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Products Pipelines

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2003 Results

- Refined Products volumes off 1.3%; Revenues up 1.5%. Volumes impacted by several events.
  - West Coast
    - Conversion from MTBE to ethanol
    - SARS / slower than anticipated commercial air travel recovery
    - Military deployment
  - Southeast (PPL)
    - Texas / Louisiana supply logistics shifts
    - Crimped demand due to poor weather – February / March
    - Extended 1Q / 2Q turnarounds and Murphy refinery fire
    - Military deployment and commercial air travel recovery

2003 Results (continued)

- Refined Products volumes rebounded in 4th quarter
  - Total Products Pipelines volumes up 2%; up 3.2% adjusted for ethanol conversion
  - PPL volumes up 4.1%
  - Pacific gasoline and total volumes up 2.8% adjusted for ethanol
  - Calnev gasoline up 3% adjusted for late December pipeline washout
  - CFPL gasoline up 2.7%
- Underlying long-term demand drivers still in place

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2003 Results

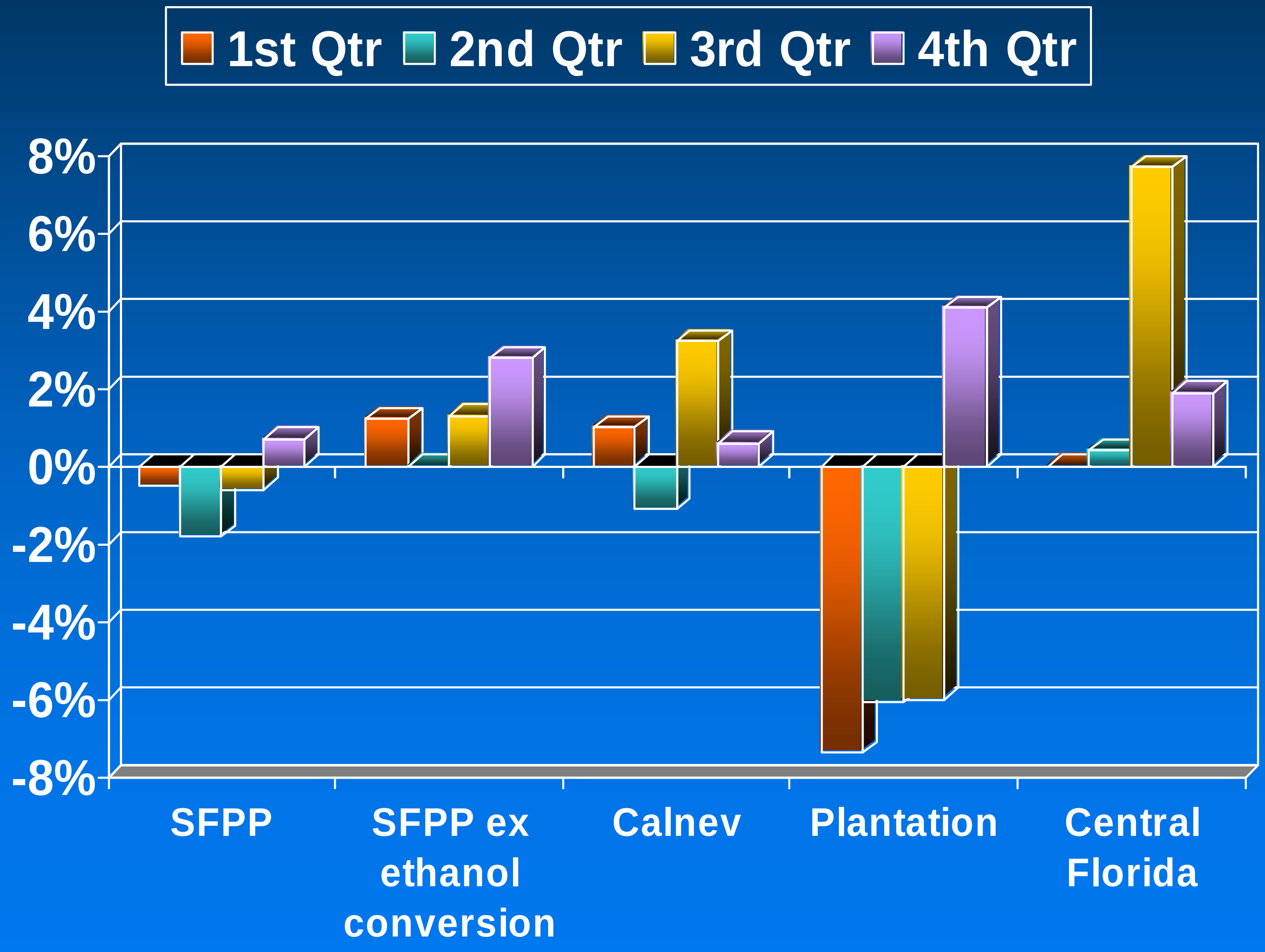
	Pipeline Volumes MMBBL			Pipeline Revenues $MM		
	2003	2002	Pct	2003	2002	Pct
Pacific	413.0	415.3	-0.6%[1]	302.6	296.7	2.0%
Calnev	44.7	44.2	0.9%[2]	54.6	51.7	5.6%
Plantation	223.5	232.5	-3.9%	157.8	160.3	-1.5%
Heartland	7.4	6.6	12.8%	6.7	6.2	8.5%
CFPL	35.2	34.3	2.4%	33.9	32.3	4.9%
Total	723.7	732.9	-1.3%	555.6	547.2	1.5%

Includes Associated Terminals, excludes NGLs

[1] Unadjusted for ethanol

[2] Unadjusted for Dec ’03 washout

2003 vs. 2002 – Volume Growth Trending Positive



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Demand Drivers

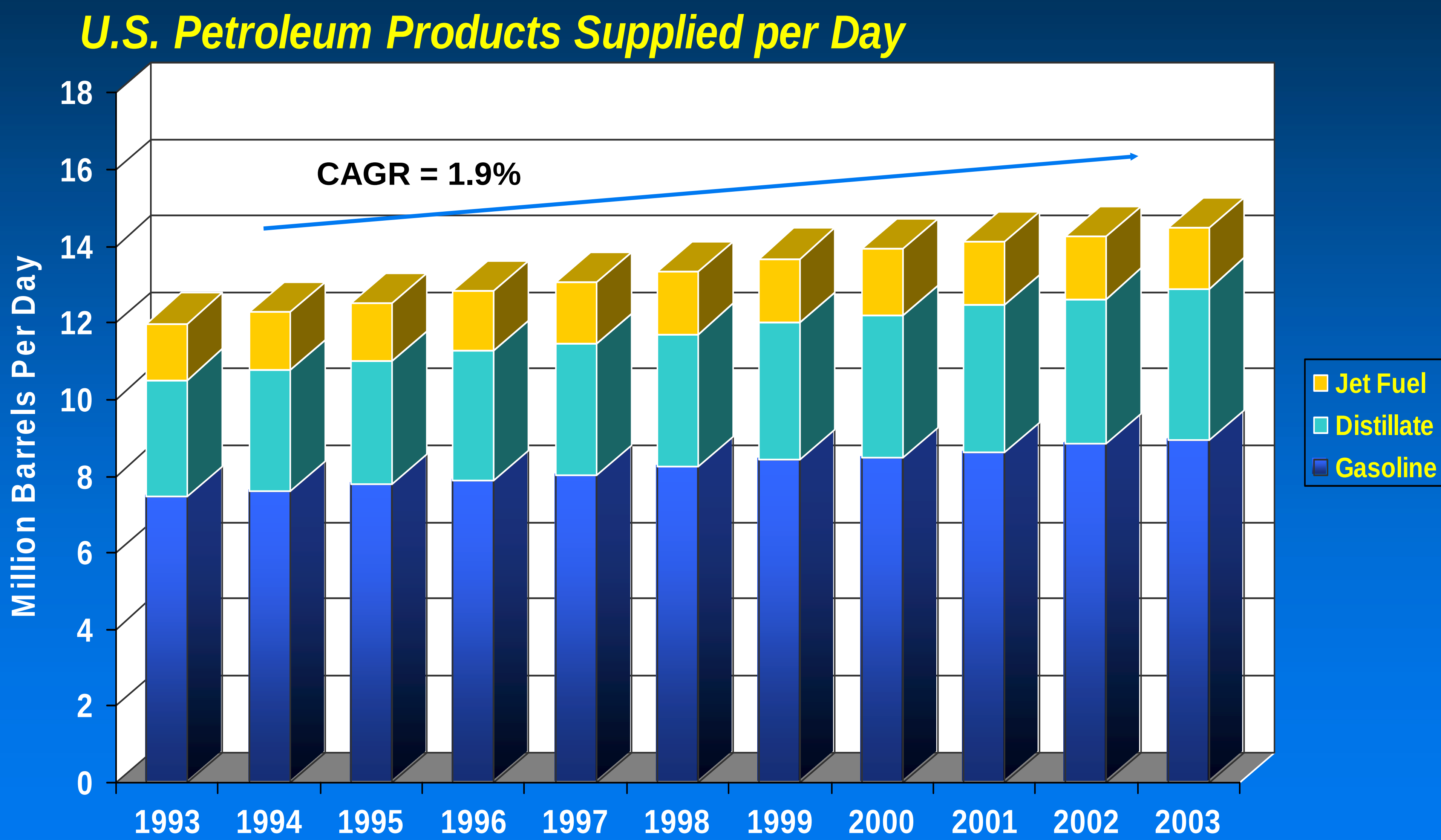
- Operate in Growth Markets
  - US 2000 Census (1995-2015 Population Growth)
    - >30% (California, New Mexico, Arizona, Nevada)
    - >30% (Florida)
    - >20% (Georgia, North Carolina, Virginia)
- Operate in Large Markets
  - Los Angeles, San Francisco, Phoenix
  - Atlanta, Washington D.C.
- Vehicle Sales Preferences*
  - Ratio of Passenger Cars to Light Trucks/SUVs:

2000	2005	2010
63% / 37%	57% / 43%	53% / 47%

- No major changes to CAFE standards
- EIA 2004 total US products demand forecast +1.9%

* U.S. DOT Transportation Statistics Annual Report 1999

Commodity Demand



Source: EIA, January 2004 Short-Term Energy Outlook.

2003 Volumes

	Nationwide Demand	Pacific	Calnev	CFPL
Gasoline	+1.0%	+1.5%[1]	+3.0%[2]	+2.3%
Diesel	+4.5%	+4.9%	+4.2%	+2.5%
Jet	-1.9%	-4.1%	-4.0%	+3.0%
Total	+1.4%	+1.3%	+1.8%	+2.5%

[1] Adjusted for ethanol

2 Adjusted for December '03 washout

2003 Volumes (continued)

- Pacific
  - Gasoline demand above national average (up 1.5% adjusted for ethanol)
  - Diesel volumes up 4.9% due to improving economy
  - Jet volumes down 4.1%
    - Military volumes down 13% in 1st half of 2003 due to war in Iraq; rebounded to 23.9% growth in 4Q03
    - Commercial jet travel impacted by SARS; traffic from SFO to Asia down 40% in 2Q03

2003 Volumes (continued)

- **Plantation**
  - Gasoline volumes down 7.4%
    - Major suppliers (including XOM) in extended turnarounds
    - Severe winter weather impacted demand late 1Q / early 2Q
    - Gasoline volumes down 10% in 1Q-3Q03 as refiners shifted supply sources (from Louisiana to Texas) to meet new low sulfur regulations in Atlanta
    - Gasoline rebounded to 1.7% growth in 4Q03
  - Diesel volumes up 8.0% due to logistics shifts (XOM supplying LSD) and improving economy
  - Gas/distillate mix shifted from 68%/32% in 2002 to 65%/35% in 2003
  - Jet volumes down 2.5% due to SARS and slowly recovering travel

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2003 Volumes (continued)

- **Calnev**
  - Gasoline volumes up 1.6% (up 3% adjusted for late December ’03 washout)
  - Diesel volumes up 4.2% due to improving economy
  - Jet volumes down 4.0% due to SARS and overseas military deployment
- **CFPL**
  - Gasoline volumes up 2.3%
  - Diesel volumes up 2.5%
  - Jet volumes up 3.0%

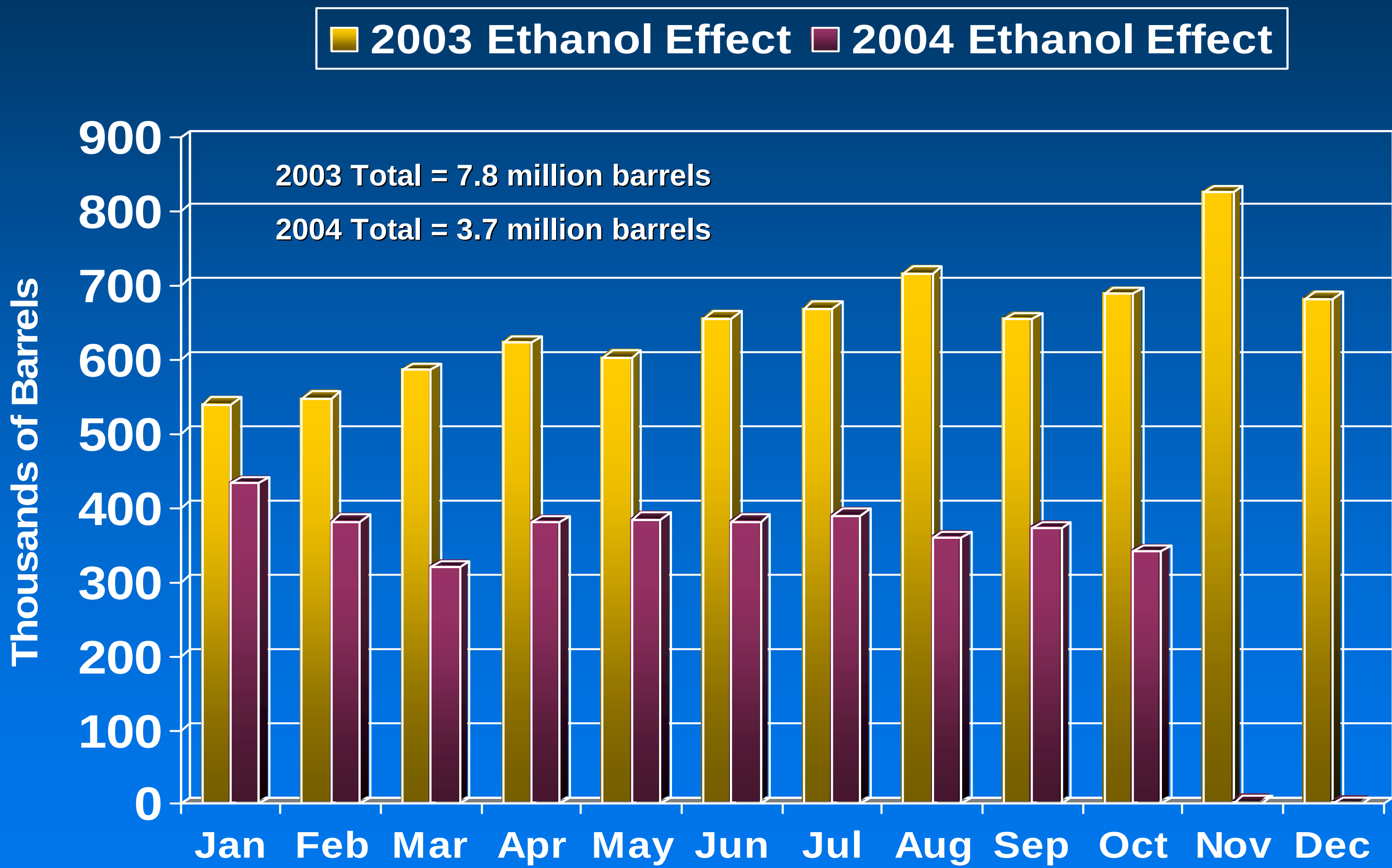
California Ethanol Conversion

- MTBE Eliminated from California gasoline in 2 major steps in 2003
- Beginning January 2003:
  - Approximately 50% of CA gasoline converted by major refiners on a voluntary basis
- November 2003:
  - Remaining 50% of CA gasoline converted to comply with 1/1/04 regulatory mandate
  - Ethanol Blending Facilities in place at all KM CA terminals to serve majors and community customers
    - Investment supported by term contracts to provide ethanol blending services

California Ethanol Conversion (continued)

- Impact on Pacific Volumes
  - 2003 Ethanol Effect: 7.8 million barrels
  - 2004 Estimated Ethanol Effect: 3.7 million barrels
  - 2003 Gasoline volumes would have been up 1.5% adjusted for ethanol conversion
  - 2003 Total volumes would have been up 1.3% adjusted for ethanol conversion
- Impact on Pacific Terminal Revenue
  - Terminal Revenue up $4.7 million or 10% in 2003
  - Estimated Terminal Revenue for SFPP Terminals in 2004 will be up $5.2 million, or 10%

California Ethanol Effect



SFPP Rate Case

- OR 96-2 “Global Complaint”
  - Complaints filed in 1996
  - Hearings held from October 2001 through March 2002
  - ALJ non-binding Initial Decision on Phase I (grandfathering) issued in June 2003
  - Initial Decision appealed to the Commission in August 2003
  - Expect ALJ non-binding Initial Decision on Phase II (rates and reparations) in the 1st quarter of 2004
  - Expect the first Commission Decision on combined Phases I and II in the 1st to 2nd quarter of 2005

Tucson

- Arizona House of Representatives Draft Report on Gasoline Shortage found:
  - "Although the pipeline break was a contributing factor…"
  - "It appears that gasoline demand resulting from panic buying was the major cause of the Phoenix area gasoline spot shortage"
  - Demand spike was more than 5 times the normal daily demand
- SCC Investigation
  - All initial survey studies are complete
  - Field excavations underway; will be completed in February
  - SCC is not detectable with current in-line inspection tools
- Replacement of 12 miles of pipeline through the city of Tucson
  - All permits are in-hand
  - Have completed 65% of pipeline replacement project
  - Will be completed in mid-March
  - Part of the longer-term $200 million East Line Expansion

Sustaining Capex

2002: $28.2 million

2003: $30.0 million

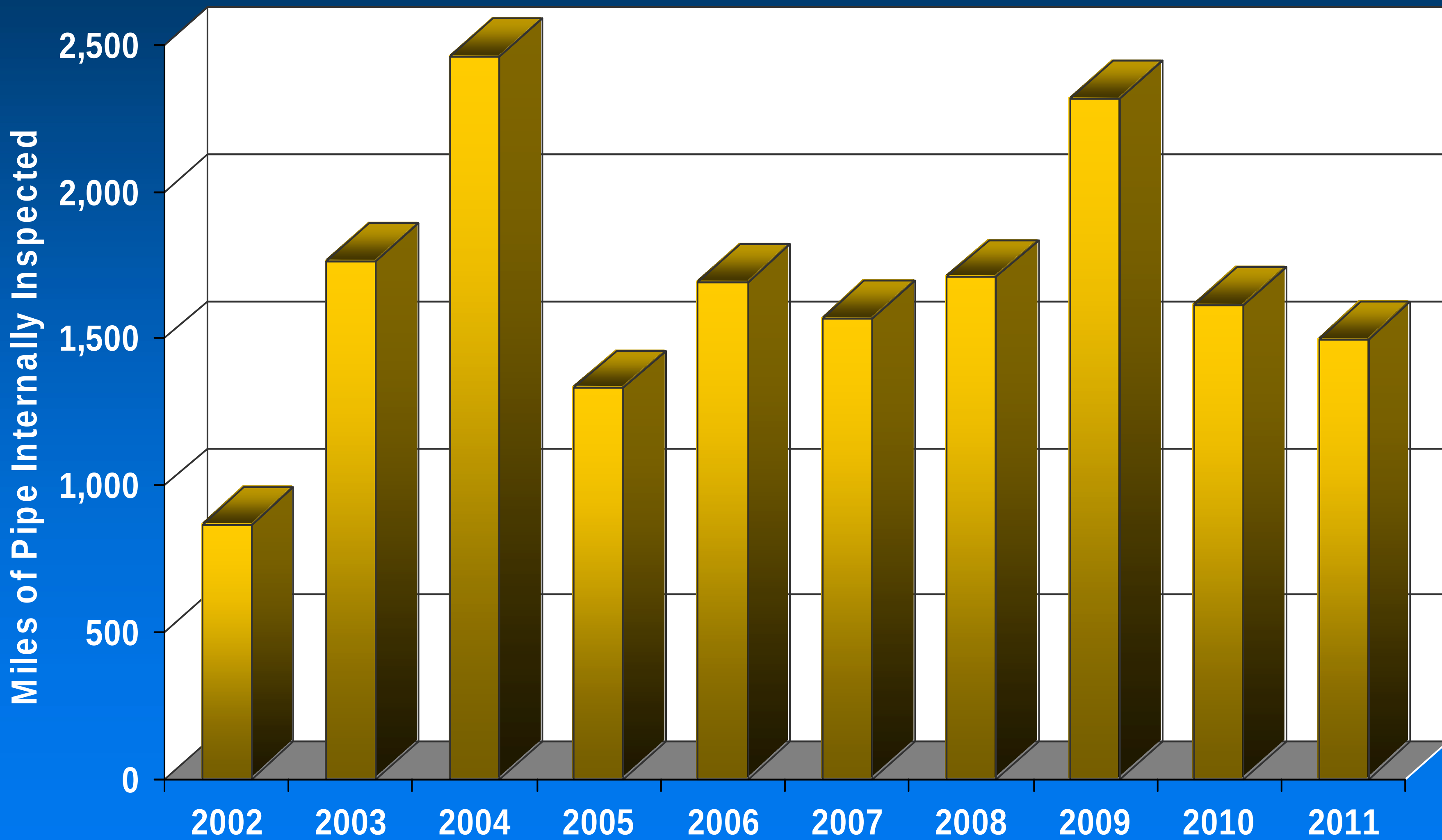
2004: $40.6 million

- KM has projected increased costs associated with implementation of DOT's Integrity Management Rule
  - The IMP rule has compressed the time frame/frequency for internal inspections
  - Prior to the IMP rule, KM had inspected 6,196 miles of pipeline, usually on a 10-year frequency (74% of total mileage, 96% of SFPP and 89% of Calnev and PPL)
  - The IMP rule requires inspection of all lines on a 5-year frequency
  - 50% of all pipelines must be inspected between March 2001 and September 2004
  - Looking forward, unless regulations change, costs are not expected to increase significantly through the 5-year cycle

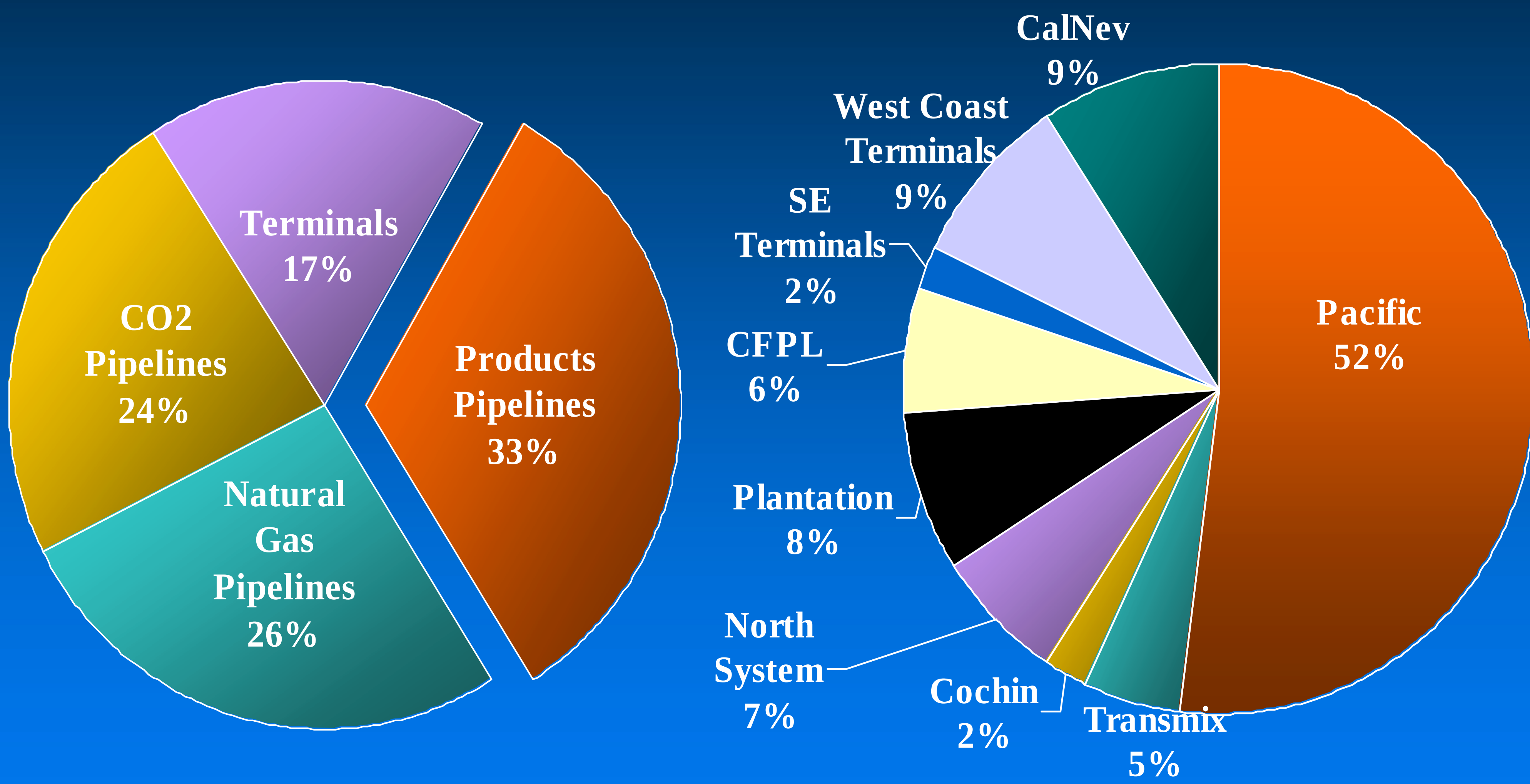
Sustaining Capex (continued)

- Kinder Morgan's 10-year Integrity Management Plan
  - Under DOT's IMP Rule, KM prioritizes pipeline segments to be tested each year
  - Criteria used for prioritization of High Consequence Areas (HCAs)
    - Commercial navigable waterways
    - Highly populated areas
    - Unusually Sensitive Areas (USAs)
      - Drinking water sources
      - Ecological resource areas
    - Operating History
  - Highest total annual mileage scheduled for inspection will be in 2004

Annual Internal Inspections



2004 Products Pipeline Segment Overview *



* 2004 budgeted distributable cash flow before allocation of G&A and interest

2004 Plan

	Pipeline Volumes MMBBL			Pipeline Revenues $MM		
	2004	2003	Pct	2004	2003	Pct
Pacific	424.8	413.0	2.9%	322.5	302.6	6.6%
Calnev	47.0	44.7	5.3%	55.7	54.6	2.1%
Plantation	227.6	223.5	1.8%	163.6	157.8	3.7%
Heartland	9.5	7.4	28.1%	8.6	6.7	29.4%
CFPL	37.3	35.2	6.1%	36.3	33.9	7.0%
Total	746.2	723.7	3.1%	586.8	555.6	5.6%

Includes Associated Terminals

2004 Volume Forecast

- Expect continued improvement as gasoline and jet volumes return to historical growth patterns
- Pacific / Calnev
  - Expect 4% volume growth in Arizona and Las Vegas
  - Ethanol effect will be diminished by more than 50% in 2004; gasoline demand expected to increase by 3%
  - Military volumes will be up about 4% in the 1st half of 2004
  - Commercial jet volumes will be up about 4% in the 1st half of 2004

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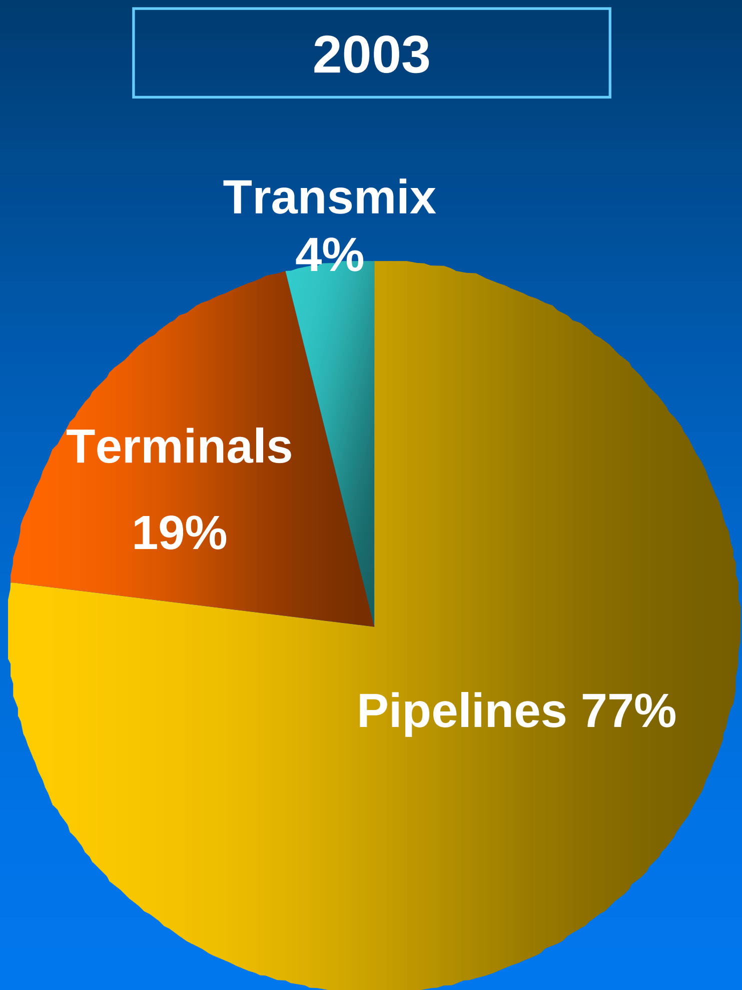
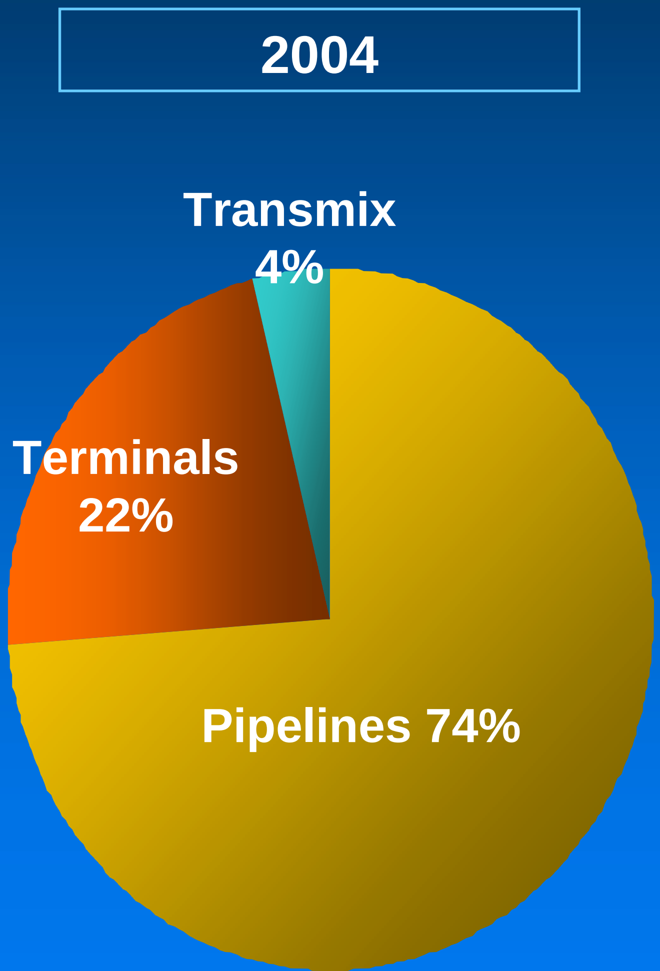
2004 Volume Forecast (continued)

- Plantation
  - Expect 3% growth in gasoline volumes as logistics shifts were completed in early 2003 and Murphy refinery returns to normal production
  - Expect 3% growth in commercial jet volumes
  - Length of haul will increase due to Colonial capacity issues during peak periods
- Central Florida Pipeline
  - Expect 4% volume growth as tourism continues to recover
  - Also expect increased diesel demand for electric power generation
- Favorable Change to FERC Index
  - Approximately 3% tariff increase in July 2004
  - Index now based on PPI-FG without 1% deduction
  - 2003 Index increased a total of 0.07%

Revenue Breakdown – Products Pipelines





Expansion Projects

- Pacific East Line Expansion
  - Favorable Order on Tariff Structure from FERC 8/1/03
  - Projected Startup 4Q05 / 1Q06
  - $200 Million Investment
  - Increase Capacity to Phoenix by 44MBD or 80%
- Pacific North Line
  - EIR approved 4Q03
  - Construction scheduled to begin 2Q04 with completion in 4Q04
  - $88 Million Investment
  - Increase Capacity by 48 MBD or 32%

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Expansion Projects (continued)

- Pacific Concord to Bakersfield
  - Shell announced plans for closure of Bakersfield refinery, slated for October 2004
  - Bakersfield refinery has crude capacity of 65MBPD
  - Kinder Morgan evaluating expansion of Concord-Fresno pipeline and reversing Bakersfield-Fresno pipeline
  - Will open up new market for pipeline transportation
- Los Angeles Harbor & Carson Terminal Expansion
  - Expand pipeline capacity from LA Harbor by 50% in July 2004
  - Add four 80MB tanks
  - Two tanks in service 4Q04, two more in service 1Q05
  - Expect to receive EIR approval in 1Q04 for additional 14 tanks
  - Continued strong interest by majors and traders for additional tankage in the LA market

2003 Acquisitions

- Shell West Coast Terminals
  - Five Terminals
  - $20 Million purchase, additional $8 Million to be invested by KM
  - Approximately 700M barrels of storage capacity
  - Colton, Mission Valley, Phoenix, Tucson, and Reno
  - All are connected to SFPP pipeline system
- Conoco Phillips Southeast Terminals
  - Seven Terminals
  - $14 Million purchase, additional $1.3 Million to be invested
  - Approximately 1.15 million barrels of storage capacity
  - Conoco Phillips has agreed to 5-year usage contract
  - All are connected to Colonial Pipeline, three also connected to Plantation Pipe Line
- In negotiations to acquire 9 additional terminals in Southeastern US
  - These terminals will complement those acquired from COP
  - Will provide terminal services in major markets throughout the Southeast

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