

KINDER MORGAN MANAGEMENT LLC
Form SC 13D
May 25, 2001

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

KINDER MORGAN MANAGEMENT, LLC
(Name of Issuer)

SHARES
(Title of Class of Securities)

49455U 10 0
(CUSIP Number)

MR. JOSEPH LISTENGART
KINDER MORGAN, INC.
ONE ALLEN CENTER, SUITE 1000
500 DALLAS STREET
HOUSTON, TEXAS 77002
(713) 369-9000
(Name, Address and Telephone Number
of Person Authorized to Receive Notices
and Communications)

with a copy to:
MR. GARY W. ORLOFF
BRACEWELL & PATTERSON, L.L.P.
SOUTH TOWER PENNZOIL PLACE
711 LOUISIANA STREET, SUITE 2900
HOUSTON, TEXAS 77002-2781
(713) 221-1306

MAY 18, 2001
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this Schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box: []

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

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SCHEDULE 13D

=====
CUSIP NO.: 49455U 10 0
=====

1 NAME OF REPORTING PERSON
Kinder Morgan, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Kansas

7 SOLE VOTING POWER
1,487,500

8 SHARED VOTING POWER
0

9 SOLE DISPOSITIVE POWER
1,487,500

10 SHARED DISPOSITIVE POWER
0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON
1,487,500

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN

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SHARES

[]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

10.0%

14 TYPE OF REPORTING PERSON

CO

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STATEMENT ON SCHEDULE 13D

ITEM 1. SECURITY AND ISSUER

This statement on Schedule 13D relates to the shares (the "Shares") of Kinder Morgan Management, LLC, a Delaware limited liability company (the "Issuer"), whose principal executive offices are located at One Allen Center, Suite 1000, 500 Dallas Street, Houston, Texas 77002. At any time after July 2, 2001, owners of Shares may exchange some or all of their whole Shares for common units of Kinder Morgan Energy Partners, L.P. owned by the Reporting Person and its subsidiaries on a one-for-one basis, subject to adjustment by the Reporting Person. At any time, instead of delivering a common unit, the Reporting Person may make a cash payment with respect to any Share surrendered for exchange.

ITEM 2. IDENTITY AND BACKGROUND

This Statement is filed by Kinder Morgan, Inc., a Kansas corporation (the "Reporting Person"). The Reporting Person is an energy services provider whose principal business units are: (1) Natural Gas Pipeline Company of America and certain affiliates, a major interstate natural gas pipeline and storage system, (2) retail natural gas distribution, the regulated sale of natural gas to residential, commercial and industrial customers and non-utility sales of natural gas to certain utility customers under the Choice Gas Program and (3) power generation and the construction and operation of natural gas-fired electric generation facilities, together with various other activities not constituting separately managed or reportable business segments. The operations of Kinder Morgan Energy Partners, L.P., a master limited partnership in which the Reporting Person indirectly holds the general partner interest, include (i) liquids and refined products pipelines, (ii) transportation and storage of natural gas, (iii) carbon dioxide production and transportation and (iv) bulk terminals. The address of the principal business and office of the Reporting Person is One Allen Center, Suite 1000, 500 Dallas Street, Houston, Texas 77002.

Information relating to the directors and executive officers of the Reporting Person is contained in Appendix A attached hereto and is incorporated herein by reference.

Neither the Reporting Person nor, to the undersigned's knowledge, any person listed on Appendix A hereto, during the last five years (a) has been convicted of any criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future

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violations of, or prohibiting or mandating activities subject to, United States federal or state securities laws or finding any violations with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Reporting Person paid \$104,734,875.00 from working capital to purchase the Shares.

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ITEM 4. PURPOSE OF THE TRANSACTION

The Reporting Person holds the Shares as reported herein for the purpose of investment. The Reporting Person has no present plan or proposal with respect to any action that would relate to or result in the occurrence of any of the matters enumerated under Item 4 of Schedule 13D. The Reporting Person reserves the right to formulate specific plans or proposals with respect to, or to change its intentions regarding, any or all of the foregoing.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) As set forth herein, the Reporting Person beneficially owns 1,487,500 Shares, which represent 10.0% of the outstanding Shares, based upon the number of Shares outstanding as of the most recent practicable date. The persons listed on Appendix A disclaim any beneficial ownership of the Shares owned by the Reporting Person. Please see Appendix A for the beneficial ownership of the directors and executive officers of the Reporting Person.

(b) As set forth herein, the Reporting Person has sole voting and dispositive power over the 1,487,500 Shares that it beneficially owns. The Reporting Person does not share voting or dispositive power over any Shares. Each of the persons listed on Appendix A has sole voting and dispositive power over the shares that he beneficially owns. Each of the persons listed on Appendix A does not share voting or dispositive power over any Shares.

(c) The Reporting Person and the persons listed on Appendix A acquired the Shares listed herein on May 18, 2001 from the Issuer at \$70.41 per Share.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

The information set forth, or incorporated by reference, in Items 1 through 5 is hereby incorporated herein by reference. To the best of the Reporting Person's knowledge, except as described in this Schedule 13D, there are at present no contracts, arrangements, understandings or relationships (legal or otherwise) between the Reporting Person and any other person with respect to any securities of the Issuer.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

None.

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SIGNATURES

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After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

Dated: May 18, 2001

KINDER MORGAN, INC.

By: /s/ Joseph Listengart

Joseph Listengart
Vice President, General Counsel
and Secretary

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APPENDIX A

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE
OFFICERS OF KINDER MORGAN, INC.

Set forth below are the name, current business address, citizenship, present principal occupation or employment and beneficial ownership of each director and executive officer of the Reporting Person. The principal address of the Reporting Person, the Issuer, and Kinder Morgan G.P., Inc. ("KMGP"), and, unless otherwise indicated, the current business address for each individual listed below, is One Allen Center, Suite 1000, 500 Dallas Street, Houston, Texas 77002. Each director or executive officer listed below is a citizen of the United States.

| Name and Address (if different from above) ----- | Present Principal Occupation and Position ----- | (Pe ----- |
|--|---|--------------|
| Richard D. Kinder | Mr. Kinder is the Chairman of the Board of Directors and Chief Executive Officer of the Reporting Person. Mr. Kinder's present principal occupation is the foregoing and Chairman of the Board of Directors and Chief Executive Officer of KMGP and the Issuer. | |
| William V. Morgan | Mr. Morgan is the Vice Chairman of the Board of Directors and President of the Reporting Person. Mr. Morgan's present principal occupation is the foregoing and Vice Chairman of the Board of | |

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Directors and President of KMGP and the Issuer.

William V. Allison

Mr. Allison is Vice President (President, Natural Gas Pipeline Operations) of the Reporting Person. Mr. Allison's present principal occupation is the foregoing and Vice President (President, Natural Gas Pipeline Operations) of KMGP and the Issuer.

Edward H. Austin, Jr.
112 East Pecan, Suite 2800
San Antonio, TX 78205-1531

Mr. Austin is a Director of the Reporting Person. Mr. Austin's principal occupation is principal of Austin, Calvert & Flavin, Inc., an investment advisory firm located at 112 East Pecan, Suite 2800, San Antonio, TX 78205-1531.

Charles W. Battey
7500 W. 110th Street
Overland Park, KS 66210-2329

Mr. Battey is a Director of the Reporting Person. Mr. Battey's principal occupation is independent consultant and active community volunteer based in Kansas City.

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Name and Address
(if different from above)

Present Principal Occupation and Position

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Stewart A. Bliss
370 17th Street, Suite 3600
Denver, CO 80202

Mr. Bliss is a Director of the Reporting Person. Mr. Bliss's principal occupation is Financial Consultant and Senior Business Advisor for Green, Manning & Bunch, Ltd., located at 370 17th Street, Suite 3600, Denver, CO 80202.

David G. Dehaemers, Jr.

Mr. Dehaemers is Vice President, Corporate Development of the Reporting Person. Mr. Dehaemers' present principal occupation is the foregoing and Vice President, Corporate Development of KMGP and the Issuer.

Ted A. Gardner
One First Union Center
5th Floor
301 College Street
Charlotte, NC 28288-0732

Mr. Gardner is a Director of the Reporting Person. Mr. Gardner's principal occupation is Managing Partner of First Union Capital Partners and Senior Vice President of First Union Corporation. The address of First Union Capital Partners and First Union Corporation is One First Union Center, 5th Fl., 301 College Street, Charlotte, NC 28288-0732.

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William J. Hybl
10 Lake Circle
Colorado Springs, CO 80906

Mr. Hybl is a Director of the Reporting Person. Mr. Hybl's principal occupation is Chairman of the Board of Directors, Chief Executive Officer and Trustee of El Pomar Foundation, a charitable foundation located at 10 Lake Circle, Colorado Springs, CO 80906.

Joseph Listengart

Mr. Listengart is Vice President, General Counsel and Secretary of the Reporting Person. Mr. Listengart's present principal occupation is the foregoing and Vice President, General Counsel and Secretary of KMGP and the Issuer.

Michael C. Morgan

Mr. Morgan is Vice President, Strategy and Investor Relations of the Reporting Person. Mr. Morgan's present principal occupation is the foregoing and Vice President, Strategy and Investor Relations of KMGP and the Issuer.

Edward Randall, III
5851 San Felipe, Suite 850
Houston, TX 77057

Mr. Randall is a Director of the Reporting Person. Mr. Randall's principal occupation is private investor.

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Name and Address
(if different from above)

Present Principal Occupation and Position

Fayez Sarofim
909 Fannin Street, Suite 2907
Houston, TX 77010

Mr. Sarofim is a Director of the Reporting Person. Mr. Sarofim's principal occupation is President and Chairman of the Board of Fayez Sarofim & Co., an investment advisory firm located at 909 Fannin Street, Suite 2907, Houston, TX 77010.

C. Park Shaper

Mr. Shaper is Vice President, Chief Financial Officer and Treasurer of the Reporting Person. Mr. Shaper's present principal occupation is the foregoing and Vice President, Chief Financial Officer and Treasurer of KMGP and the Issuer.

James E. Street

Mr. Street is Vice President, Human Resources and Administration of the Reporting Person. Mr. Street's present

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principal occupation is the foregoing and Vice President, Human Resources and Administration of KMGP and the Issuer.

H. A. True, III
895 West River Cross Road
Casper, WY 82601

Mr. True is a Director of the Reporting Person. Mr. True's principal occupation is owner and director of the True Companies, which are involved in energy, agriculture and financing, and are located at 895 West River Cross Road, Casper WY 82601.