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## **KMP BEGINS COMMERCIAL OPERATIONS OF ETHANOL TRANSPORTATION ON CENTRAL FLORIDA PIPELINE SYSTEM**

HOUSTON, Dec. 2, 2008 – Kinder Morgan Energy Partners, L.P. (NYSE: KMP) today announced it is now transporting commercial batches of denatured ethanol along with gasoline shipments in its 16-inch Central Florida Pipeline (CFPL) between Tampa and Orlando, Fla., making CFPL the first transmarket gasoline pipeline in the United States to do so. Kinder Morgan has invested approximately \$10 million to modify the line for ethanol shipments which involved chemically cleaning the pipeline, replacing pipeline equipment that was incompatible with ethanol and expanding storage capacity at its Orlando terminal to handle ethanol shipments.

“We are excited about the commercial opportunities presented by the successful efforts in modifying Central Florida Pipeline and are assessing our other pipeline assets that may be similarly modified to meet expanding customer needs for biofuels,” said KMP Products President Tom Bannigan. “We expect the CFPL expansion to be immediately accretive to cash available for distribution to KMP unitholders.”

In addition to the CFPL ethanol project, Kinder Morgan’s Products Pipeline segment has approved over \$90 million in ethanol and biofuel projects including modifications to tanks, truck racks and related infrastructure for new or expanded ethanol and biodiesel service at various terminals in the Southeast and Pacific Northwest. Kinder Morgan offers offloading, storage and blending of ethanol at its terminals in Florida, Georgia, South Carolina, North Carolina, Virginia, Pennsylvania, New York, Illinois, Tennessee, Mississippi, Louisiana, Texas, California, Nevada, Arizona, Washington and Oregon.

Kinder Morgan Energy Partners, L.P. (NYSE: KMP) is a leading pipeline transportation and energy storage company in North America. KMP owns an interest in or operates more than 25,000 miles of pipelines and 165 terminals. Its pipelines transport natural gas, gasoline, crude oil, CO<sub>2</sub> and other products, and its terminals store petroleum products and chemicals and handle

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bulk materials like coal and petroleum coke. KMP is also the leading provider of CO<sub>2</sub> for enhanced oil recovery projects in North America. One of the largest publicly traded pipeline limited partnerships in America, KMP has an enterprise value of over \$20 billion. The general partner of KMP is owned by Knight Inc. (formerly Kinder Morgan, Inc.), a private company.

*This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although Kinder Morgan believes that its expectations are based on reasonable assumptions, it can give no assurance that such assumptions will materialize. Important factors that could cause actual results to differ materially from those in the forward-looking statements herein are enumerated in Kinder Morgan's Form 10-K and 10-Q as filed with the Securities and Exchange Commission.*

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