



Doing the Right Thing Today for Tomorrow *Operational Excellence 2009*

Kinder Morgan Energy Partners, L.P. (KMP) is a leading pipeline transportation and energy storage company in North America. We own an interest in or operate approximately 28,000 miles of pipelines and 180 terminals. Our pipelines transport natural gas, gasoline, crude oil, CO₂ and other products, and our terminals store petroleum products and chemicals and handle bulk materials like coal and petroleum coke. We are also the leading provider of CO₂ for enhanced oil recovery projects in North America.

At Kinder Morgan, we employ sustainable business practices and conduct ourselves in an ethical and responsible manner. We are committed to operating our assets safely and protecting the public, our employees, our contractors and the environment. Below are some of our achievements in these areas in 2009.

- Kinder Morgan continued to outperform the industry averages relative to safety and environmental performance measures. One example is a milestone achieved by our Products Pipelines business of no spills for 12 months on our rights-of-way. Because we are committed to transparency, this information and more is available on our web site.
- We invested almost \$90 million in ethanol storage and blending infrastructure at many of our terminals. In 2010, we expect to handle about 250 million barrels of ethanol, or about 25 to 30 percent of all the ethanol handled in the United States.
- We became the first pipeline company in the United States to transport biodiesel for commercial purposes. Kinder Morgan is now shipping the product through our Plantation pipeline in the southeast United States and our Oregon Pipeline from Portland to Eugene.
- Two Kinder Morgan facilities were recognized by the Occupational Safety & Health Administration's (OSHA) Voluntary Protection Program. Our terminal in Benicia, Calif., was accepted as a Star site, and the Yates Field in Iraan, Texas, received the Star Among Stars award for the tenth consecutive year. This award is given to workplaces that meet or exceed OSHA regulatory standards. Our Sanford terminal in North Carolina is also a Star site.
- Kinder Morgan received a five-year Continuing Excellence Award for participating in the U.S. Environmental Protection Agency's Natural Gas STAR Program. Since we entered the program in 1993, we have improved operational efficiency to save approximately 5.7 billion cubic feet of natural gas and reduce methane emissions.
- We received more than \$2.5 million in federal grants to improve security at our facilities regulated by the U.S. Coast Guard. The grants will be used to install Transportation Worker Identification Credential readers at terminals in California, Florida, Illinois, Louisiana, South Carolina, Texas, Virginia and Washington state.
- Operations began on a compressor station in Peetz, Colo., that is part of a recovered energy project. The waste heat from the compressor is recovered and used to generate electricity.
- We conducted tours of facilities with emergency responders to help them understand our operations. Attendees learned about the various products we handle and what to be aware of if they are needed to respond to an emergency.

(more)

- The Virginia State Corporate Commission presented a certificate of appreciation to Kinder Morgan for our damage prevention public outreach and awareness activities. We held multiple meetings in the state to educate contractors and emergency responders.
- Kinder Morgan's Willbridge terminal in Oregon was awarded the Gold Pollution Control Award from the Environmental Services Industrial Pretreatment section of the City of Portland. The award is given to the city's industrial customers that work to protect the environment and keep the area's rivers, streams and watersheds healthy. The gold-level award is presented to companies that have not had a permit violation for 10 consecutive years.
- The Mayor of New York City, Michael Bloomberg, praised our terminal in the Bronx for its cost-effective, environmentally sound system for managing the city's waste. The terminal is part of the city's plan to move all trash out of the area by railcar instead of trucks. This eliminates hundreds of trash-hauling rigs from New York City's congested roadways and reduces emissions.
- We were recognized for our energy load reduction programs in California by Pacific Gas and Electric and Southern California Edison. Kinder Morgan voluntarily participated in demand response programs sponsored by both utilities and curtailed electric usage at several facilities.
- The Kinder Morgan Foundation made almost \$1 million in grants to youth organizations. We supported education, arts and science programs.
- Kinder Morgan received an award from the Arizona Governor's Archaeology Advisory Commission for contributing to the state's archaeological heritage. It recognized our support of educational materials describing archaeological sites found during two of our pipeline expansion projects.
- Our terminal in Guntersville, Ala., received the Eagle Award of Excellence from the local chamber of commerce. The annual award honors outstanding businesses and business people.
- We continued our partnership with the Wildlife Habitat Council (WHC) to preserve wildlife habitat preservation and promote conservation education. Two of our projects, the Geismar Logistics Terminal in Geismar, La., and the Raft River project near Clearwater, British Columbia, received international recognition at the organization's annual symposium. Kinder Morgan now has seven projects certified by the WHC.
- Kinder Morgan created the Line Rider College to ensure employees responsible for monitoring our pipeline right-of-way are prepared. Courses include classroom-style training and hands-on instruction.
- Employees in our Calgary, Alberta, office participated in Environment Week's Commuter Challenge. Almost 86 percent of employees, the highest among similar sized companies in Calgary, chose an alternative way to get to work such as biking or carpooling.
- We reduced our impact on the environment and saved unitholders' money by not printing and mailing an annual report. Instead, we posted our chairman's letter and our Form 10-K on our web site.
- Kinder Morgan donated surplus construction materials valued at more than \$30,000 to colleges, high schools and community organizations along the route of our Rockies Express natural gas pipeline project. Students training for careers in the welding and construction trades, emergency responders and local service agencies used the pipe, lumber and other items.
- We donated a historic parcel of land adjacent to our Harvey, La., terminal to the city of Westwego. The land was once the location of Seven Oaks Plantation, which can be traced back to 1719.

Kinder Morgan
Suite 1000, 500 Dallas
Houston, Texas 77002
(713) 369-9000
www.kindermorgan.com