Natural Gas Pipelines

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Kinder Morgan Energy Partners, L.P.
KMP Natural Gas Pipelines

Trailblazer Pipeline
Kinder Morgan Interstate Gas Transmission
TransColorado
Texas Intrastates
Midcontinent Express Pipeline
Rockies Express Pipeline
Kinder Morgan Louisiana Pipeline
**Trailblazer Pipeline Company**

- **436 Miles of Pipe**
- **3 Compressor Locations with 58,000 HP**
- **Max Throughput = 0.878 Bcf/d**
- **Low cost pipeline out of region**
- **Long term contracts**

The Trailblazer Pipeline connects key nodes:
- **Cheyenne Hub**
- **Cheyenne**
- **Nebraska**
- **Kansas**
- **Colorado Springs**
- **Denver**

The pipeline features:
- **601, 602, 603, 104, 105, 194, 195, 106**

**Legend:**
- **Trailblazer Pipeline**
- **NGPL**
- **KMIGT**
KMIGT
Kinder Morgan Interstate Gas Transmission

KMIGT
4,500 miles of various diameter pipeline

- Supply basins:
  - Central WY
  - Northeast CO
  - Kansas Hugoton

- Markets:
  - LDCs, Industrials, & Ag.
    In NE, KS, & MO
  - Marketers transporting to mid-continent pipelines
  - Ethanol Plants

- Capacity
  - Transp. 830 MDth/d
  - Storage 10 Bcf
KMIGT Growth Projects…

New LDC Connection
- Approximately 50 MDth/d of potential demand exist via a new pipeline along the front range.
  - KMIGT has finalized long term binding agreements to construct a $30 million pipeline
  - Currently looking to expand or extend project scope
  - In-service in 2008

New Demand from Proposed Ethanol Plants
- In excess of 300 MDth/d of potential demand exists via proposed new ethanol plants or plant expansions
  - Potential for $50 - $100 million in Expansion Expenditures
  - Expect long term contracts with high steady flow rates
  - Status: Currently Negotiating Precedent Agreements will finalize project design in the first quarter of 2007, expect in-service fall of 2008

Storage
- Evaluating the acquisition / expansion of storage fields
- Potential service would be approximately 10 Bcf of working gas
TransColorado Pipeline

- 301 miles of 22” & 24” pipeline
- Originates at Greasewood, CO
- Terminates at Blanco, NM
- Bidirectional Flow
  - Capacity North - 400 MDth/d
  - Capacity South
    - Phase I – 150 MDth/d
    - Phase II – 425 MDth/d
TransColorado Growth Projects…

250,000/day expansion for northbound capacity from Blanco to REX

- Fully subscribed by Conoco
- In-service Jan 2009

Potential:

- New Producer Interconnects for example, Exxon Piceance Creek
- TransColorado Hub Service
- Phase 1 (Blanco) expansion (potential $12 million of capex)
- If production increases as projected demand for capacity both North and South on TC should increase providing for opportunities for margin increases and additional expansions.
Texas Intrastate Pipelines

- 6,000 miles of pipeline
- 5 Bcf/d capacity
- 120 Bcf on-system storage
- 915 MMcf/d processing capacity
- 250 MMcf/d CO2 treating capacity
Texas Intrastate Pipelines
Future Growth

Base Business Growth:
- Continue to create value by operating / optimizing two pipeline systems
- Higher sales premiums for ratable and swing services
- Strong performance from processing, treating and conditioning
- Significant contribution from storage and optimization activities
- Steady performance in GLU
- Improving transport margins - Captured major CenterPoint contract starting April 2007
- Continuing issues with accessing gas supply in South Texas

Expansion Projects:
- $22 million East Texas Expansion
  - 13 miles of 24” pipeline, $22 million capital expenditure
  - Supported by 100,000 Dth/day contract, In-service April 2007
  - Marketing additional East Texas Expansions and Extensions
- Storage
  - 6 Bcf Markham Storage Expansion – In-service April 2007
  - Dayton Storage Expansion – In-service 2009
  - Potential – Reviewing additional Markham expansion for in-service in 2007 / 2008
Midcontinent Express (MEP) System Map
Midcontinent Express Pipeline

50/50 Joint Venture with ETC to build Midcontinent Express

- Key driver – Increasing production in Texas and Oklahoma

Project:

- MEP to lease up to 250 - 500 MDth/d of capacity from Enogex from locations in East and Western Oklahoma into the MEP pipeline
  - Will include an interconnect with NGPL in Western Oklahoma

- MEP to Construct:
  - 40 miles of 30”, 257 miles of 42” and 197 miles of 36”
  - 70,900 of horsepower at two compressor stations
  - Total projected cost $1.25 Billion

Current Customer Commitments:

- Prior to open season announced 800,000 Dth/day of binding commitments for 10 yr term
  - 500,000 Dth/day commitment from Chesapeake

- Open season closed on January 16th, currently have over 1,000,000 Dth/day of commitments. Working to finalize several precedent agreements received in the open season with conditions and continuing to work with other shippers for additional commitments.
Midcontinent Express Pipeline

Key Dates:
- Pre-filing meetings with FERC staff January 25 & 26th, 2007.
- NEPA Pre-Filing Procedure Request Letter to be sent in February 2007.
- FERC Approval anticipated in May 2008.
- Commencement of construction in June 2008.
- In-service date for entire system no later than February 28, 2009.
**Rockies Express Pipeline (REX)**

- **Fundamental Drivers**
  - Significant gas reserves in Rockies
  - Constrained take-away capacity
  - Price differential exceeds pipeline costs
Project Overview - Entrega

Entrega

- **Phase I:**
  - Purchase Segment 1 (130 miles):
    - 36” pipeline, Meeker to Wamsutter
    - Flowing gas in early 2006
  - Complete Segment 2 (200 miles):
    - 42” pipeline, Wamsutter to Cheyenne
    - In-Service est. Jan 2007

- **Phase II:**
  - Compression addition: Meeker to Wamsutter
  - In-Service est. January 2008
  - Capacity: 1.5 Bcf/d (Meeker to Cheyenne Hub)

- **Entrega Capacity Lease (Opal to Wamsutter)**
  - Approx. 150 miles of 36” pipeline
  - Lease form Overthrust to effectuate optimal shipper flexibility and project scalability
  - Design Capacity of 1.0 Bcf/d, expandable to 1.5 Bcf/d
  - In-Service no later than January 2008
Project Overview – Rockies Express

- Construction of 42 inch, 1,323 mile pipeline from Cheyenne Hub to Clarington, Ohio with 1.8 Bcf/d transport capacity

- In-service
  - Certificate 1 (REX West) - January 2008
  - Certificate 3 (REX East) - June 2009
  - Interim service as facilities come on line

- Total Projected Cost (Entrega & REX) = $4.425 Billion

Note: As of In-service of the pipeline ownership will be: Kinder Morgan 50%, Sempra Pipelines & Storage 25% and Conoco 25%.
REX West Update

Key Dates:
- Submitted application to FERC on May 31, 2006.
- Received pre-determination on non-environmental issues Sept 21, 2006.
- Received draft environmental impact statement, EIT on Nov 3, 2006.
- Commencement of construction soon after FERC approval received.
- In-service date for REX West January 1st, 2008.

Right-of-way, Material and Contactor update:
- 84% of right-of-way acquired
- Pipe being produced at mills on schedule for construction
- Some shifting between mills but no schedule impact
- Compression ordered and on schedule for construction
- Required construction contractor spreads under contract
REX East Update

**Key Dates:**
- Pipeline route and environmental surveys ongoing
- Draft Environmental resource reports submitted to FERC in Jan 2007
- Expect to submit FERC application in Spring 2007.
- FERC approval anticipated in Spring 2008.
- Commencement of construction soon after FERC approval received.
- Partial In-service date for REX West January 1st, 2009.
- Full 1.8 Bcf in-service (all compression) June 1st, 2009.

**Material and Contactor update:**
- Pipe on order and on schedule for construction
- Compression ordered and on schedule for construction
- Finalizing construction contractor agreements in first quarter of 2007
REX Future Opportunities…

Significant additional growth potential via other Opportunities to be captured…

- Storage and LPS service
  - Development and sale of storage off the pipeline
- Interruptible and short haul service
- Hub service at various key locations
- Extensions and expansions off the project
  - Continue to look at opportunities to extend the pipeline further east
  - Opportunities to connect additional markets along the way
Kinder Morgan Louisiana Pipeline LLC

- Proposed Kinder Morgan Louisiana Pipeline
- Leased Capacity on NGPL
- Proposed Interconnects
- LNG Terminal Location
- Natural Gas Pipeline Company of America
- NGPL Compressor Station

Kinder Morgan Louisiana Pipeline LLC

- Southern Union Co.
- Cameron LNG
- Cheniere LNG, Inc.
- Sabine Pass
- Golden Pass
- ExxonMobil Energy
- Port Arthur
- Sempra Energy
- Sabine Pass
- Cheniere LNG, Inc.
- Creole Trail
- Sempra Energy
- NGXPL Delivery Point
- Southwest Loop Delivery Point
- Sabine Delivery Point
- Transco Delivery Point
- TETCO Delivery Point
- ANR Delivery Point
- Cypress Delivery Point
- Texas Gas Delivery Point
- Trunkline Delivery Point
- Sabine Pass LNG Terminal
- Leg 1 Receipt Point
- Leg 2 Receipt Point
- Southwest Loop-Johnson's Bayou Del. Pt.
- Bridgeline Delivery Point
- Henry Hub
- Galveston
- Lafayette
- Lake Charles
- Texas City
- Beaumont
- Houston
- Texas Gas Delivery Point
- Cypress Delivery Point
- Thrustline Delivery Point
- Colombian Delivery Point
- NGPL Compression Station

Proposed Kinder Morgan Louisiana Pipeline

Leased Capacity on NGPL

Proposed Interconnects

LNG Terminal Location

Natural Gas Pipeline Company of America

NGPL Compression Station
LNG
Kinder Morgan Louisiana Pipeline

Capital ~$500 MM

Project Description

- Rayne Lateral (Leg 1)
  - 137 miles 42"
  - 2,130,000 Dth/d
  - In-service by April 1st, 2009

- NGPL Lateral (Leg 2)
  - 1 mile 36"
  - 1,597,500 Dth/d
  - Includes 200,000 Dth/d of lease capacity on NGPL to Johnson’s Bayou Southwest Loop area
  - In-service by October 1st, 2008

- Tie-in Facilities between Rayne and NGPL Laterals, 1,065,000 Dth/d
LNG
Kinder Morgan Louisiana Pipeline

Initial Project Capacity is Sold Out...

Executed Precedent Agreement with Chevron USA
- MDQ: 1,697,500 Dth
- Negotiated Rate: Fixed for term of contract
- Term: 20 years

Executed Precedent Agreement with Total Gas & Power North America, Inc
- MDQ: 1,697,500 Dth/d
- Negotiated Rate: Fixed for term of contract
- Term: 20 years
Beyond the Initial Project… Future Growth Potential:

- Continue discussions with multiple parties to potential expand the capacity of the pipeline (with LNG upstream supply schedules extending discussions have continued)
  - Increase of 300,000 to 1 bcf in capacity
  - Capex ranging from an additional $50 - $150 million
- Potential to connect to additional LNG Plants and / or storage facilities
- Smaller Opportunities Include:
  - Early In-service opportunities
  - Short-haul, IT and PALs services
KMP Gas Pipeline Group
The Future....

Base business growth on existing assets...
- Re-contract existing pipeline and storage capacity
- Capture margin growth on existing capacity

Growth opportunities from new projects focused on:
- MidCont Express, Rockies Express and KM Louisiana Pipeline
  - New Projects to enhance or expand these Major Projects
- Storage (acquisition, development and expansions)
- Continued development of pipeline and storage projects off the existing asset base
  - Continue to compete for new projects like MEP

Reinvest in existing assets
- Operate a safe and reliable pipeline
- Continue as smart low cost