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 EARLIEST EVENT REPORTED: JANUARY 2, 2003

DATE OF REPORT: MARCH 18, 2003

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

Delaware	1-11727	73-1493906
(State or other jurisdiction of incorporation or organization)	(Commission file number)	(I.R.S. Employer Identification No.)

8801 South Yale Avenue, Suite 310, Tulsa, Oklahoma 74137
(Address of principal executive offices and zip code)

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

This Form 8-K/A amends the Form 8-K of Heritage Propane Partners, L.P. dated January 2, 2003 and filed with the Securities and Exchange Commission on January 6, 2003, that reported under Item 2 the acquisition of the propane distribution assets of V-1 Oil Co. This amendment is filed to provide the financial statements and the pro forma financial information required by Item 7.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of businesses acquired.

The combined balance sheets of V-1 Oil Co. and V-1 Gas Co. as of December 31, 2001 and 2000, and the related combined statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2001 and related notes and for the nine months ended September 30, 2002 (unaudited) and 2001 (unaudited), together with the report of independent certified public accountants are filed as Exhibit 99.1 to this Current Report.

(b) Pro forma Financial Information. The unaudited pro forma combined financial statements of Heritage Propane Partners, L.P. and V-1 Oil Co. as of November 30, 2002, for the three months ended November 30, 2002 and the year ended August 31, 2002 are filed as Exhibit 99.2 to this Current Report.

(c) Exhibits.

The following Exhibits are filed herewith:

Exhibit 23.1 - Consent of Grant Thornton LLP.

Exhibit 99.1 - The combined balance sheets of V-1 Oil Co. and V-1 Gas Co. as of December 31, 2001 and 2000, and the related combined statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2001 and related notes and for the nine months ended September 30, 2002 (unaudited) and 2001 (unaudited).

Exhibit 99.2 - The unaudited pro forma combined financial statements of Heritage Propane Partners, L.P. and V-1 Oil Co. as of November 30, 2002, for the three months ended November 30, 2002 and the year ended August 31, 2002 and related notes.

SIGNATURES

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.

DATED: March 18, 2003.

HERITAGE PROPANE PARTNERS, L.P.

By: U.S. Propane, L.P.
(General Partner)
By: U.S. Propane, L.L.C.
(General Partner)
By: s/ Michael L. Greenwood

Michael L. Greenwood
Vice President and Chief Financial Officer

INDEX TO EXHIBITS

The exhibits listed on the following Exhibit Index are filed as part of this Report. Exhibits required by Item 601 of Regulation S-K, but which are not listed below, are not applicable.

Exhibit Number	Description
23.1	Consent of Grant Thornton LLP
99.1	The combined balance sheets of V-1 Oil Co. and V-1 Gas Co. as of December 31, 2001 and 2000, and the related combined statements of operations, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2001, and related notes and for the nine months ended September 20, 2002 (unaudited) and 2001 (unaudited).
99.2	The unaudited pro forma combined financial statements of Heritage Propane Partners, L.P. and V-1 Oil Co. as of November 30, 2002, for the three months ended November 30, 2002 and the year ended August 31, 2002 and related notes.

EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated February 7, 2003, accompanying the combined financial statements of V-1 Oil Co. and V-1 Gas Co. as of December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, included in this Current Report of Heritage Propane Partners, L.P. on Form 8-K/A. We hereby consent to the incorporation by reference of said report in the Registration Statements of Heritage Propane Partners, L.P. on Form S-4 (File No. 333-40407) and on Form S-3 (File No. 333-86057).

GRANT THORNTON LLP

Tulsa, Oklahoma
March 17, 2003

.
.
.
EXHIBIT 99.1

V-1 OIL CO. AND V-1 GAS CO.

Index to financial statements

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Boards of Directors and Stockholders
V-1 Oil Co. and V-1 Gas Co.

We have audited the accompanying combined balance sheets of V-1 Oil Co. (an Idaho corporation) and V-1 Gas Co. (an Idaho corporation), as of December 31, 2001 and 2000, and the related combined statements of operations, stockholders' equity and comprehensive income and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of V-1 Oil Co. and V-1 Gas Co., as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

GRANT THORNTON LLP

Tulsa, Oklahoma
February 7, 2003

V-1 OIL CO. AND V-1 GAS CO.

Combined balance sheets
(in thousands)

	September 30, 2002 (unaudited)	December 31, 2001	December 31, 2000
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 6,687	$ 4,619	$ 6,212
Marketable securities	5,937	7,356	7,729
Accounts receivable, net	2,301	3,656	5,009
Inventories, net	1,736	1,628	2,138
Prepaids and other assets	279	154	125
Total current assets	16,940	17,413	21,213
MARKETABLE SECURITIES	1,647	1,678	1,986
PROPERTY, PLANT AND EQUIPMENT, net	10,448	10,711	10,262
OTHER ASSETS	1,113	1,113	1,113
Total assets	$ 30,148	$ 30,915	$ 34,574
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$ 1,103	$ 1,954	$ 2,925
Accrued and other current liabilities	1,897	1,852	2,963
Total current liabilities	3,000	3,806	5,888
ENVIRONMENTAL REMEDIATION LIABILITY	404	504	604
OTHER LONG-TERM LIABILITIES	446	576	240
COMMITMENTS AND CONTINGENCIES			
STOCKHOLDERS' EQUITY:			
Common stock	1	171	89
Stockholder note receivable	--	(1,170)	(1,088)
Retained earnings	26,398	26,011	27,446
Accumulated other comprehensive income (loss)	(101)	1,017	1,395
Total stockholders' equity	26,298	26,029	27,842
Total liabilities and stockholders' equity	$ 30,148	$ 30,915	$ 34,574

The accompanying notes are an integral part of these combined financial statements.

V-1 OIL CO. AND V-1 GAS CO.

Combined statements of operations
(in thousands)

	For the Nine Months Ended September 30,		For the Years Ended December 31,		
	2002	2001	2001	2000	1999
	(unaudited)	(unaudited)			
REVENUES:					
Retail propane	$ 19,734	$ 24,429	$ 32,208	$ 28,408	$ 20,833
Wholesale propane	596	756	953	1,445	1,833
Retail gasoline	4,771	8,410	10,484	13,522	10,212
Other	2,970	2,883	4,087	4,184	4,480
Total revenues	28,071	36,478	47,732	47,559	37,358
COSTS AND EXPENSES:					
Cost of products sold	15,339	25,276	31,785	33,768	23,050
Operating expenses	7,157	6,548	8,574	8,429	7,785
Depreciation	914	1,002	1,249	1,134	981
Selling, general and administrative	2,177	2,091	3,569	3,036	2,799
Total costs and expenses	25,587	34,917	45,177	46,367	34,615
OPERATING INCOME	2,484	1,561	2,555	1,192	2,743
OTHER INCOME:					
Interest and investment income	368	568	811	1,308	1,299
Gain on disposal of assets	641	5	11	998	47
Gain on redemption of marketable securities	5	16	16	12	1
Other	107	55	101	58	61
NET INCOME	$ 3,605	$ 2,205	$ 3,494	$ 3,568	$ 4,151

The accompanying notes are an integral part of these combined financial statements.

V-1 OIL CO. AND V-1 GAS CO.

Combined statements of stockholders' equity and comprehensive income
(in thousands)

	V-1 Oil Co.				
	Shares of Common Stock	Common Stock	Retained Earnings	Stockholder Note Receivabl	Accumulated Other Comprehensive Income(Loss)
Balance, January 1, 1999	54	$ --	$ 22,152	$ --	$ 2,178
Comprehensive income:					
Net income	--	--	3,986	--	--
Change in value of available-for-sale securities	--	--	--	--	(271)
Advance on stockholder note receivable	--	--	--	(250)	--
Interest on stockholder note receivable	--	18	--	(18)	--
Distributions	--	--	(982)	--	--
Balance, December 31, 1999	54	18	25,156	(268)	1,907
Comprehensive income:					
Net income	--	--	3,378	--	--
Change in value of available-for-sale securities	--	--	--	--	(512)
Advance on stockholder note receivable	--	--	--	(750)	--
Interest on stockholder note receivable	--	70	--	(70)	--
Distributions	--	--	(2,288)	--	--
Balance, December 31, 2000	54	88	26,246	(1,088)	1,395
Comprehensive income:					
Net income	--	--	3,305	--	--
Change in value of available-for-sale securities	--	--	--	--	(378)
Interest on stockholder note receivable	--	82	--	(82)	--
Distributions	--	--	(4,804)	--	--
Balance, December 31, 2001	54	170	24,747	(1,170)	1,017
Comprehensive income:					
Net income (unaudited)	--	--	3,454	--	--
Change in value of available-for-sale securities (unaudited)	--	--	--	--	(1,118)
Interest on stockholder note receivable (unaudited)	--	13	--	(13)	--
Redemption of shares for cancellation of stockholder note (unaudited)	(1)	(183)	(1,000)	1,183	--
Distributions (unaudited)	--	--	(2,068)	--	--
Balance, September 30, 2002 (unaudited)	53	$ --	$ 25,133	$ --	$ (101)

	V-1 Gas Co.			
	Shares of Common Stock	Common Stock	Retained Earnings	Combined
Balance, January 1, 1999	5	$ 1	$ 845	$ 25,176
Comprehensive income:				
Net income	--	--	165	4,151
Change in value of available-for-sale securities	--	--	--	(271)
Total Comprehensive Income				3,880
Advance on stockholder note receivable	--	--	--	(250)
Interest on stockholder note receivable	--	--	--	--
Distributions	--	--	--	(982)
Balance, December 31, 1999	5	1	1,010	27,824
Comprehensive income:				
Net income	--	--	190	3,568
Change in value of available-for-sale securities	--	--	--	(512)
Total Comprehensive Income				3,056
Advance on stockholder note receivable	--	--	--	(750)
Interest on stockholder note receivable	--	--	--	--
Distributions	--	--	--	(2,288)
Balance, December 31, 2000	5	1	1,200	27,842
Comprehensive income:				
Net income	--	--	189	3,494
Change in value of available-for-sale securities	--	--	--	(378)

Total Comprehensive Income				3,116
Interest on stockholder note receivable	--	--	--	--
Distributions	--	--	(125)	(4,929)
Balance, December 31, 2001	5	1	1,264	26,029
Comprehensive income:				
Net income (unaudited)	--	--	151	3,605
Change in value of available-for-sale securities (unaudited)	--	--	--	(1,118)
Total Comprehensive Income (unaudited)				2,487
Interest on stockholder note receivable (unaudited)	--	--	--	--
Redemption of shares for cancellation of stockholder note (unaudited)	--	--	--	--
Distributions (unaudited)	--	--	(150)	(2,218)
Balance, September 30, 2002 (unaudited)	5	$ 1	$ 1,265	$ 26,298

The accompanying notes are an integral part of these combined financial statements.

V-1 OIL CO. AND V-1 GAS CO.

Combined statements of cash flows
(in thousands)

	For the Nine Months Ended September 30, 2002 (unaudited)	For the Nine Months Ended September 30, 2001 (unaudited)	For the Years Ended December 31, 2001	For the Years Ended December 31, 2000	For the Years Ended December 31, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net income	$ 3,605	$ 2,205	$ 3,494	$ 3,568	$ 4,151
Adjustments-					
Depreciation	914	1,002	1,249	1,134	981
Gain on disposal of assets	(641)	(5)	(11)	(998)	(47)
Provision for loss on accounts receivable	38	50	63	122	46
Gain on redemption of marketable securities	(5)	(16)	(16)	(12)	(1)
Change in assets and liabilities:					
Accounts receivable	1,317	2,281	1,290	(2,000)	(156)
Inventories	(108)	25	510	(467)	(70)
Other current assets	(125)	(56)	(29)	(8)	(1)
Accounts payable	(851)	(1,384)	(971)	155	556
Accrued and other current liabilites	45	312	(1,111)	1,226	73
Long-term liabilities	(230)	136	236	(1,744)	107
Other	--	(3)	(3)	(11)	(3)
Net cash provided by operating activities	3,959	4,547	4,701	965	5,636
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	(702)	(1,234)	(1,765)	(2,114)	(1,195)
Proceeds from sale of assets	692	72	78	1,504	259
Proceeds from redemption of marketable securities	337	322	322	525	139
Net cash used in investing activities	327	(840)	(1,365)	(85)	(797)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Distributions to stockholders	(2,218)	(4,682)	(4,929)	(2,288)	(982)
Advances on note receivable from stockholder	--	--	--	(750)	(250)
Net cash used in financing activities	(2,218)	(4,682)	(4,929)	(3,038)	(1,232)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,068	(975)	(1,593)	(2,158)	3,607
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,619	6,212	6,212	8,370	4,763
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 6,687	$ 5,237	$ 4,619	$ 6,212	$ 8,370

The accompanying notes are an integral part of these combined financial statements.

V-1 OIL CO. AND V-1 GAS CO.

Notes to combined financial statements
(Dollar amounts in thousands)
(Unaudited as to September 30, 2002 and 2001)

A - OPERATIONS AND FINANCIAL STATEMENT PRESENTATION

The accompanying combined financial statements include the accounts of V-1 Oil Co. (an Idaho corporation, "V-1 Oil") and V-1 Gas Co. (an Idaho corporation, "V-1 Gas"). These companies are collectively referred to herein as V-1 or the Company and were under common management and ownership control throughout the periods presented in these combined financial statements.

On September 30, 2002, V-1 Gas was merged into V-1 Oil. On December 9, 2002, the Company and its stockholders entered into an Agreement for Contribution of Assets in Exchange for Partnership Interests ("Exchange Agreement") with Heritage Propane Partners, L.P. and certain of its affiliates ("Heritage"), whereby Heritage would acquire the propane related assets of the Company in exchange for cash and limited partnership interests in Heritage. On January 2, 2003, the parties to the agreement completed the transactions contemplated in the Exchange Agreement (See note G).

All significant intercompany accounts and transactions have been eliminated, except for the equity accounts because no parent-subsidiary relationship existed throughout the periods presented.

The Company sells propane and propane-related products from retail outlets located in Idaho, Utah, Montana, Colorado, Washington, Oregon and Wyoming. The Company is also a wholesale propane supplier in those regions. The Company also owns and operates retail gasoline stations, which sell gasoline and convenience store items. The Company closed or sold three of its 11 gasoline stations during 2001. An additional four stations were disposed of during the nine-months ended September 30, 2002.

The accompanying unaudited combined financial statements as of September 30, 2002, and for the nine months ended September 30, 2002 and 2001, have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information, including all adjustments of a normal and recurring nature which, in the opinion of the Company's management, are necessary for the fair presentation of interim results. Not all information and notes required for complete financial statements are included. The results of operations presented are not necessarily indicative of the results for the full year.

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BALANCE SHEET DETAIL

Revenue Recognition

Sales of propane, propane appliances, parts and fittings, gasoline and other items are recognized at the later of the time of delivery of the product to the customer or the time of sale or installation. Revenue from service labor is recognized upon completion of the service, and tank rent is recognized ratably over the period it is earned.

(Dollar amounts in thousands)

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand, demand deposits, and cash equivalents. The Company considers cash equivalents to include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts Receivable

The Company grants credit to its customers for the purchase of propane and gasoline and other related products. Accounts receivable consisted of the following:

	September 30, 2002	December 31, 2001	December 31, 2000
Trade accounts receivable	$ 2,339	$ 3,721	$ 5,142
Less - allowance for doubtful accounts	38	65	133
Accounts receivable, net	$ 2,301	$ 3,656	$ 5,009

The activity in the allowance for doubtful accounts consisted of the following during the periods ended:

	September 30, 2002	September 30, 2001	December 31, 2001	December 31, 2000	December 31, 1999
Balance, beginning of the period	$ 65	$ 133	$ 133	$ 74	$ 93
Provision for loss on accounts receivable	38	50	63	122	46
Accounts receivable written-off, net of recoveries	(65)	(118)	(131)	(63)	(65)
Balance, end of period	$ 38	$ 65	$ 65	$ 133	$ 74

Inventories

Inventories are valued at the lower of cost or market. The cost of fuel inventories is determined using weighted-average cost, while the cost of appliances, parts and fittings and other items is determined by the first-in, first-out method. Inventories consisted of the following:

	September 30, 2002	December 31, 2001	December 31, 2000
Propane	$ 667	$ 572	$ 864
Gasoline	57	114	185
Appliances, parts and fittings and other	1,197	1,127	1,274
Less - reserve for excess and obsolete inventory	(185)	(185)	(185)
Inventories, net	$ 1,736	$ 1,628	$ 2,138

(Dollar amounts in thousands)

Marketable Securities

Marketable securities consist of mutual funds and federal and municipal government debt securities. The Company accounts for marketable securities in accordance with Statement of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities (SFAS 115), which requires that the securities be classified into one of three categories: held-to-maturity, available-for-sale, or trading securities. Management has determined that the Company has the ability and intent to hold its investments in government debt securities to their respective maturity dates. Accordingly, these investments are reported at amortized cost in the accompanying combined balance sheets. Realized gains or losses from the sale of securities classified as held-to-maturity are determined by the specific identification method. Mutual funds are classified as available-for-sale securities and are reported at fair value, based on quoted market values, with unrealized gains or losses being reported in other comprehensive income.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed as incurred. Components and useful lives of property, plant and equipment were as follows:

	September 30, 2002	December 31, 2001	December 31, 2000
Land	$ 447	$ 464	$ 447
Buildings and improvements (20 years)	1,759	1,861	1,850
Plant facilities and equipment (20 years)	2,184	1,891	1,764
Tanks and other equipment (20 years)	14,435	14,508	13,581
Transportation equipment (5 years)	4,128	3,889	3,596
Airplane (25 years)	-	235	235
Furniture and fixtures (5 years)	642	640	613
	23,595	23,488	22,086
Less- accumulated depreciation	13,147	12,777	11,824
Property, plant and equipment, net	$ 10,448	$ 10,711	$ 10,262

Long-lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate, in management's judgment, that the carrying amount of such assets may not be recoverable. If such a review should indicate that the carrying amount of long-lived assets is not recoverable, the Company reduces the carrying amount of such assets to fair value. No impairment of long-lived assets was recorded during the nine-months ended September 30, 2002 and 2001, or the years ended December 31, 2001, 2000 and 1999.

Other Assets

The Company owns two parcels of land in Idaho. One of these parcels is an approximately 400-acre plot of unimproved property and the other is an approximately 177-acre plot that includes a cabin and a shop building.

(Dollar amounts in thousands)

These items are not used in the operations of the Company and are recorded on the balance sheet as a long-term other asset at cost. The Company has obtained a valuation of these properties by an independent appraiser, which indicates that the market value of these assets is greater than the cost. Accordingly, no impairment of these assets has been recorded.

Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following:

	September 30, 2002	December 31, 2001	December 31, 2000
Environmental remediation liability (See note D)	$ 100	$ 100	$ 1,344
Settlement agreement payable (See note D)	62	62	-
Wages and payroll taxes	483	555	520
Deferred tank rent	805	822	800
Customer deposits	317	260	177
Taxes other than income	88	26	25
Other	42	27	97
Accrued and other current liabilities	$ 1,897	$ 1,852	$ 2,963

Environmental Remediation Liability

The Company accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Management basis its estimates on evaluations of each individual location, utilizing its past experience with similar projects, consultation with third-party remediation firms and the likely degree of the contamination. Such accruals are adjusted as further information develops or circumstances change. The actual costs the Company will incur related to the remediation of these sites may differ materially from the amounts estimated by management. Future expenditures for environmental remediation obligations are discounted to their present value if the timing of the payments is reasonably determinable.

Income Taxes

The Company has elected to be treated as a Subchapter S Corporation under the Internal Revenue Code. As such, the Company is not subject to income tax. The Company's net income or loss is reported in the stockholders' individual income tax returns.

Fair Value

The carrying amounts of accounts receivable and accounts payable approximate their fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Issued Accounting Standards

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement No. 143, Accounting for Asset Retirement Obligations (SFAS 143). SFAS 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. This statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS 143 is effective for financial statements issued for fiscal years beginning after June 15, 2002. The provisions of this statement are effective for the Company on January 1, 2003, however, management has not yet determined the impact of the adoption on the Company's combined financial position or results of operations.

In August 2001, the FASB issued Statement No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets (SFAS 144). SFAS 144 supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of (SFAS 121), and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions. SFAS 144 retains the fundamental provisions of SFAS 121 for recognition and measurement of the impairment of long-lived assets to be held and used, and measurement of long-lived assets to be disposed of by sale. SFAS 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001. The Company adopted the provisions of SFAS 144 on January 1, 2002. The adoption of SFAS 144 did not have a material impact on the Company's combined financial position or results of operations.

In April 2002, the FASB issued Statement No. 145, Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections (SFAS 145). SFAS 145 rescinds FASB Statement No. 4, Reporting Gains and Losses from Extinguishment of Debt, and an amendment of that Statement, FASB Statement No. 64, Extinguishments of Debt Made to Satisfy Sinking-Fund Requirements. SFAS 145 also rescinds FASB Statement No. 44, Accounting for Intangible Assets of Motor Carriers, amends FASB Statement No. 13, Accounting for Leases, to eliminate an inconsistency between the required accounting for sale-leaseback transactions and the required accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings, or describe their applicability under changed conditions. SFAS 145 is effective for fiscal years beginning after May 15, 2002. Management does not believe that the adoption of SFAS 145 will have a material impact on the combined financial statements of the Company.

In June 2002, the FASB issued Statement No. 146, Accounting for Costs Associated with Exit or Disposal Activities (SFAS 146). SFAS 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and requires that a liability for a cost associated with an exit or disposal activity be recognized and measured initially at fair value only when the liability is incurred. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. Management does not believe that adoption of SFAS 146 will have a material impact on the combined financial statements of the Company.

(Dollar amounts in thousands)

C - MARKETABLE SECURITIES

The cost basis and carrying value of the Company's available-for-sale and held-to-maturity securities held at September 30, 2002 and December 31, 2001 and 2000 are as follows:

	September 30, 2002				
	Cost/Amortized Cost	Fair Value	Unrealized Gains	Unrealized Losses	Net Unrealized Gain/(Loss)
Available-for-Sale Securities:					
Mutual Funds	$6,038	$5,937	$ 762	$ (863)	$ (101)
Held-to-Maturity:					
Government Securities-					
Non-Current	1,647	2,019	373	(1)	372
Total Investments	$7,685	$7,956	$1,135	$ (864)	$ 271

	December 31, 2001				
	Cost/Amortized Cost	Fair Value	Unrealized Gains	Unrealized Losses	Net Unrealized Gain/(Loss)
Available-for-Sale Securities:					
Mutual Funds	$6,038	$7,055	$1,397	$ (380)	$ 1,017
Held-to-Maturity:					
Government Securities-					
Current	301	304	3	-	3
Non-Current	1,678	1,926	260	(12)	248
Total	1,979	2,230	263	(12)	251
Total Investments	$8,017	$9,285	$1,660	$ (392)	$ 1,268

	December 31, 2000				
	Cost/Amortized Cost	Fair Value	Unrealized Gains	Unrealized Losses	Net Unrealized Gain/(Loss)
Available-for-Sale Securities:					
Mutual Funds	$6,038	$7,433	$1,606	$ (211)	$ 1,395
Held-to-Maturity:					
Government Securities-					
Current	296	307	11	-	11
Non-Current	1,986	2,246	261	(1)	260
Total	2,282	2,553	272	(1)	271
Total Investments	$8,320	$9,986	$1,878	$ (212)	$ 1,666

The net unrealized holding gains (losses) on available-for-sale securities are included in accumulated other comprehensive income.

The contractual maturity dates of marketable securities classified as held-to-maturity range from 2011 to 2025, however these securities may be called at an earlier date by the issuer. Proceeds on redemption of securities classified as held-to-maturity were $337 and $322 for the nine-month periods ended September 30, 2002 and 2001, respectively, and $322, $525 and $139 for the years ended December 31, 2001, 2000 and 1999, respectively.

Realized gains on marketable securities are recorded in the combined statements of operations and are the result of gains on the redemption of held-to-maturity securities. Realized gains on redemptions of securities classified as held-to-maturity were $5 and $16 for the nine-months ended September 30, 2002 and 2001, respectively, and, $16, $12 and $1 for the years ended December 31, 2001, 2000 and 1999, respectively.

D - ENVIRONMENTAL REMEDIATION AND OTHER COMMITMENTS AND CONTINGENCIES

Environmental Remediation

The Company has certain obligations to remove underground storage tanks from its gasoline stations and is involved in remediation and ongoing compliance activities at several sites. After removing the tanks and completing any necessary remediation of the sites, the Company must pass certain soil evaluations by the United States Environmental Protection Agency (EPA) and/or the United States Department of Environmental Quality (DEQ), as well as various state environmental agencies. The Company typically hires third party environmental specialists to perform the remediation.

The Company owns 22 sites of current or former propane and gasoline stations that management believes require remediation to some degree. The Company has accrued a liability for the estimated costs associated with the clean up of these sites, which ranges from approximately $1 to $120 per site. Future expenditures for environmental remediation obligations are not discounted to their present value as the timing of the payments is not reasonably determinable.

During the year ending December 31, 2001, the Company entered into a consent agreement with the United States of America, on behalf of the EPA and the United States Coast Guard, regarding the contamination at one of the Company's gasoline stations. In connection with the consent agreement, the Company paid $1,200 and has been released from further federal liability in connection with environmental contamination at this location, although additional remediation efforts are ongoing under the terms of an agreement with the state department of environmental quality. The Company recorded a liability for this settlement at December 31, 1998 at the present value of the future liability. The discount rate used was equal to the risk-free rate available at the time the liability was incurred with a similar maturity. This liability increased each year with a charge to interest expense until it was paid in November 2001. The estimated cost of the ongoing remediation effort is included in the environmental remediation accrual in the combined balance sheets.

Legal

The Company is a party to various legal proceedings incidental to its business. Certain claims, suits and complaints arising in the ordinary course of business have been filed or are pending against the Company. In the opinion of management, all such matters are covered by insurance, are without merit or involve amounts, which, if resolved unfavorably, would not have a significant effect on the financial position or results of operations of the Company.

During the year ended December 31, 2001, the Company settled a lawsuit brought forth by a former stockholder by agreeing to pay this stockholder $500, payable in equal monthly amounts through June 2009. Under the settlement agreement, the Company continues to be obligated to pay any amount that is outstanding at the time of a sale or merger of the Company. The Company has recorded the current portion of this settlement in accrued and other current liabilities with the remainder of the settlement recorded in other long-term liabilities.

Purchase and Supply Commitments

The Company enters into purchase and supply agreements with various parties used to supply fuel for its retail operations. These agreements are for short durations and call for the fuel to be priced at current market price upon delivery.

E - PROFIT SHARING AND 401(K) SAVINGS PLAN

The Company sponsors a defined contribution 401(k) savings plan (the "Plan"), which covers all employees subject to service period requirements. Contributions are made to the Plan at the discretion of the Board of Directors. Total expense related to the Plan during the nine-months ended September 30, 2002 and 2001, and the years ended December 31, 2001, 2000 and 1999, was approximately $130, $99, $128, $114 and $105, respectively.

F - RELATED PARTY TRANSACTIONS

During the year ended December 31, 1999, the Company loaned a stockholder $250 bearing interest of 7% due January 20, 2000. In 2000, the Company amended the loan agreement and advanced the stockholder an additional $750 also bearing interest of 7%, with the total principal of $1,000 due July 30, 2001. The notes and the related interest have been accounted for as equity transactions in the combined balance sheets. These advances were secured by a portion of the stockholder's stock in the Company. In August 2001, the parties further amended the loan agreement by setting a due date of January 15, 2002 and increasing the interest rate to 9%. This note was settled in January 2002 with the redemption of 1,452 shares of Company stock based on the value of the shares agreed to by the stockholders. The shares were cancelled upon redemption.

Certain related parties purchased from the Company an interest in a bond owned by the Company. The Company recorded the related parties' share of the bond as a long-term liability and has proportionately distributed the interest income related to this bond. The amounts recorded as a liability at September 30, 2002 and December 31, 2001 and 2000 were $86, $169, and $240, respectively. The Company distributed interest income in the amount of $8 and $13 for the nine-months ended September 30, 2002 and 2001, and $17, $33 and $36 for the years ended December 31, 2001, 2000 and 1999, respectively.

A business owned by a stockholder of the Company supplies certain gasoline quantities and hauling services. All transactions with this company are conducted at prices equivalent to those available in the market. The total amount paid to this company was $2,115, $5,137, $6,445, $6,791, and $6,127 during the nine-months ended September 30, 2002 and 2001, and the years ended December 31, 2001, 2000, and 1999, respectively.

During the nine-months ended September 30, 2002, the Company made payments totaling $540 to a business owned by an officer of the Company and recorded these payments in selling, general, and administrative expenses in the accompanying statement of operations. The officer utilized $240 of these proceeds to purchase an airplane and hanger from the Company. No gain or loss was recognized on this transaction.

G - SUBSEQUENT EVENT

On January 2, 2003, Heritage acquired the propane distribution assets of V-1 for total consideration of $32,298, before post-closing adjustments. The acquisition price was negotiated with V-1 and was payable $17,298 in cash and by the issuance of 551,456 Common Units of Heritage valued at $15,000. The exchange price for the Common Units was determined under a formula based upon the average closing price of Heritage's Common Units for the twenty consecutive trading days commencing on the tenth trading day prior to the public announcement of the transaction on December 10, 2002.

EXHIBIT 99.2

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

On January 2, 2003, Heritage Propane Partners, L.P. (Heritage), through its subsidiary Heritage Operating, L.P., acquired the propane distribution assets of V-1 Oil Co. (formerly the combined operations of V-1 Oil Co. and V-1 Gas Co., which were merged on September 30, 2002, herein referred to as V-1), for total consideration of $34,189,443, after post-closing adjustments. The acquisition price was negotiated with V-1, and was payable $19,189,443 in cash, and by the issuance of 551,456 Common Units of Heritage valued at $15,000,000. The exchange price for the Common Units was $27.20074, determined under a formula based upon the average closing price of Heritage's Common Units for the twenty (20) consecutive trading days commencing on the tenth trading day prior to the public announcement of the transaction on December 10, 2002.

The following unaudited pro forma combined financial statements present (i) unaudited pro forma balance sheet data at November 30, 2002, giving effect to the acquisition of the propane operations of V-1 as if the acquisition had been consummated on that date and (ii) unaudited pro forma combined statements of operations for the three months ended November 30, 2002 and the year ended August 31, 2002, giving effect to the acquisition as if the acquisition had been consummated on September 1, 2001. The unaudited pro forma combined balance sheet data at November 30, 2002 combines the balance sheets of Heritage as of November 30, 2002, and V-1 as of September 30, 2002, after giving effect to pro forma adjustments. The unaudited pro forma combined statements of operations for the three months ended November 30, 2002 and the year ended August 31, 2002, combines the results of operations of Heritage for the three month period ended November 30, 2002, and fiscal year ended August 31, 2002, with the results of operations for V-1 for the three month period ended September 30, 2002, and the year ended September 30, 2002, after giving effect to pro forma adjustments.

A final determination of 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 unaudited 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 consolidated financial statements of Heritage (which are filed with Heritage's Annual Report filed on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 27, 2002 and January 14, 2003, respectively, incorporated herein by reference) and the financial statements of V-1 (which are included elsewhere in this Form 8-K/A). The following unaudited pro forma combined financial statements are based on certain assumptions and do not purport to be indicative of the results that actually would have been achieved if the acquisition of V-1 had been consummated on the dates indicated or which may be achieved in the future.

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED BALANCE SHEETS

NOVEMBER 30, 2002
(IN THOUSANDS)

	Heritage Propane Partners, L.P. (Historical)	V-1 (Historical)	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 5,223	$ 6,687	$ (6,681)(a) 17,298 (d) 306 (c) (19,189)(e)	$ 3,644
Marketable securities	2,559	5,937	(5,937)(a)	2,559
Accounts receivable	57,619	2,301	-	59,920
Inventories	53,267	1,736	-	55,003
Assets from liquids marketing	813	-	-	813
Prepaid expenses and other	8,451	279	-	8,730
Total current assets	127,932	16,940	(14,203)	130,669
PROPERTY, PLANT AND EQUIPMENT, net	402,567	10,448	19,832 (b)	432,847
INVESTMENT IN AFFILIATES	8,072	-	-	8,072
MARKETABLE SECURITIES	-	1,647	(1,647)(a)	-
GOODWILL	156,258	-	-	156,258
INTANGIBLES AND OTHER ASSETS, net	56,491	1,113	(1,113)(a) 709 (b)	57,200
Total assets	$ 751,320	$ 30,148	$ 3,578	$ 785,046

=========
=========
=========
==========
LIABILITIES
AND
PARTNERS'
CAPITAL
CURRENT
LIABILITIES:
Working
capital
facility $
52,800 $ - $
- $ 52,800
Accounts
payable
56,903 1,103
(1,103)(a)
56,903
Accounts
payable to
related
companies
4,558 - -
4,558
Accrued and
other
current
liabilities
28,505 1,897
(775)(a)
29,627
Liabilities
from liquids
marketing
772 - - 772
Current
maturities
of long-term
debt 22,628
- - 22,628 -
-------- ---
------ -----
---- -------
--- Total
current
liabilities
166,166
3,000
(1,878)
167,288
LONG-TERM
DEBT, less
current
maturities
418,607 -
17,298 (d)
435,905
MINORITY
INTERESTS
3,524 - 151
(c) 3,675
ENVIRONMENTAL
REMEDIATION
ACCRUAL -
404 (404)(a)
- OTHER LONG
TERM
LIABILITIES
- 446 (446)
(a) - ------
--- --------
- ---------

Total
liabilities
588,297
3,850 14,721
606,868 ----
----- ------
--- --------
- ----------
COMMITMENTS
AND
CONTINGENCIES
PARTNERS'
CAPITAL:
Common
unitholders
165,183 -
15,000 (c)
180,183
General
partner
1,492 - 155
(c) 1,647
Common Stock

- 1 (1)(a) -
Retained
Earnings -
26,398
(26,398)(a)
-
Accumulated
other
comprehensive
loss (3,652)
(101) 101
(a) (3,652)
--------- --
------- ----
----- ------
---- Total
partners'
capital
163,023
26,298
(11,143)
178,178 ----
----- ------
--- --------
- ----------
Total
liabilities
and
partners'
capital $
751,320 $
30,148 $
3,578 $
785,046
=========
=========
=========
==========

See accompanying notes.

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
THREE MONTHS ENDED NOVEMBER 30, 2002
(IN THOUSANDS, EXCEPT PER UNIT AND UNIT DATA)

	Heritage Propane Partners, L.P. (Historical)	V-1 (Historical)	Pro Forma Adjustments	Pro Forma Combined
REVENUES:				
Retail propane	$ 84,050	$ 4,824	$ -	$ 88,874
Wholesale propane	11,348	261	-	11,609
Retail gasoline	-	1,310	(1,310) (h)	-
Liquids marketing	60,730	-	-	60,730
Other	17,355	1,250	-	18,605
Total revenues	173,483	7,645	(1,310)	179,818
COSTS AND EXPENSES:				
Cost of products sold	57,020	4,444	(1,204)(h)	60,260
Liquids marketing	60,023	-	-	60,023
Operating expenses	33,425	2,535	(92)(h)	35,868
Depreciation and amortization	9,266	295	102 (f)	9,663
Selling, general and administrative	3,192	507	-	3,699
Total costs and expenses	162,926	7,781	(1,194)	169,513
OPERATING INCOME (LOSS)	10,557	(136)	(116)	10,305
OTHER INCOME (EXPENSE):				
Interest expense	(9,297)	-		

(135)(g)
(9,432)
Interest and
investment
income - 97
(97)(j) -
Equity in
earnings of
affiliates
213 - - 213
Gain on
disposal of
assets 67 641
(641)(i) 67
Gain on
redemption of
marketable
securities -
5 (5)(j) -
Other (278)
(49) - (327)
---------- --
-------- ----
------ ------
---- INCOME
(LOSS) BEFORE
MINORITY
INTERESTS
1,262 558
(994) 826
Minority
interests
(123) - 4 (k)
(119) -------
--- ---------
- ----------

NET INCOME
(LOSS) 1,139
558 (990) 707
GENERAL
PARTNER'S
INTEREST IN
NET INCOME
(LOSS) 229 -
(4)(l) 225 --
-------- ----
------ ------
---- --------
-- LIMITED
PARTNERS'
INTEREST IN
NET INCOME
(LOSS) $ 910
$ 558 $ (986)
$ 482
==========
==========
==========
==========
BASIC NET
INCOME (LOSS)
PER LIMITED
PARTNER UNIT
$ 0.06 $ 0.03
==========
==========
BASIC AVERAGE
NUMBER OF
UNITS
OUTSTANDING
15,816,347
551,456 (c)
16,367,803
==========
==========
==========
DILUTED NET
INCOME (LOSS)
PER LIMITED
PARTNER UNIT
$ 0.06 $ 0.03
==========
==========
DILUTED
AVERAGE
NUMBER OF
UNITS
OUTSTANDING
15,848,698
551,456
16,400,154
==========
==========
==========

See accompanying notes.

HERITAGE PROPANE PARTNERS, L.P. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
YEAR ENDED AUGUST 31, 2002
(IN THOUSANDS, EXCEPT PER UNIT AND UNIT DATA)

	Heritage Propane Partners, L.P. (Historical)	V-1 (Historical)	Pro Forma Adjustments	Pro Forma Combined
REVENUES:				
Retail propane	$ 365,334	$ 27,513	$ --	$ 392,847
Wholesale propane	41,204	793	--	41,997
Retail gasoline	--	6,845	(6,845)(h)	--
Liquids marketing	159,607	--	--	159,607
Other	55,245	4,174	--	59,419
Total revenues	621,390	39,325	(6,845)	653,870
COSTS AND EXPENSES:				
Cost of products sold	238,185	21,848	(6,396)(h)	253,637
Liquids marketing	159,065	--	--	159,065
Operating expenses	133,203	9,183	(502)(h)	141,884
Depreciation and amortization	36,998	1,161	426 (f)	38,585
Selling, general and administrative	12,978	3,655	--	16,633
Total costs and expenses	580,429	35,847	(6,472)	609,804
OPERATING INCOME (LOSS)	40,961	3,478	(373)	44,066

OTHER INCOME
(EXPENSE):
Interest
expense
(37,341) --
(541)(g)
(37,882)
Interest and
investment
income -- 611
(611)(j) --
Equity in
earnings of
affiliates
1,338 -- --
1,338 Gain on
disposal of
assets 812
647 (647)(i)
812 Gain on
redemption of
marketable
securities --
5 (5)(j) --
Other (294)
153 -- (141)
---------- --
-------- ----
------ ------
---- INCOME
(LOSS) BEFORE
MINORITY
INTERESTS
5,476 4,894
(2,177) 8,193
Minority
interests
(574) -- (27)
(k) (601) ---
------- -----
----- -------
--- ---------
- NET INCOME
(LOSS) 4,902
4,894 (2,204)
7,592 GENERAL
PARTNER'S
INTEREST IN
NET INCOME
(LOSS) 918 --
27 (l) 945 --
-------- ----
------ ------
---- --------
-- LIMITED
PARTNERS'
INTEREST IN
NET INCOME
(LOSS) $
3,984 $ 4,894
$ (2,231) $
6,647
==========
==========
==========
==========
BASIC NET
INCOME (LOSS)
PER LIMITED
PARTNER UNIT
$ 0.25 $ 0.41
==========
==========
BASIC AVERAGE
NUMBER OF
UNITS
OUTSTANDING
15,738,621
551,456 (c)
16,290,077
==========
==========
==========
DILUTED NET
INCOME (LOSS)
PER LIMITED
PARTNER UNIT
$ 0.25 $ 0.41
==========
==========
DILUTED
AVERAGE
NUMBER OF
UNITS
OUTSTANDING
15,777,307
551,456
16,328,763

==========
==========
==========

See accompanying notes.

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

1. Presentation:

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 acquisition. 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 acquisition 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.

2. It has been assumed that for purposes of the unaudited pro forma combined balance sheet, the acquisition of the propane operations of V-1 occurred on November 30, 2002 and for purposes of the unaudited pro forma combined statements of operations, the acquisition occurred on September 1, 2001. The unaudited pro forma combined balance sheet data at November 30, 2002 combines balance sheets Heritage as of November 30, 2002 and V-1 as of September 30, 2002, after giving effect to pro forma adjustments. The unaudited pro forma combined statements of operations for the three months ended November 30, 2002 and the year ended August 31, 2002, combine the results of Heritage for three months ended November 30, 2002, and 12 months ended August 31, 2002, and V-1's three months ended September 30, 2002, and year ended September 30, 2002, after giving effect to pro forma adjustments.

The purchase of assets was accounted for as an acquisition using the purchase method of accounting. Heritage paid the sellers of V-1 cash consideration of $17,298 at closing, $1,891 post closing, and issued common units of $15,000 for a total aggregate purchase price of $34,189. The actual purchase price was allocated to property, plant and equipment ($29,324), customer lists ($458), trademarks ($229) and working capital ($4,178) on January 2, 2003.

3. The pro forma adjustments for the dates specified above are as follows:

a) Reflects the elimination of assets not acquired and liabilities not assumed by Heritage and the elimination of V-1's equity accounts.

b) Reflects the pro forma allocation of the step-up of property, plant and equipment to fair value and to customer lists ($473) and trademarks ($236), and the elimination of assets related to the gasoline operations of V-1 not acquired.

c) Reflects the issuance of 551,456 Common Units of Heritage, valued at $27.20074 per unit and cash contribution of $306 by U.S. Propane, L.P. to maintain its general partner interests in Heritage Propane Partners, L.P. and Heritage Operating L.P.

d) Reflects the proceeds from borrowings under Heritage's Senior Revolving Acquisition Facility at a rate of 3.13 percent.

e) Reflects cash portion of the purchase price of V-1.

f) Reflects the depreciation and amortization of the purchase price allocated to property, plant and equipment (3-30 years) and customer lists (15 years), and the elimination of depreciation on the assets related to the gasoline operations of V-1 not acquired.

g) Reflects interest expense related to borrowings under the Senior Revolving Acquisition Facility at a rate of 3.13 percent.

h) Reflects the elimination of income and expenses related to the gasoline operations of V-1 not acquired.

i) Reflects the elimination of the gain on disposal of assets.

j) Reflects the elimination of interest and investment income and gains on the redemption of marketable securities related to assets not acquired.

k) Reflects adjustment to minority interest expense for Heritage Operating, L.P.

l) Reflects the adjustment to the general partner's interest in the pro forma combined net income of Heritage.