ROCKIES EXPRESS PIPELINE LLC
OPEN SEASON PROCEDURES
FOR NEW INTERSTATE NATURAL GAS PIPELINE CAPACITY

Rockies Express Pipeline LLC ("Rockies Express" or "Transporter"), a Delaware limited liability company being jointly developed and owned by Kinder Morgan Energy Partners, L.P. ("KMP") and Sempra Pipelines & Storage ("Sempra"), will conduct a binding Open Season for new interstate natural gas pipeline capacity, beginning at 8:00 a.m. CT on Wednesday, November 9, 2005 and ending on Monday, December 19, 2005 at 5:00 p.m. CT.

This Open Season is being held to solicit the submission and execution of binding Precedent Agreements (the form of which is attached hereto) for firm interstate natural gas transportation service on the Rockies Express Pipeline Project ('Rockies Express"). Rockies Express may, upon 5 business day's notice and in its sole discretion, at any time during this Open Season, extend the closing date of this Open Season, shorten or terminate this Open Season, or modify the parameters of this Open Season to more specifically define the project. Interested parties are encouraged to submit Precedent Agreements at their earliest convenience during this Open Season.

Customer Meetings

Rockies Express will be hosting two customer meetings to provide information to potential shippers about its new project. The customer meetings will not only provide Rockies Express with the venue to introduce and explain the nature of its project, but these meetings will also facilitate discussions and the exchange of information between potential LDC or end-use customers located in the Midwest and Eastern regions of the U.S., with Rocky Mountain gas producers and gas aggregators. Rockies Express intends to provide an overview of the project at the meeting, and there will be an open forum setting for producers and aggregators to distribute materials to prospective market customers. These customer meetings are planned as follows:

November 15, 2005	8:00 a.m. – 5:00 p.m.	Chicago, IL
November 17, 2005	8:00 a.m. – 5:00 p.m.	New York City, NY

Registration for these meetings is required for all participants. Parties may attend one or both meetings. Parties interested in attending the Rockies Express customer meetings should contact Mr. Frank Strong at (630) 691-3790 for all the details.

Description of the Proposed Rockies Express Pipeline Project

The Rockies Express Pipeline Project is being developed with plans to construct and/or acquire and operate certain facilities that will create long-haul, firm transportation takeaway capacity out of the natural gas supply areas located in the Rocky Mountain producing areas of Wyoming and Colorado. The planned interstate pipeline facilities are to be developed in three Certificate Segments, and will traverse to the east, through eight states, providing capability to transport Rocky Mountain natural gas supplies to major pipeline interconnects along the Project up to the Clarington, Ohio area. The total Rockies Express Project will include the installation of 42-inch diameter or larger pipe, as determined by Transporter, with transportation capacity of up to 2,000,000 Dth per day. The Rockies Express Project is planned to be developed in Certificate Segments, as follows:

Certificate 1 Segment will generally consist of the construction of high-pressure interstate natural gas pipeline facilities that will originate at points located at the Cheyenne Hub, in Weld County, Colorado ("Cheyenne Hub"). Certificate 1 Segment facilities are planned to proceed eastward to an interconnection with Panhandle Eastern Pipe Line Company in Audrain County, Missouri ("PEPL-Audrain"). Certificate 1 Segment is an independent pipeline project which is intended to transport natural gas from the constrained Cheyenne Hub to various markets in the Mid Continent including but not limited to Kansas City, St Louis and Chicago by interconnecting with multiple interstate pipelines that directly connect with such markets, increasing netbacks to the Rocky Mountain producers while increasing the availability and reliability of supply to the Mid Continent markets. Interim transportation service may be provided to points upstream of PEPL-Audrain, depending upon the timing and completion of construction of Certificate 1 Segment facilities.

Certificate 2 Segment will originate at PEPL-Audrain and terminate at the Lebanon Hub in Warren County, Ohio ("Lebanon Hub"). Certificate 2 Segment is an independent pipeline project which is intended to transport additional quantities of Rocky Mountain natural gas to the Lebanon Hub to revitalize and increase the liquidity of that hub by providing additional supply sources to that market center from the Rocky Mountains as well as potential supply sources in the Mid Continent and Canada. Interim transportation service may be provided to points upstream of the Lebanon Hub, depending upon the timing and completion of construction of Certificate 2 Segment facilities.

Certificate 3 Segment will originate at the Lebanon Hub and terminate at the Clarington Hub, in Monroe County, Ohio ("Clarington Hub"). Certificate 3 Segment is an independent pipeline project which is intended to create a new hub that interconnects with pipelines serving the Eastern Coast of the United States and to provide increased supply availability and diversity to East Coast markets.

Entrega Gas Pipeline Inc., an affiliate of EnCana Corporation ("Entrega"), has received Federal Energy Regulatory Commission ("FERC") authorization for the construction and operation of an interstate pipeline, currently under construction, that originates at points located at the Meeker Hub, in Rio Blanco County, Colorado ("Meeker"), proceeding northward to the vicinity of Wamsutter, in Sweetwater County, Wyoming ("Wamsutter") and then continuing southeastward to the Cheyenne Hub (the "Entrega Existing Project"). In an effort to be responsive to the shipper community, Entrega has proposed an Open Season to extend its interstate facilities from a proposed receipt point located at the Opal Hub in Lincoln County, Wyoming ("Opal") to a new receipt/delivery point located on the Entrega Pipeline at Wamsutter. Entrega, as extended, will be able to provide seamless transportation from points located at the Opal Hub, in Lincoln County, Wyoming to the Cheyenne Hub. Further, EnCana Marketing (USA) Inc. ("EMUS"), the largest shipper on Entrega, has designated Entrega as facilitator in the turn back, subject to specific conditions, of sufficient EMUS capacity on Entrega so as to accommodate only those shippers that subscribe for capacity on the Entrega Projects and the proposed Rockies Express Pipeline Project. If the turn back of EMUS capacity on Entrega is not sufficient to accommodate all Open Season shippers submitting binding bids for Entrega and Rockies Express capacity, then Entrega will also consider expanding the currently certificated capacity of Entrega to meet shipper demand.

It is the intent of Rockies Express and Entrega to make transportation service available to shippers from the Rocky Mountain producing areas that would provide delivery to eastern markets, via the Entrega Projects and the Rockies Express Project, equivalent to a single pipeline system ("Seamless Service").

Upon in-service of each Segment of the Rockies Express Project, subsequent to the Certificate 1 Segment, the FTSA for the previous Segment shall be superseded in its entirety by the FTSA for such subsequent Segment. Approval by FERC of Certificate 1 Segment does not constitute approval of Certificate 2 Segment and approval by FERC of Certificate 2 Segment does not constitute approval of Certificate 3 Segment. Therefore, an award of capacity hereunder may result in service for the agreed term only on the facilities ultimately approved for service, and Rockies Express intends to be bound by the FERC's determination of the public convenience and necessity with respect to each Segment of the Project on a stand alone basis.

Initially, Certificate 1 Segment will include service from the Cheyenne Hub to PEPL-Audrain with possible Interim Service. Service on Certificate 1 Segment will be subject to its own maximum recourse rates and, upon the combination of the Entrega Pipeline with the Rockies Express Pipeline, will be divided into two rate zones: (1) a supply zone encompassing the facilities which are to be located west of and including the Cheyenne Hub; and (2) a supply/market zone encompassing the facilities to be located downstream of the Cheyenne Hub traversing eastward to and including PEPL-Audrain. If Certificate 2 Segment is authorized by the FERC, it will provide service from Opal and Meeker to the Lebanon Hub with possible Interim Service. Service on Certificate 2 Segment will be subject to its own maximum recourse rates divided into three rate zones: (1) a supply zone encompassing the facilities which are to be located west of and including the Cheyenne Hub; (2) a supply/market zone encompassing the facilities to be located downstream of the Cheyenne Hub traversing eastward to and including PEPL-Audrain; and (3) a market zone encompassing the facilities to be located downstream of PEPL-Audrain, traversing further eastward to delivery points located near the Lebanon Hub. If Certificate 3 Segment is authorized by the FERC, it will provide service from Opal and Meeker to the Clarington Hub. Service on Certificate 3 Segment will be subject to its own maximum recourse rates divided into three rate zones: (1) a supply zone encompassing the facilities which are to be located west of and including the Cheyenne Hub; (2) a supply/market zone encompassing the facilities to be located downstream of the Cheyenne Hub traversing eastward to and including PEPL-Audrain; and (3) a market zone encompassing the facilities to be located downstream of PEPL-Audrain, traversing further eastward to delivery points located near the Clarington Hub.

Upon conclusion of this Open Season and determination by Rockies Express of sufficient capacity commitments to warrant further development of this project, Rockies Express intends to proceed with diligence to file for all necessary governmental approvals to proceed with the construction and placement in service of this project. Rockies Express intends to work in good faith using commercially reasonable efforts to complete and place into service the Certificate 1 Segment facilities no later than January 1, 2008, Certificate 2 Segment facilities no later than January 1, 2009 and Certificate 3 Segment facilities no later than September 30, 2009.

Foundation Shippers and Their Rights

For purposes of developing this project and conducting this Open Season, Rockies Express intends that certain parties shall be established as "Foundation Shippers", and that certain parties shall be established as "Anchor Shippers".

Foundation Shippers are shippers that have made long-term capacity commitments through all three Certificate Segments of this Project, as fully described below, prior to or during this Open Season, by the execution of Precedent Agreements which contain binding commitments equal to or exceeding 500,000 Dth/day. One Foundation Shipper has executed a binding commitment for 500,000 Dth/day prior to the commencement of this Open Season. Foundation Shippers will receive the most favorable rate options available on this project, relative to all other categories of shippers. The allocation of capacity to Foundation Shippers shall not be subject to pro-ration as a result of any other commitments received during this Open Season.

Foundation Shippers shall hold annual evergreen renewal rights, renewable for one year terms, to be effective after expiration of the initial term, which shall be applicable at the same rate and quantity (or any portion of the quantity) as set forth in the initial Firm Transportation Service Agreements ("FTSA"), which result from Precedent Agreements executed in conjunction with the Rockies Express project. Foundation Shippers shall provide notice to Rockies Express of their intent to extend the term of the FTSA's no later than six months prior to expiration of the initial term and each subsequent term.

Foundation Shippers shall also be afforded a one-time Right of First Refusal ("ROFR"), to be effective after expiration of the initial term, which shall be applicable to any portion of the quantity (but not the at the rate) set forth in the initial FTSA's, which result from Precedent Agreements executed in conjunction with the Rockies Express project. Foundation Shippers shall provide notice to Rockies Express, prior to the end of the initial term of the applicable FTSA's, of their intent to exercise this one-time ROFR, consistent with the notice provisions of the ROFR provisions of the FERC Gas Tariff applicable to Rockies Express.

Foundation Shippers may exercise an option ("Option Capacity") at any time from the date this Open Season concludes through and including February 27, 2006, to increase their capacity subscription by an amount up to the difference between 1,800,000 Dth/day and the sum of the following:

(A) the aggregate amount of all firm binding commitments obtained by Rockies Express for service (including the Foundation Shippers' initial commitments) as of the date of any Foundation Shipper's election; and,

(B) all contingent commitments obtained by Rockies Express for service that Rockies Express, in its reasonable discretion, may deem to be a firm binding commitment for purposes of determining the amount of capacity available for the Foundation Shipper's election.

Option Capacity shall also be available to Foundation Shippers at any time from February 28, 2006 through and including the date 18 months after the in-service date of Certificate 1 Segment. Foundation Shippers may elect to increase their capacity subscription by an amount up to the difference between 1,800,000 Dth/day and the aggregate amount of all firm binding commitments obtained by Rockies Express for service (including the Foundation Shipper commitments) as of the date of any Foundation Shipper's election.

Option Capacity will be in the nature of a right of first refusal provided to Foundation Shippers on capacity, up to the date of the issuance of a Notice to Proceed from FERC for Certificate 3 Segment. Accordingly, if any third party is willing to enter into a binding firm commitment of ten (10) years or more (either at the recourse rate or at a negotiated rate equal to or greater than any Foundations Shipper's negotiated rate for Certificate 3 Segment), then Rockies Express shall provide Foundation Shippers fifteen (15) days notice thereof and such Foundation Shippers will then decide to exercise or waive their option for such capacity at the agreed Foundation Shippers' negotiated rate.

Anchor Shippers and Their Rights

Anchor Shippers are shippers that have made long-term capacity commitments through all three Certificate Segments of this Project, as fully described below, prior to the close of this Open Season, by the execution of Precedent Agreements which contain binding commitments equal to or exceeding 200,000 Dth/day, but less than 500,000 Dth/day. The allocation of capacity to Anchor Shippers is not subject to pro-ration as a result of any other commitments obtained during this Open Season from non-Anchor Shippers, but Anchor Shippers will have a lower priority to capacity than Foundation Shippers. All Anchor Shippers will be afforded Most Favored Nations rights, with respect to the rates afforded to all shippers except Foundation Shippers.

Anchor Shippers shall hold annual evergreen renewal rights, renewable for one year terms, to be effective after expiration of the initial term, which shall be applicable at the same rate and quantity (or any portion of the quantity) as set forth in the initial FTSA's, which result from Precedent Agreements executed in conjunction with the Rockies Express project. Anchor Shippers shall provide notice to Rockies Express of their intent to extend the term of the FTSA's no later than six months prior to expiration of the initial term and each subsequent term.

Anchor Shippers shall also be afforded a one-time Right of First Refusal ("ROFR"), to be effective after expiration of the initial term, which shall be applicable to any portion of the quantity (but not the at the rate) set forth in the initial FTSA's, which result from Precedent Agreements executed in conjunction with the Rockies Express project. Anchor Shippers shall provide notice to Rockies Express, prior to the end of the initial term of the applicable FTSA's, of their intent to exercise this one-time ROFR, consistent with the notice provisions of the ROFR provisions of the FERC Gas Tariff applicable to Rockies Express.

Contents of Precedent Agreements and Guidance

During the Open Season, any party interested in contracting for firm transportation service to be provided from the Rockies Express system must execute and return the attached Precedent Agreement. The Precedent Agreement must include the following information:

- Indication of whether the party intends to pay the Maximum Applicable Tariff Recourse Reservation Rate or a Negotiated Reservation Rate, along with the election of such indicated rate(s).

- Requested Maximum Daily Quantity ("MDQ"), exclusive of Fuel and Lost and Unaccounted for Gas ("FL&U"), of not less than 1,000 Dth per day.

- Requested Primary Term of not less than 10 years from the date that the last Certificate Segment is placed in service

- Requested Primary Receipt and Delivery Points from the list attached to the Precedent Agreement. If more than one receipt and/or delivery point, or combination of points, is selected, the MDQ, exclusive of FL&U, for each point or combination of points, must be specified. If a party desires a receipt point and/or delivery point that is not already listed in the Precedent Agreement, the party should specify such desired points in the space provided and should indicate whether or not the stated service request is contingent upon Rockies Express's accommodation of such other Receipt and/or Delivery Points. Rockies Express will evaluate the cost of any such request and will inform the party whether, in its sole discretion, it can accommodate such requested receipt and/or delivery point(s), and will advise the party as to any additional cost responsibility. Rockies Express may accept or reject, in whole or in part, any Precedent Agreement which contains such contingencies.

- Indication of election of transportation service, by Certificate Segment. Preference will be afforded to prospective Shippers which submit Precedent Agreements that contain elections for service over <u>all three</u> planned Certificate Segments of the Rockies Express Project. To the extent that parties submit Precedent Agreements in response to this Open Season which contains elections of service over <u>less than</u> all three Certificate Segments of this project, such Precedent Agreements shall be considered non-conforming and will be accommodated only at the sole discretion of Rockies Express. Rockies Express intends to negotiate in good faith to accommodate any such non-conforming requests, subject to capacity availability and subject to reaching agreement with parties as to acceptable terms for shorter haul transportation service.

The following additional guidance should be followed by parties submitting Precedent Agreements:

- Interested parties may submit Precedent Agreements which elect a Negotiated Reservation Rate, which will be valid through the entire initial term of any service contract resulting from this Open Season. Precedent Agreements submitted with Negotiated Reservation Rates different than those made available for election will constitute non-conforming Precedent Agreements and are subject to further review and acceptance by Rockies Express at its sole discretion.

- Interested parties may submit a Precedent Agreement containing election of the maximum applicable tariff rate by indicating "maximum recourse reservation rate" on the form. Any party indicating "maximum recourse reservation rate" will be subject to the maximum applicable rate established in Rockies Express's FERC Gas Tariff, as may be modified from time-to-time.

- In addition to any Negotiated Reservation Rate or Maximum Recourse Reservation Rate and applicable Commodity Rate, which is currently estimated to be $0.012 per Dth across the entire length of the pipeline project, parties will be responsible for providing FL&U pursuant to Rockies Express's FERC Gas Tariff, and subject to adjustment via an authorized tariff FL&U tracking mechanism.

- ACA and any additional authorized surcharges that become generally applicable under Rockies Express's FERC Gas Tariff, shall also be charged.

- Rockies Express intends to file for authority with the FERC to include non-discriminatory provisions in its tariff which allow for parties to become "gas aggregators" on the Rockies Express system. Such tariff provisions are expected to include, at minimum, the ability for parties to aggregate, hold and manage capacity on the Rockies Express system, such that smaller parties who may not have the financial or other means to hold and manage their own capacity, can move their gas on the Rockies Express system. Rockies Express will seek to afford gas aggregators with an automatic waiver of the FERC's "shipper must have title" policy, in order to facilitate this concept.

Execution of Precedent Agreements

Interested parties may submit Precedent Agreements (please submit two complete originals) by registered or certified mail, courier, facsimile or hand delivery at any time during the Open Season to:

Rockies Express Pipeline LLC
Attention: Mr. Jeffrey Rawls, Vice President
370 Van Gordon Street
Lakewood, CO 80228
Fax: (303) 763-3102

All material received will be time and date-stamped by Rockies Express. Any executed Precedent Agreements received (or post-marked, if sent by registered or certified mail) after the close of the Open Season, will be considered only at Rockies Express's election.

These Open Season materials are provided for informational purposes to enable interested parties to express an interest in obtaining firm transportation service on the proposed Rockies Express facilities. However, the information contained herein, or that is provided in response to questions or requests for information, establishes no contractual or other relationship between Rockies Express and any party. Any contractual relationship between parties and Rockies Express will be reflected in the Precedent Agreement.

Upon notification by Rockies Express, interested parties will have the period of time allotted in the Precedent Agreement to provide sufficient written evidence of creditworthiness, or, alternatively, post an irrevocable letter of credit, make a prepayment, or provide a guarantee from an acceptable party, in each instance equal to the amount of contract revenues indicated in the Precedent Agreement. Such evidence of creditworthiness will be evaluated by Rockies Express prior to the signing of any Precedent Agreement.

A draft pro forma FERC Gas Tariff will be made available for review by interested parties during the Open Season. Such pro forma tariff is subject to further revision and FERC approval.

Please direct any questions or requests you may have concerning this Open Season to:

Mr. Jeffrey Rawls, Vice President	(303) 914-4903	jeff_rawls@kindermorgan.com
Mr. Ryan O'Neal, Development	(619) 696-4585	roneal@semprapipelines.com
Mr. John Eagleton, Director	(303) 914-4702	john_eagleton@kindermorgan.com
Ms. Laurie Fitzmaurice, Development	(619) 696-2698	lfitzmaurice@semprapipelines.com
Mr. Michael Smith, Manager	(303) 763-3484	mike-lakewood_smith@kindermorgan.com

Additional information regarding this Open Season and a map of the Project may be obtained from Rockies Express's website at www.kindermorgan.com.

Evaluation of Project

The project evaluation procedure to be utilized by Rockies Express shall only consider Precedent Agreements to the extent that they provide for an objectively quantifiable payment by the interested party. Precedent Agreements can contain MDQ's that vary monthly, seasonally or annually, or rates that vary in a similar manner and such requests may constitute Negotiated Rate submissions or non-conforming Precedent Agreements. Rockies Express will, at its sole discretion, consider such Precedent Agreements; however, Rockies Express will only evaluate and include in its Net Present Value analysis, those portions of a Precedent Agreement that are objectively quantifiable. A final determination regarding whether, in Rockies Express's sole discretion, the project described herein is economical and whether Rockies Express is willing to proceed with construction or acquisition of all or any portion of the described project will be based upon the success of executing binding Precedent Agreements with parties for adequate service on the project.

Precedent Agreements received during the course of this Open Season will be assigned a Net Present Value ("NPV") based on rate and MDQ, with the term considered for purposes of establishing NPV capped at 10 years. For bids submitted with a term of more than 10 years, such bids will be assigned a value as if zero percent of the rate bid is applicable for all years beyond 10 years. Rockies Express will award available capacity, based on NPV, to those parties with whom it executes Precedent Agreements, with Foundation Shippers receiving first allocations of capacity, Anchor Shippers second, and all other shippers last. If shippers that are not designated as Foundation or Anchor Shippers submit Precedent Agreements that produce NPV's greater than those produced by Foundation or Anchor Shippers' Precedent Agreements, then Rockies Express would evaluate accommodating such shippers through the design of increased capacity.

Rockies Express may combine requests of several parties in order to maximize total NPV. If, by the end of the Open Season, Rockies Express receives Precedent Agreements with two or more interested parties which yield equivalent NPV, and there is insufficient unsubscribed capacity still available to satisfy both requests, Rockies Express will allocate available capacity (above that level awarded to Foundation Shippers and Anchor Shippers) on a pro rata basis, based on the MDQ's requested by those parties during the Open Season, unless those parties agree on an alternative allocation method. In the event that the allocated pro rata share falls below any party's specified minimum acceptable MDQ, if any, then such bid will be discarded; provided, however, that before discarding such a bid, Rockies Express will contact the party to determine if they agree to a reduction in their specified minimum MDQ.

Parties will be notified no later than 30 days after the close of the Open Season of any capacity awarded to them as a result of this Open Season.