

## KMP GAAP Reconciliation

(thousands except per unit amounts and where otherwise noted)



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Calculation of Total Distributions</b>											
Distributions to Limited Partners per Cash Flow Statement	\$16,404	\$21,768	\$93,352	\$135,835	\$194,691	\$277,145	\$319,130	\$354,609	\$404,843	\$476,932	\$529,259
Difference due to Timing on Cash Payment and KMR (a)	1	3,836	21,505	4,031	25,248	62,411	103,647	136,355	166,671	193,065	204,035
Calendar-year LP Declared Distribution	\$16,405	\$25,604	\$114,857	\$139,866	\$219,939	\$339,556	\$422,777	\$490,964	\$571,514	\$669,997	\$733,294
Distributions to General Partner per Cash Flow Statement	\$268	\$2,280	\$27,450	\$52,674	\$91,366	\$181,198	\$253,344	\$314,244	\$376,005	\$460,869	\$523,198
Difference due to Timing and Minority Interest	168	2,219	10,588	5,743	21,987	26,938	25,043	21,838	30,326	31,548	(587)
Calendar-year GP Declared Distribution	\$436	\$4,499	\$38,038	\$58,417	\$113,353	\$208,136	\$278,387	\$336,082	\$406,331	\$492,417	\$522,611 (b)
Total Calendar-year Distributions (GP + LP)	\$16,842	\$30,103	\$152,896	\$198,282	\$333,292	\$547,692	\$701,164	\$827,047	\$977,844	\$1,162,414	\$1,255,905

(a) KMR distributes additional shares in lieu of cash.

(b) Reflects approximate \$20 million waiver of incentive distribution by GP.

<b>Calculation of Distribution Coverage</b>											
Net Income					\$1.34	\$1.56	\$1.96	\$1.98	\$2.22	\$1.58	\$2.04
Add (Less) Certain Items										0.79	(0.06)
Net Income per Unit before Certain Items										\$2.37	\$1.98
DD&A per Unit					0.72	0.98	1.03	1.21	1.49	1.67	1.86
Sustaining CapEx per Unit					(0.28)	(0.36)	(0.45)	(0.50)	(0.61)	(0.66)	(0.56)
Distributable Cash Flow per Unit before Certain Items					\$1.78	\$2.18	\$2.54	\$2.69	\$3.10	\$3.38	\$3.29
Declared Distribution					1.71	2.15	2.44	2.63	2.87	3.13	3.26
Coverage per Unit					\$0.07	\$0.03	\$0.11	\$0.06	\$0.23	\$0.25	\$0.03
Average Units Outstanding					126.3	154.1	172.2	185.5	197.0	212.4	224.9
LP Distribution Coverage					\$8.5	\$4.6	\$18.1	\$11.1	\$45.3	\$53.1	\$6.0

<b>Calculation of EBITDA, excl Certain items</b>											
Net income				\$182,302	\$278,348	\$442,343	\$608,377	\$697,337	\$831,578	\$982,321	\$958,576
Cumulative Effect of Change in Accounting Principle				---	---	---	---	(3,465)	---	---	---
Income Taxes				9,826	13,934	16,373	15,283	16,631	19,726	24,461	19,795
DD&A				50,723	90,825	151,088	177,616	224,607	294,201	355,471	419,386
Interest, Net of Interest Income				52,605	93,284	171,457	176,460	181,357	192,882	258,861	331,499
EBITDA, excl Certain Items				\$295,456	\$476,391	\$781,261	\$977,736	\$1,116,467	\$1,338,387	\$1,621,114	\$1,729,256

<b>Calculation of Total Book Capitalization and Debt Ratios</b>											
Notes Payable & Current Maturities				\$209,200	\$648,949	\$560,219	---	\$2,248	\$416,900	\$566,200	\$1,357,902
Long-term Debt				989,101	1,255,453	2,231,574	3,826,489	4,438,142	4,435,664	4,753,155	4,428,129
Less: Market Value of Swaps				---	---	5,441	(166,956)	(121,464)	(130,153)	(98,469)	(42,630)
Less: Cash				(40,052)	(59,319)	(62,802)	(41,088)	(23,329)	---	(12,108)	(13,985)
Debt, Net of Cash				\$1,158,249	\$1,845,083	\$2,734,432	\$3,618,445	\$4,295,597	\$4,722,411	\$5,208,778	\$5,729,416
Minority Interests				48,299	58,169	65,236	42,033	40,064	45,646	42,331	50,599
Partner's Capital				1,774,798	2,117,067	3,159,034	3,415,929	3,510,927	3,896,519	3,613,740	4,021,653
Less: Other Comprehensive Income				---	---	(63,826)	45,257	155,810	457,343	1,079,674	841,554
Total Capitalization				\$2,981,346	\$4,020,319	\$5,894,876	\$7,121,664	\$8,002,398	\$9,121,919	\$9,944,523	\$10,643,222
Ratio of Debt to Total Capitalization				38.8%	45.9%	46.4%	50.8%	53.7%	51.8%	52.4%	53.8%
EBITDA to Interest				5.62x	5.11x	4.56x	5.54x	6.16x	6.94x	6.26x	5.22x
Debt to EBITDA				3.92x	3.87x	3.50x	3.70x	3.85x	3.53x	3.21x	3.31x

<b>Description of Certain Items</b>											
Gain on Sale of Assets										---	\$15,114
Hurricanes Katrina & Rita (Net of IMT Minority Interest)										---	8,768
SFPP Reserve										(105,000)	---
Environmental Reserve										(23,344)	(17,948)
Other										(44,113)	7,498
Total										(\$172,457)	\$13,432
Less: Minority Interest										4,022	---
LP Share of Certain Items										(\$168,435)	\$13,432
Per Unit										(\$0.79)	\$0.06