

ENTERPRISE PRODUCTS PARTNERS L P

Form 8-K

May 27, 2005

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 25, 2005

ENTERPRISE PRODUCTS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

1-14323

(Commission File Number)

76-0568219

(I.R.S. Employer
Identification No.)

**2727 North Loop West, Houston,
Texas**

(Address of Principal Executive
Offices)

77008-1044

(Zip Code)

Registrant's Telephone Number, including Area Code: **(713) 880-6500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 8.01. Other Events.

On May 25, 2005, Enterprise Products Partners L.P. (the Partnership) and its subsidiary operating partnership, Enterprise Products Operating L.P. (the Operating Partnership) entered into an underwriting agreement for the public offering of \$500,000,000 principal amount of the Operating Partnership s 4.95% Senior Notes due 2010 and the unconditional and unsubordinated guarantee thereof by the Partnership (such notes and guarantee collectively, the Notes). A copy of the Underwriting Agreement is filed as Exhibit 1.1 hereto. Closing of the issuance and sale of the Notes is scheduled for June 1, 2005.

On May 27, 2005, the Partnership filed with the Securities and Exchange Commission a prospectus supplement dated May 25, 2005 to the accompanying base prospectus dated March 23, 2005 included in Enterprise s registration statement on Form S-3 (Registration No. 333-123150), as amended. The prospectus supplement was filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, in connection with the above described offering. Certain opinions related to such registration statement and the offering are filed as exhibits to this Current Report on Form 8-K. In addition, the prospectus supplement contains certain unaudited pro forma financial statements as of and for the three months ended March 31, 2005 and the year ended December 31, 2004, as described in Item 9.01(b) below. The Partnership is filing these unaudited pro forma financial statements with this 8-K for the purpose of incorporating them by reference into the Partnership s currently effective registration statements.

Item 9.01 Financial Statements and Other Exhibits.

(a) Financial Statements of businesses acquired None

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(b) Pro forma financial information

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ENTERPRISE PRODUCTS PARTNERS L.P.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

Unless the context requires otherwise, for purposes of this pro forma presentation, references to we, our, us, the Company or Enterprise are intended to mean the consolidated business and operations of Enterprise Products Partners L.P. References to Operating Partnership are intended to mean the consolidated business and operations of our primary operating subsidiary, Enterprise Products Operating L.P. References to GulfTerra are intended to mean the consolidated business and operations of GulfTerra Energy Partners, L.P. References to El Paso are intended to mean El Paso Corporation, its subsidiaries and affiliates. References to EPCO are intended to mean EPCO, Inc., an affiliate of the Company and our ultimate parent company.

The unaudited pro forma condensed consolidated financial statements give effect to the following transactions:

The completion by Enterprise of its merger with GulfTerra and related transactions on September 30, 2004 (the GulfTerra Merger). The GulfTerra Merger transactions took place in three steps as described beginning on page F-7. In addition, this pro forma financial information reflects the related sale of our 50% equity interest in Starfish Pipeline Company, LLC (Starfish) on March 31, 2005.

The issuance by our Operating Partnership of \$2 billion of senior unsecured notes on October 4, 2004. Net proceeds from this offering were used to reduce debt amounts outstanding under our \$2.25 billion 364-Day Acquisition Credit Facility, which was used to fund certain payment obligations related to the GulfTerra Merger.

The completion on October 5, 2004, of our Operating Partnership's four cash tender offers for \$915 million in principal amount of GulfTerra's senior and senior subordinated notes.

The sale of 17,250,000 common units in both May 2004 and August 2004 by Enterprise. In addition, Enterprise issued a total of 5,183,591 common units in connection with its distribution reinvestment plan (DRIP) and related programs during 2004.

The conversion of 80 Series F2 convertible units, which were originally issued by GulfTerra, into 1,950,317 Enterprise common units during the fourth quarter of 2004.

The sale of 17,250,000 common units to the public in the first quarter of 2005 (including the over-allotment of 2,250,000 common units issued in March 2005) at an offering price of \$27.05 per unit. The net proceeds from this offering were used to reduce debt amounts outstanding under our 364-Day Acquisition Credit Facility and Multi-Year Revolving Credit Facility (collectively referred to as the Merger Credit Facilities).

The issuance of 1,926,810 common units by Enterprise during the first five months of 2005 in connection with its DRIP and related programs.

The issuance by our Operating Partnership in February 2005 of \$250 million in principal amount of 5.00% senior notes due March 2015 and \$250 million in principal amount of 5.75% senior notes due March 2035 and related use of proceeds.

The issuance by our Operating Partnership in this offering of \$500 million in principal amount of 4.95% senior notes due June 2010 and related use of proceeds.

The unaudited pro forma condensed statement of consolidated operations for the three months ended March 31, 2005 and for the year ended December 31, 2004 assumes the pro forma transactions noted herein occurred on January 1, 2004 (to the extent not already reflected in the historical statement of consolidated operations of each entity). The unaudited pro forma condensed consolidated balance sheet shows the

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financial effects of the pro forma transactions as if they had occurred on March 31, 2005 (to the extent not already recorded in the historical balance sheet of Enterprise).

Dollar amounts (except per unit amounts) presented in the tabular data within these pro forma condensed consolidated financial statements and footnotes are stated in millions of dollars, unless otherwise indicated.

The unaudited pro forma condensed consolidated financial statements and related pro forma information are based on assumptions that Enterprise believes are reasonable under the circumstances and are intended for informational purposes only. They are not necessarily indicative of the financial results that would have occurred if the transactions described herein had taken place on the dates indicated, nor are they indicative of the future consolidated results of the combined company.

The unaudited pro forma condensed consolidated financial statements of Enterprise should be read in conjunction with and are qualified in their entirety by reference to the notes accompanying such unaudited pro forma condensed consolidated financial statements and with the historical consolidated financial statements and related notes of Enterprise included in its annual report on Form 10-K for the year ended December 31, 2004 and quarterly report on Form 10-Q for the three months ended March 31, 2005, which have been filed by Enterprise with the Securities and Exchange Commission (the Commission, File No. 1-14323).

The condensed consolidated financial statements of GulfTerra included herein are qualified in their entirety by reference to the historical consolidated financial statements and related notes of GulfTerra for the three and nine months ended September 30, 2004, contained in Enterprise's Current Report on Form 8-K/ A (Amendment No. 5) filed with the Commission on December 27, 2004.

The combined financial statements for the eight months ended August 31, 2004 of El Paso Hydrocarbons, L.P. and El Paso NGL Marketing Company, L.P. (collectively, the South Texas midstream assets) included herein were derived from the historical accounts and records of these entities.

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ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS
For the Three Months Ended March 31, 2005

	Enterprise Historical	Pro Forma Adjustments	Enterprise Pro Forma	Adjustments Due to this Offering	Adjusted Enterprise Pro Forma
REVENUES	\$ 2,555.5		\$ 2,555.5		\$ 2,555.5
COSTS AND EXPENSES					
Operating costs and expenses	2,383.6	\$ 5.5 (s)	2,389.1		2,389.1
General and administrative	14.7		14.7		14.7
Total	2,398.3	5.5	2,403.8		2,403.8
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES	8.3	(0.3)(s)	8.0		8.0
OPERATING INCOME	165.5	(5.8)	159.7		159.7
OTHER INCOME (EXPENSE)					
Interest expense	(53.4)	2.3 (o) 2.3 (q) (0.1)(r)	(48.9)	\$ (3.2)(u) (0.2)(v)	(52.3)
Other, net	0.9		0.9		0.9
Total	(52.5)	4.5	(48.0)	(3.4)	(51.4)
PROVISION FOR INCOME TAXES	(1.8)		(1.8)		(1.8)
MINORITY INTEREST	(1.9)		(1.9)		(1.9)
INCOME FROM CONTINUING OPERATIONS	\$ 109.3	\$ (1.3)	\$ 108.0	\$ (3.4)	\$ 104.6
INCOME ALLOCATION:					
Limited partners	\$ 93.8		\$ 91.8		\$ 88.5
General partner	\$ 15.5		\$ 16.2		\$ 16.1
BASIC EARNINGS PER UNIT:					
Number of units used in denominator	373.5	9.4 (o)	384.0		384.0

		0.7 (p)		0.4 (t)
Income from continuing operations	\$ 0.25		\$ 0.24	\$ 0.23
DILUTED EARNINGS PER UNIT:				
Number of units used in denominator	374.2	9.4 (o)	384.7	384.7
		0.7 (p)		0.4 (t)
Income from continuing operations	\$ 0.25		\$ 0.24	\$ 0.23

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

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ENTERPRISE PRODUCTS PARTNERS L.P.
UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS
For the Year Ended December 31, 2004

	Enterprise Historical	GulfTerra Historical	South Texas Midstream Assets Historical	Pro Forma Adjustments	Enterprise Pro Forma	Adjustments Due to this Offering	Adjusted Enterprise Pro Forma
REVENUES	\$ 8,321.2	\$ 676.7	\$ 1,103.2	\$ (426.6)(j) (59.4)(n)	\$ 9,615.1		\$ 9,615.1
COSTS AND EXPENSES							
Operating costs and expenses	7,904.3	432.3	1,058.3	103.6 (h) (20.0)(i) (421.5)(j) (46.5)(m) (59.4)(n)	8,951.1		8,951.1
General and administrative	46.7			46.5 (m)	93.2		93.2
Total	7,951.0	432.3	1,058.3	(397.3)	9,044.3		9,044.3
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES							
	52.8			(32.0)(k) 7.6 (m) (3.5)(s)	24.9		24.9
OPERATING INCOME	423.0	244.4	44.9	(116.6)	595.7		595.7
OTHER INCOME (EXPENSE)							
Interest expense	(155.7)	(82.7)		5.1 (a) (51.9)(d) (21.2)(e) 3.0 (f) 56.3 (g) 17.8 (o) 7.5 (q) (0.5)(r)	(222.3)	\$ (13.1)(u) (0.9)(v)	(236.3)
Loss due to early redemptions of		(16.3)			(16.3)		(16.3)

debt							
Earnings from unconsolidated affiliates		7.6		(7.6)(m)			
Other, net	2.1	0.5	(0.1)	1.2 (l)	3.7		3.7
Total	(153.6)	(90.9)	(0.1)	9.7	(234.9)	(14.0)	(248.9)
PROVISION FOR INCOME TAXES							
	(3.8)				(3.8)		(3.8)
MINORITY INTEREST							
	(8.1)	1.8			(6.3)		(6.3)
INCOME FROM CONTINUING OPERATIONS							
	\$ 257.5	\$ 155.3	\$ 44.8	\$ (106.9)	\$ 350.7	\$ (14.0)	\$ 336.7
INCOME ALLOCATION:							
Limited partners	\$ 220.6				\$ 297.7		\$ 284.0
General partner	\$ 36.9				\$ 53.0		\$ 52.7
BASIC EARNINGS PER UNIT:							
Number of units used in denominator	265.5			19.2 (a)	383.6		383.6
				1.6 (b)			
				78.0 (c)			
				17.3 (o)			
				1.6 (p)			
				0.4 (t)			
Income from continuing operations	\$ 0.83				\$ 0.78		\$ 0.74
DILUTED EARNINGS PER UNIT:							
Number of units used							