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

FORM 8-K/A

CURRENT REPORT

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

Date of Report: April 5, 2004
(Date of earliest event reported): January 20, 2004

ENERGY TRANSFER PARTNERS, L.P.
(Exact name of registrant as specified in its charter)

DELAWARE	1-11727	73-1493906
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2838 WOODSIDE STREET DALLAS, TEXAS	75204
(Address of principal executive offices)	(Zip Code)

(918) 492-7272
(Registrant's telephone number, including area code)

This Form 8-K/A amends the Form 8-K/A of the Registrant, formerly named Heritage Propane Partners, L.P. (the "Partnership") filed with the Securities and Exchange Commission on January 20, 2004, and provides financial statements and pro forma financial information required to be reported in connection with the Partnership's acquisition of La Grange Acquisition, L.P. and its subsidiaries ("Energy Transfer Company"). Provided under Item 7 of this report are the financial statements of Energy Transfer Company for the three months ended November 30, 2003, and pro forma financial information giving pro forma effect to the transaction for the three months ended November 30, 2003. The Registrant, formerly named Heritage Propane Partners, L.P., changed its name to Energy Transfer Partners, L.P., effective March 1, 2004.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) Financial Statements of businesses acquired

(b) Pro forma financial information

(c) Exhibits

The following exhibits are filed herewith:

Exhibit Number	Description
99.1	The unaudited combined balance sheets of Energy Transfer Company and related statements of income and comprehensive income, partners' capital and cash flows for the three months ended November 30, 2003 and two months ended November 30, 2002.
99.2	The unaudited pro forma combined financial statements of Heritage Propane Partners, L.P. and Energy Transfer Company for the three months ended November 30, 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENERGY TRANSFER PARTNERS, L.P.

By: U.S. Propane, L.P., General Partner
By: U.S. Propane, L.L.C., General Partner

Date: April 5, 2004

By: /s/ RAY C. DAVIS

Ray C. Davis
Co-Chief Executive Officer and officer duly authorized to sign on behalf of the registrant

By: /s/ KELCY L. WARREN

Kelcy L. Warren
Co-Chief Executive Officer and officer duly authorized to sign on behalf of the registrant

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EXHIBIT 99.1

Energy Transfer Company

Unaudited Combined Balance Sheets

(In Thousands)

November 30,
August 31,
2003 2003 --

- ASSETS
CURRENT
ASSETS: Cash
and cash
equivalents
$ 23,960 $
53,122
Accounts
receivable
141,608
105,987
Accounts
receivable
from related
parties 127
-- Deposits
paid to
vendors
20,098
19,053
Materials
and supplies
1,328 2,071
Inventories
3,574 1,876
Exchanges
receivable
1,146 1,373
Price risk
management
asset 789
928 Other
current
assets 1,707
770 --------
----- ------

Total
current
assets
194,337
185,180
Equity
method
investments
6,991 6,844
Property,
plant and
equipment
418,032
404,525
Less-
accumulated
depreciation
(17,117)
(13,261) ---
---------- -

Property,
plant and

equipment,
net 400,915
391,264
Goodwill
13,409
13,409
Intangibles
9,461 7,962
Accumulated
amortization
(3,448)
(2,556) ----
--------- --

Intangibles,
net 6,013
5,406 ------
------- ----

Total assets
$ 621,665 $
602,103
=============
=============

Energy Transfer Company

Unaudited Combined Balance Sheets

(In Thousands)

(continued)

November 30,
August 31,
2003 2003 --

-
LIABILITIES
AND
PARTNERS'
CAPITAL
CURRENT
LIABILITIES:
Accounts
payable $
130,106 $
114,198
Accounts
payable to
related
parties --
820 Current
maturities
of long-term
debt 30,000
30,000
Deposits
from
customers
3,080 11,600
Accrued
expenses
7,466 7,041
Price risk
management
liabilities
2,771 823
Exchanges
payable
2,109 1,410
Income taxes
payable
1,432 2,567
Accrued
interest 504
1,014 ------
------- ----

Total
current
liabilities
177,468
169,473
Long-term
debt 188,500
196,000
Deferred
income taxes
55,770
55,385 Other
noncurrent
liabilities
3,663 157
Commitments
and
contingencies
PARTNERS'
CAPITAL:
Limited

Partners
196,558
180,896
General
Partners 224
192 Other
comprehensive
loss (518) -
- ----------
--- --------
----- Total
partners'
capital
196,264
181,088 ----
--------- --

Total
liabilities
and
partners'
capital $
621,665 $
602,103
=============
=============

See accompanying notes.

Energy Transfer Company

Unaudited Combined Income Statements

(In Thousands)

	Three months ended November 30, 2003	Two months ended November 30, 2002
OPERATING REVENUES:		
Third Party	$ 414,986	$ 75,920
Affiliated	--	2,399
	414,986	78,319
COSTS AND EXPENSES:		
Cost of products sold	382,550	67,321
Operating	5,440	2,096
General and administrative	4,879	1,587
Depreciation and amortization	4,147	1,650
Realized and unrealized (gain) loss on derivatives, net	(3,034)	1,932
Total costs and expenses	393,982	74,586
INCOME FROM OPERATIONS	21,004	3,733
OTHER INCOME (EXPENSE):		
Interest (expense)	(3,901)	(1,409)
Interest income	149	--
Equity in earning of affiliates	147	1,372
Gain (loss) on disposal of assets	(3)	2
Other	7	30
INCOME BEFORE INCOME TAXES	17,403	3,728
INCOME TAX EXPENSE	1,709	--
NET INCOME		

$ 15,694 $
3,728
===============
===============

See accompanying notes.

Energy Transfer Company

Unaudited Combined Statements of Comprehensive Income (Loss)

(In Thousands)

	Three months ended November 30, 2003	Two months ended November 30, 2002
Net income	$ 15,694	$ 3,728
Other comprehensive income (loss)		
Reclassification adjustment for gains on derivative instruments included in net income	481	--
Reclassification adjustment for losses on available-for-sale securities included in net income	--	--
Change in value of derivative instruments	(999)	--
Change in value of available-for-sale securities	--	--
Comprehensive income	$ 15,176	$ 3,728
RECONCILIATION OF ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Balance, beginning of period	$ --	$ --
Current period reclassification to earnings	481	--
Current period change	(999)	--
Balance, end of period	$ (518)	$ --

See accompanying notes.

Energy Transfer Company

Unaudited Combined Statement of Partners' Capital

Three Months Ended November 30, 2003
(In Thousands)

	LaGrange Acquisition, LP Operating Partnerships'				
	Limited Partner's Capital	General Partner's Capital	Other General Partner's Capital	Accumulated Other Comprehensive Loss	Total Partners' Capital
Balance August 31, 2003	$ 180,896	$ 150	$ 42	$ --	$ 181,088
Net change in accumulated other comprehensive income per accompanying statements	--	--	--	(518)	(518)
Net income	15,662	16	16	--	15,694
Balance November 30, 2003	$ 196,558	$ 166	$ 58	$ (518)	$ 196,264

See accompanying notes.

Energy Transfer Company

Unaudited Combined Statements of Cash Flows

(In Thousands)

Three months ended Two months ended November 30, November 30, 2003 2002 ------------------ ---------------- OPERATING ACTIVITIES Net income $ 15,694 $ 3,728 Adjustments to reconcile net income to net cash provided by (used in) operating activities: Depreciation and amortization, including deferred loan costs 5,031 1,845 Deferred income taxes 385 -- Dividend from Oasis -- 1,000 Equity in subsidiaries (147) (1,372) Other, net 37 -- Changes in operating assets and liabilities, net of effect of acquisitions Accounts receivable (35,621) (40,532) Deposits paid to vendors (1,045) -- Materials and supplies 743 345 Inventories (1,698) 72 Exchanges receivable 227 (443) Price risk management liabilities, net 1,569 1,869 Other current assets (937) (376) Accounts payable 15,908 38,138 Deposits from customers (8,520) 2,903 Accounts payable related parties (947) -- Exchanges payable 699 291 Accrued expenses 425 800 Income taxes payable (1,135) -- Accrued interest (510) 612 Other long-term liabilities 6 -- --------------- --------------- Net cash provided by (used in) operating activities (9,836) 8,880 INVESTING ACTIVITIES Business acquisition -- (262,829) Additions to property, plant and equipment (11,830) (1,273) Proceeds from sale of assets 4 -- --------------- --------------- Net cash used in investing activities (11,826) (264,102) FINANCING ACTIVITIES Capital contribution -- 108,271 Borrowings under credit facility

-- 160,000 Borrowings/(repayments) of short-term loan from related party -- 2,000 Principal payments under credit facility (7,500) -- Deferred financing fees -- (3,500) --------------- --------------- Net cash used in financing activities (7,500) 266,771 --------------- --------------- Net increase in cash and cash equivalents (29,162) 11,549 Cash and cash equivalents, beginning of period 53,122 -- --------------- --------------- Cash and cash equivalents, end of period $ 23,960 $ 11,549 =============== ===============

See accompanying notes.

ENERGY TRANSFER COMPANY

NOTES TO COMBINED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT UNIT AND PER UNIT DATA)
UNAUDITED

1. SUMMARY OF BUSINESS, BASIS OF PRESENTATION, AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Business

Energy Transfer Company is a group of partnerships under common control and consists of La Grange Acquisition, L.P. (La Grange Acquisition) and a series of its limited partner investees. La Grange Acquisition, L.P. is a Texas limited partnership formed on October 1, 2002 and is 99.9% owned by its limited partner, La Grange Energy, L.P. (La Grange Energy), and 0.1% owned by its general partner, LA GP, LLC. La Grange Acquisition is the 99.9% limited partner of ETC Gas Company, Ltd., ETC Texas Pipeline, Ltd., ETC Processing, Ltd., and ETC Marketing, Ltd. and a 99% limited partner of ETC Oasis Pipe Line, L.P. and ET Company I, Ltd. (collectively, the "Operating Partnerships"). The general partners of La Grange Acquisition, La Grange Energy, and the Operating Partnerships are ultimately owned and controlled by members of management and a private equity investor group. La Grange Acquisition and the Operating Partnerships conduct business under the name Energy Transfer Company. These financial statements present the accounts of La Grange Acquisition and the Operating Partnerships (collectively, "Energy Transfer") on a combined basis as entities under common control.

Under state law and the terms of various partnership agreements, the limited partners' potential liability is limited to their investment in the various partnerships. The general partners of the various partnerships manage and control the business and affairs of each partnership. The limited partners are not involved in the management and control of the Energy Transfer Company. Since all of the general partners in the various partnerships are ultimately owned and controlled by members of management and a private equity investor group, all of the entities that form Energy Transfer, as defined above, are managed and are under the common control of this control group.

In October 2002, La Grange Acquisition acquired the Texas and Oklahoma natural gas gathering and gas processing assets of Aquila Gas Pipeline Corporation (Aquila Gas Pipeline), a subsidiary of Aquila, Inc. for $264 million, including 50% of the capital stock of Oasis Pipe Line Company, a Delaware Corporation, ("Oasis Pipe Line"), 20% ownership interest in the Nustar Joint Venture, and an interest in another immaterial venture. On December 27, 2002, Oasis Pipe Line redeemed the remaining 50% of its capital stock owned by Dow Hydrocarbons Resources, Inc. for $87 million, and cancelled the stock. Thus, Energy Transfer now owns 100% of the outstanding capital stock of Oasis Pipe Line. La Grange Acquisition contributed the assets acquired from Aquila, Inc. to the Operating Partnerships in return for its limited partner interests in the Operating Partnerships.

The major asset groups consist of the Southeast Texas System, Elk City System and Oasis pipeline. The Southeast Texas System has a capacity of 720 million cubic feet per day (MMcf/d) and throughput of 260 MMcf/d. The system has 2,500 miles of pipeline with 1,050 wells connected, the LaGrange processing plant which has a capacity of 250 MMcf/d and 5 natural gas treating facilities with an aggregate capacity of 250 MMcf/d.

The Elk City System has a capacity of 410 MMcf/d and throughput of 170 MMcf/d. The system has 315 miles of pipeline with 300 wells connected, the Elk City processing plant, which has a capacity of 130 MMcf/d and a treating facility with a capacity of 145 MMcf/d. The 583 mile long Oasis pipeline, which connects the West Texas Waha Hub to the Katy Texas Tailgate, has a capacity of one billion cubic feet per day (Bcf/d) and a throughput of 830 MMcf/d.

Energy Transfer Company owns and operates natural gas gathering, natural gas intrastate pipeline systems, and gas processing plants and is in the business of purchasing, gathering, compressing, transporting, processing, and marketing natural gas and natural gas liquids (NGLs) in the states of Texas, Oklahoma, and Louisiana.

NOTES TO COMBINED FINANCIAL STATEMENTS
(DOLLAR AMOUNTS IN THOUSANDS, EXCEPT UNIT AND PER UNIT DATA)
UNAUDITED

SIGNIFICANT ACCOUNTING POLICIES

Combination

The accompanying combined financial statements include the accounts of La Grange Acquisition and the Operating Partnerships after the elimination of significant intercompany balances and transactions. Further, La Grange Acquisition's limited partner investments in each of the Operating Partnerships have been eliminated against the Operating Partnership's limited partner's capital.

Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of estimates relate to the fair value of financial instruments and useful lives for depreciation and amortization. Actual results may differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified to conform with the 2004 presentation. These reclassifications have no impact on net income or partners' capital.

Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. Energy Transfer Company's carrying amounts for cash and cash equivalents, other current assets and other current liabilities approximate fair value.

Accounts Receivable

Energy Transfer deals with counter parties that are typically either investment grade (Standard & Poors BBB- or higher) or are otherwise secured with a letter of credit or other form of security (corporate guaranty or prepayment). The credit committee reviews accounts receivable balances each week. Credit limits are assigned and monitored for all counterparties. The majority of payments are due on the 25th of the month following delivery.

Management closely monitors credit exposure for potential doubtful accounts. Management believes that an occurrence of bad debt is unlikely; therefore an allowance for doubtful accounts is not included on the balance sheet. Bad debt expense is recognized at the time an account is deemed uncollectible. An accounts receivable will be written off in the event a counterparty files for bankruptcy protection or the account is turned over for collection and the collector deems the account uncollectible. No bad debt expense was recorded during the three months ended November 30, 2003 or two months ended November 30, 2002.

Deposits

Deposits are paid to vendors as pre-payments for gas deliveries in the following month. Pre-payments are required when the volume of business with the vendor exceeds Energy Transfer Company's credit limit. Deposits with vendors for gas purchases are $16,962 at August 31, 2003 and $11,483 at November 30, 2003. Energy Transfer Company also has deposits with derivative counterparties at August 31, 2003 of $ 2,091 and $8,615 at November 30, 2003.

Deposits are received from customers as pre-payments for gas deliveries in the following month. Pre-payments are required when customers exceed their credit limit or do not qualify for open credit. Deposits received from customers for gas sales are $11,600 at August 31, 2003 and $3,080 for November 30, 2003.

Materials and Supplies

Materials and supplies are stated at the lower of cost (determined on a first-in, first-out basis) or market value.

Inventories and Exchanges

Inventories and exchanges consist of NGLs on hand or natural gas and NGL delivery imbalances with others and are presented net by customer/supplier. These amounts turn over monthly and management believes the cost approximates market value. Accordingly, these volumes are valued at market prices.

Price Risk Management Assets and Liabilities

Energy Transfer Company follows Financial Accounting Standards Board (FASB) Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," (Statement No. 133) as amended. Statement No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. It requires that every derivative instrument (including certain derivative instrument embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair market value. It requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge criteria are met.

Special accounting for qualifying hedges allows a derivative's gain and loss to offset related results on the hedged item in the income statement and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting. For derivative instruments that qualify as hedges, the effective portion of the gain or loss is reported as a component of other comprehensive income and reclassified into sales revenue in the same period or periods during which the hedged forecasted transaction affects earnings. The net loss recognized in income representing the amount of hedge ineffectiveness was $67 for the three months ended November 30, 2003. The cash flows from such agreements are included in operating activities in the consolidated statements of cash flows.

Energy Transfer utilizes various exchange-traded and over-the-counter commodity financial instrument contracts to limit its exposure to margin fluctuations in natural gas and NGLs prices. These contracts consist primarily of futures and swaps. The net gain or loss arising from marking to market those derivative instruments is currently recognized in earnings. In the course of normal operations, Energy Transfer also routinely enters into forward physical contracts for the purchase and sale of natural gas and NGLs along various points of its system. These positions require physical delivery and are treated as normal purchase and sales contracts under Statement No. 133. Accordingly, these contracts are not marked to market. Unrealized gains and losses on derivatives are classified as such on the combined statement of income. Realized gains and losses on commodity derivatives are included in operating revenues, while realized gains and losses on interest rate swaps are included in interest expense.

The market prices used to value the financial derivative transactions reflect management's estimates considering various factors including closing exchange and over-the-counter quotations, and the time value of the underlying commitments. The values are adjusted to reflect the potential impact of liquidating a position in an orderly manner over a reasonable period of time under present market conditions.

Deferred Financing Fees

Deferred financing fees, included in other assets, are amortized using the effective interest method.

Equity Method Investments

From October through December 2002, Energy Transfer Company owned a 20% interest in the Nustar Joint Venture. Effective December 27, 2002, Energy Transfer Company owned a 50% interest in Vantex Gas Pipeline Company, LLC, and a 49% interest in Vantex Energy Services, Ltd. Energy Transfer Company also owns an interest in an immaterial venture. Energy Transfer Company accounts for these investments under the equity method of accounting. The Nustar Joint Venture, located in West Texas, is composed of approximately 290 miles of pipeline and the Benedum processing facility. The Vantex system is located in East Texas and is composed of approximately 250 miles of pipeline. Vantex Energy Services provides energy related marketing services to small and medium sized producers and end users on the Vantex Gas Pipeline system.

Prior to December 27, 2002, when the remaining 50% of Oasis Pipe Line capital stock was redeemed, Energy Transfer Company accounted for its initial 50% ownership in Oasis Pipe Line under the equity method. During the two month period ended November 30, 2002, Energy Transfer Company recognized $1.6 million of equity method income from the investment in Oasis Pipe Line. Oasis Pipe Line results from operations are recognized on a consolidated basis for the three months ended November 30, 2003.

On December 27, 2002, Energy Transfer sold its interest in the Nustar Joint Venture for $9.6 million. No gain or loss was recognized, as the proceeds equaled the value assigned to the joint venture in the October 2002 purchase allocation.

Property, Plant, and Equipment

Pipeline, property, plant, and equipment are stated at cost. Additions and improvements that add to the productive capacity or extend the useful life of the asset are capitalized. Expenditures for maintenance and repairs that do not add capacity or extend the useful life are charged to expense as incurred. Upon disposition or retirement of pipeline components or gas plant components, any gain or loss is recorded to accumulated depreciation. When entire pipeline systems, gas plants or other property and equipment are retired or sold, any gain or loss is included in operations.

Depreciation of the gathering pipeline systems, gas plants, and processing equipment is provided using the straight-line method based on an estimated useful life of primarily 20 years. The transportation pipeline is depreciated using the straight-line method based on an estimated useful life of primarily 65 years. There was no interest cost capitalized for the three months and two months ended November 30, 2003 and 2002.

Energy Transfer reviews its tangible and finite life intangible assets for impairment whenever facts and circumstances indicate impairment may be present. When impairment indicators are present, Energy Transfer Company evaluates whether the assets in question are able to generate sufficient cash flows to recover their carrying value on an undiscounted basis. If not, Energy Transfer Company impairs the assets to their fair value, which may be determined based on discounted cash flows. To date no impairments have been recognized.

Energy Transfer Company accounts for expected future costs associated with Energy Transfer Company's obligation to perform site reclamation and dismantle facilities of abandoned pipelines under SFAS No. 143, Accounting for Asset Retirement Obligations. If a reasonable estimate of the fair value of an abandonment obligation can be made, SFAS No. 143 requires that Energy Transfer Company record a liability (an asset retirement obligation or ARO) and capitalize the asset retirement cost in plant, property and equipment in the period in which the retirement obligation is incurred.

In general, the amount of an ARO and the costs capitalized for Energy Transfer Company will be equal to the estimated future cost to satisfy the abandonment obligation using current prices after discounting the future cost back to the date that the abandonment obligation was incurred using the credit adjusted risk-free rate for Energy Transfer Company. After recording these amounts, the ARO will be accreted to its future estimated value using the same risk-free rate and the additional capitalized costs will be depreciated on a straight-line basis over the productive life of the related assets.

Energy Transfer Company acquired all it's operating assets subsequent to the effective date of SFAS 143; therefore, there is no cumulative effect of adopting SFAS 143. During the three months ended November 30, 2003, Energy Transfer Company recognized ARO liabilities incurred of approximately $3.5 million. The accretion of the ARO during the three-month period ended November 30, 2003, was not significant.

Goodwill

The goodwill represents the fair value of the partnership interests granted to ETC Holdings, L.P. on the contribution of ET Company I in excess of the fair value of the tangible assets contributed. ET Company I included a gas marketing operation, which has no significant assets other than an assembled workforce and marketing expertise. The goodwill is principally the value assigned to the marketing operation of ET Company I. The goodwill is included in our Midstream segment and will be reviewed annually for impairment.

Federal and State Income Taxes

La Grange Acquisition and the Operating Partnerships are organized under the provisions of the Texas Revised Limited Partnership Act. Therefore, the payment and recognition of income taxes are the responsibility of the partners, except as noted below.

Energy Transfer owns Oasis Pipe Line, a corporation and tax-paying entity, which provides for income taxes currently payable and for deferred income taxes in accordance with FASB Statement No. 109, "Accounting for Income Taxes" (Statement No. 109). Statement No. 109 requires that deferred tax assets and liabilities be established for the basis differences between the reported amounts of assets and liabilities for financial reporting purposes and income tax purposes.

Cash Paid for Interest and Income Taxes

The following provides information related to cash paid for interest and income taxes by Energy Transfer Company for:

	Three Months Ended November 30, 2003	Two Months Ended November 30, 2002
Interest	$ 3,080	$ 597
Income Taxes	$ 2,450	--

Revenue Recognition

Revenue for sales of natural gas and NGLs is recognized upon delivery. Service revenues, including transportation, treating, compression, and gas processing, are recognized at the time service is performed. Transportation capacity payments are recognized when earned in the period the capacity was made available.

Shipping and Handling Costs

In accordance with the Emerging Issues Task Force Issue 00-10, "Accounting for Shipping and Handling Fees and Costs", Energy Transfer Company has classified all deductions from producer payments for fuel, compression and treating, which can be considered handling costs, as revenue. The fuel costs are included in costs of sales, while the remaining costs, of approximately $57, are included in operating costs.

2. ACQUISITIONS AND SALES

In October 2002, La Grange Acquisition purchased certain operating assets from Aquila Gas Pipeline, primarily natural gas gathering, treating and processing assets in Texas and Oklahoma. The assets acquired and purchase price allocation were as follows:

Materials and supplies	$ 1,626
Other assets	194
Property, plant and equipment	213,374
Investment in Oasis Pipe Line	41,670
Investment in the Nustar Joint Venture	9,600
Accrued expenses	(1,753)
Accrued acquisition costs	(1,035)
	$ 263,676

At the closing of the acquisition of Aquila Gas Pipeline's assets, $5 million was put into escrow until such time that proper consents and conveyance could be achieved related to a sales contract. It was later determined that it was unlikely that a proper conveyance could be achieved which resulted in the escrowed amount of $5 million being returned to La Grange Acquisition during the eight months ended August 31, 2003. The return of the $5 million purchase price reduced La Grange Acquisition's basis in property, plant and equipment.

On December 27, 2002, Oasis Pipe Line redeemed the remaining 50% of its capital stock owned by Dow Hydrocarbons Resources, Inc. for $87 million, and cancelled the stock. Energy Transfer now owns 100% of the capital stock of Oasis Pipe Line.

Also, on December 27, 2002, ETC Holdings, LP, a limited partner of La Grange Energy, contributed ET Company I to Energy Transfer Company. The investment in the Vantex system was included in the assets contributed.

Pro Forma Financial Information

The following pro forma financial information assumes that both Oasis Pipe Line and ET Company I were wholly owned as of October 1, 2002:

	Two Months Ended November 30, 2002
Operating Revenues	$ 112,359
Total Costs and Expenses	104,430
Income from Operations	7,928
Net Income	6,505

The pro forma results are not necessarily indicative of what actually would have occurred it the acquisition had been completed as of the beginning of each period presented, nor are they necessarily indicative of future consolidated results.

3. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, at cost, consisted of the following:

	Estimated Useful Lives (Years)	November 30, 2003	August 31, 2003
Land	N/A	$ 992	$ 992
Midstream buildings	15	798	798
Midstream pipelines and equipment	20	221,725	213,220
Midstream right of way	20	486	336
Transportation pipeline	65	127,548	126,526
Transportation right of way	65	3,721	3,721
Transportation buildings	20	194	189
Transportation equipment	10-20	41,880	42,771
Linepack	N/A	5,176	5,176
Construction in progress	N/A	12,866	7,121
Other	5	2,646	3,675
Total		418,032	404,525
Accumulated depreciation		(17,117)	(13,261)
Property, plant and equipment, net		$ 400,915	$ 391,264

4. INTANGIBLE AND OTHER ASSETS

	November 30, 2003	August 31, 2003
Deferred financing fees	$ 5,724	$ 5,724
Accumulated amortization		

(3,348) (2,464)

2,376 3,260
Deferred
acquisition
costs 3,260
1,761 Other
intangibles 477
477 Accumulated
amortization
(100) (92) ----
----------- ---
----
377 385 -------
-------- ------

Intangibles,
net $ 6,013 $
5,406
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5. INVESTMENTS

Nustar Joint Venture

At November 30, 2002, Energy Transfer Company owned a 20% interest in the Nustar Joint Venture, which is accounted for under the equity method. On December 27, 2002, Energy Transfer Company sold its 20% interest for $9.6 million resulting in no gain or loss.

Vantex

At November 30, 2003, ET Company I owned a 50% interest in Vantex Gas Pipeline Company and a 49% interest in Vantex Energy Services, Ltd., with both interests accounted for under the equity method. Energy Transfer Company's equity investment value in the Vantex System at November 30, 2003 was $7.0 million. The Vantex System interests were owned ET Company I and were contributed to Energy Transfer Company on December 27, 2002 by ETC Holdings, LP. The $7.0 million investment at November 30, 2003 exceeds ET Company I's historical underlying equity in the Vantex System by $366.

The following presents financial information related to the Vantex investments for the three months ended November 30, 2003.

Statement of Income Information	
Revenues	$ 3,161
Loss before income tax expense	$ (11)
Energy Transfer Company's share of net loss	$ (5)

Total earnings from equity method investments for the three months ended November 30, 2003, was income of $147. This includes Energy Transfer Company's share of net loss from Vantex of $5 and Energy Transfer Company's share of equity method income of $152 from its other joint venture investments.

6. RELATED-PARTY TRANSACTIONS

Beginning in 2003 and after the contribution to ET Company I to Energy Transfer, Energy Transfer Company is charged rent by an affiliate for office space in Dallas, which is shared with La Grange Energy and ETC Holdings, L.P. For the three months ended November 30, 2003, the rent charged to Energy Transfer Company was $20.

Prior to the Oasis Pipe Line stock redemption and the contribution of ET Company I, Energy Transfer had purchases and sales of natural gas with Oasis Pipe Line and ET Company I in the normal course of business. The following table summarizes these transactions:

	Two Months Ended November 30, 2002
Sales of natural gas to affiliated companies	$ 4,488
Purchases of natural gas from affiliated companies	3,989
Transportation expenses	559

During 2003, ETC Texas Pipeline, Ltd, one of the Operating Partnerships, purchased a compressor, initially ordered by Energy Transfer Group, L.L.C. (ETG) for $799. ETG is a 66% owned subsidiary of ETC Holdings, L.P. ETG has a contract to provide compression services to a third party for a fixed monthly fee. Proceeds from the contract will be remitted by ETG to ETC Texas Pipeline, Ltd. to provide a 3.0% return on investment for the capital investment made by ETC Texas Pipeline, Ltd. As of November 30, 2003, $41 had been remitted, and income of $17 has been accrued under the contract. In addition, a $200 deposit was made to a third party vendor by ETC Texas Pipeline, Ltd. on behalf of ETG.

Energy Transfer also provides payroll services to ETG. As of November 30, 2003, the receivable due from ETG for payroll services was $200 and $69 for miscellaneous services.

ET GP, LLC, the general partner of ETC Holdings, L.P., has a general and administrative services contract to act as an advisor and provide certain general and administrative services to La Grange Energy and its affiliates, including Energy Transfer. The general and administrative services that ET GP, LLC provides La Grange Energy and its subsidiaries under this contract include:

- o General oversight and direction of engineering, accounting, legal and other professional and operational services required for the support, maintenance and operation of the assets used in the Midstream operations; and

- o The administration, maintenance and compliance with contractual and regulatory requirements.

In exchange for these services, La Grange Energy and its affiliates are required to pay ET GP, LLC a $500 annual fee payable quarterly and pro-rated for any portion of a calendar year. Pursuant to this contract, La Grange Energy and its affiliates were also required to reimburse ET GP, LLC for expenses associated with formation of La Grange Energy and its affiliates and are required to indemnify ET GP, LLC, its affiliates, officers and employees for liabilities associated with the actions of ET GP, LLC, its affiliates, officers, and employees. As a result of the reimbursement provision, La Grange Energy charged Energy Transfer $449 for expenses associated with its formation. For the three months ended November 30, 2003, Energy Transfer accrued $126 and has not been billed for this time period.

7. DEBT

Long-term debt consisted of the following:

	November 30, 2003	August 31, 2003
Term notes	$ 218,500	$ 226,000
Revolving credit facility	--	--
Less current portion	30,000	30,000
Total long-term debt	$ 188,500	$ 196,000

The scheduled maturities of long-term debt are as follows:

	November 30, 2003	August 31, 2003
2004	$ 30,000	$ 30,000
2005	188,500	

196,000 -----
--------- ---

Total $
218,500 $
226,000
==============
==============

Term Note Facility

La Grange Acquisition entered into a term note agreement (the Term Note) with a financial institution in the amount of $246 million. The Term Note is secured by substantially all of Energy Transfer Company's assets and bears interest at a LIBOR based rate, which was 4.375% at November 30, 2003. Principal payments of $7.5 million are due quarterly until final maturity in September 2005, when the remaining outstanding principal balance is due. Upon issuance of the Term Note, Energy Transfer Company deferred approximately $5.7 million of initial fees and expenses and is amortizing such deferred costs over the life of the note using the effective interest method.

The Term Note requires Energy Transfer Company to maintain certain financial ratios in order to remain in compliance with its covenants. The covenants require that Energy Transfer Company maintain a minimum EBITDA (earnings before interest, taxes, depreciation and amortization), less tax distributions, less maintenance capital expenditures to interest plus principal payment ratio. In addition, Energy Transfer Company is required to maintain a minimum current ratio and a debt to EBITDA ratio. At November 30, 2003, Energy Transfer Company was in compliance with such covenants.

Revolving Credit Facility

Energy Transfer Company has a $40 million revolving credit facility with a financial institution that expires September 30, 2005. The revolving credit facility includes a variable rate line of credit facility and a letter of credit facility. Amounts borrowed under the credit facility bear interest at a rate based on either a Eurodollar base rate for Eurodollar Loans, or a base rate currently designated as a LIBOR base rate at the option of the Administrative Agent for Base Rate Loans. The revolving credit facility requires the payment of commitment fees of 1/2 of 1 percent and is secured by substantially all of Energy Transfer Company's assets. Letters of credit reduce the amount available under the credit facility.

At November 30, 2003, there were $200 outstanding of letters of credit and no amounts outstanding under the revolving credit facility. The borrowing capacity available under the credit facility at November 30, 2003 was $39.8 million.

The carrying value of Energy Transfer Company's debt obligations approximates their fair value. This determination is based on management's estimate of the fair value at which such instruments could be obtained in an unrelated third-party transaction.

8. RETIREMENT AND BENEFIT PLANS

Energy Transfer has a defined contribution plan for virtually all employees with discretionary matching by all Partnerships. Pursuant to the plan, employees of Energy Transfer Company can defer a portion of their compensation and contribute it to a deferred account. Energy Transfer Company did not elect to match contributions to this plan through November 30, 2003.

9. COMMITMENTS AND CONTINGENCIES

Lease Obligations

Energy Transfer Company has operating leases for office space and compressors under noncancelable agreements. The following are the future annual minimum lease payments for each of the next five years as of November 30, 2003:

2004	$ 2,404
2005	918
2006	82
2007	48
2008	48
Thereafter	145
	$ 3,645

Rental expense for the three months ended November 30, 2003 and the two months ended November 30, 2002 relating to operating leases was $227 and $147, respectively.

Physical Forward Commodity Commitments

Energy Transfer Company has forward commodity contracts, which will be settled by physical delivery. Short-term contracts, which expire in less than one year, require delivery up to 54 million British thermal units per day (MMBtu/d). Long-term contracts total require delivery of up to 155 MMBtu/d. The long-term contracts run through July 2013. The contracts were marked to fair value, which was determine based on NYMEX commodity futures prices.

Bossier Pipeline Extension

Energy Transfer Company has signed long-term agreements with several parties committing firm transportation volumes into a new pipeline system, which is currently under construction by Energy Transfer Company. Those commitments include an agreement with XTO Energy Inc. (XTO) to deliver 200 MMcf/d natural gas into the pipeline, which will connect East Texas production into the Katy hub near Houston. The term of the XTO agreement runs nine years beginning when the Bossier Pipeline Extension becomes operational, currently scheduled to occur mid-2004.

Energy Transfer in the normal course of business, purchases, processes and sells natural gas pursuant to long-term contracts. Such contracts contain terms that are customary in the industry. Energy Transfer Company believes that such terms are commercially reasonable and will not have a material adverse effect on Energy Transfer Company's financial position or results of operations.

Litigation

On June 16, 2003, Guadalupe Power Partners, L.P. (GPP) sought and obtained a Temporary Restraining Order against Oasis Pipe Line. In their pleadings, GPP alleged unspecified monetary damages for the period from February 25, 2003 to June 16, 2003 and sought to prevent Oasis Pipe Line from implementing flow control measures to reduce the flow of gas to their power plant at varying hourly rates. Oasis Pipe Line filed a counterclaim against GPP asking for damages and a declaration that the contract was terminated as a result of the breach by GPP. Oasis Pipe Line and GPP agreed to a "stand still" order and referred this dispute to binding arbitration. The arbitration was completed with a ruling favorable to Oasis Pipe Line on the contract issues involved, but with no damages awarded to either party.

Energy Transfer Company is involved in various lawsuits, claims, and/or regulatory proceedings incidental to its business. In the opinion of management, the outcome of such matters will not have a material adverse effect on Energy Transfer Company's financial position or results of operations.

Environmental

Energy Transfer Company's operations are subject to extensive federal, state and local environmental laws and regulations that require expenditures for remediation at operating facilities and waste disposal sites. Although Energy Transfer Company believes its operations are in substantial compliance with applicable environmental laws and regulations, risks of additional costs and liabilities are inherent in the natural gas pipeline and processing business, and there can be no assurance that significant costs and liabilities will not be incurred. Moreover, it is possible that other developments, such as increasingly stringent environmental laws, regulations and enforcement policies thereunder, and claims for damages to property or persons resulting from the operations, could result in substantial costs and liabilities. Accordingly, Energy Transfer Company has adopted policies, practices, and procedures in the areas of pollution control, product safety, occupational health, and the handling, storage, use, and disposal of hazardous materials to prevent material environmental or other damage, and to limit the financial liability, which could result from such events. However, some risk of environmental or other damage is inherent in the natural gas pipeline and processing business, as it is with other entities engaged in similar businesses.

In conjunction with the acquisition of the Texas and Oklahoma natural gas gathering and gas processing assets from Aquila Gas Pipeline, Aquila, Inc. agreed to indemnify Energy Transfer for any environmental liabilities from those operations prior to October 1, 2002. Aquila also agreed to indemnify Energy Transfer Company for 50% of any environmental liabilities from those operations of the Oasis Pipe Line assets prior to October 1, 2002.

Environmental exposures and liabilities are difficult to assess and estimate due to unknown factors such as the magnitude of possible contamination, the timing and extent of remediation, the determination of Energy Transfer Company's liability in proportion to other parties, improvements in cleanup technologies and the extent to which environmental laws and regulations may change in the future. Although environmental costs may have a significant impact on the results of operations for any single period, Energy Transfer Company believes that such costs will not have a material adverse effect on its financial position. As of November 30, 2003 and August 31, 2003, Energy Transfer Company has $935 and $ 633, respectively, accrued for environmental liabilities that were not covered by the environmental indemnifications.

10. PRICE RISK MANAGEMENT ASSETS AND LIABILITIES

Commodity Price Risk

Energy Transfer Company is exposed to market risks related to the volatility of natural gas and NGL prices. To reduce the impact of this price volatility, Energy Transfer primarily uses derivative commodity instruments (futures and swaps) to manage its exposures to fluctuations in margins. However, during the three months ended November 30, 2003, management has generally elected not to designate its commodity derivatives as hedges for accounting purposes. All financial trades that are designated and documented as hedges are presented as other comprehensive income until the settlement month. At the end of the settlement month, any gain or loss is recognized in the income statement. Gains or losses on all other financial trades are recognized in the month in which they occur.

Unrealized losses recognized in earnings related to Energy Transfer Company's derivative activities were $998 for the three months ended November 30, 2003 and $1,899 for the two months ended November 30, 2002. The realized gains for the three months ended November 30, 2003 were $4,479 and for the two months ended November 30, 2002 were a loss of $33.

Management believes that many of its derivatives positions would qualify as hedges if management had designated them as such for accounting purposes. Had Energy Transfer Company designated its derivatives as hedges for accounting purposes, a substantial portion of the fair value of Energy Transfer Company's derivatives at November 30, 2003 would not have been recognized through earnings.

The following provides information as of November 30, 2003:

```
NOTIONAL
ENERGY
TRANSFER
ENERGY
TRANSFER
IFERC
INDEX
VOLUME
COMPANY
COMPANY
FAIR BASIS
SWAPS
COMMODITY
MMBTU
MATURITY
PAYS
RECEIVES
VALUE ----
------- --
------- --
---- -----
--- ------
- --------
----- HSC
Gas
155,000
Dec 2003
Nymex
IFERC $
```

(13) Gas
13,640,000
Dec 2003
IFERC
Nymex 485
HSC Gas
3,555,000
Jan-Oct
2004 Nymex
IFERC 17
Gas
32,215,000
Jan-Oct
2004 IFERC
Nymex (91)
Waha Gas
3,875,000
Dec 2003
Nymex
IFERC
(837) Gas
4,485,000
Dec 2003
IFERC
Nymex 894
Waha Gas
16,975,000
Jan-Sep
2004 Nymex
IFERC 28
Gas
2,710,000
Jan-Sep
2004 IFERC
Nymex (9)
PEPL Gas
232,500
Dec 2003
Nymex
IFERC (54)
Gas
2,092,500
Dec 2003
IFERC
Nymex 456
PEPL Gas
600,000
Jan-Mar
2004 Nymex
IFERC (7)
El Paso
Permian
Gas
775,000
Dec 2003
Nymex
IFERC
(101) HSC
(Hedge)
Gas
155,000
Dec 2003
Nymex
IFERC (13)
HSC
(Hedge)
Gas
450,000
Jan-Mar
2004 Nymex
IFERC (10)

COMMODITY	NOTIONAL VOLUME MMBTU	MATURITY	AVERAGE STRIKE PRICE	FAIR VALUE
FUTURES				
Gas Buyer	3,280,000	Dec 2003	$ 4.940	$ (262)
Gas Seller	8,792,500	Dec 2003	4.801	(517)
Gas Buyer	3,925,000	Jan-Dec 2004	5.143	(785)
Gas Seller	1,630,000	Jan-Dec 2004	5.258	426
Gas Buyer	270,000	Jan-Aug 2005	5.175	(118)
Hedge Gas Buyer	705,000	Dec 2003	5.141	(198)
Hedge Gas Buyer	40,000	Dec 2003	5.505	26
Hedge Gas Buyer	1,540,000	Jan-Sep 2004	$ 5.251	(394)

Interest Rate Risk

Energy Transfer Company is exposed to interest rate risk for changes in interest rates related to its Term Note. An interest rate swap agreement is used to manage a portion of the exposure to changing interest rates by converting floating rate debt to fixed-rate debt. On October 9, 2002, Energy Transfer entered into an interest rate swap agreement to manage its exposure to changes in interest rates. The interest rate swap has a notional value of $75 million and is tied to the maturity of the Term Note. Under the terms of the interest rate swap agreement, Energy Transfer Company will pay a fixed rate of 2.76% and will receive three-month LIBOR with quarterly settlement commencing on January 9, 2003. Management has elected not to designate the swap as a hedge for accounting purposes. The fair value of the interest rate swap at November 30, 2003 and August 31, 2003 is a liability of $929, and $807, respectively.

Realized losses on the interest rate swap included in interest expense were $437 for three months ended November 30, 2003 and $108 for the two months ended November 30, 2002.

11. SEGMENT DISCLOSURES

Prior to December 27, 2002, Energy Transfer operated in only one segment, the Midstream segment, consisting of the natural gas gathering, processing and transportation operations. Effective January 1, 2003, upon completion of the Oasis Pipe Line stock redemption, Energy Transfer Company operates in two segments, the Midstream segment and the Transportation segment, consisting of Oasis Pipe Line.

The Midstream segment, which focuses on the gathering, compression, treating, processing, transportation and marketing of natural gas, primarily at our Southeast Texas System and our Elk City Systems, generates revenue primarily by the volumes of natural gas gathered, compressed, treated, processed, transported, purchased and sold through our pipeline (excluding Oasis Pipe Line) and gathering systems and the level of natural gas and NGL prices. In 2003, Energy Transfer Company's equity method investments are included in the Midstream segment. In addition, Energy Transfer Company's two largest customers' revenues are included in the Midstream segment's revenues.

The Transportation Segment, which focuses on the transportation of natural gas through our Oasis Pipe Line, generates revenue from the fees charged to customers to transport gas through or reserve capacity on our pipeline.

For the three months ended November 30, 2003:

	Midstream	Transportation	Intersegment Eliminations	Total
Revenue	$405,298	$ 14,176	$(4,488)	$414,986
Cost of products sold	384,588	2,450	(4,488)	382,550
Depreciation and amortization	3,091	1,056		4,147
Income from operations	14,024	6,980		21,004
Interest, expense, net	3,306	2,043	(1,597)	3,752
Income tax	--	1,709		1,709
Net Income	12,472	3,222		15,694
Capital expenditures	11,627	203		11,830
Total assets	$441,613	$180,052		$621,665

12. SUBSEQUENT EVENT

On January 20, 2004, Heritage Propane Partners, L.P. (the Partnership) and Energy Transfer announced that affiliates of Energy Transfer purchased U.S. Propane, L.P., the general partner of the Partnership. In addition, the Partnership closed the merger agreement to combine with Energy Transfer and affiliates in a transaction valued at approximately $1 billion, which created a diversified master limited partnership by adding natural gas midstream operations to the Partnership's existing retail propane operations. Energy Transfer contributed substantially all of its assets, other than cash and receivables, to the Partnership in exchange for approximately $300 million in cash, repayment of outstanding indebtedness, and a combination of the Partnership's Common Units, Class D Units and Special Units. The Partnership also acquired the stock of Heritage Holdings, Inc., which owned approximately 4.4 million of the Partnership's Common Units for $100 million.

Energy Transfer Company restated and amended its term note agreement on January 19, 2004. The original loan amount of $246 million was paid off and a new term note was issued for $325 million. The new term note is secured by substantially all of Energy Transfer Company's assets and bears interest at a LIBOR based rate. Final maturity is on January 18, 2008.

EXHIBIT 99.2

ENERGY TRANSFER PARTNERS, L.P.
(FORMERLY HERITAGE PROPANE PARTNERS, L.P.)

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

INTRODUCTION

The pro forma financial statements are based upon the combined historical financial position and results of operations of Heritage Propane Partners, L.P. ("Heritage") and La Grange Acquisition, L.P., which conducts business under the name Energy Transfer Company ("Energy Transfer"). The pro forma financial statements give effect to the following transactions:

- On January 20, 2004, Heritage and La Grange Energy closed a merger agreement pursuant to which La Grange Energy contributed its subsidiary Energy Transfer to Heritage in exchange for cash of $300,000, less the amount of Energy Transfer debt in excess of $151,500, which was repaid as part of the transaction, and less Energy Transfer's accounts payable and other specified liabilities plus any agreed upon capital expenditures paid by La Grange Energy relating to the Energy Transfer business prior to closing, and $433,909 of Common Units and Class D Units of Heritage. In conjunction with the Energy Transfer Transaction, Energy Transfer distributed its cash and accounts receivables to La Grange Energy and an affiliate of La Grange Energy contributed an office building to Energy Transfer, in each case prior to the contribution of Energy Transfer to Heritage. Also, in connection with this acquisition, Heritage completed an offering of 9,200,000 Common Units at a price of $38.69, including an over-allotment option exercised by the underwriters of the offering. Simultaneously with this acquisition, La Grange Energy obtained control of Heritage by acquiring all of the interest in U.S. Propane, L.P., the general partner of Heritage, and U.S. Propane, L.L.C., the general partner of U.S. Propane L.P., from subsidiaries of AGL Resources, Inc., Atmos Energy Corporation, TECO Energy, Inc. and Piedmont Natural Gas Company, Inc. (the "Utilities"). Heritage also acquired all of the common stock of Heritage Holdings, Inc. ("Heritage Holdings") from the Utilities. The transactions described in this paragraph are collectively referred to as the "Energy Transfer Transaction."

The following pro forma combined financial statements include the following:

- the unaudited pro forma balance sheet of Heritage, which gives pro forma effect to the Energy Transfer Transaction as if such transaction occurred on November 30, 2003; and

- the unaudited pro forma statement of operations of Heritage, which adjusts the statement of operations of Energy Transfer described below to give pro forma effect to the Energy Transfer Transaction as if such transaction occurred on September 1, 2003.

SUMMARY OF ENERGY TRANSFER TRANSACTION AND RELATED PRO FORMA FINANCIAL STATEMENTS

The following unaudited pro forma combined financial statements present (i) unaudited pro forma balance sheet data at November 30, 2003, giving effect to the Energy Transfer Transaction as if such transaction had been consummated on that date and (ii) unaudited pro forma operating data for the three months ended November 30, 2003, giving effect to the Energy Transfer Transaction as if such transaction had been consummated on September 1, 2003. The unaudited pro forma combined balance sheet data combines the November 30, 2003 balance sheets of Energy Transfer, Heritage, and Heritage Holdings after giving effect to pro forma adjustments. The unaudited pro forma combined statement of operations for the three months ended November 30, 2003, combines the results of operations for Energy Transfer, Heritage and Heritage Holdings for the three months ended November 30, 2003, after giving effect to pro forma adjustments.

The Energy Transfer Transaction will be accounted for as a reverse acquisition in accordance with Statement of Financial Accounting Standard No. 141. Although Heritage is the surviving parent entity for legal purposes, Energy Transfer will be the acquiror for accounting purposes. The assets and liabilities of Heritage will be reflected at fair value to the extent acquired by Energy Transfer in accordance with EITF 90-13. The assets and liabilities of Energy Transfer will be reflected at historical cost. A final determination of the purchase accounting adjustments, including the allocation of the purchase price to the assets acquired and liabilities assumed based on their respective fair values, has not been made. Accordingly, the purchase accounting adjustments made in connection with the development of the following summary pro forma combined financial statements are preliminary and have been made solely for purposes of developing such pro forma combined financial statements. However, management does not believe that final adjustments will be materially different from the amounts presented herein.

The following unaudited pro forma combined financial statements are provided for informational purposes only and should be read in conjunction with the separate audited combined financial statements of Energy Transfer (which are filed with Heritage's Current Report on Form 8-K dated November 7, 2003 and filed with the Securities and Exchange Commission on December 17, 2003) and the consolidated financial statements of Heritage (which are filed with Heritage's Annual Report filed on Form 10-K with the Securities and Exchange Commission on November 26, 2003) and the separate unaudited combined financial statements of Energy Transfer for the three months ended November 30, 2003 (which are included elsewhere in this Current Report on Form 8-K) and the unaudited consolidated financial statements of Heritage for the three months ended November 30, 2003 (which are filed with Heritage's Quarterly Report on Form 10-Q with the Securities and Exchange Commission on January 14, 2004). The following unaudited pro forma combined financial statements are based on certain assumptions and do not purport to be indicative of the results which actually would have been achieved if the Energy Transfer Transaction had been consummated on the dates indicated or which may be achieved in the future.

ENERGY TRANSFER PARTNERS, L.P.
(FORMERLY HERITAGE PROPANE PARTNERS, L.P.)

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
NOVEMBER 30, 2003

ENERGY HERITAGE PRO FORMA PRO FORMA TRANSFER HERITAGE HOLDINGS ADJUSTMENTS COMBINED --- -------- --- -------- --- -------- --- -------- --- -------- (IN THOUSANDS) ASSETS CURRENT ASSETS: Cash and cash equivalents $ 23,960 $ 7,820 $ 12 $ (23,960) (a) $ 121,316 320,765 (b) 336,352 (c) (370,968) (d) (1,536) (e) (100,000) (h) 15,544 (j) (85,032) (k) (1,641) (l) Marketable securities and investments -- 3,176 11 -- 3,187 Accounts receivable 141,608 52,467 -- (141,608) (a) 52,467 Inventories and exchanges 4,902 57,439 -- -- 62,341 Assets from liquids marketing -- 112 -- -- 112 Price risk management asset 789 -- -- -- 789 Prepaid expenses and other current assets 23,078 5,623 3,072 -- 31,773 ----- ------ ----- ------ ----- ------ ----- ------ ----- ------ -----

------ Total
current
assets
194,337
126,637
3,095
(52,084)
271,985
PROPERTY,
PLANT AND
EQUIPMENT,
net 400,915
435,710 --
1,500 (a)
877,547
5,000 (d)
34,422 (f)
INVESTMENT
IN
AFFILIATES
6,991 8,887
-- 2,328 (f)
18,206 NOTE
RECEIVABLE -
- -- 11,539
(11,539) (g)
--
INVESTMENT
IN HERITAGE
-- --
164,773
(164,773)
(h) --
GOODWILL,
net 13,409
157,185 --
160,820 (f)
275,771
(55,643) (m)
INTANGIBLES
AND OTHER
ASSETS, net
6,013 52,717
-- 4,235 (b)
87,952
14,621 (f)
10,366 (f) -
---------- -
---------- -
---------- -
---------- -

Total assets
$ 621,665 $
781,136 $
179,407 $
(50,747) $
1,531,461
===========
===========
===========
===========
===========
LIABILITIES
AND
PARTNERS'
CAPITAL
CURRENT
LIABILITIES:
Working
capital
facility $ -
- $ 60,448 $
-- $ -- $
60,448
Accounts
payable
130,106
55,648 --
(130,106)
(d) 55,648

Accrued and other current liabilities 17,362 37,684 -- (17,362) (d) 37,684
Payable to associated companies, net -- 6,829 1,478 -- 8,307
Current maturities of long-term debt 30,000 42,544 -- (30,000) (d) 42,544
----------- ----------- ----------- ----------- -----------
Total current liabilities 177,468 203,153 1,478 (177,468) 204,631
LONG-TERM DEBT, less current maturities 188,500 364,161 -- 325,000 (b) 689,161 (188,500) (d)
MINORITY INTERESTS AND OTHER -- 3,998 -- (3,219) (i) 779
DEFERRED INCOME TAXES 55,770 -- 101,204 -- 156,974
OTHER NON-CURRENT LIABILITIES 3,663 -- -- -- (d) 3,663
----------- ----------- ----------- ----------- -----------
425,401 571,312 102,682 (44,187) 1,055,208
----------- ----------- ----------- ----------- -----------
PARTNERS' CAPITAL:
General partner's capital 224 2,062 -- 4,451 (f) 15,931 3,219 (i) 16,850

(j) (9,729)
(k) (33) (l)
(1,113) (m)
Limited
partners'
capital,
27,922
issued
196,558
207,980 --
(164,068)
(a) 459,375
and
outstanding
336,352 (c)
(1,536) (e)
172,325 (f)
(1,031) (j)
166,515 (k)
(409,148)
(k) (1,270)
(l) (43,084)
(m) (218)
(n) Common
stock -- --
5 (5) (h) --
Additional
paid-in
capital -- -
- 96,446
(11,539) (g)
-- (84,907)
(h) Retained
earnings --
-- (19,674)
19,674 (h) -
- Class C
limited
partners
capital,
1,000
authorized,
issued and
outstanding
-- -- -- --
-- Class D
limited
partners'
capital,
7,722
authorized,
issued and
outstanding
-- -- --
45,781 (f)
201,052
(275) (j)
267,395 (k)
(100,065)
(k) (338)
(l) (11,446)
(m) Treasury
units --
class E
units, 4,427
authorized,
issued and
outstanding
-- -- --
(199,587)
(h)
(199,587)
Other
comprehensive
income
(loss) (518)
(218) (52)
52 (h) (518)
218 (n) ----
------- ----
------- ----

------- ----
------- ----

Total
partners'
capital
196,264
209,824
76,725
(6,560)
476,253 ----
------- ----
------- ----
------- ----
------- ----

Total
liabilities
and
partners'
capital $
621,665 $
781,136 $
179,407 $
(50,747) $
1,531,461
===========
===========
===========
===========
===========

See accompanying notes.

ENERGY TRANSFER PARTNERS, L.P.
(FORMERLY HERITAGE PROPANE PARTNERS, L.P.)

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
THREE MONTHS ENDED NOVEMBER 30, 2003

ENERGY
HERITAGE PRO
FORMA PRO
FORMA
TRANSFER
HERITAGE
HOLDINGS
ADJUSTMENTS
COMBINED ----
---- --------
-------- ----
------- -----
---- (IN
THOUSANDS,
EXCEPT PER
UNIT AMOUNTS)
REVENUES
$414,986
$123,726 $ --
$ -- $538,712
COSTS AND
EXPENSES:
Cost of
products sold
379,516
66,370 -- --
445,886
Operating
expenses
5,440 38,042
380 -- 43,862
Depreciation
and
amortization
4,147 9,415 -
- 287 (o)
14,118 244
(p) 25 (q)
Selling,
general and
administrative
4,879 3,190 -
- (23) (q)
8,046 -------
------- -----
-- ------- --
------ Total
costs and
expenses
393,982
117,017 380
533 511,912 -
------ ------
- ------- ---
---- --------
OPERATING
INCOME (LOSS)
21,004 6,709
(380) (533)
26,800 OTHER
INCOME
(EXPENSE):
Interest
income
(expense)
(3,752)
(8,166) --
156 (r)
(11,762)
Equity in
earnings
(losses) of

affiliates
147 219 (536)
536 (s) 366
Gain (loss)
on disposal
of assets (3)
173 -- (61)
(t) 109 Other
7 (46) 48
(173) (u)
(164) -------
------- -----
-- ------- --
------ INCOME
(LOSS) BEFORE
MINORITY
INTERESTS AND
INCOME TAXES
17,403
(1,111) (868)
(75) 15,349
MINORITY
INTERESTS --
135 -- 13 (v)
148 ------- -
------ ------
- ------- ---
----- INCOME
(LOSS) BEFORE
INCOME TAXES
17,403
(1,246) (868)
(88) 15,201
INCOME TAXES
1,709 50
(339) --
1,420 -------
------- -----
-- ------- --
------ NET
INCOME
$15,694
$(1,296) $
(529) $ (88)
13,781
=======
=======
=======
=======
========
GENERAL
PARTNER'S
INTEREST IN
NET INCOME
276 LIMITED
PARTNERS'
INTEREST IN
NET INCOME $
13,505
========
BASIC AND
DILUTED NET
INCOME PER
LIMITED $
0.38 ========
PARTNER UNIT
BASIC AND
DILUTED
WEIGHTED
AVERAGE
NUMBER OF
UNITS
OUTSTANDING
35,130
========

See accompanying notes.

ENERGY TRANSFER PARTNERS, L.P
(FORMERLY HERITAGE PROPANE PARTNERS, L.P.)

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS
(DOLLARS IN THOUSANDS, EXCEPT PER UNIT AMOUNTS)

1. BASIS OF PRESENTATION AND OTHER TRANSACTIONS

The unaudited pro forma combined financial statements do not give any effect to any restructuring cost, potential cost savings, or other operating efficiencies that are expected to result from the Energy Transfer Transaction. The unaudited pro forma combined financial statements are based on certain assumptions and do not purport to be indicative of the results which actually would have been achieved if the Energy Transfer Transaction had been consummated on the dates indicated or which may be achieved in the future. The purchase accounting adjustments made in connection with the development of the unaudited pro forma combined financial statements are preliminary and have been made solely for purposes of presenting such pro forma financial information.

It has been assumed that for purposes of the unaudited pro forma combined balance sheet, the following transactions occurred on November 30, 2003, and for purposes of the unaudited pro forma combined statement of operations, the following transactions occurred on September 1, 2003. The unaudited pro forma combined balance sheet data combines the November 30, 2003 balance sheets of Energy Transfer, Heritage and Heritage Holdings, after giving effect to pro forma adjustments. The unaudited pro forma combined statement of operations for the three months ended November 30, 2003, combines the results of operations for the three months ended November 30, 2003 of Energy Transfer, Heritage and Heritage Holdings, after giving effect to pro forma adjustments.

On January 20, 2004, Heritage and La Grange Energy closed a merger agreement pursuant to which La Grange Energy contributed its subsidiary Energy Transfer to Heritage in exchange for cash of $300,000, less the amount of Energy Transfer debt in excess of $151,500, which was repaid as part of the transaction, and less Energy Transfer's accounts payable and other specified liabilities plus any agreed upon capital expenditures paid by La Grange Energy relating to the Energy Transfer business prior to closing, and $433,909 of Common Units and Class D Units of Heritage. For purposes of these unaudited pro forma combined financial statements, agreed upon capital expenditures of $5,000 have been assumed and the units are valued at $35.74, the average closing price of Heritage's common units on the New York Stock Exchange for the period three days before and three days after the signing of the definitive agreement on November 6, 2003. In conjunction with the Energy Transfer Transaction, Energy Transfer distributed its cash and accounts receivables to La Grange Energy and an affiliate of La Grange Energy contributed an office building to Energy Transfer, in each case prior to the contribution of Energy Transfer to Heritage. La Grange Energy also received 3,742,515 Special Units as contingent consideration for completing the Bossier Pipeline. If the Bossier Pipeline does not become commercially operational by December 1, 2004 and, as a result, XTO Energy, Inc. exercises rights to acquire the Bossier Pipeline pursuant to its transportation contract, the Special Units will no longer be considered outstanding and will not be entitled to any rights afforded any other of our units. The Special Units will convert to Common Units upon the Bossier Pipeline becoming commercially operational and such conversion being approved by Heritage's unitholders. In accordance with Statement of Financial Accounting Standards (SFAS) No. 141, the Special Units have not been recorded in the following pro forma balance sheet.

Simultaneously with this acquisition, La Grange Energy obtained control of Heritage by acquiring all of the interest in U.S. Propane, L.P., the general partner of Heritage, and U.S. Propane, L.L.C., the general partner of U.S. Propane L.P., from the Utilities for $30,000. U.S. Propane, L.P. contributed its 1.0101% general partner interest in Heritage Operating, L.P. ("Heritage Operating") to Heritage in exchange for an additional 1% general partner interest in Heritage. Heritage also bought the outstanding stock of Heritage Holdings for $100,000.

Concurrent with the Energy Transfer Transaction, Energy Transfer borrowed $325,000 from financial institutions, and Heritage raised $355,948 of gross proceeds through the sale of 9,200,000 Common Units at an offering price of $38.69 per unit. The total of the proceeds were used to finance the transaction and for general partnership purposes.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

The Energy Transfer Transaction will be accounted for as a reverse acquisition in accordance with SFAS No. 141. Although Heritage is the surviving parent entity for legal purposes, Energy Transfer will be the acquiror for accounting purposes. The assets and liabilities of Heritage will be reflected at fair value to the extent acquired by Energy Transfer, which will be approximately 35.4%, determined in accordance with EITF 90-13. The assets and liabilities of Energy Transfer will be reflected at historical cost. The acquisition of Heritage Holdings by Heritage will be accounted for as a capital transaction as the primary asset held by Heritage Holdings is 4,426,916 Common Units of Heritage. Following the acquisition of Heritage Holdings by Heritage, these Common Units were converted to Class E Units. The Class E Units are recorded as treasury units in the unaudited pro forma combined balance sheet.

If the Bossier Pipeline extension contingency described above occurs and the Special Units convert to Common Units, the Common Units will be valued at $35.74 per unit for total consideration of approximately $134 million. The Bossier Pipeline will be recorded at its historical cost. The issuance of the additional Common Units upon the conversion of the Special Units will adjust the percent of Heritage acquired in the Energy Transfer Transaction and will result in an additional step-up being recorded in accordance with EITF 90-13. If the Special Units were converted to Common Units in the pro forma balance sheet, Energy Transfer would have acquired approximately 41.5% of Heritage and recorded approximately $38 million as an additional step-up in the assets and liabilities of Heritage.

The historical financial statements of Energy Transfer will become the historical financial statements of the registrant. The results of operations of Heritage will be included with the results of Energy Transfer after completion of the Energy Transfer Transaction.

The excess purchase price over predecessor cost was determined as follows:

Net book value of Heritage at November 30, 2003	$ 209,824
Historical goodwill at November 30, 2003	(157,185)
Equity investment from public offering	355,948
Treasury class E unit purchase	(199,587)
	209,000
Percent of Heritage acquired by La Grange Energy	35.4%
Equity interest acquired	$ 73,986
Fair market value of limited partner units	$ 651,331
Purchase price of general partner interest	30,000
Equity investment from public offering	355,948
Treasury class E unit purchase	(199,587)
	837,692
Percent of Heritage acquired by La Grange Energy	35.4%
Fair value of equity acquired	296,543
Net book value of equity acquired	73,986
Excess purchase price over predecessor cost	$ 222,557

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

For purposes of the pro forma balance sheet, the excess of purchase price over predecessor costs have been allocated using the acquisition methodology used by Heritage when evaluating potential acquisitions. An appraisal will be obtained to record the final asset valuations. Management of Heritage is in the process of engaging an appraisal firm to perform the asset appraisal, however, management does not anticipate that the final valuation will be materially different than the preliminary allocation. The preliminary allocation used in the pro forma balance sheet is as follows:

Property, plant and equipment (30 year life)	$ 34,422
Investment in affiliate	2,328
Customer lists (15 year life)	14,621
Trademarks	10,366
Goodwill	160,820
	$222,557

For purposes of the pro forma statement of operations, pro forma basic and diluted earnings per limited partner unit is calculated as follows:

Limited partners' interest in pro forma net income	$ 13,505
Historical weighted average limited partner units	18,020
Conversion of phantom units to common units upon change in control	196
Units issued in the offering	9,200
Common units and class D units issued in conjunction with the Energy Transfer Transaction	12,141
Common units converted to class E units and recorded as treasury units	(4,427)
Basic and diluted weighted average limited partner units	35,130
Basic and diluted pro forma net income per limited partner Unit	$ 0.38

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

2. PRO FORMA ADJUSTMENTS

(a) Reflects the distribution of cash and accounts receivable of Energy Transfer to La Grange Energy and the contribution of an office building owned by an affiliate of La Grange Energy to Energy Transfer.

(b) Reflects borrowing of $325,000 under the new Energy Transfer credit facility, net of loan origination fees of $4,235. The borrowing is assumed to have an average interest rate of 4.1%.

(c) Reflects the net proceeds received from offering 9,200,000 Common Units of Heritage to the public at an offering price of $38.69 per unit, net of underwriting discount of approximately $19,596.

(d) Reflects the repayment of Energy Transfer's existing debt, accounts payable and other specified liabilities of Energy Transfer that were outstanding immediately prior to the Energy Transfer Transaction and the reimbursement of certain capital expenditures.

(e) Reflects cash used to pay offering costs of $1,536, allocated to the limited partners' capital accounts.

(f) Reflects the allocation of the excess purchase price over predecessor costs to property, plant and equipment of $34,422, investment in affiliate of $2,328, customer lists of $14,621, trademarks of $10,366 and goodwill of $160,820, and the allocation to partners' capital based on their ownership percentages.

(g) Reflects the elimination of a note receivable held by Heritage Holdings that is to be distributed to the Utilities that own U.S. Propane, L.P.

(h) Represents cash paid of $100,000 for all of the common stock of Heritage Holdings and the assumption of liabilities of Heritage Holdings of $102,682. The purchase price is allocated as follows:

Cash paid to the Utilities	$ 100,000
Assumption of liabilities	102,682
	$ 202,682
Allocated to assets as follows:	
Current assets	$ 3,095
Investment in Heritage	199,587
	$ 202,682

The investment in Heritage is recorded as Treasury Units in the unaudited pro forma combined balance sheet as Heritage Holdings becomes a wholly-owned subsidiary of Heritage as part of the Energy Transfer Transaction.

(i) Reflects the contribution of U.S. Propane, L.P.'s 1.0101% general partner interest in Heritage Operating to Heritage for an additional 1% general partner interest in Heritage.

(j) Reflects the contribution from U.S. Propane, L.P. to Heritage of cash of $15,544 and an interest in Energy Transfer of $1,306 in connection with the offering and the Energy Transfer Transaction in order to maintain its 2% general partner interest in Heritage.

(k) Reflects the payment of cash to La Grange Energy of $85,032 and the issuance to La Grange Energy of 4,659,057 Common Units, and 7,481,662 Class D Units of Heritage. Also reflects the allocation of such amounts to partners' capital based on their ownership percentages.

Cash paid to La Grange Energy for Energy Transfer	$ 85,032
Issuance of 4,659,057 Common Units of Heritage	166,515
Issuance of 7,481,662 Class D Units of Heritage	267,395

$	518,942
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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

(l) Reflects the payment of compensation to the executive officers of Heritage under the change of control provisions contained in the executive officers' employment agreements, allocated to partners' capital based on their ownership percentages.

(m) Reflects elimination of goodwill of Heritage to the extent Heritage was acquired by Energy Transfer, and the allocation of such amount to partners' capital based on their ownership interests.

(n) Reflects the elimination of accumulated other comprehensive income (loss).

(o) Reflects the additional depreciation related to the step-up of net book value of property, plant and equipment having 30-year lives.

(p) Reflects the additional amortization related to the step-up of net book value of customer lists having lives of 15 years. Trademarks and goodwill are indefinite-lived assets subject to annual tests for impairment.

(q) Reflects the effect on depreciation of the contribution of the Dallas office building from an affiliate of La Grange Energy to Energy Transfer and the reversal of rent previously paid.

(r) Reflects the allocation of additional interest expense of $3,596 related to the $325,000 of borrowings under the term loan at an assumed average interest rate of 4.1%, and amortization of loan origination fees of $264. This additional expense is offset by the elimination of $3,809 of interest on the repayment of the Energy Transfer debt of $218,500. A 1/8% change in the interest rate on the $325,000 of borrowings under the term loan would change interest expense by approximately $102.

(s) Reflects elimination of Heritage Holding's equity in earnings of Heritage.

(t) Reflects the elimination of the gain on sale of assets as the assets are recorded at fair market value.

(u) Reflects elimination of interest income from the note receivable of $11,539, which was retained by the Utilities. The note receivable had an interest rate of 6%.

(v) Reflects the elimination of minority interest expense for the 1.0101% general partner's interest in Heritage Operating contributed to Heritage for an additional 1% general partner interest in Heritage.