ENTERPRISE PRODUCTS PARTNERS L P
Form 10-Q
August 09, 2010

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

FORM 10-Q

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

For the quarterly period ended June 30, 2010

OR

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

For the transition period from ___ to ___.

Commission file number: 1-14323

ENTERPRISE PRODUCTS PARTNERS L.P.
(Exact name of Registrant as Specified in Its Charter)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes þ No ¨

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes o No þ

There were 636,721,700 common units, including 3,638,381 restricted common units, and 4,520,431 Class B units (which generally vote together with the common units) of Enterprise Products Partners L.P. outstanding at August 1, 2010. Our common units trade on the New York Stock Exchange under the ticker symbol "EPD."

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
TABLE OF CONTENTS

		Page No.
	PART I. FINANCIAL INFORMATION.	
Item 1.	Financial Statements.	
	Unaudited Condensed Consolidated Balance Sheets	2
	Unaudited Condensed Statements of Consolidated Operations	3
	Unaudited Condensed Statements of Consolidated Comprehensive Income	4
	Unaudited Condensed Statements of Consolidated Cash Flows	5
	Unaudited Condensed Statements of Consolidated Equity	6
	Notes to Unaudited Condensed Consolidated Financial Statements:	
	1. Partnership Operations and Basis of Presentation	9
	2. General Accounting Matters	11
	3. Equity-based Awards	12
	4. Derivative Instruments, Hedging Activities and Fair Value Measurements	16
	5. Inventories	25
	6. Property, Plant and Equipment	26
	7. Investments in Unconsolidated Affiliates	27
	8. Business Combinations	29
	9. Intangible Assets and Goodwill	32
	10. Debt Obligations	35
	11. Equity and Distributions	37
	12. Business Segments	42
	13. Related Party Transactions	46
	14. Earnings Per Unit	50
	15. Commitments and Contingencies	52
	16. Significant Risks and Uncertainties	54
	17. Supplemental Cash Flow Information	55
	18. Condensed Consolidating Financial Information	56
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations.	63
Item 3.	Quantitative and Qualitative Disclosures about Market Risk.	87
Item 4.	Controls and Procedures.	89
	PART II. OTHER INFORMATION.	
Item 1.	Legal Proceedings.	90
Item 1A.	Risk Factors.	90
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds.	92
Item 3.	Defaults upon Senior Securities.	93
Item 4.	(Removed and Reserved).	93

Item 5.	Other Information.	93
Item 6.	Exhibits.	93
Signatures		101

Table of Contents

PART I. FINANCIAL INFORMATION.

Item 1. Financial Statements.

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

ASSETS	June 30, 2010	December 31, 2009
Current assets:		
Cash and cash equivalents	$494.5	$54.7
Restricted cash	19.1	63.6
Accounts and notes receivable – trade, net of allowance for doubtful accounts of $17.5 at June 30, 2010 and $16.8 at December 31, 2009	2,913.5	3,099.0
Accounts receivable – related parties	29.8	38.4
Inventories	1,025.5	711.9
Prepaid and other current assets	423.2	279.3
Total current assets	4,905.6	4,246.9
Property, plant and equipment, net	18,332.0	17,689.2
Investments in unconsolidated affiliates	873.2	890.6
Intangible assets, net of accumulated amortization of $858.7 at June 30, 2010 and $795.0 at December 31, 2009	1,896.1	1,064.8
Goodwill	2,050.6	2,018.3
Other assets	232.0	241.8
Total assets	$28,289.5	$26,151.6
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	$255.0	$--
Accounts payable – trade	457.9	410.6
Accounts payable – related parties	136.9	69.8
Accrued product payables	3,120.9	3,393.0
Accrued interest	232.9	228.0
Other current liabilities	463.8	434.6
Total current liabilities	4,667.4	4,536.0
Long-term debt (see Note 10)	12,416.5	11,346.4
Deferred tax liabilities	72.9	71.7
Other long-term liabilities	207.3	155.2
Commitments and contingencies		
Equity: (see Note 11)		
Enterprise Products Partners L.P. partners' equity:		
Limited Partners:		
Common units (633,084,119 units outstanding at June 30, 2010 and 603,202,828 units outstanding at December 31, 2009)	10,053.0	9,173.5
Restricted common units (3,638,381 units outstanding at June 30, 2010 and 2,720,882 units outstanding at December 31, 2009)	49.3	37.7
Class B units (4,520,431 units outstanding at June 30, 2010 and December 31, 2009)	118.5	118.5

General partner	208.8	190.8
Accumulated other comprehensive loss	(33.2)	(8.4)
Total Enterprise Products Partners L.P. partners’ equity	10,396.4	9,512.1
Noncontrolling interest	529.0	530.2
Total equity	10,925.4	10,042.3
Total liabilities and equity	$28,289.5	$26,151.6

See Notes to Unaudited Condensed Consolidated Financial Statements.

Table of Contents

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009*	2010	2009*
Revenues:				
Third parties	$7,427.4	$5,342.0	$15,739.5	$10,009.4
Related parties	116.0	92.3	348.4	311.8
Total revenues (see Note 12)	7,543.4	5,434.3	16,087.9	10,321.2
Costs and expenses:				
Operating costs and expenses:				
Third parties	6,676.1	4,771.1	14,324.0	8,918.2
Related parties	298.1	253.4	622.1	482.9
Total operating costs and expenses	6,974.2	5,024.5	14,946.1	9,401.1
General and administrative costs:				
Third parties	14.6	21.5	28.7	29.4
Related parties	23.3	24.6	46.8	51.6
Total general and administrative costs	37.9	46.1	75.5	81.0
Total costs and expenses (see Note 12)	7,012.1	5,070.6	15,021.6	9,482.1
Equity in income of unconsolidated affiliates	16.7	9.6	32.7	17.0
Operating income	548.0	373.3	1,099.0	856.1
Other income (expense):				
Interest expense	(168.6)	(158.5)	(317.2)	(311.0)
Interest income	0.5	0.7	0.7	1.6
Other, net	(0.1)	0.1	(0.2)	0.4
Total other expense, net	(168.2)	(157.7)	(316.7)	(309.0)
Income before provision for income taxes	379.8	215.6	782.3	547.1
Provision for income taxes	(6.5)	(3.1)	(15.2)	(19.1)
Net income	373.3	212.5	767.1	528.0
Net income attributable to noncontrolling interests	(16.1)	(25.9)	(32.1)	(116.1)
Net income attributable to Enterprise Products Partners L.P.	$357.2	$186.6	$735.0	$411.9
Allocation of net income attributable to Enterprise Products Partners L.P.:				
Limited partners	$294.3	$147.0	$611.7	$333.3
General partner	$62.9	$39.6	$123.3	$78.6
Basic earnings per unit (see Note 14)	$0.46	$0.32	$0.97	$0.73
Diluted earnings per unit (see Note 14)	$0.46	$0.32	$0.96	$0.73

See Notes to Unaudited Condensed Consolidated Financial Statements.
*See Note 1 for information regarding these recast amounts and basis of financial statement presentation.

Table of Contents

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009*	2010	2009*
Net income	$373.3	$212.5	$767.1	$528.0
Other comprehensive income (loss):				
Cash flow hedges:				
Commodity derivative instrument gains (losses) during period	92.0	(76.6)	33.1	(138.6)
Reclassification adjustment for (gains) losses included in net income related to commodity derivative instruments	(1.5)	66.3	15.0	98.5
Interest rate derivative instrument gains (losses) during period	(70.8)	15.8	(76.5)	15.1
Reclassification adjustment for losses included in net income related to interest rate derivative instruments	3.3	2.5	6.6	4.8
Foreign currency derivative gains (losses) during period	(0.1)	0.1	(0.2)	(10.5)
Reclassification adjustment for gains included in net income related to foreign currency derivative instruments	--	--	(0.3)	--
Total cash flow hedges	22.9	8.1	(22.3)	(30.7)
Foreign currency translation adjustment	(0.8)	1.0	(0.2)	0.6
Change in funded status of pension and postretirement plans, net of tax	--	--	(0.9)	--
Total other comprehensive income (loss)	22.1	9.1	(23.4)	(30.1)
Comprehensive income	395.4	221.6	743.7	497.9
Comprehensive income attributable to noncontrolling interests	(16.8)	(27.5)	(33.5)	(119.7)
Comprehensive income attributable to Enterprise Products Partners L.P.	$378.6	$194.1	$710.2	$378.2

See Notes to Unaudited Condensed Consolidated Financial Statements.
*See Note 1 for information regarding these recast amounts and basis of financial statement presentation.

Table of Contents

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

	For the Six Months Ended June 30,	
	2010	2009*
Operating activities:		
Net income	$767.1	$528.0
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Depreciation, amortization and accretion	451.4	407.7
Non-cash asset impairment charges	1.5	2.3
Equity in income of unconsolidated affiliates	(32.7)	(17.0)
Distributions received from unconsolidated affiliates	58.8	33.5
Operating lease expenses paid by EPCO	0.3	0.3
Gains from asset sales and related transactions	(5.7)	(0.4)
Loss on forfeiture of investment in Texas Offshore Port System	--	68.4
Deferred income tax expense	1.3	1.8
Changes in fair market value of derivative instruments	(5.0)	(12.0)
Effect of pension settlement recognition	(0.2)	(0.1)
Net effect of changes in operating accounts (see Note 17)	(336.5)	(377.5)
Net cash flows provided by operating activities	900.3	635.0
Investing activities:		
Capital expenditures	(746.8)	(834.2)
Contributions in aid of construction costs	8.7	10.3
Decrease in restricted cash	52.6	19.4
Cash used for business combinations (see Note 8)	(1,220.2)	(73.7)
Acquisition of intangible assets	--	(1.4)
Investments in unconsolidated affiliates	(10.2)	(9.8)
Proceeds from asset sales and related transactions	24.1	0.6
Other investing activities	--	1.5
Cash used in investing activities	(1,891.8)	(887.3)
Financing activities:		
Borrowings under debt agreements	3,538.8	3,544.4
Repayments of debt	(2,215.0)	(3,023.6)
Debt issuance costs	(14.8)	(5.4)
Cash distributions paid to partners	(830.9)	(566.1)
Unit option-related reimbursements to EPCO	(2.2)	(0.3)
Cash distributions paid to noncontrolling interests	(36.6)	(210.6)
Cash contributions from noncontrolling interests	1.9	124.3
Net cash proceeds from issuance of common units	990.1	398.6
Cash proceeds from exercise of unit options	1.6	0.2
Acquisition of treasury units	(3.0)	--
Monetization of interest rate derivative instruments	1.3	--
Cash provided by financing activities	1,431.2	261.5
Effect of exchange rate changes on cash	0.1	(2.2)
Net change in cash and cash equivalents	439.7	9.2
Cash and cash equivalents, January 1	54.7	61.7

Cash and cash equivalents, June 30	$494.5	$68.7

See Notes to Unaudited Condensed Consolidated Financial Statements.
*See Note 1 for information regarding these recast amounts and basis of financial statement presentation.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED EQUITY
(See Note 11 for Unit History, Detail of Changes in Limited Partners' Equity and Accumulated Other Comprehensive Loss)
(Dollars in millions)

	Enterprise Products Partners L.P.				
	Limited Partners	General Partner	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
Balance, December 31, 2009	$9,329.7	$190.8	$ (8.4)	$ 530.2	$10,042.3
Net income	611.7	123.3	--	32.1	767.1
Operating lease expenses paid by EPCO	0.3	--	--	--	0.3
Cash distributions paid to partners	(705.7)	(125.2)	--	--	(830.9)
Unit option-related reimbursements to EPCO	(2.2)	--	--	--	(2.2)
Cash distributions paid to noncontrolling interests	--	--	--	(36.6)	(36.6)
Net cash proceeds from issuance of common units	970.3	19.8	--	--	990.1
Cash proceeds from exercise of unit options	1.6	--	--	--	1.6
Cash contributions from noncontrolling interests	--	--	--	1.9	1.9
Amortization of equity awards	17.9	0.3	--	0.2	18.4
Acquisition of treasury units	(3.0)	--	--	--	(3.0)
Foreign currency translation adjustment	--	--	(0.2)	--	(0.2)
Cash flow hedges	--	--	(23.7)	1.4	(22.3)
Other	0.2	(0.2)	(0.9)	(0.2)	(1.1)
Balance, June 30, 2010	$10,220.8	$208.8	$ (33.2)	$ 529.0	$10,925.4

	Enterprise Products Partners L.P.				
	Limited Partners	General Partner	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total
Balance, December 31, 2008*	$6,063.1	$123.6	$ (97.2)	$ 3,206.4	$9,295.9
Net income	333.3	78.6	--	116.1	528.0
Operating lease expenses paid by EPCO	0.3	--	--	--	0.3
Cash distributions paid to partners	(484.4)	(81.7)	--	--	(566.1)
Unit option-related reimbursements to EPCO	(0.3)	--	--	--	(0.3)
Cash distributions paid to noncontrolling interests	--	--	--	(210.6)	(210.6)
Deconsolidation of Texas Offshore Port System (see Note 1)	--	--	--	(33.4)	(33.4)
Net cash proceeds from issuance of common units	390.6	8.0	--	--	398.6

Cash proceeds from exercise of unit options	0.2	--	--	--	0.2
Cash contributions from noncontrolling interests	--	--	--	124.3	124.3
Amortization of equity awards	8.0	0.1	--	2.0	10.1
Foreign currency translation adjustment	--	--	0.6	--	0.6
Cash flow hedges	--	--	(34.3)	3.6	(30.7)
Other	--	--	--	(0.1)	(0.1)
Balance, June 30, 2009*	$6,310.8	$128.6	$ (130.9)	$ 3,208.3	$9,516.8

See Notes to Unaudited Condensed Consolidated Financial Statements.
*See Note 1 for information regarding these recast amounts and basis of financial statement presentation.

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Except unit-related amounts, or as noted within the context of each footnote disclosure, the dollar amounts presented in the tabular data within these footnotes are stated in millions of dollars.

SIGNIFICANT RELATIONSHIPS REFERENCED IN THESE
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unless the context requires otherwise, references to "we," "us," "our," or "Enterprise Products Partners" are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries.References to "EPO" mean Enterprise Products Operating LLC, which is a wholly owned subsidiary of Enterprise Products Partners. Enterprise Products Partners conducts substantially all of its business through EPO and its consolidated subsidiaries. References to "EPGP" mean Enterprise Products GP, LLC, which is our general partner.

References to "Duncan Energy Partners" mean Duncan Energy Partners L.P., which is a consolidated subsidiary of EPO. Duncan Energy Partners is a publicly traded Delaware limited partnership, the common units of which are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "DEP." References to "DEP GP" mean DEP Holdings, LLC, which is the general partner of Duncan Energy Partners and is wholly owned by EPO.

References to "Enterprise GP Holdings" mean Enterprise GP Holdings L.P., a publicly traded Delaware limited partnership, the units of which are listed on the NYSE under the ticker symbol "EPE." Enterprise GP Holdings owns EPGP. The general partner of Enterprise GP Holdings is EPE Holdings, LLC ("EPE Holdings"), which is a wholly owned subsidiary of Dan Duncan LLC. The membership interests of Dan Duncan LLC are owned of record by a voting trust formed on April 26, 2006, pursuant to the Dan Duncan LLC Voting Trust Agreement dated April 26, 2006 (the "DD LLC Voting Trust Agreement"), among Dan Duncan LLC and Dan L. Duncan (as the record owner of all of the membership interests of Dan Duncan LLC immediately prior to the entering into of the DD LLC Voting Trust Agreement and as the initial sole voting trustee).

Immediately upon Mr. Duncan's death on March 29, 2010, voting and dispositive control of all of the membership interests of Dan Duncan LLC was transferred pursuant to the DD LLC Voting Trust Agreement to three voting trustees. The current voting trustees under the DD LLC Voting Trust Agreement (the "DD LLC Trustees") are: (i) Randa Duncan Williams, Mr. Duncan's oldest daughter, who is also a director of EPE Holdings; (ii) Dr. Ralph S. Cunningham, who is currently the President and Chief Executive Officer ("CEO") of EPE Holdings; and (iii) Richard H. Bachmann, who is currently an Executive Vice President, the Chief Legal Officer and Secretary of EPGP and one of three managers of Dan Duncan LLC. Dr. Cunningham and Mr. Bachmann are also currently directors of EPE Holdings.

The DD LLC Voting Trust Agreement requires that there always be two "Independent Voting Trustees" serving. If Mr. Bachmann or Dr. Cunningham fail to qualify or cease to serve, then the substitute or successor Independent Voting Trustee(s) will be appointed by the then-serving Independent Voting Trustee, provided that if no Independent Voting Trustee is then serving or if a vacancy in a trusteeship of an Independent Voting Trustee is not filled within ninety days of the vacancy's occurrence, the CEO of EPGP will appoint the successor Independent Voting Trustee(s).

The DD LLC Voting Trust Agreement also provides for a "Duncan Voting Trustee." The Duncan Voting Trustee is appointed by the children of Mr. Duncan acting by a majority or, if less than three children of Mr. Duncan are then living, unanimously. If for any reason no descendent of Mr. Duncan is appointed as the Duncan Voting Trustee, then such trusteeship will remain vacant until such time as a Duncan Voting Trustee is appointed in the manner provided above. If a Duncan Voting Trustee for any reason ceases to serve, his or her successor shall be appointed by the children of Mr. Duncan acting by majority or, if less than three children of Mr. Duncan are then living, unanimously.

Ms. Williams is currently the Duncan Voting Trustee.

The DD LLC Trustees are required to treat for all purposes whatsoever the member party to the DD LLC Voting Trust Agreement as the beneficial owner of the membership interests of Dan Duncan

7

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

LLC. The estate of Mr. Duncan became the sole member party to the DD LLC Voting Trust Agreement upon the death of Mr. Duncan on March 29, 2010. However, the DD LLC Trustees collectively are the record owners of the Dan Duncan LLC membership interests and possess and are entitled to exercise all rights and powers of absolute ownership thereof and to vote, assent or consent with respect thereto and to take party in and consent to any corporate or members' actions (except those actions, if any, to which the DD LLC Trustees may not legally consent) and subject to the provisions of the DD LLC Voting Trust Agreement, to receive dividends and distributions on the Dan Duncan LLC membership interests. Except as otherwise provided in the DD LLC Voting Trust Agreement, all actions taken by the DD LLC Trustees are by majority vote.

The DD LLC Trustees serve in such capacity without compensation, but they are entitled to incur reasonable charges and expenses deemed necessary and proper for administering the DD LLC Voting Trust Agreement and to reimbursement and indemnification.

The DD LLC Voting Trust Agreement will terminate when (i) the descendants of Mr. Duncan, and entities directly or indirectly controlled by or held for the benefit of any such descendant, no longer own any capital stock of EPCO (as defined below); or (ii) upon such earlier date designated by the DD LLC Trustees by an instrument in writing delivered to the member party to the DD LLC Voting Trust Agreement.

On April 27, 2010, the independent co-executors for the estate of Mr. Duncan were appointed by the probate court. The independent co-executors are Mr. Bachmann, Dr. Cunningham and Ms. Williams, who are the same persons as the current DD LLC Trustees and voting trustees under a separate voting trust agreement relating to a majority of EPCO's outstanding shares with voting rights (as more fully described below).

References to "EPCO" mean Enterprise Products Company (formerly EPCO, Inc.) and its privately held affiliates. Prior to Mr. Duncan's death, we, EPO, Duncan Energy Partners, DEP GP, EPGP, Enterprise GP Holdings and EPE Holdings were affiliates under the common control of Mr. Duncan, since he was the controlling shareholder of EPCO and the controlling member of Dan Duncan LLC. A majority of the outstanding voting capital stock of EPCO is owned of record by a voting trust formed on April 26, 2006, pursuant to the EPCO Inc. Voting Trust Agreement (the "EPCO Voting Trust Agreement"), among EPCO and Mr. Duncan (as the record owner of a majority of the outstanding voting capital stock of EPCO immediately prior to the entering into of the EPCO Voting Trust Agreement and as the initial sole voting trustee).

Immediately upon Mr. Duncan's death, voting and dispositive control of such majority of the outstanding voting capital stock of EPCO was transferred pursuant to the EPCO Voting Trust Agreement to three voting trustees (the "EPCO Trustees"). The current EPCO Trustees are: (i) Ms. Williams, who serves as Chairman of EPCO; (ii) Dr. Cunningham, who serves as a Vice Chairman of EPCO; and (iii) Mr. Bachmann, who serves as the President, CEO and Chief Legal Officer of EPCO. Ms. Williams, Dr. Cunningham and Mr. Bachmann are also currently directors of EPCO. The current EPCO Trustees are the same as the current DD LLC Trustees, which control Dan Duncan LLC. The current EPCO Trustees are also the same persons as the individuals appointed on April 27, 2010 as the independent co-executors of the estate of Mr. Duncan. At June 30, 2010, Dan Duncan LLC and EPCO beneficially owned approximately 18% and 57%, respectively, of the outstanding units representing limited partner interests of Enterprise GP Holdings.

References to "TEPPCO" and "TEPPCO GP" mean TEPPCO Partners, L.P. and Texas Eastern Products Pipeline Company, LLC (which is the general partner of TEPPCO), respectively, prior to their mergers with our subsidiaries on October 26, 2009. We refer to such related mergers both individually and in the aggregate as the ("TEPPCO Merger").

References to “Energy Transfer Equity” mean the business and operations of Energy Transfer Equity, L.P. and its consolidated subsidiaries, which include Energy Transfer Partners, L.P. (“ETP”) and, effective May 26, 2010, Regency Energy Partners LP (“RGNC”). Energy Transfer Equity is a publicly

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol "ETE." ETP is a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol "ETP." RGNC is a publicly traded Delaware limited partnership, the common units of which are traded on the NASDAQ stock market under the ticker symbol "RGNC." The general partner of Energy Transfer Equity is LE GP, LLC.

References to the "Employee Partnerships" mean EPE Unit L.P. ("EPE Unit I"), EPE Unit II, L.P. ("EPE Unit II"), EPE Unit III, L.P. ("EPE Unit III"), Enterprise Unit L.P. ("Enterprise Unit") and EPCO Unit L.P. ("EPCO Unit"), collectively, all of which are privately held affiliates of EPCO.

Note 1. Partnership Operations and Basis of Presentation

General

We are a publicly traded Delaware limited partnership, the common units of which are listed on the NYSE under the ticker symbol "EPD." We were formed in April 1998 to own and operate certain natural gas liquids ("NGLs") related businesses of EPCO. We are a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the United States, Canada and the Gulf of Mexico with domestic consumers and international markets. The partnership's assets include: 49,100 miles of onshore and offshore pipelines; approximately 200 million barrels ("MMBbls") of storage capacity for NGLs, refined products and crude oil; and 27 billion cubic feet ("Bcf") of natural gas storage capacity.

Our midstream energy operations include: natural gas transportation, gathering, processing and storage; NGL transportation, fractionation, storage, and import and export terminaling; crude oil and refined products transportation, storage, and terminaling; offshore production platforms; petrochemical transportation and storage; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico. We have five reportable business segments: (i) NGL Pipelines & Services; (ii) Onshore Natural Gas Pipelines & Services; (iii) Onshore Crude Oil Pipelines & Services; (iv) Offshore Pipelines & Services and (v) Petrochemical & Refined Products Services. Our business segments reflect the manner in which these businesses are managed and reviewed by the CEO of our general partner. See Note 12 for additional information regarding our business segments.

We are owned 98% by our limited partners and 2% by our general partner, EPGP. We, EPGP, Enterprise GP Holdings, EPE Holdings, EPCO and Dan Duncan LLC are affiliates and under the collective common control of the DD LLC Trustees and the EPCO Trustees. We have no employees. All of our operating functions and general and administrative support services are provided by employees of EPCO pursuant to an administrative services agreement, or ASA, or other service providers. See Note 13 for information regarding the ASA and related party matters.

Our results of operations for the three and six months ended June 30, 2010 are not necessarily indicative of results expected for the full year. In our opinion, the accompanying Unaudited Condensed Consolidated Financial Statements include all adjustments consisting of normal recurring accruals necessary for fair presentation. Although we believe the disclosures in these financial statements are adequate to make the information presented not misleading, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These Unaudited Condensed

Consolidated Financial Statements and the Notes thereto should be read in conjunction with the Audited Consolidated Financial Statements and Notes thereto included in our annual report on Form 10-K for the year ended December 31, 2009 (the “2009 Form 10-K”).

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidation of Duncan Energy Partners

For financial reporting purposes, we consolidate the financial statements of Duncan Energy Partners with those of our own and reflect its operations in our business segments. We control Duncan Energy Partners through our ownership of its general partner. Public ownership of Duncan Energy Partners' net assets and earnings are presented as a component of noncontrolling interest in our consolidated financial statements. The borrowings of Duncan Energy Partners are presented as part of our consolidated debt. However, neither Enterprise Products Partners nor EPO have any obligation for the payment of interest or repayment of borrowings incurred by Duncan Energy Partners.

TEPPCO Merger and Basis of Presentation

On October 26, 2009, the related mergers of our wholly owned subsidiaries with TEPPCO and TEPPCO GP were completed. As a result, our consolidated financial statements and business segments were recast to reflect the TEPPCO Merger. Under terms of the merger agreements, TEPPCO and TEPPCO GP became wholly owned subsidiaries of ours, and each of TEPPCO's unitholders, except for a privately held affiliate of EPCO, were entitled to receive 1.24 of our common units for each TEPPCO unit they owned. In total, we issued an aggregate of 126,932,318 common units and 4,520,431 Class B units (described below) as consideration in the TEPPCO Merger for both TEPPCO units and the TEPPCO GP membership interests. On October 27, 2009, our TEPPCO and TEPPCO GP equity interests were contributed to EPO, and TEPPCO and TEPPCO GP became wholly owned subsidiaries of EPO.

A privately held affiliate of EPCO exchanged a portion of its TEPPCO units, based on the 1.24 exchange rate, for 4,520,431 of our Class B units in lieu of common units. The Class B units are not entitled to receive regular quarterly cash distributions for the first sixteen quarters following the closing date of the merger. The Class B units automatically convert into the same number of common units on the date immediately following the payment date for the sixteenth regular quarterly distribution following the closing date of the merger. The Class B units are entitled to vote together with the common units as a single class on partnership matters and, except for the payment of distributions, have the same rights and privileges as our common units.

Under the terms of the TEPPCO Merger agreements, Enterprise GP Holdings received 1,331,681 of our common units and an increase in the capital account of EPGP to maintain its 2% general partner interest in us as consideration for 100% of the membership interests of TEPPCO GP.

Due to common control considerations, the TEPPCO Merger was accounted for at historical costs as a reorganization of entities under common control in a manner similar to a pooling of interests. Our consolidated financial statements for periods prior to the TEPPCO Merger reflect the combined financial information of Enterprise Products Partners, TEPPCO and TEPPCO GP on a 100% basis. Third-party and related party ownership interests in TEPPCO and TEPPCO GP are presented as "Former owners of TEPPCO," which is a component of noncontrolling interest.

There was no change in net income attributable to Enterprise Products Partners L.P. for periods prior to the TEPPCO Merger since the net income attributable to TEPPCO and TEPPCO GP for these periods was allocated to noncontrolling interests. Additionally, there was no change in our reported earnings per unit ("EPU") for such periods. See Note 12 for a reconciliation of our recast consolidated revenues and total segment gross operating margin, which is a non-generally accepted accounting principle ("non-GAAP") financial performance measure, to our pre-merger reported amounts.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deconsolidation of Texas Offshore Port System

In August 2008, we, including TEPPCO, together with Oiltanking Holding Americas, Inc. ("Oiltanking") formed the Texas Offshore Port System partnership ("TOPS"). In April 2009, we and TEPPCO dissociated from TOPS. As a result, our operating costs and expenses and net income for the second quarter of 2009 include a non-cash charge of $68.4 million. This loss represents the forfeiture of our cumulative investment, including that of TEPPCO, in TOPS through the date of dissociation. The impact on net income attributable to Enterprise Products Partners L.P. was approximately $34.2 million, as $34.2 million of this loss was absorbed by noncontrolling interests in consolidation (i.e., by the former owners of TEPPCO).

On a recast basis, we consolidated the financial statements of TOPS with those of our own since TEPPCO and we held a majority of the ownership interests and voting control of TOPS. Oiltanking's interest in the joint venture was accounted for as a noncontrolling interest. As a result of our dissociation from TOPS, we discontinued the consolidation of TOPS during the second quarter of 2009. The effect of deconsolidation was to remove the accounts of TOPS, including Oiltanking's noncontrolling interest of $33.4 million, from our books and records, after reflecting the $68.4 million aggregate write-off of the investments related to the deconsolidation.

Note 2. General Accounting Matters

Estimates

Preparing our financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts presented in the financial statements (e.g., assets, liabilities, revenue and expenses) and disclosures regarding contingent assets and liabilities. Our actual results could differ from these estimates. On an ongoing basis, management reviews its estimates based on currently available information. Any future changes in facts and circumstances may require updated estimates, which, in turn, could have a significant impact on our financial statements.

Fair Value Information

Cash and cash equivalents and restricted cash, accounts receivable, accounts payable and accrued expenses and other current liabilities (excluding derivative instruments) are carried at amounts which reasonably approximate their fair values due to their short-term nature. The estimated fair values of our fixed-rate debt are based on quoted market prices for such debt or debt of similar terms and maturities. The carrying amounts of our variable-rate debt obligations reasonably approximate their fair values due to their variable interest rates. See Note 4 for fair value information associated with our derivative instruments.

The following table presents the estimated fair values of our financial instruments at the dates indicated:

	June 30, 2010		December 31, 2009	
Financial Instruments	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:				
Cash and cash equivalents and restricted cash	$513.6	$513.6	$118.3	$118.3
Accounts receivable	2,943.3	2,943.3	3,137.4	3,137.4
Financial liabilities:				

Accounts payable and accrued expenses	3,948.6	3,948.6	4,101.4	4,101.4
Other current liabilities (excluding derivative instruments)	331.7	331.7	341.6	341.6
Fixed-rate debt (principal amount)	12,032.7	12,665.8	10,586.7	11,056.2
Variable-rate debt	594.8	594.8	710.3	710.3

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Recent Accounting Developments

In November 2008, the SEC released a proposed roadmap regarding the potential use by U.S. issuers of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). IFRS consist of accounting standards published by the International Accounting Standards Board ("IASB"), which is based in London, England. In February 2010, the SEC expressed its continuing support for a single set of high-quality globally accepted accounting standards and established a general work plan that sets forth areas and factors the SEC will consider before requiring domestic public companies to transition to IFRS. Currently, the Financial Accounting Standards Board (or "FASB," based in Norwalk, Connecticut) and the IASB are working both individually and jointly on a number of accounting standard convergence projects that, if finalized in 2011, would bring about a significant shift in the accounting and financial reporting landscape. These projects include a broad range of topics such as financial statement presentation, accounting for leases, revenue recognition, financial instruments, consolidations and fair value measurements.

The SEC will make a determination in 2011 regarding the mandatory adoption of IFRS with the expectation that any decision to adopt IFRS would allow U.S. issuers four to five years to transition from current U.S. GAAP. We continue to monitor developments in the potential implementation of IFRS and the ongoing convergence projects of the FASB and IASB. We will evaluate the impact that any definitive accounting guidance may have on our financial statements once this information is finalized by the appropriate standard setting organizations, including the SEC.

Restricted Cash

Restricted cash represents amounts held in connection with our commodity derivative instruments portfolio and related physical natural gas and NGL purchases. Additional cash may be restricted to maintain this portfolio as commodity prices fluctuate or deposit requirements change. At June 30, 2010 and December 31, 2009, our restricted cash amounts were $19.1 million and $63.6 million, respectively. Our restricted cash balances have decreased since December 31, 2009 due to a reduction in margin requirements related to our commodity hedging activities. See Note 4 for information regarding our derivative instruments and hedging activities.

Note 3. Equity-based Awards

An allocated portion of the fair value of EPCO's equity-based awards is charged to us under the ASA. The following table summarizes the expense we recognized in connection with equity-based awards for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Restricted unit awards (1)	$7.6	$3.8	$12.9	$6.2
Unit option awards (1)	0.9	0.6	1.8	0.7
Unit appreciation rights (2)	0.1	--	0.2	--
Phantom units (2)	0.1	0.1	0.1	0.1
Profits interests awards (1)	1.8	2.0	3.6	3.4
Total compensation expense	$10.5	$6.5	$18.6	$10.4

(1) Accounted for as equity-classified awards.
(2) Accounted for as liability-classified awards.

The fair value of an equity-classified award (e.g., a restricted unit award) is amortized to earnings over the requisite service or vesting period. Compensation expense for liability-classified awards (e.g., unit appreciation rights ("UARs")) is recognized over the requisite service or vesting period of an award based on the fair value of the award remeasured at each reporting period. Liability-classified awards are settled in cash upon vesting.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2010, EPCO's long-term incentive plans applicable to our operations were the Enterprise Products 1998 Long-Term Incentive Plan, the Amended and Restated 2008 Enterprise Products Long-Term Incentive Plan and the 2010 Duncan Energy Partners L.P. Long-Term Incentive Plan. In addition, there were unvested awards outstanding under an inactive plan, the Enterprise Products 2006 TPP Long-Term Incentive Plan ("2006 Plan"). EPCO's equity-based awards also include profits interests in the Employee Partnerships.

When employees exercise unit options, we reimburse EPCO for the cash difference between the strike price paid by the employee and the actual purchase price paid by EPCO for the common units issued to the employee. In addition, we reimburse EPCO for certain amounts recorded in connection with EPCO Unit (one of the Employee Partnerships). Beginning in February 2009, the ASA was amended to provide that we and other affiliates of EPCO will reimburse EPCO for our allocated share of distributions of cash or securities made to the Class B limited partners of EPCO Unit. Except for the foregoing, we are not responsible for reimbursing EPCO for any of the costs associated with equity awards.

Restricted Unit Awards

Restricted unit awards allow recipients to acquire (at no cost to the recipient apart from service or other conditions) limited partner units once a defined vesting period expires, subject to customary forfeiture provisions. Restricted unit awards may be denominated in our common units or those of Duncan Energy Partners depending on the issuer of the award. Restricted unit awards issued prior to 2010 cliff vest generally four years from the date of grant. Beginning with awards issued in 2010, restricted unit awards are subject to graded vesting provisions in which one-fourth of each award vests on the first, second, third and fourth anniversaries of the date of grant. As used in the context of EPCO's long-term incentive plans, the term "restricted unit" represents a time-vested unit. Such awards are non-vested until the required service period expires.

The fair value of a restricted unit award is based on the market price per unit of the underlying security on the date of grant. Compensation expense is recognized based on the grant date fair value, net of an allowance for estimated forfeitures, over the requisite service or vesting period.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes information regarding restricted unit awards for the periods indicated:

	Number of Units	Weighted-Average Grant Date Fair Value per Unit (1)
Enterprise Products Partners L.P. restricted unit awards:		
Restricted units at December 31, 2009	2,720,882	$27.70
Granted (2,3)	1,332,875	$32.26
Vested (3)	(322,228)	$25.12
Forfeited	(93,148)	$29.51
Restricted units at June 30, 2010	3,638,381	$29.69
Duncan Energy Partners L.P. restricted unit awards:		
Restricted units at December 31, 2009	--	
Granted (3,4)	6,348	$25.26
Vested (3)	(6,348)	$25.26
Restricted units at June 30, 2010	--	

(1) Determined by dividing the aggregate grant date fair value of awards before an allowance for forfeitures by the number of awards issued.
(2) Aggregate grant date fair value of restricted unit awards denominated in our common units was $43.0 million based on grant date market price of our common units ranging from $32.00 to $32.27 per unit. Estimated forfeiture rates ranging between 4.6% and 17% were applied to these awards.
(3) Includes awards granted to the independent directors of the boards of directors of EPGP and DEP GP as part of their annual compensation for 2010. A total of 6,960 and 6,348 restricted unit awards were issued in February 2010 to the independent directors of EPGP and DEP GP, respectively, that immediately vested upon issuance.
(4) Aggregate grant date fair value of restricted unit awards denominated in Duncan Energy Partners' common units was $0.2 million based on a grant date market price of Duncan Energy Partners' common units of $25.26 per unit.

In the aggregate, unrecognized compensation cost of restricted unit awards was $59.6 million at June 30, 2010, of which our allocated share of the cost is currently estimated to be $53.5 million. We expect to recognize our share of the unrecognized compensation cost for these awards over a weighted-average period of 2.1 years.

Unit Option Awards

EPCO's long-term incentive plans provide for the issuance of non-qualified incentive options. These option awards may be denominated in our common units or those of Duncan Energy Partners depending on the issuer of the award. When issued, the exercise price of each option award may be no less than the market price of the underlying security on the date of grant. In general, option awards have a vesting period of four years from the date of grant. If option awards are not exercised, these awards generally expire between five and ten years after the date of grant.

The fair value of each unit option is estimated on the date of grant using a Black-Scholes option pricing model, which incorporates various assumptions including expected life of the option, risk-free interest rates, expected distribution yield of the underlying security, and expected unit price volatility. Compensation expense is recognized based on the

grant date fair value, net of an allowance for estimated forfeitures, over the vesting period.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents unit option activity for the periods indicated. As of June 30, 2010, only Enterprise Products Partners has issued unit option awards.

	Number of Units	Weighted-Average Strike Price (dollars/unit)	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (1)
Outstanding at December 31, 2009	3,825,920	$ 26.52		
Granted (2)	785,000	$ 32.26		
Exercised	(222,500)	$ 24.60		
Outstanding at June 30, 2010	4,388,420	$ 27.65	4.3	$6.5
Options exercisable at June 30, 2010	635,000	$ 25.11	5.3	$6.5

(1) Aggregate intrinsic value reflects fully vested unit options at the date indicated.
(2) Aggregate grant date fair value of these unit options was $2.3 million based on the following assumptions: (i) a weighted-average grant date market price of our common units of $32.26 per unit; (ii) weighted-average expected life of options of 4.9 years; (iii) weighted-average risk-free interest rate of 2.5%; (iv) weighted-average expected distribution yield on our common units of 6.9%; and (v) weighted-average expected unit price volatility on our common units of 23.3%. An estimated forfeiture rate of 17% was applied to awards granted during 2010.

The following table presents additional information regarding unit option awards for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Total intrinsic value of option awards exercised during period	$1.3	$0.2	$2.2	$0.3
Cash received from EPCO in connection with the exercise of unit option awards	1.0	0.1	1.6	0.2
Unit option-related reimbursements to EPCO	1.3	0.2	2.2	0.3

In the aggregate, unrecognized compensation cost of unit option awards was $9.1 million at June 30, 2010, of which our allocated share of the cost is currently estimated to be $8.0 million. We expect to recognize our share of the unrecognized compensation cost for these awards over a weighted-average period of 2.7 years.

Unit Appreciation Rights

UARs entitle a participant to receive a cash payment on the vesting date equal to the excess, if any, of the fair market value of the underlying security (determined as of a future vesting date) over the grant date fair value of the award. UARs are accounted for as liability awards. The following tables present information regarding UAR awards for the periods indicated:

	UARs Based on Units of		
	Enterprise Products	Enterprise GP	Total

	Partners	Holdings	
UARs at December 31, 2009	142,196	90,000	232,196
Settled or forfeited	(10,255)	--	(10,255)
UARs at June 30, 2010	131,941	90,000	221,941

	June 30, 2010	December 31, 2009
Accrued liability for UARs	$0.6	$0.3

At June 30, 2010, 131,941 UARs had been granted under the 2006 Plan to certain employees of EPCO who work on our behalf. These awards are subject to five year cliff vesting requirements and are expected to settle in 2012. The grant date fair value with respect to these UARs is based on a unit price of $37.00 for our common units. If the employee resigns prior to vesting, the UAR awards are forfeited.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At June 30, 2010, there were 90,000 UARs outstanding that were granted to the independent directors of DEP GP. These UARs cliff vest in 2012. The grant date fair value with respect to these UARs is based on an Enterprise GP Holdings' unit price of $36.68. If a director resigns prior to vesting, his UAR awards are forfeited.

Phantom Unit Awards

Certain of EPCO's long-term incentive plans provide for the issuance of phantom unit awards. These awards are automatically redeemed for cash based on the fair value of the vested portion of phantom units at redemption dates stated in each award. The fair value of each phantom unit award is equal to the closing market price of the underlying security on the redemption date. Each participant is required to redeem their phantom units as they vest, which is typically three to four years from the date the award is granted. Phantom unit awards are accounted for as liability awards.

The following tables present information regarding phantom unit awards for the periods indicated:

Phantom units at December 31, 2009	14,927
Granted	6,200
Vested	(4,327)
Phantom units at June 30, 2010	16,800

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Liabilities paid for phantom unit awards	$--	$0.3	$0.1	$1.1

	June 30, 2010	December 31, 2009
Accrued liability for phantom unit awards	$0.2	$0.2

The 3,472 phantom units outstanding under the TEPPCO 1999 Phantom Unit Retention Plan at December 31, 2009 vested in January 2010 and the plan was terminated.

Profits Interests Awards

As long-term incentive arrangements, EPCO granted its key employees who perform services on behalf of us, EPCO and other affiliated companies, "profits interests" in the Employee Partnerships, all of which are privately held affiliates of EPCO. Profits interests awards entitle each holder to participate in the expected long-term appreciation in value of the equity securities owned by each Employee Partnership. The Employee Partnerships own either units of Enterprise GP Holdings or common units of Enterprise Products Partners or a combination of both. The profits interests awards are subject to customary forfeiture provisions.

Our reimbursements to EPCO in connection with EPCO Unit were $0.1 million during each of the three months ended June 30, 2010 and 2009. During each of the six months ended June 30, 2010 and 2009, our reimbursements to EPCO in connection with EPCO Unit were $0.2 million.

In August 2010, the Employee Partnerships were liquidated. We expect to recognize approximately $24 million of expense during the third quarter of 2010 in connection with these liquidations. Of this expense amount, we estimate that approximately $18 million will be non-cash.

Note 4. Derivative Instruments, Hedging Activities and Fair Value Measurements

In the course of our normal business operations, we are exposed to certain risks, including changes in interest rates, commodity prices and, to a limited extent, foreign exchange rates. In order to manage risks associated with certain identifiable and anticipated transactions, we use derivative instruments.

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Derivatives are instruments whose fair value is determined by changes in a specified benchmark such as interest rates, commodity prices or currency values. Fair value is generally defined as the amount at which a derivative instrument could be exchanged in a current transaction between willing parties, not in a forced sale. Typical derivative instruments include futures, forward contracts, swaps, options and other instruments with similar characteristics. Substantially all of our derivatives are used for non-trading activities.

We are required to recognize derivative instruments at fair value as either assets or liabilities on the balance sheet. While all derivatives are required to be reported at fair value on the balance sheet, changes in fair value of the derivative instruments are reported in different ways depending on the nature and effectiveness of the hedging activities to which they relate. After meeting specified conditions, a qualified derivative may be specifically designated as a total or partial hedge of:

§ Changes in the fair value of a recognized asset or liability, or an unrecognized firm commitment - In a fair value hedge, gains and losses for both the derivative instrument and the hedged item are recognized in income during the period of change.

§ Variable cash flows of a forecasted transaction - In a cash flow hedge, the effective portion of the hedge is reported in other comprehensive income (loss) and is reclassified into earnings when the forecasted transaction affects earnings.

§ Foreign currency exposure - A foreign currency hedge can be treated as either a fair value hedge or a cash flow hedge depending on the risk being hedged.

An effective hedge relationship is one in which the change in fair value of a derivative instrument can be expected to offset 80% to 125% of the changes in fair value of a hedged item at inception and throughout the life of the hedging relationship. The effective portion of a hedge relationship is the amount by which the derivative instrument exactly offsets the change in fair value of the hedged item during the reporting period. Conversely, ineffectiveness represents the change in the fair value of the derivative instrument that does not exactly offset the change in the fair value of the hedged item. Any ineffectiveness associated with a hedge relationship is recognized in earnings immediately. Ineffectiveness can be caused by, among other things, changes in the timing of forecasted transactions or a mismatch of terms between the derivative instrument and the hedged item.

A contract designated as a cash flow hedge of an anticipated transaction that is probable of not occurring is immediately recognized in earnings.

Certain of our derivative instruments do not qualify for hedge accounting treatment; therefore, they are accounted for using mark-to-market accounting.

Interest Rate Derivative Instruments

We utilize interest rate swaps, treasury locks and similar derivative instruments to manage our exposure to changes in the interest rates charged on borrowings under certain consolidated debt agreements. This strategy is a component in controlling our cost of capital associated with such borrowings.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes our interest rate derivative instruments outstanding at June 30, 2010:

Hedged Transaction	Number and Type of Derivative(s) Employed	Notional Amount	Period of Hedge	Rate Swap	Accounting Treatment
Enterprise Products Partners:					
Senior Notes C	1 fixed-to-floating swap	$100.0	1/04 to 2/13	6.4% to 2.3%	Fair value hedge
Senior Notes G	3 fixed-to-floating swaps	$300.0	10/04 to 10/14	5.6% to 1.4%	Fair value hedge
Senior Notes P	7 fixed-to-floating swaps	$400.0	6/09 to 8/12	4.6% to 2.7%	Fair value hedge
Duncan Energy Partners:					
Variable-rate borrowings	3 floating-to-fixed swaps	$175.0	9/07 to 9/10	0.5% to 4.6%	Cash flow hedge

Interest rate swaps exchange the stated interest rate paid on a notional amount of debt for a fixed or floating interest rate stipulated in the derivative instrument. Our interest rate swaps associated with existing debt obligations resulted in a decrease in interest expense of $4.6 million and $0.4 million for the three months ended June 30, 2010 and 2009, respectively. For the six months ended June 30, 2010 and 2009, such swaps resulted in a decrease in interest expense of $8.9 million and an increase in interest expense of $0.2 million, respectively.

The following table summarizes our forward starting interest rate swaps outstanding at June 30, 2010, which hedge the expected underlying benchmark interest rates related to forecasted issuances of debt:

Hedged Transaction	Number and Type of Derivatives Employed	Notional Amount	Expected Termination Date	Average Rate Locked	Accounting Treatment
Future debt offering	3 forward starting swaps	$250.0	2/11	3.7%	Cash flow hedge
Future debt offering	10 forward starting swaps	$500.0	2/12	4.5%	Cash flow hedge
Future debt offering	3 forward starting swaps	$150.0	8/12	4.0%	Cash flow hedge
Future debt offering	4 forward starting swaps	$400.0	3/13	4.1%	Cash flow hedge

In May 2010, we settled a forward starting swap with a notional amount of $50.0 million and recognized a gain of $1.3 million in other comprehensive income. This amount will be amortized to earnings using the effective interest method over the estimated term of the underlying fixed-rate debt.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Commodity Derivative Instruments

The prices of natural gas, NGLs, crude oil, refined products and certain petrochemical products are subject to fluctuations in response to changes in supply and demand, market conditions and a variety of additional factors that are beyond our control. In order to manage the price risk associated with certain exposures, we enter into commodity derivative instruments such as physical forward agreements, futures contracts, fixed-for-float swaps, basis swaps and options contracts. The following table summarizes our commodity derivative instruments outstanding at June 30, 2010:

	Volume (1)		Accounting
Derivative Purpose	Current	Long-Term (2)	Treatment
Derivatives designated as hedging instruments:			
Enterprise Products Partners:			
Natural gas processing:			
Forecasted natural gas purchases for plant thermal reduction ("PTR") (3)	27.1 Bcf	n/a	Cash flow hedge
Forecasted NGL sales (4)	8.0 MMBbls	n/a	Cash flow hedge
Octane enhancement:			
Forecasted purchases of NGLs	1.5 MMBbls	n/a	Cash flow hedge
Inventory management - NGLs	0.1 MMBbls	n/a	Cash flow hedge
Forecasted sales of octane enhancement products	2.1 MMBbls	0.4 MMBbls	Cash flow hedge
Natural gas marketing:			
Natural gas storage inventory management activities	3.1 Bcf	1.2 Bcf	Fair value hedge
NGL marketing:			
Forecasted purchases of NGLs and related hydrocarbon products	7.5 MMBbls	0.7 MMBbls	Cash flow hedge
Forecasted sales of NGLs and related hydrocarbon products	9.4 MMBbls	1.2 MMBbls	Cash flow hedge
Crude oil marketing:			
Forecasted purchases of crude oil	1.2 MMBbls	n/a	Cash flow hedge
Forecasted sales of crude oil	2.6 MMBbls	n/a	Cash flow hedge
Duncan Energy Partners:			
Forecasted sales of natural gas	0.4 Bcf	n/a	Cash flow hedge
Derivatives not designated as hedging instruments:			
Enterprise Products Partners:			
Natural gas risk management activities (5,6)	384.2 Bcf	73.9 Bcf	Mark-to-market
Crude oil risk management activities (6)	0.5 MMBbls	n/a	Mark-to-market
Duncan Energy Partners:			
Natural gas risk management activities (6)	0.5 Bcf	n/a	Mark-to-market

(1) Volume for derivatives designated as hedging instruments reflects the total amount of volumes hedged whereas volume for derivatives not designated as hedging instruments reflects the absolute value of derivative notional volumes.

(2) The maximum term for derivatives included in the long-term column is December 2012.

(3) PTR represents the British thermal unit equivalent of the NGLs extracted from natural gas by a processing plant, and includes the natural gas used as plant fuel to extract those liquids, plant flare and other shortages.

(4) Excludes 3.7 MMBbls of additional hedges executed under contracts that have been designated as normal sales agreements under current accounting guidance. The combination of these volumes with the 8.0 MMBbls reflected as derivatives in the table above results in a total of 11.7 MMBbls of hedged forecasted NGL sales volumes, which corresponds to the 27.1 Bcf of forecasted natural gas purchase volumes for PTR.
(5) Current and long-term volumes include approximately 142.8 and 10.5 Bcf, respectively, of physical derivative instruments that are predominantly priced at an index plus a premium or minus a discount related to location differences.
(6) Reflects the use of derivative instruments to manage risks associated with transportation, processing and storage assets.

Table of Contents

Our predominant hedging strategies are: (i) hedging natural gas processing margins; (ii) hedging anticipated future contracted sales of NGLs, refined products and crude oil associated with volumes held in inventory and (iii) hedging the fair value of natural gas in inventory. The following information summarizes these hedging strategies:

§ The objective of our natural gas processing strategy is to hedge an amount of gross margin associated with our gas processing activities. We achieve this objective by using physical and financial instruments to lock in the purchase prices of natural gas consumed as PTR and the sales prices of the related NGL products. This program consists of (i) the forward sale of a portion of our expected equity NGL production at fixed prices through December 2010, which is achieved through the use of forward physical sales contracts and commodity derivative instruments and (ii) the purchase of commodity derivative instruments having a notional amount based on the volume of natural gas expected to be consumed as PTR in the production of such equity NGL production.

§ The objective of our NGL, refined products and crude oil sales hedging program is to hedge the margins of anticipated future sales of inventory by locking in sales prices through the use of forward physical sales contracts and commodity derivative instruments.

§ The objective of our natural gas inventory hedging program is to hedge the fair value of natural gas currently held in inventory by locking in the sales price of the inventory through the use of commodity derivative instruments.

Foreign Currency Derivative Instruments

We are exposed to a nominal amount of foreign currency exchange risk in connection with our NGL and natural gas marketing activities in Canada. As a result, we could be adversely affected by fluctuations in currency rates between the U.S. dollar and Canadian dollar. In order to manage this risk, we may enter into foreign exchange purchase contracts to lock in an exchange rate. Long-term transactions (i.e., those having terms of more than two months) are accounted for as cash flow hedges. Shorter term transactions are accounted for using mark-to-market accounting. At June 30, 2010, our foreign currency derivative instruments portfolio had a notional amount of $6.0 million Canadian. The fair market value of these derivative instruments was a liability of $0.1 million at June 30, 2010.

Credit-Risk Related Contingent Features in Derivative Instruments

A limited number of our commodity derivative instruments include provisions related to credit ratings and/or adequate assurance clauses. A credit rating provision provides for a counterparty to demand immediate full or partial payment to cover a net liability position upon the loss of a stipulated credit rating. An adequate assurance clause provides for a counterparty to demand immediate full or partial payment to cover a net liability position should reasonable grounds for insecurity arise with respect to contractual performance by either party. At June 30, 2010, the aggregate fair value of our over-the-counter derivative instruments in a net liability position was $6.4 million, all of which was subject to a credit rating contingent feature. If our credit ratings were downgraded to Ba2/BB, approximately $1.4 million would be payable as a margin deposit to the counterparties, and if our credit ratings were downgraded to Ba3/BB- or below, approximately $6.4 million would be payable as a margin deposit to the counterparties. Currently, no margin is required to be deposited. The potential for derivatives with contingent features to enter a net liability position may change in the future as commodity positions and prices fluctuate.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Tabular Presentation of Fair Value Amounts, and Gains and Losses on Derivative Instruments and Related Hedged Items

The following table provides a balance sheet overview of our derivative assets and liabilities at the dates indicated:

	Asset Derivatives				Liability Derivatives			
	June 30, 2010		December 31, 2009		June 30, 2010		December 31, 2009	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments								
Interest rate derivatives	Other current assets	$ 28.5	Other current assets	$ 32.7	Other current liabilities	$ 11.5	Other current liabilities	$ 5.5
Interest rate derivatives	Other assets	31.4	Other assets	31.8	Other liabilities	46.9	Other liabilities	2.2
Total interest rate derivatives		59.9		64.5		58.4		7.7
Commodity derivatives	Other current assets	122.0	Other current assets	52.0	Other current liabilities	65.0	Other current liabilities	62.6
Commodity derivatives	Other assets	3.2	Other assets	0.5	Other liabilities	2.8	Other liabilities	1.8
Total commodity derivatives (1)		125.2		52.5		67.8		64.4
Foreign currency derivatives	Other current assets	--	Other current assets	0.2	Other current liabilities	0.1	Other current liabilities	--
Total derivatives designated as hedging instruments		$ 185.1		$ 117.2		$ 126.3		$ 72.1
Derivatives not designated as hedging instruments								
Commodity derivatives	Other current assets	$ 52.4	Other current assets	$ 28.9	Other current liabilities	$ 55.5	Other current liabilities	$ 24.9
Commodity derivatives	Other assets	2.4	Other assets	2.0	Other liabilities	8.7	Other liabilities	2.7
Total commodity derivatives		54.8		30.9		64.2		27.6
Total derivatives not designated as hedging instruments		$ 54.8		$ 30.9		$ 64.2		$ 27.6

(1) Represent commodity derivative instrument transactions that have either not settled or have settled and not been invoiced. Settled and invoiced transactions are reflected in either accounts receivable or accounts payable depending on the outcome of the transaction.

The following tables present the effect of our derivative instruments designated as fair value hedges on our Unaudited Condensed Statements of Consolidated Operations for the periods indicated:

Derivatives in Fair Value Hedging Relationships	Location	Gain/(Loss) Recognized in Income on Derivative			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2010	2009	2010	2009
Interest rate derivatives	Interest expense	$11.6	$(14.9)	$19.0	$(16.2)
Commodity derivatives	Revenue	4.7	(1.0)	2.9	(1.1)
Total		$16.3	$(15.9)	$21.9	$(17.3)

Derivatives in Fair Value Hedging Relationships	Location	Gain/(Loss) Recognized in Income on Hedged Item			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2010	2009	2010	2009
Interest rate derivatives	Interest expense	$(10.8)	$14.3	$(18.2)	$15.6
Commodity derivatives	Revenue	(4.3)	1.0	(2.4)	1.1
Total		$(15.1)	$15.3	$(20.6)	$16.7

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the effect of our derivative instruments designated as cash flow hedges on our Unaudited Condensed Statements of Consolidated Comprehensive Income and Consolidated Operations for the periods indicated.

Derivatives in Cash Flow Hedging Relationships	Change in Value Recognized in Other Comprehensive Income on Derivative (Effective Portion)			
	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Interest rate derivatives	$(70.8)	$15.8	$(76.5)	$15.1
Commodity derivatives – Revenue	93.5	75.8	86.4	65.8
Commodity derivatives – Operating costs and expenses	(1.5)	(152.4)	(53.3)	(204.4)
Foreign currency derivatives	(0.1)	0.1	(0.2)	(10.5)
Total	$21.1	$(60.7)	$(43.6)	$(134.0)

Derivatives in Cash Flow Hedging Relationships	Location of Gain/(Loss) Reclassified from Accumulated Other Comprehensive Income/Loss into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated Other Comprehensive Income/Loss to Income (Effective Portion)			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2010	2009	2010	2009
Interest rate derivatives	Interest expense	$(3.3)	$(2.5)	$(6.6)	$(4.8)
Commodity derivatives	Revenue	18.3	4.4	2.5	19.7
Commodity derivatives	Operating costs and expenses	(16.8)	(70.7)	(17.5)	(118.2)
Foreign currency derivatives	Other income	--	--	0.3	--
Total		$(1.8)	$(68.8)	$(21.3)	$(103.3)

Derivatives in Cash Flow Hedging Relationships	Location of Gain/(Loss) Recognized in Income on Ineffective Portion of Derivative	Amount of Gain/(Loss) Recognized in Income on Ineffective Portion of Derivative			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2010	2009	2010	2009
Commodity derivatives	Revenue	$--	$(0.7)	$--	$(0.7)
Commodity derivatives	Operating costs and expenses	3.5	(0.2)	2.9	(1.3)
Total		$3.5	$(0.9)	$2.9	$(2.0)

Over the next twelve months, we expect to reclassify $7.8 million of losses attributable to interest rate derivative instruments from accumulated other comprehensive loss to earnings as an increase in interest expense. Likewise, we expect to reclassify $48.2 million of gains attributable to commodity derivative instruments from accumulated other comprehensive income to earnings, $24.8 million as a decrease in operating costs and expenses and $23.4 million as an increase in revenues.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the effect of our derivative instruments not designated as hedging instruments on our Unaudited Condensed Statements of Consolidated Operations for the periods indicated:

Derivatives Not Designated as Hedging Instruments	Location	Gain/(Loss) Recognized in Income on Derivative			
		For the Three Months Ended June 30,		For the Six Months Ended June 30,	
		2010	2009	2010	2009
Commodity derivatives	Revenue	$(8.9)	$7.0	$(5.0)	$32.5
Commodity derivatives	Operating costs and expenses	--	--	(1.5)	--
Foreign currency derivatives	Other income	--	--	--	(0.1)
Total		$(8.9)	$7.0	$(6.5)	$32.4

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a specified measurement date. Our fair value estimates are based on either (i) actual market data or (ii) assumptions that other market participants would use in pricing an asset or liability, including estimates of risk. Recognized valuation techniques employ inputs such as product prices, operating costs, discount factors and business growth rates. These inputs may be either readily observable, corroborated by market data or generally unobservable. In developing our estimates of fair value, we endeavor to utilize the best information available and apply market-based data to the extent possible. Accordingly, we utilize valuation techniques (such as the market approach) that maximize the use of observable inputs and minimize the use of unobservable inputs.

A three-tier hierarchy has been established that classifies fair value amounts recognized or disclosed in the financial statements based on the observability of inputs used to estimate such fair values. The hierarchy considers fair value amounts based on observable inputs (Levels 1 and 2) to be more reliable and predictable than those based primarily on unobservable inputs (Level 3). At each balance sheet reporting date, we categorize our financial assets and liabilities using this hierarchy.

The characteristics of fair value amounts classified within each level of the hierarchy are described as follows:

§ Level 1 fair values are based on quoted prices, which are available in active markets for identical assets or liabilities as of the measurement date. Active markets are defined as those in which transactions for identical assets or liabilities occur with sufficient frequency so as to provide pricing information on an ongoing basis (e.g., the New York Mercantile Exchange). Our Level 1 fair values primarily consist of financial assets and liabilities such as exchange-traded commodity derivative instruments.

§ Level 2 fair values are based on pricing inputs other than quoted prices in active markets (as reflected in Level 1 fair values) and are either directly or indirectly observable as of the measurement date. Level 2 fair values include instruments that are valued using financial models or other appropriate valuation methodologies. Such financial models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, the time value of money, volatility factors, current market and contractual prices for the underlying instruments and other relevant economic measures. Substantially all of these assumptions are: (i) observable in the marketplace throughout the full term of the instrument, (ii) can be derived from observable data or (iii) are validated by inputs other than quoted prices (e.g., interest rate and yield curves at commonly quoted intervals). Our Level 2 fair values primarily consist of commodity derivative instruments such as forwards, swaps

and other instruments transacted on an exchange or over-the-counter and interest rate derivative instruments. The fair values of these derivative instruments are based on observable price quotes for similar products and locations. The fair value of our interest rate derivatives are determined using appropriate financial models that incorporate the implied forward London Interbank Offered Rate yield curve for the same period as the future interest swap settlements.

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

§ Level 3 fair values are based on unobservable inputs. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect our ideas about the assumptions that market participants would use in pricing an asset or liability (including assumptions about risk). Unobservable inputs are based on the best information available to us in the circumstances, which might include our internally developed data. Level 3 inputs are typically used in connection with internally developed valuation methodologies where we make our best estimate of an instrument's fair value. Our Level 3 fair values primarily consist of ethane, normal butane and natural gasoline-based contracts with terms ranging from two months to a year. We rely on price quotes from reputable brokers who publish price quotes on certain products. Whenever possible, we compare these prices to other reputable brokers for the same product in the same market. These prices, when combined with data from our commodity derivative instruments, are used in our models to determine the fair value of such instruments.

The following table sets forth, by level within the fair value hierarchy, our financial assets and liabilities at June 30, 2010. These financial assets and liabilities are measured on a recurring basis and are classified based on the lowest level of input that is significant to their respective fair value measurements. Our assessment of the relative significance of such inputs requires judgment. There were no significant transfers between Levels 1, 2 or 3 during the six months ended June 30, 2010.

	At June 30, 2010			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Interest rate derivative instruments	$--	$59.9	$--	$59.9
Commodity derivative instruments	74.5	47.6	57.9	180.0
Total	$74.5	$107.5	$57.9	$239.9
Financial liabilities:				
Interest rate derivative instruments	$--	$58.4	$--	$58.4
Commodity derivative instruments	27.5	66.4	38.1	132.0
Foreign currency derivative instruments	--	0.1	--	0.1
Total	$27.5	$124.9	$38.1	$190.5

The following table sets forth a reconciliation of changes in the overall fair values of our Level 3 financial assets and liabilities for the periods indicated:

	For the Six Months Ended June 30,	
	2010	2009
Balance, January 1	$5.7	$32.4
Total gains (losses) included in:		
Net income (1)	(3.6)	12.9
Other comprehensive income (loss)	(8.3)	1.5
Purchases, issuances, settlements – net	3.6	(12.3)
Balance, March 31	(2.6)	34.5
Total gains (losses) included in:		
Net income (1)	16.2	7.7
Other comprehensive income (loss)	22.2	(23.1)

Purchases, issuances, settlements – net	(16.2)	(8.1)
Transfers out of Level 3	0.2	(0.2)
Balance, June 30	$ 19.8	$ 10.8

(1) There were $2.8 million and $2.3 million of unrealized losses included in these amounts for the three and six months ended June 30, 2010, respectively. There were $0.1 million of unrealized gains and $0.2 million of unrealized losses included in these amounts for the three and six months ended June 30, 2009, respectively.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Nonfinancial Assets and Liabilities

Certain nonfinancial assets and liabilities are measured at fair value on a nonrecurring basis and are subject to fair value adjustments in certain circumstances (e.g., when there is evidence of impairment). The following table presents the estimated fair value of certain assets carried on our Unaudited Condensed Consolidated Balance Sheet by caption for which a nonrecurring change in fair value has been recorded during the six months ended June 30, 2010:

	Level 3	Impairment Charges
Property, plant and equipment	$--	$1.5

Using appropriate valuation techniques, we adjusted the carrying value of certain of our Onshore Natural Gas Pipelines & Services business segment assets and recorded, in operating costs and expenses, non-cash asset impairment charges of $1.5 million during the six months ended June 30, 2010. During the six months ended June 30, 2009, we adjusted the carrying value of certain of our Petrochemical & Refined Products Services business segment assets and recorded, in operating costs and expenses, non-cash asset impairment charges of $2.3 million.

Note 5. Inventories

Our inventory amounts were as follows at the dates indicated:

	June 30, 2010	December 31, 2009
Working inventory (1)	$598.6	$466.4
Forward sales inventory (2)	426.9	245.5
Total inventory	$1,025.5	$711.9

(1) Working inventory is comprised of natural gas, NGLs, crude oil, refined products, lubrication oils and certain petrochemical products that are either available-for-sale or used in the provision for services. The increase since December 31, 2009 is primarily related to increased marketing activities.
(2) Forward sales inventory consists of identified natural gas, NGL, refined product and crude oil volumes dedicated to the fulfillment of forward sales contracts. The increase since December 31, 2009 is primarily related to higher refined products forward sales volumes.

In those instances where we take ownership of inventory through percent-of-liquids contracts and similar arrangements (as opposed to actually purchasing volumes for cash from third parties), these volumes are valued at market-based prices during the month in which they are acquired.

The following table summarizes our cost of sales and lower of cost or market ("LCM") adjustments for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Cost of sales (1)	$6,343.2	$4,420.9	$13,685.5	$8,238.8

LCM adjustments	1.1	1.4	6.9	5.7

(1) Cost of sales is a component of “Operating costs and expenses,” as presented on our Unaudited Condensed Statements of Consolidated Operations. Period-to-period fluctuations in these amounts are primarily due to changes in energy commodity prices and sales volumes associated with our marketing activities.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Property, Plant and Equipment

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

	Estimated Useful Life in Years	June 30, 2010	December 31, 2009
Plants and pipelines (1)	3-45 (6)	$18,491.1	$17,681.9
Underground and other storage facilities (2)	5-40 (7)	1,411.8	1,280.5
Platforms and facilities (3)	20-31	637.6	637.6
Transportation equipment (4)	3-10	65.7	60.1
Marine vessels (5)	15-30	588.9	559.4
Land		90.5	82.9
Construction in progress		1,233.1	1,207.2
Total		22,518.7	21,509.6
Less accumulated depreciation		4,186.7	3,820.4
Property, plant and equipment, net		$18,332.0	$17,689.2

(1) Plants and pipelines include processing plants; NGL, petrochemical, crude oil and natural gas pipelines; terminal loading and unloading facilities; office furniture and equipment; buildings; laboratory and shop equipment and related assets.
(2) Underground and other storage facilities include underground product storage caverns; above ground storage tanks; water wells and related assets.
(3) Platforms and facilities include offshore platforms and related facilities and other associated assets located in the Gulf of Mexico.
(4) Transportation equipment includes vehicles and similar assets used in our operations.
(5) Marine vessels include tow and push boats, barges and related equipment used in our marine transportation business.
(6) In general, the estimated useful lives of major components of this category are as follows: processing plants, 20-35 years; pipelines and related equipment, 5-45 years; terminal facilities, 10-35 years; office furniture and equipment, 3-20 years; buildings, 20-40 years; and laboratory and shop equipment, 5-35 years.
(7) In general, the estimated useful lives of major components of this category are as follows: underground storage facilities, 5-35 years; storage tanks, 10-40 years; and water wells, 5-35 years.

The following table summarizes our depreciation expense and capitalized interest amounts for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Depreciation expense (1)	$187.7	$169.3	$368.0	$327.9
Capitalized interest (2)	10.5	10.7	21.0	28.1

(1) Depreciation expense is a component of “Costs and expenses” as presented on our Unaudited Condensed Statements of Consolidated Operations.
(2) Capitalized interest increases the carrying value of the associated asset and reduces interest expense during the period it is recorded.

In May 2010, we recorded approximately $290.1 million of property, plant and equipment in connection with the acquisition of the State Line and Fairplay natural gas gathering systems from subsidiaries of M2 Midstream LLC ("Momentum"). See Note 8 for additional information regarding this business combination.

Asset Retirement Obligations

We record asset retirement obligations ("AROs") related to legal requirements to perform retirement activities as specified in contractual arrangements and/or governmental regulations. In general, our AROs primarily result from (i) right-of-way agreements associated with our pipeline operations, (ii) leases of plant sites and (iii) regulatory requirements triggered by the abandonment or retirement of certain underground storage assets and offshore facilities. In addition, our AROs may result from the renovation or demolition of certain assets containing hazardous substances such as asbestos.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents information regarding our AROs since December 31, 2009:

ARO liability balance, December 31, 2009	$54.8
Revisions in estimated cash flows	3.6
Accretion expense	2.1
Liabilities incurred during period	0.1
Liabilities settled during period	(2.0)
ARO liability balance, June 30, 2010	$58.6

Property, plant and equipment at June 30, 2010 and December 31, 2009 includes $21.9 million and $26.7 million, respectively, of asset retirement costs capitalized as an increase in the associated long-lived assets. The following table presents forecasted accretion expense associated with our AROs for the periods indicated:

Remainder of 2010	2011	2012	2013	2014
$1.8	$3.7	$4.0	$4.3	$4.7

Certain of our unconsolidated affiliates had AROs recorded at June 30, 2010 and December 31, 2009 relating to contractual agreements and regulatory requirements. These amounts were immaterial to our consolidated financial statements.

Note 7. Investments in Unconsolidated Affiliates

We hold ownership interests in a number of midstream energy businesses that are accounted for using the equity method of accounting. The following table presents our investments in unconsolidated affiliates (according to the business segment to which they relate) and our ownership interests at the dates indicated:

	Ownership Interest at June 30, 2010	June 30, 2010	December 31, 2009
NGL Pipelines & Services:			
Venice Energy Service Company, L.L.C.	13.1%	$30.6	$32.6
K/D/S Promix, L.L.C. ("Promix")	50%	51.7	48.9
Baton Rouge Fractionators LLC	32.2%	22.3	22.2
Skelly-Belvieu Pipeline Company, L.L.C.	50%	34.0	37.9
Onshore Natural Gas Pipelines & Services:			
Evangeline (1)	49.5%	5.8	5.6
White River Hub, LLC	50%	26.6	26.4
Onshore Crude Oil Pipelines & Services:			
Seaway Crude Pipeline Company ("Seaway")	50%	175.9	178.5
Offshore Pipelines & Services:			
Poseidon Oil Pipeline Company, L.L.C. ("Poseidon")	36%	58.5	61.7
Cameron Highway Oil Pipeline Company	50%	235.6	239.6
Deepwater Gateway, L.L.C.	50%	100.3	101.8
Neptune Pipeline Company, L.L.C.	25.7%	54.8	53.8

Petrochemical & Refined Products Services:			
Baton Rouge Propylene Concentrator, LLC	30%	10.8	11.1
Centennial Pipeline LLC (“Centennial”)	50%	62.6	66.7
Other (2)	Various	3.7	3.8
Total		$873.2	$890.6

(1) Evangeline refers to our ownership interests in Evangeline Gas Pipeline Company, L.P. and Evangeline Gas Corp., collectively.
(2) Other unconsolidated affiliates include a 50% interest in a propylene pipeline extending from Mont Belvieu, Texas to La Porte, Texas and a 25% interest in a company that provides logistics communications solutions between petroleum pipelines and their customers.

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On occasion, the price we pay to acquire an ownership interest in a company exceeds the underlying book value of the capital accounts we acquire. Such excess cost amounts are included within the carrying values of our investments in unconsolidated affiliates. The following table presents the unamortized excess cost amounts by business segment at the dates indicated:

	June 30, 2010	December 31, 2009
NGL Pipelines & Services	$26.1	$27.1
Onshore Crude Oil Pipelines & Services	20.0	20.4
Offshore Pipelines & Services	16.7	17.3
Petrochemical & Refined Products Services	3.1	4.0
Total	$65.9	$68.8

Such excess cost amounts are attributable to the underlying tangible and amortizable intangible assets of the related unconsolidated affiliates. We amortize the excess cost amounts (as a reduction in equity earnings) in a manner similar to depreciation. The following table presents our amortization of such excess cost amounts by business segment for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
NGL Pipelines & Services	$0.3	$0.3	$0.5	$0.5
Onshore Crude Oil Pipelines & Services	0.2	0.2	0.4	0.4
Offshore Pipelines & Services	0.3	0.3	0.6	0.6
Petrochemical & Refined Products Services	0.2	0.7	0.9	2.0
Total	$1.0	$1.5	$2.4	$3.5

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
NGL Pipelines & Services	$3.7	$2.3	$7.0	$3.5
Onshore Natural Gas Pipelines & Services	0.9	1.4	2.2	2.5
Onshore Crude Oil Pipelines & Services	3.6	2.9	5.9	6.2
Offshore Pipelines & Services	11.1	6.8	22.9	11.5
Petrochemical & Refined Products Services	(2.6)	(3.8)	(5.3)	(6.7)
Total	$16.7	$9.6	$32.7	$17.0

Summarized Income Statement Information of Unconsolidated Affiliates

The following tables present unaudited income statement information (on a 100% basis) of our unconsolidated affiliates, aggregated by the business segments to which they relate, for the periods indicated:

Summarized Income Statement Information for the Three Months Ended

	June 30, 2010			June 30, 2009		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income (Loss)	Net Income (Loss)
NGL Pipelines & Services	$74.7	$13.4	$13.4	$46.1	$7.8	$7.9
Onshore Natural Gas Pipelines & Services	53.7	1.9	1.9	44.3	3.0	2.7
Onshore Crude Oil Pipelines & Services	22.0	10.8	10.8	21.8	10.0	10.1
Offshore Pipelines & Services	51.4	26.8	26.7	33.8	13.4	13.2
Petrochemical & Refined Products Services	15.6	(2.6)	(6.5)	13.4	(0.9)	(3.5)

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Summarized Income Statement Information for the Six Months Ended					
	June 30, 2010			June 30, 2009		
	Revenues	Operating Income (Loss)	Net Income (Loss)	Revenues	Operating Income	Net Income (Loss)
NGL Pipelines & Services	$149.5	$26.5	$26.4	$101.7	$12.8	$13.0
Onshore Natural Gas Pipelines & Services	96.0	4.4	4.3	82.6	5.1	4.9
Onshore Crude Oil Pipelines & Services	40.5	18.1	18.1	41.5	18.7	18.8
Offshore Pipelines & Services	106.4	56.0	55.4	63.2	14.5	13.7
Petrochemical & Refined Products Services	24.2	(2.0)	(6.8)	28.3	2.8	(2.5)

Note 8. Business Combinations

State Line and Fairplay Natural Gas Gathering Systems

On May 4, 2010, we acquired 100% ownership of the State Line and Fairplay natural gas gathering systems and related assets from Momentum for approximately $1.2 billion in cash. The effective date of the acquisition was May 1, 2010. These systems are located in northwest Louisiana and east Texas and gather natural gas produced from the Haynesville/Bossier Shales and the Cotton Valley and Taylor Sand formations. We used a portion of the net proceeds from our April 2010 equity offering, together with borrowings under EPO's Multi-Year Revolving Credit Facility, to pay for this acquisition.

The State Line system is located in Desoto and Caddo Parishes, Louisiana and Panola County, Texas. The system currently includes approximately 188 miles of natural gas gathering pipelines having an aggregate gathering capacity of approximately 700 million cubic feet per day ("MMcf/d") and two treating facilities. The State Line system began operations in February 2009 and is currently gathering approximately 500 MMcf/d of natural gas. The Fairplay system is located in Rusk, Panola, Gregg and Nacogdoches counties, Texas. The system includes approximately 249 miles of natural gas gathering pipelines (including approximately 62 miles leased from third parties) having an aggregate gathering capacity of approximately 285 MMcf/d. The Fairplay system is currently gathering approximately 175 MMcf/d of natural gas. Operations related to the Fairplay system include natural gas processing activities provided under contract at third-party processing facilities. The State Line and Fairplay systems are supported by long-term acreage dedication agreements totaling approximately 210,000 acres, as well as volumetric commitments from producers.

The addition of the State Line system complements the Haynesville Extension of our Acadian Gas pipeline system. The Haynesville Extension, which is under development, is expected to provide shippers with both production takeaway capacity from the growing Haynesville Shale and flexible options for reaching attractive markets, including access to nine interstate gas pipeline systems. The Fairplay system is expected to extend our asset base through planned future interconnects with our Texas Intrastate System, along with supporting deliveries of NGLs into our Panola pipeline, and to our fractionation, storage and distribution complex in Mont Belvieu, Texas.

On a combined basis, our consolidated revenues and net income from the State Line and Fairplay systems were $26.2 million and $2.5 million, respectively, for the two months we owned these assets.

29

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Pro forma financial information. Since the effective date of the State Line and Fairplay acquisitions was May 1, 2010, our Unaudited Condensed Statements of Consolidated Operations do not include earnings from these businesses prior to this date. The following table presents selected pro forma earnings information for the periods presented as if the acquisitions had been completed on January 1 of each year presented. This pro forma information was prepared using historical financial data for the State Line and Fairplay systems and reflects certain estimates and assumptions made by our management. Our pro forma financial information is not necessarily indicative of what our consolidated financial results would have been had we actually acquired the State Line and Fairplay systems on January 1 of each year presented.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Pro forma earnings data:				
Revenues	$7,557.0	$5,460.7	$16,153.3	$10,375.8
Costs and expenses	7,024.2	5,098.5	15,080.9	9,540.7
Operating income	549.5	371.8	1,105.1	852.1
Net income	374.4	209.3	771.6	520.6
Net income attributable to Enterprise Products Partners L.P.	358.3	183.4	739.5	404.5
Basic earnings per unit:				
As reported basic units outstanding	633.8	458.4	625.9	455.5
Pro forma basic units outstanding	635.9	472.2	633.8	469.3
As reported basic earnings per unit	$0.46	$0.32	$0.97	$0.73
Pro forma basic earnings per unit	$0.46	$0.30	$0.96	$0.68
Diluted earnings per unit:				
As reported diluted units outstanding	639.1	458.5	631.3	455.6
Pro forma diluted units outstanding	641.2	472.3	639.2	469.4
As reported diluted earnings per unit	$0.46	$0.32	$0.96	$0.73
Pro forma diluted earnings per unit	$0.46	$0.30	$0.96	$0.68

Marine Crude Oil Transportation Business

On June 1, 2010, we acquired certain marine transportation assets from CTCO Marine Services LLC for $12.0 million in cash. The acquired assets are utilized as part of a crude oil gathering business that provides service between points in the Gulf of Mexico and the inland waterways of coastal Louisiana. This business includes three tug boats and five barges that are a component of our Petrochemical & Refined Products Services business segment. On a pro forma consolidated basis after giving effect to this transaction, our revenues, costs and expenses, operating income, net income attributable to Enterprise Products Partners L.P. and earnings per unit amounts would not have differed materially from those we reported for the three and six months ended June 30, 2010 and 2009.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Purchase Price Allocations

We accounted for our 2010 business combinations using the purchase method of accounting. Accordingly, such costs have been allocated to assets acquired and liabilities assumed based on fair values that were developed using recognized business valuation techniques. The following table depicts the preliminary allocation of the fair value of assets acquired and liabilities assumed at the effective date for each business combination:

	State Line and Fairplay Systems	Marine Crude Oil Transportation Business	Other	Total
Assets acquired in business combination:				
Property, plant and equipment, net	$290.1	$ 5.9	$2.2	$298.2
Identifiable intangible assets	895.0	--	--	895.0
Total assets acquired	1,185.1	5.9	2.2	1,193.2
Liabilities assumed in business combination:				
Current liabilities	(5.2)	--	--	(5.2)
Long-term liabilities	(0.1)	--	--	(0.1)
Total liabilities assumed	(5.3)	--	--	(5.3)
Total assets acquired plus liabilities assumed	1,179.8	5.9	2.2	1,187.9
Total cash used for business combinations	1,206.0	12.0	2.2	1,220.2
Goodwill (see Note 9)	$26.2	$ 6.1	$--	$32.3

The State Line and Fairplay property, plant and equipment assets are a component of our Onshore Natural Gas Pipelines & Services business segment. Of the $895.0 million of identifiable intangible assets (i.e., customer relationships) we recorded in connection with this acquisition, $103.4 million is attributable to natural gas processing activities and $791.6 million to natural gas gathering operations. We classify earnings and assets associated with natural gas processing activities as part of our NGL Pipelines & Services segment. Earnings and assets associated with natural gas gathering activities are reported within our Onshore Natural Gas Pipelines & Services segment. See Note 9 for additional information regarding the customer relationship intangible assets we acquired in connection with the State Line and Fairplay systems.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Intangible Assets and Goodwill

Identifiable Intangible Assets

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

	June 30, 2010			December 31, 2009		
	Gross Value	Accum. Amort.	Carrying Value	Gross Value	Accum. Amort.	Carrying Value
NGL Pipelines & Services:						
Customer relationship intangibles (1)	$340.8	$(95.9)	$244.9	$237.4	$(86.5)	$150.9
Contract-based intangibles	321.4	(166.7)	154.7	321.4	(156.7)	164.7
Segment total	662.2	(262.6)	399.6	558.8	(243.2)	315.6
Onshore Natural Gas Pipelines & Services:						
Customer relationship intangibles (1)	1,163.6	(138.1)	1,025.5	372.0	(124.3)	247.7
Contract-based intangibles	565.3	(304.3)	261.0	565.3	(285.8)	279.5
Segment total	1,728.9	(442.4)	1,286.5	937.3	(410.1)	527.2
Onshore Crude Oil Pipelines & Services:						
Contract-based intangibles	10.0	(3.7)	6.3	10.0	(3.5)	6.5
Segment total	10.0	(3.7)	6.3	10.0	(3.5)	6.5
Offshore Pipelines & Services:						
Customer relationship intangibles	205.8	(111.9)	93.9	205.8	(105.3)	100.5
Contract-based intangibles	1.2	(0.2)	1.0	1.2	(0.2)	1.0
Segment total	207.0	(112.1)	94.9	207.0	(105.5)	101.5
Petrochemical & Refined Products Services:						
Customer relationship intangibles	104.6	(21.3)	83.3	104.6	(18.8)	85.8
Contract-based intangibles	42.1	(16.6)	25.5	42.1	(13.9)	28.2
Segment total	146.7	(37.9)	108.8	146.7	(32.7)	114.0
Total all segments	$2,754.8	$(858.7)	$1,896.1	$1,859.8	$(795.0)	$1,064.8

(1) In May 2010, we acquired $895.0 million of customer relationship intangible assets in connection with the State Line and Fairplay natural gas gathering systems. See Note 8 for additional information regarding this business combination.

The following table presents amortization expense related to our intangible assets for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
NGL Pipelines & Services	$10.1	$8.4	$19.4	$18.2

Onshore Natural Gas Pipelines & Services	18.1	14.9	32.3	29.5
Onshore Crude Oil Pipelines & Services	0.1	0.1	0.2	0.2
Offshore Pipelines & Services	3.2	3.7	6.6	7.6
Petrochemical & Refined Products Services	2.6	2.6	5.2	5.3
Total	$34.1	$29.7	$63.7	$60.8

The following table presents our forecast of amortization expense associated with existing intangible assets for the years presented:

Remainder of 2010	2011	2012	2013	2014
$72.3	$143.8	$135.3	$134.9	$136.6

In general, our intangible assets fall within two categories: customer relationships and contract-based intangible assets. The values assigned to such intangible assets are amortized to earnings using either (i) a straight-line approach or (ii) other methods that closely resemble the pattern in which the economic benefits of associated resource bases are estimated to be consumed or otherwise used.

Customer relationship intangible assets. Customer relationship intangible assets represent the estimated economic value assigned to certain relationships acquired in connection with business

combinations and asset purchases whereby (i) we acquired information about or access to customers and (ii) the customers now have the ability to make direct contact with us. Customer relationships may arise from contractual arrangements (such as supplier contracts and service contracts) and through means other than contracts, such as through regular contact by sales or service representatives. At June 30, 2010, the carrying value of our customer relationship intangible assets was $1.45 billion.

In connection with our acquisition of the State Line and Fairplay natural gas gathering systems in May 2010, we acquired $895.0 million of customer relationship intangible assets. The acquired customer relationships as of June 30, 2010 are presented in the following table:

	Gross Value	Accum. Amort.	Carrying Value
State Line natural gas gathering customer relationships (1)	$675.0	$(2.8)	$672.2
Fairplay natural gas gathering customer relationships (1)	116.6	(1.1)	115.5
Fairplay natural gas processing customer relationships (2)	103.4	(1.0)	102.4
Total acquired customer relationships	$895.0	$(4.9)	$890.1

(1) These natural gas gathering customer relationship intangible assets are a component of our Onshore Natural Gas Pipelines & Services business segment.
(2) The Fairplay natural gas processing customer relationship intangible assets are a component of our NGL Pipelines & Services business segment.

In this context, a customer relationship is broadly defined as a relationship between the natural gas gathering system and the production fields from which it gathers natural gas. Natural gas gathering systems require a significant investment, both in terms of initial construction costs and ongoing maintenance. Investing the capital to construct a natural gas gathering system establishes access to producers in a particular field and represents a significant economic barrier effectively limiting competition (i.e. akin to a franchise). The low risk of competition ensures a long commercial relationship with existing customers as well as a high probability of commercial relationships with new producers in the field. As such, the relationship with producers is generally limited by the quantity and production life of the underlying natural gas resource base.

The economic value we attribute to customer relationships acquired with the State Line and Fairplay systems was estimated using recognized business valuation techniques based on several key assumptions, which include assumptions regarding the renewal of existing contracts and natural gas resource bases. In general, natural gas is gathered on the State Line and Fairplay systems under long-term contracts, which include acreage dedications of approximately 110,000 acres and 100,000 acres, respectively, as well as volumetric commitments from certain natural gas producers on both systems. In addition, certain contracts related to the Fairplay system include natural gas processing services. Based on our experience as a provider of natural gas gathering and processing services, we anticipate the acquired customer relationships to extend well beyond the discrete term of existing contracts.

Customer relationship intangibles related to the State Line system have an estimated economic useful life of 27 years. The natural gas gathering and processing customer relationships associated with the Fairplay system have an estimated economic useful life of 23 years. Amortization expense is recorded using the units of production method based on gathering volumes. This method of amortization allows for expense to be recorded in a manner that closely resembles the pattern in which we benefit from natural gas gathering and processing services provided to customers. See Note 8 for additional information regarding this business combination.

Effective January 1, 2010, upon review of the future prospects for our Val Verde customer relationship intangible assets, management adjusted the amortization period to end in 2021. This change in estimate did not result in a material decrease in net income or earnings per unit for the three and six months ended June 30, 2010.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Contract-based intangible assets. Contract-based intangible assets represent specific commercial rights we acquired in connection with business combinations or asset purchases. At June 30, 2010, the carrying value of our contract-based intangible assets was $448.5 million.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the amounts assigned to assets acquired and liabilities assumed in the transaction. Goodwill is not amortized; however, it is subject to annual impairment testing at the end of each fiscal year. The following table presents changes in the carrying amount of goodwill for the periods presented:

	NGL Pipelines & Services	Onshore Natural Gas Pipelines & Services	Onshore Crude Oil Pipelines & Services	Offshore Pipelines & Services	Petrochemical & Refined Products Services	Consolidated Totals
Balance at December 31, 2009 (1)	$341.2	$284.9	$303.0	$82.1	$ 1,007.1	$ 2,018.3
Goodwill related to acquisitions	--	26.2	6.1	--	--	32.3
Balance at June 30, 2010 (1)	$341.2	$311.1	$309.1	$82.1	$ 1,007.1	$ 2,050.6

(1) The total carrying amount of goodwill at June 30, 2010 and December 31, 2009 is reflected net of $1.3 million of accumulated impairment charges included in our Petrochemical & Refined Products Services business segment.

In May 2010, we acquired $26.2 million of goodwill in connection with our acquisition of the State Line and Fairplay natural gas gathering systems. In June 2010, we acquired an additional $6.1 million of goodwill related to our acquisition of a marine transportation business that provides crude oil gathering services in South Louisiana. We generally attribute this goodwill to our ability to leverage the acquired businesses with our existing asset base to create future business opportunities.

Goodwill impairment testing involves determining the fair value of the associated reporting unit. These fair value amounts are based on assumptions regarding the future economic prospects of the businesses that make up the reporting unit. Such assumptions include (i) discrete financial forecasts for the businesses contained within the reporting unit, which rely on management's estimates of operating margins, throughput volumes and similar factors; (ii) long-term growth rates for cash flows beyond the discrete forecast period; and (iii) appropriate discount rates. Based on our most recent goodwill impairment tests, each reporting unit's fair value was substantially in excess of its carrying value (i.e., by at least 10%).

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Debt Obligations

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

	June 30, 2010	December 31, 2009
EPO senior debt obligations:		
Multi-Year Revolving Credit Facility, variable-rate, due November 2012	$--	$195.5
Pascagoula MBFC Loan, 8.70% fixed-rate, due March 2010	--	54.0
Petal GO Zone Bonds, variable-rate, due August 2034	57.5	57.5
Senior Notes B, 7.50% fixed-rate, due February 2011 (1)	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 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
Senior Notes L, 6.30% fixed-rate, due September 2017	800.0	800.0
Senior Notes M, 5.65% fixed-rate, due April 2013	400.0	400.0
Senior Notes N, 6.50% fixed-rate, due January 2019	700.0	700.0
Senior Notes O, 9.75% fixed-rate, due January 2014	500.0	500.0
Senior Notes P, 4.60% fixed-rate, due August 2012	500.0	500.0
Senior Notes Q, 5.25% fixed-rate, due January 2020	500.0	500.0
Senior Notes R, 6.125% fixed-rate, due October 2039	600.0	600.0
Senior Notes S, 7.625% fixed-rate, due February 2012	490.5	490.5
Senior Notes T, 6.125% fixed-rate, due February 2013	182.5	182.5
Senior Notes U, 5.90% fixed-rate, due April 2013	237.6	237.6
Senior Notes V, 6.65% fixed-rate, due April 2018	349.7	349.7
Senior Notes W, 7.55% fixed-rate, due April 2038	399.6	399.6
Senior Notes X, 3.70% fixed-rate, due June 2015	400.0	--
Senior Notes Y, 5.20% fixed-rate, due September 2020	1,000.0	--
Senior Notes Z, 6.45% fixed-rate, due September 2040	600.0	--
TEPPCO senior debt obligations:		
TEPPCO Senior Notes	40.1	40.1
Duncan Energy Partners' debt obligations:		
DEP Revolving Credit Facility, variable-rate, due February 2011 (2)	255.0	175.0
DEP Term Loan, variable-rate, due December 2011	282.3	282.3
Total principal amount of senior debt obligations	11,094.8	9,764.3
EPO Junior Subordinated Notes A, fixed/variable-rate, due August 2066	550.0	550.0
EPO Junior Subordinated Notes B, fixed/variable-rate, due January 2068	682.7	682.7
EPO Junior Subordinated Notes C, fixed/variable-rate, due June 2067	285.8	285.8
TEPPCO Junior Subordinated Notes, fixed/variable-rate, due June 2067	14.2	14.2
Total principal amount of senior and junior debt obligations	12,627.5	11,297.0
Other, non-principal amounts:		
Change in fair value of debt-related derivative instruments (see Note 4)	51.5	44.4

Unamortized discounts, net of premiums	(24.8)	(18.7)
Unamortized deferred net gains related to terminated interest rate swaps (see Note 4)	17.3	23.7
Total other, non-principal amounts	44.0	49.4
Less current maturities of debt (2)	(255.0)	--
Total long-term debt	$12,416.5	$11,346.4

(1) Long-term and current maturities of debt reflect the classification of such obligations at June 30, 2010 after taking into consideration EPO's ability to use available long-term borrowing capacity under its Multi-Year Revolving Credit Facility to satisfy the current maturities of Senior Notes B.
(2) Reflects Duncan Energy Partners' classification of debt at June 30, 2010.

Letters of Credit

At June 30, 2010, EPO had a $50.0 million letter of credit outstanding related to its commodity derivative instruments and a $58.3 million letter of credit outstanding related to its Petal GO Zone Bonds.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These letter of credit facilities do not reduce the amount available for borrowing under EPO's Multi-Year Revolving Credit Facility.

Parent-Subsidiary Guarantor Relationships

Enterprise Products Partners acts as guarantor of the consolidated debt obligations of EPO with the exception of the DEP Revolving Credit Facility, the DEP Term Loan and the remaining debt obligations of TEPPCO. If EPO were to default on any of its guaranteed debt, Enterprise Products Partners L.P. would be responsible for full repayment of that obligation.

The borrowings of Duncan Energy Partners are presented as part of our consolidated debt balances. However, neither Enterprise Products Partners nor EPO have any obligation for the payment of interest or repayment of borrowings incurred by Duncan Energy Partners.

Debt Obligations

Apart from that discussed below and routine fluctuations in the balance of our consolidated revolving credit facilities, there have been no significant changes in the terms of our consolidated debt obligations since those reported in our 2009 Form 10-K.

Pascagoula MBFC Loan. This loan, from the Mississippi Business Finance Corporation ("MBFC"), matured in March 2010 and was repaid.

Senior Notes X, Y and Z. On May 20, 2010, EPO issued an aggregate of $2.0 billion in principal amount of senior unsecured notes. EPO issued (i) $400.0 million in principal amount of 5-year senior unsecured notes ("Senior Notes X") at 99.79% of their principal amount, (ii) $1.0 billion in principal amount of 10-year senior unsecured notes ("Senior Notes Y") at 99.701% of their principal amount and (iii) $600.0 million in principal amount of 30-year senior unsecured notes ("Senior Notes Z") at 99.525% of their principal amount. Net proceeds from the issuance of these senior notes were used (i) to repay EPO's Senior Notes K in June 2010, (ii) to temporarily reduce borrowings outstanding under EPO's Multi-Year Revolving Credit Facility and (iii) for general partnership purposes. On May 4, 2010, EPO borrowed $850.0 million under its Multi-Year Revolving Credit Facility to fund a portion of the cash consideration paid to complete the State Line and Fairplay acquisitions (see Note 8).

Senior Notes X, Y and Z rank equal with EPO's existing and future unsecured and unsubordinated indebtedness. They are senior to any existing and future subordinated indebtedness of EPO. They are also subject to make-whole redemption rights and were issued under indentures containing certain covenants, which generally restrict EPO's ability, with certain exceptions, to incur debt secured by liens and engage in sale and leaseback transactions.

Covenants

We were in compliance with the financial covenants of our consolidated debt agreements at June 30, 2010.

Information Regarding Variable Interest Rates Paid

The following table shows the range of interest rates and weighted-average interest rate paid on our consolidated variable-rate debt obligations during the six months ended June 30, 2010:

	Range of Interest Rates Paid	Weighted-Average Interest Rate Paid
EPO Multi-Year Revolving Credit Facility	0.73% to 3.25%	0.85%
DEP Revolving Credit Facility	0.80% to 1.11%	0.85%
DEP Term Loan	0.93% to 1.05%	0.97%
Petal GO Zone Bonds	0.12% to 0.30%	0.23%

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Debt Maturity Table

The following table presents contractually scheduled maturities of our consolidated debt obligations for the next five years, and in total thereafter:

		Scheduled Maturities of Debt				
	Total	2011	2012	2013	2014	After 2014
Revolving Credit Facilities	$255.0	$255.0	$--	$--	$--	$--
Senior Notes	10,500.0	450.0	1,000.0	1,200.0	1,150.0	6,700.0
Term Loans	282.3	282.3	--	--	--	--
Junior Subordinated Notes	1,532.7	--	--	--	--	1,532.7
Other	57.5	--	--	--	--	57.5
Total	$12,627.5	$987.3	$1,000.0	$1,200.0	$1,150.0	$8,290.2

Long-term and current maturities of debt reflect the classification of such obligations at June 30, 2010 after taking into consideration EPO's ability to use available long-term borrowing capacity under its Multi-Year Revolving Credit Facility to satisfy the current maturities of Senior Notes B ($450.0 million due in February 2011).

Debt Obligations of Unconsolidated Affiliates

We have three unconsolidated affiliates with long-term debt obligations. The following table shows (i) our ownership interest in each entity at June 30, 2010, (ii) the total debt of each unconsolidated affiliate at June 30, 2010 (on a 100% basis to the unconsolidated affiliate) and (iii) the corresponding scheduled maturities of such debt.

			Scheduled Maturities of Debt					
	Ownership Interest	Total	Remainder of 2010	2011	2012	2013	2014	After 2014
Poseidon	36%	$92.0	$--	$92.0	$--	$--	$--	$--
Evangeline	49.5%	10.7	3.2	7.5	--	--	--	--
Centennial	50%	115.4	4.5	9.0	8.9	8.6	8.6	75.8
Total		$218.1	$7.7	$108.5	$8.9	$8.6	$8.6	$75.8

The credit agreements of these unconsolidated affiliates include customary covenants, including financial covenants. These businesses were in compliance with such financial covenants at June 30, 2010. The credit agreements of these unconsolidated affiliates restrict their ability to pay cash dividends or distributions if a default or an event of default (as defined in each credit agreement) has occurred and is continuing at the time such dividend or distribution is scheduled to be paid.

There have been no significant changes in the terms of the debt obligations of our unconsolidated affiliates since those reported in our 2009 Form 10-K.

Note 11. Equity and Distributions

Our common units represent limited partner interests, which give holders thereof the right to participate in distributions and to exercise the other rights or privileges available to them under our Fifth Amended and Restated

Agreement of Limited Partnership (together with all amendments thereto, the "Partnership Agreement"). We are managed by our general partner, EPGP.

In accordance with the Partnership Agreement, capital accounts are maintained for our general partner and limited partners. The capital account provisions of the Partnership Agreement incorporate principles established for U.S. federal income tax purposes and are not comparable to the GAAP-based equity amounts presented in our consolidated financial statements. Earnings and cash distributions are allocated to holders of our common units in accordance with their respective ownership interests.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Registration Statements and Equity Offerings

We have filed registration statements with the SEC authorizing the issuance of up to an aggregate of 70,000,000 common units in connection with our distribution reinvestment plan ("DRIP"). The DRIP provides unitholders of record and beneficial owners of our common units a voluntary means by which they can increase the number of common units they own by reinvesting the quarterly cash distributions they would otherwise receive into the purchase of additional common units. A total of 38,149,089 common units have been issued under the DRIP through June 30, 2010.

In addition to the DRIP, we have filed a registration statement with the SEC authorizing the issuance of up to an aggregate of 1,200,000 common units in connection with our employee unit purchase plan ("EUPP"). Under this plan, employees of EPCO can purchase our common units at a 10% discount through payroll deductions. A total of 937,429 common units have been issued to employees under this plan through June 30, 2010.

In July 2010, we filed a new universal shelf registration statement with the SEC that allows us to issue an unlimited amount of debt and equity securities. No securities have been issued under this registration statement as of the filing date of this quarterly report. Under our prior universal shelf registration statement we issued 43,652,500 common units, which generated $1.27 billion of net cash proceeds, and $5.2 billion of senior notes through June 30, 2010.

The following table reflects the number of common units issued and the net cash proceeds received from underwritten offerings and the DRIP and EUPP during the six months ended June 30, 2010:

	Net Cash Proceeds from Issuance of Common Units			
	Number of Common Units Issued	Contributed by Limited Partners	Contributed by General Partner	Total Net Cash Proceeds
January underwritten offering	10,925,000	$ 343.3	$ 7.0	$ 350.3
February DRIP and EUPP	2,834,584	85.0	1.8	86.8
April underwritten offering	13,800,000	474.9	9.7	484.6
May DRIP and EUPP	2,039,670	67.1	1.3	68.4
Total 2010	29,599,254	$ 970.3	$ 19.8	$ 990.1

In January 2010, we issued 10,925,000 common units (including an over-allotment of 1,425,000 common units) to the public at an offering price of $32.42 per unit. We used the total net cash proceeds of $350.3 million to temporarily reduce borrowings outstanding under EPO's Multi-Year Revolving Credit Facility and for general partnership purposes.

In April 2010, we issued 13,800,000 common units (including an over-allotment of 1,800,000 common units) to the public at an offering price of $35.55 per unit. We used the total net cash proceeds of $484.6 million to fund a portion of the cash consideration paid to acquire the State Line and Fairplay systems in May 2010 (see Note 8) and for general partnership purposes.

Net cash proceeds received in 2010 from our DRIP and EUPP were used to temporarily reduce borrowings outstanding under EPO's Multi-Year Revolving Credit Facility and for general partnership purposes.

Class B Units

In October 2009, in connection with the TEPPCO Merger, a privately held affiliate of EPCO exchanged a portion of its TEPPCO units, based on the 1.24 exchange rate, for 4,520,431 of our Class B units in lieu of common units. The Class B units are not entitled to receive regular quarterly cash distributions for the first sixteen quarters following the closing date of the merger. The Class B units automatically convert into the same number of common units on the date immediately following the payment date for the sixteenth regular quarterly distribution following the closing date of the merger. The

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Class B units are entitled to vote together with the common units as a single class on partnership matters and, except for the payment of distributions, have the same rights and privileges as our common units.

Summary of Changes in Outstanding Units

The following table summarizes changes in the number of our limited partner units outstanding since December 31, 2009:

	Common Units	Restricted Common Units	Class B Units	Treasury Units
Balance, December 31, 2009	603,202,828	2,720,882	4,520,431	--
Common units issued in connection with underwritten offerings	24,725,000	--	--	--
Common units issued in connection with DRIP and EUPP	4,874,254	--	--	--
Common units issued in connection with equity awards	45,872	--	--	--
Restricted units issued	--	1,332,875	--	--
Forfeiture of restricted units	--	(93,148)	--	--
Conversion of restricted units to common units	322,228	(322,228)	--	--
Acquisition of treasury units	(86,002)	--	--	86,002
Cancellation of treasury units	--	--	--	(86,002)
Other	(61)	--	--	--
Balance, June 30, 2010	633,084,119	3,638,381	4,520,431	--

Summary of Changes in Limited Partners' Equity

The following table details changes in limited partners' equity since December 31, 2009:

	Common Units	Restricted Common Units	Class B Units	Total
Balance, December 31, 2009	$9,173.5	$37.7	$118.5	$9,329.7
Net income	608.3	3.4	--	611.7
Operating lease expenses paid by EPCO	0.3	--	--	0.3
Cash distributions paid to partners	(701.9)	(3.8)	--	(705.7)
Unit option-related reimbursements to EPCO	(2.2)	--	--	(2.2)
Net cash proceeds from issuance of common units	970.3	--	--	970.3
Cash proceeds from exercise of unit options	1.6	--	--	1.6
Amortization of equity awards	3.1	14.8	--	17.9
Acquisition of treasury units	--	(3.0)	--	(3.0)
Other	--	0.2	--	0.2
Balance, June 30, 2010	$10,053.0	$49.3	$118.5	$10,220.8

Distributions to Partners

The following table presents our declared quarterly cash distribution rates per common unit since the first quarter of 2009 and the related record and distribution payment dates. The quarterly cash distribution rates per common unit

correspond to the fiscal quarters indicated. Actual cash distributions are paid within 45 days after the end of such fiscal quarter.

	Distribution Per Common Unit	Record Date	Payment Date
2009			
1st Quarter	$0.5375	Apr. 30, 2009	May 8, 2009
2nd Quarter	$0.5450	Jul. 31, 2009	Aug. 7, 2009
3rd Quarter	$0.5525	Oct. 30, 2009	Nov. 5, 2009
4th Quarter	$0.5600	Jan. 29, 2010	Feb. 4, 2010
2010			
1st Quarter	$0.5675	Apr. 30, 2010	May 6, 2010
2nd Quarter	$0.5750	Jul. 30, 2010	Aug. 5, 2010

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents our total cash distributions paid to partners for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Standard distributions to EPGP	$7.4	$5.0	$14.4	$9.9
Incentive distributions to EPGP	56.9	36.6	110.8	71.8
Limited partner distributions	360.2	244.9	705.7	484.4
Cash distributions paid to partners	$424.5	$286.5	$830.9	$566.1

Accumulated Other Comprehensive Income (Loss)

Our accumulated other comprehensive income (loss) amounts primarily include the effective portion of the gain or loss on derivative instruments designated and qualified as cash flow hedges. Amounts accumulated in other comprehensive income (loss) related to cash flow hedges are reclassified into earnings in the same period(s) in which the underlying hedged forecasted transactions affect earnings. If it becomes probable that a forecasted transaction will not occur, the net gain or loss in accumulated other comprehensive income (loss) must be immediately reclassified.

The following table presents the components of accumulated other comprehensive income (loss) as reported on our Unaudited Condensed Consolidated Balance Sheets at the dates indicated:

	June 30, 2010	December 31, 2009
Commodity derivative instruments (1)	$48.6	$0.5
Interest rate derivative instruments (1)	(82.4)	(12.5)
Foreign currency derivative instruments (1)	(0.1)	0.4
Foreign currency translation adjustment (2)	0.6	0.8
Pension and postretirement benefit plans	(1.7)	(0.8)
Subtotal	(35.0)	(11.6)
Amounts attributable to noncontrolling interests	1.8	3.2
Total accumulated other comprehensive loss in partners' equity	$(33.2)	$(8.4)

(1) See Note 4 for additional information regarding these components of accumulated other comprehensive income (loss).
(2) Relates to transactions of our Canadian NGL marketing subsidiary.

Noncontrolling Interests

Prior to the completion of the TEPPCO Merger, we accounted for the economic interest of the former owners of TEPPCO and TEPPCO GP as noncontrolling interests. Under this method of presentation, all pre-merger revenues and expenses of TEPPCO and TEPPCO GP are included in net income, and the former owners' share of the income of TEPPCO and TEPPCO GP is allocated to net income attributable to noncontrolling interest.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the components of noncontrolling interest as presented on our Unaudited Condensed Consolidated Balance Sheets at the dates indicated:

	June 30, 2010	December 31, 2009
Limited partners of Duncan Energy Partners:		
Third-party owners of Duncan Energy Partners (1)	$412.2	$414.3
Related party owners of Duncan Energy Partners	1.7	1.7
Joint venture partners (2)	116.9	117.4
Accumulated other comprehensive loss attributable to noncontrolling interests	(1.8)	(3.2)
Total	$529.0	$530.2

(1) Represents non-affiliate public unitholders of Duncan Energy Partners.
(2) Represents third-party ownership interests in joint ventures that we consolidate, including Seminole Pipeline Company, Tri-States Pipeline L.L.C., Independence Hub LLC, Rio Grande Pipeline, LLC and Wilprise Pipeline Company LLC.

The following table presents the components of net income attributable to noncontrolling interests as presented on our Unaudited Condensed Statements of Consolidated Operations for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Former owners of TEPPCO	$--	$12.3	$--	$90.6
Limited partners of Duncan Energy Partners	9.6	6.6	18.3	11.7
Joint venture partners	6.5	7.0	13.8	13.8
Total	$16.1	$25.9	$32.1	$116.1

The following table presents cash distributions paid to and cash contributions received from noncontrolling interests as presented on our Unaudited Condensed Statements of Consolidated Cash Flows and Unaudited Condensed Statements of Consolidated Equity for the periods indicated:

	For the Six Months Ended June 30,	
	2010	2009
Cash distributions paid to noncontrolling interests:		
Limited partners of TEPPCO	$--	$182.8
Limited partners of Duncan Energy Partners	21.3	12.8
Joint venture partners	15.3	15.0
Total cash distributions paid to noncontrolling interests	$36.6	$210.6
Cash contributions from noncontrolling interests:		
Limited partners of TEPPCO	$--	$3.3
Limited partners of Duncan Energy Partners	0.8	123.2
Joint venture partners	1.1	(2.2)
Total cash contributions from noncontrolling interests	$1.9	$124.3

Cash distributions paid to the limited partners of Duncan Energy Partners and TEPPCO (prior to the completion of the TEPPCO Merger on October 26, 2009) represent the quarterly cash distributions paid by these entities to their unitholders. Cash contributions received from the limited partners of Duncan Energy Partners and TEPPCO (prior to the completion of the TEPPCO Merger) represent proceeds each entity received from the issuance of limited partner units. In June 2009, Duncan Energy Partners issued 8,000,000 of its common units, which generated net cash proceeds of approximately $123.2 million. Duncan Energy Partners used the net proceeds from its June 2009 offering to repurchase and cancel an equal number of its common units beneficially owned by EPO.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 12. Business Segments

We have five reportable business segments: (i) NGL Pipelines & Services; (ii) Onshore Natural Gas Pipelines & Services; (iii) Onshore Crude Oil Pipelines & Services; (iv) Offshore Pipelines & Services and (v) Petrochemical & Refined Products Services. Our business segments are generally organized and managed according to the type of services rendered (or technologies employed) and products produced and/or sold.

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

We define total segment gross operating margin as operating income before: (i) depreciation, amortization and accretion expenses; (ii) non-cash asset impairment charges; (iii) operating lease expenses for which we do not have the payment obligation (e.g., the EPCO retained leases); (iv) gains and losses from asset sales and related transactions; and (v) general and administrative costs. Gross operating margin by segment is calculated by subtracting segment operating costs and expenses (net of the adjustments noted above) from segment revenues, with both segment totals before the elimination of intercompany transactions. In accordance with GAAP, intercompany accounts and transactions are eliminated in the preparation of our consolidated financial statements. Gross operating margin is exclusive of other income and expense transactions, provision for income taxes, the cumulative effect of changes in accounting principles and extraordinary charges. Gross operating margin is presented on a 100% basis before the allocation of earnings to noncontrolling interests.

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues	$7,543.4	$5,434.3	$16,087.9	$10,321.2
Less: Operating costs and expenses	(6,974.2)	(5,024.5)	(14,946.1)	(9,401.1)
Add: Equity in income of unconsolidated affiliates	16.7	9.6	32.7	17.0
Depreciation, amortization and accretion in operating costs and expenses (1)	227.0	200.5	439.4	396.9
Non-cash asset impairment charges	--	2.3	1.5	2.3
Operating lease expenses paid by EPCO	0.1	0.1	0.3	0.3
Losses (gains) from asset sales and related transactions in operating costs and expenses (2)	1.7	(0.2)	(5.6)	(0.4)
Total segment gross operating margin	$814.7	$622.1	$1,610.1	$1,336.2

(1) Amount is a component of "Depreciation, amortization and accretion" as presented on our Unaudited Condensed Statements of Consolidated Cash Flows.
(2) Amount is a component of "Gains from asset sales and related transactions" as presented on our Unaudited Condensed Statements of Consolidated Cash Flows.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a reconciliation of our non-GAAP total segment gross operating margin to GAAP operating income and income before provision for income taxes for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Total segment gross operating margin	$814.7	$622.1	$1,610.1	$1,336.2
Adjustments to reconcile total segment gross operating margin to operating income:				
Depreciation, amortization and accretion in operating costs and expenses	(227.0)	(200.5)	(439.4)	(396.9)
Non-cash asset impairment charges	--	(2.3)	(1.5)	(2.3)
Operating lease expenses paid by EPCO	(0.1)	(0.1)	(0.3)	(0.3)
Gains (losses) from asset sales and related transactions in operating costs and expenses	(1.7)	0.2	5.6	0.4
General and administrative costs	(37.9)	(46.1)	(75.5)	(81.0)
Operating income	548.0	373.3	1,099.0	856.1
Other expense, net	(168.2)	(157.7)	(316.7)	(309.0)
Income before provision for income taxes	$379.8	$215.6	$782.3	$547.1

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

	Reportable Segments						
	NGL Pipelines & Services	Onshore Natural Gas Pipelines & Services	Onshore Crude Oil Pipelines & Services	Offshore Pipelines & Services	Petrochemical & Refined Products Services	Adjustments And Eliminations	Consolidated Totals
Revenues from third parties:							
Three months ended June 30, 2010	$ 2,923.8	$ 786.2	$ 2,629.3	$ 85.5	$ 1,002.6	$ --	$ 7,427.4
Three months ended June 30, 2009	2,359.0	631.8	1,726.4	77.3	547.5	--	5,342.0
Six months ended June 30, 2010	6,590.1	1,897.3	5,016.0	172.0	2,064.1	--	15,739.5
Six months ended June 30, 2009	4,625.9	1,299.5	2,996.1	145.8	942.1	--	10,009.4
Revenues from related parties:							
Three months ended June 30, 2010	55.5	58.7	--	1.8	--	--	116.0
Three months ended June 30, 2009	44.6	47.1	0.6	--	--	--	92.3
Six months ended June 30, 2010	235.5	109.1	(0.1)	3.9	--	--	348.4
Six months ended June 30, 2009	198.1	112.9	0.8	--	--	--	311.8
Intersegment and intrasegment revenues:							
Three months ended June 30, 2010	2,407.7	212.7	223.4	0.3	287.2	(3,131.3)	--
Three months ended June 30, 2009	1,507.1	113.6	15.4	0.3	119.0	(1,755.4)	--
Six months ended June 30, 2010	4,954.9	428.3	248.1	0.7	545.0	(6,177.0)	--
Six months ended June 30, 2009	2,895.0	267.3	23.6	0.6	235.2	(3,421.7)	--
Total revenues:							
Three months ended June 30, 2010	5,387.0	1,057.6	2,852.7	87.6	1,289.8	(3,131.3)	7,543.4
Three months ended June 30, 2009	3,910.7	792.5	1,742.4	77.6	666.5	(1,755.4)	5,434.3
Six months ended June 30, 2010	11,780.5	2,434.7	5,264.0	176.6	2,609.1	(6,177.0)	16,087.9

Six months ended June 30, 2009	7,719.0	1,679.7	3,020.5	146.4	1,177.3	(3,421.7)	10,321.2
Equity in income (loss) of unconsolidated affiliates:							
Three months ended June 30, 2010	3.7	0.9	3.6	11.1	(2.6)	--	16.7
Three months ended June 30, 2009	2.3	1.4	2.9	6.8	(3.8)	--	9.6
Six months ended June 30, 2010	7.0	2.2	5.9	22.9	(5.3)	--	32.7
Six months ended June 30, 2009	3.5	2.5	6.2	11.5	(6.7)	--	17.0
Gross operating margin:							
Three months ended June 30, 2010	441.0	106.9	25.9	82.8	158.1	--	814.7
Three months ended June 30, 2009	363.8	121.2	42.1	(1.1)	96.1	--	622.1
Six months ended June 30, 2010	878.3	237.2	52.6	163.9	278.1	--	1,610.1
Six months ended June 30, 2009	714.7	283.1	92.6	60.2	185.6	--	1,336.2
Segment assets:							
At June 30, 2010	7,372.2	7,988.3	904.0	2,068.8	3,585.5	1,233.1	23,151.9
At December 31, 2009	7,191.2	6,918.7	865.4	2,121.4	3,359.0	1,207.2	21,662.9
Property, plant and equipment: (see Note 6)							
At June 30, 2010	6,492.8	6,358.3	412.7	1,442.6	2,392.5	1,233.1	18,332.0
At December 31, 2009	6,392.8	6,074.6	377.4	1,480.9	2,156.3	1,207.2	17,689.2
Investments in unconsolidated affiliates: (see Note 7)							
At June 30, 2010	138.6	32.4	175.9	449.2	77.1	--	873.2
At December 31, 2009	141.6	32.0	178.5	456.9	81.6	--	890.6
Intangible assets, net: (see Note 9)							
At June 30, 2010	399.6	1,286.5	6.3	94.9	108.8	--	1,896.1
At December 31, 2009	315.6	527.2	6.5	101.5	114.0	--	1,064.8
Goodwill: (see Note 9)							
At June 30, 2010	341.2	311.1	309.1	82.1	1,007.1	--	2,050.6
At December 31, 2009	341.2	284.9	303.0	82.1	1,007.1	--	2,018.3

Property, plant and equipment, intangible assets and goodwill for the Onshore Natural Gas Pipelines & Services business segment and intangible assets for the NGL Pipelines & Services business segment increased in May 2010 as a result of completing the State Line and Fairplay acquisitions (see Note 8).

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table provides additional information regarding our consolidated revenues and costs and expenses for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
NGL Pipelines & Services:				
Sales of NGLs	$2,804.4	$2,260.0	$6,468.5	$4,512.2
Sales of other petroleum and related products	0.7	0.4	1.2	0.9
Midstream services	174.2	143.2	355.9	310.9
Total	2,979.3	2,403.6	6,825.6	4,824.0
Onshore Natural Gas Pipelines & Services:				
Sales of natural gas	655.6	497.4	1,630.8	1,054.0
Midstream services	189.3	181.5	375.6	358.4
Total	844.9	678.9	2,006.4	1,412.4
Onshore Crude Oil Pipelines & Services:				
Sales of crude oil	2,603.4	1,709.0	4,970.7	2,954.8
Midstream services	25.9	18.0	45.2	42.1
Total	2,629.3	1,727.0	5,015.9	2,996.9
Offshore Pipelines & Services:				
Sales of natural gas	0.4	0.3	0.8	0.6
Sales of crude oil	1.9	0.9	4.0	1.1
Midstream services	85.0	76.1	171.1	144.1
Total	87.3	77.3	175.9	145.8
Petrochemical & Refined Products Services:				
Sales of other petroleum and related products	871.7	413.3	1,804.3	674.8
Midstream services	130.9	134.2	259.8	267.3
Total	1,002.6	547.5	2,064.1	942.1
Total consolidated revenues	$7,543.4	$5,434.3	$16,087.9	$10,321.2
Consolidated cost and expenses:				
Operating costs and expenses:				
Cost of sales related to our marketing activities	$5,693.5	$3,872.6	$12,342.7	$7,275.9
Depreciation, amortization and accretion	227.0	200.5	439.4	396.9
Losses (gains) from asset sales and related transactions	1.7	(0.2)	(5.6)	(0.4)
Non-cash asset impairment charges	--	2.3	1.5	2.3
Other operating costs and expenses	1,052.0	949.3	2,168.1	1,726.4
General and administrative costs	37.9	46.1	75.5	81.0
Total consolidated costs and expenses	$7,012.1	$5,070.6	$15,021.6	$9,482.1

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following table reconciles our recast consolidated revenues and total segment gross operating margin to our pre-merger reported amounts for the periods indicated:

	For the Three Months Ended June 30, 2009	For the Six Months Ended June 30, 2009
Total revenues, as previously reported	$3,507.9	$6,931.0
Revenues from TEPPCO	1,913.3	3,370.8
Revenues from Jonah Gas Gathering Company ("Jonah") (1)	61.2	120.6
Eliminations (2)	(48.1)	(101.2)
Total revenues, as recast and currently reported	$5,434.3	$10,321.2
Total segment gross operating margin, as previously reported	$509.2	$1,057.9
Gross operating margin from TEPPCO	98.9	253.0
Gross operating margin from Jonah	43.5	86.6
Eliminations (3)	(29.5)	(61.3)
Total segment gross operating margin, as recast and currently reported	$622.1	$1,336.2

(1) Prior to the TEPPCO Merger, we and TEPPCO were joint venture partners in Jonah. As a result of the TEPPCO Merger, Jonah became a consolidated subsidiary of ours.
(2) Represents the elimination of revenues between Enterprise Products Partners, TEPPCO and Jonah as appropriate in consolidation.
(3) Represents the elimination of equity earnings from Jonah recorded by Enterprise Products Partners and TEPPCO as appropriate in consolidation.

Note 13. Related Party Transactions

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Revenues – related parties:				
Energy Transfer Equity and subsidiaries	$59.9	$49.2	$246.5	$212.0
Unconsolidated affiliates	56.1	43.1	101.9	99.8
Total revenue – related parties	$116.0	$92.3	$348.4	$311.8
Costs and expenses – related parties:				
EPCO and affiliates	$164.7	$151.4	$323.1	$295.2
Energy Transfer Equity and subsidiaries	147.2	105.6	324.1	197.0
Unconsolidated affiliates	9.5	6.8	21.7	13.7
Other	--	14.2	--	28.6
Total costs and expenses – related parties	$321.4	$278.0	$668.9	$534.5

The following table summarizes our related party receivable and payable amounts at the dates indicated:

	June 30, 2010	December 31, 2009
Accounts receivable - related parties:		
Energy Transfer Equity and subsidiaries	$6.6	$28.2
Other	23.2	10.2
Total accounts receivable – related parties	$29.8	$38.4
Accounts payable - related parties:		
EPCO and affiliates	$83.4	$26.8
Energy Transfer Equity and subsidiaries	45.2	33.4
Other	8.3	9.6
Total accounts payable – related parties	$136.9	$69.8

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

We believe that the terms and provisions of our related party agreements are fair to us; however, such agreements and transactions may not be as favorable to us as we could have obtained from unaffiliated third parties.

Relationship with EPCO and Affiliates

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

§ EPCO and its privately held affiliates;

§ EPGP, our sole general partner;

§ Enterprise GP Holdings, which owns and controls our general partner; and

§ the Employee Partnerships (see Note 3).

EPCO is a privately held company controlled collectively by the EPCO Trustees. At June 30, 2010, EPCO and its affiliates (including Dan Duncan LLC and two Duncan family trusts the beneficiaries of which include the estate of Mr. Duncan) beneficially owned interests in the following entities:

	Number of Units	Percentage of Outstanding Units
Enterprise Products Partners L.P. (1,(2)	197,201,947	30.8%
Enterprise GP Holdings L.P. (3)	108,919,199	78.2%

(1) Includes 4,520,431 Class B units owned by a privately held affiliate of EPCO and 21,563,177 common units owned by Enterprise GP Holdings.
(2) Enterprise GP Holdings owns 100% of our general partner, EPGP.
(3) Dan Duncan LLC owns 100% of the member interests of EPE Holdings, which is the general partner of Enterprise GP Holdings.

The principal business activity of EPGP is to act as our sole managing partner. The executive officers and certain of the directors of EPGP are employees of EPCO. The following table presents cash distributions paid by us to EPGP for the periods indicated:

	For the Six Months Ended June 30,	
	2010	2009
General partner distributions	$14.4	$9.9
Incentive distributions	110.8	71.8
Total distributions	$125.2	$81.7

We and EPGP are both separate legal entities apart from each other and apart from EPCO, Enterprise GP Holdings and their respective other affiliates, with assets and liabilities that are separate from those of EPCO, Enterprise GP Holdings and their respective other affiliates. EPCO and its privately held affiliates depend on the cash distributions they receive from us, Enterprise GP Holdings and other investments to fund their other operations and to meet their debt obligations. The following table presents cash distributions received by EPCO and its privately held affiliates

from us and Enterprise GP Holdings for the periods indicated:

	For the Six Months Ended June 30,	
	2010	2009
Enterprise Products Partners	$168.0	$152.4
Enterprise GP Holdings	116.1	95.6
Total distributions	$284.1	$248.0

Substantially all of the ownership interests in us that are owned or controlled by Enterprise GP Holdings are pledged as security under its credit facility. In addition, substantially all of the ownership

Table of Contents

interests in us that are owned or controlled by EPCO and its affiliates, other than those interests owned by Enterprise GP Holdings, Dan Duncan LLC and certain trusts of which the estate of Dan L. Duncan is a beneficiary, are pledged as security under the credit facility of a privately held affiliate of EPCO. This credit facility contains customary and other events of default relating to EPCO and certain affiliates, including Enterprise GP Holdings and us.

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

EPCO ASA

We have no employees. All of our operating functions and general and administrative support services are provided by employees of EPCO pursuant to the ASA or by other service providers. We, Duncan Energy Partners, Enterprise GP Holdings and our respective general partners are parties to the ASA. The significant terms of the ASA are as follows:

§ EPCO will provide selling, general and administrative services and management and operating services as may be necessary to manage and operate our businesses, properties and assets (all in accordance with prudent industry practices). EPCO will employ or otherwise retain the services of such personnel as may be necessary to provide such services.

§ We are required to reimburse EPCO for its services in an amount equal to the sum of all costs and expenses incurred by EPCO which are directly or indirectly related to our business or activities (including expenses reasonably allocated to us by EPCO). In addition, we have agreed to pay all sales, use, excise, value added or similar taxes, if any, that may be applicable from time to time with respect to the services provided to us by EPCO.

§ EPCO will allow us to participate as a named insured in its overall insurance program, with the associated premiums and other costs being allocated to us. See Note 16 for additional information regarding our insurance programs.

Under the ASA, EPCO subleases to us (for $1 per year) certain equipment it holds pursuant to operating leases and has assigned to us its purchase option under such leases. EPCO remains liable for the actual cash payments associated with these lease agreements. We record the full value of these payments made by EPCO on our behalf as a non-cash related party operating lease expense, with the offset to equity accounted for as a general contribution to our partnership.

Our operating costs and expenses include amounts paid to EPCO for the costs it incurs to operate our facilities, including the compensation of employees. We reimburse EPCO for actual direct and indirect expenses it incurs related to the operation of our assets. Our general and administrative costs include amounts paid to EPCO for administrative services, including the compensation of employees. In general, our reimbursement to EPCO for administrative services is either (i) on an actual basis for direct expenses it may incur on our behalf (e.g., the purchase of office supplies) or (ii) based on an allocation of such charges between the various parties to the ASA based on the estimated use of such services by each party (e.g., the allocation of legal or accounting salaries based on estimates of time spent on each entity's business and affairs). The following table presents a breakout of costs and expenses related to the ASA and other EPCO transactions for the periods indicated:

	For the Three Months	For the Six Months

	Ended June 30,		Ended June 30,	
	2010	2009	2010	2009
Operating costs and expenses	$140.9	$127.4	$275.3	$245.2
General and administrative expenses	23.8	24.0	47.8	50.0
Total costs and expenses	$164.7	$151.4	$323.1	$295.2

Since the vast majority of such expenses are charged to us on an actual basis (i.e., no mark-up or subsidy is charged or received by EPCO), we believe that such expenses are representative of what the amounts would have been on a standalone basis. With respect to allocated costs, we believe that the proportional direct allocation method employed by EPCO is reasonable and reflective of the estimated level of costs we would have incurred on a standalone basis.

The ASA also addresses potential conflicts that may arise among Enterprise Products Partners (including EPGP), Enterprise GP Holdings (including EPE Holdings), Duncan Energy Partners (including DEP GP), and the EPCO Group with respect to business opportunities (as defined within the ASA) with third parties. The EPCO Group includes EPCO and its other affiliates, but excludes Enterprise Products Partners, Enterprise GP Holdings, Duncan Energy Partners and their respective general partners.

Relationship with Energy Transfer Equity

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

We have a long-term sales contract with Titan Energy Partners, L.P. ("Titan"), which is a consolidated subsidiary of ETP. Titan purchases substantially all of its propane requirements from us. The contract, which was scheduled to expire March 31, 2010, has been extended through March 31, 2015. In addition, we and Energy Transfer Company ("ETC OLP") transport natural gas on each other's systems and share operating expenses on certain pipelines. ETC OLP also sells natural gas to us.

Relationships with Unconsolidated Affiliates

Many of our unconsolidated affiliates (see Note 7) support or complement our other midstream business operations. The following information summarizes significant related party transactions with our unconsolidated affiliates:

§ We sell natural gas to Evangeline, which, in turn, uses the natural gas to satisfy supply commitments it has with a major Louisiana utility. Revenues from Evangeline were $49.0 million and $39.9 million for the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, revenues from Evangeline were $86.8 million and $93.5 million, respectively.

§ We pay Promix for the transportation, storage and fractionation of NGLs. In addition, we sell natural gas to Promix for its plant fuel requirements. Revenues from Promix were $3.1 million and $2.4 million for the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, revenues from Promix were $6.2 million and $5.1 million, respectively. Expenses with Promix were $7.5 million and $6.5 million for the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, expenses with Promix were $16.1 million and $11.0 million, respectively.

§ We paid $0.3 million and $0.7 million to Centennial for pipeline transportation services during the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, we paid Centennial $2.9 million and $2.4 million, respectively, for such services.

§ We paid $1.6 million and $0.8 million to Seaway for pipeline transportation and tank rentals during the three months ended June 30, 2010 and 2009, respectively. During the six months ended June 30, 2010 and 2009, we paid Seaway $2.7 million and $2.6 million, respectively, for such services.

§ We perform management services for certain of our unconsolidated affiliates. We charged such affiliates $2.8 million and $2.7 million for the three months ended June 30, 2010 and 2009,

Table of Contents

respectively. During the six months ended June 30, 2010 and 2009, we charged affiliates $5.7 million and $5.3 million, respectively.

Relationship with Duncan Energy Partners

We formed Duncan Energy Partners in September 2006, but it did not own or acquire any assets prior to February 5, 2007, which was the date it completed its initial public offering of common units and acquired controlling interests in five midstream energy businesses from EPO in a drop down transaction. On December 8, 2008, Duncan Energy Partners acquired controlling interests in three additional midstream energy businesses from EPO through a second drop down transaction. The business purpose of Duncan Energy Partners is to acquire, own and operate a diversified portfolio of midstream energy assets and to support the growth objectives of EPO and other affiliates under common control. Duncan Energy Partners is engaged in the business of (i) NGL transportation, fractionation and marketing; (ii) storage of NGL and petrochemical products; (iii) transportation of petrochemical products and (iv) the gathering, transportation, marketing and storage of natural gas.

At June 30, 2010, Duncan Energy Partners was owned 99.3% by its limited partners and 0.7% by its general partner, DEP GP, which is a wholly owned subsidiary of EPO. DEP GP is responsible for managing the business and operations of Duncan Energy Partners. DEP Operating Partnership L.P., a wholly owned subsidiary of Duncan Energy Partners, conducts substantially all of Duncan Energy Partners' business. At June 30, 2010, EPO owned 58.5% of Duncan Energy Partners' limited partner interests and 100% of its general partner. Due to our control of Duncan Energy Partners, its financial statements are consolidated with those of our own and our transactions with Duncan Energy Partners are eliminated in consolidation.

Note 14. Earnings Per Unit

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

In a period of net losses, the Class B units and incremental option units are excluded from the calculation of diluted earnings per unit due to their antidilutive effect. The dilutive incremental option units are calculated using the treasury stock method, which assumes that proceeds from the exercise of all in-the-money options at the end of each period are used to repurchase common units at an average market price during the period. The amount of common units remaining after the proceeds are exhausted represents the potentially dilutive effect of the securities.

Table of Contents

ENTERPRISE PRODUCTS PARTNERS L.P.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The amount of net income or loss available to limited partner interests is net of our general partner's share of such earnings. The following table presents our calculation of the net income available to EPGP for the periods indicated:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2010	2009	2010	2009
Net income attributable to Enterprise Products Partners L.P.	$357.2	$186.6	$735.0	$411.9
Less incentive earnings allocations to EPGP	(56.9)	(36.6)	(110.8)	(71.8)
Net income available after incentive earnings allocation	300.3	150.0	624.2	340.1
Multiplied by EPGP ownership interest	2.0%	2.0%	2.0%	2.0%
Standard earnings allocation to EPGP	$6.0	$3.0	$12.5	$6.8
Incentive earnings allocation to EPGP	$56.9	$36.6	$110.8	$71.8
Standard earnings allocation to EPGP	6.0	3.0	12.5	6.8
Net income available to EPGP	62.9	39.6	123.3	78.6
Two-class method adjustment (1)	1.7	1.4		