

Appendix

Toll Road-like, Fee-based Business Model

	Natural Gas Pipelines (KMP/EPB/KMI)	Products Pipelines (KMP)	Terminals (KMP)	CO ₂ (KMP)	Kinder Morgan Canada (KMP)
Volume Security	<ul style="list-style-type: none"> Interstate & LNG: take or pay Intrastate: ~75% take or pay ^(a) G&P: minimum requirements / acreage dedications 	<ul style="list-style-type: none"> Volume based 	<ul style="list-style-type: none"> Take or pay, minimum volume guarantees, or requirements 	<ul style="list-style-type: none"> S&T: primarily minimum volume guarantee O&G: volume-based 	<ul style="list-style-type: none"> Essentially no volume risk
Avg. Remaining Contract Life	<ul style="list-style-type: none"> Interstate: 7.1 years Intrastate: 4.9 years ^(a) G&P: 6.0 years LNG: 18.4 years 	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Liquids: 4.2 yrs Bulk: 4.1 yrs 	<ul style="list-style-type: none"> S&T: 9.0 yrs 	<ul style="list-style-type: none"> 2 yrs
Pricing Security	<ul style="list-style-type: none"> Interstate: primarily fixed based on contract Intrastate: primarily fixed margin G&P: primarily fixed price 	<ul style="list-style-type: none"> PPI + 2.65% 	<ul style="list-style-type: none"> Based on contract; typically fixed or tied to PPI 	<ul style="list-style-type: none"> S&T: 67% of revenue protected by floors O&G: volumes 71% hedged ^(b) 	<ul style="list-style-type: none"> Fixed based on toll settlement
Regulatory Security	<ul style="list-style-type: none"> Interstate: regulatory return mitigates downside; may receive higher recourse rates for increased costs Intrastate: essentially market-based G&P: market-based 	<ul style="list-style-type: none"> Pipeline: regulatory return mitigates downside Terminals & transmix: not price regulated ^(c) 	<ul style="list-style-type: none"> Not price regulated ^(c) 	<ul style="list-style-type: none"> Primarily unregulated 	<ul style="list-style-type: none"> Regulatory return mitigates downside
Commodity Price Exposure	<ul style="list-style-type: none"> Interstate: no direct Intrastate: limited G&P: limited 	<ul style="list-style-type: none"> Limited to transmix business 	<ul style="list-style-type: none"> No direct 	<ul style="list-style-type: none"> Full-yr impact ~\$7.0MM in DCF per \$1/Bbl change in oil price 	<ul style="list-style-type: none"> No direct

All figures as of 1/1/2014 except where noted.

(a) Transportation for intrastate pipelines includes term purchase and sale portfolio.

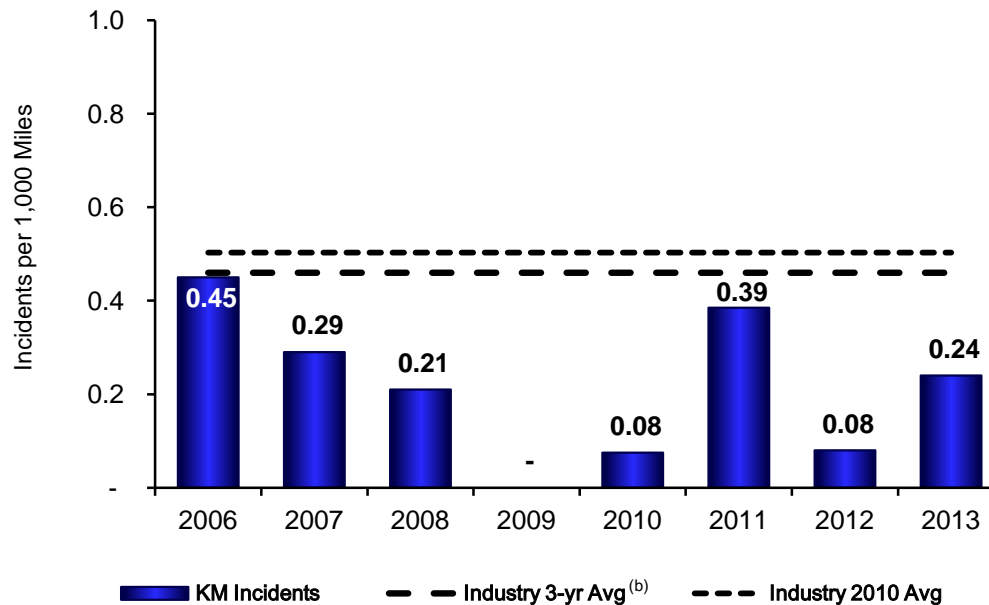
(b) Percent of expected 2014 production, includes heavier NGL components (C4+).

(c) Terminals not FERC regulated, except portion of CALNEV.

Incidents & Releases

Liquids Pipeline ROW

Liquids Pipeline Incidents per 1,000 Miles (a)



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

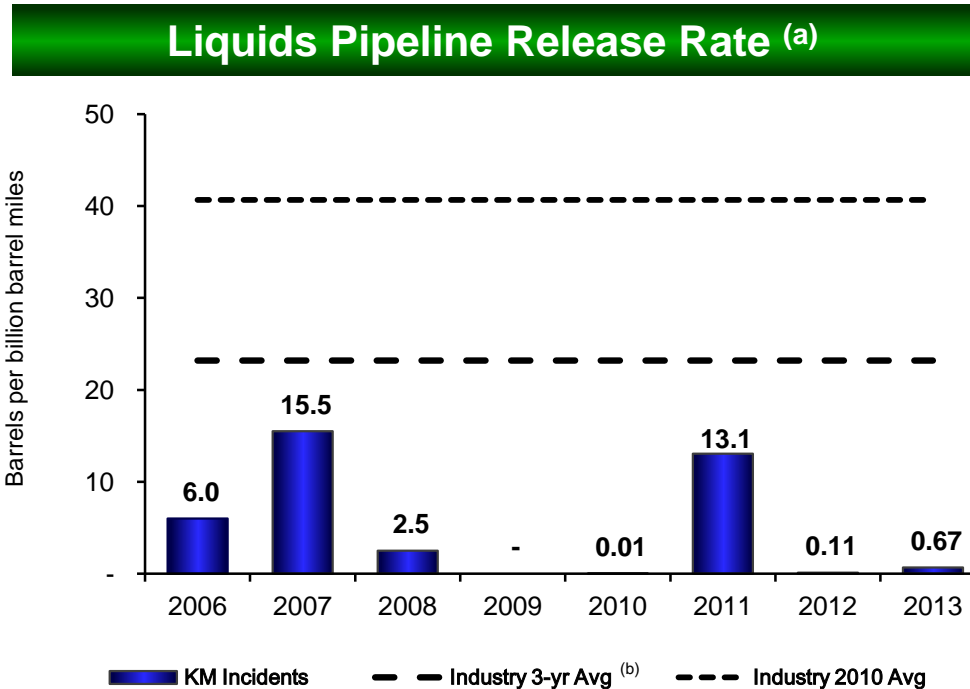
(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:

- (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 - 2012.

Incidents & Releases

Liquids Pipeline ROW (cont'd)



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

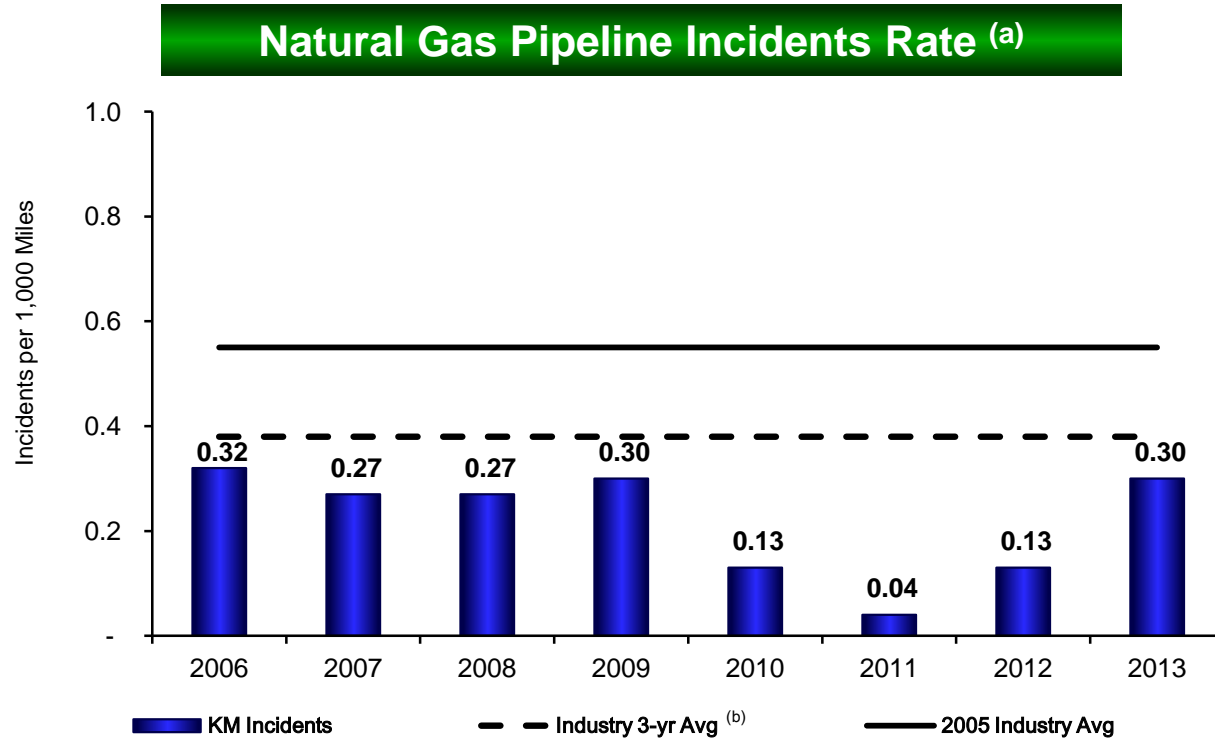
(a) Failures involving onshore pipelines that occurred on the ROW, including valve sites, in which there is a release of the liquid or carbon dioxide transported resulting in any of the following:

- (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 - 2012.

Incidents & Releases

Natural Gas Pipeline ROW



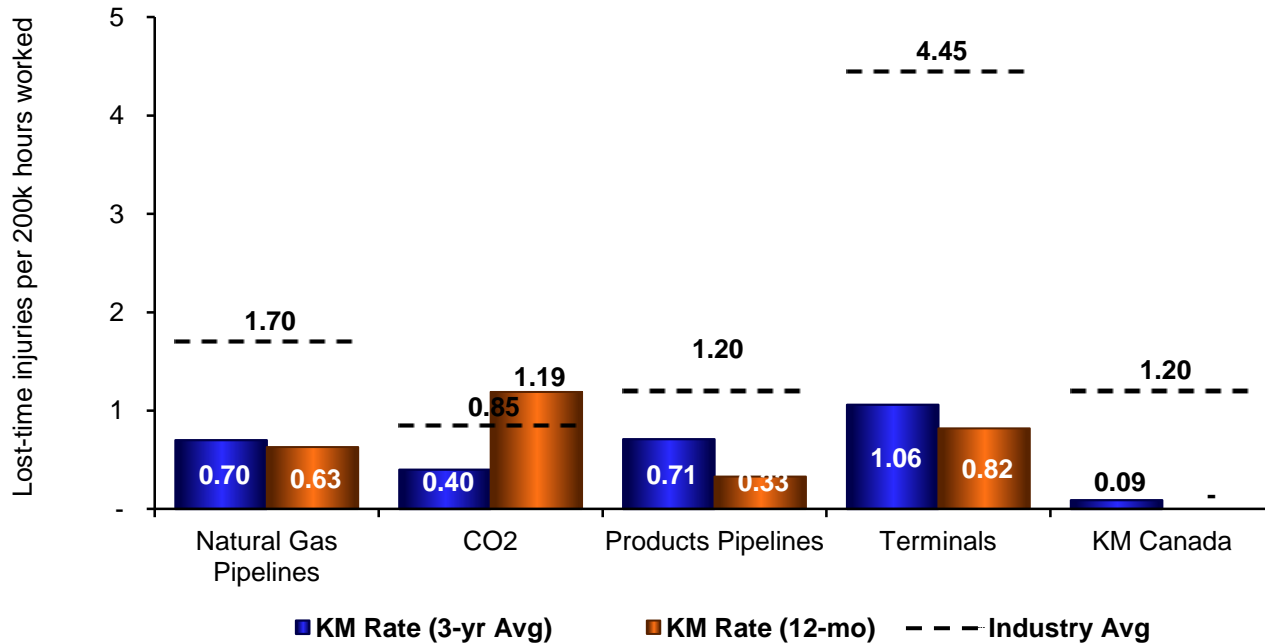
Note: KM totals exclude non-DOT jurisdictional CO₂ Gathering and Crude Gathering for compatibility with industry comparisons.

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

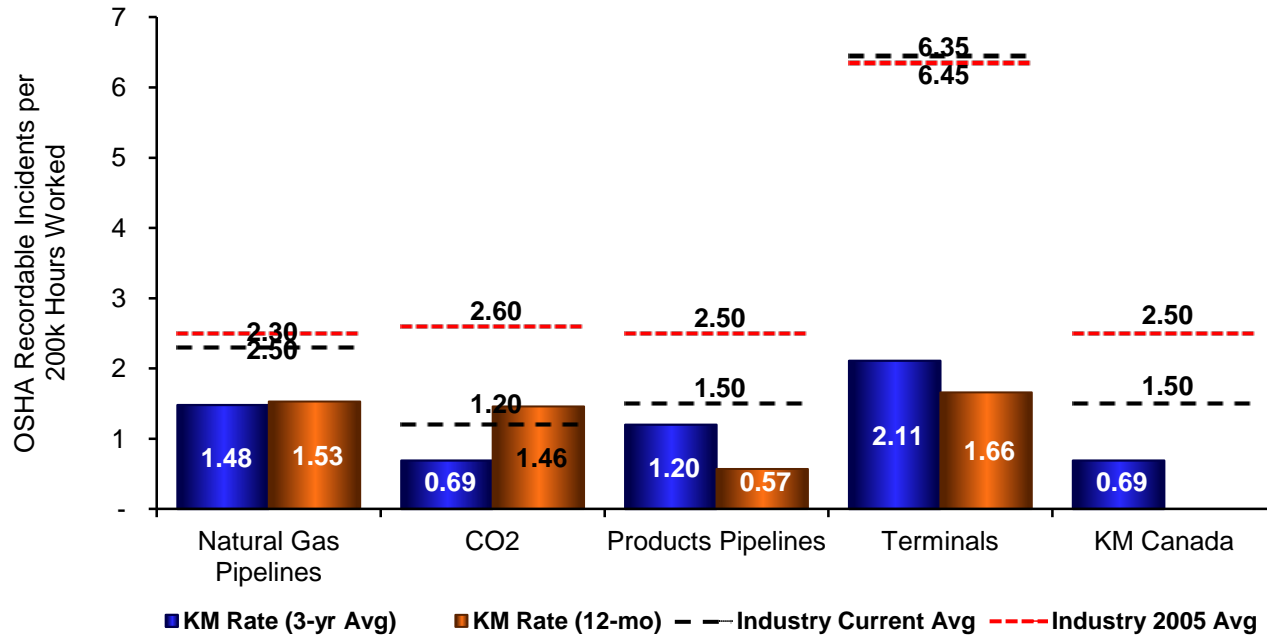
- (1) An event that involves a release of gas from a pipeline or of a liquefied natural gas or gas from an LNG Facility and
 - (i) A death, or personal injury necessitating in-patient hospitalization; or
 - (ii) Estimated property damage, including cost of gas lost, of the operator or others, or both,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

(b) 2009 – 2011 most recent 3-yr avg available.

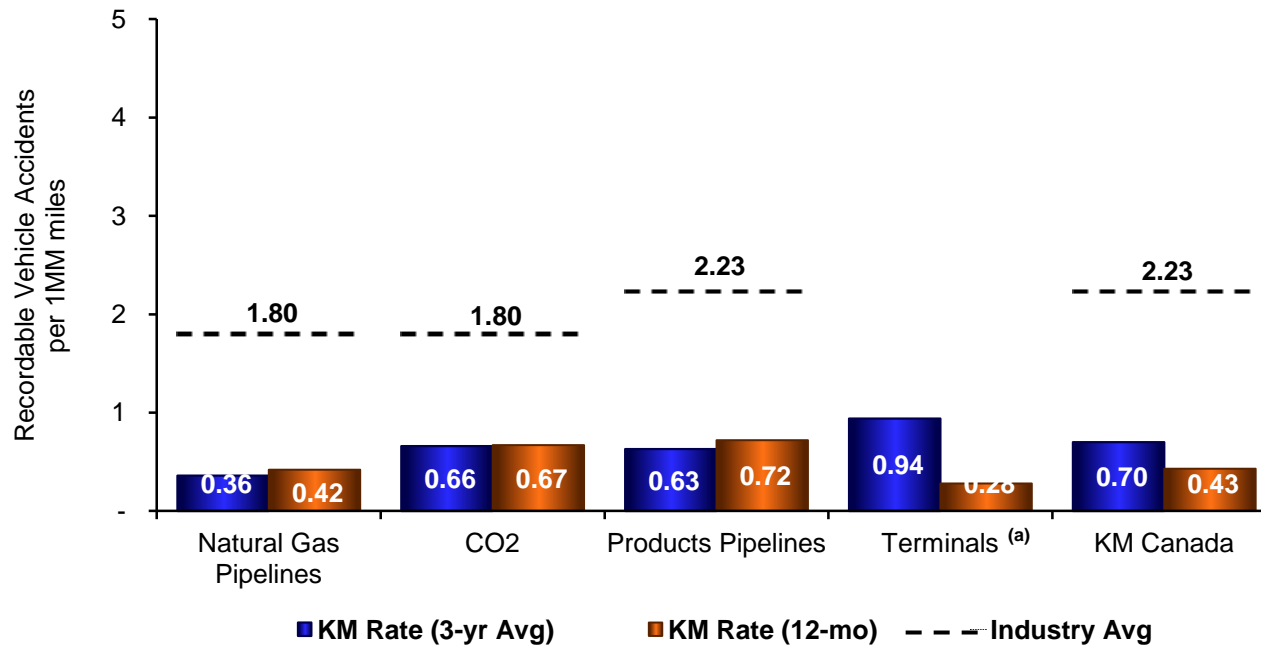
KM Lost-time Incident Rate (DART)



OSHA Recordable Incident Rate



Vehicle Incident Rate



(a) Industry average not available for Terminals.

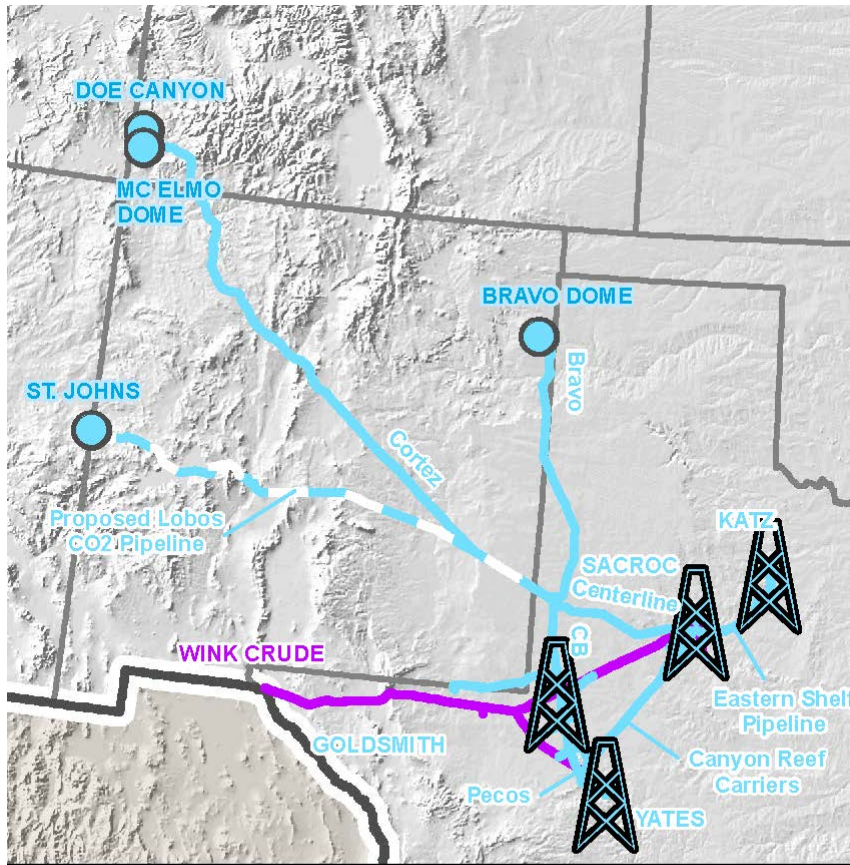
EPB Has Strong Contracted Cash Flow Profile

Contract Expiration Volume (MDth/d) (a)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 and Beyond</u>	<u>Total</u>
CIG	270	428	1,689	191	178	1,855	4,612
WIC	265	589	121	225	528	1,926	3,653
Cheyenne Plains	7	465	58	-	8	340	878
SNG	24	52	1,536	417	679	1,426	4,133
Elba Express	-	-	-	-	-	1,281	1,281
Total	566	1,533	3,404	832	1,393	6,829	14,557
% by year	3.9%	10.5%	23.4%	5.7%	9.6%	46.9%	100.0%

(a) Contract expiration volume for firm transportation contracts as of December 31, 2013.

KMP CO₂ Asset Summary



- CO₂ PIPELINE
- CRUDE PIPELINE
- - - PROPOSED LOBOS CO₂ PIPELINE
- CO₂ SOURCE FIELD
- ▲ OIL PRODUCTION FIELD

CO ₂ Reserves	KMP Interest	Location	Remaining Deliverability	Operator
McElmo Dome	45%	SW Colorado	20+ years	KMP
Doe Canyon	87%	SW Colorado	20+ years	KMP
Bravo Dome	11%	NE New Mexico	10+ years	Oxy

Pipelines	KMP Interest	Location	Capacity (MMcf/d)	Operator
Cortez	50%	McElmo Dome to Denver City	1,330	KMP
Bravo	13%	Bravo Dome to Denver City	375	Oxy
Central Basin (CB)	100%	Denver City to McCamey	700	KMP
Canyon Reef	98%	McCamey to Snyder	290	KMP
Centerline	100%	Denver City to Snyder	300	KMP
Pecos	~70%	McCamey to Iraan	125	KMP
Eastern Shelf	100%	Snyder to Katz	110	KMP
Wink (crude)	100%	McCamey & Snyder to El Paso	145 MBbl/d ^(a)	KMP

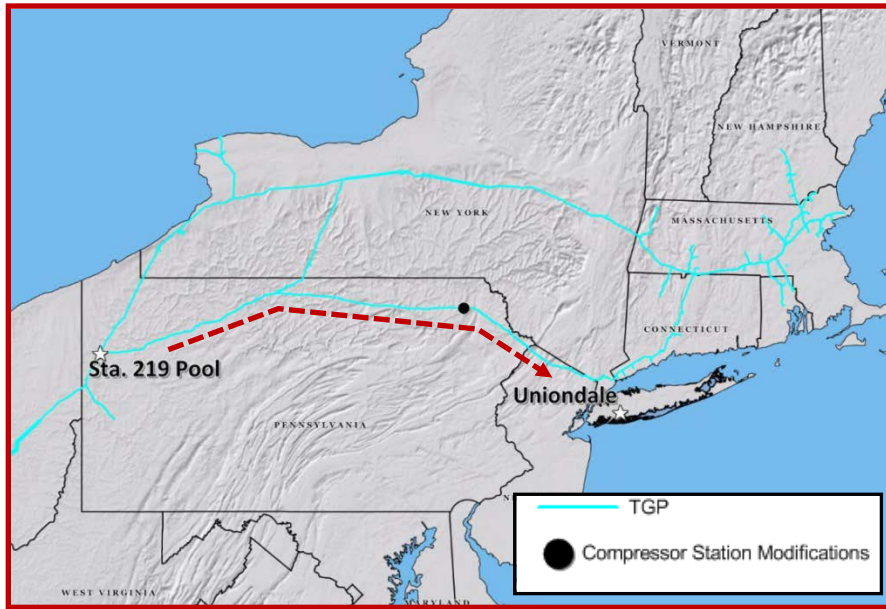
Crude Reserves ^(b)	KMP Interest / (Net of royalty)	Location	Operator
SACROC	97% (83%)	W Texas	KMP
Yates	50% (44%)	W Texas	KMP
Katz	99% (83%)	W Texas	KMP
Goldsmith	100% (88%)	W Texas	KMP

(a) With drag reducing agent (DRA).

(b) Reserve life ~8 years based on current independent consultant reserve report.

Natural Gas Backlog – Additional Projects Detail

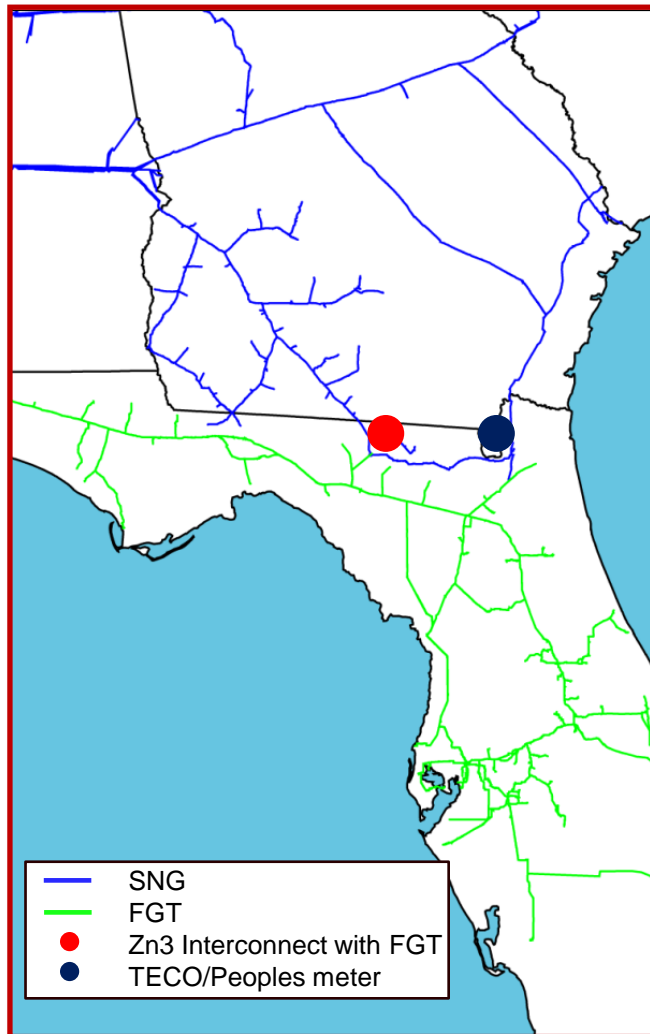
TGP – Uniondale Project



- **Capacity:** 34 MDth/d
- **Capital:** \$9.0 MM
- **Estimated In-Service:** November 1, 2014
- **Project Scope:** Modifications at Station 321
- **Commercial Benefit:** Additional capacity from Station 219 pool to Uniondale
- **Rate:** Negotiated
- **Avg. Contract Term:** 15 years
- **Current Status:**
 - Major equipment ordered
 - FERC authorization by Prior Notice
- **Major Milestones:** April 2014: Begin construction

Natural Gas Backlog – Additional Projects Detail

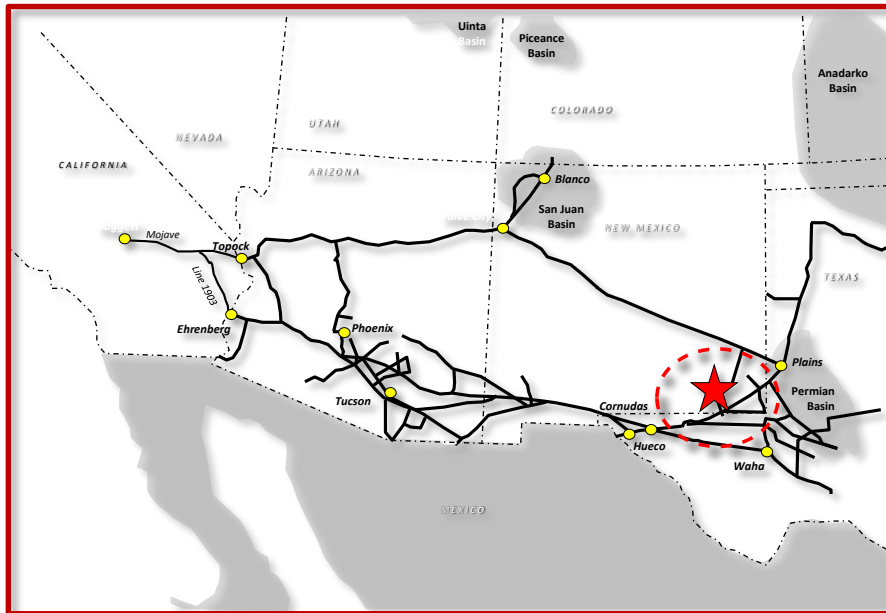
SNG – FGT / TECO Interconnect



- **Capacity:** 7 MMcf/d
- **Capital:** \$4.1 MM
- **Estimated In-Service:** June, 2014
- **Project Scope:**
 - New Zone 3 interconnect with FGT
 - 1.3 miles of 8" pipe and new measurement station
- **Commercial Benefit:** Enables further service of customer's peak day demand needs
- **Rate:** Negotiated
- **Avg. Contract Term:** 10 years
- **Current Status:**
 - PAs executed
 - Interconnect agreement negotiated with FGT
 - Pre-construction activities underway

Natural Gas Backlog – Additional Projects Detail

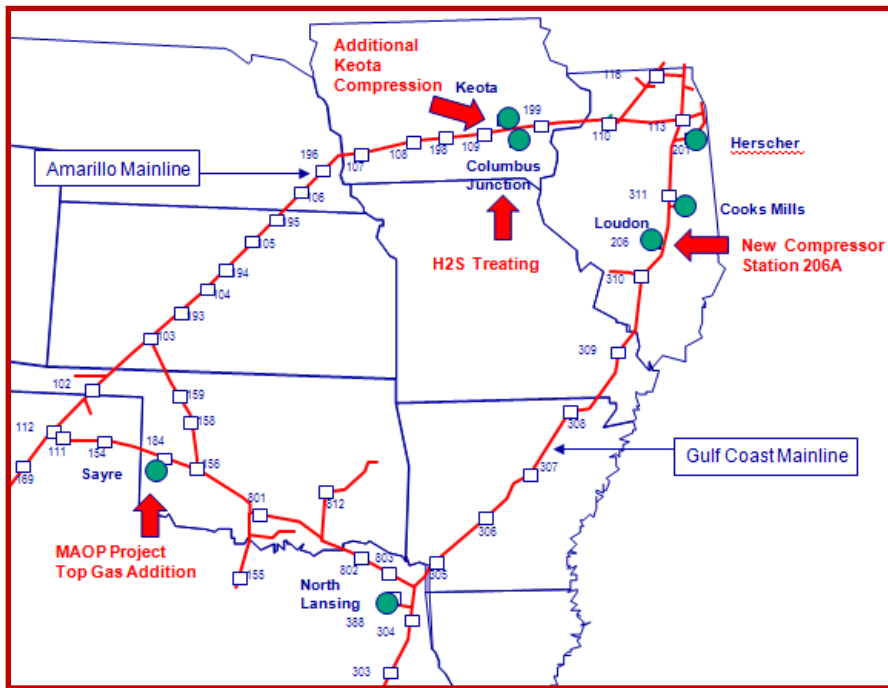
EPNG – Washington Ranch Expansion Project



- **Capacity:** Increases operational capacity by 4 Bcf
- **Capital:** \$7.6 MM
- **Expected In-Service Date:** February 2015
- **Scope:**
 - Drill and connect 2 wells
 - Test core to increase maximum reservoir pressure
- **Commercial Benefit:** Additional PAL capacity
- **Project Status:** Project Approved September 2013
- **Major Milestones:**
 - FERC Prior Notice Filing – April 2014
 - Plan to drill wells in 4th Qtr 2014

Natural Gas Backlog – Additional Projects Detail

NGPL – Silver Bullet Storage Optimization Project



- **Capacity:** 5.0 Bcf incremental working gas
- **Capital (KM):** \$12.5 MM
- **In-Service:** 2014 - 2015
- **Project Scope:**
 - Four work locations
 - Sayre
 - Columbus Junction
 - Keota
 - New Compressor Station 206A
- **Commercial Benefits:**
 - Incremental capacity, increased deliverability, and increased cycling
 - Additional park and loan opportunities
- **Current Status**
 - Under Construction

Natural Gas Backlog – Additional Projects Detail

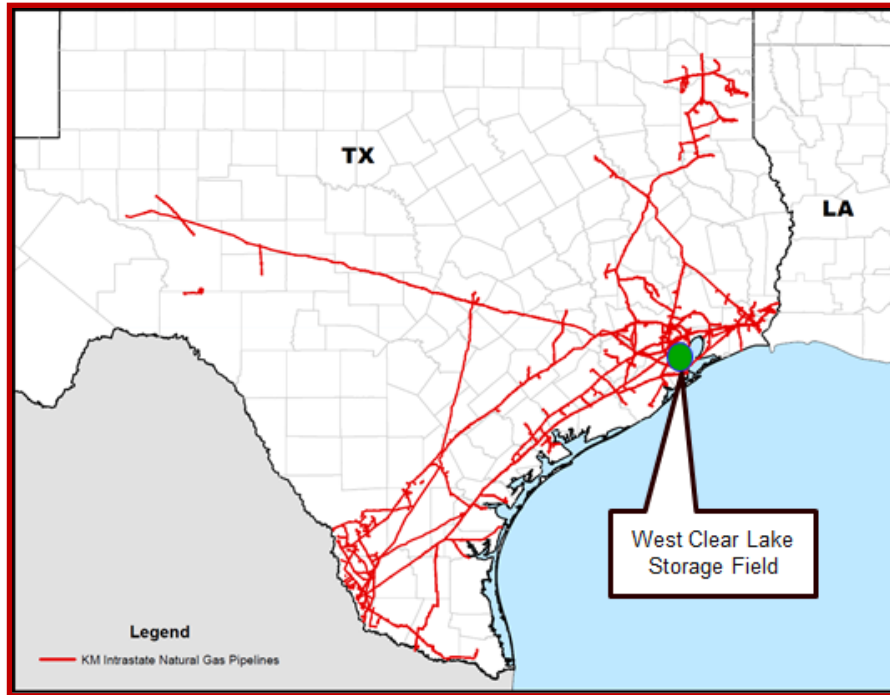
MEP – Entergy Interconnect and Transport



- **Capacity:** 180 MDth/d
- **Capital (KM):** \$3.6 MM
- **In-Service:** February 2014
- **Project Scope:**
 - New interconnect with Entergy Ouachita Power Plant near Perryville, Louisiana
- **Commercial Benefit:**
 - Low cost gas supply for existing intermediate gas fired generation plant
- **Contract Term:** 4 years
- **Project Status:** Construction ongoing

Natural Gas Backlog – Additional Projects Detail

Midstream – West Clear Lake Cushion Conversion



- **Capacity:** 4 Bcf of storage capacity
- **Capital:** \$12.7 MM
- **Expected In-Service Date**
 - 2013 (1 well)
 - 2014 (2 wells)
 - 2015 (1 well)
- **Project Scope:** Drill four storage wells
- **Commercial Benefit**
 - Increase working storage capacity in the center of market area
 - Sold 4 Bcf of cushion gas in Dec-13
- **Current Status:** Under construction
- **Major Milestones:** One well completed in Aug-13

KMP & EPB Current Cost of Capital Calculation

KMP Cost of Capital Calculation

	<u>Annualized 4Q 2013 Distribution</u>		<u>KMP Unit Price 12/31/13</u>		
Equity					
Yield on LP units	\$ 5.44	÷	\$ 80.66	=	6.7%
GP gross-up (1 – GP% take)				÷	54%
Cost of equity				=	12.5%
Equity % of capital structure		x	50%		
Equity component				=	6.2%
	<u>Debt cost</u>		<u>Fix / floating mix</u>		
Debt					
Floating rate ^(a)	2.5%	x	50%	=	1.3%
Long-term fixed rate	5.0%	x	50%	+	2.5%
Debt cost				=	3.8%
Debt % of capital structure		x	50.0%		
Debt component				=	1.9%

<u>Equity Component</u>			<u>Debt Component</u>		<u>Current Cost of Capital</u>
6.2%	+		1.9%	=	8.1%

EPB Cost of Capital Calculation

	<u>Annualized 4Q 2013 Distribution</u>		<u>EPB Unit Price 12/31/13</u>		
Equity					
Yield on LP units	\$ 2.60	÷	\$ 36.00	=	7.2%
GP gross-up (1 – GP% take)				÷	72%
Cost of equity				=	10.1%
Equity % of capital structure		x	50%		
Equity component				=	5.0%
	<u>Debt cost</u>		<u>Fix / floating mix</u>		
Debt					
Long-term fixed rate	5.0%	x	100%	=	5.0%
Debt % of capital structure		x	50.0%		
Debt component				=	2.5%

<u>Equity Component</u>			<u>Debt Component</u>		<u>Current Cost of Capital</u>
5.0%	+		2.5%	=	7.5%

(a) Includes fixed-floating interest rate swaps.

Explanation of KMP Return Calculations

	<u>Formula</u>	<u>Notes</u>
Segment Return on Investment =	$\frac{\text{Segment Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$	(a) (c)
KMP Return on Investment =	$\frac{\text{Total Segment Distributable Cash Flow before Certain Items}}{\text{Average Total Investment}}$	(b) (c)
Return on Equity =	$\frac{\text{Total Distributable Cash Flow before Certain Items}}{\text{Average Equity}}$	(d) (e)

(a) Segment Distributable Cash Flow before Certain Items is defined as the applicable segment earnings before DD&A and certain items less sustaining capex. In addition, several adjustments are made to segment earnings before DD&A to more closely tie to cash: (1) KMP's share of JV DD&A for certain equity method investees is added back and KMP's corresponding share of sustaining capex for these joint ventures is deducted, (2) Express and Endeavor pre-tax earnings are subtracted and cash received is added back.

(b) Total Segment Distributable Cash Flow before Certain Items is defined as the sum of the five individual Segment Distributable Cash Flow before Certain Items less G&A.

(c) See next page for calculation, annual number is calculated based on average of the quarterly Total Investment.

(d) Total Distributable Cash Flow before Certain Items is defined as limited partners' pretax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus KMP's share of JV DD&A less sustaining capital expenditures for certain equity method investees, less equity earnings plus cash distributions received for Express and Endeavor, additional other equity investees, plus the general partner's incentive and the general partner non-controlling interest.

(e) Equity is based on cumulative equity raised inception to date as of the end of each quarter and then averaged for the year.

Explanation of KMP Return Calculations *(Cont'd)*

	Formula	Notes
Calculation of Total Investment:	Gross PP&E	
	Investments	(a)
	Goodwill	
	Gross intangibles (excluding amortization)	
	Plus:	
	Asset write-offs / retirements	
	Cumulative environmental reserves	
	Legal reserves / expenditures	(b)
	Cumulative cash spent on asset retirement	(d)
	Minus:	
	Cumulative sustaining capex	
Assumed liabilities		
Common control adjustment	(c)	
Cumulative asset retirement costs	(d)	
Proceeds from sold assets / investments		
Equals:		
Total investment	(e)	

(a) Investments are calculated based on GAAP book value equal to cumulative contributions plus cumulative earnings less cumulative distributions, except MEP, FEP, EagleHawk, Red Cedar, Eagle Ford, REX, KinderHawk, EPNG, EP Midstream, Fort Union, Bighorn, Endeavor, Double Eagle, Parkway and Cypress, which are based on cumulative equity contributed. These investments are not adjusted for earnings or distributions.

(b) Litigation and environmental reserves deducted as certain items are added to investment, except for SFPP and Calnev litigation reserves. For SFPP and Calnev, actual legal payments are added to the investment when they are made.

(c) For assets acquired from Kinder Morgan, Inc. (for example Express, Trans Mountain, TGP and EPNG) which represent a transfer of assets between entities under common control and are recorded at KMI's carrying value on KMP's financials, an adjustment has been made to reflect these assets at KMP's purchase price.

(d) For GAAP purposes, the present value of accumulated asset retirement costs are included in gross PP&E; for purposes of this calculation, we decrease our Total Investment / subtract out the accumulated asset retirement costs, and increase our Total Investment / add back the cash actually spent on asset retirement.

(e) Van Wharves, Cochin, Trans Mountain, and Express Total Investment is based on acquisition price plus cumulative expansion capital including overhead. The purpose of calculating Total Investment in this manner is to exclude the foreign exchange impact reflected in our GAAP financials. GAAP financials revalue the entire asset balance based on the end of period exchange rate.

KMP Use of Non-GAAP Financial Measures

KMP

The non-generally accepted accounting principles ("non-GAAP") financial measures of distributable cash flow before certain items (both in the aggregate and per unit), segment earnings before depreciation, depletion, amortization and amortization of excess cost of equity investments ("DD&A") and certain items, segment distributable cash flow before certain items, and earnings before interest, taxes and DD&A ("EBITDA") before certain items are included in this presentation. Our non-GAAP financial measures may be different from similarly titled measures used by others, and should not be considered as alternatives to GAAP measures such as net income or any other GAAP measure of liquidity or financial performance.

Distributable cash flow before certain items and EBITDA before certain items are significant metrics used by us and by external users of our financial statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to the cash distributions we expect to pay our unitholders on an ongoing basis. Management uses these metrics to evaluate our overall performance. Distributable cash flow before certain items also allows management to simply calculate the coverage ratio of estimated ongoing cash flows to expected cash distributions. Distributable cash flow before certain items and EBITDA before certain items are also important non-GAAP financial measures for our unitholders because they serve as indicators of our success in providing a cash return on investment. These financial measures indicate to investors whether or not KMP typically is generating cash flow at a level that can sustain or support an increase in the quarterly distributions we are paying pursuant to the KMP partnership agreement. The partnership agreement requires us to distribute all available cash. Distributable cash flow before certain items, EBITDA before certain items and similar measures used by other publicly traded partnerships are also quantitative measures used in the investment community because the value of a unit of such an entity is generally determined by the unit's yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). The economic substance behind our use of distributable cash flow before certain items and EBITDA before certain items is to measure and estimate the ability of our assets to generate cash flows sufficient to make distributions to our investors.

Our Certain Equity Investees, for the periods during which these are accounted for as equity method investments, include MEP, FEP, EagleHawk, Eagle Ford (2013-only), Red Cedar, El Paso Midstream (through Feb 2013), Bear Creek, EPNG (through Feb 2013), Cypress, Parkway, Sierrita, Webb/Duvall Gatherers, Liberty Pipeline, S. Dome (2013-only), Bighorn, Fort Union, and Double Eagle. We define distributable cash flow before certain items to be limited partners' pretax income before certain items and DD&A, less cash taxes paid and sustaining capital expenditures for KMP, plus DD&A less sustaining capital expenditures for our Certain Equity Investees, less equity earnings plus cash distributions received for Express and Endeavor, additional equity investees. Distributable cash flow before certain items per unit is distributable cash flow before certain items divided by average outstanding units. Segment distributable cash flow before certain items is segment earnings before certain items and DD&A less sustaining capital expenditures. In certain instances to calculate segment distributable cash flow, we also add KMP's share of DD&A less sustaining capital expenditures for our Certain Equity Investees. We define EBITDA before certain items as pretax income before certain items, plus interest expense and DD&A, including KMP's share of the DD&A of our Certain Equity Investees.

"Certain items" are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact, for example, goodwill impairments, allocated compensation for which we will never be responsible, and results from assets prior to our ownership that are required to be reflected in our results due to accounting rules regarding entities under common control, or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically, for example legal settlements, hurricane impacts and casualty losses. Management uses this measure and believes it is important to users of our financial statements because it believes the measure more effectively reflects our business' ongoing cash generation capacity than a similar measure with the certain items included. For similar reasons, management uses segment earnings before DD&A and certain items and segment distributable cash flow before certain items in its analysis of segment performance and managing our business. We believe segment earnings before DD&A and certain items and segment distributable cash flow before certain items are significant performance metrics because they enable us and external users of our financial statements to better understand the ability of our segments to generate cash on an ongoing basis. We believe they are useful metrics to investors because they are measures that management believes are important and that our chief operating decision makers use for purposes of making decisions about allocating resources to our segments and assessing the segments' respective performance.

We believe the GAAP measure most directly comparable to distributable cash flow before certain items and to EBITDA before certain items is net income. Segment earnings before DD&A is the GAAP measure most directly comparable to segment earnings before DD&A and certain items and segment distributable cash flow before certain items.

Our non-GAAP measures described above should not be considered as an alternative to GAAP net income, segment earnings before DD&A or any other GAAP measure. Distributable cash flow before certain items, segment earnings before DD&A and certain items, segment distributable cash flow before certain items and EBITDA before certain items are not financial measures in accordance with GAAP and have important limitations as analytical tools. You should not consider any of these non-GAAP measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Because distributable cash flow before certain items and EBITDA before certain items exclude some but not all items that affect net income and because these measures are defined differently by different companies in our industry, our distributable cash flow before certain items and EBITDA before certain items may not be comparable to similarly titled measures of other companies. Segment earnings before DD&A and certain items and segment distributable cash flow have similar limitations. Management compensates for the limitations of these non-GAAP measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

EPB Use of Non-GAAP Financial Measures

EPB

The non-generally accepted accounting principles, or non-GAAP, financial measures of distributable cash flow before certain items, both in the aggregate and per unit, and earnings before depreciation, depletion, amortization, or DD&A, and certain items, are included in this presentation. Our non-GAAP financial measures should not be considered as alternatives to GAAP measures such as net income or any other GAAP measure of liquidity or financial performance. Distributable cash flow before certain items is a significant metric used by us and by external users of our financial statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to the cash distributions we expect to pay our unitholders on an ongoing basis. Management uses this metric to evaluate our overall performance. It also allows management to simply calculate the coverage ratio of estimated ongoing cash flows to expected cash distributions. Distributable cash flow before certain items is also an important non-GAAP financial measure for our unitholders because it serves as an indicator of our success in providing a cash return on investment. This financial measure indicates to investors whether or not we typically are generating cash flow at a level that can sustain or support an increase in the quarterly distributions we are paying pursuant to our partnership agreement. Our partnership agreement requires us to distribute all available cash. Distributable cash flow before certain items and similar measures used by other publicly traded partnerships are also quantitative measures used in the investment community because the value of a unit of such an entity is generally determined by the unit's yield (which in turn is based on the amount of cash distributions the entity pays to a unitholder). The economic substance behind our use of distributable cash flow before certain items is to measure and estimate the ability of our assets to generate cash flows sufficient to make distributions to our investors.

We define distributable cash flow before certain items to be limited partners' pretax income before certain items and DD&A, less sustaining capital expenditures for EPB, plus DD&A less sustaining capital expenditures for Bear Creek, WYCO, Young Gas Storage and GLNG, our equity method investees, plus other income and expenses, net (which primarily includes deferred revenue, AFUDC equity and other non-cash items). Distributable cash flow before certain items per unit is distributable cash flow before certain items divided by average outstanding units. "Certain items" are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact, for example, goodwill impairments, allocated compensation for which we will never be responsible, and results from assets prior to our ownership that are required to be reflected in our results due to accounting rules regarding entities under common control, or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically, for example legal settlements, hurricane impacts and casualty losses. Management uses this measure and believes it is important to users of our financial statements because it believes the measure more effectively reflects our business' ongoing cash generation capacity than a similar measure with the certain items included. For similar reasons, management uses earnings before DD&A and certain items in its analysis of the performance and management of our business. We believe earnings before DD&A and certain items is a significant performance metric because it enables us and external users of our financial statements to better understand our ability to generate cash on an ongoing basis. We believe it is useful to investors because it is a measure that management believes is important and that our chief operating decision makers use for purposes of making decisions and assessing our performance.

We believe the GAAP measure most directly comparable to distributable cash flow before certain items is net income. Our calculation of distributable cash flow before certain items, which begins with net income after subtracting certain items that are specifically identified in the accompanying tables, is set forth in those tables. Net income before certain items is presented primarily because we use it in this calculation. Earnings before DD&A as presented in our GAAP financials is the measure most directly comparable to earnings before DD&A and certain items. Earnings before DD&A and certain items is calculated by removing the certain items attributable to the partnership, which are specifically identified in the footnotes to the accompanying tables, from earnings before DD&A. In addition, earnings before DD&A as presented in our GAAP financials is included on the first page of the tables presenting our financial results.

Our non-GAAP measures described above should not be considered as an alternative to GAAP net income, earnings before DD&A or any other GAAP measure. Distributable cash flow before certain items and earnings before DD&A and certain items are not financial measures in accordance with GAAP and have important limitations as analytical tools. You should not consider either of these non-GAAP measures in isolation or as a substitute for an analysis of our results as reported under GAAP. Because distributable cash flow before certain items excludes some but not all items that affect net income and because distributable cash flow measures are defined differently by different companies in our industry, our distributable cash flow before certain items may not be comparable to distributable cash flow measures of other companies. Earnings before DD&A and certain items has similar limitations. Management compensates for the limitations of these non-GAAP measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

KMI Use of Non-GAAP Financial Measures

KMI

The non-generally accepted accounting principles, or non-GAAP, financial measure of cash available to pay dividends is included in this presentation. This non-GAAP financial measure should not be considered as an alternative to a GAAP measure such as net income or any other GAAP measure of liquidity or financial performance. Cash available to pay dividends is a significant metric used by us and by external users of our financial statements, such as investors, research analysts, commercial banks and others, to compare basic cash flows generated by us to the cash dividends we expect to pay our shareholders on an ongoing basis. Management uses this metric to evaluate our overall performance. Cash available to pay dividends is also an important non-GAAP financial measure for our shareholders because it serves as an indicator of our success in providing a cash return on investment. This financial measure indicates to investors whether or not we typically are generating cash flow at a level that can sustain or support an increase in the quarterly dividends we are paying. Our dividend policy provides that, subject to applicable law, we will pay quarterly cash dividends generally representing the cash we receive from our subsidiaries less any cash disbursements and reserves established by our board of directors. Cash available to pay dividends is also a quantitative measure used in the investment community because the value of a share of an entity like KMI that pays out all or a substantial proportion of its cash flow, is generally determined by the dividend yield (which in turn is based on the amount of cash dividends the corporation pays to its shareholders). The economic substance behind our use of cash available to pay dividends is to measure and estimate the ability of our assets to generate cash flows sufficient to pay dividends to our investors.

We believe the GAAP measure most directly comparable to cash available to pay dividends is income from continuing operations. A reconciliation of cash available to pay dividends to income from continuing operations is provided in the appendix to this presentation. This non-GAAP measure described above has important limitations as an analytical tool. Our computation of cash available to pay dividends may differ from similarly titled measures used by others. You should not consider this non-GAAP measure in isolation or as a substitute for an analysis of our results as reported under GAAP. Management compensates for the limitations of this non-GAAP measure by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

KMP GAAP Reconciliation

(\$millions)

	2014B	2013		2014B	2013
<u>KMP Consolidated DCF Excluding Certain Items</u> ^(a)			<u>Total Distributions</u>		
Net income per GAAP income statement	\$ 3,082	\$ 3,281	LP distributions per GAAP cash flow statement		\$ 1,516
Certain items (net of minority interest)	(33)	(570)	Difference due to KMR and timing on cash payment ^(d)		745
Net income before certain items	3,049	2,711	Calendar-year LP declared distribution		<u>\$ 2,261</u>
DD&A	1,675	1,437	GP distributions per GAAP cash flow statement		\$ 1,694
JV DD&A ^(b)	86	87	Difference due to timing and minority interest		62
Express / Endeavor contribution	2	(5)	Calendar-year GP declared distribution		<u>\$ 1,756</u>
Book / (cash) tax difference	63	44	Total declared distributions (GP + LP)		\$ 4,017
Sustaining capex ^(c)	(438)	(327)			
KMP DCF ^(a)	<u>\$ 4,437</u>	<u>\$ 3,947</u>			
<u>Segment DCF Excluding Certain Items</u> ^(a)			<u>Debt Ratios</u>		
Segment earnings before DD&A (EBDA)	\$ 6,271	\$ 4,958	Long-term debt excluding market value of swaps		\$ 18,410
Certain items impacting segments	39	592	Notes payable & current maturities		1,504
Segment EBDA excluding certain items	6,310	5,550	Less: cash & equivalents		(377)
JV DD&A ^(b)	86	87	Debt, net of cash	<u>\$ 21,557</u>	<u>\$ 19,537</u>
Segment EBDA exc certain items, inc JV DD&A	6,396	5,637	EBITDA to interest	6.0x	6.1x
Segment sustaining capex without overhead ^(c)	(403)	(298)	Debt to EBITDA	3.7x	3.8x
Segment DCF	<u>\$ 5,993</u>	<u>\$ 5,339</u>			
<u>EBITDA Excluding Certain Items</u>			<u>Certain Items (Net of Minority Interest)</u>		
Net income per GAAP income statement	\$ 3,082	\$ 3,281	Gain on remeasurement of asset to fair value		552
Certain items (net of minority interest)	(33)	(570)	Pre-acquisition earnings allocated to GP		19
Net income before certain items	3,049	2,711	Acquisition costs		(35)
Income taxes	106	80	Legal reserves and settlements		(156)
DD&A	1,675	1,437	Mark-to-market, amort & ineffectiveness of certain hedges	(7)	(13)
JV DD&A - KM share ^(b)	86	87	Insurance deductible, casualty losses & reimbursements	47	35
Interest, net of interest income	979	850	Gain/Loss on sale of assets	-	170
EBITDA excluding certain items	<u>\$ 5,895</u>	<u>\$ 5,165</u>	Severance	(13)	(10)
			Other	6 ^(f)	8 ^(e)
			Total	<u>\$ 33</u>	<u>\$ 570</u>

(a) DCF = Distributable cash flow

(b) Includes KM-share of joint venture DD&A for MEP, FEP, EagleHawk, Eagle Ford (2013-only), Red Cedar, El Paso Midstream (through Feb 2013), Bear Creek, EPNG (through Feb 2013), Cypress, Parkway, Sierrita, Webb/Duvall Gatherers, Liberty Pipeline, S. Dome (2013-only), Bighorn, Fort Union, and Double Eagle

(c) Includes KM-share of joint venture sustaining capex for MEP, FEP, EagleHawk, Eagle Ford (2013-only), Red Cedar, El Paso Midstream (through Feb 2013), Bear Creek, EPNG (through Feb 2013), Cypress, Parkway, Sierrita, Webb/Duvall Gatherers, Liberty Pipeline, S. Dome (2013-only), Bighorn, Fort Union, and Double Eagle

(d) KMR distributes additional shares in lieu of cash

(e) Copano FV interest expense amortization and EPNG reserve adjustment

(f) Copano FV interest expense

EPB GAAP Reconciliation

(\$millions)

	2014B	2013		2014B	2013
EPB Consolidated DCF Excluding Certain Items ^(a)			Debt Ratios		
Net income per GAAP income statement	\$ 568	\$ 610	Long-term debt (before unamortized discounts)		\$ 4,179
Certain items (net of minority interest)	1	5	Notes payable & current maturities		77
Net income before certain items	569	615	Less: cash & equivalents		(78)
DD&A	233	197	Debt, net of cash	<u>\$ 4,764</u>	<u>\$ 4,178</u>
JV DD&A ^(b)	84	1	EBITDA to interest	3.8x	3.7x
Other	(11)	2	Debt to EBITDA	4.0x	3.8x
Sustaining capex	(47)	(39)			
EPB DCF ^(a)	<u>\$ 828</u>	<u>\$ 776</u>			
EBITDA Excluding Certain Items			Certain Items (Net of Minority Interest)		
Net income per GAAP income statement	\$ 568	\$ 610	Insurance deductible, casualty losses & reimbursements		(2)
Certain items (net of minority interest)	1	5	Severance	(1)	(1)
Net income before certain items	569	615	Taxes other than income penalties/interest		(2)
Income taxes	-	-	Other	-	
DD&A	233	197	Total	<u>\$ (1)</u>	<u>\$ (5)</u>
JV DD&A ^(b)	84	1			
Interest, net of interest income	312	300			
EBITDA excluding certain items	<u>\$ 1,198</u>	<u>\$ 1,113</u>			

(a) DCF = Distributable cash flow

(b) Includes KM-share of joint venture DD&A for Bear Creek, WYCO, Young (2014-only), GLNG (2014-only), and Ruby (2014-only)

KMI GAAP Reconciliation

(\$millions)

	2014B	2013
Cash Available to Pay Dividends		
Income from continuing operations	\$ 2,390	\$ 2,696
DD&A	2,040	1,806
Amortization of excess cost of investments	30	39
Income from equity investments	(420)	(392)
Distributions from equity investments ^(a)	760	740
KMP certain items (pre-tax)	(32)	(559)
KMI certain items (pre-tax)	5	55
Difference between cash & book taxes	221	105
Difference between cash & book interest expense ^(b)	30	14
Sustaining capital expenditures	(540)	(405)
KMP declared distribution on LP units owned by public	(2,314)	(2,031)
EPB declared distribution on LP units owned by public	(350)	(324)
Other ^(c)	(40)	(31)
Cash available to pay dividends	<u>\$ 1,780</u>	<u>\$ 1,713</u>

EBITDA Excluding Certain Items

	2014B	2013
KMP EBITDA Excluding Certain Items	\$ 5,895	\$ 5,165
EPB EBITDA Excluding Certain Items	1,198	1,113
KMI JV equity earnings	102	117
Addback Citrus book taxes net of cash taxes	51	48
KMI share of JV DD&A, excluding NGPL	118	239
Difference between NGPL eq earn and cash available	-	7
KMI G&A	(24)	(47)
KMI Corporate Other	(7)	-
	<u>\$ 7,333</u>	<u>\$ 6,642</u>

Debt Ratios

Net Debt		
KMI		\$ 9,830
KMP		19,537
EPB		4,178
Total Net Debt	<u>\$ 35,706</u>	<u>\$ 33,545</u>
Net Debt / Consolidated EBITDA	4.9x	5.1x

Consolidated Segment EBDA

EBITDA Excluding Certain Items	\$ 7,333	\$ 6,642
Addback:		
KMP G&A	558	521
EPB G&A	87	82
KMI G&A and Corporate other	31	47
KMP & 3rd party minority interest	50	31
Less: book taxes	(106)	(80)
	<u>\$ 7,953</u>	<u>\$ 7,243</u>

(a) Distributions from equity investments and distributions from equity investments in excess of cumulative earnings.

(b) Difference between cash and book interest expense for Kinder Morgan, Inc.

(c) Consists of timing differences between earnings and cash, and cash flow in excess of our distributions.

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