

Appendix

Investor Relations Contacts

		<u>Phone</u>	<u>E-mail</u>
Institutional Investors / Sell-side Analysts			
David Kinder	VP, Corporate Development & Treasurer	(713) 369-9469	david_kinder@kindermorgan.com
Peter Staples	Treasury & Investor Relations Manager	(713) 369-9221	peter_staples@kindermorgan.com
Retail Investors / Brokers			
Mindy Mills	Treasury & Investor Relations Manager	(713) 369-9449	mindy_mills@kindermorgan.com

Distribution of Quarterly Earnings

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>
<u>KMP Earnings (a)</u>					
2009E	31%	16%	21%	32%	\$1.37
2008	31%	31%	26%	12%	\$2.07
2007	20%	25%	25%	30%	\$1.74
2006	27%	25%	20%	28%	\$1.98
2005	28%	22%	25%	25%	\$2.37
2004	23%	23%	27%	27%	\$2.22
2003	25%	24%	25%	26%	\$1.98
2002	24%	24%	26%	26%	\$1.96

(a) Excluding certain items.

Cost of Capital Calculation

	LP Distribution		Current KMP Unit Price		
Equity					
Current KMP Yield	\$4.20	÷	\$51.00		8.24%
GP Gross-up				÷	56%
Cost of Equity				=	14.80%
Equity % of Capital Structure				x	50%
Equity Component of Cost of Capital				=	7.40%

	Interest Rate		% of Overall Debt		
Debt					
Short-term Floating Rate	1.5%	x	50%		0.75%
Long-term Fixed Rate	8.0%	x	50%	+	4.00%
Cost of Debt				=	4.75%
Debt % of Capital Structure				x	50%
Debt Component of Cost of Capital				=	2.38%

Equity Cost		Debt Cost		Current Cost of Capital
7.40%	+	2.38%	=	9.77%

Explanation of Return Calculations

	<u>Formula</u>	<u>Notes</u>
Segment Return on Investment =	Segment $\frac{\text{Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$	(a) (c)
KMP Return on Investment =	KMP $\frac{\text{Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$	(b) (c)
Return on Equity =	$\frac{\text{Distributable Cash Flow before Certain Items}}{\text{Average Equity}}$	(d) (e)

(a) Segment Distributable Cash Flow before Certain Items is defined as segment earnings before DD&A and certain items less sustaining capex.

(b) KMP Distributable Cash Flow before Certain Items is defined as Segment Distributable Cash Flow before Certain Items less G&A.

(c) See next page for calculation. Annual number is calculated based on average of the quarterly Total Investment.

(d) Distributable Cash Flow before Certain Items is defined as outlined on the Non-GAAP Financial Measures slide plus the general partner's interest.

(e) Equity is based on average of book equity over four quarters excluding OCI.

Explanation of Return Calculations – Cont’d

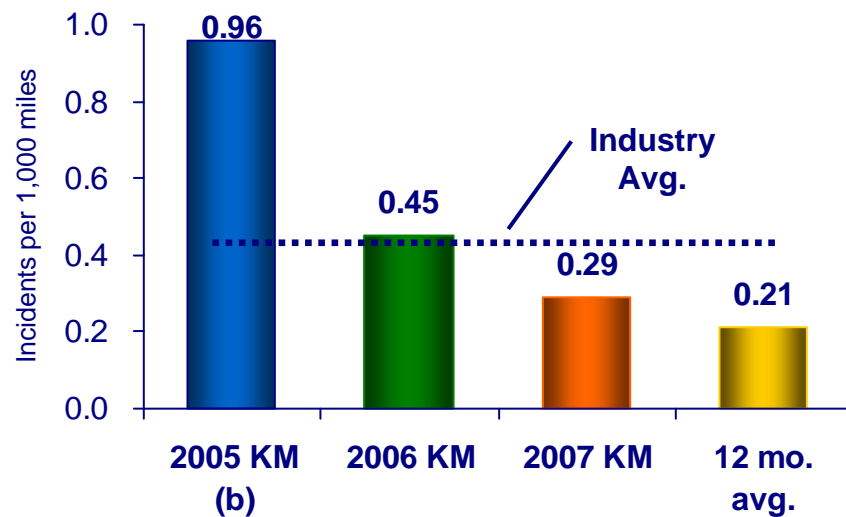
	<u>Formula</u>	<u>Notes</u>
<i>Calculation of Total Investment:</i>	Gross PP&E	
	Investments	
	Goodwill	
	Intangibles	
	Plus:	
	Asset Write-offs/Retirements	
	Cumulative Environmental Reserves	
	Legal Reserves/Expenditures	(a)
	Minus:	
	Cumulative Sustaining Capex	
	Assumed Liabilities	
	TransMountain/Express Adjustment	(b)
	Equals:	
	Total Investment	

(a) Litigation reserves deducted as certain items are added to investment, except for SFPP. For SFPP, actual legal payments are added to the investment

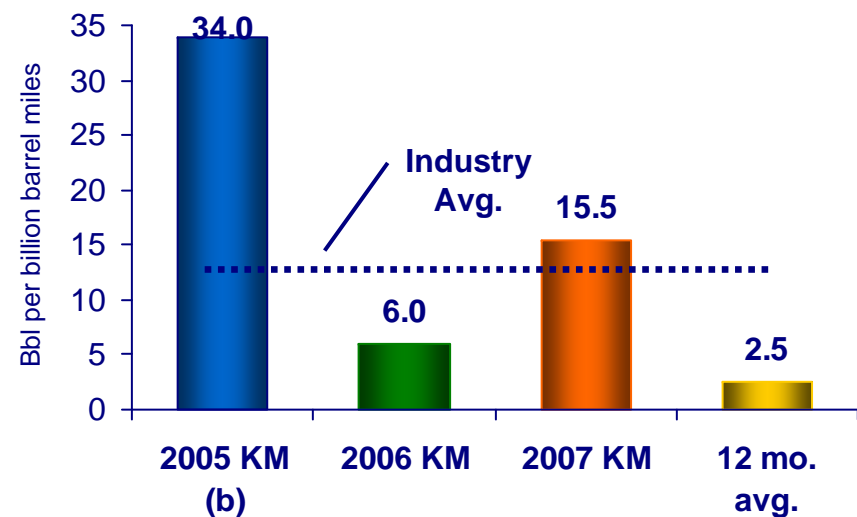
(b) For assets acquired from Knight (Express, TransMountain) which represent a transfer of assets between entities under common control and are recorded at Knight's carrying value on KMP's financials, an adjustment has been made to reflect these assets at KMP's purchase price.

Incidents & Releases: Liquids Pipeline ROW

Liquids Pipeline Incidents per 1,000 Miles (a)



Liquids Pipeline Release Rate (a)



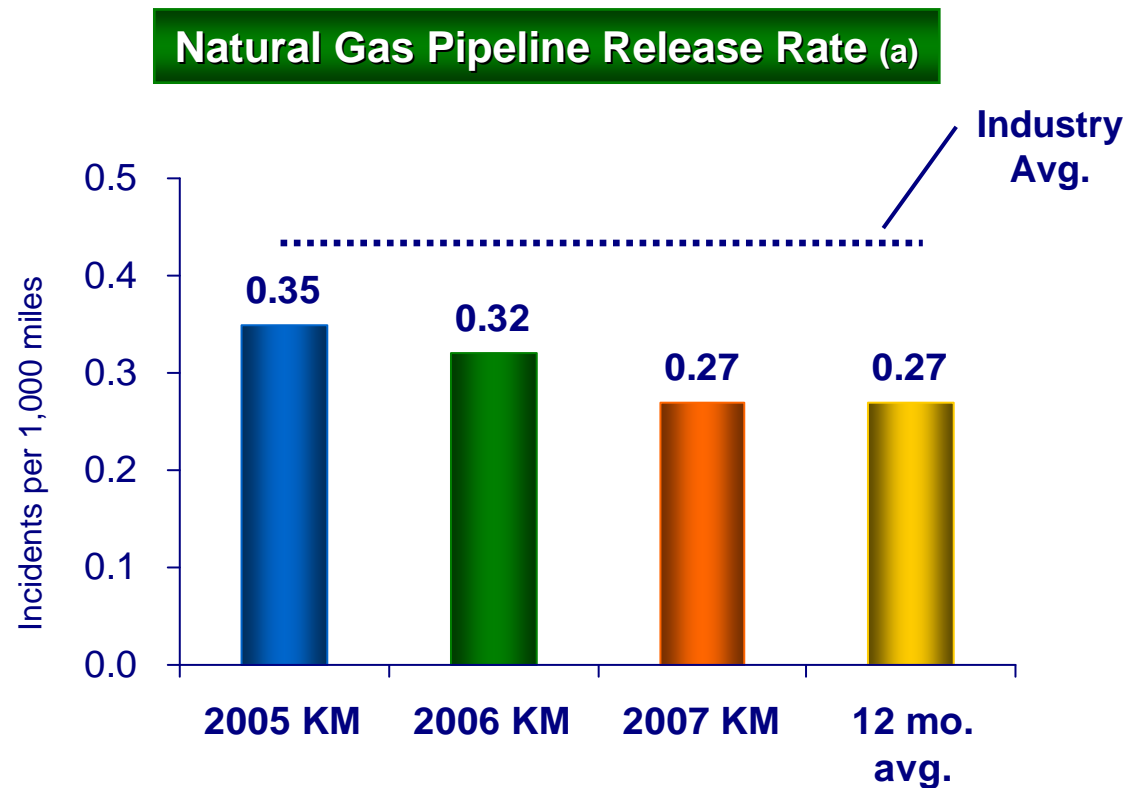
KM totals exclude non-DOT jurisdictional CO₂ Gathering and Crude Gathering for compatibility with industry comparisons.

(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:

- (1) Explosion or fire not intentionally set by the operator.
- (2) Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels.)
- (3) Death of any person;
- (4) Personal injury necessitating hospitalization;
- (5) Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000. Not included: natural gas transportation assets.

(b) 2005 rates are 12-months ending 28-Feb-2006.

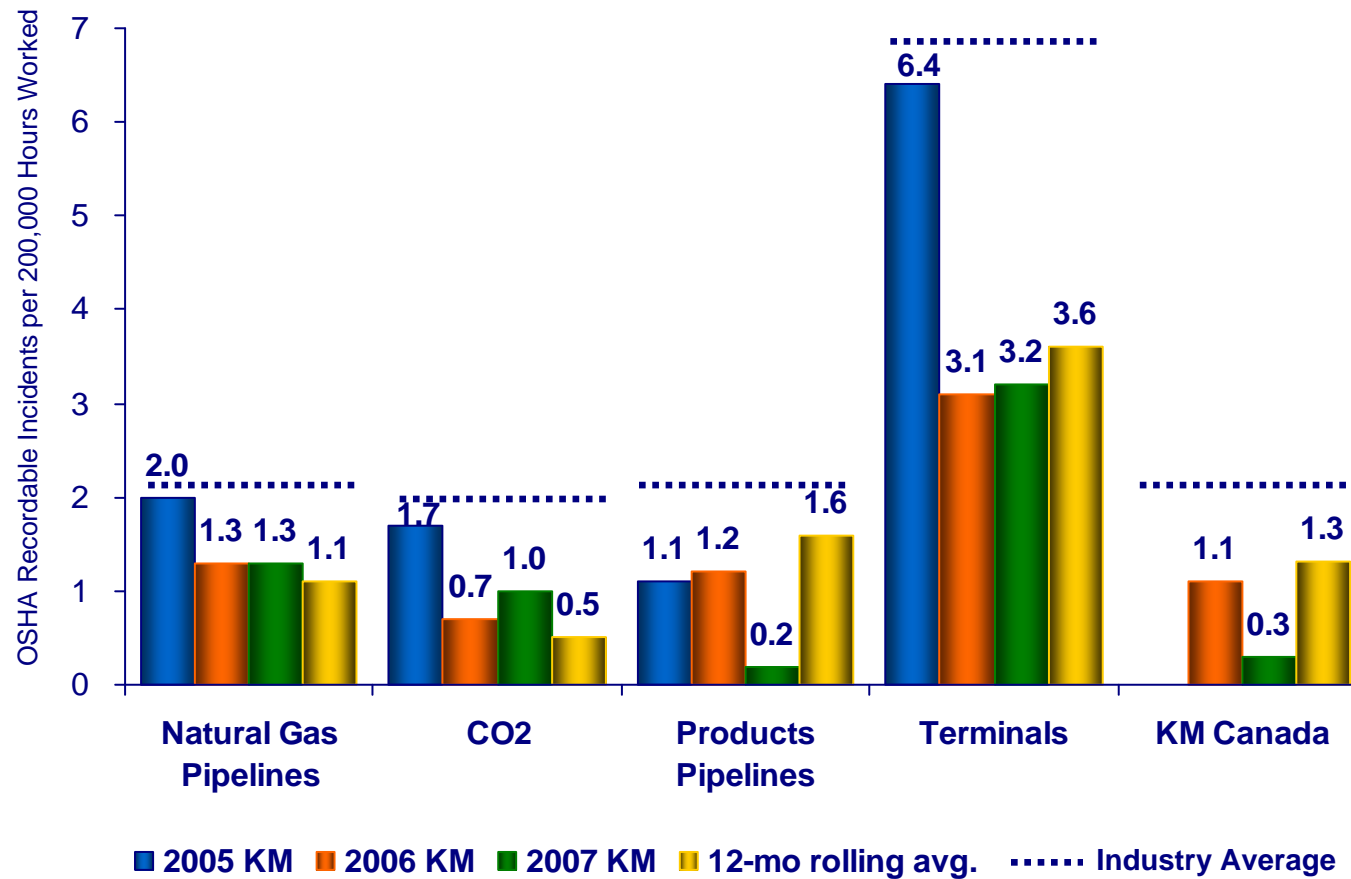
Incidents & Releases: Natural Gas Pipe ROW



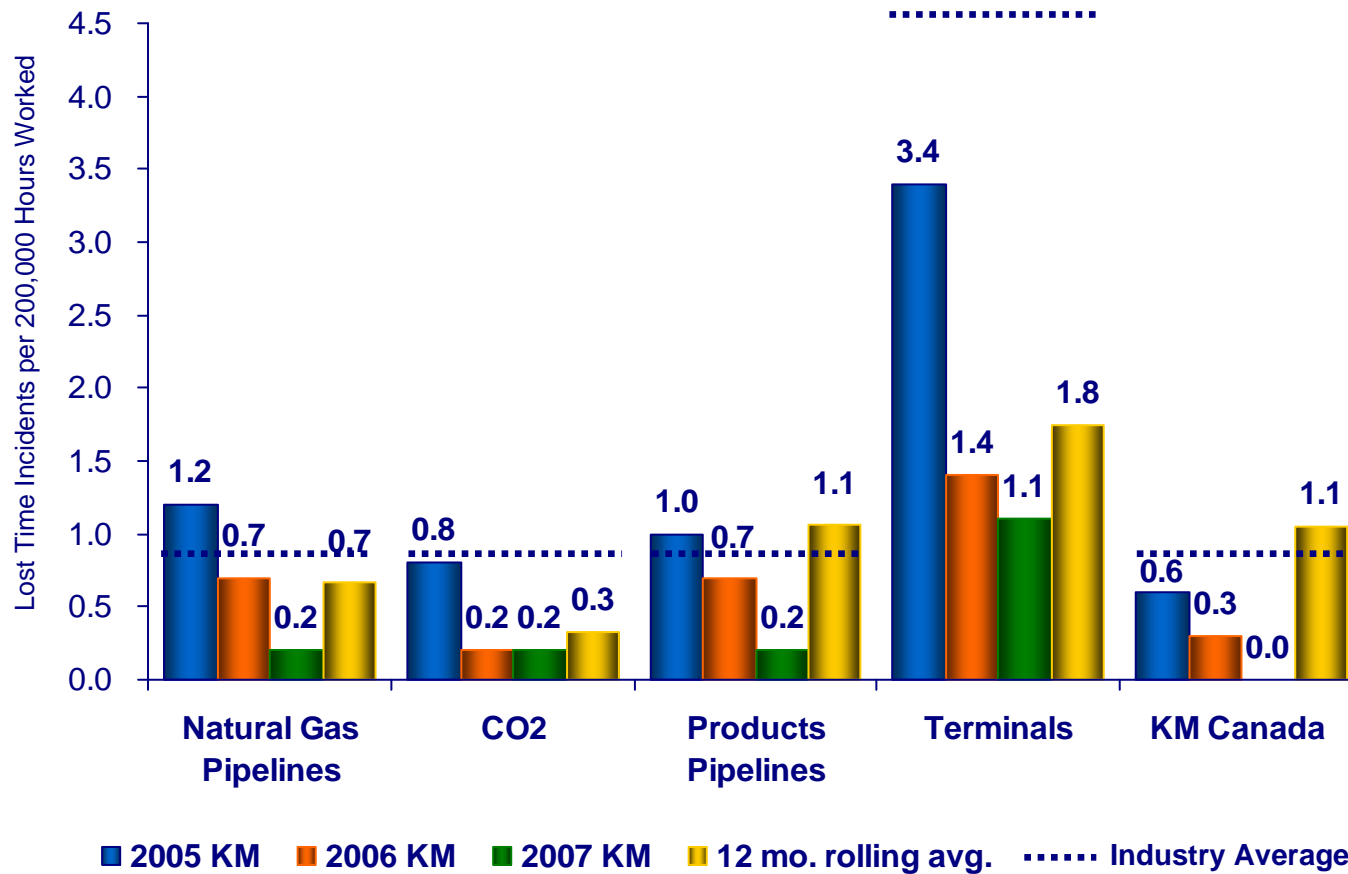
(a) An Incident means any of the following events:

- (1) An event that involves a release of gas from a pipeline or of a liquefied natural gas or gas from an LNG Facility and
 - (i) A death, or personal injury necessitating in-patient hospitalization; or
 - (ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of \$50,000 or more.
- (2) An event that results in an emergency shutdown of an LNG facility.
- (3) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2).

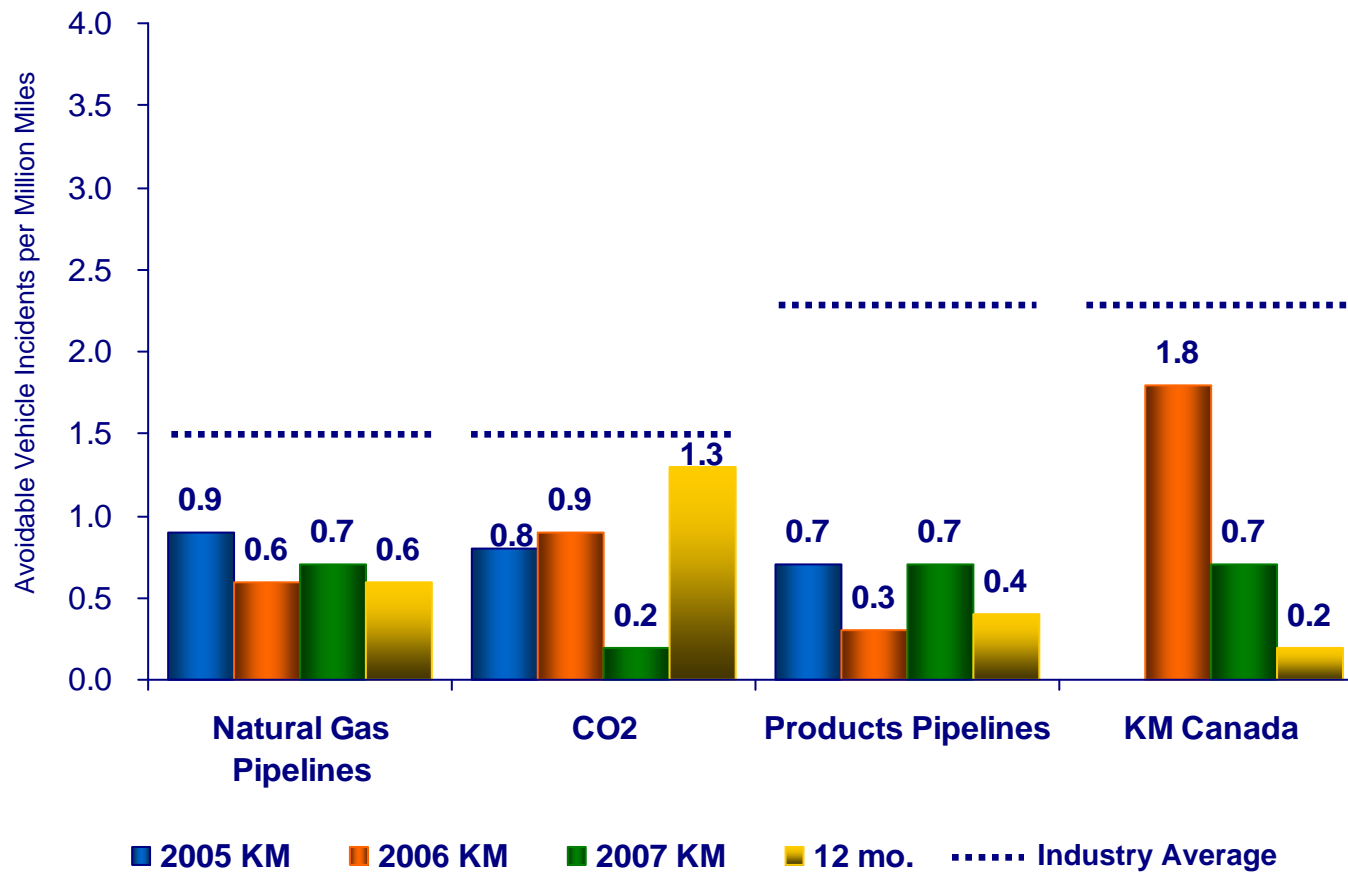
OSHA Recordable Incidents



OSHA Lost Time Cases



Avoidable Vehicle Incidents



Contractor Safety Performance Summary

Business Unit	Contractor Safety			
	Total Recordable Injury Rate (TRIR)		Lost Time Injury Rate (LTIR)	
	KM	Industry Avg.	KM	Industry Avg.
Gas	2.95	2.60	0.49	1.10
CO2	1.77	4.20 *	0.67	1.53
Products	5.05	2.60	1.01	1.10
Terminals	3.19	3.28	0.67	1.20
KM Canada	1.46	2.6	0.4	1.1

(a) Benchmark is set at 2.6. Industry average is 5.6.

GAAP Reconciliation

- ❖ *Detailed calculations reconciling the non-GAAP terms in this presentation to GAAP are available on our website at: <http://www.kindermorgan.com/investor/presentations/>.*

