPPCO Unitholders vote in favor of the merger proposal.

In considering the recommendation of the TEPPCO Special Committee and the TEPPCO board with respect to the merger agreement and the merger, you should be aware that some of the executive officers and directors of TEPPCO GP have interests in the merger that are different from, or in addition to, the interests of TEPPCO's unitholders generally. The TEPPCO Special Committee and the TEPPCO board were aware of these interests in recommending approval of the merger agreement and the merger. Please read [Interests of Directors and Executive Officers of TEPPCO GP in the Merger](#).

The TEPPCO Special Committee considered a number of factors in determining that the merger agreement and the GP merger agreement were fair and reasonable to TEPPCO and the Unaffiliated TEPPCO Unitholders and recommending the approval of the merger agreement and the GP merger agreement, and the consummation of the transactions contemplated by them, including the mergers, to the TEPPCO ACG Committee and the TEPPCO board on June 28, 2009. The material factors are summarized below.

The TEPPCO Special Committee viewed the following factors as being generally positive or favorable in coming to its determination and recommendation:



The merger would provide the TEPPCO unitholders, except for a privately held affiliate of EPCO, with 1.24 Enterprise common units for each TEPPCO unit, which represented a 14.5% increase to the initial proposal made by Enterprise of 1.043 Enterprise common units and \$1.00 in cash for each TEPPCO unit (representing total value per common unit of \$21.89, which was a 4.8% premium to the 10-day average closing price of a TEPPCO unit on March 6, 2009, the business day prior to the date on which

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Enterprise made its initial proposal); an 18.8% increase to the initial proposal based on the last 10-day average closing prices of TEPPCO units and Enterprise common units on March 6, 2009; and a 9.3% premium to the closing price of TEPPCO units on June 26, 2009, the last trading day before the TEPPCO Special Committee considered recommending the transaction, and a price the TEPPCO Special Committee viewed as fair and reasonable in light of TEPPCO's recent and projected financial performance and recent trading prices of the TEPPCO units.

The TEPPCO Special Committee believed that the merger consideration reflected an appropriate value for the Derivative Action, an asset that the TEPPCO Special Committee considered valuable.

The financial analysis reviewed and discussed with the TEPPCO Special Committee by representatives of Credit Suisse as well as the oral opinion of Credit Suisse rendered to the TEPPCO Special Committee on June 28, 2009 (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) with respect to the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined in the opinion) of the exchange ratio set forth in the merger agreement;

The TEPPCO Special Committee's belief based on statements of Enterprise management that the 1.24 exchange ratio represented the highest per unit consideration that could be negotiated.

The positive long-term growth prospects and projected distribution growth for Enterprise, based upon Enterprise's historical performance and projections, as compared to the less positive long-term growth prospects and projected distribution growth of TEPPCO, based upon TEPPCO's historical performance and projections.

Enterprise's expectation that, subject to market conditions, it will be able to continue its practice of increasing its distribution each quarter through 2011 by the higher of \$0.0075 (\$0.03 annualized) per common unit or 1.25% (5% annualized). Such increases would bring Enterprise distributions to parity with TEPPCO distributions on an as-converted basis by the third quarter of 2010.

The combined company will form the largest energy master limited partnership with an enterprise value greater than \$26 billion, which, among other things, is expected to provide access to capital at a lower cost than TEPPCO could obtain on a stand-alone basis, allowing for funding of accretive capital projects that would be more difficult and more expensive for TEPPCO to fund as a separate public company.

The merger will provide TEPPCO unitholders with the benefits of the combination while eliminating the potential of conflicts of interests between Enterprise and TEPPCO, both operationally and with respect to asset sales and joint ventures, such as are the subject of the Derivative Action.

The Class B units that will be issued to a privately held affiliate of EPCO will not receive regular quarterly cash distributions for the first sixteen quarters following the closing of the merger, making additional cash available for Enterprise's general partnership purposes, which may include, as deemed appropriate by Enterprise GP, future distributions, capital investment or reduction of debt.

The merger is expected to result in some operating, general and administrative and interest cost savings.

The TEPPCO unitholders will benefit from the application of Enterprise's commercial expertise in certain businesses to TEPPCO's assets.

Generally, no gain or loss is expected to be recognized by the TEPPCO unitholders as a result of the merger.

The combined business of TEPPCO and Enterprise following the merger is expected to provide complementary growth opportunities.

The merger will result in significant business and geographic diversification.

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The support of the merger by Mr. Brinckerhoff, the plaintiff in the Derivative Action and the Merger Action, and his counsel.

The terms of the merger agreement, principally:

the requirement that the actual votes cast in favor of the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders;

the provision allowing the TEPPCO board or any committee thereof to withdraw or change its recommendation of the merger agreement and the merger if it makes a good faith determination that the failure to change its recommendation would likely constitute a breach of its fiduciary duties under applicable law;

the provisions allowing for TEPPCO to participate in negotiations with a third party in response to an unsolicited alternative proposal, which may, in certain circumstances, result in a superior proposal;

the lack of a break-up fee for termination of the merger agreement in accordance with its terms;

limited conditions and exceptions to the material adverse effect closing condition and other closing conditions; and

the lack of a requirement to finance any component of the purchase price because the consideration is composed entirely of Enterprise units.

The TEPPCO Special Committee considered the following factors to be generally negative or unfavorable in making its determination and recommendation:

Given that Mr. Duncan indirectly controls TEPPCO and Enterprise, it was unrealistic to expect or pursue a better alternative proposal from an unrelated third party.

The merger agreement's limitation on TEPPCO's ability to solicit third party offers.

The possibility that Enterprise's common unit price could diminish prior to closing, reducing or eliminating the premium to TEPPCO's unitholders reflected in the exchange ratio at the time of the signing of the merger agreement.

The merger might not be completed in a timely manner, or at all, which could result in significant costs and disruption to TEPPCO's normal business.

The operating covenants restrict TEPPCO's operational flexibility prior to closing.

The foregoing discussion of the information and factors considered by the TEPPCO Special Committee is not intended to be exhaustive, but includes the relevant factors considered by the TEPPCO Special Committee. In view of the variety of factors considered in connection with its evaluation of the merger, the TEPPCO Special Committee did not find it practicable to, and did not, quantify or otherwise assign specific weights to the factors considered in reaching its determination and recommendation. In addition, each of the members of the TEPPCO Special Committee may have given differing weights to different factors. On balance, the TEPPCO Special Committee believed that the

positive factors discussed above outweighed the negative factors discussed above.

Finally, the TEPPCO Special Committee considered a number of procedural factors associated with the merger, including the following:

The TEPPCO Special Committee consisted solely of directors who are disinterested with respect to the transaction and who are not officers of TEPPCO GP or controlling unitholders of TEPPCO, or affiliated with Enterprise, Mr. Duncan or any of their affiliates.

The members of the TEPPCO Special Committee were adequately compensated for their services and their compensation was in no way contingent on their approving the merger agreement or the merger.

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Other than by the settlement in cash at the effective time of the merger of any TEPPCO phantom units and TEPPCO unit appreciation rights issued and outstanding to non-employee directors of TEPPCO GP, the members of the TEPPCO Special Committee will not personally benefit from the completion of the merger in a manner different from the TEPPCO unitholders.

The TEPPCO Special Committee retained and was advised by independent legal counsel, Mayer Brown and Potter Anderson, and an independent financial advisor, Credit Suisse.

The TEPPCO Special Committee's determination, upon consultation with its legal advisors, that, in light of the fact that Mr. Duncan indirectly controls TEPPCO and Enterprise, it was unrealistic to expect or pursue an alternative proposal from an unrelated third party.

From the date that the March 9 Proposal was announced to the time of the TEPPCO Special Committee's determination and recommendations, no third parties indicated any interest in pursuing a combination transaction with TEPPCO or TEPPCO GP.

The TEPPCO Special Committee and its legal counsel and financial advisor conducted due diligence regarding Enterprise and its prospects and TEPPCO and its prospects, including maintaining TEPPCO as it currently exists.

The TEPPCO Special Committee received the oral opinion of Credit Suisse on June 28, 2009 (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) with respect to the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders (as defined in the opinion) of the exchange ratio set forth in the merger agreement.

The TEPPCO Special Committee had the ultimate authority to decide whether or not to proceed with the proposed transaction, any alternatives thereto or the settlement of any litigation related to the merger, and the TEPPCO ACG Committee resolved not to recommend, authorize, approve or endorse the proposal, any other merger, acquisition or similar proposal or the settlement of any litigation involving TEPPCO and the TEPPCO GP or any of their affiliates to the TEPPCO board unless such transaction or settlement was recommended to the TEPPCO ACG Committee by the TEPPCO Special Committee.

The requirement that the merger agreement and the merger be approved by a vote of at least a majority of TEPPCO's outstanding units and the requirement that the actual votes cast in favor of the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders exceed the actual votes cast against the merger agreement and the merger by the Unaffiliated TEPPCO Unitholders in order for the merger agreement and merger to be approved.

The TEPPCO Special Committee, with the assistance of its legal and financial advisors, negotiated the terms of the merger agreement on an arm's-length basis with Enterprise and its legal and financial advisors.

The TEPPCO Special Committee was aware that it had no obligation to recommend any transaction, including the proposal put forth by Enterprise.

**Enterprise's Reasons for the Merger**

The Enterprise GP board and the Enterprise ACG Committee consulted with management and their legal and financial advisors and considered many factors in approving the merger, including the following:

a simplified organizational structure expected to make Enterprise more attractive to equity and debt investors;

increased liquidity with an increased public ownership of Enterprise common units;

scale and diversification of cash flows, due to both new business lines and geographic diversity;

potential commercial upside through improved management and operation of assets, including the opportunity to instill Enterprise management's vision on TEPPCO assets;

the potential to refinance TEPPCO indebtedness at a lower cost of capital;

the relatively low execution risk in integrating businesses due to existing shared services;

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an expected favorable view by rating agencies due to more diversified fee-based assets and simplified organizational structure that eliminates inherent conflicts of interest; and

resolution of the Derivative Action.

## **Unaudited Financial Projections of Enterprise and TEPPCO**

Neither Enterprise nor TEPPCO have historically published projections as to long-term future performance or earnings. However, in connection with the proposed merger, management of Enterprise GP and TEPPCO GP prepared projections that included future financial and operating performance. The projections were prepared for Enterprise and TEPPCO on a stand-alone basis. These non-public projections were provided to Credit Suisse for use and consideration in its financial analysis and in preparation of its opinion to the TEPPCO Special Committee. The projections were also presented to the TEPPCO Special Committee, the TEPPCO ACG Committee and members of the TEPPCO board. A summary of these projections is included below to give TEPPCO unitholders access to certain non-public unaudited prospective financial information that was made available to Credit Suisse, the TEPPCO Special Committee and the TEPPCO board in connection the proposed merger.

***Enterprise and TEPPCO caution you that uncertainties are inherent in prospective financial information of any kind. None of Enterprise, TEPPCO or any of their affiliates, advisors, officers, directors or representatives has made or makes any representation or can give any assurance to any TEPPCO unitholder or any other person regarding the ultimate performance of Enterprise or TEPPCO compared to the summarized information set forth below or that any such results will be achieved.***

The summary projections set forth below summarize the most recent projections provided to Credit Suisse, the TEPPCO Special Committee, the TEPPCO ACG Committee and members of the TEPPCO board prior to the execution of the merger agreement. The inclusion of the following summary projections in this proxy statement/prospectus should not be regarded as an indication that Enterprise, TEPPCO or their representatives considered or consider the projections to be a reliable or accurate prediction of future performance or events, and the summary projections set forth below should not be relied upon as such.

The projections summarized below were prepared by management of Enterprise GP and TEPPCO GP in connection with the evaluation of the proposed merger or for internal planning purposes only and not with a view toward public disclosure or toward compliance with GAAP, the published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants. Neither Deloitte & Touche LLP nor any other independent registered public accounting firm have compiled, examined or performed any procedures with respect to the prospective financial information contained in the projections and accordingly, Deloitte & Touche LLP does not express an opinion or any other form of assurance with respect thereto. The Deloitte & Touche LLP reports incorporated by reference into this proxy statement/prospectus relate to historical financial information of Enterprise and TEPPCO. Such reports do not extend to the projections included below and should not be read to do so. The respective boards of directors of Enterprise GP and TEPPCO GP did not prepare, and do not give any assurance regarding, the summarized information.

The internal financial forecasts (upon which the projected information is based) of Enterprise and TEPPCO are, in general, prepared solely for internal use to assist in various management decisions, including with respect to capital budgeting. Such internal financial forecasts are inherently subjective in nature, susceptible to interpretation and accordingly, such forecasts may not be achieved. The internal financial forecasts also reflect numerous assumptions made by management, including material assumptions that may not be realized and are subject to significant uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the



preparing party. Accordingly, there can be no assurance that the assumptions made in preparing the internal financial forecasts upon which the foregoing projected financial information was based will prove accurate. There will be differences between actual and forecasted results, and the differences may be material. The risk that these uncertainties and contingencies could cause the assumptions to fail to be reflective of actual results is further increased due to the length of time in the future over which these assumptions apply. The assumptions in early periods have a compounding

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effect on the projections shown for the later periods. Thus, any failure of an assumption to be reflective of actual results in an early period would have a greater effect on the projected results failing to be reflective of actual events in later periods.

In developing the projections, Enterprise and TEPPCO made numerous material assumptions with respect to Enterprise and TEPPCO for the period from 2009 to 2013, including:

organic growth opportunities, and the amounts and timing of related costs and potential economic returns;

outstanding debt during applicable periods, and the availability and cost of capital;

the cash flow from existing assets and business activities;

the prices of, level or production of, and demand for crude oil, natural gas, NGLs and other hydrocarbon products; and

other general business, market and financial assumptions.

In addition, additional assumptions were made with respect to the size, availability, timing and anticipated results of, and cash flows from, acquired assets. All of these assumptions involve variables making them difficult to predict, and most are beyond the control of the Enterprise and TEPPCO. Although management of Enterprise and TEPPCO believe that there was a reasonable basis for their projections and underlying assumptions, any assumptions for near-term projected cases remain uncertain, and the risk of inaccuracy increases with the length of the forecasted period. The projection of future acquisitions is particularly difficult as Enterprise and TEPPCO have no control over the availability or price of future acquisition opportunities.

**Enterprise**

The summarized projected financial information set forth below was based on actual results through March 31, 2009 and projected results for the remainder of 2009 and projected results for 2010, 2011, 2012 and 2013.

	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
	<b>(dollars in millions)</b>				
Net income	\$ 997.3	\$ 997.0	\$ 1,347.5	\$ 1,402.9	\$ 1,603.6
EBITDA(1)	2,159.0	2,223.4	2,675.1	2,887.9	3,220.5
Distributable cash flow(2)	1,408.1	1,470.7	1,882.8	1,986.3	2,236.5

**TEPPCO**

The summarized projected financial information set forth below was based on actual results through March 31, 2009 and projected results for the remainder of 2009 and projected results for 2010, 2011, 2012 and 2013.

	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
	<b>(dollars in millions)</b>				
Net income	\$ 259.0	\$ 259.5	\$ 289.9	\$ 337.8	\$ 366.4

EBITDA(1)	592.5	619.2	674.1	735.6	759.1
Distributable cash flow(2)	410.4	409.6	460.8	509.1	525.4

(1) EBITDA represents net income or loss attributable to the partnership less equity earnings from unconsolidated affiliates, plus distributions received from unconsolidated affiliates, interest expense, provision for income taxes and depreciation, amortization and accretion expense. EBITDA is not a financial measure prepared in accordance with GAAP and should not be considered a substitute for net income (loss) or cash flow data prepared in accordance with GAAP. With respect to TEPPCO, EBITDA measures presented in the table above were calculated for comparability purposes with Enterprise

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measures in a manner different from historical EBITDA and adjusted EBITDA measures presented in TEPPCO's other disclosures.

- (2) Distributable cash flow is defined as net income or loss attributable to Enterprise or TEPPCO adjusted for: (1) the addition of depreciation, amortization and accretion expense; (2) the addition of operating lease expense for which we do not have the payment obligation; (3) the addition of cash distributions received from unconsolidated affiliates less equity earnings from unconsolidated affiliates; (4) the subtraction of sustaining capital expenditures and cash payments to settle asset retirement obligations; (5) the addition of losses or subtraction of gains from asset sales and related transactions; (6) the addition of cash proceeds from asset sales, the return of an investment in an unconsolidated affiliate or related transactions; (7) the addition of losses or subtraction of gains on the monetization of financial instruments recorded in accumulated other comprehensive income (loss), if any, less related amortization of such amounts to earnings; (8) with respect to Enterprise, the addition of net income attributable to the noncontrolling interest associated with the public unitholders of Duncan Energy Partners, less related cash distributions to be paid to such unitholders with respect to the period of calculation; and (9) the addition or subtraction of other miscellaneous non-cash amounts (as applicable) that affect net income or loss for the period. Discretionary cash flow is not a financial measure prepared in accordance with GAAP and should not be considered a substitute for net income (loss) or cash flow data prepared in accordance with GAAP.

NEITHER ENTERPRISE NOR TEPPCO INTEND TO UPDATE OR OTHERWISE REVISE THE ABOVE PROSPECTIVE FINANCIAL INFORMATION TO REFLECT CIRCUMSTANCES EXISTING AFTER THE DATE WHEN MADE OR TO REFLECT THE OCCURRENCE OF FUTURE EVENTS, EVEN IN THE EVENT THAT ANY OR ALL OF THE ASSUMPTIONS UNDERLYING SUCH PROSPECTIVE FINANCIAL INFORMATION ARE NO LONGER APPROPRIATE.

**Opinion of the TEPPCO Special Committee's Financial Advisor**

On June 28, 2009, Credit Suisse rendered its oral opinion to the TEPPCO Special Committee (which was subsequently confirmed in writing by delivery of Credit Suisse's written opinion dated the same date) to the effect that, as of June 28, 2009, the exchange ratio set forth in the merger agreement was fair, from a financial point of view, to the unaffiliated TEPPCO unitholders. For purposes of its opinion, Credit Suisse defined the unaffiliated TEPPCO unitholders as the holders of TEPPCO limited partner interests, other than Enterprise, Enterprise GP, Enterprise GP Holdings, EPCO, EPE Holdings, LLC, TEPPCO GP, Dan L. Duncan, Dan Duncan LLC, DD Securities LLC, DFI GP Holdings, L.P., Duncan Family Interests, Inc., Duncan Family 2000 Trust, Jerry E. Thompson, Richard S. Snell, Michael B. Bracy, Murray H. Hutchison, W. Randall Fowler, Michael A. Creel and Richard H. Bachmann and their respective affiliates.

**Credit Suisse's opinion was directed to the TEPPCO Special Committee and only addressed the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders of the exchange ratio set forth in the merger agreement, and did not address any other aspect or implication of the merger. The summary of Credit Suisse's opinion in this proxy statement/prospectus is qualified in its entirety by reference to the full text of its written opinion, which is included as Annex B to this proxy statement/prospectus and sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Credit Suisse in preparing its opinion. However, neither Credit Suisse's written opinion nor the summary of its opinion and the related analyses set forth in this proxy statement/prospectus are intended to be, and they do not constitute, advice or a recommendation to any holder of TEPPCO partnership interests as to how such holder should vote or act with respect to any matter relating to the merger.**

In arriving at its opinion, Credit Suisse:

reviewed a draft, dated June 27, 2009, of the merger agreement;

reviewed a draft, dated June 27, 2009, of the GP merger agreement;

reviewed a draft, dated June 27, 2009, of Amendment No. 4 to the Fifth Amended and Restated Agreement of Limited Partnership of Enterprise ( Partnership Agreement Amendment );

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reviewed the Fifth Amended and Restated Agreement of Limited Partnership of Enterprise (as amended by the Partnership Agreement Amendment, the Partnership Agreement );

reviewed a draft, dated June 27, 2009, of the Support Agreement (the Support Agreement ) entered into by Enterprise, Enterprise GP Holdings, DD Securities LLC, DFI GP Holdings, L.P., DFI, Duncan Family 2000 Trust and Dan L. Duncan;

reviewed certain publicly available business and financial information relating to TEPPCO and Enterprise;

reviewed certain other information relating to TEPPCO and Enterprise, including financial forecasts relating to TEPPCO and Enterprise, provided to or discussed with Credit Suisse by employees of EPCO responsible for the management of TEPPCO and Enterprise, respectively, and met with certain of those employees to discuss the business and prospects of TEPPCO and Enterprise, respectively;

considered certain financial data of TEPPCO and Enterprise and certain market data for their publicly traded securities, and compared that data with similar data for other companies with publicly traded securities in businesses it deemed similar to those of TEPPCO and Enterprise; and

considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With respect to the financial forecasts for TEPPCO and Enterprise that Credit Suisse used in its analyses, the managements of TEPPCO and Enterprise advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the managements of TEPPCO and Enterprise as to the future financial performance of TEPPCO and Enterprise, respectively. The TEPPCO Special Committee advised Credit Suisse that each of TEPPCO and Enterprise obtains financial, administrative and other services from EPCO, an entity controlled by Dan L. Duncan and his affiliates, and that, among other things, employees of EPCO prepared the financial forecasts relating to TEPPCO and Enterprise provided to or discussed with Credit Suisse by TEPPCO and Enterprise. Credit Suisse also assumed, with the TEPPCO Special Committee's consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition would be imposed that would have an adverse effect on TEPPCO, Enterprise or the contemplated benefits of the merger and that the merger would be consummated in accordance with the terms of the merger agreement, the GP merger agreement and the Partnership Agreement Amendment without waiver, modification or amendment of any material term, condition or agreement thereof. Furthermore, Credit Suisse assumed that the definitive merger agreement, GP merger agreement, Partnership Agreement Amendment and Support Agreement would conform to the drafts reviewed by Credit Suisse in all respects material to its analyses. Credit Suisse did not investigate or otherwise evaluate the potential effects of the merger on the federal, state or other taxes or tax rates payable by TEPPCO, Enterprise or their respective security holders and, with the TEPPCO Special Committee's consent, assumed, that such taxes and tax rates would not be affected by or after giving effect to the merger. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of TEPPCO or Enterprise, nor was Credit Suisse furnished with any such evaluations or appraisals, except that the TEPPCO Special Committee, after consulting with its counsel and certain other advisors, provided Credit Suisse with an estimate of the range of the potential value to TEPPCO of the Derivative Action and Credit Suisse assumed, for purposes of its analyses and its opinion, that such estimate was prepared in good faith and reflected the TEPPCO Special Committee's and its counsel and such other advisors' best currently available estimates and judgments as to the potential value of the Derivative Action and, at the

TEPPCO Special Committee's direction, relied upon such estimate for purposes of its analyses and its opinion. Credit Suisse is not an expert in reviewing actual or potential litigation or other claims for purposes of evaluating the legal merits of such litigation or claims or the potential damages or recoveries resulting therefrom and did not undertake any independent analysis of the Derivative Action or any other

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actual or potential litigation to which TEPPCO or Enterprise was or may be a party or was or may be subject and did not address the merits of any actual or potential settlement thereof.

Credit Suisse's opinion addresses only the fairness, from a financial point of view, to the unaffiliated TEPPCO unitholders of the exchange ratio set forth in the merger agreement and does not address any other aspect or implication of the merger or any other agreement, arrangement or understanding entered into in connection with the merger or otherwise, including, without limitation (a) the allocation of the aggregate consideration to be paid by Enterprise in the merger as between the unaffiliated TEPPCO unitholders and the holders of designated TEPPCO units, (b) the terms of the GP merger or the allocation of the aggregate consideration to be paid by Enterprise in the mergers as between the holders of TEPPCO common units, or groups thereof, and Enterprise GP Holdings, as the holder of all of the outstanding membership interests in TEPPCO GP, (c) the exchange ratio relative to the aggregate GP merger consideration and (d) the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the exchange ratio or otherwise. Furthermore, no opinion, counsel or interpretation was intended regarding matters that require legal, regulatory, accounting, insurance, tax, executive compensation or other similar professional advice. Credit Suisse assumed that such opinions, counsel, interpretations or advice had been or would be obtained from the appropriate professional sources. The issuance of Credit Suisse's opinion was approved by an authorized internal committee of Credit Suisse.

Credit Suisse's opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market and other conditions as they existed and could be evaluated on such date and upon certain assumptions regarding such financial, economic, market and other conditions which are currently subject to unusual volatility and which, if different than assumed, could have a material impact on Credit Suisse's analyses or opinion. In addition, as the TEPPCO Special Committee was aware, the financial projections and estimates that Credit Suisse reviewed relating to the future financial performance of TEPPCO and Enterprise reflect certain assumptions regarding the oil and gas industry which are subject to significant volatility and which, if different than assumed, could have a material impact on Credit Suisse's analyses and opinion. Credit Suisse did not express any opinion as to what the value of Enterprise units actually would be when issued to the holders of TEPPCO units pursuant to the merger or the prices at which Enterprise units or TEPPCO units would trade at any time. Credit Suisse's opinion did not address the relative merits of the merger as compared to alternative transactions or strategies that might be available to TEPPCO, nor did it address the underlying business decision of TEPPCO to proceed with the merger. Credit Suisse was not requested to, and did not, solicit third party indications of interest in acquiring all or any part of TEPPCO.

It is understood that Credit Suisse's opinion was for the information of the TEPPCO Special Committee of TEPPCO GP in connection with its consideration of the merger and does not constitute advice or a recommendation to any securityholder of TEPPCO as to how such securityholder should vote or act on any matter relating to the proposed merger.

In preparing its opinion to the TEPPCO Special Committee, Credit Suisse performed a variety of analyses, including those described below. The summary of Credit Suisse's valuation analyses is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various quantitative and qualitative judgments and determinations with respect to the financial, comparative and other analytic methods employed and the adaptation and application of those methods to the unique facts and circumstances presented. As a consequence, neither Credit Suisse's opinion nor the analyses underlying its opinion are readily susceptible to partial analysis or summary description. Credit Suisse arrived at its opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any individual analysis, analytic method or factor. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses, analytic methods and factors, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the



processes underlying its analyses and opinion.

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In performing its analyses, Credit Suisse considered business, economic, industry and market conditions, financial and otherwise, and other matters as they existed on, and could be evaluated as of, the date of the opinion. No company or business used in Credit Suisse's analyses for comparative purposes is identical to TEPPCO or the proposed transaction. While the results of each analysis were taken into account in reaching its overall conclusion with respect to fairness, Credit Suisse did not make separate or quantifiable judgments regarding individual analyses. The implied exchange ratio reference ranges indicated by Credit Suisse's analyses are illustrative and not necessarily indicative of actual values nor predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, any analyses relating to the value of assets, businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold, which may depend on a variety of factors, many of which are beyond TEPPCO's control and the control of Credit Suisse. Much of the information used in, and accordingly the results of, Credit Suisse's analyses are inherently subject to substantial uncertainty.

The following is a summary of the material valuation analyses performed in connection with the preparation of Credit Suisse's opinion rendered to the TEPPCO Special Committee on June 28, 2009. The analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the analyses. Considering the data in the tables below without considering the full narrative description of the analyses, as well as the methodologies and underlying assumptions, qualifications and limitations affecting each analysis, could create a misleading or incomplete view of Credit Suisse's analyses.

For purposes of its analyses, Credit Suisse reviewed a number of financial metrics including:

*Enterprise Value* generally the value as of a specified date of the relevant company's outstanding equity securities (taking into account its restricted units, outstanding options, warrants and other convertible securities) plus the value of its minority interests plus the amount of its net debt (the amount of its outstanding indebtedness, preferred stock and capital lease obligations less the amount of cash on its balance sheet) as of a specified date.

*Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)* generally the amount of the relevant company's operating profits, excluding non-recurring charges, before interest, taxes, depreciation and amortization, for a specified time period.

*Limited Partnership (LP) Distribution Yield* generally the ratio, represented as a percentage, of the relevant company's limited partner distributions for a specified period divided by the current market price of the limited partner units as of a specified date.

*LP Distributable Cash Flow Per Unit* generally the amount of the relevant company's operating cash flow that is available for distribution to the limited partners for a specified time period.

Unless the context indicates otherwise, unit prices for the selected companies used in the Selected Companies Analysis described below were as of June 26, 2009. Estimates of financial performance for TEPPCO and Enterprise for the calendar years ending December 31, 2009 and 2010 used in the selected companies analyses were based on the forecasts provided by managements of TEPPCO and Enterprise, respectively. Estimates of financial performance for the selected companies listed below for the calendar years ending 2009 and 2010 used in the selected companies analyses were based on publicly available research analyst estimates for those companies.

### ***Selected Companies Analysis***

Credit Suisse considered certain financial data for TEPPCO and Enterprise and selected master limited partnerships with publicly traded equity securities. The financial data included:

Enterprise Value as a multiple of estimated 2009 EBITDA;

Enterprise Value as a multiple of estimated 2010 EBITDA;

Current LP Distribution Yield;

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Estimated LP Distribution Yield for 2009;

Estimated LP Distribution Yield for 2010;

LP Unit Price as a multiple of estimated 2009 LP Distributable Cash Flow Per Unit; and

LP Unit Price as a multiple of estimated 2010 LP Distributable Cash Flow Per Unit.

The selected companies were selected because they had publicly traded equity securities and were deemed to be similar to TEPPCO and Enterprise in one or more respects including the nature of their business, size, diversification, financial performance and geographic concentration. No specific numeric or other similar criteria were used to select the selected companies and all criteria were evaluated in their entirety without application of definitive qualifications or limitations to individual criteria. As a result, a significantly larger or smaller company with substantially similar lines of businesses and business focus may have been included while a similarly sized company with less similar lines of business and greater diversification may have been excluded. Credit Suisse identified a sufficient number of companies for purposes of its analysis but may not have included all companies that might be deemed comparable to TEPPCO and Enterprise, respectively. The selected master limited partnerships with publicly traded equity securities were:

Kinder Morgan Energy Partners  
 Energy Transfer Partners  
 Plains All American Pipeline  
 ONEOK Partners  
 Enbridge Energy Partners  
 Boardwalk Pipeline Partners  
 NuStar Energy  
 Magellan Midstream Partners  
 Buckeye Partners  
 Sunoco Logistics Partners

The selected companies analysis indicated the following high, low, mean and median multiples for the selected master limited partnerships with publicly traded equity securities and for TEPPCO and Enterprise as of June 26, 2009, the most recent date for which stock market data was available prior to the meeting of the TEPPCO Special Committee on June 28, 2009, and as of April 28, 2009, the date immediately prior to the first public disclosure by TEPPCO of its receipt of a merger proposal from Enterprise and the TEPPCO GP's determination not to support a merger with Enterprise on the terms proposed by Enterprise:

<b>Multiple Description</b>	<b>High</b>	<b>Low</b>	<b>Mean</b>	<b>Median</b>	<b>TEPPCO (4/28/09)</b>	<b>TEPPCO (6/26/09)</b>	<b>Enterprise (4/28/09)</b>	<b>Enterprise (6/26/09)</b>
Enterprise Value as a multiple of:								
2009E EBITDA	13.0x	9.4x	11.3x	11.3x	10.6x	11.1x	10.7x	10.9x
2010E EBITDA	11.5x	8.7x	10.2x	10.3x	10.0x	10.4x	9.9x	10.1x
LP Distribution Yield(%):								
Current	10.3%	7.5%	8.6%	8.6%	11.1%	10.1%	8.7%	8.5%

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2009E	10.3%	7.7%	8.7%	8.7%	11.1%	10.1%	8.9%	8.7%
2010E	10.4%	8.3%	9.1%	9.1%	11.3%	10.3%	9.4%	9.2%
LP Unit Price as a multiple of:								
2009E LP Distributable Cash Flow Per Unit								
2010E LP Distributable Cash Flow Per Unit								
2009E LP Distributable Cash Flow Per Unit	11.8x	8.5x	10.4x	10.2x	8.4x	9.2x	9.4x	9.6x
2010E LP Distributable Cash Flow Per Unit	11.3x	8.9x	10.0x	10.0x	8.2x	9.0x	8.8x	9.0x

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Credit Suisse applied multiple ranges based on the selected companies analysis to corresponding financial data for TEPPCO and Enterprise based on TEPPCO's and Enterprise's management forecasts, respectively, to calculate an implied exchange ratio reference range. The selected companies analyses indicated an implied exchange ratio reference range of 0.979 to 1.511 Enterprise common units per TEPPCO unit, as compared to the exchange ratio in the proposed merger of 1.24 Enterprise common units per TEPPCO unit.

**Discounted Cash Flow Analysis**

Credit Suisse also calculated the net present value of TEPPCO's and Enterprise's levered free cash flows using TEPPCO's and Enterprise's management forecasts, respectively. In performing this analysis, Credit Suisse applied discount rates ranging from 8.5% to 10.0% for TEPPCO and Enterprise and terminal yield ranges of 8.0% to 10.0% for TEPPCO and 7.5% to 8.5% for Enterprise to calculate an implied exchange ratio reference range. The discounted cash flow analyses indicated an implied exchange ratio reference range of 0.882 to 1.266 Enterprise common units per TEPPCO unit, as compared to the exchange ratio in the proposed merger of 1.24 Enterprise common units per TEPPCO unit.

**Contribution Analysis**

Credit Suisse also reviewed the respective contributions of TEPPCO and Enterprise to actual 2008 EBITDA and LP Distributable Cash Flow and estimated 2009 through 2013 EBITDA and LP Distributable Cash Flow for the combined entity resulting from the merger to calculate implied low and high exchange ratio reference ranges. The contribution analysis indicated the following relative contributions of TEPPCO and Enterprise and the following implied low and high exchange ratios, as compared to the exchange ratio in the merger of 1.24 Enterprise common units per TEPPCO unit:

	TEPPCO	Enterprise	Implied Exchange Ratio	
			Low	High
<b>EBITDA:</b>				
2008A	21%	79%	1.142	1.195
2009E	22%	78%	1.205	1.259
2010E	22%	78%	1.242	1.296
2011E	20%	80%	1.008	1.060
2012E	20%	80%	1.032	1.084
2013E	19%	81%	0.864	0.915
<b>LP Distributable Cash Flow:</b>				
2008A	20%	80%	1.088	1.140
2009E	22%	78%	1.280	1.335
2010E	21%	79%	1.214	1.268
2011E	20%	80%	1.093	1.146
2012E	20%	80%	1.147	1.201
2013E	19%	81%	1.061	1.114

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*Historical Exchange Ratios.* Credit Suisse also noted the following historical average trading price exchange ratios as of June 26, 2009, as compared to the exchange ratio provided for in the merger of 1.24 Enterprise common units per TEPPCO unit:

Unit Price	Average Unit Price		Average Exchange Ratio	Current Offer Premium/(Discount) to Historical Average Exchange Ratio
	TEPPCO	Enterprise		
Current (June 26, 2009)	\$ 28.69	\$ 25.29	1.134	9.3%
5 Trading Days	\$ 28.12	\$ 24.74	1.136	9.1%
10 Trading Days	\$ 28.40	\$ 25.01	1.135	9.2%
1 month	\$ 29.01	\$ 25.55	1.136	9.2%
3 months	\$ 27.05	\$ 24.27	1.113	11.4%
6 months	\$ 24.94	\$ 22.94	1.084	14.3%
1 year	\$ 25.93	\$ 24.04	1.076	15.3%
2 years	\$ 32.18	\$ 27.49	1.159	7.0%
3 years	\$ 34.93	\$ 27.99	1.237	0.2%
5 years	\$ 36.74	\$ 26.74	1.379	(10.1)%

*Historical LP Distribution Yields.* Credit Suisse also noted the following historical LP Distribution yields for TEPPCO and Enterprise as of June 26, 2009, the most recent date for which stock market data was available prior to the meeting of the TEPPCO Special Committee on June 28, 2009, and as of April 28, 2009, the stock market trading day prior to the first public disclosure by TEPPCO on April 29, 2009 of its receipt of a merger proposal from Enterprise and the TEPPCO GP's determination not to support a merger with Enterprise on the terms proposed by Enterprise, as well as for various trading day and calendar periods prior to June 26, 2009 as follows:

Date/Period	Average Yield		Spread (bps)
	TEPPCO	Enterprise	
June 26, 2009	10.1%	8.5%	161
April 28, 2009	11.1%	8.7%	243
5 trading days	10.3%	8.7%	162
10 trading days	10.2%	8.6%	162
1 month	10.0%	8.4%	158
3 months	10.7%	8.8%	188
6 months	11.8%	9.3%	248
1 year	11.4%	8.9%	254
2 years	9.3%	7.6%	173
3 years	9.0%	7.4%	155
5 years	7.8%	7.0%	83

**Other Matters**

Pursuant to an engagement letter dated April 21, 2009, the TEPPCO Special Committee retained Credit Suisse as its financial advisor in connection with, among other things, the proposed merger. The TEPPCO Special Committee engaged Credit Suisse based on Credit Suisse's qualifications, experience and reputation as an internationally recognized investment banking and financial advisory firm. Credit Suisse received a fee of \$250,000 upon being engaged and an additional fee of \$5,000,000 upon rendering its opinion. In addition, Credit Suisse will become entitled to an additional fee of \$3,750,000, contingent upon the consummation of the merger. In addition, TEPPCO has agreed to indemnify Credit Suisse and certain related parties for certain liabilities and other items arising out of or related to its engagement.



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Credit Suisse and its affiliates have in the past provided investment banking and other financial services to TEPPCO and its affiliates for which Credit Suisse and its affiliates have received compensation. Credit Suisse and its affiliates also have in the past provided investment banking and other financial services to Enterprise and its affiliates for which Credit Suisse and its affiliates have received compensation. Credit Suisse and its affiliates may have provided other financial advice and services, and may in the future provide financial advice and services, to Enterprise and its affiliates for which Credit Suisse and its affiliates have received, and would expect to receive, compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for its and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of TEPPCO, Enterprise and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

### **Interests of Directors and Executive Officers of TEPPCO GP in the Merger**

In considering the recommendations of the TEPPCO Special Committee and the TEPPCO board with respect to the merger, TEPPCO unitholders should be aware that certain of the executive officers and directors of TEPPCO GP have interests in the transaction that differ from, or are in addition to, the interests of TEPPCO unitholders generally, including:

equity-based awards under benefit plans that will generally be converted into equity-based awards with respect to Enterprise units, adjusted for the exchange ratio, except for some awards to non-employee directors; and

indemnification of TEPPCO GP's directors and executive officers.

Although positions have not yet been determined, certain executive officers of TEPPCO GP may be executive or non-executive officers of Enterprise following the merger.

The members of the TEPPCO Special Committee, the TEPPCO ACG Committee and the TEPPCO board were aware of these interests in the transaction and considered them in making their determinations or recommendations with respect to the merger agreement and the merger. These interests, to the extent material, are further described below. For more information, please read [Background of the Merger](#), and [Recommendation of the TEPPCO Special Committee and the TEPPCO Board and Reasons for the Merger](#).

### ***Employment by EPCO***

The officers of TEPPCO GP, other than its interim executive chairman, are employees of EPCO, which is controlled by Mr. Duncan. EPCO also employs the executive officers and those directors of Enterprise GP and the general partner of Enterprise GP Holdings who are members of their management.

### ***TEPPCO GP Board of Directors***

Jerry E. Thompson, who is both a director and executive officer of TEPPCO GP, is employed by EPCO. The other members of the TEPPCO board are not employed by EPCO. Some of the TEPPCO GP directors have interests or relationships that relate to the merger:

Other than the members of the TEPPCO Special Committee, each of the TEPPCO board members was a named defendant in the Derivative Action and the Merger Action. The claims related to the litigation, which represent an asset of TEPPCO, likely would be extinguished upon consummation of the merger as a result of

the derivative nature of the litigation. For additional information regarding the pending litigation, please read Pending Litigation.

From June 2000 until February 14, 2006, Richard S. Snell was a director of Enterprise GP.

Since May 2000, Mr. Snell has been a partner with the law firm of Thompson & Knight LLP in Houston, Texas, which has from time to time provided legal services for Enterprise and its affiliates,

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including Mr. Duncan. For the three year period ended December 31, 2005, Mr. Duncan paid an aggregate of approximately \$51,000 to Thompson & Knight for legal services.

Mr. Snell and Mr. Bachmann practiced law as partners for a number of years until 1998. Mr. Bachmann was a member of TEPPCO's board from February 2006 until December 2006 and serves as a director and executive officer of EPCO, Enterprise, Enterprise GP Holdings, Duncan Energy Partners and certain other affiliates of Enterprise.

Some of the directors own equity interests in Enterprise, Enterprise GP Holdings and Duncan Energy Partners. For additional information regarding director ownership of such interests, please read *Equity Interests of TEPPCO GP's Directors and Executive Officers in Enterprise, Enterprise GP Holdings and Duncan Energy Partners* below.

***TEPPCO Management***

All of TEPPCO GP's executive officers are employees of EPCO. In addition, as EPCO employees, some of TEPPCO GP's executive officers serve as officers of, or provide services to, other affiliates of EPCO or Enterprise controlled by Mr. Duncan:

Patricia A. Totten, TEPPCO's Vice President, General Counsel and Secretary, serves as Vice President, Assistant General Counsel and Assistant Secretary of EPCO and certain of its subsidiaries. Ms. Totten also serves as Assistant Secretary for various entities controlled by Mr. Duncan, including DD Securities LLC, which is a party to the Support Agreement and will be receiving Enterprise Class B units upon completion of the merger.

Tracy Ohmart, TEPPCO's Assistant Treasurer, Controller, Acting Chief Financial Officer and Assistant Secretary also serves as Assistant Controller for various subsidiaries of Enterprise, including Enterprise Arizona Gas, LLC, Enterprise Energy Finance Corporation, Enterprise GTMGP, LLC, Olefins Terminal Corporation and Poseidon Pipeline Company, L.L.C.

In addition, some of the executive officers own equity interests in Enterprise, Enterprise GP Holdings and Duncan Energy Partners. For additional information regarding executive officer ownership of such interests, please read *Equity Interests of TEPPCO GP's Directors and Executive Officers in Enterprise, Enterprise GP Holdings and Duncan Energy Partners* below.

***Treatment of Equity Awards***

Executive officers of TEPPCO GP hold options to purchase TEPPCO units, restricted units, phantom units, unit appreciation rights (UARs) and distribution equivalent rights (DERs). The directors of TEPPCO GP hold TEPPCO phantom units and TEPPCO UARs.

In general, TEPPCO equity awards will continue to vest, but will provide for the receipt of Enterprise common units on vesting or exercise, as adjusted to reflect the 1.24 exchange ratio. Pursuant to the terms of the TEPPCO equity awards, no accelerated vesting will occur in connection with the merger, except for certain non-employee director awards as described below.

Upon consummation of the merger, outstanding equity awards held by TEPPCO GP's directors and executive officers will be subject to the following treatment:

TEPPCO phantom units held by nonemployee directors (other than amounts credited under TEPPCO's Non-Employee Directors Unit Accumulation Plan) and TEPPCO UARs held by nonemployee directors will be settled in cash at the effective time of the merger in accordance with the terms of the respective awards. However, assuming a closing price of \$27.40 or less per Enterprise common unit, there would be no payouts with respect to these UARs.

Each vested and unvested outstanding option to acquire TEPPCO units granted prior to the date of the merger agreement will become an option to purchase that number of Enterprise common units, with the exercise price and number of units issuable on exercise adjusted to reflect the 1.24 exchange ratio.

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Each unvested TEPPCO restricted unit granted prior to the date of the merger agreement will be assumed by Enterprise and converted into Enterprise restricted common units, as adjusted to reflect the 1.24 exchange ratio.

Each outstanding grant of TEPPCO phantom units granted prior to the date of the merger agreement will be assumed by Enterprise and converted into a grant of phantom units denominated in that number of Enterprise common units equal to the number of TEPPCO units, as adjusted to reflect the 1.24 exchange ratio.

Each outstanding TEPPCO UAR granted prior to the date of the merger agreement will be assumed by Enterprise and converted into a number of common unit appreciation rights of Enterprise equal to the product of the number of TEPPCO unit appreciation rights to which the grant was subject at the time of the merger, multiplied by the 1.24 exchange ratio, with an exercise price per Enterprise common unit appreciation right equal to the per TEPPCO unit appreciation right exercise price divided by the 1.24 exchange ratio. Each common unit appreciation right of Enterprise will be subject to, and vest upon, terms and conditions equivalent to those of the applicable TEPPCO unit appreciation rights, except that the new Grant DER per Unit (as defined in the award agreement for the applicable TEPPCO unit appreciation right) that will apply to the common unit appreciation right of Enterprise will be (i) the most recent quarterly distribution paid (or with respect to a more recent record date prior to the merger, the most recent unpaid distribution declared) with respect to an Enterprise common unit minus (ii) (A) the difference between (x) the most recent quarterly distribution paid (or with respect to a more recent record date prior to the merger, the most recent unpaid distribution declared) with respect to a TEPPCO unit and (y) the Grant DER per Unit on the date of grant of the TEPPCO unit appreciation right, divided by (B) the 1.24 exchange ratio.

Each outstanding TEPPCO DER will be assumed by Enterprise and converted into a number of distribution equivalent rights of Enterprise equal to the product of the number of TEPPCO distribution equivalent rights to which the grant was subject at the time of the merger, as adjusted to reflect the 1.24 exchange ratio.

Each participant in the EPCO, Inc. TEPPCO Unit Purchase Plan (referred to as the TEPPCO unit purchase plan ) who is an owner of TEPPCO units purchased under the TEPPCO unit purchase plan in accordance with the merger agreement will have those TEPPCO units converted into Enterprise common units, as adjusted to reflect the 1.24 exchange ratio.

TEPPCO units held by TEPPCO Unit L.P. and TEPPCO Unit II L.P., which are employee partnerships formed by EPCO under which TEPPCO's executive officers hold profit interests in underlying TEPPCO units in the form of Class B limited partner interests, will be converted into the right to receive 1.24 Enterprise common units for each TEPPCO unit in the merger.

***Equity Interests of TEPPCO GP's Directors and Executive Officers in TEPPCO***

The following tables sets forth the current beneficial ownership of the directors and executive officers of TEPPCO GP in the equity of TEPPCO as of July 31, 2009:

	Restricted			
	Units	Phantom	UARs	Profits
Options	Granted	Units	Granted	Interests
Granted	Under	Granted	Under	(in Units)
Under	TEPPCO	Under	TEPPCO	Granted
TEPPCO	Long		Long	Through

Name	Position	TEPPCO					TEPPCO Employee Partnerships
		Limited Partner Units	Long Term Incentive Plans(1)	Term Incentive Plans(2)	Long Term Incentive Plans(3)	Term Incentive Plans(4)	
Murray H. Hutchison	Interim Executive Chairman				549	22,075	
Jerry E. Thompson	President, CEO and Director	30,159(5)	192,500	72,800		66,152	192,147(6)

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Name	Position	Limited Partner Units	Restricted		Phantom Units Granted Under TEPPCO	UARs Granted Under TEPPCO	Profits Interests (in Units) Granted Through TEPPCO Employee Partnerships
			Options Granted Under TEPPCO	Units Granted Under TEPPCO			
Tracy E. Ohmart	Acting CFO	921(7)		4,100		8,820	
J. Michael Cockrell	SVP, Commercial		95,500	22,200		33,076	34,493(8)
John N. Goodpasture	Upstream VP, Corporate	2,000	95,500	11,800		25,358	34,493(8)
Samuel N. Brown	Development VP, Commercial	1,000	95,500	11,800		26,461	34,493(8)
Patricia A. Totten	Downstream VP, General Counsel and Secretary	2,168	95,500	11,800	2,800	26,461	17,235(8)
Michael B. Bracy	Director	4,000			549	22,075	
Donald H. Daigle	Director					29,429	
Richard S. Snell	Director	1,000			549	22,075	

- (1) The option awards vest as early as May 2011, subject to earlier vesting upon death, disability or retirement of the participant with the approval of the TEPPCO ACG Committee on or after reaching age 60.
- (2) The restricted unit awards vest as early as May 2011, subject to earlier vesting upon death, disability or retirement of the participant with the approval of the TEPPCO ACG Committee on or after reaching age 60.
- (3) Patricia Totten's phantom unit grant was awarded pursuant to TEPPCO's 1999 Long-Term Incentive Plan and vests on January 1, 2010. The remaining phantom units were awarded pursuant to TEPPCO's 2006 Long-Term Incentive Plan and vest on April 30, 2011, subject to earlier vesting on death or disability. Phantom units held by nonemployee directors will be settled in cash at the effective time of the merger in accordance with the terms of the awards.
- (4) The UARs vest as early as May 2012, subject to earlier vesting upon death, disability or retirement of the participant with approval of the TEPPCO ACG Committee on or after reaching age 60. However, assuming a

closing price of \$27.40 or less per Enterprise common unit, there would be no payouts with respect to these UARs.

- (5) Mr. Thompson holds 4,200 of these TEPPCO units in a trust for which he is co-trustee and his mother is the beneficiary. In addition, 2,959 of these units are held by Mr. Thompson through TEPPCO's employee unit purchase plan.
- (6) Mr. Thompson owns Class B limited partner interest awards in two employee partnerships, TEPPCO Unit L.P. and TEPPCO Unit II L.P., which equity interests reflect profits interests that entitle him to appreciation in the value of TEPPCO units owned by each employee partnership (less a preferred return to an affiliate of EPCO, the general partner of each employee partnership). Mr. Thompson holds these equity interests with respect to the number of TEPPCO units shown in the table. He holds equity interests with respect to 68,962 units through TEPPCO Unit L.P. and 123,185 units through TEPPCO Unit II L.P. At September 4, 2008, the date of formation of TEPPCO Unit L.P., the closing price of TEPPCO units was \$29.15. At November 13, 2008, the date of formation of TEPPCO Unit II L.P., the closing price of TEPPCO units was \$25.29.
- (7) Mr. Ohmart holds 121 of these units through TEPPCO's employee unit purchase plan.
- (8) Each grantee owns Class B limited partner interests in TEPPCO Unit L.P., which equity interests reflect profits interests that entitle such grantee to appreciation in the value of TEPPCO units owned by the employee partnership (less a preferred return to an affiliate of EPCO, the general partner of the employee partnership). Each grantee holds these equity interests with respect to the number of TEPPCO units shown in the table. At September 4, 2008, the date of formation of the employee partnership, the closing price of TEPPCO units was \$29.15.



**Table of Contents****Equity Interests of TEPPCO GP's Directors and Executive Officers in Enterprise, Enterprise GP Holdings and Duncan Energy Partners**

The following tables sets forth the current beneficial ownership of the directors and executive officers of TEPPCO GP in the equity of Enterprise and Enterprise GP Holdings as of July 31, 2009.

Name	Enterprise	Enterprise	Duncan	Profits	Restricted Units
	Common	GP	Energy	Interests	Granted under
	Units	Holdings	Partners	(in Units)	Enterprise
				Granted	Long-Term
				Through EPE	
				Unit	
				L.P.(1)	Incentive Plan(2)
Tracy E. Ohmart	2,135(3)	1,600	1,430		2,000
John N. Goodpasture	5,000				
Samuel N. Brown		5,000	3,000		
Patricia A. Totten				31,105	4,000
Richard S. Snell	3,000(4)				
Duke R. Ligon	491		298		

- (1) Ms. Totten owns Class B limited partner interests in EPE Unit L.P., which equity interests reflect profits interests that entitle her to appreciation in the value of Enterprise GP Holdings units owned by the employee partnership (less a preferred return to an affiliate of EPCO, the general partner of the employee partnership). She holds these equity interests with respect to the number of Enterprise GP Holdings units shown in the table.
- (2) The awards were granted pursuant to Enterprise's 1998 Long-Term Incentive Plan. Mr. Ohmart's awards vest on May 22, 2012 and Ms. Totten's awards vest on August 4, 2009.
- (3) Mr. Ohmart owns 2,035 of these units through Enterprise's employee unit purchase plan.
- (4) These units are held through a family trust for which Mr. Snell is the trustee. Mr. Snell disclaims beneficial ownership of these units. Until November 2006, Mr. Snell owned 4,557 Enterprise common units and options to purchase 40,000 Enterprise common units; his wife owned 1,100 Enterprise common units; and Mr. Snell and his wife owned, as tenants in common, 7,500 common units of Enterprise GP Holdings. Mr. Snell was also the trustee of a family trust, which was terminated during 2008, that owned a total of 200 Enterprise GP Holdings common units.

**TEPPCO GP Director and Officer Insurance**

The merger agreement requires Enterprise to maintain, for six years after the effective time of the merger, officers' and directors liability insurance for the benefit of persons who are or were at any time before the effective time of the mergers covered by the existing directors' and officers' liability insurance policies applicable to TEPPCO, TEPPCO GP or any of their subsidiaries, as described more fully under *The Merger Agreement - Covenants and Other Agreements*

Liability Insurance.

**No Appraisal Rights**

TEPPCO unitholders do not have appraisal rights under TEPPCO's partnership agreement or the merger agreement or applicable Delaware law.

**Antitrust and Regulatory Matters**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules promulgated thereunder by the Federal Trade Commission ( *FTC* ), the merger cannot be completed until notifications have been given and certain information has been furnished to the *FTC* and the Antitrust Division of the Department of Justice ( *DOJ* ) and specified waiting period requirements have been satisfied. Enterprise or TEPPCO may receive requests for information concerning the proposed merger and related transactions from the *FTC* or individual states.

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At any time before or after completion of the merger, the DOJ, the FTC, or any state could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger, to rescind the merger or to seek divestiture of particular assets of Enterprise or TEPPCO. Private parties also may seek to take legal action under the antitrust laws under certain circumstances. In addition, non-United States governmental and regulatory authorities may seek to take action under applicable antitrust laws. A challenge to the merger on antitrust grounds may be made and, if such a challenge is made, it is possible that Enterprise and TEPPCO will not prevail.

## **Listing of Common Units to be Issued in the Merger**

Enterprise expects to obtain approval to list on the NYSE the Enterprise common units to be issued pursuant to the merger agreement, which approval is a condition to closing the merger.

## **Accounting Treatment**

The proposed merger transactions will be accounted for as a reorganization of entities under common control in a manner similar to a pooling of interests. The financial and operating policies of Enterprise, TEPPCO, Enterprise GP Holdings and their respective general partners, and EPCO and its privately held subsidiaries, are under common control of Dan L. Duncan.

## **Pending Litigation**

### ***Brinckerhoff Litigation Matters***

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 (the Court), in his individual capacity, as a putative class action on behalf of TEPPCO's other unitholders, and derivatively on TEPPCO's behalf, concerning proposals made to TEPPCO's unitholders in its definitive proxy statement filed with the SEC on September 11, 2006 (Proxy Statement) and other transactions involving TEPPCO and Enterprise or its affiliates. Mr. Brinckerhoff filed an amended complaint on July 12, 2007. The amended complaint names as defendants TEPPCO GP, the TEPPCO board, EPCO, Enterprise and certain of its affiliates and Dan L. Duncan. TEPPCO is named as a nominal defendant.

The amended complaint alleges, among other things, that certain of the transactions adopted at a special meeting of TEPPCO's unitholders on December 8, 2006, including a reduction of the TEPPCO GP's maximum percentage interest in TEPPCO's distributions in exchange for units (the Issuance Proposal), were unfair to TEPPCO's unitholders and constituted a breach by the defendants of fiduciary duties owed to TEPPCO's unitholders and that the Proxy Statement failed to provide TEPPCO's unitholders with all material facts necessary for them to make an informed decision whether to vote in favor of or against the proposals. The amended complaint further alleges that, since Mr. Duncan acquired control of TEPPCO GP in 2005, the defendants, in breach of their fiduciary duties to TEPPCO and its unitholders, have caused TEPPCO to enter into certain transactions with Enterprise or its affiliates that were unfair to TEPPCO or otherwise unfairly favored Enterprise or its affiliates over TEPPCO. The amended complaint alleges that such transactions include the Jonah Gas Gathering Company joint venture entered into by TEPPCO and an Enterprise affiliate in August 2006 (citing the fact that the TEPPCO ACG Committee did not obtain a fairness opinion from an independent investment banking firm in approving the transaction and alleging that TEPPCO did not receive fair value for Enterprise's participation in the joint venture), and the sale by TEPPCO to an Enterprise affiliate of the Pioneer plant in March 2006 (alleging that the purchase price did not provide fair value for the purchased assets to TEPPCO). As more fully described in the Proxy Statement, the TEPPCO ACG Committee recommended the Issuance Proposal for approval by the TEPPCO board. The amended complaint also alleges that Richard S. Snell, Michael B. Bracy and Murray H. Hutchison, constituting the three members of the TEPPCO ACG Committee at the time, cannot

be considered independent because of their alleged ownership of securities in Enterprise and its affiliates and/or their relationships with Mr. Duncan.

The amended complaint seeks relief: (i) awarding damages for profits and special benefits allegedly obtained by defendants as a result of the alleged wrongdoings in the complaint; (ii) rescinding all actions taken pursuant to the proxy vote; and (iii) awarding plaintiff costs of the action, including fees and expenses

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of his attorneys and experts. By its Opinion and Order dated November 25, 2008, the Court dismissed Mr. Brinckerhoff's individual and putative class action claims with respect to the amendments to TEPPCO's partnership agreement.

On April 29, 2009, Peter Brinckerhoff and Renee Horowitz, as Attorney in Fact for Rae Kenrow, purported unitholders of TEPPCO, filed separate complaints in the Court as putative class actions on behalf of other unitholders of TEPPCO, concerning the initial proposal made by Enterprise to TEPPCO GP, to acquire all of the partnership interests of TEPPCO (the Proposed Merger). On May 11, 2009, these actions were consolidated into the Merger Action. The initial proposal made at this time was an exchange of 1.043 Enterprise common units and \$1.00 in cash for each TEPPCO unit. The complaints named as defendants Enterprise, Enterprise GP, TEPPCO, TEPPCO GP, the TEPPCO board, EPCO and Dan L. Duncan. The Merger Action complaints allege, among other things, that the terms of the Proposed Merger were grossly unfair to TEPPCO's unitholders, that Mr. Duncan and other defendants who control TEPPCO have acted to drive down the price of TEPPCO's units and that the Proposed Merger was an attempt to extinguish, without consideration and without adequate information for TEPPCO's unitholders, the Derivative Action. The complaints further allege that the process through which the TEPPCO Special Committee was appointed to consider the Proposed Merger was contrary to the spirit and intent of TEPPCO's partnership agreement and constituted a breach of the implied covenant of fair dealing.

On June 28, 2009, the parties entered into the MOU in connection with a proposed settlement of the Merger Action and the Derivative Action contemplating that the parties will enter into a stipulation of settlement within 30 days from the date of the MOU. On August 5, 2009, the parties entered into the Settlement Agreement. Pursuant to the Settlement Agreement, the board of directors of TEPPCO GP will recommend to TEPPCO unitholders that they approve the adoption of the merger agreement and take all necessary steps to seek unitholder approval for the merger as soon as practicable. Pursuant to the Settlement Agreement, approval of the merger agreement and the merger will require, in addition to the vote required under the TEPPCO partnership agreement, that the number of votes actually cast in favor of the proposal by holders of outstanding TEPPCO units, excluding those held by defendants to the Derivative Action, exceed the number of votes actually cast against the proposal by those holders. The Settlement Agreement further provides that the Derivative Action was considered by the TEPPCO Special Committee to be a significant asset of TEPPCO for which fair value was obtained in the merger consideration.

The Settlement Agreement is subject to customary conditions, including Court approval. There can be no assurance that the Court will approve the settlement in the Settlement Agreement. In such event, the proposed settlement as contemplated by the Settlement Agreement may be terminated. Among other things, the plaintiffs' agreement to settle the Derivative Action and Merger Action litigation, including their agreement to the fairness of the proposed terms and process of the merger negotiations is subject to (a) the drafting and execution of other such documentation as may be required to obtain final Court approval and dismissal of the actions, (b) Court approval and the mailing of the notice of settlement which sets forth the terms of settlement to TEPPCO unitholders, (c) consummation of the merger and (d) final Court certification and approval of the settlement and dismissal of the actions. For more information regarding the Merger Action, the Derivative Action and the settlement thereof, please see the Notice of Pendency of Class and Derivative Actions attached to the Settlement Agreement, which is filed as an exhibit to the Registration Statement of which this proxy statement/prospectus forms a part.

## ***Other Litigation***

On June 29, 2009, M. Lee Arnold, a purported TEPPCO unitholder, filed an original petition styled *M. Lee Arnold, on behalf of himself and all others similarly situated v. TEPPCO Partners, L.P., Texas Eastern Products Pipeline Company, LLC, Enterprise Products Partners L.P., Enterprise Products GP, LLC, EPCO, Inc., Dan L. Duncan, Jerry E. Thompson, Murray H. Hutchison, Michael B. Bracy, Donald H. Daigle, Duke R. Ligon, Richard S. Snell and Irvin Toole, Jr.*, in the District Court of Harris County, Texas in the 129th Judicial District (Cause No. 2009-41231), as a

class action on behalf of TEPPCO unitholders against the defendants. On June 30, 2009, Sharon Olesky, a purported TEPPCO unitholder, filed an original petition styled *Sharon Olesky, on behalf of herself and all others similarly situated v. TEPPCO Partners, L.P., Texas Eastern*

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*Products Pipeline Company, LLC, Enterprise Products Partners L.P., Enterprise Products GP, LLC, EPCO, Inc., Dan L. Duncan, Jerry E. Thompson, Murray H. Hutchison, Michael B. Bracy, Donald H. Daigle, Duke R. Ligon, Richard S. Snell and Irvin Toole, Jr.*, in the District Court of Harris County, Texas in the 11th Judicial District (Cause No. 2009-41626), as a class action on behalf of TEPPCO unitholders against the defendants. These complaints allege, among other things, breaches, or aiding and abetting of other defendants' breaches, of fiduciary duties of loyalty, due care, candor, independence, good faith and fair dealing. The defendants intend to vigorously defend these claims.

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**THE MERGER AGREEMENT**

The following is a summary of the material terms of the merger agreement and the related transactions. The provisions of the merger agreement are extensive and not easily summarized. This summary is qualified in its entirety by reference to the merger agreement, as amended, a copy of which is attached to this proxy statement/prospectus as Annex A and is incorporated into this proxy statement/prospectus by reference. You should read the merger agreement because it, and not this proxy statement/prospectus, is the legal document that governs the terms of the merger.