

**KINDER MORGAN
TEXAS PIPELINE LLC
&
KINDER MORGAN
TEJAS GAS, LLC**

**CODE OF CONDUCT
FOR VOLUNTARY
PRICE REPORTING**

This Code of Conduct for Voluntary Price Reporting (the “VPR Code of Conduct”) has been adopted by Kinder Morgan Texas Pipeline LLC and Kinder Morgan Tejas Pipeline LLC] (the “Kinder Morgan Entities” or “Company”) and is applicable to their reporting of purchases and sales of natural gas and electricity to index developers. This VPR Code of Conduct is adopted in conformance with the Federal Energy Regulatory Commission’s July 24, 2003, Policy Statement on Natural Gas and Electric Price Indices and the Commission’s clarifying orders¹ (collectively, the “Policy Statement on Price Reporting”).

All employees of the Kinder Morgan Entities who directly engage in the purchase or sale of natural gas or electricity on behalf of the Company and all employees who engage in reporting such transactions to independent price index developers are expected to comply with this VPR Code of Conduct. The Company maintains and enforces risk management policies and procedures designed to ensure compliance with the VPR Code of Conduct.

The VPR Code of Conduct is intended to complement the Company’s policies and procedures applicable to buying and selling natural gas and electricity, and reporting such transactions to index publishers. The Company is committed to full compliance with all applicable laws, rules and regulations, including but not limited to those of the Federal Energy Regulatory Commission (“FERC”) and the Commodity Futures Trading Commission (“CFTC”).

Reporting in Accordance with the CFTC’s and the FERC’s Regulations

Reporting transaction data to publishers or price indices is not mandatory. When and if an employee reports data to an index publisher, he or she will do so in a manner consistent with the contractual terms agreed to with such publications, and this VPR Code of Conduct, which includes the following requirements:

1. Reporting Data to Index Publishers

- Any information voluntarily reported to a price index developer must not be false, misleading, knowingly inaccurate, or omit material information;
- Any information voluntarily reported to a price index developer must include all reportable transactions at all trading locations and the data should be provided for each transaction separately;

¹ *Price Discovery in Natural Gas and Electric Markets*, 104 FERC 61,121 (2003), as updated in the December 12, 2003 Order on Clarification of Policy Statement on Natural Gas and Electricity Price Indices, *Price Discovery in Natural Gas and Electric Markets*, 105 FERC 61,282 (2003) and in the July 6, 2005 Order Further Clarifying Policy Statement on Natural Gas and Electric Price Indices, *Price Discovery in Natural Gas and Electric Markets*, 112 FERC 61,040 (2005).

- Reportable transactions include all non-index based transactions that are: (i) at arm's length; (ii) bi-lateral; (iii) with non-affiliated companies; and (iv) physical/cash (not financial/swaps/exchanges).
 - Physical (cash) market reporting will not include financial hedges, financial transactions, or swaps or exchanges of gas or electricity.
 - For each transaction voluntarily reported to a price index developer, the price, volume, buy/sell indicator, delivery receipt/location, transaction date, and term (next day or next month) will be provided;
 - Any information voluntarily reported to a price index developer must be provided independently of the Company's front office, by a department that is independent from, and not responsible for, trading.
 - In the event of an error in the data submitted, the Company will cooperate with the error resolution process adopted by the price index developer. Like the original data submission, this function will be carried out by personnel independent from and not responsible for trading.
2. Document Retention: The Company will retain, for no fewer than five years, all data and information upon which it billed the prices it charged for the natural gas sold pursuant to its market based sales certificate or the prices it reported for use in price indices.
 3. Changes in Reporting: The Company will notify the Commission as part of its FERC Form No. 552 annual report whether it reports its transactions to publishers of electricity and natural gas indices.
 4. Auditing the data gathering and submission process: An independent auditor will review the implementation of and adherence to the Company's data gathering and submission process at least once annually. The independent audit may be performed by the Company's internal auditor, so long as the internal audit personnel are independent from the trading and reporting departments and personnel, and the audit follows internal auditing standards that have been adopted by the Company.
 5. Public Availability: The Company will make this VPR Code of Conduct public by posting on the appropriate company internet sites.