Platts 2nd Annual Oil & Gas Conference

KINDERMORGAN ENERGY PARTNERS, L.P.

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Forward Looking Statements

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The Kinder Morgan Strategy

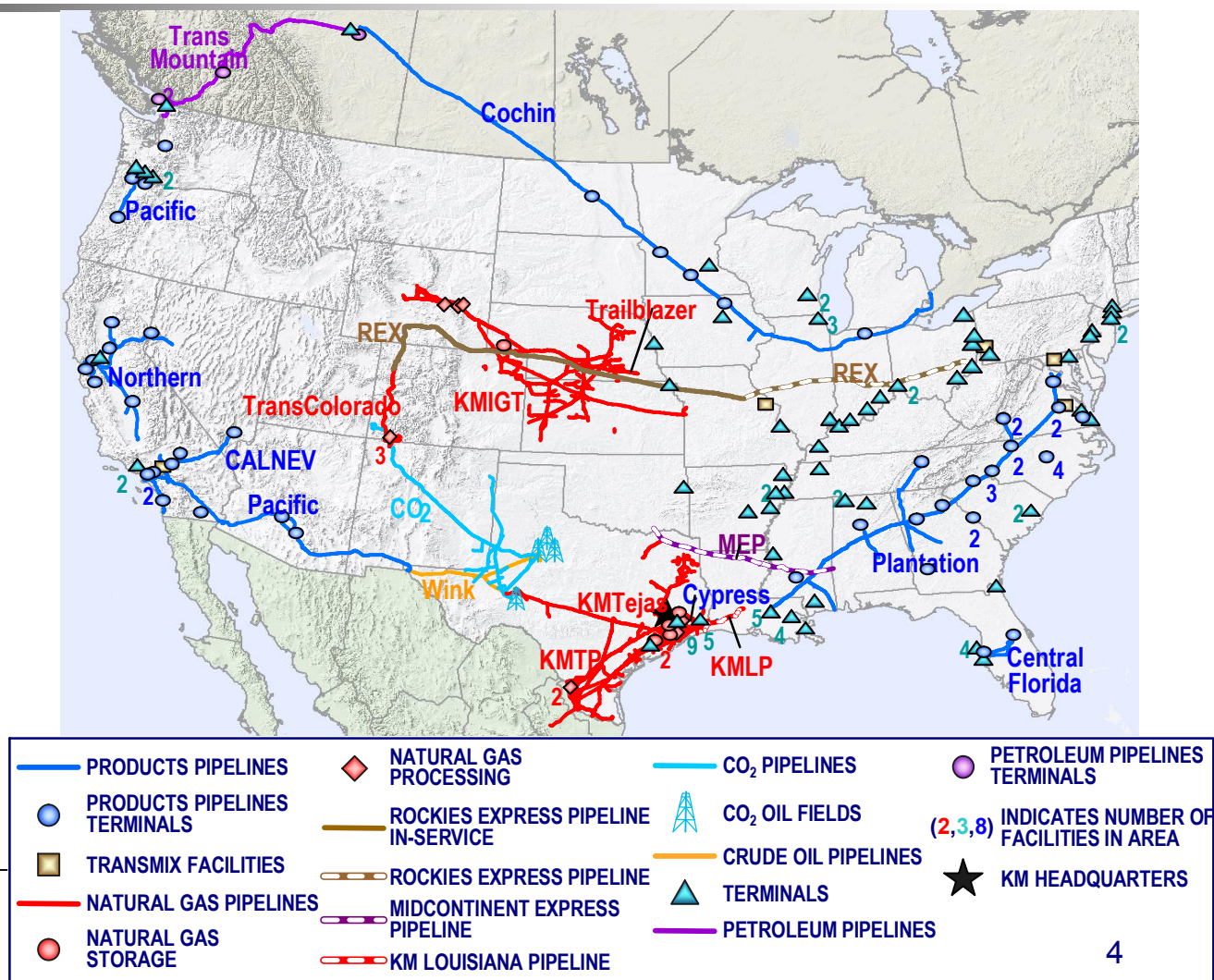
Same Strategy Since Inception

- Own and develop stable, fee-based energy infrastructure in growing markets
- Increase utilization of assets
- Aggressively control cost
- Gain economies of scale from acquisitions and expansions
- Maximize benefit of MLP financial structure
- Use strong balance sheet to effectively fund acquisitions & expansions

Unmatched Asset Footprint

- Largest independent transporter of petroleum products in the U.S.
  - Transport more than 2 million barrels per day (Bbl/d)
- 2nd largest transporter of natural gas in U.S. (a)
  - Approximately 22,000 miles of interstate / intrastate pipeline
- Largest transporter of CO_2 in U.S.
  - Transport over 1 Bcf/d of CO_2
- 2nd largest oil producer in Texas
  - Produce ~55,000 Bbl/d of crude
- Largest independent terminal operator in the U.S.
  - ~103 million barrels of liquids capacity
  - Handle 87 million tons of dry bulk products
    - Largest handler of petcoke in U.S.

(a) Includes NGPL. KMP holds a 20% ownership interest in NGPL and is operator.



On the Drawing Board

Over $10 Billion in New Projects (a)

Natural Gas

1. Northeast Express
2. Chicago Express/NGPL(b)
3. MEP Expansion
4. KMLP Expansion

Oilsands

5. TMX2/TMX3 Expansions
6. Chinook Gulf Coast Pipeline

CO_2

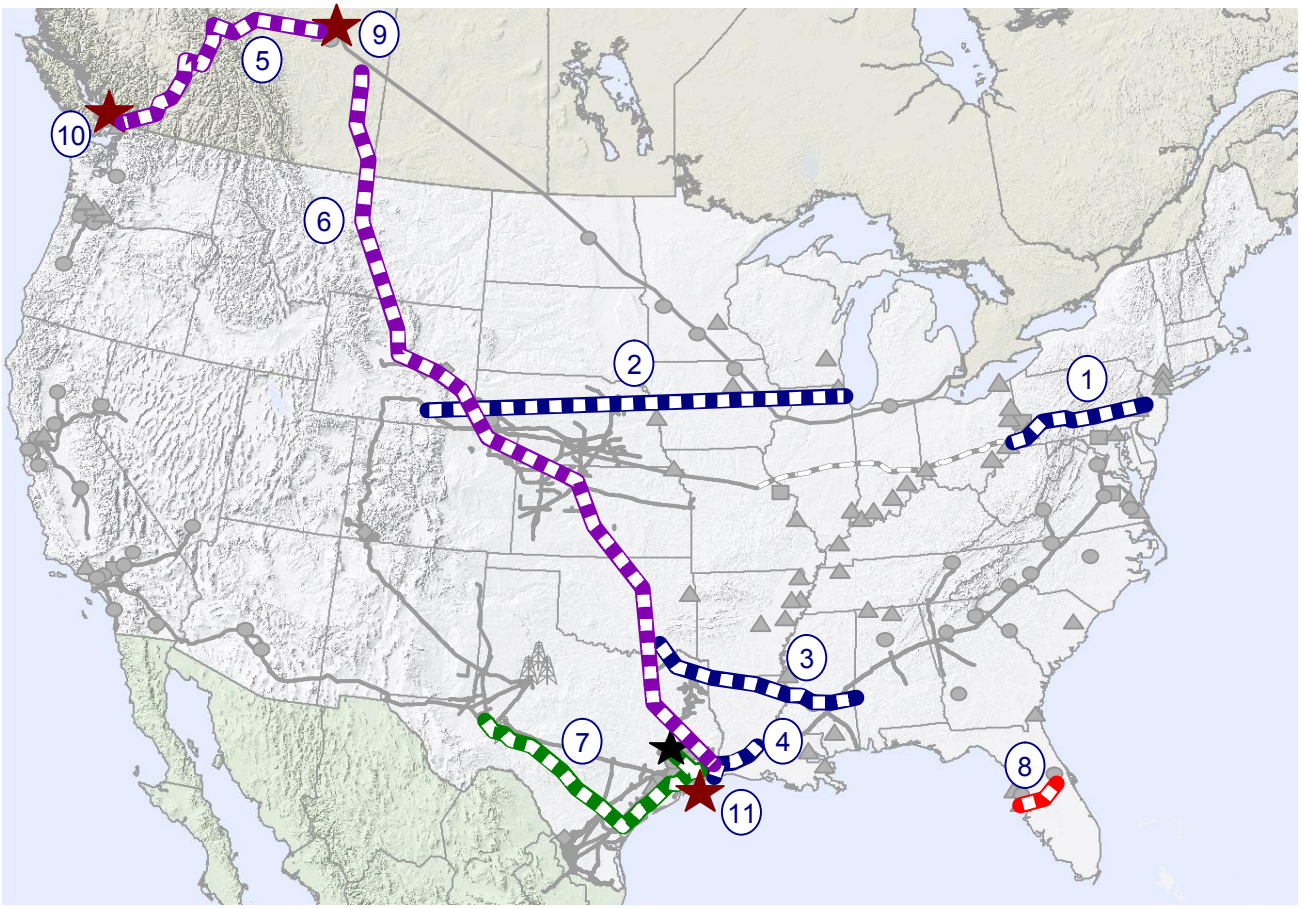
7. Gulf Coast Pipeline

Renewable Fuels

8. Batched/Dedicated Ethanol Pipeline

Petroleum Products

9. Edmonton Terminal Expansion
10. Vancouver Terminal Expansion
11. Houston Phase IV Expansion



(a) Estimated KM-share of potential expenditures.
(b) KMP's General Partner, Knight Inc. holds a 20% ownership interest in NGPL and is the designated long term operator the asset.

Challenges

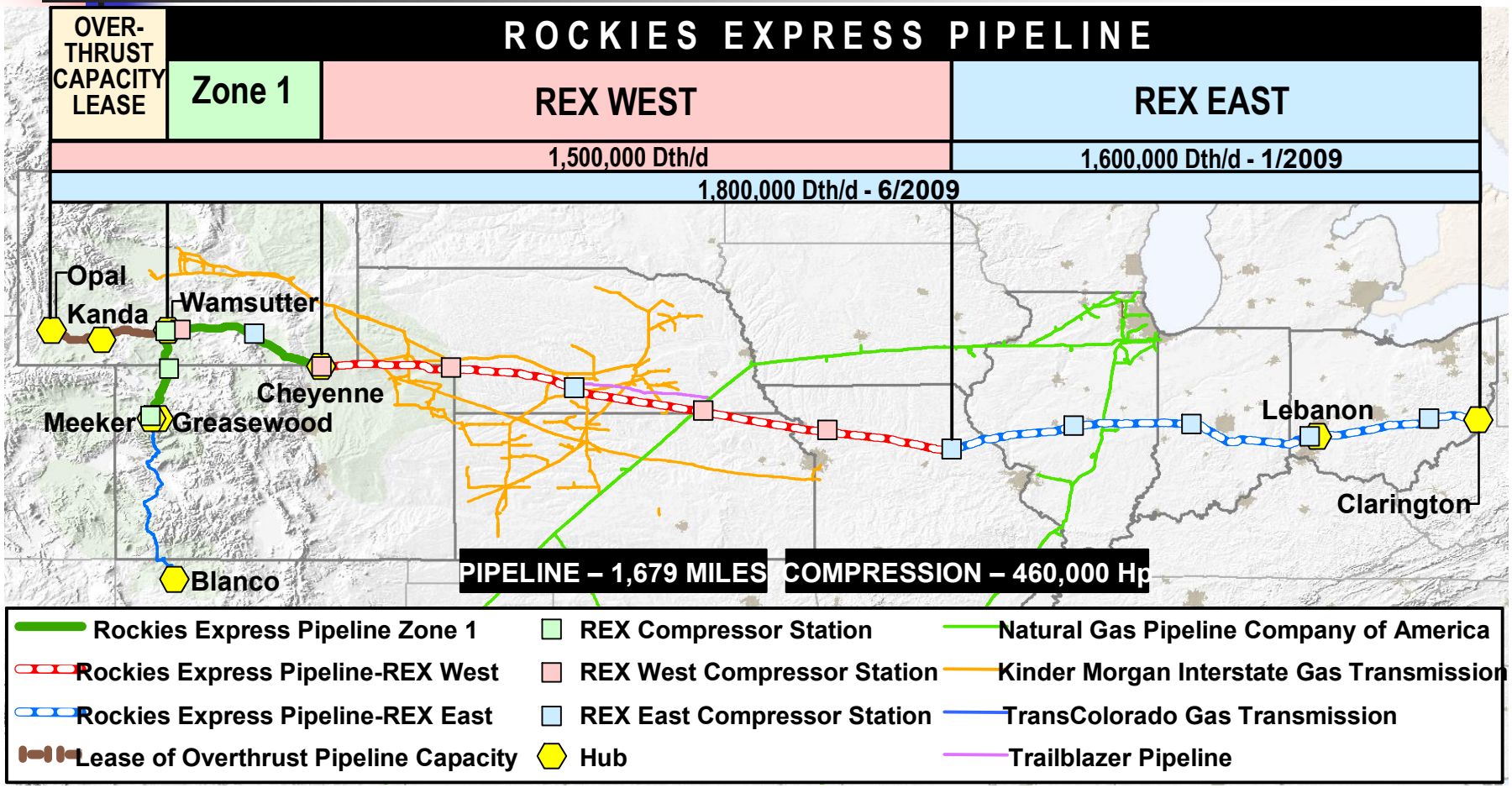
- Determining market needs & project scope
- Forecasting market prices & response to new infrastructure
- Determining intrinsic and extrinsic value
- Accurately estimating project cost at the time of construction
- Regulatory & permitting process and timeline
- Material & equipment availability
- Contractor, manpower and skilled labor availability
- Land use, site selection and ROW issues
- Managing the uncontrollable

The Uncontrollable

Meeting the Challenges

- Unsurpassed team
  - An average of over 30 years of experience held by the senior managers of the Business Development Engineering, Project Management, Operations, Regulatory, EH&S and Executive groups
- Hands-on experience with large projects
  - Rockies Express
  - Mid-continent Express
  - Louisiana LNG Header
- "Real Time" experience with project costs
- Demonstrated success in working with regulatory and other entities having jurisdictional authority
- Effective public relation efforts
- Demonstrated ability to fund and finance large projects

Rockies Express Pipeline



KINDER MORGAN ENERGY PARTNERS, L.P.

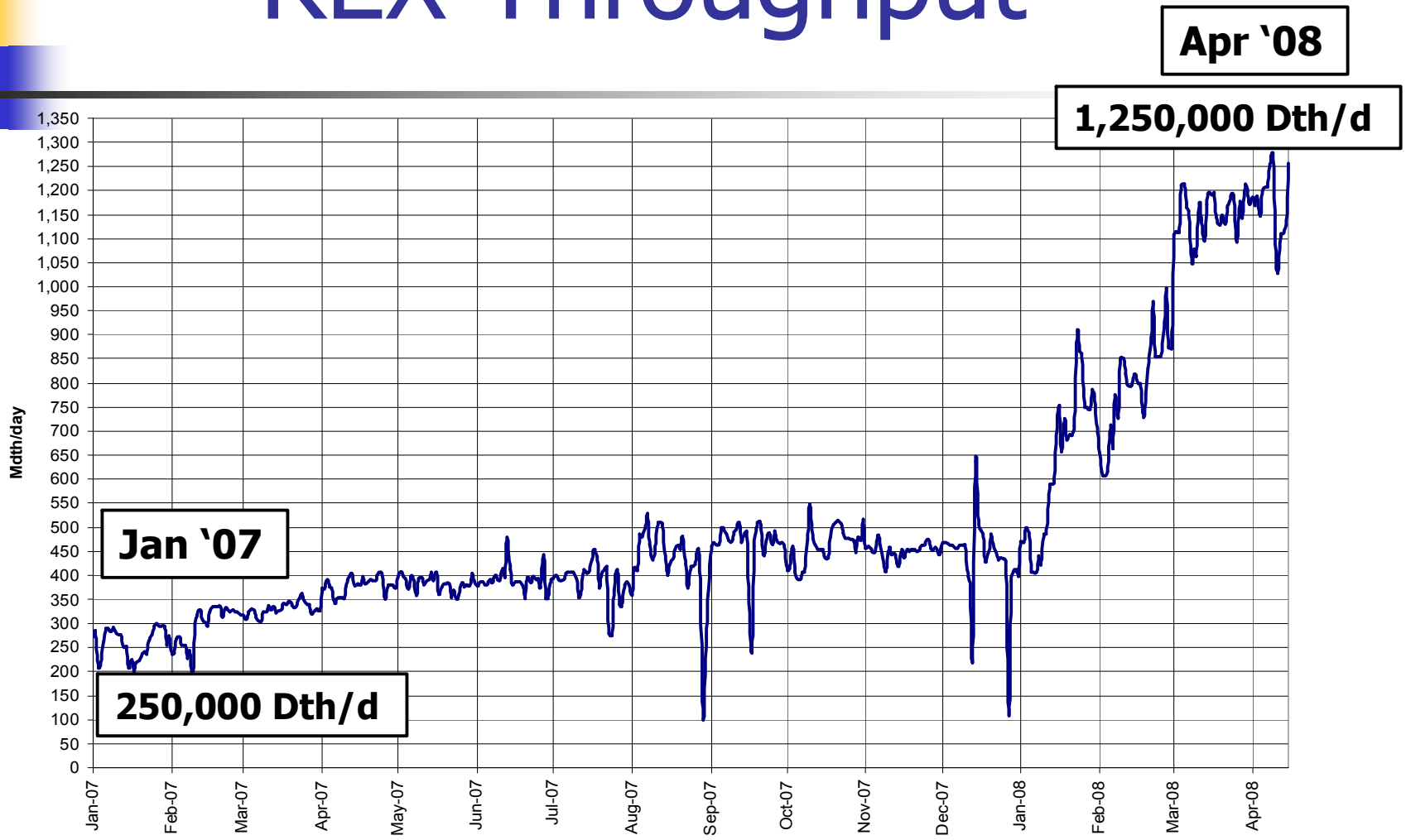
Sempra Pipelines & Storage

ConocoPhillips

REX WEST
In–Service Dates

- Interim Service
  - KMIGT, NNG, NGPL, ANR Jan ‘08
- Full Service
  - KMIGT, NNG, NGPL, ANR PEPL Apr ‘08

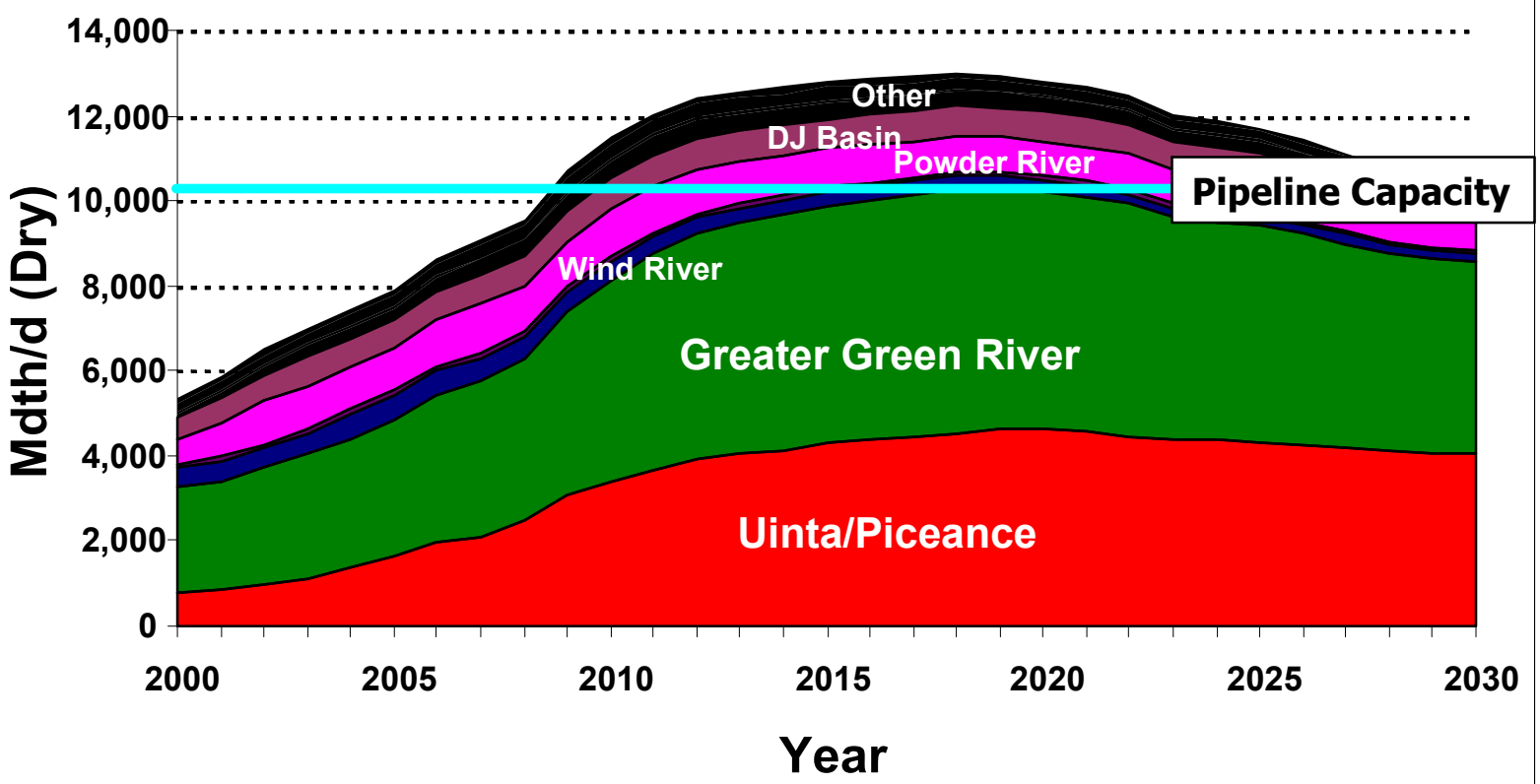
REX Throughput



REX East

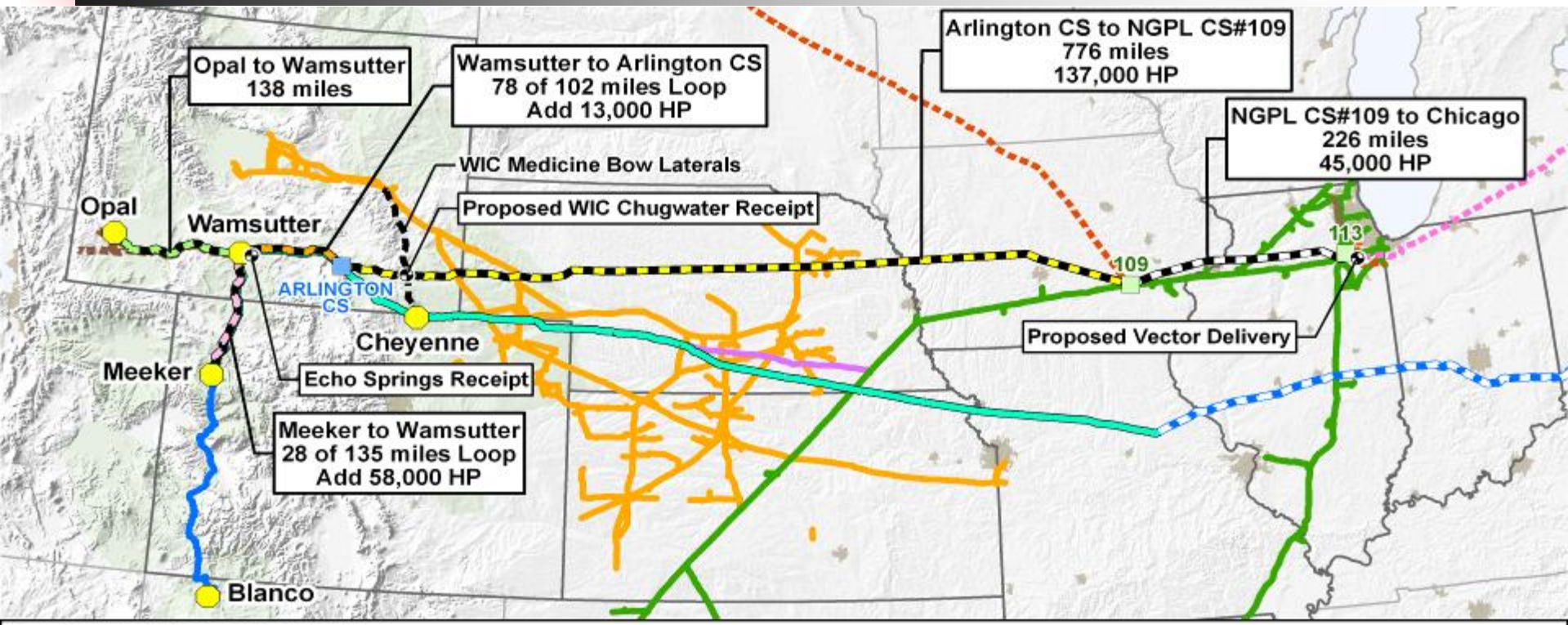
- Status
  - Pipe — 77% Produced/58% Delivered
  - Major equipment — 100% Complete
  - ROW acquisition — 72% Complete
- Timeline
  - FERC application — Complete
  - Final EIS — Issued
  - FERC issues certificate — May, 2008
  - FERC issues notice to construct — May, 2008
  - Commence construction — June, 2008
  - In-service to Clarington (1.6 Bcf/d) — December, 2008
  - In-service to Clarington (1.8 Bcf/d) — June, 2009

Another Rocky Mountain Export Pipeline is Needed



Source: Wood Mackenzie

Chicago Express/NGPL Project



PROPOSED CHICAGO EXPRESS ROUTE

- REX-Meeker to Wamsutter
- Overthrust-Opal to Wamsutter-Incremental Lease Capacity
- REX-Wamsutter to Arlington CS
- Chicago Express-Arlington CS to NGPL CS#109

PROPOSED NGPL ROUTE

- NGPL-CS#109 to Chicago

- Rockies Express Pipeline-In-service
- Rockies Express Pipeline-REX East
- Lease of Overthrust Pipeline Capacity
- Vector Pipeline
- Northern Border Pipeline
- Natural Gas Pipeline Company of America
- Trailblazer Pipeline
- Kinder Morgan Interstate Gas Transmission
- TransColorado Gas Transmission

Chicago Express Project Overview

- 1.2 Bcf/d Capacity
- Receipts at Meeker, Opal, Wamsutter, Chugwater
- Chicago Express delivery into:
  - KMIGT, NNG, NBPL, NGPL
- Natural Gas Pipeline Company delivery into:
  - NICOR
  - Peoples Gas Light and Coke
  - Guardian
  - Midwestern
  - NGPL
  - Vector

Why Chicago?

- Access to huge upper Midwest markets
- Extremely liquid trading point
- Declining Canadian supply availability
- Average daily demand almost 4 Bcf
- Peak day demand exceeding 10 Bcf
- Storage in market area of ~500 Bcf

Why Chicago Express/NGPL?

- Competitive Rates
- Direct access to Chicago markets
  - Does NOT rely on securing space on downstream pipelines
  - Does NOT contemplate selling gas upstream of the markets
- Access to NGPL city gates
  - Creates ~700,000 Dth/d of firm incremental capacity on the existing NGPL system
  - Incremental rates/FL&U that reflects physical flow and availability
- Access to other markets
  - Dawn hub via Vector Pipeline
  - Wisconsin markets via Guardian
  - Northeast markets via PEPL
  - Southern Indiana markets and Tennessee pipeline via Midwestern pipeline
  - Michigan markets via ANR
  - St Louis market via MRT

Chicago Express/NGPL Rates

	Meeker / Opal Receipts		Powder River Receipts	
	($ per Dth)	FL&U (1)	($ per Dth)	FL&U (1)
Chicago Express	$1.124	2.58% (2)	$0.974	1.32% (2)
NGPL	$0.375	0.66% (3)	$0.375	0.66% (3)
Total	$1.499	3.24%	$1.349	1.98%

(1) Includes an assumed L&U of 0.15%
(2) Tracked (90% Load Factor)
(3) Fixed

NGPL Low Pressure Delivery Options

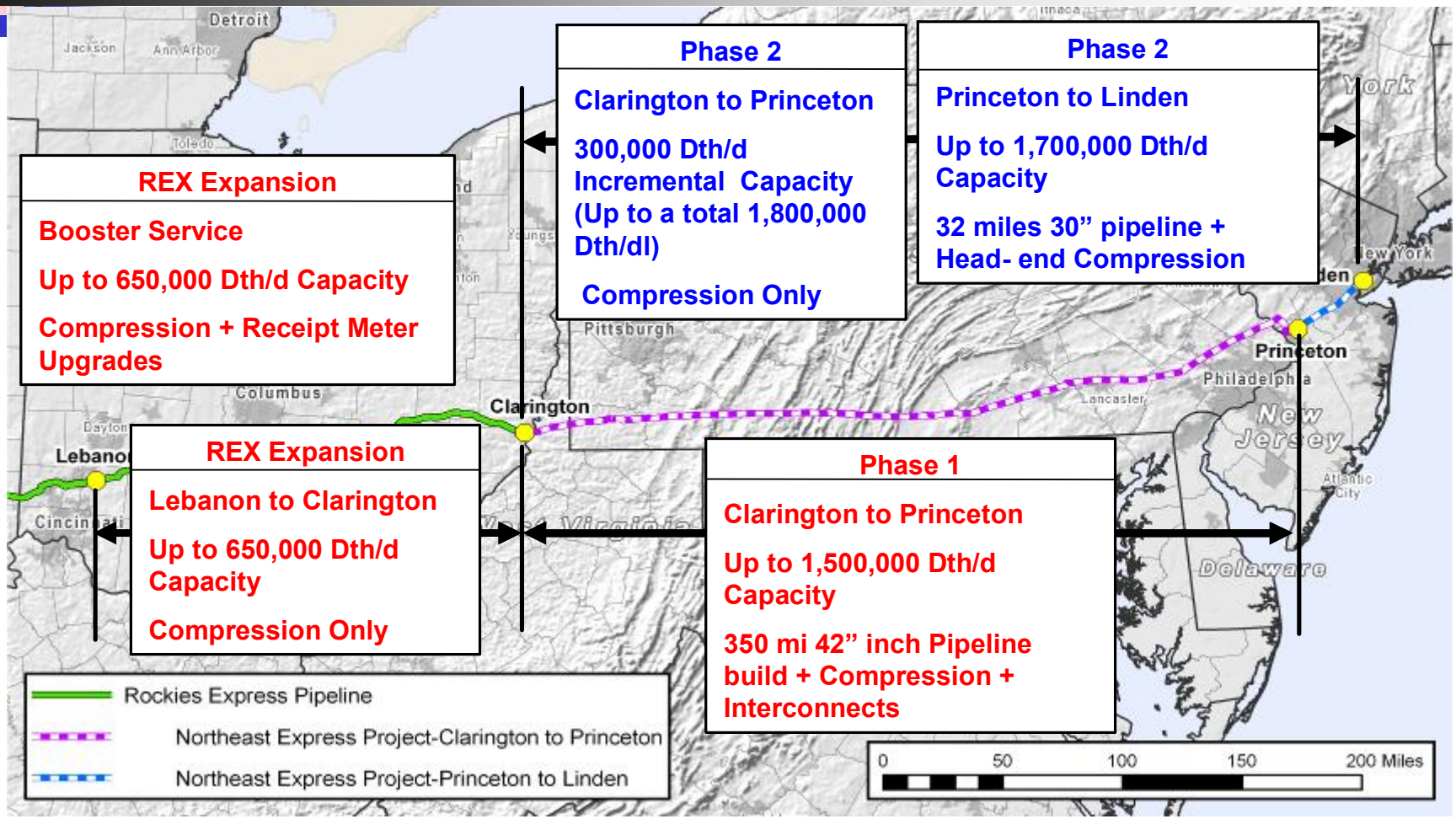
- **Nicor, Nipsco, Peoples, MidAmerican**
  - Chicago Express/NGPL rate plus tariff commodity rate
- **ANR, PEPL, MRT, Horizon, Crossroads, Ameren (IP, CIPS, CILCO)**
  - Chicago Express/NGPL rate plus incremental reservation rate of $0.03 per Dth and tariff commodity rate
- **North Shore**
  - Chicago Express/NGPL rate plus incremental reservation rate of $0.05 per Dth and tariff commodity rate
- **Alliant/IES, Alliant Interstate Power, Wisconsin Electric, Power Generators/End Users**
  - Chicago Express/NGPL rate plus incremental reservation rate of $0.10 per Dth and tariff commodity rate

- Primary delivery point capacity subject to capacity availability.
- Tariff commodity rate is currently $0.003 on an annualized basis.
- All deliveries are subject to the NGPL Tariff Fuel & GLU rates as appropriate.

Chicago Express Timeline

Secure shipper commitments	July, 2008
Conclude binding open season	September, 2008
Submit pre-NEPA application	December, 2008
Submit FERC application	July, 2009
Receive FERC approval	May, 2010
Commence project construction	July, 2010
Chicago Express upstream service	December, 2010
Combined project in-service	October, 2011

Northeast Express Map



Northeast Express Overview

- New infrastructure to serve Northeast markets
  - Expandable with additional compression
- Lowest transportation cost
- Receipts from Rockies, Mid-Continent, Gulf, Appalachia
- Bi-directional capability at Steckman Ridge (Storage) & Chambersburg (Storage, LNG)
- Delivery into:
  - TETCO M-3 @ Lambertville
  - Algonquin @ Lambertville
  - Transco Zone 6 Non-NY @ Princeton Junction (Transco Pool)
  - Milltown, N.J. (Transco Long Beach Lateral)
  - Transco Zone 6 NY @ Linden
  - Additional LDC gate stations (PSE&G, UGI and Others)

Value of Northeast Express

- Direct link to reliable, long-lived Rockies gas
  - Minimizes use of multiple pipes that creates rate-stacking
- Supply Diversification and Reliability
  - Domestic supply
  - No weather risk
  - Not subject to price driven market diversion (LNG)
  - Canadian and Gulf Coast supplies that have historically served Northeast markets are in decline
- Market optionality
  - Access to major pipelines serving the Atlantic seaboard
  - Deliverability to Transco Zone 6-New York pricing point
  - Access to storage
- Efficient, low fuel usage system

Northeast Express Rates

Transportation Path	Firm Transportation Rate (1) ($ per Dth/$ per mo per Dth)	Estimated FL&U (2)
Phase 1		
Lebanon to Princeton	$0.6900/$20.9875	1.360%
Clarington to Princeton	$0.5900/$17.9458	1.360%
Phase 2		
Lebanon to Princeton	$0.6900/$20.9875	1.360%
Lebanon to Linden	$0.7200/$21.9000	1.760%
Clarington to Princeton	$0.5900/$17.9458	1.360%
Clarington to Linden	$0.6200/$18.8583	1.760%

Note 1: Rate includes Lebanon Booster Compression service.

Note 2: 90% load factor. Includes booster compression fuel and assumed L&U of 0.15%.

Northeast Express Timeline

Pursue shipper commitments	Ongoing
Commence pre-filing process	September 2008
File FERC application	April 2009
FERC application approval	March 2010
Commence construction to Princeton	Summer 2010
In-service to Princeton	February 2011
Commence construction to Linden	April 2011
In-service to Linden	December 2011

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