

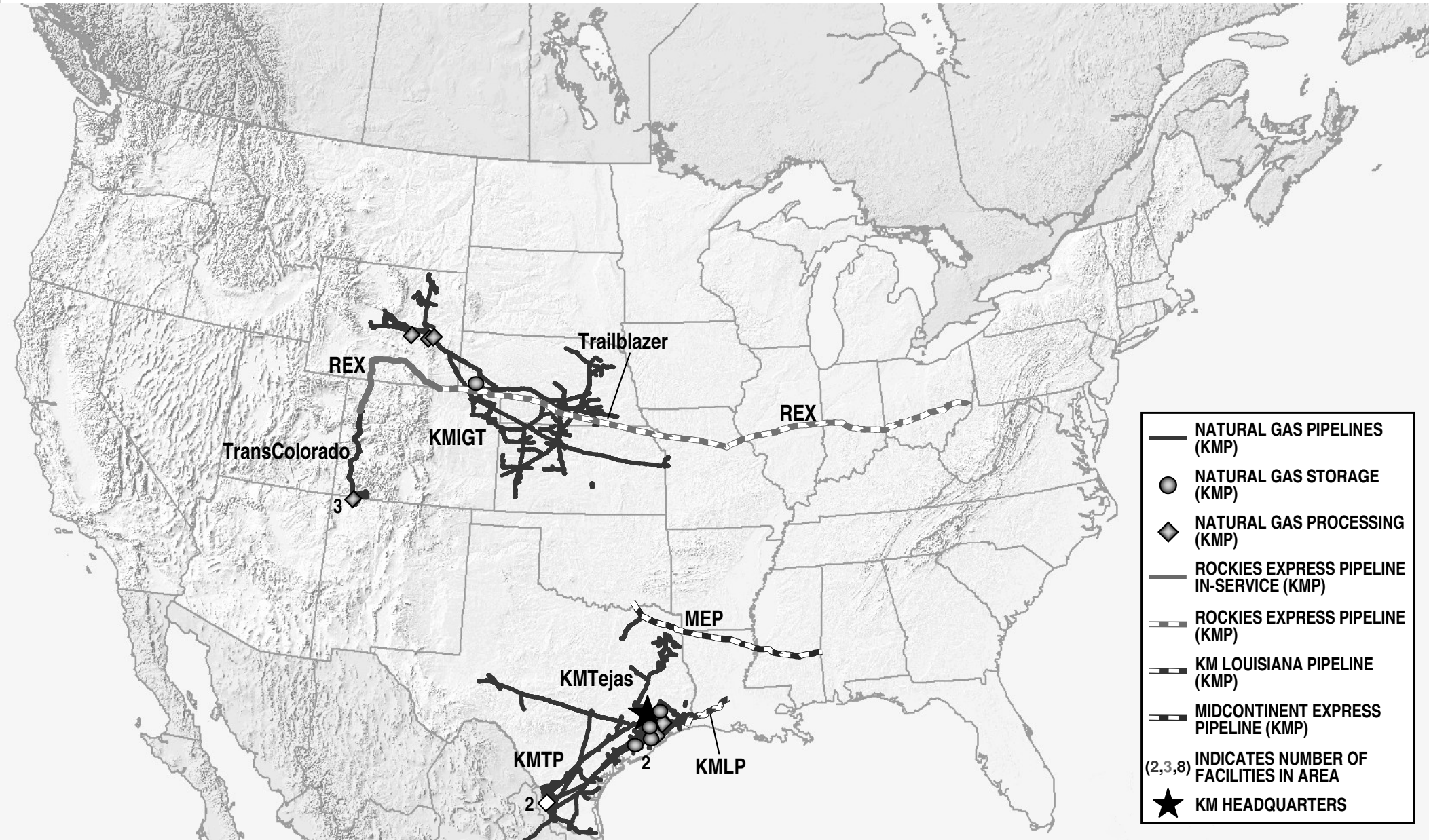
Natural Gas Pipelines

Scott Parker

President Gas Pipeline Group

KMP

Natural Gas Pipelines and Facilities

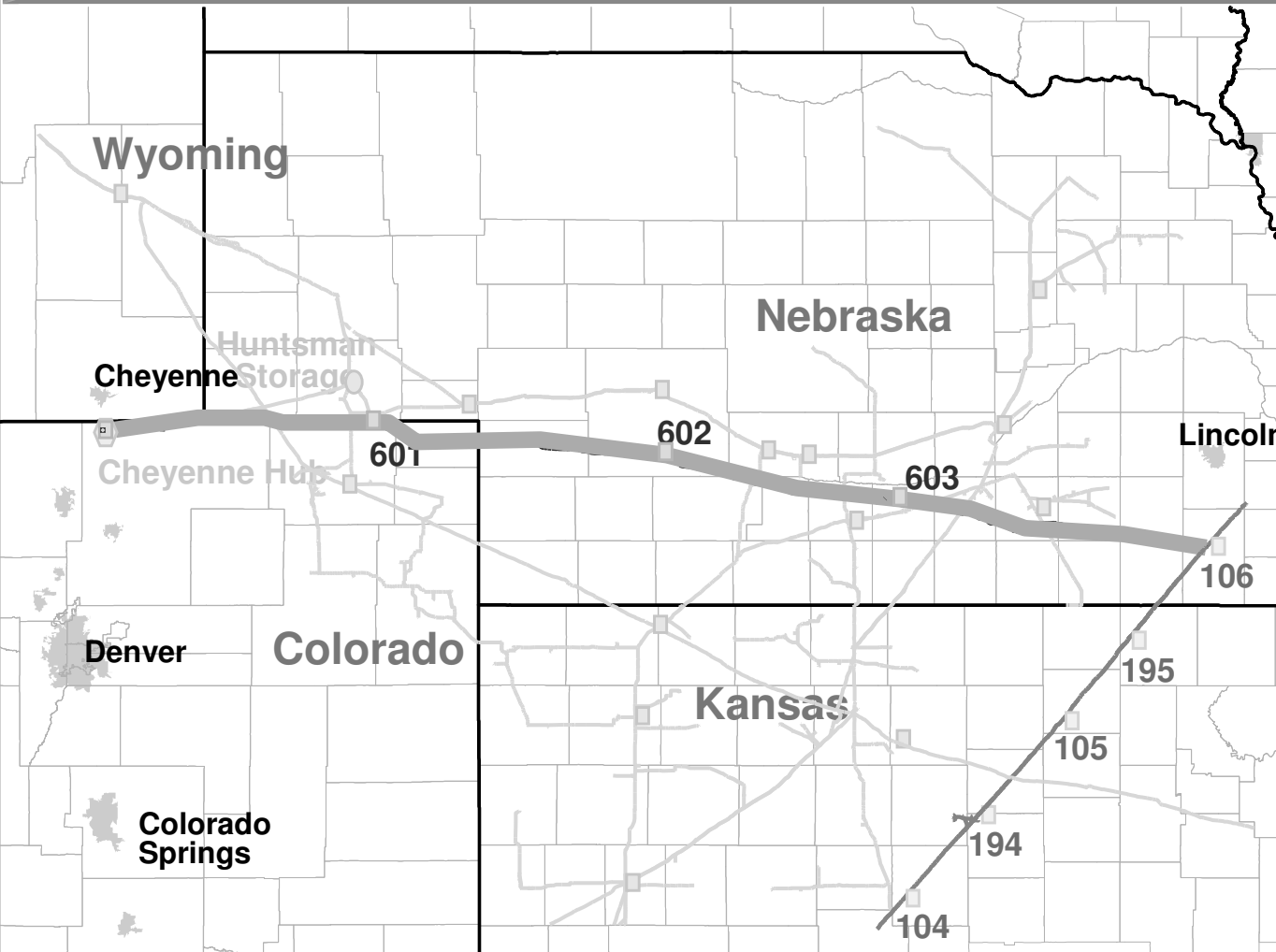


- NATURAL GAS PIPELINES (KMP)
- NATURAL GAS STORAGE (KMP)
- ◆ NATURAL GAS PROCESSING (KMP)
- ROCKIES EXPRESS PIPELINE IN-SERVICE (KMP)
- - - ROCKIES EXPRESS PIPELINE (KMP)
- - - KM LOUISIANA PIPELINE (KMP)
- - - MIDCONTINENT EXPRESS PIPELINE (KMP)
- (2,3,8) INDICATES NUMBER OF FACILITIES IN AREA
- ★ KM HEADQUARTERS

KMP Natural Gas Pipelines

Trailblazer Pipeline
Kinder Morgan Interstate Gas Transmission
TransColorado
Texas Intrastates
Midcontinent Express Pipeline
Rockies Express Pipeline
Kinder Morgan Louisiana Pipeline

Trailblazer Pipeline Company



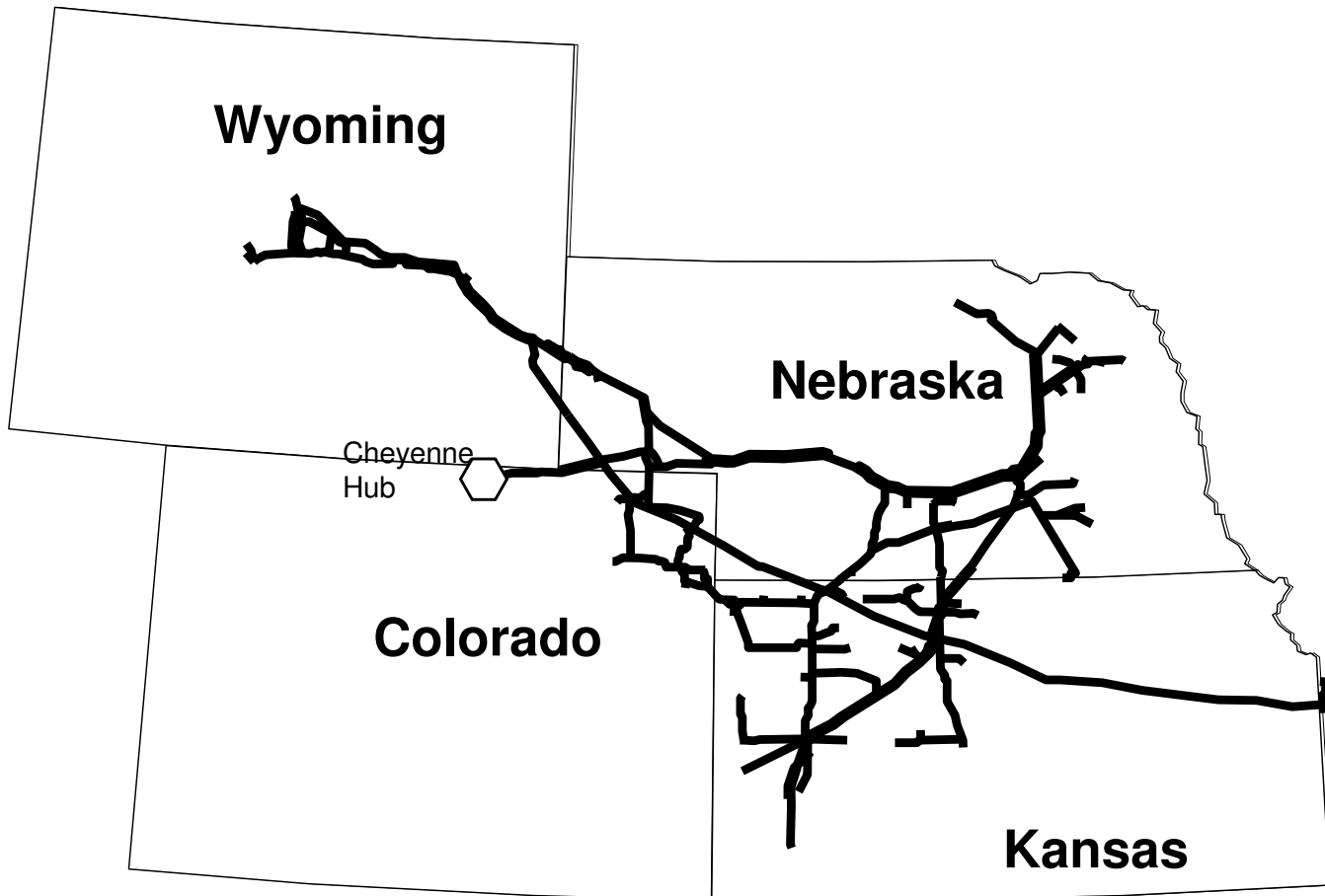
Trailblazer

- 436 Miles of Pipe
- 3 Compressor Locations with 58,000 HP
- Max Throughput = 0.878 Bcf/d
- Low cost pipeline out of region
- Long term contracts



KMIGT

Kinder Morgan Interstate Gas Transmission



KMIGT

4,500 miles of various diameter pipeline

■ **Supply basins:**

- Central WY
- Northeast CO
- Kansas Hugoton

■ **Markets:**

- LDCs, Industrials, & Ag. In NE, KS, & MO
- Marketers transporting to mid-continent pipelines
- Ethanol Plants

■ **Capacity**

- Transp. 830 MDth/d
- Storage 10 Bcf

KMIGT Growth Projects...

New LDC Connection

- **Approximately 50 MDth/d of potential demand exist via a new pipeline along the front range.**
 - KMIGT has finalized long term binding agreements to construct a \$30 million pipeline
 - Currently looking to expand or extend project scope
 - In-service in 2008

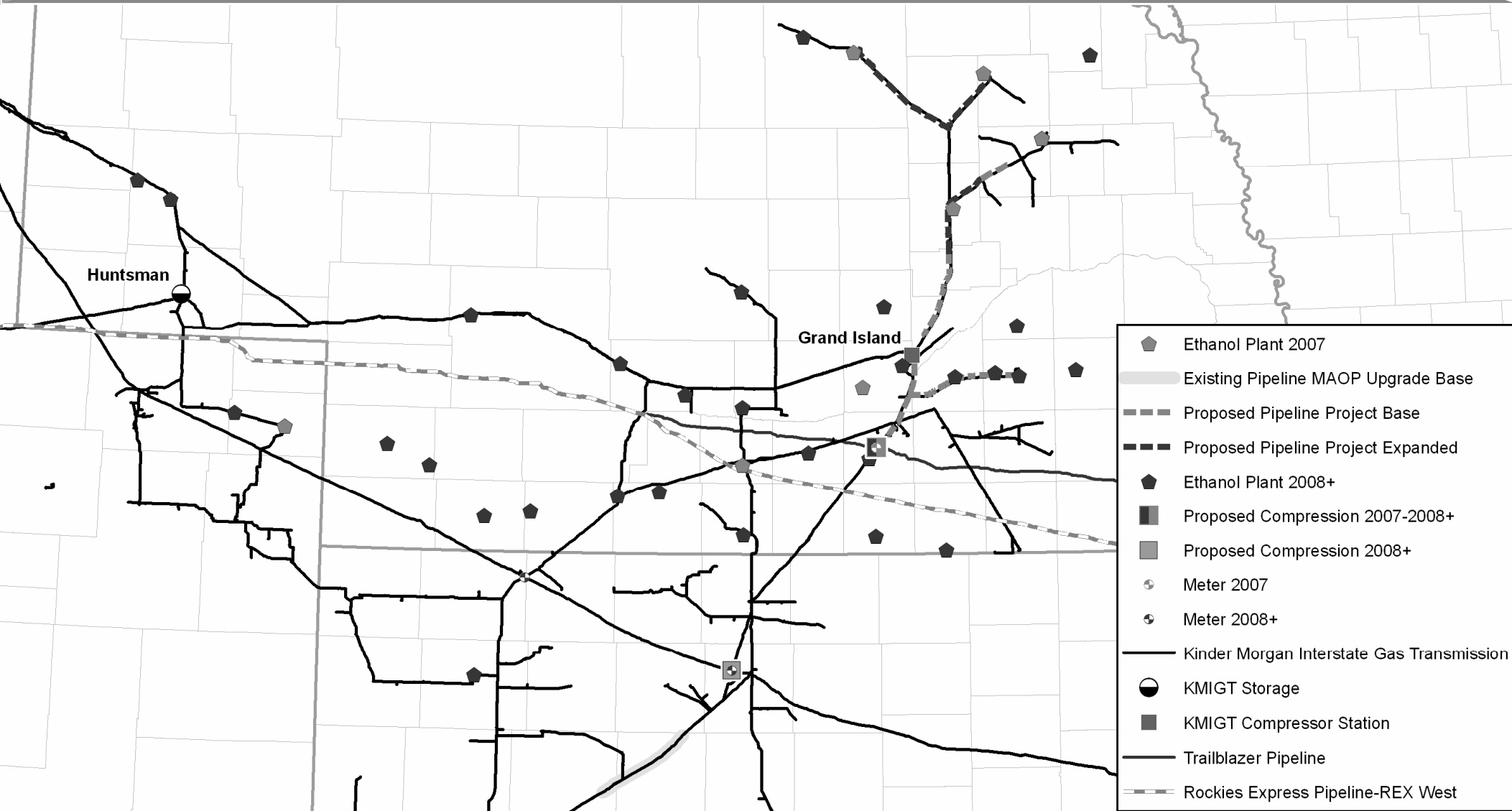
New Demand from Proposed Ethanol Plants

- **In excess of 300 MDth/d of potential demand exists via proposed new ethanol plants or plant expansions**
 - Potential for \$50 - \$100 million in Expansion Expenditures
 - Expect long term contracts with high steady flow rates
 - Status: Currently Negotiating Precedent Agreements will finalize project design in the first quarter of 2007, expect in-service fall of 2008

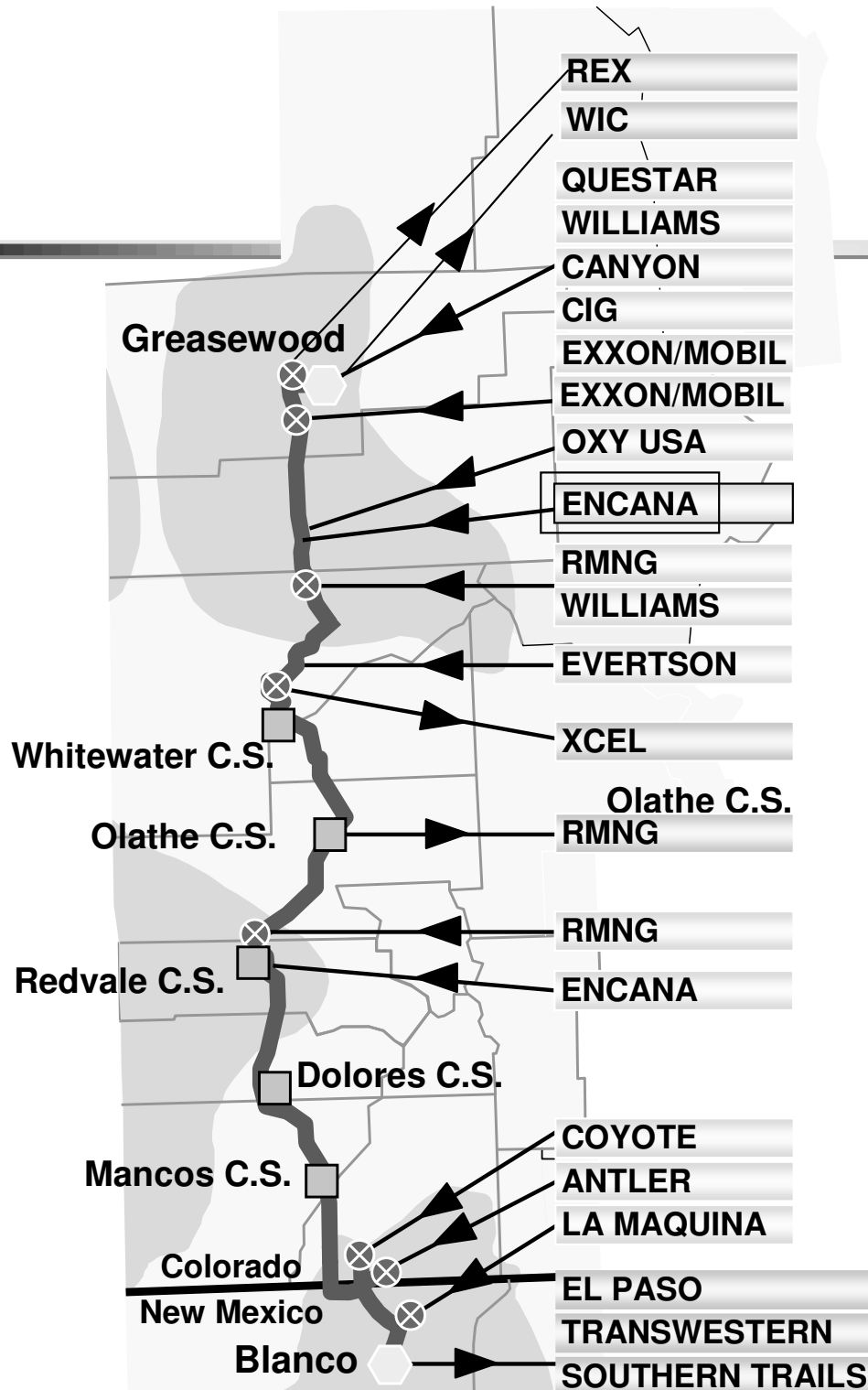
Storage

- **Evaluating the acquisition / expansion of storage fields**
- **Potential service would be approximately 10 Bcf of working gas**

Planned Ethanol Plant Locations & Facilities

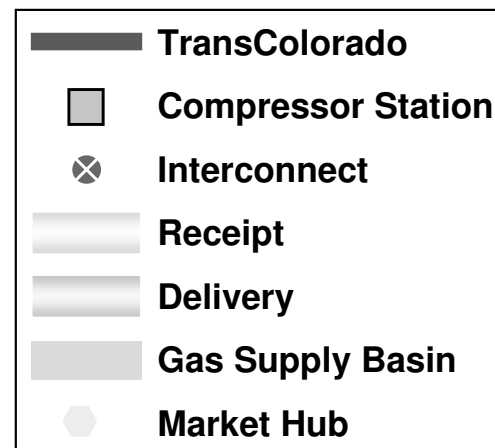


TransColorado Pipeline



TransColorado

- 301 miles of 22" & 24" pipeline
- Originates at Greasewood CO
- Terminates at Blanco, NM
- Bidirectional Flow
 - Capacity North - 400 MDth/d
 - Capacity South
 - Phase I – 150 MDth/d
 - Phase II – 425 MDth/d



TransColorado Growth Projects...

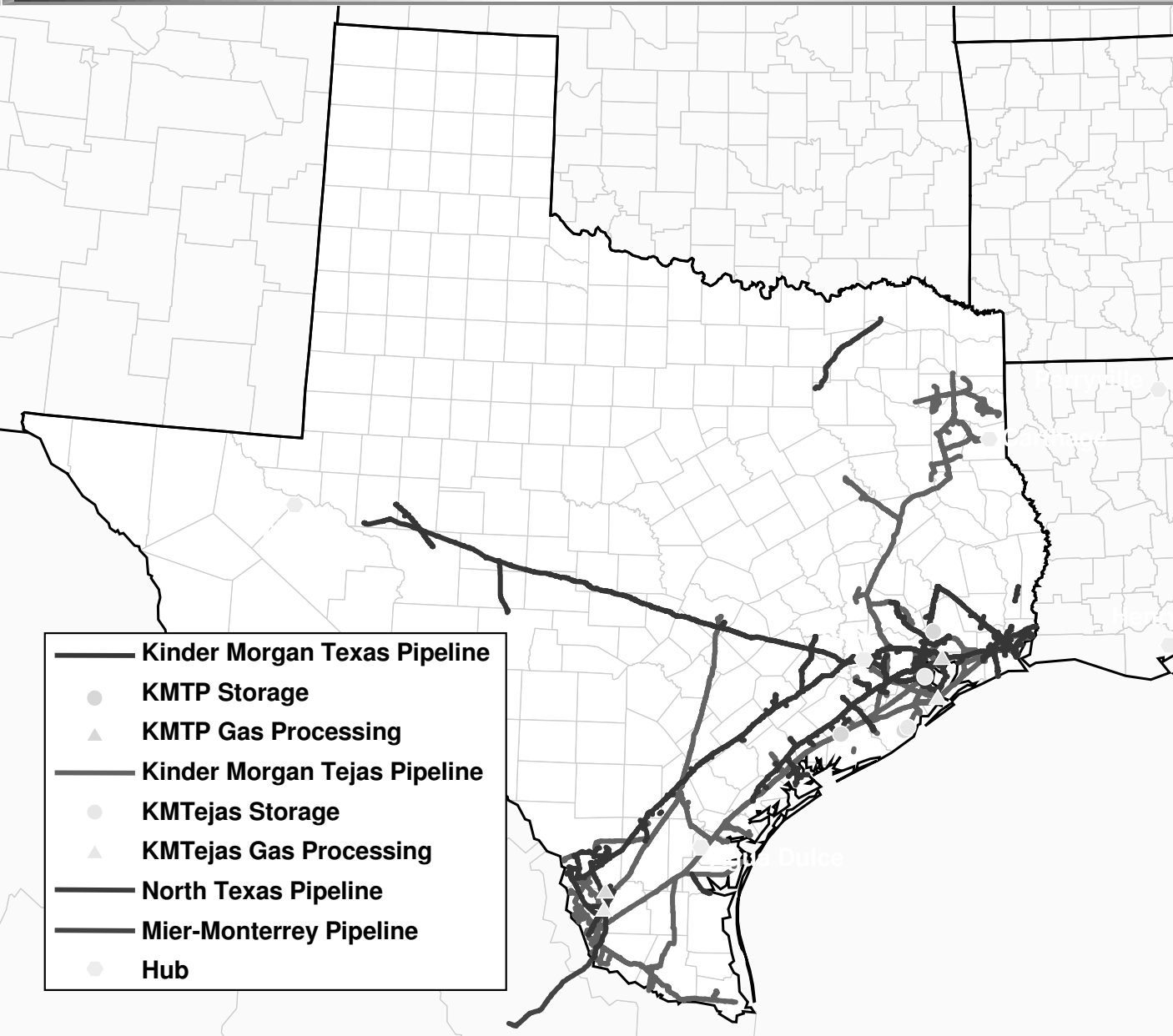
250,000/day expansion for northbound capacity from Blanco to REX

- Fully subscribed by Conoco
- In-service Jan 2009

Potential:

- New Producer Interconnects for example, Exxon Piceance Creek
- TransColorado Hub Service
- Phase 1 (Blanco) expansion (potential \$12 million of capex)
- If production increases as projected demand for capacity both North and South on TC should increase providing for opportunities for margin increases and additional expansions.

Texas Intrastate Pipelines



Texas Intrastate Pipes

- 6,000 miles of pipeline
- 5 Bcf/d capacity
- 120 Bcf on-system storage
- 915 MMcf/d processing capacity
- 250 MMcf/d CO₂ treating capacity

Texas Intrastate Pipelines

Future Growth

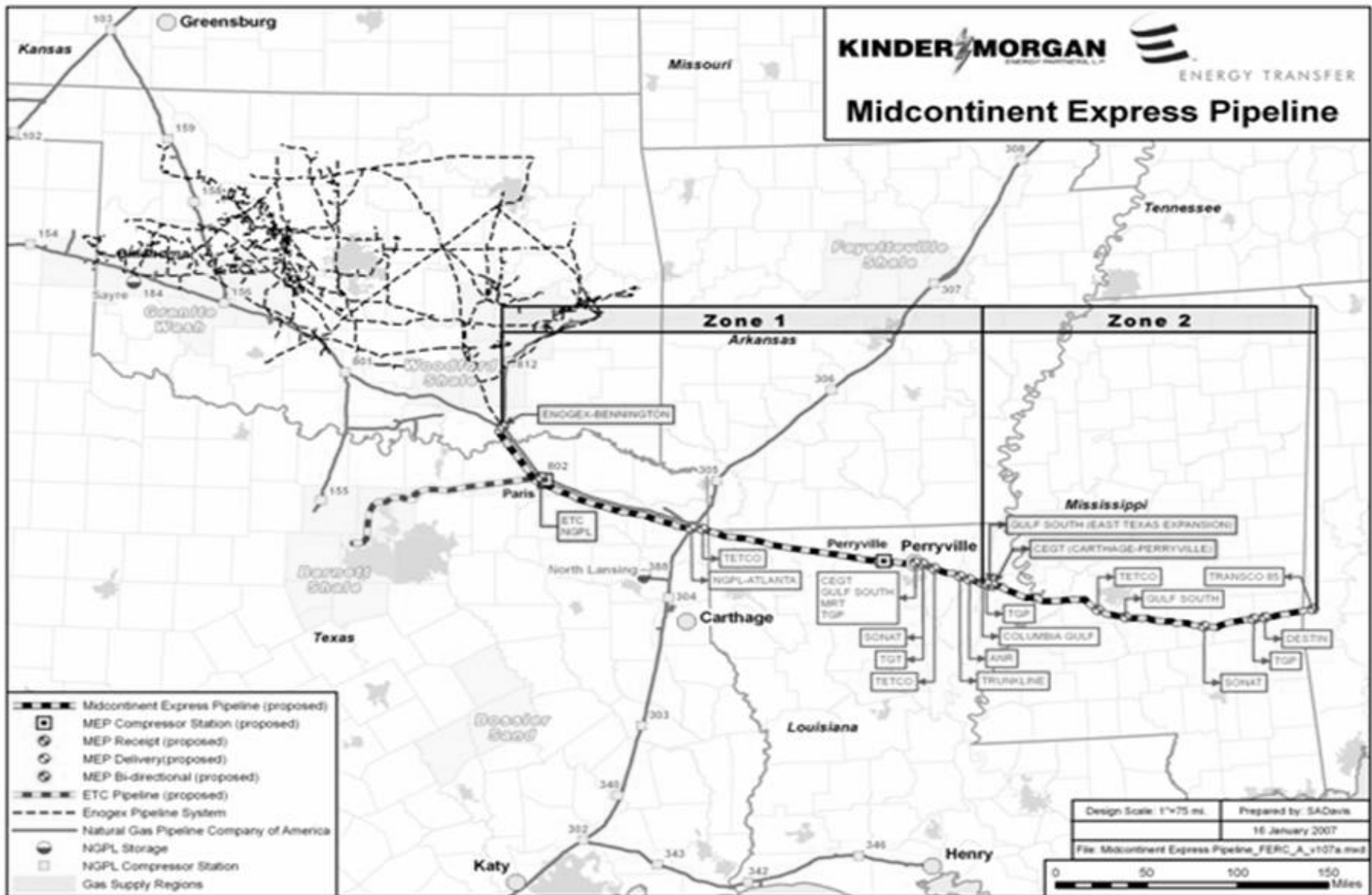
Base Business Growth:

- Continue to create value by operating / optimizing two pipeline systems
- Higher sales premiums for ratable and swing services
- Strong performance from processing, treating and conditioning
- Significant contribution from storage and optimization activities
- Steady performance in GLU
- Improving transport margins - Captured major CenterPoint contract starting April 2007
- Continuing issues with accessing gas supply in South Texas

Expansion Projects:

- **\$22 million East Texas Expansion**
 - 13 miles of 24" pipeline, \$22 million capital expenditure
 - Supported by 100,000 Dth/day contract, In-service April 2007
 - Marketing additional East Texas Expansions and Extensions
- **Storage**
 - 6 Bcf Markham Storage Expansion – In-service April 2007
 - Dayton Storage Expansion – In-service 2009
 - Potential – Reviewing additional Markham expansion for in-service in 2007 / 2008

Midcontinent Express (MEP) System Map



Midcontinent Express Pipeline

50/50 Joint Venture with ETC to build Midcontinent Express

- **Key driver – Increasing production in Texas and Oklahoma**

Project:

- **MEP to lease up to 250 - 500 MDth/d of capacity from Enogex from locations in East and Western Oklahoma into the MEP pipeline**
 - Will include an interconnect with NGPL in Western Oklahoma
- **MEP to Construct:**
 - 40 miles of 30", 257 miles of 42" and 197 miles of 36"
 - 70,900 of horsepower at two compressor stations
 - Total projected cost \$1.25 Billion

Current Customer Commitments:

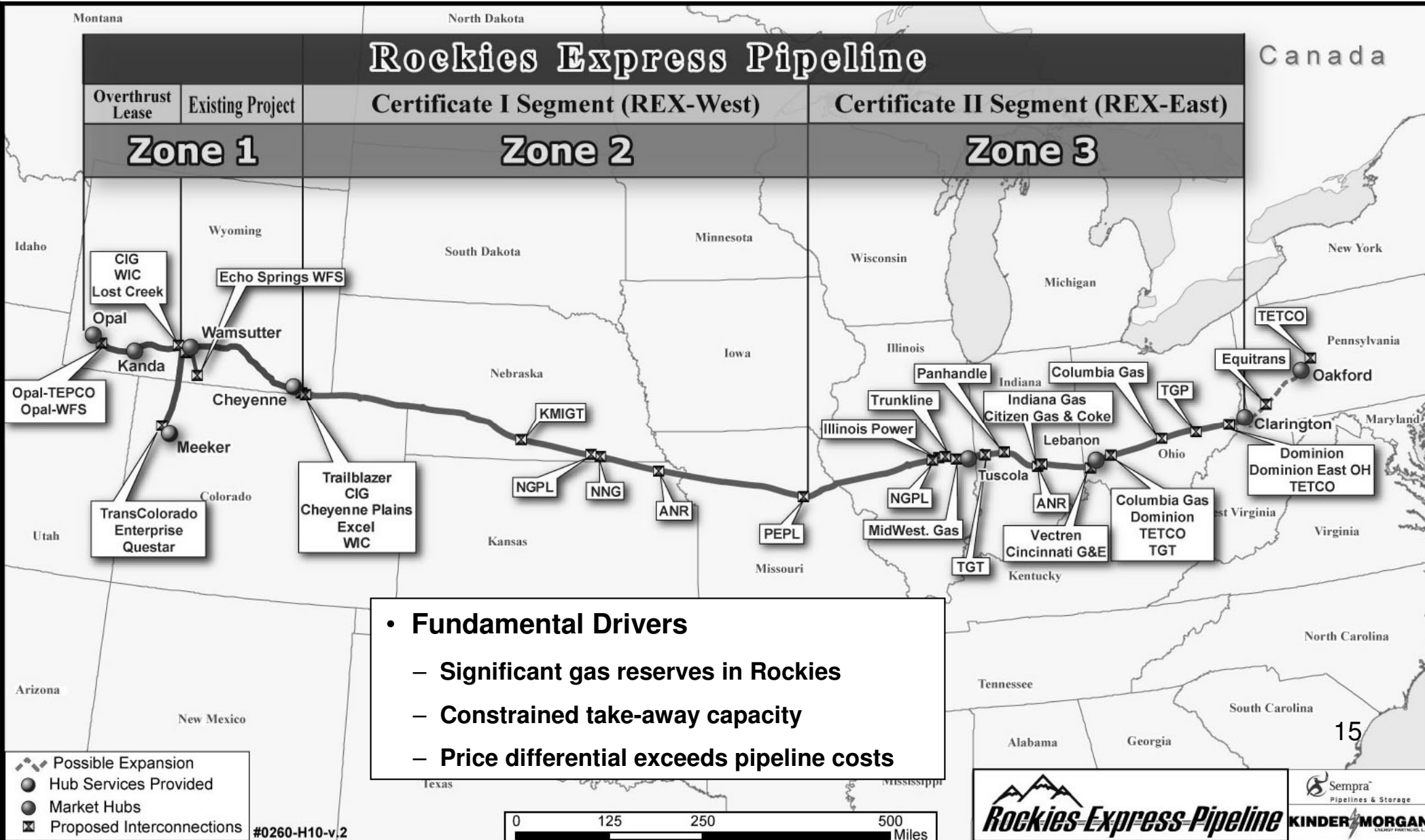
- **Prior to open season announced 800,000 Dth/day of binding commitments for 10 yr term**
 - 500,000 Dth/day commitment from Chesapeake
- **Open season closed on January 16th, currently have over 1,000,000 Dth/day of commitments. Working to finalize several precedent agreements received in the open season with conditions and continuing to work with other shippers for additional commitments.**

Midcontinent Express Pipeline

Key Dates:

- Open Season concluded on January 16, 2007.
- Pre-filing meetings with FERC staff January 25 & 26th, 2007.
- NEPA Pre-Filing Procedure Request Letter to be sent in February 2007.
- Expected Certificate Application Filing in August 2007.
- FERC Approval anticipated in May 2008.
- Commencement of construction in June 2008.
- In-service date for entire system no later than February 28, 2009.

Rockies Express Pipeline (REX)



Project Overview - Entrega

Entrega

■ Phase I:

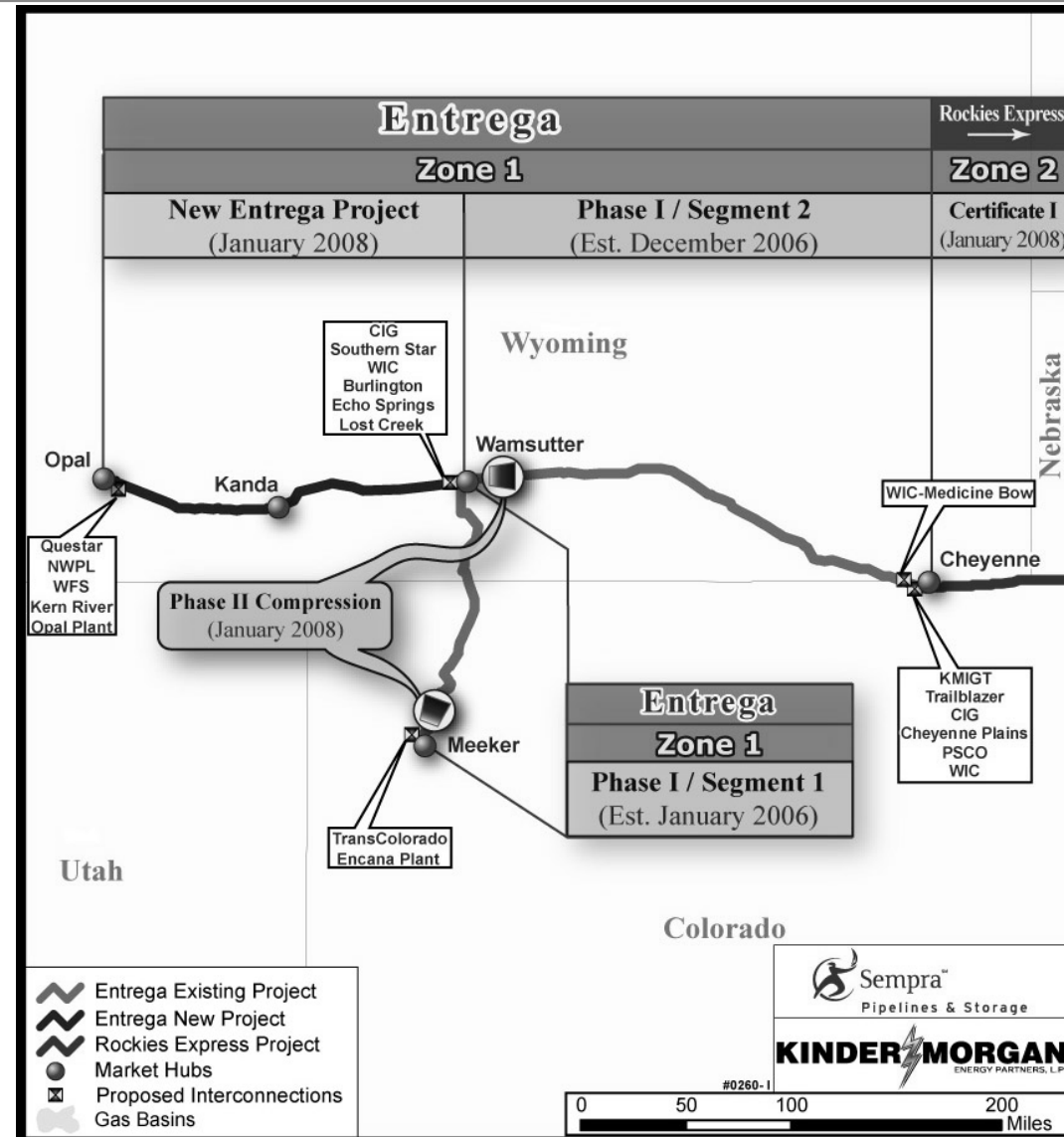
- Purchase Segment 1 (130 miles):
 - 36" pipeline, Meeker to Wamsutter
 - Flowing gas in early 2006
- Complete Segment 2 (200 miles):
 - 42" pipeline, Wamsutter to Cheyenne
 - In-Service est. Jan 2007

■ 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 36" pipeline
- Lease form Overthrust to effectuate optimal shipper flexibility and project scalability
- Design Capacity of 1.0 Bcf/d, expandable to 1.5 Bcf/d
- In-Service no later than January 2008



Project Overview – Rockies Express

- **Construction of 42 inch, 1,323 mile pipeline from Cheyenne Hub to Clarington, Ohio with 1.8 Bcf/d transport capacity**
- **In-service**
 - Certificate 1 (REX West) - January 2008
 - Certificate 3 (REX East) - June 2009
 - Interim service as facilities come on line
- **Total Projected Cost (Entrega & REX) = \$4.425 Billion**

REX West Update

■ Key Dates:

- Submitted application to FERC on May 31, 2006.
- Received pre-determination on non-environmental issues Sept 21, 2006.
- Received draft environmental impact statement, EIT on Nov 3, 2006.
- FERC approval anticipated in Spring 2007.
- Commencement of construction soon after FERC approval received.
- In-service date for REX West January 1st, 2008.

■ Right-of-way, Material and Contactor update:

- 84% of right-of-way acquired
- Pipe being produced at mills on schedule for construction
- Some shifting between mills but no schedule impact
- Compression ordered and on schedule for construction
- Required construction contractor spreads under contract

REX East Update

■ Key Dates:

- Pipeline route and environmental surveys ongoing
- Draft Environmental resource reports submitted to FERC in Jan 2007
- Expect to submit FERC application in Spring 2007.
- FERC approval anticipated in Spring 2008.
- Commencement of construction soon after FERC approval received.
- Partial In-service date for REX West January 1st, 2009.
- Full 1.8 Bcf in-service (all compression) June 1st, 2009.

■ Material and Contactor update:

- Pipe on order and on schedule for construction
- Compression ordered and on schedule for construction
- Finalizing construction contractor agreements in first quarter of 2007

REX 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**

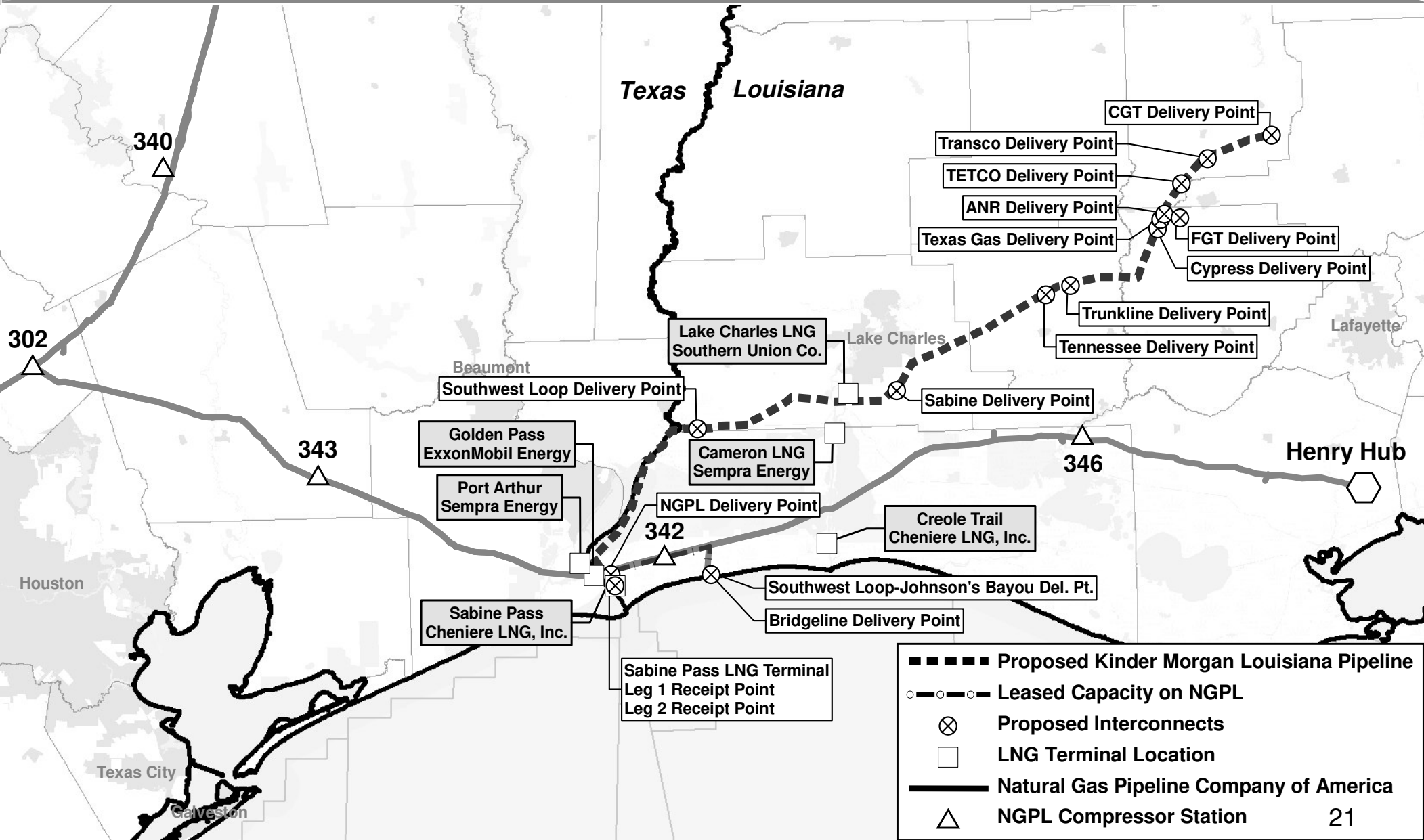
- **Hub service at various key locations**

- **Extensions and expansions off the project**

- **Continue to look at opportunities to extend the pipeline further east**

- **Opportunities to connect additional markets along the way**

Kinder Morgan Louisiana Pipeline LLC



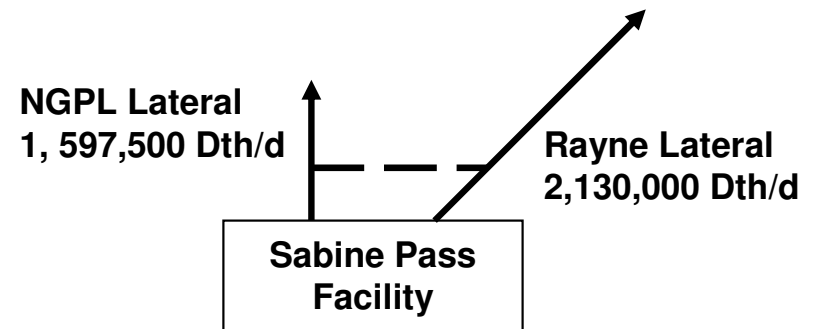
LNG

Kinder Morgan Louisiana Pipeline

Capital ~\$500 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



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

LNG

Kinder Morgan Louisiana Pipeline

Beyond the Initial Project... Future Growth Potential:

- Continue discussions with multiple parties to potential expand the capacity of the pipeline (with LNG upstream supply schedules extending discussions have continued)
 - Increase of 300,000 to 1 bcf in capacity
 - Capex ranging from an additional \$50 - \$150 million
- Potential to connect to additional LNG Plants and / or storage facilities
- Smaller Opportunities Include:
 - Early In-service opportunities
 - Short-haul, IT and PALs services

KMP 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:

- MidCont Express, Rockies Express and KM Louisiana Pipeline
 - New Projects to enhance or expand these Major Projects
- Storage (acquisition, development and expansions)
- Continued development of pipeline and storage projects off the existing asset base
- Continue to compete for new projects like MEP

Reinvest in existing assets

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

