KINDER MORGAN
ENERGY PARTNERS, L.P.

RBC 2008 MLP Conference

November 21, 2008

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ENERGY PARTNERS, L.P.

Forward Looking Statements

This presentation contains forward looking statements, including these, within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Exchange Act of 1934, as amended. Forward looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and securities values of Kinder Morgan Energy Partners, L.P. and Kinder Morgan Management, LLC (collectively known as "KMP") may differ materially from those expressed in the forward-looking statements contained throughout this presentation and in documents filed with the SEC. Many of the factors that will determine these results and values 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 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. You are cautioned not to put undue reliance on any forward-looking statement.

Use of Non-GAAP Financial Measures

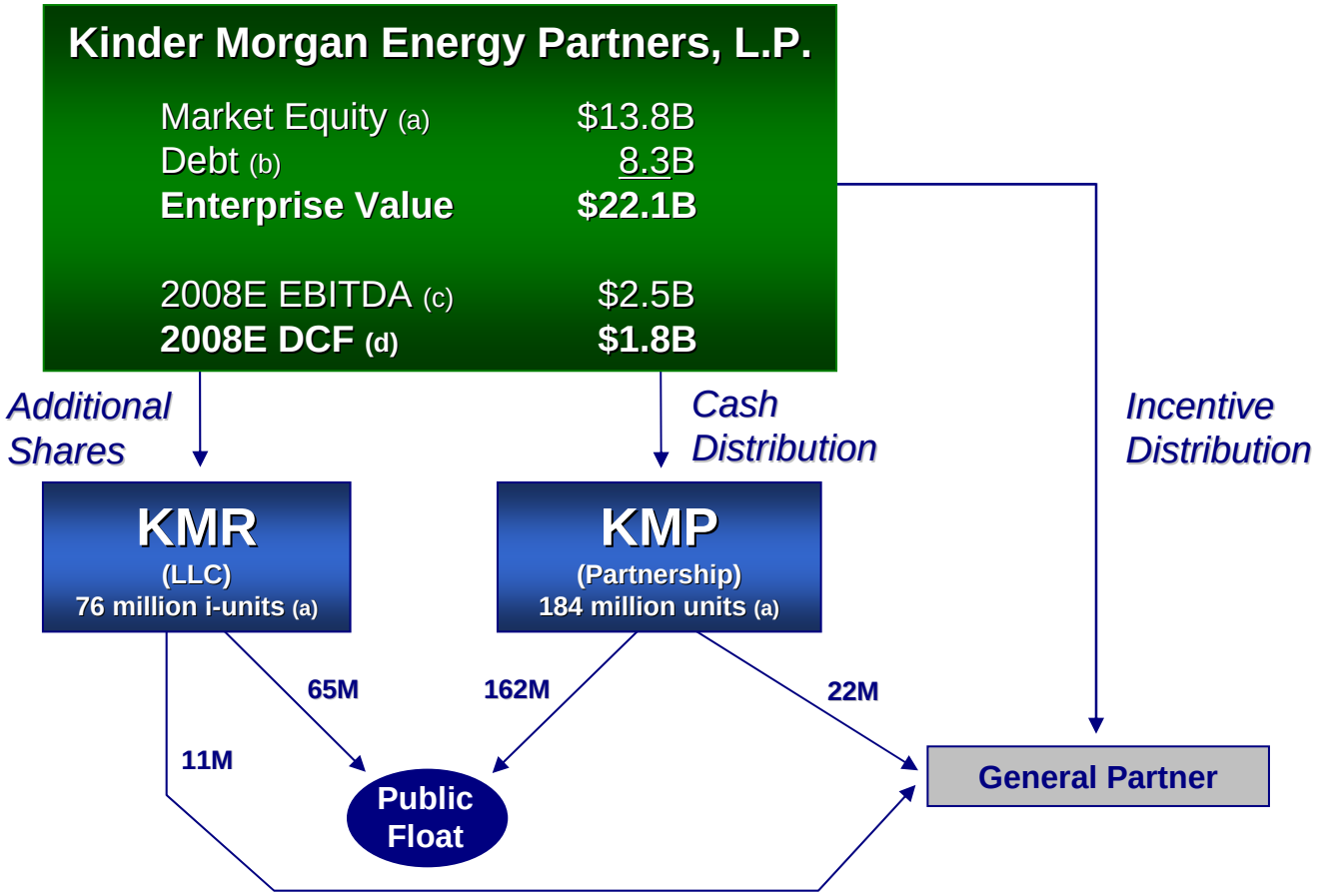
This presentation utilizes the non-generally accepted accounting principles financial measures of segment distributable cash flow, KMP distributable cash flow, and earnings before interest, taxes and DD&A ("EBITDA").

For KMP overall, we define distributable cash flow to be limited partners' pretax income before DD&A less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for Rockies Express, our equity method investee. For our segments we define distributable cash flow as segment net income (which is before corporate costs of G&A and interest) plus DD&A less sustaining capital expenditures. The components of the difference between overall KMP distributable cash flow and segment distributable cash flow are cash versus book taxes, DD&A and sustaining capital expenditures on Rockies Express, G&A, interest, minority interest and the general partner's interest. We define EBITDA as pre-tax income plus interest expense and DD&A. All measures certain certain items. The amounts included in the calculation of these measures are computed in accordance with generally accepted accounting principles (GAAP), with the exception of certain items, which are separately identified in our quarterly earnings press releases, 10-Qs and 10-Ks, and "sustaining capital expenditures," which is not a defined term under GAAP. Consistent with the partnership agreement of Kinder Morgan Energy Partners, L.P., sustaining or maintenance capital expenditures are defined as capital expenditures (as defined by GAAP) which do not increase the capacity of an asset.

We routinely calculate and communicate these measures to investors. We believe that continuing to provide this information results in consistency in our financial reporting. In addition, we believe that these measures are useful to investors because they enhance the investors' overall understanding of our current financial performance and our prospects for future performance. Specifically, we believe that these measures provide investors an enhanced perspective on the operating performance of our assets and the cash that our businesses are generating. Notwithstanding, these non-GAAP financial measures are not a replacement for the financial statements included in our Exchange Act Filings.

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 184 million common units currently outstanding (includes 5.3 million Class B units owned by Knight Inc.; Class B units are unlisted KMP common units) at a price of $54.05 and 76 million KMR i-shares currently outstanding at a price of $49.95, as of 31-Oct-2008.
(b) As of 30-Sep-2008. Debt balance excludes the fair value of interest rate swaps, net of cash.
(c) 2008 budget. A definition of this measure is outlined on the Non-GAAP Financial Measures slide.
(d) 2008 budget. KMP Distributable Cash Flow. A definition of this measure is outlined on the Non-GAAP Financial Measures slide.

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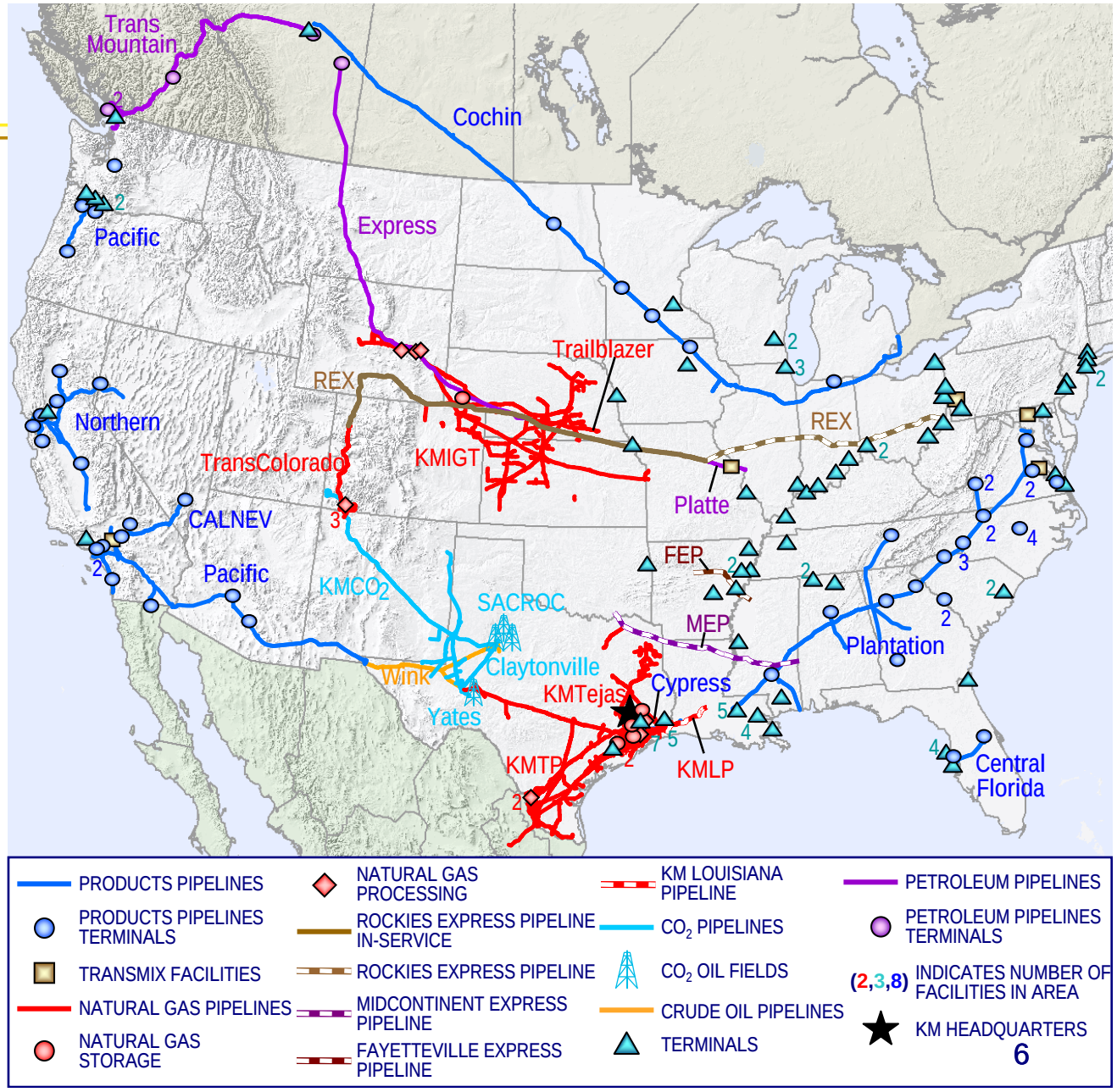
The Kinder Morgan Strategy

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

Unmatched 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 (a)
- **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.

Well-diversified Asset Base

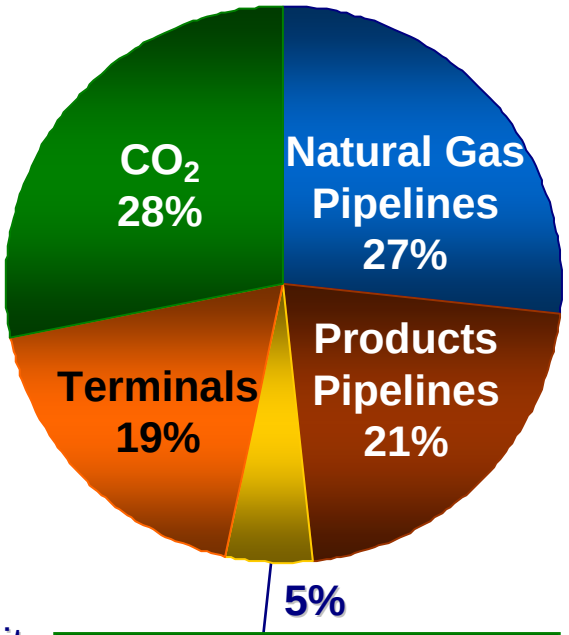
CO_2

- 32% CO_2 transport and sales
- 68% oil production related
- Production hedged (a):
  - 2008=83% ($44/Bbl)
  - 2009=73% ($49)
  - 2010=67% ($56)
  - 2011=61% ($63)
  - 2012=30% ($83)

Terminals

- 52% Liquids, 48% Bulk
- Geographic and product diversity
- 3-4 year average contract life

KMP 2008 DCF Profile (b)



Natural Gas Pipelines

- 47% Texas Intrastate
- 53% Rockies
- Little incidental commodity risk

Products Pipelines

- Refinery hub to population center strategy
- 65% Pipelines
- 29% Associated Terminals (c)
- 6% Transmix
- No commodity price risk

(a) 2008 production based on Kinder Morgan budget; 2009-2012 based on Netherland, Sewell reserve report. Includes heavier NGL components (C4+). Incorporates swaps and puts at strike price net of premium, WTI/WTS spread @ $6-7.00/Bbl.

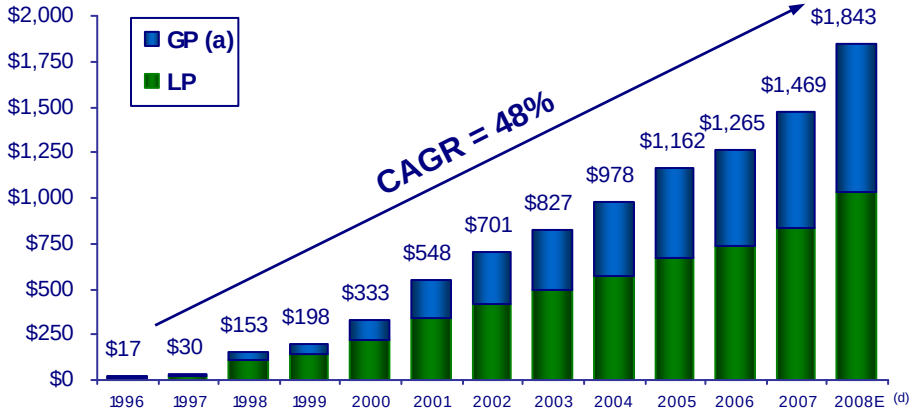
(b) Budgeted 2008 segment distributable cash flow, as defined on the Non-GAAP Financial Measures slide, plus our share of REX DD&A and sustaining capital expenditures.

(c) Terminals are not FERC regulated except portion of CALNEV.

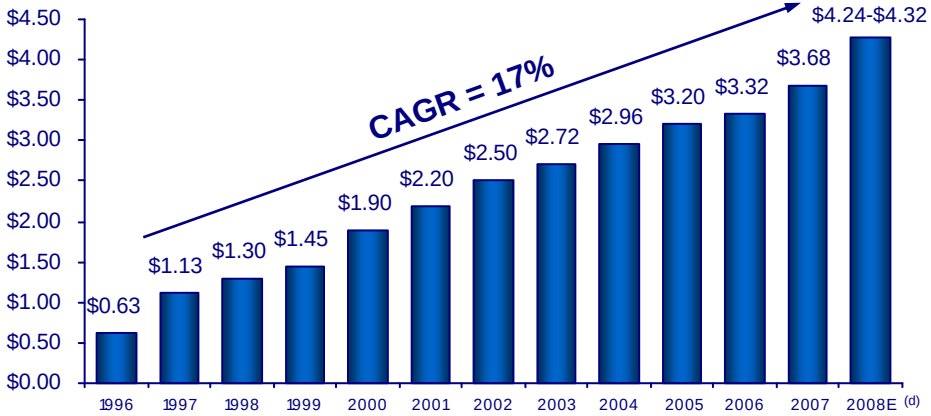
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Eleven Years of Consistent Growth

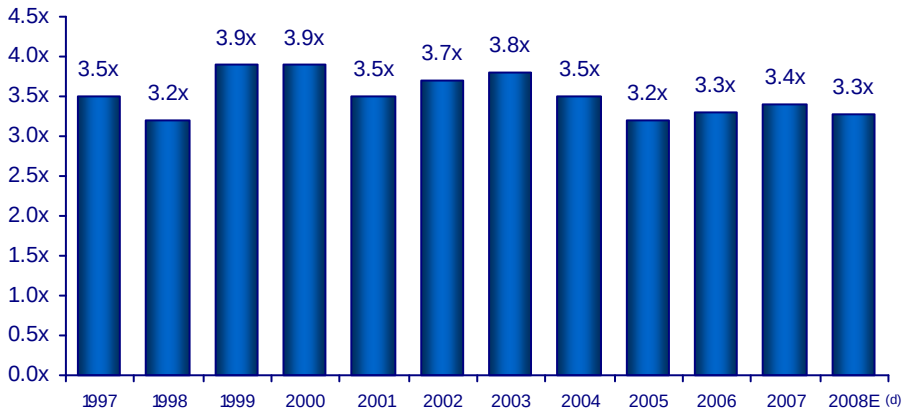
Total Distributions (GP + LP) ($mm)



LP Distribution Per Unit (b)



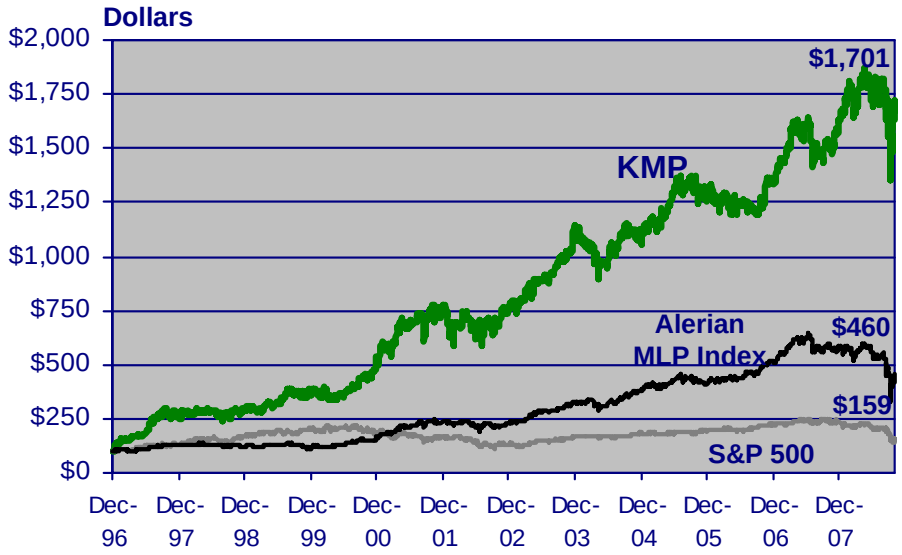
Net Debt to EBITDA (c)



(a) Includes 2% GP interest.
(b) Declared 4Q distribution annualized (i.e. multiplied by four)
(c) Debt is net of cash and excludes fair value of interest rate swaps.
(d) 2008 budget.

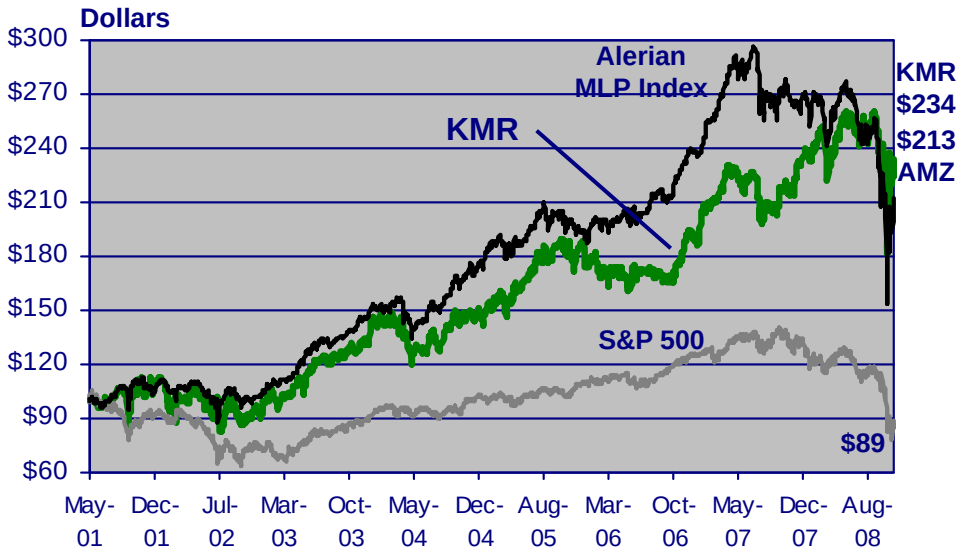
Significant Historical Returns (a)

KMP: 27% CAGR (b)



KMP 2007 Total Return = 20%
KMP 2008 YTD Total Return = 5%

KMR: 12% CAGR (c)



KMR 2007 Total Return = 24%
KMR 2008 YTD Total Return = -1%

Source: Bloomberg
(a) Total returns calculated on a daily basis through 31-Oct-2008 assuming dividends/distributions reinvested in index/stock/unit.
(b) Start date 31-Dec-1996
(c) Start date 14-May-2001; KMR Initial public offering

Promises Made, Promises Kept

Promises Made	Promises Kept
Budgeted Distribution per unit:	**Actual Distribution per unit:**
2000: $1.60	2000: $1.71
2001: $1.95	2001: $2.15
2002: $2.40	2002: $2.435
2003: $2.63	2003: $2.63
2004: $2.84	2004: $2.87
2005: $3.13	2005: $3.13
2006: $3.28	2006: $3.26
2007: $3.44	2007: $3.48

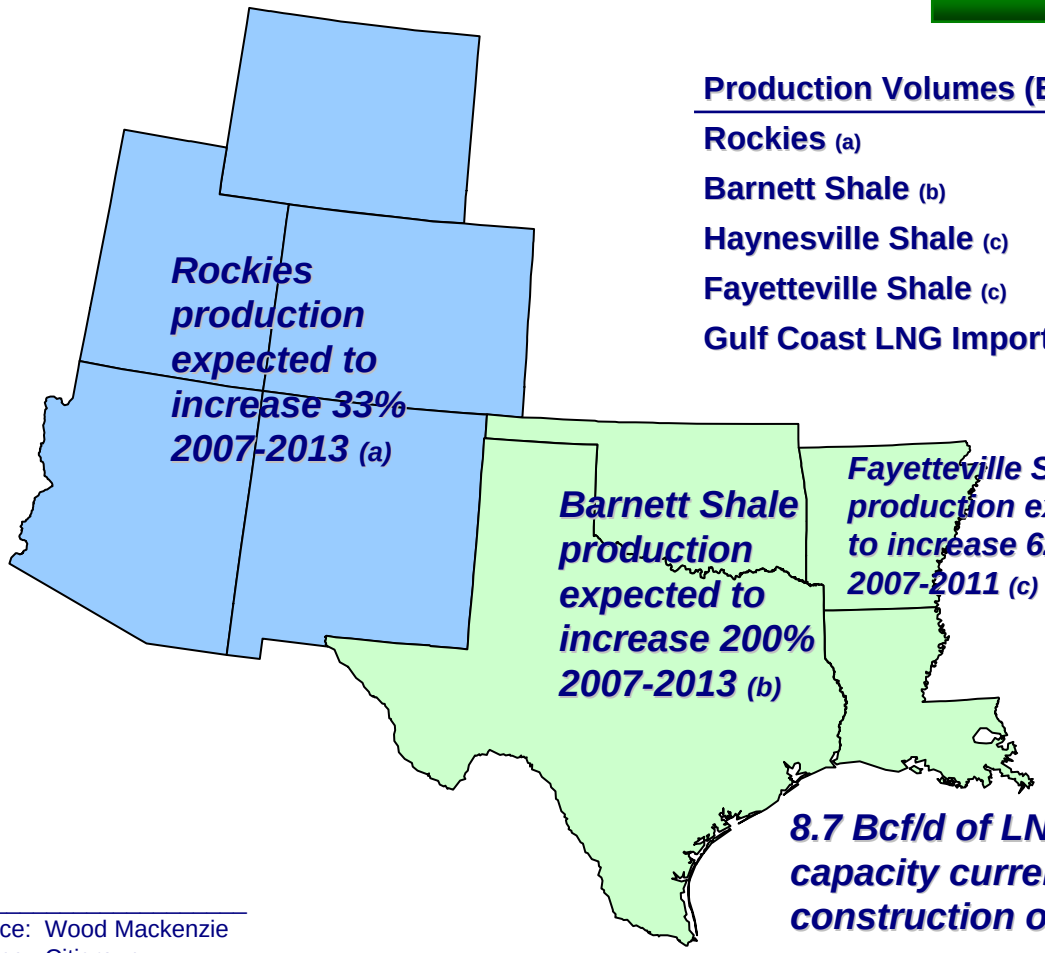
2008 Partnership Goals

- **Distribution Target**
  - $4.02 per unit (16% growth)
  - Excess coverage of ~$12 million
- **Maintain Solid Balance Sheet**
  - Expansions / acquisitions financed 50% equity, 50% debt
- **Deliver Projects on Time and on Budget**

Growth Opportunities

	Current Projects (2008-2011)	Additional Opportunities
Shifting Natural Gas Supply Sources — **Rockies** — **LNG** — **Barnett Shale** — **Fayetteville Shale**	Rockies Express pipeline KM Louisiana pipeline Midcontinent Express pipeline Fayetteville Express pipeline	*REX Northeast extension, REX/NGPL Chicago project, MEP expansion, KMLP expansion, FEP expansion, storage, incremental shipper services (backhaul, hub, etc.)*
Increased Use of Renewable Fuels — **Biodiesel** — **Ethanol**	Supply nat. gas to ethanol facilities – KMIGT Store and blend at terminals – Tampa, Southeast Terminals, West Coast Transport ethanol – CFPL	*Additional ethanol/biodiesel storage and blending at terminal facilities, batched and dedicated ethanol pipelines*
Growing Production from Canadian Oilsands	Trans Mountain Anchor Loop expansion Edmonton terminal project	*TMX2, TMX3, Vancouver Wharves expansions, other terminals, CO_2 capture and transport*
High Crude Oil Prices	McElmo Dome expansion, Cortez expansion, SACROC, Yates	*Further CO_2 sales and transport expansion, incremental production from EOR*
Increased Use of Heavy Crude — **Petcoke Handling** — **Sulfur Handling**	Increased volume at petcoke terminals New petcoke location: BP Whiting	*Increased handling of petcoke, application of prilling technology at terminal facilities – U.S. & Canada, Vancouver Wharves*
Demographic Growth	CALNEV products pipeline project Carson terminal expansion	*Additional pipeline and terminal expansions*
Coal Imports/Exports	Pier X, SRT	*Expansions at coastal terminals*

Shifting Natural Gas Supply Sources

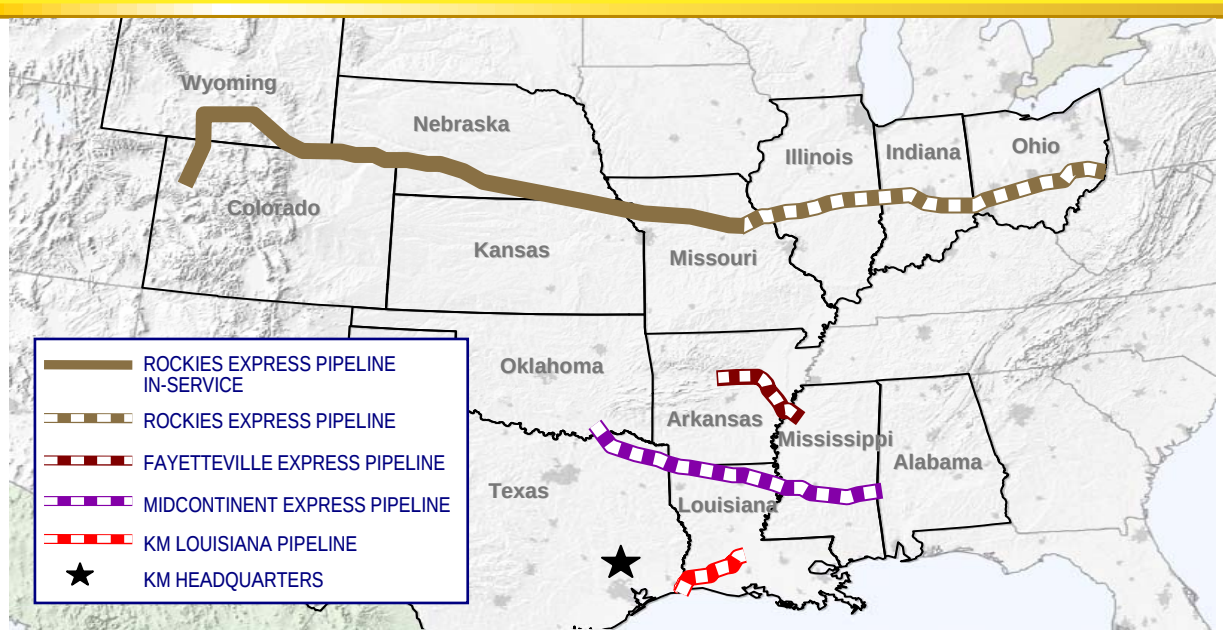


Natural Gas Supply

Production Volumes (Bcf/d)	2007E	2013	Change	% Change
Rockies (a)	8.6	11.4	2.8	33%
Barnett Shale (b)	2.1	6.4	4.3	200%
Haynesville Shale (c)	0.0	2.8 (c)	2.8 (c)	n/m (c)
Fayetteville Shale (c)	0.4	2.9 (c)	2.5 (c)	625% (c)
Gulf Coast LNG Imports (a)	0.7	2.8	2.1	300%

(a) Source: Wood Mackenzie
(b) Source: Citigroup
(c) Source: Deutsche Bank. 2007-2011 forecast
(d) Source: FERC

Newbuild Natural Gas Pipelines

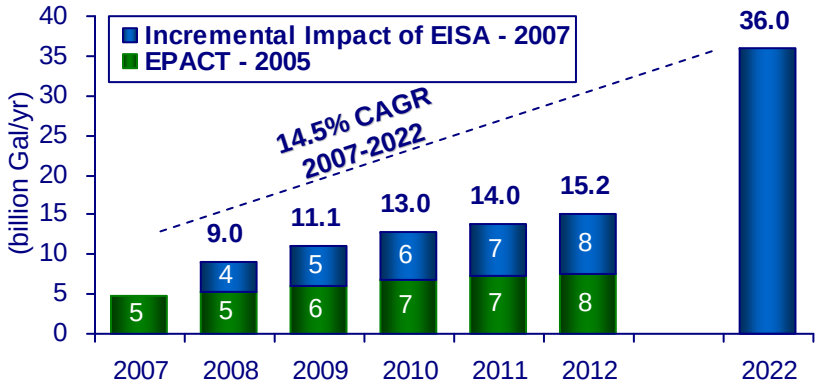


	Rockies Express Pipeline	Midcontinent Express Pipeline	Fayetteville Express Pipeline	KM Louisiana Pipeline		Total
KM Cost ($mm)	$3,020	$956 (a)	$629	$1,006	=	$5,611
Capacity (Bcf/d)	1.8	1.8 (b)	2.0	2.1	=	7.7
In-service	2007-2009	2009 (c)	2011	2009		
Term of Contracts	11.5 yrs (d)	10 yrs	10 yrs	20 yrs		
Ownership	KMP 50% (e) SRE 25% COP 25% (e)	KMP 50% ETP 50%	KMP 50% ETP 50%	KMP 100%		

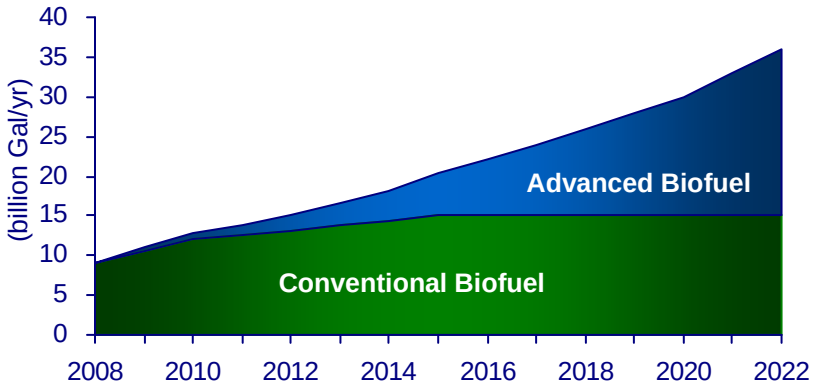
(a) Includes Zone 1 expansion
(b) Zone 1 capacity after expansion.
(c) Expected in-service for original 1.4 Bcf/d project.
(d) Ten years from in-service of REX East.
(e) Upon completion of construction.

Increased Use of Renewable Fuels

Renewable Fuels Standard (a)



EISA-2007 RFS by Type (b)



New legislation approximately doubles required use of renewable fuels over next several years; increases even more dramatically long-term

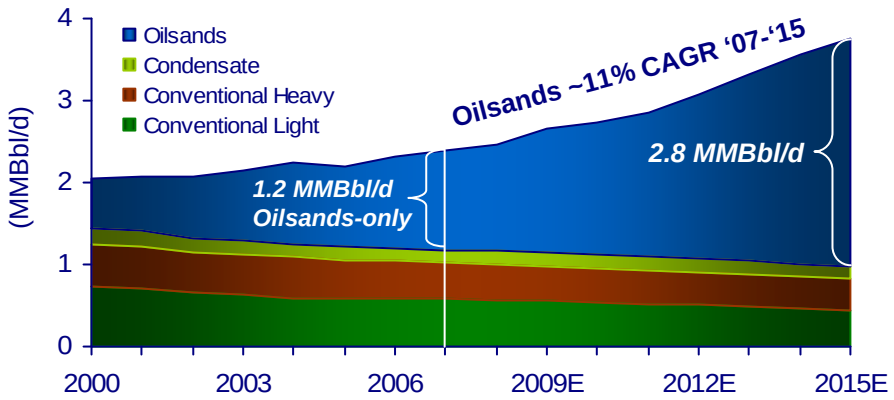
Leverage Existing Assets to be Most Efficient, Add Capacity as Opportunity Arises

- **Ethanol production facilities require natural gas**
  - ⇒ Significant proportion of U.S. productive capacity in close proximity to our natural gas pipelines
  - ⇒ Use existing lines; build extensions
- **Ethanol and biodiesel to be stored and blended at terminal**
  - ⇒ Terminal assets in California, along the Gulf Coast, in the Southeast and Northeast
- **Transport in pipelines**
  - ⇒ Batched, blended or dedicated transport
  - ⇒ Florida
    - — Terminal storage project signed and announced
    - — Pipeline in development

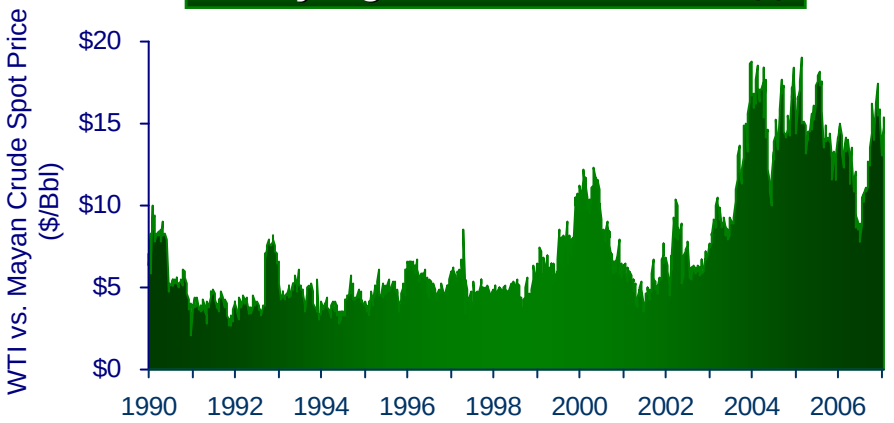
Source: Renewable Fuels Association
(a) EISA: Energy Independence and Security Act of 2007 (H.R.), EPACT: Energy Policy Act of 2005
(b) Conventional biofuel: ethanol derived from cornstarch.
Advanced biofuel: renewable fuel other than ethanol derived from corn starch. Includes Cellulosic, biomass-based and other undifferentiated advanced biofuels.

Growing Crude Production from Canadian Oilsands

WCSB Crude Production by Type (a)

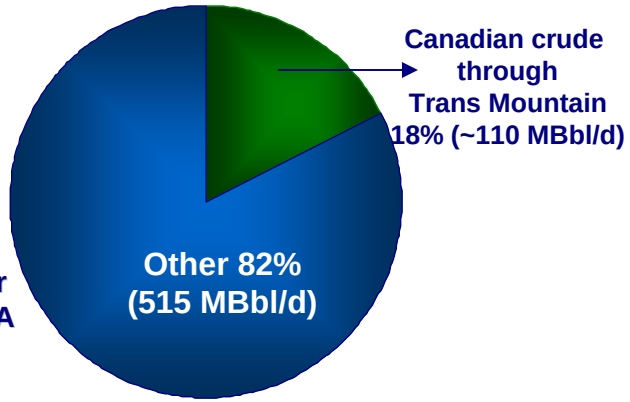


Heavy/Light Crude Differential (b)

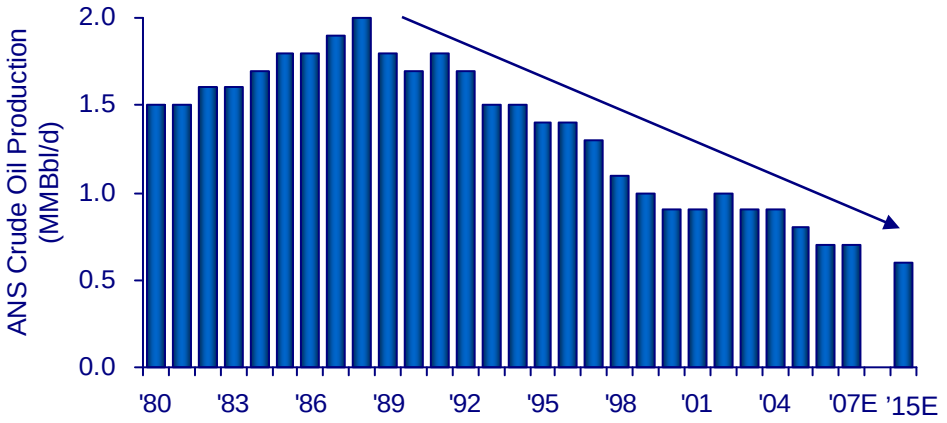


Washington State Refinery Capacity (c)

- Washington state refiners only use ~110,000 Bbl/d of Canadian crude
- Announced upgrade:
  - COP – Coker Ferndale, WA 2012-2015



ANS Production in Decline (d)

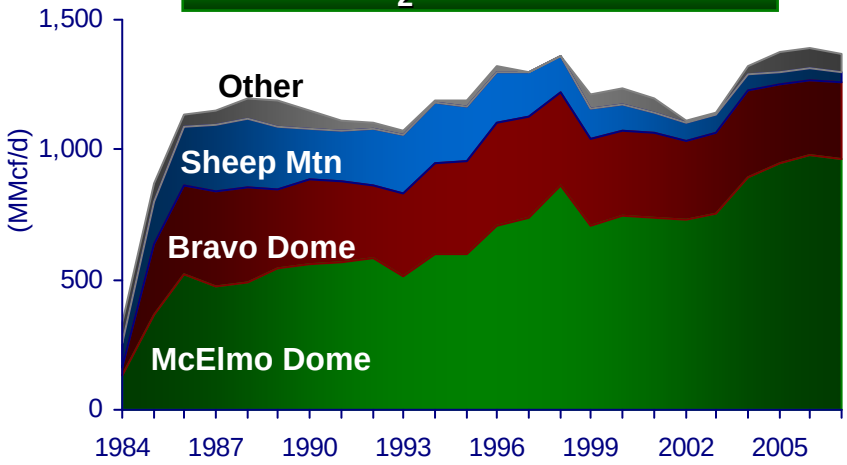


(a) Source: Canadian Association of Petroleum Producers – Jun'08 update (Moderate Case)
(b) Source: Dominion Bond Rating Service, Company reports

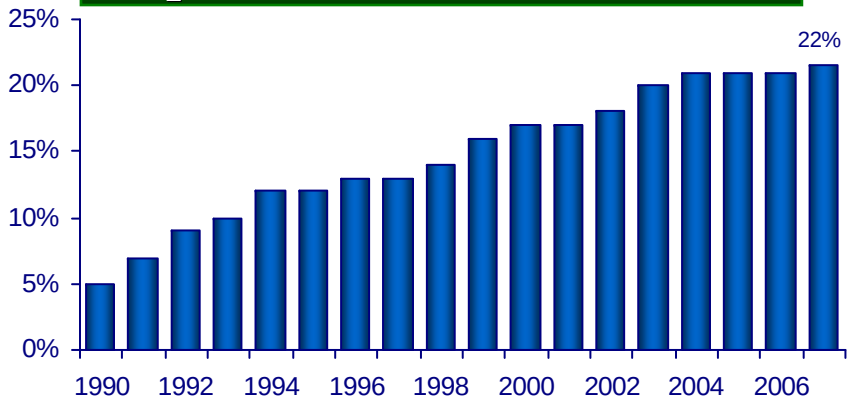
(b) Source: Bloomberg
(d) Source: EIA

High Oil Prices Mean Opportunities for Enhanced Oil Recovery

CO_2 Deliveries



CO_2 Floods % of Total Permian (a)



- **McElmo Dome**
  - Premiere Source of CO_2 in U.S.
  - ~22 years remaining deliverability
  - 45% KM working interest (37% net revenue interest)
  - 9.5 Tcf of remaining reserves (30 Tcf OGIP)
- **Doe Canyon (recently began production)**
  - Alternative supply source
  - Adjacent to McElmo
  - ~30 years remaining deliverability in initial developed area
  - 88% KM working interest (69% net revenue interest)
  - 2.4 Tcf of reserves (3.4 Tcf OGIP)

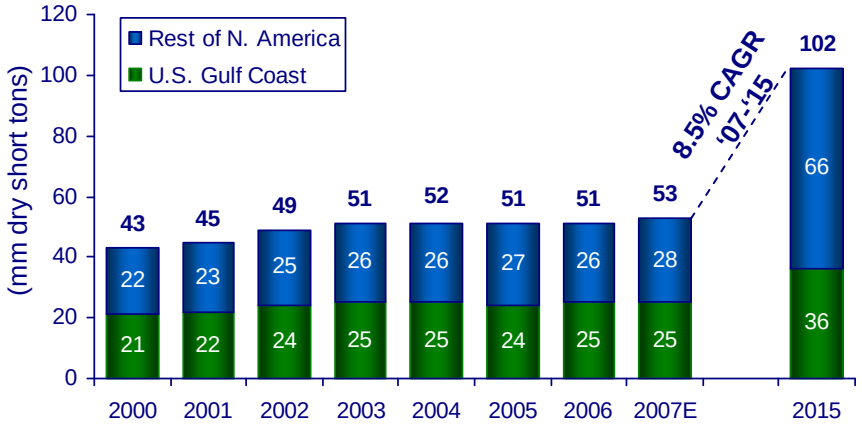
Sales & Transport Expansion

- **$290 million of capital (net to KM = $233)**
  - Cortez Pipeline +200 MMcf/d
  - McElmo Dome +200 MMcf/d
  - Doe Canyon +100 MMcf/d

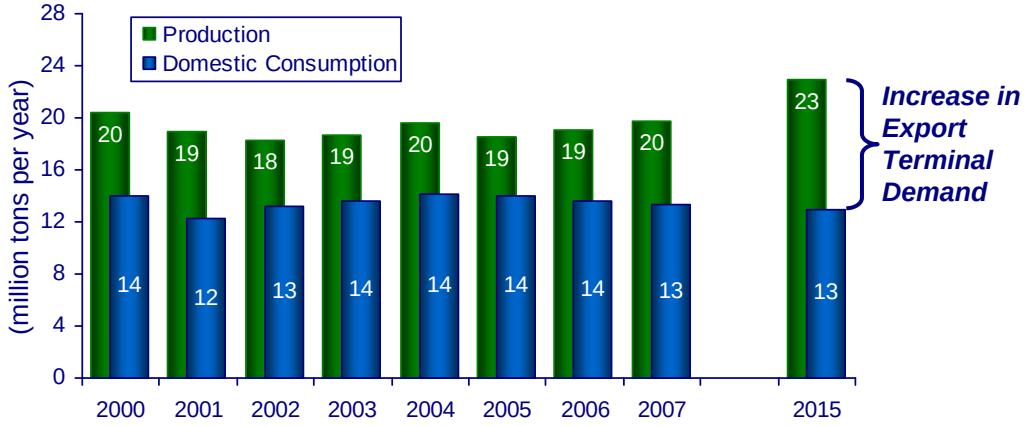
(a) Crude oil production in the Permian Basin derived from CO_2 floods as a percent of total Permian Basin crude oil production. 2007 is an estimate.
Sources: KM estimates, Oil and Gas Journal, EIA

Increased Production and Use of Heavy Crude

North American Petcoke Production (a)



North American Sulfur Balance (b)

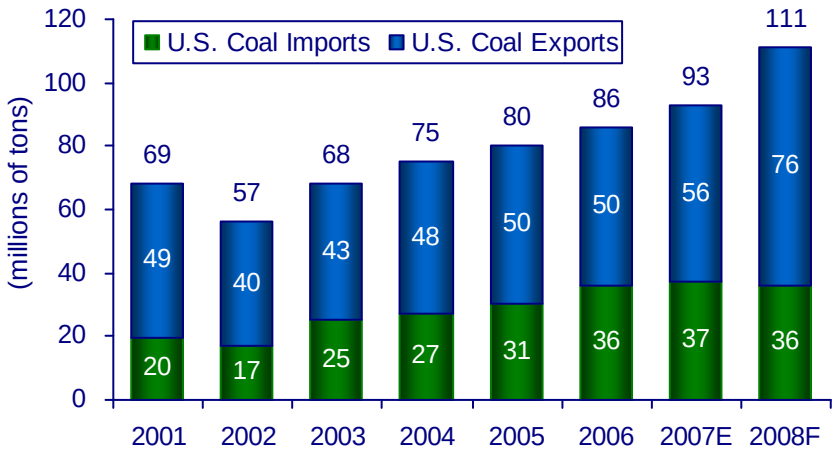


(a) Source: Jacobs Consultancy
(b) Source: The Sulfur Institute

- **Refiners are converting to handle heavier crude; Oilsands, South America…**
- **… Heavier, sour crude produces more residue**
  - Petcoke
  - Sulfur
- **Need for more petcoke handling**
  - Leverage strong Gulf Coast position into the Midwest and Canada
- **More sulfur to be exported**
  - Need for terminaling/storage
  - Application of proprietary prilling technology

Coal Imports/Exports

U.S. Coal Imports/Exports (a)



Our terminals are well-positioned on coasts and inland waterways to handle either export or import coal

Coal Imports

- **Appalachian coal production declining, affecting Eastern Utilities**
- **Tougher Environmental regulations on SO_2**
- **U.S. Utilities continue to diversify supply and transportation**
- **Existing contracts secured with minimums**

Coal Exports

- **Increased demand from Asian markets (China & India) has shifted supply away from Europe, raising prices in Europe**
- **The U.S. has been called upon to fill the supply shortfall in Europe**
- **Transportation rates have escalated, making U.S. exports to Europe more attractive**

(a) Sources: EIA, Coal Americas newsletter

Current Projects

Over $9 Billion In Current Projects

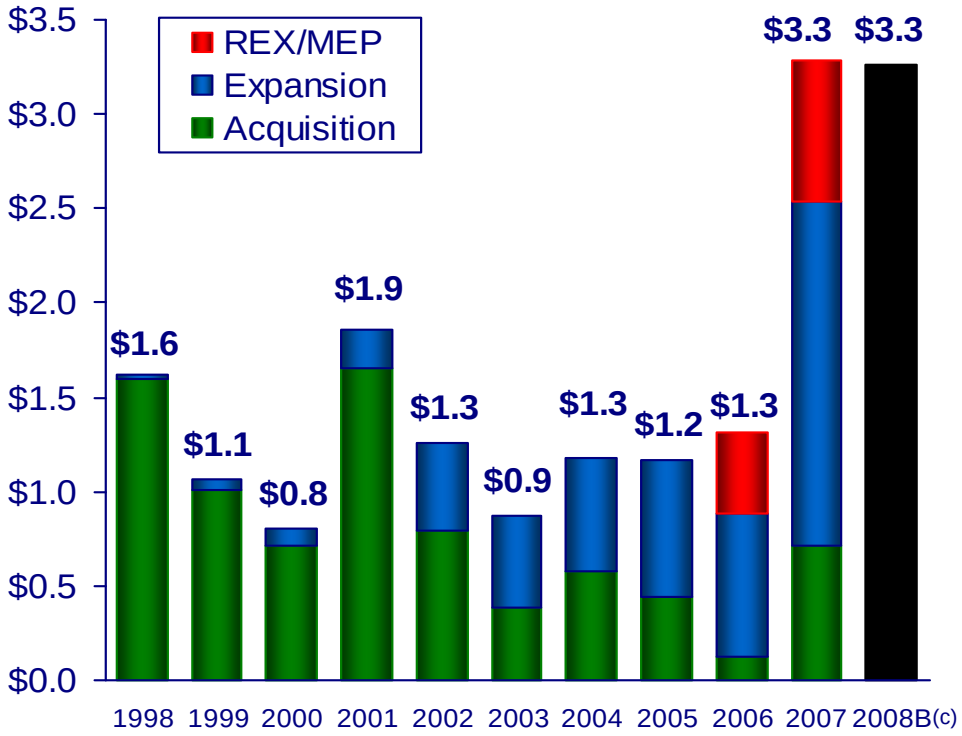
Project	Estimated Project Cost ($mm)	Expected Completion
Rockies Express	$3,020 (a)	2007-2009
Midcontinent Express	956 (a,b)	2009 (c)
Fayetteville Express	629 (a)	2011
KM Louisiana Pipeline	1,006	2009
CALNEV expansion	426	2011
Trans Mountain – Anchor Loop expansion	528	2008
CO_2 – SACROC and Yates	1,370	2008-2011
CO_2 – Source and Transport	233 (a)	2008
Other identified projects	1,263 (d)	2008-2012
Total	**$9,431**	

(a) Pro rata expenditures for KMP's ownership interest.
(b) Includes Zone 1 expansion from 1.5 to 1.8 Bcf/d.
(c) Expected in-service for original 1.4 Bcf/d project.
(d) Edmonton, Houston, Pier X, Perth Amboy, BP Whiting, Rubicon, Dayton, Colorado lateral, Goodrich, Markham, Carson, Miramar, Tampa ethanol and Travis AFB.

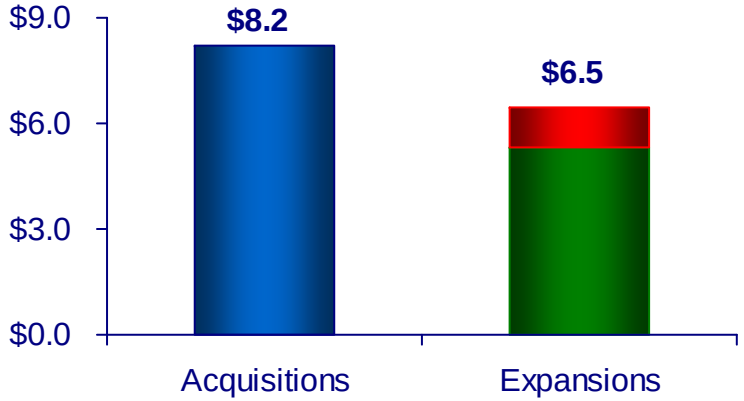
~$15 Billion in Capital Invested 1998-2007 (a,b)

($ billions)

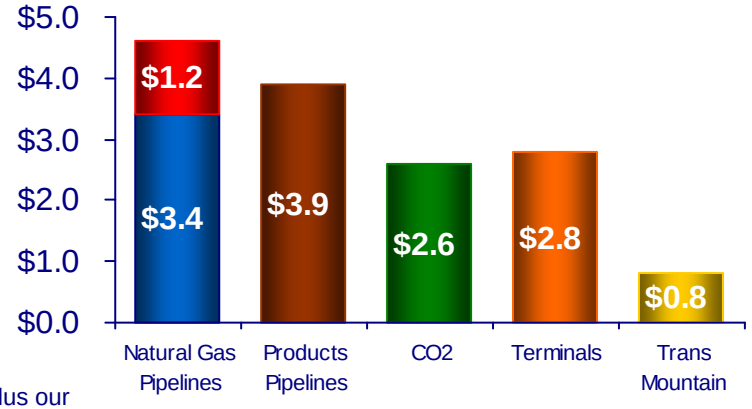
Total Invested by Year (a)



Total Invested by Type (a,b)



Total Invested by Segment (a,b)



(a) Invested capital, as defined in the Appendix to the KMEP 2008 Analyst Conference Presentation, plus our share of Rockies Express and Midcontinent Express capital expenditures in excess of our equity contributions.
(b) 1998 – 2007, does not include 2008 budget.
(c) 2008 budget. Includes $1.1 billion representing our share of budgeted REX/MEP capex in excess of expected equity contributions.

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Returns on Capital

	2000	2001	2002	2003	2004	2005	2006	2007
Segment ROI (a):								
Products Pipelines	11.9%	11.8%	12.8%	12.9%	12.4%	11.6%	11.8%	13.2%
Natural Gas Pipelines	13.3	15.5	12.9	13.5	14.0	15.5	16.7	17.6
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8
Trans Mountain	--	--	--	--	--	--	--	11.0
KMP ROI	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%
KMP Return on Equity	17.4%	19.0%	21.9%	23.2%	25.2%	26.6%	26.8%	27.4%

Note: A definition of this measure may be found on our website in the Appendix to the KMEP 2008 Analyst Conference Presentation.

(a) G&A is deducted in calculating the return on investment for KMP, but is not allocated to the segments and therefore not deducted in calculating the segment information.

Balance Sheet Has Remained Solid

Credit Summary

	Current (a)	Budgeted Yr-end 2008
L-T Debt Rating	Baa2/BBB (b)	
Credit Metrics		
Debt / EBITDA (c,d)	3.4x	3.3x
EBITDA / Interest (d)	6.2x	5.4x

Revolver Liquidity (a)

Total Bank Credit	$1,850
Less:	
Borrowings	(295)
Letters of Credit	(681)
Liquidity	***$874***
Liquidity x-Lehman	***$811***

Long-term Debt Maturities (a)

2008	$5 (e)
2009	$250
2010	$250
2011	$700
2012	$950

(a) As of and for the quarter ended 30-Sep-2008.
(b) On 13-Oct-2008, S&P revised its outlook on KMEP to 'Negative' from 'Stable'. At the same time, S&P affirmed KMEP's long-term credit rating of 'BBB' but lowered the short-term rating to 'A-3' from 'A-2'.
(c) Debt balance excludes fair value of interest rate swaps and is net of cash.
(d) EBITDA and interest are trailing 12 months.
(e) Remaining in 2008.

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Risks

- **Regulatory**
  - Pacific Products Pipeline FERC/CPUC case
  - Periodic rate reviews
  - Unexpected policy changes
- **CO_2 Crude Oil Production Volumes**
- **Construction Cost Overruns**
- **Environmental**
- **Terrorism**
- **Interest Rates**
  - Approximately 50% floating rate debt
  - Budget assumes flat rates at a level above the current forward curve
  - The full-year impact of a 100-bp increase in rates equates to an approximate $39 million increase in interest expense

Summary

- **Stable Cash Flow**
  - Own assets core to energy infrastructure
- **Internal Growth Opportunities**
  - Critical Mass
  - Well-located assets/favorable demographics
- **Fixed Cost Business**
  - Drop growth to bottom line
- **Unique Structure**
  - Tax Efficient
  - Incentive Fee
- **Management Philosophy**
  - Low-Cost Operator
  - Focused on cash
  - Disciplined Investment

KMP/KMR:
7-8% Yield
and
8%
Long-Term
Growth


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