KINDER MORGAN

"Excellence is a Habit" - Aristotle

January 30, 2013

Forward-Looking Statements / Non-GAAP Financial Measures

This presentation contains forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results or the ability to generate revenues, income or cash flow or to make distributions or pay dividends are forward-looking statements. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future actions, conditions or events and future results of operations of Kinder Morgan Energy Partners, L.P., Kinder Morgan Management, LLC, El Paso Pipeline Partners, L.P., and Kinder Morgan, Inc. may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results are beyond Kinder Morgan's ability to control or predict. These statements are necessarily based upon various assumptions involving judgments with respect to the future, including, among others, the ability to achieve synergies and revenue growth; national, international, regional and local economic, competitive and regulatory conditions and developments; technological developments; capital and credit markets conditions; inflation rates; interest rates; the political and economic stability of oil producing nations; energy markets; weather conditions; environmental conditions; business and regulatory or legal decisions; the pace of deregulation of retail natural gas and electricity and certain agricultural products; the timing and success of business development efforts; terrorism; and other uncertainties. There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Because of these uncertainties, you are cautioned not to put undue reliance on any forward-looking statement. Please read "Risk Factors" and "Information Regarding Forward-Looking Statements" in our most recent Annual Reports on Form 10-K and our subsequently filed Exchange Act reports, which are available through the SEC's EDGAR system at www.sec.gov and on our website at www.kindermorgan.com.

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We use non-generally accepted accounting principles ("non-GAAP") financial measures in this presentation. Our reconciliation of non-GAAP financial measures to our GAAP financial statements are included in the Appendix to this presentation. These non-GAAP measures should not be considered an alternative to GAAP financial measures.

Kinder Morgan 2013 Investor Conference

Agenda

8:00	-	8:45	Corporate Overview: Vision – Rich Kinder
8:45	-	9:00	Corporate Overview: Financial Excellence – Park Shaper
9:00	-	9:15	Corporate Overview: Operational Excellence – Steve Kean
9:15	-	9:30	Break
9:30	-	10:15	Natural Gas Pipelines – Tom Martin
10:15	-	10:45	Products Pipelines – Tom Bannigan / Ron McClain
10:45	-	11:15	Terminals – Jeff Armstrong / John Schlosser
11:15	-	11:45	Kinder Morgan Canada – Ian Anderson
11:45	-	12:30	Lunch
12:30	-	1:00	CO_2 – Tim Bradley / Jim Wuerth
1:00	-	1:30	Financial Review – Kimberly Dang
1:30	-	2:00	Q & A

KINDER MORGAN

Vision

Rich Kinder

Chief Executive Officer

Our Strategy – Stay the Course

Same Strategy Since Inception

- **Focus on stable fee-based assets that are core to North American energy infrastructure**
  - Market leader in each of our business segments
- **Control costs**
  - It's the investors' money, not management's – treat it that way
- **Leverage asset footprint to seek attractive capital investment opportunities, both expansion and acquisition**
  - KMP has completed $15 billion in acquisitions and $15 billion of greenfield / expansion projects since inception (a)
- **Maintaining a strong balance sheet is paramount**
  - KMP accessed capital markets for $31 billion since inception (b)
  - Investment grade since inception
- **Transparency to investors**

(a) From 1997 through 2012.
(b) Gross capital issued through 12/31/2012. Net of refinancing, $28 billion of capital raised.

EP Acquisition: Our Strategy at Work

Initial management guidance:		Commitment achieved:
Close EP acquisition in 2Q 2012	→	Acquisition completed 5/25/2012
Targeted cost savings of $350 million	→	Identified and implemented year-one cost savings of more than $400 million
Sell EP E&P assets at acquisition close	→	Completed sale of EP E&P business as one package prior to close
Offer assets to KMP and EPB	→	EPB acquired all of Cheyenne Plains and remaining 14% interest in CIG
	→	KMP acquired all of TGP and 50% interest in EPNG
	→	2013 budget contemplates dropdowns to both KMP and EPB
Utilize KMR to fund dropdowns	→	Completed KMR follow-on offering of approximately $745 million
Use proceeds from EP E&P sale and dropdowns to quickly de-lever KMI	→	As of 12/31/2012, approximately $9.1 billion of the committed $11.8 billion of 364-day facility and 3-year term loan have been repaid
Sell FTC-mandated Rockies assets	→	Completed Rocky Mountain asset sale, 11/13/2012, within FTC-mandated timeframe

Strategy Has Proven Effective

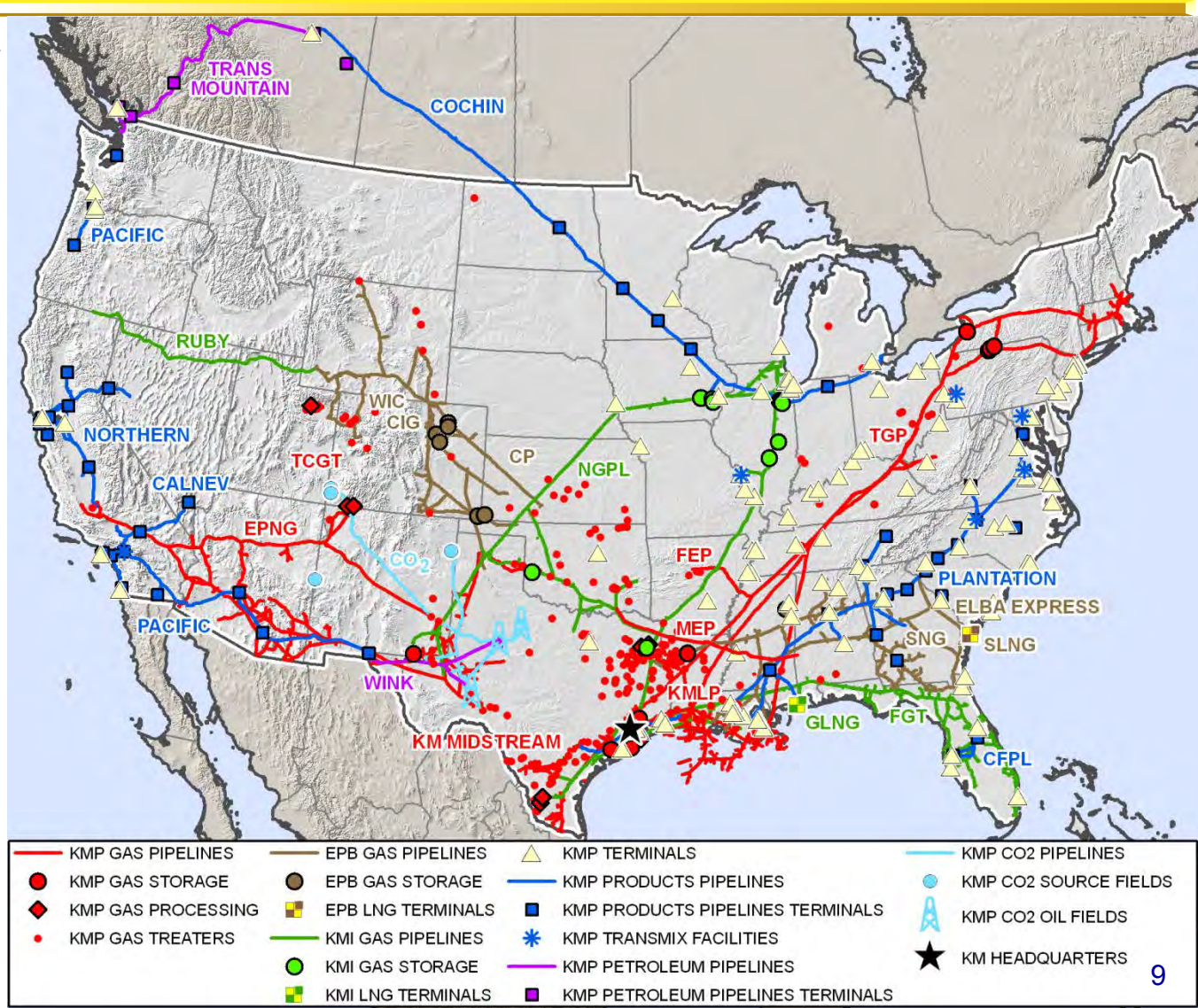
($MM, except where noted)

	Inception (1996) [a]	Current (2013)
KM Combined Enterprise Value [b]	$349	$105,528 [c]
KM Consolidated Segment EBDA [b,d]	$36	$7,053 [e]
KMP Total Distributions	$17	$3,791 [e]
KMP Distribution per Unit	$0.63	$5.28 [e]
Total Assets	$304	$68,520 [f]
Employees	176	10,685 [f]
S&P 500 Member [g]	No	Yes

(a) As of / for year-ended 12/31/1996.
(b) KMP / KMI combined at Inception, KMP / EPB / KMI Current.
(c) As of 1/18/2013.
(d) Segment earnings before DD&A including JV depreciation, excluding certain items.
(e) 2013 budget.
(f) As of 12/31/2012, balance sheet preliminary.
(g) KMI.

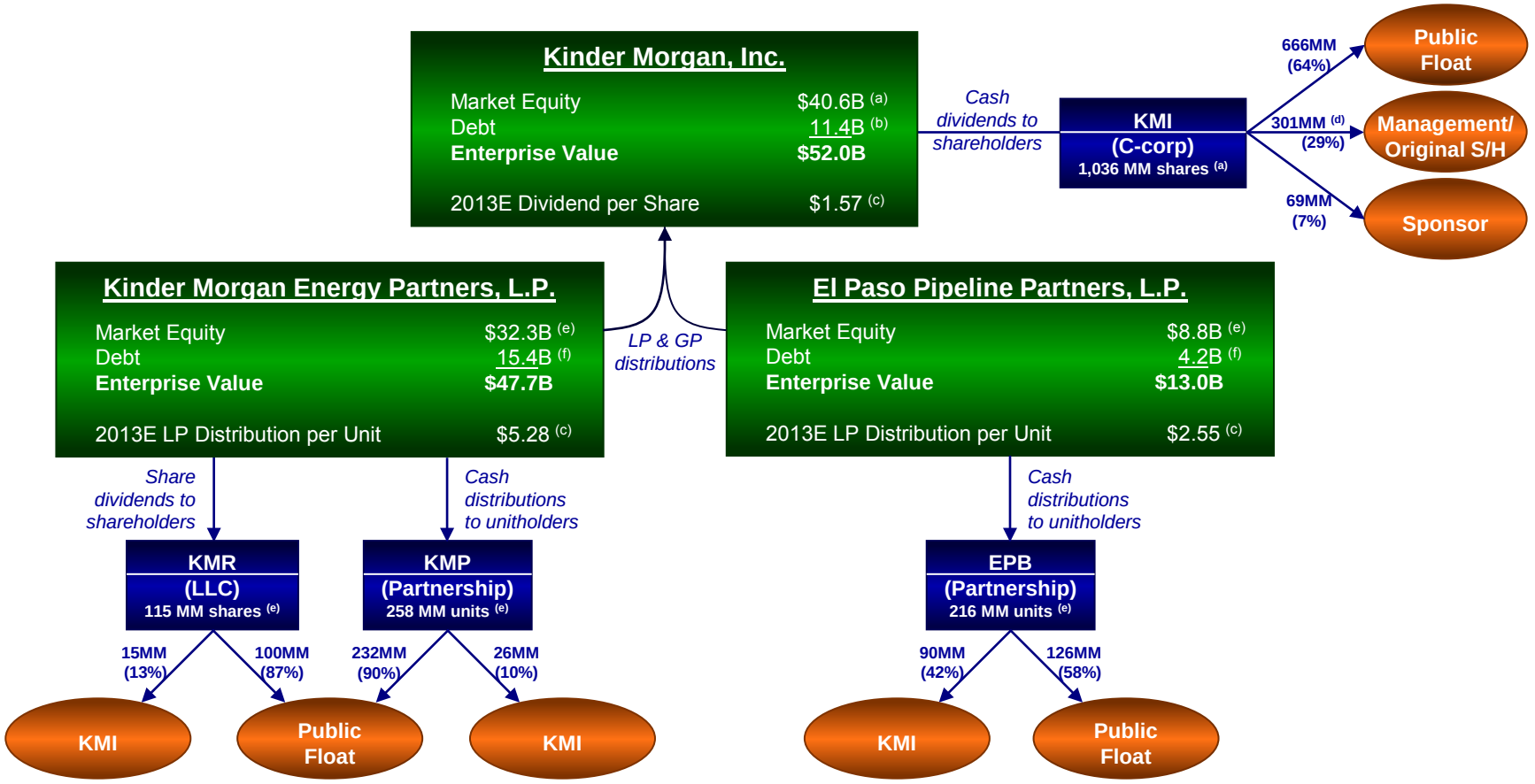
Unparalleled Asset Footprint

- **3rd largest energy company in North America with combined enterprise value of approximately $100 billion** (a)
- **Largest natural gas network in U.S.**
  - Own an interest in / operate approximately 62,000 miles of natural gas pipeline
  - Connected to every important U.S. natural gas resource play, including: Eagle Ford, Marcellus, Utica, Uinta, Haynesville, Fayetteville and Barnett
- **Largest independent transporter of petroleum products in U.S.**
  - Transport ~1.9 MMBbl/d (b)
- **Largest transporter of CO_2 in U.S.**
  - Transport ~1.3 Bcf/d of CO_2 (b)
- **2nd largest oil producer in Texas**
  - Produce ~55 MBbl/d of crude oil gross (~37 MBbl/d net) (b)
- **Largest independent terminal operator in U.S.**
  - Own an interest in or operate ~180 liquids / dry bulk terminals
  - ~112 MMBbls domestic liquids capacity
  - Handle ~106 MMtons of dry bulk products (b)
- **Only Oilsands pipe serving West Coast**
  - TMPL transports ~300 MBbl/d to Vancouver / Washington State; expansion under way increasing capacity to 890 MBbl/d



(a) Combined enterprise of KMI, KMP & EPB as of 1/18/2013; see footnotes on slide 9 for further information.
(b) 2013 budgeted volumes.

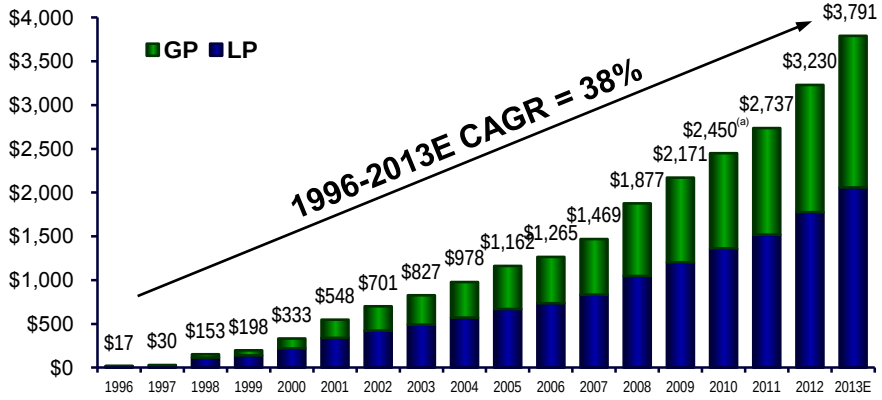
Kinder Morgan – Four Ways to Invest: KMI, KMP, KMR & EPB



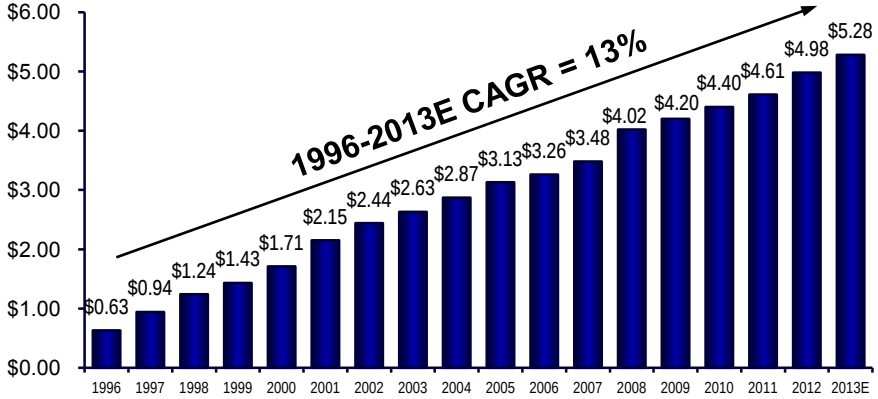
(a) Market prices as of 1/18/2013; KMI market equity based on ~1,036 million shares outstanding at a price of $37.41 and ~440 million warrants at a price of $4.20.
(b) Debt of KMI and its subsidiaries as of 12/31/2012; excludes debt of KMP and its subsidiaries and EPB and its subsidiaries; excludes the fair value of interest rate swaps, purchase accounting and Kinder Morgan G.P., Inc.'s $100 million of Series A Fixed-to-floating Rate Term Cumulative Preferred Stock due 2057, net of cash.
(c) 2013 budget.
(d) Changed calculation methodology: reflects KMI form-4 filers only.
(e) Market prices as of 1/18/2013; KMP market equity based on ~258 million common units (includes 5.3 million Class B units owned by Kinder Morgan, Inc.; Class B units are unlisted KMP common units) at a price of $88.65, ~115 million KMR shares at a price of $82.64, and ~216 million EPB units at a price of $40.82.
(f) Debt balances of KMP and EPB as of 12/31/2012; exclude the fair value of interest rate swaps, net of cash.

17 Years of Consistent Growth at KMP

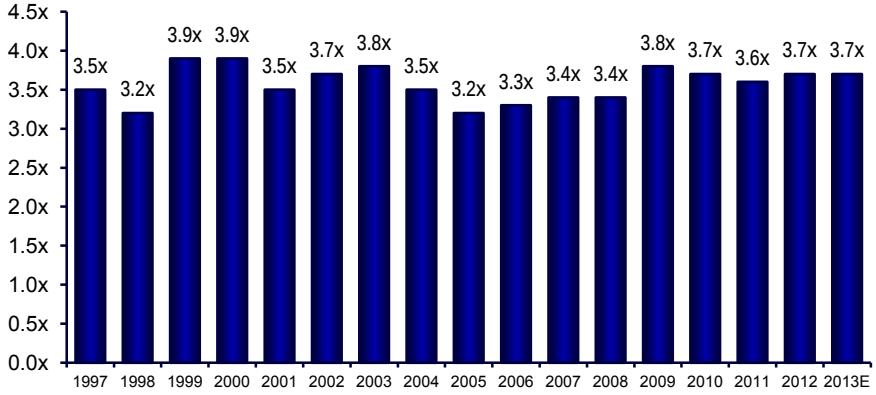
KMP Total Distributions (GP + LP) ($MM)



KMP Annual LP Distribution per Unit (b)



KMP Net Debt to EBITDA (c)



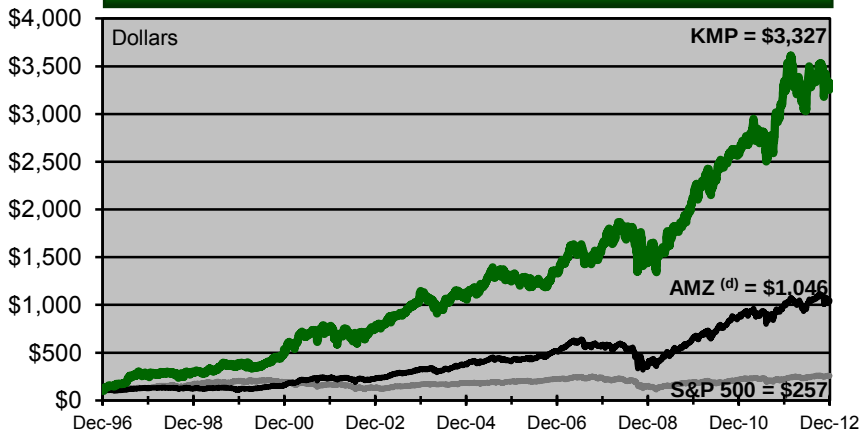
(a) In 2010, total distributions paid were $2,280 million. These distributions would have been $2,450 million ($170 million greater) if all distributions paid in August 2010 had been cash from operations, rather than a portion being a distribution of cash from interim capital transactions; the GP receives only 2% of distributions of cash from interim capital transactions.

(b) Annual LP declared distributions, rounded to 2 decimals where applicable.

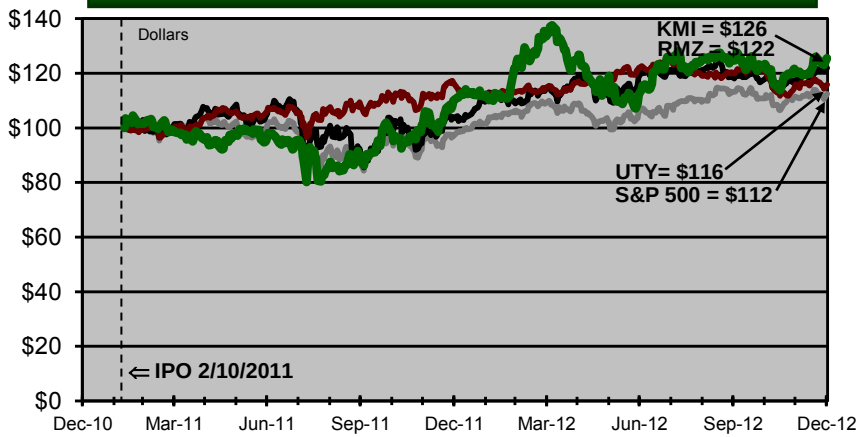
(c) Debt is net of cash and excluding fair value of interest rate swaps.

Significant Historical Returns [a]

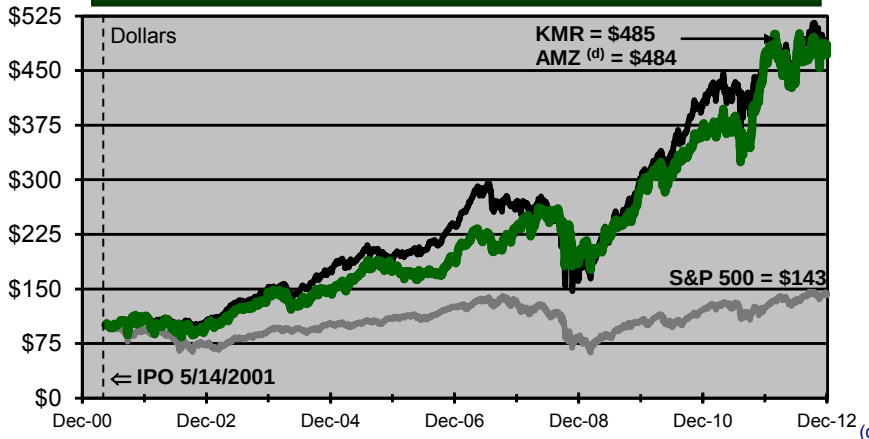
KMP: 24% CATR Since '96 [b]



KMI: 13% CATR Since Inception [e]



KMR: 15% CATR Since Inception [c]



Total Return [f]	2012	2-yr	3-yr	5-yr	10-yr
KMI	14%	26% [g]	n/a	n/a	n/a
KMP	0%	28%	57%	107%	339%
KMR	2%	29%	69%	106%	388%
EPB	15% [h]	n/a	n/a	n/a	n/a
S&P 500 Index	16%	18%	36%	9%	99%
Alerian MLP Index	4%	19%	62%	80%	358%
MSCI REIT Index	18%	28%	64%	31%	244%
Philadelphia UTY Index	-1%	19%	25%	0%	167%

Source: Bloomberg.

(a) Total returns calculated on daily basis through 12/31/2012, except where noted; assumes dividends / distributions reinvested in index / stock / unit.
(b) Start date 12/31/1996.
(c) Start date 5/14/2001; KMR initial public offering; KMP CATR over same period is 14%.
(d) Alerian MLP Index.
(e) Start date 2/10/2011; KMI initial public offering.
(f) Start dates for 2-year, 3-year, 5-year and 10-year return calculations are 12/31/2010, 12/29/2009, 12/31/2007 and 12/31/2002, respectively.
(g) Total return from IPO on 2/10/2011.
(h) Start date 5/25/2012; EP acquisition close.

Promises Made, Promises Kept

Promises Made	Promises Kept
KMI Budgeted Dividend:	**KMI Actual Dividend:**
2011: $1.16 (a)	2011: $1.20 (a)
2012: $1.35	2012: $1.40
KMP Budgeted LP Distribution:	**KMP Actual LP Distribution:**
2000: $1.60	2000: $1.71
2001: $1.95	2001: $2.15
2002: $2.40	2002: $2.435
2003: $2.63	2003: $2.63
2004: $2.84	2004: $2.87
2005: $3.13	2005: $3.13
2006: $3.28	2006: $3.26
2007: $3.44	2007: $3.48
2008: $4.02	2008: $4.02
2009: $4.20	2009: $4.20
2010: $4.40	2010: $4.40
2011: $4.60	2011: $4.61
2012: $4.98	2012: $4.98
EPB Forecasted LP Distribution:	**EPB Actual LP Distribution:**
2012: $2.25	2012: $2.25

KMP achieved LP distribution target in 12 out of 13 years

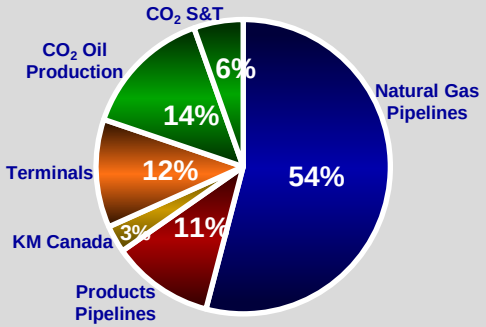
(a) Presented as if KMI were publically traded for all of 2011.

2013 Budget Guidance

Supported by Diversified Cash Flow

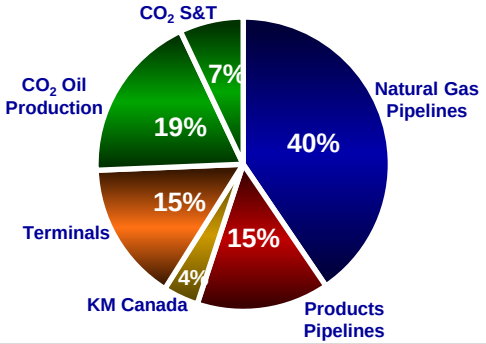
KMI Budget:

- KMI 2013 dividend: $1.57/sh (12.1% growth)
- Fully-consolidated year-end 2013 debt / EBITDA = 5.0x [(a)]



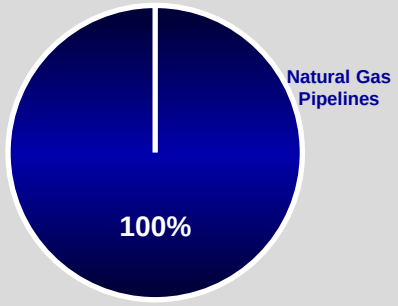
KMP Budget:

- KMP 2013 LP distribution: $5.28/unit (6.0% growth)
- Expected dropdowns from KMI of remaining 50% interests in EPNG and EP midstream assets
- Year-end 2013 debt / EBITDA = 3.7x [(a)]



EPB Budget:

- EPB 2013 LP distribution: $2.55/unit (13.3% growth)
- Expected dropdown from KMI of 50% interest in Gulf LNG
- Year-end 2013 debt / EBITDA = 3.9x [(a)]



BUSINESS MIX[(b)]

(a) Budgeted actual yr-end 2013 leverage metric; does not take into account the full-year benefit from contemplated 2013 dropdowns.
(b) 2013 budgeted segment earnings before DD&A including proportionate share of JV DD&A and excluding certain items.

2013 Business Segment Growth Drivers

Natural Gas Pipelines

- Full-year of EP acquisition
- Expansions
- Dropdowns
- Cost savings

Products Pipelines

- Full-year of KMCC pipeline, bio-fuels projects and Cochin E-P service
- Transmix improved margins
- FERC index adjustment
- Partial-year in-service of Parkway

Terminals

- Expansion projects: coal, Edmonton Canadian crude tankage, BOSTCO, BP Whiting
- Increase in contracted rates on existing business
- Full-year of 2012 acquisitions, partial-year of 2013 acquisitions

CO_2

- CO_2, Oil and NGL volumes
- Hedge price

Kinder Morgan Canada

- 2013 essentially flat with 2012

Over $12 Billion Backlog of Growth Projects

Tremendous footprint provides over $12B of growth opportunities over next 5 years [(a)]

	Approximate Growth Capex [(a)] ($B)
Natural Gas Pipelines	$2.7
Products Pipelines	0.7
Terminals	1.4
CO_2 – S&T	1.5
CO_2 – EOR [(b)] Oil Production	0.9
Kinder Morgan Canada	5.4
Total	$12.6

What is NOT included in backlog:

- Further LNG liquefaction build-out (including non-FTA)
- EPNG oil conversion (Freedom)
- Further natural gas expansion to Mexican border
- Various other expansion and conversion opportunities
- Dropdowns from KMI
- Acquisitions

(a) Includes KM's proportionate share of non-wholly owned projects. Includes projects currently under construction.
(b) CO_2 EOR = Enhanced Oil Recovery.

Long-term Growth Rates

2011 – 2015 Expected CAGRs

- KMP = ~7%
- EPB = ~9%
- KMI = ~12% [(a)]

Next 3 to 5 Years (2012+)

- KMP = ~5-6%
- EPB = ~5-6%
- KMI = ~9-10%

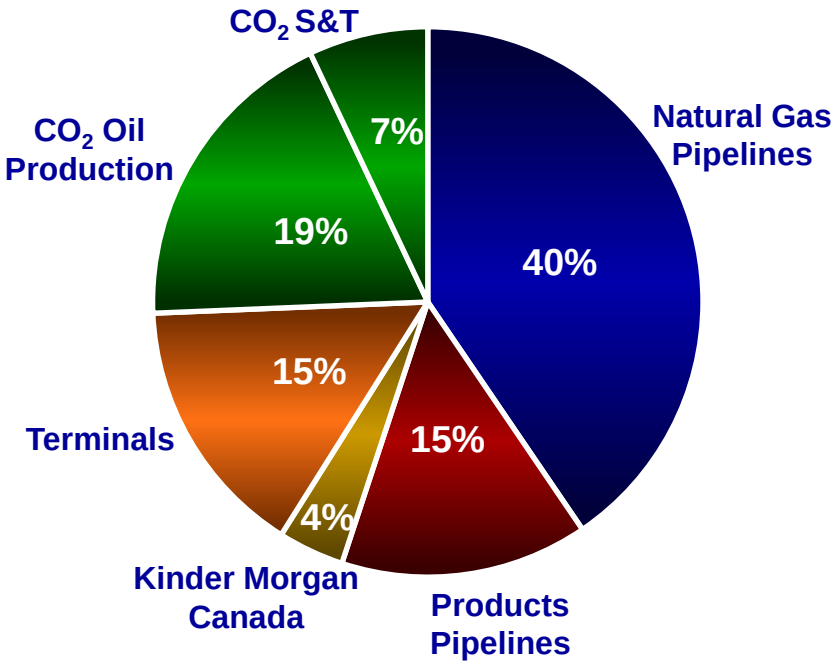
Note: growth rates based on distribution per unit / dividend per share.
(a) KMI 2011-2015 CAGR based off of 2011 budgeted dividend.

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ENERGY PARTNERS, L.P.

KMP / KMR

KMP's Diversified Cash Flow

2013E KMP Segment Earnings before DD&A = $5.4 billion [(a)]



Natural Gas Pipelines

- 62% interstate pipelines
- 19% intrastate pipelines & storage
- 19% gathering, processing & treating

Products Pipelines

- 55% pipelines
- 45% associated terminals & transmix

Terminals

- 56% liquids
- 44% bulk

CO_2

- 27% CO_2 transport and sales
- 73% oil production-related
  - Production hedged [(b)]:
    - 2013=80% ($95)
    - 2014=47% ($94)
    - 2015=29% ($94)
    - 2016=14% ($89)

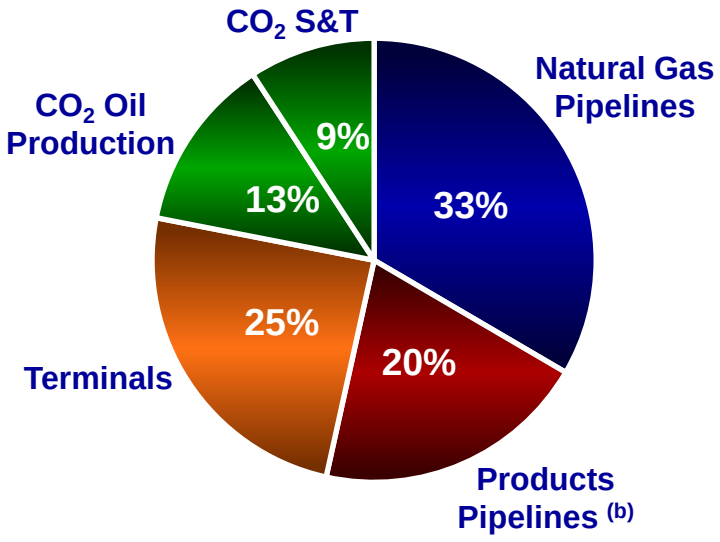
Kinder Morgan Canada

- 100% petroleum pipelines

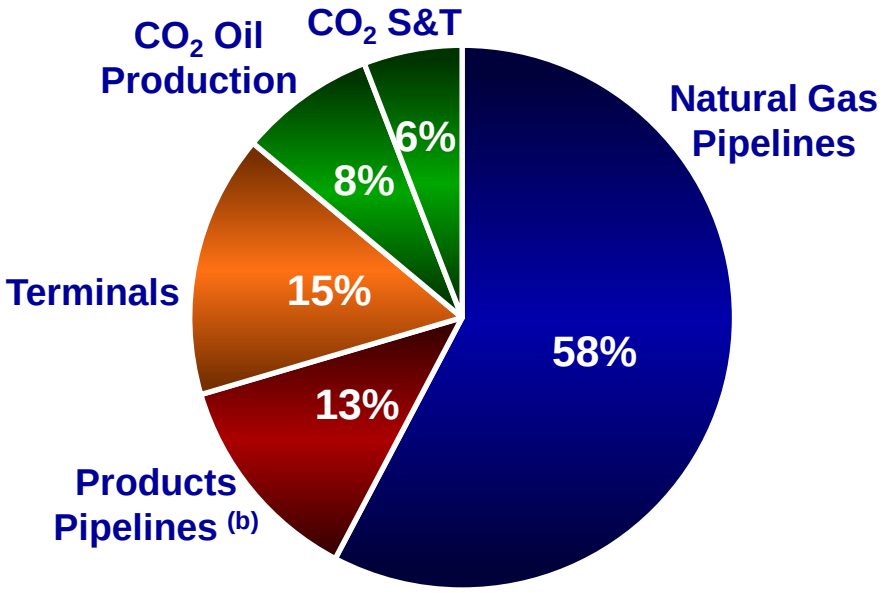
(a) Segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.
(b) Percent of estimated net crude oil and heavy natural gas liquids production

KMP 2013 Growth Expenditure Budget

Without dropdowns = $2.9 billion (a,c,d)



With dropdowns = $4.5 billion (b,c,d)



(a) Excludes contemplated 2013 dropdown of 50% interests in EPNG and EP Midstream.
(b) Includes value of contemplated 2013 dropdown of 50% interests in EPNG and EP Midstream. Dropdown value is estimated and subject to board approval.
(c) Includes equity contributions to joint ventures of $188 million.
Includes acquisitions of $225 million.
(d) Includes the growth capital expenditures of the Kinder Morgan Canada segment, $59 million.

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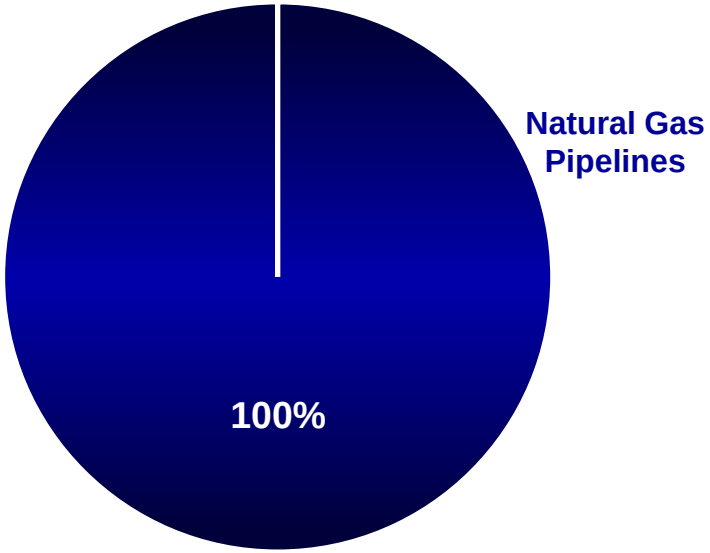
EL PASO PIPELINE PARTNERS

a Kinder Morgan company

EPB

EPB Focused on Natural Gas Pipelines

2013E EPB Segment Earnings before DD&A = $1.2 billion [a]



Natural Gas

- **Highly stable cash flow stream**
  - 89% interstate pipelines
    - Average contract life = ~7 years
  - 11% LNG
    - Average contract life = ~19 years [b]
  - Minimal throughput and commodity exposure
    - More than 90% of revenue comes from capacity reservation charges
- **Opportunities for growth**
  - Full-yr of integration cost savings
  - Dropdown opportunities from KMI
    - Expected 2013 dropdown from KMI of 50% interest in Gulf LNG
  - Expansion opportunities
    - 2013 budgeted growth capex = $158 million
    - Growing power generation demand in Southeast
    - LNG exports
    - Demand growth on Front Range, Colorado
    - Storage in Rockies and Southeast

(a) Segment earnings before DD&A including proportionate amount of JV DD&A and excluding certain items.
(b) LNG average contract life includes both Elba Island and Gulf.

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INC.

KMI

KMI Overview

- **KMI pays regular c-corp dividend with attractive combination of yield plus growth**
- **KMI Investments / Assets:**
  - Investment in MLPs
    - KMP:
      - General Partner (GP) interest receives incentive distributions from KMP
      - KMI owns ~11% of total limited partner (LP) interests
    - EPB:
      - GP interest receives incentive distributions from EPB
      - KMI owns ~42% of total LP interests
  - KMI intends to return to being a pure-play GP in 2014 with completion of dropdowns
    - Remaining assets available for dropdown [(a)]:
      - 50% of El Paso Natural Gas (EPNG) [(a,b)]
      - 50% of El Paso Midstream [(a,b)]
        - Altamont gathering & processing
        - Camino Real gathering
      - 50% of Gulf LNG (GLNG) [(a)]
      - 50% of Florida Gas Transmission (FGT)
      - 50% of Ruby
  - KMI's legacy 20% investment in NGPL – no current plans to dropdown
- **Substantial management ownership of KMI stock:**
  - Public ~64%
  - Rich Kinder, other management and original stockholders ~29%
  - Sponsor ~7%

(a) 2013 budget contemplates dropdown of 50% interests in EPNG and EP Midstream to KMP, and 50% interest in GLNG to EPB.
(b) KMP owns other 50% interest.

KMI, KMP, KMR & EPB:

Attractive Value Proposition

- Unparalleled asset footprint
- Highly visible, attractive dropdown inventory
- Significant, identified growth opportunities
- Attractive returns driven by combination of yield plus growth
- Established track record
- Industry leader in all business segments
- Experienced management team
- Supportive general partner
- Transparency to investors

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Financial Excellence

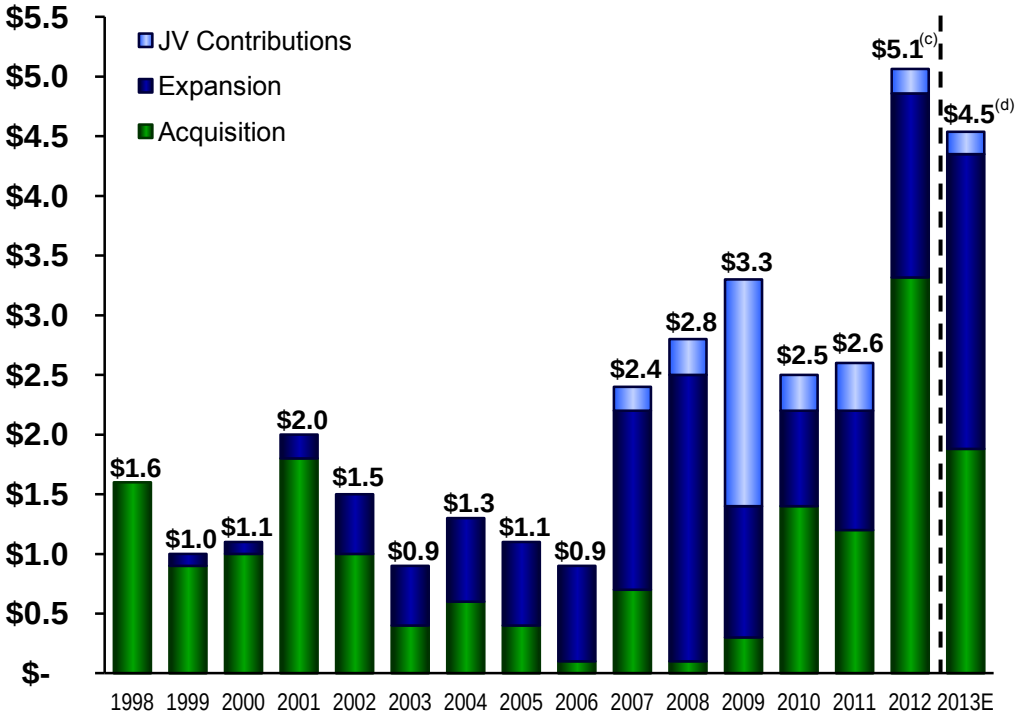
Park Shaper

President

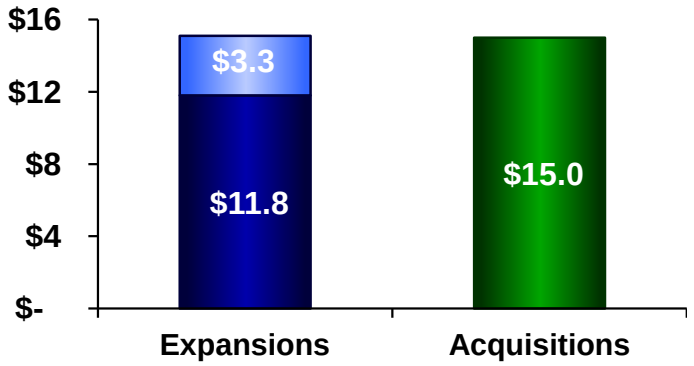
$30B of Growth Capital Invested at KMP (a,b,c)

($ in billions)

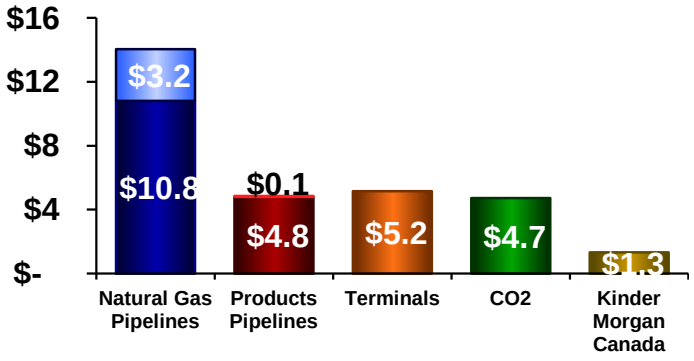
Total Invested by Year (a)



Total Invested by Type (a,b,c)



Total Invested by Segment (a,b,c)



(a) Includes equity contributions to joint ventures.
(b) From 1997 through 2012, excludes 2013 budget.
(c) 2012 net of proceeds from FTC Rockies divestiture.
(d) Includes value of contemplated 2013 dropdown of 50% interests in EPNG and EP Midstream. Dropdown value is estimated and subject to board approval.

How We Have Done: KMP Returns on Capital

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Segment ROI [a]:													
Natural Gas Pipelines	13.3%	15.5%	12.9%	13.5%	14.0%	15.5%	16.7%	17.5%	16.9%	14.0%	11.9%	11.9%	11.9%
Products Pipelines	11.9	11.8	12.8	12.9	12.4	11.6	11.8	13.2	12.5	13.4	13.7	12.9	12.1
Terminals	19.1	18.2	17.7	18.4	17.8	16.9	17.1	15.8	15.5	15.1	14.6	14.3	13.5
CO_2	27.5	24.6	22.0	21.9	23.8	25.7	23.1	21.8	25.9	23.5	25.7	26.2	28.7
Kinder Morgan Canada	--	--	--	--	--	--	--	11.0	12.1	12.8	13.7	14.1	16.3
KMP ROI	12.3%	12.7%	12.6%	13.1%	13.6%	14.3%	14.4%	14.1%	14.9%	13.9%	13.5%	13.5%	13.6%
KMP Return on Equity	17.2%	19.4%	20.9%	21.7%	23.4%	23.9%	22.6%	22.9%	25.2%	25.2%	24.3%	24.0%	24.0%

Note: a definition of these measures may be found in the Appendix to this presentation.
(a) G&A is deducted to calculate the KMP ROI, but is not allocated to the segments and therefore not deducted to calculate the individual Segment ROI.

KMP Cost of Capital

- **Operated in "50/50 splits" since 1997**
- **Cost of capital varies over time:**
  - Current ~7.3% [(a)]
  - 2012 analyst conf 7.2%
  - 2011 analyst conf 7.8%
  - 2010 analyst conf 8.8%
  - 2009 analyst conf 9.8%
  - 2008 analyst conf 9.0%
- **Long-term cost of capital ~9%**
- **Targeted unlevered returns typically 12-15% for pipelines and terminals (higher for CO_2)**
  - Well in excess of long-term cost of capital
- **Delivered attractive returns to LP investors**
- **Supportive GP**
  - GP has demonstrated willingness to forego distributions for appropriate acquisitions or expansions (e.g., KinderHawk)
  - If we get to a point where we cannot deliver attractive returns to LP investors, we would consider other options

(a) As of 1/18/2013; calculation of current cost of capital can be found in the Appendix to this presentation

KMP Access to Capital

- **Issued ~$30.9 billion of capital at KMP in public markets since inception in 1997 (a)**
  - ~$14.8 billion in equity raised (a)
  - ~$16.1 billion in KMP long-term debt (~$13.3B net of refinancing)
- **Accessed in difficult markets**
  - Sep'01 to Sep'02 ~$1.9 billion in equity and debt issued (a)
  - Aug'07 to Dec'09 ~$7.6 billion in equity and debt issued (a)
- **Raised $5.1 billion of capital at KMP in 2012**
  - ~$2.8 billion in equity raised (a)
  - ~$2.3 billion in debt ($1.3B net of refinancing)
- **Ability to raise substantial capital without underwritten offerings**
  - At the market program – issued ~$550MM KMP equity in 2012
  - KMR share dividends of ~$625MM in 2013 budget

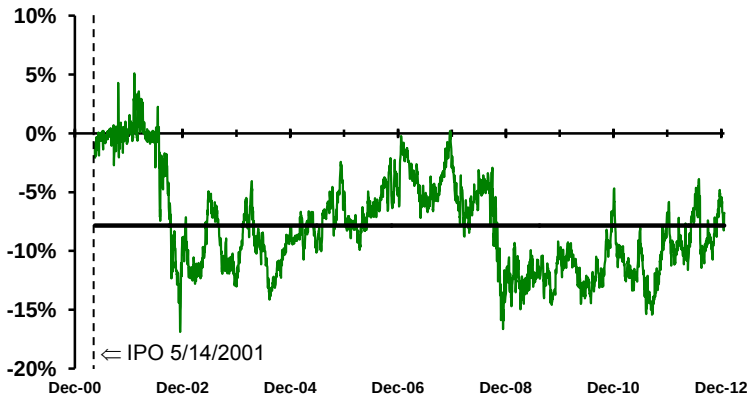
Note: all figures as of 12/31/2012.
(a) Includes KMR share dividends.

KMR 101

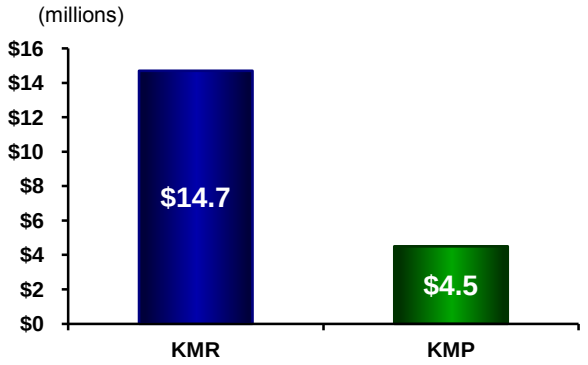
Discount Has Narrowed (Again), But Still Wide

- **KMR *is* KMP**
  - KMR shares are pari passu with KMP units
  - KMR dividend equal to KMP cash distribution, but paid in additional shares; effectively a dividend reinvestment program [(a)]
  - Like KMP units, KMR shares are tax efficient — but with simplified tax reporting (no K-1s, UBTI)
- **KMR is a significant entity**
  - KMR market cap = $9.5 billion, ~30% of total KMP capitalization [(b)]
  - ~$30 million in daily liquidity
- **KMR has generated a 14.5% compound annual total return since 2001 IPO, vs. 14.3% for KMP [(c)]**
- **Although the KMR trading discount to KMP has narrowed, at 6.8% it still represents an attractive opportunity [(b)]**
- **Potential for KMP to become self-funding through KMR dividend**
  - Possibility of KMR share buybacks if quarterly dividends exceed equity funding needs (not anticipated any time soon)
- **Insiders prefer KMR**

KMR Discount to KMP [(b)]



Management Purchases of KMR / KMP [(d)]

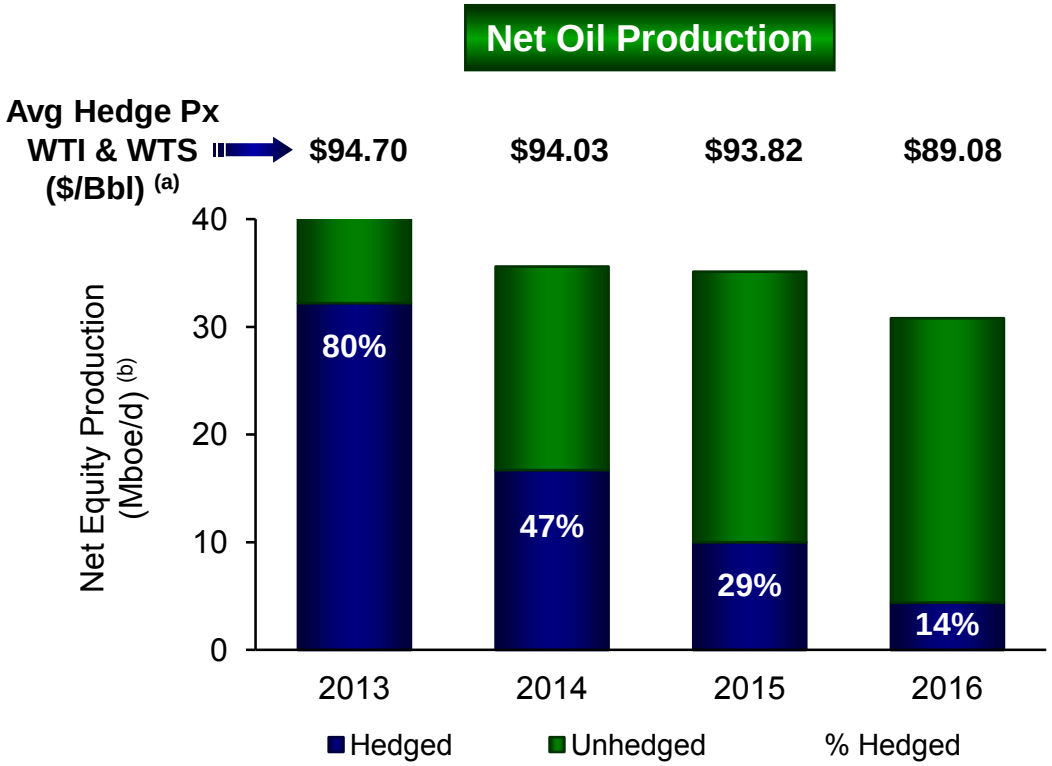


(a) Calculation of share dividend: KMP quarterly cash distribution per unit divided by KMR 10-day average price prior to x-date = fractional share paid for every KMR share owned, e.g. $1.26 / $77.478 = 0.016263 share; example reflects actual KMR share dividend calculated for 3Q 2012 paid on 11/14/2012; refer to KMP 3Q 2012 10-Q for more information.
(b) As of 1/18/2013, see footnotes on slide 9 for additional information.
(c) As of 12/31/2012, see footnotes on slide 11 for explanation of total return calculations.
(d) Purchase of KMR shares and KMP units by directors and officers of KMR/KMP since the KMR IPO in 2001, as reported in SEC Form 4 filings; 10:1 ratio excludes one open market purchase of KMP units relating to an arrangement requiring cash distributions for payment of interest.

KMP CO_2 Oil Production Hedge Profile

- **Avoid businesses with direct commodity exposure**
- **Hedge CO_2 BOE equivalent**
  - Targeted minimum hedge amounts:

    Current Year: 70%
    Year 2: 50%
    Year 3: 30%
    Year 4: 10%



(a) Where collars are used, pricing incorporated into average hedge price is the collar floor; for swaps and puts, strike price net of premium is used.
(b) Net equity production: 2013 = budget; 2014-2016 = based on Netherland, Sewell reserve report plus Katz project estimated barrels; includes heavier NGL components (C4+).

KMI Warrants

- **~505 million warrants issued as part of the El Paso acquisition**
  - $40 strike price
  - 5-year maturity (May-2017)
- **Board approved $250 million repurchase program**
  - Repurchased $156 million during 2012
  - ~440 million warrants outstanding as of 12/31/2012
  - No expiration to program (~$94 million remaining)
- **Strategy to balance warrant repurchase program with overall leverage metrics**
- **Board could approve additional warrant repurchase amounts**
- **Expectation for net-settlement on exercise**
  - Minimizes dilutive impact

Risks

- **Regulatory (KMP/EPB/KMI)**
  - Pacific Products Pipeline FERC / CPUC cases
  - Periodic rate reviews
  - Unexpected policy changes
- **Crude oil production volumes (KMP)**
- **Crude oil prices (KMP)**
  - 2013 budget assumes $91.68/Bbl realized price on unhedged barrels
  - 2013 sensitivity is ~$5.9 million DCF per $1/Bbl change in crude oil prices
- **Economically sensitive businesses (e.g., steel terminals) (KMP)**
- **Environmental (KMP/EPB/KMI)**
- **Terrorism (KMP/EPB/KMI)**
- **Interest rates (KMP/EPB/KMI)**
  - Full-year impact of 100-bp increase in floating rates equates to ~$57 million increase in interest expense at KMP [(a)]

(a) As of 12/31/2012 approximately $5.7 billion of KMP's total $15.4 billion in net debt was floating rate.

Financial Excellence is a Habit

- Disciplined capital allocation
- Maintaining strong balance sheet
- Attention to detail
- Transparency to investors
- Delivering results

"However beautiful the strategy, you should look at the results" – Winston Churchill

Operational Excellence

Steve Kean

Chief Operating Officer

Overview

- Segment Outlooks
- EP Integration
- Operations

Natural Gas Pipelines Segment Outlook

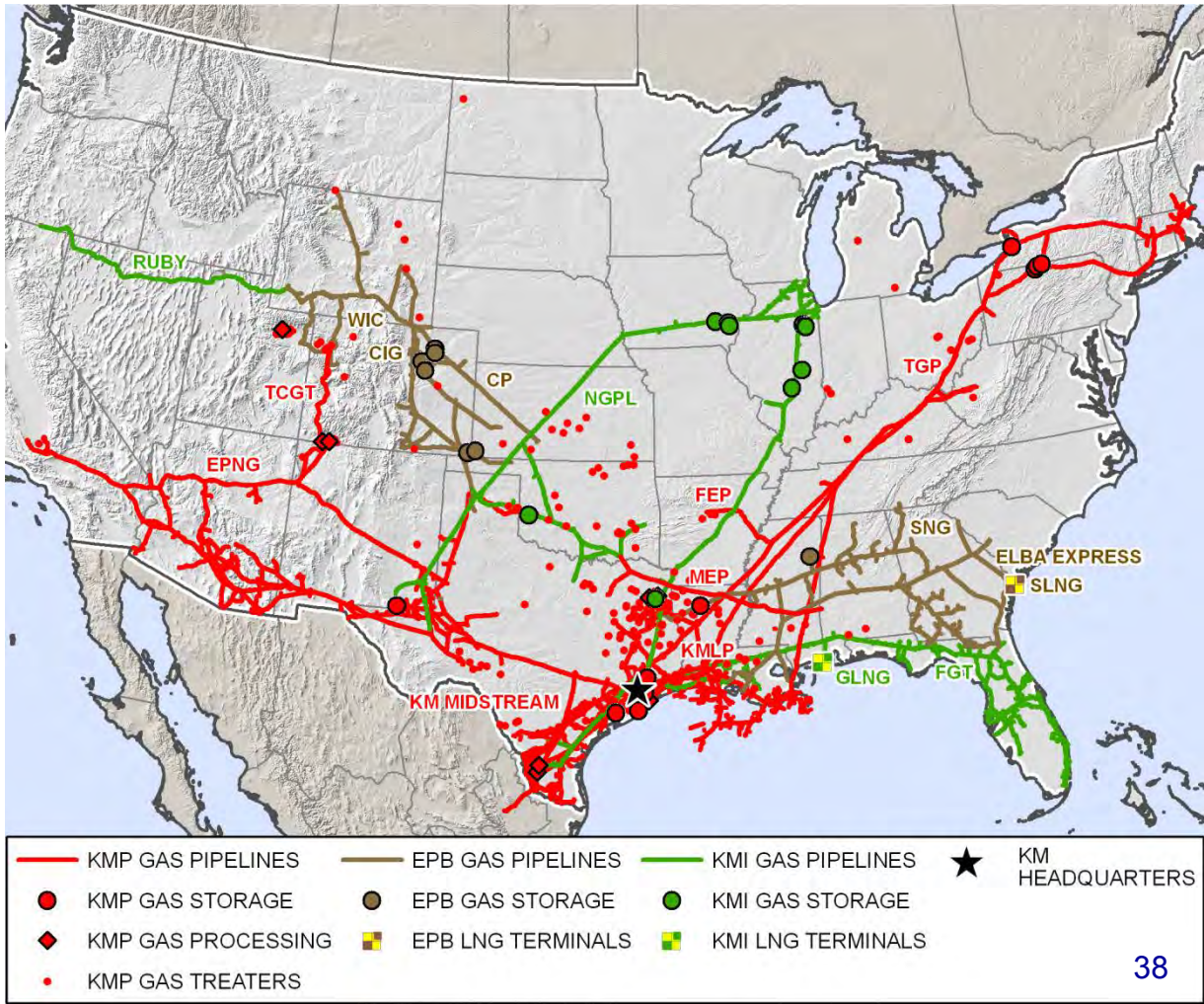
Well-positioned connecting key natural gas resource plays with major demand centers

Project Backlog:

- $2.7 billion of identified growth projects over next five years [(a)], including:
  - TGP Northeast upgrade
  - LNG liquefaction (FTA @ Gulf & Elba Island)
  - SNG / Elba Express expansions
  - Sierrita lateral to Mexico border

Long-term Growth Drivers:

- Attractive dropdown inventory at KMI
- Natural gas the logical fuel of choice
  - Cheap, abundant, domestic and clean
- Unparalleled natural gas network
  - Sources natural gas from every important natural gas resource play in the U.S.
    - Eagle Ford, Marcellus, Utica, Uinta, Haynesville, Fayetteville and Barnett
  - Connected to every major demand center in the U.S.
- Demand growth and shifting supply from multiple basins
  - Power / gas-fired generation
  - Industrial and petchem demand
  - Growth in Mexican natural gas demand
  - Repurposing portions of existing footprint
  - Greenfield development
- Expand service offerings to customers (e.g. treating and G&P)
- LNG exports
- Acquisitions



(a) Excludes acquisitions and dropdowns, includes KM's share of non-wholly owned projects.
Includes projects currently under construction.

Products Pipelines Segment Outlook

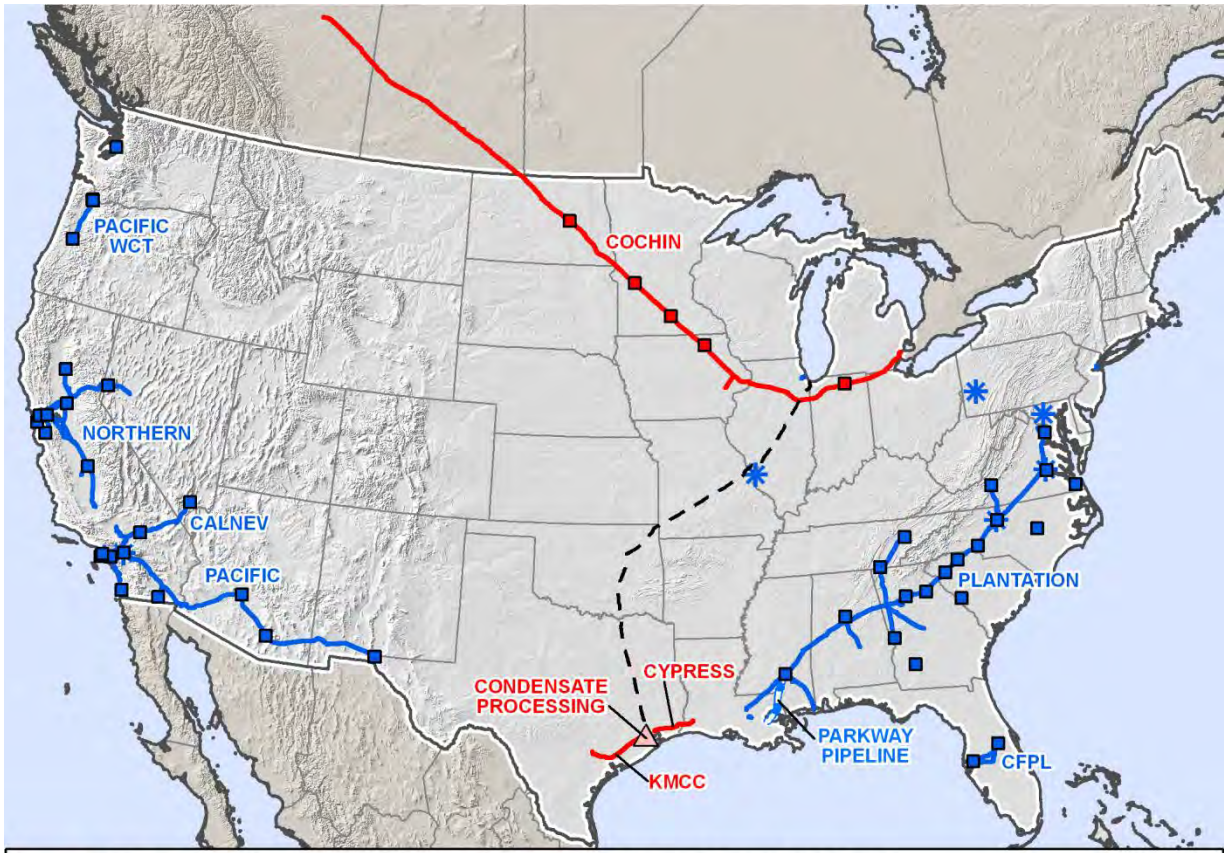
Opportunities for growth from increased liquids production

Project Backlog:

- **$0.7 billion of identified growth projects over next two years [(a)], including:**
  - **Cochin reversal & diluent conversion**
  - **Condensate processing**
  - **Sweeney lateral**
  - **Parkway**

Long-term Growth Drivers:

- **Development of shale play liquids infrastructure (condensate transportation and processing)**
- **Repurposing portions of existing footprint in different product uses**
- **RFS [(b)] increases demand for storage and ancillary services**
  - **Ethanol and biodiesel growth including terminals and pipeline expansions**
- **Tariff index adjustments**
- **Tuck-in acquisitions**



(a) Excludes acquisitions, includes KM's share of non-wholly owned projects.
Includes projects currently under construction.

(b) RFS (U.S. Renewable Fuels Standard) requires an increase in use of renewable fuels, from 17 Bgal/yr in 2013 to 36 Bgal/yr in 2022.

Terminals Segment Outlook

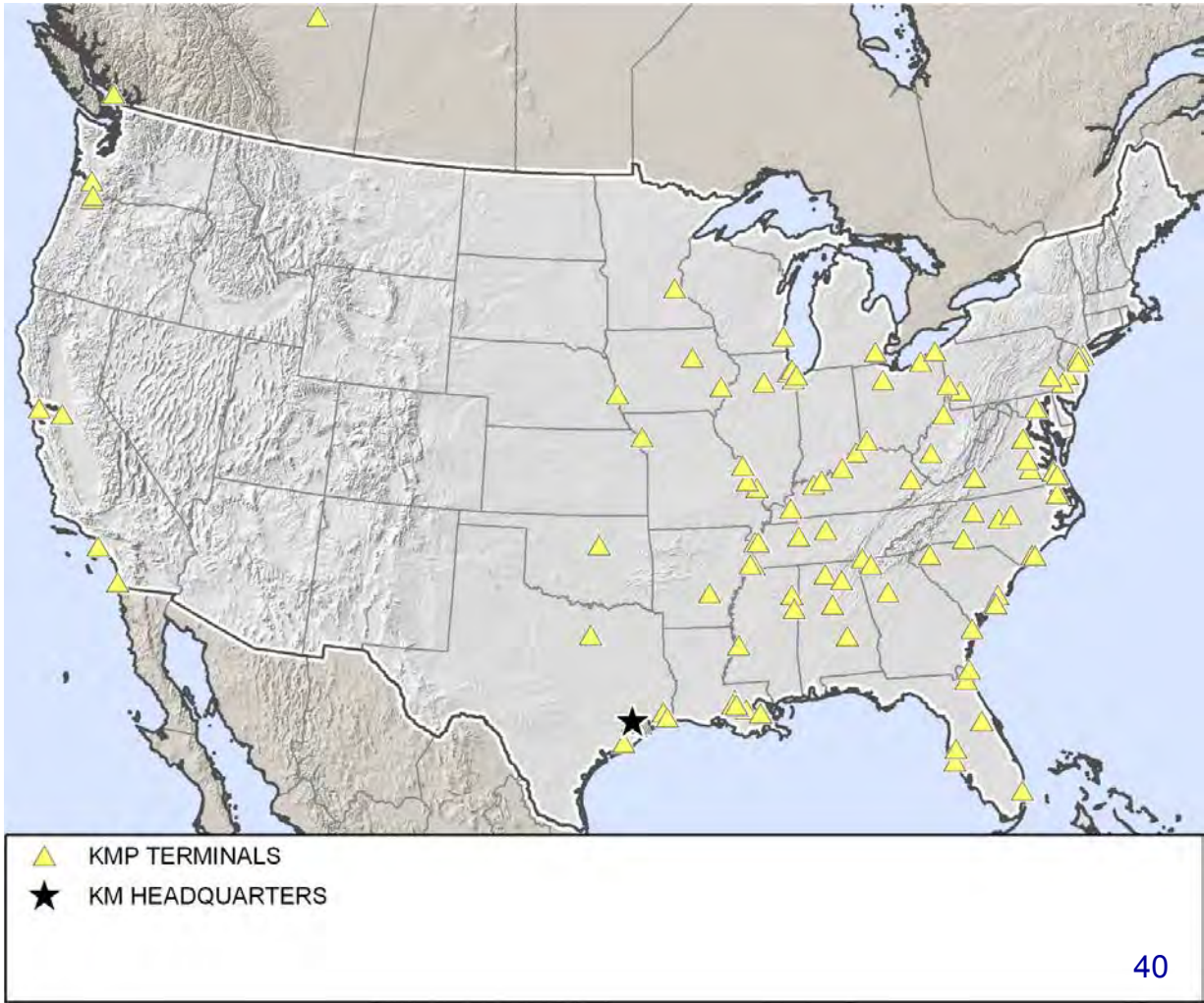
Well-located in refinery / port hubs and inland waterways

Project Backlog:

- **$1.4 billion of identified growth projects over next three years [(a)], including:**
  - **Liquids**
    - Edmonton Phase I / II expansions
    - BOSTCO project
    - Houston terminal network expansion
  - **Bulk**
    - Deepwater coal handling
    - IMT Phase I / II / III coal handling
    - BP Whiting petcoke handling
    - Port of Houston export coal

Long-term Growth Drivers:

- **Gulf Coast diesel and gasoline exports**
- **Crude oil merchant tankage**
- **Crude by rail**
- **Newbuild / expansion of export coal terminals**
- **Chemical Infrastructure and base business growth built on production increases**
- **Tuck-in acquisitions**



(a) Excludes acquisitions, includes KM's share of non-wholly owned projects.
Includes projects currently under construction.

CO_2 Segment Outlook

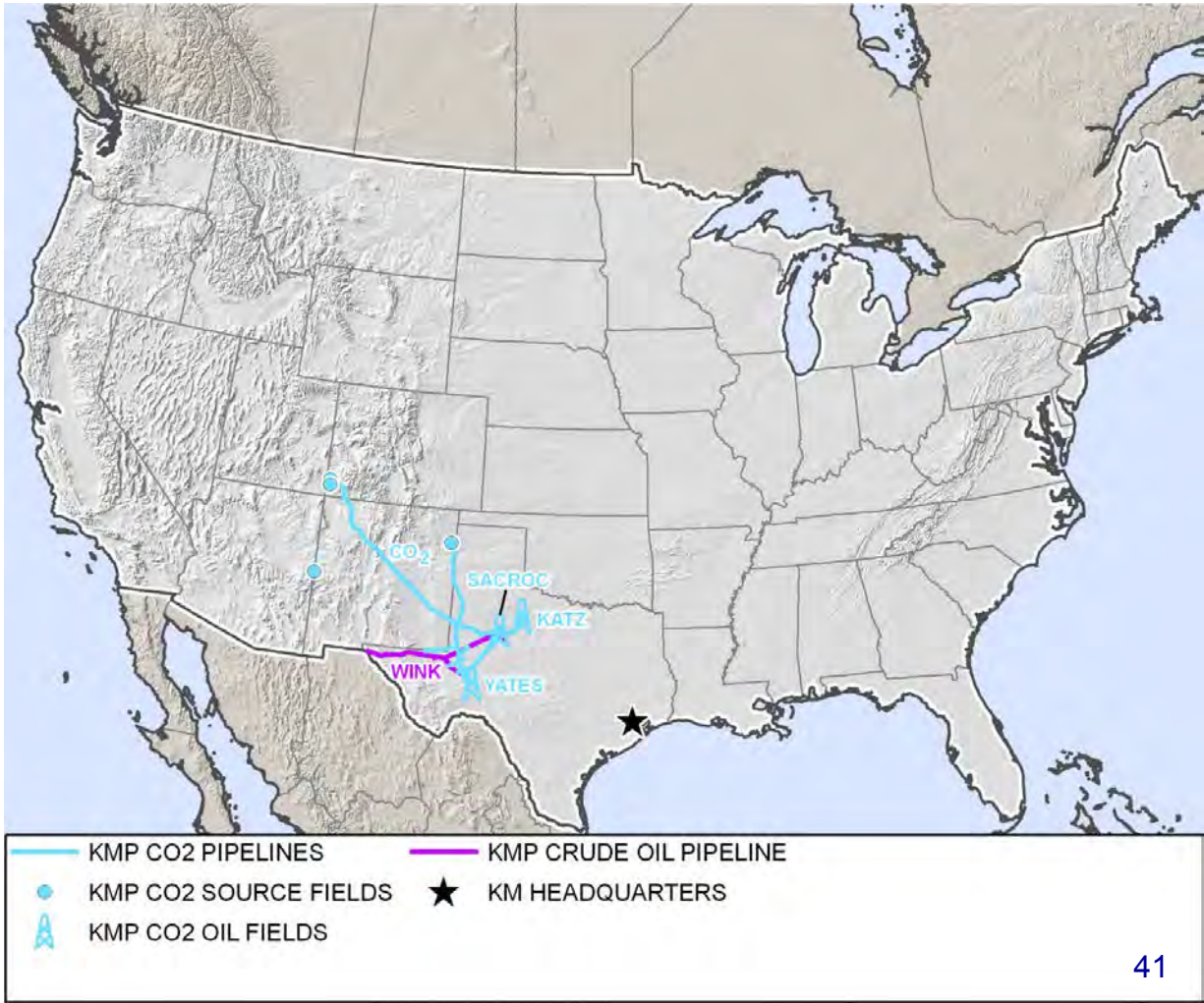
Own and operate best source of CO_2 for EOR [(a)]

Project Backlog:

- **Identified growth projects totaling $1.5 billion and $0.9 billion in S&T and EOR [(a)], respectively, over next five years [(b)], including:**
  - **S&T**
    - McElmo / Doe Canyon expansion
    - St. Johns build-out
  - **Oil Production**
    - SACROC / Yates / Katz
    - SACROC NGL plant & gathering

Long-term Growth Drivers:

- **Strong demand for CO_2 drives volume and price**
- **Billions of barrels of domestic oil still in place to be recovered at SACROC, Yates and Katz, including potential exploitation of additional zones**



(a) EOR = Enhanced Oil Recovery.
(b) Excludes acquisitions, includes KM's share of non-wholly owned projects.
Includes projects currently under construction.

Kinder Morgan Canada Segment Outlook

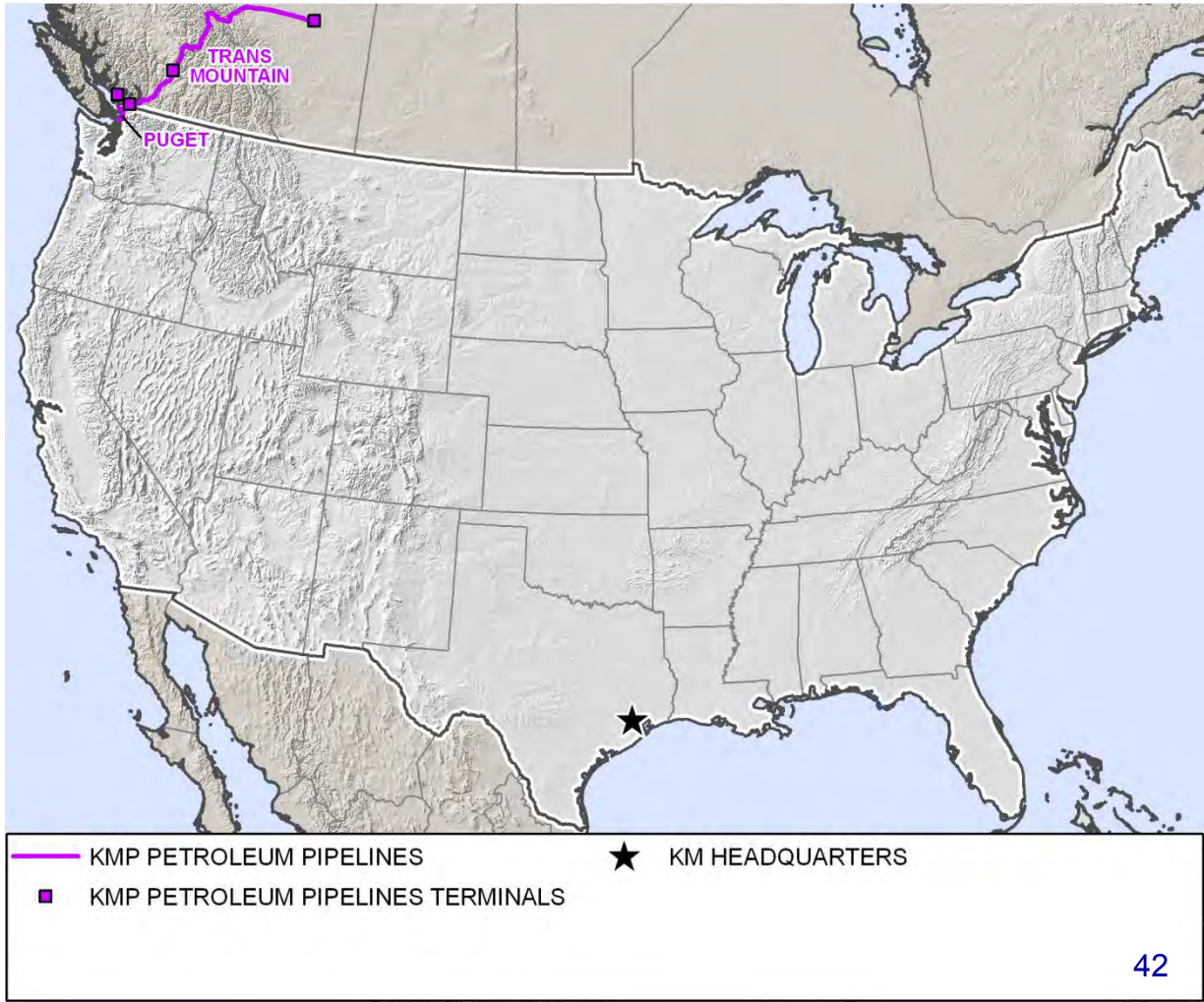
Sole oil pipeline from Oilsands to West Coast / export markets

Project Backlog:

- **$5.4 billion expansion of TMPL**

Long-term Growth Drivers:

- **Expand Oilsands export capacity to West Coast and Asia**
  - **Following successful open season, major expansion plans under way**
    - More than doubling capacity from 300 MBbl/d currently to approximately 890 MBbl/d
    - Strong commercial support from shippers with binding long term contracts for 708 MBbl/d of firm transport capacity
    - Projected cost of $5.4 billion
    - Proceeding with project design, planning and consultation
    - Expected in-service late 2017
- **Expanded dock capabilities (Vancouver)**
  - **TMPL expansion will increase dock capacity to over 600 MBbl/d**
  - **Access to global markets**



El Paso Integration Timeline

Pre-close	Day-1	Remainder of 2012	2013 & Beyond
▪ Implemented weekly update process ▪ Implemented monthly major projects review ▪ Conducted "QBR-like" review of opportunities and risks ▪ Reviewed KM processes (weekly meeting, monthly earnings and receivables, major projects reviews, annual budget, etc.) ▪ Integration teams formed with personnel from each organization – Developed budgets (with metrics), organizations, and best practices for the going forward organization ▪ Began systems evaluation / selection	▪ Combined organization specified (including transition workforce) ▪ Year-1 budgets established ▪ Going forward systems selected (financial and transaction systems) ▪ Key choices made with respect to policies, best practices and procedures – Benefits – Corporate policies – Operations (Integrity management, damage prevention, emergency response, Centralized Maintenance Division –Project Support, aviation) – Procurement – Public Affairs	▪ Conversion to common financial and accounting system (7/1/2012) ▪ Integration of gas O&M manual (12/31/2012); some differences to be reconciled over time ▪ Compliance systems – Combined reporting ▪ Project management procedures (complete) ▪ HQ building monetization ▪ Complete moves / restack Houston (complete Q1 2013)	▪ Conversion to common gas pipeline scheduling and transaction system – TGP (7/2013) – Rockies (4/2014) – EPNG/Mojave (8/2014) – SNG (12/2014) ▪ SCADA – Separation from business systems (2013) ▪ SNG control room move to Houston (Q1 2013) ▪ Conforming to common IMP standards ▪ El Paso and KM benefit plans merged (1/2013) ▪ Consolidation of compliance systems (12/2013) ▪ Wind down legacy matters

Operations Goals – Safe, Reliable, Efficient Operations

- Continuous reduction in risk to the public, employees, contractors, assets and the environment
- Continuous improvement in the efficiency and productivity of existing operations
- Well-executed expansions and effective integration of acquired operations
- Establish culture of excellence in operations

Efficiency

- **Part of weekly asset review**
  - Throughput
  - Operating costs (including energy use and L&U)
  - Sustaining capex updates
- **Detailed, “bottoms up” budget process for operating expenses and sustaining capex**
  - Separately identify safety and compliance needs; separately track spending on those items
- **Shared best practices on common activities**
  - Working groups
  - Quarterly KM operations meeting

Risk Reduction

Operational Excellence is a Habit

Immediate Risk Reduction

- ROW protection programs
- Liquids pipeline O&M re-write
- EHS (environmental, health and safety) "boot camps" in Terminals
- Audits and assessments (annual program)
- Acceleration of certain pipeline integrity work
- PSM / RMP compliance [(a)]
- Tank and in-facility pipe integrity program
- Terminals SQE (safety, quality and environmental)
- Separate review of high consequence assets and operations

Systems-making Compliance Routine

- Addressing operations performance in our existing processes — Operations Management System
  - Annual budget
  - Compensation
  - QBR's
  - Operations quarterly meetings
  - Monthly business unit meetings
  - Monthly major projects review
  - Weekly asset meetings
- Compliance systems
  - OpsInfo extension (2008 – 13)
  - Petris
  - Audit tracking system
  - Exceptions reported to business unit management
- Incident and near miss reporting systems
  - ERL
  - STARS
  - Incident Review Committee

Continuous Improvement

- Systems Improvement and extension
- Measuring, meeting, adjusting
- Training
- Auditing
- Working Groups – share best practices across Kinder Morgan

(a) "PSM" = Process Safety Management.
"RMP" = Risk Management Plan.

Compliance Summary

Making Compliance a Habit

- **Key elements:**
  1. Clear statement of requirement, assignment of responsibility and deadline for completion, and
  2. Exception reporting to management
- **Performance:**
  - OpsInfo expanded to nearly 370,000 compliance actions per year
    - Timely compliance: 99.6% in 2012
- **Other items tracked: regulatory changes, audit exceptions tracked and closed**

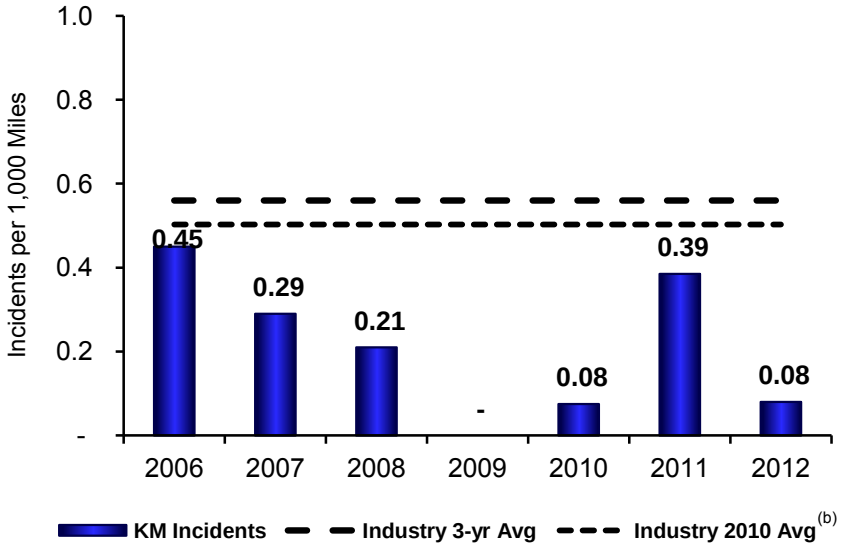
Compliance Summary – Cont'd

Business Unit	Env. Permits Hazardous Waste / Transport SPCC [a]	Safety	PSM / RMP [b]	DOT & DOT Maintenance	Security	Contractors	Damage Prevention
Natural Gas Pipelines	OpsInfo & Maximo	OpsInfo, INFOR EAM, & Maximo	OpsInfo & Maximo	OpsInfo, INFOR EAM, & Maximo	OpsInfo & Maximo	ISNetworld	Petris
Products Pipelines	OpsInfo	OpsInfo	OpsInfo	OpsInfo	OpsInfo	ISNetworld	Petris
Terminals	OpsInfo	OpsInfo	OpsInfo	OpsInfo	OpsInfo	ISNetworld	Petris
Kinder Morgan Canada	OpsInfo & IVARA	OpsInfo for Trans Mountain & IVARA for Platte & Express	*Regulations are Not Applicable*	OpsInfo & IVARA	OpsInfo & IVARA	ISNetworld	Petris
CO_2	OpsInfo	OpsInfo	OpsInfo	INFOR EAM	OpsInfo	ISNetworld	Petris

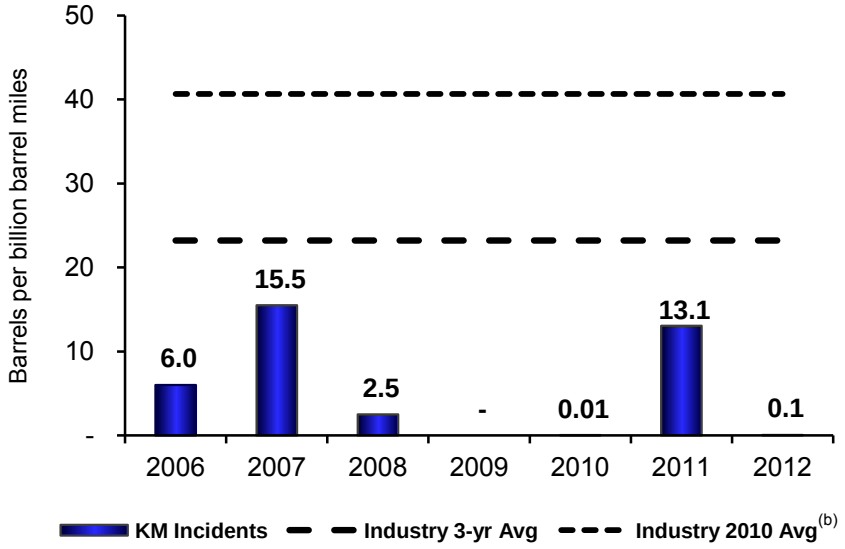
(a) "SPCC" = Spill Prevention Control and Countermeasures.
(b) "PSM" = Process Safety Management.
"RMP" = Risk Management Plan.

Incidents & Releases: Liquids Pipeline ROW

Liquids Pipeline Incidents per 1,000 Miles [a]



Liquids Pipeline Release Rate [a]



Note: KM totals exclude non-DOT jurisdictional CO2 Gathering and Crude Gathering for compatibility with industry comparisons.

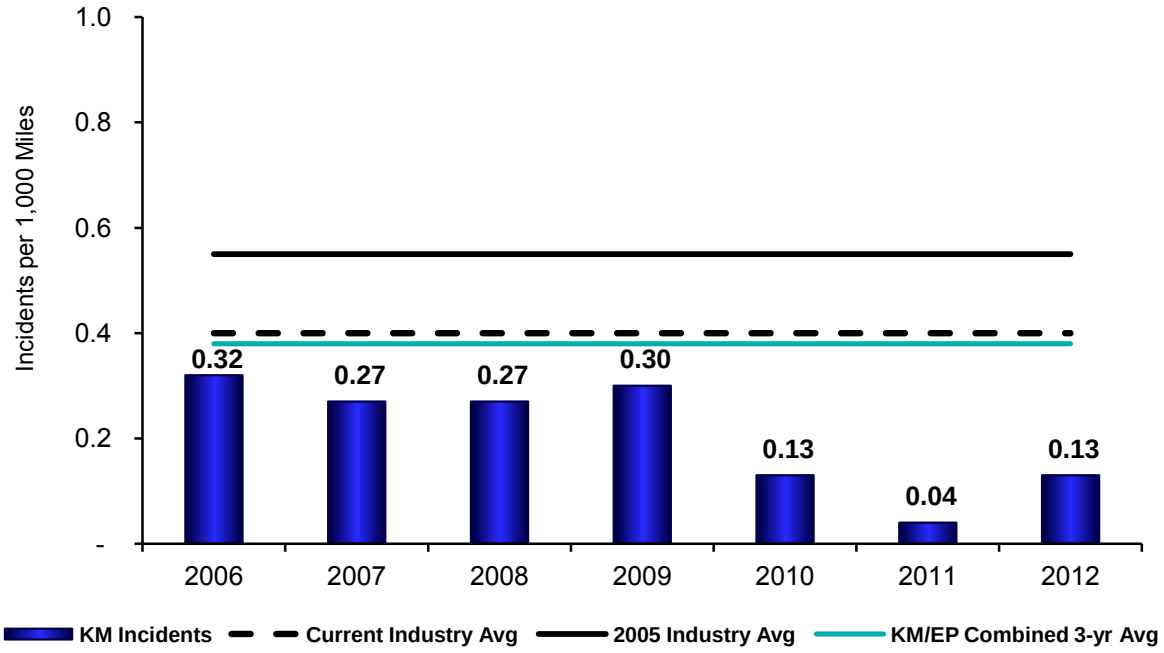
(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:

(1) Explosion or fire not intentionally set by the operator.
(2) Release 5 barrels or greater. (NOTE: PHMSA does not record system location for releases less than 5 barrels)
(3) Death of any person.
(4) Personal injury necessitating hospitalization.
(5) Estimated property damage, including cost of clean-up and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding $50,000; not included: natural gas transportation assets.

(b) 2010 most recently reported .

Incidents & Releases: Natural Gas Pipeline ROW

Natural Gas Pipeline Incidents Rate (a)



Note: KM totals exclude non-DOT jurisdictional CO_2 Gathering and Crude Gathering for compatibility with industry comparisons.

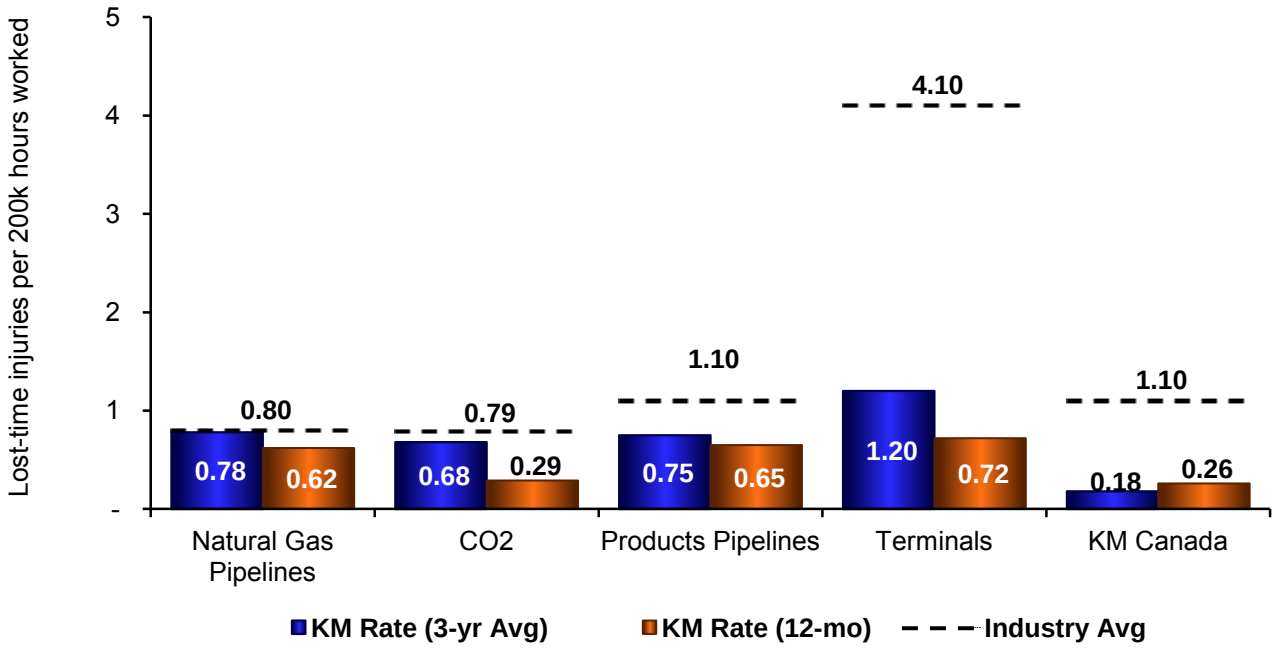
(a) An Incident means any of the following events:

(1) An event that involves a release of gas from a pipeline or of a liquefied natural gas or gas from an LNG Facility and
  (i) A death, or personal injury necessitating in-patient hospitalization; or
  (ii) Estimated property damage, including cost of gas lost, of the operator or others, or both, of $50,000 or more; or
  (iii) Unintentional estimated gas loss of 3,000 Mcf or more.

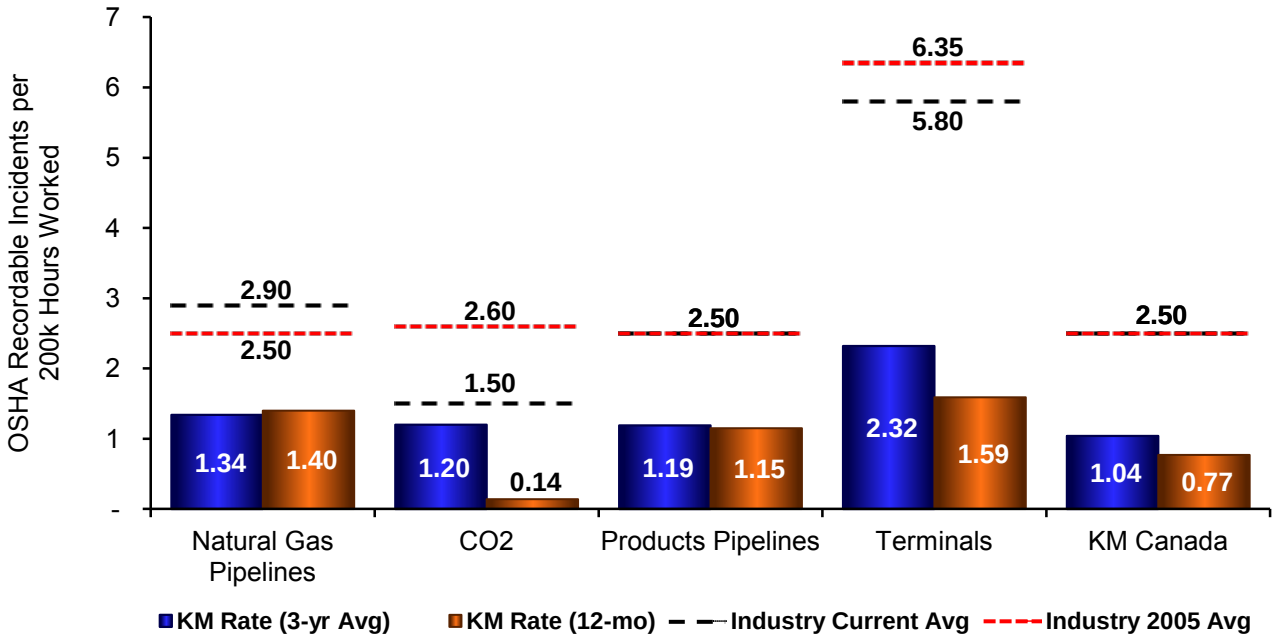
(2) An event that results in an emergency shutdown of an LNG facility.

(3) An event that is significant, in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2).

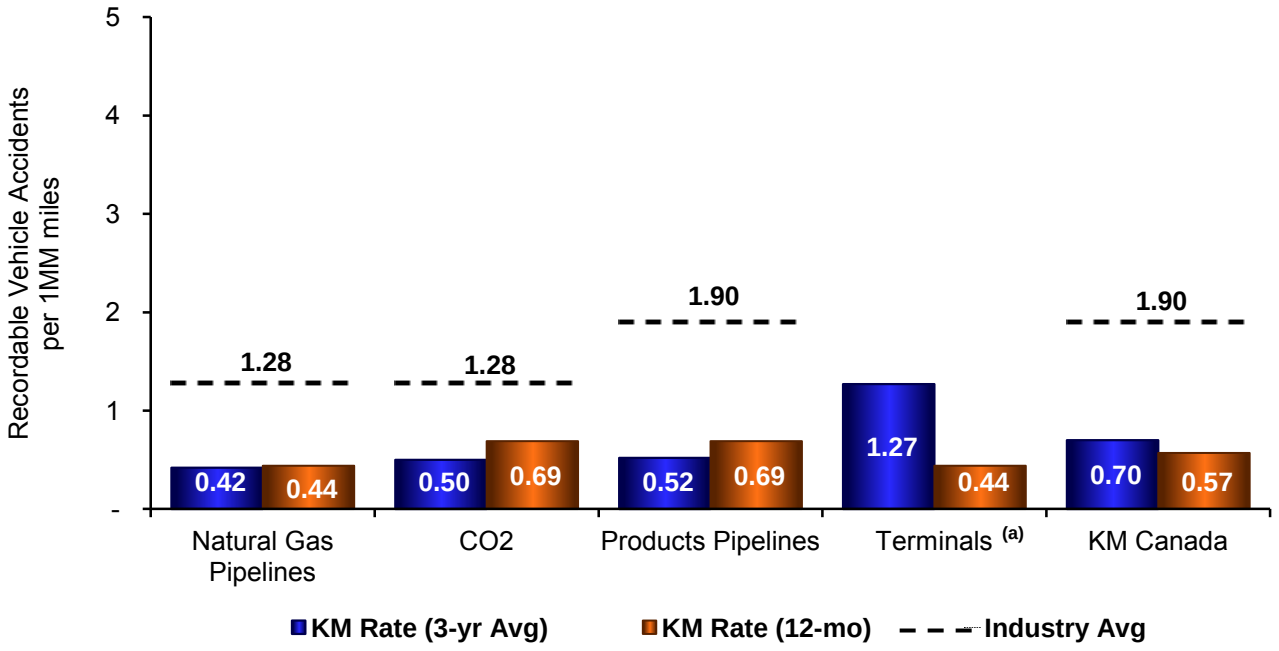
KM Lost-time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate



(a) Industry average not available for Terminals.

2013 Objectives

- Incident rates: better than industry average and better than the Kinder Morgan 3-year average; zero significant incidents
- Continued special emphasis on high consequence assets and operations



Great Moments in Operations…


KINDER MORGAN