

ENTERPRISE PRODUCTS PARTNERS L P

Form 8-K/A

August 05, 2004

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

**FORM 8-K/A**  
(Amendment No. 1)

**CURRENT REPORT PURSUANT**

**TO SECTION 13 OR 15(d) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): March 31, 2004

**ENTERPRISE PRODUCTS PARTNERS L.P.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware 1-14323 76-0568219** (State or Other  
Jurisdiction of  
Incorporation or Organization) (Commission  
File Number) (I.R.S. Employer  
Identification No.) **2727 North Loop West,**  
**Houston, Texas 77008-1044** (Address of  
Principal Executive Offices) (Zip Code)

**(713) 880-6500**

(Registrant's Telephone Number, including Area Code)

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**EXPLANATORY NOTE**

On December 15, 2003, Enterprise Products Partners L.P. ( Enterprise ) and certain of its affiliates, El Paso Corporation ( El Paso ) and certain of its affiliates and GulfTerra Energy Partners, L.P. ( GulfTerra ) and certain of its affiliates entered into a series of definitive agreements pursuant to which Enterprise and GulfTerra will merge. The purpose of this Current Report on Form 8-K/A is to amend the unaudited pro forma financial statements of Enterprise for the three months ended March 31, 2004 and 2003 that were included in our Current Report on Form 8-K that was filed on July 30, 2004. These amended unaudited pro forma financial statements reflect our issuance of 15,000,000 common units in an underwritten offering pursuant to our Prospectus Supplement dated August 4, 2004 (the "Prospectus Supplement"). Enterprise is filing these financial statements with this Current Report so that they will be incorporated by reference in its currently effective registration statements.

The information included under Item 5 of this Current Report is an excerpt of the unaudited pro forma financial statements included in the Prospectus Supplement. The excerpt retains the pagination of the Prospectus Supplement to allow for accurate cross references to other sections of the Prospectus Supplement. References in the following excerpt to "the offering" or "this offering" refer to such underwritten offering of common units.

**Item 5. OTHER EVENTS**

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**ENTERPRISE PRODUCTS PARTNERS L.P.**

**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**Introduction**

The following unaudited pro forma condensed consolidated financial statements have been prepared to assist in the analysis of financial effects of the proposed merger between Enterprise Products Partners L.P. and GulfTerra Energy Partners, L.P. announced on December 15, 2003. The unaudited pro forma condensed statements of consolidated operations for the three months ended March 31, 2004 and the year ended December 31, 2003 assume the merger-related transactions (as described beginning on page F-10) all occurred on January 1 of each period presented. The unaudited pro forma condensed consolidated balance sheet shows the financial effects of the merger-related transactions as if they had occurred on March 31, 2004 (to the extent not already recorded). In addition, these pro forma financial statements give effect to (i) Enterprise's sale of 17,250,000 common units (including the over-allotment of 2,250,000 common units) in May 2004; (ii) the issuance of 1,757,347 Enterprise common units pursuant to its DRIP in May 2004; and (iii) the conversion of Enterprise's 4,413,549 Class B special units into an equal number of its common units on July 29, 2004. These adjustments are found under the column labeled "Adjustments Due to Other Recent Events." These pro forma financial statements also reflect Enterprise's sale of 15,000,000 common units in this offering.

The unaudited pro forma condensed consolidated financial statements are based on assumptions that Enterprise and GulfTerra believe are reasonable under the circumstances and are intended for informational purposes only. They are not necessarily indicative of the financial results that would have occurred if the transactions described herein had taken place on the dates indicated, nor are they indicative of the future consolidated results of the combined company. Please read *Pro Forma Sensitivity Analysis* beginning on page F-20 for assumptions related to variable interest rates, fair value estimates and long-term financing scenarios.

Unless the context requires otherwise, references to "Enterprise" are intended to mean the consolidated business and operations of Enterprise Products Partners L.P. References to "GulfTerra" are intended to mean the consolidated business and operations of GulfTerra Energy Partners, L.P. References to "El Paso Corporation" are intended to mean El Paso Corporation, its subsidiaries and affiliates (other than GulfTerra). El Paso Corporation was the majority owner of GulfTerra's general partner prior to December 15, 2003 and owns a limited partner interest in GulfTerra.

The unaudited pro forma condensed consolidated financial statements of Enterprise should be read in conjunction with and are qualified in their entirety by reference to the notes accompanying such unaudited pro forma condensed consolidated financial statements and with the historical consolidated financial statements and related notes of Enterprise included in its Annual Report on Form 10-K for the year ended December 31, 2003 and Quarterly Report on Form 10-Q for the three months ended March 31, 2004. The condensed consolidated financial statements of GulfTerra included herein are qualified in their entirety by reference to the historical consolidated financial statements and related notes of GulfTerra included in its Annual Report on Form 10-K and 10-K/A for the year ended December 31, 2003 and Quarterly Report on Form 10-Q for the three months ended March 31, 2004. The combined financial statements of El Paso Hydrocarbons, L.P. and El Paso NGL Marketing Company, L.P. (collectively, the "South Texas midstream assets") included herein are qualified in their entirety by reference to the historical combined financial statements and related notes of the South Texas midstream assets included in Enterprise's Current Reports on Form 8-K filed with the Commission on April 16, 2004 and June 16, 2004 (as amended by Amendment No. 1 thereto filed on August 4, 2004) and incorporated by reference into this document.

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The pending merger-related transactions will be accounted for using the purchase method of accounting. For purposes of this pro forma financial information, goodwill represents potential intangible assets, excess of fair values over GulfTerra's historical carrying values of tangible assets, and remaining goodwill, if any. The estimates of fair value of the acquired assets and liabilities are based on preliminary assumptions which will be updated and will change from the amounts shown. Such changes could impact amounts allocated to goodwill, intangible assets and other balance sheet accounts.

The unaudited pro forma condensed consolidated financial statements do not give effect to any divestiture of assets that may be required for governmental approval of the proposed merger.

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## ENTERPRISE PRODUCTS PARTNERS

## UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS

For the Three Months Ended March 31, 2004 (Part 1)

	Enterprise Historical	GulfTerra Historical	Step Two Adjustments	Step Two Enterprise Pro Forma	South Texas Midstream Assets Historical	Step Three Adjustments	Step Three Enterprise Pro Forma (to Part 2)
(Amount in millions, except per unit amounts)							
<b>REVENUES</b>	\$ 1,704.9	\$ 220.3	\$ (0.2)(m)	\$ 1,925.0	\$ 376.0	\$ (26.5)(r) (153.9)(t)	\$ 2,120.6
<b>COSTS AND EXPENSES</b>							
Operating costs and expenses	1,621.5	139.1	(0.2)(m) (15.2)(n)	1,745.2	367.3	(1.6)(s) (26.5)(r) (152.7)(t) (2.3)(u)	1,929.4
Selling, general and administrative	9.5		11.1 (n)	20.6		2.3 (u)	22.9
Total	1,631.0	139.1	(4.3)	1,765.8	367.3	(180.8)	1,952.3
<b>EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED AFFILIATES</b>	13.4		(10.6)(h) 2.2 (n)	5.0			5.0
<b>OPERATING INCOME</b>	87.3	81.2	(4.3)	164.2	8.7	0.4	173.3
<b>OTHER INCOME (EXPENSE)</b>							
Interest expense	(32.6)	(28.0)	2.2 (i) (2.7)(j)	(61.1)		(0.9)(p)	(62.0)
Earnings from unconsolidated affiliates		2.2	(2.2)(n)				
Other, net	1.4	0.2	0.2 (l)	1.8	(0.1)		1.7
Total	(31.2)	(25.6)	(2.5)	(59.3)	(0.1)	(0.9)	(60.3)
<b>INCOME BEFORE PROVISION FOR INCOME TAXES AND MINORITY INTEREST PROVISION FOR INCOME TAXES</b>	56.1	55.6	(6.8)	104.9	8.6	(0.5)	113.0
	(1.6)			(1.6)			(1.6)
<b>INCOME BEFORE MINORITY INTEREST MINORITY INTEREST</b>	54.5	55.6	(6.8)	103.3	8.6	(0.5)	111.4
	(3.0)			(3.0)			(3.0)
<b>INCOME FROM CONTINUING OPERATIONS</b>	\$ 51.5	\$ 55.6	\$ (6.8)	\$ 100.3	\$ 8.6	\$ (0.5)	\$ 108.4

**ALLOCATION OF  
INCOME FROM  
CONTINUING  
OPERATIONS:**

Limited Partners	\$ 44.3		\$ 97.1
	<u>          </u>		<u>          </u>
General Partner	\$ 7.2		\$ 11.3
	<u>          </u>		<u>          </u>

**BASIC EARNINGS PER  
UNIT:**

Number of units used in denominator	218.5	105.1 (f)	323.6
	<u>          </u>	<u>          </u>	<u>          </u>
Income from continuing operations	\$ 0.21		\$ 0.30
	<u>          </u>		<u>          </u>

**DILUTED EARNINGS  
PER UNIT:**

Number of units used in denominator	219.0	105.1 (f)	324.1
	<u>          </u>	<u>          </u>	<u>          </u>
Income from continuing operations	\$ 0.20		\$ 0.30
	<u>          </u>		<u>          </u>



## ENTERPRISE PRODUCTS PARTNERS

## UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS

For the Three Months Ended March 31, 2004 (Part 2)

	Step Three Enterprise Pro Forma (from Part 1)	Adjustments Due to Other Recent Events	Adjusted Enterprise Pro Forma	Adjustments Due to This Offering	Further Adjusted Enterprise Pro Forma
(Amount in millions, except per unit amounts)					
<b>REVENUES</b>	\$2,120.6		\$2,120.6		\$2,120.6
<b>COSTS AND EXPENSES</b>					
Operating costs and expenses	1,929.4		1,929.4		1,929.4
Selling, general and administrative	22.9		22.9		22.9
<b>Total</b>	<u>1,952.3</u>		<u>1,952.3</u>		<u>1,952.3</u>
<b>EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED AFFILIATES</b>	5.0		5.0		5.0
<b>OPERATING INCOME</b>	<u>173.3</u>		<u>173.3</u>		<u>173.3</u>
<b>OTHER INCOME (EXPENSE)</b>					
Interest expense	(62.0)	\$ 0.7(v)	(61.3)	\$ 1.6(w)	(59.7)
Other, net	1.7		1.7		1.7
<b>Total</b>	<u>(60.3)</u>	<u>0.7</u>	<u>(59.6)</u>	<u>1.6</u>	<u>(58.0)</u>
<b>INCOME BEFORE PROVISION FOR INCOME TAXES AND MINORITY INTEREST</b>	113.0	0.7	113.7	1.6	115.3
<b>PROVISION FOR INCOME TAXES</b>	(1.6)		(1.6)		(1.6)
<b>INCOME BEFORE MINORITY INTEREST</b>	111.4	0.7	112.1	1.6	113.7
<b>MINORITY INTEREST</b>	(3.0)		(3.0)		(3.0)
<b>INCOME FROM CONTINUING OPERATIONS</b>	<u>\$ 108.4</u>	<u>\$ 0.7</u>	<u>\$ 109.1</u>	<u>\$ 1.6</u>	<u>\$ 110.7</u>
<b>ALLOCATION OF INCOME FROM CONTINUING OPERATIONS:</b>					
Limited Partners	<u>\$ 97.1</u>				<u>\$ 98.5</u>
General Partner	<u>\$ 11.3</u>				<u>\$ 12.2</u>
<b>BASIC EARNINGS PER UNIT:</b>					
Number of units used in denominator	<u>323.6</u>	19.0(v)		15.0(w)	<u>357.6</u>
Income from continuing oper					