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Natural Gas Pipelines
Scott Parker – President

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Gas Pipeline Group - Growth Opportunities

($ millions)

	Capex
■ Existing Interstate Expansion Projects	
— AG Cross Haul Expansion (NGPL)	$ 20.7
— Sayre & No Lansing Storage Expansion (NGPL)	$ 99.5
— Segment 17 Expansion (NGPL)	$ 17.0
— TransColorado Expansion	$ 12.6
■ Intrastate Pipelines	
— West Rancho	$ 46.0
— Markham Storage & Dayton Storage Expansion	$ 133.0
■ New Major Pipeline Opportunities	
— Kinder Morgan Louisiana Pipeline	$ 484.0
— Entrega / Rockies Express Pipeline	$ 4,050.0 – 4,350.0

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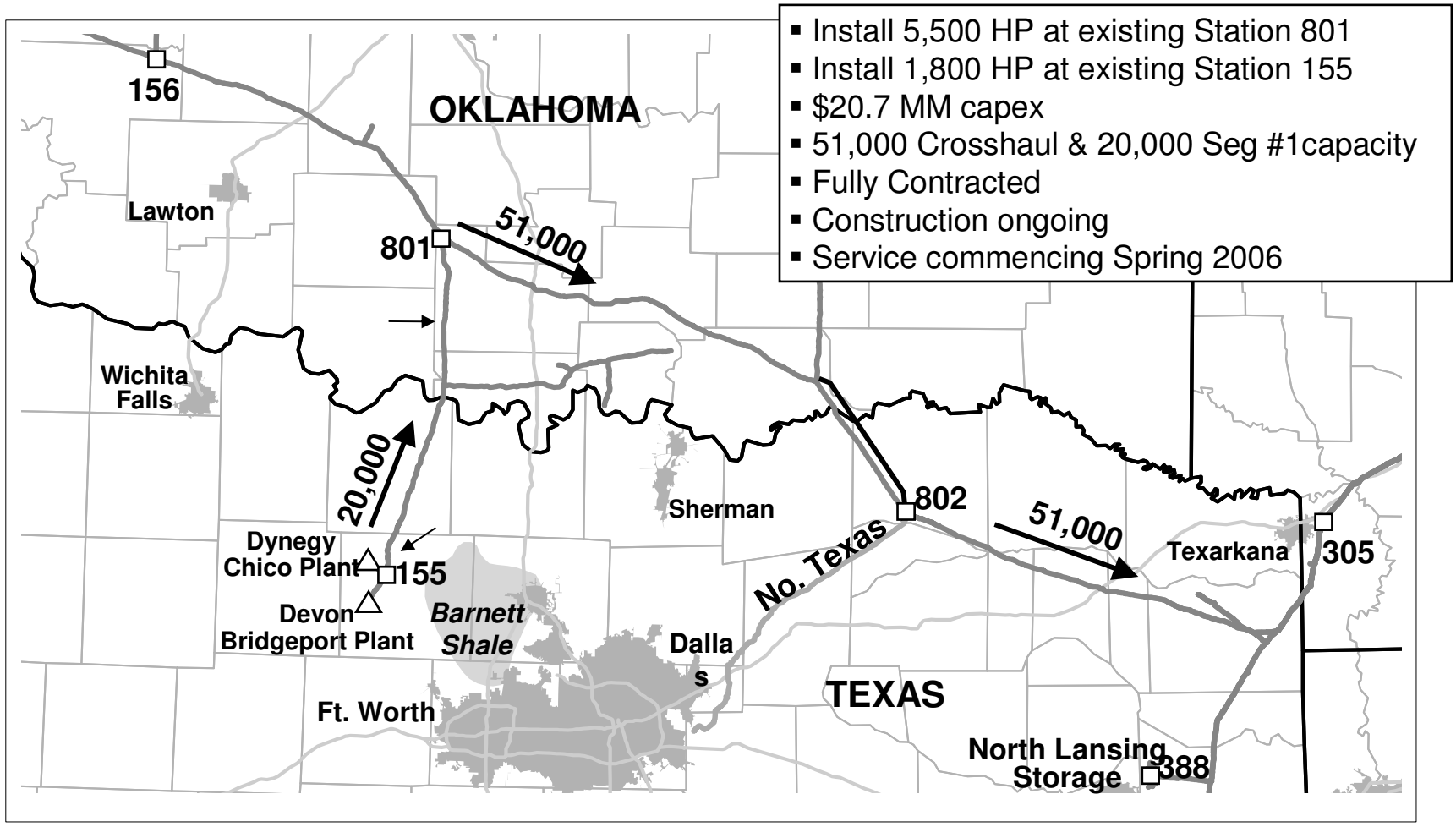
NGPL
A-G Cross Haul Expansion



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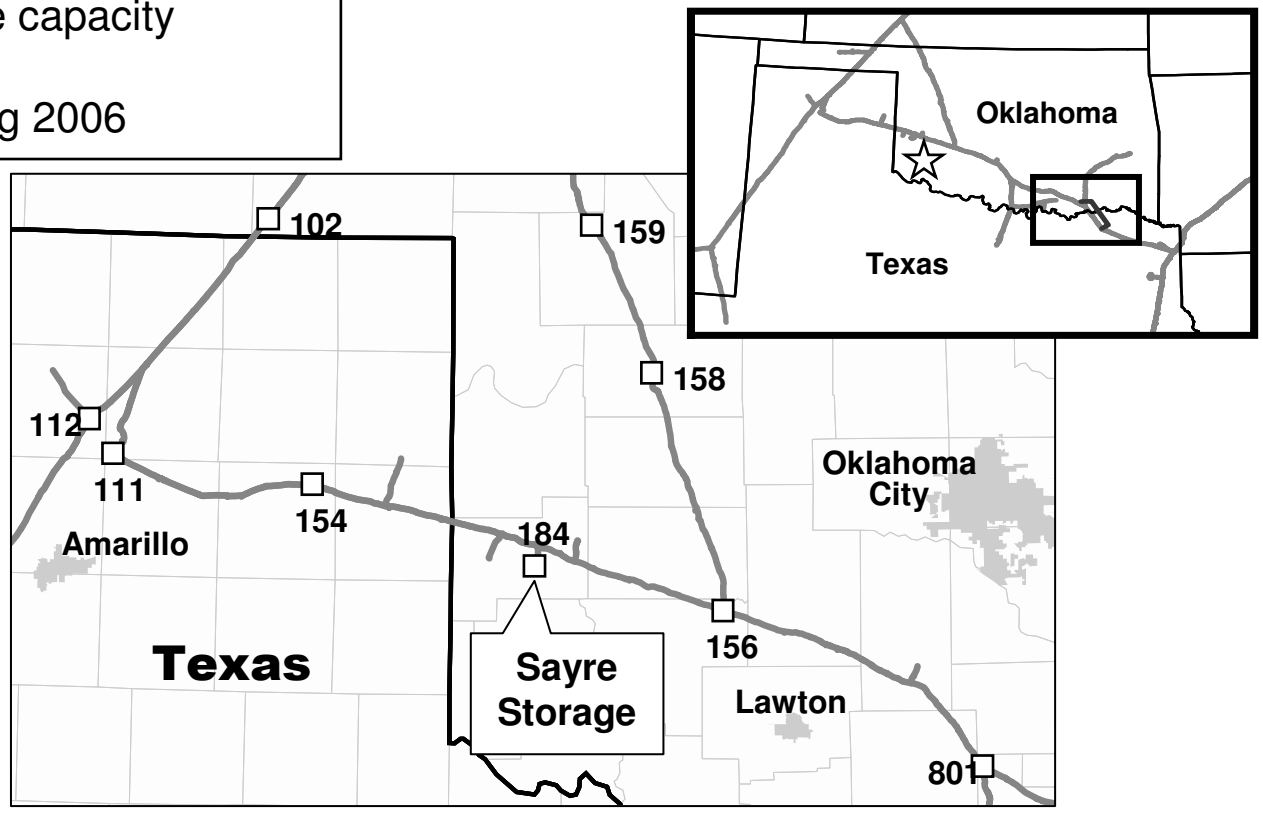
NGPL
10 Bcf Sayre Storage Expansion

- Install 7,500 HP at existing Station 184
- 22 new wells, gathering looping
- $35.3 MM capex
- 10 Bcf of additional storage capacity
- Fully Contracted
- Service commencing Spring 2006



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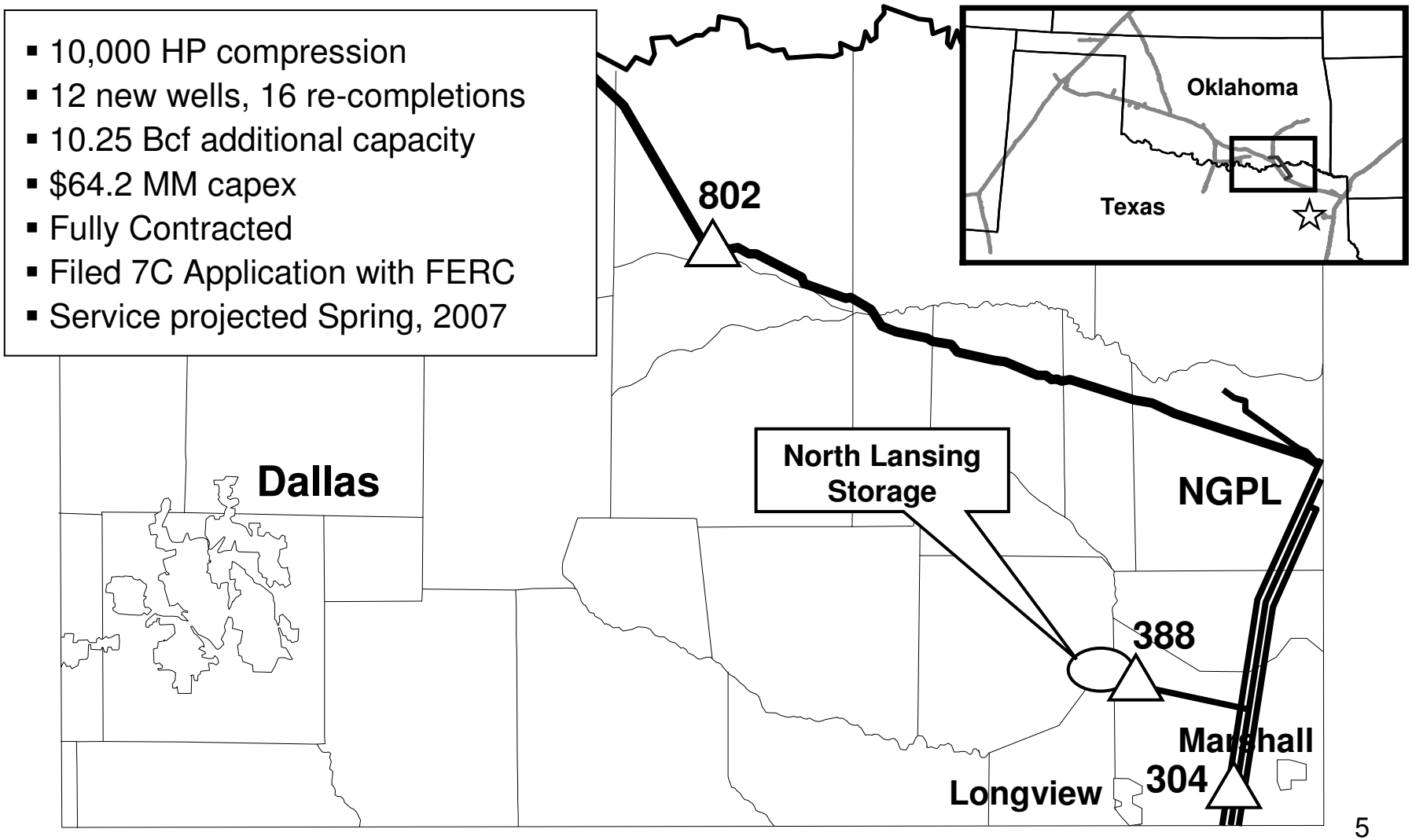
NGPL
10 Bcf No Lansing Storage Expansion

- 10,000 HP compression
- 12 new wells, 16 re-completions
- 10.25 Bcf additional capacity
- $64.2 MM capex
- Fully Contracted
- Filed 7C Application with FERC
- Service projected Spring, 2007



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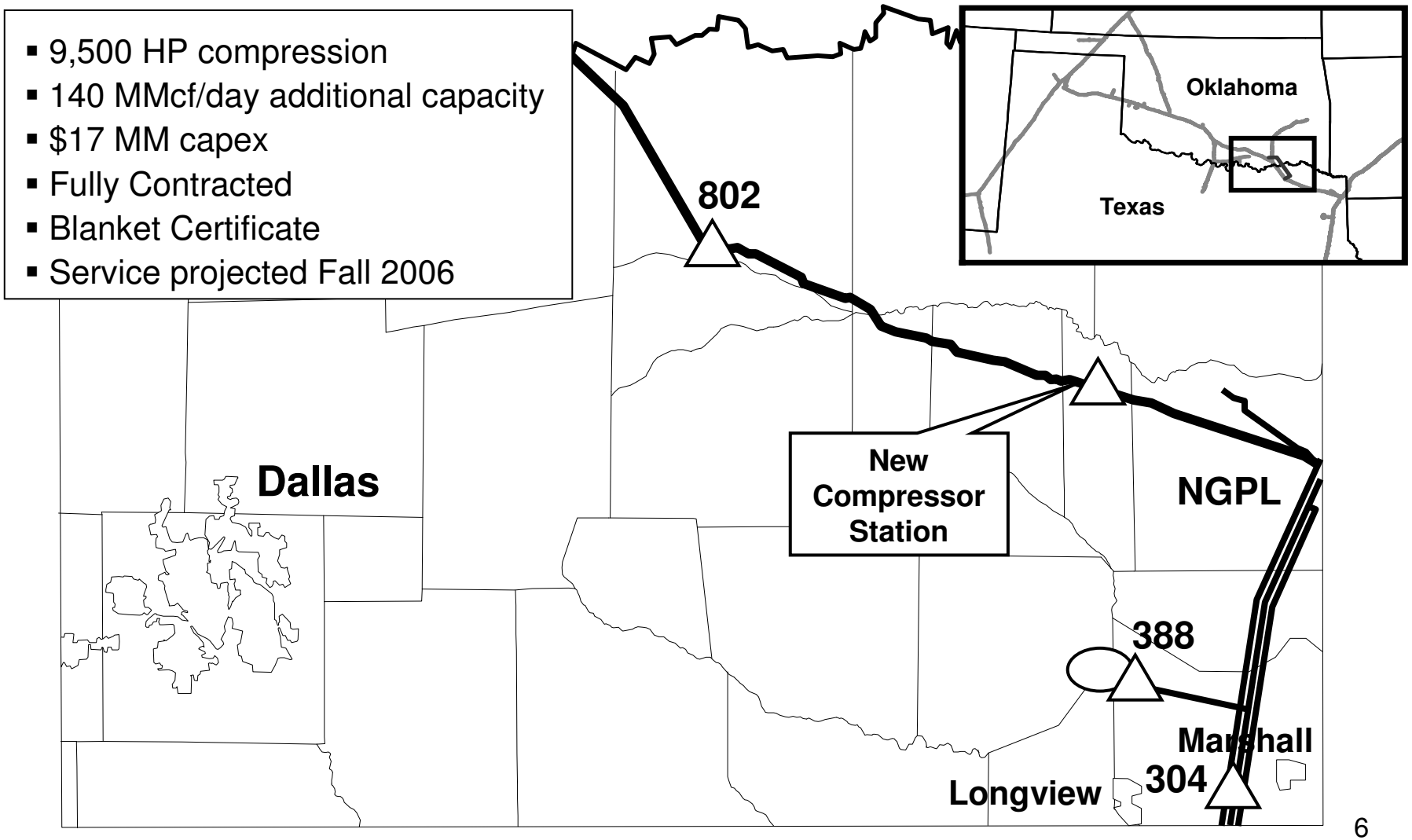
NGPL
Segment 17 Expansion

- 9,500 HP compression
- 140 MMcf/day additional capacity
- $17 MM capex
- Fully Contracted
- Blanket Certificate
- Service projected Fall 2006



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Future Projects on NGPL

- Continue to Pursue Expansion and Extension Projects off our existing Asset Base
- NGPL Expand Texok to Louisiana Segments
  - — Provide greater access to and away from the Henry Hub
- Storage Expansions
  - — Expansions of existing storage infrastructure
- Synergies with affiliated Pipelines
  - — Distribute LNG supply away from KM Louisiana Pipeline
  - — Provide Hub service into and out of the Rockies Pipeline
  - — Provide Storage services to shippers on both Rockies and KM Louisiana Pipelines

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TransColorado Expansion
Greasewood Compression

Northbound Expansion

- 300 MDth/d of additional capacity via phase in of 4,000 HP of new compression, new meters, etc.
- $12.6 MM of capex with an additional $3.8 MM for compression in 2008
- Supported by long term contracts
- In-service 1/1/2006



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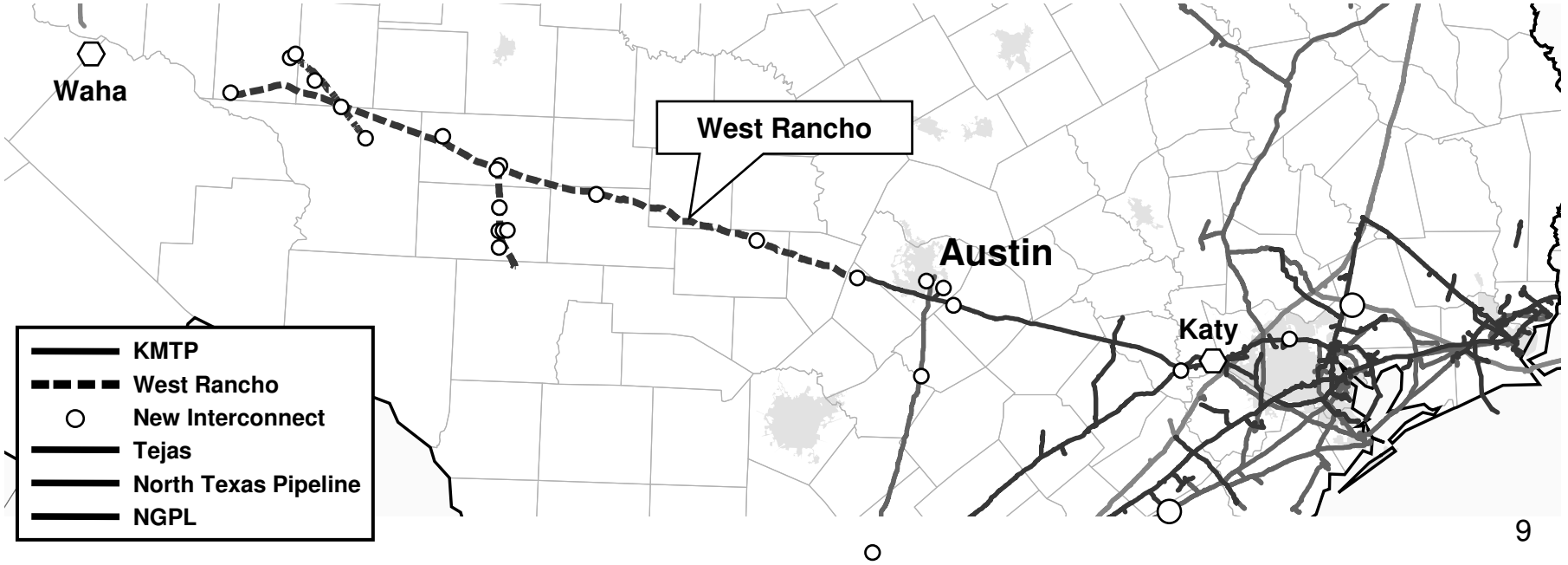
Intrastate Pipelines
Expansion Projects – West Rancho

- West end of Rancho (Austin to McCamey) put in service in October 2005
- $46 million scope included conversion of 254 miles of 24” crude line to natural gas service; acquisition of two pipeline systems with 90 miles of pipelines to access supply and market; installation of two compressor stations with over 6,000 combined horsepower; and other interconnects along the mainline
- West to east capacity of 150 MMcfd is 95% subscribed (subject to connection of 2 additional supply points to be completed by end of 1st quarter 2006)



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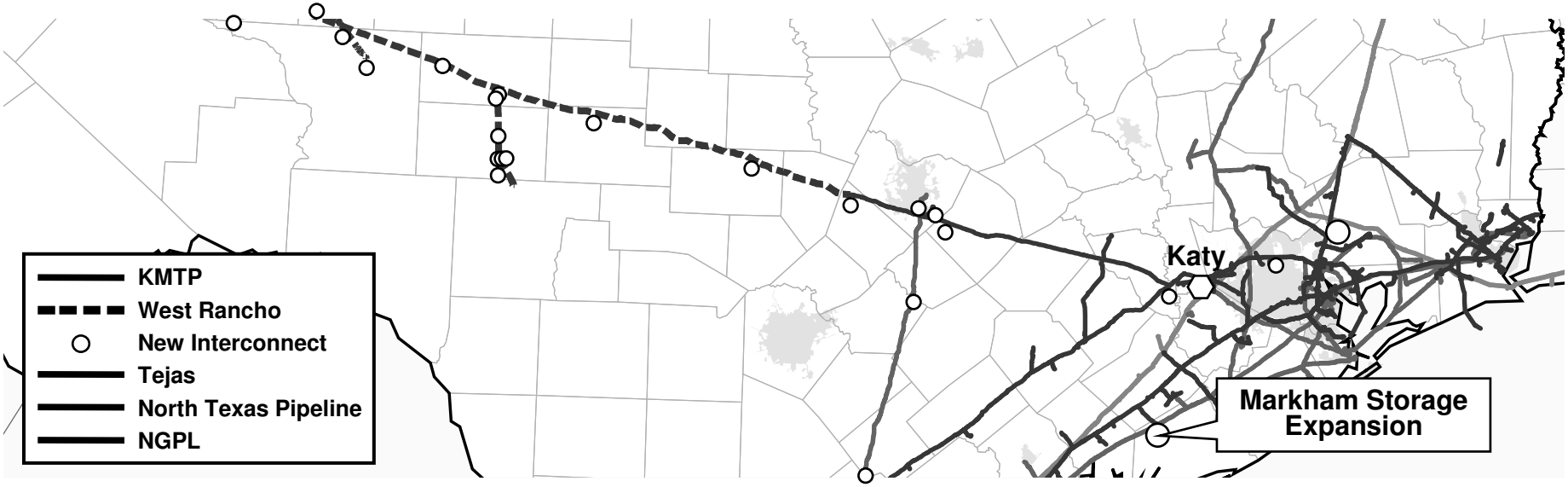
Intrastate Pipelines
Expansion Projects – Markham Storage

- Put in service in April 2005 a 3rd cavern with working capacity of 6 Bcf
- $33 million project included compression and surface facilities for 100 MMcfd of additional injection and 250 MMcfd of additional withdrawal which was put in service during the 3rd quarter as planned
- Opportunity exists to add a 4th cavern with another 6 Bcf of working capacity for availability in the first quarter of 2007
- Discussions with potential shippers to anchor a 4th cavern expansion are ongoing

— **Potential 6 Bcf Economic Expansion (In-service in 2007)**



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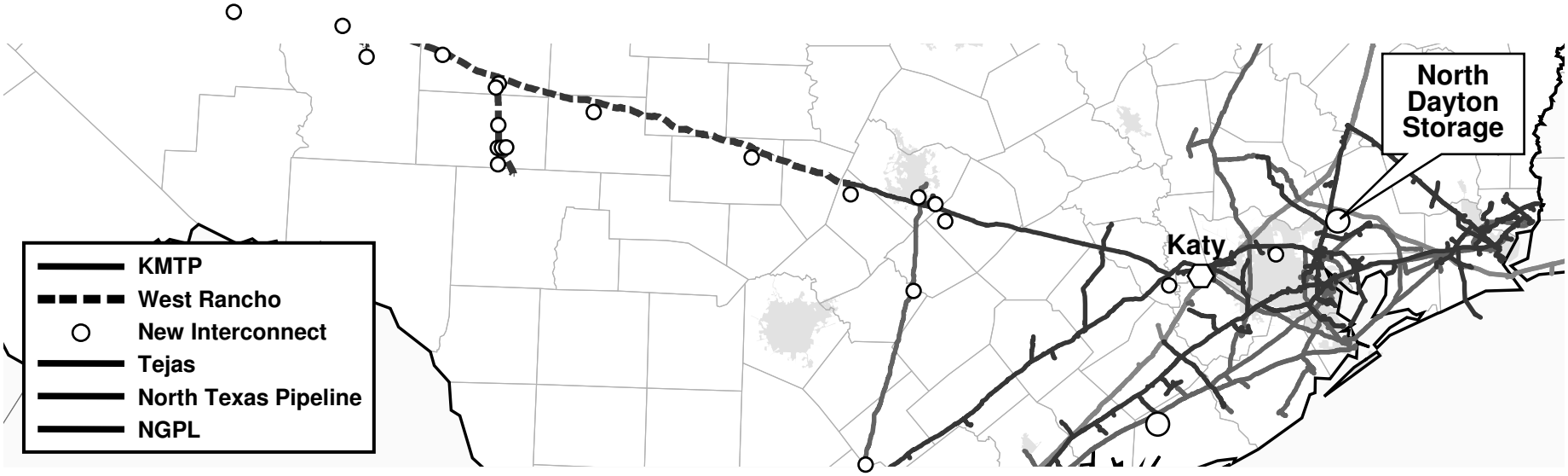
Intrastate Pipelines
Expansion Projects – Dayton Storage

- Acquired the North Dayton Storage Facility in August from Texas Genco for approximately $100 million (cash and debt). Transaction included a long term contract to provide storage and transportation services to Texas Genco's power plants
- Facility has 4.2 Bcf of working capacity and high cycling capability
- Potential Future Opportunity:
  - **Anticipate expanding capacity via additional leaching of an existing cavern and/or development of a new cavern. Interconnects to several nearby 3rd party pipelines are also planned**



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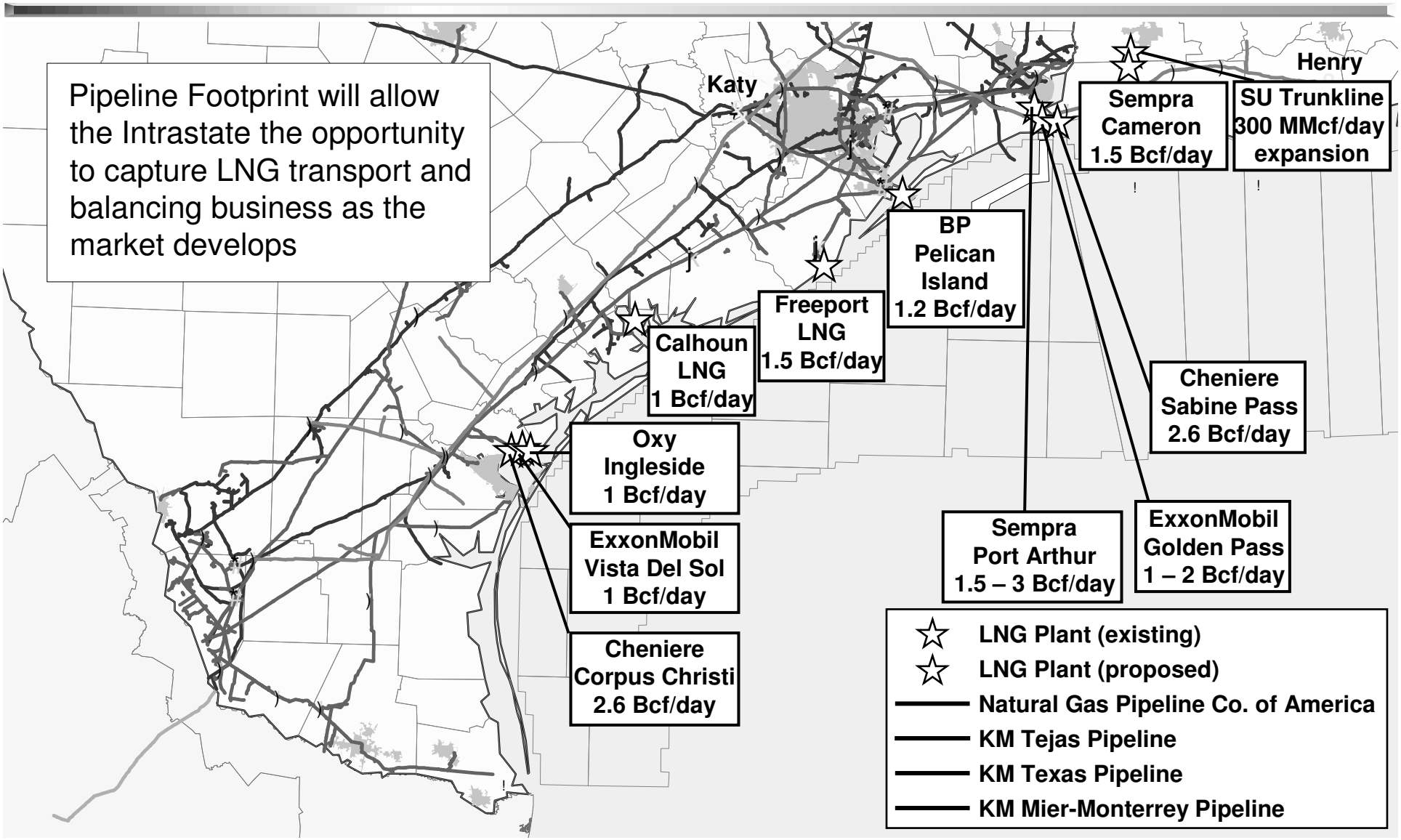
Gulf Coast LNG Opportunity



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Interstate Pipelines
Major Projects

KM Louisiana Pipeline (LNG)
&
Rockies Express Pipeline

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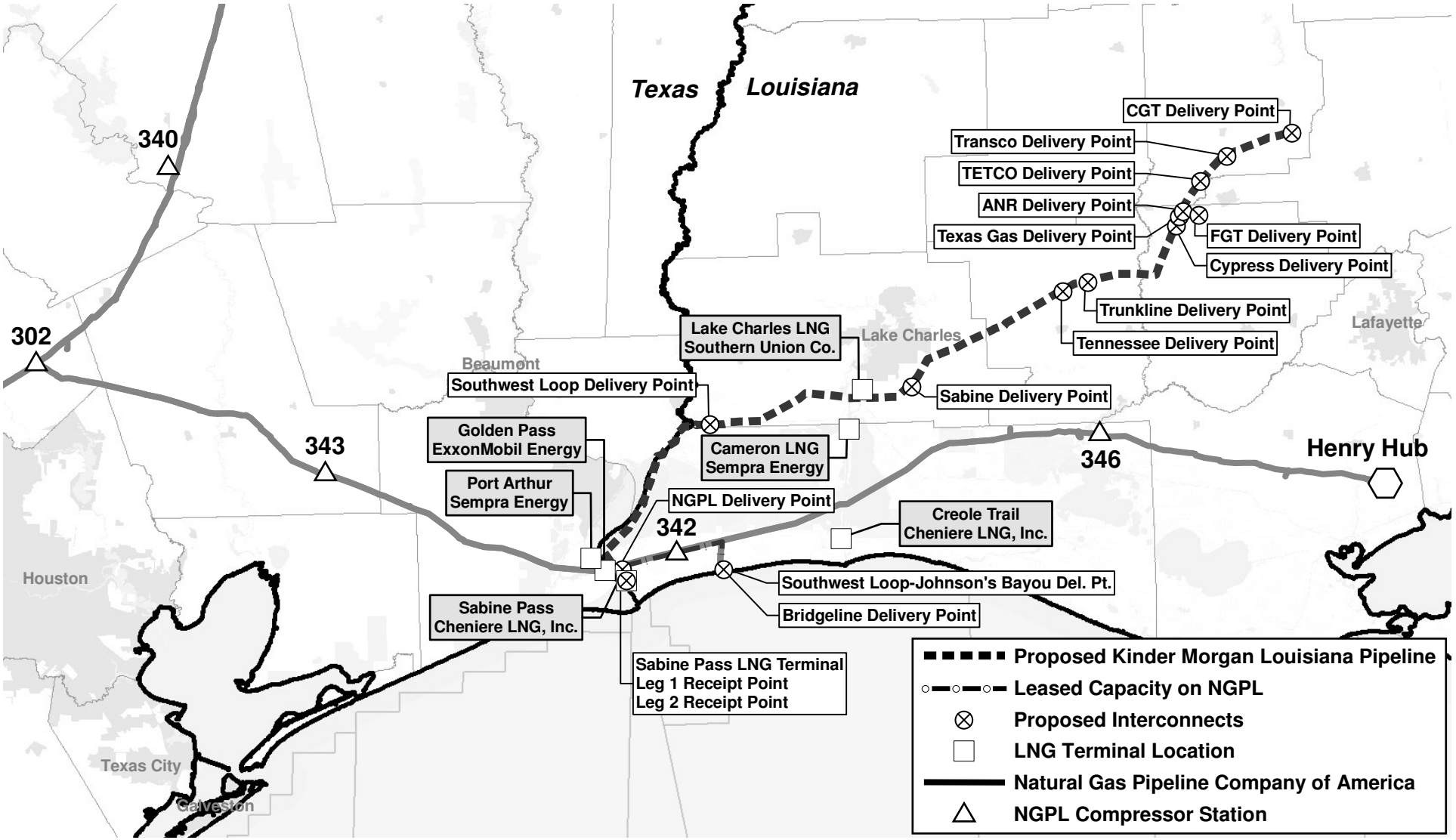
Kinder Morgan Louisiana Pipeline LLC



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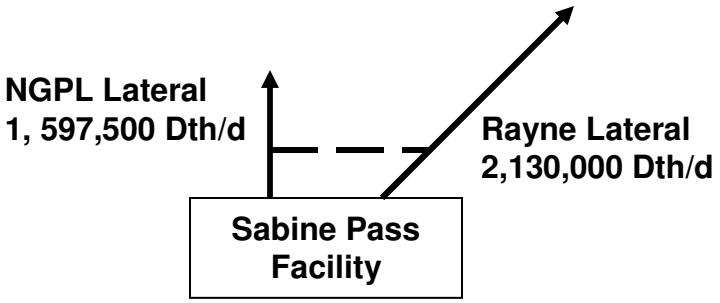
LNG
Kinder Morgan Louisiana Pipeline

Capital - $484 MM

Project Description

- **Rayne Lateral (Leg 1)**
  - 137 miles 42”
  - 2,130,000 Dth/d
  - In-service by April 1st, 2009
- **NGPL Lateral (Leg 2)**
  - 1 mile 36”
  - 1,597,500 Dth/d
  - Includes 200,000 Dth/d of lease capacity on NGPL to Johnson’s Bayou Southwest Loop area
  - In-service by October 1st, 2008
- **Tie-in Facilities between Rayne and NGPL Laterals, 1,065,000 Dth/d**



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LNG
Kinder Morgan Louisiana Pipeline

Initial Project Capacity is Sold Out…

Executed Precedent Agreement with Chevron USA

- MDQ: 1,697,500 Dth
- Negotiated Rate: Fixed for term of contract
- Term: 20 years

Executed Precedent Agreement with Total Gas & Power North America, Inc

- MDQ: 1,697,500 Dth/d
- Negotiated Rate: Fixed for term of contract
- Term: 20 years

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LNG
Kinder Morgan Louisiana Pipeline

Beyond the Initial Project… Real Future Growth Potential:

- **Currently in discussions to connect additional LNG Plants to the Pipeline**
- **Potential for near term increase in initial project size or expansion of project**
  - Increase of 300,000 to 1 bcf in capacity
  - Capex ranging from an additional $50 - $150 million
- **Greenfield storage development adjacent to the project**
- **Future expansion or extensions of the pipeline**
- **Smaller Opportunities Include:**
  - Synergies with NGPL
  - Early In-service opportunities
  - Short-haul, IT and PALs services

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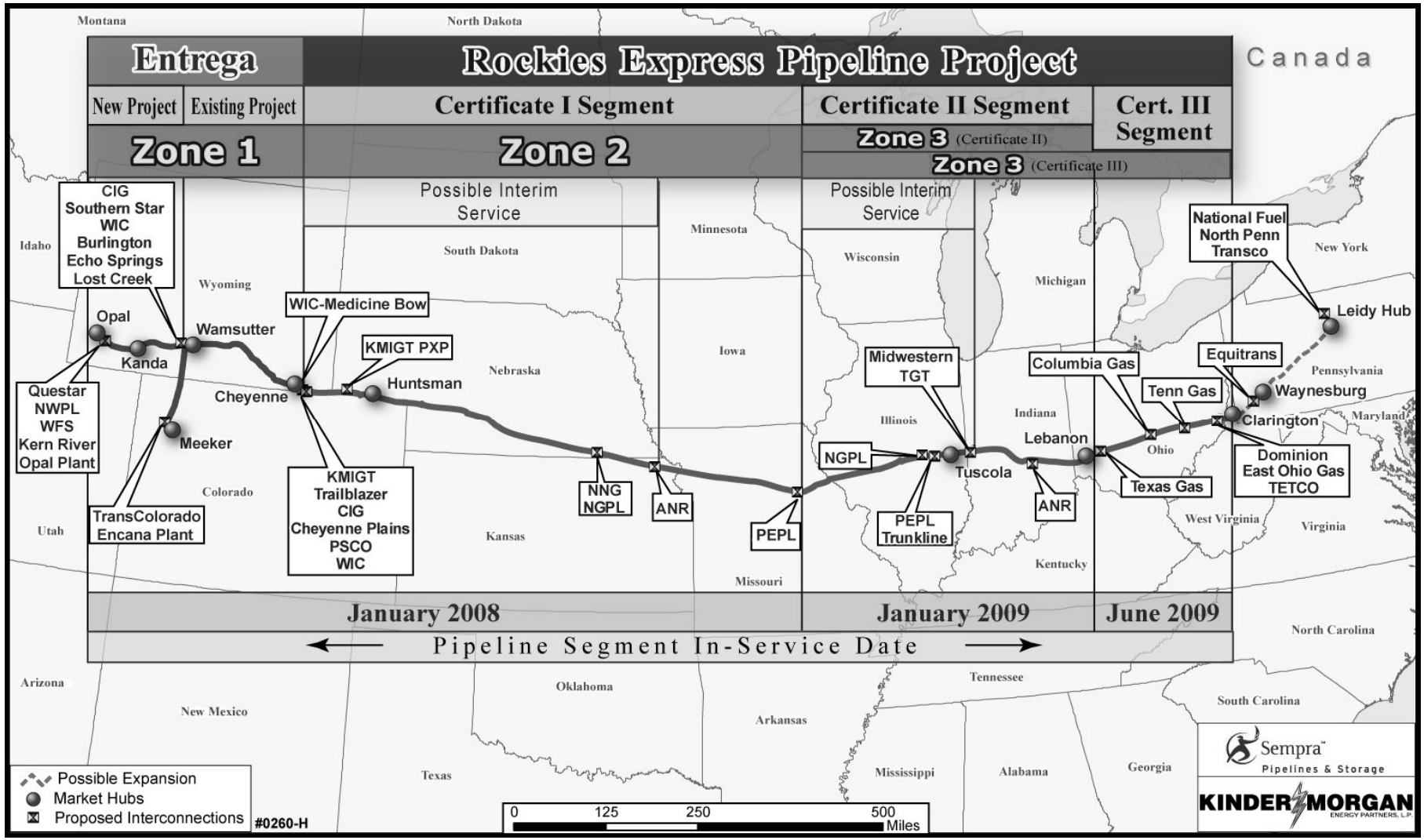
Project Overview
Entrega & Rockies Express



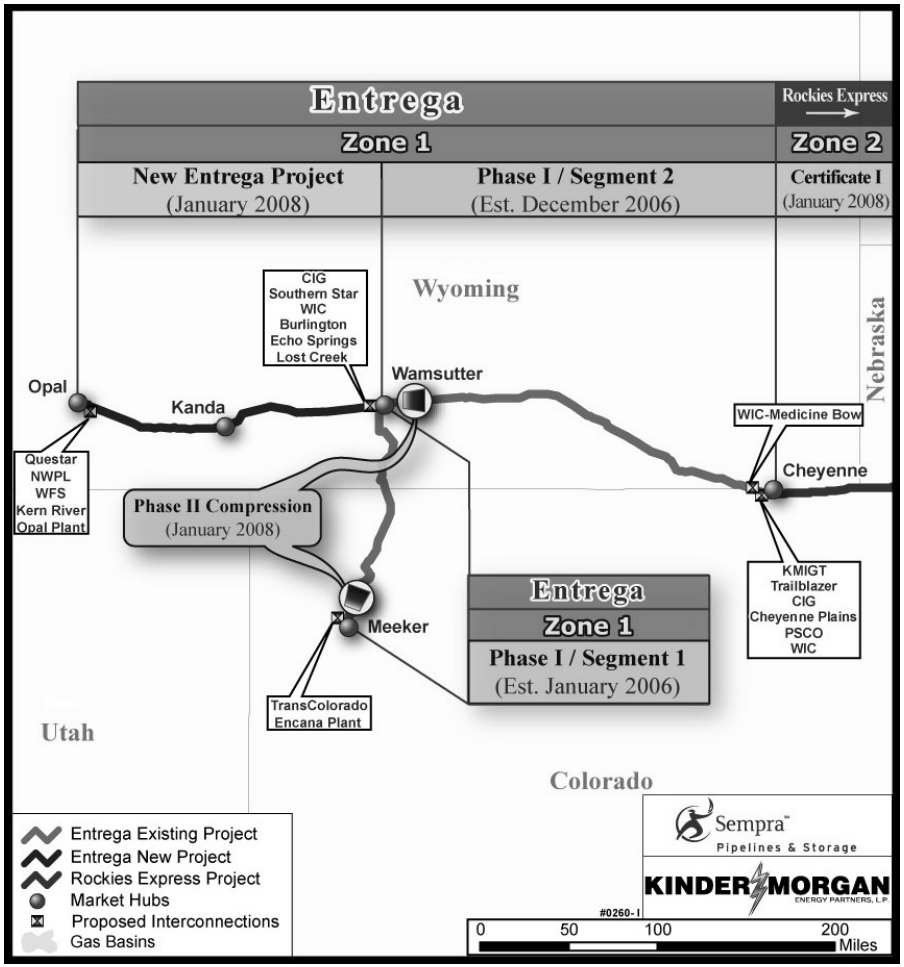
Project Overview - Entrega

Entrega Pipeline

- Phase I:
  - Purchase Segment 1 (130 miles):
    - 36” pipeline, Meeker to Wamsutter
    - Flow gas est. February 2006
  - Complete Segment 2 (200 miles):
    - 42” pipeline, Wamsutter to Cheyenne Hub
    - In-Service est. December 2006
  - Costs to Purchase & Complete 8/8s: $640 MM
- Phase II:
  - Compression addition: Meeker to Wamsutter
  - In-Service est. January 2008
  - Capacity: 1.5 Bcf/d (Meeker to Cheyenne Hub)

Entrega Capacity Lease (Opal to Wamsutter)

- Approx. 150 miles of 30” and/or 36” pipeline
- Lease form Overthrust to effectuate optimal shipper flexibility and project scalability
- Design Capacity of 0.5 Bcf/d to 1.0 Bcf/d, expandable to 1.5 Bcf/d
- In-Service no later than January 2008



Ownership: Kinder Morgan 66 2/3%, Sempra Pipelines & Storage 33 1/3%

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Project Overview – Rockies Express

Rockies Express Pipeline

- Construction of 42 inch, 1,323 mile pipeline from Cheyenne Hub to Clarington, Ohio with 1.5 to 2 Bcf/d transport capacity
- Projected capital cost:
  - Depending on final project size 8/8s - $3.4 to $3.7 Billion
  - Includes over 20 interconnections with interstate pipelines and multiple supply points
- In-service
  - Certificate 1 - January 2008
  - Certificate 3 - June 2009
  - Interim service as facilities come on line

Kinder Morgan 66 2/3% ownership, Sempra Pipelines & Storage 33 1/3%

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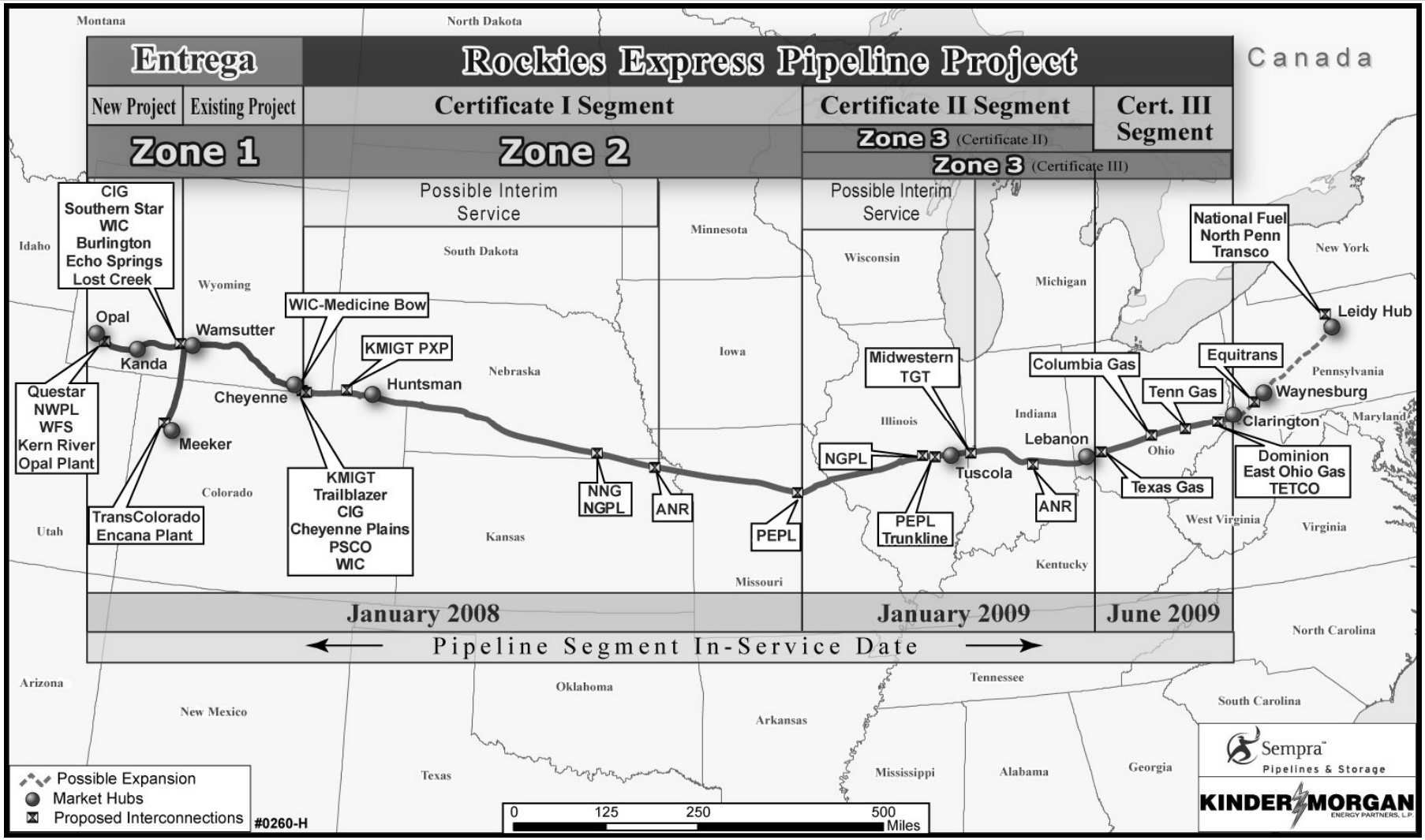
Project Overview – Rockies Express



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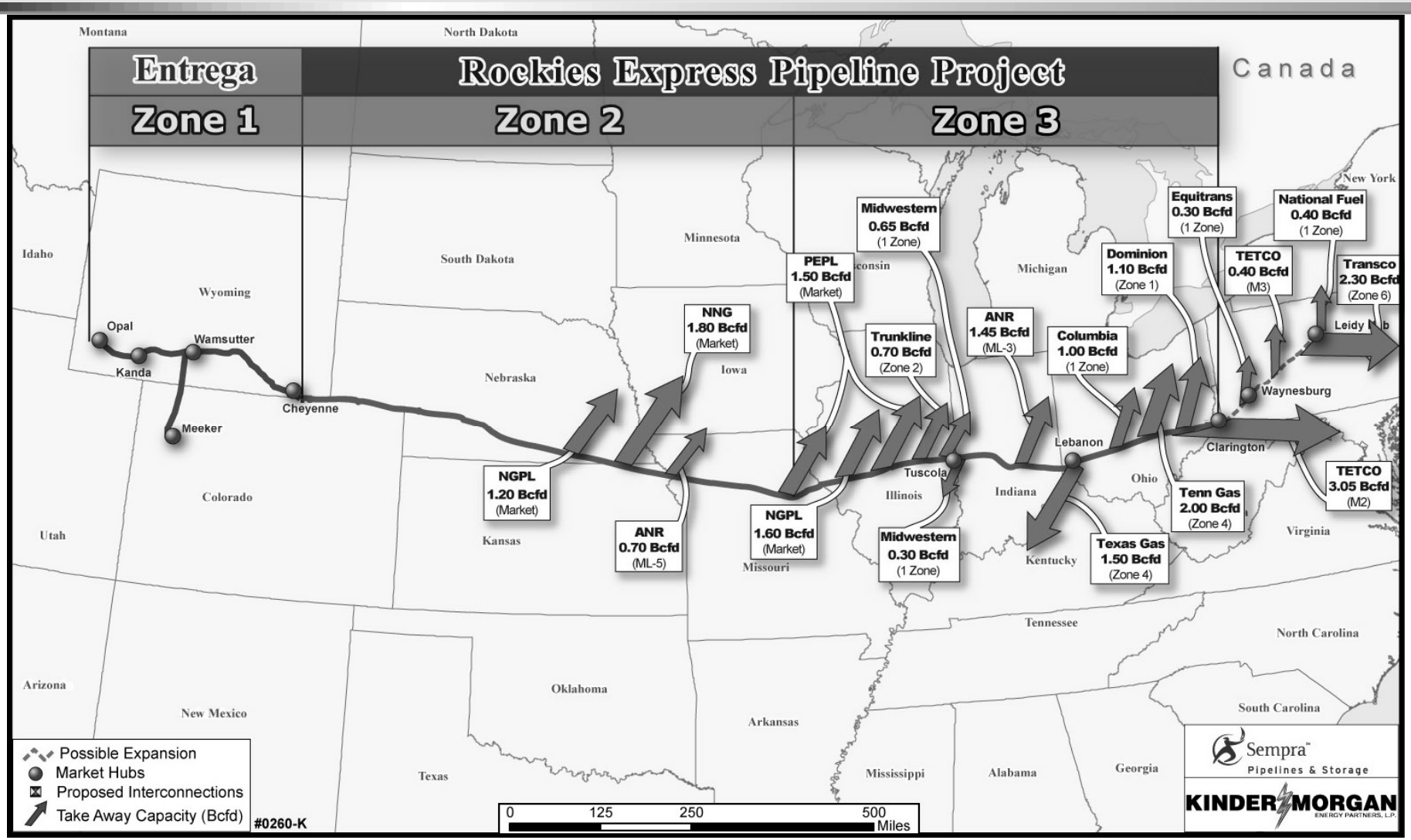
Pipeline Take Away Capacity



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Project Support – Shipper Commitments

The Project received approximately 1.3 bcf of conforming binding firm commitments during the recently concluded open seasons held to solicit shipper support for an expansion of Entrega and the construction of the Rockies Express Pipeline.

- Shippers have until January 31, 2006 to obtain their respective board of directors approvals.
- Negotiated Rate Agreements, fixed rate for a ten year term

Additionally, we received a variety of non conforming bids in the open season. We are in negotiations with these and other shippers to finalize binding precedent agreements for transportation on the project.

Shipper support:

- EnCana - 500,000 Dth/d
- Sempra Affiliate - 200,000 Dth/d
- Wyoming Natural Gas Pipeline Authority – 200,000 Dth/d
- Other shippers include producers, end users and marketers.

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Rockies Express Construction Progress

November –

- Engineering / Environmental and ROW contractors engaged
- FERC NEPA pre-filing process commenced on Certificate 1 Segment

December –

- Public Outreach meetings held for Certificate 1 Segment
- FERC NEPA pre-filing docketed
- Center-line survey commenced

January

- FERC issued notice of intent to prepare EIS for Certificate 1 Segment and schedule of public scoping meetings in late January

Over 90% of pipeline route parallels existing utility corridors (more than 700 miles along Trailblazer and Platte Valley pipeline corridor)

Rockies Express Pipeline
Future Opportunities…

Significant additional growth potential via other Opportunities to be captured…

- Storage and LPS service
  - Development and sale of storage off the pipeline
- Interruptible and short haul service
- Hub service at various key locations
- Extensions and expansions off the project
  - Real Opportunities to extend the pipeline further east
  - Opportunities to connect additional markets along the way

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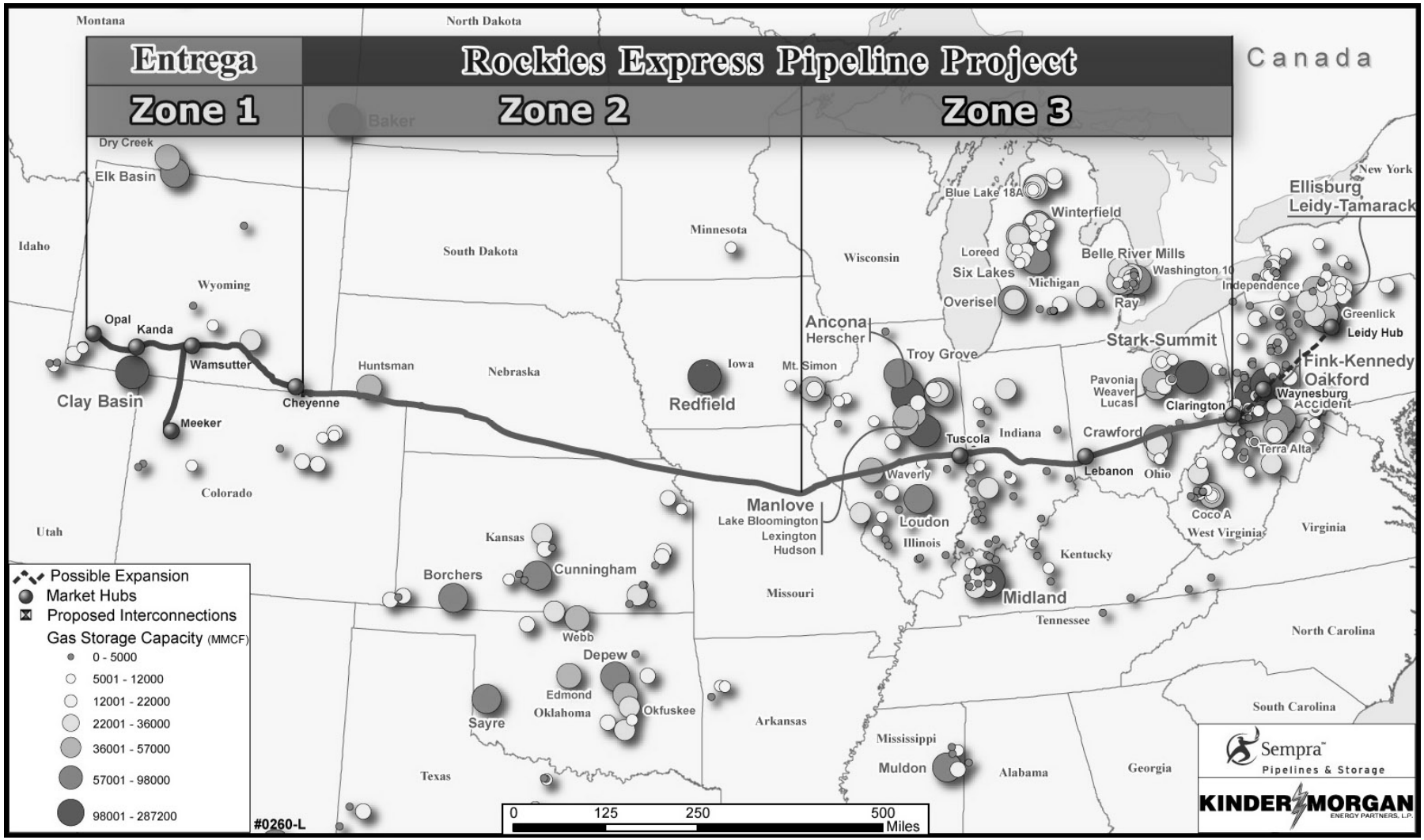
Rockies Express Pipeline
Storage Opportunities



Summary for Gas Pipeline Group
The Future….

Base business growth on existing assets…

- Re-contract existing pipeline and storage capacity
- Capture margin growth on existing capacity

Growth opportunities from new projects focused on:

- Rockies Express and KM Louisiana Pipeline
  - New Projects to enhance or expand these Major Projects
- Storage (acquisition, development and expansions)
- Continued development of projects off the existing asset base

Reinvest in existing assets

- Operate a safe and reliable pipeline
- Continue as smart low cost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