



LETTER TO SHAREHOLDERS FOR 2013

Kinder Morgan Management, LLC (NYSE: KMR) is a limited partner in and manages and controls the business and affairs of Kinder Morgan Energy Partners (NYSE: KMP), one of the largest publicly traded pipeline limited partnerships in the United States. KMP is an energy transportation and storage company and owns an investment in or operates approximately 52,000 miles of pipelines and 180 terminals in North America. Our pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and our terminals store petroleum products and chemicals and handle such products as ethanol, coal, petroleum coke and steel.

KMR's success is dependent upon our operation and management of KMP and KMP's resulting performance. In 2013, KMP declared total cash distributions of \$5.33 per limited partner unit, a 7 percent increase over the 2012 distribution of \$4.98. KMR, like KMP, declared a distribution of \$5.33 per share for 2013. Since its formation in May of 2001, KMR has delivered an average annual return to shareholders of 14 percent (assumes that distributions are reinvested).

Looking ahead, KMR, like KMP, expects to pay a distribution of \$5.58 per share for 2014, which would be a 5 percent increase over the 2013 distribution. KMP is extremely well positioned for future growth, as revolutionary changes in oil and gas supply and demand across North America are creating the need for additional midstream infrastructure to move and store energy products. KMP began 2014 with \$13.5 billion in expansion and joint venture investments in our five-year project backlog that we are confident will come to fruition and drive future growth. We are also pursuing customer commitments for many more projects.

Distributions to KMR shareholders, which are paid in the form of additional shares, are based on the amount of the cash distributions paid to KMP unitholders. Because distributions of additional KMR shares are made proportionately to all of our shareholders, distributions will not be includable in the gross income of our shareholders for federal income tax purposes and no Form 1099 will be issued.

We invite you to review the Forms 10-K for both KMR and KMP, and to read our annual letter to KMP unitholders for more information. These materials are available on our web site at www.kindermorgan.com in the Investors section. As always, thank you for your ongoing support. We believe the best is yet to come!

A handwritten signature in black ink, appearing to read "Richard D. Kinder".

Richard D. Kinder
Chairman and CEO

A handwritten signature in black ink, appearing to read "Steven J. Kean".

Steven J. Kean
President and COO