KINDER MORGAN
ENERGY PARTNERS, L.P.

RBC 2010 MLP Conference

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Forward Looking Statements

This presentation contains forward looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results or the ability to generate revenues, income or cash flow or to make distributions are forward-looking statements. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations of Kinder Morgan Energy Partners, L.P. and Kinder Morgan Management, LLC may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond Kinder Morgan's ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the ability to achieve synergies and revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital and credit markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets; weather conditions; environmental conditions; business and regulatory or legal decisions; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the timing and success of business development efforts; terrorism; and other uncertainties. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement.

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Use Of Non-GAAP Financial Measures

The non-generally accepted accounting principles ("non-GAAP") financial measures of distributable cash flow before certain items (both in the aggregate and per unit), segment earnings before depreciation, depletion, amortization and amortization of excess cost of equity investments ("DD&A") and certain items, segment distributable cash flow before certain items, and earnings before interest, taxes and DD&A ("EBITDA") before certain items are included in this presentation. Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income or any other GAAP measure of liquidity or financial performance.

Distributable cash flow before certain items and EBITDA before certain items are significant metrics used by us and by external users of our financial statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to the cash distributions we expect to pay our unitholders on an ongoing basis. Management uses these metrics to evaluate our overall performance. Distributable cash flow before certain items also allows management to simply calculate the coverage ratio of estimated ongoing cash flows to expected cash distributions. Distributable cash flow before certain items and EBITDA before certain items are also important non-GAAP financial measures for our unitholders because they serve as indicators of our success in providing a cash return on investment. These financial measures indicate to investors whether or not we typically are generating cash flow at a level that can sustain or support an increase in the quarterly distributions we are paying pursuant to our partnership agreement. Our partnership agreement requires us to distribute all available cash. Distributable cash flow before certain items, EBITDA before certain items and similar measures used by other publicly traded partnerships are also quantitative measures used in the investment community because the value of a unit of such an entity is generally determined by the unit's yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). The economic substance behind our use of distributable cash flow before certain items and EBITDA before certain items is to measure and estimate the ability of our assets to generate cash flows sufficient to make distributions to our investors.

We define distributable cash flow before certain items to be limited partners' pre-tax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for Rockies Express pipeline (REX), Midcontinent Express pipeline (MEP) and KinderHawk gathering, our equity method investees, less equity earnings plus cash distributions received for Express and Endeavor, two additional equity investees. Distributable cash flow before certain items per unit is distributable cash flow before certain items divided by average outstanding units. Segment distributable cash flow before certain items is segment earnings before certain items and DD&A less sustaining capital expenditures. In certain instances to calculate segment distributable cash flow, we also add DD&A less sustaining capital expenditures for REX, MEP and KinderHawk gathering, our equity method investees. We define EBITDA before certain items as pretax income before certain items, plus interest expense and DD&A, including the DD&A of REX, MEP and KinderHawk, our equity method investees.

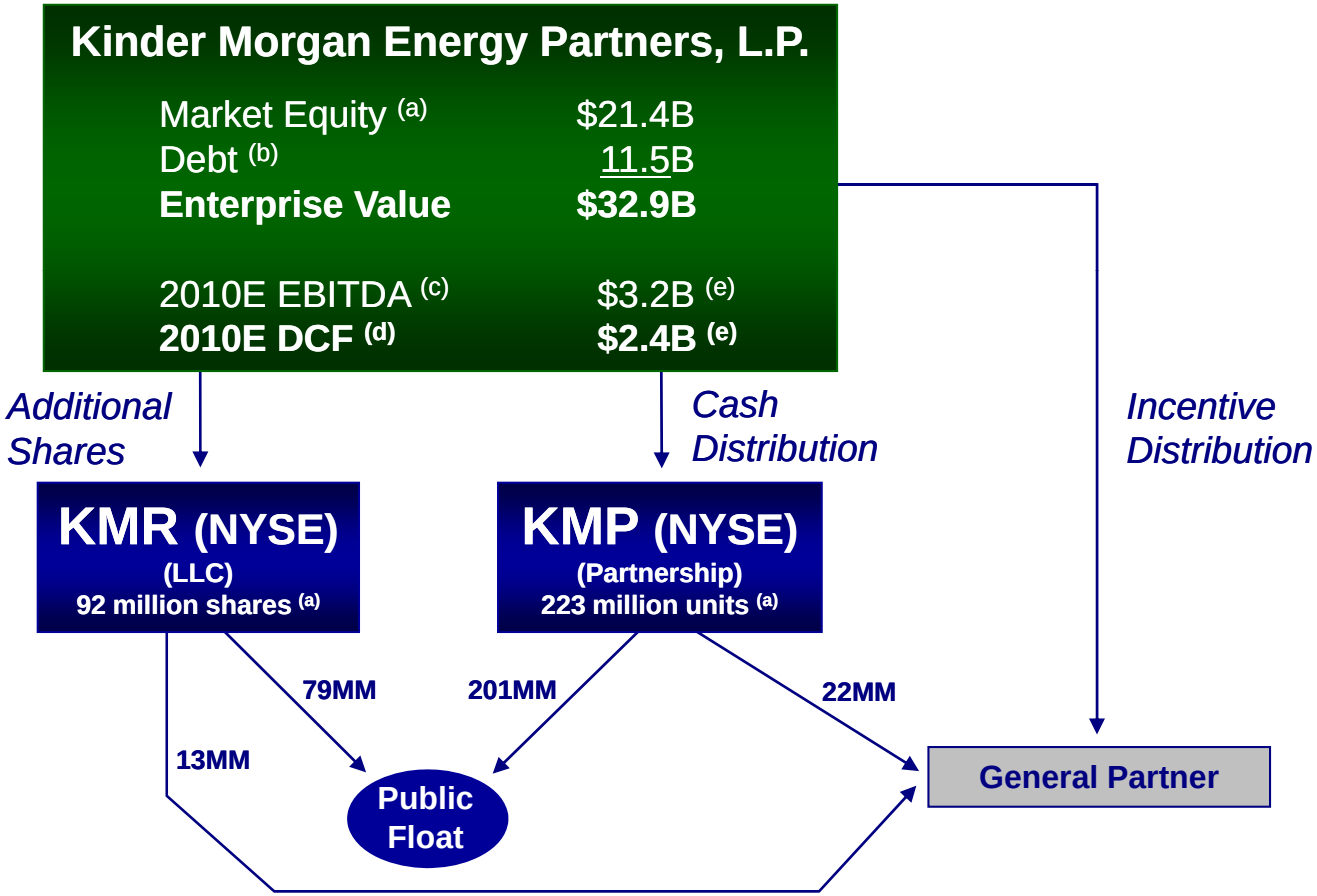
"Certain items" are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact, for example, goodwill impairments, allocated compensation for which we will never be responsible, and results from assets prior to our ownership that are required to be reflected in our results due to accounting rules regarding entities under common control, or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically, for example legal settlements, hurricane impacts and casualty losses. Management uses this measure and believes it is important to users of our financial statements because it believes the measure more effectively reflects our business' ongoing cash generation capacity than a similar measure with the certain items included. For similar reasons, management uses segment earnings before DD&A and certain items and segment distributable cash flow before certain items in its analysis of segment performance and managing our business. We believe segment earnings before DD&A and certain items and segment distributable cash flow before certain items are significant performance metrics because they enable us and external users of our financial statements to better understand the ability of our segments to generate cash on an ongoing basis. We believe they are useful metrics to investors because they are measures that management believes are important and that our chief operating decision makers use for purposes of making decisions about allocating resources to our segments and assessing the segments' respective performance.

We believe the GAAP measure most directly comparable to distributable cash flow before certain items and to EBITDA before certain items is net income. Segment earnings before DD&A is the GAAP measure most directly comparable to segment earnings before DD&A and certain items and segment distributable cash flow before certain items.

Our non-GAAP measures described above should not be considered as an alternative to GAAP net income, segment earnings before DD&A or any other GAAP measure. Distributable cash flow before certain items, segment earnings before DD&A and certain items, segment distributable cash flow before certain items and EBITDA before certain items are not financial measures in accordance with GAAP and have important limitations as analytical tools. You should not consider any of these non-GAAP measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Because distributable cash flow before certain items and EBITDA before certain items exclude some but not all items that affect net income and because these measures are defined differently by different companies in our industry, our distributable cash flow before certain items and EBITDA before certain items may not be comparable to similarly titled measures of other companies. Segment earnings before DD&A and certain items and segment distributable cash flow have similar limitations. Management compensates for the limitations of these non-GAAP measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

A reconciliation of these measures to the most comparable GAAP measures is provided on our website at: http://www.kindermorgan.com/investor/presentations/.

Capital Structure



(a) KMP market equity based on 223 million common units (includes 5.3 million Class B units owned by Kinder Morgan, Inc.; Class B units are unlisted KMP common units) at a price of $69.67 and 92 million KMR shares at a price of $63.97, as of 11/12/2010
(b) Debt balance as of 9/30/2010, excludes the fair value of interest rate swaps, net of cash
(c) A definition of this measure is outlined on the Non-GAAP Financial Measures slide
(d) KMP Distributable Cash Flow; a definition of this measure is outlined on the Non-GAAP Financial Measures slide
(e) 2010 budget

KMR 101 [a]

KMR *is* KMP

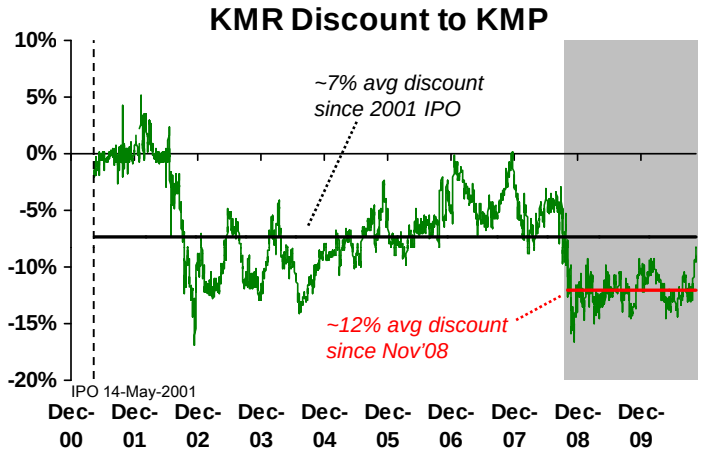
- **KMR shares are pari passu with KMP units**
- **KMR dividend equal to KMP cash distribution, but paid in additional shares; effectively a dividend reinvestment program [b]**
  - Share dividend reduces KMP's external capital funding needs
    - Cash flow is generated to pay cash dividend but paid in additional shares, reinvesting cash into growth projects
- **Like KMP units, KMR shares are tax efficient — but with simplified tax reporting**
  - Capital gains treatment
  - No K-1 (1099 if you sell shares, otherwise no tax documents)
  - IRA-friendly - no UBTI or state tax filings
  - Offshore investors can more easily own [c]
- **KMR market cap = $5.9 billion, ~1/4 of total KMP capitalization [d]**

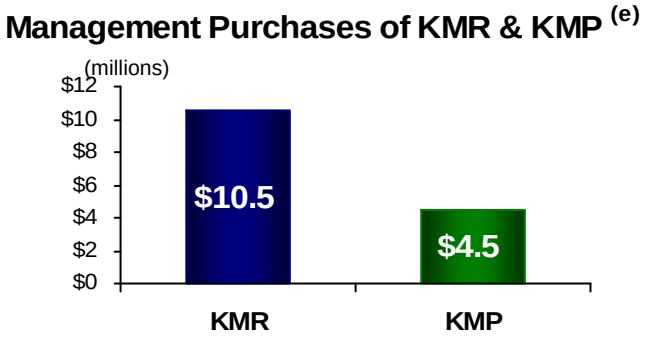
KMR has generated strong returns for investors and trades at a significant discount to KMP

- **50% total return in 2009**
- **14.2% compound annual total return since '01 IPO vs. 15.0% for KMP, 15.8% for the Alerian MLP index and 1.5% for the S&P 500**
- **Historical ~7% discount since IPO**
- **Current ~8% discount**

Insiders prefer KMR

- **Management has purchased KMR at a rate of over 2:1 vs KMP, or almost 7:1 excluding one transaction [e]**





(a) All figures through / as of 11/12/2010, except 2009 total return which is through 12/31/2009; see footnotes on slide 11 for explanation of total return calculations

(b) Calculation of share dividend: KMP quarterly cash distribution per unit ÷ KMR 10-day avg price prior to x-date = fractional share paid for every KMR share owned, e.g. $1.11 ÷ $62.207 = 0.017844; example reflects actual KMR share dividend calculated for 3Q 2010, paid on 11/12/2010; refer to KMP 3Q 2010 10-Q for more information

(c) Can be held directly; in-kind dividends not subject to ECI rules and branch profits withholdings, no FIRPTA issues

(d) KMR market equity based on 92 million KMR shares outstanding and share price of $63.97 as of 11/12/2010

(e) Purchase of KMR shares and KMP units by directors and officers of KMR/KMP since the KMR IPO in 2001, as reported in SEC Form 4 filings; 7:1 ratio excludes one open market purchase of KMP units relating to an arrangement requiring cash distributions for payment of interest

The Kinder Morgan Strategy

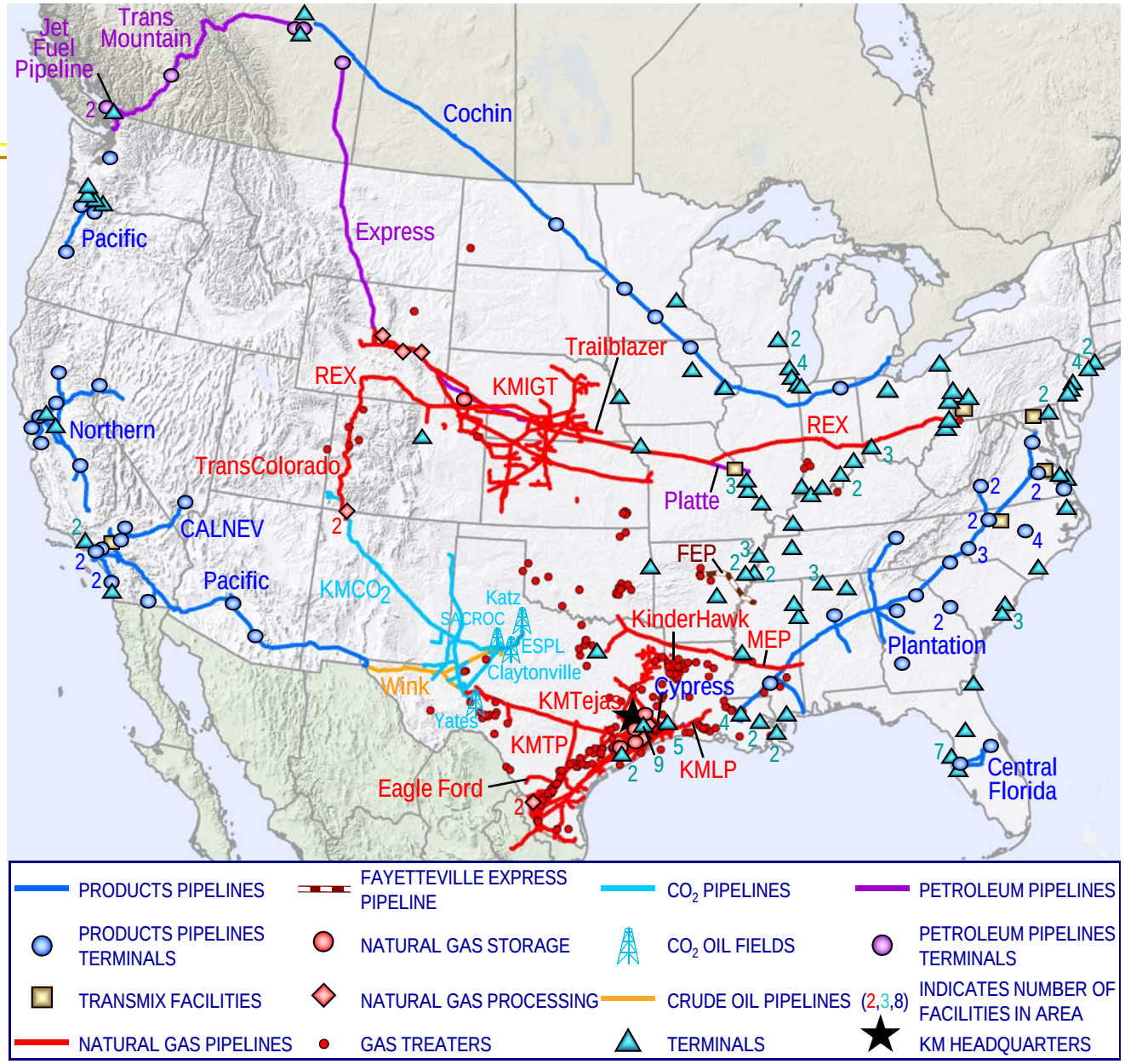
Same Strategy Since Inception

- **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

Unmatched Footprint

- **Largest independent transporter of petroleum products in the U.S.**
  - Transport ~1.9 million barrels per day (Bbl/d)
- **2nd largest transporter of natural gas in U.S.** [(a)]
  - Own an interest in or operate over 24,000 miles of interstate / intrastate pipeline
- **Largest provider of contracted natural gas treating services in U.S.**
- **Largest transporter of CO_2 in U.S.**
  - Transport ~1.3 Bcf/d of CO_2
- **2nd largest oil producer in Texas**
  - Produce ~56 MBbl/d of crude
- **Largest independent terminal operator in U.S.**
  - Own an interest in or operate ~180 liquids / dry bulk terminals [(b)]
  - ~107 million barrels of domestic liquids capacity [(c)]
  - Handled ~78 million tons of dry bulk products in 2009
    - Largest handler of petcoke in U.S.
- **Only Oilsands pipeline serving Vancouver B.C. / Washington state**
  - TMPL transports ~300 MBbl/d to Vancouver / Washington state

(a) Includes NGPL
(b) Excludes ~32 transload facilities
(c) Includes leased capacity



Well-diversified Cash Flow

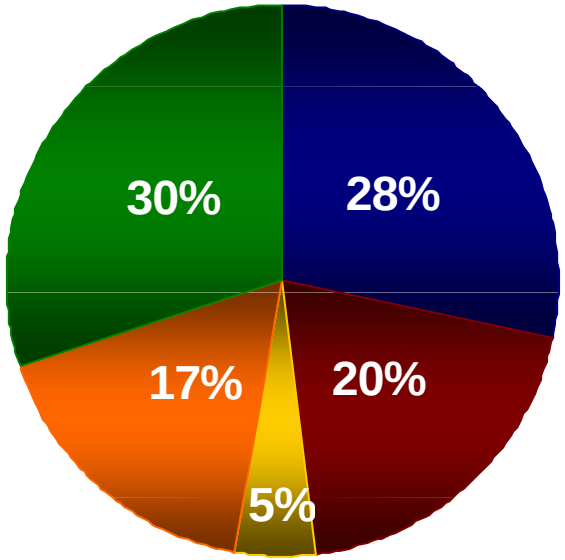
CO_2

- 28% CO_2 transport and sales
- 72% oil production related
- Production hedged [a]:
  - 2010=79% ($58/Bbl)
  - 2011=69% ($66)
  - 2012=40% ($83)
  - 2013=26% ($88)
  - 2014=13% ($88)

Terminals

- 58% Liquids
- 42% Bulk
- Geographic and product diversity

KMP 2010E Segment DCF Profile [b]



Kinder Morgan Canada

Natural Gas Pipelines

- 59% Interstate [c]
- 41% Texas Intrastate

Products Pipelines

- 59% Pipelines
- 36% Associated Terminals [d]
- 5% Transmix

(a) 2010 based on full-year forecast production; 2011-2014 based on internal mid-year reserve report; includes heavier NGL components (C4+); where collars are used, pricing incorporated into average hedge price is the collar floor; incorporates swaps and puts at strike price net of premium; 2010 projected oil-only % hedged = 89%
(b) Budgeted 2010 segment distributable cash flow, as defined on the Non-GAAP Financial Measures slide
(c) Includes upstream segment; ~4% of total natural gas pipeline segment
(d) Terminals are not FERC regulated except portion of CALNEV

Stable Asset Base

	Natural Gas Pipelines	Products Pipelines	CO_2	Terminals	Kinder Morgan Canada
Volume Security	– Interstate: virtually all take or pay – Intrastate: ~78% take or pay (a)	– volume based	– S&T: minimum volume guarantee	– Liquids: take or pay – Bulk: minimum volume guarantee, requirements	– No volume risk
Remaining Contract Life (b)	– Transportation: 8.9 yrs (c) – Storage: 2.7 yrs	– not applicable	– S&T: 3.1 yrs (d)	– ~3 yrs	– 2.1 yrs
Pricing Security	– Interstate: fixed based on contract – Intrastate: primarily fixed margin	– PPI + 1.3%	– S&T: 68% fixed (e) O&G: volumes 73% hedged (f)	– based on contract; typically fixed or tied to PPI	– fixed based on toll settlement
Regulatory Security	– Interstate: regulatory return mitigates downside; higher recourse rates for increased costs – Intrastate: essentially market-based	– regulatory return mitigates downside	– primarily unregulated	– not price regulated	– regulatory return mitigates downside
Commodity Price Exposure	– Interstate: no direct – Intrastate: limited	– no direct	– S&T: 32% tied to oil price (e) – O&G: volumes 27% unhedged (f)	– no direct	– no direct
Barriers to Entry	– High	– High	– High	– High	– High

Note: as of 1/1/2010

(a) Transportation for intrastate pipelines includes term purchase and sale portfolio

(b) Volume-weighted, except Terminals which is weighted based on 2010 budgeted revenues

(c) Includes newbuild pipelines (REX, MEP and KMLP); newbuild pipeline capacity generally subscribed for a 10-year initial term

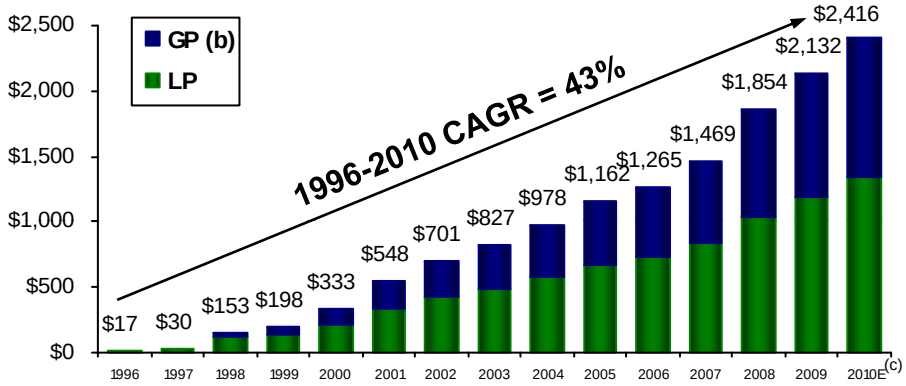
(d) Doesn't reflect SACROC contract renewal

(e) Based on revenue assuming an oil price of ~$84/Bbl; includes sales we make to our O&G business; eliminating sales to O&G = 82% fixed / 18% tied to oil price

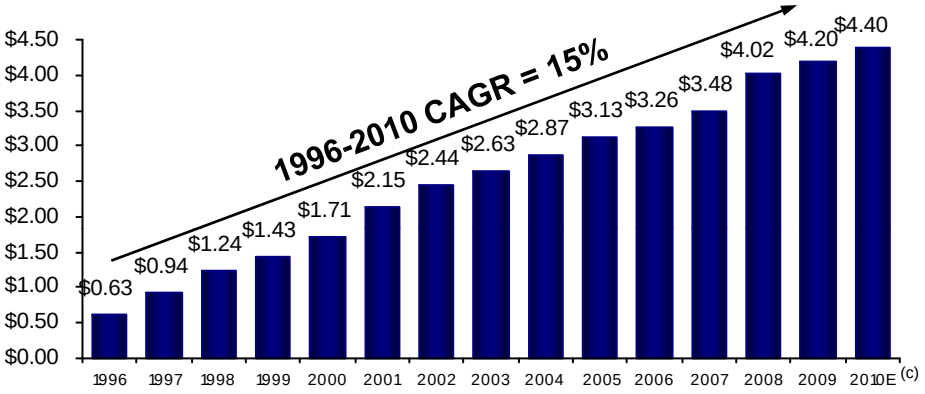
(f) % of 2010 expected production, includes heavier NGL components (C4+)

Delivering 13 Years Of Consistent Growth

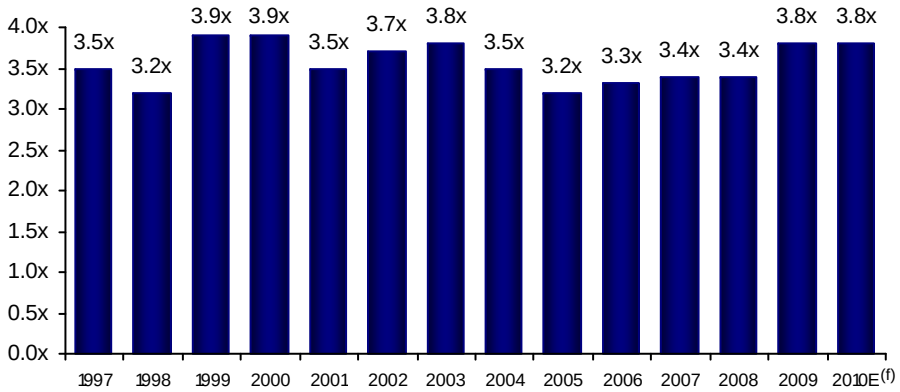
Total Distributions (GP + LP) ($MM) [a]



Annual LP Distribution Per Unit [a,d]



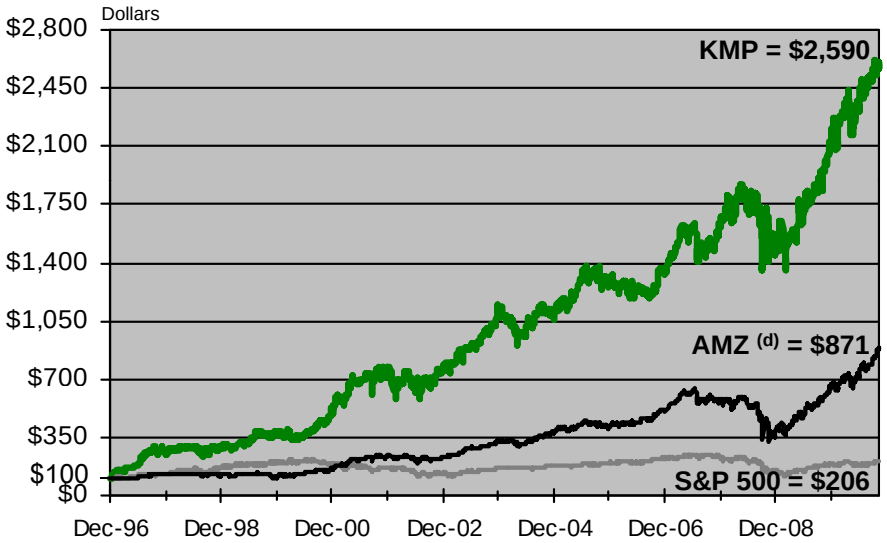
Net Debt to EBITDA [e]



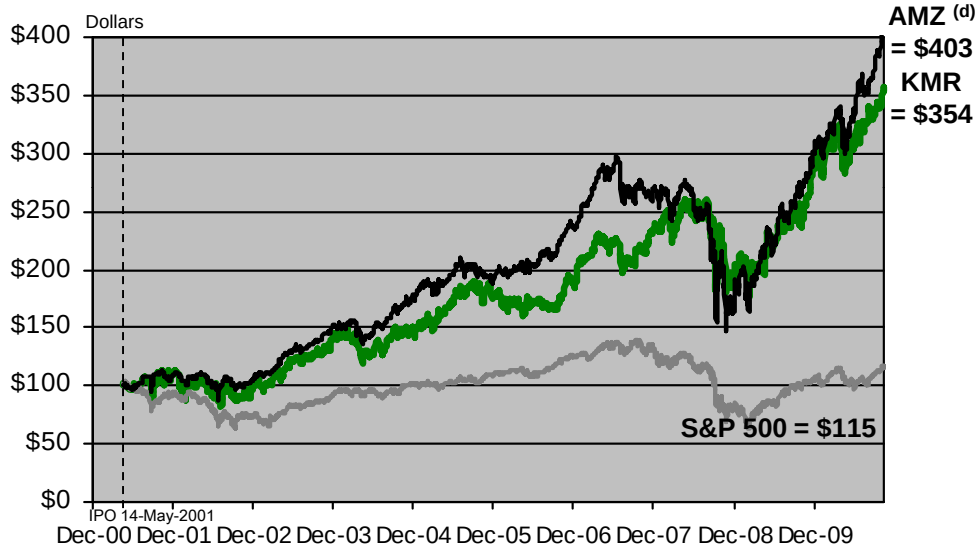
(a) Approximately $32 million of budgeted distribution coverage in 2010
(b) Includes 2% GP interest
(c) 2010 budget
(d) Annual LP distribution, rounded to 2 decimals where applicable
(e) Debt is net of cash and excludes fair value of interest rate swaps
(f) 2010 forecast; projected yr-end 2010 reflects a partial contribution from the 5/21/2010 acquisition of a 50% interest in the KinderHawk Haynesville JV

Significant Historical Returns [a]

KMP: 26% CAGR Since '96 [b]



KMR: 14% CAGR Since '01 [c]



Total Return	2010 YTD	2-year [e]	3-year [e]	5-year [e]
KMP	**22%**	**60%**	**92%**	**138%**
KMR	**24%**	**51%**	**86%**	**141%**
S&P 500 Index	9%	-13%	-8%	12%
Alerian MLP Index	34%	50%	69%	126%

Source: Bloomberg

(a) All returns calculated on daily basis through 11/12/2010 except the 2009 return, which is through 12/31/2009; assume dividends/distributions reinvested in index/stock/unit

(b) Start date 12/31/1996

(c) Start date 5/14/2001; KMR Initial public offering; KMP CAGR over same period is 15%

(d) Alerian MLP index

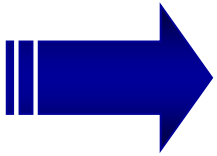
(e) Start dates for 2-year, 3-year and 5-year return calculations are 12/31/2007, 12/29/2006 and 12/31/2004, respectively

Promises Made, Promises Kept

Promises Made

Budgeted
Distribution per unit:

2000:	$1.60
2001:	$1.95
2002:	$2.40
2003:	$2.63
2004:	$2.84
2005:	$3.13
2006:	$3.28
2007:	$3.44
2008:	$4.02
2009:	$4.20
2010E:	$4.40



Promises Kept

Actual
Distribution per unit:

2000:	$1.71
2001:	$2.15
2002:	$2.435
2003:	$2.63
2004:	$2.87
2005:	$3.13
2006:	$3.26
2007:	$3.48
2008:	$4.02
2009:	$4.20

Missed LP distribution target 1 time in past 10 years

Sources of Future Growth

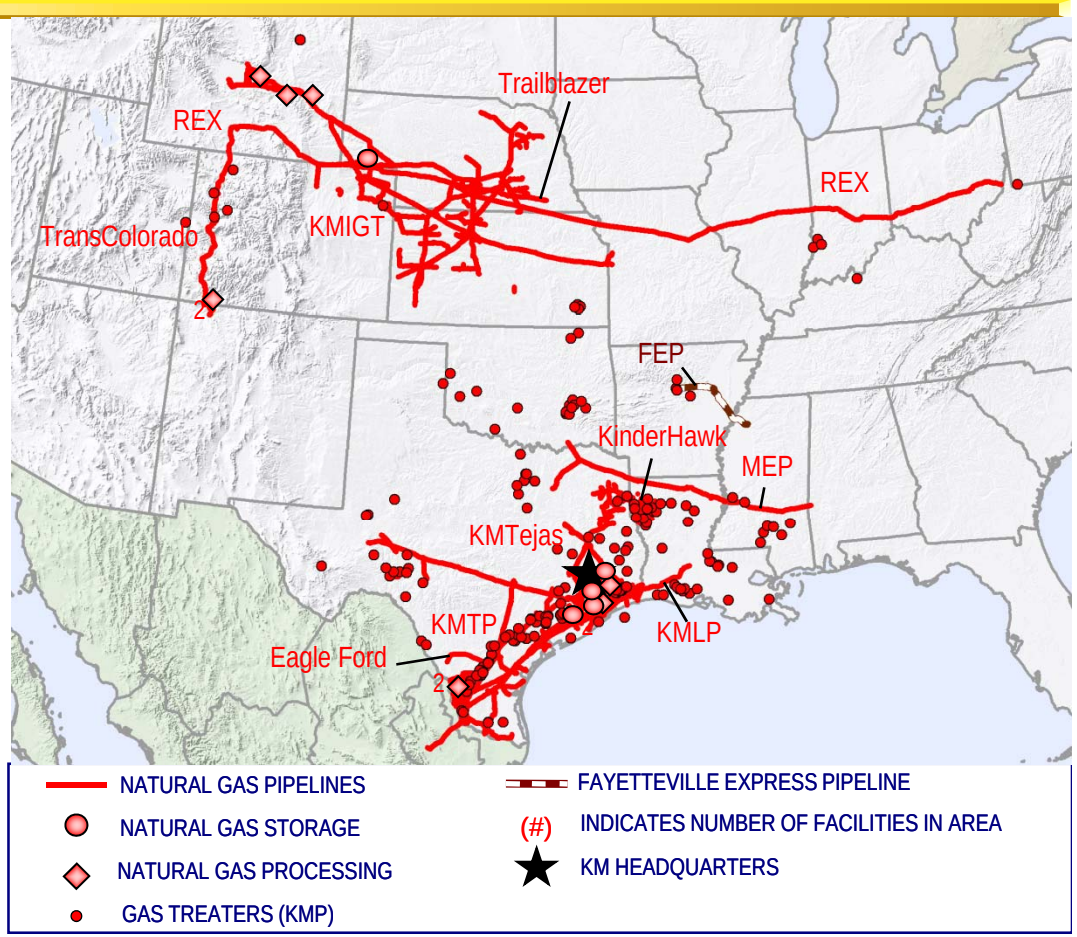
	Growth Drivers	KM Opportunity – Leverage Footprint
Natural Gas Pipelines	– Cheap, abundant, domestic energy source – Shifting supply from multiple basins – U.S. demand for natural gas expected to increase by ~17 Bcf/d 2009-2030 (a) – Over $100 billion of new pipeline infrastructure estimated between 2010 and 2030 (b) – Natural gas is the logical fuel of choice for economical clean burning electricity	– Leverage pipeline connectivity and expertise into pipeline/storage expansions and acquisitions in current and new basins, e.g., KinderHawk Haynesville and Eagle Ford – Full-year impact of REX, MEP, KMLA – Complete construction of FEP in late-2010 – Expand services to customers (i.e. Treating, G&P, etc)
Products Pipelines / Terminals Segments	– Diversity of product specs – RFS requires a nearly two-fold increase in use of renewable fuels through 2022 (c) – Customers desire for optionality at terminal locations (export and import capabilities and multiple modes of inbound and outbound transportation, e.g. water, rail, truck access)	– Committed ~$500MM to handle renewable fuels to date and continue to expand across our asset base – Location of facilities and ability to provide flexibility to customers keeps customers at terminals and provides for expansions – Consolidate “mom and pop” bulk terminals – Look for acquisitions from the majors – NGL pipeline out of Marcellus
CO_2	– Billions of barrels of domestic oil still in place – Continuing technology improvements – Development of new basins – Fragmented ownership of oilfields	– Continue buildout of SACROC and Yates – Katz expansion project – Utilize CO_2 expertise to evaluate oilfield acquisitions and new pipeline projects
Kinder Morgan Canada	– Continued need to move Canadian crude and refined products to Westcoast	– Flexibility for staged expansions or one large expansion to Westcoast

(a) Source: Wood Mackenzie long-term outlook, Dec-2009
(b) Source: INGAA natural gas infrastructure study, Oct-2009
(c) RFS (U.S. Renewable Fuels Standard) requires increase from 13 Bgal/yr in 2010 to 36 Bgal/yr in 2022)

Kinder Morgan is Connected to Major New Natural Gas Basins

Through KM's existing natural gas footprint and current projects we are connected to virtually every major natural gas basin in the U.S.:

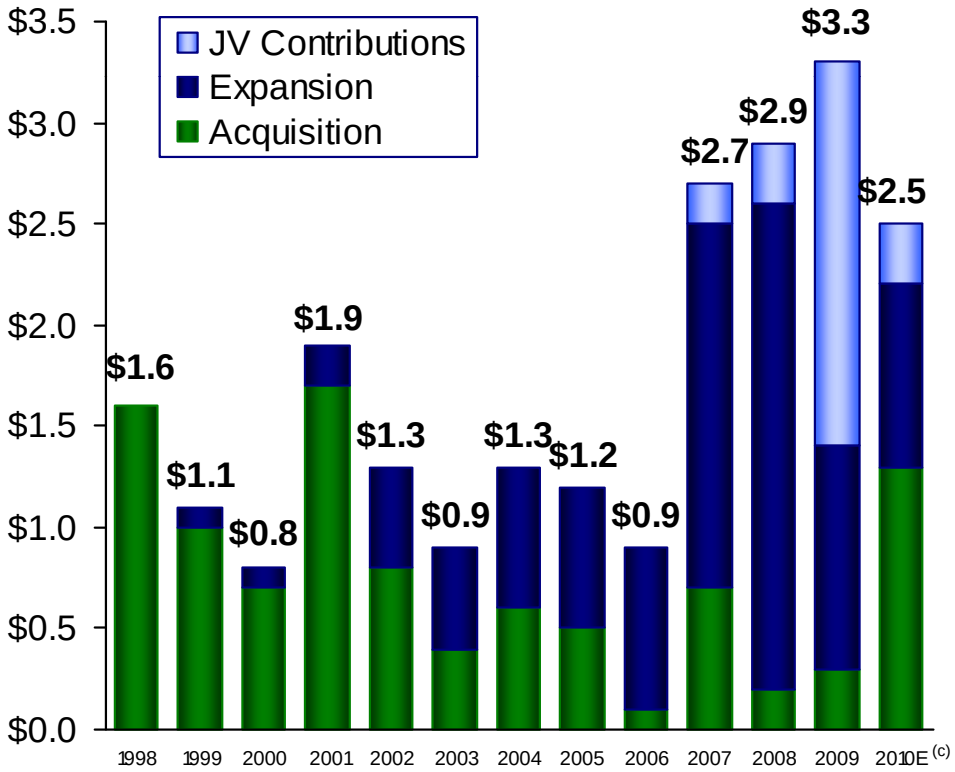
- **Rocky Mountains (REX)**
- **Barnett shale (MEP)**
- **Fayetteville shale (FEP)**
- **Haynesville shale (KinderHawk)**
- **Eagle Ford shale (TX Intrastates / CPNO JV)**
- **Marcellus (NGLs – Cochin)**



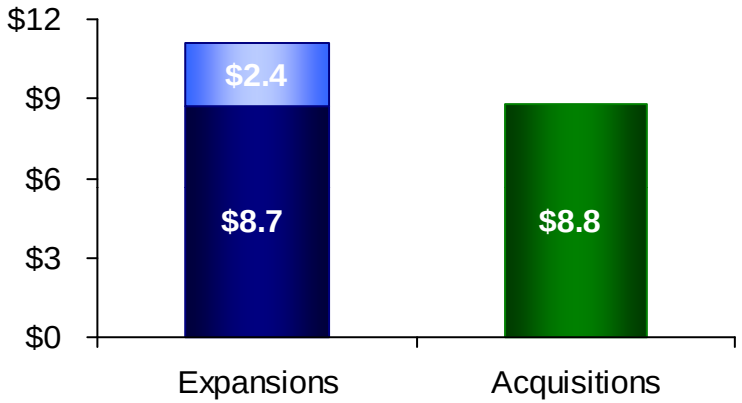
~$20 Billion in Capital Invested 1998-2009 (a,b)

(billions)

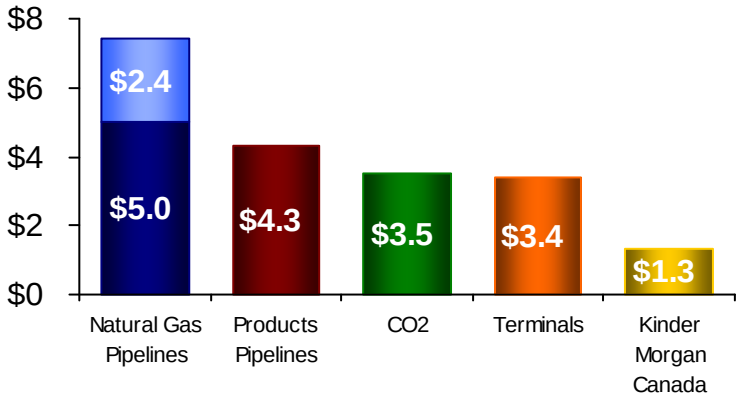
Total Invested by Year (a)



Total Invested by Type (a,b)



Total Invested by Segment (a,b)



(a) For joint-ventures, reflects our equity contributions
(b) 1998 – 2009, does not include 2010 forecast
(c) 2010 forecast

Returns on Capital

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Segment ROI [a]:										
Products Pipelines	11.9%	11.8%	12.8%	12.9%	12.4%	11.6%	11.8%	13.2%	12.5%	13.4%
Natural Gas Pipelines	13.3	15.5	12.9	13.5	14.0	15.5	16.7	17.5	16.9	14.0
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.2
Kinder Morgan Canada	--	--	--	--	--	--	--	11.0	12.1	12.8
KMP ROI	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%
KMP Return on Equity	17.2%	19.4%	20.9%	21.7%	23.4%	23.9%	22.6%	22.9%	25.2%	25.2%

Note: A definition of this measure may be found in the appendix to the Analyst Conference presentation dated 1/28/2010, which is available on our website at www.kindermorgan.com

(a) G&A is deducted to calculate the KMP ROI, but is not allocated to the segments and therefore not deducted to calculate the individual Segment ROI

Balance Sheet Remains Solid [a]

(millions)

Credit Summary

	3Q 2010	Forecast Yr-end 2010
Credit Metrics		
Debt / EBITDA [b,c]	3.8x [d]	3.8x [d]
EBITDA / Interest [c]	6.5x	6.2x
L-T Debt Rating	Baa2/BBB/BBB [e]	

Revolver Liquidity

Total Bank Credit	$2,000
Less:	
Borrowings	(415)
Letters of Credit	(222)
Liquidity	**$1,363**

Maturities of Long-term Debt [f]

Nov-2010	--- [g]
2011	$707
2012	$957 [h]
2013	$507
2014	$501

(a) Figures as of 9/30/2010, except where noted
(b) Debt balance excludes fair value of interest rate swaps and is net of cash
(c) EBITDA and interest are trailing 12 months, includes our proportionate share of REX, MEP and KinderHawk DD&A
(d) Debt/EBITDA at 9/30/2010 and projected yr-end 2010 reflects a partial contribution from the 5/21/2010 acquisition of a 50% interest in the KinderHawk Haynesville JV
(e) Rated by Moody's, S&P and Fitch, respectively
(f) Maturities of long-term debt; excludes commercial paper / borrowings under its revolving credit facility
(g) $250 million current maturity was paid on 1-Nov
(h) Excludes 10-yr bond with optional 3-yr put (stated maturity 2019)

Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC cases
  - Periodic rate reviews
  - Unexpected policy changes
- **Crude Oil Production Volumes**
- **Crude Oil Prices**
  - Budget assumes $84/Bbl realized price on unhedged barrels
  - 2010 Sensitivity is ~$5.5 million DCF per $1/Bbl change in crude oil prices
- **Economically Sensitive Businesses (e.g., steel terminals)**
- **Environmental**
- **Terrorism**
- **Interest Rates**
  - ~50% floating rate debt
  - The full-year impact of a 100-bp increase in rates equates to an approximate $61 million increase in interest expense

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Attractive Value Proposition

- Unparalleled asset footprint
- Established track record
- Industry leader in all business segments
- Experienced management team
- Supportive general partner
- Transparency to investors
- Attractive returns driven by combination of yield plus growth


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