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RBC Energy Infrastructure "Movers & Shakers" Conference

March 8, 2006

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Forward Looking Statements

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Overview

- Who is Kinder Morgan?
- Infrastructure Opportunities in North America
- Kinder Morgan Response

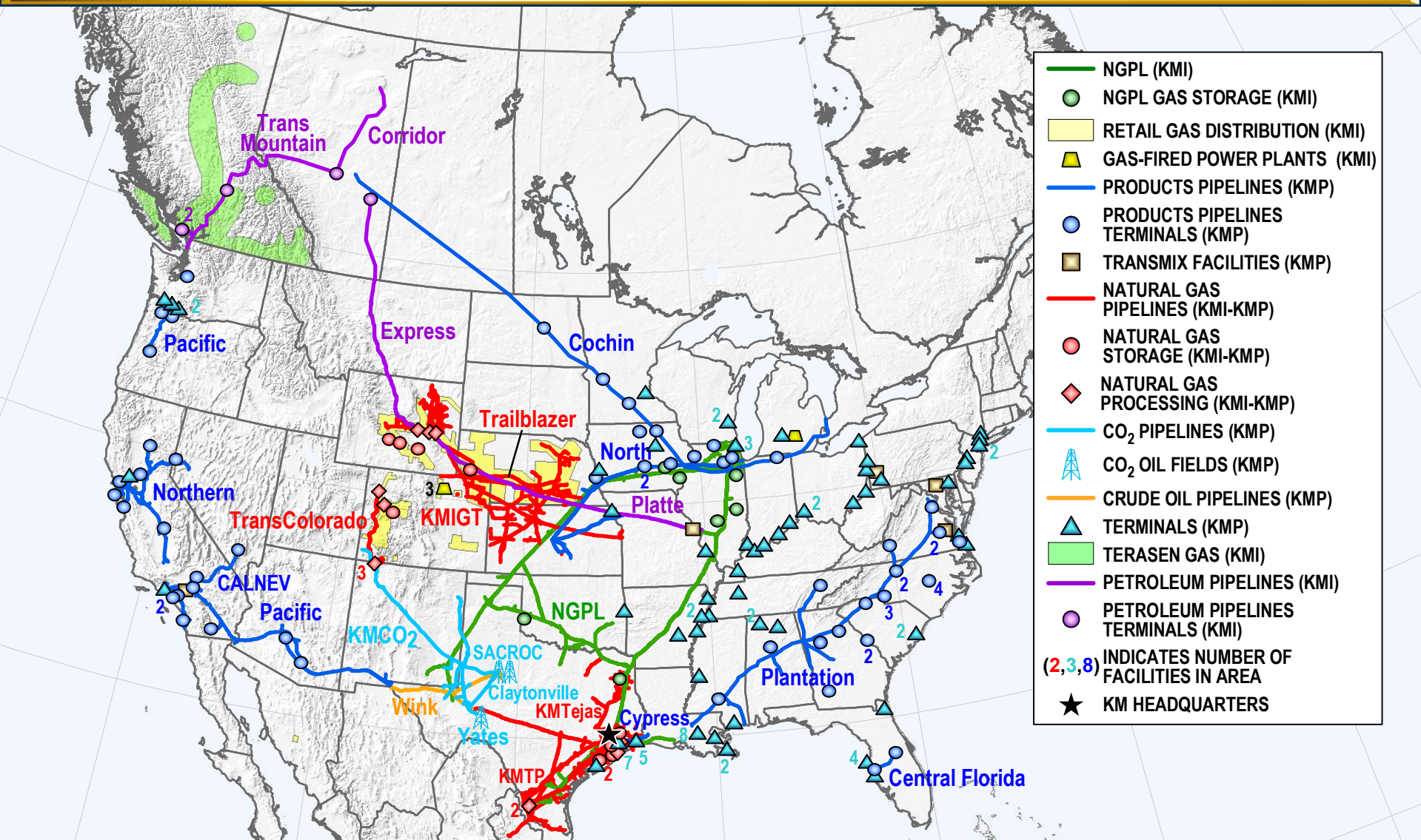
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Who is Kinder Morgan?

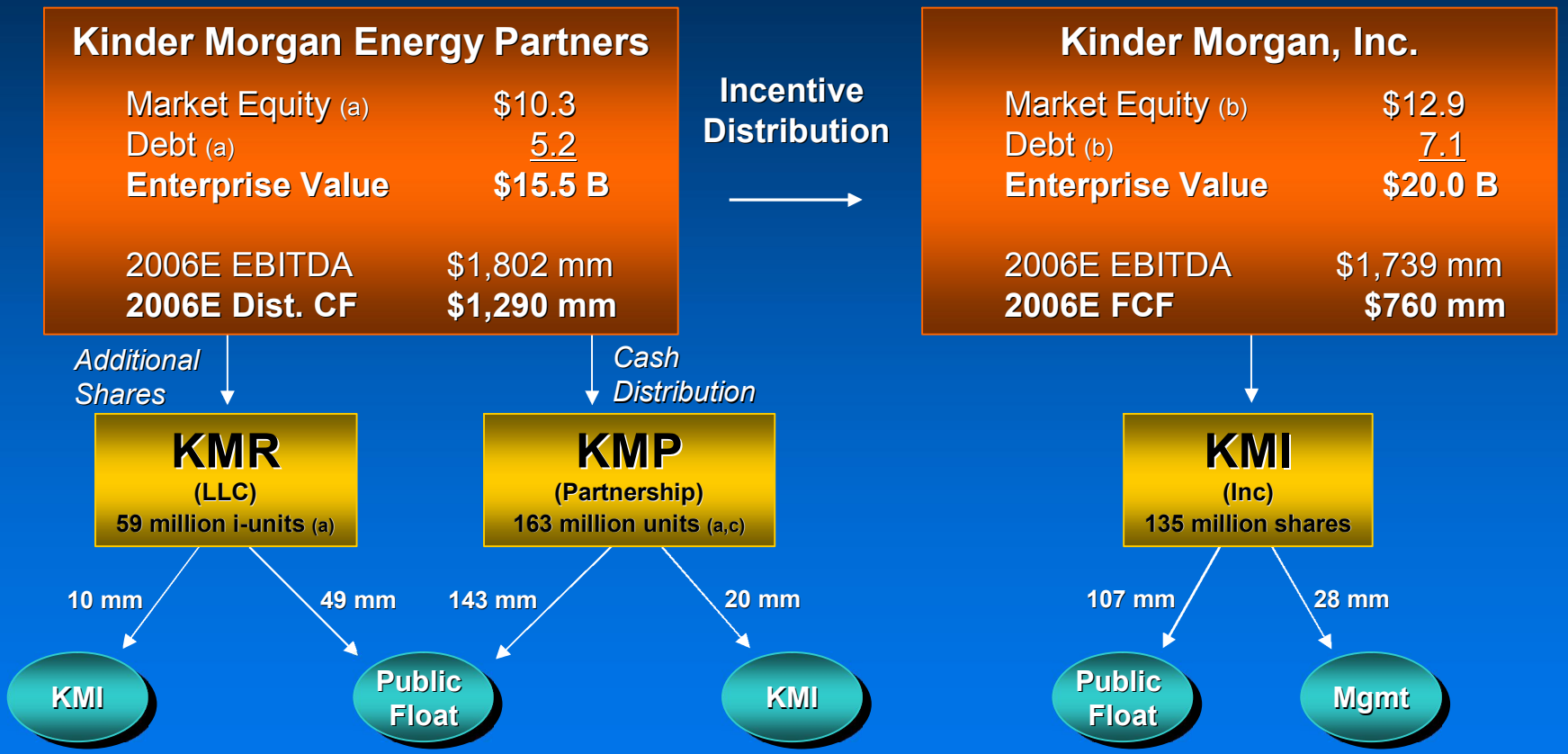
- **Largest independent transporter of petroleum products in the U.S.**
  - transport more than 2 million barrels per day (Bbl/d)
- **2nd largest transporter of crude oil and petroleum products in Canada**
  - transport more than 950,000 Bbl/d of crude oil and petroleum products
- **2nd largest transporter of natural gas in U.S.**
  - approximately 24,000 miles of interstate / intrastate pipeline
- **Largest transporter of CO_2 in the U.S.**
  - transport more than 1 Bcf/d of CO_2
- **Largest independent terminal operator in U.S.**
  - ~96 million barrels of liquids capacity
  - handle over 80 million tons of dry bulk products
- **3rd largest LDC in Canada (largest in B.C.)**
  - 892,000 customers

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Kinder Morgan Assets



Kinder Morgan: Three Securities



Note: All amounts in U.S. dollars unless otherwise noted.

(a) KMP market cap based on 163 million common units at a price of $47.27 and 59 million KMR i-units at a price of $43.73 as of February 28, 2005. Debt balance as of December 31, 2005, excludes the fair value of interest rate swaps, net of cash.

(b) KMI market cap based on 135 million shares at a price of $92.78 as of February 28, 2005. Market equity also includes $381 million of preferred securities. Debt balance as of December 31, 2005, excludes the fair value of interest rate swaps and preferred securities, net of cash.

(c) Includes 5.3 million Class B units owned by KMI. Class B units are unlisted KMP common units.

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The Kinder Morgan Strategy

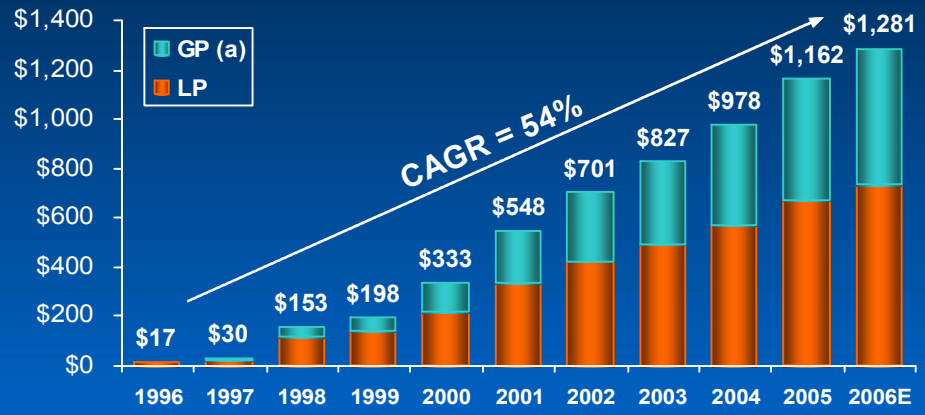
Same Strategy Since Inception

- **Focus on stable, fee-based assets which are core to the energy infrastructure of growing markets**
- **Increase utilization of assets while controlling costs**
  - Classic fixed cost businesses with little variable costs
  - Improve productivity to drop all top-line growth to bottom line
- **Leverage economies of scale from incremental acquisitions and expansions**
  - Reduce needless overhead
  - Apply best practices to core operations
- **Maximize benefit of a unique financial structure which fits with strategy**
  - MLP avoids double taxation, increasing distributions from high cash flow businesses
  - Strong balance sheet allows flexibility when raising capital for acquisitions / expansions

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Consistent Track Record

Total Distributions (GP + LP) ($mm)



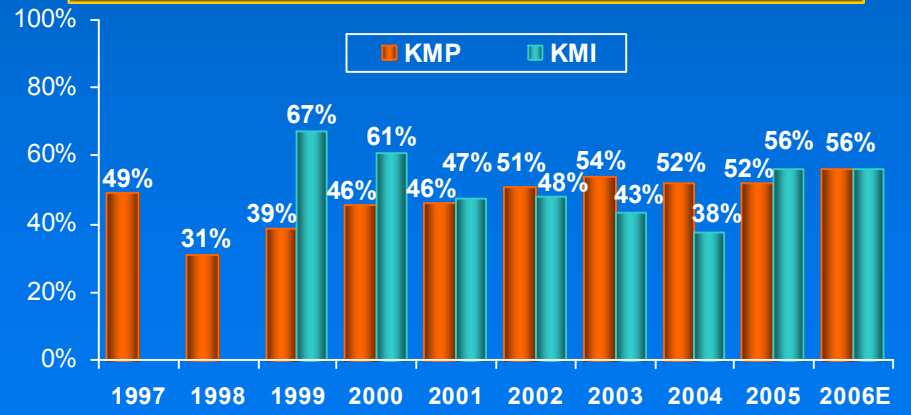
KMP Distribution Per Unit (b)



KMI Earnings Per Share (c)



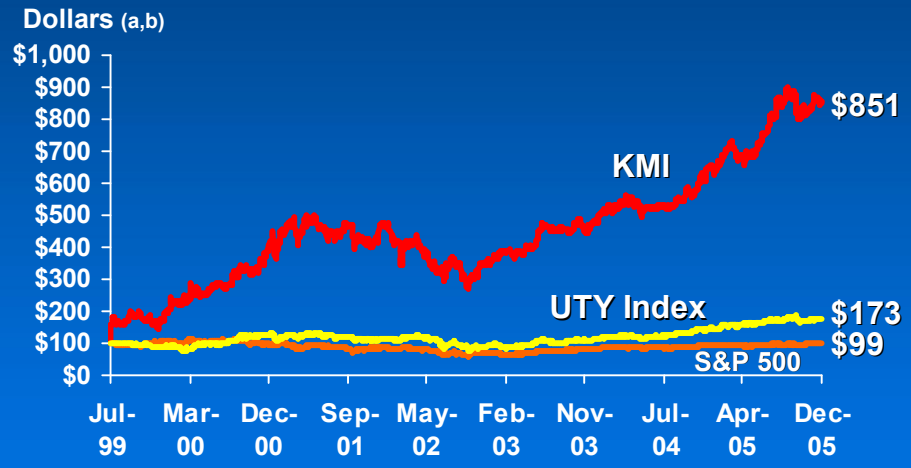
Net Debt to Total Capital (d)



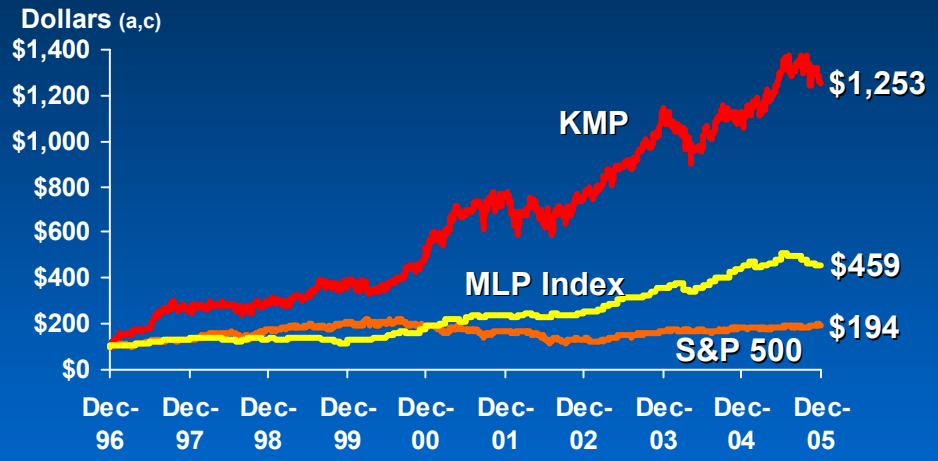
Note: All amounts in U.S. dollars unless otherwise noted.
(a) Includes 2% GP interest.
(b) Declared 4Q distribution annualized (i.e. multiplied by four)
(c) Excludes certain items and loss on early extinguishment of debt. KMI 2005 EPS excludes the December 2005 impact of Terasen.
(d) Excludes loss/gains in Other Comprehensive Income related to hedges; debt excludes preferred securities (KMI).

Significant Historical Returns, thru 12-31-05

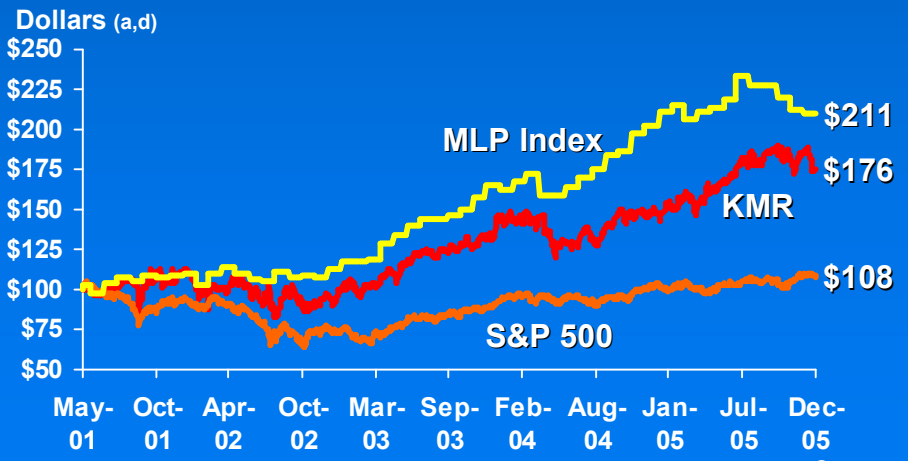
KMI: 39% annual return



KMP: 32% annual return



KMR: 13% annual return



Note: All amounts in U.S. dollars unless otherwise noted.
Sources: Bloomberg, Citigroup Smith Barney

(a) Returns calculated on a daily basis through December 30, 2005 assuming dividends/distributions reinvested in index/stock/unit, except MLP Index calculated on a monthly basis.
(b) Start date 7/8/1999; KN Energy merger announced
(c) Start date 12/31/1996
(d) Start date 5/14/2001; KMR Initial public offering

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North American Energy Trends

- Expanding Canadian Oilsands Production
- Growing Rockies Natural Gas Production
- Increased Supply of LNG on Gulf Coast
- Increased Use of Heavy Crude
- Growing Coal Imports

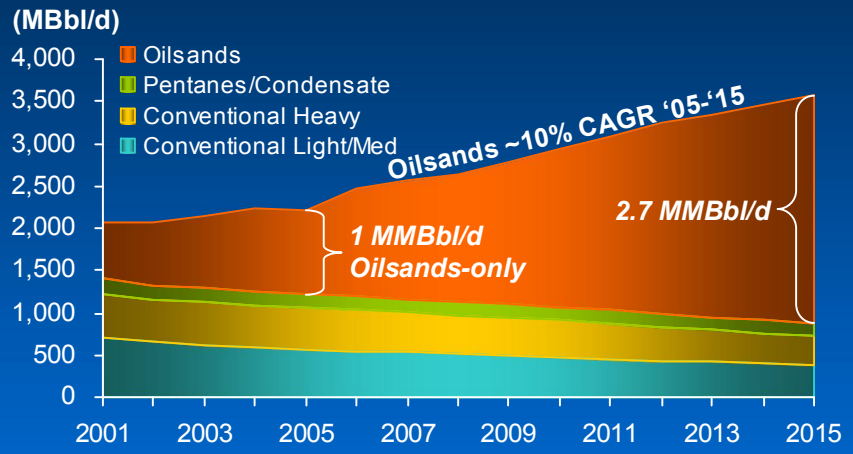
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KM Response

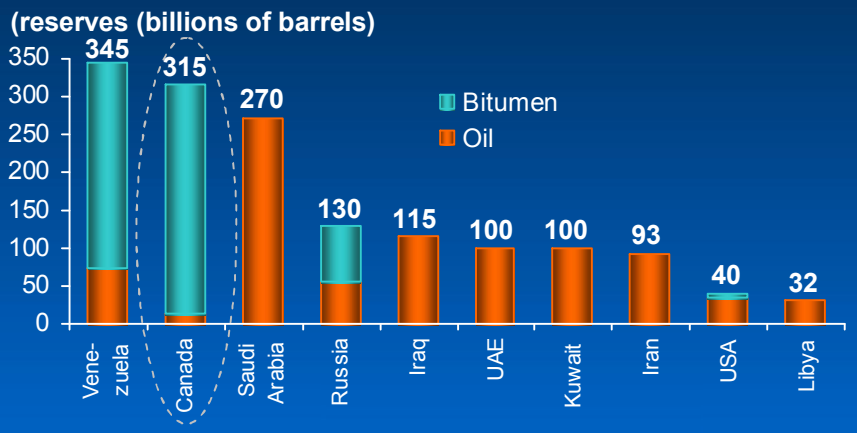
Trend	KM Opportunity
Expanding Canadian Oilsands Production	*Trans Mountain, Corridor, Edmonton terminal*
Growing Rockies Natural Gas Production	*Rockies Express, Entrega*
Increased Supply of LNG on Gulf Coast	*Kinder Morgan Louisiana Pipeline*

Canadian Oilsands: Supply

Canadian Crude Production by Type (a)



World Oil & Bitumen Reserves – Top 10 (b)



Production Costs: Mining (c)

Mining → Upgrading → Refining

Total Operating & Upgrade: Cdn $22-26/Bbl
US $19-22/Bbl

Price = 30-40% below WTI

Oilsands Production Areas (c)



All amounts in U.S. dollars unless otherwise noted.

(a) Source: CAAP Moderate Case, July 2005 Crude Production and Supply Forecast 2005-2015.

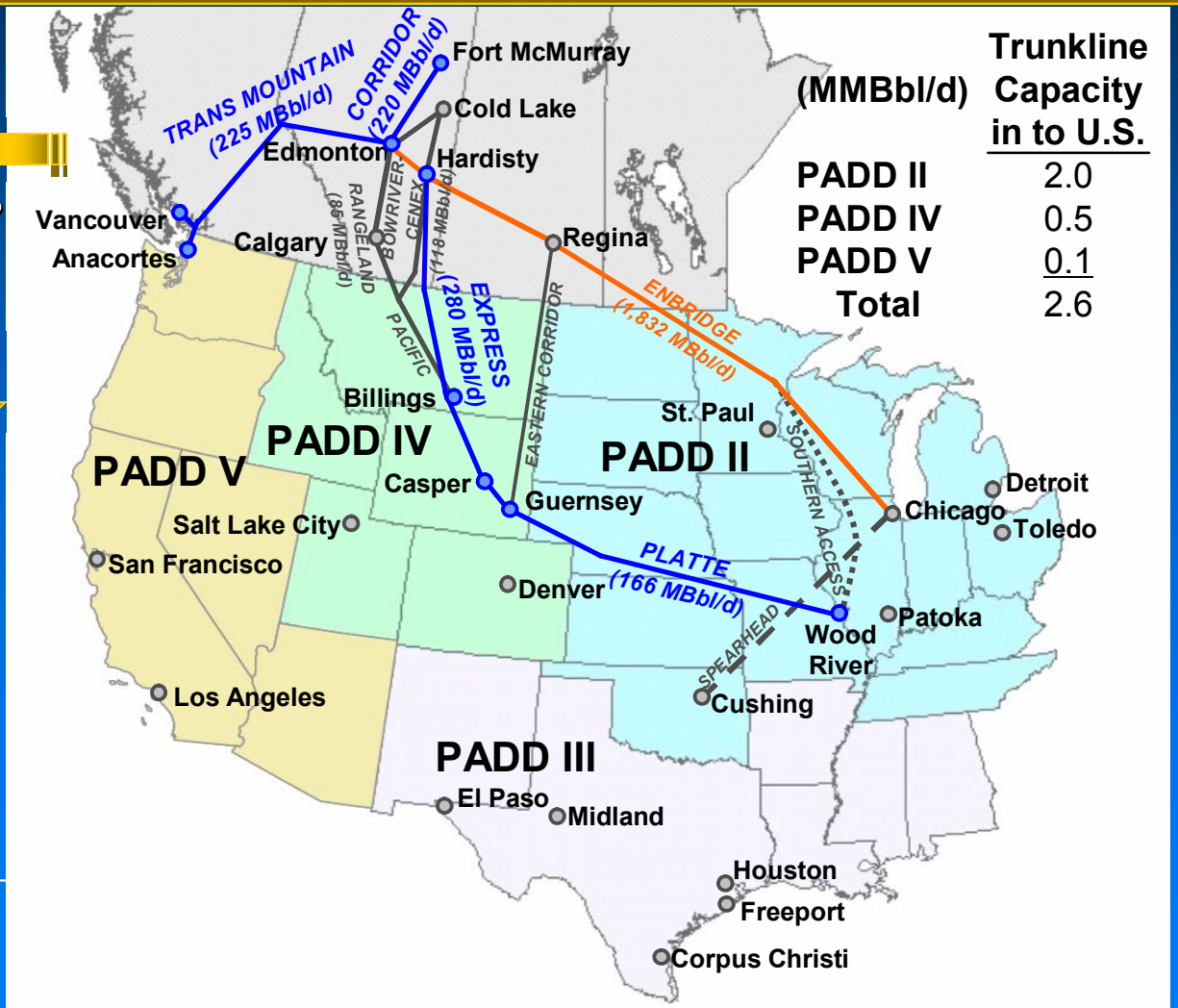
(b) Source: NEB 2003 study "Canada's Energy Future, Scenarios for Supply and Demand to 2025". Note: Total discovered recoverable reserves of crude and bitumen (Saudi values are proven reserves, implying higher degree of certainty).

(c) Source: DBRS October 2005 industry study "The Canadian Oil Sands"

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Canadian Oilsands: PADDs II and IV Have the Most Access to Canada

Major Canadian Oilsands Takeaway into the U.S.



(MMBbl/d)	Trunkline Capacity in to U.S.
PADD II	2.0
PADD IV	0.5
PADD V	0.1
Total	2.6

Note: Pipeline paths not drawn according to precise geographic location, but by general regional direction.

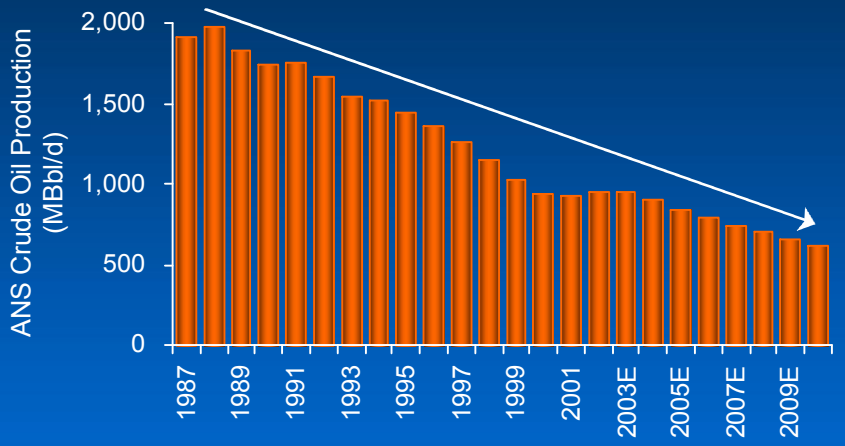
Canadian Oilsands: U.S. a Significant Importer of Crude

U.S. Crude Refinery Inputs by PADD – 2004 (a)

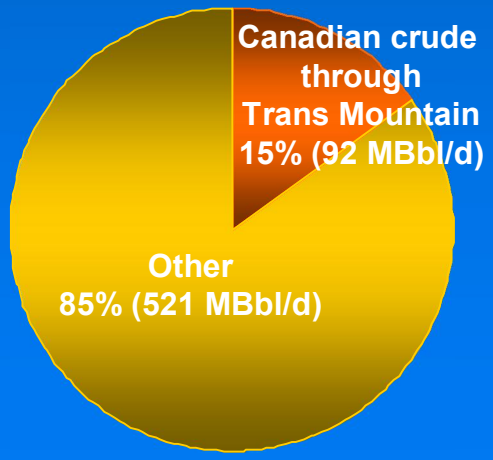
(MBbl/d)	Total Refinery Inputs	% Imports	Canadian Imports as % of Total Imports
PADD I (E. Coast)	1,597	97%	13%
PADD II (Midwest)	3,288	89%	36%
PADD III (G. Coast)	7,438	59%	---
PADD IV (Rockies)	556	46%	100%
PADD V (W. Coast)	2,596	36%	9%
Total	15,475	65%	16%

Every PADD uses significant imports:
PADD IV uses a very high percentage of Canadian
PADD II and V are opportunities

Alaskan North Slope Production Declining (b)



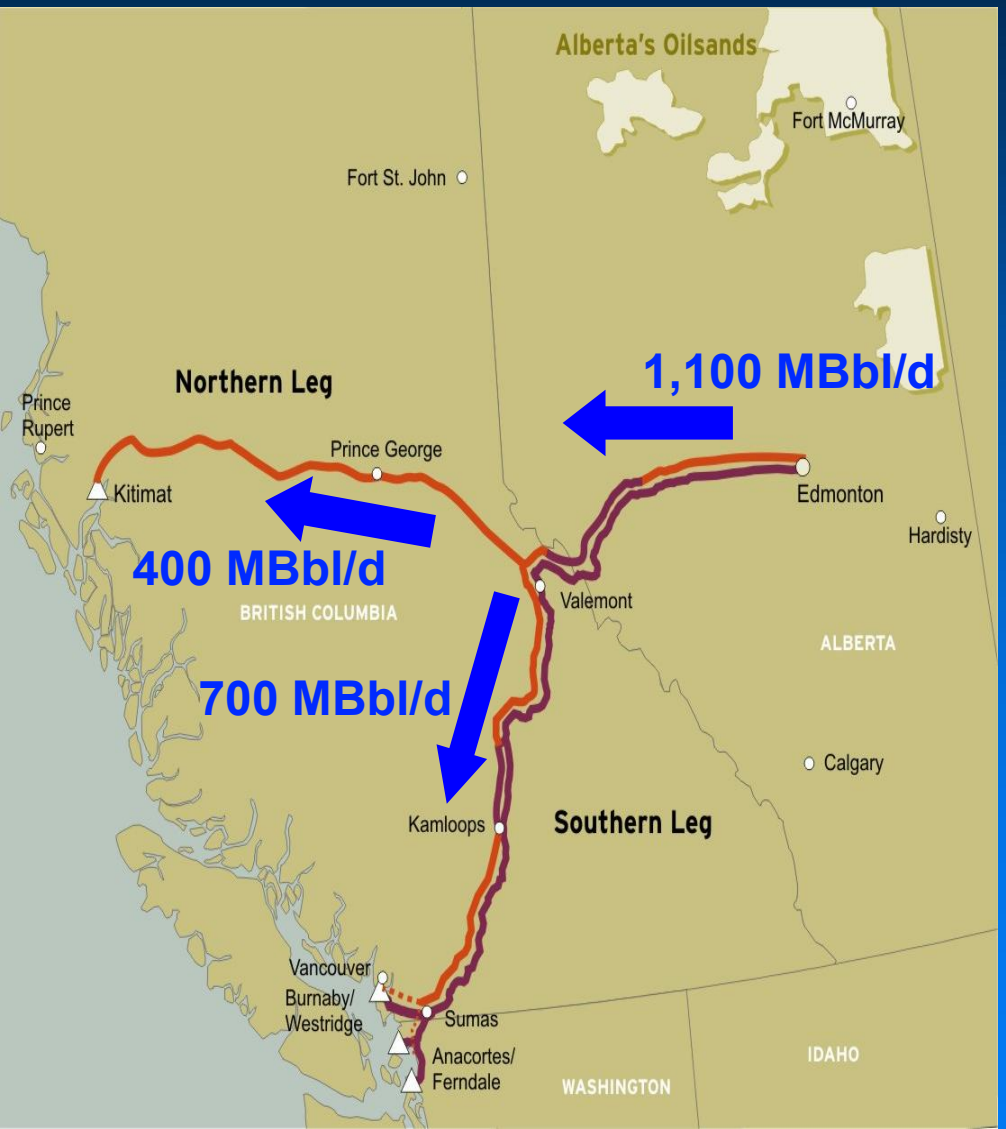
Washington State Refinery Capacity (c)



(a) Source: EIA "Petroleum Supply Annual 2004".
(b) Source: CIBC Jan-2006 industry report "Oil Pipeline Expansion: Refiners in Traditional Markets Girding for Expanded Diet of Canadian Heavy".
(c) Washington state crude oil refinery capacity. Sources: DBRS Oct-2005 industry report "The Canadian Oilsands", Company reports.

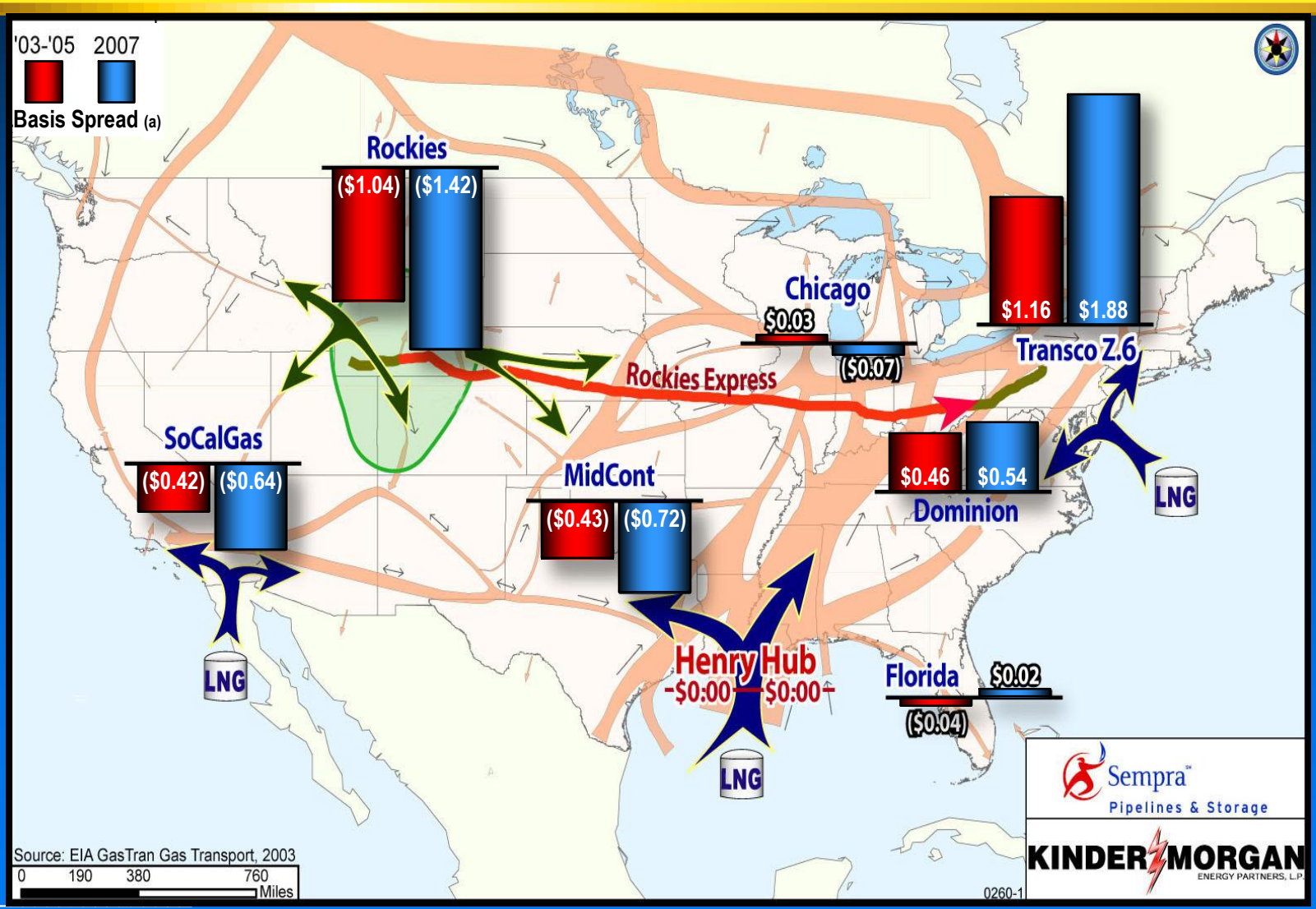
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Trans Mountain Expansion



- **TMX1 –** C$595 million ⇒ additional 75 MBbl/d
  - Pump Station Expansion, C$230 million, 35 MBbl/d, in-svc by April 2007
  - Anchor Loop, C$365 million, 40 MBbl/d, in-svc at end of 2008
- **TMX2 –** Loop between Valemont & Kamloops and back to Edmonton, C$900 million, 100 MBbl/d by 2010
- **TMX3 –** Loop between Kamloops & Lower Mainland, C$900 million, 300 MBbl/d by 2011
- **TMX North –** Line between Valemont & Kitimat, C$2.0 billion, 400 MBbl/d

Rocky Mountain Natural Gas: Basis Spreads Support Need for New Infrastructure



(a) Basis differential versus Henry Hub. Sources: Historical Prices – GasDat, Forward Prices – Sempra Oct 05 Curve.

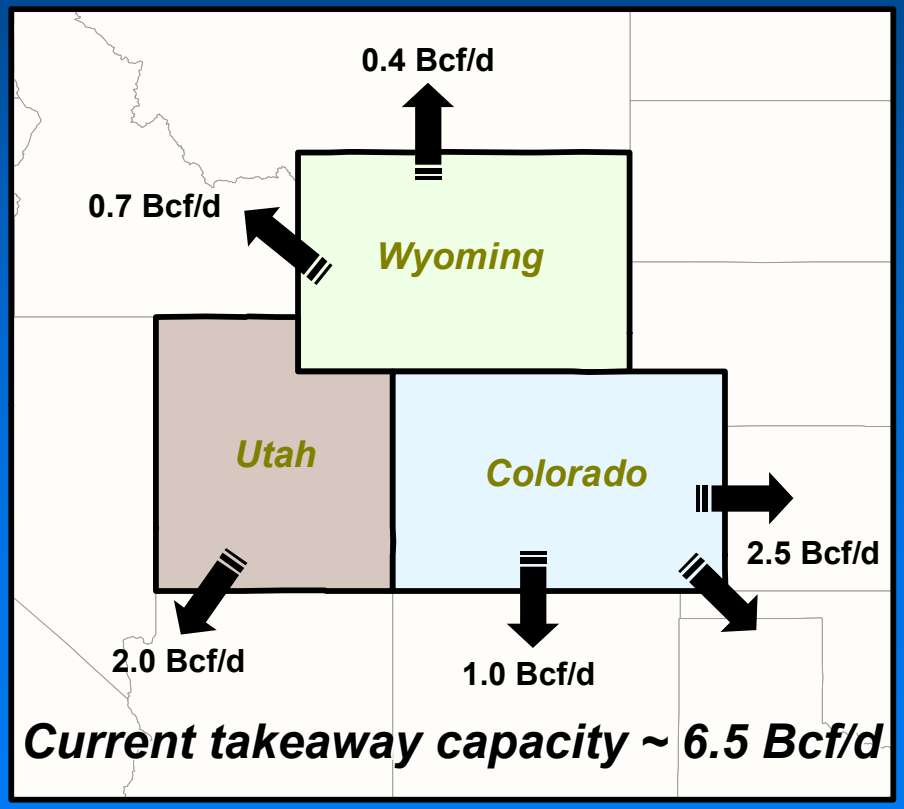
Rocky Mountain Natural Gas: Expected Production Growth Supports Need for New Infrastructure

Rocky Mountain natural gas production is growing, but takeaway capacity is limited

Rockies Production Growth (a)

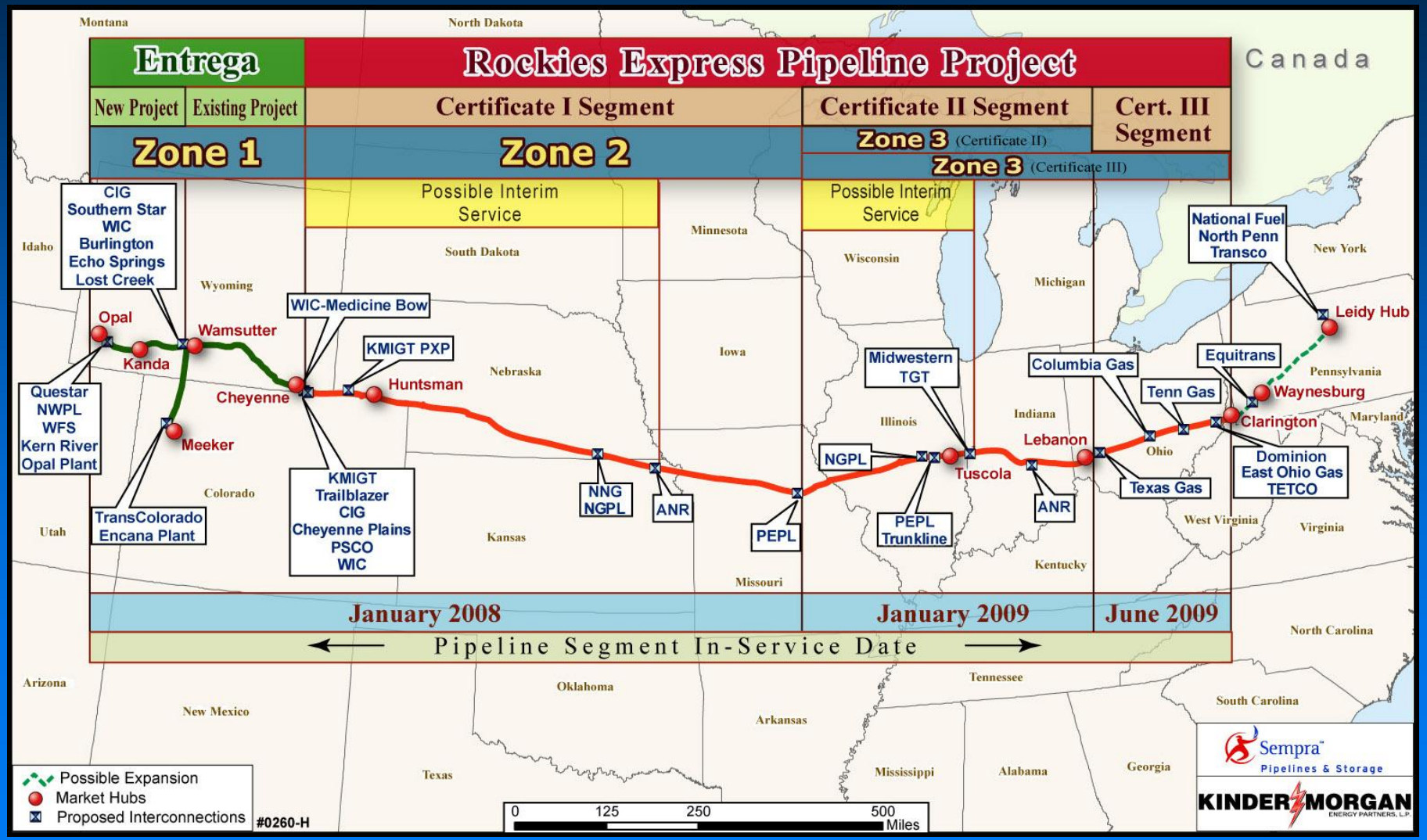
	Production (Bcf/d)
2004	5.8
2007	7.0
2009	7.6
2012	8.3

Rockies Exports



(a) Source: CERA Wet Gas Capacity Outlook

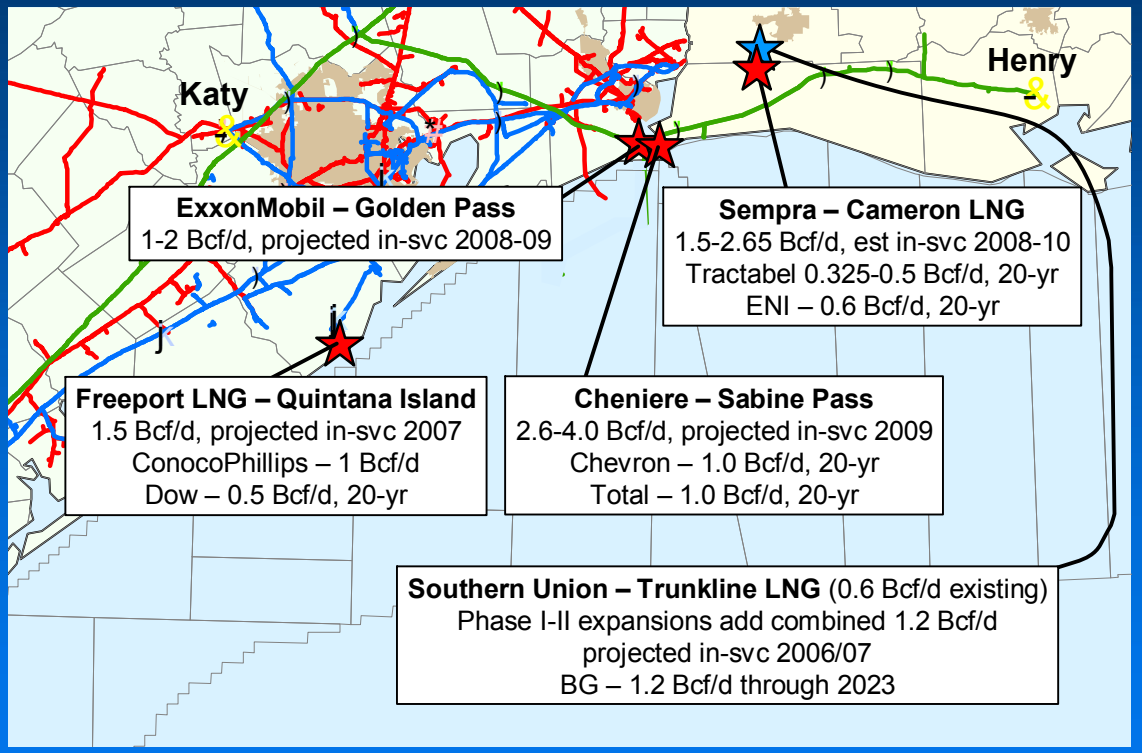
Rockies Express



LNG:
Increased Supply on Gulf Coast

~8-11 Bcf/d of terminal capacity under construction with committed contracts

Gulf Coast LNG Projects Under Construction

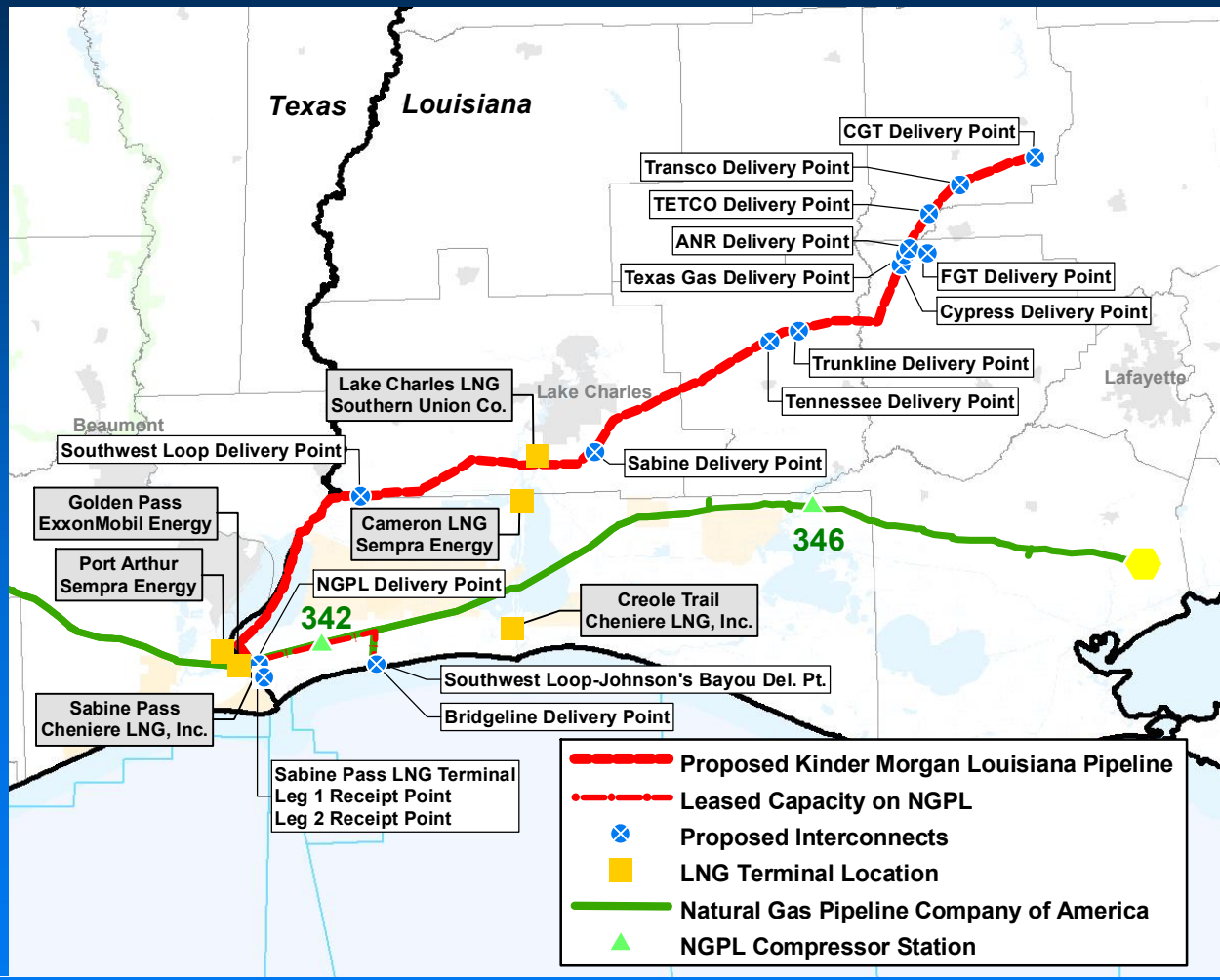


Source: company websites

Kinder Morgan Louisiana Pipeline LLC

Provides key link between Sabine Pass LNG Terminal to interstate pipeline grid

- Capital $484 million
- 20-year, fixed rate contracts with Chevron and Total
- In-service April 1, 2009
- 137 miles 42”



Identified Future Growth Opportunities

Nearly $8 billion in identified growth opportunities over next 5 years

Entity	Project	Estimated Total Project Cost ($B)		Expected Completion
KMP	Louisiana Pipeline (LNG)	$0.5		2009
KMP	Rockies Express	2.9	(a)	2007-2009
KMP	CO_2	1.1	(b)	2006-2010
KMP	East Line expansion	0.3	(c)	2006-2007
KMI	Trans Mountain expansion	1.3		2007-2008
KMI	Corridor expansion	0.9		2009
KMP	Other identified expansions	0.7	(d)	2006-2010
	Total	**$7.7**		

All amounts in U.S. dollars unless otherwise noted.

(a) Assumes 2/3 Kinder Morgan ownership. Includes purchase of Entrega Phase I.

(b) 2006-2010

(c) Phase I and phase II.

(d) Shipyard River Terminal, Pier 9, Edmonton terminal, CALNEV and Dayton.


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