

KINDER MORGAN INC  
Form 4  
August 18, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Expires: January 31, 2005  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
GOLDMAN SACHS GROUP INC/

2. Issuer Name and Ticker or Trading Symbol  
KINDER MORGAN INC [KMI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
85 BROAD ST,  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
08/11/2006

\_\_\_ Director \_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_X\_\_\_ Other (specify below)

See footnotes 1, 2 and 3

NEW YORK, NY 10004

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    | 08/11/2006                           |  | P                              | 72 A  | \$ 100.4 11,627   | I  | See footnotes (1) (2) (3) (4)                         |
| Common Stock                    | 08/14/2006                           |  | S                              | 100 D   | \$ 100.9 11,527   | I  | See footnotes (1) (2) (3) (4)                         |
| Common Stock                    | 08/16/2006                           |  | S                              | 4 D   | \$ 101.35 11,423 <sup>(5)</sup>   | I  | See footnotes (1) (2) (3) (4)                         |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |                          |
|---|---------------|-----------|---------|--------------------------|
|   | Director      | 10% Owner | Officer | Other                    |
| GOLDMAN SACHS GROUP INC/<br>85 BROAD ST<br>NEW YORK, NY 10004                                 |               |           |         | See footnotes 1, 2 and 3 |
| GSCP V ADVISORS, LLC<br>85 BROAD STREET<br>NEW YORK, NY 10004                                 |               |           |         | See footnotes 1, 2 and 3 |
| GSCP V OFFSHORE ADVISORS LLC<br>85 BROAD STREET<br>NEW YORK, NY 10004                         |               |           |         | See footnotes 1, 2 and 3 |
| GS ADVISORS V LLC<br>85 BROAD STREET<br>NEW YORK, NY 10004                                    |               |           |         | See footnotes 1, 2 and 3 |
| GOLDMAN SACHS MANAGEMENT GP GMBH<br>MESSETURM 60308<br>FRANKFURT AM MAIN<br>GERMANY, 2M 00000 |               |           |         | See footnotes 1, 2 and 3 |
| GS CAPITAL PARTNERS V OFFSHORE FUND LP<br>85 BROAD STREET<br>NEW YORK, NY 10004               |               |           |         | See footnotes 1, 2 and 3 |

GS CAPITAL PARTNERS V GmbH & CO KG  
 85 BROAD STREET  
 NEW YORK, NY 10004

See footnotes 1, 2 and 3

GS Capital Partners V Institutional L P  
 85 BROAD ST  
 NEW YORK, NY 10004

See footnotes 1, 2 and 3

GS CAPITAL PARTNERS V FUND LP  
 85 BROAD STREET  
 NEW YORK, NY 10004

See footnotes 1, 2 and 3

GOLDMAN SACHS & CO  
 85 BROAD STREET  
 NEW YORK, NY 10004

See footnotes 1, 2 and 3

## Signatures

/s/ Yvette Kotic,  
 Attorney-in-fact 08/18/2006

\*\*Signature of Reporting Person Date

/s/ Yvette Kotic,  
 Attorney-in-fact 08/18/2006

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/s/ Yvette Kotic,  
 Attorney-in-fact 08/18/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This statement is being filed by The Goldman Sachs Group, Inc. ("GS Group"), Goldman, Sachs & Co. ("Goldman Sachs"), GSCP V Advisors, L.L.C. ("GSCP Advisors"), GSCP V Offshore Advisors, L.L.C. ("GSCP Offshore Advisors"), GS Advisors V, L.L.C. ("GS Advisors"), Goldman, Sachs Management GP GmbH ("GS GmbH"), GS Capital Partners V Fund, L.P. ("GS Capital"), GS Capital Partners V Offshore Fund, L.P. ("GS Offshore"), GS Capital Partners V GmbH & Co. KG ("GS Germany") and GS Capital Partners V Institutional, L.P. ("GS Institutional" and, together with GS Capital, GS Offshore and GS Germany, the "Funds") (GS Group, Goldman Sachs, GSCP Advisors, GSCP Offshore Advisors, GS Advisors, GS GmbH and the Funds, collectively, the "Reporting Persons").

(2) On May 28, 2006, Richard D. Kinder, the Chairman of the Board of Directors and Chief Executive Officer of Kinder Morgan, Inc. (the "Company"), together with GS Capital Partners and other investors (collectively, the "Investors"), delivered a letter to the Board of Directors of the Company in which it was proposed that Mr. Kinder and funds managed by the other investors would offer to acquire by merger all of the outstanding shares of the Company's common stock, par value \$5 per share ("Common Stock"), other than any shares held by any of the Investors and shares held by members of the Company's senior management team that are to be invested in the transaction (the "Proposal"). Affiliates of Goldman Sachs and GS Group are the general partner, managing general partner, managing partner, managing limited partner, or investment manager of the Funds.

(3) As a result of the Proposal, the Reporting Persons, together with the other investors and certain of their affiliates, may be deemed to constitute a "group", within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, that beneficially owns more than 10% of the outstanding shares of Common Stock of the Company. This Form 4 shall not be deemed an admission that any Reporting Person is a beneficial owner of any shares of Common Stock for any purpose, other than the securities reported in Tables I of this Form 4. Each of the Reporting Persons disclaims beneficial ownership of the securities reported in Table I except to the extent of its pecuniary interest therein, if any.

(4) The securities reported herein as purchased and sold may be deemed to have been beneficially owned indirectly by GS Group by reason of the direct ownership of such securities by Goldman Sachs or another direct or indirect wholly-owned subsidiary of GS Group. GS Group may be deemed to beneficially own indirectly 11,423 shares of Common Stock by reason of the direct ownership of such securities by Goldman Sachs or another direct or indirect wholly-owned subsidiary of GS Group. Goldman Sachs is a direct and indirect wholly-owned subsidiary of GS Group.

(5) Reflects changes due to exempt transactions.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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