KINDER MORGAN

Wachovia Pipeline Conference
December 2004

Forward Looking Statements

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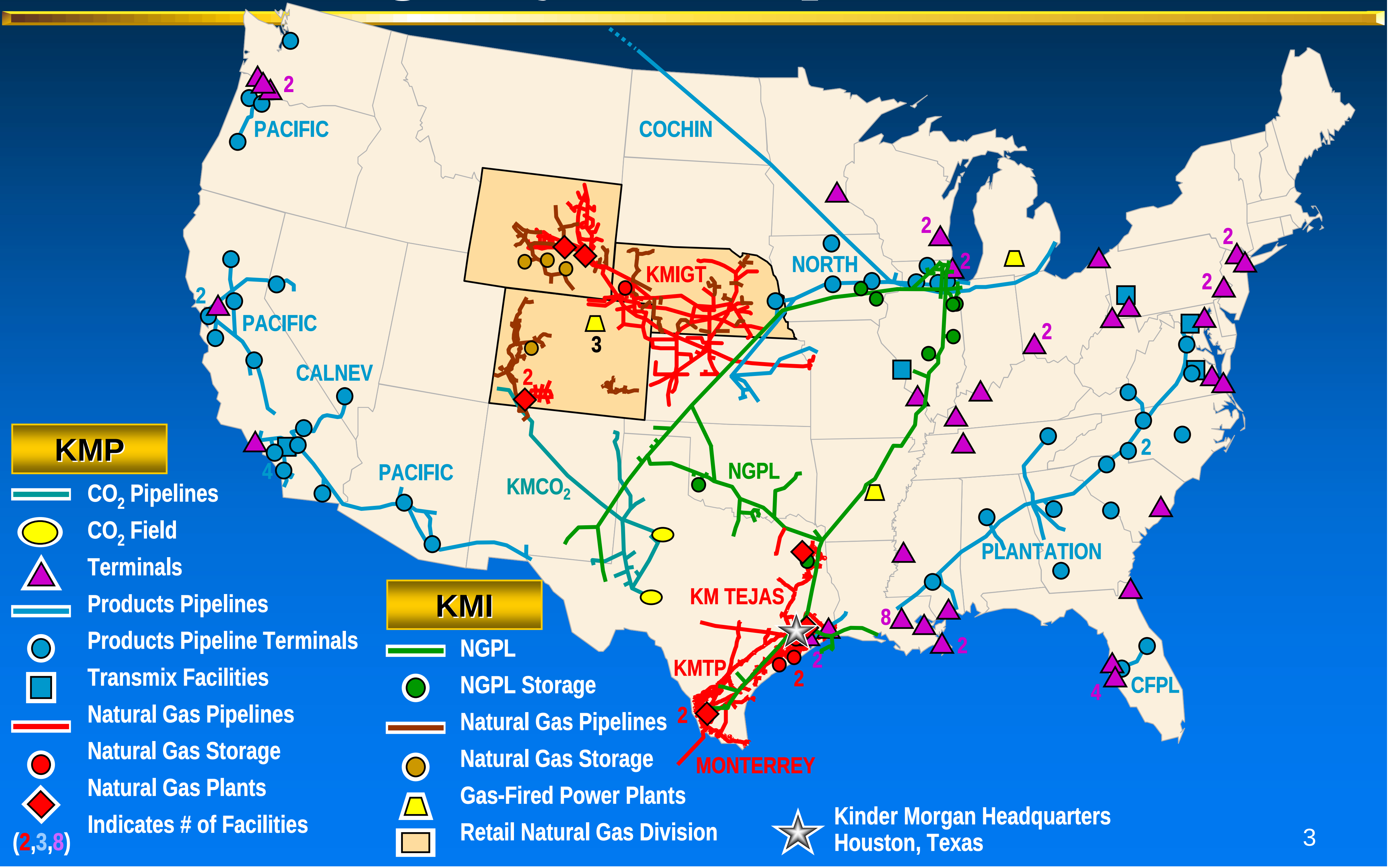
Kinder Morgan System Map



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Kinder Morgan: Three Securities

Kinder Morgan Energy Partners

Market Equity (a)	$8.9
Debt (a)	4.5
Enterprise Value (a)	**$13.4**
2004E EBITDA	$1,307 mm
2004E Dist. CF	**$968 mm**

Incentive Distribution

Kinder Morgan, Inc

Market Equity (b)	$8.7
Debt	2.9
Enterprise Value	**$11.6**
2004E EBITDA	$1,033 mm
2004E Dist. CF	**$578 mm**

Additional Shares

Cash Distribution

KMR
(LLC)
53 million i-units (a)

KMP
(Partnership)
151 million units (a,c)

KMI
(Inc)
124 million shares

KMR: 15 mm — KMI; 38 mm — Public Float

KMP: 133 mm — Public Float; 18 mm — KMI

KMI: 96 mm — Public Float; 28 mm — Mgmt

(a) KMEP market cap based on 151 million common units at a price of $44.57 and 53 million KMR i-units at a price of $40.51 as of December 1, 2004. Debt balance, as of September 30, 2004, excluding the fair value of interest rate swaps, net of cash. Both equity and debt adjusted for KMP offerings and acquisitions that have been completed since the end of the September quarter

(b) KMI market cap based on 124 million shares at $68.31 as of December 1, 2004. Market equity also includes $284 million of capital trust securities (TRUPS). Debt balance as of September 30, 2004, excluding fair value of interest rate swaps, net of cash.

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

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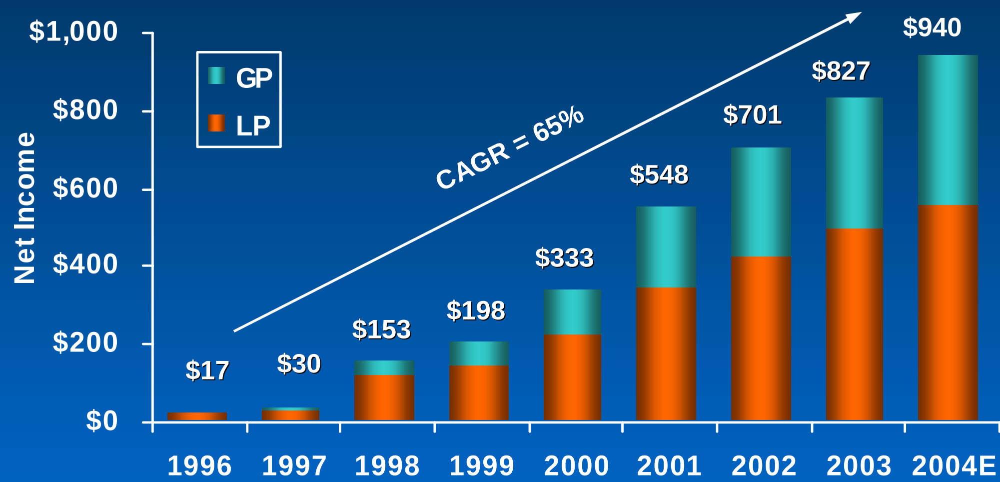
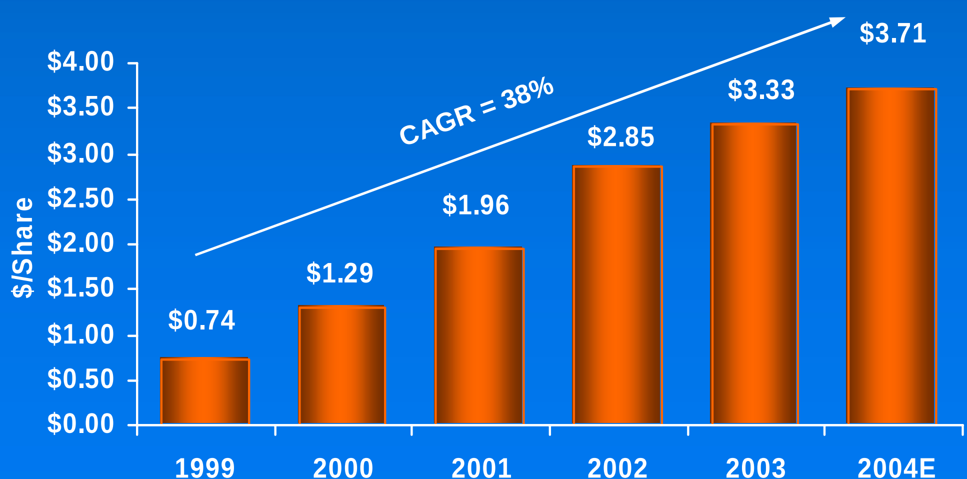
Consistent Track Record

Total Distributions (GP + LP) ($mm)

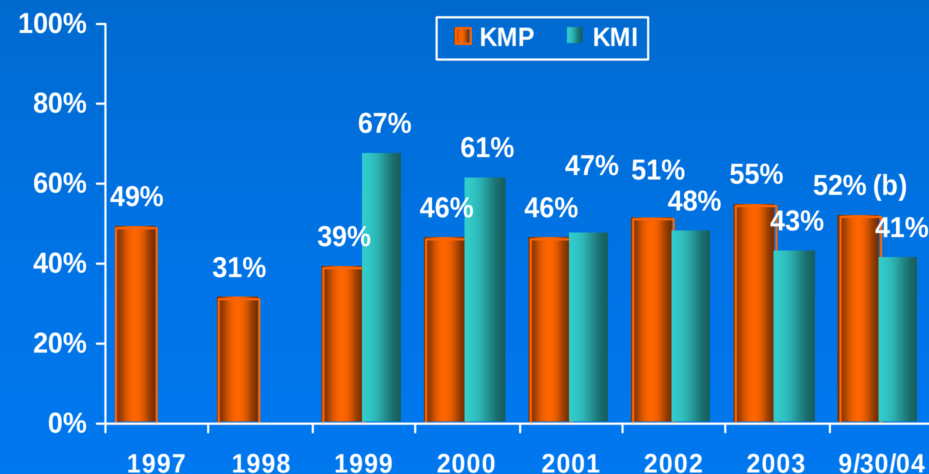


KMP Distribution / Unit (a)

KMI Earnings Per Share



Debt to Total Capital



(a) Declared 4Q distribution annualized (i.e. multiplied by four).

(b) Excludes $386 million loss in Other Comprehensive Income account related to oil hedges and adjusted for equity/debt offerings and acquisitions completed since the end of the September quarter.

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

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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 $2.84 and KMI EPS of $3.71 for 2004
  - All employees have equity-based incentives.
  - 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

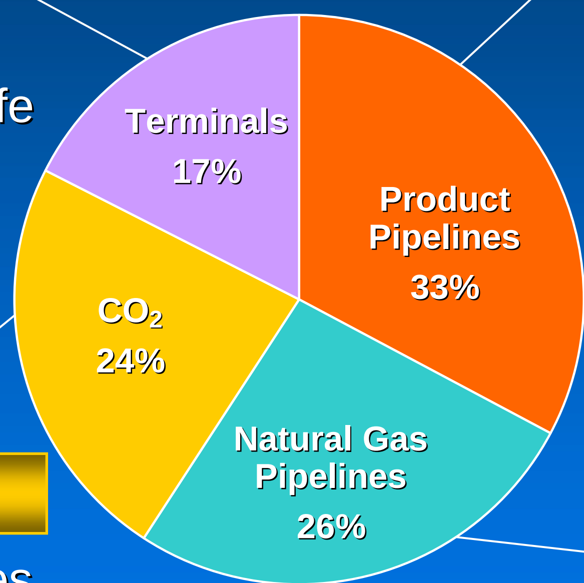
Kinder Morgan Energy Partners
KMP and KMR

Solid Asset Base Generates Stable Fee Income

Terminals

- 59% Liquids, 41% Bulk
- Geographic and product diversity
- 3-4 year average contract life

KMP 2004 DCF (a)



Products Pipelines

- Refinery hub to population center strategy
- 74% Pipelines (b)
- 22% Associated Terminals (b)
- 4% Transmix (b)
- No commodity price risk

CO_2

- 28% CO_2 transport and sales
- 72% oil production related
- 88% of ‘04 oil production hedged, 88% in ‘05 & 66% in ‘06

Natural Gas Pipelines

- 53% Texas Intrastate
- 47% Rockies
- Little incidental commodity risk

(a) Budgeted 2004 distributable cash flow before allocation of G&A and interest.
(b) Based on 2004 budgeted revenues.

KMP is Conservatively Capitalized

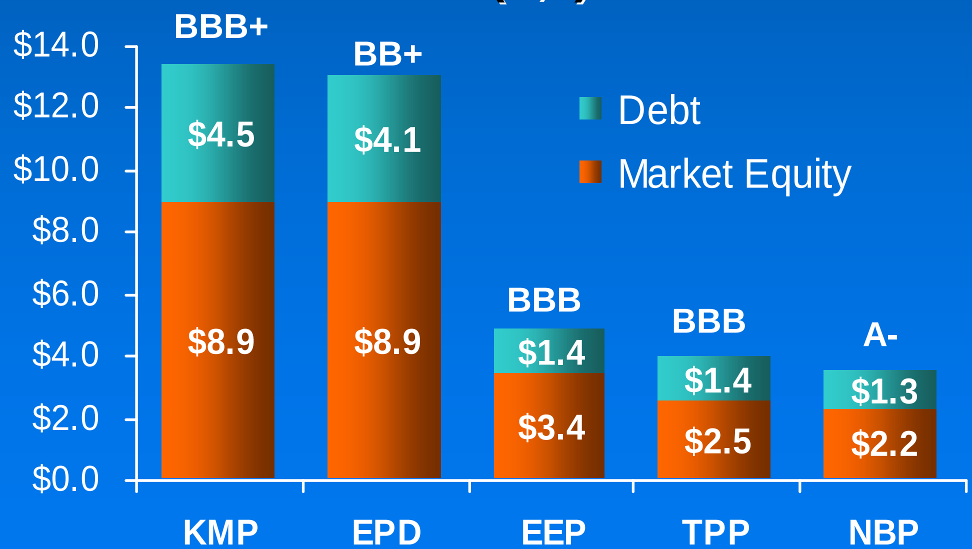
Credit Summary

Rating	Baa1/BBB+
Current Net Debt / Total Capital (a,b)	52%
2004 Budget Estimates:	
Debt / EBITDA	3.5x
EB	.5x

CP Capacity

Total Revolver	$1,250
Outstanding CP (b)	167
Excess Capacity	$1,083

Comparative Credit Ratings (b,c)



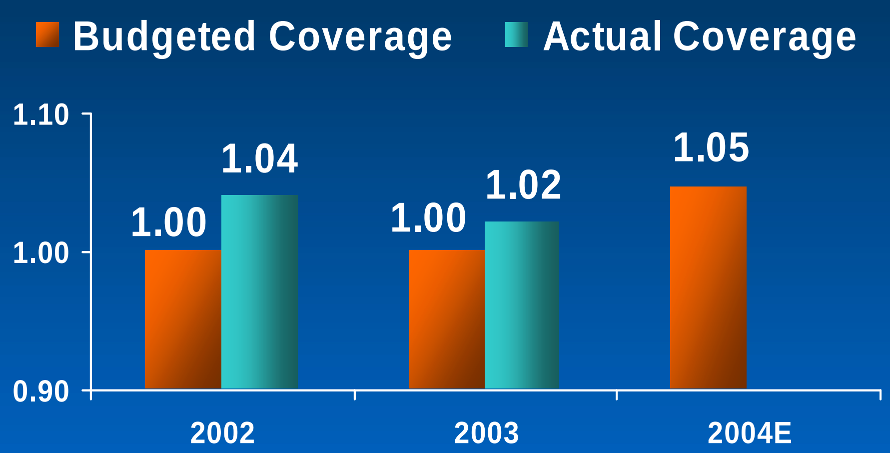
Long-Term Debt Maturities

	$ (in millions)
2004 (d)	0
2005	206
2006	45
2007	255
2008	5

(a) Excludes $386 million loss in Other Comprehensive Income account related to oil hedges.
(b) KMP financials as of September 30, 2004, adjusted for equity/debt offerings and acquisitions completed after the end of 3Q'04.
(c) Priced as of December 1, 2004, source Bloomberg. Source for all other debt, units outstanding and credit ratings is Lehman.
(d) Through remainder of year (4Q'04).

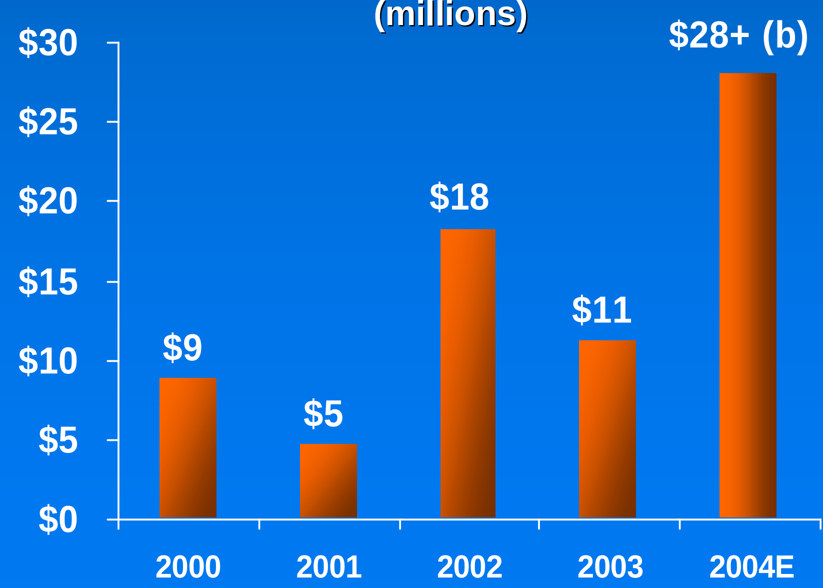
Growing KMP/KMR Distribution Coverage

Published Budget vs. Actual Coverage

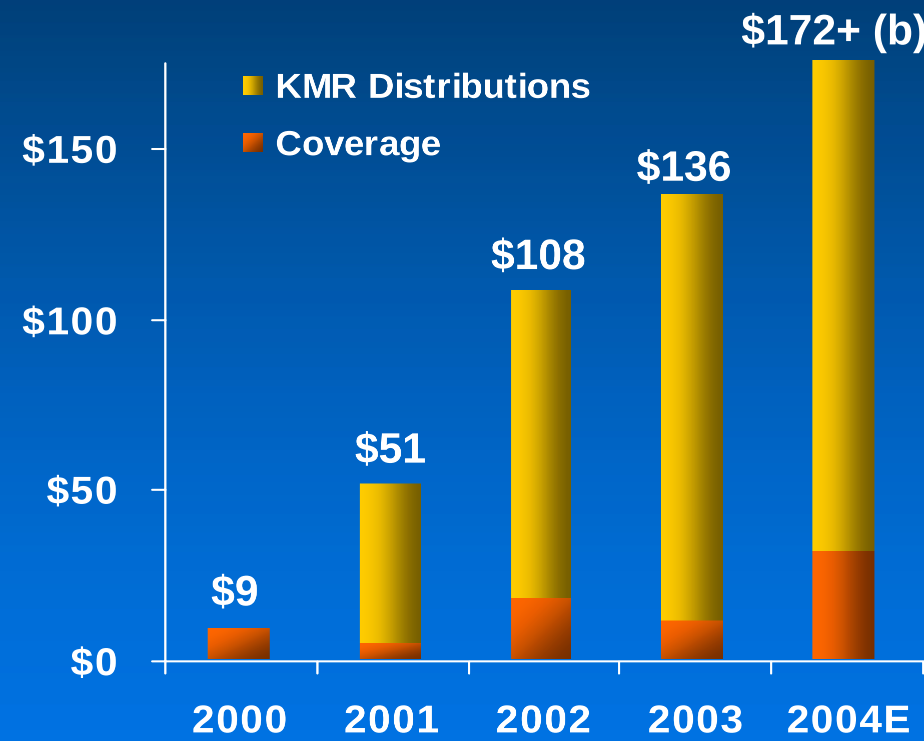


Approximate $ Coverage (a)

(millions)



Internally Generated Cash Flow Available for Reinvestment ($ mm)



a) Approximate coverage is the actual net income before DD&A less sustaining cap ex, the cash required to pay the declared distribution to the LPs and the incentive distribution to the GP.

b) Original budgeted coverage = $28mm. Through 9 months, coverage = $31.6mm. Adjusting internally generated cash flow for actual results = $176mm.

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KMP 2004 Segment Goals

Business Segment	Growth in Earnings before DD&A ($millions / %)	Top Strategic Priority
Products Pipelines	$41 / 9%	SFPP rate case East Line expansion
Natural Gas Pipelines	$10 / 3%	Expand: i) Takeaway capacity from Rockies ii) Texas footprint
CO_2	$119 / 58%	Deliver infrastructure on time and on budget
Terminals	$16 / 7%	Integration of liquid and bulk terminals

Consistent with 8% Internal Growth to LP Units

KMP: Leading Position in Each Major Business

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Products Pipelines (based on barrels per day) (a)
1. Kinder Morgan (1.9 million bpd)
2. Buckeye Pipeline (1.5 million bpd)
3. Magellan Midstream (.6 million bpd)
4. TEPPCO (.6 million bpd)
5. Kaneb (.2 million bpd)

Natural Gas Pipelines (based on pipeline miles)
1. El Paso (54,900 miles)
2. Kinder Morgan (25,600 miles)
3. MidAmerican (17,600 miles)
4. NiSource (17,200 miles)
5. Southern Union (16,400 miles)

CO_2 (based on pipeline miles operated)
1. Kinder Morgan (1,050 miles)
2. BP (425 miles)
3. Oxy (259 miles)
4. Exxon Mobil (217 miles)
5. Dakota Gas (202 miles)

Liquids Terminals (based on capacity in barrels)
1. Kinder Morgan (65MM) (b)
2. ST Services (32.8MM)
3. IMTT (32.3MM)
4. Magellan Midstream (25.6MM)
5. TransMontaigne (20.9MM)

(a) Independent products pipelines, excluding NGL, crude and gathering lines
(b) Includes liquids terminals associated with products pipelines

High Return Internal Expansions Add Growth

KMP 2004 Expansion Capital Budget

Business Segment	2004 Budget	Major Projects	Completion Date
Product Pipelines	$159	North and East Line, Carson	2004-2006
Natural Gas Pipelines	$76	CMC, Austin	2004
CO_2	$310	SACROC/Yates	2004
Terminals	$64	Carteret, Delta	2004
Total	**$609**		

Kinder Morgan Inc.

Solid Asset Base Generates Stable Fee Income

Investment in KMP (a)

- General partner interest earns incentive distributions
- Owns 17% of total limited partner units

Power

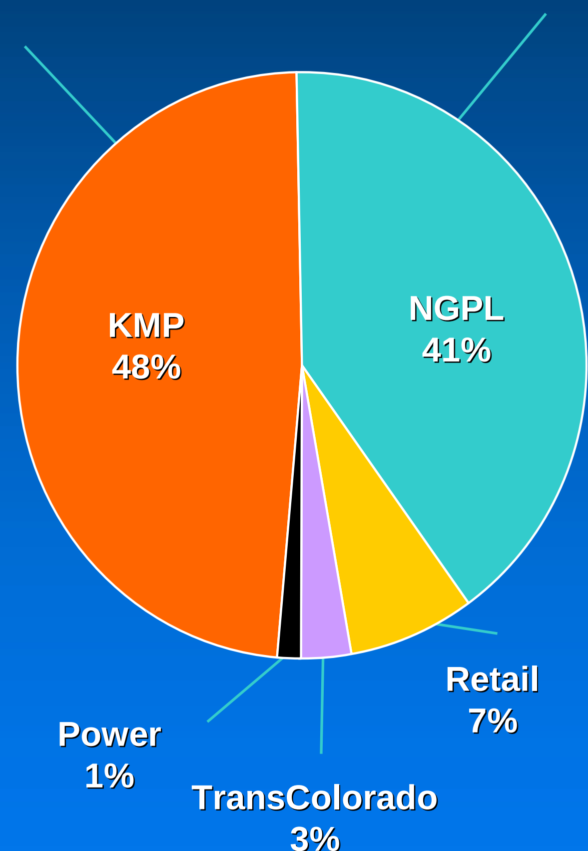
- Equity interest in five plants

TransColorado

- Transports natural gas from Rockies to northern New Mexico

KMI

2004 Segment Income (b)



NGPL

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

Retail

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

(a) Includes: (i) general partner interest, (ii) earnings from 18 million KMP units and (iii) earnings from 15 million KMR units.
(b) Budgeted 2004 segment earnings before allocation of G&A and interest.

KMI is Conservatively Capitalized

Credit Summary

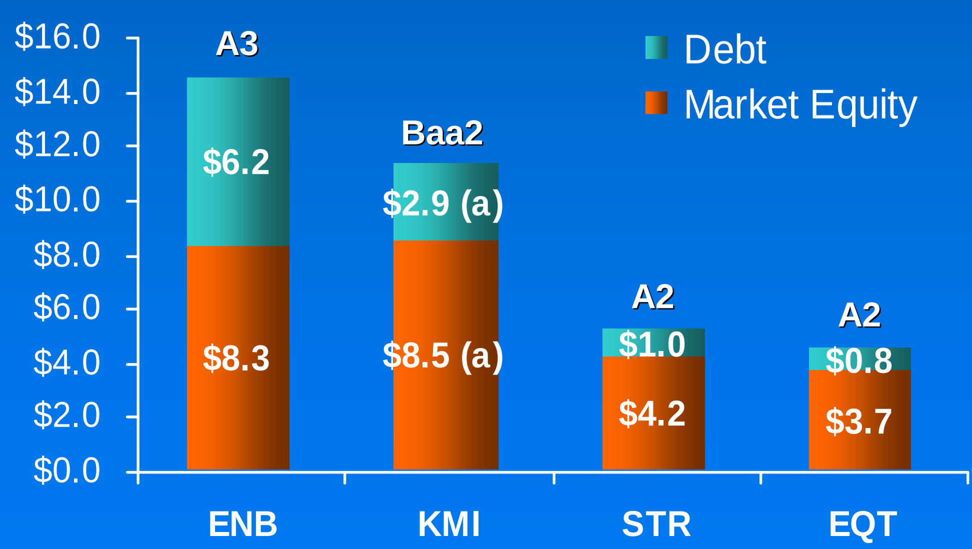
Rating
Baa2/BBB

Current Net Debt / Total Capital (a)	41%
<u>2004 Budget Estimates:</u>	
Debt / EBITDA	2.8x
EBITDA / Interest	7.7x

CP Capacity

Total Revolver	$800
Outstanding CP (a,b)	113
Excess Capacity	$762

Comparative Credit Ratings (c)



Long-Term Debt Maturities

	$ (in millions)
2004 (b,d)	0
2005	505
2006	0
2007	0
2008	300

(a) KMI September 30, 2004 financials
(b) Adjusted for recent redemption of $75 million in senior notes.
(c) Market equity priced as of December 1, 2004, includes preferred, source Bloomberg. Source for all other debt, units outstanding and credit ratings is Lehman.
(d) Through remainder of year (4Q'04).

Targeted KMI Internal Growth

Assumptions:

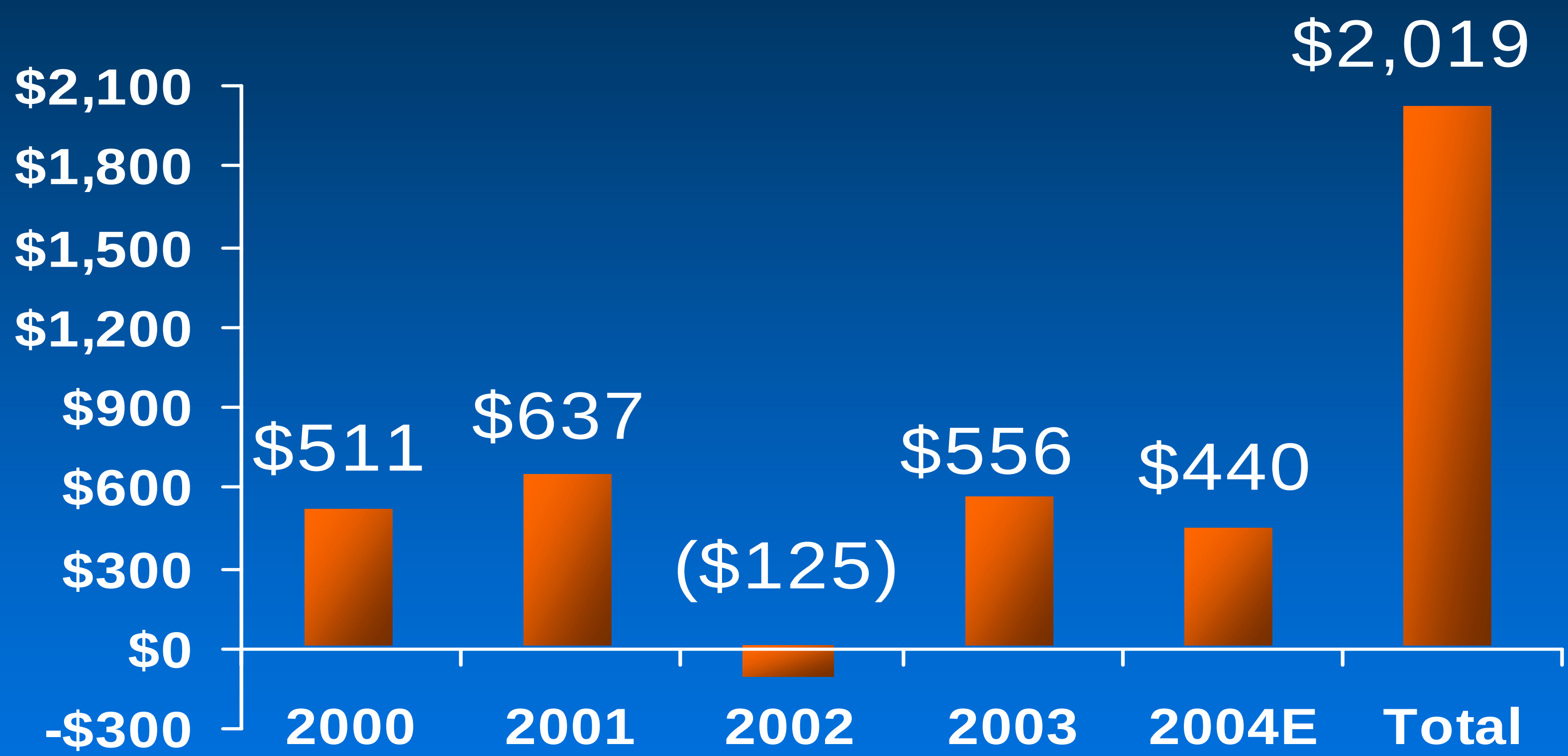
1. Investment in KMP	15% results from 8-10% LP distribution growth
2. NGPL / Other Assets	3 - 5% segment earnings growth
3. Use of Free Cash Flow	$100 million in debt reduction $60 million in share repurchase

Consistent with 10-12% earnings growth

4. Use of Free Cash Flow	$2.25/share in dividends

Approximately 3.7% yield

Over $2 billion Returned to Investors 2000-2004



	2000	2001	2002	2003	2004E	Total
Dividends	23	23	37	135	280	497
Share Repurchase	0	266	149	38	60	513
Change in Net Debt	488	348	(311)	383	100	1,009

Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - 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 $22 million increase in expense at KMP and $15 million at KMI

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Future Opportunities Beyond 2004

- **Natural Gas Pipeline Expansions**
  - TransColorado
  - Advantage
  - Greasewood to Cheyenne
  - West Texas
  - Silver Canyon
- **Natural Gas Storage Opportunities**
- **LNG**
  - Interconnect Services
  - Facilities
- **Refined Products Pipeline & Terminal Expansions**
  - East Line
  - New York Harbor
  - Houston
  - Los Angeles
- **SACROC/Yates**
- **Acquisitions**

Unique Structure, Stable Assets and Attractive Growth

Unique Structure

- KMP
  - Tax efficient entity
  - Pay-out 100% of available cash
  - Structure creates discipline
- KMR
  - Dividend reinvestment funds capital expenditures
- KMI
  - Minimal capital required
  - Growth from GP incentive fee
  - Significant excess cash returned to debt and equity holders

Stable Assets, 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

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