

ENTERPRISE PRODUCTS PARTNERS L P
Form S-3
March 06, 2012
Table of Contents

As filed with the Securities and Exchange Commission on March 6, 2012

Registration No. 333-

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ENTERPRISE PRODUCTS PARTNERS L.P.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of

76-0568219
(IRS Employer

Edgar Filing: ENTERPRISE PRODUCTS PARTNERS L P - Form S-3

Incorporation or Organization)

Identification Number)

**1100 Louisiana Street, 10th Floor
Houston, Texas 77002
713-381-6500**

**Stephanie C. Hildebrandt
1100 Louisiana Street, 10th Floor
Houston, Texas 77002
713-381-6500**

(Address, Including Zip Code, and Telephone Number,

(Name, Address, Including Zip Code, and Telephone Number,

Including Area Code, of Registrant's Principal Executive Offices)

Including Area Code, of Agent for Service)

COPY TO:

David C. Buck

Andrews Kurth LLP

600 Travis, Suite 4200

Houston, Texas 77002

713-220-4200

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement, as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional class of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer

Accelerated filer

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

Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of each class of Securities to be registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Units of Enterprise Products Partners L.P.	\$1,000,000,000(1)	\$114,600(2)

(1) The amount of securities to be registered consists of \$1,000,000,000 of an indeterminate number or amount of common units of Enterprise Products Partners L.P., estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Paid herewith.

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

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated March 6, 2012.

PROSPECTUS

Enterprise Products Partners L.P.

COMMON UNITS

We may offer and sell up to \$1,000,000,000 of common units representing limited partner interests in Enterprise Products Partners L.P. (the common units) in amounts, at prices and on terms to be determined by market conditions and other factors at the time of our offerings.

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

Our principal executive offices are located at 1100 Louisiana Street, 10th Floor, Houston, Texas 77002. Our telephone number is (713) 381-6500 and our website is www.enterpriseproducts.com.

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

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

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

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

The date of this prospectus is _____, 2012.

Table of Contents

TABLE OF CONTENTS

<u>ABOUT THIS PROSPECTUS</u>	ii
<u>OUR COMPANY</u>	1
<u>RISK FACTORS</u>	3
<u>USE OF PROCEEDS</u>	4
<u>DESCRIPTION OF OUR COMMON UNITS</u>	5
<u>Common Units</u>	5
<u>Meetings/Voting</u>	5
<u>Status as Limited Partner or Assignee</u>	5
<u>Limited Liability</u>	6
<u>Reports and Records</u>	6
<u>CASH DISTRIBUTION POLICY</u>	8
<u>Distributions of Available Cash</u>	8
<u>Distributions of Cash Upon Liquidation</u>	8
<u>DESCRIPTION OF OUR PARTNERSHIP AGREEMENT</u>	10
<u>Purpose</u>	10
<u>Power of Attorney</u>	10
<u>Voting Rights</u>	10
<u>Issuance of Additional Securities</u>	11
<u>Amendments to Our Partnership Agreement</u>	11
<u>Merger, Sale or Other Disposition of Assets</u>	13
<u>Reimbursements to Our General Partner</u>	13
<u>Withdrawal or Removal of Our General Partner</u>	13
<u>Transfer of the General Partner Interest</u>	13
<u>Dissolution and Liquidation</u>	14
<u>Liquidation and Distribution of Proceeds</u>	14
<u>Meetings: Voting</u>	15
<u>Limited Call Right</u>	15
<u>Indemnification</u>	16
<u>Registration Rights</u>	16
<u>MATERIAL TAX CONSEQUENCES</u>	17
<u>Partnership Status</u>	17
<u>Limited Partner Status</u>	19
<u>Tax Consequences of Common Unit Ownership</u>	19
<u>Tax Treatment of Operations</u>	24
<u>Disposition of Common Units</u>	25
<u>Uniformity of Common Units</u>	27

Table of Contents

<u>Tax-Exempt Organizations and Other Investors</u>	28
<u>Administrative Matters</u>	29
<u>State, Local, Foreign and Other Tax Considerations</u>	31
<u>INVESTMENT IN ENTERPRISE PRODUCTS PARTNERS L.P. BY EMPLOYEE BENEFIT PLANS</u>	33
<u>PLAN OF DISTRIBUTION</u>	35
<u>By Agents</u>	35
<u>By Underwriters</u>	35
<u>Direct Sales</u>	35
<u>Delayed Delivery Contracts or Forward Contracts</u>	35
<u>General Information</u>	36
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	37
<u>FORWARD-LOOKING STATEMENTS</u>	38
<u>LEGAL MATTERS</u>	39
<u>EXPERTS</u>	39

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

Unless the context requires otherwise, references to we, us, our and Enterprise as used in this prospectus are intended to mean the business and operations of Enterprise Products Partners L.P. and its consolidated subsidiaries and unconsolidated affiliates.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we file with the Securities and Exchange Commission (the Commission) using a shelf registration process. Under this shelf process, we may offer from time to time a number of common units having a summative total market value (based on offering prices at the time of each offering) of up to \$1,000,000,000. Each time we offer securities, we will provide you with a prospectus supplement that will describe, among other things, the specific amounts, types and prices of the securities being offered and the terms of the offering. Any prospectus supplement may add, update or change information contained or incorporated by reference in this prospectus. Any statement that we make in or incorporate by reference in this prospectus will be modified or superseded by any inconsistent statement made by us in a prospectus supplement. Therefore, you should read this prospectus (including any documents incorporated by reference) and any attached prospectus supplement before you invest in our securities.

Table of Contents

OUR COMPANY

We are a leading North American provider of midstream energy services to producers and consumers of natural gas, natural gas liquids (NGLs), crude oil, refined products and certain 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.

Our midstream energy operations include: natural gas gathering, treating, processing, transportation 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 services; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems and in the Gulf of Mexico. Our wholly owned operating subsidiary, Enterprise Products Operating LLC (EPO) provides the foregoing services directly and through our consolidated subsidiaries and unconsolidated affiliates.

NGL products (ethane, propane, normal butane, isobutane and natural gasoline) are used as raw materials by the petrochemical industry, as feedstocks by refiners in the production of motor gasoline and as fuel by industrial and residential users. Our portfolio of integrated assets includes: approximately 50,600 miles of onshore and offshore pipelines; 190 million barrels (MMBbbs) of storage capacity for NGLs, crude oil, refined products and certain petrochemicals; 14 billion cubic feet (Bcf) of natural gas storage capacity; and 24 natural gas processing plants. In addition, our asset portfolio includes 20 fractionation facilities, six offshore hub platforms located in the Gulf of Mexico, a butane isomerization complex, NGL import and export terminals, and an octane enhancement facility.

For the year ended December 31, 2011, we had consolidated revenues of \$44.3 billion, operating income of \$2.9 billion and net income from continuing operations of \$2.1 billion.

Our Business Segments

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

NGL Pipelines & Services. Our NGL Pipelines & Services business segment includes our (i) natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 16,650 miles, (iii) NGL and related product storage and terminal facilities with approximately 156 MMBbbs of net usable storage capacity and (iv) 13 NGL fractionators. This segment also includes our import and export terminal operations.

Onshore Natural Gas Pipelines & Services. Our Onshore Natural Gas Pipelines & Services business segment includes approximately 20,200 miles of onshore natural gas pipeline systems that provide for the gathering and transportation of natural gas in Colorado, Louisiana, New Mexico, Texas and Wyoming. We lease salt dome natural gas storage facilities located in Texas and Louisiana and own a salt dome storage cavern in Texas that are integral to our pipeline operations. This segment also includes our related natural gas marketing activities.

Onshore Crude Oil Pipelines & Services. Our Onshore Crude Oil Pipelines & Services business segment includes approximately 5,250 miles of onshore crude oil pipelines and 12 MMBbbs of above-ground storage tank capacity. This segment also includes our crude oil marketing and trucking activities.

Table of Contents

Offshore Pipelines & Services. Our Offshore Pipelines & Services business segment serves some of the most active drilling development regions, including deepwater production fields in the northern Gulf of Mexico offshore Texas, Louisiana, Mississippi and Alabama. This segment includes approximately 1,330 miles of offshore natural gas pipelines, approximately 980 miles of offshore crude oil pipelines and six offshore hub platforms.

Petrochemical & Refined Products Services. Our Petrochemical & Refined Products Services business segment consists of (i) seven propylene fractionation plants, propylene pipeline systems aggregating approximately 680 miles in length and related petrochemical marketing activities, (ii) a butane isomerization facility and related 70-mile pipeline system, (iii) octane enhancement and high purity isobutylene production facilities, (iv) approximately 5,400 miles of refined products pipelines and related marketing activities and (v) marine transportation and other services.

Other Investments. Other Investments consists of our noncontrolling ownership interests in Energy Transfer Equity, L.P. (Energy Transfer Equity), a publicly traded Delaware limited partnership (NYSE: ETE). As of the date of this prospectus, we own approximately 5.5 million common units of Energy Transfer Equity, which represent approximately 2.5% of its common units outstanding at February 15, 2012.

Table of Contents

RISK FACTORS

Limited partner interests are inherently different from the capital stock of a corporation, although many of the business risks to which we are subject are similar to those that would be faced by a corporation engaged in a similar business. Before you invest in our common units, you should carefully consider the risk factors included in our most recent annual report on Form 10-K and any subsequent quarterly reports on Form 10-Q incorporated herein by reference and those that may be included in the applicable prospectus supplement, together with all of the other information included in this prospectus, any prospectus supplement and the documents we incorporate by reference in evaluating an investment in our securities.

If any of the risks discussed in the foregoing documents were actually to occur, it could have a material adverse effect on our financial position, results of operations and cash flow. In that case, our ability to make distributions to our unitholders may be reduced, the trading price of our common units could decline and you could lose all or part of your investment.

Table of Contents

USE OF PROCEEDS

Unless we inform you otherwise in a prospectus supplement, we intend to use the net proceeds from any sale of securities described in this prospectus for general partnership purposes, such as working capital, investments in subsidiaries, the retirement of existing debt and/or the repurchase of common units or other securities. The prospectus supplement will describe the actual use of the net proceeds from the sale of securities. The exact amounts to be used and when the net proceeds will be applied to partnership purposes will depend on a number of factors, including our funding requirements and the availability of alternative funding sources.

Table of Contents

DESCRIPTION OF OUR COMMON UNITS

Common Units

Generally, our common units represent limited partner interests that entitle the holders to participate in our cash distributions and to exercise the rights and privileges available to limited partners under our partnership agreement. For a description of the relative rights and preferences of unitholders in and to cash distributions, please read Cash Distribution Policy elsewhere in this prospectus.

Our outstanding common units are listed on the NYSE under the symbol EPD. Any additional common units we issue will also be listed on the NYSE.

The transfer agent and registrar for our common units is Wells Fargo Shareowner Services.

We also have issued and outstanding Class B units, which are entitled to rights and privileges as noted below. The Class B units are held by a privately held affiliate. The Class B units generally have the same rights and privileges as our common units, except that they are not entitled to regular quarterly cash distributions for the first sixteen quarters following October 26, 2009, which was the closing date of our merger with TEPPCO Partners, L.P. (the TEPPCO Merger). The Class B units will automatically convert into the same number of common units on the date immediately following the payment date for the sixteenth quarterly distribution following the closing of the TEPPCO Merger.

In addition, in connection with our merger with Enterprise GP Holdings, L.P. on November 22, 2010 (the Holdings Merger), a privately held affiliate of EPCO agreed to temporarily waive the regular quarterly cash distributions it would otherwise receive from us with respect to a certain number of our common units (the Designated Units) it owned over a five-year period after the merger closing date of November 22, 2010. The number of Designated Units to which the temporary distribution waiver applies is as follows for distributions paid or to be paid, if any, during the following calendar years: 30,610,000 during 2011; 26,130,000 during 2012; 23,700,000 during 2013; 22,560,000 during 2014; and 17,690,000 during 2015. Distributions paid to partners during calendar year 2011 excluded the initial 30,610,000 Designated Units; however, distributions to be paid, as applicable, to partners in calendar year 2012 (beginning with the February 2012 distribution) will exclude 26,130,000 Designated Units. As a result, the number of our distribution-bearing units increased by 4,480,000 units beginning with the February 2012 distribution and will increase in subsequent years as the number of Designated Units declines.

Meetings/Voting

Each holder of our common units and Class B units is entitled to one vote for each unit on all matters submitted to a vote of the unitholders. Holders of the Class B units are entitled to vote as a separate class on any matter that adversely affects the rights or preference of such class in relation to other classes of partnership interests. The approval of a majority of the Class B units is required to approve any matter for which the Class B unitholders are entitled to vote as a separate class.

Status as Limited Partner or Assignee

Except as described below under Limited Liability, our common units will be fully paid, and unitholders will not be required to make additional capital contributions to us.

Each purchaser of our common units must execute a transfer application whereby the purchaser requests admission as a substituted limited partner and makes representations and agrees to provisions stated in the transfer application. If this action is not taken, a purchaser will not be registered as a record holder of common units on the books of our transfer agent or issued a common unit certificate or other evidence of the issuance of uncertificated units. Purchasers may hold common units in nominee accounts.

Table of Contents

An assignee, pending its admission as a substituted limited partner, is entitled to an interest in us equivalent to that of a limited partner with respect to the right to share in allocations and distributions, including liquidating distributions. Our general partner will vote and exercise other powers attributable to our common units owned by an assignee who has not become a substituted limited partner at the written direction of the assignee. Transferees who do not execute and deliver transfer applications will be treated neither as assignees nor as record holders of common units and will not receive distributions, U.S. federal income tax allocations or reports furnished to record holders of our common units. The only right the transferees will have is the right to admission as a substituted limited partner in respect of the transferred common units upon execution of a transfer application in respect of the common units. A nominee or broker who has executed a transfer application with respect to our common units held in street name or nominee accounts will receive distributions and reports pertaining to its common units.

Limited Liability

Assuming that a limited partner does not participate in the control of our business within the meaning of the Delaware Revised Uniform Limited Partnership Act (the Delaware Act) and that he otherwise acts in conformity with the provisions of our partnership agreement, his liability under the Delaware Act will be limited, subject to some possible exceptions, generally to the amount of capital he is obligated to contribute to us in respect of his units plus his share of any undistributed profits and assets.

Under the Delaware Act, a limited partnership may not make a distribution to a partner to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the partnership, other than liabilities to partners on account of their partnership interests and liabilities for which the recourse of creditors is limited to specific property of the partnership, exceed the fair value of the assets of the limited partnership.

For the purposes of determining the fair value of the assets of a limited partnership, the Delaware Act provides that the fair value of the property subject to liability of which recourse of creditors is limited shall be included in the assets of the limited partnership only to the extent that the fair value of that property exceeds the nonrecourse liability. The Delaware Act provides that a limited partner who receives a distribution and knew at the time of the distribution that the distribution was in violation of the Delaware Act is liable to the limited partnership for the amount of the distribution for three years from the date of the distribution.

Reports and Records

As soon as practicable, but in no event later than 120 days after the close of each fiscal year, our general partner will mail or furnish to each unitholder of record (as of a record date selected by our general partner) an annual report containing our audited financial statements for the past fiscal year. These financial statements will be prepared in accordance with U.S. generally accepted accounting principles. In addition, no later than 90 days after the close of each quarter (except the fourth quarter), our general partner will mail or furnish to each unitholder of record (as of a record date selected by our general partner) a report containing our unaudited quarterly financial statements and any other information required by law. We may furnish such reports by making them generally available on our website, www.enterpriseproducts.com.

Our general partner will use all reasonable efforts to furnish each unitholder of record information reasonably required for tax reporting purposes within 90 days after the close of each fiscal year. Our general partner's ability to furnish this summary tax information will depend on the cooperation of unitholders in supplying information to our general partner. Each unitholder will receive information to assist him in determining his U.S. federal and state tax liability and filing his U.S. federal and state income tax returns.

A limited partner can, for a purpose reasonably related to the limited partner's interest as a limited partner, upon reasonable demand and at his own expense, have furnished to him:

a current list of the name and last known address of each partner;

Table of Contents

a copy of our tax returns;

information as to the amount of cash and a description and statement of the agreed value of any other property or services, contributed or to be contributed by each partner and the date on which each became a partner;

copies of our partnership agreement, our certificate of limited partnership, amendments to either of them and powers of attorney which have been executed under our partnership agreement;

information regarding the status of our business and financial condition; and

any other information regarding our affairs as is just and reasonable.

Our general partner may, and intends to, keep confidential from the limited partners trade secrets and other information the disclosure of which our general partner believes in good faith is not in our best interest or which we are required by law or by agreements with third parties to keep confidential.

Table of Contents

CASH DISTRIBUTION POLICY

Distributions of Available Cash

General. Within approximately 45 days after the end of each quarter, we distribute all of our available cash to unitholders of record (excluding holders of our Class B units as set forth in our partnership agreement and the Designated Units as set forth under a distribution waiver agreement) on the applicable record date.

Definition of Available Cash. Available cash is defined in our partnership agreement and generally means, with respect to any calendar quarter, all cash on hand at the end of such quarter:

less the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the general partner to:

provide for the proper conduct of our business (including reserves for our future capital expenditures and for our future credit needs) subsequent to such quarter;

comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which we are a party or to which we are bound or our assets are subject; or

provide funds for distributions to unitholders in respect of any one or more of the next four quarters;

plus all cash on hand on the date of determination of available cash for the quarter resulting from working capital borrowings made after the end of the quarter or certain interim capital transactions after the end of such quarter designated by our general partner as operating surplus in accordance with the partnership agreement. Working capital borrowings are generally borrowings that are made under our credit facilities and in all cases are used solely for working capital purposes or to pay distributions to partners.

Class B and Designated Units. As of February 1, 2012, we had 881,620,418 common units and 4,450,431 Class B units outstanding. The Class B units generally vote together with the common units but are not entitled to regular quarterly cash distributions for the first sixteen quarters following October 26, 2009, the closing date of the TEPPCO Merger.

In addition, in connection with the Holdings Merger, a privately held affiliate agreed to temporarily waive the regular quarterly cash distributions it would otherwise receive from us with respect to the Designated Units over a five-year period after the merger closing date of November 22, 2010. The number of Designated Units to which the temporary distribution waiver applied or applies is as follows for distributions paid or to be paid, if any, during the following calendar years: 30,610,000 during 2011; 26,130,000 during 2012; 23,700,000 during 2013; 22,560,000 during 2014; and 17,690,000 during 2015.

Distributions of Cash Upon Liquidation

If we dissolve in accordance with the partnership agreement, we will sell or otherwise dispose of our assets in a process called a liquidation. We will first apply the proceeds of liquidation to the payment of our creditors in the order of priority provided in the partnership agreement and by law and, thereafter, we will distribute any remaining proceeds to the unitholders in accordance with their respective capital account balances as so adjusted.

Manner of Adjustments for Gain. The manner of the adjustment is set forth in the partnership agreement. Upon our liquidation, we will allocate any net gain (or unrealized gain attributable to assets distributed in kind to the partners) as follows:

Edgar Filing: ENTERPRISE PRODUCTS PARTNERS L P - Form S-3

first, to the unitholders having negative balances in their capital accounts to the extent of and in proportion to such negative balances;
and

second, to the unitholders, pro rata.

Table of Contents

Manner of Adjustments for Losses. Upon our liquidation, any net loss will generally be allocated to the unitholders as follows:

first, to the unitholders in proportion to the positive balances in their respective capital accounts, until the capital accounts of the unitholders have been reduced to zero; and

second, to the unitholders, pro rata.

Adjustments to Capital Accounts. In addition, interim adjustments to capital accounts will be made at the time we issue additional partnership interests or make distributions of property. Such adjustments will be based on the fair market value of the partnership interests or the property distributed and any gain or loss resulting therefrom will be allocated to the unitholders in the same manner as gain or loss is allocated upon liquidation.

Table of Contents

DESCRIPTION OF OUR PARTNERSHIP AGREEMENT

The following is a summary of the material provisions of our partnership agreement. Our amended and restated partnership agreement has been filed with the Commission. The following provisions of our partnership agreement are summarized elsewhere in this prospectus:

distributions of our available cash are described under **Cash Distribution Policy** ; and

rights of holders of common units are described under **Description of Our Common Units**.

In addition, allocations of taxable income and other matters are described under **Material Tax Consequences** below in this prospectus.

Purpose

Our purpose under our partnership agreement is to serve as a member of EPO, our primary operating subsidiary, and to engage in any business activities that may be engaged in by EPO or that are approved by our general partner. The limited liability company agreement of EPO provides that it may engage in any activity that was engaged in by our predecessors at the time of our initial public offering or reasonably related thereto and any other activity approved by our general partner.

Power of Attorney

Each limited partner, and each person who acquires a unit from a unitholder and executes and delivers a transfer application, grants to our general partner and, if appointed, a liquidator, a power of attorney to, among other things, execute and file documents required for our qualification, continuance or dissolution. The power of attorney also grants the authority for the amendment of, and to make consents and waivers under, our partnership agreement.

Voting Rights

Unitholders will not have voting rights except with respect to the following matters, for which our partnership agreement requires the approval of the holders of a majority of the units, unless otherwise indicated:

the merger of our partnership or a sale, exchange or other disposition of all or substantially all of our assets;

the removal of our general partner (requires 60% of the outstanding units, including units held by our general partner and its affiliates);

the election of a successor general partner;

the dissolution of our partnership or the reconstitution of our partnership upon dissolution;

approval of certain actions of our general partner (including the transfer by the general partner of its general partner interest under certain circumstances); and

certain amendments to the partnership agreement, including any amendment that would cause us to be treated as an association taxable as a corporation.

Edgar Filing: ENTERPRISE PRODUCTS PARTNERS L P - Form S-3

Under the partnership agreement, our general partner generally will be permitted to effect, without the approval of unitholders, amendments to the partnership agreement that do not adversely affect unitholders.

Class B Units. Holders of Class B units are entitled to vote together with our common unitholders as a single class on all matters that our common unitholders are entitled to vote on. Holders of the Class B units are entitled to vote as a separate class on any matter that adversely affects the rights or preference of such class in relation to other classes of partnership interests. The approval of the holders of a majority of the Class B units is required to approve any matter for which the Class B unitholders are entitled to vote as a separate class.

Table of Contents

Issuance of Additional Securities

Our partnership agreement authorizes us to issue an unlimited number of additional limited partner interests and other equity securities that are equal in rank with or junior to our common units on terms and conditions established by our general partner in its sole discretion without the approval of any limited partners.

It is possible that we will fund acquisitions through the issuance of additional common units or other equity securities. Holders of any additional common units we issue will be entitled to share equally with the then-existing holders of common units in our cash distributions. In addition, the issuance of additional partnership interests may dilute the value of the interests of the then-existing holders of common units in our net assets.

In accordance with Delaware law and the provisions of our partnership agreement, we may also issue additional partnership interests that, in the sole discretion of our general partner, may have special voting rights to which common units are not entitled.

Our general partner has the right, which it may from time to time assign in whole or in part to any of its affiliates, to purchase common units or other equity securities whenever, and on the same terms that, we issue those securities to persons other than our general partner and its affiliates, to the extent necessary to maintain their percentage interests in us that existed immediately prior to the issuance. The holders of common units will not have preemptive rights to acquire additional common units or other partnership interests in us.

Our partnership agreement authorizes a series of our limited partner interests called Class B units. The Class B units will not be entitled to regular quarterly cash distributions for the first sixteen quarters following the closing of the TEPPCO Merger (which occurred on October 26, 2009). The Class B units will convert automatically into the same number of our common units on the date immediately following the payment date of the sixteenth quarterly distribution following October 26, 2009, and holders of such converted units will thereafter be entitled to receive distributions of available cash.

Amendments to Our Partnership Agreement

Amendments to our partnership agreement may be proposed only by our general partner. Any amendment that materially and adversely affects the rights or preferences of any type or class of limited partner interests in relation to other types or classes of limited partner interests or our general partner interest will require the approval of at least a majority of the type or class of limited partner interests or general partner interests so affected. However, in some circumstances, more particularly described in our partnership agreement, our general partner may make amendments to our partnership agreement without the approval of our limited partners or assignees to reflect:

a change in our names, the location of our principal place of business, our registered agent or our registered office;

the admission, substitution, withdrawal or removal of partners;

a change to qualify or continue our qualification as a limited partnership or a partnership in which our limited partners have limited liability under the laws of any state or to ensure that neither we, EPO, nor any of our subsidiaries will be treated as an association taxable as a corporation or otherwise taxed as an entity for U.S. federal income tax purposes;

a change that does not adversely affect our limited partners in any material respect;

a change to (i) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute or (ii) facilitate the trading of our limited partner interests or comply with any rule, regulation, guideline or requirement of any national securities exchange on which our limited partner interests are or will be listed for trading;

Table of Contents

a change in our fiscal year or taxable year and any changes that are necessary or advisable as a result of a change in our fiscal year or taxable year;

an amendment that is necessary to prevent us, or our general partner or its directors, officers, trustees or agents from being subjected to the provisions of the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, as amended;

an amendment that is necessary or advisable in connection with the authorization or issuance of any class or series of our securities;

any amendment expressly permitted in our partnership agreement to be made by our general partner acting alone;

an amendment effected, necessitated or contemplated by a merger agreement approved in accordance with our partnership agreement;

an amendment that is necessary or advisable to reflect, account for and deal with appropriately our formation of, or investment in, any corporation, partnership, joint venture, limited liability company or other entity other than EPO, in connection with our conduct of activities permitted by our partnership agreement;

a merger or conveyance to effect a change in our legal form; or

any other amendments substantially similar to the foregoing.

Any amendment to our partnership agreement that would have the effect of reducing the voting percentage required to take any action must be approved by the written consent or the affirmative vote of our limited partners constituting not less than the voting requirement sought to be reduced.

No amendment to our partnership agreement may (i) enlarge the obligations of any limited partner without its consent, unless such shall have occurred as a result of an amendment approved by not less than a majority of the outstanding partnership interests of the class affected, (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, our general partner or any of its affiliates without its consent, which consent may be given or withheld in its sole discretion, (iii) change the provision of our partnership agreement that provides for our dissolution (A) at the expiration of its term or (B) upon the election to dissolve us by the general partner that is approved by the holders of a majority of our outstanding common units and by special approval (as such term is defined under our partnership agreement), or (iv) change the term of us or, except as set forth in the provision described in clause (iii)(B) of this paragraph, give any person the right to dissolve us.

Except for certain amendments in connection with the merger or consolidation of us and except for those amendments that may be effected by the general partner without the consent of limited partners as described above, any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests must be approved by the holders of not less than a majority of the outstanding partnership interests of the class so affected.

Except for those amendments that may be effected by the general partner without the consent of limited partners as described above or certain provisions in connection with our merger or consolidation, no amendment shall become effective without the approval of the holders of at least 90% of the outstanding units unless we obtain an opinion of counsel to the effect that such amendment will not affect the limited liability of any limited partner under applicable law.

Except for those amendments that may be effected by the general partner without the consent of limited partners as described above, the foregoing provisions described above relating to the amendment of our partnership agreement may only be amended with the approval of the holders of at least 90% of the outstanding units.

Table of Contents

Merger, Sale or Other Disposition of Assets

Our partnership agreement generally prohibits the general partner, without the prior approval of a majority of our outstanding units, from causing us to, among other things, sell, exchange or otherwise dispose of all or substantially all of the assets us or EPO in a single transaction or a series of related transactions (including by way of merger, consolidation or other combination). The general partner may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the assets of us or EPO without the approval of a Unit Majority (as defined in the our partnership agreement). Our partnership agreement generally prohibits the general partner from causing us to merge or consolidate with another entity without the approval of a majority of the members of our Audit and Conflicts Committee, at least one of which majority meets certain independence requirements (such approval constituting special approval under our partnership agreement).

If certain conditions specified in our partnership agreement are satisfied, our general partner may merge us or any of our subsidiaries into, or convey some or all of our assets to, a newly formed entity if the sole purpose of that merger or conveyance is to change our legal form into another limited liability entity.

Reimbursements to Our General Partner

Our general partner does not receive any compensation for its services as our general partner. It is, however, entitled to be reimbursed for all of its costs incurred in managing and operating our business. Our partnership agreement provides that our general partner will determine the expenses that are allocable to us in any reasonable manner determined by our general partner in its sole discretion.

Withdrawal or Removal of Our General Partner

Our general partner may withdraw as general partner without first obtaining approval of any unitholder by giving 90 days written notice, and that withdrawal will not constitute a violation of our partnership agreement. In addition, our general partner may withdraw without unitholder approval upon 90 days notice to our limited partners if at least 50% of our outstanding common units are held or controlled by one person and its affiliates other than our general partner and its affiliates.

Upon the voluntary withdrawal of our general partner, the holders of a majority of our outstanding common units, excluding the common units held by the withdrawing general partner and its affiliates, may elect a successor to the withdrawing general partner. If a successor is not elected, or is elected but an opinion of counsel regarding limited liability and tax matters cannot be obtained, we will be dissolved, wound up and liquidated, unless within 90 days after that withdrawal, the holders of a majority of our outstanding units, excluding the common units held by the withdrawing general partner and its affiliates, agree to continue our business and to appoint a successor general partner.

Our general partner may not be removed unless that removal is approved by the vote of the holders of not less than 60% of our outstanding units, including units held by our general partner and its affiliates, and we receive an opinion of counsel regarding limited liability and tax matters. In addition, if our general partner is removed as our general partner under circumstances where cause does not exist and units held by our general partner and its affiliates are not voted in favor of such removal, our general partner will have the right to convert its general partner interest into common units or to receive cash in exchange for such interests. Cause is narrowly defined to mean that a court of competent jurisdiction has entered a final, non-appealable judgment finding the general partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as our general partner. Any removal of this kind is also subject to the approval of a successor general partner by the vote of the holders of a majority of our outstanding common units, including those held by our general partner and its affiliates.

Transfer of the General Partner Interest

While our partnership agreement limits the ability of our general partner to withdraw, it allows the general partner interest to be transferred to an affiliate or to a third party in conjunction with a merger or sale of all or

Table of Contents