

ENTERPRISE PRODUCTS PARTNERS L P

Form 424B5

July 14, 2006

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Filed pursuant to Rule 424b5  
 Registration Nos. 333-123150  
 333-123150-01

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus Dated March 23, 2005)**

**\$300,000,000**

**Enterprise Products Operating L.P.**

**8.375% Fixed/ Floating Rate Junior Subordinated Notes due 2066**  
**Guaranteed to the extent described in this prospectus supplement by**  
**Enterprise Products Partners L.P.**

The 8.375% Fixed/ Floating Rate Junior Subordinated Notes due 2066, which we refer to as Long-Term Subordinated Notes or LoTS<sup>SM</sup> issued by Enterprise Products Operating L.P. will bear interest from the date they are issued to August 1, 2016, at the annual rate of 8.375% of their principal amount, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2007, and thereafter will bear interest at an annual rate equal to the 3-month LIBOR Rate plus 3.7075%, reset quarterly, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2016. The LoTS<sup>SM</sup> will mature on August 1, 2066.

We may elect to defer interest payments on the LoTS<sup>SM</sup> on one or more occasions for up to ten consecutive years as described in this prospectus supplement. Deferred interest will accumulate additional interest at a rate equal to the interest rate then applicable to the LoTS<sup>SM</sup>, to the extent permitted by law. Enterprise Products Partners L.P. will guarantee, on a junior subordinated basis, payment of the principal of, premium, if any, and interest on the LoTS<sup>SM</sup>.

We may redeem the LoTS<sup>SM</sup> in whole or in part on or after August 1, 2016 at their principal amount plus accrued and unpaid interest. We may redeem the LoTS<sup>SM</sup> in whole or in part at any time prior to August 1, 2016 upon payment of a make-whole premium, as described in this prospectus supplement.

**Investing in the LoTS<sup>SM</sup> involves certain risks. See Risk Factors beginning on page S-13 of this prospectus supplement and on page 3 of the accompanying prospectus.**

|                        | <b>Public Offering<br/>Price(1)</b> | <b>Underwriting<br/>Discount</b> | <b>Proceeds to<br/>Enterprise Products<br/>Operating L.P.<br/>Before Expenses</b> |
|------------------------|-------------------------------------|----------------------------------|---|
| Per LoTS <sup>SM</sup> | 100%                                | 1.5%                             | 98.5%   |
| Total                  | \$300,000,000                       | \$4,500,000                      | \$295,500,000   |

(1) The public offering price does not include accrued interest, if any, on the LoTS<sup>SM</sup>, from July 18, 2006 to the date of delivery.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the LoTS<sup>SM</sup> in book entry form only, through the facilities of The Depository Trust Company, against payment on July 18, 2006.

**Joint Book-Running Managers**

**Wachovia Securities**  
**Sole Structuring Advisor**

**Lehman Brothers**

**Co-Managers**

**UBS Investment Bank**

**Banc of America Securities LLC**

**Daiwa Securities SMBC Europe**

**Scotia Capital**

<sup>sm</sup>LoTS is a service mark of Wachovia Corporation.

The date of this prospectus supplement is July 13, 2006.

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This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of LoTS<sup>sm</sup> and certain terms of the LoTS<sup>sm</sup>. The second part is the accompanying prospectus, which describes certain terms of the indenture under which the LoTS<sup>sm</sup> will be issued and which gives more general information, some of which may not apply to this offering of LoTS<sup>sm</sup>. If the information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not authorized anyone to provide you with additional or different information. We are not making an offer to sell these securities in any state where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of this document or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Our business, financial

condition, results of operations and prospects may have changed since these dates.

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**SUMMARY**

*This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand our business and the LoTS<sup>SM</sup>. It does not contain all of the information that is important to you. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. You should read Risk Factors beginning on page S-13 of this prospectus supplement and page 3 of the accompanying prospectus for more information about important risks that you should consider before making a decision to purchase LoTS<sup>SM</sup> in this offering.*

*Unless the context otherwise requires, our, we, us and Enterprise as used in this prospectus supplement refer solely to Enterprise Products Operating L.P. and do not include our parent, Enterprise Products Partners L.P., or any of our subsidiaries or unconsolidated affiliates. Enterprise Parent and Parent Guarantor as used in this prospectus supplement refer to Enterprise Products Partners L.P. and not its subsidiaries or unconsolidated affiliates.*

*Enterprise Parent conducts substantially all of its business through us and our subsidiaries and unconsolidated affiliates. We are the borrower on substantially all of the consolidated company's credit facilities, and we are the issuer of substantially all of the company's publicly traded notes, all of which are guaranteed by Enterprise Parent. Our financial results do not differ materially from those of Enterprise Parent; the number and dollar amount of reconciling items between our consolidated financial statements and those of Enterprise Parent are insignificant. All financial results presented in this prospectus supplement are those of Enterprise Parent.*

**Enterprise and Enterprise Parent**

We are a North American midstream energy company that provides a wide range of services to producers and consumers of natural gas, natural gas liquids, or NGLs, and crude oil, and are an industry leader in the development of pipeline and other midstream infrastructure in the continental United States and Gulf of Mexico. Our 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. We operate an integrated midstream asset network within the United States that includes natural gas gathering, processing, transportation and storage; NGL fractionation (or separation), transportation, storage and import and export terminaling; crude oil transportation; and offshore production platform 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.

For the year ended December 31, 2005, Enterprise Parent had revenues of \$12.3 billion, operating income of \$663 million and net income of \$420 million. For the three months ended March 31, 2006, Enterprise Parent had revenues of \$3.3 billion, operating income of \$194 million and net income of \$134 million.

**Our Business Segments**

We have four reportable business segments: (i) NGL Pipelines & Services; (ii) Onshore Natural Gas Pipelines & Services; (iii) Offshore Pipelines & Services and (iv) Petrochemical Services. Our business segments are generally organized and managed along our asset base according to the type of services rendered (or technology employed) and products produced and/or sold.

***NGL Pipelines & Services.*** Our NGL Pipelines & Services business segment includes our (i) natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 12,810 miles and related storage facilities including our Mid-America Pipeline, Seminole Pipeline and Dixie Pipeline systems and (iii) NGL fractionation facilities located in Texas and Louisiana. This segment also includes our import and export terminal operations.

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***Onshore Natural Gas Pipelines & Services.*** Our Onshore Natural Gas Pipelines & Services business segment includes approximately 17,200 miles of onshore natural gas pipeline systems that provide for the gathering and transmission of natural gas in Alabama, Colorado, Louisiana, Mississippi, New Mexico and Texas. In addition, we own two salt dome natural gas storage facilities located in Mississippi and lease natural gas storage facilities located in Texas and Louisiana.

***Offshore Pipelines & Services.*** Our Offshore Pipelines & Services business segment includes (i) approximately 1,190 miles of offshore natural gas pipelines strategically located to serve production areas including some of the most active drilling and development regions in the Gulf of Mexico, (ii) approximately 870 miles of offshore Gulf of Mexico crude oil pipeline systems and (iii) seven multi-purpose offshore hub platforms located in the Gulf of Mexico.

***Petrochemical Services.*** Our Petrochemical Services business segment includes four propylene fractionation facilities, an isomerization complex and an octane additive production facility. This segment also includes approximately 690 miles of petrochemical pipeline systems.

We provide the foregoing services directly and through our subsidiaries and unconsolidated affiliates.

Our and Enterprise Parent's principal offices are located at 1100 Louisiana Street, 18th Floor, Houston, Texas 77002, and our and Enterprise Parent's telephone number is (713) 381-6500.

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**Organizational Structure**

The following chart depicts our organizational structure.

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**The Offering**

|                             |   |
|-----------------------------|---|
| <b>Issuer</b>               | Enterprise Products Operating L.P.  |
| <b>Securities Offered</b>   | \$300,000,000 aggregate principal amount of our 8.375% Fixed/ Floating Rate Junior Subordinated Notes due 2066, which we refer to as the Long-Term Subordinated Notes or LoTS   |
| <b>Guarantor</b>            | Enterprise Products Partners L.P.   |
| <b>Interest Rate</b>        | <p>The LoTS<sup>sm</sup> will bear interest from the date of issuance to August 1, 2016, which we refer to as the Fixed Rate Period, at an annual rate of 8.375%, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2007, and thereafter, which we refer to as the Floating Rate Period, at an annual rate equal to the 3-month LIBOR Rate (as defined in Description of the LoTS<sup>sm</sup> Determining the Floating Rate ) for the related interest period plus 3.7075%, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2016, unless payment is deferred as described below.</p> <p>For a more complete description of interest payable on the LoTS<sup>sm</sup>, see Description of the LoTS<sup>sm</sup> Interest Rate and Interest Payment Dates and Description of the LoTS<sup>sm</sup> Determining the Floating Rate.</p>   |
| <b>Optional Deferral</b>    | <p>We may elect to defer payment of all or part of the current and accrued interest otherwise due on the LoTS<sup>sm</sup> provided that:</p> <ul style="list-style-type: none"><li>we may not optionally defer interest payments once we have failed to pay interest otherwise due for a period of ten consecutive years for any reason; and</li><li>we may not optionally defer interest payments on or after the maturity date of, or redemption date for, the LoTS<sup>sm</sup>.</li></ul> <p>Deferred interest not paid on an interest payment date will bear interest from that interest payment date until paid at the then prevailing interest rate on the LoTS<sup>sm</sup> compounded semi-annually during the Fixed Rate Period and quarterly during the Floating Rate Period, as described under Description of the LoTS<sup>sm</sup> Interest Rate and Interest Payment Dates. We refer to such deferred interest, the interest accrued thereon and any accrued and unpaid interest on any interest payment date during a deferral period collectively as Deferred Interest, and we refer to a period during which we have elected to defer payment of interest on the LoTS<sup>sm</sup> as an Optional Deferral Period. Once we pay all Deferred Interest resulting from our optional deferral, such Optional Deferral Period will end and we may later defer interest again for a new Optional Deferral Period, subject to the same limitations described above.</p> |
| <b>Distribution Stopper</b> | <p>Unless:</p> <ul style="list-style-type: none"><li>all Deferred Interest on the LoTS<sup>sm</sup> has been paid in full as of the most recent interest payment date;</li></ul>  |

no event of default has occurred and is continuing; and

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Enterprise Parent is not in default of its obligations under its guarantee of payments on the LoTS<sup>sm</sup>,

then, subject to certain exceptions:

we and Enterprise Parent will not declare or make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of our respective equity securities;

we and Enterprise Parent will not and will cause our respective majority-owned subsidiaries not to make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any of our debt securities (including securities similar to the LoTS<sup>sm</sup>) that contractually rank equally with or junior to the LoTS<sup>sm</sup>; and

we and Enterprise Parent will not and will cause our respective majority-owned subsidiaries not to make any guarantee payments with respect to the securities described in the previous bullet point.

**Guarantee**

Enterprise Parent will fully and unconditionally guarantee (as described under Description of the LoTS<sup>sm</sup> Parent Guarantee ) the full and prompt payment of principal of, premium, if any, and interest on the LoTS<sup>sm</sup>, when and as the same become due and payable (subject to our right to defer interest as set forth under Description of the LoTS<sup>sm</sup> Optional Deferral ), whether at stated maturity, upon redemption, by declaration of acceleration or otherwise. The guarantee will be unsecured and subordinated to the senior indebtedness of Enterprise Parent.

**Ranking of the LoTS<sup>sm</sup>**

Our payment obligations under the LoTS<sup>sm</sup> will be unsecured and will, to the extent provided in the indenture, be subordinated to the prior payment in full of all of our present and future indebtedness for borrowed money, indebtedness evidenced by securities, bonds, notes and debentures, obligations under guarantees, direct credit substitutes, hedge and derivative products, capitalized lease obligations, letters of credit, cash management arrangements and other senior indebtedness. However, the LoTS<sup>sm</sup> will rank equally with our trade accounts payable and certain other liabilities arising in the ordinary course of our business, any of our indebtedness which by its terms is expressly made equal in rank with the LoTS<sup>sm</sup> and indebtedness owed by us to our majority-owned subsidiaries.

The LoTS<sup>sm</sup> will rank senior in right of payment to all of our present and future equity securities.

The indenture under which the LoTS<sup>sm</sup> will be issued does not limit our ability to incur additional debt, including debt that ranks senior in priority of payment to or pari passu with the LoTS<sup>sm</sup>.

We conduct a significant amount of our operations through our subsidiaries and unconsolidated affiliates, and a significant amount of our assets include our ownership interests in such



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entities. Holders of the LoTS<sup>sm</sup> will have a junior position to claims of creditors of our subsidiaries and unconsolidated affiliates, including trade creditors, debt holders, secured creditors, taxing authorities and guarantee holders.

**Optional Redemption**

We may redeem the LoTS<sup>sm</sup> before their maturity, subject to the Replacement Capital Covenant discussed below:

in whole or in part, on one or more occasions at any time on or after August 1, 2016 at 100% of their principal amount plus accrued and unpaid interest; or

in whole or in part at any time prior to August 1, 2016 upon payment of the Make-Whole Redemption Price (as defined below).

The Make-Whole Redemption Price will be equal to (1) all accrued and unpaid interest to but not including the redemption date plus (2) the greater of:

100% of the principal amount of the LoTS<sup>sm</sup> being redeemed, and

as determined by the Independent Investment Banker (as defined in Description of the LoTS<sup>sm</sup> Redemption Early Redemption ), the sum of the present values of remaining scheduled payments of principal and interest on the LoTS<sup>sm</sup> being redeemed from the redemption date to August 1, 2016, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined in Description of the LoTS<sup>sm</sup> Redemption Early Redemption ) plus 0.50%.

**Replacement Capital Covenant**

Around the time of initial issuance of the LoTS<sup>sm</sup>, we will enter into a Replacement Capital Covenant (as defined in Certain Terms of the Replacement Capital Covenant ) in which we will covenant for the benefit of holders of a designated series of our long-term indebtedness that ranks senior to the LoTS<sup>sm</sup> that we will not redeem or repurchase the LoTS<sup>sm</sup> on or before August 1, 2036, unless, subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we, Enterprise Parent or one of our or its subsidiaries has received a specified amount of proceeds from the sale of qualifying securities that have characteristics that are the same as, or more equity-like than, the applicable characteristics of the LoTS<sup>sm</sup>. The Replacement Capital Covenant is not intended for the benefit of holders of the LoTS<sup>sm</sup> and may not be enforced by them, and the Replacement Capital Covenant is not a term of the indenture or the LoTS<sup>sm</sup>.

**Events of Default**

The following will be events of default under the indenture governing the terms of the LoTS<sup>sm</sup>:

the failure to pay principal when due;

the failure to pay interest when due and payable that continues for 30 days, subject to the right to defer interest

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payments as described in Description of the LoTS<sup>SM</sup> Optional Deferral;  
the failure to pay deferred interest for ten consecutive years;  
certain events of bankruptcy, insolvency or reorganization; or

Enterprise Parent's guarantee of the LoTS<sup>SM</sup> ceases to be in full force and effect or is declared null and void in a judicial proceeding.

**Use of Proceeds**

We expect to use the net proceeds of this offering to temporarily reduce borrowings outstanding under our multi-year revolving credit facility and for general partnership purposes.

**Ratings**

The LoTS<sup>SM</sup> will be rated Ba1/stable, B+/positive and BB+/stable by Moody's Investor Services, Standard & Poor's Rating Services and Fitch Ratings Ltd., respectively. Credit Ratings are intended to provide banks and capital market participants with a framework for comparing the credit quality of securities and are not a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time and should be evaluated independently of any other rating.

**Federal Income Tax Considerations**

In connection with the issuance of the LoTS<sup>SM</sup>, Bracewell & Giuliani LLP will render its opinion to us that, for United States federal income tax purposes, the LoTS<sup>SM</sup> will be classified as indebtedness (although there is no clear authority directly on point). This opinion is subject to certain customary conditions. See Certain United States Federal Income Tax Considerations.

Each purchaser of the LoTS<sup>SM</sup> agrees to treat the LoTS<sup>SM</sup> as indebtedness for all United States federal, state and local tax purposes. We intend to treat the LoTS<sup>SM</sup> in the same manner.

If we elect to defer interest on the LoTS<sup>SM</sup>, the holders of the LoTS<sup>SM</sup> will be required to accrue income for United States federal income tax purposes in the amount of the accumulated interest payments on the LoTS<sup>SM</sup>, in the form of original issue discount, even though cash interest payments are deferred and even though they may be cash basis taxpayers.

**Risk Factors**

Investing in the LoTS<sup>SM</sup> involves certain risks. You should carefully consider the risk factors discussed under the heading Risk Factors beginning on page S-13 of this prospectus supplement and on page 3 of the accompanying prospectus and the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the LoTS<sup>SM</sup>.

**Trading**

We will not list the LoTS<sup>SM</sup> for trading on any securities exchange.

**Trustee**

Wells Fargo Bank, National Association.

**Governing Law**

The LoTS<sup>SM</sup> and the indenture will be governed by, and construed in accordance with, the laws of the State of New York.

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**Enterprise Parent Summary Historical Financial and Operating Data**

The following tables set forth, for the periods and at the dates indicated, summary historical financial and operating data for Enterprise Parent. The summary historical income statement and balance sheet data for the three years in the period ended December 31, 2005 are derived from and should be read in conjunction with the audited financial statements of Enterprise Parent that are incorporated by reference into this prospectus supplement. The summary historical income statement and balance sheet data for the three months ended March 31, 2005 and 2006 are derived from and should be read in conjunction with the unaudited financial statements of Enterprise Parent that are incorporated by reference into this prospectus supplement.

The summary historical financial data includes the financial measures of gross operating margin and EBITDA, which is an abbreviation for earnings before interest, income taxes, depreciation and amortization. Gross operating margin and EBITDA are financial measures that are not calculated in accordance with accounting principles generally accepted in the United States of America as in effect from time to time, or GAAP. Explanations of and reconciliations for these non-GAAP financial measures are included in supplemental sections of this prospectus supplement entitled Enterprise Parent Non-GAAP Financial Measures and Enterprise Parent Non-GAAP Reconciliations.



**Table of Contents****Enterprise Parent Summary Historical Financial and Operating Data****Consolidated Historical****For the Year Ended  
December 31,****For the Three  
Months Ended  
March 31,****2003      2004      2005      2005      2006****(Dollars in millions, except per unit amounts)****Income statement data:**

|  |            |            |             |            |            |
|--|------------|------------|-------------|------------|------------|
| Revenues   | \$ 5,346.4 | \$ 8,321.2 | \$ 12,257.0 | \$ 2,555.5 | \$ 3,250.1 |
| Costs and expenses:  |            |            |             |            |            |
| Operating costs and expenses   | 5,046.8    | 7,904.3    | 11,546.2    | 2,383.6    | 3,046.9    |
| General and administrative   | 37.5       | 46.7       | 62.3        | 14.7       | 13.7       |
| Total costs and expenses   | 5,084.3    | 7,951.0    | 11,608.5    | 2,398.3    | 3,060.6    |
| Equity in income (loss) of<br>unconsolidated affiliates  | (14.0)     | 52.8       | 14.5        | 8.3        | 4.0        |
| Operating income   | 248.1      | 423.0      | 663.0       | 165.5      | 193.5      |
| Other income (expense):  |            |            |             |            |            |
| Interest expense   | (140.8)    | (155.7)    | (230.6)     | (53.4)     | (58.1)     |
| Other, net   | 6.4        | 2.1        | 5.4         | 0.9        | 2.0        |
| Total other expense  | (134.4)    | (153.6)    | (225.2)     | (52.5)     | (56.1)     |
| Income before provision for income taxes,<br>minority interest and changes in accounting<br>principles | 113.7      | 269.4      | 437.8       | 113.0      | 137.4      |
| Provision for income taxes   | (5.3)      | (3.8)      | (8.3)       | (1.8)      | (2.9)      |
| Income before minority interest and<br>changes in accounting principles                                | 108.4      | 265.6      | 429.5       | 111.2      | 134.5      |
| Minority interest  | (3.9)      | (8.1)      | (5.8)       | (1.9)      | (2.2)      |
| Income before changes in accounting<br>principles  | 104.5      | 257.5      | 423.7       | 109.3      | 132.3      |
| Cumulative effect of changes in accounting<br>principles   |            | 10.8       | (4.2)       |            | 1.5        |
| Net income   | \$ 104.5   | \$ 268.3   | \$ 419.5    | \$ 109.3   | \$ 133.8   |
| <b>Basic earnings per unit (net of general<br/>partner interest):</b>                                  |            |            |             |            |            |
| Net income per unit  | \$ 0.42    | \$ 0.87    | \$ 0.91     | \$ 0.25    | \$ 0.28    |

**Diluted earnings per unit (net of general partner interest):**

|                     |         |         |         |         |         |
|---------------------|---------|---------|---------|---------|---------|
| Net income per unit | \$ 0.41 | \$ 0.87 | \$ 0.91 | \$ 0.25 | \$ 0.28 |
|---------------------|---------|---------|---------|---------|---------|

**Distributions to limited partners:**

|                 |         |         |         |         |         |
|-----------------|---------|---------|---------|---------|---------|
| Per common unit | \$ 1.47 | \$ 1.54 | \$ 1.70 | \$ 0.41 | \$ 0.45 |
|-----------------|---------|---------|---------|---------|---------|

**Balance sheet data:**

|                        |            |             |             |             |             |
|------------------------|------------|-------------|-------------|-------------|-------------|
| Total assets           | \$ 4,802.8 | \$ 11,315.5 | \$ 12,591.0 | \$ 11,527.7 | \$ 12,318.5 |
| Total debt             | 2,139.5    | 4,281.2     | 4,833.8     | 4,157.3     | 4,396.3     |
| Total partners' equity | 1,705.9    | 5,328.8     | 5,679.3     | 5,773.3     | 6,060.3     |

**Other financial data:**

|   |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|
| Cash provided by operating activities           | \$ 424.7 | \$ 391.5 | \$ 631.7 | \$ 164.2 | \$ 494.3 |
| Cash flows used in investing activities         | 662.1    | 941.4    | 1,130.4  | 349.2    | 348.6    |
| Cash provided by (used in) financing activities | 254.0    | 544.0    | 516.2    | 218.1    | (152.7)  |

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|   | <b>Consolidated Historical</b>                        |             |             |   |             |
|---|---|-------------|-------------|---|-------------|
|   | <b>For the Year Ended<br/>December 31,</b>            |             |             | <b>For the Three<br/>Months Ended<br/>March 31,</b> |             |
|   | <b>2003</b>   | <b>2004</b> | <b>2005</b> | <b>2005</b>   | <b>2006</b> |
|   | <b>(Dollars in millions, except per unit amounts)</b> |             |             |   |             |
| Distributions received from unconsolidated affiliates                                 | 31.9  | 68.0        | 56.1        | 21.8  | 8.3         |
| Gross operating margin  | 410.4   | 655.2       | 1,136.3     | 275.2   | 312.5       |
| EBITDA  | 366.4   | 623.2       | 1,079.0     | 266.3   | 301.1       |
| <b>Selected volumetric operating data by segment:</b>                                 |   |             |             |   |             |
| NGL Pipelines & Services, net:  |   |             |             |   |             |
| NGL transportation volumes in thousand barrels per day (MBbls/d)                      | 1,275   | 1,411       | 1,478       | 1,410   | 1,421       |
| NGL fractionation volumes (MBbls/d)   | 227   | 307         | 292         | 338   | 255         |
| Equity NGL production (MBbls/d)(1)  | 43  | 76          | 68          | 85  | 58          |
| Fee-based natural gas processing in million cubic feet per day (MMcf/d)               | 194   | 1,692       | 1,767       | 2,018   | 1,807       |
| Onshore Natural Gas Pipelines & Services, net:  |   |             |             |   |             |
| Natural gas transportation volumes in billion British thermal units per day (BBtus/d) | 600   | 5,638       | 5,916       | 5,746   | 6,052       |
| Offshore Pipelines & Services, net:   |   |             |             |   |             |
| Natural gas transportation volumes (BBtus/d)  | 433   | 2,081       | 1,780       | 1,851   | 1,476       |
| Crude oil transportation volumes (MBbls/d)  |   | 138         | 127         | 126   | 113         |
| Platform gas processing in thousands of decatherms per day (Mcf/d)                    |   | 306         | 252         | 316   | 157         |
| Platform oil processing (MBbls/d)   |   | 14          | 7           | 8   | 7           |
| Petrochemical Services, net:  |   |             |             |   |             |
| Butane isomerization volumes (MBbls/d)  | 77  | 76          | 81          | 66  | 84          |
| Propylene fractionation volumes (MBbls/d)   | 57  | 57          | 55          | 54  | 52          |
| Octane additive production volumes (MBbls/d)  | 4   | 10          | 6           |   | 4           |
| Petrochemical transportation volumes (MBbls/d)  | 68  | 71          | 64          | 74  | 63          |

(1) Volumes have been revised to incorporate refined asset-level definitions of equity NGL production volumes.

#### **Enterprise Parent Non-GAAP Financial Measures**

Set forth below are reconciliations of the non-GAAP financial measures of gross operating margin and EBITDA to their most directly comparable financial measure or measures calculated and presented in accordance with GAAP.

#### **Gross Operating Margin**

Enterprise Parent defines gross operating margin as operating income before: (1) depreciation, amortization and accretion expense; (2) operating lease expenses for which it does not have a cash payment obligation; (3) gains and losses on the sale of assets and (4) general and administrative expenses. Enterprise Parent views gross operating margin as an important performance measure of the core profitability of its operations. This measure forms the basis of its internal financial reporting and is used by its senior management in deciding how to allocate capital resources among business segments.



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Enterprise Parent believes that investors benefit from having access to the same financial measures that its management uses. The GAAP measure most directly comparable to gross operating margin is operating income.

**EBITDA**

Enterprise Parent defines EBITDA as net income plus interest expense, provision for income taxes and depreciation, amortization and accretion expense. EBITDA is used as a supplemental financial measure by Enterprise Parent's management and by external users of financial statements such as investors, commercial banks, research analysts and ratings agencies, to assess:

the financial performance of Enterprise Parent's assets without regard to financing methods, capital structures or their historical cost basis;

the ability of Enterprise Parent's assets to generate cash sufficient to pay interest costs and support its indebtedness;

Enterprise Parent's operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing and capital structure; and

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

EBITDA should not be considered an alternative to net income or income from continuing operations, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. This non-GAAP financial measure is not intended to represent GAAP-based cash flows. Historical EBITDA amounts have been reconciled to Enterprise Parent's consolidated net income and net cash provided by operating activities.

**Enterprise Parent Non-GAAP Reconciliations**

The following table presents a reconciliation of Enterprise Parent's non-GAAP financial measure of gross operating margin to the GAAP financial measure of operating income and a reconciliation of the non-GAAP financial measure of EBITDA to the GAAP financial measures of net income and of net cash provided by operating activities, on a historical basis for each of the periods indicated:

|   | <b>Consolidated Historical</b>                 |             |             |   |             |
|---|--|-------------|-------------|---|-------------|
|   | <b>For the<br/>Year Ended<br/>December 31,</b> |             |             | <b>For the Three<br/>Months Ended<br/>March 31,</b> |             |
|   | <b>2003</b>                                    | <b>2004</b> | <b>2005</b> | <b>2005</b>   | <b>2006</b> |
|   | <b>(Dollars in millions)</b>                   |             |             |   |             |
| <i>Reconciliation of Non-GAAP Gross Operating Margin to GAAP Operating Income</i> |  |             |             |   |             |
| Operating Income  | \$ 248.1                                       | \$ 423.0    | \$ 663.0    | \$ 165.5  | \$ 193.5    |
| Adjustments to reconcile Operating Income to Gross Operating Margin:              |  |             |             |   |             |
| Depreciation, amortization and accretion in operating costs and expenses          | 115.7  | 193.7       | 413.4       | 99.9  | 104.8       |
| Operating lease expense paid by EPCO, net in operating costs and expenses         | 9.1  | 7.7         | 2.1         | 0.5   | 0.5         |
| Gain on sale of assets in operating costs and expenses                            |  | (15.9)      | (4.5)       | (5.4)   |             |
| General and administrative costs  | 37.5   | 46.7        | 62.3        | 14.7  | 13.7        |

|                              |          |          |            |          |          |
|------------------------------|----------|----------|------------|----------|----------|
| Total Gross Operating Margin | \$ 410.4 | \$ 655.2 | \$ 1,136.3 | \$ 275.2 | \$ 312.5 |
|------------------------------|----------|----------|------------|----------|----------|

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|  | <b>Consolidated Historical</b>                 |                 |                 |   |                 |
|--|--|-----------------|-----------------|---|-----------------|
|  | <b>For the<br/>Year Ended<br/>December 31,</b> |                 |                 | <b>For the Three<br/>Months Ended<br/>March 31,</b> |                 |
|  | <b>2003</b>                                    | <b>2004</b>     | <b>2005</b>     | <b>2005</b>   | <b>2006</b>     |
| <b>(Dollars in millions)</b>   |  |                 |                 |   |                 |
| <i>Reconciliation of Non-GAAP EBITDA to GAAP Net income and GAAP Net Cash Provided By Operating Activities</i> |  |                 |                 |   |                 |
| Net Income   | \$ 104.5                                       | \$ 268.3        | \$ 419.5        | \$ 109.3  | \$ 133.8        |
| Adjustments to derive EBITDA:  |  |                 |                 |   |                 |
| Interest expense   | 140.8  | 155.7           | 230.6           | 53.4  | 58.1            |
| Provision for income taxes   | 5.3  | 3.8             | 8.3             | 1.8   | 2.9             |
| Depreciation, amortization and accretion in costs and expenses   | 115.8  | 195.4           | 420.6           | 101.8   | 106.3           |
| <b>EBITDA</b>  | <b>366.4</b>                                   | <b>623.2</b>    | <b>1,079.0</b>  | <b>266.3</b>  | <b>301.1</b>    |
| Interest expense   | (140.8)  | (155.7)         | (230.6)         | (53.4)  | (58.1)          |
| Amortization in interest expense   | 12.6   | 3.5             | 0.1             | (0.4)   | 0.2             |
| Provision for income taxes   | (5.3)  | (3.8)           | (8.3)           | (1.8)   | (2.9)           |
| Provision for impairment charge  | 1.2  | 4.1             |                 |   |                 |
| Equity in loss (income) of unconsolidated affiliates   | 14.0   | (52.8)          | (14.5)          | (8.3)   | (4.0)           |
| Distributions from unconsolidated affiliates   | 31.9   | 68.0            | 56.1            | 21.8  | 8.3             |
| Gain on sale of assets   |  | (15.9)          | (4.5)           | (5.4)   |                 |
| Operating lease expense paid by EPCO (excluding minority interest portion)                                     | 9.0  | 7.7             | 2.1             | 0.5   | 0.5             |
| Other expenses paid by EPCO  | 0.4  |                 |                 |   |                 |
| Minority interest  | 3.9  | 8.1             | 5.8             | 1.9   | 2.2             |
| Deferred income tax expense  | 10.5   | 9.6             | 8.6             | 1.8   | 1.4             |
| Changes in fair market value of financial instruments  |  |                 | 0.1             | 0.1   |                 |
| Cumulative effect of changes in accounting principles  |  | (10.8)          | 4.2             |   | (1.5)           |
| Net effect of changes in operating accounts  | 120.9  | (93.7)          | (266.4)         | (58.9)  | 247.1           |
| <b>Net Cash Provided By Operating Activities</b>   | <b>\$ 424.7</b>                                | <b>\$ 391.5</b> | <b>\$ 631.7</b> | <b>\$ 164.2</b>                                     | <b>\$ 494.3</b> |

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**RISK FACTORS**

*An investment in the LoTS<sup>SM</sup> involves certain risks. If any of these risks were to occur, our business, results of operations, cash flows and financial condition could be materially adversely affected. In that case, the value of the LoTS<sup>SM</sup> could decline, and you could lose part or all of your investment.*

**Risks Relating to the LoTS<sup>SM</sup>**

***We may elect to defer interest payments on the LoTS<sup>SM</sup> at our option for one or more periods of up to ten consecutive years.***

We may elect to defer payment of all or part of the current and accrued interest otherwise due on the LoTS<sup>SM</sup> for one or more periods of up to ten consecutive years, as described under Description of the LoTS<sup>SM</sup> Optional Deferral of Interest. If we exercise this option, you will not receive any current income on your investment in the LoTS<sup>SM</sup> during such deferral period. In addition, although we are not permitted to defer payment of interest for more than ten consecutive years, we are permitted to defer interest for multiple periods of less than ten years without triggering an event of default.

***We will not be able to pay current interest on the LoTS<sup>SM</sup> until we have paid all Deferred Interest, which could have the effect of extending interest deferral periods.***

We will be prohibited from paying current interest on the LoTS<sup>SM</sup> until we have paid all Deferred Interest on the LoTS<sup>SM</sup>, even if we have cash available from other sources. As a result, we will not be able to pay current interest on the LoTS<sup>SM</sup>, even if we have funds available to pay such current interest, if we do not have available funds to pay all Deferred Interest.

***The LoTS<sup>SM</sup> are subordinated to substantially all of our direct indebtedness.***

Our payment obligations under the LoTS<sup>SM</sup> are unsecured and will be subordinate and rank junior in right of payment to all of our current and future senior indebtedness, including our indebtedness for borrowed money, indebtedness evidenced by bonds, debentures, notes or similar instruments, obligations arising from or with respect to guarantees and direct credit substitutes, obligations associated with hedges and derivative products, capitalized lease obligations and other senior indebtedness, excluding our trade account payables, certain other liabilities arising in the ordinary course of our business, any of our indebtedness which by its terms is expressly made equal in rank with or subordinated to the LoTS<sup>SM</sup> and indebtedness owed by us to our majority-owned subsidiaries. We cannot make any payments on the LoTS<sup>SM</sup> if we have defaulted on a payment of senior indebtedness and do not cure the default within the applicable grace period, or if the senior indebtedness becomes immediately due because of a default and has not yet been paid in full.

As a result of the subordination provisions discussed in Description of the LoTS<sup>SM</sup> Subordination; Ranking of the LoTS<sup>SM</sup>, in the event of our insolvency, funds that we would otherwise use to pay the holders of the LoTS<sup>SM</sup> will be used to pay the holders of our senior indebtedness to the extent necessary to pay such indebtedness in full. As a result of those payments, the LoTS<sup>SM</sup> may recover less, ratably, than the holders of our senior indebtedness. In addition, the holders of all of our senior indebtedness may, under certain circumstances, restrict or prohibit us from making payments on the LoTS<sup>SM</sup>.

The indenture does not limit our ability to incur additional indebtedness and other obligations, including indebtedness and other obligations that rank senior to or pari passu with the LoTS<sup>SM</sup>. At March 31, 2006, the direct indebtedness of Enterprise that is senior to the LoTS<sup>SM</sup> totaled approximately \$4.4 billion. In addition, the LoTS<sup>SM</sup> will be effectively subordinated to all of our subsidiaries and unconsolidated affiliates existing and future indebtedness and other obligations. At March 31, 2006, indebtedness of our subsidiaries and unconsolidated affiliates totaled approximately \$562.7 million.



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***If interest on the LoTS<sup>SM</sup> is deferred, holders of the LoTS<sup>SM</sup> will be required to recognize income for United States federal income tax purposes at the time interest accrues regardless of their method of accounting before they actually receive interest payments in cash.***

If we defer interest payments on the LoTS<sup>sm</sup>, each holder of the LoTS<sup>sm</sup> will be required to accrue income for United States federal income tax purposes in the amount of the Deferred Interest on the LoTS<sup>sm</sup>, in the form of original issue discount. In that event, you, as a holder of LoTS<sup>sm</sup>,

will recognize income for United States federal income tax purposes in advance of the receipt of cash corresponding to that income even if you are on the cash basis of accounting; and

will not receive the cash related to that income from us if you dispose of your LoTS<sup>sm</sup> prior to the applicable record date for any payments of those amounts.

***The interest rate of the LoTS<sup>SM</sup> will fluctuate when the fixed rate period ends, and may from time to time decline below the fixed rate.***

After the conclusion of the Fixed Rate Period for the LoTS<sup>sm</sup>, on August 1, 2016, the LoTS<sup>sm</sup> will begin to bear interest at a floating rate equal to the 3-month LIBOR Rate for the related interest period plus 3.7075%. The floating rate may be volatile over time and could be substantially less than the fixed rate. In addition to experiencing a decline in current interest income, holders of the LoTS<sup>sm</sup> could also encounter a reduction in the value of their LoTS<sup>sm</sup>.

***We may elect to cause the redemption of the LoTS<sup>SM</sup> when prevailing interest rates are relatively low.***

We may redeem the LoTS<sup>sm</sup>:

in whole or in part, on one or more occasions at any time on or after August 1, 2016 at 100% of their principal amount plus accrued and unpaid interest, as discussed under Description of the LoTS<sup>SM</sup> Redemption; or

in whole or in part at any time prior to August 1, 2016 upon payment of the Make-Whole Redemption Price, as discussed under Description of the LoTS<sup>SM</sup> Redemption.

We may choose to redeem the LoTS<sup>sm</sup> for a variety of reasons, including when prevailing interest rates are lower than the then applicable interest rate on the LoTS<sup>sm</sup>. In that case, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the LoTS<sup>sm</sup>.

***Enterprise Parent's guarantee of the LoTS<sup>SM</sup> is subordinate to all of its senior indebtedness.***

Enterprise Parent's guarantee of the LoTS<sup>SM</sup> will be subordinate and rank junior in right of payment to all of its current and future senior indebtedness, including Enterprise Parent's indebtedness for borrowed money, indebtedness evidenced by bonds, debentures, notes or similar instruments, obligations arising from or with respect to guarantees and direct credit substitutes, obligations associated with hedges and derivative products, capitalized lease obligations and other senior indebtedness, excluding its trade account payables, certain other liabilities arising in the ordinary course of its business, any indebtedness which by its terms is expressly made equal in rank with or subordinated to its guarantee of the LoTS<sup>sm</sup> and obligations owed by Enterprise Parent to its majority-owned subsidiaries. Enterprise Parent will not be permitted to make any payments under the guarantee if it has defaulted on a payment of senior indebtedness.

***We may require cash from our subsidiaries to make payments on the LoTS<sup>SM</sup>.***

We conduct the majority of our operations through our subsidiaries and unconsolidated affiliates, some of which are not wholly-owned, and we rely to a significant extent on interest payments, dividends, proceeds from inter-company transactions and loans from those entities to meet our obligations for payment of principal and interest on our outstanding debt obligations and corporate expenses, including interest payments on the LoTS<sup>sm</sup>, which may be subject to contractual restrictions. Accordingly, the LoTS<sup>sm</sup>

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are structurally subordinated to all existing and future liabilities of our subsidiaries and unconsolidated affiliates. Holders of LoTS<sup>sm</sup> should look only to our assets and the assets of Enterprise Parent, and not any of our subsidiaries or unconsolidated affiliates, for payments on the LoTS<sup>sm</sup>. If we are unable to obtain cash from such entities to fund required payments in respect of the LoTS<sup>sm</sup>, we may be unable to make payments of principal of or interest on the LoTS<sup>sm</sup>.

***Our right to redeem or repurchase the LoTS<sup>SM</sup> is limited by a covenant that we are making in favor of certain other debtholders.***

By their terms, the LoTS<sup>sm</sup> may be redeemed by us before their maturity as described in Description of the LoTS<sup>sm</sup> Redemption. However, around the time of the initial issuance of the LoTS<sup>sm</sup> we are entering into a Replacement Capital Covenant, which is described under Certain Terms of the Replacement Capital Covenant, that will limit our right to redeem or repurchase LoTS<sup>sm</sup>. In the Replacement Capital Covenant, we covenant for the benefit of holders of a designated series of our long-term indebtedness that ranks senior to the LoTS<sup>sm</sup> that we will not redeem or repurchase LoTS<sup>sm</sup> on or before August 1, 2036 unless, subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we, Enterprise Parent or one of our or its subsidiaries has received a specified amount of proceeds from the sale of qualifying securities that have characteristics that are the same as, or more equity-like than, the applicable characteristics of the LoTS<sup>sm</sup>.

Our ability to raise proceeds from the sale of securities that qualify under the Replacement Capital Covenant during the 180 days prior to a proposed redemption or repurchase will depend on, among other things, the condition of our business and our financial condition, market conditions at such time as well as the acceptability to prospective investors of the terms of those securities. Accordingly, there could be circumstances where we would wish to redeem or repurchase some or all of the LoTS<sup>sm</sup> and sufficient cash is available for that purpose, but we are restricted from doing so because we have not been able to obtain proceeds from the sale of securities that qualify under the Replacement Capital Covenant.

***The trustee has only limited rights of acceleration.***

The trustee may accelerate payment of the principal and accrued and unpaid interest on the LoTS<sup>sm</sup> only upon the occurrence and continuation of an event of default. An event of default is generally limited to payment defaults after giving effect to our deferral rights, and specific events of bankruptcy, insolvency and reorganization relating to us. There is no right to acceleration upon breaches by us of other covenants under the indenture.

***The tax accounting for the LoTS<sup>SM</sup> is uncertain.***

We intend to treat the LoTS<sup>sm</sup> as our indebtedness and to treat stated interest on the LoTS<sup>sm</sup> as ordinary interest income that is includible in your gross income at the time the interest is paid or accrued, in accordance with your regular method of tax accounting. By purchasing the LoTS<sup>sm</sup> you agree to report income on this basis. However, the determination of whether an instrument is indebtedness is an inherently factual one. Because there are no regulations, rulings or other authorities that address the United States federal income tax treatment of debt instruments that are substantially similar to the LoTS<sup>sm</sup>, other treatments of the LoTS<sup>sm</sup> are possible, and we can offer you no assurance that the Internal Revenue Service or a court would agree with our conclusion. See Certain United States Federal Income Tax Considerations.

***A market may not develop for the LoTS<sup>SM</sup>.***

The LoTS<sup>sm</sup> constitute a new issue of securities with no established trading market and will not be listed on any exchange. An active market for the LoTS<sup>sm</sup> may not develop or be sustained. As a result, we cannot assure you that you will be able to sell your LoTS<sup>sm</sup> or at what price. Although the underwriters have indicated that they intend to make a market in the LoTS<sup>sm</sup>, as permitted by applicable laws and regulations, they are not obligated to do so and may discontinue that market-making at any time without notice.

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***If a trading market develops for the LoTS<sup>SM</sup>, trading may occur at prices that do not fully reflect the value of Deferred Interest and, as a result, a holder of LoTS<sup>SM</sup> who disposes of his holdings between record dates for interest payments may incur an adverse tax effect.***

A holder of LoTS<sup>SM</sup> who disposes of LoTS<sup>SM</sup> between record dates for payments of interest will not receive an interest payment for the period prior to the disposition but nevertheless will be required to include accumulated but unpaid interest through the date of disposition as ordinary income in such holder's gross income for United States federal income tax purposes. If a trading market develops, the LoTS<sup>SM</sup> may trade at prices that do not fully reflect the value of Deferred Interest. As a result, a holder of LoTS<sup>SM</sup> who sells LoTS<sup>SM</sup> between record dates for interest payments may recognize a capital loss for tax purposes as a result of a portion of the sale proceeds being allocated to Deferred Interest. Any such capital loss may not be available to offset the ordinary income recognized as a result of the Deferred Interest because, subject to limited exceptions, capital losses cannot be applied to offset ordinary income for United States federal income tax purposes.

***The aftermarket price of the LoTS<sup>SM</sup> may be discounted significantly if we defer interest payments.***

If a deferral of an interest payment occurs or is perceived by the market as being likely to occur, you may be unable to sell your LoTS<sup>SM</sup> at a price that reflects the value of Deferred Interest or the face amount of your LoTS<sup>SM</sup>. To the extent a trading market develops for the LoTS<sup>SM</sup>, that market may not continue during a deferral period, or during periods in which investors perceive that there is a likelihood of a deferral, and you may be unable to sell LoTS<sup>SM</sup> at those times, either at a price that reflects the value of required payments under the LoTS<sup>SM</sup> or at all.

***There are restrictions on your ability to resell the LoTS<sup>SM</sup>.***

The LoTS<sup>SM</sup> may not be purchased by or transferred to certain types of benefit plans. See Certain ERISA Considerations.

***A classification of the LoTS<sup>SM</sup> as common equity by the National Association of Insurance Commissioners may impact U.S. insurance company investors and the value of the LoTS<sup>SM</sup>.***

The Securities Valuation Office, or SVO, of the National Association of Insurance Commissioners, or NAIC, may from time to time classify securities in U.S. insurance company investors' portfolios as debt, preferred equity or common equity instruments. Under the written guidelines outlined by the SVO, it is not always clear which securities will be classified as debt, preferred equity or common equity or which features are specifically relevant in making this determination. We understand that the SVO is currently reviewing a number of securities for classification, some of which may have structural features similar to the LoTS<sup>SM</sup>. We are also aware that the SVO has classified several securities with structural features similar to the LoTS<sup>SM</sup>, either definitively or preliminarily, as common equity. For this reason, there is a risk that the LoTS<sup>SM</sup> may be classified as common equity, if reviewed and classified by the SVO. The NAIC classification of an investment directly affects certain U.S. insurance company investors because it determines the amount of capital required for such an investment by such investors, but it is not determinative in any way in respect of any other tax, accounting or legal considerations for investors generally. If the NAIC were to classify the LoTS<sup>SM</sup> as common equity, the willingness of certain U.S. insurance company investors to hold the LoTS<sup>SM</sup> could be reduced, which in turn could reduce the price of the LoTS<sup>SM</sup> in any available after-market.

**Risks Related to Our Business**

*We are incorporating in this section by reference and you should review and consider carefully the risk factors related to our partnership and business contained in Enterprise Parent's Annual Report on Form 10-K for the year ended December 31, 2005, which it filed with the Securities and Exchange Commission on February 27, 2006 and which is incorporated by reference herein. Set forth below are certain of the risk factors appearing in Enterprise Parent's Annual Report on Form 10-K.*

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***Changes in the prices of hydrocarbon products may materially adversely affect our results of operations, cash flows and financial condition.***

We operate predominantly in the midstream energy sector which includes gathering, transporting, processing, fractionating and storing natural gas, NGLs and crude oil. As such, our results of operations, cash flows and financial condition may be materially adversely affected by changes in the prices of these hydrocarbon products and by changes in the relative price levels among these hydrocarbon products. Generally, the prices of natural gas, NGLs, crude oil and other hydrocarbon products are subject to fluctuations in response to changes in supply, demand, market uncertainty and a variety of additional factors that are impossible to control. These factors include:

the level of domestic production;

the availability of imported oil and natural gas;

actions taken by foreign oil and natural gas producing nations;

the availability of transportation systems with adequate capacity;

the availability of competitive fuels;

fluctuating and seasonal demand for oil, natural gas and NGLs; and

conservation and the extent of governmental regulation of production and the overall economic environment.

We are exposed to natural gas and NGL commodity price risk under certain of our natural gas processing and gathering and NGL fractionation contracts that provide for our fees to be calculated based on a regional natural gas or NGL price index or to be paid in-kind by taking title to natural gas or NGLs. A decrease in natural gas and NGL prices can result in lower margins from these contracts, which may materially adversely affect our results of operations, cash flows and financial position.

***A decline in the volume of natural gas, NGLs and crude oil delivered to our facilities could adversely affect our results of operations, cash flows and financial condition.***

Our profitability could be materially impacted by a decline in the volume of natural gas, NGLs and crude oil transported, gathered or processed at our facilities. A material decrease in natural gas or crude oil production or crude oil refining, as a result of depressed commodity prices, a decrease in exploration and development activities or otherwise, could result in a decline in the volume of natural gas, NGLs and crude oil handled by our facilities.

The crude oil, natural gas and NGLs available to our facilities will be derived from reserves produced from existing wells, which reserves naturally decline over time. To offset this natural decline, our facilities will need access to additional reserves. Additionally, some of our facilities will be dependent on reserves that are expected to be produced from newly discovered properties that are currently being developed.

Exploration and development of new oil and natural gas reserves is capital intensive, particularly offshore in the Gulf of Mexico. Many economic and business factors are beyond our control and can adversely affect the decision by producers to explore for and develop new reserves. These factors could include relatively low oil and natural gas prices, cost and availability of equipment and labor, regulatory changes, capital budget limitations, the lack of available capital or the probability of success in finding hydrocarbons. For example, a sustained decline in the price of natural gas and crude oil could result in a decrease in natural gas and crude oil exploration and development activities in the regions where our facilities are located. This could result in a decrease in volumes to our offshore platforms, natural gas processing plants, natural gas, crude oil and NGL pipelines, and NGL fractionators, which would have a material adverse affect on our results of operations, cash flows and financial position. Additional reserves, if discovered, may not be developed in the near future or at all.

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***A decrease in demand for NGL products by the petrochemical, refining or heating industries could materially adversely affect our results of operations, cash flows and financial position.***

A decrease in demand for NGL products by the petrochemical, refining or heating industries, whether because of general economic conditions, reduced demand by consumers for the end products made with NGL products, increased competition from petroleum-based products due to pricing differences, adverse weather conditions, government regulations affecting prices and production levels of natural gas or the content of motor gasoline or other reasons, could materially adversely affect our results of operations, cash flows and financial position. For example:

***Ethane.*** If natural gas prices increase significantly in relation to ethane prices, it may be more profitable for natural gas producers to leave the ethane in the natural gas stream to be burned as fuel than to extract the ethane from the mixed NGL stream for sale.

***Propane.*** The demand for propane as a heating fuel is significantly affected by weather conditions. Unusually warm winters could cause the demand for propane to decline significantly and could cause a significant decline in the volumes of propane that we transport.

***Isobutane.*** A reduction in demand for motor gasoline additives may reduce demand for isobutane. During periods in which the difference in market prices between isobutane and normal butane is low or inventory values are high relative to current prices for normal butane or isobutane, our operating margin from selling isobutane could be reduced.

***Propylene.*** A downturn in the domestic or international economy could cause reduced demand for propylene, which could cause a reduction in the volumes of propylene that we produce and expose our investment in inventories of propane/propylene mix to pricing risk due to requirements for short-term price discounts in the spot or short-term propylene markets.

***If we were to become subject to entity level taxation for federal or state tax purposes, then our cash available for payment on the LoTS<sup>SM</sup> would be substantially reduced.***

If we were treated as a corporation for United States federal income tax purposes, we would pay United States federal income tax on our taxable income at the corporate tax rate, which is currently a maximum of 35%, and we likely would pay state taxes as well. Because a tax would be imposed upon us as a corporation, the cash available for payment on the LoTS<sup>SM</sup> would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in our anticipated cash flows and could cause a reduction in the value of the LoTS<sup>SM</sup>.

Current law may change, causing us to be treated as a corporation for United States federal income tax purposes or otherwise subjecting us to entity level taxation. For example, because of widespread state budget deficits, certain states, including Texas, have taken steps to subject partnerships to entity level taxation through the imposition of state income, franchise or other forms of taxation. If these activities continue, the cash available for payment on the LoTS<sup>SM</sup> would be reduced.

***A successful IRS contest of the United States federal income tax positions we take may adversely impact the market for the LoTS<sup>SM</sup>, and the costs of any contests will reduce cash available for payment on the LoTS<sup>SM</sup>.***

The IRS may adopt positions that differ from the positions we take, even positions taken with advice of counsel. It may be necessary to resort to administrative or court proceedings to sustain some or all of the positions we take. A court may not agree with some or all of the positions we take. Any contest with the IRS may materially and adversely impact the market for the LoTS<sup>SM</sup>. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will result in a reduction in the amount of cash available to us to pay the principal of, and interest and premium, if any, on the LoTS<sup>SM</sup>.

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**USE OF PROCEEDS**

We expect to receive aggregate net proceeds of approximately \$294.9 million from the sale of the LoTS<sup>SM</sup> to the underwriters after deducting the underwriters' discounts and commission and other offering expenses payable by us. We expect to use the net proceeds of this offering to temporarily reduce borrowings outstanding under our multi-year revolving credit facility and for general partnership purposes.

In general, our indebtedness under the multi-year revolving credit facility was incurred for working capital purposes, capital expenditures and business combinations. Amounts repaid under our multi-year revolving credit facility may be reborrowed from time to time for acquisitions, capital expenditures and other general partnership purposes. As of July 12, 2006, we had \$570.0 million of borrowings outstanding under our multi-year revolving credit facility that bear interest at a variable rate, which on a weighted-average basis is currently approximately 5.84% per annum. Commitments of \$48 million under our multi-year revolving credit facility mature in October 2010 and \$1.2 billion of such commitments mature in October 2011. Affiliates of certain of the underwriters or their affiliates are lenders under our multi-year revolving credit facility and, accordingly, will receive a portion of the proceeds of this offering.

**Table of Contents****CAPITALIZATION**

The following table sets forth Enterprise Parent's capitalization as of March 31, 2006:

on a consolidated historical basis; and

on an as adjusted basis to give effect to (i) the sale of \$300,000,000 aggregate principal amount of the LoTS<sup>sm</sup> in this offering and (ii) the application of a portion of the net proceeds we will receive to temporarily reduce borrowings outstanding under our multi-year revolving credit facility as if such amounts were applied on March 31, 2006 as described under "Use of Proceeds."

The historical data in the following table are derived from and should be read in conjunction with Enterprise Parent's historical financial statements, including the accompanying notes, incorporated by reference in this prospectus supplement. You should read Enterprise Parent's financial statements and notes that are incorporated by reference in this prospectus supplement for additional information regarding Enterprise Parent's capital structure. The historical data below does not reflect events after March 31, 2006.

**Enterprise Parent Historical and As Adjusted Capitalization  
As of March 31, 2006**

|  | Historical            | As Adjusted |
|--|-----------------------|-------------|
|  | (Dollars in millions) |             |
| Cash and cash equivalents  | \$ 35.0               | \$ 249.9    |
| Long-term borrowings, including current portions:                        |                       |             |
| Multi-Year Revolving Credit Facility, variable rate, due October 2011(1) | \$ 80.0               | \$ 80.0     |
| Pascagoula MBFC Loan, 8.70% fixed-rate, due March 2010                   | 54.0                  | 54.0        |
| Senior Notes B, 7.50% fixed-rate, due February 2011                      | 450.0                 | 450.0       |
| Senior Notes C, 6.375% fixed-rate, due February 2013                     | 350.0                 | 350.0       |
| Senior Notes D, 6.875% fixed-rate, due March 2033                        | 500.0                 | 500.0       |
| Senior Notes E, 4.00% fixed-rate, due October 2007                       | 500.0                 | 500.0       |
| Senior Notes F, 4.625% fixed-rate, due October 2009                      | 500.0                 | 500.0       |
| Senior Notes G, 5.60% fixed-rate, due October 2014                       | 650.0                 | 650.0       |
| Senior Notes H, 6.65% fixed-rate, due October 2034                       | 350.0                 | 350.0       |
| Senior Notes I, 5.00% fixed-rate, due March 2015                         | 250.0                 | 250.0       |
| Senior Notes J, 5.75% fixed-rate, due March 2035                         | 250.0                 | 250.0       |
| Senior Notes K, 4.95% fixed-rate, due June 2010                          | 500.0                 | 500.0       |
| Dixie revolving credit facility, due June 2007                           | 17.0                  | 17.0        |
| GulfTerra senior notes and senior subordinated notes                     | 5.1                   | 5.1         |
| Other, including unamortized discounts and premiums                      | (59.8)                | (59.8)      |
| Total senior debt obligations  | 4,396.3               | 4,316.3     |
| Junior Notes A, due June 2066 (the "LoTS")                               |                       | 300.0       |
| Total debt obligations   | 4,396.3               | 4,616.3     |
| Minority interest  | 115.2                 | 115.2       |
| Partners' equity:  |                       |             |
| Limited partners   | 5,921.2               | 5,921.2     |
| General partner  | 120.8                 | 120.8       |
| Accumulated other comprehensive income                                   | 18.3                  | 18.3        |

|                        |         |         |
|------------------------|---------|---------|
| Total partners' equity | 6,060.3 | 6,060.3 |
|------------------------|---------|---------|

|                      |             |             |
|----------------------|-------------|-------------|
| Total capitalization | \$ 10,571.8 | \$ 10,791.8 |
|----------------------|-------------|-------------|

(1) As of July 12, 2006, we had \$570.0 million of borrowings outstanding under our multi-year revolving credit facility. Commitments of \$48 million under our multi-year revolving credit facility mature in October 2010 and \$1.2 billion of such commitments mature in October 2011.

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**Table of Contents****RATIOS OF EARNINGS TO FIXED CHARGES**

The following table sets forth Enterprise Parent's ratios of earnings to fixed charges for each of the periods indicated, calculated pursuant to SEC rules.

|  | Year Ended December 31, |      |      |      |      | Three Months Ended |
|--|-------------------------|------|------|------|------|--------------------|
|  | 2001                    | 2002 | 2003 | 2004 | 2005 | March 31,<br>2006  |
|  | 5.10                    | 2.07 | 2.02 | 2.69 | 2.69 | 2.87               |

For purposes of computing the ratio of earnings to fixed charges, earnings is the aggregate of the following items:

pre-tax income or loss from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees;

plus fixed charges;

plus distributed income of equity investees;

less capitalized interest; and

less minority interest in pre-tax income of subsidiaries that have not incurred fixed charges.

The term fixed charges means the sum of the following:

interest expensed and capitalized, including amortized premiums, discounts and capitalized expenses related to indebtedness; and

an estimate of the interest within rental expenses.

The pro forma application of proceeds from the sale of LoTS<sup>sm</sup> in this offering to temporarily reduce borrowings outstanding under our revolving credit facility will not result in a change of ten percent or greater in the ratio of earnings to fixed charges.

**DESCRIPTION OF THE LOTS<sup>sm</sup>**

*We have summarized below certain material terms and provisions of the LoTS<sup>sm</sup>. This summary is not a complete description of all of the terms and provisions of the LoTS<sup>SM</sup>. You should read carefully the section entitled*

*Description of Debt Securities* in the accompanying prospectus for a description of other material terms of the LoTS<sup>SM</sup>, the Guarantee and the indenture. For more information, we refer you to the LoTS<sup>SM</sup>, the indenture and the supplemental indenture, forms of which are available from us. We urge you to read the indenture and supplemental indenture because they, and not this description, define your rights as an owner of the LoTS<sup>SM</sup>.

The LoTS<sup>sm</sup> are a new series of debt securities that will be issued under an Indenture dated as of October 4, 2004 among Enterprise Products Operating L.P., as issuer, Enterprise Products Partners L.P., as parent guarantor, any subsidiary guarantors party thereto, and Wells Fargo Bank, National Association, as trustee, as supplemented by a supplemental indenture establishing the terms of the LoTS<sup>sm</sup>, which we refer to collectively as the indenture. References in this section to Enterprise and the terms we, us, our and like phrases refer solely to Enterprise Products Operating L.P. and do not include our parent, Enterprise Products Partners L.P., or any of our subsidiaries or unconsolidated affiliates. References in this section to the Parent Guarantor refer solely to Enterprise Products Partners L.P. and not its subsidiaries or unconsolidated affiliates. References in this section to the Guarantee refer to the Parent Guarantor's guarantee of payments on the LoTS<sup>sm</sup>.

In addition to this new series of LoTS<sup>sm</sup>, as of March 31, 2006, there were outstanding under the above-referenced indenture \$500 million in aggregate principal amount of 4.000% senior notes E due 2007, \$500 million in aggregate principal amount of 4.625% senior notes F due 2009, \$650 million in aggregate principal

amount of 5.600% senior notes G due 2014, \$350 million in aggregate principal amount of  
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6.650% senior notes H due 2034, \$250 million in aggregate principal amount of 5.00% senior notes I due 2015, \$250 million in aggregate principal amount of 5.75% senior notes J due 2035 and \$500 million in aggregate principal amount of 4.950% senior notes K due 2010.

**General**

The LoTS<sup>sm</sup>:

will be issued in an aggregate principal amount of \$300,000,000;

will be issued in denominations of \$1,000 and integral multiples thereof;

are general unsecured junior subordinated obligations of Enterprise;

will bear interest from the date of issuance to August 1, 2016 at an annual rate of 8.375%, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2007, and thereafter, at an annual rate equal to the 3-month LIBOR Rate for the related interest period plus 3.7075%, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2016;

provide that we may elect to defer payment of all or part of the current and accrued interest otherwise due on the LoTS<sup>sm</sup> for multiple periods of up to ten consecutive years as described below under Optional Deferral of Interest ;

mature on August 1, 2066 and are not redeemable by us prior to August 1, 2016 without payment of a make-whole premium;

are subordinated in right of payment, to the extent set forth in the indenture, to all of our existing and future senior indebtedness and senior obligations; and

are guaranteed on an unsecured and junior subordinated basis by the Parent Guarantor, solely to the extent described below under Parent Guarantee .

The indenture does not limit our incurrence or issuance of other senior, pari passu or subordinated debt, whether under the indenture relating to the LoTS<sup>sm</sup> or any existing or other indenture or agreement that we may enter into in the future or otherwise. As of March 31, 2006, the direct indebtedness of Enterprise that is senior to the LoTS<sup>sm</sup> totaled approximately \$4.4 billion.

**Interest Rate and Interest Payment Dates**

The LoTS<sup>sm</sup> will bear interest from the date of issuance to August 1, 2016, which we refer to as the Fixed Rate Period, at an annual rate of 8.375%, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2007, and thereafter, which we refer to as the Floating Rate Period, at an annual rate equal to the 3-month LIBOR Rate for the related interest period plus 3.7075%, payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year, commencing November 1, 2016.

Interest payments not paid when due will accrue interest at the then applicable rate of interest on the amount of unpaid interest, to the extent permitted by law, compounded semi-annually during the Fixed Rate Period and quarterly during the Floating Rate Period. The amount of interest payable during the Fixed Rate Period will be computed based on a 360-day year consisting of twelve 30-day months, and the amount of interest payable during the Floating Rate Period will be computed based on a 360-day year and the number of days actually elapsed.

The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of the actual number of days elapsed per 30-day month.

**Maturity**

The LoTS<sup>sm</sup> will mature on August 1, 2066.

The LoTS<sup>sm</sup> are non-amortizing and do not have a sinking fund. This means that we are not required to make any principal payments prior to maturity or otherwise set aside amounts in respect of the repayment of the LoTS<sup>sm</sup> prior to their maturity.

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**Table of Contents****Determining the Floating Rate**

Following August 1, 2016, the calculation agent will calculate the floating rate with respect to each interest period and the amount of interest payable on each interest payment date during the Floating Rate Period. The floating rate determined by the calculation agent, absent manifest error, will be binding and conclusive upon the beneficial owners and registered holders of the LoTS<sup>sm</sup> and us. Wells Fargo Bank, National Association will act initially as calculation agent.

The floating rate for any interest period during the Floating Rate Period will be the 3-month LIBOR Rate plus 3.7075%.

The 3-month LIBOR Rate means, for each interest period during the floating rate period, the interest rate per annum shown on Telerate Page 3750 at or about 11:00 a.m., London time, on the second London banking day (the LIBOR Determination Date ) preceding the first day of the interest period (the Reset Date ) for deposits in U.S. dollars with a maturity of three months and commencing on the Reset Date. If such rate does not appear on that page or such other page as may replace that page for the purpose of displaying offered rates of leading banks for London interbank deposits in U.S. dollars, the 3-month LIBOR Rate will be determined on the basis of the rates, at approximately 11:00 a.m., London time, on the LIBOR Determination Date, at which U.S. dollar deposits with a maturity of three months in an amount determined by the calculation agent as representative of a single transaction in the relevant market and at the relevant time are offered by four major banks in the London interbank market selected by the calculation agent ( Reference Banks ) to prime banks in the London interbank market for the interest period commencing on the Reset Date. The calculation agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the 3-month LIBOR Rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the 3-month LIBOR Rate will be the interest rate per annum equal to the average of the rates per annum quoted by three major banks in New York City or Charlotte, North Carolina selected by the calculation agent, at or about 11:00 a.m., New York City time, on the LIBOR Determination Date, for loans in U.S. dollars to leading European banks in amounts that are representative of a single transaction in the relevant market and at the relevant time with a maturity corresponding to the interest period and commencing on the Reset Date. If fewer than three New York City or Charlotte, North Carolina banks selected by the calculation agent are quoting rates, the 3-month LIBOR Rate for the applicable interest period will be the same as for the immediately preceding interest period. For purposes of this definition, London banking day means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, England. If the interest period does not correspond to a period for which rates are available, the 3-month LIBOR Rate will be determined through the use of straight-line interpolation by reference to two rates, the first rate to be determined by reference to the period of time for which rates are available next shorter than the length of the interest period and the second to be determined by reference to the period of time for which rates are available next longer than the length of the interest period.

Telerate Page 3750 means the display designated on page 3750 on MoneyLine Telerate (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page).

**Payment and Transfer**

Initially, the LoTS<sup>sm</sup> will be issued only in global form. Beneficial interests in LoTS<sup>sm</sup> in global form will be shown on, and transfers of interests in LoTS<sup>sm</sup> in global form will be made only through, records maintained by DTC and its participants. LoTS<sup>sm</sup> in definitive form, if any, may be presented for registration of transfer or exchange at the office or agency maintained by us for such purpose (which initially will be the corporate trust office of the trustee located at 45 Broadway, 12th Floor, New York, New York 10006).

Payment of principal of, premium, if any, and interest on LoTS<sup>sm</sup> in global form registered in the name of DTC's nominee will be made in immediately available funds to DTC's nominee, as the registered

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holder of such global notes. If any of the LoTS<sup>sm</sup> is no longer represented by a global note, payment of interest on the LoTS<sup>sm</sup> in definitive form may, at our option, be made at the corporate trust office of the trustee indicated above or by check mailed directly to holders at their respective registered addresses or by wire transfer to an account designated by a holder.

The regular record date for interest payable on the LoTS<sup>sm</sup> on any interest payment date during the Fixed Rate Period will be the immediately preceding January 15 or July 15, as the case may be, and during the Floating Rate Period will be the immediately preceding January 15, April 15, July 15 and October 15, as the case may be.

No service charge will be made for any registration of transfer or exchange of LoTS<sup>sm</sup>, but we may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection therewith. We are not required to register the transfer of or exchange any LoTS<sup>sm</sup> selected for redemption or for a period of 15 days before mailing a notice of redemption of LoTS<sup>sm</sup>.

The registered holder of LoTS<sup>sm</sup> will be treated as the owner of such LoTS<sup>sm</sup> for all purposes, and all references in this Description of the LoTS<sup>sm</sup> to holders mean holders of record, unless otherwise indicated.

**Optional Deferral of Interest**

So long as no event of default (as defined below under Events of Default ) has occurred and is continuing, we may elect to defer payment of all or part of the current and accrued interest otherwise due on the LoTS<sup>sm</sup> provided that:

we may not optionally defer interest payments once we have failed to pay interest otherwise due for a period of ten consecutive years for any reason; and

we may not optionally defer interest payments on or after the maturity date of, or redemption date for, the LoTS<sup>sm</sup>.

Deferred interest not paid on an interest payment date will bear interest from that interest payment date until paid at the then prevailing interest rate on the LoTS<sup>sm</sup>, compounded semi-annually during the Fixed Rate Period and quarterly during the Floating Rate period. We refer to such deferred interest, the interest accrued thereon and any accrued and unpaid interest on any interest payment date during a deferral period collectively as Deferred Interest, and we refer to a period during which we have elected to defer payment of interest on the LoTS<sup>sm</sup> as an Optional Deferral Period. Once we pay all Deferred Interest resulting from our optional deferral, such Optional Deferral Period will end and we may later defer interest again for a new Optional Deferral Period, subject to the same limitations described above.

We will provide the trustee with written notice of any optional deferral of interest at least ten and not more than 60 business days prior to the applicable interest payment date, other than in the case of an optional deferral in connection with certain defaults on senior indebtedness as described under Subordination; Ranking of the LoTS<sup>sm</sup> and any such notice will be forwarded promptly by the trustee to each holder of record of the LoTS<sup>sm</sup>.

We have no current intention to exercise our right to defer interest payments.

**Distribution Stopper**

Unless each of the following conditions, which we refer to as Payment Conditions, has been satisfied: all Deferred Interest on the LoTS<sup>sm</sup> has been paid in full as of the most recent interest payment date;

no event of default has occurred and is continuing; and

the Parent Guarantor is not in default of its obligations under the Guarantee,

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then, subject to the exceptions described below:

we and the Parent Guarantor will not declare or make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of our respective equity securities;

we and the Parent Guarantor will not and will cause our respective majority-owned subsidiaries not to make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any of our debt securities (including securities similar to the LoTS<sup>sm</sup>) that contractually rank equally with or junior to the LoTS<sup>sm</sup>; and

we and the Parent Guarantor will not and will cause our respective majority-owned subsidiaries not to make any guarantee payments with respect to the securities described in the previous bullet point.

Notwithstanding the foregoing, we, the Parent Guarantor and any of our respective subsidiaries may take any of the following actions at any time, including during an Optional Deferral Period:

make any distribution, redemption, liquidation, interest, principal or guarantee payment in the form of our respective equity securities;

make any regularly scheduled dividend or distribution payments declared prior to the failure of the relevant Payment Condition or the occurrence of such deferral period;

make any repurchases, redemptions or other acquisitions of our respective equity securities in connection with any employee benefit plans or any other contractual obligation entered into prior to the failure of the relevant Payment Condition or the occurrence of such deferral period;

make payments under (1) the LoTS<sup>sm</sup> and securities similar to the LoTS<sup>sm</sup> that are pari passu with the LoTS<sup>sm</sup> and (2) the Guarantee and similar guarantees associated with any instruments that are pari passu with the LoTS<sup>sm</sup>, in each case, so long as any such payments are made on a pro rata basis with the LoTS<sup>sm</sup> and the Guarantee, respectively;

make payments or distributions in connection with a reclassification of our respective equity securities, so long as that reclassification does not result in the issuance of securities senior to the LoTS<sup>sm</sup>; and

purchase fractional interests of our respective equity securities in connection with any split, reclassification or similar transaction.

**Redemption**

We may redeem the LoTS<sup>sm</sup> before their maturity, subject to the Replacement Capital Covenant discussed in Certain Terms of the Replacement Capital Covenant :

in whole or in part, on one or more occasions at any time on or after August 1, 2016 at 100% of their principal amount plus accrued and unpaid interest; or

in whole or in part at any time prior to August 1, 2016 (an Early Redemption ) upon payment of the Make-Whole Redemption Price (as defined below under Early Redemption ).

LoTS<sup>sm</sup> called for redemption become due on the redemption date. Notices of optional redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of LoTS<sup>sm</sup> to be redeemed at its registered address. The notice of optional redemption for the LoTS<sup>sm</sup> will state, among other things, the amount of LoTS<sup>sm</sup> to be redeemed, the redemption date, the method of calculating the redemption price and each place that payment will be made upon presentation and surrender of LoTS<sup>sm</sup> to be redeemed. If less than all of the LoTS<sup>sm</sup> are redeemed at any time, the trustee will select the LoTS<sup>sm</sup> to be redeemed on a pro rata basis or by any other method the trustee deems fair and appropriate. Unless we default in payment of the redemption price, interest will cease to accrue on the redemption date with respect to any LoTS<sup>sm</sup> called for optional redemption.





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***Early Redemption***

We may redeem the LoTS<sup>sm</sup> in whole or in part at any time prior to August 1, 2016 upon payment of the Make-Whole Redemption Price.

The Make-Whole Redemption Price will be equal to (a) all accrued and unpaid interest to but not including the redemption date, plus (b) the greater of (1) 100% of the principal amount of the LoTS<sup>sm</sup> being redeemed and (2) as determined by the Independent Investment Banker, the sum of the present values of remaining scheduled payments of principal and interest on the LoTS<sup>sm</sup> (exclusive of interest accrued to the redemption date) being redeemed from the redemption date to August 1, 2016 (the Remaining Life), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield plus 0.50%.

Treasury Yield means, with respect to any redemption date applicable to the LoTS<sup>sm</sup> the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the third business day immediately preceding the redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for the redemption date.

Comparable Treasury Price means, with respect to any redemption date, (a) the bid price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) at 4:00 p.m. on the third business day preceding the redemption date, as set forth on Telerate Page 500 (or such other page as may replace Telerate Page 500), or (b) if such page (or any successor page) is not displayed or does not contain such bid prices at such time, the average of the Reference Treasury Dealer Quotations obtained by the trustee for the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the Remaining Life that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Remaining Life; however, if no maturity is within three months before or after the end of the Remaining Life, yields for two published maturities most closely corresponding to such United States Treasury security will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis, rounding to the nearest month.

Independent Investment Banker means any of Wachovia Capital Markets, LLC (and its successors) and Lehman Brothers Inc. (and its successors) or, if no such firm is willing and able to select the applicable Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the trustee and reasonably acceptable to us.

Reference Treasury Dealer means (a) Wachovia Capital Markets, LLC (and its successors) and (b) one other primary United States government securities dealer in New York City selected by the Independent Investment Banker, each of which we refer to as a Primary Treasury Dealer. However, if either of the foregoing ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer for such dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date for the LoTS<sup>sm</sup>, an average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding the redemption date.

**Certain Covenants**

***No Limitations on Liens.*** Holders of the LoTS<sup>sm</sup> will not have the benefit of and will not be entitled to enforce the covenant in the indenture restricting the ability of the Parent Guarantor, Enterprise and their respective majority-owned subsidiaries to, create, assume, incur or suffer to exist any mortgage, lien, security interest, pledge, charge or other encumbrance other than Permitted Liens (as defined in

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Description of Debt Securities Certain Covenants in the accompanying prospectus) upon any Principal Property (as defined in Description of Debt Securities Certain Covenants in the accompanying prospectus) or upon any shares of capital stock of any majority-owned subsidiary owning or leasing, either directly or through ownership in another majority-owned subsidiary, any Principal Property, whether owned or leased on the date of the indenture or thereafter acquired, to secure any indebtedness for borrowed money of the Parent Guarantor or Enterprise or any other person.

**No Restriction on Sale-Leasebacks.** Holders of the LoTS<sup>sm</sup> will not have the benefit of and will not be entitled to enforce the covenant in the indenture restricting the ability of the Parent Guarantor, Enterprise and their respective majority-owned subsidiaries to enter into Sale-Leaseback Transactions (as defined in Description of Debt Securities Certain Covenants in the accompanying prospectus).

**Merger, Consolidation or Sale of Assets.** Each of the Parent Guarantor and Enterprise will be subject to the restriction in the indenture governing its ability to consolidate with or sell, lease, convey all or substantially all of its assets to, or merge with or into, any partnership, limited liability company or corporation, as described in Description of Debt Securities Certain Covenants in the accompanying prospectus.

### **Events of Default**

Any one or more of the following events that has occurred and is continuing will constitute an event of default:

we fail to pay principal on the LoTS<sup>sm</sup> when due;

we fail to pay accrued and unpaid interest on the LoTS<sup>sm</sup> when due and such default continues for 30 days; however, our failure to pay interest during an Optional Deferral Period will not constitute an event of default;

we fail to pay accrued and unpaid interest on the LoTS<sup>sm</sup> in full on the first interest payment date that is more than a period of ten consecutive years after the beginning of an Optional Deferral Period that is continuing;

certain events of bankruptcy, insolvency or reorganization occur with respect to us; or

the Guarantee ceases to be in full force and effect or is declared null and void in a judicial proceeding.

If an event of default (other than an event of default described in the fourth bullet point above) occurs and is continuing, the trustee by notice to us, or the holders of at least 25% in principal amount of the outstanding LoTS<sup>sm</sup> by notice to us and the trustee, may, and the trustee at the request of such holders will, declare the principal of, premium, if any, and interest, including Deferred Interest, if any, on all the LoTS<sup>sm</sup> to be due and payable. Upon such a declaration, such principal, premium and interest will be due and payable immediately.

If an event of default described in the fourth bullet point above occurs and is continuing, the principal of, premium, if any, and interest, including Deferred Interest, if any, on all the LoTS<sup>sm</sup> will become and be immediately due and payable without any declaration or other act on the part of the trustee or any holders. However, the effect of such provision may be limited by applicable law. The holders of a majority in principal amount of the outstanding LoTS<sup>sm</sup> may rescind any such acceleration with respect to the LoTS<sup>sm</sup> and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction and all existing events of default with respect to the LoTS<sup>sm</sup>, other than the nonpayment of the principal of, premium, if any, and interest on the LoTS<sup>sm</sup> that have become due solely by such declaration of acceleration, have been cured or waived.

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**Subordination; Ranking of the LoTS<sup>sm</sup>**

Our payment obligations under the LoTS<sup>sm</sup> will, to the extent provided in the indenture, be subordinated to the prior payment in full of all of our present and future senior indebtedness, as defined below. The LoTS<sup>sm</sup> will rank senior in right of payment to all of our present and future equity securities.

The holders of our senior indebtedness will be entitled to receive payment in full of such senior indebtedness before holders of the LoTS<sup>sm</sup> will receive any payment of principal, premium or interest with respect to the LoTS<sup>sm</sup>:

upon any payment or distribution of our assets to our creditors in connection with our total or partial liquidation or dissolution; or

in a bankruptcy, receivership or similar proceeding relating to us or our property.

In these circumstances, until our senior indebtedness is paid in full, any distribution to which holders of LoTS<sup>sm</sup> would otherwise be entitled will be made to the holders of senior indebtedness, except that such holders may receive units representing limited partner interests and debt securities that are subordinated to senior indebtedness to at least the same extent as the LoTS<sup>sm</sup>.

If we do not pay any principal, premium or interest with respect to senior indebtedness within any applicable grace period (including at maturity), or any other default on senior indebtedness occurs and the maturity of such senior indebtedness is accelerated in accordance with its terms, we may not:

make any payments of principal, premium, if any, or interest with respect to the LoTS<sup>sm</sup>;

make any deposit for the purpose of defeasance of the LoTS<sup>sm</sup>; or

repurchase, redeem or otherwise retire any of the LoTS<sup>sm</sup>,

unless, in either case,

the default has been cured or waived and the declaration of acceleration has been rescinded;

the senior indebtedness has been paid in full; or

we and the trustee receive written notice approving the payment from the representatives of each issue of designated senior indebtedness (as defined below).

During the continuance of any senior indebtedness default, other than a default described in the immediately preceding paragraph, that may cause the maturity of any designated senior indebtedness to be accelerated immediately without further notice, other than any notice required to effect such acceleration, or the expiration of any applicable grace periods, we may not make payments on the LoTS<sup>sm</sup> for a period called the Payment Blockage Period. A Payment Blockage Period will commence on the receipt by us and the trustee of written notice of the default, called a

Blockage Notice, from the representative of any designated senior indebtedness specifying an election to effect a Payment Blockage Period, and will expire 179 days thereafter.

Generally, designated senior indebtedness will include any issue of senior indebtedness of at least \$100 million.

The Payment Blockage Period may be terminated before its expiration:

by written notice from the person or persons who gave the Blockage Notice;

by repayment in full in cash of the senior indebtedness with respect to which the Blockage Notice was given; or

if the default giving rise to the Payment Blockage Period is no longer continuing.

Unless the holders of designated senior indebtedness shall have accelerated the maturity of the senior indebtedness, we may resume payments on the LoTS<sup>sm</sup> after the expiration of the Payment Blockage Period.

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If we do not pay principal, premium or interest with respect to senior indebtedness within any applicable grace period, if any other default on senior indebtedness occurs and the maturity of such senior indebtedness is accelerated in accordance with its terms or if we receive a Blockage Notice, then, notwithstanding the notice periods set forth under Optional Deferral of Interest, we may elect to defer payment of all or part of the current and accrued interest otherwise due on the LoTS<sup>sm</sup> on an interest payment date by giving notice to the trustee of such election not later than the time we must remit payment of interest on the LoTS<sup>sm</sup> to the trustee under the supplemental indenture on such interest payment date. Any such notice will be forwarded promptly by the trustee to each holder of record of the LoTS<sup>sm</sup>. However, we may only exercise this right if we are otherwise entitled to elect to optionally defer payment of interest on the LoTS<sup>sm</sup> as described under Optional Deferral of Interest.

Generally, not more than one Blockage Notice may be given in any period of 360 consecutive days. The total number of days during which any one or more Payment Blockage Periods are in effect, however, may not exceed an aggregate of 179 days during any period of 360 consecutive days.

After all senior indebtedness is paid in full and until the LoTS<sup>sm</sup> are paid in full, holders of the LoTS<sup>sm</sup> will be subrogated to the rights of holders of senior indebtedness to receive distributions applicable to senior indebtedness.

By reason of the subordination, in the event of our insolvency, our creditors who are holders of senior indebtedness, as well as certain of our general creditors, may recover more, ratably, than the holders of the LoTS<sup>sm</sup>.

The term senior indebtedness as used in this section includes our obligations in respect of the principal of, any interest and premium, if any, on and any other payments in respect of any of the following, whether currently outstanding or hereafter created or incurred:

indebtedness for borrowed money;

indebtedness evidenced by securities, bonds, notes and debentures, including any of the same that are subordinated, issued under indentures or other similar instruments (other than the supplemental indenture setting forth the terms of the LoTS<sup>sm</sup>), and other similar instruments;

obligations arising from or with respect to guarantees and direct credit substitutes;

obligations arising from or with respect to hedges and derivative products (including, but not limited to, interest rate, commodity and foreign exchange contracts);

capitalized lease obligations;

obligations arising from or with respect to any letter of credit, banker's acceptance, security purchase facility, cash management arrangement, or similar transactions;

operating leases (but only to the extent the terms of such leases expressly provide that the same constitute senior indebtedness );

guarantees of any of the foregoing; and

any modifications, refundings, deferrals, renewals or extensions of any of the foregoing or any other evidence of indebtedness issued in exchange therefor,

but does not include our obligations in respect of:

trade accounts payable;

any indebtedness incurred for the purchase of goods or materials or for services obtained in the ordinary course of business to the extent that the same is incurred from, and owed to, the vendor of such goods or materials or the provider of such services;



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any indebtedness which by its terms is expressly made equal in rank and payment with or subordinated to the LoTS<sup>sm</sup>; and

indebtedness owed by us to our majority-owned subsidiaries.

The indenture does not limit our ability to incur additional indebtedness and other obligations, including indebtedness and other obligations that rank senior in priority of payment to or pari passu with the LoTS<sup>sm</sup>. At March 31, 2006, the direct indebtedness of Enterprise that is senior to the LoTS<sup>sm</sup> totaled approximately \$4.4 billion. In addition, the LoTS<sup>sm</sup> will be effectively subordinated to all of our subsidiaries and unconsolidated affiliates existing and future indebtedness and other obligations. At March 31, 2006, indebtedness of our subsidiaries and unconsolidated affiliates totaled approximately \$562.7 million.

**Parent Guarantee**

The Parent Guarantor will fully and unconditionally guarantee on an unsecured and junior subordinated basis the full and prompt payment of principal of, premium, if any, and interest on the LoTS<sup>sm</sup>, when and as the same become due and payable (other than during an Optional Deferral Period), whether at stated maturity, upon redemption, by declaration of acceleration or otherwise.

The Parent Guarantor's obligations under the Guarantee will, to the extent provided in the indenture, be subordinated to the prior payment in full of all present and future senior indebtedness of the Parent Guarantor, as defined below. The Parent Guarantor's obligations under the Guarantee will rank senior in right of payment to all of its present and future equity securities, including its common units.

The holders of the Parent Guarantor's senior indebtedness will be entitled to receive payment in full of such senior indebtedness before holders of the LoTS<sup>sm</sup> receive from the Parent Guarantor any payment of principal, premium or interest with respect to the LoTS<sup>sm</sup>:

upon any payment or distribution of the Parent Guarantor's assets to its creditors in connection with the Parent Guarantor's total or partial liquidation or dissolution; or

in a bankruptcy, receivership or similar proceeding relating to the Parent Guarantor or its property.

In these circumstances, until the Parent Guarantor's senior indebtedness is paid in full, any distribution to which holders of LoTS<sup>sm</sup> would otherwise be entitled under the Guarantee will be made to the holders of its senior indebtedness, except that such holders may receive units representing limited partner interests and any debt securities that are subordinated to senior indebtedness to at least the same extent as the Guarantee.

If the Parent Guarantor does not pay any principal, premium or interest with respect to its senior indebtedness within any applicable grace period (including at maturity), or any other default on its senior indebtedness occurs and the maturity of such senior indebtedness is accelerated in accordance with its terms, the Parent Guarantor may not:

make any payments under the Guarantee of principal, premium, if any, or interest with respect to the LoTS<sup>sm</sup>;

make any deposit under the Guarantee for the purpose of defeasance of the LoTS<sup>sm</sup>; or

advance monies under the Guarantee to repurchase, redeem or otherwise retire any of the LoTS<sup>sm</sup>,

unless, in either case,

the default has been cured or waived and the declaration of acceleration has been rescinded;

the senior indebtedness has been paid in full; or

the Parent Guarantor and the trustee receive written notice approving the payment from the representatives of each issue of designated senior indebtedness (as defined below).

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During the continuance of any senior indebtedness default, other than a default described in the immediately preceding paragraph, that may cause the maturity of any designated senior indebtedness to be accelerated immediately without further notice, other than any notice required to effect such acceleration, or the expiration of any applicable grace periods, the Parent Guarantor may not make payments under the Guarantee in respect of the LoTS<sup>sm</sup> for a period called the Payment Blockage Period. A Payment Blockage Period will commence on the receipt by the Parent Guarantor and the trustee of written notice of the default, called a Blockage Notice, from the representative of any designated senior indebtedness specifying an election to effect a Payment Blockage Period, and will expire 179 days thereafter.

Generally, designated senior indebtedness will include any issue of senior indebtedness of at least \$100 million. The Payment Blockage Period may be terminated before its expiration:

by written notice from the person or persons who gave the Blockage Notice;

by repayment in full in cash of the senior indebtedness with respect to which the Blockage Notice was given; or

if the default giving rise to the Payment Blockage Period is no longer continuing.

Unless the holders of the designated senior indebtedness shall have accelerated the maturity of the senior indebtedness, the Parent Guarantor may resume making payments under the Guarantee in respect of the LoTS<sup>sm</sup> after the expiration of the Payment Blockage Period.

Generally, not more than one Blockage Notice may be given in any period of 360 consecutive days. The total number of days during which any one or more Payment Blockage Periods are in effect, however, may not exceed an aggregate of 179 days during any period of 360 consecutive days.

After all senior indebtedness is paid in full and until the LoTS<sup>sm</sup> are paid in full, holders of the LoTS<sup>sm</sup> will be subrogated to the rights of holders of senior indebtedness to receive distributions applicable to senior indebtedness.

By reason of the subordination, in the event of the Parent Guarantor's insolvency, its creditors who are holders of senior indebtedness, as well as certain of its general creditors, may recover more, ratably, than the holders of the LoTS<sup>sm</sup> will recover under the Guarantee.

The term senior indebtedness as used in this section includes the Parent Guarantor's obligations in respect of the principal of, any interest and premium, if any, on and any other payments in respect of any of the following, whether currently outstanding or hereafter created or incurred:

indebtedness for borrowed money;

indebtedness evidenced by securities, bonds, notes and debentures, including any of the same that are subordinated, issued under indentures or other similar instruments, and other similar instruments;

obligations arising from or with respect to guarantees and direct credit substitutes other than the Parent Guarantor's obligations under the Guarantee;

obligations arising from or with respect to hedges and derivative products (including, but not limited to, interest rate, commodity, and foreign exchange contracts);

capitalized lease obligations;

obligations arising from or with respect to any letter of credit, banker's acceptance, security purchase facility, cash management arrangement or similar transactions;

operating leases (but only to the extent the terms of such leases expressly provide that the same constitute senior indebtedness );





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guarantees of any of the foregoing; and

any modifications, refundings, deferrals, renewals or extensions of any of the foregoing or any other evidence of indebtedness issued in exchange therefor,  
but does not include the Parent Guarantor's obligations in respect of:  
trade accounts payable;

any indebtedness incurred for the purchase of goods or materials or for services obtained in the ordinary course of business to the extent that the same is incurred from, and owed to, the vendor of such goods or materials or the provider of such services;

any indebtedness which by its terms is expressly made equal in rank and payment with or subordinated to the Parent Guarantor's obligations under the Guarantee; and

indebtedness owed by the Parent Guarantor to its majority-owned subsidiaries.

The obligations under the Guarantee will be structurally subordinated to all indebtedness and other liabilities of the Parent Guarantor's subsidiaries and unconsolidated affiliates. In the event of an insolvency, liquidation, bankruptcy proceeding or other reorganization of any such entity all of the existing and future liabilities of such entity, including any claims of lessors under capital and operating leases, trade creditors and holders of preferred stock or units of that entity have the right to be satisfied prior to receipt by the Parent Guarantor of any payment on account of its status as an equity owner of such entity. Moreover, the Guarantee does not limit the Parent Guarantor or any of its subsidiaries or unconsolidated affiliates from incurring or issuing other secured or unsecured debt, including senior indebtedness. Accordingly, claimants under the Guarantee should look only to the Parent Guarantor and not to any of its subsidiaries or unconsolidated affiliates for payments under the Guarantee.

**Agreement by Purchasers of Certain Tax Treatment**

Each registered holder and beneficial owner of the LoTS<sup>sm</sup> will, by accepting the LoTS<sup>sm</sup> or a beneficial interest therein, be deemed to have agreed that the holder intends that the LoTS<sup>sm</sup> constitute debt and will treat the LoTS<sup>sm</sup> as debt for United States federal, state and local tax purposes.

**CERTAIN TERMS OF THE REPLACEMENT CAPITAL COVENANT**

*We have summarized below certain terms of the Replacement Capital Covenant. This summary is not a complete description of the Replacement Capital Covenant and is qualified in its entirety by the terms and provisions of the full document.*

We will covenant in the Replacement Capital Covenant for the benefit of persons that buy, hold or sell a specified series of our long-term indebtedness that ranks senior to the LoTS<sup>sm</sup>, that we will not redeem or repurchase LoTS<sup>sm</sup> on or before August 1, 2036, unless, subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we, Enterprise Parent or one of our or its subsidiaries receives a specified amount of proceeds from the sale of qualifying securities that have characteristics that are the same as, or more equity-like than, the applicable characteristics of the LoTS<sup>sm</sup>.

Our covenants in the Replacement Capital Covenant run only to the benefit of holders of the designated series of our long-term indebtedness. The Replacement Capital Covenant is not intended for the benefit of holders of the LoTS<sup>sm</sup> and may not be enforced by them, and the Replacement Capital Covenant is not a term of the indenture or the LoTS<sup>sm</sup>.

Our ability to raise proceeds from qualifying securities during the 180 days prior to a proposed redemption or repurchase of the LoTS<sup>sm</sup> will depend on, among other things, the condition of our business and our financial condition, market conditions at that time as well as the acceptability to prospective investors of the terms of those qualifying securities.

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The Replacement Capital Covenant may be terminated if the holders of at least a majority by principal amount of the then existing covered debt agree to terminate the Replacement Capital Covenant, or if we no longer have outstanding any indebtedness that qualifies as covered debt, and will terminate on August 1, 2036 if not terminated earlier.

**CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following summary describes certain United States federal income tax considerations associated with the purchase, ownership and disposition of the LoTS<sup>sm</sup> by United States Holders (as defined below) and non-United States Holders (as defined below), as of the date of this prospectus supplement. Except where noted, this summary deals only with the LoTS<sup>sm</sup> held as capital assets by holders who acquired the LoTS<sup>sm</sup> upon their original issuance at their public offering price set forth on the cover of this prospectus supplement. Some holders (including banks, insurance companies, tax-exempt organizations, financial institutions, regulated investment companies, mutual funds, persons whose functional currency is not the U.S. dollar, persons subject to alternative minimum tax, broker-dealers, persons that hold the LoTS<sup>sm</sup> as part of a straddle, hedge, conversion transaction or other integrated investment, expatriates, controlled foreign corporations, passive foreign investment companies and corporations that accumulate earnings to avoid United States federal income tax) may be subject to special rules not discussed below. The discussion below does not address the effect of any state, local or foreign tax law.

Furthermore, the discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the Code), the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date of this prospectus supplement. Because the foregoing are subject to change or differing interpretations, possibly on a retroactive basis, the United States federal income tax consequences of an investment in the LoTS<sup>sm</sup> may be different from those discussed below.

A United States Holder of the LoTS<sup>sm</sup> means a holder that is for United States federal income tax purposes:

an individual citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A non-United States holder means a beneficial owner of the LoTS<sup>sm</sup> that is for United States federal income tax purposes:

an individual that is not a citizen or resident of the United States;

a corporation (or other entity taxable as a corporation for United States federal income tax purposes) not created or organized in or under the laws of the United States or any political subdivision thereof; or

an estate or trust other than an estate or trust that is a United States Holder as defined above.

If a partnership or other entity treated as a partnership for United States federal income tax purposes holds the LoTS<sup>sm</sup>, the United States federal income tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding LoTS<sup>sm</sup>, you should consult your own tax advisor on this, as well as other issues.

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**There is no clear authority addressing the United States federal income tax treatment of the LoTS<sup>sm</sup>. Accordingly, you should consult your tax advisor in determining the tax consequences to you of purchasing, holding and disposing of the LoTS<sup>sm</sup>, including the application to your particular situation of the United States federal income tax considerations discussed below, as well as the application of state, local, or other tax laws.**

**Classification of the LoTS<sup>sm</sup>**

In connection with the issuance of the LoTS<sup>sm</sup>, Bracewell & Giuliani LLP, special tax counsel to us, will render its opinion to us generally to the effect that, under then current law and assuming full compliance with the terms of the indenture and other relevant documents, and based on the facts, assumptions and analysis contained in that opinion, as well as representations we make, the LoTS<sup>sm</sup> will be classified for United States federal income tax purposes upon issuance as indebtedness of Enterprise (although there is no clear authority directly on point). That opinion will not be binding on the IRS or any court. The determination of whether an instrument is indebtedness for United States federal income tax purposes is an inherently factual one, dependent on all the facts and circumstances, with no one factor being conclusive. The remainder of this discussion assumes that the classification of the LoTS<sup>sm</sup> as indebtedness of Enterprise will be respected for United States federal income tax purposes.

**United States Holders*****Interest Income and Original Issue Discount***

Under applicable Treasury regulations, a remote contingency that stated interest will not be timely paid will be ignored in determining whether a debt instrument is issued with original issue discount, or OID. We believe that the likelihood of our exercising our option to defer payments is remote within the meaning of the Treasury regulations. Based on the foregoing, we believe that the LoTS<sup>sm</sup> will not be considered to be issued with OID at the time of their original issuance. Accordingly, each United States Holder of LoTS<sup>sm</sup> should include in gross income that holder's allocable share of interest on the LoTS<sup>sm</sup> in accordance with that holder's method of tax accounting.

Under applicable Treasury regulations, if the option to defer any payment of interest was determined not to be remote, or if we exercised that option, the LoTS<sup>sm</sup> would be treated as issued with OID at the time of issuance or at the time of that exercise, as the case may be. In that case, all stated interest on the LoTS<sup>sm</sup> thereafter would be treated as OID as long as the LoTS<sup>sm</sup> remained outstanding. Accordingly, all of a United States Holder's taxable interest income relating to the LoTS<sup>sm</sup> would constitute OID that would have to be included in income on an economic accrual basis before the receipt of the cash attributable to the interest, regardless of that holder's method of tax accounting, and actual distributions of stated interest would not be reported as taxable income. Consequently, such a holder of LoTS<sup>sm</sup> would be required to include OID in gross income even though we will not make actual payments on the LoTS<sup>sm</sup> during a deferral period.

No rulings or other interpretations have been issued by the IRS which have addressed the meaning of the term remote as used in the applicable Treasury regulations, and it is possible that the IRS could take a position contrary to the interpretation in this prospectus supplement.

If the IRS were to challenge successfully the classification of the LoTS<sup>sm</sup> as indebtedness, payments on the LoTS<sup>sm</sup> likely would be treated as guaranteed payments or distributions with respect to a preferred partnership interest. In such case, United States Holders of the LoTS<sup>sm</sup> that are employee benefit plans, and most other organizations exempt from United States federal income tax including individual retirement accounts and other retirement plans, could be subject to United States federal income tax on their income with respect to the LoTS<sup>sm</sup> as unrelated business taxable income.

***Sale, Exchange, Redemption or Retirement of the LoTS<sup>SM</sup>***

Upon sale, exchange, redemption or retirement of the LoTS<sup>sm</sup>, a United States Holder will recognize gain or loss equal to the difference between its adjusted tax basis in the LoTS<sup>sm</sup> and the amount realized

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on the sale, exchange, redemption or retirement of the LoTS<sup>sm</sup>. Assuming that we do not exercise our option to defer payment of interest on the LoTS<sup>sm</sup> and that the LoTS<sup>sm</sup> are not deemed to be issued with OID, a United States Holder's adjusted tax basis in the LoTS<sup>sm</sup> generally will be that holder's initial purchase price. If the LoTS<sup>sm</sup> are deemed to be issued with OID, a United States Holder's adjusted tax basis in the LoTS<sup>sm</sup> generally will be its initial purchase price, increased by OID previously includible in that holder's gross income to the date of disposition and decreased by distributions or other payments received on the LoTS<sup>sm</sup> since and including the date that the LoTS<sup>sm</sup> were deemed to be issued with OID. That gain or loss generally will be a capital gain or loss, except to the extent of any accrued interest relating to that United States Holder's ratable share of the LoTS<sup>sm</sup> required to be included in income, and generally will be a long-term capital gain or loss if the LoTS<sup>sm</sup> have been held for more than one year. Capital losses generally cannot be applied to offset ordinary income for United States federal income tax purposes.

**Information Reporting and Backup Withholding**

Generally, interest on the LoTS<sup>sm</sup> will be subject to information reporting on Internal Revenue Service Form 1099-INT or, if interest on the LoTS<sup>sm</sup> constitutes OID as discussed above under United States Holders Interest Income and Original Issue Discount, on Internal Revenue Service Form 1099-OID. In addition, United States Holders may be subject to a backup withholding tax on those payments if they do not provide their taxpayer identification numbers to the trustee in the manner required, fail to certify that they are not subject to backup withholding tax, or otherwise fail to comply with applicable backup withholding tax rules. United States Holders also may be subject to information reporting and backup withholding tax with respect to the proceeds from a sale, exchange, retirement or other taxable disposition of the LoTS<sup>sm</sup>. Any amounts withheld under the backup withholding rules will be allowed as a credit against the United States Holder's United States federal income tax liability, so long as the required information is timely furnished to the IRS.

**Non-United States Holders**

No withholding of United States federal income tax will apply to interest paid on LoTS<sup>sm</sup> to a non-United States Holder under the portfolio interest exemption, so long as:

the interest is not effectively connected with the non-United States Holder's conduct of a trade or business in the United States;

the non-United States Holder does not actually or constructively own 10% or more of the capital or profits interests in us;

the non-United States Holder is not a controlled foreign corporation that is related directly or constructively to us through stock ownership;

the non-United States Holder is not a bank that acquired the LoTS<sup>sm</sup> in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and

the non-United States Holder provides to the withholding agent, in accordance with specified procedures, a statement to the effect that such non-United States Holder is not a United States person (generally by providing a properly executed IRS Form W-8BEN).

If a non-United States Holder cannot satisfy the requirements of the portfolio interest exemption described above, interest paid on the LoTS<sup>sm</sup> (including payments in respect of OID, if any, on the LoTS<sup>sm</sup>) made to a non-United States Holder should be subject to a 30% United States federal withholding tax, unless that non-United States Holder provides the withholding agent with a properly executed statement (i) claiming an exemption from or reduction of withholding under an applicable United States income tax treaty or (ii) stating that the interest is not subject to withholding tax because it is effectively connected with that non-United States Holder's conduct of a trade or business in the United States.

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If a non-United States Holder is engaged in a trade or business in the United States (or, if an applicable United States income tax treaty applies, if the non-United States Holder maintains a permanent establishment within the United States) and the interest is effectively connected with the conduct of that trade or business (or, if an applicable United States income tax treaty applies, attributable to that permanent establishment), that non-United States Holder will be subject to United States federal income tax on the interest on a net income basis in the same manner as if that non-United States Holder were a United States Holder. In addition, a non-United States Holder that is a foreign corporation engaged in a trade or business in the United States may be subject to a 30% (or, if an applicable United States income tax treaty applies, a lower rate as provided) branch profits tax.

Any gain realized on the sale, exchange, redemption or retirement of the LoTS<sup>sm</sup> generally will not be subject to United States federal income tax unless:

that gain is effectively connected with the non-United States Holder's conduct of a trade or business in the United States (or, if an applicable United States income tax treaty applies, is attributable to a permanent establishment maintained by the non-United States Holder within the United States); or

the non-United States Holder is an individual who is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

In general, backup withholding and information reporting will not apply to interest paid on the LoTS<sup>sm</sup> to a non-United States Holder, or to proceeds from the sale, exchange, redemption or retirement of the LoTS<sup>sm</sup> by a non-United States Holder, in each case, if the non-United States Holder certifies under penalties of perjury that it is a non-United States Holder and neither we nor our paying agent has actual knowledge (or reason to know) to the contrary. Any amounts withheld under the backup withholding rules will entitle such non-United States Holder to a credit against United States federal income tax liability and may entitle such non-United States Holder to a refund, so long as the required information is timely and properly furnished to the IRS. In general, if LoTS<sup>sm</sup> are not held through a qualified intermediary, the amount of payments made on such LoTS<sup>sm</sup>, the name and address of the beneficial owner and the amount, if any, of tax withheld may be reported to the IRS.

Non-United States Holders should consult their tax advisors regarding the application of backup withholding in their particular situation, the availability of an exemption from backup withholding and the procedure for obtaining such an exemption, if available.

If the IRS were to challenge successfully the classification of the LoTS<sup>sm</sup> as indebtedness, payments on the LoTS<sup>sm</sup> likely would be treated as guaranteed payments or distributions with respect to a preferred partnership interest. In such case, non-United States Holders of the LoTS<sup>sm</sup> would be treated as engaged in a trade or business within the United States, be required to file a United States federal income tax return and pay taxes on their share of our income or gain and be subject to withholding.

**THE UNITED STATES FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE LoTS<sup>sm</sup>, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS.**

**CERTAIN ERISA CONSIDERATIONS**

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to Section 406 of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ), a plan subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the Code ), or an employee benefit plan or plan subject to any state or local law or other restrictions materially similar to Section 406 of ERISA or Section 4975 of the Code ( Similar Law ) (each, a Plan ), should consider the fiduciary standards of

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ERISA or Similar Law in the context of such a Plan's particular circumstances before authorizing an investment in the LoTS<sup>sm</sup>. Among other factors, the fiduciary should consider whether such an investment is in accordance with the documents governing the Plan and whether the investment is appropriate for the Plan in view of its overall investment policy and diversification of its portfolio. The LoTS<sup>sm</sup> may not be sold to any Plan unless either (i) the purchase and holding of the LoTS<sup>sm</sup> would not be a transaction prohibited under Section 406 of ERISA, Section 4975 of the Code, and Similar Law or (ii) one of the following Prohibited Transaction Class Exemptions ( PTCE ) issued by the U.S. Department of Labor (or a materially similar exemption or exception under Similar Law) applies to the purchase, holding and disposition of the LoTS<sup>sm</sup>:

PTCE 96-23 for transactions determined by in-house asset managers;

PTCE 95-60 for transactions involving insurance company general accounts;

PTCE 91-38 for transactions involving bank collective investment funds;

PTCE 90-1 for transactions involving insurance company separate accounts; or

PTCE 84-14 for transactions determined by independent qualified professional asset managers.

Any purchaser of the LoTS<sup>sm</sup> or any interest therein will be deemed to have represented and warranted to us on each day from and including the date of its purchase of such LoTS<sup>sm</sup> through and including the date of disposition of such LoTS<sup>sm</sup> that either:

(a) Plan assets under ERISA and the regulations issued thereunder, or under any Similar Law, are not being used to acquire the LoTS<sup>sm</sup>; or

(b) Plan assets as so defined are being used to acquire LoTS<sup>sm</sup> but the purchase, holding and disposition of the LoTS<sup>sm</sup>, either (1) are not and will not be a prohibited transaction within the meaning of ERISA, the Code or Similar Law or (2) are and will be an exempt prohibited transaction by one or more of the following prohibited transaction exemptions: PTCE 96-23, 95-60, 91-38, 90-1 or 84-14, or a materially similar exception under Similar Law.

The discussion set forth above is general in nature and is not intended to be complete. In addition, such discussion assumes that the LoTS<sup>sm</sup> will constitute indebtedness as opposed to equity interests under the U.S. Department of Labor's plan asset regulations or Similar Law. Although such characterization of the LoTS<sup>sm</sup> would appear appropriate, we can offer you no assurance that this will be the case. Accordingly, it is important that any person considering the purchase of LoTS<sup>sm</sup> with Plan assets consult with its counsel regarding the consequences under ERISA, the Code or other Similar Law, of the acquisition and ownership of LoTS<sup>sm</sup>. The sale of the LoTS<sup>sm</sup> to a Plan is in no respect a representation by us or the underwriters that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

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We and the underwriters named below have entered into an underwriting agreement, dated July 13, 2006, with respect to the LoTS<sup>sm</sup>. Subject to certain conditions, each underwriter has severally agreed to purchase the principal amount of LoTS<sup>sm</sup> set forth opposite its name in the following table. Wachovia Capital Markets, LLC and Lehman Brothers Inc. are the representatives of the underwriters.

| <b>Underwriters</b>                  | <b>Principal Amount<br/>of LoTS<sup>sm</sup></b> |                    |
|--------------------------------------|--|--------------------|
| Wachovia Capital Markets, LLC        | \$   | 180,000,000        |
| Lehman Brothers Inc.                 |  | 75,000,000         |
| UBS Securities LLC                   |  | 22,500,000         |
| Banc of America Securities LLC       |  | 7,500,000          |
| Daiwa Securities SMBC Europe Limited |  | 7,500,000          |
| Scotia Capital (USA) Inc.            |  | 7,500,000          |
| <b>Total</b>                         | <b>\$</b>  | <b>300,000,000</b> |

The underwriters are committed to take and pay for all of the LoTS<sup>sm</sup> being offered, if any are taken. We will pay as compensation to the underwriters discounts and commissions in the following amounts.

|                        | <b>Paid by<br/>Enterprise Products<br/>Operating L.P.</b> |           |
|------------------------|---|-----------|
| Per LoTS <sup>sm</sup> | \$  | 15        |
| Total                  | \$  | 4,500,000 |

The LoTS<sup>sm</sup> sold by the underwriters to the public will initially be offered at the public offering price set forth on the cover of this prospectus supplement. Any LoTS<sup>sm</sup> sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price of up to \$5.00 per LoTS<sup>sm</sup>. If all the LoTS<sup>sm</sup> are not sold at the public offering price, the underwriters may change the offering price and the other selling terms.

The LoTS<sup>sm</sup> are a new issue of securities with no established trading market. We have been advised by the underwriters that they presently intend to make a market in the LoTS<sup>sm</sup> but they are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for the LoTS<sup>sm</sup>.

In connection with this offering, the underwriters may purchase and sell the LoTS<sup>sm</sup> in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of LoTS<sup>sm</sup> than they are required to purchase in this offering. Stabilizing transactions consist of certain bids for or purchases of LoTS<sup>sm</sup> made by the underwriters in the open market prior to the completion of this offering.

The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased LoTS<sup>sm</sup> sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the LoTS<sup>sm</sup>, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the LoTS<sup>sm</sup>. As a result, the price of the LoTS<sup>sm</sup> may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in over-the-counter market or otherwise.





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We estimate that our total out-of-pocket expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$600,000.

We have agreed to indemnify the underwriters against certain liabilities including liabilities under the Securities Act.

Any offerings of LoTS<sup>sm</sup> will be conducted in accordance with the provisions of Rule 2810 of the NASD Rules of Fair Conduct or any successor provision.

In compliance with guidelines of the NASD, the maximum commission or discount to be received by any NASD member or independent broker dealer may not exceed 8% of the aggregate principal amount of the securities offered pursuant to this prospectus supplement. It is anticipated that the maximum commission or discount to be received in any particular offering of securities will be significantly less than this amount.

From time to time the underwriters engage in transactions with us in the ordinary course of business. The underwriters have performed investment banking services for us in the last two years and have received fees for these services.

**VALIDITY OF SECURITIES**

Bracewell & Giuliani LLP, Houston, Texas, will pass on the validity of the LoTS<sup>sm</sup>, the guarantee and certain federal income tax matters related to the LoTS<sup>sm</sup> for Enterprise Parent and us. Certain legal matters with respect to the LoTS<sup>sm</sup> will be passed upon for the underwriters by Cadwalader, Wickersham & Taft LLP, New York, New York.

**EXPERTS**

The (1) consolidated financial statements and the related consolidated financial statement schedule and management's report on the effectiveness of internal control over financial reporting of Enterprise Products Partners L.P. and subsidiaries incorporated in this prospectus supplement by reference from Enterprise Products Partners L.P.'s Annual Report on Form 10-K for the year ended December 31, 2005, and (2) the balance sheet of Enterprise Products GP, LLC as of December 31, 2005, incorporated in this prospectus supplement by reference from Enterprise Products Partners L.P.'s Current Report on Form 8-K filed with the Securities and Exchange Commission on February 27, 2006, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**INFORMATION INCORPORATED BY REFERENCE**

Enterprise Parent files annual, quarterly and current reports, and other information with the Commission under the Exchange Act (Commission File No. 1-14323). You may read and copy any document Enterprise Parent files at the Commission's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the Commission at 1-800-732-0330 for further information on the public reference room. Enterprise Parent's filings are also available to the public at the Commission's web site at <http://www.sec.gov>. In addition, documents filed by Enterprise Parent can be inspected at the offices of the New York Stock Exchange, Inc. 20 Broad Street, New York, New York 10002.

The Commission allows Enterprise Parent to incorporate by reference into this prospectus supplement and the accompanying prospectus the information Enterprise Parent files with it, which means that Enterprise Parent can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and later information that Enterprise Parent files with the Commission will automatically update and supersede this information. Enterprise Parent incorporates by reference the documents listed below and any future filings it makes with the Commission under section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of

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1934 until this offering is completed (other than information furnished under Items 2.02 or 7.01 of any Form 8-K, which is not deemed filed under the Exchange Act):

Annual Report on Form 10-K for the year ended December 31, 2005;

Quarterly Report on Form 10-Q for the period ended March 31, 2006; and

Current Reports on Form 8-K filed with the Commission on February 16, 2006, February 17, 2006, February 27, 2006, March 3, 2006, June 26, 2006, June 26, 2006, and July 13, 2006.

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and some of the documents we have incorporated herein by reference contain various forward-looking statements and information that are based on our beliefs and those of our general partner, as well as assumptions made by and information currently available to us. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. When used in this prospectus supplement or the documents we have incorporated herein by reference, words such as anticipate, project, expect, plan, goal, forecast, intend, could, believe, may, and similar expressions and statements regarding our plans and objectives for future operations, are intended to identify forward-looking statements. Although we and our general partner believe that such expectations reflected in such forward-looking statements are reasonable, neither we nor our general partner can give assurances that such expectations will prove to be correct.

Such statements are subject to a variety of risks, uncertainties and assumptions. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those anticipated, estimated, projected or expected. Among the key risk factors that may have a direct bearing on our results of operations and financial condition are:

fluctuations in oil, natural gas and NGL prices and production due to weather and other natural and economic forces;

a reduction in demand for our products by the petrochemical, refining or heating industries;

the effects of our debt level on our future financial and operating flexibility;

a decline in the volumes of NGLs delivered by our facilities;

the failure of our credit risk management efforts to adequately protect us against customer non-payment;

terrorist attacks aimed at our facilities; and

our failure to successfully integrate our operations with assets or companies we acquire.

You should not put undue reliance on any forward-looking statements. When considering forward-looking statements, please review the risk factors described under Risk Factors in this prospectus supplement and in the accompanying prospectus and in Enterprise Parent's Annual Report on Form 10-K for the year ended December 31, 2005, which was filed with the Securities and Exchange Commission on February 27, 2006.

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**PROSPECTUS**

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

**COMMON UNITS  
DEBT SECURITIES**

We may offer up to \$4,000,000,000 of the following securities under this prospectus:

common units representing limited partner interests in Enterprise Products Partners L.P.; and

debt securities of Enterprise Products Operating L.P., which will be guaranteed by its parent company, Enterprise Products Partners L.P.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read carefully this prospectus and any prospectus supplement before you invest. You should also read the documents we have referred you to in the **Where You Can Find More Information** section of this prospectus for information about us, including our financial statements.

In addition, up to 41,000,000 common units may be offered from time to time by the selling unitholders named herein. Specific terms of certain offerings by such selling unitholders may be specified in a prospectus supplement to this prospectus. We will not receive proceeds of any sale of common units by any such selling unitholders unless otherwise indicated in a prospectus supplement. For a more detailed discussion of selling unitholders, please read **Selling Unitholders**.

Our common units are listed on the New York Stock Exchange under the trading symbol **EPD**.

Unless otherwise specified in a prospectus supplement, the senior debt securities, when issued, will be unsecured and will rank equally with our other unsecured and unsubordinated indebtedness. The subordinated debt securities, when issued, will be subordinated in right of payment to our senior debt.

**Limited partnerships are inherently different from corporations. You should review carefully Risk Factors beginning on page 3 for a discussion of important risks you should consider before investing on our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

This prospectus may not be used to consummate sales of securities by the registrants unless accompanied by a prospectus supplement.

The date of this prospectus is March 23, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus or any prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information incorporated by reference or provided in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of each document.

Our, we, us and Enterprise as used in this prospectus refer to Enterprise Products Partners L.P. and Enterprise Products Operating L.P. and their wholly owned subsidiaries. GulfTerra as used in this prospectus supplement refers to Enterprise GTM Holdings L.P. (formerly known as GulfTerra Energy Partners, L.P.) and its wholly owned subsidiaries.



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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we file with the Securities and Exchange Commission (the Commission ) using a shelf registration process. Under this shelf process, we may offer from time to time up to \$4,000,000,000 of our securities and the selling unitholders may offer from time to time up to 41,000,000 of their common units. Each time we offer securities, we will provide you with a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering. The selling unitholders may offer common units pursuant to this prospectus or may provide you with a prospectus supplement that will describe, among other things, the specific amounts and prices of the securities being offered and the terms of the offering. Any prospectus supplement may add, update or change information contained in this prospectus. Any statement that we make in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement. Therefore, you should read this prospectus and any attached prospectus supplement before you invest in our securities.

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**OUR COMPANY**

We are a publicly traded limited partnership that was formed in April 1998 to acquire, own, and operate all of the NGL processing and distribution assets of EPCO, Inc., or EPCO, formerly known as Enterprise Products Company. We conduct all of our business through our 100% owned subsidiary, Enterprise Products Operating L.P. (our Operating Partnership ) and its subsidiaries and joint ventures. Our general partner, Enterprise Products GP, LLC, owns a 2% interest in us.

We are a leading North American midstream energy company that provides a wide range of services to producers and consumers of natural gas, natural gas liquids, or NGLs, and crude oil, and we are an industry leader in the development of midstream infrastructure in the deepwater trend of the Gulf of Mexico. We have the only integrated North American midstream network, which includes natural gas transportation, gathering, processing and storage; NGL fractionation (or separation), transportation, storage and import and export terminalling; and crude oil transportation and offshore production platform services. Our midstream network links producers of natural gas, NGLs and crude oil from the largest supply basins in the United States, Canada and the Gulf of Mexico with the largest consumers and international markets. NGLs are used by the petrochemical and refining industries to produce plastics, motor gasoline and other industrial and consumer products and also are used as residential, agricultural and industrial fuels. We provide integrated services to our customers and generate fee-based cash flow from multiple sources along our midstream energy value chain.

Our midstream energy services include:

gathering and transportation of raw natural gas from both onshore and offshore Gulf of Mexico developments;

gathering and transportation of crude oil from offshore Gulf of Mexico developments;

offshore production platform services;

processing of raw natural gas into a marketable product that meets industry quality specifications by removing mixed NGLs and impurities;

purchase of natural gas for resale to our industrial, utility and municipal customers;

transportation of mixed NGLs to fractionation facilities by pipeline;

fractionation (or separation) of mixed NGLs produced as by-products of crude oil refining and natural gas production into component NGL products: ethane, propane, isobutane, normal butane and natural gasoline;

transportation of NGL products to end-users by pipeline, railcar and truck;

import and export of NGL products and petrochemical products through our dock facilities;

fractionation of refinery-sourced propane/propylene mix into high-purity propylene, propane and mixed butane;

transportation of high-purity propylene to end-users by pipeline;

storage of natural gas, mixed NGLs, NGL products and petrochemical products;

conversion of normal butane to isobutane through the process of isomerization;

production of high-octane additives for motor gasoline from isobutane; and

sale of NGLs and petrochemical products we produce and/or purchase for resale.

In addition to our current strategic position in the Gulf of Mexico, we have access to major natural gas and NGL supply basins throughout the United States and Canada, including the Rocky Mountains, the San Juan and Permian basins, the Mid-Continent region and, through third-party pipeline connections, north into Canada's Western Sedimentary basin. Our system of assets in the Gulf Coast region of the

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United States, combined with our Mid-America and Seminole pipeline systems, create the only integrated North American midstream network.

Certain of our facilities are owned jointly by us and other industry partners, either through co-ownership arrangements or joint ventures. Some of our jointly owned facilities are operated by other owners.

We do not have any employees. All of our management, administrative and operating functions are performed by employees of EPCO, our ultimate parent company, pursuant to the Administrative Services Agreement. For a discussion of the Administrative Services Agreement, please read Item 13 of our latest Annual Report on Form 10-K.

Our principal executive offices are located at 2727 North Loop West, Houston, Texas 77008-1038, and our telephone number is (713) 880-6500.

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**RISK FACTORS**

An investment in our securities involves risks. You should consider carefully the following risk factors, together with all of the other information included in, or incorporated by reference into, this prospectus and any prospectus supplement in evaluating an investment in our securities. This prospectus also contains forward-looking statements that involve risks and uncertainties. Please read *Forward-Looking Statements*. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors, including the risks described below and the other information included in, or incorporated by reference into, this prospectus. If any of these risks occur, our business, financial condition or results of operations could be adversely affected.

**Risks Related to Our Business**

***Changes in the prices of hydrocarbon products may materially adversely affect our results of operations, cash flows and financial condition.***

We operate predominantly in the midstream energy sector which includes gathering, transporting, processing, fractionating and storing natural gas, NGLs and crude oil. As such, our results of operations, cash flows and financial condition may be materially adversely affected by changes in the prices of these hydrocarbon products and by changes in the relative price levels among these hydrocarbon products. In general terms, the prices of natural gas, NGLs, crude oil and other hydrocarbon products are subject to fluctuations in response to changes in supply, market uncertainty and a variety of additional factors that are impossible to control. These factors include:

the level of domestic production;

the availability of imported oil and natural gas;

actions taken by foreign oil and natural gas producing nations;

the availability of transportation systems with adequate capacity;

the availability of competitive fuels;

fluctuating and seasonal demand for oil, natural gas and NGLs; and

conservation and the extent of governmental regulation of production and the overall economic environment.

We are also exposed to natural gas and NGL commodity price risk under natural gas processing and gathering and NGL fractionation contracts that provide for our fee to be calculated based on a regional natural gas or NGL price index or to be paid in-kind by taking title to natural gas or NGLs. A decrease in natural gas and NGL prices can result in lower margins from these contracts, which may materially adversely affect our results of operations, cash flows and financial position.

***A decline in the volume of natural gas, NGLs and crude oil delivered to our facilities could adversely affect our results of operations, cash flows and financial condition.***

Our profitability could be materially impacted by a decline in the volume of natural gas, NGLs and crude oil transported, gathered or processed at our facilities. A material decrease in natural gas or crude oil production or crude oil refining, as a result of depressed commodity prices, a decrease in exploration and development activities or otherwise, could result in a decline in the volume of natural gas, NGLs and crude oil handled by our facilities.

The crude oil, natural gas and NGLs available to our facilities will be derived from reserves produced from existing wells, which reserves naturally decline over time. To offset this natural decline, our facilities will need access to additional reserves. Additionally, some of our facilities will be dependent on reserves that are expected to be produced from newly discovered properties that are currently being developed.

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Exploration and development of new oil and natural gas reserves is capital intensive, particularly offshore in the Gulf of Mexico. Many economic and business factors are out of our control and can adversely affect the decision by producers to explore for and develop new reserves. These factors could include relatively low oil and natural gas prices, cost and availability of equipment, regulatory changes, capital budget limitations or the lack of available capital. For example, a sustained decline in the price of natural gas and crude oil could result in a decrease in natural gas and crude oil exploration and development activities in the regions where our facilities are located. This could result in a decrease in volumes to our offshore platforms, natural gas processing plants, natural gas, crude oil and NGL pipelines, and NGL fractionators which would have a material adverse affect on our results of operations, cash flows and financial position. Additional reserves, if discovered, may not be developed in the near future or at all.

***A reduction in demand for NGL products by the petrochemical, refining or heating industries could materially adversely affect our results of operations, cash flows and financial position.***

A reduction in demand for NGL products by the petrochemical, refining or heating industries, whether because of general economic conditions, reduced demand by consumers for the end products made with NGL products, increased competition from petroleum-based products due to pricing differences, adverse weather conditions, government regulations affecting prices and production levels of natural gas or the content of motor gasoline or other reasons, could materially adversely affect our results of operations, cash flows and financial position. For example:

*Ethane.* If natural gas prices increase significantly in relation to ethane prices, it may be more profitable for natural gas producers to leave the ethane in the natural gas stream to be burned as fuel than to extract the ethane from the mixed NGL stream for sale.

*Propane.* The demand for propane as a heating fuel is significantly affected by weather conditions. Unusually warm winters could cause the demand for propane to decline significantly and could cause a significant decline in the volumes of propane that the combined company transports.

*Isobutane.* Any reduction in demand for motor gasoline additives may reduce demand for isobutane. During periods in which the difference in market prices between isobutane and normal butane is low or inventory values are high relative to current prices for normal butane or isobutane, our operating margin from selling isobutane could be reduced.

*Propylene.* Any downturn in the domestic or international economy could cause reduced demand for propylene, which could cause a reduction in the volumes of propylene that we produce and expose our investment in inventories of propane/ propylene mix to pricing risk due to requirements for short-term price discounts in the spot or short-term propylene markets.

***We face competition from third parties in our midstream businesses.***

Even if reserves exist in the areas accessed by our facilities and are ultimately produced, we may not be chosen by the producers in these areas to gather, transport, process, fractionate, store or otherwise handle the hydrocarbons that are produced. We compete with others, including producers of oil and natural gas, for any such production on the basis of many factors, including:

geographic proximity to the production;

costs of connection;

available capacity;

rates; and

access to markets.

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***Our debt level may limit our future financial and operating flexibility.***

As of December 31, 2004, we had approximately \$4.3 billion of consolidated debt outstanding. The amount of our debt could have significant effects on our future operations, including, among other things:

a significant portion of our cash flow from operations will be dedicated to the payment of principal and interest on outstanding debt and will not be available for other purposes, including payment of distributions on our common units and capital expenditures;

credit rating agencies may view our debt level negatively;

covenants contained in our existing debt arrangements will require us to continue to meet financial tests that may adversely affect our flexibility in planning for and reacting to changes in our business;

our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general partnership purposes may be limited;

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

we may be more vulnerable to adverse economic and industry conditions as a result of our significant debt level.

Our public debt indentures currently do not limit the amount of future indebtedness that we can create, incur, assume or guarantee. Our revolving credit facilities, however, restrict our ability to incur additional debt, though any debt we may incur in compliance with these restrictions may still be substantial.

Our multi-year revolving credit facility and the indentures governing our public debt contain conventional financial covenants and other restrictions. A breach of any of these restrictions by us could permit the lenders to declare all amounts outstanding under those debt agreements to be immediately due and payable and, in the case of the credit facility, to terminate all commitments to extend further credit.

Our ability to access the capital markets to raise capital on favorable terms will be affected by our debt level, the amount of our debt maturing in the next several years and current maturities, and by adverse market conditions resulting from, among other things, general economic conditions, contingencies and uncertainties that are difficult to predict and impossible to control. Moreover, if the rating agencies were to downgrade our corporate credit, then we could experience an increase in our borrowing costs, difficulty accessing capital markets or a reduction in the market price of our common units. Such a development could adversely affect our ability to obtain financing for working capital, capital expenditures or acquisitions or to refinance existing indebtedness. If we are unable to access the capital markets on favorable terms in the future, we might be forced to seek extensions for some of our short-term securities or to refinance some of our debt obligations through bank credit, as opposed to long-term public debt securities or equity securities. The price and terms upon which we 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 our leverage may adversely affect our future financial and operating flexibility and our ability to pay cash distributions at expected rates.

***We may not be able to fully execute our growth strategy if we encounter illiquid capital markets or increased competition for qualified assets.***

Our strategy contemplates growth through the development and acquisition of a wide range of midstream and other energy infrastructure assets while maintaining a strong balance sheet. This strategy includes constructing and acquiring additional assets and businesses to enhance our ability to compete effectively and diversify our asset portfolio, thereby providing more stable cash flow. We regularly consider and enter into discussions regarding, and are currently contemplating, potential joint ventures, stand alone projects or other transactions that we believe will present opportunities to realize synergies, expand our role in the energy infrastructure business and increase our market position.





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We may require substantial new capital to finance the future development and acquisition of assets and businesses. Limitations on our access to capital will impair our ability to execute this strategy. Expensive capital will limit our ability to develop or acquire accretive assets. We may not be able to raise the necessary funds on satisfactory terms, if at all.

In addition, we are experiencing increased competition for the assets we purchase or contemplate purchasing. Increased competition for a limited pool of assets could result in our losing to other bidders more often or acquiring assets at higher prices. Either occurrence would limit our ability to fully execute our growth strategy. Our inability to execute our growth strategy may materially adversely impact the market price of our securities.

***Our growth strategy may adversely affect our results of operations if we do not successfully integrate the businesses that we acquire, including GulfTerra, or if we substantially increase our indebtedness and contingent liabilities to make acquisitions.***

Our growth strategy includes making accretive acquisitions. As a result, from time to time, we will evaluate and acquire assets and businesses that we believe complement our existing operations. Similar to the risks associated with integrating our operations with GulfTerra's operations, we may be unable to integrate successfully businesses we acquire in the future. We may incur substantial expenses or encounter delays or other problems in connection with our growth strategy that could negatively impact our results of operations, cash flows and financial condition. Moreover, acquisitions and business expansions involve numerous risks, including:

difficulties in the assimilation of the operations, technologies, services and products of the acquired companies or business segments;

establishing the internal controls and procedures that we are required to maintain under the Sarbanes-Oxley Act of 2002;

managing relationships with new joint venture partners with whom we have not previously partnered;

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.

If consummated, any acquisition or investment would also likely result in the incurrence of indebtedness and contingent liabilities and an increase in interest expense and depreciation, depletion and amortization expenses. As a result, our capitalization and results of operations may change significantly following an acquisition. A substantial increase in our indebtedness and contingent liabilities could have a material adverse effect on our business. In addition, any anticipated benefits of a material acquisition, such as expected cost savings, may not be fully realized, if at all.

***Our operating cash flows from our capital projects may not be immediate.***

We are engaged in several capital expansion projects and greenfield projects for which significant capital has been expended, and our operating cash flow from a particular project may not increase immediately following its completion. For instance, if we build a new pipeline or platform or expand an existing facility, the design, construction, development and installation may occur over an extended period of time, and we may not receive any material increase in operating cash flow from that project until after it is placed in service. If we experience unanticipated or extended delays in generating operating cash flow from these projects, we may be required to reduce or reprioritize our capital budget, sell non-core assets, access the capital markets or decrease distributions to unitholders in order to meet our capital requirements.

**Table of Contents*****Our actual construction, development and acquisition costs could exceed forecasted amounts.***

We will have significant expenditures for the development, construction or other acquisition of energy infrastructure assets, including some construction and development projects with significant technological challenges. For example, underwater operations, especially those in water depths in excess of 600 feet, are very expensive and involve much more uncertainty and risk, and if a problem occurs, the solution, if one exists, may be very expensive and time consuming. We may not be able to complete our projects, whether in deepwater or otherwise, at the costs estimated at the time of initiation.

***We may be unable to cause our joint ventures to take or not to take certain actions unless some or all of our joint venture participants agree.***

We participate in several joint ventures. Due to the nature of some of these joint ventures, each participant in each of these joint ventures has made substantial investments in the joint venture and, accordingly, has required that the relevant organizational documents contain certain features designed to provide each participant with the opportunity to participate in the management of the joint venture and to protect its investment in that joint venture, as well as any other assets which may be substantially dependent on or otherwise affected by the activities of that joint venture. These participation and protective features include a corporate governance structure that requires at least a majority in interest vote to authorize many basic activities and requires a greater voting interest (sometimes up to 100%) to authorize more significant activities. Examples of these more significant activities are large expenditures or contractual commitments, the construction or acquisition of assets, borrowing money or otherwise raising capital, transactions with affiliates of a joint venture participant, litigation and transactions not in the ordinary course of business, among others. Thus, without the concurrence of joint venture participants with enough voting interests, we may be unable to cause any of our joint ventures to take or not to take certain actions, even though those actions may be in the best interest of us or the particular joint venture.

Moreover, any joint venture owner may sell, transfer or otherwise modify its ownership interest in a joint venture, whether in a transaction involving third parties or the other joint venture owners. Any such transaction could result in our partnering with different or additional parties.

***The interruption of distributions to us from our subsidiaries and joint ventures may affect our ability to satisfy our obligations and to make cash distributions to our unitholders.***

We are a holding company with no business operations. Our only significant assets are the equity interests we own in our subsidiaries and joint ventures. As a result, we depend upon the earnings and cash flow of our subsidiaries and joint ventures and the distribution of that cash to us in order to meet our obligations and to allow us to make distributions to our unitholders.

In addition, the management committees of the joint ventures in which we participate typically have sole discretion regarding the occurrence and amount of distributions. Some of the joint ventures in which we participate have separate credit arrangements that contain various restrictive covenants. Among other things, those covenants may limit or restrict the joint venture's ability to make distributions to us under certain circumstances. Accordingly, our joint ventures may be unable to make distributions to us at current levels or at all.

***A natural disaster, catastrophe or other event could result in severe personal injury, property damage and environmental damage, which could curtail our operations and otherwise materially adversely affect our cash flow.***

Some of our operations involve risks of personal injury, property damage and environmental damage, which could curtail our operations and otherwise materially adversely affect our cash flow. For example, natural gas facilities operate at high pressures, sometimes in excess of 1,100 pounds per square inch. We also operate oil and natural gas facilities located underwater in the Gulf of Mexico, which can involve complexities, such as extreme water pressure. Virtually all of our operations are exposed to potential natural disasters, including hurricanes, tornadoes, storms, floods and/or earthquakes.

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If one or more facilities that are owned by us or that deliver oil, natural gas or other products to us are damaged by severe weather or any other disaster, accident, catastrophe or event, our operations could be significantly interrupted. Similar interruptions could result from damage to production or other facilities that supply our facilities or other stoppages arising from factors beyond our control. These interruptions might involve significant damage to people, property or the environment, and repairs might take from a week or less for a minor incident to six months or more for a major interruption. Additionally, some of the storage contracts that we are a party to obligate us to indemnify our customers for any damage or injury occurring during the period in which the customers' natural gas is in our possession. Any event that interrupts the fees generated by our energy infrastructure assets, or which causes us to make significant expenditures not covered by insurance, could reduce our cash available for paying our interest obligations as well as unitholder distributions and, accordingly, adversely affect the market price of our securities.

We believe that we maintain adequate insurance coverage, although insurance will not cover many types of interruptions that might occur. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our financial position and results of operations. In addition, the proceeds of any such insurance may not be paid in a timely manner and may be insufficient if such an event were to occur.

*An impairment of goodwill could reduce our earnings.*

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