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

FORM 8-K/A

AMENDMENT NO. 1 TO

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): November 1, 2005

CROSSTEX ENERGY, L.P.

(Exact name of registrant as specified in its charter)

DELAWARE	**000-50067**	**16-1616605**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

2501 CEDAR SPRINGS, SUITE 100 DALLAS, TEXAS	**75201**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(214) 953-9500**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

This form 8-K/A is filed as an amendment (“Amendment No. 1”) to the Current Report on Form 8-K dated November 1, 2005, filed by Crosstex Energy, L.P. with the Securities and Exchange Commission on November 3, 2005 (the “Form 8-K”). This Amendment No. 1 is being filed to include the financial information required under parts (a) and (b) of Item 9.01.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Business Acquired

Item 9.01(a) of the Form 8-K is hereby amended and restated in its entirety as follows:

The audited combined statements of revenues and direct operating expenses of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. for the years ended December 31, 2004, 2003 and 2002, together with the report of PricewaterhouseCoopers LLP with respect thereto, are included as Exhibit 99.1 to this Amendment No. 1 and are incorporated herein by reference.

(b) Pro Forma Financial Information

Item 9.01(b) of the Form 8-K is hereby amended and restated in its entirety as follows:

The unaudited pro forma financial statements of Crosstex Energy, L.P. required by this item are included as Exhibit 99.2 to this Amendment No. 1 and are incorporated herein by reference.

(d) Exhibits

EXHIBIT NUMBER		DESCRIPTION
23.1	—	Consent of PricewaterhouseCoopers LLP
99.1	—	Audited Combined Statements of Revenues and Direct Operating Expenses of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. for the years ended December 31, 2004, 2003 and 2002.
99.2	—	Unaudited Pro Forma Financial Statements of Crosstex Energy, L.P.

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.

CROSSTEX ENERGY, L.P.

By: Crosstex Energy GP, L.P., its General Partner

By: Crosstex Energy GP, LLC, its General Partner

Date: November 8, 2005

By: /s/ William W. Davis
William W. Davis
Executive Vice President and
Chief Financial Officer

EXHIBIT NUMBER		DESCRIPTION
23.1	—	Consent of PricewaterhouseCoopers LLP
99.1	—	Audited Combined Statements of Revenues and Direct Operating Expenses of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. for the years ended December 31, 2004, 2003 and 2002.
99.2	—	Unaudited Pro Forma Financial Statements of Crosstex Energy, L.P.

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-128282, 333-116538) and Form S-8 (No. 333-107025, 333-127645) of Crosstex Energy Partners, L.P. of our report dated October 26, 2005 relating to the combined statements of revenues and direct operating expenses of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. (collectively, the “Companies”), which appears in this Current Report on Form 8-K/A of Crosstex Energy Partners, L.P.

PricewaterhouseCoopers LLP

Houston, Texas
November 10, 2005

EXHIBIT 99.1

CFS LOUISIANA MIDSTREAM COMPANY
EL PASO DAUPHIN ISLAND COMPANY, L.L.C.

COMBINED STATEMENTS OF REVENUES AND DIRECT OPERATING EXPENSES

With Report of Independent Auditors

For the Years Ended December 31, 2004, 2003 and 2002

Report of Independent Auditors

To the Owners of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. (collectively, the “Companies”):

We have audited the accompanying statements of combined revenues and direct operating expenses, for each of the three years in the period ended December 31, 2004. These financial statements are the responsibility of the Companies’ management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States. 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission (for inclusion in the Current Report on Form 8-K of Crosstex Energy, L.P.) and are not intended to be a complete presentation of the Companies’ revenues and expenses.

As discussed in Note 2 to the combined financial statements, the Companies have significant transaction and relationships with affiliated entities. Because of these relationships, it is possible that the terms of these transactions are not the same as those that would have resulted from transactions with wholly unrelated entities.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined revenue and direct operating expenses, of the Companies for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

/s/ PricewaterhouseCoopers LLP

October 26, 2005

CFS LOUISIANA MIDSTREAM COMPANY
EL PASO DAUPHIN ISLAND COMPANY, L.L.C.
Combined Statements of Revenues and Direct Operating Expenses
Years Ended December 31, 2004, 2003 and 2002

(in thousands of dollars)

	2004	2003	2002
Revenues			
Sales of NGL and NGL products to affiliates	$ 301,665	$ 243,696	$ 183,962
Processing and other services			
Third parties	26,252	20,821	14,335
Affiliates	2,464	1,741	2,935
	330,381	266,258	201,232
Direct Operating Expenses			
Cost of products and services			
Third parties	179,911	155,008	146,470
Affiliates	76,250	50,089	9,078
Operations and maintenance	22,229	21,446	24,157
Taxes other than income	3,350	3,250	2,742
	281,740	229,793	182,447
Excess of revenues over direct operating expenses	$ 48,641	$ 36,465	$ 18,785

The accompanying notes are an integral part of this statement.

CFS LOUISIANA MIDSTREAM COMPANY
EL PASO DAUPHIN ISLAND COMPANY, L.L.C.
Notes to Combined Statements of Revenues and Direct Operating Expenses

Note 1 — Organization and Nature of Business

Organization

CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. are a Delaware corporation and limited liability company which are owned by subsidiaries of El Paso Corporation. We own and operate or have interests in assets which provide gas processing, fractionation, transportation and liquid storage services to our customers through an integrated system. The facilities are directly interconnected to interstate pipeline and gathering infrastructure located near gas supply sources, including the Gulf of Mexico and onshore Louisiana. The facilities receive inlet gas, extract the natural gas liquids (NGLs), fractionate the mixed blend of extracted NGLs and market the NGLs. The assets are comprised of six processing and fractionation facilities and NGL storage facilities (South Louisiana Assets).

The terms “we, “our” or “us” refer to CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. on a combined basis.

Sale to Crosstex Energy, L.P.

In August 2005, El Paso Corporation entered into an agreement to sell us to Crosstex Energy, L.P. for $500 million, subject to adjustments for working capital and other items as outlined in the purchase and sales agreement. The parties’ obligations under the agreement to sell us are subject to the satisfaction of specified conditions including, among other items, regulatory approval. This sale is expected to close in the fourth quarter of 2005.

Note 2 — Significant Accounting Policies

Basis of Presentation

The accompanying combined statements of revenues and direct operating expenses have been derived from El Paso Corporation’s historical accounting records of the combined companies and are presented to include the historical operations applicable to the South Louisiana Assets. Revenues and direct operating expenses included in the accompanying combined statements are prepared on the accrual basis of accounting. All significant intercompany accounts and transactions within the companies have been eliminated.

Revenues as set forth in the accompanying statements of revenues and direct operating expenses include revenues from sales of NGL and NGL products and revenues from processing and other services. Direct operating expenses include cost of products and services (including transportation and fractionation costs), labor, services, repairs and maintenance, supplies, utilities, rents and fuel use, property, payroll and franchise taxes.

The accompanying statements vary from an income statement in that they do not show certain expenses that were incurred in connection with El Paso Corporation and its subsidiaries' ownership of us and our operation including general and administrative expenses and income taxes. These costs were not separately allocated to us and any proforma allocation would not be a reliable estimate of what these costs would actually have been had we operated historically as stand-alone entities. In addition, these allocations, if made using historical general and administrative structures and tax burdens, would not produce allocations that would be indicative of our historical performance due to greatly different size, structure, operations and accounting of El Paso Corporation and its subsidiaries. The accompanying combined statements of revenues and direct operating expenses also do not include provisions for depreciation and amortization, as such amounts would not be indicative of those costs which are expected to be allocated to property, plant and equipment upon Crosstex Energy's purchase.

Full separate financial statements prepared in accordance with accounting principles generally accepted in the United States are not presented because the information necessary to prepare such statements is neither readily available on an individual property basis nor practicable to obtain in these circumstances. The results set forth in the statements of revenues and direct operating expenses may not be representative of future operations.

Use of Estimates

The preparation of these combined statements of revenues and direct operating expenses requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses. While we believe these estimates are appropriate, actual results can, and often do, differ from those estimates.

Revenue Recognition

Revenue from processing and other services is recognized in the period the natural gas is processed for the customer. Our processing contracts generally provide that we are compensated for our services from the retention of NGL extracted and other fee-based terms. Revenues from the sale of NGL retained from processing are recognized as sales of NGL and NGL products and recorded upon the delivery of the NGL products specified in each individual contract. Pricing terms in these sales contracts are based upon market-related prices for such products and can include pricing differentials due to factors such as differing delivery locations and markets.

Cost of Products and Services

In providing our processing services, we incur and are responsible for costs based on the type of processing contract. These costs include payments based on contracts which require us to pay the producer an amount for liquids extracted at a stated contract price and liquid fractionation costs.

Asset Retirement Obligation

At the end of the economic life of the South Louisiana Assets, certain restoration and abandonment costs will be incurred by the owner. No accretion expense for these costs is included in direct operating expenses as we cannot reasonably estimate the fair value of the retirement obligation.

Note 3 — Commitments and Contingencies

Hurricanes Katrina and Rita. Hurricanes Katrina and Rita have impacted our operations for calendar 2005. Our wholly-owned Sabine Pass Plant complex experienced damage from Hurricane Rita. Although the plant appears to be in good structural condition, the wind and water damaged several pieces of equipment, several small non-critical buildings and other structures associated with the plant and caused a power and supply interruption. We estimate that the cost to place the complex back in service will be in the range of $1 million to $2 million. In addition, the Blue Water Processing Plant, of which we own approximately 24 percent, is currently out of service.

Texas Gas Transmission Audit. Texas Gas Transmission, LLC, which currently delivers natural gas processed at our Eunice Plant, on August 24, 2005, sent us a letter stating that, in its opinion, we were in “breach” of our contract with Texas Gas. That letter did not specify the nature of the alleged breach, did not allege any damages or any alleged amounts, although it alleged differences between the volumes that Texas Gas delivered to us and the volumes that we redelivered to Texas Gas. We believe we have performed all of our material obligations under our contract with Texas Gas. However, if it were determined that we had not, we do not believe any related damages, if any are ultimately proven, would adversely affect us in any material respect.

Note 4 — Cash Flow Information

Capital expenditures during the year ended December 31, 2004 were $10.3 million which does not include the non-cash capital contribution of an asset valued at $9.4 million acquired in conjunction with the sale of an equity investment but does include cash expenditures of $4.0 million to install the acquired asset. Capital expenditures were $10.9 million (which includes a $7.0 million construction in aid payment to a third party for the rights to use the constructed pipelines) and $4.6 million during each of the years ended December 31, 2003 and 2002. Other cash flow information is not available as the necessary detail records to prepare cash flow statements are not kept at the South Louisiana Asset level.

Note 5 — Omitted Expenses (Unaudited)

Depreciation, depletion and amortization of $3.8 million, $3.2 million and $2.9 million for the years ended December 31, 2004, 2003 and 2002 have been omitted from the accompanying statements of revenues and direct operating expenses as these amounts are not indicative of future amounts.

Note 6 — Interim Statements of Revenues and Direct Operating Expenses (Unaudited)

(in thousands of dollars)	Nine Months Ended September 30	
	2005	**2004**
Revenues		
Sales of NGL and NGL products to affiliates	$ 246,496	$ 213,592
Processing and other services		
Third parties	22,414	20,246
Affiliates	1,918	1,765
	270,828	235,603
Direct Operating Expenses		
Cost of products and services		
Third parties	162,887	129,220
Affiliates	62,711	55,363
Operations and maintenance	15,592	16,870
Taxes other than income	2,758	2,627
	243,948	204,080
Excess of revenues over direct operating expenses	$ 26,880	$ 31,523

EXHIBIT 99.2

Crosstex Energy, L. P.
Unaudited Pro Forma Combined Financial Statements

Introduction

The following are our unaudited combined pro forma balance sheet as of September 30, 2005, and our unaudited combined pro forma statements of operations for the year ended December 31, 2004 and the nine months ended September 30, 2005.

The unaudited pro forma combined balance sheet assumes that the following transactions occurred on September 30, 2005:

- the acquisition (the "El Paso Acquisition") of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. from subsidiaries of El Paso Corporation for $486.4 million and direct acquisition costs of $3.5 million;
- borrowings under our amended credit facility of $382.8 million to finance the El Paso Acquisition and $5.5 million of fees to amend our credit facility;
- our offering of 2,850,165 Senior Subordinated Series B Units for net proceeds of $107.1 million, including a $2.1 million capital contribution from our general partner, the proceeds of which were used to finance the El Paso Acquisition.

Our unaudited pro forma combined statements of operations for the year ended December 31, 2004 and the nine months ended September 30, 2005 reflect the aforementioned transactions as if each such transaction occurred as of January 1, 2004. Our unaudited pro forma combined statement of operations for the year ended December 31, 2004 reflects our previously disclosed April 2004 acquisition of LIG Pipeline Company and Subsidiaries ("LIG") as if the transaction occurred on January 1, 2004.

The pro forma balance sheet and the pro forma statements of operations were derived by adjusting the historical financial statements of Crosstex Energy, L. P. The adjustments are based on currently available information and, therefore, the actual adjustments may differ from the pro forma adjustments.

The pro forma statements of operations have also been derived from El Paso's historical accounting records and are presented on a carve-out basis to include the historical operations applicable to CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L. L. C. The historical statements of direct revenues and expenses for El Paso vary from an income statement in that they do not show certain expenses that were incurred in connection with El Paso's and its subsidiaries' ownership of the acquired companies, including general and administrative expenses and income taxes. These costs were not separately allocated to the acquired companies and any pro forma allocation would not be a reliable estimate of what these costs would actually have been had the acquired companies been operated historically as stand-alone entities. In addition, these allocations, if made using historical general and administrative structures and tax burdens, would not produce allocations that would be indicative of the acquired companies' historical performance due to greatly different size, structure, operations, and accounting of El Paso Corporation and its subsidiaries.

Full separate financial statements prepared in accordance with generally accepted accounting principles are not presented because the information necessary to prepare such statements is neither readily available on an individual property basis nor practicable to obtain in these circumstances.

However, management believes that the adjustments provide a reasonable basis for presenting the significant effects of the acquisition from El Paso Corp. and the other transactions. The unaudited pro forma financial statements do not purport to present the financial position or results of operations of Crosstex Energy, L. P. had the El Paso Acquisition or the other transactions actually been completed as of the dates indicated. Moreover, the statements do not project the financial position or results of operations of Crosstex Energy, L. P. for any future date or period.

CROSSTEX ENERGY, L.P.
Unaudited Pro Forma Combined Balance Sheet
September 30, 2005
(In thousands, except unit data)

	Crosstex Historical	Pro Forma Adjustments	Pro Forma
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 3,055	—	$ 3,055
Accounts and notes receivable, net:			
Trade, accrued revenues, and other	332,006	$ 60,522(a)	392,528
Related party	373	—	373
Fair value of derivative assets	18,458	—	18,458
Prepaid expenses, natural gas in storage and other	5,854	31,264(a)	37,118
Total current assets	359,746	91,786	451,532
Property and equipment, net of accumulated depreciation	370,405	245,500(a)	615,905
Fair value of derivative assets	9,132	—	9,132
Intangible assets, net of accumulated amortization	4,650	245,500(a)	250,150
Goodwill, net of accumulated amortization	6,568	—	6,568
Other assets, net	4,290	5,524(a)	9,814
Total assets	$ 754,791	$ 588,310	$ 1,343,101
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities:			
Accounts payable, drafts payable, and accrued gas purchases	$ 346,976	$ 84,710(a)	$ 431,686
Fair value of derivative liabilities	32,532	—	32,532
Current portion of long-term debt	4,168	—	4,168
Other current liabilities	17,300	8,151(a)	25,451
Total current liabilities	400,976	92,861	493,837
Senior Notes Payable	110,882	—	110,882
Notes Payable — Banks	65,000	388,356(a)	453,356
Notes Payable — Other	600	—	600
Long-term debt	176,482	388,356	564,838
Deferred tax liability	7,720	—	7,720
Minority interest in subsidiary	4,663	—	4,663
Fair value of derivative liabilities	3,432	—	3,432
Partners' equity:			
Common unit holders	103,473		103,473
Subordinated unit holders	16,933	—	16,933
Senior subordinated unit holders	49,921	104,950(a)	154,871
General partner	5,374	2,143(a)	7,517
Accumulated other comprehensive income	(14,183)	—	(14,183)
Total Partners' equity	161,518	107,093	268,611
Total liabilities and partners' equity	$ 754,791	$ 588,310	$ 1,343,101

See accompanying notes to unaudited pro forma financial statements

CROSSTEX ENERGY, L.P.
Unaudited Pro Forma Combined Statement of Operations
Year Ended December 31, 2004
(In thousands, except per unit data)

	Crosstex Historical	LIG	El Paso	Pro Forma Adjustments	Pro Forma
Revenues:					
Midstream	$ 1,948,021	$ 201,280	$ 330,381	—	$ 2,479,682
Treating	30,755		—	—	30,755
Profit on Commercial Services activities	2,228		—	—	2,228
Total revenues	1,981,004	201,280	330,381	—	2,512,665
Operating Costs and expenses:					
Midstream purchased gas	1,861,204	194,278	256,161	—	2,311,643
Treating purchased gas	5,274	—	—	—	5,274
Operating expense	38,340	4,205	25,579	—	68,124
General and administrative	20,866	1,955	—	—	22,821
Loss (profit) on derivatives	(279)	—	—	—	(279)
Loss (gain) on sale of property	(12)	—	—		(12)
Depreciation and amortization	23,034	912	—	32,733(b) 315(f)	56,994
Total operating costs and expenses	1,948,427	201,350	281,740	33,048	2,464,565
Operating income	32,577	(70)	48,641	(33,048)	48,100
Other income (expense):					
Interest expense, net	(9,220)	(46)	—	(14,999)(c) (1,228)(d) (782)(g)	(26,275)
Interest income affiliated	—	108	—	(108)(h)	—
Other income	798	83	—	—	881
Total other income (expense)	(8,422)	145	—	(17,117)	(25,394)
Income before minority interest and taxes	24,155	75	48,641	(50,165)	22,706
Minority interest in subsidiary	(289)	—	—	—	(289)
Income tax provision	(162)	(274)	—	223(i)	(213)
Net Income	$ 23,704	(199)	$ 48,641	$ (49,942)	$ 22,204
General partner interest in net income	$ 5,913			827(e)	$ 6,740
Limited partner interest in net income	$ 17,791				$ 15,464
Net income per unit:					
Basic	$ 0.98				$ 0.74
Diluted	$ 0.95				$ 0.72
Weighted average units outstanding:					
Basic	18,081			2,850	20,931
Diluted	18,633			2,850	21,483

CROSSTEX ENERGY, L.P.
Unaudited Pro Forma Combined Statement of Operations
Nine Months Ended September 30, 2005
(In thousands, except per unit data)

	Crosstex Historical	El Paso	Pro Forma Adjustments	Pro Forma
Revenues:				
Midstream	$ 1,928,330	$ 270,828	—	$ 2,199,158
Treating	34,064	—	—	34,064
Profit on Commercial Services activities	1,157	—	—	1,157
Total revenues	1,963,551	270,828	—	2,234,379
Operating costs and expenses:				
Midstream purchased gas	1,851,418	225,598	—	2,077,016
Treating purchased gas	5,996	—	—	5,996
Operating expenses	37,598	18,350	—	55,948
General and administrative	22,337	—	—	22,337
Loss (profit) on derivatives	13,679	—	—	13,679
Loss (gain) on sale of property	(7,797)	—	—	(7,797)
Depreciation and amortization	22,134	—	24,550(b)	46,684
Total operating costs and expenses	1,945,365	243,948	24,550	2,213,863
Operating income	18,186	26,880	(24,550)	20,516
Other income (expense):				
Interest expense, net	(9,323)	—	(16,260)(c) (921)(d)	(26,504)
Other income	380	—	—	380
Total other income (expense)	(8,943)	—	(17,181)	(26,124)
Income before minority interest and taxes	9,243	26,880	(41,731)	(5,608)
Minority interest in subsidiary	(331)	—	—	(331)
Income tax provision	(176)	—	—	(176)
Net income (loss)	$ 8,736	$ 26,880	$ (41,731)	$ (6,115)
General partner interest in net income	$ 5,216	—	$ 735(e)	$ 5,951
Limited partner interest in net income (loss)	$ 3,520	—	—	$ (12,066)
Net income per unit:				
Basic	$ 0.19	—	—	$ (0.58)
Diluted	$ 0.18	—	—	$ (0.54)
Weighted average units outstanding:				
Basic	18,126	—	2,850	20,976
Diluted	19,371	—	2,850	22,221

Crosstex Energy, L. P.

Notes to Unaudited Pro Forma Combined Financial Statements

(In thousands, except unit data)

Offering and Transactions

The unaudited pro forma combined balance sheet assumes that the following transactions occurred on September 30, 2005:

- the acquisition (the "El Paso Acquisition") of CFS Louisiana Midstream Company and El Paso Dauphin Island Company, L.L.C. from subsidiaries of El Paso Corporation for $486.4 million and direct acquisition costs of $3.5 million;
- borrowings under our amended credit facility of $382.8 million to finance the El Paso Acquisition and $5.5 million of fees to refinance our credit facility;
- our offering of 2,850,165 Senior Subordinated Series B Units for net proceeds of $107.1 million, including a $2.1 million capital contribution from our general partner, the proceeds of which were used to finance the El Paso Acquisition; and

Our unaudited pro forma combined statements of operations for the year ended December 31, 2004 and the nine months ended September 30, 2005 reflect the aforementioned transactions as if each such transaction occurred as of January 1, 2004. Our unaudited pro forma combined statement of operations for the year ended December 31, 2004 reflects our previously disclosed April 2004 acquisition of LIG Pipeline Company and Subsidiaries ("LIG") as if the transaction occurred on January 1, 2004.

Pro Forma Adjustments to Balance Sheet

(a) Reflects the acquisition of assets and assumption of liabilities from El Paso for $486.4 million, and $3.5 million for direct acquisition costs. The acquisition was funded by increased borrowings under our credit facility of $388.3 million including $5.5 million in fees and expenses for an amendment to increase our borrowing capacity by $500 million and net proceeds of $107.1 million, including a $2.1 million capital contribution from our general partner for the sale of 2,850,165 Senior Subordinated Series B Units at a purchase price of $36.84 per unit. These Series B Units will not participate in the third quarter 2005 dividend distribution, but will convert to common units on November 14, 2005.

We will account for this acquisition as a business combination in accordance with the Statement of Financial Accounting Standards ("SFAS") No. 141 Business Combinations. The preliminary purchase price allocation, shown below, for these pro formas assumes a fifteen year estimated useful life for both the tangible and intangible assets acquired. The actual purchase price allocation may differ from the allocation reflected herein.

Purchase Price to El Paso	$	486.4	million
Direct acquisition costs		3.5	million
Total Purchase Price	$	489.9	million
Current assets acquired	$	91.8	million
Liabilities assumed		(92.9)	million
Property plant and equipment		245.5	million
Intangible assets		245.5	million
Total Purchase Price	$	489.9	million

Pro Forma Adjustments to Consolidated Statement of Operations

(b) Reflects additional depreciation and amortization expenses realized from the assets acquired from El Paso as if the acquisition had occurred on January 1, 2004. The additional depreciation and amortization expenses were calculated based on a straight line basis over fifteen years.

(c) Reflects additional interest expense related to the increased borrowings on our credit facility to consummate the El Paso Acquisition. The applicable interest rates used were 3.86% for the year ended December 31, 2004, and 5.58% for the nine months ended September 30, 2005. The effects of fluctuations of 0.125% and 0.25% in annual interest rates under the Partnership's credit facility on pro forma interest expense would have been approximately $.5 million and $1.0, respectively, for the year ended Dec. 31, 2004. The effect of fluctuations of 0.125% and 0.25% in interest rates under the Partnership's credit facility on pro forma interest expense for the nine months ended September 30, 2005, would have been approximately $.4 million and $.7 million, respectively.

(d) Reflects increased amortization of debt issue costs incurred in negotiating increased borrowing capacity under our credit facility to provide funds for the El Paso Acquisition. These costs were amortized based on the four and one half years remaining on the credit facility term as of the acquisition date.

(e) Reflects the increase in the net income allocation to the general partner due to the increase in incentive distributions to our General Partner based on historical dividend rates per unit per quarter applied to additional Senior Subordinated Series B Units issued to fund the El Paso Acquisition less the General Partner's proportionate 2% share of decreased pro forma net income relative to the acquisition adjustments and pro forma adjustments.

(f) Reflects additional depreciation and amortization expenses realized from the assets acquired from LIG acquisition. Pro forma depreciation and amortization expense was based on estimated useful lives of fifteen years for the acquired transmission assets, three years for acquired vehicles and three years for the intangible assets.

(g) Reflects increase of interest expense resulting from borrowings under our senior secured credit facility of $69.8 million for the LIG acquisition. The applicable interest rate used was 4.13% for the three months ended March 31, 2004.

(h) Reflects the elimination of interest income from LIG's former parent company.

(i) Reflects the adjustment of income tax expense for the estimated tax expense associated with our new LIG entities. The new LIG entities we formed for the LIG acquisition are treated as C corporations for tax purposes and therefore are required to pay income tax on their net income. The purpose of the corporate structure of the new LIG entities is twofold: (i) to obtain a step-up in the depreciable basis of the assets for the unitholders and (ii) to minimize the tax cost to achieve the step-up. We will recognize a current tax expense on the LIG entities net taxable income and will receive a benefit for the reversal of the deferred tax liability relating to the difference between the book and tax basis of the net assets acquired as of the acquisition date.