ENTERPRISE PRODUCTS PARTNERS L P
Form 424B3
February 07, 2005

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the attached prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

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Registration No. 333-102778
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SUBJECT TO COMPLETION, DATED FEBRUARY 7, 2005

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus Dated April 21, 2003)

10,000,000 Common Units

Enterprise Products Partners L.P.

$ per common unit

We are selling 10,000,000 common units representing limited partner interests in Enterprise Products Partners L.P. Our common units are listed on the New York Stock Exchange under the symbol EPD. The last reported sales price of our common units on the New York Stock Exchange on February 3, 2005 was $27.28 per common unit.

Investing in our common units involves risk. See Risk Factors beginning on page S-19 of this prospectus supplement and on page 2 of the accompanying prospectus.

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

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

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

The underwriters expect to deliver the common units on or about , 2005.

Joint Book-Running Managers

UBS Investment Bank **Citigroup**

Goldman, Sachs & Co.

Lehman Brothers

Morgan Stanley

Wachovia Securities

A.G. Edwards

Merrill Lynch & Co.

Raymond James

Sanders Morris Harris

RBC Capital Markets

KeyBanc Capital Markets

, 2005

[ENTERPRISE PRODUCTS PARTNERS SYSTEM MAP, GULFTERRA SYSTEM MAP

AND COMBINED COMPANY SYSTEM MAP APPEAR HERE]

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common units. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering of our common units. If the information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

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

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SUMMARY

This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand our business and the common units. It does not contain all of the information that is important to you. You should read carefully the entire prospectus supplement, the accompanying prospectus, the documents incorporated by reference and the other documents to which we refer for a more complete understanding of this offering. You should read Risk Factors beginning on page S-19 of this prospectus supplement and on page 2 of the accompanying prospectus for more information about important risks that you should consider before making a decision to purchase common units in this offering.

The information presented in this prospectus supplement assumes that the underwriters do not exercise their over-allotment option, unless otherwise indicated. All references in this prospectus supplement and the accompanying prospectus to number of units, earnings per unit or unit price give effect to our two-for-one unit split on May 15, 2002. Our, we, us and Enterprise as used in this prospectus supplement and the accompanying prospectus refer to Enterprise Products Partners L.P. and its wholly owned subsidiaries. GulfTerra as used in this prospectus supplement refers to GulfTerra Energy Partners, L.P. and its wholly owned subsidiaries, and El Paso Corporation as used in this prospectus supplement refers to El Paso Corporation and its wholly owned subsidiaries.

Unless otherwise indicated, pro forma financial results presented in this prospectus supplement give effect to the completion of the merger-related and other transactions described in the unaudited pro forma consolidated financial statements included elsewhere in this prospectus supplement, and pro forma as adjusted financial results presented in this prospectus supplement also give effect to this offering. For a complete description of the adjustments we have made to arrive at the pro forma financial measures that we present in this prospectus supplement, please read the unaudited pro forma consolidated financial statements included elsewhere in this prospectus supplement.

Enterprise Products Partners L.P.

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

We and our affiliates have completed several significant transactions related to our merger with GulfTerra, which closed on September 30, 2004, including:

- Our purchase of a 50% interest in GulfTerra s general partner for $425 million on December 15, 2003;
- Prior to the merger, the contribution of El Paso Corporation s remaining 50% interest in GulfTerra s general partner to our general partner in exchange for a 9.9% interest in our general partner and $370 million in cash, and the subsequent contribution by our general partner of that 50% interest to us without consideration; and
- Our acquisition of certain midstream assets in South Texas related to GulfTerra s business for approximately $156 million on September 30, 2004, but effective September 1, 2004.

Affiliates of our general partner acquired El Paso Corporation s 9.9% interest in our general partner and approximately 13.5 million of our common units for approximately $425 million on January 14, 2005. El Paso

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Corporation and its affiliates no longer own any interest in us or our general partner as a result of this transaction.

For the year ended December 31, 2003, we had revenues of $5.3 billion, operating income of $248.1 million and net income of $104.5 million. On a pro forma basis for the year ended December 31, 2003, we had revenues of $7.2 billion, operating income of $425.3 million and income from continuing operations of $112.5 million. For the nine months ended September 30, 2004, we had revenues of $5.5 billion, operating income of $247.7 million and net income of $152.9 million. On a pro forma basis for the nine months ended September 30, 2004, we had revenues of $6.8 billion, operating income of $424.3 million and income from continuing operations of $223.3 million. We recently announced unaudited results for the year ended December 31, 2004. For this period, we had revenues of $8.3 billion, operating income of $423.0 million and net income of $268.3 million. Please read Summary Historical and Pro Forma Financial and Operating Data and our unaudited pro forma financial statements beginning on page F-1 of this prospectus supplement for a description of the transactions we have included in our pro forma presentation and Recent Developments Fourth Quarter and Fiscal Year 2004 Unaudited Results for additional summarized financial information.

Our Business Segments

As a result of the GulfTerra merger and related transactions, we have reorganized our business activities into four reportable business segments: (i) Offshore Pipelines & Services, (ii) Onshore Natural Gas Pipelines & Services, (iii) NGL Pipelines & Services, and (iv) Petrochemical Services, which are generally organized and managed along our midstream energy value chain according to the type of services rendered and products produced and sold.

Offshore Pipelines & Services. Our Offshore Pipelines & Services segment consists of (i) approximately 1,390 miles of natural gas pipelines strategically located to serve production activities in some of the most active drilling and development regions in the Gulf of Mexico, (ii) ownership interests in Gulf of Mexico offshore oil pipeline systems aggregating approximately 800 miles, which includes the recently constructed 390-mile Cameron Highway oil pipeline, and (iii) ownership interests in seven multi-purpose offshore hub platforms located in the Gulf of Mexico.

Onshore Natural Gas Pipelines & Services. Our Onshore Natural Gas Pipelines & Services segment includes natural gas pipeline systems aggregating approximately 17,180 miles that provide for the gathering and transmission of natural gas in Alabama, Colorado, Louisiana, Mississippi, New Mexico and Texas. Included in this segment are two salt dome natural gas storage facilities located in Mississippi, which are strategically located to serve the Northeast, Mid-Atlantic and Southeast natural gas markets. We also lease natural gas storage facilities located in Texas and Louisiana.

NGL Pipelines & Services. Our NGL Pipelines & Services segment is comprised of (i) our natural gas processing business and related NGL marketing activities, (ii) NGL pipelines aggregating approximately 12,600 miles and related storage facilities, which include our strategic Mid-America and Seminole NGL pipeline systems and (iii) NGL fractionation facilities located in Texas and Louisiana. This segment also includes our NGL import and export terminaling operations. We also lease two NGL storage facilities located in Texas.

Petrochemical Services. Our Petrochemical Services segment includes our four propylene fractionation facilities, isomerization complex, and octane additive production facility. This segment also includes approximately 460 miles of various propylene pipeline systems and a 70-mile hi-purity isobutane pipeline.

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Our Business Strategy

Our business strategy is to:

- capitalize on expected increases in natural gas, NGL and oil production resulting from development activities in the deepwater and continental shelf areas of the Gulf of Mexico and in the Rocky Mountain region;
- maintain a balanced and diversified portfolio of midstream energy assets and expand this asset base through organic development projects and accretive acquisitions of complementary midstream energy assets;
- share capital costs and risks through joint ventures or alliances with strategic partners that will provide the raw materials for these projects or purchase the projects end products; and
- increase fee-based cash flows by investing in pipelines and other fee-based businesses and de-emphasize commodity-based activities.

Competitive Strengths

We believe we have the following competitive strengths:

Large-Scale, Integrated Network of Diversified Assets in Strategic Locations. We have the only integrated natural gas and NGL transportation, fractionation, processing, storage and import/export network in North America. Our operations are strategically located to serve the major supply basins for NGL-rich natural gas, the major NGL storage hubs in North America and international markets. We believe that our location in these markets provides better access to natural gas, NGL and petrochemical supply volumes, anticipated demand growth and business expansion opportunities. The GulfTerra merger has resulted in a more balanced, diversified company with access to new geographic areas, such as the San Juan and Permian Basins. We believe that the larger scope and scale of the combined company should result in greater operating strength and promote long-term unitholder value.

Cash-Flow Stability Through Fee-Based Businesses and Balanced Asset Mix. Our cash flow is derived primarily from fee-based businesses which are not directly affected by volatility in energy commodity prices. We expect that our more diversified asset portfolio resulting from the GulfTerra merger should provide operating income from a broader range of sources than our operations on a stand-alone basis prior to the merger. GulfTerra s historical operations generally benefitted from strong or average hydrocarbon prices, while our historical operations prior to the merger generally benefitted from stable or lower hydrocarbon prices. This relationship results in a natural hedge to natural gas prices that should provide greater cash flow stability to the combined company.

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

Strategic Platform for Continued Expansion. We believe that the GulfTerra merger has strengthened our leading business positions across the midstream energy value chain in some of the largest producing basins in North America. We have a significant portfolio of organic growth opportunities to construct new facilities or expand existing assets. To date, we have identified approximately $2 billion of organic growth projects over the next three years, including our recently announced Independence Trail and Independence Hub projects and the Constitution oil and natural gas pipeline projects in the deepwater areas of the Gulf of Mexico; the expansion of some of our key western NGL assets to support new production in the Rocky Mountain and San Juan regions; and enhancements to some of our existing facilities on the Texas Gulf Coast to serve our refining and petrochemical customers.

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Lower Cost of Capital. We believe that our general partner s maximum incentive distribution level of 25% (as compared to 50% for many publicly traded master limited partnerships) combined with our investment grade credit profile provides us with a lower cost of capital than many of our competitors, enabling us to compete more effectively in acquiring assets and expanding our asset base. We also believe that the larger scope and scale of the combined company should provide us with greater access to capital.

Experienced Operator and Management Team. We have historically operated our largest natural gas processing and fractionation facilities and most of our pipelines. As the leading provider of NGL-related services, we have established a reputation in the industry as a reliable and cost-effective operator. Affiliates of Dan L. Duncan, our co-founder and the chairman of our general partner, own a 100% membership interest in our general partner. In addition, following this offering Mr. Duncan and his affiliates collectively will own an approximate 37.3% limited partner interest in us. The officers of our general partner average more than 25 years of industry experience.

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Ownership Structure and Management

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

The table below shows the current ownership of our common units and the ownership of our common units after giving effect to this offering.

	Current Ownership		Ownership After the Offering	
	Units	Percentage Interest	Units	Percentage Interest
Public common units	185,621,528	49.9%	195,621,528	51.1%
EPCO common units	142,592,215	38.3%	142,592,215	37.3%
Shell common units	36,572,122	9.8%	36,572,122	9.6%
General partner interest		2.0%		2.0%
Total	364,785,865	100.0%	374,785,865	100.0%

Information regarding our management is set forth under Management beginning on page S-34 of this prospectus supplement. Our principal executive offices are located at 2727 North Loop West, Houston, Texas 77008, and our telephone number is (713) 880-6500.

The Offering

Common units offered	10,000,000 common units; or 11,500,000 common units if the underwriters exercise their over-allotment option in full.
Units outstanding after this offering	374,785,865 common units, or 376,285,865 common units if the underwriters exercise their over-allotment option in full.
Use of proceeds	We will use the net proceeds from this offering, including our general partner s proportionate capital contribution, to permanently reduce borrowings and commitments outstanding under our 364-day acquisition revolving credit facility. Any remaining proceeds will be used for general partnership purposes, which may include acquisitions or the temporary reduction of amounts borrowed under our multi-year revolving credit facility. The net proceeds from any exercise of the underwriters over-allotment option will be used in a similar manner.
Cash distributions	Under our partnership agreement, we must distribute all of our cash on hand as of the end of each quarter, less reserves established by our general partner. We refer to this cash as available cash, and we define its meaning in our partnership agreement. On November 5, 2004, we paid a quarterly cash distribution for the third quarter of 2004 of $0.3950 per common unit, or $1.58 per unit on an annualized basis. On January 19, 2005, our general partner increased our quarterly cash distribution to $0.40 per common unit, or $1.60 per common unit on an annualized basis, beginning with cash distributions with respect to the fourth quarter of 2004. The distribution with respect to the fourth quarter of 2004 will be paid on February 14, 2005 to unitholders of record on January 31, 2005. The units purchased in this offering will not be entitled to receive this distribution. When quarterly cash distributions exceed $0.253 per unit in any quarter, our general partner receives a higher percentage of the cash distributed in excess of that amount, in increasing percentages up to 25% if the quarterly cash distributions exceed $0.3085 per unit. For a description of our cash distribution policy, please read Cash Distribution Policy in the accompanying prospectus.
Estimated ratio of taxable income to distributions	We estimate that if you own the common units you purchase in this offering through December 31, 2007, you will be allocated, on a cumulative basis, an amount of federal taxable income for the taxable years 2005 through 2007 that will be less than 10% of the cash distributed with respect to that period. Please read Tax Consequences in this prospectus supplement and the accompanying prospectus for the basis of this estimate.
New York Stock Exchange symbol	EPD
Risk Factors	There are risks associated with this offering and our business. You should consider carefully the risk factors beginning on page S-19 of this prospectus supplement and beginning on page 2 of the accompanying prospectus before making a decision to purchase common units in this offering.

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Recent Developments

Fourth Quarter and Fiscal Year 2004 Unaudited Results

The following table sets forth our summarized results of operations and selected volumetric operating data for the periods indicated (dollars in millions, except per unit amounts):

	For the Three Months Ended December 31,		For the Year Ended December 31,	
	2003	2004	2003	2004
	(Unaudited)			(Unaudited)
Income Statement Data:				
Revenues	$1,419.4	$2,859.6	$5,346.4	$8,318.1
Costs and expenses	1,356.0	2,694.9	5,084.3	7,947.9
Equity in income (loss) of unconsolidated affiliates	2.7	10.6	(14.0)	52.8
Operating income	66.1	175.3	248.1	423.0
Other income (expense)	(31.8)	(57.6)	(134.4)	(153.6)
Provision for taxes	(0.6)	(1.0)	(5.3)	(3.8)
Minority interest	0.5	(1.3)	(3.9)	(8.1)
Cumulative effect of changes in accounting principle				10.8
Net income	$ 34.2	$ 115.4	$ 104.5	$ 268.3
Fully diluted earnings per unit	$ 0.13	$ 0.28	$ 0.41	$ 0.87
EBITDA	$ 99.9	$ 275.6	$ 366.4	$ 623.1
Gross operating margin by segment:				
Offshore Pipelines & Services	$ 0.1	$ 33.9	$ 5.6	$ 36.5
Onshore Natural Gas Pipelines & Services	4.1	72.0	18.3	91.0
NGL Pipelines & Services	80.1	142.5	310.6	374.2
Petrochemical Services	24.7	30.8	75.9	121.5
Other, non-segment results(1)				32.0
Total gross operating margin	$ 109.0	$ 279.2	$ 410.4	$ 655.2
Selected Volumetric Operating Data:(2)				
Offshore Pipelines & Services, net:				
Natural gas transportation volumes in billion British thermal units (BBtus) per day(3)	378	1,828	433	2,081
Crude oil transportation volumes (MBbls/d)		138		138
Platform gas treating (Mdth/d)		306		306
Platform oil treating (MBbls/d)		14		14
Onshore Natural Gas Pipelines & Services, net:				
Natural gas transportation volumes (BBtu/d)	627	5,621	600	5,638
NGL Pipelines & Services, net:				
NGL transportation volumes (MBbls/d)	1,281	1,390	1,275	1,411
NGL fractionation volumes (MBbls/d)	241	304	227	307
Equity NGL production (MBbls/d)	44	128	43	129
Fee-based natural gas processing (MMcf/d)	324	1,844	194	1,692
Petrochemical Services, net:				

Butane isomerization volumes (MBbls/d)	70	85	77	76
Propylene fractionation volumes (MBbls/d)	56	54	57	57
Octane additive production volumes (MBbls/d)	7	13	4	10
Petrochemical transportation volumes (MBbls/d)	75	69	68	71
Total, net:				
NGL, crude oil and petrochemical transportation volumes (MBbls/d)	1,356	1,597	1,343	1,620
Natural gas transportation volumes (BBtu/d)	1,005	7,449	1033	7,719
Equivalent transportation volumes (MBbls/d)(4)	1,621	3,557	1,615	3,651

(1) The Other, non-segment category is presented for financial reporting purposes to show the historical equity earnings we received from GulfTerra s general partner. Our investment in GulfTerra s general partner was accounted for using the equity method until the GulfTerra merger and related transactions were completed on September 30, 2004. Since the historical equity earnings of GulfTerra s general partner were based on net income amounts allocated to it by GulfTerra, it is impractical for us to allocate the equity income we received during the periods presented to each of our new segments. Therefore, we have segregated earnings from GulfTerra s general partner apart from our other segments to aid in comparability between the periods presented and future periods.

(2) Throughput rates reflect the periods that we owned the underlying businesses.

(3) Excludes fourth quarter of 2004 volumes for Starfish, which is being disposed of.

(4) Reflects equivalent energy volumes where 3.8 MMBtus of natural gas are equivalent to one barrel of NGLs.

Please read Non-GAAP Financial Measures and Non-GAAP Reconciliations on pages S-15 through S-18 for an explanation of our gross operating margin and a reconciliation of gross operating margin to operating income, which is the financial measure calculated and presented in accordance with GAAP that is the most directly comparable to gross operating margin, and for an explanation of EBITDA and a reconciliation of EBITDA to net income and operating activities cash flows, which are the financial measures calculated and presented in accordance with GAAP that are the most directly comparable to EBITDA.

Overview of Fourth Quarter and Fiscal Year 2004 Unaudited Results

We reported quarterly net income of $115.4 million, or $0.28 per unit on a fully diluted basis, for the fourth quarter of 2004 compared to $34.2 million, or $0.13 per unit, for the fourth quarter of 2003. For the fiscal year of 2004, we earned net income of $268.3 million, or $0.87 per unit, compared to $104.5 million, or $0.41 per unit, in 2003.

Revenue for the fourth quarter of 2004 increased by 101%, to approximately $2.9 billion compared to $1.4 billion for the fourth quarter of 2003. Operating income for the fourth quarter of 2004 increased by 165% to $175.3 million compared to $66.1 million for the fourth quarter of 2003. Gross operating margin increased by 156% to $279.2 million for the fourth quarter of 2004 from $109.0 million for the same quarter in 2003. Earnings before interest, taxes, depreciation and amortization, or EBITDA, increased by 176% to $275.6 million for the fourth quarter of 2004 from $99.9 million for the fourth quarter of 2003.

Review of Segment Performance

NGL Pipelines & Services. The NGL Pipelines & Services segment includes our NGL pipelines, storage facilities and fractionators and our natural gas processing plants and related NGL marketing activities. Gross operating margin for this segment increased by 78%, or $62.4 million, in the fourth quarter of 2004 to $142.5 million from $80.1 million in the same quarter in 2003.

Our natural gas processing and related businesses accounted for $75.1 million of gross operating margin for this segment in the fourth quarter of 2004 compared to $7.6 million in the fourth quarter of 2003. This increase was due to the contributions from the GulfTerra assets and nine processing plants acquired from El Paso Corporation in the third quarter of 2004 as well as improved performance from our legacy processing plants and NGL marketing business. The processing business benefited from favorable processing economics due to the continued strong demand for NGLs by the petrochemical and motor gasoline industries as a result of improvements in the U.S. and global economies.

Gross operating margin from the NGL pipelines and storage business was $52.0 million during the fourth quarter of 2004 versus $61.0 million in the fourth quarter of 2003. The Mid-America and Seminole pipelines accounted for $44.7 million of the gross operating margin for our NGL pipelines and storage business during the fourth quarter of 2004. This is a 24%, or $8.5 million, increase from the $36.2 million these pipelines earned during the same quarter of 2003. This increase was more than offset by a decrease in gross operating margin from export terminal services, reduced demand for certain Louisiana NGL pipelines, in part due to lower volumes resulting from the effects of Hurricane Ivan, and pipeline integrity expenses.

Total transportation volumes for the NGL pipeline business averaged 1,390 thousand barrels, or MBbls, per day for the fourth quarter of 2004 compared to 1,281 MBbls per day in the fourth quarter of 2003. Transportation volumes for the Mid-America and Seminole pipelines increased by 15%, or 120 MBbls per day, to 908 MBbls per day in the fourth quarter of 2004 from 788 MBbls per day in the same period of 2003.

Our NGL fractionation business earned gross operating margin of $15.3 million for the fourth quarter of 2004 compared to $11.5 million in the fourth quarter of 2003. NGL fractionation volumes for the fourth quarter of 2004 averaged 304 MBbls per day versus 241 MBbls per day in the fourth quarter of 2003.

Onshore Natural Gas Pipelines & Services. The Onshore Natural Gas Pipelines & Services segment includes our onshore natural gas pipelines and natural gas storage businesses. Gross operating margin for this segment for the fourth quarter of 2004 was $72.0 million compared to $4.1 million in the fourth quarter of 2003.

Onshore natural gas pipelines generated $64.8 million of gross operating margin in the fourth quarter of 2004 versus $4.1 million in the fourth quarter of 2003. Onshore transportation volumes were 5.6 trillion British thermal units, or Tbtus, per day compared to 0.6 Tbtus per day in the fourth quarter of 2003. Natural gas storage services accounted for $7.2 million of gross operating margin in the fourth quarter of 2004. This combined $67.9 million increase for the segment was due to the contribution of the GulfTerra assets and increased margin and volume on the Acadian system.

Offshore Pipelines & Services. The Offshore Pipelines & Services segment includes our offshore natural gas and crude oil pipelines and platforms. Gross operating margin for this segment for the fourth quarter of 2004 was $33.9 million compared to $0.1 million in the fourth quarter of 2003.

Offshore natural gas pipelines recorded gross operating margin of $14.4 million on average throughput of 1.8 Tbtus per day in the fourth quarter of 2004 versus $0.1 million and 0.4 Tbtus per day, respectively, for the same quarter in 2003. Gross operating margin for our offshore platform services and production business was $13.6 million for the fourth quarter of 2004. Our offshore oil pipelines business recorded gross operating margin of $5.8 million in the fourth quarter of 2004 on net volumes of 138 MBbls per day. The increase for this segment was primarily attributable to the contribution from the GulfTerra assets.

Petrochemical Services. The Petrochemical Services segment includes the partnership s butane isomerization, propylene fractionation and octane enhancement businesses including related pipeline facilities. Gross operating margin for this segment during the fourth quarter of 2004 increased by 25%, or $6.1 million, to $30.8 million from $24.7 million in the same quarter of 2003. Each of the three businesses in this segment reported an increase in gross operating margin.

Other Recent Developments

Receipt of First Deliveries From Holstein and Mad Dog Fields in Deepwater Gulf of Mexico

In January 2005, we began receiving first deliveries of crude oil and natural gas from the Holstein and Mad Dog fields located in the Southern Green Canyon area of the deepwater Gulf of Mexico.

Initial oil production of approximately 35,000 barrels, or Bbls, per day from three deepwater wells has commenced flowing into our recently completed and jointly owned Cameron Highway Oil Pipeline System, a 390-mile 24-inch to 30-inch pipeline, which has the capacity to deliver up to 500,000 Bbls per day of crude oil from developments in the Gulf of Mexico to the major refining markets along the Texas Gulf Coast.

Cameron Highway is supported by life of lease dedications with BP, BHP Billiton and Unocal for their production from the Holstein, Mad Dog and Atlantis fields and with Kerr McGee for its production from the Constitution and Ticonderoga fields. Additionally, Cameron Highway has contracted with Shell under a term agreement to move its 50% share of production from the Holstein field.

Initial natural gas production of approximately 100 million cubic feet, or MMcf, per day from the Holstein field has commenced flowing into our 25.7% owned Manta Ray Offshore Gathering System and Nautilus Gas Pipeline. The 101-mile, 30-inch Nautilus Gas Pipeline system terminates onshore in St. Mary s Parish Louisiana, where the natural gas is processed at our Neptune natural gas processing plant. The gathering, transportation and processing agreements with BP, BHP Billiton and Unocal include life of lease dedications for the Holstein, Mad Dog and Atlantis developments while Shell s natural gas production from Holstein is gathered and transported under a life of lease dedication and processed under an existing 20-year contract.

The Holstein field began producing oil and natural gas in December 2004. First production from the Mad Dog field commenced in January 2005. The total combined design capacity of the Holstein, Mad Dog and Atlantis platforms is 400,000 Bbls per day and 340 MMcf per day, and the design capacity of the Constitution platform is 70,000 Bbls per day.

Acquisition of Natural Gas Gathering and Processing Companies from El Paso

In January 2005, we acquired two subsidiaries of El Paso Corporation which own and operate a natural gas gathering system and natural gas cryogenic processing plant located in East Texas for $74.5 million. We received required regulatory approvals prior to closing. The companies we acquired own an 80% equity interest in three gathering systems located in Polk County, Texas, which represent a combined 89 miles of 2-inch to 12-inch pipeline system and a 75% equity interest in the Indian Springs gas processing facility located in Polk County, Texas. The Indian Springs processing plant has capacity to process up to 120 MMcf per day of natural gas. In addition, there is an idle 20 MMcf per day train available for restart to support an increase in gas volumes. The gas processed at the Indian Springs plant is sourced from the Polk County gas gathering systems, as well as our nearby Big Thicket gathering system. Additionally, the Indian Springs plant produces over 6,000 Bbls per day of NGLs that are currently fractionated at a facility in Mont Belvieu.

Divestiture of Ownership Interest Related to Stingray Natural Gas Pipeline

In connection with the GulfTerra merger, we are required under a consent decree to sell our 50% interest in an entity which owns the Stingray natural gas pipeline and related gathering pipelines and dehydration and other facilities located in south Louisiana and the Gulf of Mexico offshore Louisiana. In January 2005, we entered into a contract with a third party to sell this investment for approximately $41.2 million. We expect this sale to close during the first quarter of 2005. The sale requires Federal Trade Commission approval under the terms of the consent decree relating to the GulfTerra merger and is subject to other customary closing conditions.

Receipt of New Production Into Poseidon Oil Pipeline System

In January 2005, the Poseidon Oil Pipeline began receiving crude oil from the Front Runner and Tarantula fields located in the central Gulf of Mexico. We own a 36% interest in Poseidon Oil Pipeline Company, L.L.C., which owns and operates the Poseidon Oil Pipeline System that extends from the central Gulf of Mexico onshore into Southern Louisiana.

Poseidon constructed, owns and operates the Front Runner oil pipeline, a new 36-mile, 14-inch pipeline that connects the Front Runner field with Poseidon s main pipeline at Ship Shoal Block 332. The Front Runner oil pipeline has the capacity to transport 65,000 Bbls of crude oil per day and can be expanded to transport up to 125,000 Bbls of crude oil per day.

The Front Runner field is located in 3,100 feet of water in the Green Canyon Blocks 338 and 339 in the Central Gulf of Mexico. The field is currently producing in excess of 10,000 Bbls per day of crude oil from the first of eight wells, and is expected to produce up to 60,000 Bbls per day of crude oil. The producers in the field have dedicated a total of 13 contiguous blocks in this area to Poseidon.

The Tarantula field is located in 480 feet of water in South Timbalier Block 308 and is connected to the Poseidon system by a new four-mile gathering pipeline owned by us. The field development consists of a fixed platform designed to initially handle 30,000 Bbls of crude oil per day and production from four wells.

Acquisition of Additional Interest in Louisiana NGL Facilities

In December 2004, we purchased an additional 16.7% ownership interest in K/ D/ S Promix, L.L.C., or Promix, for $27.5 million in cash from Koch Hydrocarbon Southeast Inc. As a result of this purchase, our ownership interest in Promix increased to 50%.

Promix owns a fractionator located in Napoleonville, Louisiana, which has the capacity to fractionate up to 145,000 Bbls per day of NGLs from natural gas processing plants on the Louisiana, Mississippi and Alabama Gulf Coast. It also owns an NGL pipeline system that gathers mixed NGLs from natural gas processing plants in Louisiana, five NGL salt dome storage wells and a barge loading facility on the Gulf Coast of Louisiana. We are the operator of the Promix facilities. Promix provides a link between natural gas processing plants on the Gulf Coast that remove NGLs from natural gas produced from deepwater developments and NGL consumers in Louisiana and, through our pipelines, markets in Texas.

Agreement with Atwater Valley Producers Group for Deepwater Platform and Gas Pipeline

In November 2004, we entered into an agreement with the Atwater Valley Producers Group for the dedication, processing and gathering of natural gas and condensate production from six natural gas fields in the Atwater Valley, DeSoto Canyon and Lloyd Ridge areas of the deepwater Gulf of Mexico. We will design, construct, install and own Independence Hub, a 105-foot deep-draft, semi-submersible platform with a two-level production deck, which will be capable of processing 850 MMcf of gas per day. The platform, which is estimated to cost approximately $385 million, will be operated by Anadarko Petroleum Corp., and is designed to process production from the six anchor fields and has excess payload capacity to tie-back up to 10 additional fields. In December 2004, we entered into an agreement with Cal Dive International Inc., or Cal Dive, to sell them a 20% interest in one of our affiliates that owns the Independence Hub platform. Under the terms of the agreement, we will have access to Cal Dive s fleet of vessels, which will assist us in the construction of the Independence Hub and the related export pipeline.

Independence Hub will be located on Mississippi Canyon block 920, in a water depth of 8,000 feet. This location was selected for the permanently anchored host facility based on favorable seafloor conditions and proximity to the identified anchor fields. First production is expected in 2007. Under the terms of the agreement, the development will include dedicated anchor fields in addition to future discoveries on surrounding undeveloped blocks. Additionally, we will own, install and operate 140 miles of 24-inch pipeline, with a capacity of approximately 850 MMcf of gas per day, named Independence Trail. The pipeline, which is estimated to cost approximately $280 million, will redeliver the production from Independence Hub into the Tennessee Gas Pipeline.

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Summary Historical and Pro Forma Financial and Operating Data

The following tables set forth, for the periods and at the dates indicated, summary historical and pro forma financial and operating data for Enterprise. The summary historical income statement and balance sheet data for the three years in the period ended December 31, 2003 are derived from and should be read in conjunction with the audited financial statements of Enterprise, GulfTerra and the South Texas midstream assets that are incorporated by reference into this prospectus supplement. The summary historical income statement data for the nine-month periods ended September 30, 2003 and 2004 and balance sheet data at September 30, 2004 are derived from and should be read in conjunction with the unaudited financial statements of Enterprise that are incorporated by reference into this prospectus supplement.

Our summary unaudited pro forma financial and operating data gives effect to the following transactions:

The completion of our merger with GulfTerra and the related transactions on September 30, 2004 (including our purchase of certain midstream assets located in South Texas, effective as of September 1, 2004).

The issuance by our operating partnership of $2 billion of senior unsecured notes on October 4, 2004, and the application of the net proceeds therefrom to reduce debt amounts outstanding under our 364-day acquisition revolving credit facility that was used to fund a portion of the purchase price at the closing of the GulfTerra merger and related transactions on September 30, 2004.

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 using $1.1 billion in cash borrowed under our 364-day acquisition revolving credit facility, which was placed in escrow on September 30, 2004.

Our public offerings of common units in both May 2004 and August 2004, each consisting of 17,250,000 common units, and our issuance of a total of 5,183,591 common units in connection with our distribution reinvestment plan, or DRIP, during the first eleven months of 2004 (2,199,350 common units were issued in connection with the DRIP in November 2004).

The conversion of the remaining outstanding 80 Series F2 convertible units, which were originally issued by GulfTerra, into an aggregate of 1,950,317 of our common units in October and November 2004.

Our summary unaudited pro forma as adjusted financial and operating data also gives effect to the sale of 10,000,000 of our common units to the public in this offering at an assumed offering price of $27.28 per unit and the application of the net proceeds as described in Use of Proceeds. Estimated net proceeds from this offering, including our general partner s proportionate net capital contribution of $5.4 million, are $266.5 million after deducting applicable underwriting discounts, commissions and offering expenses of $11.9 million.

The unaudited pro forma financial and operating data for the year ended December 31, 2003 and for the nine months ended September 30, 2004 assume the pro forma transactions described above and this offering all occurred on January 1, 2003. The unaudited pro forma condensed consolidated balance sheet data shows the financial effects of the pro forma transactions described above and this offering as if they had occurred on September 30, 2004 (to the extent these transactions are not already recorded in our historical balance sheet).

The non-generally accepted accounting principle, or non-GAAP, financial measures of gross operating margin and earnings before interest, income taxes, depreciation and amortization, which we refer to as EBITDA, are presented in the summary historical and pro forma financial data for Enterprise. In supplemental sections titled Non-GAAP Financial Measures and Non-GAAP Reconciliations, we have provided the necessary explanations and reconciliations for Enterprise s non-GAAP financial measures.

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Summary Historical and Pro Forma Financial and Operating Data

	Consolidated Historical			For Year Ended December 31, 2003	
	For Year Ended December 31,				
	2001	2002	2003	Pro Forma	Pro Forma as Adjusted
				(Unaudited)	
	(Dollars in millions, except per unit amounts)				
Income Statement Data:					
Revenues	$3,154.4	$3,584.8	$5,346.4	$7,153.0	$7,153.0
Costs and expenses:					
Operating costs and expenses	2,862.6	3,382.8	5,046.8	6,633.1	6,633.1
Selling, general and administrative	30.3	42.9	37.5	92.0	92.0
Total costs and expenses	2,892.9	3,425.7	5,084.3	6,725.1	6,725.1
Equity in income (loss) of unconsolidated affiliates	25.3	35.2	(14.0)	(2.6)	(2.6)
Operating income	286.8	194.3	248.1	425.3	425.3
Other income (expense):					
Interest expense	(52.4)	(101.6)	(140.8)	(321.1)	(312.0)
Other, net	10.3	7.3	6.4	8.4	8.4
Total other income (expense)	(42.1)	(94.3)	(134.4)	(312.7)	(303.6)
Income before provision for income taxes and minority interest	244.7	100.0	113.7	112.6	121.7
Provision for income taxes		(1.6)	(5.3)	(5.3)	(5.3)
Income before minority interest	244.7	98.4	108.4	107.3	116.4
Minority interest	(2.5)	(2.9)	(3.9)	(3.9)	(3.9)
Income from continuing operations	$ 242.2	$ 95.5	$ 104.5	$ 103.4	$ 112.5
Cumulative effect of change in accounting principle					
Net income	$ 242.2	$ 95.5	$ 104.5		
Basic earnings per unit (net of general partner interest):					
Income from continuing operations per unit	$ 1.70	$ 0.55	$ 0.42	$ 0.19	$ 0.21
Diluted earnings per unit (net of general partner interest):					
Income from continuing operations per unit	$ 1.39	$ 0.48	$ 0.41	$ 0.19	$ 0.20
Distributions to limited partners:					
Per common unit	$ 1.19	$ 1.36	$ 1.47		

Balance sheet data:					
Total assets	$2,424.7	$4,230.3	$4,802.8		
Total debt	855.3	2,246.5	2,139.5		
Total partners equity	1,146.9	1,200.9	1,705.9		
Other financial data:					
Cash provided by operating activities	$ 277.6	$ 326.8	$ 419.6		
Cash flows used in investing activities	491.2	1,708.3	657.0		
Cash provided by financing activities	285.3	1,263.3	254.0		
Distributions received from unconsolidated affiliates	45.1	57.7	31.9		
Gross operating margin	375.9	332.3	410.4	$ 887.3	$ 887.3
EBITDA	345.8	284.8	366.4	809.5	809.5
Commodity hedging income (losses)	101.3	(51.3)	(0.6)		

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Summary Historical and Pro Forma Financial and Operating Data (Continued)

	Consolidated Historical For Nine Months Ended September 30, 2003	Consolidated Historical For Nine Months Ended September 30, 2004	For Nine Months Ended September 30, 2004 Pro Forma	For Nine Months Ended September 30, 2004 Pro Forma as Adjusted
	(Unaudited) (Dollars in millions, except per unit amounts)			
Income Statement Data:				
Revenues	$3,927.0	$ 5,458.5	$6,752.4	$ 6,752.4
Costs and expenses:				
Operating costs and expenses	3,699.5	5,226.4	6,272.8	6,272.8
Selling, general and administrative	28.9	26.6	73.1	73.1
Total costs and expenses	3,728.4	5,253.0	6,345.9	6,345.9
Equity in income (loss) of unconsolidated affiliates	(16.6)	42.2	17.8	17.8
Operating income	182.0	247.7	424.3	424.3
Other income (expense):				
Interest expense	(107.7)	(96.9)	(202.5)	(195.7)
Other, net	5.1	0.9	2.5	2.5
Total other income (expense)	(102.6)	(96.0)	(200.0)	(193.2)
Income before provision for income taxes, minority interest and change in accounting principle	79.4	151.7	224.3	231.1
Provision for income taxes	(4.6)	(2.7)	(2.7)	(2.7)
Income before minority interest and changes in accounting principles	74.8	149.0	221.6	228.4
Minority interest	(4.4)	(6.9)	(5.1)	(5.1)
Income from continuing operations	70.4	142.1	$ 216.5	$ 223.3
Cumulative effect of change in accounting principle		10.8		
Net income	$ 70.4	$ 152.9		
Basic earnings per unit (net of general partner interest):				
Income from continuing operations per unit	$ 0.29	$ 0.52	$ 0.50	$ 0.50
Diluted earnings per unit (net of general partner interest):				
Income from continuing operations per unit	$ 0.28	$ 0.52	$ 0.50	$ 0.50
Distributions to limited partners:				
Per common unit	$ 1.10	$ 1.14		

Balance sheet data:				
Total assets	$4,281.7	$12,183.4		$11,223.9
Total debt	1,889.6	5,579.4		4,265.5
Total partners equity	1,605.3	5,279.6		5,635.0
Other financial data:				
Cash provided by operating activities	$ 222.7	$ 33.0		
Cash used in investing activities	153.5	734.7		
Cash provided by (used in) financing activities	(42.8)	817.9		
Distributions received from unconsolidated affiliates	25.7	54.6		
Gross operating margin	301.4	376.0	$ 791.9	$ 791.9
EBITDA	266.5	347.2	709.2	709.2

	Enterprise Consolidated Historical				
	For Year Ended December 31,			**For Nine Months Ended September 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
Selected Volumetric Operating Data:					
Offshore pipelines & services, net volumes in billion British thermal units (BBtus) per day					
Natural gas transportation volumes	566	500	433	451	423
Onshore natural gas pipelines & services, net volumes in BBtus/d					
Natural gas transportation volumes	783	701	599	590	650
NGL pipelines & services, net volumes as shown					
NGL transportation volumes (thousand barrels (MBbls) per day, net)	420	1,306	1,275	1,273	1,358
NGL fractionation volumes (MBbls/d, net)	204	235	227	223	235
Equity NGL production (MBbls/d, net)	63	73	43	42	47
Fee-based natural gas processing (MMcf/d, net)	*	*	194	150	944
Petrochemical services, net volumes in MBbls/d					
Butane isomerization volumes	80	84	77	80	73
Propylene fractionation volumes	31	55	57	57	58
Octane additive production volumes	5	5	4	4	9
Petrochemical transportation volumes	33	46	68	63	73

* Fee-based natural gas processing volumes prior to 2003 were negligible.

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Non-GAAP Financial Measures

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

Gross Operating Margin

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

EBITDA

EBITDA is defined as net income (income from continuing operations with regards to pro forma information) plus interest expense, provision for income taxes and depreciation and amortization expense. EBITDA is used as a supplemental financial measure by our management and by external users of financial statements such as investors, commercial banks, research analysts and ratings agencies, to assess:

- the financial performance of our assets without regard to financing methods, capital structures or historical costs basis;
- the ability of our assets to generate cash sufficient to pay interest cost and support its indebtedness;
- our operating performance and return on capital as compared to those of other companies in the midstream energy sector, without regard to financing and capital structure; and
- the viability of projects and the overall rates of return on alternative investment opportunities.

EBITDA should not be considered an alternative to net income or income from continuing operations, operating income, cash flow from operating activities or any other measure of financial performance presented in accordance with GAAP. This non-GAAP financial measure is not intended to represent GAAP-based cash flows. We have reconciled our historical and pro forma EBITDA amounts to our consolidated net income (income from continuing operations with regards to pro forma information) and historical EBITDA amounts further to operating activities cash flows.

Non-GAAP Reconciliations

The following table presents a reconciliation of our non-GAAP financial measures of gross operating margin to the GAAP financial measure of operating income and a reconciliation of the non-GAAP financial measure of EBITDA to the GAAP financial measures of net income (income from continuing operations with regards to pro forma information) and of operating activities cash flows, on a historical and pro forma as adjusted basis, as applicable, for each of the periods indicated:

	Consolidated Historical			For Year Ended December 31, 2003	
	For Year Ended December 31,				
	2001	2002	2003	Pro Forma	Pro Forma as Adjusted
				(Unaudited)	
			(Dollars in millions)		
Reconciliation of Non-GAAP Gross operating margin to GAAP Operating income					
Operating income	$286.8	$ 194.3	$ 248.1	$425.3	$425.3
Adjustments to reconcile Operating income to Gross operating margin:					
Depreciation and amortization in operating costs and expenses	48.8	86.0	115.7	379.6	379.6
Retained lease expense, net in operating costs and expenses	10.4	9.1	9.1	9.1	9.1
Gain on sale of assets in operating costs and expenses	(0.4)			(18.7)	(18.7)
Selling, general and administrative costs	30.3	42.9	37.5	92.0	92.0
Total Gross Operating Margin	$375.9	$ 332.3	$ 410.4	$887.3	$887.3
Reconciliation of Non-GAAP EBITDA to GAAP Net income or Income from continuing operations and GAAP Cash provided by operating activities					
Net Income (Income from continuing operations with regards to pro forma information)	$242.2	$ 95.5	$ 104.5	$103.4	$112.5
Adjustments to derive EBITDA:					
Interest expense	52.5	101.6	140.8	321.1	312.0
Provision for income taxes		1.6	5.3	5.3	5.3
Depreciation and amortization (excluding amortization component in interest expenses)	51.1	86.1	115.8	379.7	379.7
EBITDA	345.8	284.8	366.4	$809.5	$809.5
Interest expense	(52.5)	(101.6)	(140.8)		
Amortization in interest expense	0.8	8.8	12.6		
Provision for income taxes		(1.6)	(5.3)		
Provision for impairment charge			1.2		
Equity in loss (income) of unconsolidated affiliates	(25.4)	(35.3)	14.0		
Distributions from unconsolidated affiliates	45.1	57.7	31.9		
Loss (gain) on sale of assets	(0.4)				
Operating lease expense paid by EPCO (excluding minority interest portion)	10.3	9.0	9.0		
Other expenses paid by EPCO			0.4		
Minority interest	2.5	3.0	3.9		
Deferred income tax expense		2.1	10.5		

Changes in fair market value of financial instruments	(5.7)	10.2	
Increase in restricted cash	(5.7)	(3.0)	(5.1)
Net effect of changes in operating accounts	(37.2)	92.7	120.9
Cash provided by operating activities	$277.6	$ 326.8	$ 419.6

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Non-GAAP Reconciliations (Continued)

	Consolidated Historical For Nine Months Ended September 30, 2003	2004	For Nine Months Ended September 30, 2004 Pro Forma	Pro Forma as Adjusted
	(Unaudited) (Dollars in millions)			
Reconciliation of Non-GAAP Gross operating margin to GAAP Operating income				
Operating Income	$ 182.0	$ 247.7	$424.3	$424.3
Adjustments to reconcile Operating income to Gross operating margin:				
Depreciation and amortization in operating costs and expenses	83.8	94.7	287.5	287.5
Retained lease expense, net in operating costs and expenses	6.8	6.8	6.8	6.8
Loss (gain) on sale of assets in operating costs and expenses	(0.1)	0.2	0.2	0.2
Selling, general and administrative costs	28.9	26.6	73.1	73.1
Gross operating margin	$ 301.4	$ 376.0	$791.9	$791.9
Reconciliation of Non-GAAP EBITDA to GAAP Net income or Income from continuing operations and GAAP Cash provided by operating activities				
Net income (Income from continuing operations with regards to pro forma information)	70.4	152.9	216.5	223.3
Adjustments to derive EBITDA:				
Interest expense	107.7	96.9	202.5	195.7
Provision for income taxes	4.6	2.7	2.7	2.7
Depreciation and amortization (excluding amortization component in interest expenses)	83.8	94.7	287.5	287.5
EBITDA	266.5	347.2	$709.2	$709.2
Interest expense	(107.7)	(96.9)		
Amortization in interest expense	12.3	3.2		
Provision for income taxes	(4.6)	(2.7)		
Cumulative effect of change in accounting principle		(10.8)		
Provision for impairment of long-lived asset		4.0		
Equity in loss (income) of unconsolidated affiliates	16.6	(42.2)		
Distributions from unconsolidated affiliates	25.7	54.6		
Loss (gain) on sale of assets	(0.1)	0.2		
Operating lease expense paid by EPCO (excluding minority interest portion)	6.8	6.8		
Other expenses paid by EPCO	0.6			
Minority interest	4.4	6.9		
Deferred income tax expense	4.2	6.3		
Increase in restricted cash	(5.9)	(3.1)		
Net effect of changes in operating accounts	3.9	(240.5)		

Cash provided by operating activities	$ 222.7	$ 33.0

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Non-GAAP Reconciliations (Continued)

The following table presents a reconciliation of our non-GAAP financial measures of total gross operating margin and EBITDA as presented on page S-7 to their respective GAAP measures.

	For Three Months Ended December 31,		For the Year Ended December 31, 2004	
	2003	2004	2003	2004
				(Unaudited)
	(Unaudited) (Dollars in millions)			
Reconciliation of Non-GAAP Total gross operating margin to GAAP Operating income				
Operating income	$66.1	$175.3	$248.1	$423.0
Adjustments to reconcile Operating income to Total gross operating margin:				
Depreciation and amortization in operating costs and expenses	31.9	99.1	115.7	193.7
Retained lease expense, net in operating costs and expenses	2.3	0.9	9.1	7.7
Loss (gain) on sale of assets in operating costs and expenses				