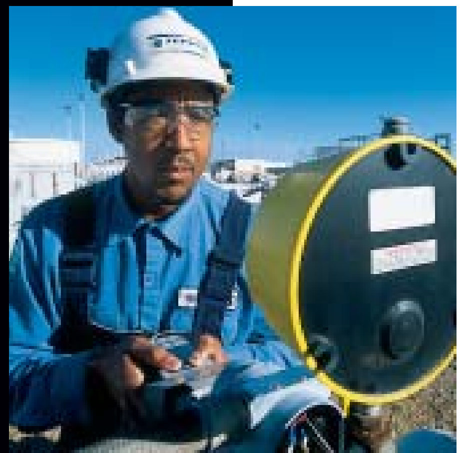
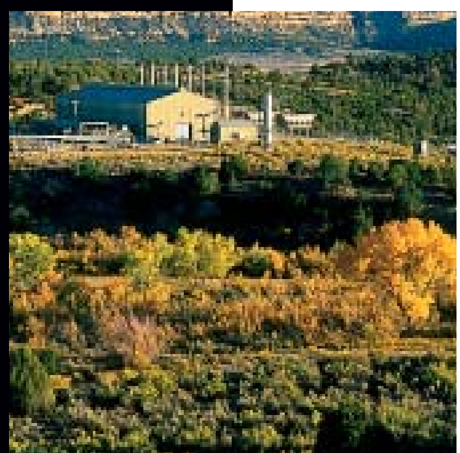


TEPPCO PARTNERS, L.P.



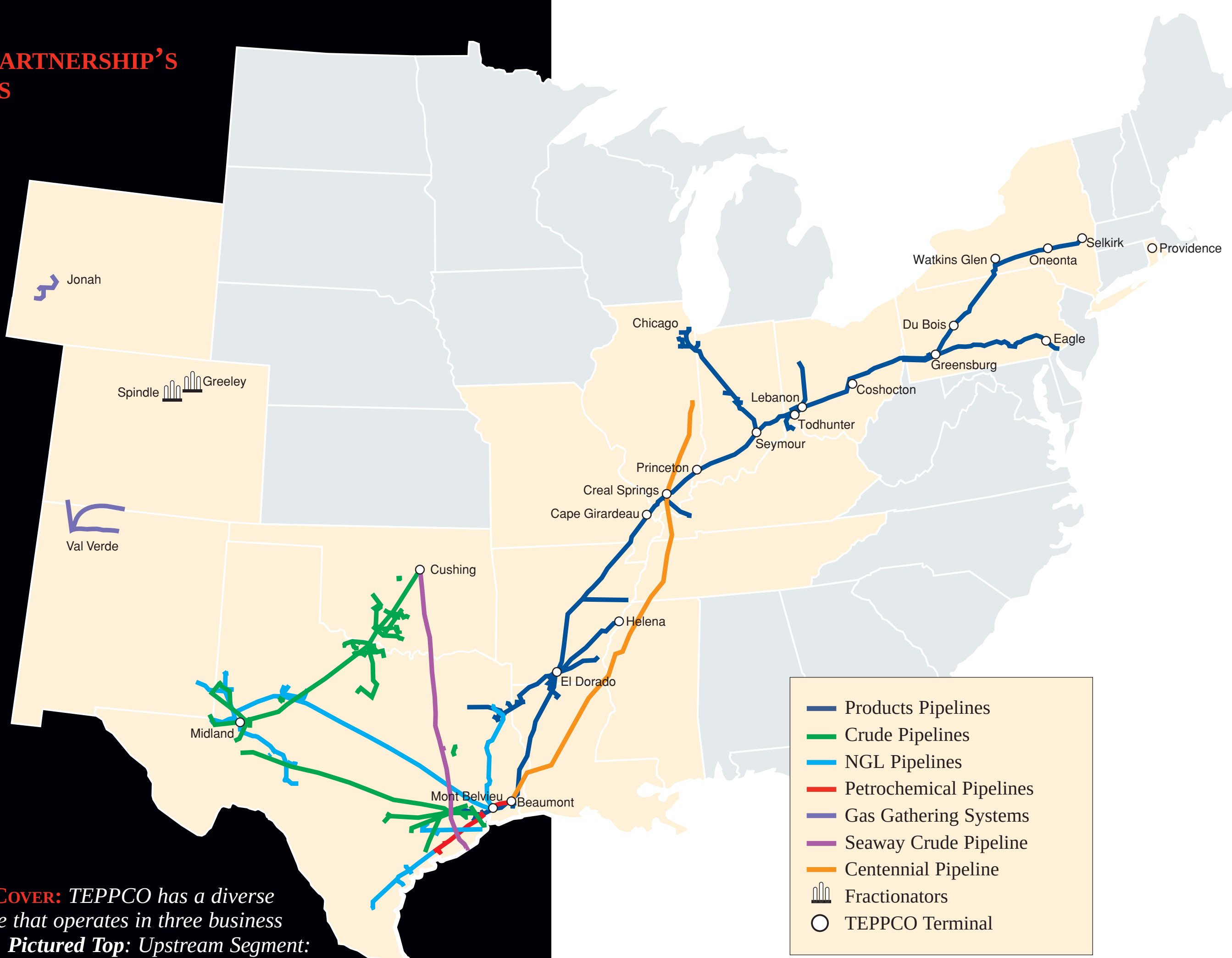
2002 ANNUAL REPORT

Partnership Profile

TEPPCO Partners, L.P. is a publicly traded master limited partnership, which conducts business through various subsidiary operating companies. TEPPCO owns and operates one of the largest common carrier pipelines of refined petroleum products and liquefied petroleum gases (LPGs) in the United States; owns and operates petrochemical and natural gas liquid (NGLs) pipelines; is engaged in crude oil transportation, storage, gathering and marketing; owns and operates natural gas gathering systems; and owns a 50-percent interest in Seaway Crude Pipeline Company, a 50-percent interest in Centennial Pipeline LLC and an undivided ownership interest in the Basin Pipeline. Texas Eastern Products Pipeline Company, LLC, an indirect wholly owned subsidiary of Duke Energy Field Services, LLC, is the general partner of TEPPCO Partners, L.P.

Contents

The Partnership's Assets



On the Cover: *TEPPCO has a diverse asset base that operates in three business segments.* ***Pictured Top****: Upstream Segment: Joe Wilkes, technician II, of the Cushing, Oklahoma, crude oil terminal.* ***Middle****: Midstream Segment: TEPPCO's Val Verde Gathering System in New Mexico.* ***Bottom****: Downstream Segment: LPG storage sphere in Monee, Illinois.*

Financial and Operating Highlights

Financial Highlights

Thousands, except as noted	YEAR ENDED DECEMBER 31				
	2002	2001 [1]	2000 [1]	1999	1998 [2]
Revenues	**$ 3,242,163**	$ 3,556,413	$ 3,087,941	$ 1,934,883	$ 429,638
Operating Expenses	**213,556**	185,918	150,149	136,095	110,363
Purchases of crude oil and petroleum products	**2,772,328**	3,172,805	2,793,643	1,666,042	212,371
Depreciation and Amortization	**86,032**	45,899	35,163	32,656	26,938
Operating Income	**170,247**	151,791	108,986	100,090	79,966
Net Income	**117,862**	109,131	77,376	72,120	53,341 [3]
Basic Net Income Per Unit Before Extraordinary Item [4]	**$1.79**	$2.18	$1.89	$1.91	$1.61
Distributions Paid Per Unit	**$2.35**	$2.15	$2.00	$1.85	$1.75

[1] Certain prior year amounts have been reclassified to conform with current year presentation.
[2] The 1998 results include the acquisition of crude oil assets, effective November 1, 1998. The 1998 per unit calculation is based on the weighted-average number of units, including the 3.9 million Class B Units issued in conjunction with the acquisition.
[3] 1998 excludes an extraordinary charge of $72.8 million for early extinguishment of debt.
[4] The per unit calculation is based on the weighted-average number of units.

Operating Highlights

Downstream Segment

	2002	2001	2000	1999	1998
Volumes Delivered *(thousand barrels)*					
Refined Products	**138,164**	122,947	128,151	132,642	130,467
LPGs	**40,490**	39,957	39,633	37,575	32,048
Mont Belvieu	**28,948**	23,122	27,159	28,535	25,072
Total	**207,602**	186,026	194,943	198,752	187,587
Barrel Miles *(millions)*	**107,815**	112,389	112,922	110,409	103,491
Average Tariff *(per barrel)*					
Refined Products	**$0.89**	$0.98	$0.93	$0.93	$0.92
LPGs	**$1.84**	$1.95	$1.86	$1.80	$1.90

Upstream Segment

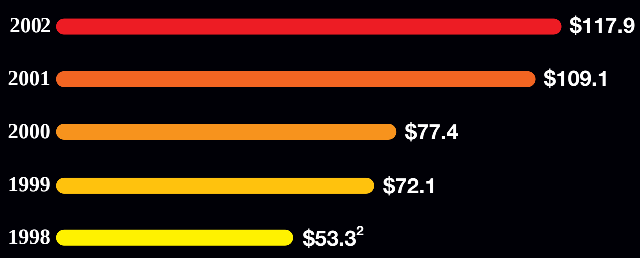
	2002	2001	2000	1999	1998
Volumes *(thousand barrels)*					
Crude Oil Transportation	**82,813**	78,714	46,225	33,267	5,549
Crude Oil Marketing	**139,182**	159,477	107,607	96,252	16,969
Crude Oil Terminaling	**127,376**	121,932	56,473	–	–
LSI Volume *(thousand gallons)*	**9,648**	8,769	7,974	8,891	1,140

Midstream Segment

	2002	2001	2000	1999	1998
Gathering – Natural Gas					
Bcf	**340.7**	45.5	–	–	–
Btu *(in trillions)*	**353.7**	50.7	–	–	–
Average fee per MMBtu	**$0.26**	$0.17	–	–	–
Fractionation – NGLs					
Total barrels *(thousands)*	**4,072**	4,078	4,078	3,819	2,981
Margin per barrel	**$1.824**	$1.813	$1.828	$1.926	$1.853
Transportation – NGLs					
Total barrels *(thousands)*	**53,980**	21,538	5,201	4,580	727
Margin per barrel	**$0.720**	$0.961	$1.348	$1.377	$1.515
Sales – Condensate					
Barrels *(thousands)*	**80.0**	16.2	–	–	–
$/barrel	**$25.39**	$19.91	–	–	–

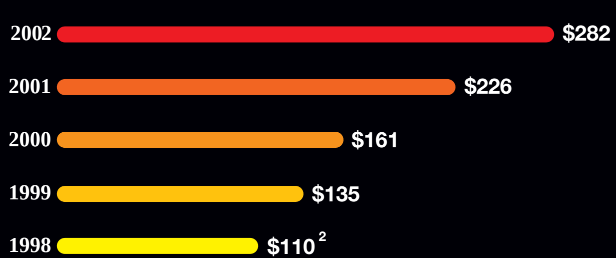
The Partnership's focus on strong operations, acquisitions and internal growth resulted in financial stability, increased distributions and an increase in EBITDA.[1]

Net Income (In millions)



Distributions Paid per Unit

EBITDA[1] (In millions)



[1] EBITDA = Operating Income + Depreciation & Amortization + Equity EBITDA + Other Income, Net.
[2] 1998 excludes an extraordinary charge of $72.8 million for early extinguishment of debt.

To Our Unitholders

In 2002, TEPPCO Partners, L.P. continued to provide essential services to our customers and our economy, while providing a return to our investors that exceeded all major market indices. The Partnership reported record earnings, despite soft refined products and propane demand in the first half of the year and costs associated with the start-up of the Centennial Pipeline. Strong performance in our crude oil gathering, marketing and transportation business, and substantial contributions from our Jonah and Val Verde gas gathering systems, coupled with cost controls, favorable power costs and lower interest rates, contributed to our record-setting year. All in all, the Partnership's 2002 results illustrate the strength and diversity of TEPPCO's asset portfolio and the exceptional performance of our employees.

Financial Highlights

TEPPCO reported record net income of $117.9 million and record EBITDA of $282 million. In addition, we continued our 10-year record of distribution increases, raising our distribution by $0.10 per unit to an annualized rate of $2.40 per unit at year end.

Equally important is the fact that TEPPCO ended 2002 in a very strong financial position. We began 2002 with a goal of attaining a debt-to-capitalization ratio below 60 percent. During the year, we expended more than $700 million on acquisitions and organic growth investments, which we believe will provide substantial earnings, cash flow and growth opportunities. We raised more than $380 million in equity capital during the year to fund these growth investments, which resulted in a year end debt-to-capitalization ratio of 57 percent. We strengthened our balance sheet and enhanced both our financial condition and our position in the equity and debt markets.

Year in Review

Over the last several years, TEPPCO has concentrated on diversifying and strengthening its asset base through acquisitions and enhancements to its existing systems. Our strategy to accomplish these goals included: increasing throughput on our existing pipeline systems; constructing new pipeline and gathering systems, as well as expanding and upgrading our existing infrastructure; and targeting accretive acquisitions that provide growth potential. Among the highlights of 2002:

- TEPPCO acquired the Chaparral and Quanah natural gas liquid (NGL) system for $132 million.
- Centennial Pipeline began operations in April 2002, providing our customers with additional capacity for refined products transportation to key Midwestern markets. In February 2003, TEPPCO acquired an additional interest in Centennial from CMS Panhandle Eastern Pipe Line Company for $20 million. TEPPCO and Marathon Ashland Petroleum LLC now each have a 50-percent ownership interest in Centennial.
- TEPPCO acquired the Val Verde Gathering System for $444 million, the largest acquisition in the Partnership's history.
- The Partnership completed two expansions of the Jonah Gas Gathering System to increase mainline capacity to 880 million cubic feet per day (MMcf/day).

Corporate Governance

While our focus on TEPPCO's financial and operating results is important, we are fully aware of what has transpired in the world around us. Our country and economy have been impacted by many unfortunate events and conditions, including an unprecedented loss of investor confidence and a steep decline in the equity markets.

TEPPCO's general partner continues to be managed with a great degree of independence, meeting a very high standard of corporate governance. Every TEPPCO employee is focused on enhancing the value of the Partnership in a manner fully aligned with the interests of our limited partners. During 2002, we undertook a number of initiatives to ensure that we have the appropriate structure and procedures in place to maintain investor confidence and comply with the Sarbanes-Oxley Act, which was recently enacted by Congress. These initiatives included a review and enhancement of the charter of our independent Audit Committee and the establishment of a standing Special Committee of independent outside directors. We recognize the value of and are fully committed to preserving the ongoing trust placed in us by our investors.

Changes in Leadership

In 2002, William L. (Bill) Thacker retired as chairman and chief executive officer. Bill spent almost 10 years with TEPPCO, joining the company in 1992 as president and chief operating officer. Bill was succeeded by Jim W. Mogg as chairman of the board and Barry R. Pearl as chief executive officer.

Additionally, Carl D. Clay retired from the board of directors after seven years of service. He was succeeded by R. A. (Al) Walker, president and chief financial officer of 3TEC Energy Corporation, a publicly held independent oil and gas company based in Houston.

In February 2003, Fred J. Fowler resigned from the board of directors after four years of service. He was succeeded by Michael J. Bradley, executive vice president, gathering and processing, of Duke Energy Field Services, LLC (DEFS).

On behalf of the Unitholders and employees of TEPPCO, we express our gratitude to Bill, Carl and Fred for their many years of service and dedication to the development of the TEPPCO that exists today.

Looking Forward

Although we continue to face challenging economic and business conditions, TEPPCO's businesses remain strong, and we are optimistic about both our near- and long-term outlook. We remain committed to pursuing growth investments balanced between internal projects and accretive acquisitions, while at the same time keeping our focus on improving our earnings and strengthening our balance sheet.

The Partnership is very well positioned to continue its track record of steady distribution growth. We believe that our ownership interest in Centennial Pipeline provides substantial growth potential for our Downstream Segment. We see opportunities in the Upstream Segment to strengthen our market presence and improve performance on Seaway Crude Pipeline. In the Midstream Segment, we expect both the Jonah and Val Verde systems to provide substantial cash flow and growth opportunities for many years to come.

In closing, we would like to thank our dedicated employees for their commitment to TEPPCO, our customers, our investors and the communities that we serve.

Jim W. Mogg
Chairman
Texas Eastern Products Pipeline Company, LLC,
General Partner

Barry R. Pearl
President and Chief Executive Officer
Texas Eastern Products Pipeline Company, LLC,
General Partner

Barry R. Pearl (left), President and Chief Executive Officer, and Jim W. Mogg, Chairman

Midstream Segment

Natural Gas Gathering and NGLs

The Midstream Segment includes storage, transportation and fractionation of natural gas liquids (NGLs) and natural gas gathering.

This segment consists of the Jonah Gas Gathering System, located in southwestern Wyoming; the Val Verde Gathering System, located in New Mexico and Colorado; the Chaparral and Quanah NGL systems extending from southeastern New Mexico to Mont Belvieu, Texas; NGL pipelines along the Texas Gulf Coast; and fractionators in Colorado. This segment has more than 2,300 miles of pipeline.

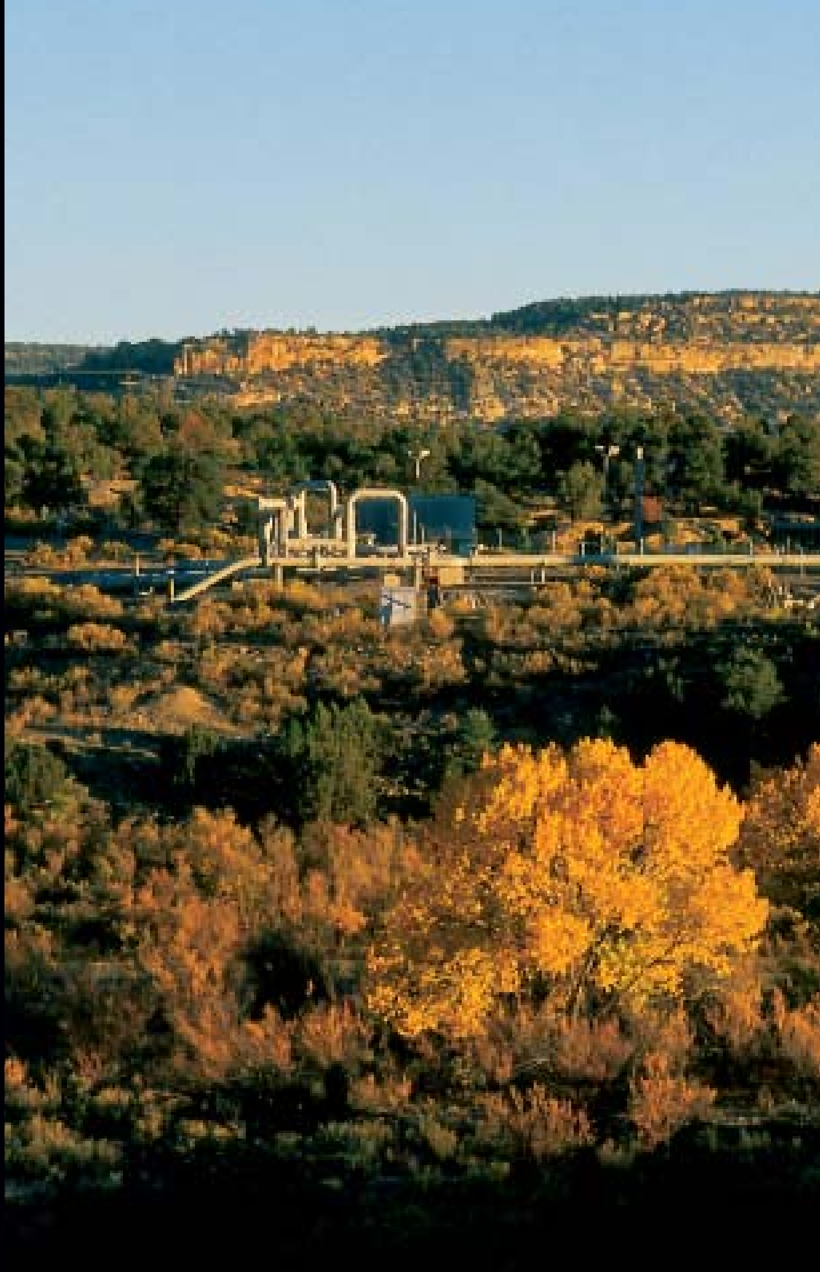
Near-term growth opportunities:
- Expand Jonah System throughput
- Increase utilization of Val Verde and NGL pipelines
- Evaluate acquisition opportunities resulting from industry restructuring

TEPPCO Partners, L.P. is one of the largest and most diversified publicly traded master limited partnerships. The Partnership operates in three segments: refined petroleum products, liquefied petroleum gases (LPGs) and petrochemical transportation and storage, which operates through the Downstream Segment; crude oil transportation and marketing, which operates through the Upstream Segment; and natural gas gathering and natural gas liquids (NGLs) storage, transportation and fractionation, which operates through the Midstream Segment.

Midstream Segment

(Natural Gas Gathering and NGLs)

The Midstream Segment was established in late 2001 with the acquisition of the Jonah Gas Gathering System, and currently includes natural gas gathering, and the storage, transportation and fractionation of NGLs. With the acquisitions of the Val Verde, Chaparral and Quanah systems in 2002, this segment has more than 2,300 miles of pipeline.



The Val Verde Gathering System (right) gathers natural gas from wells in northwestern New Mexico and southern Colorado, and provides gathering and treating services for approximately 40 different natural gas producers. Gas transported on the system is delivered to several interstate pipeline systems serving the western United States, as well as local New Mexico markets.

Expanding Breadth of Assets with Acquisitions

During 2002, TEPPCO continued to diversify its asset base by acquiring $575 million in assets and nearly doubling the size of the Midstream Segment. In June, TEPPCO announced the largest acquisition in the Partnership's history, with the $444 million purchase of the Val Verde Gathering System located in the San Juan Basin of New Mexico and Colorado.

The Val Verde Gathering System gathers coal bed methane from the Fruitland Coal Formation of the San Juan Basin, a premier long-term source of natural gas supply in North America. The San Juan Basin also contains substantial conventional gas reserves.

The system is one of the largest coal bed methane gathering and treating facilities in the United States. TEPPCO acquired 360 miles of pipeline, 14 compressor stations and a large amine treating facility for the removal of carbon dioxide. The system's capacity is approximately one billion cubic feet per day.

The Val Verde system gathers gas from wells throughout northwestern New Mexico and southwestern Colorado, and provides gathering and treating services for approximately 40 different natural gas producers in the San Juan Basin. Gas transported on Val Verde is delivered to several interstate pipeline systems serving the western United States, as well as local New Mexico markets.

The acquisition of these fee-based assets provided an immediate and substantial increase in the Partnership's cash flow, as well as attractive growth opportunities. TEPPCO believes that infill drilling of coal bed methane will be a key driver of throughput growth on the Val Verde system.

Providing Growth Opportunities to TEPPCO

The Partnership's 400-mile Jonah Gas Gathering System is located in the Green River Basin in southwestern Wyoming, one of the most prolific and active basins in the United States. Gas gathered on the system is primarily processed by others and delivered to several interstate pipeline systems that provide access to a number of West Coast, Rocky Mountain and Midwest markets.

TEPPCO completed two expansions of Jonah during 2002, with a total investment of approximately $70 million, which nearly doubled the capacity of the system. The first expansion was completed in May 2002 and increased system capacity from 450 million cubic feet per day (MMcf/day) to 730 MMcf/day. As a result of increased volumes from the rapidly developing Pinedale Field, TEPPCO also increased the gathering capacity of the Pinedale Field lateral and the mainline capacity of the Jonah System in fourth-quarter 2002 by an additional 150 MMcf/day. Total current system capacity is 880 MMcf/day.

Downstream Segment

Products and LPG System

The Downstream Segment consists of interstate transportation, storage and terminaling of refined products and liquefied petroleum gases (LPGs); short-haul shuttle transportation of LPGs; and intrastate transportation of petrochemicals.

The 4,500-mile products system is one of the largest common carrier pipelines of refined products and LPGs in the United States.

This segment also includes TEPPCO's ownership interest in Centennial Pipeline — an interstate refined products pipeline extending from the upper Texas Gulf Coast to Illinois.

Near-term growth opportunities:

- Expand downstream business as a result of Centennial Pipeline capacity
- Increase delivery capability to new markets
- Pursue selected asset acquisitions

TEPPCO transports refined products from the upper Texas Gulf Coast from facilities such as the Beaumont, Texas, terminal to the Central and Midwest regions of the United States for delivery to Partnership-owned terminals, connecting pipelines and customer-owned terminals. Pictured right: Senior Pipeline Operator Morris Horde.

These expansions demonstrate the organic growth opportunities resulting from TEPPCO's investment in Jonah. TEPPCO fully expects that additional investment opportunities will exist due to growing production from both the Jonah and Pinedale fields.

In March 2002, TEPPCO acquired the Chaparral and Quanah NGL system in a transaction valued at approximately $130 million. Chaparral is an 800-mile pipeline that extends from West Texas and New Mexico to Mont Belvieu, Texas. Quanah is a 170-mile NGL gathering system that connects to Chaparral near Midland, Texas. The pipeline system delivers NGLs to third-party fractionators and existing TEPPCO storage in Mont Belvieu. TEPPCO expects to increase the utilization of the Chaparral system during the coming years by adding connections to new supply points.

TEPPCO also owns and operates additional natural gas liquids pipelines that supply transportation services to the NGL extraction business. The Dean NGL Pipeline originates in South Texas and terminates at Point Comfort, Texas. In January 2003, the northern segment of the Dean line, from Mont Belvieu to Point Comfort, was converted to refinery grade propylene service. The southern segment remains in NGL service. The 90-mile Wilcox NGL Pipeline runs from Lavaca County, Texas, to Ft. Bend County, Texas. It transports NGLs for Duke Energy Field Services from two of its natural gas processing plants. In East Texas, TEPPCO owns the 189-mile Panola Pipeline, which transports NGLs from Carthage, Texas, to Mont Belvieu, and the 34-mile San Jacinto Pipeline, which delivers NGLs to a local chemical facility.

Downstream Segment (Products and LPG System)

The Downstream Segment consists of interstate transportation, storage and terminaling of refined products and LPGs; short-haul shuttle transportation of LPGs; and intrastate transportation of petrochemicals. The 4,500-mile products system is one of the largest common carrier pipelines of refined products and LPGs in the United States. This segment also includes TEPPCO's ownership interest in Centennial Pipeline.

Meeting Refined Product Market Demand

TEPPCO transports refined products from the upper Texas Gulf Coast, eastern Texas and southern Arkansas to the Central and Midwest regions of the United States for delivery to Partnership-owned terminals, connecting pipelines and customer-owned terminals. Customers include major integrated oil companies, independent oil companies and wholesalers. End markets for these deliveries are primarily retail service stations, truck stops, agricultural enterprises, refineries, and military and commercial jet fuel users.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TEPPCO

TEPPCO believes that the Midwest will continue to require increasing amounts of fuel sourced from the large refining facilities located along the U.S. Gulf Coast. The Partnership added additional supply capability to the Midwest markets in 2002 with its ownership interest in Centennial Pipeline. Centennial is the first significant expansion of refined products pipeline capacity from the U.S. Gulf Coast to the Midwest in more than 25 years and makes it possible for shippers to directly connect major refineries and import terminals located in the U.S. Gulf Coast to the Midwest.

The 795-mile interstate refined products pipeline began operations in April 2002, with an initial capacity to transport approximately 210,000 barrels per day of refined products, including gasoline and diesel fuel. In February 2003, TEPPCO acquired an additional interest in Centennial from CMS Panhandle Eastern Pipe Line Company for $20 million. TEPPCO and Marathon Ashland Petroleum LLC now each have a 50-percent ownership interest in Centennial.

The Partnership continues to improve the refined products system to better serve its customers. In 2002, TEPPCO completed the expansion of pipeline capacity between Seymour, Indiana, and Chicago, Illinois — increasing capacity from 92,000 barrels per day to 104,000 barrels per day. The Partnership also constructed a new refined products gathering system, including a new pump station and measurement facility, from Pasadena, Texas, to Baytown, Texas; constructed

new pump stations to increase capacity between Seymour and Lebanon, Ohio, and Baytown to Beaumont, Texas; and commenced a project to upgrade its Lebanon truck rack to increase loading rates.

Increasing Deliverability of LPG System

TEPPCO is the only pipeline that transports LPGs from the upper Texas Gulf Coast to the Northeast region of the United States. Propane customers include wholesalers and retailers who sell to commercial, industrial, agricultural and residential heating customers. The Partnership plays a key role in supplying propane to rural areas from Arkansas to New England. TEPPCO's marine import terminal at Providence, Rhode Island, which receives propane from oceangoing tankers, adds to TEPPCO's ability to supply the Northeast. Butanes are primarily used in gasoline production and are delivered to refineries in Illinois, Indiana, Ohio and Pennsylvania.

The Partnership's LPG storage and pipeline asset base in Mont Belvieu serves the fractionation, refining and petrochemical industries. Mont Belvieu is the largest LPG storage complex in the United States and provides substantial capacity and flexibility in the transportation, terminaling and storage of LPGs, NGLs and petrochemicals. TEPPCO's facility at Mont Belvieu is the origin point for LPG movements to the mainline system.

The Partnership is committed to growth in LPG markets and continues to look for opportunities to increase the amount of product that moves through the system to terminals such as this one in Monee, Illinois. TEPPCO's system-wide effort to increase deliverability includes upgrading truck racks, adding brine storage at Mont Belvieu and expanding delivery capability to the Northeast.

Upstream Segment
Crude Oil System

The Upstream Segment includes gathering, storage, transportation and marketing of crude oil; and the distribution of lubrication oils and specialty chemicals principally in Oklahoma, Texas and the Rocky Mountain region.

This segment also generates revenues from trade documentation and pumpover services, primarily at Cushing, Oklahoma, and Midland, Texas. The Upstream Segment has more than 3,400 miles of pipeline and 10.5 million barrels of storage.

This segment also includes the Partnership's ownership interest in the 416-mile Basin Pipeline.

Near-term growth opportunities:

- Improve efficiency of existing assets
- Acquire strategic assets in core operating areas
- Enhance performance of Seaway Crude Pipeline

TEPPCO's fleet of 90 trucks (right) transported approximately 16 million barrels of crude oil from producers to various market locations in Texas and Oklahoma. TEPPCO's trucking operation is focused on providing a safe, cost-effective service for its customers.

The Partnership's short-haul shuttle network at Mont Belvieu and along the Houston Ship Channel moves LPGs from producers to refineries, petrochemical plants, truck and rail delivery terminals, regional storage facilities and other pipelines.

TEPPCO's petrochemical pipelines between Mont Belvieu and Port Arthur, Texas, transport ethylene, propylene and natural gasoline to the world's largest naphtha steam cracker plant, owned by BASF Atofina Petrochemicals.

The Partnership is committed to growth in LPG markets and continues to look for opportunities to increase the amount of LPGs that move through its pipeline systems. TEPPCO's system-wide effort to increase deliverability includes upgrading its Princeton, Indiana, truck rack, adding 3.5 million barrels of brine storage at Mont Belvieu and expanding delivery capability to the Northeast by approximately one million barrels during the peak winter months.

Upstream Segment (Crude Oil System)

The Upstream Segment includes gathering, storage, transportation and marketing of crude oil; and the distribution of lubrication oils and specialty chemicals principally in Oklahoma, Texas and the Rocky Mountain region. This segment also generates revenues from trade documentation and pumpover services, primarily at Cushing, Oklahoma, and Midland. The Upstream Segment has more than 3,400 miles of pipeline and 10.5 million barrels of storage. This segment also includes the Partnership's ownership interest in the 416-mile Basin Pipeline.

Providing Essential Services to Crude Oil Customers

The Upstream Segment's crude oil gathering and transportation assets generate revenue by using the Red River and South Texas systems, various smaller systems and trucking operations to provide services to regional customers.

Located on the Oklahoma-Texas border, the 1,690-mile Red River system includes trunkline and gathering pipelines and approximately 1.5 million barrels of storage. TEPPCO has numerous trucking facilities connected to this system, which deliver crude to market trading points as well as refineries.

The South Texas System, located west of Houston, consists of 690 miles of trunkline and gathering pipelines and 630,000 barrels of storage. The majority of crude oil on this system is delivered on a tariff basis into the Houston refining complex.

The 250-mile West Texas Trunk System transports domestic sweet and sour crude oil from several West Texas and Southeast New Mexico gathering systems to the Upstream Segment's terminal in Midland. Other crude oil assets, located primarily in Texas, consist of 310 miles of pipeline, 295,000 barrels of storage and multiple trucking facilities. In addition, the Partnership owns an undivided interest in the Basin Pipeline operating in New Mexico, Oklahoma and Texas.

The Upstream Segment also includes crude oil terminaling and storage facilities in Midland and Cushing, with more than two million barrels of storage. The Cushing Terminal has connections to 10 major terminals with over 23 million barrels of combined storage.

At Cushing and Midland, TEPPCO provides a line transfer documentation service to its customers. This service documents the transfer of title and ownership of crude oil between contracting buyers and sellers.

TEPPCO also serves natural gas pipeline and gas processing businesses through Lubrication Services, L.P. (LSI), one of the nation's top gas engine oil distributors. Its products include lubrication oils and specialty chemicals, such as glycol and methanol. LSI's distribution networks are located in Colorado, Wyoming, Oklahoma, New Mexico, Southwest Kansas, Texas and Northwest Louisiana.

Serving Crude Oil Refining Centers

Seaway Crude Pipeline Company is a partnership between wholly owned subsidiaries of TEPPCO and ConocoPhillips. The 500-mile pipeline transports crude oil from the Texas Gulf Coast to Cushing, a crude distribution point for the Central United States and a delivery point for the New York Mercantile Exchange (NYMEX). The 350,000-barrel-per-day capacity Seaway system is a critical link in the crude oil supply chain for Central and Midwest refining centers.

Seaway also provides marine terminaling and storage services for Texas Gulf Coast area refineries. The Freeport, Texas, marine terminal is the origin point for the 30-inch diameter crude pipeline. Three large diameter lines carry crude oil from Freeport to the Jones Creek Tank Farm, which has six storage tanks capable of handling approximately 2.6 million barrels of crude. A crude oil marine terminal facility at Texas City, Texas, is used to supply refineries in the Houston area. Two larger diameter pipelines connect the Texas City berths to tank farms in Texas City and Galena Park, Texas, where there are seven storage tanks with a combined capacity of approximately three million barrels.

Directors*

Jim W. Mogg[2], 54, was elected to the board in October 1997 and was appointed Chairman in April 2002. He is Chairman, President and Chief Executive Officer of Duke Energy Field Services, LLC.

Mark A. Borer, 48, was elected to the board in April 2000. He is Executive Vice President of Marketing and Corporate Development of Duke Energy Field Services, LLC.

Michael J. Bradley, 48, was elected to the board in February 2003. He is Executive Vice President, Gathering and Processing, of Duke Energy Field Services, LLC.

Milton Carroll[1,2,3], 52, was elected to the board in November 1997. He is the Chairman of CenterPoint Energy, Inc., having been elected in September 2002. He is the founder and has been President and Chief Executive Officer of Instrument Products, Inc., a Houston-based manufacturer of oil field equipment and other precision products.

Derrill Cody[2], 64, was elected to the board in 1989. He is currently of counsel to McKinney and Stringer, P.C., Oklahoma City, Oklahoma. Cody joined the firm in 1990 after serving as Executive Vice President of Texas Eastern Corporation and Chairman and Chief Executive Officer of Texas Eastern Gas Pipeline Company.

John P. DesBarres[1,2,3], 63, was elected to the board in May 1995. He was formerly Chairman, President and Chief Executive Officer of Transco Energy Company from 1992 to 1995. Prior to joining Transco, DesBarres spent three years with Santa Fe Pacific Pipelines, Inc. and 25 years with Sun Company.

Barry R. Pearl, 53, joined the company in February 2001 as President and Chief Operating Officer. He was appointed Chief Executive Officer and elected to the board in April 2002. Prior to joining TEPPCO, Pearl spent more than 14 years with Santa Fe Pacific Pipeline Partners, L.P., in a number of executive positions.

William W. Slaughter, 55, was elected to the board in April 2000. He is Executive Vice President of Duke Energy Field Services, LLC.

R. A. (Al) Walker[1,2,3], 45, was elected to the board in July 2002. He is President and Chief Financial Officer of 3TEC Energy Corporation, a publicly held independent oil and gas company based in Houston.

Committee Legend:
1 Audit Committee
2 Compensation Committee
3 Standing Special Committee

Officers*

Barbara A. Carroll, 48
Vice President of Environmental, Health and Safety

J. Michael Cockrell, 56
Senior Vice President of Commercial Upstream

John N. Goodpasture, 54
Vice President of Corporate Development

Thomas R. Harper, 62
Senior Vice President of Commercial Downstream

Charles H. Leonard, 54
Senior Vice President and Chief Financial Officer

Leonard W. Mallett, 46
Vice President of Operations

David E. Owen, 53
Vice President of Human Resources

Stephen W. Russell, 51
Vice President of Support Services

James C. Ruth, 55
Senior Vice President, General Counsel and Secretary

In April 2002, David Langley, former Senior Vice President of Corporate Development, retired from TEPPCO after 32 years of service. The Partnership thanks Mr. Langley for his years of advice and counsel.

* TEPPCO Partners, L.P. does not have directors or officers. Set forth on this page are the directors and officers of the General Partner, Texas Eastern Products Pipeline Company, LLC, an indirect wholly owned subsidiary of Duke Energy Field Services, LLC.

Unitholder Information

Stock Exchange and Unit Trading Prices

The Partnership's limited partnership (LP) units trade on the New York Stock Exchange under the symbol TPP. Outstanding LP units at December 31, 2002, totaled 53,809,597.

2002	HIGH	LOW
First Quarter	$33.25	$27.30
Second Quarter	$33.20	$29.35
Third Quarter	$32.19	$23.90
Fourth Quarter	$29.98	$26.00

2001	HIGH	LOW
First Quarter	$27.44	$24.38
Second Quarter	$30.10	$25.76
Third Quarter	$32.90	$26.00
Fourth Quarter	$36.50	$28.50

Class B Units

Outstanding Class B Units at December 31, 2002, totaled 3,916,547. Class B Units are not publicly traded.

Cash Distributions

Since its formation as a publicly traded master limited partnership in 1990, TEPPCO Partners, L.P. has made quarterly cash distributions to Unitholders. The partnership increased its cash distribution once during 2002 to $2.40 on an annualized basis. Cash distributions of $0.60 per unit were paid on February 7, 2003. Additional 2003 cash distributions are expected to be paid on May 9, August 8 and November 7.

Publicly Traded Partnership Attributes

TEPPCO Partners, L.P. is a publicly traded master limited partnership, which operates in the following distinct ways from a publicly traded stock corporation:

Unitholders own partnership units and receive cash distributions, instead of shares of stock and dividends.

A partnership generally is not subject to federal and state income taxes, as is a corporation. Partnerships flow through all of the annual income, gains, losses, deductions or credits to Unitholders, who are required to show their allocated share of these amounts on their income tax returns, as though these items had been incurred directly.

TEPPCO provides each Unitholder of record a Schedule K-1 tax package that includes each Unitholder's allocated share of reportable Partnership items and other Partnership information necessary to be included in tax returns. This compares with a corporate stockholder, who receives a Form 1099 annually detailing required tax data.

Transfer Agent and Registrar

Information on the direct deposit of cash distributions for registered Unitholders is available from:

Mellon Investor Services
TEPPCO—c/o Shareholder Services
P.O. Box 3315
South Hackensack, NJ 07606-1916
(800) 953-2496

For registered Unitholders, communication regarding name and address changes, lost certificates and other administrative matters should be directed to:

Mellon Investor Services
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660
(800) 953-2496
www.melloninvestor.com\isd

K-1 Inquiries

Unitholder Schedule K-1 inquiries should be directed to TEPPCO K-1 Support, toll-free at (877) 699-1093, or to the Partnership's website: **www.teppco.com**

Additional Investor Information

Additional information about TEPPCO Partners, L.P. can be obtained by contacting Brenda J. Peters, Director, Investor Relations, and Assistant Treasurer, at (800) 659-0059 or (713) 759-3954.

Partnership Offices

TEPPCO Partners, L.P.
2929 Allen Parkway
P.O. Box 2521
Houston, TX 77252-2521
(713) 759-3636

Internet Website

Earnings and other financial results, Partnership news, filings with the Securities and Exchange Commission and other Partnership information are available on TEPPCO's website: **www.teppco.com**

This report may contain certain forward-looking information regarding the Partnership, including projections, estimates, forecasts, plans and objectives. Although management believes that all such statements are based upon reasonable assumptions, no assurance can be given that the actual results will not differ materially from those contained in such forward-looking statements.

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