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WYOMING NATURAL GAS PIPELINE AUTHORITY ENTERS INTO EXCLUSIVE NEGOTIATIONS TO SUPPORT KINDER MORGAN AND SEMPRA ENERGY IN BUILDING INTERSTATE PIPELINE PROJECT

HOUSTON and SAN DIEGO, Oct. 5, 2005 – Kinder Morgan Energy Partners, L.P. (NYSE: KMP) and Sempra Pipelines & Storage, a unit of Sempra Energy (NYSE: SRE) announced today that they have entered into exclusive negotiations regarding a Memorandum of Understanding (MOU) that will result in the Wyoming Natural Gas Pipeline Authority (WNGPA) joining the two companies in support of their recently announced natural gas pipeline proposal that will link long-lived, rapidly growing production areas in the Rocky Mountain region to the upper Midwest and Eastern United States. The WNGPA is an instrumentality of the State of Wyoming formed by the legislature to facilitate production and transportation of Wyoming natural gas.

As designed, the 42-inch diameter pipeline will have capacity of up to 2 billion cubic feet per day and cost an estimated \$3 billion. The preliminary route of the 1,500-mile pipeline originates at the Wamsutter Hub in Wyoming and extends to eastern Ohio with an ultimate route to be selected based on shipper interest.

The WNGPA held a public meeting Wednesday, Oct. 5, to consider its role in the project and approved entering into exclusive negotiations with KMP and the Sempra affiliate. Pending final negotiations, the WNGPA will contract for up to 200 million cubic feet per day

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(MMcf/day) of firm capacity on the proposed pipeline, explore use of its \$1 billion in bonding authority to provide debt financing for the project and provide support for the extension of the project to the Opal Hub in Wyoming.

Bryan Hassler, executive director of WNGPA, said, "I am extremely pleased with the progress Kinder Morgan and Sempra have made and look forward to encouraging the support and participation of the Authority in this project. This is exactly the kind of project the Authority was formed to encourage and support."

Scott Parker, president of Kinder Morgan's Natural Gas Pipelines Group, and George Liparidis, president of Sempra Pipelines & Storage, said they are pleased the Wyoming Natural Gas Pipeline Authority is supportive of this new project. "Their involvement is an important step in the viability of this project," Parker said.

The proposed pipeline will benefit regional producers and the states of Wyoming, Colorado and Utah by providing much needed takeaway capacity out of the Rockies, and by creating unprecedented access by one pipeline to multiple markets and storage in the higher priced, natural gas-short upper Midwest and Northeast markets. Wyoming producers will be able to more effectively address the price differential between Rocky Mountain basins and other parts of the country. Additionally, the pipeline will provide markets in the upper Midwest and Eastern United States with direct access to growing, reliable, long-lived domestic natural gas supplies.

With the support of the WNGPA, it is anticipated the Wamsutter to Cheyenne portion of this project will be completed by year-end 2006. The Cheyenne to Midwest portion of the pipeline project will be completed by year-end 2007, and the eastern portion of the project providing direct access to markets in the Northeast is anticipated to be in service in late 2008 or early 2009.

KMP and Sempra Pipelines & Storage announced previously that they will share responsibility for development activities. Additionally, Sempra has agreed to bid for 200 MMcf/day of firm capacity from the pipeline during an upcoming open season that it will use to serve distribution utilities on the East Coast. Initially, KMP would own two-thirds of the equity in the proposed pipeline and Sempra would own one-third. The companies must obtain customer commitments and regulatory approval before construction begins.

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For information on the project interested parties can contact Jeff Rawls at Kinder Morgan (303) 914-4903, Ryan O'Neal at Sempra Pipelines & Storage (619) 696-4585 or Bryan Hassler at the Wyoming Natural Gas Pipeline Authority (303) 748-6473.

Kinder Morgan Energy Partners, L.P. is one of the largest publicly traded pipeline limited partnerships in America. KMP owns or operates more than 25,000 miles of pipelines and approximately 145 terminals. Its pipelines transport more than 2 million barrels per day of gasoline and other petroleum products and up to 8.4 billion cubic feet per day of natural gas. Its terminals handle over 80 million tons of coal and other dry-bulk materials annually and have a liquids storage capacity of approximately 65 million barrels for petroleum products and chemicals. KMP is also the leading provider of CO₂ for enhanced oil recovery projects in the United States.

The general partner of KMP is owned by Kinder Morgan, Inc. (NYSE: KMI), one of the largest energy transportation and storage companies in America. Combined, the two companies have an enterprise value of approximately \$31 billion.

Sempra Pipelines & Storage acquires, builds and operates natural gas pipelines and storage facilities in Mexico and the United States. Sempra Energy, based in San Diego, is a Fortune 500 energy-services holding company with 2004 revenues of \$9.4 billion. The Sempra Energy companies' 13,000 employees serve more than 29 million consumers in the United States, Europe, Canada, Mexico, South America and Asia.

The Wyoming Natural Gas Pipeline Authority is charged by the State of Wyoming to develop natural gas and coal by-product infrastructure to support the extraction and value enhancement of Wyoming's vast mineral resources.

This news release includes forward-looking statements. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Forms 10-K and 10-Q as filed with the Securities and Exchange Commission.

This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When Sempra Energy uses words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "should" or similar expressions, or when Sempra Energy discusses its strategy or plans, the company is making forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking
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statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, the California State Legislature, the California Department of Water Resources, the Federal Energy Regulatory Commission and other regulatory bodies in the United States and other countries; capital markets conditions, inflation rates, interest rates and exchange rates; energy and trading markets, including the timing and extent of changes in commodity prices; the availability of natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental, and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the company's reports filed with the Securities and Exchange Commission that are available through the EDGAR system without charge at its Web site, www.sec.gov and on the company's Web site, www.sempra.com.

Sempra Pipelines & Storage is not the same company as the utilities, SDG&E or SoCalGas, and Sempra Pipelines & Storage is not regulated by the California Public Utilities Commission.

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