KINDER MORGAN

Same Old Boring Stuff
Real Assets, Real Earnings, Real Cash
January 2003

Forward Looking Statements

This presentation contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and securities values of Kinder Morgan Inc., Kinder Morgan Energy Partners, L.P. and Kinder Morgan Management, LLC (collectively known as “Kinder Morgan”) may differ materially from those expressed in the forward-looking statements contained throughout this presentation and in documents filed with the SEC. Many of the factors that will determine these results and values are beyond Kinder Morgan's ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the ability to achieve synergies and revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets; weather conditions; business and regulatory or legal decisions; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the timing and success of business development efforts; and other uncertainties. You are cautioned not to put undue reliance on any forward-looking statement.

2003 Analyst Conference

- Overview
- Refined Products Infrastructure
- Natural Gas Pipelines
- CO_2 Pipelines
- Corporate Development and Capital Markets
- Financial Review

Agenda – Rich Kinder

- Overview
- 2002 Results
- Strategic Position
- 2003 Goals
- Long-term Growth
- Risks
- Summary

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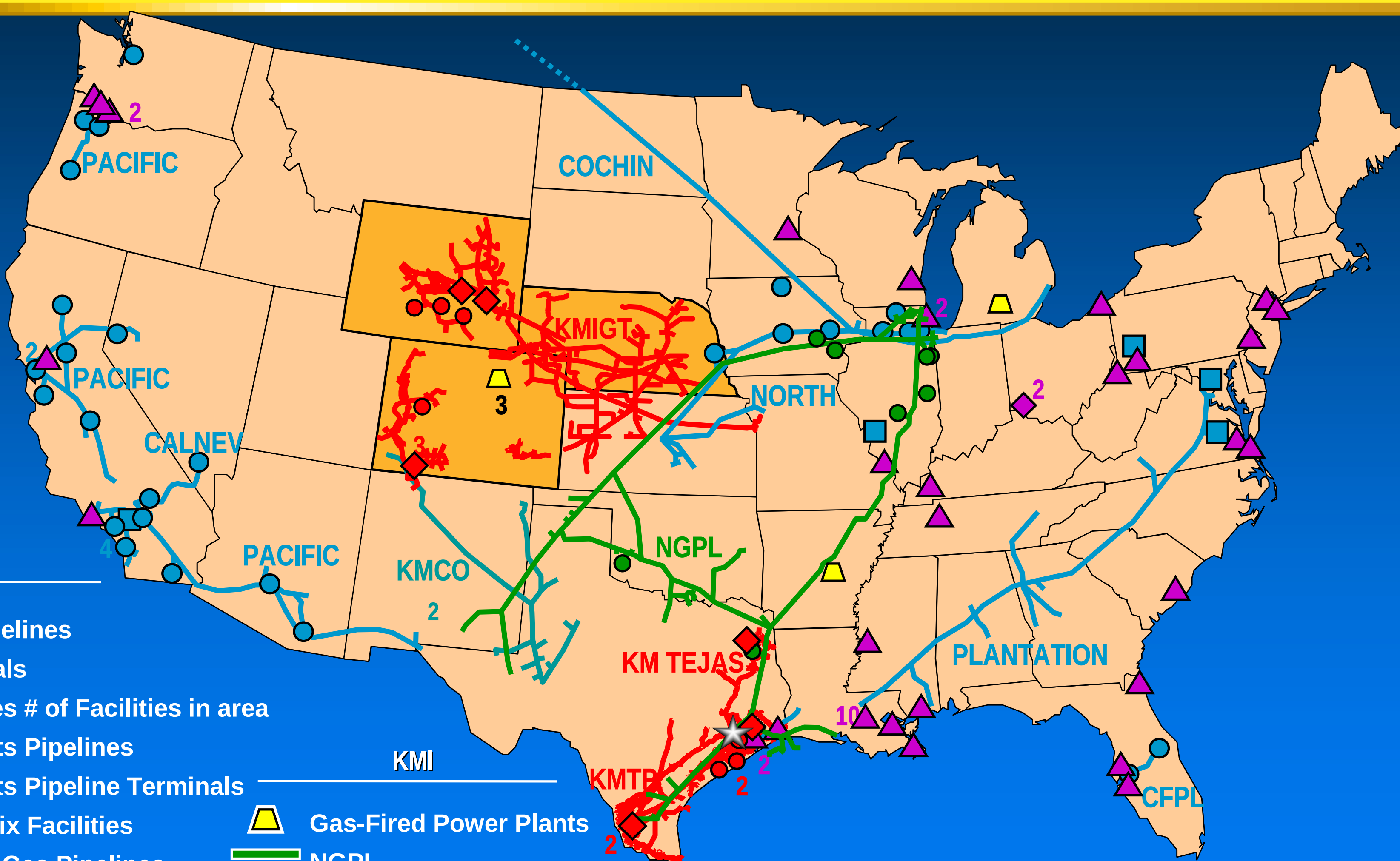
Kinder Morgan System Map



KMP

- CO_2 Pipelines
- Terminals
- (2,3,10) Indicates # of Facilities in area
- Products Pipelines
- Products Pipeline Terminals
- Transmix Facilities
- Natural Gas Pipelines
- Natural Gas Storage
- Natural Gas Plants

KMI

- Gas-Fired Power Plants
- NGPL
- NGPL Storage
- Retail Natural Gas Division

Kinder Morgan Headquarters, Houston, Texas

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Kinder Morgan: Two Companies, Three Securities

Kinder Morgan Energy Partners

Market Equity (a)	$6.2
Debt	3.6
Enterprise Value	**$9.8**
2003E EBITDA	$1,102 mm
2003E Dist. CF	**$809 mm**

Incentive Distribution

Kinder Morgan, Inc

Market Equity (b)	$5.2
Debt	3.3
Enterprise Value	**$8.5**
2003E EBITDA	$939 mm
2003E Dist. CF	**$469 mm**

Additional Shares

Cash Distribution

KMR
(LLC)
46 million i-units

KMP
(Partnership)
135 million units (c)

KMI
(Inc)
123 million shares

14 mm KMI

32 mm Public Float

117 mm Public Float

18 mm KMI

95 mm Public Float

28 mm Mgmt

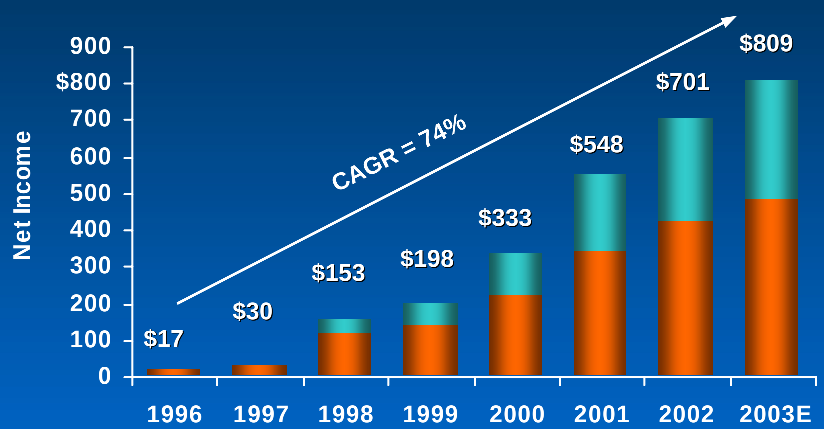
(a) KMEP market cap based on 181 million units, a common unit price of $35.00, and a KMR price of $31.59 as of December 31, 2002. Debt balance as of December 31, 2002, net of cash.

(b) KMI market cap based on 123 million shares at $42.27 as of December 31, 2003. Debt balance as of December 31, 2002, net of cash.

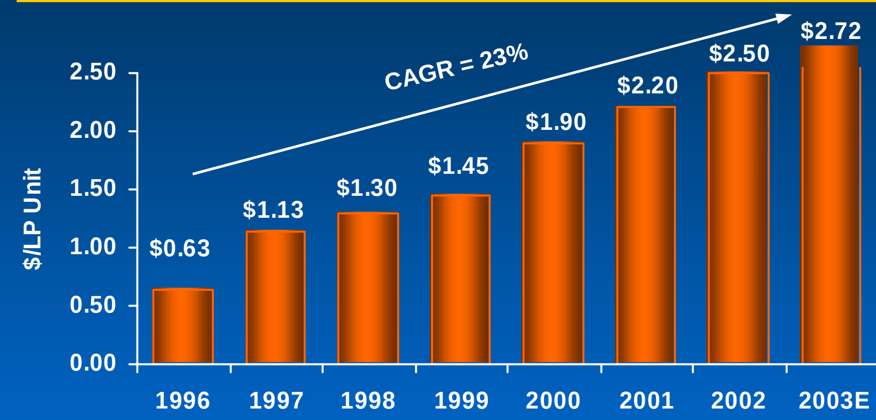
(c) Includes 5 million Class B units owned by KMI. Class B units are unlisted KMP common units.

Consistent Track Record

Total Distributions (GP + LP) ($mm)

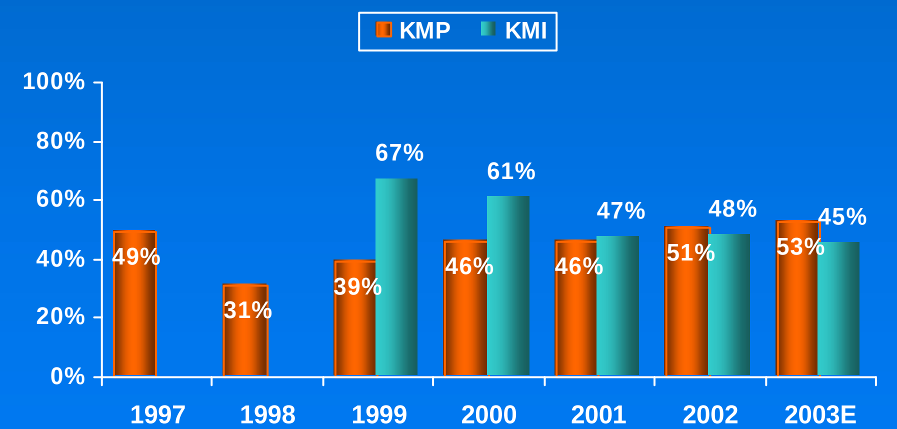


KMP Distribution / Unit (a)



KMI Earnings Per Share (b)

Debt to Total Capital



(a) Annualized expected 4Q distribution.
(b) Excluding special items.

Attractive Value Proposition

	KMP/KMR (a)	KMI (a)
Stable Cash Flow	7.0% / 7.5% yield	1.3% yield Excess cash used for share buyback, dividends and debt repayment
Add: Internal Growth	8-10%	15-20%
Internal Growth - Total Return Potential	15-17%	15-20%
Acquisition Upside - Total Return Potential	18-20%	20-25%

(a) Returns calculated from 2002 to 2007.

Structure offers Two Risk Reward Profiles

	Limited Partner KMP/KMR	General Partner KMI
Yield	7.0% - 7.5%	Approx. 1.3%
Distributions	Share in all distributions from Available Cash	Only entitled to incentive distribution on Cash from Operations
Current Split of Cash Distributions	59%	41%
Upside/Downside at Current Split	50% upside / 50% downside	50% upside / 50% downside
Split from Interim Capital Transactions	98%	2%
Results (a)	40% annual return	40% annual return

(a) Annual returns calculated on weekly period for : (i) KMI: July 1999 through December 2002 and (ii) KMP: January 1997 through December 2002 assuming dividends reinvested.

Company Delivers on its Promises

Promises Made	Promises Kept
KMP/KMR	**KMP/KMR**
Distribution per unit:	**Distribution per unit:**
2000: $1.60	2000: $1.72
2001: $1.95	2001: $2.15
2002: $2.40	2002: $2.435
KMI	**KMI**
Earnings Per Share (a):	**Earnings Per Share (a):**
2000: $1.10	2000: $1.28
2001:$1.66-$1.79	2001: $1.96
2002: $2.55 - $2.65	2002: $2.85

(a) Excluding special items

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KMP 2002 Results Driven by Internal Growth

	Twelve Months Ended, Dec 31			
	2002	**2001**	**% Change**	**Comments**
Products Pipelines	$427.3	$383.9	11%	Gasoline Volumes
Natural Gas Pipelines	325.5	226.8	44%	Tejas and Trailblazer
CO_2 Pipelines	132.2	111.7	18%	CO_2 and SACROC Volumes
Terminals	205.6	163.3	26%	Liquids Expansions
D&A	(177.6)	(151.1)	18%	
G&A (a)	(118.6)	(109.3)	8%	
Net Debt Costs	(176.5)	(171.5)	3%	
Minority Interest	(9.6)	(11.4)	(16%)	
Net Income	**$608.4**	**$442.3**	**38%**	
General Partner	(270.8)	(202.1)	34%	
LP Net Income	**337.6**	**240.2**	**41%**	
Per Unit	**$1.96**	**$1.56**	**26%**	

(a) Includes $.3 million reduction in environmental reserves

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KMI 2002 Results Driven by KMP

	Twelve Months Ended, Dec 31			
	2002	**2001**	**% Change**	**Comments**
KMP	$392.1	$251.9	56%	Internal growth
NGPL	359.9	346.6	4%	Expansions, power load
TransColorado	12.6	(5.3)	NA	Volumes, basis differential
Retail	64.1	56.7	13%	Acquisitions, irrigation
Power and Other	36.7	66.0	(44%)	Development fees
G&A	(73.5)	(68.5)	7%	
Net Debt Costs	(161.9)	(216.2)	(25%)	
Other	(48.6)	(26.4)	84%	
Income Tax	(230.3)	(167.6)	37%	
Net Income	**351.1**	**237.1**	**48%**	
Per Share	***$2.85***	***$1.96***	***45%***	
Special Items	(41.9)	1.5		
Income from Cont. Ops	**$309.2**	**$238.6**	**30%**	
Per Share	***$2.50***	***$1.97***	***27%***	

The Kinder Morgan Strategy

Same Strategy Since Inception

- **Focus on stable, fee-based assets which are core to the energy infrastructure of growing markets**
- **Increase utilization of assets while controlling costs**
  - Classic fixed cost businesses with little variable costs
  - Improve productivity to drop all top-line growth to bottom line
- **Leverage economies of scale from incremental acquisitions and expansions**
  - Reduce needless overhead
  - Apply best practices to core operations
- **Maximize benefit of a unique financial structure which fits with strategy**
  - MLP avoids double taxation, increasing distributions from high cash flow businesses
  - Strong balance sheet allows flexibility when raising capital for acquisitions / expansions

Management Philosophy

- **Low Cost Asset Operator**
  - Senior management limited to $200,000 per year in base salary
  - No planes, sports tickets, etc.
- **Attention to Detail**
  - Weekly operations and financial assessment
  - Monthly earnings and accounts receivable review
  - Quarterly strategic review
- **Risk Management**
  - Avoid businesses with direct commodity price exposure wherever possible
  - Hedge incidental commodity price risk
- **Alignment of Incentives**
  - Bonus targets are tied to published budget – KMP DCF of $2.63 and KMI EPS of $3.18 for 2003
  - All employees have KMI stock options
  - Rich Kinder has the largest equity stake in the energy industry — 20% in KMI
  - He receives $1 per year in salary, no bonus, no options

KMP and KMI Boards are Majority Independent

- KMI Board of Directors
  - 10 directors
  - 7 independent (a)
  - 2 insiders (Rich Kinder, Mike Morgan)

- KMP Board of Directors
  - 5 directors
  - 3 independent
  - 2 insiders (Rich Kinder, Park Shaper)

(a) One director, who is not considered independent under current rules, would be independent under the proposed NYSE rules, taking total independent directors to 8.

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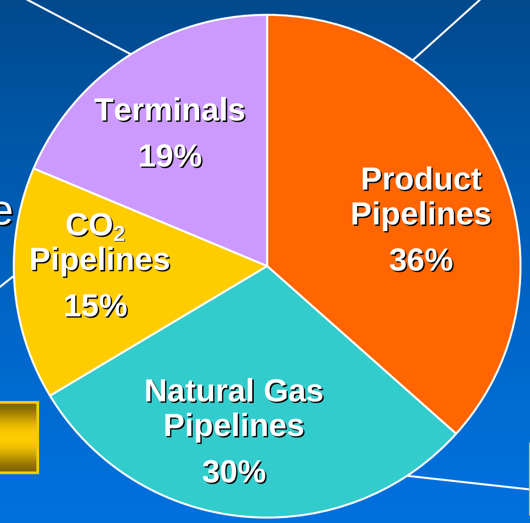
Solid Asset Base Generates Stable Fee Income

Terminals

- Largest independent terminal operator in U.S.
- 65% Liquids, 35% Bulk
- Geographic and product diversity
- 3-4 year average contract life

KMP 2003 DCF (a)



Products Pipelines

- Largest independent refined products pipeline system in U.S.
- Refinery hub to population center strategy
- 47% FERC regulated (b)
- 19% CPUC regulated (b)
- No commodity price risk

CO_2

- Leading provider of CO_2 in U.S.; long-term contracts
- 37% CO_2 transport and sales
- 63% oil production related
- Oil price hedged out to 3 years

Natural Gas Pipelines

- 38% FERC regulated with 7-8 year average contract life
- 51% Texas Railroad Commission regulated
- Little incidental commodity risk

(a) Budgeted 2003 distributable cash flow before allocation of G&A and interest.
(b) Based on 2002E earnings.

Solid Asset Base Generates Stable Fee Income

KMP (a)

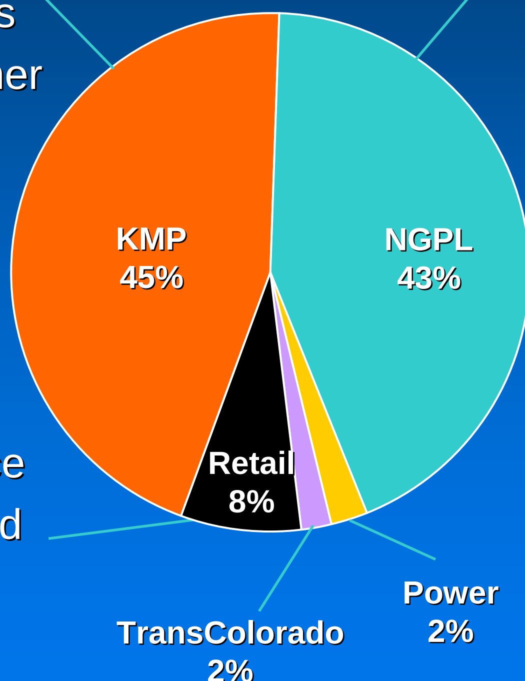
- General partner interest provides incentive distributions
- Own 18% of total limited partner units

Retail

- Natural gas distribution service
- Serve Colorado, Wyoming and Nebraska
- 240,000 customers

KMI

2003 Segment Income (b)



NGPL

- FERC regulated with 3 year average contract life
- Primary customers are Chicago local distribution companies
- Little incidental commodity risk

Power

- Equity interest in five plants

TransColorado

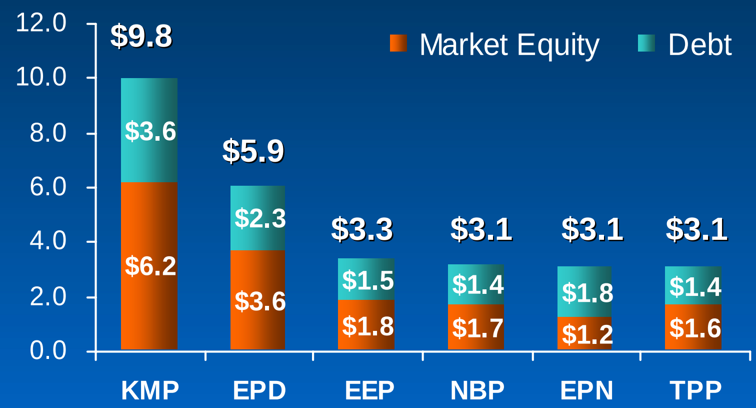
- Transports natural gas from Rockies to northern New Mexico

(a) Includes: (i) general partner interest, (ii) earnings from 18 million KMP units and (iii) earnings from 14 million KMR units. On a comparable basis 2002 numbers were KMP 42%, NGPL 43%, Retail 8%, Power 5% and TransColorado 2%.

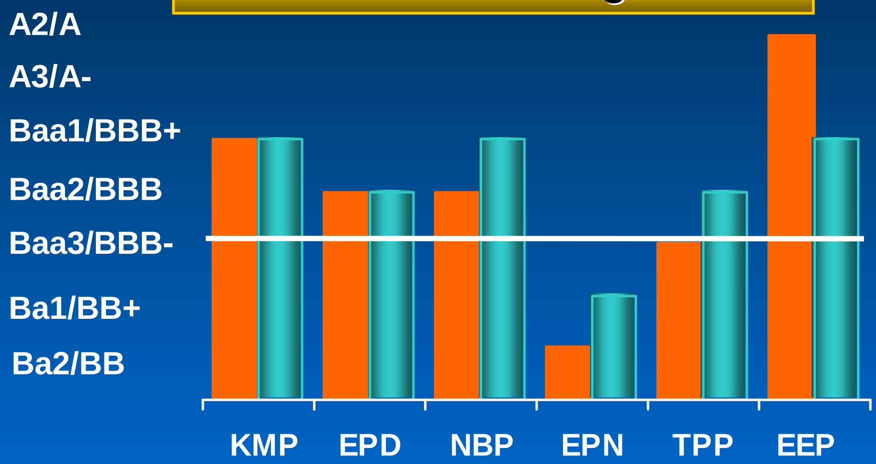
(b) Budgeted 2003 segment earnings before allocation of G&A and interest.

KMP is largest MLP and conservatively capitalized

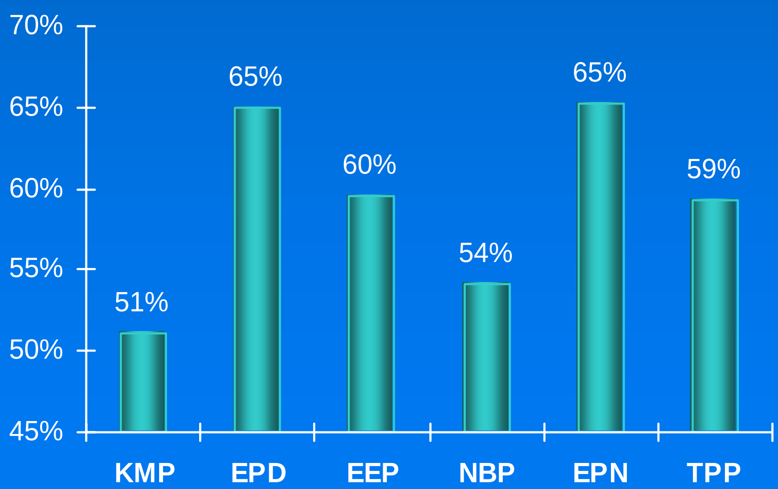
Enterprise Value (a)



Credit Rating



Debt to Total Capital (b)



Credit Statistics

Current Net Debt / Total Capital	51%
<u>2003 Budget Estimates:</u>	
Debt / EBITDA	3.6x
EBITDA / Interest	6.0x

(a) Equity price and shares outstanding from Bloomberg as of 12/31/02. Debt balances as of 9/30/02, except KMP as of 12/31/02.

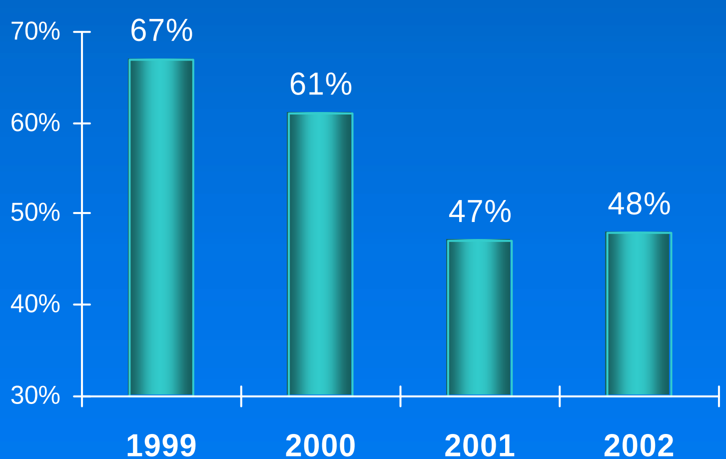
(b) Salomon Smith Barney Monthly Update, December 2002.

KMI is Strong Credit with Significant Free Cash

Credit Statistics

Rating	BBB/Baa2
Current Net Debt / Total Capital	48%
<u>2003 Budget Estimates:</u>	
Debt / EBITDA	3.4x
EBITDA / Interest	5.8x

Debt to Total Capital



Free Cash Flow (a)

(a) Free cash flow is defined as pretax income before DD&A, less cash taxes and sustaining cap ex

Good Access to Public Markets

$3.8 billion in debt and equity raised and credit facilities renewed

- **$343 million in KMR equity in July**
  - Completed in very difficult market
  - Roughly 17% return since pricing (a)
- **$1.75 billion in long term debt in August, December**
  - KMP $500 million, 31 year @ 7.3%
  - KMP $250 million, 5 year @ 5.4%
  - KMI $1.0 billion, 10 year@ 6.5%
- **$1.75 billion in credit facilities renewed in October**
  - KMP $975 million; KMI $775 million
  - Similar credit spreads and fees as previous
  - Looser KMP covenants

(a) Through December 31, 2002

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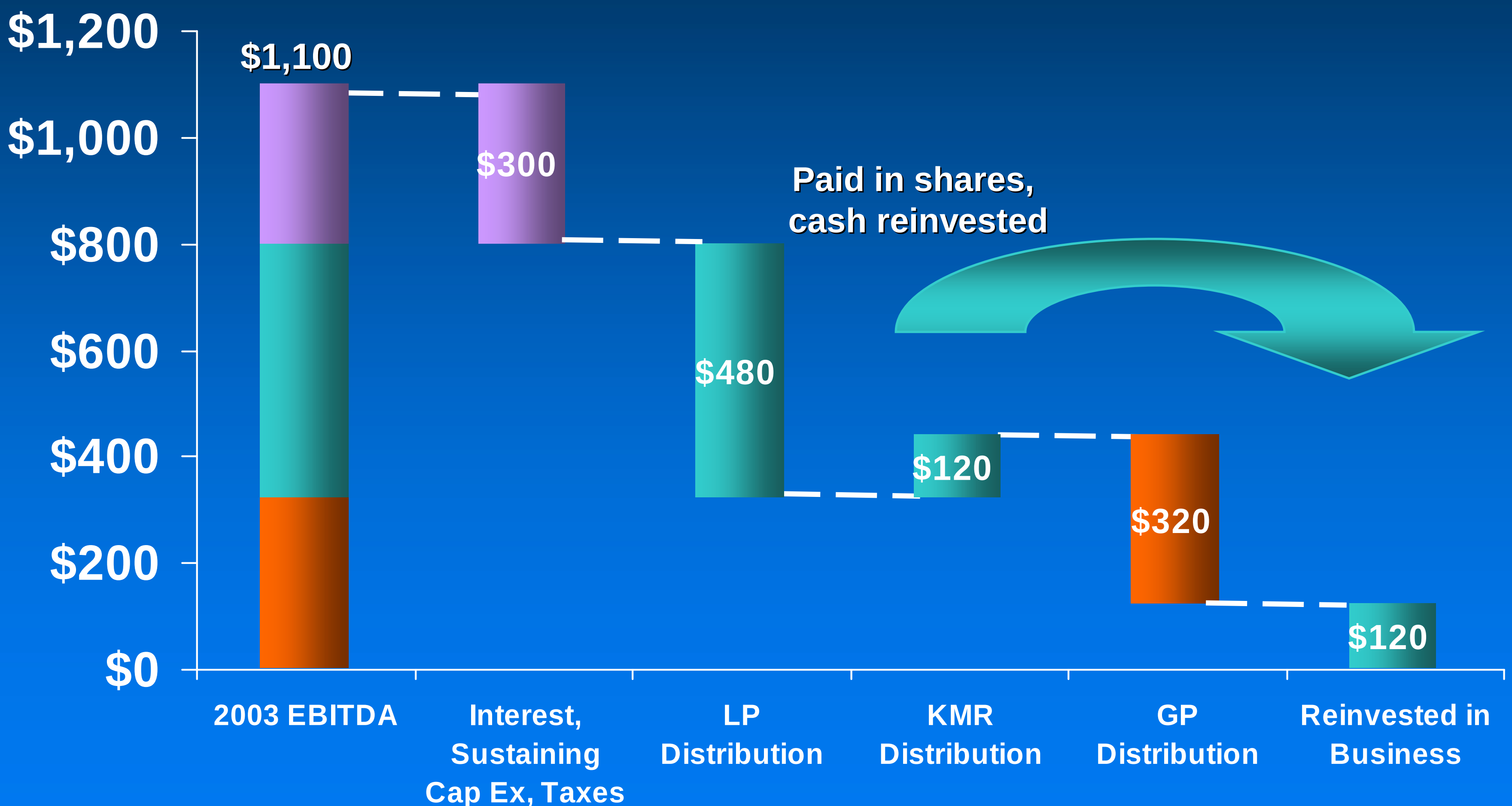
Little Need to Access Markets in the Future

	KMP	KMI
CP Capacity:		
Total Revolver	$975	$775
Outstanding CP	220	0
Excess Capacity	$755	$775

	KMP	KMI
Maturities:		
2003	45	501
2004	5	1
2005	205	501
2006	45	7
2007	255	0

KMR Reduces KMP's Need to Access Market



Potential to Access Private Capital for Acquisitions

- **Alternatives:**
  - Private Market Offering of KMP or KMR
  - Private Placement of a Preferred Security
  - Joint Venture with Financial Investor to Purchase Asset
    - Investor receives attractive, low risk return and operational expertise
    - KMP gets access to capital and opportunity to own 100% of asset in the future

2003 Goals

KMP/KMR

- Distribution Target (without acquisitions)
  - $2.63 per unit (8% growth)
  - $2.72 per unit year end run rate
- Move toward 40% debt to total capital with new acquisitions

KMI

- EPS Target (without acquisitions)
  - $3.18 per share (12% growth)
- Maintain strong balance sheet
  - Free cash flow used to pay down debt and return to equity

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Targeted KMP Internal Segment Growth

Business Segments	DCF 2002 Actual	DCF 2003 Budget	Change	Growth Drivers
Products Pipelines	$399.1	$418.7	$19.6	Demographics in West and Southeast U.S.
Natural Gas Pipelines	307.6	341.1	33.5	Expansions and extensions
CO_2 Pipelines	128.6	171.9	43.3	SACROC growth
Terminals	187.9	211.7	23.8	Expansions, new contracts
Total (a)	**$1,023.2**	**$1,143.4**	**$120.2**	

Consistent with 8% Internal Growth to LP Units

(a) Total segment distributable cash before G&A and interest.

Modest Top Line Growth Leads to Significant Bottom Line Growth

Illustrative

	Year 1	Year 2	Growth	Comments
Gross Margin	$100	$104	4%	Price and volume
Operating Expenses	50	50		Efficiency savings compensate for small increase in variable cost
Operating Income	**$50**	**$54**	**8%**	
G&A	6	6		No increase associated with internal growth
Net Before Debt	**$44**	**$48**	**9%**	
Interest Expense (a)	11	11		No increase associated with internal growth
Net After Debt	**$33**	**$37**	**12%**	
LP Share	20	2	10%	LP receives 59% of total and 50% of upside
GP Share	13	2	15%	GP receives 41% of total and 50% of upside

(a) Based on enterprise value equal to $450 million, 40% leverage and 6% interest rate.

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Excess Capacity Allows Growth

Business Segments	Pipeline Systems	Utilization Rates (Approximate)
Products Pipelines	Pacific System	75%
	Plantation Pipeline	80%
	Central Florida Pipeline	65%
Natural Gas Pipelines	Texas - Intrastate	80%
	Rocky Mountain – Interstate	100%
CO_2 Pipelines	Cortez Pipeline	80%
	Central Basin	50%
Terminals	Liquids	97%
	Bulk	Varies

High Return Internal Expansions Add Growth

KMP 2003 Expansion Capital Budget

Business Segment	2003 Budget	Major Projects	Cost – Major Projects	Completion Date
Product Pipelines	$66	Sacramento, Ethanol	$88	2003-2005
Natural Gas Pipelines	$67	Cheyenne, Monterrey	$118	2003-2004
CO2 Pipelines	$233	SACROC/Centerline	$236	2003
Terminals	$58	Northeast, Houston	$44	2003
Total	**$424**		**$486**	

Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Trailblazer rate case
  - Affiliate rule change
  - Unexpected FERC policy changes

- **Environmental/Terrorism**

- **Interest Rates**
  - 50% of debt is floating rate
  - Budget assumes approximately 100 bps increase in floating rates over the year
  - A full year of a 100 basis point increase in rates equals $18 million increase in expense at KMP and $17 million at KMI

Stable Platform, Attractive Growth

- Stable cash flow from essential infrastructure
- Low cost discipline
- Conservative capital structure
- Management team with significant equity stake
- Outstanding track record
- Attractive internal growth from favorable demographics and expansion opportunities
- Acquisition upside potential