2007 Citi Power, Gas & Utilities Conference

June 8, 2007
Forward Looking Statements

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**Capital Structure**

Kinder Morgan Energy Partners

- Market Equity (a) $12.9B
- Debt (a) 6.0B
- Enterprise Value $18.9B
- 2007E EBITDA (b) $2.0B
- 2007E DCF (b) $1.4B

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**KMR** (LLC)
- 70 million i-units

**KMP** (Partnership)
- 168 million units

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- Additional Shares
- Cash Distribution
- Incentive Distribution
- General Partner

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(a) KMP market cap based on 168 million common units (includes 5.3 million Class B units owned by KMI; Class B units are unlisted KMP common units) at a price of $55.20 and 70 million KMR i-units at a price of $51.23 as of 31-May-2007. Debt balance as of 31-Mar-2007, excludes the fair value of interest rate swaps, net of cash.

(b) EBITDA defined as pre-tax income plus DD&A and interest expense, DCF (distributable cash flow) is net income plus DD&A less sustaining capex.
Solid Asset Base Generates Stable Fee Income

**2007 DCF Profile (b)**

- **CO₂**
  - 28% CO₂ transport and sales
  - 72% oil production related
  - Production hedged (a):
    - 2007=85% ($35/Bbl)
    - 2008=83% ($44)
    - 2009=71% ($49)
    - 2010=72% ($56)

- **Terminals**
  - 49% Liquids, 51% Bulk
  - Geographic and product diversity
  - 3-4 year average contract life

- **Products Pipelines**
  - Refinery hub to population center strategy
  - 68% Pipelines
  - 27% Associated Terminals (c)
  - 5% Transmix
  - No commodity price risk

- **Natural Gas Pipelines**
  - 55% Texas Intrastate
  - 45% Rockies
  - Little incidental commodity risk

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(a) 2007 production based on Kinder Morgan budget; 2008-2011 based on Netherland, Sewell reserve report. Includes heavier NGL components (C4+).
Incorporates swaps and puts at strike price net of premium, WTI/WTS spread @ $6-7.00/Bbl.
(b) Budgeted 2007 distributable cash flow before G&A and interest.
(c) Terminals are not FERC regulated except portion of CALNEV.
Consistent Track Record

Total Distributions (GP + LP) ($mm)

- **GP (a)**
- **LP**

LP Distribution Per Unit (b)

- CAGR = 50%

Net Debt to Total Capital (c)

Net Debt to EBITDA (c)

(a) Includes 2% GP interest.
(b) Declared 4Q distribution annualized (i.e. multiplied by four)
(c) Debt is net of cash and excludes fair value of interest rate swaps. Total capital excludes accumulated other comprehensive loss related to hedges.
Significant Historical Returns

Total Returns, Dec-1996 to May-2007 (a)

KMP has returned 1,500% since 31-Dec-1996, compared to 517% and 144% for the Alerian MLP and S&P 500 indices, respectively.

KMP 30% annual return

Alerian 19% annual return

S&P 500 9% annual return

Source: Bloomberg
(a) Total returns calculated on a daily basis through 31-May-2007 assuming dividends/distributions reinvested in index/stock/unit.
(b) Start date 31-Dec-1996
The Kinder Morgan Strategy

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
Growth Opportunities

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Express pipeline</td>
<td>Storage, further pipeline expansions, extensions, incremental shipper services (backhaul, hub, etc.)</td>
</tr>
<tr>
<td>KM Louisiana pipeline</td>
<td>Additional pipeline and terminal expansions</td>
</tr>
<tr>
<td>Midcontinent Express pipeline</td>
<td>TMX2, TMX3, TMX North, terminals, CO₂ capture and transport</td>
</tr>
<tr>
<td>CALNEV and East Line products pipeline projects</td>
<td>Future CO₂ sales &amp; transport expansion, incremental production from EOR</td>
</tr>
<tr>
<td>Trans Mountain pipeline dropdown, Edmonton terminal project</td>
<td>Increased handling of petcoke, application of prilling technology at terminal facilities – U.S. &amp; Canada</td>
</tr>
<tr>
<td>McElmo Dome, Cortez expansions, SACROC, Yates</td>
<td>Additional terminal expansions</td>
</tr>
<tr>
<td>Increased volume at petcoke terminals</td>
<td>Additional terminal expansions</td>
</tr>
<tr>
<td>Acquisition of prilling technology</td>
<td>Additional terminal expansions</td>
</tr>
<tr>
<td>Additional opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Shifting Natural Gas Supply Sources**
  - Rockies
  - LNG
  - Barnett Shale

- **Demographic Growth**

- **Growing Production from Canadian Oilsands**

- **High Crude Oil Prices**

- **Increased Use of Heavy Crude**
  - Petcoke Handling
  - Sulfur Handling

- **Growing Coal Imports**

- **Growing Petroleum Product Imports**

- **Increased Use of Renewable Fuels**
  - Biodiesel
  - Ethanol

  Houston biodiesel facility project
  Houston, Philadelphia terminal expansions, sales of natural gas transport capacity to ethanol producers

  Additional ethanol/biodiesel storage and blending at terminal facilities
Shifting Natural Gas Supply Sources

<table>
<thead>
<tr>
<th>Natural Gas Supply</th>
<th>2006</th>
<th>2010</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Natural Gas</td>
<td>7.7</td>
<td>9.6</td>
<td>1.9</td>
<td>25%</td>
</tr>
<tr>
<td>Barnett Shale Natural Gas</td>
<td>1.5</td>
<td>2.0</td>
<td>0.5</td>
<td>33%</td>
</tr>
<tr>
<td>Gulf Coast LNG Imports</td>
<td>0.3</td>
<td>3.1</td>
<td>2.8</td>
<td>933%</td>
</tr>
</tbody>
</table>

(a) Source: Wood Mackenzie
(b) Source: FERC

Rockies production expected to increase 25% 2006-2010 (a)

Barnett Shale production expected to increase 33% 2006-2010 (a)

7.6 Bcf/d of LNG import capacity currently under construction on Gulf Coast (b)
Newbuild Natural Gas Pipelines

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>KM Cost ($mm)</th>
<th>Capacity (Bcf/d)</th>
<th>In-service</th>
<th>Term of Contracts</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Express Pipeline</td>
<td>$2,200</td>
<td>1.8</td>
<td>2007-2009</td>
<td>10 yrs</td>
<td>KMP 50% (a)</td>
</tr>
<tr>
<td>Midcontinent Express Pipeline</td>
<td>$625</td>
<td>1.4</td>
<td>2009</td>
<td>10 yrs</td>
<td>KMP 50%</td>
</tr>
<tr>
<td>KM Louisiana Pipeline</td>
<td>$500</td>
<td>2.1</td>
<td>2009</td>
<td>20 yrs</td>
<td>KMP 100%</td>
</tr>
<tr>
<td>Total</td>
<td>$3,325</td>
<td>5.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Upon completion of construction.
Growing Crude Production from Canadian Oilsands

WCSB Crude Production by Type (a)

- Oilsands
- Condensate
- Conventional Heavy
- Conventional Light
- Oilsands - LC

- Oilsands ~11% CAGR '06-'15
- 1.2 MMBbl/d Oilsands-only
- 3 MMBbl/d

Heavy/Light Crude Differential (b)

WTI vs. Mayan Crude Spot Price ($/Bbl)

Washington State Refinery Capacity (c)

- Washington state refiners only use ~100,000 Bbl/d of Canadian crude
- Announced upgrade:
  - COP – Coker Ferndale, WA 2012-2015

Canadian crude through Trans Mountain 16% (~100 MBbl/d)

Other 84% (515 MBbl/d)

ANS Production in Decline (d)

- ANS Crude Oil Production MMBbl/d
- ANN Production in Decline

Sources:
- National Energy Board (a)
- Dominion Bond Rating Service, Company reports (c)
- Bloomberg (b)
- EIA, CIBC (d)
Increased Use of Heavy Crude

- Crude supply is heavier, more sour
- Heavier, sour crude produces more residue
  - Petcoke
  - Sulfur

(a) Source: Jacobs Consultancy
(b) Source: PentaSul
## Current Projects

### $6.5 Billion In Projects Over Next 4 Years

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Project Cost ($mm)</th>
<th>Expected Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rockies Express</td>
<td>$2,200 (a)</td>
<td>2007-2009</td>
</tr>
<tr>
<td>Midcontinent Express</td>
<td>625 (a)</td>
<td>2009</td>
</tr>
<tr>
<td>KM Louisiana Pipeline</td>
<td>500</td>
<td>2009</td>
</tr>
<tr>
<td>CALNEV expansion</td>
<td>388</td>
<td>2010</td>
</tr>
<tr>
<td>East Line expansion</td>
<td>145</td>
<td>2007</td>
</tr>
<tr>
<td>Trans Mountain dropdown</td>
<td>550 (b)</td>
<td>2007</td>
</tr>
<tr>
<td>Trans Mountain – TMX1</td>
<td>470 (c)</td>
<td>2008</td>
</tr>
<tr>
<td>CO₂ – SACROC and Yates</td>
<td>962</td>
<td>2007-2010</td>
</tr>
<tr>
<td>CO₂ – source and transport</td>
<td>120 (a)</td>
<td>2008</td>
</tr>
<tr>
<td>Other identified projects</td>
<td>501 (d)</td>
<td>2007-2009</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,461</strong></td>
<td></td>
</tr>
</tbody>
</table>

(a) Pro rata expenditures for KMP’s ownership interest.
(b) Completed sale of Trans Mountain by KMI to KMP on 30-Apr-2007.
(c) Remaining expenditures.
(d) Edmonton, Houston, Pier IX, TransColorado, Dayton.
Future Opportunities

- **Natural Gas: Shifting Supply Basins and Gas Price Volatility**
  - Storage, Extensions, Expansions, Incremental Services

- **Canadian Oilsands**
  - TMX2, TMX3, TMX North, CO₂, Terminals

- **Increased Use of Heavy Crude and Increased Coal Imports, Renewable Fuels, Imported Gasoline**
  - Terminal Expansions/Newbuild

- **High Oil Prices**
  - Opportunities in CO₂ Sales, Transport and Crude Oil Production

- **Opportunistic Acquisitions**
$11 Billion in Capital Invested

($ billions)

Total Invested by Year

- 1998: $1.6, $0.8
- 1999: $1.1, $0.8
- 2000: $1.9, $0.8
- 2001: $1.3, $0.9
- 2002: $1.3, $0.9
- 2003: $1.1, $0.9
- 2004: $1.2, $0.9
- 2005: $1.2, $0.9
- 2006: $1.2, $0.9

Total Invested by Type

- Acquisitions: $7.5, $3.5
- Expansions: $3.7, $3.0

Total Invested by Segment

- Products Pipelines: $3.7
- Natural Gas Pipelines: $3.0
- CO2: $2.2
- Terminals: $2.1

Note: See Appendix to 2007 Analyst Conference presentation for details on calculations.
Attractive Returns on Capital

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment ROI (a):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products Pipelines</td>
<td>11.9%</td>
<td>11.8%</td>
<td>12.8%</td>
<td>12.9%</td>
<td>12.4%</td>
<td>11.6%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Natural Gas Pipelines</td>
<td>13.3</td>
<td>15.5</td>
<td>12.9</td>
<td>13.5</td>
<td>14.0</td>
<td>15.5</td>
<td>16.5</td>
</tr>
<tr>
<td>CO₂</td>
<td>27.5</td>
<td>24.6</td>
<td>22.0</td>
<td>21.9</td>
<td>23.8</td>
<td>25.7</td>
<td>23.1</td>
</tr>
<tr>
<td>Terminals</td>
<td>19.1</td>
<td>18.2</td>
<td>17.7</td>
<td>18.4</td>
<td>17.8</td>
<td>16.9</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>KMP ROI</strong></td>
<td>12.3%</td>
<td>12.7%</td>
<td>12.6%</td>
<td>13.1%</td>
<td>13.6%</td>
<td>14.3%</td>
<td>14.4%</td>
</tr>
<tr>
<td><strong>KMP Return on Equity</strong></td>
<td>17.4%</td>
<td>19.0%</td>
<td>21.9%</td>
<td>23.2%</td>
<td>25.2%</td>
<td>26.6%</td>
<td>26.7%</td>
</tr>
</tbody>
</table>

Note: See Appendix to 2007 Analyst Conference presentation for details on calculations.
(a) Return on investment. G&A is deducted in calculating the return on investment for KMP, but is not allocated to the segments and therefore not deducted in calculating the segment information.
## Solid Balance Sheet

($ millions)

### Credit Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>2007 Budget Estimates:</th>
</tr>
</thead>
<tbody>
<tr>
<td>L-T Debt Rating</td>
<td>Baa2/BBB</td>
</tr>
<tr>
<td>Current Net Debt / Total Capital</td>
<td>55.3%</td>
</tr>
<tr>
<td><strong>2007 Budget Estimates:</strong></td>
<td></td>
</tr>
<tr>
<td>Debt / EBITDA</td>
<td>3.6x</td>
</tr>
<tr>
<td>EBITDA / Interest</td>
<td>5.1x</td>
</tr>
</tbody>
</table>

### CP Capacity (b)

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Bank Credit</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding CP</td>
<td>530 (c)</td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Letters of Credit</td>
<td>386</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Capacity</td>
<td>$934</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Long-term Debt Maturities (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$255</td>
<td>$5</td>
<td>$250</td>
<td>$250</td>
<td>$700</td>
</tr>
</tbody>
</table>

(a) Debt balance excludes fair value of interest rate swaps and is net of cash. Capital excludes loss/gain from other comprehensive income.
(b) At 31-Mar-2007.
(c) Pro forma for recent $550 million purchase of Trans Mountain and $300 million KMR equity issue. Does not include any further adjustment for capex after 31-Mar-2007.
Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - Unexpected policy changes

- **CO₂ Crude Oil Production Volumes**

- **Construction Cost Overruns**

- **Environmental**

- **Terrorism**

- **Interest Rates**
  - Approximately 50% floating rate debt
  - Budget assumes flat rates at a level above the current forward curve
  - The full-year impact of a 100-bp increase in rates equates to an approximate $32 million increase in interest expense
Summary

- **Stable Cash Flow**
  - Own assets core to energy infrastructure

- **Internal Growth Opportunities**
  - Critical Mass
  - Well-located assets/favorable demographics

- **Fixed Cost Business**
  - Drop growth to bottom line

- **Unique Structure**
  - Tax Efficient
  - Incentive Fee

- **Management Philosophy**
  - Low-Cost Operator
  - Focused on cash
  - Disciplined Investment

**KMP/KMR:**
- 6-7% Yield
- 8% Long-Term Growth