

KMI GAAP Reconciliation

(thousands except per share amounts and where otherwise noted)



	1999	2000	2001	2002	2003	2004	2005
Calculation of Income excluding Certain Items							
Net income from Continuing Operations	\$135,427	\$184,149	\$225,070	\$307,711	\$381,704	\$528,504	\$552,170
Certain Items Included in Continuing Operations, Net of Tax	(76,162)	(37,000)	12,059	41,917	30,237	(52,723)	2,419
Net Income from Continuing Operations excl Certain Items	\$59,265	\$147,149	\$237,129	\$349,628	\$411,941	\$475,781	\$554,589
Average Shares outstanding	80,358	115,030	121,326	123,402	123,824	124,938	124,642
Earnings per Share excl Certain Items	\$0.74	\$1.28	\$1.96	\$2.83	\$3.33	\$3.81	\$4.45

	1999	2000	2001	2002	2003	2004	2005
Calculation of Free Cash Flow							
Net Income from Cont Ops excl Asset Sales & Merger Related Costs	\$59,265	\$147,149	\$237,129	\$349,628	\$411,941	\$475,781	\$554,589
Income Taxes (excluding Certain Items)	34,586	98,417	167,597	229,424	263,131	299,945	349,198
Pretax Income	\$93,851	\$245,566	\$404,726	\$579,052	\$675,072	\$775,726	\$903,787
Tax (Payments) Refunds	10,883	(7,674)	(27,524)	(114,264)	(151,100)	(144,143)	(200,500)
DD&A (including Excess Amortization of Goodwill)	155,268	133,600	131,324	106,496	117,528	118,742	131,640
	\$260,002	\$371,492	\$508,526	\$571,284	\$641,500	\$750,325	\$834,927
Sustaining Capital Spending	(92,841)	(85,654)	(79,000)	(86,164)	(83,469)	(82,233)	(121,283)
Free Cash Flow	\$167,161	\$285,838	\$429,526	\$485,120	\$558,031	\$668,092	\$713,644
Average Shares Outstanding	80,358	115,030	121,326	123,402	123,824	124,938	124,642
Free Cash Flow per Share	\$2.08	\$2.48	\$3.54	\$3.93	\$4.51	\$5.35	\$5.73

Capital Expenditure Notes

2001 - Sustaining capital expenditures as split out of total shown in 10K cash flow statement.

2000 - As shown in the 10K cash flow statement, excluding Power CapEx

1999 - As shown in the 10K cash flow statement, excluding Power CapEx

	1999	2000	2001	2002	2003	2004	2005
Calculation of EBITDA, excl Certain Items							
Net Income from Cont Ops excl Asset Sales & Merger Related Costs	\$59,265	\$147,149	\$237,129	\$349,628	\$411,941	\$475,781	\$554,589
Income taxes	34,586	98,417	167,597	229,424	263,131	299,945	349,198
DD&A (including Excess Amortization of Goodwill)	155,268	133,600	131,324	106,496	117,528	118,742	131,640
TRUPS	21,912	21,912	21,912	21,912	21,912	21,912	21,912
Interest, Net of Interest Income	251,920	243,155	211,248	159,564	138,608	131,598	174,803
EBITDA, excl Certain Items	\$522,951	\$644,233	\$769,210	\$867,024	\$953,120	\$1,047,978	\$1,232,142

	1999	2000	2001	2002	2003	2004	2005
Calculation of Total Book Capitalization and Debt Ratios							
Notes Payable & Current Maturities	\$581,567	\$908,167	\$630,052	\$501,267	\$132,900	\$505,000	\$958,399
Long-term Debt	3,293,326	2,478,983	2,404,967	2,991,770	2,925,729	2,346,193	6,331,356
Less: Market Value of Swaps	---	---	4,831	(139,589)	(88,242)	(88,243)	(51,699)
Less: Cash	(26,378)	(141,923)	(16,134)	(35,653)	(11,076)	(176,520)	(116,488)
Debt, Net of Cash	\$3,848,515	\$3,245,227	\$3,023,716	\$3,317,795	\$2,959,311	\$2,586,430	\$7,121,568
Minority Interests	9,523	4,910	817,513	967,802	1,010,140	1,105,436	1,250,270
TRUPS	275,000	275,000	275,000	275,000	283,600	283,600	391,075
Common Stockholders Equity	1,649,615	1,777,624	2,259,997	2,354,997	2,666,117	2,864,754	3,926,088
Less: Other Comprehensive Income	1,602	---	(9,868)	44,719	25,683	54,742	127,718
Total Capitalization	\$5,784,255	\$5,302,761	\$6,366,358	\$6,960,313	\$6,944,851	\$6,894,962	\$12,816,719
Ratio of Debt to Total Capitalization	66.5%	61.2%	47.5%	47.7%	42.6%	37.5%	55.6%
EBITDA to Interest	2.08x	2.65x	3.64x	5.43x	6.88x	7.96x	7.05x
Debt to EBITDA	7.36x	5.04x	3.93x	3.83x	3.10x	2.47x	5.78x

KMP Summary of Sustaining Capital Expenditures

(millions)



	2002	2003	2004	2005	2006 Budget
Product Pipelines	\$33	\$34	\$52	\$72	\$79
Natural Gas Pipelines	14	27	31	27	39
CO ₂	4	3	4	6	11
Terminals	21	23	26	28	36
Corporate	5	5	6	6	6
Consolidated	<u>\$77</u>	<u>\$93</u>	<u>\$119</u>	<u>\$141</u>	<u>\$170</u>