ENTERPRISE PRODUCTS PARTNERS L P
Form 424B3
September 05, 2006

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-123150

SUBJECT TO COMPLETION, DATED SEPTEMBER 5, 2006

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

10,000,000 Common Units
Enterprise Products Partners L.P.
$ per common unit

We are selling 10,000,000 common units representing limited partner interests in Enterprise Products Partners L.P. Our common units are listed on the New York Stock Exchange under the symbol EPD. The last reported sales price of our common units on the New York Stock Exchange on August 31, 2006 was $26.77 per common unit.

Investing in our common units involves risk. See Risk Factors beginning on page S-13 of this prospectus supplement and on page 3 of the accompanying prospectus.

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.

	Per Common Unit	Total
Public Offering Price	$	$
Underwriting Discount	$	$
Proceeds to Enterprise Products Partners (before expenses)	$	$

We have granted the underwriters a 30-day option to purchase up to 1,500,000 additional common units to cover over-allotments.

The underwriters expect to deliver the common units on or about , 2006.

Joint Book-Running Managers

Citigroup **UBS Investment Bank**

Goldman, Sachs & Co.
Lehman Brothers
Morgan Stanley
Wachovia Securities
A.G. Edwards
Raymond James
RBC Capital Markets
Sanders Morris Harris Inc.
Banc of America Securities LLC
Natexis Bleichroeder Inc.
Oppenheimer & Co.

September , 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 our common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of common units. 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 these documents 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 common units. 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 common units in this offering.

The information presented in this prospectus supplement assumes that the underwriters do not exercise their option to purchase additional common units, unless otherwise indicated. Our, we, us and Enterprise as used in this prospectus supplement and the accompanying prospectus refer to Enterprise Products Partners L.P. and its wholly owned subsidiaries. References to the Operating Partnership are intended to mean the consolidated business and operations of our primary operating subsidiary, Enterprise Products Operating L.P.

ENTERPRISE PRODUCTS PARTNERS L.P.

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, we had revenues of $12.3 billion, operating income of $663 million and net income of $420 million. For the six months ended June 30, 2006, we had revenues of $6.8 billion, operating income of $379.5 million and net income of $260 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 13,035 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.

Onshore Natural Gas Pipelines & Services. Our Onshore Natural Gas Pipelines & Services business segment includes approximately 18,280 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.

Our Strategy

Our business strategy is to:

- capitalize on expected increases in natural gas, NGL and crude oil production resulting from development activities in the Rocky Mountain region and Gulf of Mexico;

- maintain a balanced and diversified portfolio of midstream energy assets and expand this asset base through growth capital projects and accretive acquisitions of complementary midstream energy assets;

- share capital costs and risks through joint ventures or alliances with strategic partners that will provide the raw materials for these projects or purchase the projects end products; and

- increase fee-based cash flows by investing in pipelines and other fee-based businesses.

Competitive Strengths

We believe we have the following competitive strengths:

Large-Scale, Integrated Network of Diversified Assets in Strategic Locations. We operate an integrated natural gas and NGL transportation, fractionation, processing, storage and import/export network within the United States. Our operations are strategically located to serve the major supply basins for NGL-rich natural gas, the major NGL storage hubs in North America and international markets. We believe that our location in these markets provides better access to natural gas, NGL and petrochemical supply volumes, anticipated demand growth and business expansion opportunities.

Cash-Flow Stability Through Fee-Based Businesses and Balanced Asset Mix. Our cash flow is derived primarily from fee-based businesses that are not directly affected by volatility in energy commodity prices. We have a diversified asset portfolio that provides operating income from a broad range of geographic areas and lines of business.

Relationships with Major Oil, Natural Gas and Petrochemical Companies. We have long-term relationships with many of our suppliers and customers, and we believe that we will continue to benefit from these relationships. We jointly own facilities with many of our customers who either provide raw materials to, or consume the end products from, our facilities. These joint venture partners include major oil, natural gas and petrochemical companies, including BP, Chevron, ConocoPhillips, Dow Chemical, Duke Energy Field Services, El Paso Corporation, ExxonMobil, Marathon and Shell.

Strategic Platform for Continued Expansion. We have strong business positions across our midstream energy asset base in key producing and consuming regions in North America. In addition, we have a significant portfolio of organic growth opportunities to construct new facilities or expand existing assets. These projects include the Jonah Expansion, Piceance Basin Gas Processing and Wyoming Gas Processing projects in the Rocky Mountain region and the Independence Hub offshore platform and related Independence Trail pipeline in the Gulf of Mexico.

Lower Cost of Equity Capital. We believe that our general partner s maximum incentive distribution level of 25% (as compared to 50% for most publicly traded master limited partnerships) provides us with a lower cost of equity capital than many of our competitors, enabling us to compete more effectively in acquiring assets and expanding our asset base.

Experienced Operator and Management Team. Historically, we have operated our largest natural gas processing and fractionation facilities and most of our pipelines. As the leading provider of NGL related services, we have established a reputation in the industry as a reliable and cost-effective operator. The officers of our general partner average more than 27 years of industry experience. Following this offering, Dan L. Duncan, our co-founder and the Chairman of our general partner, and his affiliates, including EPCO, Inc., or EPCO, and Enterprise GP Holdings L.P., or Enterprise GP Holdings, collectively will own or control an approximate 33.4% limited partner interest in us.

Recent Developments

Distribution Reinvestment Plan

In August 2006, we received approximately $60 million in proceeds from the issuance of approximately 2.4 million common units through the reinvestment of distributions paid on August 10, 2006 by limited partners participating in our distribution reinvestment plan. We received an additional $1.2 million from our general partner s associated equity contribution. These proceeds include approximately $53 million of distributions reinvested by affiliates of EPCO to purchase approximately 2.1 million additional common units.

Extension of Mid-America Long Term Transportation Agreements

In August 2006, Mid-America Pipeline Company, or Mid-America, one of our subsidiaries, executed new long-term transportation agreements with all but one of its current shippers on the Rocky Mountain Pipeline System pursuant to the terms and conditions of Mid-America s open season tariff that was accepted by the Federal Energy Regulatory Commission, or FERC, to be effective as of August 6, 2006. Under the terms of the agreements, shippers have committed to transport all of their current and future production of NGLs from the Rockies through Mid-America to either the Hobbs fractionator or to Mont Belvieu, Texas via the Seminole pipeline system for a minimum of 10 years and up to a maximum of 20 years.

Execution of CenterPoint Energy Long-Term Agreements

In August 2006, we executed several long-term agreements with CenterPoint Energy Resources Corp., or CenterPoint Energy, to provide firm natural gas transportation and storage services to its natural gas utility, primarily in the Houston metropolitan area. We will provide CenterPoint Energy with up to fourteen billion cubic feet, or Bcf, per year of natural gas service beginning in April 2007. Our deliveries to CenterPoint Energy through these new contracts marks the first time that we have had the opportunity to serve the growing Houston area distribution market. To provide the new services, we will enhance our Texas intrastate pipeline system through a combination of pipeline and compression projects, expand our natural gas storage facilities in Texas, acquire certain pipeline laterals located in the Houston area and construct eleven new city gate delivery stations for CenterPoint Energy. The total capital cost of these projects is estimated to be approximately $100 million and will be completed in phases throughout 2006 and 2007.

Offerings of $500 Million Junior Subordinated Notes

In July and August, 2006, the Operating Partnership closed two public offerings of an aggregate of $500 million principal amount of 8.375% Fixed/ Floating Rate Junior Subordinated Notes due 2066, or LoTS^{sm}. The LoTS^{sm} are guaranteed on a subordinated basis by us, have a 60-year final maturity and feature a fixed rate coupon of 8.375% for an initial ten-year period with an issue price of $1,000. After the initial ten-year period, the coupon will become floating. Certain of the nationally recognized debt rating agencies attribute equity credit to securities such as the LoTS^{sm} due to the equity-like characteristics of the notes. Fitch Ratings, Moody s Investors Service and Standard & Poor s ascribed 75%, 50% and intermediate (50%) equity credit to the LoTS^{sm}, respectively.

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Purchase of NGL Pipelines

In August 2006, we purchased 226 miles of NGL pipelines extending from Corpus Christi, Texas to Pasadena, Texas from ExxonMobil Pipeline Company. The total purchase price for these assets was $97.9 million in cash. We funded this asset purchase using borrowings under our multi-year revolving credit facility. These pipelines will be used to transport mixed NGLs from our South Texas natural gas processing plants to our Mont Belvieu, Texas fractionation facilities.

Receipt of Insurance Proceeds

In August 2006, we announced that we expect to receive approximately $50 million during the third quarter of 2006 from the partial recovery of business interruption insurance claims associated with Hurricanes Katrina, Rita and Ivan. The collection of these recoveries would increase our net income by approximately $0.12 per common unit. Currently during the third quarter of 2006, we have collected approximately $42 million of the estimated total. We expect to receive additional insurance recoveries during the remainder of 2006 and 2007 for business interruption claims, as well as reimbursement of costs already incurred to repair facilities damaged by the storms.

Jonah Gas Gathering System Joint Venture

In August 2006, we announced a joint venture in which we and TEPPCO Partners, L.P., or TEPPCO, became partners in TEPPCO s Jonah Gas Gathering Company, which owns the Jonah Gas Gathering system, in connection with the Phase V expansion of the system. The Jonah Gas Gathering System, located in the Greater Green River Basin of southwestern Wyoming, gathers and transports natural gas produced from the Jonah and Pinedale fields to natural gas processing plants and major interstate pipelines that deliver natural gas to end-use markets.

A letter of intent executed by us and TEPPCO in February 2006 provided that we would manage the construction and fund the initial capital cost of the Phase V expansion of the Jonah system. In connection with the joint venture arrangement, we and TEPPCO intend to continue the Phase V expansion, which is expected to increase the system capacity of the Jonah system from 1.5 billion cubic feet per day, or Bcf/d, to 2.4 Bcf/d and to significantly reduce system operating pressures, which is anticipated to lead to increased production rates and ultimate reserve recoveries. The first portion of the expansion, which is anticipated to increase the system gathering capacity to 2 Bcf/d, is projected to be completed in the first quarter of 2007 at an estimated cost of approximately $275 million. The second portion of the expansion is expected to cost approximately $140 million and be completed by the end of 2007.

We will continue to manage the Phase V construction project, and in the third quarter of 2006, TEPPCO will reimburse us approximately $52.1 million, which represents 50% of the estimated reimbursable Phase V costs through July 31, 2006. After August 1, 2006, we and TEPPCO will equally share the costs of the Phase V expansion relative to TEPPCO s expenditures on the system, including those made prior to the Phase V expansion. Our ultimate ownership interest in Jonah Gas Gathering Company will be based on our share of the total cost of the Phase V expansion. Upon completion of the expansion project, we and TEPPCO are expected to own an approximate 20% and 80% interest, respectively, in Jonah Gas Gathering Company, with us serving as operator.

The general partner of TEPPCO and 2,500,000 common units of TEPPCO are currently owned by an affiliate of Dan L. Duncan, Chairman of the board of directors of our general partner.

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Acquisition of Cerrito Natural Gas Gathering Assets

In July 2006, we acquired certain natural gas gathering systems and related gathering and processing contracts from Cerrito Gathering Company, Ltd., or Cerrito, an affiliate of Lewis Energy Group, L.P., or Lewis. The total consideration paid by us was $325 million, which consisted of approximately $146 million in cash and the issuance of approximately 7.1 million of our common units.

These Cerrito gathering systems consist of 484 miles of pipeline located in South Texas and are connected to over 1,450 wells having an aggregate production volume of over 100 million cubic feet per day, or MMcf/d, of natural gas sourced from the Olmos and Wilcox Trends in South Texas. Volumes currently gathered by the Cerrito systems are delivered into our South Texas gas processing and pipeline transportation system.

These Cerrito gathering systems will be supported by a long-term dedication by Lewis of its production from the Olmos formation. In addition to the natural gas gathering and processing dedication, the transaction also includes a long-term dedication to transport lean gas gathered and treated at Lewis Big Reef Treating facility. The Big Reef facility will gather and treat sour gas production from the southern portion of the Edwards Trend in South Texas.

Increase in Quarterly Cash Distribution Rate

On July 14, 2006, our general partner increased our quarterly cash distribution to $0.4525 per common unit, or $1.81 per common unit on an annualized basis, with respect to the second quarter of 2006. The distribution was paid on August 10, 2006 and represented a 7.7% increase over the $0.42 per unit quarterly distribution with respect to the second quarter of 2005.

Purchase of Wyoming Natural Gas Processing Plant

In March 2006, Enterprise Gas Processing, LLC, one of our affiliates, completed the acquisition of the Pioneer silica gel natural gas processing plant located near Opal, Wyoming, from an affiliate of TEPPCO. As part of the transaction, Enterprise purchased TEPPCO s rights to process natural gas originating from the Jonah and Pinedale fields located in southwest Wyoming. Upon completion of this acquisition, we commenced construction to increase the processing capacity of the Pioneer plant from 300 MMcf/d to 600 MMcf/d. This expansion was completed in July 2006. Additionally, engineering work continues on a previously announced new 650 MMcf/d cryogenic natural gas processing facility to be located adjacent to the silica gel plant. The new cryogenic plant is expected to begin service by the end of the third quarter of 2007. Natural gas liquids produced from the new cryogenic processing plant will be transported to market through Enterprise s Mid-America Pipeline and Seminole Pipeline systems that extend from the Rockies to the Texas Gulf Coast region, and will be fractionated at Enterprise s fractionators in Hobbs, Texas, which is currently under construction, or at Enterprise s complex in Mont Belvieu, Texas.

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The following chart depicts our organizational structure and ownership after giving effect to this offering.

The table below shows the ownership of our common units as of August 29, 2006 and after giving effect to this offering.

	Current Ownership		Ownership after the Offering	
	Units	**Percentage Interest**	**Units**	**Percentage Interest**
Public common units	272,804,753	63.8%	282,804,753	64.6%
EPCO common units(1)	132,924,966	31.1%	132,924,966	30.3%
Enterprise GP Holdings common units	13,454,498	3.1%	13,454,498	3.1%
General partner interest		2.0%		2.0%
Total	419,184,217	100.0%	429,184,217	100.0%

(1) Includes common units in us beneficially owned by Dan L. Duncan, related family trusts and other EPCO affiliates (excluding Enterprise GP Holdings).

Information regarding our management is set forth under Management in this prospectus supplement. Our partnership s principal offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002, and our telephone number is (713) 381-6500.

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The Offering

Common units offered	10,000,000 common units; or 11,500,000 common units if the underwriters exercise their option to purchase up to an additional 1,500,000 common units in full.
Common units outstanding after this offering	429,184,217 common units or 430,684,217 common units if the underwriters exercise their option to purchase up to an additional 1,500,000 common units in full.
Use of proceeds	We expect to use the net proceeds from this offering, including our general partner s proportionate capital contribution and any exercise of the underwriters over-allotment option, to temporarily reduce borrowings outstanding under our multi-year revolving credit facility and for general partnership purposes. Affiliates of certain of the underwriters are lenders under our multi-year revolving credit facility and, accordingly, will receive a portion of the proceeds of this offering. Please read Use of Proceeds.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand as of the end of each quarter, less reserves established by our general partner. We refer to this cash as available cash, and we define its meaning in our partnership agreement. On August 10, 2006, we paid a quarterly cash distribution with respect to the second quarter of 2006 of $0.4525 per common unit, or $1.81 per unit on an annualized basis, which represents a 7.7% increase over the $0.42 per unit quarterly distribution with respect to the second quarter of 2005. When quarterly cash distributions exceed $0.253 per unit in any quarter, our general partner receives a higher percentage of the cash distributed in excess of that amount, in increasing percentages up to 25% if the quarterly cash distributions exceed $0.3085 per unit. For a description of our cash distribution policy, please read Cash Distribution Policy in the accompanying prospectus.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through December 31, 2008, you will be allocated, on a cumulative basis, an amount of federal taxable income for the taxable years 2006 through 2008 that will be less than 10% of the cash distributed with respect to that period. Please read Material Tax Consequences in this prospectus supplement for the basis of this estimate.
New York Stock Exchange symbol	EPD
Risk factors	Investing in our common units 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 other information contained or incorporated by reference in this prospectus supplement before deciding to invest in our common units.

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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. 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 that are incorporated by reference into this prospectus supplement. The summary historical income statement and balance sheet data for the six months ended June 30, 2005 and 2006 are derived from and should be read in conjunction with the unaudited financial statements of Enterprise that are incorporated by reference into this prospectus supplement.

The summary historical financial and operating data on the following pages does not reflect events subsequent to June 30, 2006 that are discussed in Recent Developments, including (i) the issuance by the Operating Partnership in July and August 2006 of $500 million aggregate principal amount of LoTS[sm] and the related use of proceeds, (ii) the quarterly cash distribution of an aggregate $214.8 million paid on August 10, 2006, (iii) our acquisition of certain assets from Cerrito in July 2006 and related payments, borrowings and issuance of approximately 7.1 million of our common units, and (iv) our acquisition of NGL pipelines and related payments and borrowings in August 2006.

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. For explanations of and reconciliations for these non-GAAP financial measures, please read Non-GAAP Financial Measures and Non-GAAP Reconciliations.

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Summary Historical Financial and Operating Data

	Consolidated Historical For Year Ended December 31,			Consolidated Historical For Six Months Ended June 30,	
	2003	2004	2005	2005	2006
				(Unaudited)	
	(Dollars in millions, except per unit amounts)				
Income statement data:					
Revenues	$ 5,346.4	$ 8,321.2	$ 12,257.0	$ 5,227.3	$ 6,767.9
Costs and expenses:					
Operating costs and expenses	5,046.8	7,904.3	11,546.2	4,913.8	6,370.4
General and administrative	37.5	46.7	62.3	33.4	30.0
Total costs and expenses	5,084.3	7,951.0	11,608.5	4,947.2	6,400.4
Equity in income (loss) of unconsolidated affiliates	(14.0)	52.8	14.5	10.9	12.0
Operating income	248.1	423.0	663.0	291.0	379.5
Other income (expense):					
Interest expense	(140.8)	(155.7)	(230.6)	(110.2)	(114.4)
Other, net	6.4	2.1	5.4	2.1	5.4
Total other income (expense)	(134.4)	(153.6)	(225.2)	(108.1)	(109.0)
Income before provision for income taxes and minority interest	113.7	269.4	437.8	182.9	270.5
Provision for income taxes	(5.3)	(3.8)	(8.3)	(0.7)	(9.2)
Income before minority interest	108.4	265.6	429.5	182.2	261.3
Minority interest	(3.9)	(8.1)	(5.8)	(2.3)	(2.7)
Income from continuing operations	104.5	257.5	423.7	179.9	258.6
Cumulative effect of change in accounting principle		10.8	(4.2)		1.5
Net income	$ 104.5	$ 268.3	$ 419.5	$ 179.9	$ 260.1
Basic earnings per unit (net of general partner interest):					
Income from continuing operations per unit	$ 0.42	$ 0.87	$ 0.91	$ 0.39	$ 0.54
Diluted earnings per unit (net of general partner interest):					

Income from continuing operations per unit	$ 0.41	$ 0.87	$ 0.91	$ 0.39	$ 0.54
Distributions to limited partners:					
Per common unit	$ 1.47	$ 1.54	$ 1.70	$ 0.83	$ 0.90
Other financial data:					
Cash provided by operating activities	$ 424.7	$ 391.5	$ 631.7	$ 117.8	$ 571.3
Cash flows used in investing activities	662.1	941.4	1,130.4	570.4	689.8
Cash provided by financing activities	254.0	544.0	516.2	461.1	100.9
Distributions received from unconsolidated affiliates	31.9	68.0	56.1	38.9	20.3
Gross operating margin	410.4	655.2	1,136.3	521.1	623.1
EBITDA	366.4	623.2	1,079.0	495.3	600.2

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	Consolidated Historical As of December 31,			Consolidated Historical As of June 30,	
	2003	2004	2005	2005	2006
				(Unaudited)	
	(Dollars in millions, except per unit amounts)				
Balance sheet data:					
Total assets	$ 4,802.8	$ 11,315.5	$ 12,591.0	$ 11,730.0	$ 13,043.7
Total debt	2,139.5	4,281.2	4,833.8	4,583.4	4,821.4
Total partners equity	1,705.9	5,328.8	5,679.3	5,686.2	5,998.0

	Enterprise Consolidated Historical				
	For Year Ended December 31,			For Six Months Ended June 30,	
	2003	2004	2005	2005	2006
Selected volumetric operating data by segment:					
NGL Pipelines & Services, net:					
NGL transportation volumes (MBbls/d)	1,275	1,411	1,478	1,461	1,490
NGL fractionation volumes (MBbls/d)	227	307	292	332	282
Equity NGL production (MBbls/d)(1)	43	76	68	84	59
Fee-based natural gas processing in million cubit feet per day (MMcf/d)	194	1,692	1,767	2,009	2,138
Onshore Natural Gas Pipelines & Services, net:					
Natural gas transportation volumes (BBtus/d)	600	5,638	5,916	5,866	5,979
Offshore Pipelines & Services, net:					
Natural gas transportation volumes in billion British thermal units per day (BBtus/d)	433	2,081	1,780	2,004	1,500
Crude oil transportation volumes in thousands of barrels per day (MBbls/d)		138	127	139	137
Platform gas treating in thousands of decatherms per day (Mdth/d)		306	252	317	158
Platform oil treating (MBbls/d)		14	7	8	12
Petrochemical Services, net:					
Butane isomerization volumes (MBbls/d)	77	76	81	75	84
Propylene fractionation volumes (MBbls/d)	57	57	55	55	54
Octane additive production volumes (MBbls/d)	4	10	6	4	7
Petrochemical transportation volumes (MBbls/d)	68	71	64	73	90

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

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Non-GAAP Financial Measures

We include in this prospectus supplement the non-GAAP financial measures of gross operating margin and EBITDA and provide reconciliations of these non-GAAP financial measures to their most directly comparable financial measure or measures calculated and presented in accordance with GAAP.

Gross Operating Margin

We define gross operating margin as operating income before: (1) depreciation, amortization and accretion expense; (2) operating lease expenses for which we do not have the cash payment obligation; (3) gains and losses on the sale of assets; and (4) selling and administrative expenses. We view gross operating margin as an important performance measure of the core profitability of our operations. This measure forms the basis of our internal financial reporting and is used by our senior management in deciding how to allocate capital resources among business segments. We believe that investors benefit from having access to the same financial measures that our management uses. The GAAP measure most directly comparable to gross operating margin is operating income.

EBITDA

EBITDA is defined 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 our management and by external users of financial statements such as investors, commercial banks, research analysts and ratings agencies, to assess:

- the financial performance of our assets without regard to financing methods, capital structures or historical costs basis;
- the ability of our assets to generate cash sufficient to pay interest costs and support our indebtedness;
- our 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. We have reconciled our historical EBITDA amounts to our consolidated net income and net cash provided by operating activities.

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Non-GAAP Reconciliations

The following table presents a reconciliation of our non-GAAP financial measures 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:

	Consolidated Historical for Year Ended December 31,			Consolidated Historical for Six Months Ended June 30,	
	2003	2004	2005	2005	2006
				(Unaudited)	
	(Dollars in millions)				
Reconciliation of Non-GAAP Gross operating margin to GAAP Operating income					
Operating income	$ 248.1	$ 423.0	$ 663.0	$ 291.0	$ 379.5
Adjustments to reconcile Operating income to Gross operating margin:					
Depreciation, amortization and accretion in operating costs and expenses	115.7	193.7	413.4	201.0	212.8
Operating lease expense paid by EPCO, net in operating costs and expenses	9.1	7.7	2.1	1.0	1.0
Gain on sale of assets in operating costs and expenses		(15.9)	(4.5)	(5.3)	(0.2)
General and administrative costs	37.5	46.7	62.3	33.4	30.0
Total Gross Operating Margin	$ 410.4	$ 655.2	$ 1,136.3	$ 521.1	$ 623.1
Reconciliation of Non-GAAP EBITDA to GAAP Net income or Income from continuing operations and GAAP Net cash provided by operating activities					
Net income	$ 104.5	$ 268.3	$ 419.5	$ 179.9	$ 260.1
Adjustments to derive EBITDA:					
Interest expense	140.8	155.7	230.6	110.2	114.4
Provision for income taxes	5.3	3.8	8.3	0.7	9.2
Depreciation, amortization and accretion in costs and expenses	115.8	195.4	420.6	204.5	216.5
EBITDA	366.4	623.2	1,079.0	495.3	600.2
Interest expense	(140.8)	(155.7)	(230.6)	(110.2)	(114.4)
Amortization in interest expense	12.6	3.5	0.1	(0.3)	0.5
Provision for income taxes	(5.3)	(3.8)	(8.3)	(0.7)	(9.2)
Provision for impairment charge	1.2	4.1			
Equity in loss (income) of unconsolidated affiliates	14.0	(52.8)	(14.5)	(10.9)	(12.0)
Distributions from unconsolidated affiliates	31.9	68.0	56.1	38.9	20.3
Gain on sale of assets		(15.9)	(4.5)	(5.3)	(0.2)
	9.0	7.7	2.1	1.0	1.0

Operating lease expense paid by EPCO (excluding minority interest portion)					
Other expenses paid by EPCO	0.4				
Minority interest	3.9	8.1	5.8	2.3	2.7
Deferred income tax expense	10.5	9.6	8.6	3.9	9.2
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)	(296.3)	74.7
Net cash provided by operating activities	$ 424.7	$ 391.5	$ 631.7	$ 117.8	$ 571.3

RISK FACTORS

An investment in our common units 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 trading price of our common units could decline, and you could lose part or all of your investment.

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

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. 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.

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.

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.

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

As of June 30, 2006, we had approximately $4.9 billion of consolidated debt principal outstanding. As of August 29, 2006, we had approximately $5.2 billion of consolidated debt principal outstanding. See Recent

Developments regarding the issuance of $500 million aggregate principal amount of LoTS℠ and certain transactions that were funded in part by borrowings subsequent to June 30, 2006. The amount of our future debt could have significant effects on our operations, including, among other things:

- a significant portion of our cash flow could be dedicated to the payment of principal and interest on our future debt and may not be available for other purposes, including the 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. Although our multi-year revolving credit facility restricts our ability to incur additional debt above certain levels, any debt we may incur in compliance with these restrictions may still be substantial. For information regarding our multi-year revolving credit facility, please read Note 14 of the Notes to Consolidated Financial Statements included under Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2005 and Note 10 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006.

Our multi-year revolving credit facility and each of our indentures for our public debt contain conventional financial covenants and other restrictions. For example, we are prohibited from making distributions to our partners if such distributions would cause an event of default or otherwise violate a covenant under our multi-year revolving credit facility. A breach of any of these restrictions by us could permit our lenders or noteholders, as applicable, to declare all amounts outstanding under these debt agreements to be immediately due and payable and, in the case of our multi-year revolving credit facility, to terminate all commitments to extend further credit. For additional information regarding our multi-year revolving credit facility, please read Note 14 of the Notes to Consolidated Financial Statements included under Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2005 and Note 10 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006.

Our ability to access 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 prevailing market conditions. Moreover, if the rating agencies were to downgrade our credit ratings, then we could experience an increase in our borrowing costs, difficulty assessing 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 our 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 thereby impact our ability to pay cash distributions at expected rates.

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

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 diversifying our asset portfolio, thereby providing more stable cash flow. We regularly consider and enter into discussions regarding, and are currently contemplating and/or pursuing, 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.

We will require substantial new capital to finance the future development and acquisition of assets and businesses. Any limitations on our access to capital will impair our ability to execute this strategy. If the cost of such capital becomes too expensive, our ability to develop or acquire accretive assets will be limited. We may not be able to raise the necessary funds on satisfactory terms, if at all. The primary factors that influence our initial cost of equity include market conditions, fees we pay to underwriters and other offering costs, which include amounts we pay for legal and accounting services. The primary factors influencing our cost of borrowing include interest rates, credit spreads, covenants, underwriting or loan origination fees and similar charges we pay to lenders.

In addition, we are experiencing increased competition for the types of assets and businesses we have historically purchased or acquired. Increased competition for a limited pool of assets could result in our losing to other bidders more often or acquiring assets at less attractive prices. Either occurrence would limit our ability to fully execute our growth strategy. Our inability to execute our growth strategy may materially adversely affect our ability to maintain or pay higher distributions in the future.

Our growth strategy may adversely affect our results of operations if we do not successfully integrate the businesses that we acquire 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. 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 results of operations, cash flows and financial condition. 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 construction projects involving existing and new facilities for which significant capital has been or will be expended, and our operating cash flow from a particular project may not increase until a period of time after 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 a period of time after it is placed in service. If we experience any 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 or limit distributions to unitholders in order to meet our capital requirements.

Our actual construction, development and acquisition costs could exceed forecasted amounts.

We will have significant expenditures for the development and construction of energy infrastructure assets, including some construction and development projects with significant technological challenges. We may not be able to complete our projects at the costs estimated at the time of each project s initiation.

Substantially all of the common units in us that are owned by EPCO and its affiliates are pledged as security under EPCO s credit facility. Additionally, all of the member interests in our general partner and all of the common units in us that are owned by Enterprise GP Holdings are pledged under its credit facility. Upon an event of default under either of these credit facilities, a change in ownership or control of us could ultimately result.

An affiliate of EPCO has pledged substantially all of its common units in us as security under its credit facility. EPCO s credit facility contains customary and other events of default relating to defaults of EPCO and certain of its subsidiaries, including certain defaults by us and other affiliates of EPCO. An event of default, followed by a foreclosure on EPCO s pledged collateral, could ultimately result in a change in ownership of us. In addition, the 100% membership interest in our general partner and the 13,454,498 of our common units that are owned by Enterprise GP Holdings are pledged under Enterprise GP Holdings credit facility. Enterprise GP Holdings credit facility contains customary and other events of default. Upon an event of default, the lenders under Enterprise GP Holdings credit facility could foreclose on Enterprise GP Holdings assets, which could ultimately result in a change in control of our general partner and a change in the ownership of our units held by Enterprise GP Holdings.

The credit and risk profile of our general partner and its owners could adversely affect our credit ratings and profile.

The credit and business risk profiles of the general partner or owners of a general partner may be factors in credit evaluations of a master limited partnership. This is because the general partner can exercise significant influence over the business activities of the partnership, including its cash distribution and acquisition strategy and business risk profile. Another factor that may be considered is the financial condition of the general partner and its owners, including the degree of their financial leverage and their dependence on cash flow from the partnership to service their indebtedness.

Entities controlling the owner of our general partner have significant indebtedness outstanding and are dependent principally on the cash distributions from their general partner and limited partner equity interests in us to service such indebtedness. Any distributions by us to such entities will be made only after satisfying our then current obligations to our creditors. Although we have taken certain steps in our organizational structure, financial reporting and contractual relationships to reflect the separateness of us and Enterprise Products GP from the entities that control Enterprise Products GP, our credit ratings and business risk profile could be adversely affected if the ratings and risk profiles of the entities that control our general partner were viewed as substantially lower or more risky than ours.

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

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 partners.

In addition, the charter documents governing our joint ventures typically vest in the joint venture management committee sole discretion regarding the occurrence and amount of distributions. Some of the joint ventures in which we participate have separate credit agreements 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 if at all.

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 arrangements, each participant in these joint ventures has made substantial investments in the joint venture and, accordingly, has required that the relevant charter 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, 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 customarily 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 (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 us being required to partner with different or additional parties.

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 and, accordingly, affect the market price of our common units.

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.

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

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revenues generated by our operations, or which causes us to make significant expenditures not covered by insurance, could reduce our cash available for paying distributions and, accordingly, adversely affect the market price of our common units.

We believe that EPCO maintains adequate insurance coverage on behalf of us, 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, EPCO may not be able to renew existing insurance policies on behalf of us 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 and intangible assets could reduce our earnings.

At June 30, 2006, our balance sheet reflected approximately $494 million of goodwill and approximately $909.3 million of intangible assets. Goodwill is recorded when the purchase price of a business exceeds the fair market value of the tangible and separately measurable intangible net assets. GAAP requires us to test goodwill for impairment on an annual basis or when events or circumstances occur indicating that goodwill might be impaired. Long-lived assets such as intangible assets with finite useful lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If we determine that any of our goodwill or intangible assets were impaired, we would be required to take an immediate charge to earnings with a correlative effect on partners equity and balance sheet leverage as measured by debt to total capitalization.

Increases in interest rates could materially adversely affect our business, results of operations, cash flows and financial condition.

In addition to our exposure to commodity prices, we have significant exposure to increases in interest rates. As of June 30, 2006, we had approximately $4.8 billion of consolidated debt, of which approximately $3.3 billion was at fixed interest rates and approximately $1.5 billion was at variable interest rates, after giving effect to existing interest swap arrangements. From time to time, we may enter into additional interest rate swap arrangements, which could increase our exposure to variable interest rates. As a result, our results of operations, cash flows and financial condition, could be materially adversely affected by significant increases in interest rates.

In July and August 2006, the Operating Partnership issued an aggregate of $500 million principal amount of LoTS^{sm}. After the conclusion of the fixed rate period for the LoTS^{sm} on August 1, 2016, the LoTS^{sm} will begin to bear interest at a floating rate equal to a 3-month LIBOR rate for the related interest period plus 3.7075%. The floating rate may be volatile over time and could be substantially more than the fixed rate.

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

The use of derivative financial instruments could result in material financial losses by us.

We historically have sought to limit a portion of the adverse effects resulting from changes in oil and natural gas commodity prices and interest rates by using financial derivative instruments and other hedging mechanisms from time to time. To the extent that we hedge our commodity price and interest rate exposures, we will forego the benefits we would otherwise experience if commodity prices or interest rates were to change in our favor. In addition, even though monitored by management, hedging activities can result in losses. Such losses could occur under various circumstances, including if a counterparty does not perform its obligations under the hedge arrangement, the hedge is imperfect, or hedging policies and procedures are not followed.

Environmental costs and liabilities and changing environmental regulation could materially affect our results of operations, cash flows and financial condition.

Our operations are subject to extensive federal, state and local regulatory requirements relating to environmental affairs, health and safety, waste management and chemical and petroleum products. These include, for example, (1) the federal Clean Air Act and comparable state laws and regulations that impose obligations related to air emissions, (2) the federal Resource Conservation and Recovery Act, or RCRA, and comparable state laws that impose requirements for the discharge of waste from our facilities and (3) the Comprehensive Environmental Response Compensation and Liability Act of 1980, or CERCLA, also known as Superfund, and comparable state laws that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by us or locations to which we have sent waste for disposal. Governmental authorities have the power to enforce compliance with applicable regulations and permits and to subject violators to administrative, civil and criminal penalties, including substantial fines, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental laws, including CERCLA and analogous state laws and regulations, impose strict, joint and several liability for costs required to cleanup and restore sites where hazardous substances or hydrocarbons have been disposed or otherwise released. Moreover, third parties, including neighboring landowners, may also have the right to pursue legal actions to enforce compliance or to recover for personal injury and property damage allegedly caused by the release of hazardous substances, hydrocarbons or other waste products into the environment.

We will make expenditures in connection with environmental matters as part of normal capital expenditure programs. However, future environmental law developments, such as stricter laws, regulations, permits or enforcement policies, could significantly increase some costs of our operations, including the handling, manufacture, use, emission or disposal of substances and wastes.

Our pipeline integrity program may impose significant costs and liabilities on us.

Pursuant to the Pipeline Safety Improvement Act of 2002, the United States Department of Transportation (DOT) has adopted regulations requiring pipeline operators to develop integrity management programs for transportation pipelines located where a leak or rupture could do the most harm in high consequence areas. The regulations require operators to:

- perform ongoing assessments of pipeline integrity;
- identify and characterize applicable threats to pipeline segments that could impact a high consequence area;
- improve data collection, integration and analysis;
- repair and remediate the pipeline as necessary; and
- implement preventive and mitigating actions.

At this time, we cannot predict the ultimate costs of compliance with this rule because those costs will depend on the number and extent of any repairs found to be necessary as a result of the pipeline integrity testing that is required by the rule. We will continue our pipeline integrity testing programs to assess and maintain the integrity of our pipelines. The results of these tests could cause us to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure the continued safe and reliable operation of our pipelines.

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We are subject to strict regulations at many of our facilities regarding employee safety, and failure to comply with these regulations could adversely affect our ability to make distributions to you.

The workplaces associated with our pipelines are subject to the requirements of the federal Occupational Safety and Health Act, or OSHA, and comparable state statutes that regulate the protection of the health and safety of workers. In addition, the OSHA hazard communication standard requires that we maintain information about hazardous materials used or produced in our operations and that we provide this information to employees, state and local governmental authorities and local residents. The failure to comply with OSHA requirements or general industry standards, keep adequate records or monitor occupational exposure to regulated substances could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to you.

Federal, state or local regulatory measures could materially adversely affect our business, results of operations, cash flows and financial condition.

The Federal Energy Regulatory Commission, or FERC, regulates our interstate natural gas pipelines and interstate natural gas storage facilities under the Natural Gas Act, and interstate NGL and petrochemical pipelines under the Interstate Commerce Act. The Surface Transportation Board regulates our interstate propylene pipelines. State regulatory agencies regulate our intrastate natural gas and NGL pipelines, intrastate storage facilities and gathering lines.

Under the Natural Gas Act, the FERC has authority to regulate natural gas companies that provide natural gas pipeline transportation services in interstate commerce. Its authority to regulate those services is comprehensive and includes the rates charged for the services, terms and condition of service and certification and construction of new facilities. The FERC requires that our services are provided on a non-discriminatory basis so that all shippers have open access to our pipelines and storage. Pursuant to the FERC s jurisdiction over interstate gas pipeline rates, existing pipeline rates may be challenged by customer complaint or by the FERC Staff and proposed rate increases may be challenged by protest.

We have interests in natural gas pipeline facilities offshore from Texas and Louisiana. These facilities are subject to regulation by the FERC and other federal agencies, including the Department of Interior under the Outer Continental Shelf Lands Act and the Department of Transportation s Office of Pipeline Safety under the Natural Gas Pipeline Safety Act.

Our intrastate NGL and natural gas pipelines are subject to regulation in many states, including Alabama, Colorado, Louisiana, Mississippi, New Mexico and Texas, and our intrastate natural gas pipelines are subject to regulation by the FERC pursuant to Section 311 of the Natural Gas Policy Act. We also have natural gas underground storage facilities in Louisiana, Mississippi and Texas. Although state regulation is typically less onerous than at the FERC, proposed and existing rates subject to state regulation and the provision of services on a non-discriminatory basis are also subject to challenge by protest and complaint, respectively.

For a general overview of federal, state and local regulation applicable to our assets, please read the regulation and environmental information included under Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2005. This regulatory oversight can affect certain aspects of our business and the market for our products and could materially adversely affect our cash flows.

Terrorist attacks aimed at our facilities could adversely affect our business, results of operations, cash flows and financial condition.

Since the September 11, 2001 terrorist attacks on the United States, the United States government has issued warnings that energy assets, including our nation s pipeline infrastructure, may be the future target of terrorist organizations. Any terrorist attack on our facilities or pipelines or those of our customers could have a material adverse effect on our business.

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We depend on the leadership and involvement of Dan L. Duncan for the success of our and our subsidiaries businesses.

We depend on the leadership, involvement and services of Dan L. Duncan, the founder of EPCO and the Chairman of our general partner. Mr. Duncan has been integral to our success and the success of EPCO due in part to his ability to identify and develop business opportunities, make strategic decisions and attract and retain key personnel. The loss of his leadership and involvement or the services of any members of our senior management team could have a material adverse effect on our business, results of operations, cash flows and financial condition.

Some of our executive officers and directors face potential conflicts of interest in managing our business.

Certain of our executive officers and directors are also officers and/or directors of EPCO, the general partner of Enterprise GP Holdings, the general partner of TEPPCO and other affiliates of EPCO. These relationships may create conflicts of interest regarding corporate opportunities and other matters. The resolution of any such conflicts may not always be in our or our unitholders best interests. In addition, these overlapping executive officers and directors allocate their time among EPCO, Enterprise GP Holdings, TEPPCO and other affiliates of EPCO. These officers and directors face potential conflicts regarding the allocation of their time, which may adversely affect our business, results of operations and financial condition. Please read Management for more detailed information on which of our officers and directors serve as officers and/or directors of EPCO, Enterprise GP Holdings, TEPPCO and other affiliates of EPCO.

Risks Related to Our Common Units as a Result of Our Partnership Structure

We may issue additional securities without the approval of our common unitholders.

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

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

We may not have sufficient cash from operations to pay distributions at the current level following establishment of cash reserves and payments of fees and expenses, including payments to Enterprise Products GP.

Because distributions on our common units are dependent on the amount of cash we generate, distributions may fluctuate based on our performance. We cannot guarantee that we will continue to pay distributions at the current level each quarter. The actual amount of cash that is available to be distributed each quarter will depend upon numerous factors, some of which are beyond our control and the control of Enterprise Products GP. These factors include but are not limited to the following:

- the level of our operating costs;
- the level of competition in our business segments;
- prevailing economic conditions;
- the level of capital expenditures we make;

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- the restrictions contained in our debt agreements and our debt service requirements;
- fluctuations in our working capital needs;
- the cost of acquisitions, if any; and
- the amount, if any, of cash reserves established by Enterprise Products GP in its sole discretion.

In addition, you should be aware that our ability to pay the minimum quarterly distribution each quarter depends primarily on our cash flow, including cash flow from financial reserves and working capital borrowings, not solely on profitability, which is affected by non-cash items. As a result, we may make cash distributions during periods when we record losses and we may not make distributions during periods when we record net income.

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

Unlike a corporation, our partnership agreement requires us to make quarterly distributions to our unitholders of all available cash reduced by any amounts of reserves for commitments and contingencies, including capital and operating costs and debt service requirements. The value of our units and other limited partner interests may decrease in direct correlation with decreases in the amount we distribute per unit. Accordingly, if we experience a liquidity problem in the future, we may not be able to issue more equity to recapitalize.

Cost reimbursements and fees due to Enterprise Products GP may be substantial and will reduce our cash available for distribution to holders of our units.

Prior to making any distribution on our units, we will reimburse Enterprise Products GP and its affiliates, including officers and directors of Enterprise Products GP, for expenses they incur on our behalf. The reimbursement of expenses could adversely affect our ability to pay cash distributions to holders of our units. Enterprise Products GP has sole discretion to determine the amount of these expenses. In addition, Enterprise Products GP and its affiliates may provide other services to us for which we will be charged fees as determined by Enterprise Products GP.

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

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

- neither our partnership agreement nor any other agreement requires Enterprise Products GP or EPCO to pursue a business strategy that favors us;
- decisions of Enterprise Products GP regarding the amount and timing of asset purchases and sales, cash expenditures, borrowings, issuances of additional units and reserves in any quarter may affect the level of cash available to pay quarterly distributions to unitholders and Enterprise Products GP;
- under our partnership agreement, Enterprise Products GP determines which costs incurred by it and its affiliates are reimbursable by us;
- Enterprise Products GP is allowed to resolve any conflicts of interest involving us and Enterprise Products GP and its affiliates;
- Enterprise Products GP is allowed to take into account the interests of parties other than us, such as EPCO, in resolving conflicts of interest, which has the effect of limiting its fiduciary duty to unitholders;

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

affiliates of Enterprise Products GP, including TEPPCO, may compete with us in certain circumstances;

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

we do not have any employees and we rely solely on employees of EPCO and its affiliates;

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

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

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

Enterprise Products GP controls the enforcement of obligations owed to us by our general partner and its affiliates; and

Enterprise Products GP decides whether to retain separate counsel, accountants or others to perform services for us.

We have significant business relationships with entities controlled by Dan L. Duncan, including EPCO and TEPPCO. For detailed information on these relationships and related transactions with these entities during 2005, please read Item 13 of our Annual Report on Form 10-K for the year ended December 31, 2005 and Note 13 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Item 1 of each of our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2006 and June 30, 2006.

Even if unitholders are dissatisfied, they cannot easily remove Enterprise Products GP.

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

Furthermore, if unitholders are dissatisfied with the performance of our general partner, they currently have no practical ability to remove Enterprise Products GP or the officers or directors of Enterprise Products GP. Enterprise Products GP may not be removed except upon the vote of the holders of at least 60% of our outstanding units voting together as a single class. Because affiliates of Enterprise Products GP will own approximately 34.1% of our outstanding common units after this offering, the removal of Enterprise Products GP as our general partner is not practicable without the consent of Enterprise Products GP and its affiliates.

Unitholders voting rights are further restricted by a provision in our partnership agreement stating that any units held by a person that owns 20% or more of any class of our units then outstanding, other than our general partner and its affiliates, cannot be voted on any matter. In addition, our partnership agreement contains provisions limiting the ability of unitholders to call meetings or to acquire information about our operations, as well as other provisions limiting our unitholders ability to influence the manner or direction of our management.

As a result of these provisions, the trading price of our common units may be lower than other forms of equity ownership because of the absence or reduction of a takeover premium in the trading price.

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

If at any time Enterprise Products GP and its affiliates own 85% or more of the common units then outstanding, Enterprise Products GP will have the right, but not the obligation, which it may assign to any of its affiliates or to us, to acquire all, but not less than all, of the remaining common units held by unaffiliated persons at a price not less than the then current market price. As a result, common unitholders may be required to sell their common units at an undesirable time or price and may therefore not receive any return on their investment. They may also incur a tax liability upon a sale of their units.

Our common unitholders may not have limited liability if a court finds that limited partner actions constitute control of our business.

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

Under Delaware law, our general partner generally has unlimited liability for our obligations, such as our debts and environmental liabilities, except for those of our contractual obligations that are expressly made without recourse to our general partner.

In addition, Section 17-607 of the Delaware Revised Uniform Limited Partnership Act provides that, under some circumstances, a limited partner may be liable to us for the amount of a distribution for a period of three years from the date of the distribution.

A large number of our outstanding common units may be sold in the market, which may depress the market price of our common units.

Shell owns 27,407,279 of our common units, representing approximately 6.5% of our outstanding common units at August 29, 2006, and has publicly announced its intention to reduce its holdings of our common units on an orderly schedule over a period of years, taking into account market conditions. All of the common units held by Shell are registered for resale under our effective registration statement on Form S-3.

Sales of a substantial number of our common units in the public market could cause the market price of our common units to decline. As of August 29, 2006, we had 419,184,217 common units outstanding. Sales of a substantial number of these common units in the trading markets, whether in a single transaction or series of transactions, or the possibility that these sales may occur, could reduce the market price of our outstanding common units. In addition, these sales, or the possibility that these sales may occur, could make it more difficult for us to sell our common units in the future.

Tax Risks to Common Unitholders

Our tax treatment depends on our status as a partnership for federal income tax purposes, as well as our not being subject to entity level taxation by any state. If the IRS were to treat us as a corporation or if we were to become subject to a material amount of entity level taxation for state tax purposes, then our cash available for distribution to our common unitholders would be substantially reduced.

The anticipated after-tax economic benefit of an investment in our common units depends largely on our being treated as a partnership for federal income tax purposes. We have not requested, and do not plan to request, a ruling from the Internal Revenue Service (IRS) on this matter.

If we were treated as a corporation for federal income tax purposes, we would pay 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. Distributions to our unitholders would generally be taxed again as corporate distributions, and no income, gains, losses or deductions would flow though to our unitholders. Because a tax would be imposed upon us as a corporation, the cash available for distributions to our common unitholders would be substantially reduced. Therefore, treatment of us as a corporation would result in a material reduction in the after-tax return to our common unitholders, likely causing a substantial reduction in the value of our common units.

Current law may change, causing us to be treated as a corporation for federal income tax purposes or otherwise subjecting us to entity level federal taxation. In addition, several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise or other forms of taxation. For example, we will be subject to a new entity level tax on the portion of our income generated in Texas beginning in 2007. Specifically, the Texas margin tax will be imposed at a maximum effective rate of 0.7% of our gross income apportioned to Texas. Imposition of such tax on us by Texas, or any other state, will reduce the cash available for distribution to our common unitholders.

A successful IRS contest of the federal income tax positions we take may adversely impact the market for our common units, and the costs of any contests will be borne by our unitholders and our general partner.

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 our common units and the price at which our common units trade. In addition, the costs of any contest with the IRS, principally legal, accounting and related fees, will be borne indirectly by our unitholders and our general partner.

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

Common unitholders will be required to pay federal income taxes and, in some cases, state and local income taxes on their share of our taxable income even if they do not receive any cash distributions from us. Our common unitholders may not receive cash distributions from us equal to their share of our taxable income or even equal to the actual tax liability which results from their share of our taxable income.

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

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

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

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

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We will treat each purchaser of our common units as having the same tax benefits without regard to the units purchased. The IRS may challenge this treatment, which could adversely affect the value of our common units.

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

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

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

The sale or exchange of 50% or more of our capital and profits interests during any twelve-month period will result in the termination of our partnership for federal income tax purposes.

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

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USE OF PROCEEDS

We expect to receive net proceeds, based on an assumed public offering price of $26.77 per common unit, of approximately $262.5 million from the sale of 10,000,000 common units in this offering (including the net capital contribution of $5.3 million from our general partner to maintain its 2% general partner interest), after deducting underwriting discounts, commissions and estimated offering expenses payable by us. If the underwriters exercise their over-allotment option in full, we will receive net proceeds of approximately $302 million, including a proportionate net capital contribution of $6 million from our general partner. We will use the net proceeds of this offering, including any exercise of the underwriters over-allotment option, 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 June 30, 2006, we had $530 million of borrowings outstanding under our multi-year revolving credit facility that bears interest at a variable rate, which is currently approximately 5.83% per annum. Commitments of $48 million under our multi-year revolving credit facility mature in October 2010 and commitments of $1.2 billion mature in October 2011. Affiliates of certain of the underwriters are lenders under our multi-year revolving credit facility and, accordingly, will receive a portion of the proceeds of this offering. Please read Underwriting. See Recent Developments regarding certain transactions that were funded in part with borrowings under our multi-year revolving credit facility subsequent to June 30, 2006.

A $1.00 increase (decrease) in the assumed public offering price per common unit would increase (decrease) the net proceeds to us from this offering by $9.8 million, assuming the number of common units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts, commissions and estimated offering expenses payable by us. The foregoing increase (decrease) includes the net capital contribution from our general partner to maintain its 2% general partner interest, which net capital contribution will increase (decrease) by $0.2 million for each $1.00 increase (decrease) in the assumed public offering price per common unit and based on the other assumptions noted above. For a further description of the effect of the use of proceeds on our capitalization, please read Capitalization.

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PRICE RANGE OF COMMON UNITS AND DISTRIBUTIONS

On August 29, 2006, we had 419,184,217 common units outstanding, beneficially held by approximately 155,000 holders. Our common units are traded on the New York Stock Exchange under the symbol EPD.

The following table sets forth, for the periods indicated, the high and low sales price ranges for our common units, as reported on the New York Stock Exchange Composite Transaction Tape, and the amount, record date and payment date of the quarterly cash distributions paid per common unit. The last reported sales price of our common units on the New York Stock Exchange on August 31, 2006 was $26.77 per common unit.

	Price Ranges		Cash Distribution History		
	High	**Low**	**Per Unit**	**Record Date**	**Payment Date**
2004					
1st Quarter	$ 24.72	$ 21.75	$ 0.3725	April 30, 2004	May 12, 2004
2nd Quarter	23.84	20.00	0.3725	July 30, 2004	August 6, 2004
3rd Quarter	23.70	20.19	0.3950	October 29, 2004	November 5, 2004
4th Quarter	25.99	22.73	0.4000	January 31, 2005	February 14, 2005
2005					
1st Quarter	$ 28.35	$ 23.15	$ 0.4100	April 29, 2005	May 10, 2005
2nd Quarter	27.09	24.77	0.4200	July 29, 2005	August 10, 2005
3rd Quarter	27.66	23.50	0.4300	October 31, 2005	November 8, 2005
4th Quarter	26.02	23.38	0.4375	January 31, 2006	February 9, 2006
2006					
1st Quarter	$ 26.00	$ 23.69	$ 0.4450	April 28, 2006	May 10, 2006
2nd Quarter	25.71	23.76	0.4525	July 31, 2006	August 10, 2006
3rd Quarter(1)	27.06	25.00	(2)		

(1) Through August 31, 2006.

(2) The distribution with respect to the 3rd quarter of 2006 has neither been declared nor paid.

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CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2006:

on a consolidated historical basis; and

on an as adjusted basis to give effect to:

(i) the issuance of $500 million in aggregate principal amount of LoTS[sm] by the Operating Partnership in July and August 2006, and the application of all of the net proceeds therefrom to temporarily reduce borrowings under our multi-year revolving credit facility;

(ii) the sale of 10,000,000 common units in this offering at an assumed public offering price of $26.77 per common unit; our general partner s proportionate net capital contribution of $5.3 million; and the application of $23.8 million of the net proceeds of $262.5 million (before exercise of the underwriters over-allotment option) to temporarily reduce debt under our multi-year revolving credit facility. For as adjusted presentation purposes only, $238.7 million of the expected net proceeds from this offering are shown as being retained in cash for general partnership purposes.

The as adjusted data on the following page does not reflect events subsequent to June 30, 2006 that are not significant individually or in the aggregate and discussed in Recent Developments. These events include: (i) the quarterly cash distribution of an aggregate $214.8 million paid on August 10, 2006; (ii) our acquisition of certain assets from Cerrito in July 2006 and related payments, borrowings and issuance of common units; and (iii) our acquisition of NGL pipelines and related payments and borrowings in August 2006.

On an as adjusted basis, after giving effect to the issuance of the units in this offering, the issuance of the LoTS[sm] and the related application of net proceeds from each, the as adjusted interest expense would have increased by $5.6 million for the six months ended June 30, 2006 and $11.4 million for the year ended December 31, 2005.

The historical data in the table on the following page are derived from and should be read in conjunction with our historical financial statements, including the accompanying notes, incorporated by reference in this prospectus supplement.

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Historical and As Adjusted Capitalization
As of June 30, 2006

	Historical	As Adjusted(2)
	(Dollars in millions)	
Cash and cash equivalents	$ 24.5	$ 255.6
Long-term borrowings, including current portions:		
Multi-Year Revolving Credit Facility, variable rate, due October 2011(1)	$ 530.0	$
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, variable rate, due June 2007	10.0	10.0
GulfTerra senior notes and senior subordinated notes	5.1	5.1
Other, including unamortized discounts and premiums	(77.7)	(71.5)
Total senior debt obligations	4,821.4	4,297.6
Junior Notes A, due August 2066 (the LoTSsm)		500.0
Total debt obligations	4,821.4	4,797.6
Minority interest	120.7	120.7
Partners equity:		
Limited partners	5,857.6	6,114.8
General partner	119.5	124.8
Accumulated other comprehensive income	10.9	10.9
Total partners equity	5,988.0	6,250.5
Total capitalization	$ 10,930.1	$ 11,168.8

(1) As of August 29, 2006, we had $300 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 commitments of $1.2 billion mature in October 2011.

(2) A $1.00 increase (decrease) in the assumed public offering price per common unit (a) would increase (decrease) our as adjusted cash and cash equivalents by $9.8 million, and (b) would increase (decrease) our as adjusted

limited partner capital accounts by $9.6 million, and our as adjusted general partner capital account by $0.2 million. These changes assume that the number of common units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts, commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and following the completion of this offering will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

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MANAGEMENT

The following table sets forth the name, age and position of each of the directors and executive officers of our general partner at August 31, 2006. Each executive officer holds the same respective office shown below in the general partner of the Operating Partnership. Each member of the Board of Directors serves until such member s death, resignation or removal. The executive officers are elected for one-year terms and may be removed, with or without cause, only by the Board of Directors. Our unitholders do not elect the officers or directors of Enterprise Products GP. Dan L. Duncan, through his indirect control of Enterprise Products GP, has the ability to elect, remove and replace at any time, all of the officers and directors of Enterprise Products GP.

Three of our nine directors are independent under the independence standards established by the New York Stock Exchange. The New York Stock Exchange does not require a listed limited partnership like us to have a majority of independent directors on the board of directors of our general partner. As described below, certain of our officers and directors are also officers and/or directors of (i) EPCO, (ii) EPE Holdings, LLC, or EPE Holdings, the general partner of Enterprise GP Holdings, (iii) Texas Eastern Products Pipeline Company, LLC, or TEPPCO GP, the general partner of TEPPCO, and (iv) other affiliates of EPCO. These overlapping executive officers and directors allocate their time among EPCO, Enterprise GP Holdings, TEPPCO and other affiliates of EPCO. These officers and directors face potential conflicts regarding the allocation of their time and business opportunities, which may adversely affect our business, results of operations and financial condition.

Name	Age	Position with Enterprise Products GP
Dan L. Duncan(1)	73	Director and Chairman
Robert G. Phillips(1)	51	Director, President and Chief Executive Officer
Dr. Ralph S. Cunningham(1)	65	Director, Group Executive Vice President and Chief Operating Officer
Michael A. Creel(1)	52	Director, Executive Vice President and Chief Financial Officer
Richard H. Bachmann(1)	53	Director, Executive Vice President, Chief Legal Officer and Secretary
W. Randall Fowler(1)	49	Director, Senior Vice President and Treasurer
E. William Barnett(2,3,5)	73	Director
Philip C. Jackson(2,3,4)	77	Director
Stephen L. Baum(2,3)	65	Director
James H. Lytal(1)	48	Executive Vice President
A.J. Teague(1)	61	Executive Vice President
Michael J. Knesek(1)	52	Senior Vice President, Controller and Principal Accounting Officer

(1) Executive officer

(2) Member of Audit and Conflicts Committee

(3) Member of Governance Committee

(4) Chairman of Audit and Conflicts Committee

(5) Chairman of Governance Committee

Dan L. Duncan was elected Chairman and a Director of Enterprise Products GP in April 1998 and Chairman and a Director of the general partner of our operating partnership in December 2003. Mr. Duncan has served as Chairman and a Director of EPE Holdings since April 2005 and as Chairman of EPCO since 1979.

Robert G. Phillips was elected President and Chief Executive Officer of Enterprise Products GP in February 2005. Mr. Phillips served as President and Chief Operating Officer of Enterprise Products GP from

September 2004 to February 2005. Mr. Phillips has served as a Director of Enterprise Products GP since September 2004; a Director of the general partner of our operating partnership since September 2004; and a Director of EPE Holdings since February 2006. Mr. Phillips served as a Director of GulfTerra s general partner from August 1998 until September 2004. He served as Chief Executive Officer for GulfTerra and its general partner from November 1999 until September 2004 and as Chairman from October 2002 until September 2004. He served as Executive Vice President of GulfTerra from August 1998 to October 1999. Mr. Phillips served as President of El Paso Field Services Company from June 1997 to September 2004. He served as President of El Paso Energy Resources Company from December 1996 to July 1997, President of El Paso Field Services Company from April 1996 to December 1996 and Senior Vice President of El Paso Corporation from September 1995 to April 1996. For more than five years prior, Mr. Phillips was Chief Executive Officer of Eastex Energy, Inc.

Dr. Ralph S. Cunningham was elected Group Executive Vice President and Chief Operating Officer of Enterprise Products GP in December 2005 and a Director in February 2006. Dr. Cunningham previously served as a Director of Enterprise Products GP from 1998 until March 2005 and served as Chairman and a Director of TEPPCO GP from March 2005 until November 2005. He retired in 1997 from CITGO Petroleum Corporation, where he had served as President and Chief Executive Officer since 1995. He serves as a Director of Tetra Technologies, Inc. (a publicly traded energy services and chemical company), EnCana Corporation (a Canadian publicly traded independent oil and natural gas company) and Agrium, Inc. (a Canadian publicly traded agricultural chemicals company) and was a Director of EPCO from 1987 to 1997.

Michael A. Creel was elected Executive Vice President of Enterprise Products GP and EPCO in January 2001, after serving as a Senior Vice President of Enterprise Products GP and EPCO from November 1999 to January 2001. Mr. Creel, a certified public accountant, served as Chief Financial Officer of EPCO from June 2000 through April 2005 and was named Chief Operating Officer of EPCO in April 2005. In June 2000, Mr. Creel was also named Chief Financial Officer of Enterprise Products GP. Mr. Creel has served as a Director of the general partner of our Operating Partnership since December 2003, and has served as President, Chief Executive Officer and a Director of EPE Holdings since August 2005. Mr. Creel was elected a Director of Edge Petroleum Corporation (a publicly traded oil and natural gas exploration and production company) in October 2005 and a Director of Enterprise Products GP and TEPPCO GP in February 2006.

Richard H. Bachmann was elected Executive Vice President, Chief Legal Officer and Secretary of Enterprise Products GP and EPCO in January 1999 and a Director of Enterprise Products GP in February 2006. Mr. Bachmann previously served as a Director of Enterprise Products GP from June 2000 to January 2004. Mr. Bachmann has served as a Director of the general partner of our Operating Partnership since December 2003 and has served as Executive Vice President, Chief Legal Officer and Secretary of EPE Holdings since August 2005. Mr. Bachmann was elected a Director of EPE Holdings and TEPPCO GP in February 2006 and of EPCO in January 1999.

W. Randall Fowler was elected Senior Vice President and Treasurer of Enterprise Products GP in February 2005 and a Director in February 2006. Mr. Fowler, a certified public accountant (inactive), joined us as Director of Investor Relations in January 1999 and served as Treasurer and a Vice President of Enterprise Products GP and EPCO from August 2000 to February 2005. Mr. Fowler has served as Senior Vice President and Chief Financial Officer of EPE Holdings since August 2005 and as Chief Financial Officer of EPCO since April 2005. Mr. Fowler was elected a Director of EPE Holdings and TEPPCO GP in February 2006.

E. William Barnett was elected a Director of Enterprise Products GP in March 2005. Mr. Barnett practiced law with Baker Botts L.L.P. from 1958 until his retirement in 2004. In 1984, he became Managing Partner of Baker Botts L.L.P. and continued in that role for fourteen years until 1998. He was Senior Counsel to the firm from 1998 until June 2004, when he retired from the firm. Mr. Barnett served as Chairman of the Board of Trustees of Rice University from 1996 to July 2005. He is a Life Trustee of The University of Texas Law School Foundation; a Director of St. Luke s Episcopal Health System; a Director of the Center for Houston s Future and a current Director and former Chairman of the Houston Zoo, Inc. (the operating arm of the Houston Zoo). He is a Director of Reliant Energy, Inc. (a publicly traded electric services company) and

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Westlake Chemical Corporation (a publicly traded chemicals company). He is also Director and former Chairman of the Greater Houston Partnership and Chairman of the Advisory Board of the Baker Institute for Public Policy at Rice University. He also served as a trustee of Baylor College of Medicine from 1993 until 2004. Mr. Barnett is a member of Enterprise Products GP s Audit and Conflicts Committee and serves as Chairman of its Governance Committee.

Philip C. Jackson was elected a Director of Enterprise Products GP in August 2005. Mr. Jackson was an Adjunct Professor of Finance at Birmingham-Southern College from 1989 until his retirement in 1999. Mr. Jackson served as Vice Chairman of Compass Bancshares, Inc. from 1980 until 1989 and as a consultant and outside Director from 1978 until 1980. He was a member of the Board of Governors of the Federal Reserve System from 1975 until 1978. Mr. Jackson is a member of the Advisory Board of Compass Bank; a Trustee of Birmingham-Southern College; a Director of Saul Centers, Inc., a publicly traded real estate investment trust; and a Governor of the Mortgage Bankers Association of America. Mr. Jackson is a member of Enterprise Products GP s Governance Committee and serves as Chairman of its Audit and Conflicts Committee.

Stephen L. Baum was elected a Director of Enterprise Products GP in February 2006. Mr. Baum served as Chairman, Chief Executive Officer and a Director of Sempra Energy from September 2000 until his retirement in January 2006. He served as Vice Chairman and Chief Operating Officer of Sempra Energy from June 1998 to June 2000. Mr. Baum was President and Chief Executive Officer of Enova Corp., the parent company of San Diego Gas & Electric (SDG&E) from 1996 to 1997, and was an Executive Vice President of SDG&E from 1993 to 1996. Prior to joining SDG&E in 1985, he was Senior Vice President and General Counsel of the New York Power Authority from 1982 to 1985. Mr. Baum has served as a Director of Computer Sciences Corp. (a publicly traded information technology company) since 1999 and serves as Chairman of its Audit Committee. Mr. Baum serves on the Audit and Conflicts Committee and the Governance Committee of Enterprise Products GP.

James H. Lytal was elected Executive Vice President of Enterprise Products GP in September 2004. Mr. Lytal served as a Director of GulfTerra s general partner from August 1994 until September 2004, and as President of GulfTerra and its general partner from July 1995 until September 2004. He served as Senior Vice President of GulfTerra and its general partner from August 1994 to June 1995. Prior to joining GulfTerra, Mr. Lytal served in various capacities with the oil and gas exploration and production and natural gas pipeline businesses of United Gas Pipeline Company, Texas Oil and Gas, Inc. and American Pipeline Company

A.J. Teague was elected an Executive Vice President of Enterprise Products GP in November 1999. From 1998 to 1999, Mr. Teague served as President of Tejas Natural Gas Liquids, LLC.

Michael J. Knesek, a certified public accountant, was elected Senior Vice President and Principal Accounting Officer of Enterprise Products GP in February 2005. Previously, Mr. Knesek served as Principal Accounting Officer and a Vice President of Enterprise Products GP from August 2000 to February 2005. Mr. Knesek has served as Senior Vice President and Principal Accounting Officer of EPE Holdings since August 2005. Mr. Knesek has been the Controller and a Vice President of EPCO since 1990.

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MATERIAL TAX CONSEQUENCES

This section is a summary of the material tax consequences that may be relevant to prospective unitholders who are individual citizens or residents of the United States and, unless otherwise noted in the following discussion, represents the opinion of Andrews Kurth LLP, special counsel to our general partner and us, insofar as it relates to matters of United States federal income tax law and legal conclusions with respect to those matters. This section is based upon current provisions of the Internal Revenue Code, existing and proposed regulations and current administrative rulings and court decisions, all of which are subject to change. Later changes in these authorities may cause the tax consequences to vary substantially from the consequences described below.

The following discussion does not comment on all federal income tax matters affecting us or our unitholders. Moreover, the discussion focuses on unitholders who are individual citizens or residents of the United States and has only limited application to corporations, estates, trusts, nonresident aliens or other unitholders subject to specialized tax treatment, such as tax-exempt institutions, foreign persons, individual retirement accounts (IRAs), real estate investment trusts (REITs) or mutual funds. Accordingly, we recommend that each prospective unitholder consult, and depend on, his own tax advisor in analyzing the federal, state, local and foreign tax consequences particular to him of the ownership or disposition of common units.

All statements as to matters of law and legal conclusions, but not as to factual matters, contained in this section, unless otherwise noted, are the opinion of Andrews Kurth LLP and are based on the accuracy of the representations made by us and our general partner.

No ruling has been or will be requested from the IRS regarding our status as a partnership for federal income tax purposes. Instead, we will rely on opinions and advice of Andrews Kurth LLP. Unlike a ruling, an opinion of counsel represents only that counsel s best legal judgment and does not bind the IRS or the courts. Accordingly, the opinions and statements made here may not be sustained by a court if contested by the IRS. Any contest of this sort with the IRS may materially and adversely impact the market for the common units and the prices at which common units trade. In addition, the costs of any contest with the IRS will be borne directly or indirectly by the unitholders and the general partner. Furthermore, the tax treatment of us, or of an investment in us, may be significantly modified by future legislative or administrative changes or court decisions. Any modifications may or may not be retroactively applied.

For the reasons described below, Andrews Kurth LLP has not rendered an opinion with respect to the following specific federal income tax issues: the treatment of a unitholder whose common units are loaned to a short seller to cover a short sale of common units (please read Tax Consequences of Unit Ownership Treatment of Short Sales); whether our monthly convention for allocating taxable income and losses is permitted by existing Treasury Regulations (please read Disposition of Common Units Allocations Between Transferors and Transferees); and whether our method for depreciating Section 743 adjustments is sustainable (please read Tax Consequences of Unit Ownership Section 754 Election).

Partnership Status

A partnership is not a taxable entity and incurs no federal income tax liability. Instead, each partner of a partnership is required to take into account his share of items of income, gain, loss and deduction of the partnership in computing his federal income tax liability, regardless of whether cash distributions are made to him by the partnership. Distributions by a partnership to a partner are generally not taxable unless the amount of cash distributed is in excess of the partner s adjusted basis in his partnership interest.

Section 7704 of the Internal Revenue Code provides that publicly traded partnerships will, as a general rule, be taxed as corporations. However, an exception, referred to as the Qualifying Income Exception, exists with respect to publicly traded partnerships of which 90% or more of the gross income for every taxable year consists of qualifying income. Qualifying income includes income and gains derived from the exploration, development, mining or production, processing, refining, transportation and marketing of any mineral or natural resource. Other types of qualifying income include interest other than from a financial business, dividends, gains from the sale of real property and gains from the sale or other disposition of assets held for the production of income that otherwise constitutes qualifying income. We estimate that less than 2% of our current gross income is not qualifying income; however, this estimate could change from time to time. Based upon and subject to this estimate, the factual representations made by us and the general partner and a review of the applicable legal authorities, Andrews Kurth LLP is of the opinion that at least 90% of our current gross income constitutes qualifying income.

No ruling has been or will be sought from the IRS and the IRS has made no determination as to our status or the status of the Operating Partnership as partnerships for federal income tax purposes. Instead, we will rely on the opinion of Andrews Kurth LLP that, based upon the Internal Revenue Code, its regulations, published revenue rulings and court decisions and the representations described below, we and the Operating Partnership will be classified as partnerships for federal income tax purposes.

In rendering its opinion, Andrews Kurth LLP has relied on factual representations made by us and our general partner. The representations made by us and our general partner upon which Andrews Kurth LLP has relied include:

(a) Neither we nor the Operating Partnership will elect to be treated as a corporation; and

(b) For each taxable year, more than 90% of our gross income will be income that Andrews Kurth LLP has opined or will opine is qualifying income within the meaning of Section 7704(d) of the Code.

If we fail to meet the Qualifying Income Exception, other than a failure that is determined by the IRS to be inadvertent and that is cured within a reasonable time after discovery, we will be treated as if we had transferred all of our assets, subject to liabilities, to a newly formed corporation, on the first day of the year in which we fail to meet the Qualifying Income Exception, in return for stock in that corporation, and then distributed that stock to the unitholders in liquidation of their interests in us. This contribution and liquidation should be tax-free to unitholders and us so long as we, at that time, do not have liabilities in excess of the tax basis of our assets. Thereafter, we would be treated as a corporation for federal income tax purposes.

If we were taxable as a corporation in any taxable year, either as a result of a failure to meet the Qualifying Income Exception or otherwise, our items of income, gain, loss and deduction would be reflected only on our tax return rather than being passed through to the unitholders, and our net income would be taxed to us at corporate rates. In addition, any distribution made to a unitholder would be treated as either taxable dividend income, to the extent of our current or accumulated earnings and profits, or, in the absence of earnings and profits, a nontaxable return of capital, to the extent of the unitholder s tax basis in his common units, or taxable capital gain, after the unitholder s tax basis in his common units is reduced to zero. Accordingly, taxation as a corporation would result in a material reduction in a unitholder s cash flow and after-tax return and thus would likely result in a substantial reduction of the value of the units.

The discussion below is based on the conclusion that we will be classified as a partnership for federal income tax purposes.

Limited Partner Status

Unitholders who have become limited partners of Enterprise Products Partners L.P. will be treated as partners of Enterprise Products Partners L.P. for federal income tax purposes. Also, assignees who have executed and delivered transfer applications, and are awaiting admission as limited partners, and unitholders whose common units are held in street name or by a nominee and who have the right to direct the nominee in the exercise of all substantive rights attendant to the ownership of their common units, will be treated as partners of Enterprise for federal income tax purposes. As there is no direct authority addressing assignees of common units who are entitled to execute and deliver transfer applications and thereby become entitled to direct the exercise of attendant rights, but who fail to execute and deliver transfer applications, Andrews Kurth LLP s opinion does not extend to these persons. Furthermore, a purchaser or other transferee of common units who does not execute and deliver a transfer application may not receive some federal income tax information or reports furnished to record holders of common units unless the common units are held in a

nominee or street name account and the nominee or broker has executed and delivered a transfer application for those common units.

A beneficial owner of common units whose units have been transferred to a short seller to complete a short sale would appear to lose his status as a partner with respect to those units for federal income tax purposes. Please read Tax Consequences of Unit Ownership Treatment of Short Sales.

Income, gains, deductions or losses would not appear to be reportable by a unitholder who is not a partner for federal income tax purposes, and any cash distributions received by a unitholder who is not a partner for federal income tax purposes would therefore be fully taxable as ordinary income. We strongly recommend that prospective unitholders consult their own tax advisors with respect to their status as partners in Enterprise Products Partners L.P. for federal income tax purposes.

Tax Consequences of Unit Ownership

Flow-through of Taxable Income. We will not pay any federal income tax. Instead, each unitholder will be required to report on his income tax return his share of our income, gains, losses and deductions without regard to whether corresponding cash distributions are received by him. Consequently, we may allocate income to a unitholder even if he has not received a cash distribution. Each unitholder will be required to include in income his allocable share of our income, gains, losses and deductions for our taxable year ending with or within his taxable year. Our taxable year ends on December 31.

Treatment of Distributions. Distributions by us to a unitholder generally will not be taxable to the unitholder for federal income tax purposes to the extent of his tax basis in his common units immediately before the distribution. Our cash distributions in excess of a unitholder s tax basis in his common units generally will be considered to be gain from the sale or exchange of the common units, taxable in accordance with the rules described under Disposition of Common Units below. Any reduction in a unitholder s share of our liabilities for which no partner, including our general partner, bears the economic risk of loss, known as nonrecourse liabilities, will be treated as a distribution of cash to that unitholder. To the extent our distributions cause a unitholder s at risk amount to be less than zero at the end of any taxable year, he must recapture any losses deducted in previous years. Please read Limitations on Deductibility of Losses.

A decrease in a unitholder s percentage interest in us because of our issuance of additional common units will decrease his share of our nonrecourse liabilities, and thus will result in a corresponding deemed distribution of cash. A non-pro rata distribution of money or property may result in ordinary income to a unitholder, regardless of his tax basis in his common units, if the distribution reduces the unitholder s share of our unrealized receivables, including depreciation recapture, and/or substantially appreciated inventory items, both as defined in the Internal Revenue Code, and collectively, Section 751 Assets. To that extent, he will be treated as having been distributed his proportionate share of the Section 751 Assets and having exchanged those assets with us in return for the non-pro rata portion of the actual distribution made to him. This latter deemed exchange will generally result in the unitholder s realization of ordinary income, which will equal the excess of (1) the non-pro rata portion of that distribution over (2) the unitholder s tax basis for the share of Section 751 Assets deemed relinquished in the exchange.

Ratio of Taxable Income to Distributions. We estimate that if you purchase common units in this offering and own them through the period ending December 31, 2008, then you will be allocated, on a cumulative basis, an amount of federal taxable income for that period that will be less than 10% of the cash distributed with respect to that period. If you own common units purchased in this offering for a shorter period, the percentage of federal taxable income allocated to you may be higher. These estimates are based upon the assumption that our available cash for distribution will approximate the amount required to distribute cash to holders of the common units in an amount equal to the quarterly distribution of $0.4525 per unit and other assumptions with respect to capital expenditures, cash flow and anticipated cash distributions. These estimates and assumptions are subject to, among other things, numerous business, economic, regulatory, competitive and political uncertainties beyond our control. Further, our estimates are based on current tax law and certain tax reporting positions that we have adopted with which the IRS could disagree. In addition,

subsequent issuances of equity securities by us could also affect the percentage of distributions that will constitute taxable income. Accordingly, we cannot assure you that these estimates will be correct. The actual percentage of distributions that will constitute taxable income could be higher or lower, and any differences could be material and could materially affect the value of the common units.

For example, the ratio of allocable taxable income to cash distributions to a purchaser of common units in this offering may be greater, and perhaps substantially greater, than 10% with respect to the period described above if gross profit exceeds the amount required to make quarterly distributions of $0.4525 on all common units, yet we only distribute $0.4525 per common unit each quarter; or we make a future offering of common units and use the proceeds of the offering in a manner that does not produce substantial additional deductions during the period described above, such as to repay indebtedness outstanding at the time of this offering or to acquire property that is not eligible for depreciation or amortization for federal income tax purposes or that is depreciable or amortizable at a rate significantly slower than the rate applicable to our assets at the time of this offering.

Basis of Common Units. A unitholder s initial tax basis for his common units will be the amount he paid for the common units plus his share of our nonrecourse liabilities. That basis will be increased by his share of our income and by any increases in his share of our nonrecourse liabilities. That basis will be decreased, but not below zero, by distributions from us, by the unitholder s share of our losses, by any decreases in his share of our nonrecourse liabilities and by his share of our expenditures that are not deductible in computing taxable income and are not required to be capitalized. A unitholder will have no share of our debt which is recourse to the general partner, but will have a share, generally based on his share of profits, of our nonrecourse liabilities. Please read Disposition of Common Units Recognition of Gain or Loss.

Limitations on Deductibility of Losses. The deduction by a unitholder of his share of our losses will be limited to the tax basis in his units and, in the case of an individual unitholder or a corporate unitholder, if more than 50% of the value of the corporate unitholder s stock is owned directly or indirectly by five or fewer individuals or some tax-exempt organizations, to the amount for which the unitholder is considered to be at risk with respect to our activities, if that is less than his tax basis. A unitholder must recapture losses deducted in previous years to the extent that distributions cause his at risk amount to be less than zero at the end of any taxable year. Losses disallowed to a unitholder or recaptured as a result of these limitations will carry forward and will be allowable to the extent that his tax basis or at risk amount, whichever is the limiting factor, is subsequently increased. Upon the taxable disposition of a unit, any gain recognized by a unitholder can be offset by losses that were previously suspended by the at risk limitation but may not be offset by losses suspended by the basis limitation. Any excess loss above that gain previously suspended by the at risk or basis limitations is no longer utilizable.

In general, a unitholder will be at risk to the extent of the tax basis of his units, excluding any portion of that basis attributable to his share of our nonrecourse liabilities, reduced by any amount of money he borrows to acquire or hold his units, if the lender of those borrowed funds owns an interest in us, is related to the unitholder or can look only to the units for repayment. A unitholder s at risk amount will increase or decrease as the tax basis of the unitholder s units increases or decreases, other than tax basis increases or decreases attributable to increases or decreases in his share of our nonrecourse liabilities.

The passive loss limitations generally provide that individuals, estates, trusts and some closely-held corporations and personal service corporations can deduct losses from passive activities, which are generally corporate or partnership activities in which the taxpayer does not materially participate, only to the extent of the taxpayer s income from those passive activities. The passive loss limitations are applied separately with respect to each publicly traded partnership. Consequently, any passive losses we generate will be available to offset only our passive income generated in the future and will not be available to offset income from other passive activities or investments, including our investments or investments in other publicly traded partnerships, or salary or active business income. Passive losses that are not deductible because they exceed a unitholder s share of income we generate may be deducted in full when he disposes of his entire investment in us in a fully taxable transaction with an unrelated party. The passive activity loss rules are applied after other applicable limitations on deductions, including the at risk rules and the basis limitation.

A unitholder s share of our net income may be offset by any suspended passive losses, but it may not be offset by any other current or carryover losses from other passive activities, including those attributable to other publicly traded partnerships.

Limitations on Interest Deductions. The deductibility of a non-corporate taxpayer s investment interest expense is generally limited to the amount of that taxpayer s net investment income. Investment interest expense includes:

- interest on indebtedness properly allocable to property held for investment;
- our interest expense attributed to portfolio income; and
- the portion of interest expense incurred to purchase or carry an interest in a passive activity to the extent attributable to portfolio income.

The computation of a unitholder s investment interest expense will take into account interest on any margin account borrowing or other loan incurred to purchase or carry a unit. Net investment income includes gross income from property held for investment and amounts treated as portfolio income under the passive loss rules, less deductible expenses, other than interest, directly connected with the production of investment income, but generally does not include gains attributable to the disposition of property held for investment. The IRS has indicated that net passive income earned by a publicly traded partnership will be treated as investment income to its unitholders. In addition, the unitholder s share of our portfolio income will be treated as investment income.

Entity-Level Collections. If we are required or elect under applicable law to pay any federal, state, local or foreign income tax on behalf of any unitholder or the general partner or any former unitholder, we are authorized to pay those taxes from our funds. That payment, if made, will be treated as a distribution of cash to the partner on whose behalf the payment was made. If the payment is made on behalf of a person whose identity cannot be determined, we are authorized to treat the payment as a distribution to all current unitholders. We are authorized to amend the partnership agreement in the manner necessary to maintain uniformity of intrinsic tax characteristics of units and to adjust later distributions, so that after giving effect to these distributions, the priority and characterization of distributions otherwise applicable under the partnership agreement is maintained as nearly as is practicable. Payments by us as described above could give rise to an overpayment of tax on behalf of an individual partner in which event the partner would be required to file a claim in order to obtain a credit or refund.

Allocation of Income, Gain, Loss and Deduction. In general, if we have a net profit, our items of income, gain, loss and deduction will be allocated among the general partner and the unitholders in accordance with their percentage interests in us. At any time that incentive distributions are made to the general partner, gross income will be allocated to the recipients to the extent of these distributions. If we have a net loss for the entire year, that loss will be allocated first to the general partner and the unitholders in accordance with their percentage interests in us to the extent of their positive capital accounts and, second, to the general partner.

Specified items of our income, gain, loss and deduction will be allocated to account for the difference between the tax basis and fair market value of our property at the time of this offering, referred to in this discussion as Contributed Property. The effect of these allocations to a unitholder purchasing common units in this offering will be essentially the same as if the tax basis of our assets were equal to their fair market value at the time of the offering. In addition, items of recapture income will be allocated to the extent possible to the partner who was allocated the deduction giving rise to the treatment of that gain as recapture income in order to minimize the recognition of ordinary income by some unitholders. Finally, although we do not expect that our operations will result in the creation of negative capital accounts, if negative capital accounts nevertheless result, items of our income and gain will be allocated in an amount and manner to eliminate the negative balance as quickly as possible.

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An allocation of items of our income, gain, loss or deduction, other than an allocation required by the Internal Revenue Code to eliminate the difference between a partner s book capital account, credited with the fair market value of Contributed Property, and tax capital account, credited with the tax basis of Contributed Property, referred to in this discussion as the Book-Tax Disparity, will generally be given effect for federal income tax purposes in determining a partner s share of an item of income, gain, loss or deduction only if the allocation has substantial economic effect. In any other case, a partner s share of an item will be determined on the basis of his interest in us, which will be determined by taking into account all the facts and circumstances, including:

- his relative contributions to us;
- the interests of all the partners in profits and losses;
- the interest of all the partners in cash flow and other nonliquidating distributions; and
- the rights of all the partners to distributions of capital upon liquidation.

Andrews Kurth LLP is of the opinion that, with the exception of the issues described in Tax Consequences of Unit Ownership Section 754 Election and Disposition of Common Units Allocations Between Transferors and Transferees, allocations under our partnership agreement will be given effect for federal income tax purposes in determining a partner s share of an item of income, gain, loss or deduction.

Treatment of Short Sales. A unitholder whose units are loaned to a short seller to cover a short sale of units may be considered as having disposed of those units. If so, he would no longer be a partner for tax purposes with respect to those units during the period of the loan and may recognize gain or loss from the disposition. As a result, during this period:

- any of our income, gain, loss or deduction with respect to those units would not be reportable by the unitholder;
- any cash distributions received by the unitholder as to those units would be fully taxable; and
- all of these distributions would appear to be ordinary income.

Andrews Kurth LLP has not rendered an opinion regarding the treatment of a unitholder where common units are loaned to a short seller to cover a short sale of common units; therefore, unitholders desiring to assure their status as partners and avoid the risk of gain recognition from a loan to a short seller are urged to modify any applicable brokerage account agreements to prohibit their brokers from borrowing their units. The IRS has announced that it is actively studying issues relating to the tax treatment of short sales of partnership interests. Please also read Disposition of Common Units Recognition of Gain or Loss.

Alternative Minimum Tax. Each unitholder will be required to take into account his distributive share of any items of our income, gain, loss or deduction for purposes of the alternative minimum tax. The current minimum tax rate for noncorporate taxpayers is 26% on the first $175,000 of alternative minimum taxable income in excess of the exemption amount and 28% on any additional alternative minimum taxable income. We strongly recommend that prospective unitholders consult with their tax advisors as to the impact of an investment in units on their liability for the alternative minimum tax.

Tax Rates. In general the highest effective United States federal income tax rate for individuals currently is 35.0% and the maximum United States federal income tax rate for net capital gains of an individual is currently 15.0% if the asset disposed of was held for more than 12 months at the time of disposition.

Section 754 Election. We have made the election permitted by Section 754 of the Internal Revenue Code. That election is irrevocable without the consent of the IRS. The election generally permits us to adjust a common unit purchaser s tax basis in our assets (inside basis) under Section 743(b) of the Internal Revenue Code to reflect his purchase price. This election does not apply to a person who purchases common units directly from us. The Section 743(b) adjustment belongs to the purchaser and not to other unitholders.

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For purposes of this discussion, a unitholder s inside basis in our assets will be considered to have two components: (1) his share of our tax basis in our assets (common basis) and (2) his Section 743(b) adjustment to that basis.

Treasury Regulations under Section 743 of the Internal Revenue Code require that, if the remedial allocation method is adopted (which we have adopted), a portion of the Section 743(b) adjustment attributable to recovery property be depreciated over the remaining cost recovery period for the Section 704(c) built-in gain. Under Treasury Regulation Section 1.167(c)-1(a)(6), a Section 743(b) adjustment attributable to property subject to depreciation under Section 167 of the Internal Revenue Code, rather than cost recovery deductions under Section 168, is generally required to be depreciated using either the straight-line method or the 150% declining balance method. Under our partnership agreement, our general partner is authorized to take a position to preserve the uniformity of units even if that position is not consistent with these Treasury Regulations. Please read Tax Treatment of Operations Uniformity of Units.

Although Andrews Kurth LLP is unable to opine as to the validity of this approach because there is no clear authority on this issue, we intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the common basis of the property, or treat that portion as non-amortizable to the extent attributable to property the common basis of which is not amortizable. This method is consistent with the Treasury Regulations under Section 743 of the Internal Revenue Code but is arguably inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6). To the extent this Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may take a depreciation or amortization position under which all purchasers acquiring units in the same month would receive depreciation or amortization, whether attributable to common basis or a Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our assets. This kind of aggregate approach may result in lower annual depreciation or amortization deductions than would otherwise be allowable to some unitholders. Please read Tax Treatment of Operations Uniformity of Units.

A Section 754 election is advantageous if the transferee s tax basis in his units is higher than the units share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, as a result of the election, the transferee would have, among other items, a greater amount of depreciation and depletion deductions and his share of any gain or loss on a sale of our assets would be less. Conversely, a Section 754 election is disadvantageous if the transferee s tax basis in his units is lower than those units share of the aggregate tax basis of our assets immediately prior to the transfer. Thus, the fair market value of the units may be affected either favorably or unfavorably by the election.

The calculations involved in the Section 754 election are complex and will be made on the basis of assumptions as to the value of our assets and other matters. For example, the allocation of the Section 743(b) adjustment among our assets must be made in accordance with the Internal Revenue Code. The IRS could seek to reallocate some or all of any Section 743(b) adjustment allocated by us to our tangible assets to goodwill instead. Goodwill, as an intangible asset, is generally amortizable over a longer period of time or under a less accelerated method than our tangible assets. We cannot assure you that the determinations we make will not be successfully challenged by the IRS and that the deductions resulting from them will not be reduced or disallowed altogether. Should the IRS require a different basis adjustment to be made, and should, in our opinion, the expense of compliance exceed the benefit of the election, we may seek permission from the IRS to revoke our Section 754 election. If permission is granted, a subsequent purchaser of units may be allocated more income than he would have been allocated had the election not been revoked.

Tax Treatment of Operations

Accounting Method and Taxable Year. We use the year ending December 31 as our taxable year and the accrual method of accounting for federal income tax purposes. Each unitholder will be required to include in income his share of our income, gain, loss and deduction for our taxable year ending within or with his taxable year. In addition, a unitholder who has a taxable year ending on a date other than December 31 and who disposes of all of his units following the close of our taxable year but before the close of his taxable year must include his share of our income, gain, loss and deduction in income for his taxable year, with the result that he will be required to include in income for his taxable year his share of more than one year of our income, gain, loss and deduction. Please read Disposition of Common Units Allocations Between Transferors and Transferees.

Tax Basis, Depreciation and Amortization. The tax basis of our assets will be used for purposes of computing depreciation and cost recovery deductions and, ultimately, gain or loss on the disposition of these assets. The federal income tax burden associated with the difference between the fair market value of our assets and their tax basis immediately prior to this offering will be borne by our general partner, its affiliates and our unitholders immediately prior to this offering. Please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction.

To the extent allowable, we may elect to use the depreciation and cost recovery methods that will result in the largest deductions being taken in the early years after assets are placed in service. Property we subsequently acquire or construct may be depreciated using accelerated methods permitted by the Internal Revenue Code.

If we dispose of depreciable property by sale, foreclosure, or otherwise, all or a portion of any gain, determined by reference to the amount of depreciation previously deducted and the nature of the property, may be subject to the recapture rules and taxed as ordinary income rather than capital gain. Similarly, a common unitholder who has taken cost recovery or depreciation deductions with respect to property we own will likely be required to recapture some, or all, of those deductions as ordinary income upon a sale of his interest in us. Please read Tax Consequences of Unit Ownership Allocation of Income, Gain, Loss and Deduction and Disposition of Common Units Recognition of Gain or Loss.

The costs incurred in selling our units (called syndication expenses) must be capitalized and cannot be deducted currently, ratably or upon our termination. There are uncertainties regarding the classification of costs as organization expenses, which may be amortized by us, and as syndication expenses, which may not be amortized by us. The underwriting discounts and commissions we incur will be treated as syndication expenses.

Valuation and Tax Basis of Our Properties. The federal income tax consequences of the ownership and disposition of units will depend in part on our estimates of the relative fair market values, and the tax bases, of our assets. Although we may from time to time consult with professional appraisers regarding valuation matters, we will make many of the relative fair market value estimates ourselves. These estimates and determinations of basis are subject to challenge and will not be binding on the IRS or the courts. If the estimates of fair market value or basis are later found to be incorrect, the character and amount of items of income, gain, loss or deductions previously reported by unitholders might change, and unitholders might be required to adjust their tax liability for prior years and incur interest and penalties with respect to those adjustments.

Disposition of Common Units

Recognition of Gain or Loss. Gain or loss will be recognized on a sale of units equal to the difference between the amount realized and the unitholder s tax basis for the units sold. A unitholder s amount realized will be measured by the sum of the cash or the fair market value of other property received by him plus his share of our nonrecourse liabilities. Because the amount realized includes a unitholder s share of our nonrecourse liabilities, the gain recognized on the sale of units could result in a tax liability in excess of any cash received from the sale.

Prior distributions from us in excess of cumulative net taxable income for a common unit that decreased a unitholder s tax basis in that common unit will, in effect, become taxable income if the common unit is sold at a price greater than the unitholder s tax basis in that common unit, even if the price received is less than his original cost.

Except as noted below, gain or loss recognized by a unitholder, other than a dealer in units, on the sale or exchange of a unit held for more than one year will generally be taxable as capital gain or loss. Capital gain recognized by an individual on the sale of units held more than 12 months will generally be taxed at a maximum rate of 15%. A portion of this gain or loss, which will likely be substantial, however, will be separately computed and taxed as ordinary income or loss under Section 751 of the Internal Revenue Code to the extent attributable to assets giving rise to depreciation recapture or other unrealized receivables or to inventory items we own. The term unrealized receivables includes potential recapture items, including depreciation recapture. Ordinary income attributable to unrealized receivables, inventory items and depreciation recapture may exceed net taxable gain realized upon the sale of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, a unitholder may recognize both ordinary income and a capital loss upon a sale of units. Net capital losses may offset capital gains and no more than $3,000 of ordinary income, in the case of individuals, and may only be used to offset capital gains in the case of corporations.

The IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an equitable apportionment method. Treasury Regulations under Section 1223 of the Internal Revenue Code allow a selling unitholder who can identify common units transferred with an ascertainable holding period to elect to use the actual holding period of the common units transferred. Thus, according to the ruling, a common unitholder will be unable to select high or low basis common units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, may designate specific common units sold for purposes of determining the holding period of units transferred. A unitholder electing to use the actual holding period of common units transferred must consistently use that identification method for all subsequent sales or exchanges of common units. We strongly recommend that a unitholder considering the purchase of additional units or a sale of common units purchased in separate transactions consult his tax advisor as to the possible consequences of this ruling and application of the final Treasury Regulations.

Specific provisions of the Internal Revenue Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an appreciated partnership interest, one in which gain would be recognized if it were sold, assigned or terminated at its fair market value, if the taxpayer or related persons enter(s) into:

- a short sale;
- an offsetting notional principal contract; or
- a futures or forward contract with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is also authorized to issue regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position.

Allocations Between Transferors and Transferees. In general, our taxable income and losses will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month (the Allocation Date). However, gain or loss realized on a sale or other disposition of our assets other than in the ordinary course of business will be allocated among the unitholders on the Allocation Date in the month in which that gain or loss is recognized. As a result, a

unitholder transferring units may be allocated income, gain, loss and deduction realized after the date of transfer.

The use of this method may not be permitted under existing Treasury Regulations. Accordingly, Andrews Kurth LLP is unable to opine on the validity of this method of allocating income and deductions between unitholders. If this method is not allowed under the Treasury Regulations, or only applies to transfers of less than all of the unitholder s interest, our taxable income or losses might be reallocated among the unitholders. We are authorized to revise our method of allocation between unitholders, as well as among unitholders whose interests vary during a taxable year, to conform to a method permitted under future Treasury Regulations.

A unitholder who owns units at any time during a quarter and who disposes of them prior to the record date set for a cash distribution for that quarter will be allocated items of our income, gain, loss and deductions attributable to that quarter but will not be entitled to receive that cash distribution.

Notification Requirements. A unitholder who sells or exchanges units is required to notify us in writing of that sale or exchange within 30 days after the sale or exchange. We are required to notify the IRS of that transaction and to furnish specified information to the transferor and transferee. However, these reporting requirements do not apply to a sale by an individual who is a citizen of the United States and who effects the sale or exchange through a broker. Failure to satisfy these reporting obligations may lead to the imposition of substantial penalties.

Constructive Termination. We will be considered to have been terminated for tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a 12-month period. A constructive termination results in the closing of our taxable year for all unitholders. In the case of a unitholder reporting on a taxable year other than a fiscal year ending December 31, the closing of our taxable year may result in more than 12 months of our taxable income or loss being includable in his taxable income for the year of termination. We would be required to make new tax elections after a termination, including a new election under Section 754 of the Internal Revenue Code, and a termination would result in a deferral of our deductions for depreciation. A termination could also result in penalties if we were unable to determine that the termination had occurred. Moreover, a termination might either accelerate the application of, or subject us to, any tax legislation enacted before the termination.

Uniformity of Units

Because we cannot match transferors and transferees of units, we must maintain uniformity of the economic and tax characteristics of the units to a purchaser of these units. In the absence of uniformity, we may be unable to completely comply with a number of federal income tax requirements, both statutory and regulatory. A lack of uniformity can result from a literal application of Treasury Regulation Section 1.167(c)-1(a)(6). Any non-uniformity could have a negative impact on the value of the units. Please read Tax Consequences of Unit Ownership Section 754 Election.

We intend to depreciate the portion of a Section 743(b) adjustment attributable to unrealized appreciation in the value of Contributed Property, to the extent of any unamortized Book-Tax Disparity, using a rate of depreciation or amortization derived from the depreciation or amortization method and useful life applied to the common basis of that property, or treat that portion as nonamortizable, to the extent attributable to property the common basis of which is not amortizable, consistent with the Treasury Regulations under Section 743 of the Internal Revenue Code, even though that position may be inconsistent with Treasury Regulation Section 1.167(c)-1(a)(6). Please read Tax Consequences of Unit Ownership Section 754 Election. To the extent that the Section 743(b) adjustment is attributable to appreciation in value in excess of the unamortized Book-Tax Disparity, we will apply the rules described in the Treasury Regulations and legislative history. If we determine that this position cannot reasonably be taken, we may adopt a depreciation and amortization position under which all purchasers acquiring units in the same month would receive depreciation and amortization deductions, whether attributable to a common basis or Section 743(b) adjustment, based upon the same applicable rate as if they had purchased a direct interest in our property. If this position is adopted, it may result in lower annual depreciation and amortization deductions than would otherwise be allowable to some unitholders and risk the loss of depreciation and amortization deductions not taken in the year that these deductions are otherwise allowable. This position will not be adopted if we determine that the loss of depreciation and amortization deductions will have a material adverse effect on the unitholders. If we choose not to utilize this aggregate method, we may use any other reasonable depreciation and amortization method to preserve the uniformity of the intrinsic tax characteristics of any units that would not have a material adverse effect on the unitholders. The IRS may challenge any method of depreciating the Section 743(b) adjustment described in this paragraph. If this challenge were sustained, the uniformity of units might be affected, and the gain from the sale of units might be increased without the benefit of additional deductions. Please read Disposition of Common Units Recognition of Gain or Loss.

Tax-Exempt Organizations and Other Investors

Ownership of units by employee benefit plans, other tax-exempt organizations, regulated investment companies, non-resident aliens, foreign corporations, and other foreign persons raises issues unique to those investors and, as described below, may have substantially adverse tax consequences to them.

Employee benefit plans and most other organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, are subject to federal income tax on unrelated business taxable income. Virtually all of our income allocated to a unitholder that is a tax-exempt organization will be unrelated business taxable income and will be taxable to them.

A regulated investment company or mutual fund is required to derive 90% or more of its gross income from certain permitted sources. Recent legislation generally treats net income derived from the ownership of certain publicly traded partnerships (including us) as derived from such a permitted source.

Non-resident aliens and foreign corporations, trusts or estates that own units will be considered to be engaged in business in the United States because of the ownership of units. As a consequence they will be required to file federal tax returns to report their share of our income, gain, loss or deduction and pay federal income tax at regular rates on their share of our net income or gain. Moreover, under rules applicable to publicly traded partnerships, we will withhold tax at the highest applicable effective tax rate on cash distributions made quarterly to foreign unitholders. Each foreign unitholder must obtain a taxpayer identification number from the IRS and submit that number to our transfer agent on a Form W-8 BEN or applicable substitute form in order to obtain credit for these withholding taxes. A change in applicable law may require us to change these procedures.

In addition, because a foreign corporation that owns units will be treated as engaged in a United States trade or business, that corporation may be subject to the United States branch profits tax at a rate of 30%, in addition to regular federal income tax, on its share of our income and gain, as adjusted for changes in the foreign corporation s U.S. net equity, which are effectively connected with the conduct of a United States trade or business. That tax may be reduced or eliminated by an income tax treaty between the United States and the country in which the foreign corporate unitholder is a qualified resident. In addition, this type of unitholder is subject to special information reporting requirements under Section 6038C of the Internal Revenue Code.

Under a ruling of the IRS, a foreign unitholder who sells or otherwise disposes of a unit will be subject to federal income tax on gain realized on the sale or disposition of that unit to the extent that this gain is effectively connected with a United States trade or business of the foreign unitholder. Apart from the ruling, a foreign unitholder will not be taxed or subject to withholding upon the sale or disposition of a unit if he has owned less than 5% in value of the units during the five-year period ending on the date of the disposition and if the units are regularly traded on an established securities market at the time of the sale or disposition.

Administrative Matters

Information Returns and Audit Procedures. We intend to furnish to each unitholder, within 90 days after the close of each calendar year, specific tax information, including a Schedule K-1, which describes each unitholder s share of our income, gain, loss and deduction for our preceding taxable year. In preparing this information, which will not be reviewed by Andrews Kurth LLP, we will take various accounting and reporting positions, some of which have been mentioned earlier, to determine each unitholder s share of income, gain, loss and deduction. We cannot assure you that those positions will yield a result that conforms to the requirements of the Internal Revenue Code, Treasury Regulations or administrative interpretations of the IRS. Neither we nor Andrews Kurth LLP can assure prospective unitholders that the IRS will not successfully contend in court that those positions are impermissible. Any challenge by the IRS could negatively affect the value of the units.

The IRS may audit our federal income tax information returns. Adjustments resulting from an IRS audit may require each unitholder to adjust a prior year s tax liability, and possibly may result in an audit of his own return. Any audit of a unitholder s return could result in adjustments not related to our returns as well as those related to our returns.

Partnerships generally are treated as separate entities for purposes of federal tax audits, judicial review of administrative adjustments by the IRS and tax settlement proceedings. The tax treatment of partnership items of income, gain, loss and deduction are determined in a partnership proceeding rather than in separate proceedings with the partners. The Internal Revenue Code requires that one partner be designated as the Tax Matters Partner for these purposes. The partnership agreement names our general partner as our Tax Matters Partner.

The Tax Matters Partner will make some elections on our behalf and on behalf of unitholders. In addition, the Tax Matters Partner can extend the statute of limitations for assessment of tax deficiencies against unitholders for items in our returns. The Tax Matters Partner may bind a unitholder with less than a 1% profits interest in us to a settlement with the IRS unless that unitholder elects, by filing a statement with the IRS, not to give that authority to the Tax Matters Partner. The Tax Matters Partner may seek judicial review, by which all the unitholders are bound, of a final partnership administrative adjustment and, if the Tax Matters Partner fails to seek judicial review, judicial review may be sought by any unitholder having at least a 1% interest in profits or by any group of unitholders having in the aggregate at least a 5% interest in profits. However, only one action for judicial review will go forward, and each unitholder with an interest in the outcome may participate.

A unitholder must file a statement with the IRS identifying the treatment of any item on his federal income tax return that is not consistent with the treatment of the item on our return. Intentional or negligent disregard of this consistency requirement may subject a unitholder to substantial penalties.

Nominee Reporting. Persons who hold an interest in us as a nominee for another person are required to furnish to us:

(a) the name, address and taxpayer identification number of the beneficial owner and the nominee;

(b) whether the beneficial owner is

(1) a person that is not a United States person,

(2) a foreign government, an international organization or any wholly owned agency or instrumentality of either of the foregoing, or

(3) a tax-exempt entity;

(c) the amount and description of units held, acquired or transferred for the beneficial owner; and

(d) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Brokers and financial institutions are required to furnish additional information, including whether they are United States persons and specific information on units they acquire, hold or transfer for their own account. A penalty of $50 per failure, up to a maximum of $100,000 per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of the units with the information furnished to us.

Accuracy-related Penalties. An additional tax equal to 20% of the amount of any portion of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements, is imposed by the Internal Revenue Code. No penalty will be imposed, however, for any portion of an underpayment if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith regarding that portion.

A substantial understatement of income tax in any taxable year exists if the amount of the understatement exceeds the greater of 10% of the tax required to be shown on the return for the taxable year or $5,000. The amount of any understatement subject to penalty generally is reduced if any portion is attributable to a position adopted on the return:

(1) for which there is, or was, substantial authority, or

(2) as to which there is a reasonable basis and the pertinent facts of that position are disclosed on the return.

If any item of income, gain, loss or deduction included in the distributive shares of unitholders might result in that kind of an understatement of income for which no substantial authority exists, we must disclose the pertinent facts on our return. In addition, we will make a reasonable effort to furnish sufficient information for unitholders to make adequate disclosure on their returns to avoid liability for this penalty. More stringent rules apply to tax shelters, but we believe we are not a tax shelter.

A substantial valuation misstatement exists if the value of any property, or the adjusted basis of any property, claimed on a tax return is 200% or more of the amount determined to be the correct amount of the valuation or adjusted basis. No penalty is imposed unless the portion of the underpayment attributable to a substantial valuation misstatement exceeds $5,000. If the valuation claimed on a return is 400% or more than the correct valuation, the penalty imposed increases to 40%.

Reportable Transactions. If we were to engage in a reportable transaction, we (and possibly you and others) would be required to make a detailed disclosure of the transaction to the IRS. A transaction may be a reportable transaction based upon any of several factors, including the fact that it is a type of tax avoidance transaction publicly identified by the IRS as a listed transaction or that it produces certain kinds of losses in excess of $2 million. Our participation in a reportable transaction could increase the likelihood that our federal income tax information return (and possibly your tax return) would be audited by the IRS. Please read Information Returns and Audit Procedures above.

Moreover, if we were to participate in a reportable transaction with a significant purpose to avoid or evade tax, or in any listed transaction, you may be subject to the following provisions of the American Jobs Creation Act of 2004:

- accuracy-related penalties with a broader scope, significantly narrower exceptions, and potentially greater amounts than described above at Accuracy-related Penalties,
- for those persons otherwise entitled to deduct interest on federal tax deficiencies, nondeductibility of interest on any resulting tax liability, and
- in the case of a listed transaction, an extended statute of limitations.

We do not expect to engage in any reportable transactions.

Registration as a Tax Shelter. We registered as a tax shelter under the law in effect at the time of our initial public offering and were assigned a tax shelter registration number. Issuance of a tax shelter registration number to us does not indicate that investment in us or the claimed tax benefits have been reviewed, examined or approved by the IRS. The term tax shelter has a different meaning for this purpose than under the penalty rules described above at Accuracy-related Penalties.

The American Jobs Creation Act of 2004 repealed the tax shelter registration rules and replaced them with the reporting regime described above at Reportable Transactions. However, IRS Form 8271 nevertheless appears to require a unitholder to report our tax shelter registration number on the unitholder s tax return for any year in which the unitholder holds our units. The IRS also appears to take the position that a unitholder who sells or transfers our units must provide our tax shelter registration number to the transferee. Unitholders are urged to consult their tax advisors regarding the application of the tax shelter registration rules.

State, Local, Foreign and Other Tax Considerations

In addition to federal income taxes, you will likely be subject to other taxes, including state, local and foreign income taxes, unincorporated business taxes, and estate, inheritance or intangible taxes that may be imposed by the various jurisdictions in which we do business or own property or in which you are a resident. Although an analysis of those various taxes is not presented here, each prospective unitholder should consider their potential impact on his investment in us. You will be required to file state income tax returns and to pay state income taxes in some or all of the states in which we do business or own property and may be subject to penalties for failure to comply with those requirements. In some states, tax losses may not produce a tax benefit in the year incurred and also may not be available to offset income in subsequent taxable years. Some of the states may require us, or we may elect, to withhold a percentage of income from amounts to be distributed to a unitholder who is not a resident of the state. Withholding, the amount of which may be greater or less than a particular unitholder s income tax liability to the state, generally does not relieve a nonresident unitholder from the obligation to file an income tax return. Amounts withheld may be treated as if distributed to unitholders for purposes of determining the amounts distributed by us. Please read Tax Consequences of Unit Ownership Entity-Level Collections. Based on current law and our estimate of our future operations, our general partner anticipates that any amounts required to be withheld will not be material. We may also own property or do business in other states in the future.

It is the responsibility of each unitholder to investigate the legal and tax consequences, under the laws of pertinent jurisdictions, of his investment in us. Accordingly, we strongly recommend that each prospective unitholder consult, and depend upon, his own tax counsel or other advisor with regard to those matters. Further, it is the responsibility of each unitholder to file all state, local, and foreign as well as United States federal tax returns, that may be required of him. Andrews Kurth LLP has not rendered an opinion on the state, local or foreign tax consequences of an investment in us.

INVESTMENT IN US BY EMPLOYEE BENEFIT PLANS

An investment in our units by an employee benefit plan is subject to additional considerations because the investments of these plans are subject to the fiduciary responsibility and prohibited transaction provisions of ERISA, and restrictions imposed by Section 4975 of the Internal Revenue Code. For these purposes, the term employee benefit plan includes, but is not limited to, qualified pension, profit-sharing and stock bonus plans, Keogh plans, simplified employee pension plans and tax deferred annuities or IRAs established or maintained by an employer or employee organization. Among other things, consideration should be given to:

- whether the investment is prudent under Section 404(a)(l)(B) of ERISA;
- whether in making the investment, that plan will satisfy the diversification requirements of Section 404(a)(l)(C) of ERISA; and
- whether the investment will result in recognition of unrelated business taxable income (please read Material Tax Consequences Tax-Exempt Organizations and Other Investors) by the plan and, if so, the potential after-tax investment return.

In addition, the person with investment discretion with respect to the assets of an employee benefit plan, often called a fiduciary, should determine whether an investment in our units is authorized by the appropriate governing instrument and is a proper investment for the plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code prohibit employee benefit plans, and IRAs that are not considered part of an employee benefit plan, from engaging in specified transactions involving plan assets with parties that are parties in interest under ERISA or disqualified persons under the Internal Revenue Code with respect to the plan. Therefore, a fiduciary of an employee benefit plan or an IRA accountholder that is considering an investment in our units should consider whether the entity s purchase or ownership of such units would or could result in the occurrence of such a prohibited transaction.

In addition to considering whether the purchase of units is or could result in a prohibited transaction, a fiduciary of an employee benefit plan should consider whether the plan will, by investing in our units, be deemed to own an undivided interest in our assets, with the result that our general partner also would be a fiduciary of the plan and our operations would be subject to the regulatory restrictions of ERISA, including fiduciary standard and its prohibited transaction rules, as well as the prohibited transaction rules of the Internal Revenue Code.

The Department of Labor regulations provide guidance with respect to whether the assets of an entity in which employee benefit plans acquire equity interests would be deemed plan assets under some circumstances. Under these regulations, an entity s assets would not be considered to be plan assets if, among other things:

- the equity interests acquired by employee benefit plans are publicly offered securities; i.e., the equity interests are widely held by 100 or more investors independent of the issuer and each other, freely transferable and registered under some provisions of the federal securities laws;
- the entity is an operating company; i.e., it is primarily engaged in the production or sale of a product or service other than the investment of capital either directly or through a majority owned subsidiary or subsidiaries; or
- there is no significant investment by benefit plan investors, which is defined to mean that less than 25% of the value of each class of equity interest, disregarding some interests held by our general partner, its affiliates, and some other persons, is held by the employee benefit plans referred to above, IRAs and other employee benefit plans not subject to ERISA, including governmental plans.

Our assets should not be considered plan assets under these regulations because it is expected that the investment will satisfy the requirements in the first bullet point above.

Plan fiduciaries contemplating a purchase of units should consult with their own counsel regarding the consequences under ERISA and the Internal Revenue Code in light of the serious penalties imposed on persons who engage in prohibited transactions or other violations.

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UNDERWRITING

We are offering the common units described in this prospectus through the underwriters named below. Citigroup Global Markets Inc. and UBS Securities LLC are acting as joint book-running managers and representatives of the underwriters.

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement, which we will file as an exhibit to a Form 8-K following the pricing of this offering, each underwriter named below has agreed to purchase from us the number of common units set forth opposite the underwriter s name.

Name of Underwriter	Number of Common Units
Citigroup Global Markets Inc.	
UBS Securities LLC	
Goldman, Sachs & Co.	
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated	
Wachovia Capital Markets, LLC	
A.G. Edwards & Sons, Inc.	
Raymond James & Associates, Inc.	
RBC Capital Markets Corporation	
Sanders Morris Harris Inc.	
Banc of America Securities LLC	
Natexis Bleichroeder Inc.	
Oppenheimer & Co. Inc.	
Total	10,000,000

The underwriting agreement provides that the underwriters obligations to purchase the common units depend on the satisfaction of the conditions contained in the underwriting agreement, and that if any of the common units are purchased by the underwriters, all of the common units must be purchased. The conditions contained in the underwriting agreement include the condition that all the representations and warranties made by us and our affiliates to the underwriters are true, that there has been no material adverse change in the condition of us or in the financial markets and that we deliver to the underwriters customary closing documents.

Over-Allotment Option

We have granted to the underwriters an option to purchase up to an aggregate of 1,500,000 additional common units at the offering price to the public less the underwriting discount set forth on the cover page of this prospectus supplement exercisable to cover over-allotments. Such option may be exercised in whole or in part at any time until 30 days after the date of this prospectus supplement. If this option is exercised, each underwriter will be committed, subject to satisfaction of the conditions specified in the underwriting agreement, to purchase a number of additional common units proportionate to the underwriter s initial commitment as indicated in the preceding table, and we will be obligated, pursuant to the option, to sell these common units to the underwriters.

Commissions and Expenses

The following table shows the underwriting fee to be paid to the underwriters by us in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters over-allotment option. This underwriting fee is the difference between the offering price to the public and the amount the underwriters pay to us to purchase the common units.

	Paid by Us	
	No Exercise	Full Exercise
Per common unit	$	$
Total	$	$

We have been advised by the underwriters that the underwriters propose to offer the common units directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers (who may include the underwriters) at this price to the public less a concession not in excess of $ per common unit. After the offering, the underwriters may change the offering price and other selling terms.

We estimate that total expenses of the offering, other than underwriting discounts and commissions, will be approximately $750,000. The underwriters have agreed to reimburse us for up to $307,855 (based on an assumed public offering price of $26.77) of our expenses incurred in connection with this offering (including any exercise of the underwriters over-allotment option).

Indemnification

We and certain of our affiliates have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, and to contribute to payments that may be required to be made in respect of these liabilities.

Lock-Up Agreements

We, certain of our affiliates and the directors and executive officers of our general partner have agreed that we and they will not, directly or indirectly, sell, offer, pledge or otherwise dispose of any common units or enter into any derivative transaction with similar effect as a sale of common units for a period of 45 days after the date of this prospectus supplement without the prior written consent of Citigroup Global Markets Inc. and UBS Securities LLC. The restrictions described in this paragraph do not apply to:

- the issuance and sale of common units by us to the underwriter pursuant to the underwriting agreement;
- the issuance and sale of common units, phantom units, restricted units and options under our existing employee benefits plans, including sales pursuant to cashless-broker exercises of options to purchase common units in accordance with such plans as consideration for the exercise price and withholding taxes applicable to such exercises;
- the issuance and sale of common units pursuant to our distribution reinvestment plan; or
- the filing of a universal shelf registration statement on Form S-3, which may also include common units of selling unitholders; provided, that (1) we and our affiliates remain subject to the 45-day lock-up period with respect to any common units registered under any such registration statement, (2) such registration statement contains only a generic and undetermined plan of distribution with respect to the common units during the 45-day lock-up period, and (3) any selling unitholders registering common units under such registration statement agree in writing to be subject to the 45-day lock-up period.

Citigroup Global Markets Inc. and UBS Securities LLC may release the units subject to lock-up agreements in whole or in part at any time with or without notice. When determining whether or not to release units from lock-up agreements, Citigroup Global Markets Inc. and UBS Securities LLC will consider, among other factors, our unitholders reasons for requesting the release, the number of common units for which the release is being requested and market conditions at the time.

Price Stabilization, Short Positions And Penalty Bids

In connection with this offering, the underwriters may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment transactions involve sales by the underwriters of the common units in excess of the number of units the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of units over-allotted by the underwriters is not greater than the number of units they may purchase in the over-allotment option. In a naked short position, the number of units involved is greater than the number of units in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option and/or purchasing common units in the open market.

Syndicate covering transactions involve purchases of the common units in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of the common units to close out the short position, the underwriters will consider, among other things, the price of common units available for purchase in the open market as compared to the price at which they may purchase common units through the over-allotment option. If the underwriters sell more common units than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying common units in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the common units in the open market after pricing that could adversely affect investors who purchase in the offering.

Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the common units originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of the common units or preventing or retarding a decline in the market price of the common units. As a result, the price of the common units may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the New York Stock Exchange or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common units. In addition, neither we nor any of the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transaction, if commenced, will not be discontinued without notice.

Listing

Our common units are traded on the New York Stock Exchange under the symbol EPD.

Affiliations

Some of the underwriters and their affiliates have performed investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters and their affiliates may, from time to time in the future, engage in transactions with and perform services for us in the ordinary course of business.

Affiliates of Citigroup Global Markets Inc., UBS Securities LLC, Goldman, Sachs & Co., Lehman Brothers Inc., Morgan Stanley & Co. Incorporated, Wachovia Capital Markets, LLC, RBC Capital Markets Corporation and Banc of America Securities LLC are lenders under our multi-year revolving credit facility.

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These affiliates will receive their respective share of any repayment by us of amounts outstanding under the multi-year revolving credit facility from the proceeds of this offering. Because we intend to use more than 10% of the net proceeds from this offering to reduce indebtedness owed by us to such affiliates, this offering is being conducted in compliance with the requirements of Rule 2710(h) of the Conduct Rules of the National Association of Securities Dealers, Inc.

NASD Conduct Rules

Because the National Association of Securities Dealers, Inc. views the common units offered by this prospectus as interests in a direct participation program, this offering is being made in compliance with Rule 2810 of the NASD s Conduct Rules.

Electronic Distribution

A prospectus in electronic format may be made available by one or more of the underwriters or their affiliates. The representatives may agree to allocate a number of common units to underwriters for sale to their online brokerage account holders. The representatives will allocate common units to underwriters that may make Internet distributions on the same basis as other allocations. In addition, common units may be sold by the underwriters to securities dealers who resell common units to online brokerage account holders.

Other than the prospectus in electronic format, the information on any underwriter s web site and any information contained in any other web site maintained by an underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as an underwriter and should not be relied upon by investors.

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LEGAL MATTERS

Andrews Kurth LLP, Houston, Texas, will pass upon the validity of the common units being offered and certain federal income tax matters related to the common units. Certain legal matters with respect to the common units will be passed upon for the underwriters by Baker Botts L.L.P., Houston, Texas.

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

We file annual, quarterly and current reports, and other information with the Commission under the Exchange Act (Commission File No. 1-4323). You may read and copy any document we file 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. Our filings are also available to the public at the Commission s web site at *http://www.sec.gov*. In addition, documents filed by us can be inspected at the offices of the New York Stock Exchange, Inc. 20 Broad Street, New York, New York 10002.

The Commission allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with it, which means that we 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 the accompanying prospectus, and later information that we file with the Commission will automatically update and supersede this information. We incorporate by reference the document listed below and any future filings we make with the Commission under section 13(a), 13(c), 14 or 15(d) of the Exchange Act until our offering is completed (other than information furnished under Items 2.02 or 7.01 of any Form 8-K that is filed in the future and which is not deemed filed under the Exchange Act):

- Annual Report on Form 10-K for the year ended December 31, 2005;
- Quarterly Reports on Form 10-Q for the periods ended March 31, 2006 and June 30, 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, July 13, 2006, July 19, 2006, August 14, 2006, and August 25, 2006.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the related prospectus and some of the documents we have incorporated herein and therein 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, the accompanying prospectus or the documents we have incorporated herein or therein by reference, words such as anticipate, project, expect, plan, goal, forecast, intend, coul 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, in the accompanying prospectus, in our Annual Report on Form 10-K for the year ended December 31, 2005, which we filed with the Commission on February 27, 2006, and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 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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