



A Company Run By Shareholders, For Shareholders
November 2004

Forward Looking Statements

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Offering Overview

Issuer:	Kinder Morgan Energy Partners, L.P.
Security:	5 million common units (NYSE: KMP)
Closing Price on 11/2/04:	\$45.90
Cash Distribution:	\$2.92 per unit annually
Yield:	6.4% (a)
Use of Proceeds:	Repay short-term debt associated with expansion capital projects and acquisitions in 2004
Expected Pricing:	11/4/2004
Underwriters:	Lehman Brothers Morgan Stanley Citigroup Merrill Lynch UBS Wachovia

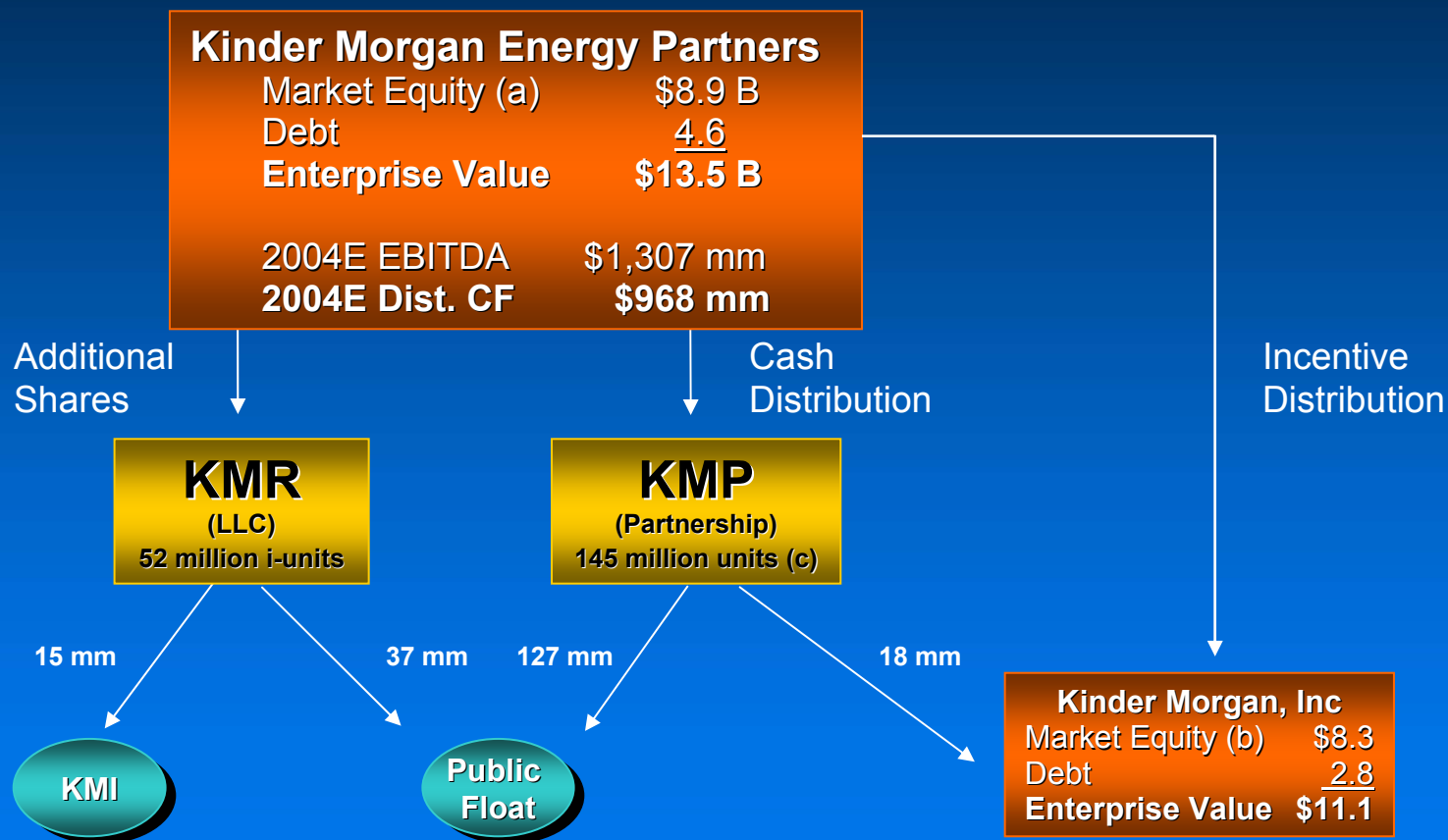
KMP System Map



Investment Highlights

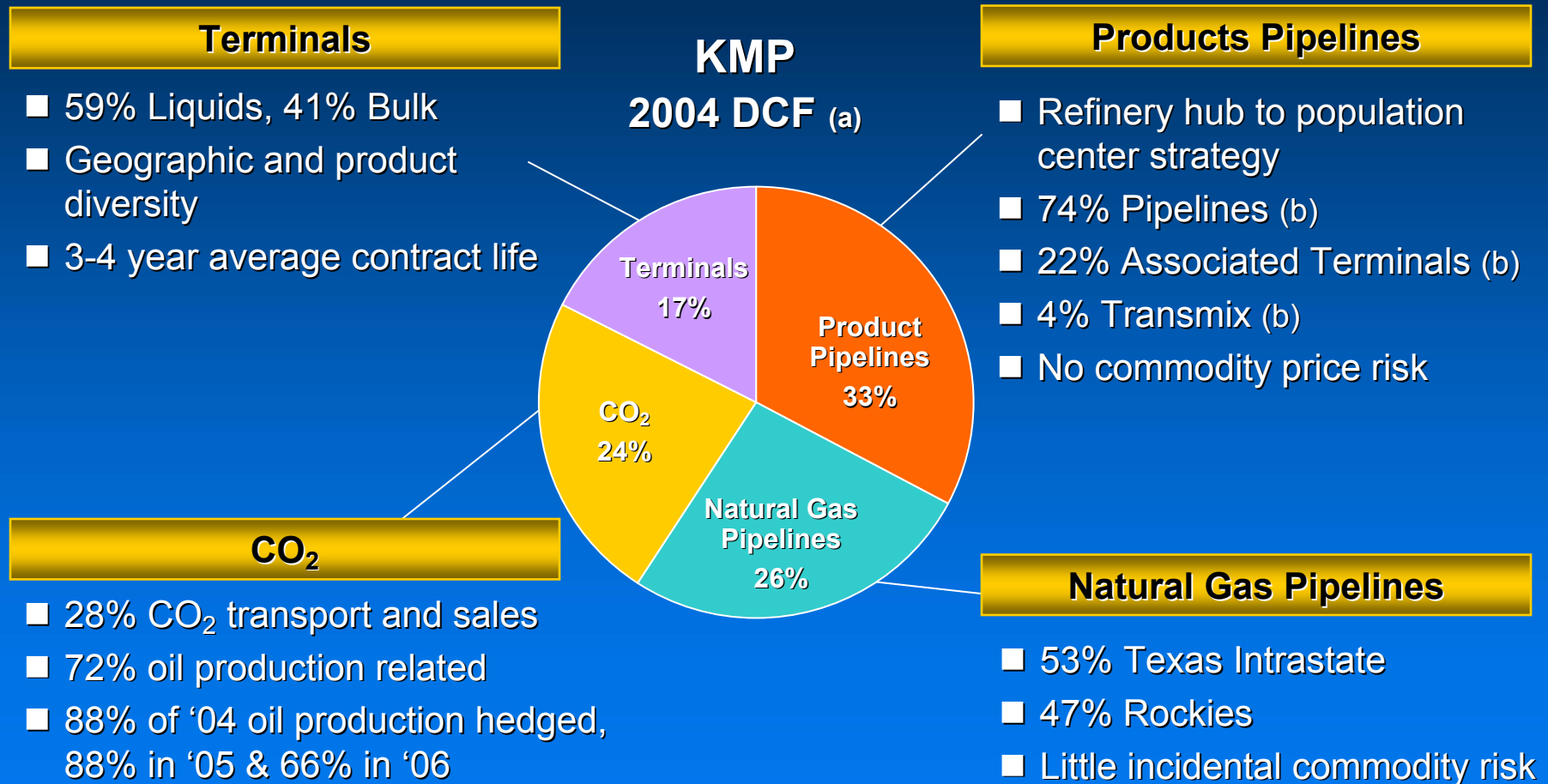
- Largest pipeline MLP in U.S.
- Stable cash flow from essential infrastructure
- Low cost discipline
- Demonstrated, consistent growth in distributions to unit holders
- Attractive internal growth from favorable demographics and expansion opportunities
- Conservative capital structure
- Management team with significant equity stake
- Acquisition upside potential

Kinder Morgan Structure (Pre-offering)



- (a) KMEP pre-offering market cap based on 145.4 million common units at a price of \$46.31, and 51.9 million KMR i-units at a price of \$41.25 as of October 29, 2004. Debt balance as of September 30, 2004, excluding the fair value of interest rate swaps, net of cash.
- (b) KMI market cap based on 123.9 million shares at \$64.37 as of October 29, 2004, includes \$284 million of trust preferred securities. Debt balance as of September 30, 2004, excluding the fair value of interest rate swaps, net of cash.
- (c) Includes 5.3 million Class B units owned by KMI. Class B units are unlisted KMP common units.

Solid Asset Base Generates Stable Fee Income

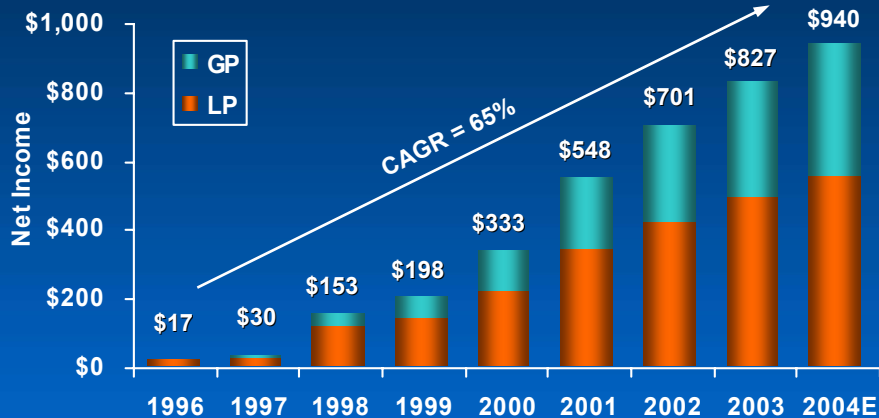


(a) Budgeted 2004 distributable cash flow before allocation of G&A and interest.

(b) Based on 2004 budgeted revenues.

Consistent Track Record

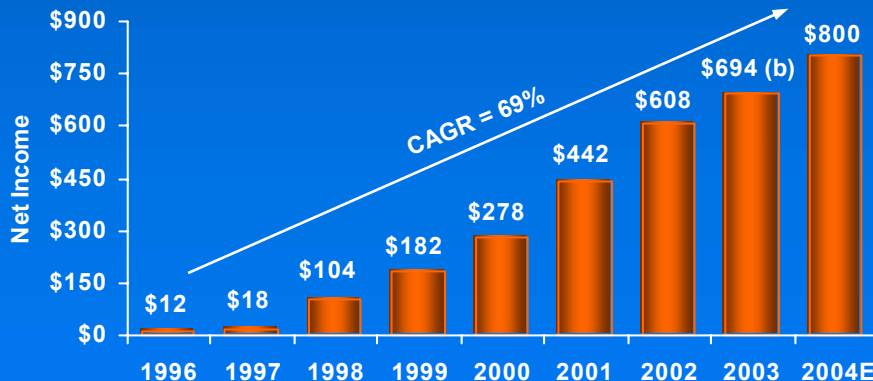
Total Distributions (GP + LP) (\$mm)



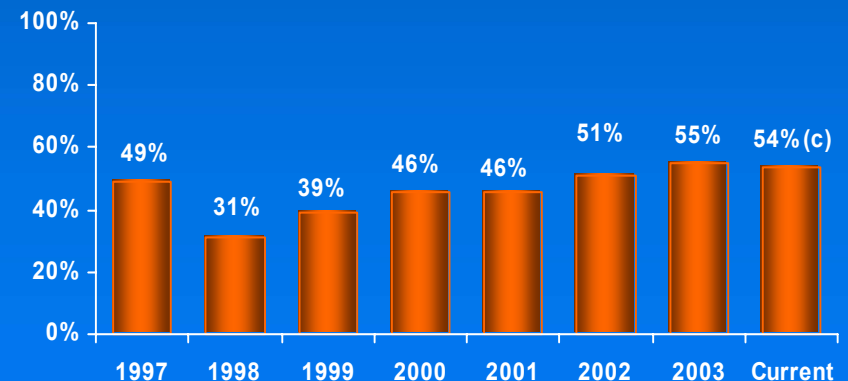
KMP Distribution / Unit (a)



KMP Net Income (\$mm)



KMP Debt to Total Capital

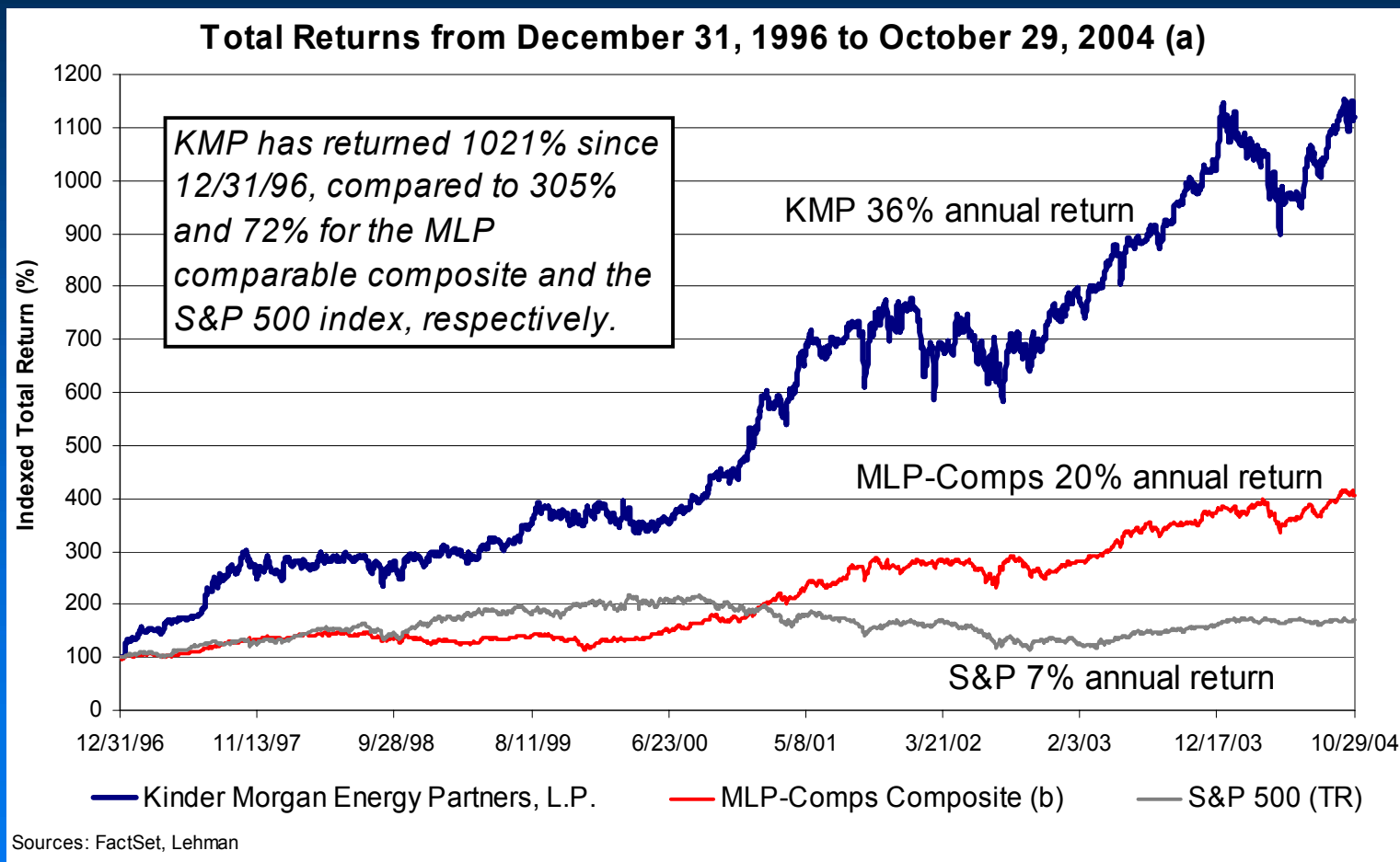


(a) Declared 4Q distribution annualized (i.e. multiplied by four).

(b) 2003 net income excludes \$3.4 million gain from change in accounting principles.

(c) September 30, 2004 financials, adjusted for proposed \$280 million equity offering.

Attractive Historical Returns



a) Includes distributions/dividends.

b) MLP Composite includes: Buckeye Partners LP, Enbridge Energy Partners, Enterprise Products Partners, GulfTerra Energy Partners, Kanab Pipe Line Partners, Magellan Midstream Partners, Northern Border Partners, Plains All American Pipeline, Pacific Energy Partners, Sunoco Logistics Partners, TC PipeLines, TEPPCO Partners, and Valero.

15% Expected Returns, Limited Risk

	KMP
Distribution Yield	Approximately 6.4% (a)
Annual growth target without acquisitions	8 – 10%
Current share of cash distributions	59% (41% to GP)
Upside/Downside at current split	50% upside / 50% downside

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 \$2.84 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

KMP Q3 Results Driven by Internal Growth

	Three Months Ended, Sep 30		% Change	YTD – % of Budget	Comments
	2004	2003			
Products Pipelines	\$120.4	\$107.9	11%	73%	Products demand & terminals
Natural Gas Pipelines	105.2	93.2	13%	79%	Texas intra-states
CO₂ Pipelines	86.1	53.1	62%	74%	SACROC, Yates & CO ₂ vol
Terminals	67.2	60.5	11%	76%	Expansions, acquisitions
DD&A	(73.6)	(56.4)	30%	75%	CO ₂
G&A	(37.8)	(36.8)	3%	83%	Benefits, insurance
Net Debt Costs	(47.3)	(44.7)	6%	70%	
Minority Interest	(2.8)	(2.6)	8%	84%	
Net Income	\$217.3	\$174.2	25%	76%	
General Partner	(100.3)	(82.7)	21%	75%	
LP Net Income	\$117.0	\$91.4	28%	76%	
Per Unit	\$0.59	\$0.49	22%	76%	
Declared Distribution	\$0.73	\$0.66	11%	75%	

KMP is Conservatively Capitalized

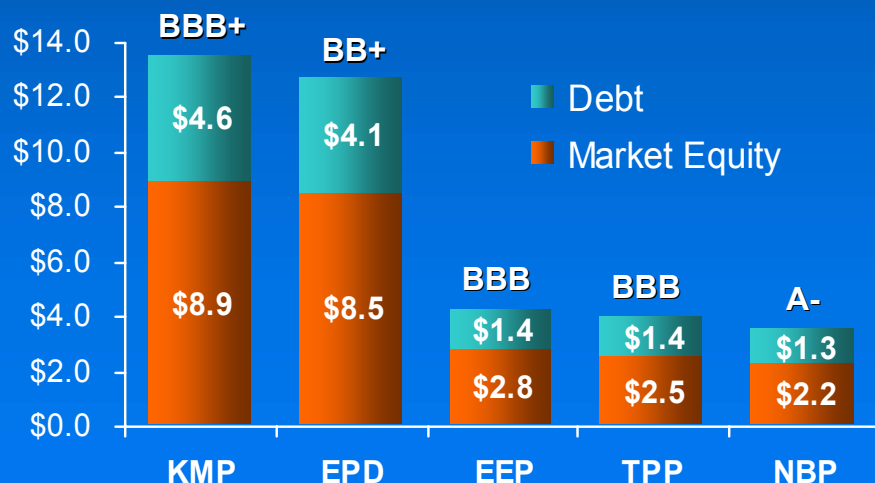
Credit Summary

Rating	Baa1/BBB+
Current Net Debt / Total Capital	54% (a)
<u>2004 Budget Estimates:</u>	
Debt / EBITDA	3.5x
EBITDA / Interest	6.5x

CP Capacity

Total Revolver	\$1,250
Outstanding CP (a)	813
Excess Capacity	\$437

Comparative Credit Ratings (b)



Long-Term Debt Maturities

	<u>\$(in millions)</u>
2004 (c)	0
2005	206
2006	45
2007	255
2008	5

- (a) September 30, 2004 financials, Current Net Debt / Total Capital adjusted for proposed equity offering.
- (b) Priced as of October 29, 2004, source Bloomberg. KMP debt as of September 30, 2004. Source for all other debt balances as well as units outstanding and credit ratings is Lehman.
- (c) Through remainder of year (4Q'04). 14

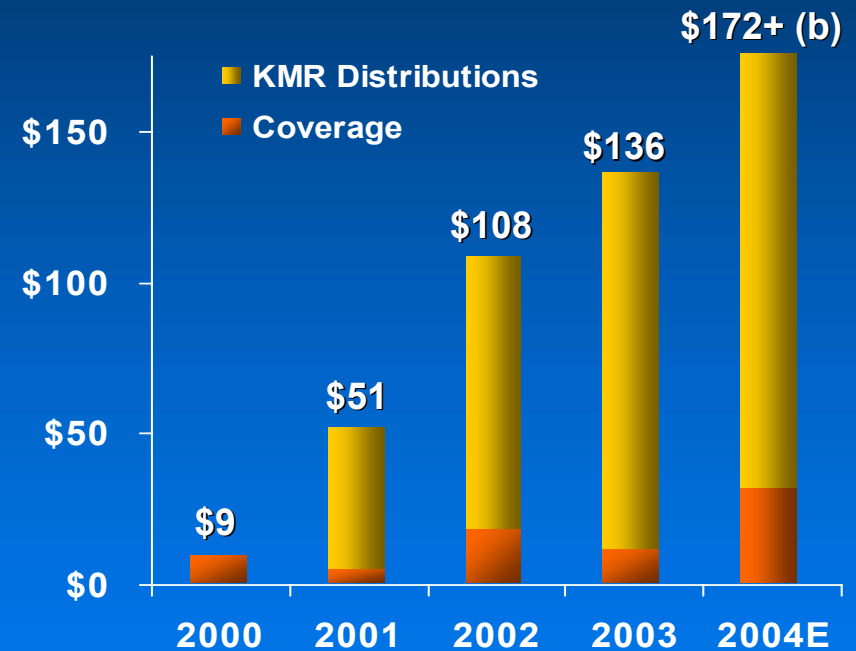
Growing KMP/KMR Distribution Coverage

Published Budget vs. Actual Coverage

■ Budgeted Coverage
 ■ Actual Coverage



Internally Generated Cash Flow Available for Reinvestment (\$ mm)



Approximate \$ Coverage (a) (millions)



- 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.

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

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)

CO₂ (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** (60MM) (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		

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 \$23 million increase in expense at KMP

Stable Platform, Attractive Growth

- Largest pipeline MLP in U.S.
- Stable cash flow from essential infrastructure
- Low cost discipline
- Demonstrated, consistent growth in distributions to unit holders
- Attractive internal growth from favorable demographics and expansion opportunities
- Conservative capital structure
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KINDER MORGAN

ENERGY PARTNERS, L.P.
